POLITICAL OPPORTUNITY, ORGANIZATIONAL INFRASTRUCTURE AND ORGANIZATIONAL FOUNDING: TRADE UNIONS IN ISTANBUL AND ANKARA, 1947-1980

by

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Previous ecological research pointed to the ways political influences and population dynamics may interact to shape organizational survival. This body of research, however, primarily concentrated on how political processes shape the population dynamics, especially competitive and (de)legitimating relations between organizational forms. Though some of the ways in which population level processes moderate political processes have been recognized, these ideas have remained untested. This study is an attempt to extend research on political influences and population dynamics by examining whether organizational infrastructure, construed as a density dependent subpopulation level process, moderates the impact of particular changes in the political environment, namely changes in the legal framework and political turmoil, on the rate of organizational founding.

The analyses were carried out using event history methods and data on all unions that were founded in İstanbul and Ankara, two major centers of unionism in Turkey, during the 1947-1980 period. The local character of most unions founded in İstanbul and Ankara during the period and regulation that stipulated industry-based organization

allowed for investigating the infrastructural process, and its interaction with political opportunity, by using ecological (density dependence) models.

Findings revealed that union founding rate was significantly shaped by alterations in political opportunity generated by changes in the legal framework and political turmoil and strength of organizational infrastructure. Moreover, interaction between political opportunity and organizational infrastructure was found to be significant. Findings showed that organizational infrastructure moderated the influence of enhancement in political opportunity due to change in the legal framework.

SİYASİ FIRSAT, ÖRGÜTSEL ALTYAPI VE ÖRGÜT KURULUŞU: İSTANBUL VE ANKARA'DA İŞÇİ SENDİKALARI, 1947-1980

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Geçmişte yapılmış ekolojik araştırmalar, siyasi etkenler ve topluluk dinamiklerinin etkileşiminin örgütlerin varlıklarını sürdürebilmeleri üzerinde etkisinin olduğunu göstermiştir. Ancak bu araştırmalar daha çok siyasi süreçlerin topluluk dinamiklerini, özellikle de topluluklar arası rekabetçi ve (gayri)meşrulaştırıcı ilişkileri, nasıl biçimlediğine eğilmiştir. Topluluk seviyesindeki süreçlerin siyasi süreçler üzerindeki bazı biçimleyici etkileri üzerinde durulmuş olmakla birlikte, bu fikirler sınanmamıştır. Bu çalışma, yoğunluk bağımlı bir süreç olarak tanımlanan örgütsel altyapının siyasi ortamdaki bazı değişikliklerin (yasal düzenlemelerdeki değişikliklerin ve siyasi karmaşanın) örgüt kuruluş oranı üzerindeki etkisini biçimleyip biçimlemediğini inceleyerek siyasi etkenler ve topluluk dinamikleri üzerine olan yazına katkıda bulunmayı amaçlamaktadır.

Analizler vak'a tarihi yöntemleri ve 1947-1980 döneminde Türkiye'nin en önemli iki sendikal merkezi olan İstanbul ve Ankara'da kurulmuş tüm sendikalar üzerine veriler kullanılarak yapılmıştır. İstanbul ve Ankara'da söz konusu dönemde kurulmuş sendikaların çoğunun yerel olması ve yasal düzenlemelerin işkolu sendikacılığını şart

koşması, altyapısal sürecin ve bu etmenin yasal düzenlemelerdeki değişikliklerin ve siyasi karmaşanın şekillendirdiği siyasi fırsatla etkileşiminin, ekolojik (yoğunluk bağımlı) modeller kullanılarak incelenmesine olanak vermiştir.

Bulgular sendika kuruluş oranının siyasi fırsatın seçilmiş boyutları ve örgütsel altyapı tarafından önemli ölçüde belirlendiğini göstermiştir. Ayrıca, siyasi fırsat ile örgütsel altyapı arasındaki etkileşim de anlamlı bulunmuştur. Bulgular, yasal düzenlemeler sonucu siyasi fırsatta ortaya çıkan genişlemenin etkisinin örgütsel altyapı tarafından biçimlendiğini göstermiştir.

To the memory of my grandfathers

İsrafil Uçar
(1919-2004)

Mehmet Önder
(1926-2005)

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AP	Justice Party [*Adalet Partisi*]
BSB	Association of Independent Trade Unions [*Bağımsız Sendikalar Birliği*]
CHP	Republican People's Party [*Cumhuriyet Halk Partisi*]
DİSK	Confederation of Progressive Trade Unions [*Devrimci İşçi Sendikaları Konfederasyonu*]
HP	Freedom Party [*Hürriyet Partisi*]
MHP	Nationalist Movement Party [*Milliyetçi Hareket Partisi*]
MİSK	Confederation of Nationalist Labor Unions [*Milliyetçi İşçi Sendikaları Konfederasyonu*]
MNP	National Order Party [*Milli Nizam Partisi*]
TİD	Turkish Association of Workers [*Türkiye İşçiler Derneği*]
TİP	Turkish Labor Party [*Türkiye İşçi Partisi*]
TSEKP	Turkish Socialist Workers' and Peasants' Party [*Türkiye Sosyalist Emekçi ve Köylü Partisi*]
TSP	Turkish Socialist Party [*Türkiye Sosyalist Partisi*]

1

INTRODUCTION

The relation of organizations to their environment has long been a central, though controversial, issue in organization studies. Since the initiation of the field around 1950, organization-environment relations has been variously theorized based on diverse conceptualizations of organizations and organizational environments, as well as different understandings of the appropriate mode of explanation regarding the relations between them (Bendix, 1956; DiMaggio and Powell, 1983; Hannan and Freeman, 1977; Lawrence and Lorsch, 1967; March and Simon, 1958; Meyer and Rowan, 1977; Pfeffer and Salancik, 1978; Selznick, 1949; Stinchcombe, 1965; Thompson, 1967; Weick, 1969; Williamson, 1975; Woodward, 1958). Researchers have also drawn on concepts and ideas developed in different fields of social science, such as sociology, social-psychology, economics, and politics, and thus have emphasized different aspects of organization-environment relations. Proliferation of theoretical perspectives on organizations from 1970s onwards and the ensuing 'theoretical compartmentalization' (Astley and Van de Ven, 1983; Donaldson, 1995; Scott, 2004), which has proved to be enduring, brought about the current state of affairs in research on organization-environment relations: diversity in terms of objects of inquiry, empirical problems tackled, substantive theories put to test, and the explanatory frameworks utilized (Aldrich and Marsden, 1988; Dacin, Ventresca, and Beal, 1999; Davis and Powell, 1993; Fombrun, 1986).

The recent debates involving organization-environment relations can be organized along two distinct, but nevertheless connected, dimensions: (1) the level of analysis and (2) voluntaristic versus deterministic assumptions about action or actors. These two dimensions have previously been usefully applied to classifying divergent perspectives on organization-environment relations (see, Davis and Powell, 1993), as well as

organizations (see, Astley and Van de Ven, 1983). The level of analysis dimension relates to the level at which the focal phenomenon or process (such as decision making, exchange or competition) unfolds. Organizational researchers have investigated diverse phenomena that pertain to individual organizations, the organizational set, the more complex network of organizations or the even larger organizational agglomerations like the organizational population and organizational field. While some perspectives in organization studies have focused on individual organizations or dyadic relations between organizations, and are accordingly labeled micro (or less macro), others have focused on processes within collections of similarly structured or interlinked organizations, and are labeled (more) macro. The voluntarism-determinism dimension, on the other hand, concerns the mode of explanation. Some lines of research are voluntaristic, that is they make primary reference to managers, organizations or institutions as autonomous actors in offering explanations. Other perspectives, however, base their explanations on the opportunities and constraints associated with the context and are deterministic in this sense. According to these perspectives strategic motives, capabilities or engagements of actors are inconsequential, and thus irrelevant. It is the context which determines the kinds of action that are possible as well as the outcomes of these actions. Although the level of analysis and the voluntarism-determinism dimensions are analytically distinct, the debates involving them have usually overlapped. For example, researchers who have focused on macro phenomena have also tended to downplay the relevance of (managerial, organizational or institutional) action for research.

1.1. Organizational Ecology

The perspective that underpins the bulk of the analytical framework and the models used in this study, that is organizational ecology, is macro and deterministic in orientation, and is similar to the other comparably influential viewpoint in contemporary organization studies, the new institutionalism, in this respect. Both approaches to organization-environment relations direct attention away from how organizations shape, manage and control their environments towards how general social processes influence large agglomerations of similarly structured organizations and drive

change in the distribution of structural properties of organizations (that is, **organizational change**). In explaining organizational change, both approaches attribute causal primacy to changes in certain components of social structure, such as institutionalized rules (e.g. regulation) or competition for resources (Carroll and Hannan, 2000; DiMaggio and Powell, 1983; 1991; Hannan and Carroll, 1992; Hannan and Freeman, 1977; 1989; Meyer and Rowan, 1977; Scott, 2001).

However, the ecological and the new institutionalist perspectives differ substantially in terms of how they conceive of the mechanism of organizational change. According to the new institutionalists, organizations incorporate particular elements of the institutional environment, which are rules, norms or general understandings as to how organizations ought to be structured, to become legitimate and be able to obtain resources indispensable to their survival. As the institutional environment changes, organizations alter their structural features (e.g. practices and policies) in intricate ways to preserve their alignment with the environment and their viability (Meyer and Rowan, 1977). Therefore, change in the organizational landscape occurs largely through **adaptation** efforts of existing organizations, which is driven by institutional change (DiMaggio and Powell, 1983). Ecologists, however, argue that organizational change comes about through **selective replacement**. That is, change occurs as organizations with particular structural features die and organizations with different structural features are born. This is because, organizations cannot and do not tend to change their structural features (**structural inertia**). As the institutional and the resource environments change, those organizations whose structural features happen to be aligned with the new environmental conditions prosper and proliferate, and the others dwindle (Carroll and Hannan, 2000; Hannan and Carroll, 1992; Hannan and Freeman, 1977; 1984; 1989). In this respect, organizational ecology differs not only from the new institutionalist perspective but also from all other schools of thought in organization studies, which assume plasticity of organizational structures or tend to consider organizations as flexible tools.

Organizational ecology, thus, takes structural inertia seriously. This distinctiveness of organizational ecology is partly associated with how ecologists conceive of organizational structure. Ecologists distinguish between **the 'core' and the 'peripheral' elements of organizational structures**. Core elements of organizational structures pertain to "the claims used to mobilize resources for beginning an organization and the strategies and structures used to maintain flows of scarce

resources" (Hannan and Freeman, 1984: 156). These elements of organizational structures are stated goals (the aims that the organization purportedly pursues), forms of authority (rules as to member-organization exchange), core technology (knowledge encoded in human and physical capital) and marketing strategy (the particular ways in which the organization deals with its audience). This particular cluster of structural elements is difficult to change, due to reasons explained below, and constitutes what the ecologists call **organizational form**. Peripheral elements of organizational structures, on the other hand, relate to the "properties of organization charts and patterns of specific exchanges with actors in the environment" (Hannan and Freeman, 1984: 157). Much of organizational research has involved these elements of organizational structures, among which are number and sizes of organizational subunits, number of levels in authority structures, span of control, pattern of communication and interlocking directorates. In contrast to core structural elements of organizations, peripheral elements of organizational structures can more easily be changed.

Moreover, ecologists define inertia in relative terms. That is, inertia in core structural elements means that organizations rarely respond to environmental changes by rapidly adapting their core structural elements to the new conditions. Therefore, ecologists do not claim that structural change never happens. Although on average organizations will not be inclined to change their core structural features, some organizations may nevertheless attempt at change. However, these change attempts are not frequent and do not result in quick (and successful) realignment of organizational structure to the new environmental exigencies. Even the largest, most successful and well-managed organizations are slow in their efforts to capitalize on new environmental opportunities or respond to environmental threats (Hannan and Freeman, 1984).

Initial formulation of structural inertia by ecologists rested on internal and external constraints on structural change in organizations (Hannan and Freeman, 1977). For instance, initiation of reorganization was not considered likely because it upsets political relations within organizations, which constitute the basis of exchanges between organizational members, and the relations of organizations to their external constituencies, which pertain to how the organizations obtain vital resources from their environment. In addition, quick realignment was seen unlikely because it takes a long time before organizations collect and process information on environmental change, and then act on it. More recent formulations describe inertia on the basis of two distinguishing characteristics of formal organizations, reliability and accountability,

which reflect the expectations of society from organizations (Hannan and Freeman, 1984; 1989). According to this view, organizations obtain resources from the society (members, employees, customers, financiers, institutional actors, etc.) as long as their performance is reliable, that is the variance of their performance is low, and if they can rationally account for their activities, that is they can show that their decisions and actions are guided by proper rules and procedures. Organizations with low reliability and low accountability can hardly muster the resources necessary for survival. High reliability and accountability are however brakes on organizational change. Reliable performance and accountability require reproducibility of organizational structures, which is most likely when core structural elements of organizations are institutionalized, and standardized routines guide behavior in organizations. Institutionalization and routinization in turn generate opposition to restructuring attempts on moral and political grounds, and hence lead to inertia. Inert organizations are better able to obtain resources from the society, and are therefore favored by the selection process in stable environmental conditions. Because they are good at reproducing their structures and not at altering them, major environmental change which presses for change in core structural properties results in significant deterioration in their survival prospects. Thus, at times of such environmental change these organizations are by and large selected out.

The implication of taking structural inertia seriously for research is summarized in the claim that "many of the most interesting processes of change in the world of organizations occur at the population level" (Hannan and Freeman, 1989: 33-34). An **organizational population** is a set of organizations, which embody a common organizational form, in a temporally and spatially delimited social system (Carroll and Hannan, 2000; Polos, Hannan, and Carroll, 2002). If organizations can be characterized as entities displaying structural inertia, then the world of organizations can be, and should be, partitioned into stable subsets whose boundaries are defined in terms of core elements of organizational structures, that is, organizational form. Organizations embodying a particular form have common core structural properties that are distinct from the sets of core structural properties that constitute other organizational forms. Organizations with the same form also depend on the social and material environment in a similar way (Hannan and Freeman, 1989). That is, these organizations share a common environmental **niche**, a location in the resource space in which they can arise and survive. Stability in structural elements implies that this common environmental

dependency is not transitory. Therefore, a proper investigation of change in the distribution of structural properties of organizations, which can now be defined as change in the distribution of organizational forms, should be based on processes that occur at the level of population of organizations, that is time- and place-specific instantiations of organizational forms.[1]

According to ecologists, because organizations are inert entities, change in the distribution of organizational forms, that is change in organizational diversity, occurs primarily through foundings (births) and failures (deaths), that is selective replacement, of organizations (Hannan and Freeman, 1977, 1989). Organizational diversity increases with the creation of organizations with a new form. On the other hand, diversity decreases when all organizations embodying a particular form fail. Change in organizational diversity may also result from change in the number of organizations embodying a specific form (that is, change in **organizational density**), which is the net effect of foundings and failures over a certain period of time.

1.2. Environmental Influences on the Rates of Organizational Founding and Failure

Investigating what specific aspects of the environment drive rates of founding and failure of organizations embodying a particular form have thus been of primary interest to organizational ecologists. Ecologists have largely theorized on two separate sets of environmental influences on these so-called vital rates, namely (1) those emanating from **population dynamics** and (2) those associated with various dimensions of the **sociopolitical environment**, and tended to prioritize the former (Carroll and Hannan,

[1] Reference to time and space in definitions of organizational populations is due to the recognition that an organizational form may persist even when all organizations embodying the form die. Organizational form is a cultural object and may persist in the minds of individuals even though individuals cannot observe the form (for a while) as embodied by organizations. Organizational populations are in contrast constituted by 'concrete' organizations. The Prohibition in the US for instance banned breweries and wineries. Nevertheless the organizational forms of brewery and winery persisted. This is why new breweries and wineries were quickly established when Prohibition was repealed. (See the definition of cognitive legitimacy below.)

2000; Hannan and Carroll, 1992, 1995; Hannan and Freeman, 1989). Population dynamics refer to processes that unfold as organizational populations grow in terms of organizational density or as the internal structure of the organizational populations (e.g., size distribution of member organizations or the concentration ratio) changes. The sociopolitical environment broadly denotes the social, political, and ideological processes (e.g. changes in legal or regulative frameworks or political turmoil) that are external to a particular organizational population but nevertheless shape the evolution of the population. Most empirical studies in organizational ecology have tested propositions drawn from distinctively ecological theories regarding general dynamics within (and sometimes across) organizational populations and relatively few studies have involved dimensions of the sociopolitical environment as focal elements (Baum, 1996; Carroll and Hannan, 2000; Davis and Powell, 1993).

1.2.1. Population Dynamics and the Rates of Organizational Founding and Failure

Ecological work customarily involves how **competition** and **legitimation** processes relate to population growth or how the competition process evolves with change in various dimensions of population structure. The competition process relates to control over resources that are generally assumed to be scarce, at least in the short run. In some environments or niches, resources are tightly controlled by existing organizations. Under such conditions, entrepreneurs, for instance, can hardly gather the resources necessary for organizational founding. On the other hand, resource abundance may characterize other environments or niches where newer organizations can easily obtain resources and prosper. In ecological models competition generally increases with increases in organizational density. That is, higher level of density is associated with higher degree of control over scarce resources. Also, ecological conception of competition involves diffuse competition. In contrast to economics, in organizational ecology competitors need not be aware of one another. Mere presence of one organization generates competitive pressures on the others.

In ecological lexicon, legitimation denotes taken-for-grantedness or cognitive institutionalization of organizational forms. An organizational form is legitimate “when there is little question in the minds of actors that it serves as the natural way to effect some kind of collective action” (Hannan and Carroll, 1992: 34). Legitimate organizational forms thus can easily be visualized by relevant actors and are not

subjected to debate each time the related kinds of collective action need to be effected. Legitimation process too relates to organizational density. Prevalence of organizations embodying a particular organizational form, that is a higher level of organizational density, is associated with a higher degree of legitimacy of that form.

In the customary mode of research in organizational ecology, relevant features of the environment (e.g., degree of legitimacy of an organizational form and/or intensity of competition) are based on the organizational population. That is, they are systematically shaped by changes in (densities of) organizational populations. In other words, they are endogenous to the population (Carroll and Hannan, 2000). For instance, the density dependence theory posits non-monotonic relationships between changes in population density and changes in the rate of founding and failure. Specifically, the theory predicts an inverted-U shaped (U shaped) relationship between density and the founding (failure) rate. At the lower ranges of density, when the organizational population is newly emerging, increases in density result in increased legitimacy without significantly intensifying competition for scarce resources, and thereby increase (decrease) the founding (failure) rate. At higher ranges of density, however, the organizational form becomes taken-for-granted by virtue of its prevalence, and increases in density no longer generate further legitimizing influences. At higher ranges of density, competition process dominates, which means that increases in density withdraw from the resource space an increasing amount of resources necessary for founding and survival, and thereby depress (increase) the founding (failure) rate. Thus, the density dependence theory of organizational evolution suggests that competition and legitimation processes govern rates of founding and failure, and therefore growth of organizational density, but also that organizational density controls the competition and legitimation processes.

A similar logic underlies ecological studies of segmentation of organizational populations into **specialists** and **generalists**, which respond differently to competitive pressures. The specialist-generalist distinction pertains to variance of resource utilization of organizations, which is alternatively called **niche width** (Carroll, 1985; Hannan and Freeman, 1989). Specialist organizations have a narrow niche, that is they can exploit only particular undifferentiated resources or have the capacity to perform one kind of action. Generalist organizations, on the other hand, can utilize a wide range of resources and have the capacity to perform a variety of activities. Specialist organizations are usually small in scale and thrive on peripheral resources, that is resources that are not in abundance and generally transitory. Generalist organizations

tend to be large and exploit what is called the center of the resource space, i.e. the set of resources that are abundant and relatively permanent, and allow for scale-based competition. Another highly acclaimed ecological theory, the resource partitioning theory, states that scale-based generalist competition, which increases the failure rate of generalists and market concentration, also increases the portion of the resource space which is off the target range of surviving generalists (Carroll, 1985). This is because, the surviving generalists cannot get hold of the entire area freed by failure of a generalist organization. An increase in this portion of the resource space, which is made up of thinly spread peripheral resources, increases the viability of small specialist organizations which occupy these locations. Thus, the theory conjectures a positive (negative) relationship between generalist consolidation and specialist founding (failure) rate. Again, the process which eases the competitive pressures on specialist organizations, and generates a proliferation of specialist organizations, is rooted in the organizational population.

1.2.2. Sociopolitical Environment and the Rates of Organizational Founding and Failure

Since the initiation of the field of organization studies, a considerable body of research on political, ideological, and regulative influences on organizations has accumulated (DiMaggio and Powell, 1991; Scott, 2001; Selznick, 1949; Stinchcombe, 1965; Tilly, 1978). However, only a small number of ecological studies have focused on these exogenous environmental processes (Carroll and Hannan, 2000). Exogeneity of these processes stems from the fact that even though these processes shape the focal organizational populations, they are not affected in systematic ways by changes in the density or internal structure of populations.[2] Although ecologists suggest that they have elected to focus on population dynamics (Carroll and Hannan, 2000; Hannan and Carroll, 1992, 1995), inattention to these exogenous environmental processes is problematic in two respects. First, general theoretical understanding of these processes with regards to selective replacement of organizations has remained inadequate. The

[2] There is however some controversy over exogeneity of some of these influences, especially those related to regulative action. This debate also involves measurement and estimation issues (see Baum and Powell, 1995; Carroll and Hannan, 2000; Hannan and Carroll, 1995).

need for proper ecological theorizing on these processes is acute in view of the limited empirical research in organizational ecology which has demonstrated that these processes do shape rates of founding and failure of organizations in significant ways. Secondly, an institutionally oriented argument addressing this issue states that population dynamics unfold within an institutional context comprising political, ideological and regulative forces (Baum, 1996; Baum and Oliver, 1992; Dacin, 1997; Dacin et al., 1999; Dobbin and Dowd, 1997). There is thus the possibility that population dynamics are structured by these broader influences. Any investigation of population dynamics should therefore incorporate an appropriate account of these influences.

As pointed above, in contrast to highly sophisticated and well-established ecological theories concerning endogenous environmental processes (population dynamics), there is only limited general theoretical understanding of the political, ideological and regulative processes in relation to founding and failure rates of organizations (Carroll and Hannan, 2000; Carroll, Delacroix, and Goodstein, 1988). Furthermore, much of this understanding is based on the institutional perspective on organizations (DiMaggio and Powell, 1983; 1991; Meyer and Rowan, 1977; Scott, 2001) and research in social movements (Jenkins, 1983; McAdam, McCarthy, and Zald, 1988; 1996 McCarthy and Zald, 1977; Tilly, 1978). Past attempts at integrating ideas drawn from these fields of study and findings from empirical analyses of founding and failure rates of organizations have been infrequent and at best partially successful (see Carroll et al., 1988). Nevertheless, past ecological research has revealed that these processes exert dramatic influences on the evolution of organizational populations.

Extant research documents that vital rates relate strongly to regulative action (Baum and Oliver, 1992; Dobbin and Dowd, 1997; Russo, 2001; Swaminathan, 1995; Wade, Swaminathan, and Saxon, 1998), political turmoil (Carroll and Delacroix, 1982; Carroll and Hannan, 1989; Carroll and Huo, 1986; Delacroix and Carroll, 1983; Dobrev, 2001), ethnic conflict (Olzak and West, 1991; West, 1995), nationalism (Dacin, 1997), protest activity (Minkoff, 1997) and political regime (Ingram and Simons, 2000). Regulation has been shown to generate variance in vital rates pertaining to (members of) diverse populations by affecting resource flows to organizations (e.g., Baum and Oliver, 1992), influencing normative expectations from organizations (e.g., Wade et al., 1998), and setting the terms of competition (e.g., Dobbin and Dowd, 1997). Political turmoil has been considered as one kind of environmental restructuring which reshuffles

the existing resources or generates new resources. Political turmoil thus at least temporarily increases the society's carrying capacity for particular organizational forms, such as newspaper organizations (e.g., Carroll and Hannan, 1989), and therefore increases the founding rate of organizations that embody these forms. However, there are also indications that the relation between the founding rate and political turmoil is inverted-U shaped supporting the idea that too much turmoil generates extreme uncertainty and discourages founding of new organizations (e.g., Dobrev, 2001). Past research also showed that newspaper organizations founded at times of political turmoil are short-lived due to transitory nature of the resources released during times of political turmoil (Carroll and Delacroix, 1982). Other research on sociopolitical influences on organizational populations has documented both positive (solidarity generating) and negative (repressive) influences of ethnic conflict on survival prospects of ethnic newspapers (Olzak and West, 1991); positive impact of norm of nationalism, which propagates use of national language, on the founding rate of national-language newspapers (Dacin, 1997); and positive impact of establishment of a nation-state, which serves as a provider of regulating institutions that smooth exchange relations, on the survival rates of workers' cooperatives (Ingram and Simons, 2000).

Another line of ecological research spotlights how political, ideological and regulative dimensions of the broader sociopolitical environment produce variation in vital rates by structuring population dynamics (Barnett and Woywode, 2004; Barron et al., 1998; Ingram and Simons, 2000). In these studies, the sociopolitical environment (alternatively called the 'institutional environment') is conceived "as the arena for ecological dynamics in that institutional forces prescribe institutionally-driven selection criteria by which organizations are created or dissolved" (Dacin et al., 1999: 319). These studies thus differ from others in one important respect. The majority of ecological studies that involve sociopolitical processes implicitly assume that population dynamics and broader social forces have additive effects on the vital rates. Usually, the researchers concentrate on showing the effects of population dynamics over and above the effects of sociopolitical processes, frequently treated as noise or an uninteresting baseline (e.g., Hannan and Freeman, 1987[3]). Most of those who focus on

[3] Hannan and Freeman (1987), for instance, represent in their models of union founding changes in the external environment by period effects. They try several sets of periods and stick to the one that provides the best fit to the data. This

the sociopolitical processes choose the opposite strategy and try to demonstrate that sociopolitical effects are present after the effects of population level processes are controlled for. A few of these studies, however, underscore the interaction between the two sets of influences. Barnett and Woywode (2004), for instance, propose a model of ecological competition based on the structure of ideological conflict, which tended to be most intense between adjacent ideologies, during a period of enormous social and political change. Though in standard ecological (density dependent) models competition is stronger among similar organizations, in this study it is strongest between organizations occupying adjacent ideological positions. Thus, Barnett and Woywode (2004) suggest that, in the empirical context they studied, selection criterion was driven by ideological divisions within society. Ingram and Simons (2000) show a similar interest in ideological interdependency and model ideology-based interactions between populations of organizations. In the setting that they study, ideological similarity generates mutualism whereas ideological differences generate rivalry. Consequently, growth (increase in the density) of a population of organizations creates a positive effect on other types of organizations dominated by a similar ideology and a negative effect on those dominated by rival ideologies. In a similar vein, Barron et al. (1998) investigate whether the competitive process unfolds differentially under dissimilar regulatory regimes. The study reveals that deregulation significantly alters the competitive process and the evolution of different segments of an industry.

1.3. The Research Question

This study broadly aims at expanding ecological research by offering an integrated analysis of the effects of sociopolitical processes and population dynamics on organizational evolution. Specifically, it is intended to contribute to extant ecological research in three respects. The first goal of the study is to expand analyses of effects of the political environment on organizations. To do so, although alternative approaches are available, arguments from institutional theory and social movement research are

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particular orientation towards sociopolitical factors has been criticized by others for being ahistorical and method-driven (see Isaac and Griffin, 1989).

drawn on and the concept of **political opportunity** is brought in. Political opportunity broadly denotes the set of opportunities for and constraints on organization building that emanate from the **polity** (McAdam et al., 1988; Meyer and Minkoff, 2004; Tarrow, 1998; Tilly, 1978). Polity is formally defined as "an organization designed to obtain compliance [in a particular domain, usually geographic in nature], even in the face of resistance" (Carroll et al., 1988: 361). Polity is thus the set of ruling institutions of a system of power relations.

The second goal of the study is to expand the analyses regarding the effects of population dynamics on organizations. For that purpose, ideas from research in entrepreneurship, interpersonal networks and social movements are made use of and the concept of **organizational infrastructure** is introduced. Organizational infrastructure refers to the **mobilization** capacity of social groups which is determined by the configuration and content of interpersonal relations between members of the group (Adler and Kwon, 2002; Portes, 1998). Mobilization denotes establishing collective control over resources to pursue shared goals (Tilly, 1978).

The third goal of this study is to examine the interaction between the political environment (political opportunity) and population dynamics (organizational infrastructure). Although earlier research examined how sociopolitical processes structure population dynamics, this study, through an analysis of organizational founding, looks into the ways a specific population dynamic, i.e. organizational infrastructure moderates the effect of select aspects of political opportunity.

1.3.1. Political Opportunity and Organizational Founding

Organizational ecologists have previously touched upon various aspects of political opportunity as they dealt with the degree of endorsement of an organizational form by the well-established institutions in the environment (that is **sociopolitical legitimacy** of the organizational form), political turmoil, and political revolution (e.g., Baum and Oliver, 1991; 1992; 1996; Carroll and Delacroix, 1982; Carroll and Hannan, 1989; Carroll and Huo, 1986; Carroll et al., 1988; Delacroix and Carroll, 1983; Dobrev, 2001; Stinchcombe, 1965). With respect to political opportunity, this study focuses on the **legal-institutional structure of the polity** and **political turmoil**.

Legal-institutional structure of the polity denotes the legal framework that underlies the relation of an organizational population (a collection of organizations that embody a common form) to its constituencies, most importantly the state and the other types of powerful organizations that surround the population.

Political turmoil is defined as organized challenges to a polity (Carroll et al., 1988). Turmoil may emanate both from within the polity, as the ruling coalition disintegrates and the elite groups turn on each other, or from without, as broad social, economic or political changes allow social groups customarily excluded from power manage to muster the relevant resources and mobilize against the elite. These two types of turmoil may have differential implications for the organizational population in question.

1.3.1.1. Legal-institutional structure of the polity

Changes in the legal-institutional structure of the polity may generate a number of form related outcomes, which may either enhance or constrain survival prospects of organizations embodying the form. The present study focuses on constitutive and resource-related aspects of changes in legal-institutional frameworks. Alterations in legal frameworks, for instance, sometimes constitute organizational forms, i.e. define which goals can be pursued and which strategies and technologies can be used (Campbell and Lindberg, 1991; Scott, 2001). A formerly nonexistent organizational form may be generated by enactment of laws that define the elements of the form. A new law may allow pursuing particular collective aims and make pursuance of these goals contingent upon adoption of certain authority structures or technologies. Alternatively, legal changes may reconstitute organizational forms. For example, an already existing form may be redefined in ways that make pursuing specific aims no longer possible (Wade et al., 1998) or in ways that enable the organizations that embody the form to use a wider range of means to pursue legitimate aims.

Legal frameworks may also directly involve resource flows to organizations. Laws may put limits on the amount of resources that will be available for particular organizational forms or alternatively shape the distribution of resources (Ingram and Simons, 2000; North, 1990). Laws may also specify to what extent organizations with

particular forms will be able to transact with state affiliated organizations or state agencies on concessionary terms (Baum and Oliver, 1992; 1996).

This study focuses especially on changes in the legal-institutional structure of the polity that enhance the standing of an organizational form vis-à-vis the polity (through legitimizing a broader range of aims and means), ease the resource flows to these organizations, and thus have the potential to give a boost to organizing activity.

