

CHAPTER 4*

RECONTEXTUALIZING THE NEW INSTITUTIONAL CONCEPTION OF THE STATE TO THE TURKISH CASE

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ABSTRACT

The aim of this chapter is to recontextualize the new institutional theory to the Turkish case, particularly concerning the role of the state in institutional processes. It argues that the liberal conceptualization of the state by the US-based institutional literature is not applicable to Turkey where a statist polity has prevailed. The findings of the institutional studies on Turkey indicate that the ambiguity in the role of the state, diversity and proto-institutions, and stable uninstitutionalization are more salient than the consistent state intervention, widespread isomorphism, and stable institutionalization. These challenges are also proposed as the research topics for the further advancement of the new institutional theory.

Keywords: new institutional theory, the state, liberal polity, statist polity, Turkey

Introduction

The center of global management knowledge, that is, the North Atlantic countries usually generate context-specific knowledge which aims at understanding local phenomenon with inductive research, and therefore, may not involve explicit contextualization because the context is taken for granted by the researcher (Tsui, 2004, p. 498). Through the mechanisms of intellectual imperialism and academic dependency (Alatas, S.H. 2000; Alatas, S.F., 2003; Altbach, 1987; Selvaratnam, 1988), scholars in the peripheral and semiperipheral countries generally employ theories developed by the center in this way

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in investigating organizational phenomenon in their own contexts without re-contextualizing them (Kipping, Engwall & Üsdiken, 2008/9). The result is the generation of knowledge that neither helps understanding organizational facts embedded within the native contexts nor contributing to the conceptual development of global organizational knowledge. What it is needed, according to Tsui (2004), is more context-specific, or indigenous, research that involves the highest level of contextualization by going beyond the bounds of existing theories. However, this does not mean that management scholars outside the central countries should close their minds to genuine knowledge from any part of the world. Alatas, S. F. (2000, p. 27) suggests that scholars at the periphery should assimilate as much as possible from all sources, from all parts of the world, but they need to do this with an independent critical spirit. It is also suggested that indigenous research may begin with an existing model or constructs; however they should also strive not to be bounded by a priori conceptual frameworks (Tsui 2004, p. 501). This requires a critical evaluation, or re-contextualization, of organization theories developed at the center before using them to understand local phenomenon at the periphery.

In this regard, the new institutional theory (NIT) seems to be one of the best candidates to recontextualize to different national contexts because an emerging institutional literature (for instance, Özen and Özen, 2009; Özen and Akkemik, 2012) has provided some indications that certain assumptions behind the arguments of NIT, regarding institutionalization, isomorphism, and institutional change processes, may not hold for the peripheral context. For example, examining institutional change in the Turkish gold-mining field, Özen and Özen (2009) concluded that the conceptualization of the state as an arms-length stabilizing actor, commonly held within US-based institutional studies, does not work in the Turkish case. Similarly, recent studies have shown that the state plays a dominant role in shaping organizational behaviors in peripheral and semi-peripheral contexts, much more than US-based studies have reflected (Suhomlinova, 2007; Child, Lu, and Tsai, 2007; Kipping, Engwall, and Üsdiken, 2009; Krücken, 2007). Clegg (2010) also argues that North-American institutional theory has neglected the power of the state in its institutional accounts by preoccupying with the normative and mimetic isomorphism mechanisms.

It is not surprising that this literature commonly consider the role of the state in institutional processes as the problematic space where empirical findings from the periphery frequently contradict with the assumptions of North-American institutional theory. This is because institutional processes are embedded within the political organization of a society, or polity, which involves the governance of the state-society relationships (Jepperson and Meyer, 1991). Since modern societies have different polities that vary with respect to state-society relationships, such as *liberal*, *statist*, *segmental*, and *corporatist* polities, the involvement of the state with institutional processes are expected to vary (Hamilton and Biggart, 1988; Jepperson and Meyer, 1991; Shenhav, 1995; Dobbin, 1994). For instance, the state within a liberal polity, usually depicted as an instrument for the expression of societal interests and choices, is expected to be a regulator distant to organizational fields, whereas the state in a statist polity, seen generally as the dominant actor articulating the general will of the society, is expected to be involved directly with the formation of fields (Jepperson and Meyer, 1991).