1.3.1.2. Political turmoil

As noted above, organizational ecologists have generally considered political turmoil as periods of environmental restructuring characterized by alteration in the distribution of resources, mobilization capacities of social groups, and therefore survival prospects of organizations embodying particular organizational forms (Carroll and Hannan, 1989; Carroll et al., 1988; Delacroix and Carroll, 1983; Hannan and Freeman, 1989; Stinchcombe, 1965). The usually accepted argument is that political turmoil is conducive to founding of organizations, both political and non-political (Hannan and Freeman, 1989). As the distribution of resources changes, (new) social groups that become able to assemble greater levels of resources and enjoy an increase in power vis-à-vis the political elite establish new organizations that may serve their political aspirations or general needs. These groups may, for instance, establish new newspaper organizations some of which specialize in political propaganda whereas others serve the more general need for news. In addition, as indicated by research in social movements, organized challenges to a polity that originate from outside the polity occur in conjunction with absence of repression towards the challenging social groups (due to increased likelihood of retribution) or increased capability of these groups to resist repressive acts of the ruling elite (McAdam, 1982; McAdam et al., 1988; Skocpol, 1979). A decrease in repressive capacity of the elite facilitates mobilization capacities of the less powerful social groups.

Prior research, however, has not explicitly considered the locus of the challenges to the polity and the organizational forms implicated in these challenges. A distinction needs to be made between challenges originating from outside the polity and those originating from within the polity. Challenges from within are likely to involve repression towards organizational forms associated with social groups that are potential challengers of the ruling portion of the elite. The ruling portion of the elite is generally

understood to be the group which controls the state and therefore the centralized means of coercion. Challenges that originate from within the polity (i.e. struggles that primarily involve the elite groups) are highly likely to involve repression targeting social groups that are outside the polity (Skocpol, 1979; Tilly, 1978). These challenges, by definition, are not preceded by enhancement in the resource endowments to and therefore the mobilization capacities of social groups excluded from power. However, struggles within the polity create the conditions for alliances between elite groups challenging the ruling portion of the elite and non-elite social groups. Challengers within the elite tend to coalesce with the non-elite groups to increase their power and chances of success in their struggle against the ruling elite group. The potential for coalition between the challenging elite groups and non-elite groups directs the ruling elite group to take action in order to restrict mobilization capacities of the non-elite groups as well as the elite ones. In addition, divisions within the elite increases the relative power of non-elite groups vis-à-vis the ruling elite. Such a change in distribution of power increases the likelihood of contention and therefore forces the ruling portion of the elite to take repressive measures in order to ascertain that the non-elite groups remain docile. Because social groups mobilize through organizations, the impact of repression may be most marked on organizational forms favored by these potential challenging groups (McAdam et al., 1988; Tilly, 1978).

Presumably, these two types of political turmoil, one emerging in a bottom-up fashion whereas the other involves top down (repressive) influences, differentially relate to organizational founding. It may be argued that while the former encourages founding of new organizations by the social groups that enjoy enhanced resource endowments and power, the latter discourages organizational founding by the social groups subjected to repression.

1.3.2. Organizational Infrastructure and Organizational Founding

Organization building is embedded in systems of ongoing social relations (Aldrich, 1999; Marrett, 1980; Sorenson and Audia, 2000; Stuart and Sorenson, 2003). Potential founders mobilize social and material resources through their links to other people. Based on micro-sociological research in interpersonal networks (Adler and

Kwon, 2002; Portes, 1998), which implicitly underlies a number of recent ecological studies on organizational founding, this study emphasizes two dimensions of these relational networks, namely their structure and content, which map onto organizational infrastructure, and presumably patterns of organizational founding. The **structure of relational networks** refers to configurational aspects of these networks, such as the number of ties, geographic distance between the individuals involved and existence of structural holes. The **content of relational networks**, on the other hand, denotes the resources, such as money and knowledge, controlled by the individuals involved and their willingness to contribute these resources to other people's cause or collective causes on concessionary terms. It would seem, where relational networks are denser (i.e. made up of a higher number of relations in smaller geographic areas) and involve individuals with greater organization building skills, the organizational infrastructure is stronger and organizational founding is more likely.

Because starting a formal organization usually requires mobilizing form specific resources, such as expertise on how to run an organization or employees with particular skills, the relational networks critical for organizational founding are those built in and around existing organizations embodying a common form (the organizational population). A recent stream of research in organizational ecology has defined organizational infrastructure in relation to organizational density, that is the total number of organizations embodying a common organizational form (Sorenson and Audia, 2000; Stuart and Sorenson, 2003). This stream of research reinvigorates an early idea on density dependent growth of organizational populations (Delacroix and Rao, 1994; Hannan and Freeman 1987; Marrett 1980). According to this idea, organizational density relates strongly to the strength of networks that link people, most importantly members of existing organizations that embody a common organizational form, who possess the skills and the will to start that particular type of organization. Therefore, in these studies, higher rate of founding at higher levels of organizational density is considered to be indicative of the infrastructural process.

The recent reinvigoration of this idea however has been coupled with arguments regarding the level of analysis at which the infrastructural process unfolds. Recent research argues that individuals tend to develop geographically localized networks of relations. As geographical distance increases relationship formation becomes harder and consequently the number and strength of links between individuals diminish (Hedström, 1994; Sorenson and Audia, 2000). This argument implies that the network of relations

that constitute the organizational infrastructure is geographically localized. Thus, one should expect a stronger relation between local organizational density and the locally defined rate of organizational founding.

An additional factor that may structure the infrastructural process is institutional limits to jurisdictional claims of members of an organizational population. Institutional regulations may divide organizational populations into subpopulations, each operating in a separate jurisdictional domain. If this separation structures the networks of relations in a way that makes transfer of entrepreneurial potential from one domain to another unlikely, than it should be considered alongside with geographical location as a factor that molds the organizational infrastructure. Therefore, stronger relations between organizational density and the founding rate may have to be sought at the local jurisdictional domain level.

1.3.3. Political Opportunity-Organizational Infrastructure Interaction and Organizational Founding

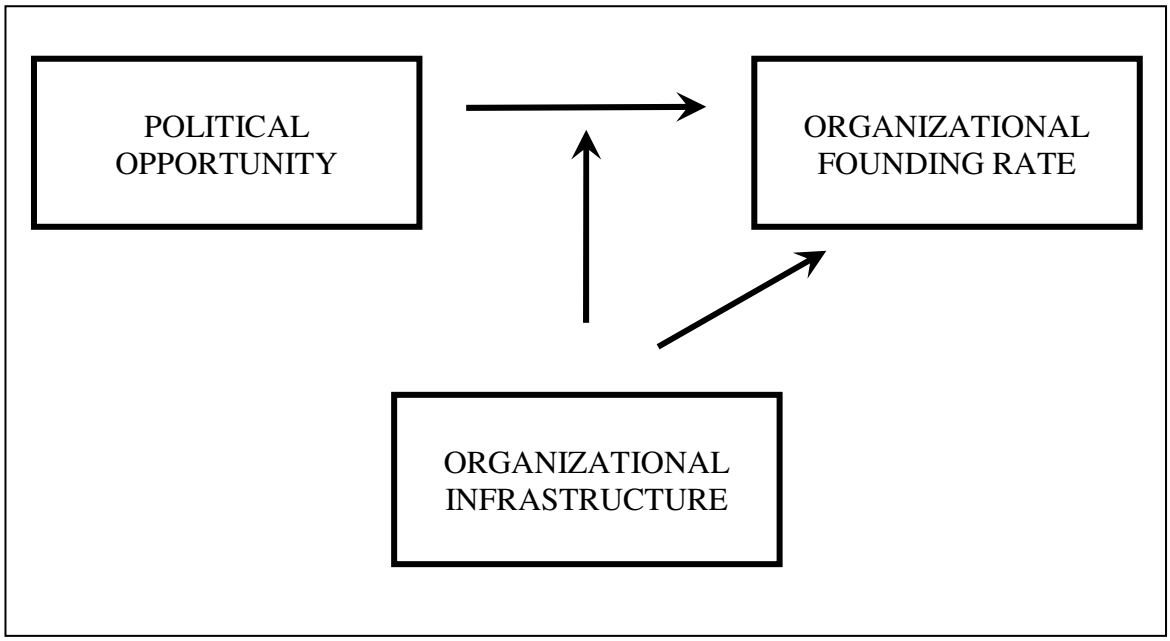
Although favorable changes in the legal-institutional structure of the polity and a certain type of (i.e. bottom-up) political turmoil may generate opportunities for organization building, there may also be systematic differences in how social groups, e.g. organizational subpopulations defined in geographic and jurisdictional terms, respond to these changes. As the argument above suggests, the extent to which enhancement in political opportunity will be capitalized on depends on the strength of organizational infrastructure. Past research has revealed that social groups with stronger organizational infrastructures were better able to act collectively at times of regime crisis or build organizations in response to political conflict (Marx, 1996; Olzak and West, 1991). Consequently, the impact of favorable changes in the legal-institutional structure of the polity and bottom-up turmoil on the rate of founding may be higher for organizational subpopulations with higher density.

Thus, this study also investigates whether changes in the legal-institutional structure of the polity and political turmoil interact with organizational density at the local jurisdictional domain level to bring about change in the organizational founding rate. Put in other words, whether organizational density at the local jurisdictional

domain level drives heterogeneity in how these subpopulations respond to changes in the legal-institutional structure of the polity and political turmoil in terms of organizational founding rate is examined. Based on the arguments above, the proposition that denser organizational subpopulations respond more positively to favorable changes in the legal-institutional structure of the polity and the kind of political turmoil that involves enhanced resource endowments to the focal organizational population is tested.

Figure 1.1 presents the propositions regarding main effects of political opportunity and organizational infrastructure on the organizational founding rate, as well as the interaction between these two factors. A more detailed version of the figure (Figure 3.1) is presented towards the end of Chapter 3.

Figure 1.1
Political opportunity, organizational infrastructure and organizational founding



1.4. The Empirical Setting

The models are tested with data on industrial workers' union founding in two major centers of unionism in Turkey, namely İstanbul and Ankara, during the period February 1947 to September 1980. The period starts with the enactment of the first Unions Law (*Sendikalar Kanunu*) in Turkey. Union formation was legalized in mid-1946 after the repeal of a clause in the Associations Act (*Cemiyetler Kanunu*) which had banned class-based organization. Enactment of the Unions Law was part of a broader process of top down political transformation led by the state bureaucracy that aimed at emulating the liberal democratic regimes of the West (Keyder, 1989; Makal, 2002). The ensuing organizing efforts during 1946 were to a large extent driven by two socialist parties, which were closed down together with their affiliated unions in December 1946. A genuine (independent) unionism started only after the enactment of the Unions Law in February 1947. The observation period ends in 1980. The military coup in September 1980 marked the beginning of a major shake-up in the internal structure and the political and legal-institutional environment of unionism. During the immediate post-military regime era, the total number of unions steeply declined, level of concentration in each industry grew to unprecedented levels, and the most vibrant section of the union movement, left-wing unions (and their leaders) were no longer in the scene. Because this change was exogenously brought about, the founding analyses stop the day before the coup took place. Ecological research does not offer guidelines concerning how to deal with such exogenously driven massive changes in the internal structure and the external environment of organizations.[4]

The first Unions Law was an important opportunity for the growing working class of Turkey, with almost no prior experience with the union form of organization, to start organizing into unions. Unionization was explicitly banned by the Associations Act enacted in 1938. Prior to that, a law inherited from the late Ottoman period and the extraordinary conditions of the early Republican period (political oppression and lack of

[4] An exception to this is perhaps a study which shows that deregulation altered the structure of competitive interactions between segments of the financial services industry in the US (Barron et al., 1998). However, because this study's focus is not on such temporal conditioning of structural relationships, the observation period ends in September 1980.

a sizeable working class) had effectively prevented union organization. Experience with the union form of organization during the late Ottoman period (first two decades of the 20th century) was to a large extent limited to the western provinces of the empire (industrially developed provinces in the Balkans), which were at the time ridden with (non-Turkish) nationalist and socialist movements. These provinces were lost in a series of wars during the second decade of the 20th century and were later not a part of Republican Turkey. The other important center of unionism was İstanbul. However, the Work Stoppages Act of 1908 practically brought unionization efforts to a halt in İstanbul, which had started to intensify less than three months prior to the enactment of the Act. The large time gap between the enactment of the Work Stoppages Act and the first Unions Law inhibited the transfer of the already thin accumulated knowledge and skills pertaining to the union form of organization (Makal, 2002; Tuna, 1951). Moreover, most workers in 1947 were first generation workers (i.e. former peasants). Thus, workers in 1947 had to start from scratch.

The growing working class showed great interest in unionization, though unions were not indeed functional organizations until July 1963, which was because the first Unions Law had banned strikes and not properly instituted a collective bargaining system. A change in this regime was not foreseen before mid-1961, that is, until the enactment of a new constitution that paved the way for a significant change in the legal framework that underlay unionization. According to the registers of the Ministry of Labor and Social Security (*Çalışma ve Sosyal Güvenlik Bakanlığı*, hereafter the Ministry) of Turkey, more than 1100 attempts at starting a new union were made during the initial 15-year period throughout the country. Though data on union founding in İstanbul and Ankara indicate that majority of these attempts were inconsequential (that is, they did not result in functioning unions, and thus were not union foundings[5]), Turkish working class did build up a significant level of experience with the union form of organization during this period.

A new Unions Law and an accompanying Strikes, Lockouts, and Collective Agreements Law were passed in 1963. The new legislation was not preceded by a noticeable working class movement. It was largely an outgrowth of the so-called 1961 Constitution. The constitution was among the central elements of a national developmentalist elite project and it opened up a liberal era. The new laws provided two

[5] See Chapter 5 for a definition of organizational founding.

considerable incentives for organizing into unions: the right to strike and therefore the ability to force employers into collective bargaining. Also, the check-off system (deduction of membership dues from workers' wages by the employer and transfer to the union account) was instituted and viability of union form of organization was further enhanced. The new legal framework, which was initiated in 1961, generated a spurt of union founding. According to the registers of the Ministry, country-wide founding attempts exceeded 2400 during the period from July 1961 to September 1980. Data on union founding in İstanbul and Ankara suggest that the number of consequential attempts, i.e. attempts that culminated in functioning unions, were also higher during the period.

Both periods show similar characteristics. Both start with favorable changes in the legal-institutional structure of the polity with regards to the union form of organization and spurts of union founding (1947 to 1952 and 1961 to 1967). The initial spurts of union founding are then followed by episodes of relative tranquility, that is intervals during when no significant change in the political environments of unions occurs (1952 to 1957 and 1967 to 1971) and then by episodes of political turmoil with relatively hostile governments (1957 to 1961 and 1971 to 1974). What differentiates the second period from the first is an episode of political turmoil (1974 to 1980) characterized by a disintegrating polity and bottom-up proliferation of political organizations, especially radical ones, and armed clashes involving the state and various political groups. Turmoil seems to have initially generated new opportunities for union organization by opening up niches with politically defined boundaries. Initial progress of turmoil coincided with increased union building in İstanbul and Ankara.

Union founding patterns seem to have varied over time, as political opportunity faced by unions evolved. There was also variation among geographic locations (province[6] of founding) and industries (whose boundaries were defined by regulation).

[6] In the Turkish context, province [*il*] denotes an administrative unit with geographic boundaries. The center of the unit is a city, which hosts the provincial government. The unit consists of the city and the surrounding towns (*ilçe*). In administrative terms, the towns are subordinated to the city. Likewise, towns are made up of town centers and the surrounding villages. This generates a geographically (i.e. provincially) bounded system of interpersonal relations. The administrative apparatus (e.g. the courts, tax authorities, the health and the educational system) drives local people from a stable set of villages and towns towards a stable set of governing towns and cities, respectively. The province thus constitutes a level at which particular types of social relations can be studied.

Based on the theoretical arguments regarding political opportunity, organizational infrastructure and their interaction, this study investigates the temporal and spatial patterns in union founding in İstanbul and Ankara. The analyses are carried out at the local (provincial) industry level. Nevertheless, inter-province and inter-industry influences are also controlled for.

1.5. Outline of the Dissertation

Chapter 2 introduces the concept of political opportunity. The chapter is largely based on the institutional theory of organizations and research in social movements. Institutional theory has dealt with a broad set of controls over organizational forms and the resources requisite for organizational survival. The set of ruling institutions of the system of power relations in society (polity), ordinarily instantiated in the nation state, has been considered by institutionalists as a significant source of control over organizations. Research in social movements has documented how the polity undergoes change and its implications for a variety of mobilization related outcomes, including founding of social movement organization. Based on these streams of research, Chapter 2 explicates, and offers hypotheses with respect to, how changes in the legal-institutional structure of the polity and political turmoil relate to the organizational founding rate.

Chapter 3 presents a density dependence model of infrastructural influences on the organizational founding rate. The chapter first introduces the density dependence theory and its critiques. Based on research in interpersonal networks, the chapter then defines organizational infrastructure with reference to structure and content of interpersonal relations. In the following section, the chapter briefly describes the pertinent body of research in social movements which has highlighted the importance of a variety of organizational settings within which interpersonal relations are embedded. Then the chapter translates infrastructural ideas into density dependence terms and offers a model which distinguishes the infrastructural process from another density dependent process, which is cognitive legitimation of an organizational form. The chapter then offers hypotheses regarding the impact of organizational infrastructure on

the founding rate and how the infrastructural process moderates the impact of political opportunity on the founding rate.

Chapter 4 introduces the empirical context of the study. The chapter first depicts the (numerical) evolution of the union form of organization in Turkey. The depiction is accompanied by a discussion of why ecological analyses of union founding in Turkey can and should begin in February 1947. The chapter then describes changes in the political environment of unions in Turkey during the observation period. The description distinguishes periods during when the union population experienced changes in the legal-institutional structure of the polity and periods of turmoil that were characterized either by a disintegrating polity and political repression by the ruling portion of the elite or by a disintegrating polity and political activism by a variety of social groups.

Chapter 5 describes methods, models and the estimation procedures used. Special attention is paid to definition of the so-called vital events, i.e. organizational founding and failure, which had implications for coding of the dates of these events and estimation of organizational density, as well as completeness of data.

Chapter 6 presents the findings. The chapter also assesses the robustness of the findings obtained by using models with alternative specifications for a set of processes (i.e. the baseline carrying capacities of local industries and time dependence) as well as by using a different method of estimation.

Finally, Chapter 7 presents a discussion of the significance of the results with respect to hypotheses that were advanced; historical investigations (past and future) of the union movement in Turkey; and, finally, further research.

2

POLITICAL OPPORTUNITY AND ORGANIZATIONAL FOUNDING

2.1. The Political Environment of Organizations

The political environment of organizations has recently been studied with reference to organizational consequences of a variety of political phenomena. A group of institutionalist researchers have focused on how national political systems, which have evolved over long periods of time, have shaped aspects of business organization (Hamilton and Biggart, 1988; Whitley, 1992; Wilkinson, 1996). Usually with reference to the South East Asian economies, these researchers have shown that political traditions (e.g. shared conceptions of authority), the structure of political institutions (e.g. powerful or centralized versus weak or decentralized states) and political action (e.g. authoritarian political control over particular social groups) have significantly shaped the kinds of business organizations that prevail (e.g. large conglomerates versus small family businesses), the relations between the business organizations (e.g. the pervasiveness of subcontracting), the relations within the business organization (e.g. the degree to which management practices are paternalistic), and organizational action (e.g. diversification strategy).

A more focused, though more voluminous, line of institutionalist research has dealt with implications of regulatory systems and action, primarily with regards to the North American context (Baron, Dobbin and Jennings, 1986; Campbell and Lindberg, 1990; DiMaggio and Powell, 1983; Dobbin and Dowd, 1997; Dobbin and Sutton, 1998; Russo, 2001; Scott, 2001; Scott and Meyer, 1991; Swaminathan, 1995; Wade et al., 1998). This line of research has documented for instance that the structure of regulation (e.g. centralized versus decentralized regulation) relates strongly to diversity in

organizational structures or forms; that regulation affects structural features and survival prospects of organizations and competition between organizations; and that regulatory action may fuel other institutional processes, e.g. normative processes regarding what constitutes a proper organizational practice or form, that influence organizational practices and survival.

Organizational ecologists have shown interest in particular political events such as rise of nationalism (Dacin, 1997), establishment of a nation state (Ingram and Simons, 2000), rivalry between political ideologies (Barnett and Woywode, 2004), political turmoil (Carroll and Delacroix, 1982; Carroll and Hannan, 1989; Carroll and Huo, 1986; Delacroix and Carroll, 1983) and ethnic conflict (Olzak and West, 1991; West, 1995). Rise of nationalism, which propagates use of the national language, has been shown to be strongly related to the founding rate of national-language newspapers within the Finnish context (Dacin, 1997). Establishment of the Israeli nation-state, which served as a provider of institutions that smoothed exchange relations, was found to be powerfully related to the failure rates of workers' cooperatives in Israel (Ingram and Simons, 2000). Competition was found to be most intense among Viennese newspaper organizations that adhered to adjacent political ideologies, which shared a common resource base but did not benefit from ideological mutualism, rather than between those occupying the same or diametrically opposite ideological positions (Barnett and Woywode, 2004). Reshuffling of the existing resources or generation of new resources that characterize periods of political turmoil has been shown to relate significantly to newspaper founding rates in Argentina, Ireland and San Francisco bay area (e.g., Carroll and Hannan, 1989). However, a study within the Bulgarian context revealed that the relation between the founding rate and political turmoil takes an inverted-U shape, supporting the idea that too much turmoil generates extreme uncertainty and discourages founding of new organizations (e.g., Dobrev, 2001). Past research also showed that Argentine and Irish newspaper organizations founded at times of political turmoil were short-lived due to the transitory nature of the resources released during times of political turmoil (Carroll and Delacroix, 1982). Organizational researchers also documented that ethnic conflict generated both positive (solidarity generating) and negative (repressive) influences on survival prospects of ethnic newspapers in the US (Olzak and West, 1991).

A common understanding of the significance of institutionalized system of power relations in society (and especially its manifestation in the nation state) and the

conspicuousness of (sometimes radical) change and conflict within the system of power relations have underpinned recent research on political influences on organizations (Carroll, Delacroix, and Goodstein, 1988). Nonetheless, as the depiction above suggests, researchers have theorized on diverse facets of the political environment. For instance, some have focused on rather diffuse elements of the political environment, such as shared understandings regarding legitimate political authority (e.g., Wilkinson, 1996) whereas others concentrated on specific political events, such as regulatory action directed towards particular organizations (e.g., Dobbin and Dowd, 1997). Researchers have also isolated different types of organizations and organizational outcomes for study. While some researchers focused on business organizations (e.g., Russo, 2001), others studied social movement organizations[7] (e.g., Olzak and West, 1991). Among the dependent variables that have been investigated are change in structural features of organizations (a diverse set of variables including organizational practices and policies as well as elements of organizational charts and features of organizational languages) (Dacin, 1997); structural diversity (Wilkinson, 1996); emergence of and variance in national business systems (Whitley, 1992); structure of competitive interactions (Barnett and Woywode, 2004); and organizational survival (i.e. rates of founding and failure) (Carroll and Delacroix, 1982; Delacroix and Carroll, 1983). Researchers have also tended to emphasize dissimilar social processes linking political phenomena to organizational outcomes. For instance, whilst some researchers have emphasized cognitive or perceptual processes that pertain to conceivable or acceptable structural features and modes of action (e.g., Dacin, 1997) others have underlined changes in resource flows to organizations and the structure of competitive interactions (e.g., Dobbin and Dowd, 1997).

There is thus no overarching framework regarding how organizations relate to their political environment Theoretical propositions offered have differed in terms of dependent variables (organizational outcomes), independent variables (aspects of the political environment) and the mechanisms through which changes in political

[7] Social movement organizations are built by groups that attempt to change "elements of social structure and/or the reward distribution of society" (McCarthy and Zald, 1977: 1218). The distinction between social movement organizations and other types of organizations (e.g., for-profit-organizations), however, may not always be clear cut. Modern social movements have been characterized by formal and centralized movement organizations (Jenkins, 1983). This means to say that social movement organizations may have a lot in common with other types of bureaucratic organizations.

environment bring about change in organizational outcomes. The present study examines a specific organizational outcome, namely the rate of organizational founding. The process of organizational founding involves mobilizing organizational forms and resources. The significance of the political environment for organizational founding stems from pervasiveness of political control over organizational forms and the resources needed for starting and maintaining organizations. Section 2.2 below first explicates in general terms institutionally oriented arguments regarding political control over organizational forms and resources. Institutional arguments are however deficient with respect to antecedents that relate to variation in political control over organizational forms and resources. The section therefore continues with a brief depiction of the pertinent body of research in social movements. This part of the section also buttresses Chapter 4 which includes a description of changes in the political environment of the organizational population subjected to analysis in the present study. Based on research in social movements and entrepreneurship, the section then shortly outlines the mechanisms through which the effects of political control may unfold. Based on the analytical framework laid in Section 2.2., Sections 2.3 and 2.4 discuss in detail and offer hypotheses regarding how select dimensions of political opportunity, namely legal-institutional structure of the polity and political turmoil, respectively, influence the rate of organizational founding.

2.2. Political Opportunity and Organizational Founding

Organizational founding involves mobilizing organizational forms and resources (Aldrich, 1999; Carroll and Khessina, 2005; Hannan and Freeman, 1989; Thornton, 1999). Organizations are founded for pursuing particular goals that are communicated to relevant constituencies by founders. In addition, prior to founding, founders also make choices regarding the means, such as core technology and marketing strategy that are to be used in pursuing the stated goals of the organization. The organizational founding process also involves mobilizing resources such as members, employees, customers and money.

In many instances, organizational forms (or particular elements of organizational forms) and resources are controlled by the ruling institutions of the system of power

relations in society, which altogether constitute the polity (DiMaggio and Powell, 1983; Meyer and Rowan, 1977; Scott, 2001). Previous research on the political environment of organizations, underpinned by the institutionalist perspective, has accordingly pointed to two aspects of political influence on the organizational founding process: (1) constitutive, regarding what forms of organization can legitimately be adopted; (2) resource related, regarding availability and distribution of resources requisite for founding and maintenance of organizations with particular forms. Although these two aspects of political influence are distinct, they may also be interrelated. Control over organizational forms usually entails indirect control over resources. For instance, illegitimate organizational forms can hardly attract the resources necessary for founding.

Drawing upon research in social movements, which has dealt with various types of mobilization including founding of social movement organizations, the present study conceives changes in control by the polity over organizational forms and resources as variation in political opportunity for organizational founding. Social movement research also offers descriptions of specific changes in polity that result in alteration in political opportunity. Whereas institutional research is relatively silent on how changes in political opportunity come about, social movement research points to changes in the composition of polity, links connecting the non-elite groups (which tend to be the focal social groups in movement research) to the polity and change in repressive capacity or actions of the state as antecedents of political opportunity. The same body of research, in conjunction with research in entrepreneurship, also provides explanations regarding the two mechanisms, more precisely, structural and perceptual mechanisms, through which variation in political opportunity translates into variance in rates of founding.

2.2.1. Political Opportunity: Political Control over Organizational Forms and Resources

In the modern world, “formal organizational structures arise in highly institutionalized contexts” (Meyer and Rowan, 1977: 340). The ruling institutions of the

system of power relations, which constitute the polity[8] and are normally instantiated in the nation state, provide structural templates for organization builders and quite often forcefully impose the use of these templates. [9] In this sense, the polity has a constitutive influence on the founding process. That is, the polity determines which forms of organization can proliferate.

In many instances, adoption of particular organizational forms is prerequisite to initiation or successful completion of the mobilization process (DiMaggio and Powell, 1983; Meyer and Rowan, 1977; Scott, 2001). Banks or hospitals, for instance can be established only after obtaining a license. These licenses usually clearly specify the goals that can be (and cannot be) pursued; characteristics of certain elements of formal structure; and the means (i.e. technologies and strategies) that can be made use of. In other instances, start ups must be registered with the authorities. Voluntary membership organizations, such as political parties and unions, have to submit their charters to obtain corporate identity. These organizations are usually not allowed to engage in transactions with other organizations or make legally valid claims on members, money or employees before obtaining corporate identity. In other words, to become functioning organizations, these organizations have to be legally established. Obtaining a corporate identity, on the other hand, requires showing that stated goals of the organization comply with the rules espoused by the ruling political institutions. Quite often, pursuing illegitimate goals not only hinders legal incorporation but also results in forceful termination of the resource mobilization process or closure of the organization.

The ruling political institutions also have direct (strategic) control over resources (DiMaggio and Powell, 1983; Scott, 2001). These institutions determine whether and under what conditions these resources will be available and shape the distribution of resources. Some organizations are not allowed to access particular markets. Commercial banks, for example, may not be allowed to do investment banking. Such a rule both decreases the amount of resources (e.g. customers or lucrative business opportunities)

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[8] Polity-centered perspective explicitly focuses on the configuration of power within society and in this respect differs from the 'political' approaches in organization studies that focus on power or dependency relations that pertain to (usually dyadic) inter-organizational relations (e.g. Pfeffer and Salancik, 1978).

[9] Institutional theory involves a larger set of controls (e.g. cognitive and normative-professional- as well as political) over organizational forms and resources. See Section 2.3 for a discussion on relative importance of cognitive and political controls.

available to commercial banks and opens up a niche for investment banking. Often, there are restrictions with respect to individuals that the voluntary membership organizations can organize and the amount of resources these organizations can amass from their members. For instance, in many contexts unions can organize workers in particular industries only. In addition, the amount of membership dues they can collect has an upper limit and also depends on whether existing rules allow the unions to become functional organizations that can provide benefits to their members.

Not infrequently the system of power relations undergoes change. The ruling institutions of the political system temporarily disintegrate or are restructured or replaced by totally new ones. These transformations may be abrupt and sweeping as well as gradual and limited. During these periods of change there may be significant alterations in control over organizational forms and resources. For instance, these periods may be characterized with weakening of political control over forms and resources (Carroll et al., 1988; Hannan and Freeman, 1989; Stinchcombe, 1965). Disintegration may result in decline in the polity's capacity to sanction adoption of particular organizational forms. Disintegration may also, at least temporarily, be accompanied with emergence of resources not under the direct control of the ruling institutions. Successful restructuring or complete renewal of the polity, on the other hand, while not altering the control capacity of the polity, may bring about new templates for organizing; destroy existing templates; and change, for longer periods, availability and distribution of resources. New rules may generate new organizational forms, such as independent power producers (Russo, 2001); repeal bans on particular organizational forms, such as unions (Makal, 1999); ban existing organizational forms, such as breweries and wineries (Wade et al., 1998); open up new markets and thus increase the overall level of resources (Barron et al., 1998); determine from which sources capital can be acquired (Dobbin and Dowd, 1997); and make obtaining charters more or less difficult (Ranger-Moore, Banaszak-Hall and Hannan, 1991).

2.2.2. Antecedents of Political Opportunity

Although institutionalist arguments are powerful with respect to relation of organizational founding to the polity, they are not buttressed with accounts of changes

in the polity. The institutionalist perspective has been deficient in terms of dealing with institutional change in general (Hirsch and Lounsbury, 1997; Scott, 2001). Moreover, institutionalists have rarely offered accounts of institutional change with regards to system of power relations within society (Oliver, 1992). Although system of power relations has been understood to underlie control over forms of organization and resources, what change in power relations entails has not been investigated.

Research in social movements, however, has examined a broad class of changes in the polity in relation to a variety of mobilization related outcomes, including founding of social movement organizations (Amenta, Dunleavy and Bernstein, 1994; Amenta and Zylan, 1991; Kitschelt, 1986; McAdam, 1982; McAdam et al., 1988; Meyer and Minkoff, 2004; Rucht, 1996; Tarrow, 1988, 1998; Van Dyke and Soule, 2002). Although this body of research has considered political opportunity in relation to politically-oriented mobilization by the less powerful social groups, the arguments have wider applicability.

Social movement researchers have regarded emergence of divisions within the political elite, establishment of elite alignments, gaining access to the party system, increase in electoral power, and changes in the state's capacity for repression as immediate sources of (usually favorable) change in political control over templates and resources necessary for mobilization, i.e. political opportunity[10] (Gamson and Meyer, 1996; McAdam, 1996; Meyer, 2004; Meyer and Minkoff, 2004; Tarrow, 1998). These changes are sometimes driven by sweeping economic, demographic, social and political developments which cannot be controlled by any social group. Black citizens of the US, for example, enjoyed an increase in their electoral power and a concomitant increase in their capacity to mobilize as a result of a long process of demographic change, namely concentration of blacks in urban centers due to immigration (McAdam, 1982). At other times, changes in polity emanate from strategic action by particular powerful social groups. Workers were badly hit by the Great Depression in all industrialized countries. In France and in the US, workers responded to the depression-time conditions with

[10] Social movement research has rarely focused on organizational forms implicated in movement activity and therefore political control over templates regarding organizational structure. Nevertheless, control over claims that can be voiced and the means that can be used by the mobilizing social groups have been given due consideration. Actually, much of political opportunity arguments in social movement research involves templates for collective action rather than direct control over resources.

unprecedented levels of insurgency, e.g. strikes, demonstrations and workplace occupations. British and German working classes were on the other hand rather passive. The variance in patterns of insurgency related strongly to the actions of the ruling elite in these countries. The "reform administrations" that came to power in the US and in France in 1933 and 1937, respectively, "were willing to innovate in political-economic relationships and reluctant to support suppression of labor" (Tarrow, 1998: 73). The Popular Front in France and the New Deal in the US opened the political system to the claims of the working class and its organizations (such as higher wages, job security, better working conditions and greater union freedoms) and therefore encouraged mobilization and collective action by workers. In contrast, British workers were not offered similar opportunities by the British political establishment and the German working class and its organizations (unions, the Social Democratic Party and the Communist Party) were cruelly repressed by the Nazis. Hence the docility of the British and German working classes during Great Depression (Tarrow, 1998).

Divisions within the elite that govern the polity help the social groups excluded from power to mobilize and engage in collective action. The still ruling portion of the divided elite can more easily be confronted by the less powerful social groups. This is primarily because the rulers will tend to command fewer resources and will be more wary of retribution after divisions within the polity. Moreover, divisions within the elite "encourage portions of the elite that are out of power to seize the role of tribunes of the people" (Tarrow, 1998: 79) which results in opening of greater space for political action by contending groups. As a consequence, during times of divisions within the elite, members of less powerful social groups become more aware of political markers; can more easily articulate political claims (i.e. feel less repression); and become more willing to contribute their time, energy or money to collective causes. Thus, divisions within the elite facilitate mobilization.

Divisions within the elite may also result in coalition making that involve weaker social groups on the one hand and the ruling or non-ruling portions of the divided elite, on the other (McAdam, 1996; Skocpol, 1979; Tilly, 1978; Trotsky, 1967). Such alliances may confer both sides of the alliances greater levels of resources and support. The resource-poor sides of such alliances (i.e. the weaker social groups) may especially experience higher levels of improvement in their capacity to mobilize. In addition, weaker social groups may feel freer to make new demands or coalesce around formerly prohibited claims. However, alliance, or the mere potential for alliance, with the portion

of the divided elite that challenges the ruling portion may also trigger repressive action by the ruling portion of the elite and further constrain mobilization capacity of the weaker social group.

At other times, a social group excluded from power may enjoy the presence of an enduring ally within the elite. Having an ally within the elite "who can act as friends in court, as guarantors against repression, or as acceptable negotiators [on the focal social group's behalf]" (Tarrow, 1998: 79) encourages collective action by decreasing the costs or increasing the returns associated with it. In some liberal political regimes, much of political activism by the non-elite social groups is buttressed by their links to the political elite. In these societies working class movement owes much to left-wing political parties whereas religious movements benefit from support from right-wing parties (Kriesi et al., 1992; Tarrow, 1998).

In representative political systems, political parties usually monopolize the gateways to the ruling institutions of the political system. Having access to the party system helps the social groups to have their claims heard and gives them a reason to articulate their interests and mobilize (Kitschelt, 1986). When social groups also command significant levels of electoral power political parties may even take the initiative before full fledged collective action. Such action may sometimes render further collective action unnecessary, when it satisfies the demands of the contending groups. However, it may also accelerate ongoing mobilization efforts, as reform generates a more conducive environment.

Some political systems have been characterized by states with great repressive powers. These political systems have rarely spawned social movements except immediately prior to their dissolution (Tarrow, 1998). Repression may take two forms: increasing the target group's cost of mobilization or cost of collective action (Tilly, 1978). A government for instance, may choose to affect the organization of the target group. The political and indigenous organizations of the targeted social group may be closed down and assemblies of the members of the social group may be outlawed. The resources controlled by these organizations may be seized and leaders of these organizations may be jailed or exiled. The government may also use indirect measures to increase the mobilization costs. The press may be brought under control and used for propagation that aims at delegitimating the claims of the social group. Sympathizers of the government among the members of the social group, if any, may be explicitly supported and the resource flows to the social group can be brought under stricter

government control and selectively used. Because social groups mobilize through organizations, the effect of repression may be most pronounced on the organizational forms favored by the targeted social groups.

Repression by the state may also be focused on the collective action of the social group. The state may take concrete action against collective action by the contending social group or may make credible threats regarding future action against the group or its organizations and leaders. The state may deploy the police and the army against petitions, demonstrations, strikes, insurgence and other forms of visible action. Alternatively, the state may enact laws that ban particular kinds of collective action and threaten leaders and participants with punishment. Legal changes are especially important because "laws state the costs and benefits which governments are prepared (or at least empowered) to apply to one form of action or another" (Tilly, 1978: 102). In other instances, mere changes in the ideological positions of the rulers, as well as or rather than concrete action by them, alter the perceptions of members of relevant social groups regarding future prospects and may at least temporarily diminish mobilization efforts.

In other political systems states have been more pre-emptive rather than repressive (Tarrow, 1998; Tilly, 1978). That is, these states have tended to contain social movements by initially responding positively and opening more political space to them. Nevertheless, even in liberal political regimes, states have usually been hostile towards movements with displacement aims, i.e. revolutionary movements willing to replace the existing polity with a new one.

2.2.3. Causal Mechanisms: Perceptual and Structural Processes

Rationality of entrepreneurs (both founders of organizations and the so-called movement entrepreneurs) and their collaborators (such as financiers or recruits to movement organizations) has been a debated issue (Carroll and Khessina, 2005; Meyer, 2004; Meyer and Minkoff, 2004; Sorensen and Sorenson, 2003; Tarrow, 1998; Thornton, 1999; Tilly, 1978). Conventional notions of entrepreneurship contain descriptions of rational individuals engaged in cost(risk)-return calculations. In view of that, some organizational researchers and social movement researchers have assumed

entrepreneurs to be fairly cognizant of their (political) environment. According to this line of thinking entrepreneurs are able to process environmental signals (originating from the state, other movements or organizations or from the broader society) in order to make appropriate decisions regarding whether or when to mobilize (Hannan and Freeman, 1989; Tarrow, 1998; Tilly, 1978). Rate dependence arguments in organizational ecology suggest that entrepreneurs respond rationally to signals such as prior foundings, failures and opening of new niches (Delacroix, Swaminathan and Solt, 1989; Hannan and Freeman, 1989). Some of the ecological studies that have investigated political influences on newspaper organizations and breweries have argued that founders of these organizations made judgments regarding political (ethnic) polarization in society and uncertainty of returns on investment due to probable economic crisis or prohibition of the pertinent organizational activity (Dobrev, 2001; Wade et al., 1998; West, 1995).

An opposing argument is that entrepreneurs are not necessarily aware of their environment or engaged in rational calculation (Gamson and Meyer, 1996; Sorensen and Sorenson, 2003). This line of thinking conceives entrepreneurs as 'unduly optimistic.' Rather than carefully calculating their chances of success by utilizing environmental signals and then acting on these calculations, "they just keep trying. In this view, political opportunities are less important as signals than as environmental conditions that allow protest [or organizations] to emerge and resonate with government and other social actors" (Meyer, 2004: 139). Accordingly, some organizational and movement researchers have focused on elements of the (political) environment without making any reference to perceptual processes. These environmental factors have been argued to generate outcomes through structural processes. Density of social movement organizations, for instance, has been argued to initially facilitate protest and further organization building activity by generating a more fecund environment (Minkoff, 1997); inter-movement competition has been argued to hinder mobilization of social support (Olzak and Uhrig, 2001); alteration in the distribution of resources at times of political turmoil has been argued to generate new (forms of) organizations (Stinchcombe, 1965).

The impact of political opportunity on organizational founding may thus unfold either through perceptual processes regarding rational calculations that involve future possibilities or through the structural processes that pertain to the rate at which ongoing efforts (which tend to be quite numerous at all times) at founding realize. The present

study conceives organizational founding as future oriented behavior (Aldrich, 1999). The corollary to this idea is that entrepreneurs are not totally blind individuals. Assuming they were blind with respect to organizational outcomes of changes in political opportunity, changes in political opportunity would simply alter the rate at which ongoing attempts at founding would realize. However, considering entrepreneurs are in varying degrees cognizant individuals, perceptions of political opportunity, as well as 'actual' political opportunity, may be consequential for organizational founding.

Thus, rather than considering perceptual and structural processes as mutually exclusive, this study conceives them as parallel processes. In this way, both constitutive and resource-related aspects of changes in political opportunity can be dealt with. Founding an organization requires mobilizing organizational forms. Mobilization of forms, in turn, necessitates awareness of forms. Thus, organization founders need to be perceptive individuals with regards to the legitimate aims they can pursue and the means they can utilize. On the other hand, resource-related aspects of political opportunity may influence organizational founding even when entrepreneurs are not aware of them.

The researcher may be interested in separating structural influences from the perceptual ones to determine their relative weight (Meyer and Minkoff, 2004) or to discriminate between unduly optimistic and rational entrepreneurs (Meyer, 2004; Sorensen and Sorenson, 2003). Another reason for scrutinizing the mechanism through which political opportunity drives organizational founding concerns the temporal and spatial patterns of organizational founding in relation to political opportunity. Firstly, in a given spatial context expectations of change in political opportunity may influence organizational founding before the change actually takes place. A signal regarding greater freedoms for particular organizational forms in the future may increase attempts at organization building before the change actually takes effect (in terms of resource flows to organizations embodying the form, for instance). Secondly, observing change in political opportunity in other spatial contexts may generate immediate influences on entrepreneurial activity in the focal context by structuring expectations of actors in the focal context (cf. Wade et al., 1998).

2.3. Legal-Institutional Structure of the Polity and Organizational Founding

Much of the recent research on organizational evolution revolves around taken-for-grantedness or cognitive legitimation of organizational forms, despite widespread acknowledgement of multidimensionality of legitimacy (Aldrich and Fiol, 1994; Baum and Powell, 1995; Carroll and Hannan, 2000; Scott, 2001; Suchman, 1995). Two of the most vibrant streams of research in organization studies, namely the new institutionalism and organizational ecology, grapple principally with legitimacy problems that originate from lack of shared understandings regarding organizational practices or organizational forms (cognitive legitimation or institutionalization) (Aldrich and Fiol, 1994). The new institutional theory's distinctiveness lies in its emphasis on cognitive elements of institutions (Scott, 2001). The ecologists also build models that are geared towards capturing the cognitive legitimation process (Carroll and Hannan, 2000). According to both schools of thought, an organizational form (or any core structural element of organizations) is legitimate "when there is little question in the minds of actors that it serves as the natural way to effect some kind of collective action" (Hannan and Carroll, 1992: 34).

Sociopolitical legitimacy, in contrast, refers to the degree of endorsement of claims or practices of organizations embodying a particular form by their key constituencies or the powerful actors around them (Aldrich and Fiol, 1994). Organizations and organizational populations exist in an institutional environment made up of norms regarding expectations of significant others and resources (both social and material) that are to be released when these expectations are met. The survival chances of organizations depend on the degree to which they are absorbed by their institutional environment, or alternatively, the extent to which they are brought under and comply with institutional controls (DiMaggio and Powell, 1983; Meyer and Rowan, 1977). Institutional embeddedness of organizations, signaled by the presence of formal ties to powerful actors in the environment or acts of backing by these actors, confers organizations status and access to resources vital for their survival, and offers them protection against uncertainty, competition and unruly action by third parties (Baum and Oliver, 1991; 1992; Miner, Amburgey, and Stearns, 1990; Singh, Tucker, and House, 1986). Because organizational forms emerge and proliferate, and thus gain cognitive legitimacy, in a broader institutional (sociopolitical) environment, this study considers

sociopolitical legitimacy of organizational forms as more fundamental to organizational evolution and investigates its influence on the founding rate.

Although sociopolitical legitimacy arguments pertain to a variety of actors, the state is understood to be the major political institution or actor under which organizations exist. The state is an instantiation of the set of ruling institutions of the system of power relations. It is usually considered to be a coercive instrument manipulated by the powerful social groups in society (Tilly, 1978). Nevertheless, there are also arguments regarding the autonomy of state organization (Skocpol, 1979). That is, state organization itself may be considered as a powerful social actor capable of independently acting on its own interests. In both cases, the significance of the state in the modern world stems from penetration of society by the state organization and state rule over almost all domains of social activity.

Therefore, manifestations of the capacity in which the state acts has been of interest to the new institutionalists and ecologists (Carroll et al., 1988; Meyer, 1983; Scott, 2001). Current study focuses on the legal-institutional structure of the polity pertinent to organizational forms or, in other words, legal frameworks underlying particular forms of organizational activity. Laws, regulations and administrative agencies are consistent and durable elements of the state organization. Past research has shown that state organization influences organizations in constitutive, regulative and transactional terms. Constitutive role of the legal-institutional structure of the polity pertains to the rules (laws) as to acceptable forms of action and organization. Legal-institutional structure of the polity also affects availability and distribution of resources through defining rules regarding rights and obligations of organizations with respect to other organizations around them as well as their constituencies (e.g. tax authorities, suppliers, customers, and employees) or formal links (which may involve service procurement or subsidized loans) between the state agencies and organizations.

2.3.1. Constitutive Role of the Legal-Institutional Structure of the Polity

First and foremost, states constitute actors. A historical-institutionalist approach argues that social actors are not constituted in a vacuum. Rather, "institutions construct actors and define their available modes of action; they constrain behavior, but they also empower it" (Scott, 2001: 34). Broadly speaking, states define basic rights as to political representation, property, competition and exchange. (Campbell and Lindberg,

1991). Specifically, states enact laws that define elements of organizational forms and the constituencies of these forms. So, states define the kinds of action and organization that are and are not possible. However, states do not simply provide 'rationalized and impersonal prescriptions' regarding what means are to be used to pursue certain purposes. Enforcement of laws means that organizations adhering to the laws will be supported by the state either directly or in their dealings with third parties. Adopting the organizational forms prescribed by the state then enhances the status of organizations, offers protection and facilitates access to resources.

There is however some controversy over whether it is cognitive legitimacy rather than endorsement by the state that matters the most. An organizational form may become cognitively legitimate, that is taken-for-granted such that reproduction of the form is no longer problematic, long before formal recognition by the state (Hannan and Freeman, 1989). What is more, state action may be driven by the proliferation of the form, that is, it may be endogenous to the growing taken-for-grantedness of the form (Hannan and Carroll, 1995). The argument above however implies that state action directed towards redrawing the boundaries around organizational forms should be expected to have an independent impact on organizing activity. Official endorsement by the state may further facilitate diffusion of organizational forms. Of course, sometimes state involvement may constrain action and organization building, and therefore further diffusion of an organizational form. What is more, one should perhaps consider the possibility that constitution of organizational forms systematically vary across nations. Institutionalists acknowledge the impact of state or polity structure on organizational structures and organizational diversity (Carroll et al., 1988; Dobbin and Dowd, 1997). Some countries are characterized by official ideologies that hinder or explicitly ban forming certain types of organizations. In these countries, constitution of the organizational form by the state may be a prerequisite to the commencement of the cognitive legitimation process.[11]

[11] Resolving this issue seems to be related to the characteristics of the empirical context and the organizational form studied. Nevertheless, researchers may continue to disagree. Researchers, for instance, have disagreed on whether labor organization had any impact on the National Labor Relations Act (1935) in the US. (The depiction that follows is based on Cornfield (1991)). State-centered analyses have considered organized labor as irrelevant (Finegold and Skocpol, 1984). Some analysts have argued that only some sections of the organized labor in the US managed to play a secondary role. Others however have tended to view the passage of the Law as a consequence of labor militancy (Levine, 1988) or

Constitutive changes in legal frameworks that entail the ends particular types of organizations can pursue and the means that they can utilize may influence organizational founding through both perceptual and structural mechanisms. For instance, granting of greater freedom to organizations embodying particular organizational forms in terms of aims and means and promising them protection in their dealings with third parties alters positively the perceptions regarding functionality and viability of these organizations. A greater scope for action and legal protection allows organizations to better serve a larger constituency, overcome barriers erected by other actors and therefore garner greater amounts of resources. Being able to acquire more resources implies higher chances of survival. Thus, with the expectation of greater 'return on investment,' individuals will tend to invest more resources in organizational founding under such circumstances. Organization building may accelerate even before such legal changes actually take effect. Nevertheless, perceptual influences may be short-lived and may not generate long lasting consequences unless buttressed by or continued with structural influences.

Constitutive changes in legal frameworks influence organizational founding through structural mechanisms as well. Structural influences will tend not to unfold immediately when compared to perceptual influences. That is, it may take some time before structural implications of legal changes can be observed. For instance, application of laws may have to await explicit regulation and there may be a time gap between enactment of laws and regulation. However, structural influences will tend to persist in time, assuming legal frameworks are stable. Structural influences pertain primarily to resource availability. Favorable constitutive changes first and foremost imply an increase in the amount of resources that can be controlled by relevant organizations. As noted above, organizations which possess greater freedom in terms of aims that they can pursue and the means that they can use acquire more resources from their immediate constituencies and other actors in their environments. For instance, granting of the right to strike increases the functionality of unions for workers. Through strikes unions can force employers into collective bargaining and obtain a variety of benefits for their members. Thus, under legal frameworks that allow for strikes and

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activism by particular labor organizations (Tomlins, 1985). An institutional-ecological study on labor unions in the US would therefore have difficulty in deciding on whether one aspect of the environment (change in the legal-institutional frameworks) was endogenous to the evolution of the union form.

offer protection to unions that engage in strike activity, workers will be more inclined to become members of unions and thus contribute more resources to unions. In such circumstances, employers will be less inclined to be engaged in offensives against unions. Thus, under a legal framework that allows for strikes return on resources invested in union founding will be higher and cost of union founding will be lower.

Moreover, constitutive changes in legal frameworks create greater scope for differentiation in terms of ends and means. An age old evolutionary idea in various branches of sociology which can be traced back to Durkheim is that struggle for existence drives differentiation (Hannan and Freeman, 1989). As competition for resources intensifies actors tend to look for (or create) niches with free resources. An enhancement in the ends that can be pursued by organizations with particular organizational forms and the means that can be used by them implies that as competition intensifies these organizations will tend to differentiate in terms of ends and means. Some organizations for example will focus on particular ends rather than others. The means that are to be used in pursuing certain ends may also become a source of divisions. That is, the means may become the ends. To continue with the union example, a change in pertinent laws that allow the unions to engage in politics may trigger politically driven mobilization as competition intensifies. Union foundings may increasingly reflect political divisions (e.g. left-wing versus right-wing or radical versus reformist) under such circumstances. Likewise, divisions with respect to the means to be used may drive union foundings. For example, rather than using strike as a means to force employers into collective bargaining, newer unions may be founded with the sole aim of agitating strikes.

2.3.2. Regulative Role of the Legal-Institutional Structure of the Polity

States also act as regulators. Regulation involves rule setting, monitoring and sanctioning with regards to relations between actors (Scott, 2001). Regulation thus supports an orderly system exchange. The impact of regulation on organizational evolution may stem either from its structure or from changes in its content. For instance, political differentiation (existence of multiple political units with distinct boundaries), which results in absence of integrated policy or rule making and thus multiplicity of regulatory frameworks, results in differentiation of the resource space and therefore increases the number of viable organizations (called the carrying capacity, in ecological

parlance) (Barnett and Carroll, 1993). Changes in the content of existing regulations (e.g., deregulation) may determine the aggregate level of resources available for organizations with particular forms; the conditions under which these resources will be available; or the distribution of resources and thus the quality of competitive interactions between organizations (Barron et al., 1998; Dobbin and Dowd, 1997).

Regulation has been understood to translate into organizational outcomes through both perceptual and structural processes. Regulation that institutes an orderly system of exchange may alter perceptions regarding uncertainty and generate an increase in attempts at founding new organizations (Ingram and Simons, 2000). Institution of an orderly system of exchange also facilitates resource acquisition from members, customers, financiers or suppliers. For example, explicit specification of how the collective bargaining process must unfold makes it easier to arrive at collective agreements. In such cases, unions and potential founders of unions will be better able to obtain resources from their environments, most importantly from workers. Thus, ongoing efforts at founding may materialize at higher rates under well-arranged regimes of resource exchange.

2.3.3. Transactional Role of Legal-Institutional Structure of the Polity

Finally, laws generate, and regulate the activities of, state affiliated organizations or agencies which transact directly with members of certain organizational populations, thereby conferring resources and legitimacy to them. A particular institutional-ecological imagery involves gradual changes in institutional embeddedness of organizational forms, as members of organizational populations establish formal links to the powerful and well-established actors in their environment (Baum and Oliver, 1991; 1992; 1996). Links to well-established actors may directly confer resources. Transactions with the state affiliated organizations or agencies, for instance, may confer organizations resources in concessionary terms (e.g. subsidized loans or generous down payments). For instance, unions in the public sector find it easier to recruit workers, carry out collective bargaining in a less hostile environment, and therefore are better able to amass resources indispensable for their survival.

Establishing links to well-established actors or institutions also generates legitimacy. By associating themselves with the highly legitimate actors or institutions, organizations signal that they conform to institutionalized prescriptions regarding

proper modes of behavior (Baum and Oliver, 1992; 1996). Displaying conformity to norms of the institutional environment insulates organizations from questioning of their conduct; helps them signal that they are reliable and accountable; protects them from uncertainty and competition; and facilitates access to resources controlled by third parties (Carroll and Hannan, 2000; DiMaggio and Powell, 1983; Galaskiewicz, 1985; Hannan and Freeman, 1989; Meyer and Rowan, 1977; Miner, Amburgey and Stearns, 1990; Oliver, 1990). For instance, engagement in collective bargaining in the state owned workplaces may make it easier for unions to recruit members in privately owned workplaces and force the owners of these workplaces into collective bargaining.

Changes in the constitutive, regulative and transactional aspects of legal-institutional structure of the polity thus generate opportunities for or constraints on particular forms of organizational activity through structural and perceptual processes. Enhanced political opportunity in the form of constitutive changes or signals regarding future constitutive changes that widen the scope of ends that can be pursued and the means that can be utilized should be expected to increase the rate of founding of organizations embodying the pertinent organizational form. For instance, (signs of) changes in legal frameworks which enable unions to undertake strikes and collective bargaining and engage in politics increase the rate of founding of unions. Likewise, regulation that brings in an orderly system of exchange and facilitates resource acquisition increases the founding rate. For example, regulation that institutes the check-off system and offers protection to union representatives and members increases the founding rate of unions. Finally, changes in laws that allow particular types of organizations to transact with state affiliated organizations or agencies on concessionary terms increase the rate of founding of organizations embodying the pertinent form. To exemplify, collective agreements in public workplaces make it easier to persuade workers in private workplaces to join unions and therefore increases the union founding rate.

Considering these arguments leads to the following hypothesis:

> **Hypothesis 1:** Liberalization of the legal framework increases the organizational founding rate.

2.4. Political Turmoil and Organizational Founding

What happens to organizations in the midst of political turmoil has been a debated issue (Aldrich, 1979; Carroll et al., 1988; Dobrev, 2001; Hannan and Freeman, 1989; Stinchcombe, 1965). A small number of empirical studies found higher rates of organizational founding during times of turmoil (Carroll and Hannan, 1989; Delacroix and Carroll, 1983; Dobrev, 2001). The positive relation between political turmoil and the rate of founding has usually been attributed to disruption of resource alignments and creation of new resources during times of political turmoil (Hannan and Freeman, 1989; Stinchcombe, 1965). This line of thinking construes political turmoil as a class of environmental restructuring which results in reshuffling of the resources in the resource space and creation of new environmental niches (Stinchcombe, 1965). As resources become available for new uses, one may expect a higher rate of founding of (new types of) organizations. However, although periods of political turmoil may bring about spurts of organizational founding, some established organizational forms different from the newcomers in systematic ways may experience hard times as resources may be pulled away from them (Carroll et al., 1988). One empirical study, however, attributed the positive effect on the founding rate of (mild) turmoil to the so-called (perceptual) salience effect of turmoil (Dobrev, 2001). The argument is that, political turmoil increases the salience of and galvanizes political identities and thus results in politically-oriented mobilization (Olzak and West, 1991.

Dobrev (2001) also found a lower rate of founding during intense political turmoil. This finding was associated with heightened uncertainty that characterizes periods of political turmoil. Researchers have usually placed a high value on an enduring orderly system of social relations, such as predictable laws and government, and economic stability as a source of entrepreneurial activity. High level of perceived uncertainty is believed to adversely affect future oriented behavior, such as organizational founding, and the survival chances of organizations (Aldrich, 1979).

Definitions of political turmoil in prior research have been problematic. In earlier empirical work, political turmoil was defined as periods characterized by a set of diverse political events such as setting up of a junta, armed conflict, foreign occupation, proclamation of a new constitution, execution of a nationalist leader, elections, labor disputes and ethnic violence (Carroll and Delacroix, 1982; Carroll and Hannan, 1989;

Delacroix and Carroll, 1983). These events were considered to be driven by significant realignments in society which temporarily provided the resources for founding of new organizations. Later work differentiated between mild and intense political turmoil (Dobrev, 2001). The former was associated with political change through institutionalized means (e.g. elections). The latter denotes violent political events, such as wars and revolutions. As noted above, this work considered mild turmoil as agitating and intense turmoil as constrictive.

This study defines political turmoil as organized challenges to a polity (Carroll et al., 1988). Thus, political turmoil is understood as periods when the system of power relations undergoes change and significant alteration in the polity's capacity to control particular organizational forms and resources occur. Defining political turmoil in relation to polity allows distinguishing between two types of turmoil: (1) turmoil that originates from within the polity (top-down turmoil); and (2) turmoil that originates from without the polity (bottom-up polity). These two types of turmoil involve dissimilar changes in control capacity of the polity. While the former may result in repression of particular organizational forms in constitutive and resource-related terms the latter will tend to be associated with less control over forms and resources.

Prior conceptions of political turmoil have been based on challenges to the polity that emanate from the social groups customarily excluded from power. The concept does not seem to be considered in relation to situations which involve contentious action by some members of the polity against others and the ensuing repression on social groups that are not members of the polity. Though the possibility that repression, especially repression by the state which "specialize[s] in the control of mobilization and collective action" (Tilly, 1978: 101), significantly alters the fortunes of social groups engaged in collective violence has been widely acknowledged, the possibility that political turmoil, when it involves struggles within the polity, may simply increase the cost of mobilization or collective action by some of the weaker social groups has not been recognized. If repression increases the cost of mobilization for particular social groups, then the organizational forms favored by these groups will suffer the most.

During periods when factions of a polity engage in struggle against each other, the likelihood that there will be coalition making between contending members of the polity and social groups that are not members of the polity increases. This is one form of 'multiple sovereignty' or 'dual government' usually analyzed in relation to political revolutions or revolutionary situations (Skocpol, 1979; Tilly, 1978; Trotsky, 1967). As

the former status order breaks down, a process of coalition building that involves contending members of the polity on the one hand and the weaker social groups on the other begins. During such periods, the likelihood that clashing members of the polity will attempt at suppressing the alternative coalition or the emergence of a coalition of formerly subordinated groups also increases. Some members of the polity, especially those in control of the state apparatus (i.e. the ruling portion of the polity), may be more successful, at least temporarily, in repressing the others. Social groups that are targets of repression may rather experience a contraction in political opportunity during such periods of turmoil.

As outlined earlier, repression may target either mobilization capacity of the social group in question or collective action by members of the social group. Ruling elite may levy bans on particular elements of organizational forms. For example, unions may be disallowed to use strike as a means to pursue their goals. The ruling elite may also deny particular organizational forms their most needed resources. Drafting strikers and arresting union leaders disrupts organization of workers and makes them less of a threat (Tilly, 1978). The elite may also intimidate its potential opponents by increasing the penalties for collective action. Meetings and demonstrations by workers may be raided by the police and demonstrators may be jailed.

Another type of political turmoil involves sweeping changes in the resource endowments to social groups usually excluded from the polity and the ensuing challenges to the polity that involve these groups as the challengers. Under such circumstances repression by the polity is less likely. The increase in the amount of resources controlled by the challengers elevates the likelihood of reprisal against repressive actions and is usually accompanied with an actual decline in the coercive power of the state, due to decline in the resources available to the political elite. Such alterations in resource alignments are usually brought about by broad social and economic changes. Demographic changes that result in concentration of great deals of people that live in similar conditions for instance give these people the opportunity to muster an enormous amount of resources to pursue political aims and establish indigenous organizations (McAdam, 1982). The outstanding aspect of such periods is an overall increase in the amount and the diversity of the resources controlled by (emergent) social groups, which means that an increasing amount of resources can be committed by these groups to start new organizations.

Though reshuffling of the resources and creation of new ones bring about increased rate of organization building, the organizations that are built during periods of turmoil need not be strictly political organizations (Carroll and Huo, 1986). An increase in the mobilization capacity of the weaker or the previously nonexistent social groups also implies that a transformation in the underlying social and economic system is taking place (Carroll and Huo, 1986; Tilly, 1978). While some organizations may be built with the explicit aim of supporting or propagating political causes of particular social groups, such as political parties or other types of political organizations, many of the new organizations will simply serve, perhaps temporarily, the general needs of the emergent or the increasingly powerful and affluent social groups. The new power holders will, for instance, establish business organizations of their own, which will tend to be the same as any other business organization, as well as many kinds of community organizations that resemble the other community organizations around. Thus, in many instances, political turmoil will simply increase the scope for differentiation (as the resource space differentiates) on political dimensions (class, ideology, etc.).