Except for the above studies, NIT research has largely neglected how different polities embrace different institutional processes. It has usually focused on the Anglo-American countries where liberal polity has been prevailing (Tempel and Walgenbach, 2007). Due to the preoccupation with liberal polities, NIT has a biased view concerning the conceptualization of the role of the state in institutional processes (Özen and Akkemik, 2012; Özen and Özen, 2009). We maintain that, given the fact that the polity characteristics differ across countries, the theory is not capable of explaining organizational realities in those countries within which the polity characteristics differ from liberal polity. Thus, if NIT is to be utilized to understand the institutional processes within different polities, the liberal polity assumptions underlying its main arguments need to be deconstructed, and then re-contextualized in the light of the differing polity characteristics of the country in focus. In this chapter, I attempt to do this by focusing on the Turkish case, where the statist polity has prevailed - despite the recent liberalization policies. The main contribution of the present chapter is to make sense of the findings of recent institutional studies within Turkey in relation to re-contextualizing NIT, and more importantly, to explore new research issues that can be studied from an NIT perspective with the context of a statist polity.

Polity Assumptions in the New Institutional Theory

Although there has not been an explicit claim in the new institutionalism literature that its assumptions, constructs, and models have universal applicability, it is also the case that there has been no reflection on theories specificity with respect to the US context or North-American polities. In contrast, its focus on such supposedly universal social and political processes as modernization and rationalization generates a false impression that its arguments would be valid for every context in which these processes have been experienced. However, the new institutional studies have implicitly invoked liberal polity assumptions to underpin its main arguments. These assumptions are apparent and can be explored in both theoretical and empirical studies in the new institutional literature.

According to the classics of NIT (Meyer and Rowan, 1977; DiMaggio and Powell, 1991), the state is a rationalizing and homogenizing actor affecting the emergence and diffusion of formal organizing in order to standardize and control social units. The state, together with the professions, is “the great rationalizer” of the modern nation-states (DiMaggio and Powell 1991, p. 64). The state and the professions “construct and legitimate organizational goals, standardize and distribute resources (tax laws, monetary policy, support for the banking system), and develop and maintain systems of bureaucratic control (personnel policy and labor law)”, and create the corporate form (Powell, 1991, p. 188).

This conceptualization of the state presumes that the state is *able* to set the conditions that shape organizational structures and practices. The institutional empirical studies in the US have also reflected the role of the state in a similar way and purport to show its direct effect. In one of the earliest studies, Rowan (1982) argued that those administrative structures in the district schools that had been supported consistently by the state and the professional organizations were more widespread and persistent. Similarly, DiMaggio (1983) pointed out that the federal government’s policy led to isomorphism among art museums by providing funds for the exhibition-oriented museum model. The federal government also contributed to the formation and diffusion of formal personnel regimes

among organizations for the purpose of increasing labor efficiency (Baron, Dobbin, and Jennings, 1986; Dobbin, Sutton, Meyer, and Scott, 1993). Furthermore, other studies emphasized that the government arranged corporate mergers (Stears and Allan, 1996), shaped competitive behavior in the railroads industry (Dobbin and Dowd, 1997), and enforced the emergence of the new organizational form in the health sector (Scott, Ruef, Mendel, and Caronna, 2000). We argue that these studies have commonly represented the state as the actor who, either coercively or normatively, leads organizations to adopt new forms and practices that are thought to be more effective and efficient. The state takes the necessary measures in a *consistent* way that enhances social control through instrumental rationality. Thus, the new institutional studies generally conceptualize the state as the actor that is *able* to design and enforce the rules of the game, and the legitimate organizational behaviors by articulating the economical and political ideologies dominant in the society (Fligstein 1990, p. 296).

Another characteristic of the state concept in NIT is related to its position in organizational fields. New institutional studies have generally considered the state as an actor *external* to organizational fields. Inspired by the US institutional environment, Fligstein (1991, p. 314) argues that even though the state is not a direct participant in the field, it can set the rules of the game for any given organizational field. He also argues, “It can mediate among organizations in the field and attempt to act in the interests of *all* organizations in order to stabilize the fields” (p. 314, italics added). However, this does not mean that the state is absolutely more powerful than the other actors in the field. For instance, in the higher education field in the US Brint and Karabel (1991) evaluated the role of the state as indirect and ranked the power of the state in third place after the four-year education organizations and companies in the field. Fligstein (1990) also found that the diffusion of the multidivisional structure among the large US corporations was the *indirect* consequences of the laws enacted by the state in order to construct a more competitive market system. Hoffman (1999) also reported that the institutional change in environmentalism in the US was a product of the interactions between many actors such as NGO’s, activists, companies, and the state with its judicial, legislative, and executive bodies. Thus, the state is not the actor that determines the fields, but one of the influential actors.