This conceptualization of the relation of political turmoil to new organizational activity avoids one important problem in accounts of the relation in purely political terms. If all the organizations that arise during periods of turmoil were explicitly political, i.e. created for political representation, propaganda, or recruitment, one would hardly be able to articulate a causal relationship between turmoil and organizational founding, organizational founding being the dependent variable. These organizations "would not be reacting to the turmoil so much as they would be an integral part of it" (Carroll and Huo, 1986: 844). Turmoil would then largely be endogenous to political-organizational activity. As research in social movements has demonstrated, political organization is an antecedent of collective violence, one form of which is political turmoil (McAdam et al, 1988; Tilly, 1978). Models based on the argument that political turmoil generates new (political-)organizational activity would then be grossly misspecified.

The crux of the argument presented above is that political turmoil may result in, or rather accompany, either facilitation or repression of mobilization efforts of particular groups. Facilitation takes place when socio-economic transformations endow the social group in question with greater levels of resources and/or differentiate the resources that are controlled by the group. Previous research associated periods of political turmoil with an overall increase in the level of resources that can be mobilized

for a variety of purposes, including founding of new organizations. What previous researchers seem to have had in mind are situations that involve bottom-up political activism buttressed by greater resource endowments to the less powerful social groups. However, disintegration of the polity may also culminate in political repression. Previous research in social movements actually reveals that political repression is one central aspect of all political struggles. When political turmoil primarily involves struggles within the polity, many of the weaker social groups may experience repression rather an increase in the capacity to mobilize. Repression occurs when the focal social group is victimized by the more powerful social groups or the state, because it cooperates with (or is a potential ally to) the competing members of the polity. Thus, political turmoil may rather be top-down and depending on which member of the polity the focal social group aligns itself with, it may experience repression, i.e. contraction in its capacity to mobilize.

Considering political turmoil may take two forms leads to the following hypotheses:

> **Hypothesis 2:** Bottom up political turmoil increases the organizational founding rate.
>
> **Hypothesis 3:** Top-down political turmoil decreases the organizational founding rate.

Although particular changes in the political environment (e.g., changes in the legal-institutional structure of the polity or political turmoil) may generate opportunities for collective action or organization building, there may be systematic differences in how social groups (e.g., social classes, ethnic groups or organizational populations) respond to these changes. Previous research in social movements, for instance, has documented differential ability of social groups to collectively mobilize in response to emerging political opportunities. According to social movement researchers "it is the internal structure of the population in question that determines whether [emergent] opportunity will be realized" (McAdam et al., 1988: 702). Social groups whose members are linked to each other by dense relational networks and in possession of resources that can be mobilized for collective action or organization building (such as, money or entrepreneurial knowledge) are argued to be more prepared than others to capitalize on the opportunities that arise as the political environment changes. In other

words, strength of organizational infrastructure of social groups determines whether political opportunity will be capitalized on.

Organizational researchers however have not considered political opportunity arguments in conjunction with infrastructural arguments. The following chapter first presents arguments regarding how organizational infrastructure relates to organizational founding. The chapter then offers an ecological (density dependent) model that allows investigating whether political opportunity interacts with organizational infrastructure to shape the rate of organizational founding.

3

EMBEDDEDNESS OF ORGANIZATIONAL FOUNDING IN RELATIONAL NETWORKS

Societies or social groups differ with respect to mobilization capacity or organizational infrastructure. Some have been fairly capable of collective action or organization building whereas others rarely responded collectively in noticeable ways to the even most relevant environmental opportunities or threats (Marx, 1996; Olzak and West, 1991; Roberts, 1990). Researchers have understood organizational infrastructure of societies or social groups variously. Some have tended to conceive the social infrastructure in very broad terms, and usually as a property of nations. Chandler (1977), for instance, argues that emergence of modern industrial organizations was facilitated by the development of efficient means of communication and transportation that made running these organizations possible. Societies that lacked the requisite means of communication and transportation have been disadvantaged with respect to proliferation of modern industrial organizations. Stinchcombe (1965), on the other hand, highlights urbanization as a key process. In his account, urbanization brings about legal and ethical devices for regularizing relations among people and regularized relations in turn make formation of organizations easier. Thus, traditional societies with lower rates of urbanization have had a poorer organizational life.

Other organizational researchers have conceived organizational infrastructure as the degree of ongoing organizational activity. Most of these researchers have construed existing organizations as training grounds for future entrepreneurs. Stinchcombe (1965: 152), for example, argues that "the main way to learn to form organizations is to form them." Social groups that enjoy an already rich organizational life have a greater capacity to form new organizations. This is because the individuals who make up these social groups have greater organization building skills and the likelihood that these groups have what is labeled 'organization building organizations' (umbrella

organizations that gather a variety of resources for subsequent use in building new organizations) is higher.

Others have construed existing organizations not simply as settings where organizational skills are acquired but also as settings where interpersonal networks are built. Potential organization builders meet each other and those who can contribute resources in existing organizations to which they may be affiliated for a variety of reasons. Marrett (1980), who studied the founding of women's medical societies in fourteen US cities, showed that if women physicians were more active in the primary local medical society or linked via partnerships or institutions, establishment of a women's medical society was more likely. Similarly, Sabel (1982) argues that the density of network ties between craft workers in small towns around Bologna accounted for the higher rate of founding of small metal working shops and artisanal businesses in this region.

Organizational researchers have construed different types of organizations as sources of organizational skills and interpersonal networks that can be leveraged in starting new organizations. Organization building capacity of social groups has usually been linked to the prior experience of the social group with organizations in general. This implies that organizational activity releases generalized resources (such as skills and relational networks) that can be utilized to start different types of organizations. Existing organizations, irrespective of their form, are broker units that generate opportunities for people to contact one another and training grounds that equip these people with organization building skills.

Some researchers have isolated organizations of several sorts to building of particular kinds of organizations. Aldrich et al. (1985), who studied entrepreneurial activity by immigrants, argue that support for potential entrepreneurs came from ethnic group's mutual benefit associations, cooperative housing and buying arrangements, and joint capital-raising activities. Others, however, establish stronger links with the organizational form embodied by existing organizations and the likelihood that new organizations with the same form will be established. Marrett (1980) argues that founding of a particular type of organization is less dependent on the total number of organizations than on the number of similar kinds of organizations. Similarly, Aldrich and Pfeffer (1976), argue that, because new organizations arise most often in niches adjacent to existing ones, development of a certain type of organization(al form) may be most strongly related to existence of similar organizations.

Organizational research in entrepreneurship has highlighted the role of incubator organizations or regions, where many similarly structured organizations exist, for entrepreneurial activity (Sorenson and Audia, 2000; Thornton, 1999). Incubator organizations provide employees with knowledge and resources and help them identify models of organization, market niches and entrepreneurial opportunities (Freeman, 1986). That is, these organizations create entrepreneurs. Another idea is that "geographic areas that have higher concentrations of resources such as large number of venture capital firms and relevant specialized service companies, have higher birth rates of new ventures" (Thornton, 1999: 31). The common thread in these arguments is that organizational density and proximity to relevant others are two determinants of organization building behavior.

These arguments show a close affinity with density dependence theory in organizational ecology. In its original form, density dependence theory links organizational density to rates of founding and failure and explains the particular forms that these relationships assume with reference to legitimation and competition processes. Extended versions of this theory however suggest that the positive effect of increases in density on the founding rate, attributed to the legitimation process, can also result from infrastructural spillovers from engagement in a particular organizational form. Thus, the infrastructural process pertaining to organizational founding can be investigated in density dependent terms.

Section 3.1 provides a depiction of density dependence theory and the criticisms directed at the theory with the aim of refining and/or extending the theory. Section 3.2 then provides a review of research in interpersonal networks which, usually implicitly, underlies the infrastructural arguments in organizational research. This section explicates the two dimensions of interpersonal networks, namely the structure and content of interpersonal relations that constitute organizational infrastructure. The following section briefly depicts infrastructural arguments in social movement research. Emphasizing the role of network context in movement emergence, social movement researchers have explicitly considered a variety of organizational settings as mobilizing structures, i.e. as settings where movement participants make the acquaintance of each other and initiate the mobilization process. Section 3.4 then offers a refined model of density dependence in organizational founding which separates the legitimation process from the infrastructural process and thus allows testing infrastructural propositions in density dependent terms. The refined model conceives organizational infrastructure as

an outgrowth of relational networks in and around subpopulations of organizations. Finally, Section 3.5 presents the proposition regarding the interaction between political opportunity and organizational infrastructure.

3.1. Density Dependence Theory

Density dependence theory in organizational ecology basically holds that legitimation (or alternatively 'institutionalization', in the cognitive sense of the term) and competition are two general sociological processes that regulate rates of founding and failure of organizations belonging to any form (Hannan and Carroll, 1992; Hannan and Freeman, 1989). Given the boundaries within which legitimation and competition processes operate (i.e., the boundaries of the organizational population) are correctly identified, the theory states that one should observe nonmonotonic relationships between changes in population density and changes in rates of founding and failure. More specifically, the theory predicts an inverted-U shaped (U shaped) relationship between density and the founding (failure) rate. At the lower ranges of density, when the organizational population is newly emerging, increases in density results in increased legitimacy without intensifying competition for scarce resources, thereby increases founding rates and depresses failure rates. An organizational form is legitimated “when there is little question in the minds of actors that it serves as the natural way to effect some kind of collective action” (Hannan and Carroll, 1992: 34). As the number of organizations embodying a form increases, potential founders and resource providers can more easily visualize the form, and the chances that they will entangle themselves in debates on what constitutes the appropriate organizational form decline. Thus, increases in density initially contribute to decreases in the cost of organizing. At higher ranges of density, however, the organizational form becomes fully legitimized (taken-for-granted) by virtue of its prevalence, and increases in density no longer generate benefits. At this range, competition process dominates, which means that increases in density withdraws an increasing amount of resources necessary for starting and maintaining organizations, thereby depressing founding rates and increasing failure rates.

Empirical research has largely corroborated predictions of the density dependence theory regarding the covariation among population density and rates of founding and failure (Baum, 1996; Hannan and Carroll, 1992; Singh, 1993). Nevertheless, the theory has been criticized on several grounds (Baum, 1996; Baum and Powell, 1995; Singh, 1993; Petersen and Koput, 1991; Zucker, 1989), and two lines of criticism are especially relevant. The first relates to identification of the boundaries around legitimation and competition processes, or alternatively to the level of analysis issue. The question is whether the population to be studied displays heterogeneity on some relevant dimension, and thus whether it is necessary to divide the population into subpopulations defined in terms of their location on that dimension, and study the density dependent processes at and/or across subpopulation levels. The second criticism relates to appropriateness of making inferences with regard to unobserved competition and legitimation processes from observed covariance among population density and rates of founding and failure. The question in this case is whether one can make inferences regarding other sociological processes not attended to by the density dependence theory, based on covariance among density and rates of founding and failure.

Density dependence theory implicitly suggests that, provided that the boundaries around competition and legitimation processes are correctly identified, the organizational population can be treated as a homogeneous social unit, whose members (and also potential members) equally experience and contribute to the competition and legitimation processes. Early empirical research in density dependence did not explicitly problematize the boundaries around competition and legitimation processes. However, boundary issues later came to the forefront, especially with respect to the competition process, as researchers increasingly recognized that size distribution of organizations, organizational strategies, and geographical locations of organizations constitute dimensions along which organizational populations are internally differentiated (cf. Baum and Haveman, 1997; Baum and Mezias, 1992; Boone, Bröcheler, and Carroll, 2000; Carroll and Swaminathan, 2000; Greve, 2002; Lomi, 1995, 2000; Lomi and Larsen, 1996; Swaminathan, 1995). Organizations occupying different locations on these dimensions have been shown to experience and contribute to legitimation and competition in systematically different ways. Thus, recent studies have provided considerable evidence that organizational populations are not homogeneous and that

they evolve in at least partially segregated subpopulations, thereby pointing to the need for studying legitimation and competition processes at multiple levels of analysis.

Geography has figured in recent research as a prominent element of internal structures of organizational populations (Baum and Mezias, 1992; Greve, 2002; Hannan and Carroll, 1992; Lomi, 1995, 2000; Lomi and Larsen, 1996; Sorenson and Audia, 2000; Stuart and Sorenson, 2003). A variety of interrelated arguments regarding geographical structuring of density dependent processes have been raised. One argument is that legitimation and competition processes operate at different spatially defined levels of analysis. An earlier critique of density dependence theory had stated that "smaller geographical areas should theoretically involve more intense competition since they are tightly bounded resource arenas" (Zucker, 1989: 543). A related idea was that geography constitutes one dimension along which organizations can differentiate, therefore spatial propinquity results in more intense competition (Baum and Mezias, 1992). A partially overlapping later argument was that cultural images about organizational forms (the objects of the legitimation process) diffuse across borders with less friction than capital, labor, and goods (the objects of the competition process) (Hannan, Carroll, Dundon, and Torres, 1995). Therefore, competition may remain local even long after the form takes on a taken-for-granted character, so density dependent dynamics need to be specified at multiple levels of analysis. Empirical research indicates that competition is indeed more intense in densely populated geographical areas (Baum and Mezias, 1992; Baum and Haveman; Sorenson and Audia, 2000) and that legitimation process operates at a higher level of analysis when compared to the competition process (Hannan et al., 1995; Lomi, 2000).

Another argument associated with geographical structuring of organizational populations is that legitimation and competition can both cross geographical boundaries, but nonetheless operate more strongly at the local level. This argument rests on the idea that legitimizing information and competitive effects may be distributed proportionally to the proximity to each organization (Greve, 2002). Empirical research shows that density dependence occurs primarily within geographically delineated subpopulations (Greve, 2002; Lomi, 1995) and spills over from neighboring subpopulations (Greve, 2002).

A third argument is that there may be forces that "give evolutionary advantages to organizations located near other organizations or in specific geographical areas" (Lomi, 1995: 112), leading organizational founding and failure rates to vary systematically

across locations. This argument rests on the idea that foundings and failures relate strongly to locally available information and resources. In the case of foundings, for example, one cannot consider all potential founders as being equally at risk of starting an organization because their exposure to information and resources will probably vary to a great extent depending on where they are located (Hedström, 1994; Lomi, 1995; Sorenson and Audia, 2000). If one focuses on the geographical area or the geographically delineated subpopulation rather than individual potential founders, then one can say that geographical areas will tend to display variation in area-specific proneness to experiencing foundings and failures.

Empirical research shows that density effects vary across geographically defined subpopulations. Lomi (1995) estimates two heterogeneous subpopulations directly from the data and shows that founding rates of these subpopulations responded differently to the density dependent competition processes. Lomi (1995) however does not explicitly discuss what specific factor accounts for this particular pattern. Sorenson and Audia (2000) and Stuart and Sorenson (2003) on the other hand explicitly argue and empirically show that geographical concentration of organizations drives heterogeneity in opportunity structures (i.e., totality of entrepreneurial spillovers emanating from organizational activity in a geographical area) that underlie organizational founding and generates variation in foundings experienced across geographical regions displaying different levels of organizational density. According to their argument, densely populated areas are richer in terms of entrepreneurial opportunities (basically made up of potential founders with the will and form-specific expertise and others willing to cooperate with or provide resources to potential founders), and because entrepreneurial activity is embedded in interpersonal networks with limited geographical reach, these areas also happen to be the main beneficiaries of enhanced entrepreneurial opportunities in the form of higher levels of foundings. The peculiar outcome of this process is reification of spatial distribution of organizations. That is, densely populated areas continue being densely populated despite the higher rates of failure in these areas which is due to intense competition.

This last idea relates closely to (and also helps refine in one respect) the second line of criticism directed against density dependence theory. Density dependence arguments relating to competition and legitimation processes are empirically based on observed covariance among density and rates of founding and failure. Increases in density initially increase (decrease) founding (failure) rates by legitimating the form but

further increases in density decrease (increase) founding (failure) rates by intensifying competition. Some critiques of density dependence arguments have noted that legitimation may be a one time event which is dealt with early in the life-time of a population and for many organizational forms (especially for various kinds of for-profit organizations) it is not an issue at all (Zucker 1989). These arguments suggest that the portion of observed covariance among density and rates of founding and failure attributed to legitimation processes may be indicative of effects of density related sociological processes other than legitimation (Baum, 1996; Baum and Oliver, 1992; Baum and Powell, 1995; Delacroix, Swaminathan, and Solt, 1989; Singh, 1993; Zucker, 1989). Aldrich (1999: 273-278) neatly classifies these alternative mutualistic density related processes into two groups: increase in form-specific knowledge necessary for starting and running a new organization, and growth of extensive social networks which facilitate various kinds of collective action, but most importantly founding of similar organizations.[12]

Aldrich's (1999) classification is based on a microsociological understanding of embeddedness of action as reflected in density dependence in organizational founding. Section 3.2 below explicates embeddedness arguments in network research which are later used to develop a finer density dependent model of organizational founding that successfully accounts for the infrastructural process.

3.2. Embeddedness of Action in Relational Networks

Action, both individual and collective, is embedded in ongoing systems of social relations. That is, the structure and content of interpersonal networks condition (sometimes facilitate and at other times constrain) the actions of individuals and groups to which they pertain. The idea can be traced back to the origins of social theory, for instance to Marx's distinction between the atomized class-in-itself incapable of independently acting on its own interests (e.g., the mid-19th century French peasantry) and the potentially militant class-for-itself characterized by complex interactions

[12]It should be noted that these ideas did appear in the early work of those who have developed the density dependence theory (Hannan and Freeman, 1987, 1989), but have later been neglected.

between its members (the industrial proletariat) or to Durkheim's construal of group life, from which norms that regulate individual behavior originate, as the antidote to suicide in particular, and anomie in general. Recent applications of the idea under the rubrics such as trust, social exchange, social networks, inter-firm networks, informal organization and social capital[13] have involved diverse phenomena of interest to researchers in various disciplinary fields in sociology, economics, and political science (Adler and Kwon, 2002; Granovetter, 1985; Portes, 1998).

The basic intuition behind embeddedness arguments is best captured by the term 'appropriability' of social structure (Coleman, 1988). From an egocentric point of view, appropriability denotes that actors may use their ties to other actors or groups as a means for pursuing a variety of aims. Friendship networks, for instance, can be used to find jobs. When applied to collectivities, appropriability means that links connecting members of collectivities may facilitate (or undermine) some forms of collective action or may allow members to pursue a variety of goals, not necessarily in congruence with the goals and formal procedures of the collectivity. For instance, being organized into a union may allow workers to start both official and wildcat strikes.

Extant research in interpersonal networks, however, contains no unified approach to what it is about social ties that allow them to condition social action. Adler and Kwon (2002) distinguish between two approaches. The first of these approaches focuses on the structure of interpersonal relations, especially the degree of closure of the network structure and whether there are structural holes in the network. According to this approach, causal force of interpersonal relations emanates principally from the structure of these relations. A contrasting approach focuses on the content of interpersonal ties, as well as the structure of the ties, based on the idea that there may be differences in the effectiveness of different types of ties, depending on the content of these ties. That is,

[13] The concept of 'embeddedness' is used to bring together the ideas and arguments that pertain to how action is conditioned by the structure and content of interpersonal networks. A widely invoked term, 'social capital,' is not used because the focus of this study is the internal structure of a collectivity (the organizational population) but not the relations that connect a focal actor to other actors. The term social capital has largely been used in studies on the implications of the way a focal actor relates to other actors or a social group (see Portes, 1998). Among the dependent variables that have been subjected to investigation are finding a job, compensation, career success, turnover rate, school attrition, academic performance, juvenile delinquency, and intellectual development of children.

social ties of one sort cannot be used for all purposes. If interpersonal relations are to be effective, the individuals that are involved need to be willing to contribute or cooperate and also in possession of relevant resources.[14]

Some researchers have emphasized the configuration of social ties that constitute networks, as determinants of effectiveness of these networks (Burt, 1987; 1992; Coleman, 1988; Granovetter, 1978; Hedström, 1994). Structural properties of networks within which actors are embedded determine to large extent whether a focal actor can leverage the resources controlled by others in the network. Some sorts of networks make it easier to access other people who can directly contribute resources or broker resource contribution by people in their own network. Similarly, depending on the structure of their internal ties, some collectivities may be better able to act together. Closed network structures are, for example, argued to be more effective than open network structures (Coleman, 1988). When the contacts of a focal actor are also connected to each other, emergence of effective norms and mutual trust is more likely, and leveraging resources controlled by contacts is easier. In open network structures, where connections between contacts are sparse, detecting and sanctioning violation of norms are harder, and therefore people tend not to trust each other and involve in social exchange. A contrasting argument is that structural holes in relational networks may endow actors who manage to occupy these locations with access to resources controlled by others (Burt, 1992). For instance, actors occupying positions in boundary spanning units of collectivities are at advantage with regard access to resources controlled by those in the external environment.

Researchers who focus on structural properties of interpersonal networks tend to conceive content of networks as a derivative of structural properties of networks. For example, closed network structures are argued to generate cohesiveness and norms conducive to collective action. Motivation of individuals making up the network or whether these individuals possess the relevant resources are not given explicit consideration or explicitly problematized. A variant of structural arguments that relates to diffusion processes is relatively less problematic in this sense (Hedström, 1994; Burt, 1987). These arguments relate to individual decision making (e.g., adoption of an idea, participating in a social movement, etc.) in conditions of uncertainty and ambiguity. The

[14] The brief sketch that follows is largely based on the schema offered by Adler and Kwon (2002).

basic argument is that, when there is uncertainty, or ambiguities regarding decision outcomes, individuals tend to model their decisions after people who have already made similar decisions (the so-called signaling process). Thus, in these models information is not a resource that is to be provided by willing others on concessionary terms. However, because observing other people making decisions and the outcomes of these decisions is conditional upon proximity to these individuals, the most important structural property of social networks relates to geographic distance. Smaller geographic distance between individuals and geographic concentration of individuals are considered as facilitators of the signaling process.

Other researchers argue that presence of ties, whichever way they are structured, or lack of ties in particular ways (that is, structural holes), do not guarantee leveraging or mobilization of resources by a focal actor or a collectivity. The willingness of contacts or members of a collectivity to contribute resources does not follow directly from presence (or density) of ties. Put alternatively, the motivation of others or members to make resources available may not be uniform. Also, neither presence of ties nor the degree of willingness of contacts or community members means that contacts or members actually (or equally) possess the relevant resources. These individuals may not possess the important resources or the distribution of resources among them may not be even. Therefore, motivation and ability need to be included, as independent dimensions, in models of action embedded in relational networks, which means that both need to accompany network ties if these ties are to be appropriable (Adler and Kwon, 2002; Portes, 1998).

Shared norms with specific substance, especially those relating to formation of trust or solidarity (Adler and Kwon, 2002; Putnam, 1995), may facilitate contribution by contacts or collectivity members. These norms may be emergent products of a common fate (as in Marxian understanding of class consciousness), socialization in childhood, or repeated exchanges (Portes, 1998). Some other norms may be enforced by the broader institutional environment. While some researchers emphasize instrumental motivations, others highlight norms less instrumental in nature. These so-called norms of reciprocity, which for instance encourage contribution to collective good in exchange for some unspecified return in the future, are argued to be building blocks of communities. These communities are better able to support their members in their undertakings and engage

in collective action by virtue of their members' greater willingness to contribute to others' cause.[15]

Ability, the resources and capabilities possessed by contacts or community members, is another dimension of the content of network ties. In some instances contacts themselves are the resources, such as potential recruits. In other instances contacts control or are connected to distant others who control resources such as information about opportunities, expertise, money, etc. Most important aspect of ability is perhaps its relevance for the kind of action considered (Adler and Kwon, 2002). That is, the resources controlled by the contacts or members of a collectivity need to be the resources requisite for the particular kind of individual or collective action in question.

Extant research on interpersonal networks is relatively silent on what generates dense networks of individuals with the will and the resources to support a focal actor's or a collectivity's undertakings (Adler and Kwon, 2002). Interestingly, density dependence theory in organizational ecology includes, though not in explicit terms, accounts of structural properties and contents of these networks in relation to one particular form of social action, that is, organizational founding. Extended versions of density dependence arguments link organizational density to the degree of abundance of persons able to (that is, in possession of the skills and abilities necessary for) start particular types of organizations and the density of relations that link these persons to each other and others in the environment who can provide a variety of resources. Density dependence theory also provides clearer clues and guidelines as to the levels of analysis that variance in the structure and content of relational networks can be captured by the analyst.[16]

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[15] Depending on their specific substance, and the kind of social action considered, norms may also inhibit contribution. Though the arguments presented in this chapter can be generalized to constraining norms the depiction is limited to facilitative norms.

[16] Network theories of social action usually involve relations among similar people and propinquity is generally described in demographic and geographic terms. This is because, the kind of relations that network theorists investigate is face-to-face relations observed in small-group contexts. One type of propinquity, spatial proximity, has only lately become a concern among organizational ecologists but is nevertheless given explicit consideration in models of organizational founding because it significantly qualifies earlier models.

3.3. Embeddedness of Individual Activism and Social Movement Emergence

Embeddedness arguments in social movement research parallel those in research in interpersonal networks. Social movement research provides both micro-structural accounts of activism (similar to egocentric network studies that involve a focal actor's relation to other actors) and macro-structural accounts of movement emergence (similar to network research involving social groups). Social movement researchers have recognized the role played by relational networks (especially those linking a movement participant to nonparticipants) as structural vehicles that pull individuals into protest activity (McAdam et al, 1988; Snow, Zurcher, and Ekland-Olson, 1980). An individual's location in the system of relational networks (rather than beliefs, attitudes or dissatisfactions of the individual) has been construed as the primary factor which drives the likelihood that the individual will join a particular social movement. Research on social movements has also recognized the significance of the role of degree of internal organization of aggrieved social groups for movement emergence and organizational forms of movements (Jenkins, 1983; McAdam et al., 1988; McCarthy and Zald, 1977; Tilly, 1978). It is argued that, assuming that a common interest / grievance unites a relatively homogenous collection of individuals (for instance a social class or an ethnic group), the strength of the internal organization of this collection of individuals, most importantly the degree to which these individuals come together in formal and informal organizational settings, directly relates to the likelihood that they will collectively act to pursue their common interests. Another argument is that, the more they are internally organized the higher the likelihood that they will create enduring organizations to pursue their common interests.

Micro-structural accounts of activism focus on factors that relate to the likelihood that an individual will contact an activist which in turn determines the likelihood that the individual will be recruited to activism. The extensiveness of an individual's interpersonal contacts determines the degree of individual's awareness of the movement and proneness to influences from members of the movement (Snow et al., 1980). The more extensive an individual's interpersonal contacts the higher the probability that she will get in touch with others who know about or who are already participating in a social movement. It is usually membership in formal or informal organizations that helps individuals build extensive relations to others (McAdam et al., 1988). Therefore,

members of existing organizations (which are sometimes social movement organizations) rather than isolated individuals are more likely to be encountered by movement activists and recruited into activism.

Macro-structural accounts of social movement emergence focus on two distinct dimensions of internal organization of social groups related to a movement. The first of these dimensions is the ecological concentration of the social group defined as "the degree of geographic concentration in the residential or occupational patterns of a group's everyday lives" (McAdam et al., 1988). Ecological concentration is argued to facilitate relationship formation and therefore increase the potential for collective action. The other dimension of internal organization of social groups is the degree to which members of a social group are linked to each other via community organizations or formal organizations. Social-movement researchers construe these organizational settings as springboards for successful collective action. Therefore, already organized social groups are thought to be better candidates for successful collective action. Moreover, social groups with greater experience with organization building are argued to be better able to build new organizations as they engage in collective action.

Arguments that involve ecological concentration are based on the simple intuition that relationship formation is a decaying function of geographic distance. Concentration of a social group's members in smaller geographical areas (e.g. in urban centers or large workplaces) makes relationship formation easier and increases the density of interactions between group members and the efficacy of communication between them (McAdam 1982; Shorter and Tilly 1974). Members of better networked social groups have a greater capacity for resource mobilization via others and therefore engaging in individual and collective action. Social movements started by members of these groups are also better able to recruit new members into the movement and grow.

Macro-structural accounts of movement emergence also consider prior experience of potential movement participants with communal and formal types of organization. Existing organizations of social groups are the settings where networks connecting potential movement participants are built in. In these settings movement participants make the acquaintance of each other, build trust and loyalty, make collective attributions, define collective goals and initiate the resource mobilization processes (Freeman, 1973; McAdam, 1982; McAdam et al., 1988; 1996; Stinchcombe, 1965). Social movements start in organizational settings where group members come together for a variety of purposes. For example, the emergence of the civil rights movement in

the US followed building of indigenous organizations such as black churches and black colleges by the increasingly urbanizing blacks. The civil rights movement emerged out of these grassroots settings (McAdam, 1982). Thus, variation in the degree of internal organization of social groups across time and space predicts strongly the variation in the likelihood that these groups will engage in collective action to pursue their collective interests. Also, the kind of organizations prevalent in one country determines where social movements in that country originate from. Historically, social movements in the US have been rooted in churches. This reflects the prevalence of religiously based organization in the US. In Europe, however, the involvement of the working class in politics has been remarkable. This is an outgrowth of extensive working class organization, not observed in the US.

A closely related idea is that "social movements whose related populations are highly organized internally (either communally or associationally) are more likely than are others to spawn organized forms" (McCarthy and Zald, 1977). Being already experienced with starting and running organizations makes creating newer organizations easier. Assuming a formal organizational form, in turn, increases the likelihood that the social movement will succeed. Those groups who fail to produce movement organizations out of the movement can only temporarily succeed in pursuing their interests.

Much of research in social movements thus focuses on the structure of relational networks that connect potential movement participants. Though some extensive models of social movement emergence include resources controlled by the relevant social groups as a separate dimension (Tilly, 1978) most research does not seem to have explicitly problematized the content of the relational networks connecting movement participants. Only in research that deals with the organizational forms assumed by social movements, prior experience with building and running organizations appears as an important dimension of these networks. Also in scant research on social movement entrepreneurs one can find accounts of where these people acquire their leadership and networking skills. Though social movement emergence entails a wide range of resources, some general (such as money) while others are more specific to the form of the movement (such as weaponry), probably the single most important resource that determines the success of social movements are individuals. Recruiting members, disregardful of the qualities they possess, may be the sole aim of many movements. Some movements need members simply for electoral purposes. Others may need

participants for demonstrations. Probably this is why social movement research has usually not considered explicitly the content of relational networks alongside structure of these networks as a separate dimension of the organizational infrastructures of aggrieved social groups.

3.4. Organizational Density and Organizational Infrastructure

Research in interpersonal networks, social movements, entrepreneurship and organizational ecology indicate a strong link between ongoing organizational activity of one form and the further evolution of the organizational form. The basic idea that can be derived from these streams of research is that, existing organizations embodying a common form create and bond individuals with form specific expertise, and therefore generate a fertile ground for founding of similarly structured organizations. Organizational density therefore relates strongly to the rate at which similar organizations are created.

Increasing density means an increasing number of training grounds (organizations), and therefore, creation of a greater amount of form-specific knowledge about how to start and run an organization, and an increasing number of potential organization founders. This effect of density is especially important in cases when there are no alternative sources of form-specific knowledge, and the procedures and routines for starting and running an organization are not well codified and easily transferable. Thus, existing organizations of one kind may function as incubators, and facilitate foundings of similar organizations. Furthermore, one need not always have a form-specific career to learn about the form. Those with no direct prior experience with the form may learn vicariously by observing those involved with the form (Delacroix and Rao, 1994). If there are links connecting these insiders and outsiders, such informational externalities can benefit outsiders too, and help them establish imitations of existing organizations.