Finally, new institutional studies have generally seen the state as the source of *planned* stability and change. As mentioned above, the state provides certainty by setting the rules of the game (Fligstein, 1991, p. 314). On the other hand, it is also a reformer that changes the rules of the game according to political, economical, and social changes (Strang and Sine 2002). The state can sometimes create shocks and cause unexpected consequences (Fligstein 1991). However, such changes and uncertainties do not emanate from *arbitrary* actions by the state or disorder: they are rather the consequences of planned and managed governmental policies required by new conditions or of conflicting practices of governmental bodies within the complex structure of the state (Powell, 1991, p. 196). For instance, Schneiberg (2007) examined the infrastructure field in the US, and concluded that the important source of the change in this field was the different applications in different states.

We can summarize by suggesting that institutional studies conceptualize the state as follows: (1) the state is able to set and enforce the rules of the game in a manner that is coherent with the dominant ideologies in a given society, (2) it is external to the fields and the mediator between actors with conflicting interests, and (3) it is the source of planned stability and change in fields. These characteristics largely represent the state in the liberal polity where the role of the state is limited in forming the interests and choices of social groups; it is rather an instrument of expression for societal interests, and the state and society are intertwined (Jepperson and Meyer, 1991, p. 216). It resembles “the arm’s length state” in the liberal polity that prefers to establish formal rules of the game without intervening directly into market mechanisms (Whitley, 2005, p. 196). The state is expected to maintain stability by articulating the demands of various social groups from which it is equally distant.

Drawing upon these conclusions, I do *not* argue that US-based institutional studies have adopted this conception of the state because they just reflect the US polity *in practice*. The case is more complicated. For instance, contrary to the mediator state assumption above, critical studies on the US polity have long argued that the people at the pinnacles of political, economic, and military institutions, and the interorganizational networks have dominated the U.S. political economy (Benson, 1975; Mills, 1959; Zeitlin, 1974). Therefore, it may be naive to believe that the US government is a

mere neutral arbitrator between the social classes although the US polity has always been conceptualized as a typical liberal polity (for instance, Jepperson and Meyer, 1991). NIT has long been criticized for neglecting the power structure in the society. For instance, Perrow (1986) and Hirsch (1997) are critical of NIT for neglecting how institutions are shaped by the power elites, and for being persistently indifferent to the strong capacity of large and powerful organizations to influence governmental policies. To investigate why NIT neglects power structure is beyond the scope of this study. However, what immediately comes to mind as one of the reasons for this neglect is the institutional structure that has conditioned the production of management knowledge. First, organization theories have generally been produced within business administration departments that have typically been dependent upon funds provided by the powerful organizations that have a stake in maintaining the existing system. Therefore, this dependence may have blocked the generation of knowledge critical to the existing system. Second, the hegemony of liberal ideology and the structural-functional paradigm in the US organizational scholarship (see Üsdiken and Pasadeos, 1995) may have conditioned the scholars' conceptualization of the state in a liberal way, even if the reality may not match with this conceptualization in some respects.

What is more important for the present chapter is, in fact, the consequences of, rather than the reasons for, the current polity bias in NIT. The Western theoretical models are too frequently taken for granted by scholars in the periphery without independent critical spirit, and applied to their native context (Alatas, S.F., 2003), although there have been a few instances of resistance (see, Srinivas, 2009). This academic dependency has, among other things, resulted in a displacement of attention from the issues that should be of vital concern to the countries of the periphery (Alatas, S. H. 2000). In other words, since the scholars at the periphery look at their reality through lenses borrowed from the North Atlantic center, they may conceive local facts in a partial, distorted or irrelevant way. To give an example for the new institutional theory, which is the focus of this paper, taking for granted the polity assumptions implicit in NIT, a scholar from the periphery may irrelevantly preoccupy themselves with such topics as conformity, isomorphism, and stable institutionalization although there may be

excessive de-coupling, diversity, and persistent instability that may emanate from the polity characteristics differing from the liberal polity.

Institutional research on different polities, particularly statist polity, has usually concluded with the results constituting a challenge to the role of the state largely assumed by US-based institutional studies. Contrasting with a liberal polity, in statist polities such as France till the 1980s, China, South Korea, the state exists “as both the model of organizing rationality and the location for the articulation of the general will of the society’s actors” (Jepperson and Meyer 1991, p. 216). For instance, in South Korea the state played a crucial role in the creation of entrepreneurs and business organizations as well as organizational fields (Hamilton and Biggart, 1988). As compared to England and the US, the government in France played a more active role in organizing the railroad industry (Dobbin, 1994). The study by Suhomlinova (2007) on the oil industry of Russia also implies that the government in a statist system is not a secondary or indirect element in the business environment, but it is rather an active player that very much forms and shapes the institutional landscape. Similarly, Child, Lu, and Tsai (2007) found that in the formation of an environmental protection system as a field in China, the state and its agencies dominated the process as the principal institutional entrepreneurs, in contrast with the evolution of the same field in the U.S. (see, Hoffman, 1999).

These studies imply that NIT developed at the center needs to be critically evaluated in terms of underlying assumptions through a consideration of the political, economical, cultural contexts of the country where it is utilized. Furthermore, and perhaps more crucially, the institutional processes ignored by NIT in these different polity contexts should be revealed. We need to offer one caveat before discussing the validity of the state conception of NIT for the Turkish context and that is that although categorizations such as the statist or liberal polities are useful conceptual tools, they should be regarded as ideal types and as such none of the countries holds all characteristics of one specific polity case. The situation is more complex and blurred as indicated by the examples from the US polity noted above. Similarly, Turkey, despite its resemblance to the statist polity, has been changing toward a more liberal system, and also has its own idiosyncrasies due to the conflicting nature of this

transition. Therefore, I use the statist category below for the sake of convenience to illustrate the Turkish case, rather than as a fixed and generalizable explanatory category.

Examining NIT Polity Assumptions in terms of Turkish Polity

The studies on the Turkish polity, despite their differences, have commonly emphasized that the Turkish polity has always been state-centered despite the liberalization policies implemented since the early 1980s (Berkman and Özen, 2008; Özen and Akkemik, 2012; Buğra, 1994; Heper, 1991). The state in Turkey has always been hostile towards the demands of interest groups, and has traditionally had a top-down governing style (Heper, 1991; Özen and Özen, 2009). This has been a common characteristic of the statist polities where the state and society are clearly separated, and the society is seen as “irrational and chaotic in itself” that limits the state (Jepperson and Meyer, 1991, p. 216). Furthermore, the liberalization experience in Turkey did not lead to a society-centered polity; instead it led to party-centered polity where paternalistic relations with social subgroups have remained (Heper, 1991, p. 20). Similarly, the particularistic and rents-creating relations between the state and big business have always been prevalent in Turkey (Demir, 2005; Özen and Akkemik, 2012). Concerning these characteristics of the Turkish polity, we reconsider NIT polity assumptions described above, namely, the state as an actor which is (1) able to set and enforce the rules of the game, (2) external to the fields and mediator between conflicting groups, and (3) the source of planned stability and change in the fields.

Is the state in Turkey able to set and enforce the rules of the game in a manner coherent with the dominant ideologies in the society? As suggested in Özen and Akkemik (2012), although the state in a statist polity is usually said to be a ‘strong state’, this does not necessarily imply that the state is *able* to provide a stable institutional infrastructure necessary for the structuration of the fields. The state may be strong in the sense of making policy decisions independently of the interests of societal actors, but at the same time have a low level of capacity in effectively formulating and implementing public policies (Buğra, 1994, p. 18). Comparing Turkey with some other late-industrializing countries,

Buğra (1994) concluded that while the Turkish state enjoyed significant autonomy, as in South Korea and Taiwan, it had a low level of capacity in implementing a coherent, systematically pursued industrial strategy. This low level of policy formulation and implementation capacity may emanate from the lack of financial resources and managerial capability as well as the national and international dependencies of the state. Özen and Akkemik (2012) argue that conflicting internal and external imperatives may give rise to contradictory state interventions. For instance, under the influences of external and internal dependencies, the state may adopt conflicting economic policies, such as stabilization versus growth, or liberalization versus protection, which may result in economic rents as frequently happened in Turkey. Thus, I can say that the first assumption of the new institutional studies on the role of the state may not be valid for Turkey.