Growing density also increases the frequency of interactions between the organizations embodying a form and their constituencies. Potential founders of new organizations are usually embedded in critical (boundary-crossing) positions in the networks linking members of a population to other (kinds of) organizations in the

environment (Aldrich, 1999). Higher density therefore implies a greater number of able persons in contact with each other, and as indicated by research in interpersonal networks, such networks are structurally more fertile grounds for variety of social action. As an organizational population grows, the links it establishes to its environment become more varied, thereby resulting in greater potential for learning by those occupying critical positions in networks about opportunities that can be realized by founding new organizations. Higher density thus results in relational networks with greater structural capacity for transmitting and processing information. Population members may also tend to organize themselves into overarching bodies, such as trade associations and federations, as the population grows denser. These institutions may signal that conditions are favorable for founding new organizations, and they may, in addition to ordinary members of the organizational population, train potential founders and facilitate networking.

Extant research in interpersonal networks, social movements and organizational ecology also provide clues as to the level of analysis at which infrastructural implications of organizational density unfold or the level of analysis at which variance in the strength of organizational infrastructure can be captured. Geographic distance has been argued to be an important factor that shapes formation and leveraging of relational networks. In a small number of ecological studies, for instance, the geographically bounded subpopulation of organizations was isolated as the proper level of analysis (Sorenson and Audia, 2000; Stuart and Sorenson, 2003). The intuition behind these studies is that increases in population density generate spatially-structured informational and relational externalities, i.e. an organizational infrastructure, that facilitate founding of new organizations. Spatial distribution of these externalities will be largely determined by the spatial distribution of the organizations making up the population. Densely populated geographical areas will tend to offer potential founders of organizations more in terms of resources, such as information on opportunities, expertise, potential partners, and etc. These externalities will most strongly influence founding rates of the geographical area within which they emerge because density of networks transmitting information and mediating initiation of resource mobilization tend to decline as spatial distance increases (Hedström, 1994; Sorenson and Audia, 2000). Simply put, potential founders tend to (or are bounded to) raise resources from a geographical area, and tend to invest these resources within the very same geographical area (Sorenson and Audia, 2000).

The problem with defining organizational infrastructure in terms of organizational density is that increases in density may generate legitimating effects, as well as infrastructural externalities. As a line of criticism directed against the density dependence theory noted, the increases in the founding rate as organizational density increases may be indicative of a multitude of sociological processes (Baum and Powell, 1995; Delacroix and Rao, 1994; Delacroix et al., 1989). Definitions of organizational infrastructure in terms of local organizational density, the preferred mode in the sparse empirical literature, have shortcomings too. Density dependence research has revealed that legitimation process, in addition to the competition process, may most strongly operate at the level of geographically bounded subpopulation of organizations. Though legitimating effects may spillover from neighboring subpopulations (Greve, 2002), the proper level of analysis should be the local organizational population. Thus, models linking changes in organizational density to the rate of founding at the local level may be capturing multiple sociological processes, most importantly both legitimation and infrastructural spillovers.

This study introduces an additional factor, which was not considered in earlier studies, that may structure organizational populations and therefore the legitimating and infrastructural implications of organizational density: institutional limits to jurisdictional claims of members of an organizational population. Institutional regulations may further divide local organizational populations into subpopulations, each operating in a separate jurisdictional domain. If this separation structures the networks of relations in a way that makes transfer of entrepreneurial potential from one domain to another unlikely, than it should be considered alongside with geographical location as a factor that structures the organizational infrastructure. Therefore, stronger relations between organizational density and the founding rate, which may be attributed to infrastructural implications of organizational density, may have to be sought at the local jurisdictional domain level. Moreover, dividing local organizational populations into subpopulations in terms of jurisdictional domain helps distinguish legitimating effects of density that unfold at the level of local population from the infrastructural consequences of density that unfold at the local jurisdictional domain level. Though regulation may structure the organizational infrastructure, the legitimation process continues to unfold at the local level. Thus, research can make use of models that specify the legitimation process at the local population level and the infrastructure

related processes at the local jurisdictional subpopulation level and safely investigate the consequences of organizational infrastructure for organizational founding.

The argument presented below relates to voluntary membership organizations in general, and unions established by workers in particular. What distinguishes these organizations from other types of organizations is that the primary resources that they depend on (members) also constitute the nodes of relational networks centered round them. If institutional rules somehow determine to whom subsets of these organizations may potentially be linked, than this may have implications for their further evolution.

In ecological parlance, regulatory structuring of the links between organizations and resources is partitioning of the resource space into distinct niches by regulation. The locations that organizations may occupy in the resource space can be defined in terms of a multitude of dimensions, e.g. jurisdictional domain, price, quality, size, technology etc., which may reflect the operation of a variety of social processes, such as regulation, competition, concentration and innovation (Carroll, 1985; Park and Podolny, 2000; Peli and Nooteboom, 1999; Podolny, 1993; Podolny, Stuart and Hannan, 1996). Though the concept of niche has played an important role in the sociological (usually from an ecological point of view) studies on competition,[17] it also "exemplifies a fundamental disciplinary premise: the recognition of a duality between actor and position and an expectation that position is the primary determinant of opportunity and constraint" (Podolny et al., 1996: 661).

Present study focuses on how the regulation process regarding jurisdictional domains of organizations determines the opportunities for and constraints on organizational founding in infrastructural terms. Regulation that partitions the potential audience of voluntary organizations into relatively stable subsets and dictates an organizing principle that allows for relationships between particular subsets of the audience and particular subpopulations of the population of voluntary organizations only, also significantly structures the competition process and processes associated with organizational infrastructure. The impact of such regulation on the competition process can be straightforwardly understood: Competition will tend to be more intense in the

[17] The most frequently investigated themes have been how organizations differentiate themselves (or happen to be differentiated) in terms of price, status or strategy, form subpopulations along these dimensions, the structure of competition between organizations and its implications for the rate of founding and failure.

more densely populated niches. Increases in the organizational density of the subpopulation associated (by virtue of regulation) with a particular niche will withdraw more resources from the niche, and therefore increase the competitive pressures on the organizations associated with the same niche. An implication of this is that founding and failure rates will be sensitive to competitive effects emanating from changes in subpopulation density but not to the densities of other subpopulations or the population level organizational density.

The impact of such regulation on organizational infrastructure may be even more pronounced. This study defines organizational infrastructure in terms of structure and content of relational networks between individuals and argues that the networks most relevant for organizational activity in general and organizational founding in particular are those embedded in and round similarly structured organizations. Regulation that partitions the resource space into niches, and does not allow organizations for engagement in multiple niches, significantly structures the relational networks that constitute the organizational infrastructure. Starting voluntary membership organizations requires links connecting individuals knowledgeable about the organizational form to potential members. If ongoing organizational activity is subject to institutional rules that bind certain organizations to particular niches, and thus generate subpopulations, links connecting potential founders to each other and their constituencies (most importantly, future members of organizations) will largely mimic the population structure. That is, the relational networks that constitute the organizational infrastructure need to be defined at the local jurisdictional subpopulation level.

Assuming founding of a new voluntary membership organization is almost always initiated by a group of persons who have acquired organizing skills and developed mutual acquaintance through their membership in the same organization, the critical issue is existence of the links connecting these individuals (the leaders) to future (ordinary) members of the organizations. If these links can be successfully leveraged, organizational founding takes place.[18]

Recruiting ordinary members requires links to them. Engagement in certain activities of an organization allows the future leaders to get in contact with prospective ordinary members. For instance, an enterprise-level union representative can be

[18] See Chapter 5 for a definition of organizational founding.

expected to have extensive links to ordinary members of the union employed in the enterprise in addition to other enterprise-level representatives with whom she may be frequently interacting within the union. Alternatively, a higher ranking union official can be expected to have wide-ranging links to ordinary members in a number of workplaces, either directly or through the enterprise-level union representatives whom she frequently meets. The totality of such as relations constitutes the organizational infrastructure.

Regulation may preclude formation of relations between some leaders and ordinary members. The principle of industrial unionism, for instance, allows unions to organize workers employed in a single industry only. What this implies is that, those in possession of organizing skills, leading members of existing unions, will be linked to a subset of workers only. Assuming starting a new union requires recruiting members, those with the organizing skills will tend to start new unions in the industries within which their (former) organizations are located, since they will tend not to have links to workers employed in other industries.

Extending the density related arguments pertaining to organizational infrastructure would imply that one should expect to capture the infrastructural implications of changes in density at the local jurisdictional level. For example, union density in an industry in a geographically bounded area constitutes the appropriate proxy for the strength of organizational infrastructure. This is because local jurisdictional level density is an appropriate measure of both the relative abundance of individuals with union organizing skills at the local jurisdictional level and the density of relations, which cannot be extended across geographic and industry boundaries (due to restrictive nature of geographic distance and regulation), linking these people to their relevant constituencies.

The interpersonal networks that count are therefore networks connecting potential organization builders, members of existing organizations, to their constituencies. Although previous studies used local measures of organizational density as proxy for strength of organizational infrastructure, because models that connect such measures to the founding rate may also be capturing the legitimation process, this study tests the hypotheses regarding organizational infrastructure at the local jurisdictional domain level. The legitimation related argument is tested with a local level density measure that excludes the density of the focal industry.

As is the convention in standard density dependence research which makes inferences regarding both legitimation and competition processes based on estimates of the effect of density on the founding rate, present study postulates that the relation of local jurisdictional level density to the founding rate takes an inverted-U shape. That is, the empirical model consists of a quadratic specification regarding the effect of local jurisdictional level density on the founding rate. A positive coefficient for the plain local jurisdictional level density indicates that increases in density initially generate infrastructural externalities. A negative coefficient for the squared density term denotes that further increases in density generate competitive effects.

> **Hypothesis 4:** The relation of local jurisdictional domain level organizational density to the organizational founding rate takes an inverted U-shape.

3.5. Political Opportunity, Organizational Infrastructure and Organizational Founding

As noted earlier, organizational researchers have not considered infrastructural arguments in relation to alteration in political opportunity. In broad terms, prior research did recognize the possibility that sociopolitical processes interact with population dynamics. More specifically, researchers have investigated how sociopolitical processes structure population dynamics. The underlying idea has been that population dynamics unfold within a broader institutional environment. For instance, Barnett and Woywode (2004) showed that ideological divisions within the society structure competitive interactions within and across subpopulations of organizations that adhere to different ideologies. However, the interaction between organizational infrastructure and political opportunity has not been investigated.

Prior research that focused on changes in the strength of organizational infrastructure simply controlled for changes in opportunity structure, usually not political in nature. The possibility that changes in opportunity matter more or less depending on the strength of organizational infrastructure has not been considered. For instance, Sorenson and Audia (2000), who focused on the implications of organizational infrastructure for organizational founding, found that in states with stronger

organizational infrastructures the founding rate was higher throughout the observation period. The study did not consider whether structure of (business) opportunities mattered more or less as (state-level) organizational infrastructure varied.

Prior research in social movements however indicates that organizational infrastructure significantly determines whether emerging political opportunities will be capitalized on. Olzak and West (1991), for instance, showed that (in the US, around the turn of the 19th century) ethnic groups characterized with a richer organizational life (i.e. greater degree of involvement with business and community organizations) responded to ethnic conflict by establishing ethnic newspapers, whereas other ethnic groups did not. The members of the former ethnic groups were better networked, as they frequently met in business and community organizations of the group. They were also more knowledgeable with regard to how to establish and run organizations. Thus, they managed to assemble an organizational response to ethnic conflict.

These ideas however have not been directly investigated. Olzak and West (1991), for example, did not measure the differences in the strength of organizational infrastructures of the ethnic groups they studied. An extension of density dependence theory in organizational ecology allows for directly examining the interaction between organizational infrastructure and political opportunity, or more specifically, whether infrastructure moderates the impact of political opportunity on the rate of founding. As explicated above, the extension of the theory involves specifying the level at which the infrastructural process unfolds and showing that organizational density at this particular level can act as a surrogate for the strength of organizational infrastructure. The scheme that was offered earlier successfully distinguishes between legitimation and infrastructural processes, both of which have been associated with organizational density.

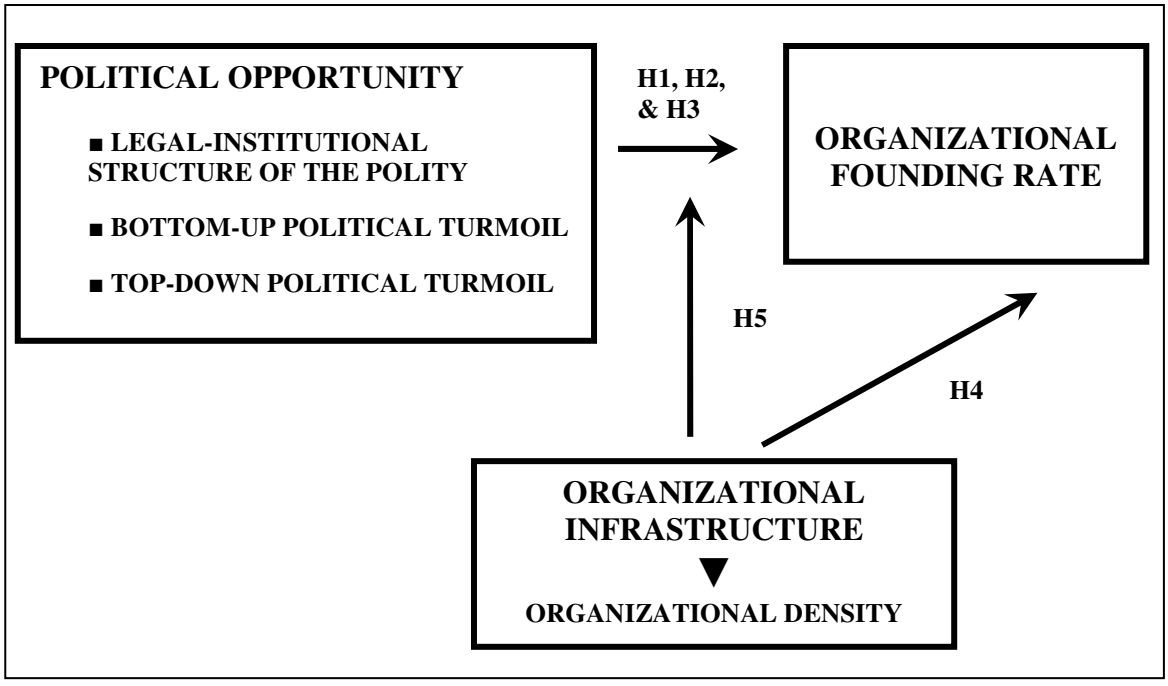
The final hypothesis pertains to the interaction between political opportunity and organizational infrastructure. The hypothesis tests the idea that impact of changes in political opportunity on the founding rate varies as the strength of organizational infrastructure varies. More specifically, the argument is that an enhancement in political opportunity generates a greater increase in the founding rate associated with social units (local jurisdictional domain level subpopulations) characterized by stronger organizational infrastructure (i.e. higher local jurisdictional domain level density). This proposition also implies that when a contraction in political opportunity occurs, the

decline in the organizational founding rate will be more pronounced for social units characterized with stronger organizational infrastructure.

> **Hypothesis 5:** Local jurisdictional domain level density increases the positive (negative) impact of enhancement (contraction) in political opportunity.

Figure 3.1 depicts the hypotheses regarding main effects of focal aspects of political opportunity (change in legal-institutional structure of the polity, bottom-up political turmoil and top-down political turmoil) and organizational infrastructure on the founding rate, as well the effect of their interaction.

Figure 3.1
Organizational infrastructure, political opportunity and organizational founding



4

THE EMPIRICAL SETTING: LABOR UNIONS IN TURKEY, 1947-1980

As argued earlier, the institutionalist perspective and organizational ecology construe organizations as embodiments of cultural blueprints for organizing (Carroll and Hannan, 2000; Hannan and Freeman, 1989; Polos, Hannan, and Carroll, 2002; Scott, 2001). That is, organizational structures are argued to be largely shaped by institutionalized rules as to the properties that organizations can legitimately possess. Ecologists concentrate on the sets of institutionalized rules that apply to a multitude of organizations and make them structurally homogenous. These rules constitute what is called the organizational form. Accordingly, ecologists describe structural diversity in the organizational landscape, the theme around which the ecological research program is constructed, as diversity of organizational forms.

Institutionalists and ecologists have recognized the multidimensionality of the institutional processes that draw the boundaries around organizational forms and differentiate one form from another (DiMaggio and Powell, 1983; Hannan and Freeman, 1989). Following Aldrich and Fiol (1994) and Hannan and Freeman (1989), a distinction is made between two different institutional processes in describing the historical evolution of the union form of organization in Turkey. The first process pertains to the taken-for-grantedness of organizational forms. An organizational form exists in this particular (that is, cognitive) sense when there is no question in the minds of actors that the form is the natural way to undertake some sort of collective action (Hannan and Freeman, 1989). According to accounts that prioritize the cognitive legitimation process, organizational forms emerge out of ambiguity concerning goals and means of collective action and symbolic uncertainty in the environment (DiMaggio and Powell, 1983). The form attains its rule-like standing over time, as actors tend to model their organizations on other organizations that simply seem to be successful.

Thus, mimetic behavior of actors plays a great role in the diffusion and later institutionalization of certain understandings regarding how organizations should be structured. The degree of institutionalization of the form (or equivalently its legitimacy) in this particular sense can be assessed by the prevalence of the form, that is by the number of organizations that embody the form.

The second institutional process that draws the boundaries around organizational forms concerns the endorsement of organizations embodying particular organizational forms by the powerful actors in their environment. Although organizations are subject to pressures from a variety of actors in their environment, both ecologists and institutionalists have accurately identified the nation state as the most powerful actor (Hannan and Freeman, 1989; Meyer and Rowan, 1977; Scott, 2001). Sometimes, laws and regulations enacted by the state and state agencies explicitly codify the elements of an organizational form and make pursuing certain collective goals strictly contingent upon adoption of this particular form. Adoption of the form, that is obeying the rules as to how certain organizations ought or ought not to be structured makes pursuing certain goals possible and secures state's support in dealings with other actors in the environment. At other times, the state may make use of selective inducements to obtain compliance with its requirements regarding organizational form. Adoption of the form may, for instance, though not compulsory, be a prerequisite to eligibility for state funding.

An organizational form may become institutionalized in the cognitive sense long before legal-institutional processes explicitly codify its elements and sanction adoption of the form. This happens to be the case for labor unions in the US (Hannan and Freeman, 1987; 1989). The National Labor Relations Act (also known as the Wagner Act) that established government supervision on union organization and protection of the right to unionize was enacted in 1935; almost a century after the first national union was founded in the US (Hannan and Freeman, 1989). During this period workers were intensely involved in industrial conflict and the union form of organization became widely known around the country. Conversely, proliferation of an organizational form may take place only after lifting of direct or indirect legal barriers to adoption of certain structural features, such as pursuing particular collective goals. Such legal change may also be accompanied with codification of other elements of the organizational form. This pattern more correctly applies to unionism in Turkey and may be characteristic of

organizational change in illiberal political regimes that customarily undergo transformations from above.

The alteration in the political regime of Republican Turkey during the immediate post-World War II years culminated in changes in laws that had previously banned unionization (actually, all sorts of class-based organization) and then enactment of new laws that explicitly drew the boundaries around the union form of organization. Although there are historical records, going back to the late Ottoman period, of rather disciplined and militant attempts by workers at changing working conditions and union organization, unions were virtually absent from the Turkish sociopolitical landscape until late 1946. This was largely due to repressive governments that were successful in inhibiting mobilization efforts by members of an undersized working class, mostly scattered into many small workplaces. Introduction of the union form of organization into the Turkish sociopolitical landscape, with severe restrictions in the goals that could be pursued and means that could be utilized, was the product of elite efforts in mid-1940s towards emulating liberal political regimes of the West. Further (real) liberalization of the political regime in early 1960s added new legitimate elements, in terms of goals and means (most importantly, the right to strike), into the union form. Although the union movement had made significant progress during the preceding years, these changes were again a byproduct of the efforts of a new elite coalition at creating a new socio-economic regime, rather than union activism. Therefore, in describing the history of the union form of organization in Turkey state action (or changes in the legal-institutional framework), which initially repressed a patchy union movement and prevented proliferation of the union form during the late Ottoman and early Republican periods and later lifted bans on unionization and helped proliferation of the form by explicitly codifying the elements of the form, is prioritized.

The chapter starts with a discussion on why the analyses of union founding in Turkey can and should take the date of enactment of first Unions Law in Republican Turkey, 20 February 1947, as the date the history of the form begins in Turkey. The discussion relates to the analytical framework that underlies the current investigation, organizational ecology, and the kinds of questions that can be tackled by using ecological models. Unions were virtually absent from the sociopolitical landscape since 1908, when unionization was banned by the Ottoman government of the time. Cognitive legitimacy of the union form suffered a great deal of erosion because the huge time gap and government repression prevented transfer of prior experience with the form, which

was already little, to the new generation. That is, workers in Turkey had to start from scratch in early 1947. An ecological analysis of union founding in Turkey can safely be conducted provided research design allows for capturing the cognitive legitimation process. Prior ecological research has revealed that cognitive legitimation significantly influences organizational evolution. Therefore, models of founding should capture the process. Cognitive legitimation can be captured only if the observation period includes the initial period of emergence of the organizational form. Ecological studies usually take the date of founding of the first organization embodying a particular organizational form as the date the observation period begins. The day the first Unions Law was enacted is considered as the beginning date of the observation period. From this day onwards, workers in Turkey were allowed to organize into unions.

Studying density dependent processes other than the cognitive legitimation process also requires adequately accounting for cognitive legitimation. Prior critiques of the density dependence models in organizational ecology have argued that density captures processes associated with vicarious learning and organizational infrastructure as well as cognitive legitimation. As argued earlier, there is the possibility that the legitimation process and the infrastructural process, which is the central ecological dynamic investigated, operate at different levels of analysis. To reveal, however, that the infrastructural process is different from the legitimation process, the legitimation process should be adequately accounted for. Thus, starting the observation period with the legalization of the union form of organization provides the opportunity for investigating multiple density dependent processes.

The chapter then presents how the union population grew over the observation period under two different legal-institutional regimes and shortly discusses why the observation period ends in 1980. The aim is to depict the numerical evolution, and thus prevalence, of the union form of organization in İstanbul and Ankara (which is an important indicator of cognitive legitimacy of the form) over the observation period. The chapter then deals with periodization based on the discussion in the chapter on political environments of organizations. The period that runs from 1947 to 1980 is divided into five intervals. Periodization is based on events that mark significant changes in the legal-institutional structure of the polity and political turmoil. This part of the chapter briefly portrays how these changes were precipitated and what they involved, i.e. whether an expansion in political opportunity or repression.

4.1. Unionization in Turkey: The Late Ottoman and the Early Republican Period

Ottoman Workers' Association (*Amele-i Osmani Cemiyeti*) is believed to be the first workers' organization in Turkey (Koç, 2003). This association was founded in 1894 or 1895.[19] Though some sources cite the Pro-labor Association (*Amelperver Cemiyeti*) as the first workers' organization (e.g. Lewis, 1996) later research revealed that this was a charitable organization which aimed at finding jobs to those willing to work or providing equipment and financial capital to those willing to start a business (Baydar, 1998; Serçe, 1996). Ottoman Workers' Association was founded (initially as an underground organization) by workers in the Tophane region and among its aims was the 'emancipation of the working class.' The association was soon closed down by the government and its organizers were arrested and exiled. The organization was restarted under different names and subsequently closed-down for several times during the following decade. Ottoman Workers' Association, like the other workers' organizations of the period, was linked to the political movements of the time and displayed characteristics of both labor unions and political organizations.

During the first decade of the 20th century many workplace level workers' associations, only some of which explicitly labeled themselves 'workers' union,' were founded in the larger provinces of the Ottoman Empire. The proclamation of a new and relatively liberal constitution in July 1908 was especially consequential for it was an important, though short-lived, source of opportunity: the constitution granted freedom of association. Unions and other forms of workers' associations proliferated after the proclamation of the second constitution in 1908 (Güzel, 1996). Many of these organizations were based in the relatively industrialized western provinces (most importantly, in Thessalonica) and closely associated with the socialist and national liberationist movements there. The other important center of unionism was İstanbul. In İstanbul, workers' associations were most prevalent in the public services and utilities

[19] Though this is arguably the first workers' organization, demonstrations by workers or work stoppages had been taking place for a long time. There were, for instance, widespread demonstrations and protests after the proclamation of the first constitution in 1876. Labor unrest was not uncommon even before the proclamation of the first constitution. Issawi (1980) notes a strike by Ereğli miners in 1863. However, these events seemingly failed in generating formal workers' organizations.

industries. There were also workers' associations in other provinces of the Empire, organized for instance by tobacco workers in Samsun and railroad construction workers in İzmir.

Adoption of the union form of organization by the Ottoman working class nevertheless remained limited. A recurrent theme in historical accounts of Turkish unionism is that the union form of organization was more prevalent in the western provinces of the Ottoman Empire (Baydar, 1998; Güzel, 1996), which were later lost in a series of wars during the second decade of the 20th century. Prevalence of the union form in the western provinces was partly associated with the strength of left-wing political organization among Jewish and Bulgarian workers there, as well as a higher level of industrialization. These movements were in contact with the workers' movements, and the particular organizational forms favored by these movements, in Western Europe. The remaining workers' organizations, mostly located in İstanbul, were more like ordinary associations with mixed aims.

The Work Stoppages Act (*Tatil-i Eşgal Hakkında Kanun-u Muvakkat*) enacted in October 1908 banned union organization in public services and utilities, after the wave of strikes that followed the proclamation of the second constitution. Union organization continued in other industries. However, the most vibrant and numerous sections of the working class were constituted by those employed in the public services and utilities industries. The Act further limited the adoption of the union form of organization by forcing the workers in these industries to organize into ordinary workers' associations. Thus, the period of relative liberty brought about by the proclamation the second constitution lasted too short (less than three months).

The already limited experience with the union form of organization was gradually discontinued during the first half of the second decade of the 20th century, which was a decade of wars and disintegration for the Ottoman Empire. During the first half of the decade the western provinces, the provinces where union form of organization was most prevalent, were lost. The wartime conditions and repression by the government silenced the weaker workers' movement in the remaining provinces. The Empire disintegrated after the First World War. The establishment of the nation state involved another war against foreign occupation during early 1920s. Also, throughout the Republican period until 1947, the legacy of the late Ottoman period, that is repression by legal-institutional means, continued. The authoritarian single-party governments of the period effectively prevented establishment of genuine working class organizations, as well as other types

of organizations, such as political parties, religious organizations and ethnic organizations. The Work Stoppages Act remained in force until 1936. In 1936, the Labor Law (*İş Kanunu*), which banned strike activity in all industries, was enacted. Later, the Associations Act of 1938 (*Cemiyetler Kanunu*) explicitly banned all sorts of class-based organization, inclusive of unions. There are therefore no indications of a notable union activity during the disintegration of the Ottoman Empire and first three-and-a-half decades of the Republican era.

The ban on union organization was finally lifted in 1946 with an amendment to the Associations Act that legalized class-based organization. However, an unexpected spurt of union founding during the latter half of 1946 resulted in another wave of proscriptive action by the state. Most of the unions founded during this period were affiliated with two socialist parties, namely Turkish Socialist Party [*Türkiye Sosyalist Partisi,* TSP] and Turkish Socialist Workers' and Peasants' Party [*Türkiye Sosyalist Emekçi ve Köylü Partisi,* TSEKP]. These unions were actually founded by the cadres of these parties and they adopted the organizing principles (namely, industry-level or enterprise-level unionization) propagated by these parties. These parties and their affiliated unions were closed down in late 1946. Union form of organization was then explicitly defined and regulated by the Unions Law which was enacted in early 1947. Though the new law granted the right to organize in unions, workers were denied the right to strike and a collective bargaining system was not instituted. Moreover, the law did not allow the unions to engage in politics and gave the state a great deal of liberty in interfering with operations of unions. Nevertheless, the enactment of the law marked the beginning of independent unionism in Republican Turkey.

The striking aspect of the late Ottoman and early Republican period is the discontinuity in the union form of organization. The consequences of this discontinuity, rather than its causes (arguably, political repression, wartime conditions, and a miniscule and dispersed working class), is important for the theoretical underpinnings of and the mode of analysis employed in this investigation. Unions were absent from the socio-political landscape for about four decades. Although workers were organized in ordinary associations (such as, mutual assistance associations or pension funds) and these associations probably facilitated union building as the legal-institutional barriers were repealed, union form of organization was 'unknown' to the working class in early 1947.

> "…this period of 38-year-long ban on organization[20] generated a huge time gap between the former [and the present] union leaders; the older generation, which was not indeed strong, died or got very old; and even worse, during these thirty eight years, in terms of unionism, no new generation emerged; the already weak older traditions of unionism died and dwindled. Today, it is hard to find leaders with the skills and abilities necessary for directing and managing our unions" (Tuna, 1951: 78).

Most workers in 1947 were first generation workers, that is, their parents were not workers (Makal, 2002). The same was true for union leaders (Koç, 1999a, 1999b; Makal, 2002). These people had no prior experience with union organization, were illiterate, and there were few, mostly those affiliated to two socialist parties, with the requisite organizing skills. These socialists were nevertheless jailed or forced to exile in late 1946. There is therefore a discontinuity in organizational form as well as organizational population. That is, all that was known about the union form of organization in early 1900s perished over the next four decades. In other words, union form of organization had no cognitive legitimacy at the time workers were finally granted the right to organize in unions. Workers in Turkey had to start from scratch in early 1947. This is why, in the models and the analyses presented in the following chapters, 1947 is considered as the beginning of the observation period.

4.2. Legalization of Unions in Turkey and the Initial Proliferation of the Union Form (1947-1963)

The amendment in the Associations Act that resulted in legalization of the formation of class-based organizations in June 1946 (re)opened the way for unionization in Turkey. The amendment was partly driven by Turkey's ambitions towards aligning with the Western world, which had culminated in transition into a multi-party political system, and the ruling party's efforts towards controlling the supply of labor to the growing state economic enterprises. The absence of a working class movement demanding greater freedom of association was notable.

[20] Tuna (1951) is possibly referring to the promulgation of the Work Stoppages Act by the Ottoman parliament in 1909.

Two socialist parties, TSP and TSEKP (established in mid-1946), rather than independent workers, quickly capitalized on the opportunity and founded tens of affiliated unions around the country (Öztürk, 1996). These parties had their own models of union organization. The former, for instance, propagated unionization along industrial lines in national unions, while the latter's model envisioned enterprise level unions. The party cadres were actively involved in founding and management of these unions (Koç, 2003). These parties, and their affiliated unions, were however closed down in December 1946 by the martial order command-headquarters (*Sıkıyönetim Komutanlığı*) in İstanbul.

The uncontrolled spurt of union founding after the amendment of the Associations Act pushed the government towards explicitly regulating unionization. The first Unions Law was enacted in February 1947. The law stipulated that those who worked for others by performing manual jobs or both manual and non-manual jobs could organize into a union. Civil servants, and those who performed non-manual jobs only (e.g. journalists), were not allowed to unionize. Unions were to be founded on an industry basis (industrial boundaries were however not officially defined until 1963). A workers' union was formally defined as an association by workers that aimed at protecting and representing common interests of and providing assistance to its members. Unions were authorized to undertake collective agreements, to bring collective disputes to the arbitration board, to provide legal and financial help to their members, etc. Unions were banned from involvement in politics, political propaganda, and activities of political organizations. The law also stipulated that encouragement of strikes (and lockouts) was to be penalized by closure of the union.