Is the state in Turkey external to the fields and does it function as the mediator between actors with conflicting interests? The state in Turkey is a dominant developmental state (Whitley, 2005) that has had a leading role in economic development not only by establishing institutional structures, but also through intervening into the markets as an economic actor. Thus, it is clearly not an actor external to the market, but is itself an actor *within* fields. For instance, it has created big businesses directly and indirectly through long-term credits, subsidized inputs, tax-exempts, protectionist policies, and governmental biddings (Buğra, 1994), and this policy has recently prevailed in various forms despite the adoption of liberal economic policies since the 1980s (Jang, 2006). Furthermore, it has been an economic actor itself competing with private companies it created through its public enterprises; not only in raw material and input producing industries, but also in consumption goods industries. Rather than being a mediator between social groups with conflicting interests, the Turkish state itself has been an omnipotent entity attempting to transform the society by directly intervening in a top-down fashion into the social, economic, and cultural spheres of life according to its developmentalist-modernizing ideology. In doing this, the governments have also developed clientelistic relations with their party constituencies by providing rents in return of their political support (Heper, 2002). It can be concluded, then, that, the state in Turkey is not an actor external to the fields, and a mediator between societal groups with conflicting interests.

Is the state in Turkey the source of planned stability and change? As usually expected from a modern state, the answer to this question would, in general terms, be affirmative. However, due to its patrimonial characteristic (Özen and Akkemik, 2012), the Turkish state has intervened into the economic and social life arbitrarily. Combined with politicized bureaucracy, this led to state interventions that entailed frequent modifications in the institutional parameters of the business environment, often according to the requirements of daily politics or particularistic interests of party constituencies (Buğra, 1994, p. 22). These characteristics of the government have still been maintained during the last decade in which the ruling political party, moderate-Islamist Justice and Development Party (*Adalet ve Kalkınma Partisi, AKP*), has had strong ties with emerging Islamic business elites, resulting in their privileged treatment by the government (see Başkan, 2010; Buğra and Savaşkan, 2010; Jang, 2006). Therefore, statist polity characteristics such as patrimonialism and clientelism indicate that the Turkish state frequently creates instability in economic and social life with its unpredictable and arbitrary actions. Thus, the third assumption of NIT may not also be true for the Turkish case.

Some Lessons from Institutional Studies on Turkey

A considerable number of scholars in Turkey have recently employed the new institutional framework in order to explain various institutional processes in Turkey. In this section, I report the results of my analysis on these studies by critically evaluating their findings in order to draw insights relating to the validity of the new institutional polity assumptions for Turkey. Reviewing the relevant studies, I conclude that their findings provide significant challenges to the assumptions of NIT, particularly on the role of the state in institutional processes. These are (1) ambiguity, instead of consistency, in the rationalizing role of the state, (2) diversity and proto-institutions instead of isomorphism, and (3) stable uninstitutionalization instead of stable institutionalization.

Ambiguity, instead of Consistency, in the Rationalizing Role of the State

The findings of the new institutional studies on Turkey (for instance, Özen and Özen, 2009; Özkara and Özcan, 2004; Üsdiken, 2003) suggest that the role of the state in rationalizing and homogenizing the society is ambiguous. The Turkish state has excessively rationalized certain fields on the one hand, but; it has played this role at the minimum level in some other fields on the other. For instance, the study of Özkara and Özcan (2004) on the institutionalization of the accounting profession found that the state has played a crucial role in forming and changing the accounting field by enacting laws and enforcing certain organizational forms. In this case, the dominant institutional actor was the government, instead of professional associations and accounting companies which can be crucial actors in changing the same field in a more liberal polity, for instance Canada (see Greenwood, Suddaby, and Hinings, 2002). Furthermore, Üsdiken (2003) showed that the Turkish government has homogenized the Turkish higher education field, particularly since the early 1980s, through a central organization, the Council of Higher Education. This council, for instance, has even intervened into the curriculum and the recruitment and promotion criteria for academics. Similarly, Koç, Aytemur, and Erdemir's (2011) study on Turkish football as an organizational field concluded that the state has been the most important actor, despite its changing impact over time: it founded and administrated the football clubs, decided which club would be the champion, and authorized the regulative agency entitled with the autonomy.

Although the state has rationalized some fields to a large extent, it has been reluctant to intervene into some other fields. For instance, according to Buğra's (1998) study on the formation of the consumer durables industry in Turkey, the state was reluctant to establish institutional infrastructure that would make the transactions in this field possible. Instead, a manufacturing company formed the field on the basis of relational trust by using their embedded relations with dealers. The study of Kalemci and Özen (2011) also showed that the Turkish state had almost done nothing, except for imposing censorship mechanisms, in forming the Turkish film industry until the 1990s. Similar to the consumer durables industry, producers, distributors, and movie theater owners have formed a field based on embedded relations, which inherently involved exploitations. Furthermore, Erçek (2004), Özen (2002a, 2002b), and Özen and Berkman (2007) indicated that the

state has not played a significant role in the diffusion of personnel management, HRM and total quality management practices in order to rationalize the use of the labor force in organizations, in contrast to the significant role played by the US government for the diffusion of similar practices (see Baron et al., 1986; Dobbin et al., 1993; Lawler, Mohrman, and Ledford 1992).

In conclusion, the Turkish state's role in rationalizing and homogenizing the organizational fields is ambiguous due to its priorities, or the problem of policy-making capacity, or clientelism. The institutional studies on the North Atlantic countries, on the other hand, seem to suggest that the state in liberal polities construct consistently, and from a distance, the institutional infrastructure for almost all organizational fields through normative and coercive isomorphic processes. In contrast, the state in Turkey may be absent in some fields, but, when it intervenes in some other fields, it *directly* determines not only the institutional infrastructure, but also the functioning of the fields. One consequence of this ambiguity in the role of the state is that formal organizing in the society may be isomorphic to the state structure in some fields as usually happened in the statist polity (Jepperson and Meyer, 1991, p. 223), but in some other fields may be isomorphic to foreign organizational structures imported by local actors from the West, or in other fields may emanate from informal organizing embedded in the structure of social relations. This signals the prevalence of diversity, rather than isomorphism, in the fields in Turkey.

Diversity and Proto-Institutions instead of Isomorphism

Based on the findings of his study on HRM and personnel management discourses in Turkey, Erçek (2004) argued that the basic assumption of NIT - that an institutional change towards isomorphism requires a structured macro infrastructure composed of the state, professions, companies and their interactions - may not be true for the peripheral countries like Turkey. Erçek indicated that due to the lack of this infrastructure, different, sometimes conflicting, actor networks in the same field in Turkey have transferred from abroad and promoted diverse practices that are supposed to solve similar problems, for instance, personnel management vs. HRM for improving labor productivity. Therefore, there have always been diversities and proto-institutions instead of isomorphism in the fields in

Turkey. Similarly, the studies of Üsdiken and his colleagues (Üsdiken, 1996; Üsdiken, 2003; Üsdiken and Erden, 2001; Üsdiken and Pasadeos, 1993) found that the academic literature on organization and management in Turkey involve the prevalence of competing institutional logics that were transferred by different actor networks from the Europe and the US in different historical periods, namely, contextualized vs. universal management education logics.

In addition to the diversities in terms of different practices or logics transferred from abroad, there have also been diversities, instead of isomorphism, that emanate from the conflicts between the transferred logics and locally embedded logics. For example, Özen (2008) found that the conflicts between the liberal competition policy of the European Union introduced into Turkey in 1997 and its historical state-dependent characteristics resulted in a diverse series of inconsistent implementations varying from compliance to the liberal logic, its translation, bricolage between the liberal and statist logics, to avoidance of the liberal logic for different industries and cases. As another example, Koç and Vurgun (2012) found that two competing logics, servant and commercial logics, presently live together in the Turkish healthcare field without replacing each other: the former logic is the existing logic which emphasizes the public provision of healthcare services whereas the latter one is the new logic which involves a private-business-like management of healthcare. In conclusion, as suggested by Jepperson and Meyer for peripheral countries (1991), Turkey is a place where conflicting local logics and logics imported from different parts of the world live together, resulting in diversities and proto-institutions.