The new legal framework allowed emergence of independently organized workers' unions around the country. There is again a discontinuity between the unionization efforts during the latter part of 1946 and union founding after the enactment of the Unions Law in early 1947. Although some of the cadres of the two socialist parties that drove unionization in 1946 were later involved in founding of unions during 1947 and afterwards, the so-called '1946 unionism' (*1946 Sendikacılığı*) seems to have had little impact on later organizing efforts. Early union leaders adhered to nationalistic principles and socialists were not welcome. Founding of unions by independent workers, rather than cadres of other organizations (such as political parties), gained momentum only after the enactment of the Unions Law.

Nevertheless, ruling parties of the period, Republican People's Party [*Cumhuriyet Halk Partisi*, CHP] until 1950, and Democratic Party [*Demokrat Parti*] during 1950s, were indirectly involved in union building. Workers' associations that were founded before the enactment of the Unions Law were already largely under the control of CHP. CHP sponsored founding of not only individual unions but also province level associations of local unions (called '*birlik*'). For instance, *İstanbul İşçi Sendikaları Birliği* was founded in 1948 by unions closely linked to CHP. Political patronage continued during the following decade under Democratic Party governments. The ailing unions were offered financial help in return for cooperation (Makal, 2002). Nonetheless, clashes between the governments and the unions were not infrequent. This indicates that despite their weakness of organization, unions managed, to a significant extent, to be independent.

Figure 4.1 and Figure 4.2 depict changes in union density in İstanbul and Ankara.[21] In both İstanbul and Ankara union population steadily grew until mid-1950s. The growth then slowed down and continued only after the proclamation of a new and liberal constitution in 1961. There were 67 workers' unions (excluding local associations of unions, federations and confederations) in İstanbul at the beginning of 1956, while the number was 17 for Ankara. Just after a new Unions Law was passed in 1963, the number of unions in İstanbul and Ankara totaled 77 (excluding branches of three unions headquartered elsewhere) and 27 (excluding a branch), respectively. Figure 4.3 and Figure 4.4 show annual counts of union founding in İstanbul and Ankara (see Table 4.1 and Table 4.2. at the end of the chapter for annual counts of foundings by province and industry). Overall, during the period from 1947 to 1963, Ankara experienced only a fourth of the number of foundings experienced by İstanbul. The patterns of founding were, however, somewhat similar. In both provinces, union founding slowed down during the latter half of 1950s and picked up in early 1960s.

[21] See Chapter 5 for descriptions of founding and failure events and estimation of density. The figures presented here differ greatly from those based on official numbers. Official statistics overestimate union density. What inflates union density is Ministry's record keeping conventions. Ministry's registers do not distinguish organizationally active unions from those that are organizationally inactive, but have not yet formally lost their corporate identity. It sometimes took the Ministry 30 years to declare an organizationally inactive union officially dead. This study reports density estimates based on counts of organizationally active unions.

Figure 4.1
Union density (İstanbul), 1947-1980

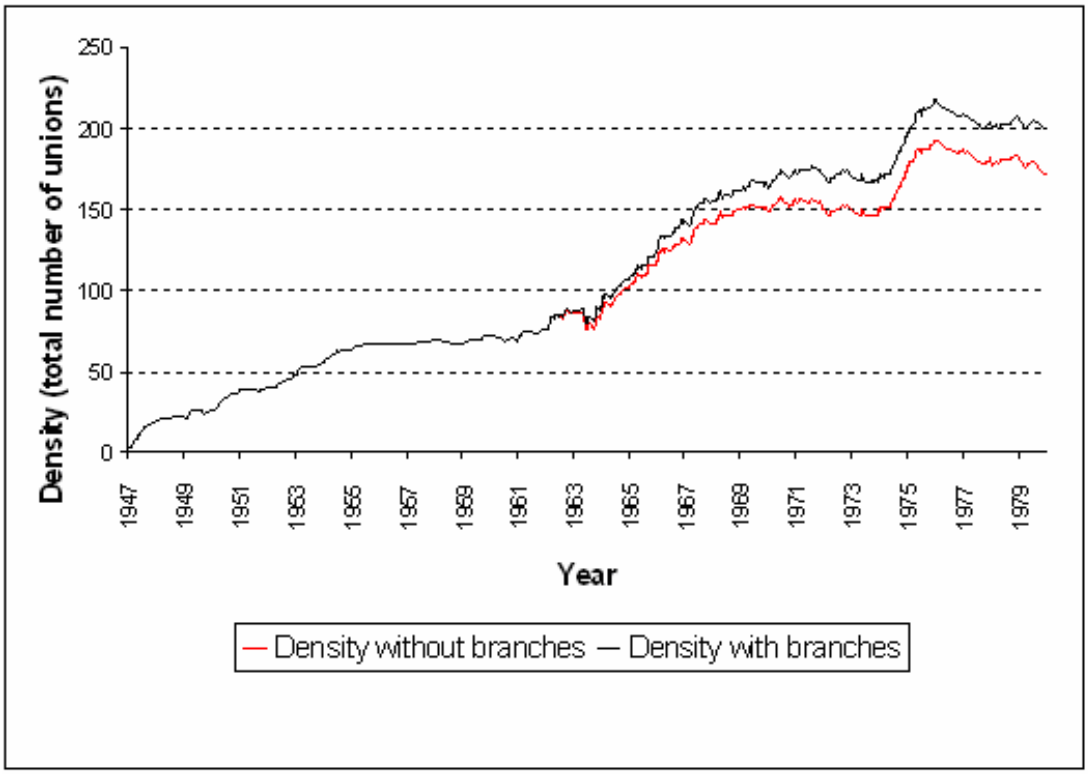


Figure 4.2
Union density (Ankara), 1947-1980

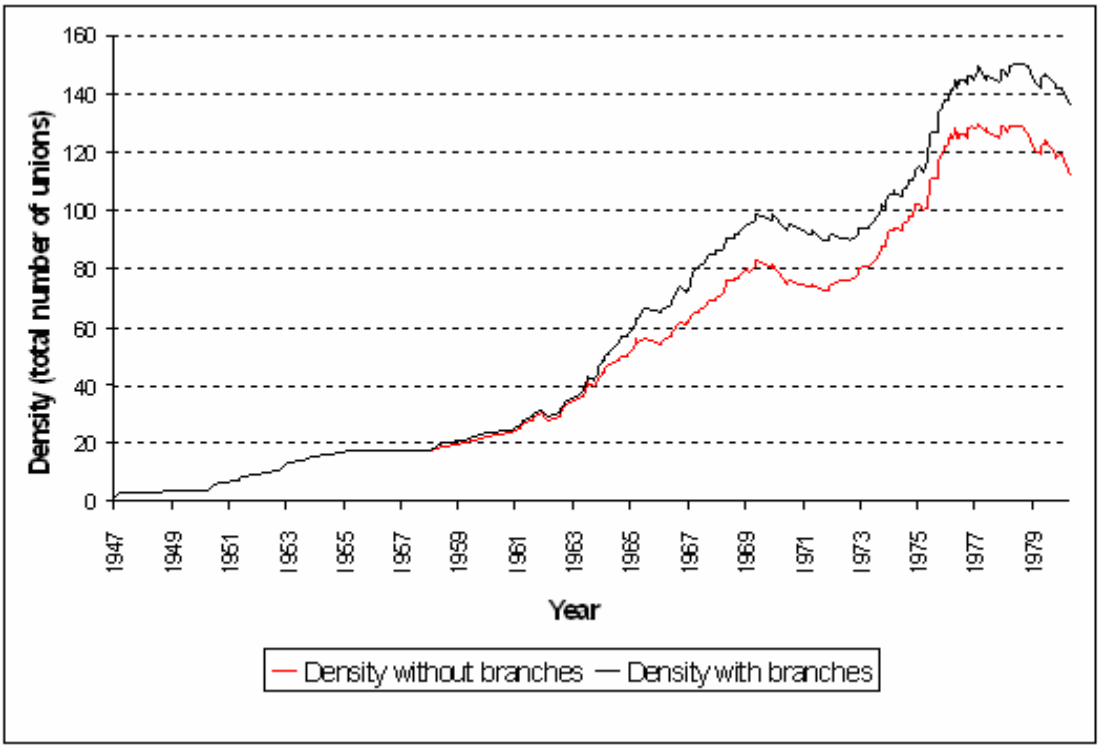


Figure 4.3
Foundings (İstanbul), 1947-1980

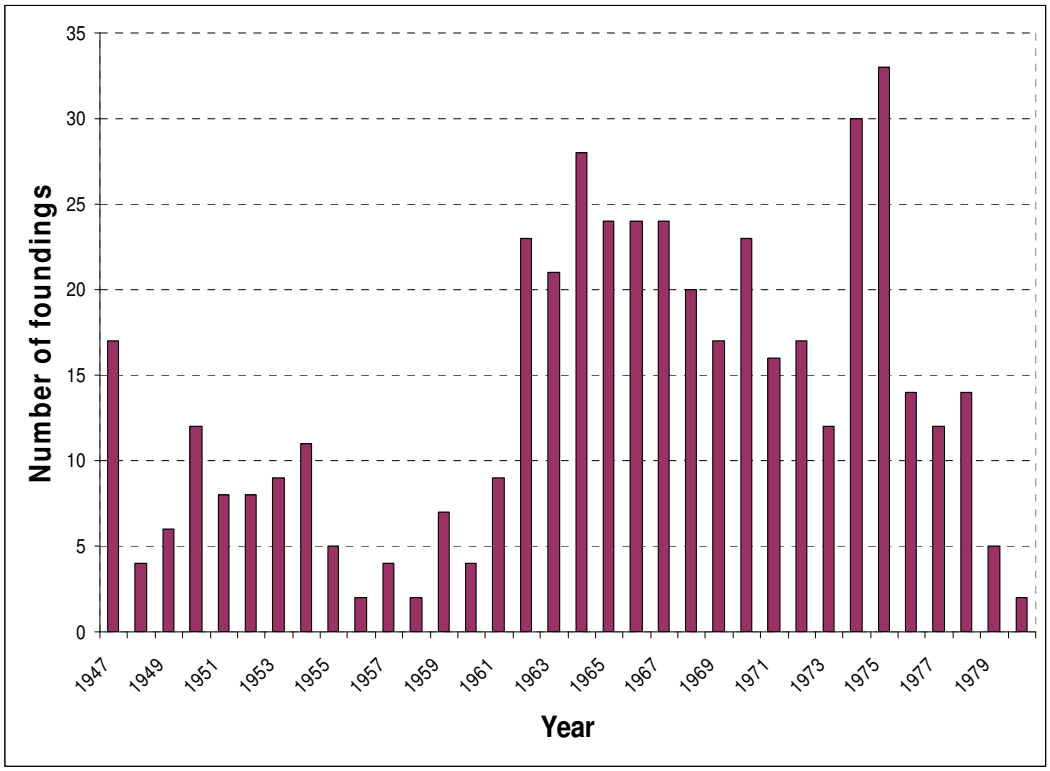
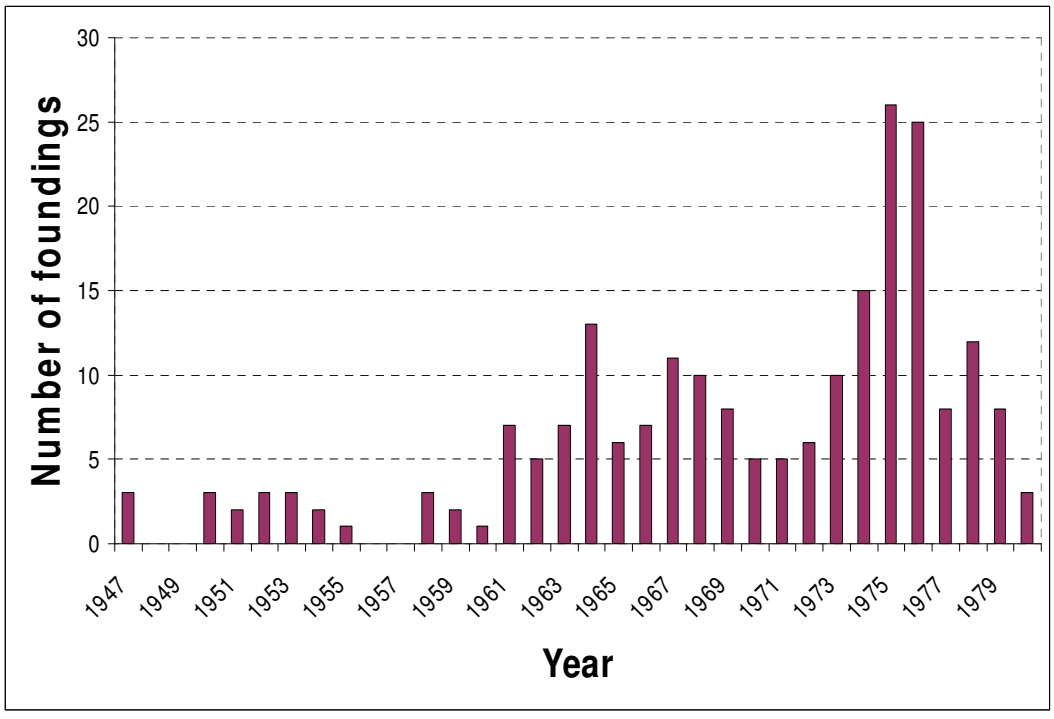


Figure 4.4
Foundings (Ankara), 1947-1980



Most of the unions founded during the period were weak. The same characterized related forms of organization: the local associations of unions (*birlik*), industry-level federations of unions, and *Türk-İş*, which was the only confederation of unions during the period. Workers were still wary of union organization and the dominant mode of organization was enterprise level unionization. Therefore, the average size of unions remained small (Makal, 2002). The check-off system was not yet instituted. As a result, unions were unable to collect sufficient levels of financial resources from their members. Unions were loosely linked to local associations of unions and federations. These organizations were therefore not functional in effectively representing large sections of the organized working class. *Türk-İş* was also grappling with financial problems and was unable to sustain itself on the basis of contributions from its member organizations. Finally, employer's unions were virtually nonexistent, not surprising given the weakness of workers' unions.

Legally mandated compulsory arbitration mechanism and the ban on strikes arguably account for the weakness of the union organization during the period. Unions were supposed to bring the collective disagreements to the arbitration board. Thus, unions were not allowed to undertake independent negotiations and bargaining with the employers. Strike, as a means for pressing demands was banned. Compulsory arbitration and ban on strikes minimized union functionality, and therefore the support and the resources that they could garner form workers.

Though union organization was weak throughout the period, what is more important with respect to current investigation is that the union population did proliferate. İstanbul and Ankara experienced more than 150 and 40 foundings, respectively, and more than half of these unions were still alive at the end of the period. Thus, by 1963, there was a significant level of experience with the union form, especially among the public sector workers and those employed in the larger workplaces in the private sector.

4.3. Unionization with the Right to Strike and Collective Bargaining (1963-1980)

Republican Turkey's first experience with military coups and regimes started in 1960. Turkish army seized power in May 1960. What made the ensuing military regime

different from the others to follow was its stance towards workers' movement in particular and civil society in general. The military regime sponsored creation of a liberal constitution, passed in 1961, that granted the right to organize in unions to almost all employees (only professional soldiers, high ranking public officers and the clergyman were denied the right to unionize) and the rights to strike and collective bargaining. This reflected the new constitution's pluralistic and democratic stance towards society, which was thought to buttress the chances of success of the new economic program that was to be implemented.

Though special legislation regulating unionization, strikes, and collective bargaining came in July 1963, anticipation of greater freedoms and potentially greater viability of unions showed its impact on union founding immediately after the new constitution was passed. In İstanbul and Ankara, number of foundings in 1962 and 1963 were higher than those in the preceding five or six years. Union densities in İstanbul and Ankara started to increase again in 1962. During the period from 1963 to 1980 density growth and foundings stagnated only in early1971 to late1973 (a period of military rule) and in late 1977 to late 1980 (a period of intense political turmoil). Union densities (excluding branches of unions headquartered elsewhere) in İstanbul and Ankara at the beginning of 1980 were 173 and 118, respectively. During the period İstanbul experienced more than 320 foundings in total. The total number of foundings in Ankara was more than 180.

The new legal-institutional framework brought about significant changes in the union form of organization. First the constitution, and then the new laws pertaining to unions, collective bargaining and agreements, and strikes added new elements to the form. Among the new aims that could legitimately be pursued by workers' unions was to undertake independently collective bargaining and agreements. The major means for forcing employers into collective agreement, strike, was also legalized. Unions were also allowed to pursue political aims, though they were not allowed to establish organic links to political organizations (Kutal, 1998).

The new constitution allowed civil servants to establish their own unions. An act was passed in 1965 that regulated civil servants' unions. Civil servants were however denied the rights to strike and collective bargaining. Though many unions were founded by the civil servants until their right to unionize was abolished in 1971, these unions remained insignificant. Perhaps the most significant impact of these unions was

politicization of civil servants, especially public school teachers, and facilitation of ascendance of left-wing ideologies (Dereli, 1998b).

The rights to strike and collective bargaining, and the institution of the check-off system greatly enhanced functionality and therefore viability of unions. It would not be wrong to argue that proliferation of workers' unions was coupled with greater average union fitness. The union movement as a whole had greater independence during the period. Governmental patronage was no longer necessary to obtain resources vital for survival.

Towards the end of the period, as political divisions within the union movement (as a reflection of divisions within the society) became more visible, the number of confederations, each possessing a distinct political identity and program increased. In 1967, socialist union leaders split from *Türk-İş* and founded Confederation of Progressive Trade Unions [*Devrimci İşçi Sendikaları Konfederasyonu*, DİSK]. This was the single most important division within the union movement. Ultra-nationalists, Islamists and social democrats founded their own confederations in 1971, 1976 and 1978, respectively.

An important regulation regarding union organization involved definition of industries. The principle of industrial unionism adhered to envisioned organization on the basis of industry. That is, only the workers in an industry or in a small set of related industries were allowed to unite in a union. Though definitions of industrial boundaries were altered for several times during the period, they remained largely stable (see the next chapter).

4.4. The New Order: 1980 and Afterwards

The military coup in September 1980 marked the beginning of a major shake-up in the political and legal-institutional environment of unionism. The military regime which lasted three years jailed many left-wing union leaders and closed down their unions. Political parties were also closed down in the aftermath of the coup. Strikes and lockouts were banned and unions were obliged to obtain permission for even the most basic union activities. Environmental hostility showed its impact on union organization. During the two years that followed the coup virtually no new unions were founded in

Turkey. Many of the unions that were organizationally alive prior to the coup, and were not closed down by the military regime, simply disappeared from the scene.

More importantly, the military regime also changed the legal-institutional underpinnings of unionism in Turkey. The collective bargaining system was restructured to generate an orderly and centralized structure with a small number of unions in each industry. The aim was to create national-industrial unionism (Dereli, 1998a). The unions were required to represent at least 10% of all workers in an industry (and more than half of all workers in the workplaces concerned) if they were to obtain bargaining status. This drastically decreased the potential number of sustainable unions. The number of unions swiftly declined after the new laws concerning union organization and collective bargaining and agreements were enacted. Some federations reorganized themselves into unions and absorbed their members. Many other unions were simply discontinued. The total number of unions in Turkey was 69 in 1990 and only 41 of these unions met the 10% requirement (Dereli, 1998b).

Because the internal structure and the legal-institutional environment of the union population drastically changed in the post-military regime era, and because this change was exogenously brought about, the observation period ends on 11 September 1980, the day before the coup took place. Ecological research does not offer guidelines on how to deal with such exogenously driven sharp decline in density and an abrupt increase in the concentration rate.

4.5. Political Opportunity and Unionization in Turkey (1947-1980)

This part of the chapter serves two distinct aims. The first is to provide a description of the changes in the political environment of unions during the observation period and divide the observation period into sub-periods that will form the basis of the empirical analyses that involve how changes in political opportunity related to the union founding rate. Periodization generates the set of independent variables (operationalized as dummy variables in empirical analyses) that pertain to focal aspects of political opportunity (legal-institutional structure of the polity and political turmoil). Secondly, this section aims to show that the analytical strategy adopted throughout the preceding chapters, and the models that are presented next, fit the empirical context. Specifically,

it is revealed that changes in political opportunity were not endogenous to the numerical evolution of the union population. Thus, their impact on the union founding rate can be safely investigated.

Descriptions of changes in the political environment of unions in Turkey, in particular changes in the legal-institutional structure of the polity and political turmoil, comprise depictions of the underlying social processes and what the changes involved in terms of opportunities for union founding. These changes were rooted in more general social, political and economic changes. Therefore, the description of the changes in the political environment of unions needs to be embedded in a description of these broader changes. Moreover, the description needs to be framed in terms of constitution of the elite, elite (state) actions or the fate of the elite coalitions and the resultant changes in political opportunity. This is what the political opportunity theory, which the hypotheses that are to be tested are based on, entails. This part of the chapter therefore largely relies on Keyder (1989) who offers a description that revolves around "ruling classes and fractions and their attempts at seizing, keeping and using power" (p. 13). Keyder (1989) notes that the working class in Turkey has never been organized and been powerful enough to directly influence the consequences of power struggles. Whatever political choices the workers (and by extension unions) had has been shaped by the power struggles among the elite, not by independent political action by the workers. Thus, in addition to providing a rich description of the power struggles among the members of the elite, Keyder's (1989) account also offers support to the reasoning that underlies the models tested in this investigation.

Initial Republican governments in Turkey were wary of all sorts of political organization that had the potential for hosting mobilization efforts against the government. Until 1945, the political regime in Turkey was practically a single-party regime, ruled by CHP. Though there were efforts at transforming the regime towards a multi-party system, and though some have characterized the leadership of CHP as having had in mind the ultimate aim of transforming the regime into a democratic one (Tanör, 1996), the single political actor during the period was CHP. CHP governments were also hostile towards others forms of organization, not directly political in nature. Building of the nation state during 1920s and 1930s involved erection of laws that severely penalized various forms of collective action and organization (such as strikes and unions, respectively) and direct engagement of the police and the military on many occasions.

Repression of the potential repositories of opposition through the creation of an illiberal legal framework was justified on the grounds that Turkey was a classless society (Makal, 1999; Mardin, 1990). Based on one of the guiding principles of CHP, namely populism (*Halkçılık*), it was argued that in a classless or undifferentiated society, a single political party (in control of the state apparatus) could effectively represent the common good, prevent domination of the common good by private interests and lead the country into prosperity. *Halkçılık* had its imprint on the legal-institutional structure of the polity. The state was always defined as the single regulator and the ultimate arbiter between social classes which actually did exist, of course.[22]

Legal-institutional underpinnings of the employment relationship were also largely shaped by *Halkçılık*. The first comprehensive regulation of the employment relationship was born in 1936 with the Labor Law (number 3008). The bulk of the law involved the individual employment relationship. The law was aimed at buttressing the recent efforts towards state-led industrialization. Industrialization required a permanent and skilled workforce, which was starkly missing (Makal, 1999). At the time, most workers in industrial establishments were temporary workers. They were, for instance, peasants who worked for short periods to collect cash to pay off their tax dues. Turnover rates were very high (e.g. over 100%) even in the largest public enterprises. Because industrialization was just beginning, most workers were unskilled. The law therefore had protective clauses, in the absence of any significant demand form the employees, to help creation of a permanent and skilled workforce.

The law was however quite authoritarian with respect to the collective employment relationship. Collective disputes between the employers and the workers were seen as potentially hazardous to the interests of both social groups as well as the broader society. Employers might act unjustly against the workers and workers might use their collective power to destroy the industrial enterprise. So, rather than allowing for class struggle, the law appointed the state as the ultimate arbiter. The employers and the employees, whenever they had disputes, were required to ask for help (demand a public officer). When this did not work, they were obliged to seek a decision from the

[22] Like nationalism, *halkçılık* is also argued to be a forward looking project, something that the political elite (dominated by the state bureaucracy until 1950) wanted or propagated, not an assertion about the actual state of the things (Mardin, 1990).

local arbitration board first, and then the supreme arbitration board. The law banned strikes and lockouts.

Interestingly, the law had no clauses regarding union organization. The Work Stoppages Act of the late Ottoman Period, which banned unionization in public services and utilities industries, was still in force when the law was passed. At the time, there were no unions in the remaining industries.

The new Associations Act which was passed in 1938 outlawed unions and complemented the authoritarian stance of the Labor Law with respect to the collective employment relationship. The Act was designed as a means for limiting various forms of organization, e.g. those based on class, race, religion, etc. Class-based organizations or organizations acting in the name of a class were banned. The organizations founded by workers until the repeal of the clause that banned class-based organizations in 1946 were either consumption cooperatives or mutual help organizations (including pension funds).

4.5.1. Legalization and Initial Proliferation of the Union Form of Organization (1947-1957)[23]

Founding of unions was made possible after the amendment in the Associations Act in June 1946. Repeal of the clauses that banned class-based organization opened the door for unions as well as other forms of class-based organization. This change was a part of the broader transformations experienced by Turkey during the immediate aftermath of the Second World War. These transformations, led by the state bureaucracy, were to a large extent associated with Turkey's efforts towards becoming a member of the western world now directed by the US (Keyder, 1989). Turkey was not militarily involved in the Second World War. Though Turkey benefited throughout the war from keeping an equal distance to both camps involved in the war, during the immediate post-war years the war-time policy's side effects, isolation and the Soviet threat, kicked in (Deringil, 1994; Keyder, 1989; Tanör, 1996). To overcome isolation and the Soviet threat, Turkey's elite started a campaign headed towards emulating the liberal political and economic regimes of the West. It was hoped that such an effort

[23] See Table 4.3 at the end of the chapter for brief descriptions of this period and the periods that follow.

would ease coalition making between Turkey and the western world and help deal with the Soviet threat.

This change in orientation brought about greater openness to influences from the US and the supranational organizations under its control, e.g. the United Nations (Keyder, 1989). The initial step was to liberalize the political regime. From 1945 onwards, the single-party system was abandoned. In late 1945, the cracks within the ruling party, CHP, resulted in a split which culminated in founding of the Democratic Party, in early 1947. Democratic Party later proved to be a significant challenger to CHP, and ruled Turkey throughout the 1950s. There were also steps towards liberalizing the economy and establishing economic links to the western world. During the post war period, trade was liberalized; large amounts of foreign aid and credit were obtained; and the economy was opened to foreign capital (Kepenek, 1987).

These transformations were also associated with underlying socio-economic changes within Turkey. State-led industrialization had culminated in changes in the class structure of the society (Keyder, 1989). Despite claims of CHP to the contrary, class divisions had become more visible. The industrial labor force was larger in mid-1940s when compared to the early 1930s. In addition, significant levels of capital had accumulated in private hands, partly thanks to war-time conditions. There was thus a concurrent need for political organizations that would represent the interests of these classes. The need for political representation was especially acute during the immediate post-war years due to grievances accumulated during war-time years (Makal, 1999). There was, for instance, significant erosion in real wages, which disturbed the workers. The split within CHP was initiated by those advocating a free-market system, rather than state-led industrialization, and they represented the interests of small producers in agriculture, the landowning class, and the emergent capitalist class rather than the state bureaucracy (Ahmad, 1994; Keyder, 1989). External conditions facilitated emergence of the means through which these grievances could be articulated.

The opening of the political system to the claims of social groups formerly excluded from the polity was therefore the outcome of a process of liberalization directed from above. For more than two decades, the state had not allowed articulation of interests that challenged the elite project, for most of the period a state-led industrialization, and suppressed all significant organization efforts. The lack of prior bottom-up pressure is therefore not surprising given limited mobilization capacities of those with divergent interests. The liberalization of the political system, though limited

in many respects, nevertheless brought about a great deal of organizing efforts that later culminated in transformation of the socio-economic structure of Turkey. The elite project, defended solely by the state-bureaucracy after 1945, was for instance replaced with a market ideology from 1950 onwards (Keyder, 1999) which significantly altered the fortunes of small producers in agriculture and commercial capitalists. The consequences of the opening of the political system was however more limited for the working class and the union movement for the next decade and a half.

The initial beneficiaries of the repeal of legal barriers to union form of organization were not workers but rather two socialist parties. These parties, TSEKP and TSP, marshaled their cadres to start unions. TSEKP started a total of 35 local (province-level) unions and local associations of unions (*birlik*). TSP, on the other hand, initiated seven unions, six of which were national (Güzel, 1996). Though there is no accurate information on the number of workers organized by these parties, their activities did catch the ruling party's attention.

CHP first responded to these organization efforts by sponsoring founding of Turkish Association of Workers [*Türkiye İşçiler Derneği*, TİD]. TİD had three affiliated workers' associations in Ankara and five in İstanbul. None of these organizations were labeled union. TİD's purpose was defined as aiding the Ministry in carrying out its duties. Later in 1946, CHP took a repressive stance towards the two socialist parties and the unions sponsored by them. These parties and their affiliated unions were closed down in December 1946. What CHP had in mind was an orderly development of unionism under close government supervision.

The first Unions Law in Turkey was enacted in February 1947. The law defined the union form of organization, i.e. the aims that unions could legitimately pursue and the means they could utilize. The law therefore also set the limits on the political opportunity. Though almost all sections of the Turkish working class employed in the larger workplaces were allowed to unionize, the aims that unions could pursue were severely limited, partly due to the limits on the means they were allowed to use. Unions were banned from engaging in politics. The law did not institute a collective bargaining system and workers were denied the right to strike. There were therefore severe limits on the functionality of unions. Under the law, unions would have little power to force the employers, the largest being the state, into collective bargaining. Rather, they had to resort to the compulsory arbitration mechanism, i.e. to the state. The principle of *Halkçılık* seems to have had its imprint on the first Unions Law too. The law also gave

the government great powers in administrative and financial supervision of unions. Both CHP and the Democratic Party governments effectively used the law as a means for controlling the union movement (Koç, 2003; Makal, 1999).

Under the new regime then unions were, in functional terms, little different from ordinary workers' associations. Assuming gathering resources for organizational survival (e.g. membership dues) at least initially requires being functional organizations, legalization of the union form of organization, with severe restrictions that involved some elements of the form, such as strikes and collective bargaining, was perhaps not a significant opening in the political system. The law did not characterize workers as capable of independently pursuing their own collective interests. The ruling elite were rather interested in suppressing such initiatives. The socio-political standing of the union form of organization vis-à-vis the state was not indeed high. Nonetheless, enactment of the law marked the beginning of a process of organization building and therefore set in motion the dynamics that are of interest here.

CHP lost power in 1950 and during the next decade Turkey was run by Democratic Party governments. Democratic Party represented a coalition of different classes, most importantly the commercial bourgeoisie, the landowning class and until mid-1950s, the industrial bourgeoisie (Eroğul, 1990). In this respect, Democratic Party governments have been characterized as interim governments preceding governments that represented a single hegemonic class (Ahmad, 1994). This characteristic of the party made it at least in appearance more liberal when compared to CHP because it was ostensibly addressing the interests of diverse organized classes. The party, for instance, while in opposition during the second half of 1940s, supported workers' right to strike. Democratic Party governments, however, proved to be no different from the last CHP government. There were no significant changes in the legal frameworks underlying unionization during Democratic Party governments. Party leaders usually adopted a stance that denied existence of classes or class struggle (Makal, 1999) and considered strikes as hazardous.[24]

[24] Tanör (1996) more generally characterizes the multiparty regime of the 1946-1960 period as a two-party regime. These parties (Democratic Party and CHP) were not differentiated in terms of program and policy and were also united under the banner of anticommunism. Both parties were equally hostile towards a political system that welcomed all organized interests. Both parties considered political power as absolute and aimed at controlling mobilization efforts of

Democratic Party governments, like the CHP governments, took measures to establish control over the growing union movement. The party had links to many union leaders, especially those running *Türk-İş*, the confederation of labor unions established in 1952. CHP too had links to union organizers and the political conflict that involved these parties would have their repercussions in *Türk-İş*. Democratic Party governments successfully used financial means to establish control over many unions, and *Türk-İş*. The Labor Law authorized the Ministry to redistribute the funds generated by fines collected from employers (the so-called *ceza paraları*). The law however did not clearly stipulate how these funds were to be redistributed. Democratic Party governments made systematic use of this opportunity. In 1952, for instance, funds transferred by the government constituted 65% of the revenues of *Türk-İş* (Makal, 1999). The amount of government aid differed over the period depending on the stance adopted by *Türk-İş* (Işıklı, 1990).

Though no significant changes in the legal-institutional framework underlying unionization took place during Democratic Party governments and though these governments resorted to the very same means formerly employed by CHP to establish control over the unions, towards the end of 1950s a significant change in the relation of the government to the unions took place. This change was part of broader political changes driven by economic problems and Democratic Party's inability to keep its promises. As Democratic Party was having difficulties in keeping its promises, one increasingly stronger social class, formerly allied with the Democrats, the industrial bourgeoisie, was attempting at self-organization and coalition making with the previous ruling class, the civilian and military state bureaucracy organized under CHP (Keyder,1989). That is, change in government's stance towards the union movement had to do with disintegration of the polity and rivalry between polity members, i.e. top-down political turmoil. Towards the end of 1950s, the government was more repressive towards unions, as well as some other forms of organization and their constituencies. For reasons explicated below, November 1957 marks the beginning of a period of repression driven by clashes between the elite and the end of the period of initial proliferation of the union form in Turkey.

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different social groups. The regime was thus not a genuine multiparty regime (Tunaya, 1995).

4.5.2 Top-down Political Turmoil and Repression (1957-1961)

Economic growth that initially buttressed the political success of Democratic Party came to a halt in mid-1950s. Agricultural production, which was the engine of growth during the preceding years, contracted by 15% in 1954. In the same year agricultural exports shrank by 15% and per capita income decreased by 11% (Keyder, 1989). During the following years overall economic growth was slower when compared to the pre-1954 period. Foreign debt, accumulated during early 1950s, started to soak a greater portion of foreign exchange receipts during late 1950s. The government responded by introducing limitations on imports. Because electoral success was dependent on continuance of economic growth, the Democratic Party governments resorted to unchecked monetary expansionist policies. These policies brought about unprecedented levels of increases in the price index. Aggregate price level doubled during the period from 1955 to 1959 (Keyder, 1989).

Nevertheless, economic growth rate did remain low and this created complaints among a number of social classes. The increasingly impoverished civilian and military bureaucracy, the historically most organized section of the society, started to express its complaints. Moreover, though the nascent industrial bourgeoisie had benefited from inflationist growth policies and controls over imports, the unchecked nature of the economic policy of Democratic governments were considered inappropriate by members of this class. A split in Democratic Party in 1954, which culminated in the founding of Freedom Party [*Hürriyet Partisi*, HP] was an expression of the grievances of this social class. The short-lived HP proved to be influential. Young and technocratically-minded members of this party later joined and revitalized CHP (Keyder, 1989). Towards the end of 1950s CHP started enunciating planned development. A coalition between the rising industrial bourgeoisie and the bureaucracy, against the populist Democrats, who were electorally based on small agricultural producers and merchants, was emerging. This emergent coalition was to bring about a great deal of socio-economic change in the coming years. The first step was of course toppling of the Democrat rule, which was to take place in 1960 by a military coup.

Economic problems and the associated political strains caused Democratic Party to adopt a more authoritarian stance towards large sections of the society, especially the

actors with a greater deal of anti-government mobilization potential. Among these actors were the press, universities, the military, CHP and unions. Though some observers consider 1954 as the year when this change in governmental stance started taking place (Makal, 2002), 1957 is perhaps a more appropriate turning point. In 1956, the government made changes in two laws, the Meetings and Demonstrations Law (*Toplantılar ve Gösteri Yürüyüşleri Hakkında Kanun*) and the Press Law (*Basın Kanunu*). These changes were directly aimed at increasing governmental control over mobilization efforts of potential opponents (through penalizing collective action such as protest) and repressing the press (Eroğul, 1990; Sunar, 1985). The government did make use of its enhanced powers. For instance, journalists increasingly fell victim to censoring, litigations initiated by the government and jail sentences. In 1957, general elections were held and Democrats experienced a 15% decline in electoral support when compared to 1954 elections. The turnout rate was also significantly lower. Decline in electoral support further radicalized the authoritarianism of Democratic Party government.

Therefore, the 1957 elections is considered as the turning point in terms of political opportunity faced by the union population in Turkey. Unions experienced greater levels of governmental repression from 1957 onwards. The change in the Meetings and Demonstrations Law in 1956 was mainly aimed at controlling the workers. The government also made greater use of its powers to interfere with routine operations of unions. As of 1957, police raids to unions became frequent (Makal, 2002). Moreover, in 1957 Democratic Party finally managed to have a party-affiliated president at *Türk-İş*. Though the CHP sympathizer candidate managed to muster more votes, the candidate supported by the Democratic Party was finally elected to be the president.

Though the military coup in May 1960, backed by the coalition of the industrial bourgeoisie and the civilian and military bureaucracy, toppled the Democratic Party government, top-down political turmoil (clashes within the political elite) and repression did not end. Rather, the repressor and the targets of repression changed roles. The military government started an assault on the Democrats and jailed this party's leaders. The political system based on popular vote and multiparty politics was abolished, albeit for a short period of time. Thus, Democrats, who had the largest electoral base, were denied power. Furthermore, the character of the new political regime was obscure until the new constitution was brought into life. Institution of the

new political regime was purely the result of elite efforts and did not involve participation by larger sections of the society. Thus, during the military regime from May 1960 to November 1961, the character of the regime was little different from the character of the last Democrat government. Therefore, the repressive political turmoil period is extended until the day the first civilian government after the military coup was established.

4.5.3. Legalization of Strikes and Institution of a Collective Bargaining System (1961-1971)

After the military coup in May 1960, the coalition of the industrial bourgeoisie and the state bureaucracy initiated a process of economic institution building. These institutions were supposed to buttress the new national-developmentalist program which was to be run by the elite cadres of the civilian bureaucracy. The program starkly contrasted the one that was adhered to during the Democratic Party governments. The primary mechanism for redistribution of scarce economic resources, most importantly credit and foreign currency, was now a semi-autonomous state agency, the State Planning Organization (*Devlet Planlama Teşkilatı*), rather than the market. Credit and foreign currency were necessary for industrialists for purchasing from abroad raw materials and semi-manufactured goods, i.e. the inputs for production. Capital accumulation in industry was to be backed by protecting the domestic market for final goods from external competitors (hence the label import-substitutionism). Finally, an internal market was to be created by increasing the purchasing power of large sections of the society, especially the working class.

The program was backed by international financial institutions among which import-substitutionism had a high repute at the time. Moreover, particular outcomes of the program coincided with the unarticulated demands of some social groups, such as the working class (Keyder, 1989). Thus, in addition to the members of the ruling coalition, the program had an appeal to a wider audience.

The new legal-institutional infrastructure backed by the extraordinarily liberal 1961 constitution allowed all organized sections of the society to have a say on politics. Thus, for the first time in the history of Republican Turkey, large sections of the society were granted the privilege to bargain with and sometimes veto the political authority.

Workers (and constitutionally even the civil servants) were for instance granted the right to strike. The constitution resulted in creation of institutions like the Constitutional Court (*Anayasa Mahkemesi*) and the Council of State (*Danıştay*) which were influential in terms of making the voices of different social groups heard. Even minor political parties, for example, could appeal to the Constitutional Court and have the laws changed. Civil servants, the non-elite members of the public bureaucracy, were able to protect themselves from arbitrary political action by applying to the Council of State. There was thus a great deal of potential for control over the political processes.

The new regime however displayed an apparent weakness. There was a strain between the 'administrative' and the 'political' domains (Keyder, 1989). The administrative domain denotes the structures erected for managing the new economic program. The political domain indicates the structures through which social groups express their demands or grievances. Though for all governments during 1960s and 1970s the economic program was indispensable, throughout the period, increasing sections of the society became involved in politics. The governments, both left-wing and right-wing, managed to control the sizeable center (Keyder, 1989). However, this created a vacuum in the extremes of the political spectrum, both to the right and to the left. As the economic program of the new regime faltered this vacuum was to be filled by extreme nationalist, Islamist and left-wing organizations and result in bottom-up political turmoil. Signs of political instability were present even in late 1960s when the economic program was performing well. However, the ruling coalition was firm and the relatively minor insurgencies of the period were suppressed by a military intervention. During the military regime the legal framework was made somewhat less permissive, but this did not help prevent the coming crisis. The economic program did prove to be unsustainable towards the end of 1970s. This time, in contrast to late 1950s, there were also many independent extremist political actors in the scene. These actors were involved in intense armed clashes during much of 1970s, but especially during late 1970s. One particular weakness of the regime thus characterized the nature of changes in the political regime during the period.

Enactment of the new constitution signaled an important improvement in the fortunes of unions. The constitution promised the working class and union organizers union freedoms, a new legal framework that allowed for strikes and institution of a collective bargaining system. The constitution's promises were made to all employees (including civil servants). Though the constitution was ratified in July 1961, special

legislation came in July 1963 and 1965. Nevertheless, signaling of new opportunity was enough to generate a surge in union building among workers from mid-1961 onwards (see Figures 6.3 and 6.4). The new Trade Unions Law (number 274) was significantly more liberal than the previous one. For instance, it allowed the unions to engage in politics. Moreover, the law included clauses geared towards creation of stronger unions, such as those regarding institution of the check-off system. The check-off system allowed unions to collect a greater amount of membership dues and help them become independent organizations. The law also offered unions and union organizers a greater deal of protection. The new Collective Agreements, Strikes and Lockouts Law (number 275) instituted the collective bargaining system and regulated strike and lockout activity. The collective bargaining system was soon to become operational. The system responded both to the demands of workers and the redistributive requirements of the economic program. The law however established a few limitations on strike activity, not envisioned in the constitution. Nevertheless, almost all sections of the workers were granted the right to strike. Though the constitution was not mentioning lockouts, employers were given the right to lockout. During 1960s and 1970s strikes and lockouts were not infrequent. However, they were mostly small-scale and local.

In 1965 civil servants were, for the first time, granted the right to organize into unions. They were not however allowed to strike and denied the right to bargain collectively. Nevertheless, the change in laws was met with enthusiasm among civil servants and until the outlawing of civil servant unions in 1971 many of them were founded. Though civil servants were not granted the rights that workers had, the right to strike and bargain collectively were among the top items of the agendas of these unions. These organizations were also influential in terms of politicizing the civil servants, especially teachers. Political activism within these organizations was closely linked to political clashes that intensified throughout 1970s.

Thus the enactment of a new constitution in 1961 laid the grounds for favorable changes in the legal frameworks underlying union form of organization. For the first time since 1947, unions were considered as legitimate means for pursuing a wide range of aims, sometimes directly political in nature. Unions were also authorized to resort to rather forceful means to express and realize their demands. Unions, union organizers and union members were offered protection against anti-union action. Presence of the state as an employer, as well as the regulator, was an important aspect of the new opportunity. Public sector workers swiftly capitalized on the opportunity by interacting

with the state on concessionary terms. This also helped private sector workers employed in the larger workplaces, who would otherwise have difficulty in making the new legal framework operational, start benefiting from the new legal framework.

However, the most salient feature of the new framework was perhaps that "these new rights, for which workers in the West had striven for almost a century, were granted rather abruptly from above" (Dereli, 1998b: 36). The new legislation and the consequential increase in organizational activity was not a result of continued pressures from the working class or prior organization of the working class. Union leaders did make demands concerning the right to strike and collectively bargain. However, it was only after establishment of a new economic program which required indirect cooperation of the working class that these rights were granted. Nevertheless, workers did make use of this opportunity to create a stronger and independent union movement.

Unions did not simply make use of the opening in the political system to obtain greater benefits for their members and to strengthen themselves. Union leaders made use of the opportunities to start a workers' party. A group of left-wing union leaders founded Turkish Labor Party [*Türkiye İşçi Partisi*, TİP] in 1961. The leadership of the party was however soon to be assumed by left-wing intellectuals. Despite the backing of left-wing unions, TİP never managed to become a party of the Turkish working class. It did however manage to precipitate a split within *Türk-İş*. In 1967, member unions of *Türk-İş* led by socialists left *Türk-İş* to found DİSK. The aim of DİSK was to get the most out of the regime that promised workers a wide range of rights, something *Türk-İş* arguably no longer strived for. After the founding of DİSK, political divisions within the union movement became more visible. Nevertheless, both *Türk-İş* and DİSK were loyal to the fundamental characteristics of the regime, as defined in the 1961 constitution. The mildly socialist stance of DİSK was to be transformed into a more radical one only during the second half of 1970s. Until then, both confederations were firmly embedded in the center.[25]

Political rivalry within the union movement culminated in founding of a third confederation of unions in 1971. After a period of left-wing student revolts and a two-day workers' insurgency in İstanbul, the extreme right-wing Nationalist Movement Party [*Milliyetçi Hareket Partisi*, MHP] initiated the founding of Confederation of

[25] For instance, both confederations responded positively to the military coup in 1971 and asked the military to put an end to public disorder.

Nationalist Trade Unions [*Milliyetçi İşçi Sendikaları Konfederasyonu*, MİSK] in 1971. Thus, the liveliness of union movement in the aftermath of the change in the legal-institutional infrastructure resulted in another politically motivated partitioning of the union movement. MİSK was however not influential until mid-1970s. During the second half of 1970s its activities were largely directed by MHP. MİSK and its affiliated unions were different in this sense from the remaining sections of the union movement.

The liberal constitution enacted in 1961 generated a surge in left-wing activism, especially among students. Towards the end of 1960s activism among left-wingers, though small in scale when compared to that in late 1970s, started to take radical forms. As left-wing activism was on the ascendance, an increasing number of left-wing students were being killed by extreme nationalist militia. Over a short period of time, a discourse that involved lack of public order, for which left-wing activists were blamed, emerged. Restoration of order became a central element of the agendas of the right-wing government and the military. The government attempted at closing down the left-wing associations. This decision was however soon to be deemed unconstitutional by the Constitutional Court. At the same time, there were rumors of a left-wing coup within the military. A coup attempt within the army was suppressed on 9th March 1971 by the army high command and three days later the top commanders of the army issued a note and overthrew the civilian government.

The coup was in essence a byproduct of the tension between the administrative and the political domains mentioned earlier. The liberal political environment and rapid socio-economic changes were fuelling political activism on the margins of the political spectrum as well political pressure through the institutionalized representational system. The demands of the emergent left-wing extremists and the social classes with great electoral power did not fit the economic program of the ruling elite (that is, the coalition of the industrial capitalists and the top bureaucrats). Mass demonstrations by radical social groups, especially the left-wing students which intensified from late 1960s onwards, were unprecedented in the history of modern Turkey. Even the rather docile workers revolted in 1970 when the government passed a law that indirectly aimed at destroying the mildly socialist DİSK. The electoral system also posed the risk of derailing the economic program. The interests of the largest social classes, the small-producers in agriculture and manufacturing (represented by AP which was in power from 1965 to 1971), conflicted with those of the ruling elite and the political parties had

to be watchful of these interests as well as (or to the detriment of) the elite's economic program. The ruling elite thus felt increasingly threatened by the radical social groups and especially those sections of the society with great electoral power and thus access to the government. There was therefore a tension between elite groups, namely between the ruling portion of the elite (that comprised the state bureaucracy and the industrial bourgeoisie) and AP.

The imminent threat to the elite however originated from its own ranks: lower ranking officers of the army with somewhat left-wing aspirations. These officers envisioned a centralized (state-capitalist) program for rapid economic development that would be free of the vagaries of the representational political system and would not prioritize private interests. The coup in March 1971 was thus above all a restorative attempt at ascertaining the continuity of the elite coalition by eliminating the challenging portion of the military bureaucracy, an unborn junta. Neither the left-wing insurgency nor the parliamentary politics really posed a significant threat to the elite's program. Left-wing organization was miniscule and the economic program was performing well enough to keep the masses under control.

4.5.4. Top-down Political Turmoil and Repression (1971-1974)

The post-coup regime took other restorative actions as well. The coup did not involve dissolution of the national assembly and closure of all political parties. Rather, the country was run until January 1974 by what are called technocratic governments. These governments were made up of technocrats as well as members of the parliament. It was hoped that these governments, free of political pressures through the representational system, would act to restore order, that is, take measures to smooth functioning of the economic program and repress the left-wing insurgency. The technocratic governments were remarkably unsuccessful with respect to economic reforms. Nevertheless, many left-wing activists, some elements of the legal-institutional structure that seemingly buttressed left-wing activism, and unions were victimized by these governments.

The initial action of the first technocratic government was to announce martial law in the largest eleven provinces. This was practically a ban on strikes, which lasted

two years. (There nevertheless were strikes in Turkey during this period.) During the military-backed regime National Order Party [*Milli Nizam Partisi*, MNP], an Islamist party, and TİP were closed down by the Constitutional Court. Many left-wing activists, some of who were notable members of the academia, and leaders of the left-wing unions, were arrested and jailed. The constitution's clauses regarding basic rights and liberties and associations and unions were amended. Civil servant unions, which had proved to be important mobilization grounds for left-wing activists, were outlawed.

The military coup on 12 March 1971 signaled that "the formal underpinnings of the civil society in the legal system could be abolished at any time" (Keyder, 1989: 272). This must have discouraged, at least temporarily, the organizing efforts among workers as well as other sections of the society. So, in addition to directly visible repressive outcomes of political repression by the military-backed governments of the 1971-1973 period, there were also indirect (rather perceptual) repressive implications of changes in the legal-infrastructure.

4.5.5. Bottom-up Political Turmoil and Proliferation of Political Ideologies and Movements (1974-1980)

The inherent weakness of the post-1961 regime had begun to surface in early 1970s. The success of the economic program was based on continuation of the flow of foreign funds, which were used to purchase raw materials and semi-manufactured goods. Drying up of the foreign funds would result in interruption of the production process and the economic program based on serving a protected domestic market would falter. First, the oil crises and the rising oil prices increased the pressure on foreign exchange reserves. Second, after the military intervention in Cyprus, which was not wanted by the West, no foreign aid could be obtained. Finally, foreign debts were soaring and debt service was becoming heavier. Foreign exchange and gold reserves of the Central Bank were depleted by 1977 (Keyder, 1989).

Lack of foreign funds gradually weakened the allotment mechanism managed by the bureaucracy. Inability to obtain inputs from abroad slowly resulted in a production crisis. Even most basic goods could not be produced. Disruption of the allotment mechanism and industrial production resulted in political intervention by the industrial bourgeoisie. The allotment mechanism was becoming increasingly arbitrarily operated

and basically feeding a class of rentiers rather than industrial production (Keyder, 1989). Industrialists therefore became progressively more critical of the bureaucracy and the allotment mechanism. Although production was disturbed, the existing legal-institutional framework allowed workers, especially those employed in large industrial workplaces, to obtain monetary rewards. Industrialists therefore also targeted unions and the political parties with electoral affiliation to the organized working class (especially CHP, which had transformed itself into a social-democratic party during the military regime in early 1970s). The coalition behind the post-1961 regime, and the regime itself, was as a result disintegrating towards the end of 1970s.

What makes late 1970s different from late 1950s is that, although both periods witnessed the disintegration of the elite coalition due to failing economic programs, it was only in late 1970s that a bottom-up insurgence accompanied the disintegration of the elite coalition. This was largely due to the political regime buttressed by the liberal 1961 constitution which allowed for organization building by large sections of the society. As argued above, failure of the economic program made it politically harder to satisfy the needs of all sections of society. Political parties that occupied the center were largely able to do so when the economy was performing well. However, as economic distress emerged, organized interests both to the far left and to the far right of the political spectrum surfaced. Left-wing organizations were historically based in the student movement, civil servant associations (which were formerly unions), and some sections of the working class and unions. Far right organizations were primarily based in small producer communities, badly hit both by rapid industrialization and economic crisis. Throughout 1970s clashes between these groups, especially the extreme nationalist right and the far-left intensified.

During this period, political markers (left versus right, 'alevi' versus 'sunni', Turkish versus Kurdish) that differentiated social groups became more visible. Though most intense clashes took place between diametrically opposed groups, and especially the extreme nationalist-right and far-left, there were also within-camp splits and clashes. Left-wing movement was continually breeding new groups, each more sectarian than the ones before (Belge, 1992). There were also splits within the nationalist far-right (Ağaoğulları, 1992).

Even the center occasionally produced new groups. There were splits within the center parties (CHP and Justice Party [*Adalet Partisi*, AP], the descendant of the late Democratic Party). After the elections in 1973 and 1977 neither CHP nor AP was able

to form majority governments. From January 1974 to September 1980, the country was ruled by seven different coalition governments. Intensifying clashes between political extremists, deteriorating economy, splits within mainstream political parties all prevented stable governments during the period.

Political turmoil had its repercussions in the union movement. Increasing politicization of large sections of the society generated further divisions within the union movement. As noted before, MİSK was revitalized after the return to civilian politics in early 1974 and unions that were members of this organization increased their organizing efforts afterwards. MHP was also engaged in political activism in the larger unions, especially those organized in the metal and food industries. The second half of 1970s witnessed founding of new confederations of unions. In October 1976 Islamists founded *Hak-İş*. In 1978, *Sosyal Demokrat-İş*, which adhered to social democratic principles, was founded. Both of these confederations were national organizations. There were also local confederations of unions, such as *Toplum-İş* and *Anadolu-İş*. *Toplum-İş* was the consequence of a split within the far-right. Left-wing movements also made inroads into many unions, mostly members of DİSK. Sometimes left-wing activism within unions resulted in splits. Other times, especially in the larger unions and DİSK, rival left-wing ideologies, both institutionalized and underground, colored the internal affairs of these organizations (Işıklı, 1998; Tokol, 1998). Even *Türk-İş* and its affiliated unions were occasional grounds for ideologically motivated clashes.

Though at least some unions were mobilization grounds for political movements during late 1970s, changes in the pattern of union organization was probably not (among) the driving force behind the aspect of political turmoil that involved proliferation of political movements and clashes. Political divisions within the union movement were precipitated by divisions within the broader landscape and not the other way around. Furthermore, political parties were directly involved in these divisions (e.g., MİSK and MHP). Left-wing movements perhaps had an exceptional relation to the union movement since the primary actors of change in socialist ideologies are the organized workers. Unions, then, may be the grounds where left-wing ideologies prosper and proliferate. However, historically, the left-wing movements in Turkey, which eventually involved sections of the working class and the union movement, originated from and were firmly based in the students and intellectuals. Also, primary actors of the revolution in left-wing ideologies seemed to be the students and the intellectuals. In the socialist left's strategy, "the appeal to the working class was more a

theoretical imperative rather than a tactical need" (Keyder, 1989: 283). Thus, the left-wing movements were not indeed strongly embedded within the union movement. Rather, some of the unions were among the grounds where the left-wing movements fought each other and the extreme right.

The bottom-line of this argument is that political turmoil during the latter half of 1970s was exogenous to the evolution of the union form of organization in Turkey. Disintegration of the polity had to do with internal strains of the economic program. As the economic environment deteriorated, the program failed and the elite coalition was no longer sustainable. Proliferation of political ideologies and movements had to do with the liberal legal-institutional framework that encouraged participation in political processes and emergence of political crisis. Far-right movements were embedded in small-producer communities. Far-left movements emerged and prospered within student and intellectual groups. These movements then fought for influence over the unions.

The union population in Turkey thus encountered significant alterations in political opportunity during the period from 1947 to 1980. Not long after the emergence of the union population in Turkey, clashes within the political elite (top-down political turmoil) culminated a period of repression. During November 1957 to May 1960, the ruling portion of the elite (Democrats) took repressive measures to control an already weak union movement that was a potential ally to the challenging sections of the elite (military bureaucracy and the nascent industrial bourgeoisie). During the military regime from May 1960 to November 1961, the stance of the new ruling elite towards the union movement was obscure and there was thus a high degree of environmental uncertainty. Thus, during November 1957 to November 1961 unions experienced a contraction in political opportunity when compared to the 1947-1957 period.

Ratification of the new constitution and establishment of a civilian government towards the end of 1961 signaled remarkable changes in the fortunes of unions. The constitution promised changes in the legal frameworks that would significantly alter survival chances of unions. The promised changes materialized in July 1963. Anticipation of the change nevertheless had precipitated a visible increase in organizing activity from November 1961 onwards. During the 1961-1980 period unions in Turkey benefited from a liberal legal framework that allowed unions to strike, independently undertake collective bargaining, and engage in politics. Thus, when compared to the 1947-1961 period, unions in Turkey experienced an enhancement in political

opportunity during the 1961-1980 period due to favorable changes in the legal-institutional structure of the polity.

Although the new legal framework underlying unionization remained essentially intact during the 1961-1980, unions experienced significant changes in their political environment during 1970s. A clash within the elite (top-down political turmoil) culminated in a military coup in March 1971. The military backed governments that ruled Turkey from March 1971 to January 1974 were generally hostile towards participative (parliamentary) politics. The union movement was victimized by the military regime. Several left-wing union leaders were jailed and public servant unions were closed down. Thus, when compared to the November 1961-March 1971 period, unions experienced a contraction in political opportunity from March 1971 to January 1974.

The military regime failed to keep its promises and a return to civilian politics was made in early 1974. The economy had been in the doldrums for a while and was straining the ruling coalition. Worsening economic conditions was coupled with proliferation of political movements, buttressed by the liberal political regime instituted in 1961. From early 1974 onwards, political turmoil that involved a disintegrating polity and challenges from the weaker social groups (bottom-up political turmoil) intensified. The divisions within the society were increasingly reflected on the union movement. The emergent political movements created their own unions and turned existing unions into political battlegrounds. Moreover, towards the end of the period unions were increasingly involved in politically-oriented activity. Political turmoil, ended by a violent military coup in September 1980, thus revitalized unionization. Therefore, when compared to the November 1961-January 1974 period, the union population experienced an enhancement in political opportunity during the January 1974-September 1980 period through bottom-up political turmoil.

Table 4.1
İstanbul foundings by industry and year, 1947-1980

INDUSTRY CODE	YEAR																																				
	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	TOTAL
1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	2	1	1	0	0	1	0	0	1	0	0	0	0	0	0	7
2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	1
4	0	0	0	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1	0	1	0	2	0	0	0	0	0	0	0	0	0	0	0	6
5	7	1	1	1	2	1	0	1	1	0	0	1	0	1	1	0	3	0	1	2	1	2	1	0	0	1	0	1	2	0	0	0	0	0	32
6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7	5	0	0	0	0	0	1	1	1	0	0	0	0	0	0	0	1	1	2	0	0	2	0	1	1	0	0	2	4	1	1	1	1	0	26
8	1	1	0	1	0	1	0	1	0	0	0	0	0	0	0	1	0	0	0	0	1	0	0	0	0	0	0	0	1	1	0	0	0	0	9
9	1	0	1	0	1	0	0	1	1	0	0	0	0	0	0	0	1	1	0	0	0	0	0	2	0	1	1	1	0	0	0	1	0	0	13
10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	0	1	1	0	0	0	1	0	0	0	0	0	5
11	1	0	1	0	0	0	0	0	0	0	0	0	1	0	0	0	0	1	0	0	0	1	0	0	0	1	0	1	0	0	0	0	0	0	7
12	0	0	1	0	0	0	0	1	0	0	0	0	0	0	0	2	0	1	1	0	2	0	0	0	0	0	0	0	2	0	0	0	1	0	11
13	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1	0	1	0	0	0	0	2	1	0	0	3	1	0	0	1	1	0	12
14	0	0	1	1	0	0	0	1	0	0	0	0	0	0	0	0	0	2	0	1	0	1	1	0	1	0	0	1	0	1	0	0	0	0	11
15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2	0	0	2	0	1	0	1	1	0	1	0	0	0	0	0	0	0	0	8
17	1	0	0	0	0	1	0	0	0	0	0	0	1	0	0	2	1	0	2	2	2	3	3	1	2	2	4	1	3	6	4	5	1	0	47
18	1	1	0	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	1	0	2	0	0	0	0	0	0	1	0	0	0	9
19	0	0	0	1	0	0	1	0	0	0	0	0	0	0	2	1	1	1	1	2	0	1	0	1	0	0	0	2	0	1	0	0	1	0	16
20	0	0	0	0	0	0	0	1	0	0	0	0	0	1	0	0	0	1	1	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	5
21	0	0	0	1	0	0	1	0	0	0	1	0	1	0	0	2	0	0	3	0	1	0	0	1	0	0	0	1	1	0	1	1	0	0	15
22	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2	2	0	4	3	2	2	3	2	1	0	3	3	0	0	1	0	0	28
23	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	1	7	0	0	1	0	0	1	3	2	1	5	3	0	1	0	0	2	28
24	0	0	1	2	2	0	0	0	0	0	1	0	0	1	0	2	2	0	0	0	1	0	1	1	0	0	0	0	2	0	0	1	0	0	17
25	0	0	0	1	2	1	2	0	0	0	0	0	0	0	1	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	8
26	0	0	0	0	0	0	1	0	0	1	1	0	3	0	2	1	5	4	5	4	2	2	1	1	3	2	0	1	2	2	0	0	0	0	43
27	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	3
28	0	0	0	1	0	1	0	2	0	0	0	0	0	0	0	1	1	0	1	0	0	0	1	0	0	0	0	1	0	0	0	0	0	0	9
29	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	2	0	0	0	1	1	0	1	0	0	1	0	0	0	0	0	0	0	0	7
30	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	3	0	2	2	1	0	1	0	0	0	1	0	1	1	0	1	1	0	0	16
31	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	1	0	0	0	1	1	1	0	0	0	0	3	0	2	0	0	1	0	0	11
32	0	1	0	0	0	0	0	0	0	0	0	0	1	0	1	1	0	0	1	0	1	1	0	1	0	0	3	0	1	0	2	0	0	0	14
35	0	0	0	0	0	1	0	0	1	0	0	0	0	0	1	0	1	0	0	0	0	0	0	0	1	0	0	0	1	0	0	0	0	0	6
36	0	0	0	0	0	0	2	0	0	0	0	0	0	0	0	1	0	1	0	1	0	0	1	1	0	0	0	0	1	0	0	0	0	0	8
37	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	1	0	0	1	1	0	1	0	0	1	0	1	0	0	0	7
38	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	1	0	0	1	0	0	0	0	0	1	0	0	0	0	0	5
39	0	0	0	0	0	1	0	1	0	0	0	0	0	0	0	0	0	0	0	1	2	0	0	2	0	0	0	4	0	0	0	1	0	0	12
40	0	0	0	0	1	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	2	0	0	0	0	5
TOTAL	17	4	6	12	8	8	9	11	5	2	4	2	7	4	9	23	21	28	24	24	24	20	17	23	16	17	12	30	33	14	12	14	5	2	467