Stable Uninstitutionalization instead of Stable Institutionalization

Turkey can be considered as a modernization project where the central elites, who identified with the West, attempted to transform in a top-down fashion the ‘traditional’ society into a ‘civilized’ nation (Heper, 1977). Therefore, there have always been conflicts between the higher order institutional logics such as democracy, bureaucracy, corporation, market, family, and religion (Thornton and Ocasio, 2008); for instance, conflicts between an Islamic way of life vs. secularism, rights and liberties vs. duties and obligations to the state, the demands for ethnic rights vs. homogenous nation. These

continuous conflicts are labeled by Jepperson and Meyer (1991) “stable instability”, which means that the conflicts between the modern institutional structures imported by the central elites from the West and the traditional structures of the peripheral social groups may cause episodic cycles of protest and disorder. The net result of these episodic cycles of conflicts would be *uninstitutionalization*. Inspired by the definition of institutionalization by Jepperson (1991, 144-145), I mean by uninstitutionalization the process by which sequences of activities fail to become self-producing and routinely enacted by being established and standardized. By entitling their paper *The Weakness of a Powerful State: The Un-institutionalization History of Turkish Football Field*, Koç, Aytemur, and Erdemir (2011) tell the story of how the Turkish football field failed to become institutionalized, even over a long period of years. Here, uncertainties emanated from the weakness of the strong state, patrimonialism, and clientelism are crucial in this stable uninstitutionalization (Özen and Akkemik, 2012) since uncertain conditions consistently lead to a high level of opportunism, which refers to the acting according to the particularities and exigencies of the given conditions, which is detriment to the persistence of rules, practices, and structures, i.e., their institutionalization.

As mentioned above, it can be argued that the most characteristic behavior of the Turkish government has been its opportunism, which means acting according to the requirements of daily politics or particularistic interests of party constituencies at the expense of conforming norms and regulations (Buğra, 1994). Özen and Özen (2009) showed that the Turkish government may extend the realm of opportunistic behavior, even to the extent of violating the rule of law: in order to maintain its liberal mining policy, it did not conform to the rulings by the Council of State and administrative courts for the closure of a gold mine. The uncertainties that are created by this opportunistic style of the state may also lead to opportunistic behaviors on the part of industrial firms. Özen and Akkemik (2012) suggest that illegitimate corporate behaviors in the Turkish context, such as speculation, rent-seeking, and pursuing non-operating revenues, may have been institutionalized as a behavior that is continuously reproduced by industrial firms in order to survive under the circumstances where there have been both uncertainties and opportunities largely created by the statist polity characteristics such

as strong state with a weak policy-making capacity, patrimonialism, and clientelism. Thus, the Turkish case implies that opportunism itself may have been institutionalized.

Another consequence of the persistent instability caused by state-society conflict would be a widespread decoupling. Jepperson and Meyer (1991, p. 224) suggest that, given societal opposition to organizational structures defined by the state, there is an extensive ‘decoupling’ in the statist polity: society pretend to adopt, or ceremonially adopt (Meyer, 1977), structures or practices imposed by the state in a top-down fashion by de-coupling them from the actual activities for the sake of optimizing legitimacy and efficiency concerns. Recent research has shown that extensive decoupling has occurred in the process of adopting environmental protection measures (Küskü, 2004), corporate governance (Üsdiken and Yıldırım-Öktem, 2008), and total quality management (Özen, 2002b) in Turkey. For instance, although the Turkish government has forced family-owned big business groups to increase the ratio of independent members within their boards of directors as a corporate governance practice, business groups ceremonially adopted this practice by including more ‘independent’ members into the boards, but they were not actually independent due to their close informal ties with owning family, thus maintaining owning families’ dominance in the boards of directors (Üsdiken and Yıldırım-Öktem, 2008). Similarly, most Turkish industrial companies adopted TQM ceremonially by pretending to conform a complete model of TQM without any customization, but implementing it in a limited number of departments in their organizations (Özen, 2002b).

Conclusion

Reviewing the institutional studies in relation to Turkey in this chapter, I found that they suggest significant challenges to the propositions of the NIT promulgated as the orthodoxy in the centre. These challenges are apparent in and through: the presence of ambiguity instead of consistency in the rationalizing role of the state; diversity instead of isomorphism, and stable uninstitutionalization instead of stable institutionalization. These challenges can also be considered as important research topics that could contribute to a better understanding of institutional processes in different national

contexts. In working to recontextualize NIT for peripheral countries having statist characteristics, I would suggest focusing on why and how the state plays an ambiguous role in the institutional processes by dominating the other actors in some fields but totally disappearing in some other fields. Furthermore, it would be worth studying how informal structures and organizing are involved in the institutional processes where the state is surprisingly absent. Pursuing the diversities, rather than isomorphism, in the form of translation and bricolage would be a more appropriate research topic at the periphery. Resembling a garbage can where diverse logics or practices imported from the center by different actors at different times conflict or live together with local logics or practices, the peripheral context is the most appropriate space to study this issue. This provides an opportunity for a better understanding of how local actors make sense of, or translate, new practices through their local meaning systems, and integrate them with existing local practices, or use both new and existing practices in a patchy way (Campbell, 2004). Furthermore, why practices and structures do not become institutionalized, although they may be widely adopted for relatively long periods of time in a field is also worth studying, given the overemphasis on institutionalization or deinstitutionalization in NIT. This issue is interesting because it implies a challenge to the assumption widely held in the North American institutional theory suggesting that practices become more institutionalized as they become widespread and are adopted for longer periods of time (see Tolbert and Zucker, 1983). The case of persistent uninstitutionalization suggests, in contrast, that the institutionalization of practices may not be a function of their widespread diffusion and their adoption duration. To explain how opportunism, which contradicts with institutionalization, becomes an institutionalized way of doing things would also enhance our understanding of why the institutionalization of transferred logics and practices fails most of the time within the peripheral context. Related with this issue, I finally propose that studying the widespread merely ceremonial adoption within peripheral contexts would be a key to understanding continuous change, opportunism and uninstitutionalization because widespread ceremonial adoption may be both the antecedent and consequence of these processes.

Studying these topics would also be helpful in understanding institutional processes in other polities. As I mentioned earlier, the conceptualization of the state in NIT as a homogenizing and

stabilizing, arm's length actor may not reflect truly the real politics in the North American countries. This conceptualization may be rather due to the liberal political ideology and functionalist paradigm dominant among the North American scholars. Therefore, bringing the state back in may help overcome the neglect of power and agency in NIT, which has been its enduring neglect, and provide a better explanation of institutional processes even in liberal polities (see Barley, 2010; Clegg, 2010; Zietsma and Lawrence, 2010). Clegg (2010) also argues that it should be difficult to disregard the role of the state anymore, "given the widespread rediscovery of the neo-Keynesian role of the state by governments such the United States, Australia, and the United Kingdom in their response to the crises" and also their central role in an emerging "audit society" (p. 11). This also implies that there may be a convergence in the role of the state within different polities towards the one engaging more actively in restructuring organizational fields as a response to the global financial crises.

Finally, I need to emphasize that my intention in this study was neither to seek to invalidate NIT nor to propose a new (new) institutional view proper for the peripheral and/or statist countries. My intention was simply to show that the liberal conception of the state widespread in North American institutional studies, provides little help in understanding the institutional processes in Turkey, which is a peripheral country with statist characteristics. As I mentioned earlier, I used the categories of liberal and statist polities as the conceptual tools to show the cross-country differences more conveniently. These categories, together with 'periphery' and 'centre', are, in fact, too broad, and do not reflect complexities, dynamics, and idiosyncrasies within each country. For instance, some characteristics that are said to represent the Turkish polity, such as direct intervention of the state into the fields, clientelistic relations between the government and big businesses, and governmental action violating the rule of law, can also be observed in more liberal polities, such as the US, UK, and Australia. The rescue of the automotive companies by the US government between 2008 and 2010, the authoritative and corrupted governmental actions in the era of the Bjelke-Peterson administration in the state of Queensland in Australia (Clegg, 2010), are just a few examples to illustrate. Therefore, I should say that the propositions developed in this study cannot be easily generalized to other peripheral countries with statist polity. Hence, the scholars from other peripheral countries should

recontextualize NIT by considering the polity characteristics prevalent in their own countries. The contribution of this study would be more significant if it can inspire these efforts.

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