†See Table 5.1 for a list of industries and industry codes

Table 4.2
Ankara foundings by industry and year, 1947-1980

INDUSTRY CODE	YEAR																																			
	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	TOTAL
1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1	0	0	0	0	0	1	0	1	1	1	0	0	2	1	2	0	0	1	1	13
2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	0	0	0	0	0	0	0	0	0	0	0	0	1	0	1	0	0	0	0	0	2	0	0	0	1	0	0	0	2	1	0	1	0	0	9
4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2
5	0	0	0	0	0	1	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	3	1	0	1	1	9
6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
7	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	1	0	0	3
8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	1	3	0	2	0	0	0	1	1	9
10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	1
11	1	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	3
12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	0	0	2
13	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3
14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	1	0	1	0	0	0	0	0	0	0	0	1	0	1	0	0	5
15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	0	0	0	2	0	0	0	0	0	0	0	0	1	0	0	0	1	0	0	1	0	1	0	1	0	1	1	1	3	4	1	1	2	0	21
18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	0	0	0	0	0	0	0	0	0	0	0	2	0	0	1	0	0	3	0	0	3	1	3	0	0	2	1	1	4	2	0	0	0	0	23
20	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	2	0	0	0	0	1	0	0	5
21	0	0	0	0	0	0	0	0	1	0	0	0	0	0	1	1	2	2	0	1	0	0	1	1	0	1	0	0	5	0	0	2	0	0	18
22	0	0	0	1	0	0	0	0	0	0	0	0	0	0	1	2	0	3	0	2	1	4	0	2	2	0	1	4	3	4	2	2	1	0	35
23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	0	1	0	0	0	3
24	1	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	1	1	0	0	5
25	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	2	2	0	0	0	0	6
26	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
28	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	0	0	0	0	0	2	0	0	0	0	0	0	0	4
30	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	0	1	1	0	0	0	0	2	1	1	0	0	1	0	9
31	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
32	1	0	0	0	0	0	1	0	0	0	0	0	0	0	0	1	0	0	1	0	1	0	0	0	0	0	0	1	1	1	1	0	0	0	9
35	0	0	0	0	0	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	1	0	0	4
36	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	1	0	0	3	0	0	0	0	0	0	0	0	0	0	0	0	6
37	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	1	0	1	0	0	0	0	3	0	0	0	0	0	0	6
38	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
39	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
40	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	1	1	0	0	0	0	3
TOTAL	3	0	0	3	2	3	3	2	1	0	0	3	2	1	7	5	7	13	6	7	11	10	8	5	5	6	10	15	26	25	8	12	8	3	220

†See Table 5.1 for a list of industries and industry codes

Table 4.3
Political environment of unions in Turkey, 1947-1980

Period	Description	
20 February 1947 – 24 November 1957	Enhancement in political opportunity through favorable change in the legal-institutional structure of the polity	Legalization and initial proliferation of the union form of organization; unions granted limited liberties in terms of aims that they could pursue and the means that they could use - Unions not functional organizations with respect to collective employment relations: Strike activity outlawed and a collective bargaining system not instituted - Proliferation of organizationally weak unions: Unions unable to obtain sufficient resources from their members and falling victim to governmental patronage
25 November 1957 – 19 November 1961	Contraction in political opportunity due to top-down political turmoil and repression	Disintegration of the ruling elite and repressive civilian and military governments that severely repressed their (potential) opponents - Direct government control over the union movement (1957-1960): Forceful election of a Democratic Party sympathizer as the president of *Türk-İş*; selective use of financial aid to unions and *Türk-İş*; and frequent police raids on unions - Changes in laws that increased cost of collective action (1957-1960): Voicing political discontent through the press and demonstrations punished - Military rule (1960-1961): Pending changes in

		the political regime and the legal-institutional underpinnings of unionism; heightened uncertainty regarding return on mobilization; increase in perceived cost of mobilization as the military regime severely punished leaders of Democratic Party.
20 November 1961 – 11 March 1971	Enhancement in political opportunity through favorable changes in the legal-institutional structure of the polity	Legalization of strikes and collective bargaining; greater freedoms in terms of aims that could be pursued and means that could be used; higher degree of protection of union organizers and unions; improvement in resource flows to unions - Unions functional organizations with respect to collective employment relationship: Strike activity is legalized and a collective bargaining system is instituted - Proliferation of stronger unions: Unions able to obtain greater levels of resources from their members (the check-off system is instituted) and are free from governmental patronage - Political divisions within the union movement: Unions allowed to engage in political action (decrease in the cost of mobilization); greater returns on political activism
12 March 1971 – 25 January 1974	Contraction in political opportunity due to top-down political turmoil and repression	Division within the ruling elite and the ensuing change in political regime - Rule by military backed governments that banned civil servant unions,

		jailed left wing union leaders and generally hostile towards unions
26 January 1974 – 11 September 1980	Enhancement in political opportunity through bottom-up political turmoil	Disintegration of the ruling elite coupled with political activism, insurgency and violent clashes involving the less powerful or emergent social groups - Proliferation of extremist political groups, splits within the mainstream political movements and increased visibility of ideological markers; political divisions within the union movement

5

RESEARCH DESIGN

This chapter introduces the research design employed to test the hypotheses regarding the influence of political opportunity and organizational infrastructure on the organizational founding rate. The dependent variable in the analyses that are reported in the following chapter is a transition (hazard) rate. Using the transition rate as the dependent variable is based on an understanding of organizational founding as a point in a continuous time stochastic arrival process. Estimation of the hazard rate requires information on the exact timing and sequencing of the founding events, on the basis of which distribution of the interarrival times can be obtained. This chapter therefore first defines organizational founding (and also another vital event, organizational failure, due to reasons explained below) and then, based on the theoretical arguments in the preceding chapters, explicates the level of analysis at which interarrival times are to be constructed. The chapter then continues with a description of the independent variables that pertain to focal processes (political opportunity and organizational infrastructure) and other population dynamics. The next section describes sources of data and data collection, which is followed by a depiction of methods, models and estimation.

5.1. Vital Events

5.1.1. Organizational Founding

Organizational founding can be described as a process which consists of subprocesses. These subprocesses include initiation (declaration of the intention to start a new organization), resource mobilization, legal establishment (e.g., obtaining a charter), social organization (structuring of organizational roles), and finally, operational start up (Hannan and Freeman, 1989: 147-149). The speed at which the founding process proceeds, and the order of subprocesses, may vary from one organizational form to another. Thus, each of these subprocesses and the way the transition from one to another takes place may be of interest to the analyst.

Ecologists have seldom problematized the multi-stage nature of the founding process (cf. Hannan and Freeman, 1989). Nevertheless, the convention has been to record appearance of functioning organizations as organizational founding; and the date of founding has been defined, for instance, as the starting date of production or sale of services and goods. Then, from an ecological point of view, declaration of the intention to start a new organization or legal establishment or attempts at social organization cannot be considered as organizational founding. These should rather be conceived as failed attempts at organization building unless a functioning organization, e.g. a union with active organizers and members, appears.

The distinction between organizational founding defined as appearance of functioning organizations and failed attempts at starting functioning organizations is crucial in terms of data collection and the final empirical material that enters into analysis. For example, sources of data may contain information on organizations that have obtained a legal charter or corporate identity, some of which may not have been successful in terms of operational start up. In such cases, additional information regarding whether or not these organizations have become functioning organizations would be required. Only after obtaining this information would the researcher ascertain that founding of organizations is being analyzed, but not both foundings and attempts at founding that fell short of founding.

The sources of data that were consulted for this study (most importantly the registers of unions kept by the Ministry and local police departments) recorded legal incorporation as starting of new unions. The founders of unions, or any other kind of association, in Turkey were not required to obtain prior permission from the authorities during the observation period. However, the founding committees were required to submit a copy of the charter in order to obtain a corporate identity, which was a prerequisite to becoming a functioning organization, e.g. enrolling members or building up assets. Thus, archival search resulted in identification of (most of the) founding attempts in Ankara and İstanbul.

In distinguishing successful founding attempts that resulted in appearance of functioning unions from incomplete attempts, information on general council meetings was utilized. Unions, after obtaining a corporate identity, were legally obliged to undertake a general meeting within a year and complete their internal organization (establish the so-called mandatory organs, such as the executive committee). Those that had not done so were legally deemed dissolved. However, it usually took the authorities a long time before they discovered that a union never undertook a general meeting. This study considers unions that obtained corporate identity but never carried out a single general council meeting as incomplete attempts at founding. Not carrying out a general council meeting is considered as an indicator of failure to enroll members, maintain flow of essential resources that can only be provided by the members and thus become a functioning organization. These efforts at starting unions were considered as incomplete founding attempts and not included in the analyses of founding.

On most occasions, information on whether or not a union carried out a general council meeting was available. This information usually came from documents produced by the local government (*Valilik*) that was responsible for monitoring the activities of all unions registered with the government. On some occasions, the founding process was terminated by the decision of the entrepreneurial committee, which was forwarded to the local government in written form. In some cases, however, there was no information on whether a union carried out a general council meeting. However, because almost all of these unions were deemed legally dissolved by the local government for not carrying out any activities, and the attempts at finding evidence on whether these unions functioned failed, it was assumed that these unions never succeeded in enrolling members and becoming functioning organizations.

The problematic aspect of the data collection process in this study emanates from lack of information on some of the founding attempts (a substantial amount of them took place during late 1940s and 1950s). The registers kept by the Ministry allows one to estimate the total number of attempts at founding unions (or the total number of unions that acquired a corporate identity) in a year, and therefore assess the completeness of the data on founding attempts. In some cases, information on union's name and founding date could be obtained. However, no information regarding the activities and fate of these unions could be acquired. In many other cases, there was absolutely no information on the founding attempt.

The archival search was carried out in institutions that were responsible for overseeing the activities of all unions in their jurisdiction. During archival search dossiers of many of the unions that obtained corporate identity during late 1940s and 1950s could be found. Almost all of these attempts were successful in terms of building a functioning organization. That is, most of these unions enrolled members and carried out general council meetings. The failure to locate the documents regarding other founding attempts can be construed as evidence indicating that they were unsuccessful in bringing about a functioning organization. What is more, secondary resources documenting union activity in early- and mid-1950s (Sülker, 1955; Tuna, 1951) reveal that most unions lost their corporate identity in a short period of time. It seems that, while producing a charter and registering with the local government were trivial steps in the founding process, creating a functioning organization was not. Historical accounts of the period, though not providing extensive information on founding attempts, characterize the period with lack of expertise, entrepreneurial talent, and financial resources, all of which are crucial to starting a functioning organization. Thus, although not all founding attempts, mostly during the pre-1960 period, could be identified, it can safely be argued that almost all foundings of what later proved to be functioning unions could be identified.

According to the registers kept by the Ministry the total number of entries[26] in the İstanbul region (comprising the provinces İstanbul and Tekirdağ), which covers

[26] This study differentiates between five different types of entry: (1) movement of the headquarters of an already existing union to the focal province from another province, (2) merger, (3) transformation of a federation of unions into a union, (4) transformation of a non-union workers' organization into a union, and (5) founding of a union by a previously unorganized or organized collection of workers. The last type of entry constitutes the founding event in this study. Other

employers' unions, federations and confederations of unions, and local associations of unions, as well as workers' unions, was 893 during the observation period. Out of this total, 70 pertained to entry by employers' unions and federations or confederations of these unions and 19 pertained to entry by federations, local associations or confederations of workers' unions. Therefore, total number of entries pertaining to workers' unions in İstanbul region was 804 (assuming all entries pertaining to other forms of union organization were identified). Archival search and published sources provided complete information on 664 of these entries. Of the 270 workers' union entries during the pre-1963 period, full information on 156 (58%) entries could be identified. Full information on 508 (95%) of the 534 workers' union entries from 1963 onwards could be identified. The number of inconsequential attempts during the pre-1963 period that could be identified was only 14 (5% of all attempts), whereas the figure was 154 (29% of all attempts) for the following period. It was assumed that all unidentified entries were inconsequential founding attempts. Supposing the ratio of inconsequential attempts during the pre-1963 equaled the ratio of identified inconsequential attempts during the following period (i.e. 29%), the number (ratio) of unidentified attempts that possibly resulted in functioning organizations declines to 50 (22%). Assuming all unidentified attempts during the post-1963 period were inconsequential, the ratio of inconsequential attempts pertaining to the pre-1963 period increases to 34%. Applying the same ratio to the pre-1963 period implies that the number (ratio) of unidentified attempts that possibly resulted in functioning organizations during this period is 36 (13%). History of Turkish unionism suggests that there is reason to expect a higher ratio of inconsequential attempts during the pre-1963 period due to conditions that lowered the viability of union form of organization. Hence, the total number of unidentified founding events during the pre-1963 period is arguably negligible.

Of the 664 entries in İstanbul region, about which full information could be obtained, 169 were inconsequential founding attempts (or in other words, of the 804 workers' union entries 309 were inconsequential founding attempts). A total of 5 unions

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types of entry were not considered as organizational founding because they pertained to decisions taken by already existing organizations. The dates of founding events are the dates of the notes sent to the local government by the founders (accompanied with a union charter), informing the local government about founding.

were founded in Tekirdağ, leaving 490 entries in the registry for İstanbul. 12 of these entries involved transfers of union headquarters to İstanbul from other provinces and 11 entries involved either mergers of unions or transformation of an existing workers' association into a union. Refinement of the data resulted in identification of a total of 467 founding events in İstanbul.

According to the registers kept by the Ministry the total number of workers' union entries in the Ankara region (comprising the provinces Ankara, Çankırı and Kastamonu), which includes entries by employers' unions, federations and confederations of unions, and local associations of unions, as well as workers' unions, was 606 during the observation period. Out of this total, 64 pertained to entries by employers' unions and federations or confederations of these unions and 35 pertained to entries by federations, local associations or confederations of workers' unions. Therefore, total number of workers' union entries in Ankara region was 507 (assuming all founding attempts pertaining to other forms of union organization were identified). Archival search and published sources provided complete information on 409 of these entries. Of the 93 workers' union entries during the pre-1963 period, full information on 45 (48%) entries could be identified. Full information on 364 (88%) of the 414 workers' union entries from 1963 onwards could be identified. The number of inconsequential attempts during the pre-1963 period that could be identified was only 1 (1% of all attempts), whereas the figure was 130 (31% of all attempts) for the following period. Again, assuming the ratio of inconsequential attempts during the pre-1963 equaled the ratio of identified inconsequential attempts during the following period (i.e. 31%), the number (ratio) of unidentified attempts that possibly resulted in functioning organizations declines to 20 (22%). Assuming all unidentified attempts during the post-1963 period were inconsequential, the ratio of inconsequential attempts for this period increases to 44%. Applying the same ratio to the pre-1963 period implies that the number (ratio) of unidentified attempts that possibly resulted in functioning organizations during this period is 7 (8%). As mentioned before, history of Turkish unionism suggests that there is reason to expect a higher ratio of inconsequential attempts during the pre-1963 period due to conditions that lowered the viability of union form of organization. Hence, the total number of unidentified founding events in the Ankara region during the pre-1963 period is arguably negligible.

Of the 409 entries in Ankara region, about which full information could be obtained, 131 were inconsequential, (or in other words, of the 507 workers' union

entries 229 were inconsequential). A total of 7 unions were founded in Çankırı and Kastamonu, leaving 271 entries in the registry for Ankara. 22 of these entries involved transfers of union headquarters to Ankara from other provinces and 10 entries involved either mergers of unions or transformation of an existing workers' association into a union. Data on complete attempts at creating functioning unions in Ankara was further refined by eliminating union foundings associated with two confederations: Association of Independent Trade Unions [*Bağımsız Sendikalar Birliği*, BSB] and *Türk Ülke-İş*, which were founded in 1976. BSB and *Türk Ülke-İş* were led by Süleyman Akkaya and Bayram Sökmen, respectively, whose involvement in founding of more than 30 unions affiliated to BSB and *Türk Ülke-İş* has been labeled criminal activity rather than genuine unionism (Koç, 1992). Most of these unions were established by small groups of crooks who were not workers. Though there are records of general council meetings of these unions, many of them did not function at all. These foundings (mostly in Ankara, n = 19) were considered nonevents and not included in density counts. Unions that became affiliated to BSB and *Türk Ülke-İş* but founded before 1976 (n = 3) were included in the analyses as founding events and were also included in density counts. Refinement of the data resulted in identification of a total of 220 founding events in Ankara.

5.1.2. Organizational Failure

This study differentiates between seven types of exit, six of which involve end of corporate identity. Only one type of exit pertains to organizational failure. Although the analyses in this study involve organizational founding, the way different types of exit are differentiated and the way 'lingering deaths' are dealt with have implications for estimation of organizational density and the variables prior failures and prior mergers. Seven types of exit are differentiated: (1) movement of the union headquarters to another province, (2) merger, (3) absorption by a federation of unions as it transforms itself into a union (in this case, the absorbed union was a member of the federation prior to its transformation into a union), (4) absorption by another union, (5) closure by court order due to failure to comply with laws, (6) loss of corporate identity due to failure to

carry on operations (most importantly, general meetings), (7) termination of corporate identity by a general meeting decision.

Decisions regarding type-1, 2, 3, 4, and 7 exits were taken via general meetings of unions. Therefore, the respective exit dates are the dates of these general meetings. The date for the type-5 is the date of the court order involving closure. Type-6 exit is lingering death, and the date for this particular type of event was assigned as explained below.

The end of corporate identity meant that the union definitely ceased to be a distinct functioning organization, because it could no longer organize workers or carry out operations in their name. A union may, however, stop being a functioning organization long before it loses its corporate entity (Hannan and Freeman, 1989). This seems to have been the case for the Turkish trade unions that experienced type-6 failure. The note sent to the Ministry by the local government deeming a union dissolved because it no longer carried on its operations and thus ending the union's corporate identity, was usually the product of a long period of investigation and paperwork. Thus, there is a considerable time gap between the dates when some of the unions ceased being distinct functioning organizations and the dates when they officially ceased to be corporate entities.

Hannan and Freeman (1989: 149) define failure "in strictly *organizational* terms ... [that is] an organization ends when it ceases to carry out routine actions that sustain its structure, maintain flows of resources, and secure the allegiance of members." But they also recognize the possibility of lingering death, i.e. gradual disintegration over an extended period of time, and note that there may be some arbitrariness in defining the time of failure. In this project, the date of the last general council held by a union that experienced involuntary failure, evidenced by the note issued by the local government, will be considered (when available) in assigning a failure date to these organizations. This date may be thought of as the last overall attempt, which eventually failed, by the union to sustain its structure, maintain flow of resources, and secure the allegiance of members. Though the unions may keep their structures, members, and resources afterwards, the fact that no other general council was held reveals that structures, membership, and resources decayed over a short period of time. Because most unions held their general councils every two years, the exit date assigned to lingering deaths (n = 159 for İstanbul and n = 60 for Ankara) is two years after the date of the last general

council. This strategy is believed to produce better records of dates of organizational failures and counts of failures and density.

5.2. Level of Analysis

Extant ecological literature provides ample evidence on spatial structuring of population dynamics and points to the need for incorporating geographical distance into the analysis or using geographically delineated organizational subpopulations as units of analysis while studying these dynamics. Also, the historical material at hand shows that the majority of the Turkish unions that appeared in the period from 1947 to 1980 remained local in character. That is, they did not extend their activities to the provinces other than the province where they were founded or headquartered. Furthermore, many of these unions limited their activities to a single workplace. Therefore, this study first disaggregates the union population into subpopulations made up of unions within the same province.

As argued earlier, there may also be additional forces structuring the population dynamics. So, in defining the level of analysis, more than one factor may have to be considered. The organizing principle of Turkish unionism, stipulated by the law, was industrial unionism during the observation period. Industrial unions in Turkey were allowed to attempt at organizing all workers, regardless of occupation or skill level, employed in all establishments in a single industry or a small set of so-called related industries (*ilgili işkolu*) only. Thus, the jurisdictional claims of Turkish unions were limited in terms of industry. Assuming that this significantly influenced the nature of the interactions between unions, perhaps most evidently the competition process, and also the infrastructural externalities, this study considers industry alongside with province in defining population boundaries. Consequently, province level union subpopulations are further divided into subpopulations at the industry level. The founding analyses are carried out at the level of industry in each province. The industry-level analyses pertain to central arguments tested in this study.

Though ecologists have described variously defined subpopulations of organizations as more proper units of analysis, they have nevertheless taken note of the ways these subpopulations may interact. This study considers the possible interactions

between union activity in İstanbul and Ankara, and also the effects of union activity in provinces other than the ones that are part of the investigation. In doing so, this study utilizes data on İstanbul and Ankara branches of unions headquartered in provinces other than İstanbul and Ankara, respectively. This strategy differs from a strategy that would use information on all organizations around the country, not only those that had branches in the focal locations. It is believed that the strategy used in this study better fits the mode of interaction between province-level populations of unions, given the local character of most unions founded in Turkey, and also effectively compensates for lack of complete data on unionism in smaller provinces.[27] To account for possible interaction between the industries within a province, information on union activity in industries related to the focal industry, and all the other industries is used.

5.2.1. Regulation of Jurisdictional Boundaries of Unions in Turkey (1947-1980)

Although the Unions Law passed in 1947 stipulated union organization along industrial lines, the first regulatory attempt at defining industrial boundaries was made in August 1963. However, the ministerial statute (*Sendikaların İşkolları Yönetmeliği*) which defined 36 industries was soon repealed by a court decision. Another ministerial statute that defined 36 different industries was produced in August 1964, and this statute remained in force until 1971. Some sets of industries in this statute were labeled 'related industries' (*ilgili işkolu*). Workers in related industries were allowed to unite in the same union. In other words, unions founded in industries which were members of a larger set of industries called related industries were allowed to operate in all these industries. The ministerial statute defined seven sets of these related industries, comprising of nineteen

[27] The other important centers of unionism in Turkey were İzmir and the Adana region (including the nearby provinces Hatay and İçel). Registers kept by the Ministry indicate that in both regions, more than 300 attempts at union founding were made over the observation period. However, no further information regarding the exact timing and consequence of many of these attempts could be obtained. A cursory observation of unionization in these (and the remaining) regions reveals that either majority of the founding attempts did not result in functioning unions or the unions that appeared were significantly weaker than those founded in İstanbul and Ankara (many seems to have disappeared without leaving a trace). Unions in these regions have fallen prey to İstanbul and Ankara based national unions, especially after 1963.

industries in total. The Ministry produced a new statute in October 1971, which defined 34 different industries. This statute merged some of the formerly related industries and partitioned one of the industries into two industries. There were five sets of related industries, encompassing twelve industries in total, according to this statute. This second statute was amended in 1972, and two of the formerly unrelated industries were merged. The total number of industries declined to 33 after the amendment. The amended statute remained in force until the end of the observation period. Table 5.1 presents the industrial classification according to the statute dated 1964 with notes about mergers and partitioning (which were carried out by the regulatory authority) and related industries.

5.2.2. Dividing up the Province Level Population of Unions into Industrially Defined Subpopulations

The province level union population is disaggregated into industry level subpopulations on the basis of the first ministerial statute. Although later amendments in this statute merged some of the related and unrelated industries, it is considered that this statute (relative to its amended versions) better reflects the organizing patterns throughout the whole observation period. This study assigns unions into 37 different industries. The 'clay and ceramics' and 'cement' industries were merged into a single industry. These two industries were defined as related industries in 1964 and were merged by the statute dated 1971. Because unions operating in any one of these industries also operated in the other, these two industries were considered as one throughout the whole observation period. Likewise, and for the same reasons, 'business services' and 'public services' industries, and 'governmental and municipal services' and 'personal services' industries were merged. Due to merging, industries that were assigned the codes of 16, 33 and 34 in the 1964 ministerial statute due not appear in the analyses. In some industries, unionization seems to have occurred along occupational lines. For instance, in the 'food' industry, bakery workers seem to have organized into their own unions. In a similar fashion, in the 'accommodation and entertainment' industry, musicians had their own unions. Such industries were partitioned into multiple industries (in all, three industries partitioned into seven industries, resulting in creation of four new industries –music, acting, bakery and door keeping) to accommodate such

differences in organizing patters, which must have shaped the interactions between unions. It is believed that such a strategy allows for better modeling of these interactions. Following partitioning, industry codes of 37, 38, 39 and 40 were assigned to the new industries (door keeping, bakery, acting and music industries, respectively).

5.3. Variables

5.3.1. Focal Variables

5.3.1.1. Political opportunity

The impact of changes in political opportunity on the founding rate was investigated through period effects. The observation period that runs from 20 February 1947 to 11 September 1980 was divided into five periods: (1) 20 February 1947 - 24 November 1957; (2) 25 November 1957 - 19 November 1961; (3) 20 November 1961 - 11 March 1971; (4) 12 March 1971 – 25 January 1974; (5) 26 January 1974 – 11 September 1980. The starting dates of these periods are the dates of events which mark beginning of significant changes in the political opportunity experienced by Turkish unions. The first period starts with the enactment of the first Unions Law in Turkey. The following decade was an initial period of proliferation of the union form of organization in Turkey. The second period starts with a government change following general elections. The newly established government proved to be a repressive one and was later replaced by another form of repressive government: military rule. The third period starts with the day of formation of the first civilian government after the enactment of the liberal 1961 constitution which recognized the rights of all employees to strike and laid the grounds for establishment of a collective bargaining system. The following decade was another period of proliferation following the significant improvement in the legal-institutional standing of the union form of organization. The fourth period starts with a military coup. The military-backed civilian governments of the next three years proved to be unfriendly towards the left-wing movements in general and the union movement in particular. For instance, immediately after the military coup, public

officers were denied the right to unionize, which was previously granted by the 1961 constitution. The fifth period starts with return to civilian politics under a liberally minded government led by the social-democrats. However, political environment was soon to be characterized with turmoil: unstable coalition governments unable deal with deepening economic and social problems and constantly targeted by a variety of political movements, some of which were involved in armed clashes with each other and the state.

Ordinary dummy coding scheme was used to represent period effects in the analyses. The first period was chosen as the baseline period.

5.3.1.2. Organizational infrastructure

For each local industry at risk of founding, density measures (counts of organizationally alive unions) pertaining to the local industry, the related local industries, and all other local industries were calculated at all points in time marked by a founding event in the industry or in other industries. Disaggregating density into local industry density, related local industry density, and all other local industry density provided an opportunity to investigate the structure of competitive and legitimating interactions within and between subpopulations defined in terms of local industry. Plain and squared local industry density terms were included in the analysis to capture infrastructural and competitive effects of increases in density on the founding rate defined at the industry level.

Two different density measures for the focal industry, industries related to the focal industry and all other industries were constructed. One of these measures captured density of unions headquartered in the province (İstanbul or Ankara) only and discarded information on the unions that were headquartered elsewhere but were nevertheless active in the province through a branch network. A second density measure was therefore devised to capture inter-province interaction. This density measure included unions that were represented by their branch(es) in the province.

5.3.2. Rate Dependence Variables

5.3.2.1. Prior foundings

Ecological studies of organizational founding have incorporated possible effects of contagion on the founding rate by including lagged foundings in the analyses. The reasoning is that, a surge in prior foundings may signal a more favorable environment and thus be associated with higher rates of organizational founding. Ecologists, however, also recognize the possibility that potential founders respond to over-saturation, that is, too many foundings in one period may constrain foundings in the following. Thus, the effect of prior foundings on the founding rate is argued to be curvilinear (Delacroix and Carroll, 1983; Hannan and Freeman, 1987; 1989). Therefore, the founding analyses in this study include both the plain and the squared terms for lagged foundings in the local industry (total number of foundings in the calendar year prior to the calendar year in which an episode begins).

5.3.2.2. Prior failures

Organizational foundings in one period may respond to failures in the preceding period in complex ways (Delacroix and Carroll, 1983). Failures may release resources that can be used by potential founders to start new organizations. Thus, prior failures may increase the founding rate. Too many failures, however, may be associated with a more hostile environment and may decrease the founding rate. The analyses in this study therefore include both the plain and the squared terms for lagged failures in the local industry (total number of failures in the calendar year prior to the calendar year in which an episode begins).

5.3.2.3. Prior mergers

Some of the industries experienced mergers that sometimes involved tens of unions around the country. These large-scale mergers involved transformation of a

federation of unions into a union and absorption of member unions by the newly formed union over a short period time. Sometimes mergers involved two unions only, but resulted in formation of strong(er) unions. Though prior research is not indicative of how prior mergers relate to organizational founding, assuming mergers resulted in stronger competitors and produced norms that propagated unity rather than fragmentation, it can be argued that prior mergers decreased the founding rate. Therefore, the analyses in this study control for the effects of prior mergers in the local industry on the founding rate.

5.3.3. Carrying Capacity Variables

5.3.3.1. Number of large-scale workplaces in local industry

There was a great deal of variance among industries with respect to size and number of workplaces in the industry. Some industries, for instance, were characterized by a very small number of very large workplaces, such as the sugar industry. These industries required large-scale investment, almost always undertaken by the state. Some other industries, however, hosted a large number of large-scale workplaces, as well as many small workplaces, such as the metal industry. Others were characterized with small-scale establishments. The distribution of larger workplaces was also uneven across provinces. To capture these differences, this study uses a set of dummy variables. Though the appropriate strategy is obviously using a continuous variable that measures the number of larger workplaces at the local-industry level over time, lack of data required using a simpler scheme.

The statistics published by Social Security Institution of Turkey covered the larger workplaces (workplaces employing more than 10 workers) until early 1950s. However, these statistics were organized in terms of industry only (not in terms of both industry and province). Later, as the Social Security Law was amended and made applicable to smaller workplaces, the coverage of the statistics was expanded to include these workplaces (later, even those employing a single worker). So, although the statistics published afterwards are organized in geographic as well as industrial terms, they pertained to very heterogeneous sets of workplaces. Arguably, the risk set, so to speak,

was constituted by the larger workplaces. That is, one would expect to observe union founding in larger workplaces rather than in small ones. Thus, the data published by the Social Security Institution were unusable.

The relevant statistics published by the State Institute of Statistics (*Devlet İstatistik Enstitüsü*, DİE), i.e. Census of Industry and Workplaces (*Sanayi ve İşyerleri Sayımı*), covered the larger workplaces in manufacturing, services, and mining. However, many of the volumes that contained the census results, especially those related to services and the mining industry could not be accessed. These volumes were missing even in the DİE's library and DİE did not grant permission to use the raw data. The data that could be obtained pertained to three data points (1963, 1970 and 1980) and was missing for many industries, and therefore unusable.

As a result, the partial information on the local-industrial distribution of workplaces was used to generate a set of dummy variables that differentiated between three groups of industries (see Table 5.2). Coding was based on a careful reading of industry histories as well as workplace statistics published by DİE. Tier 1 industries comprise industries with a relatively large number of large-scale workplaces. Tier 2 industries comprise industries with a smaller number of large enterprises and Tier 3 industries include industries with a very small number of large-scale workplaces. It is believed that using dummy coding allowed capturing variance across industries with respect to carrying capacity. Number of larger establishments possibly reflects the overall magnitude of the resource base that supports existing unions and foundings of new unions. Also, the number of workplaces reflects the potential extent of diversification. During the observation period many unions in Turkey were enterprise unions or local unions organized in a few workplaces. There may therefore be a link between the number of work establishments and the founding rate.

Industry dummies generated as described above however do not account for variation over time. To overcome this problem, industry growth index was also used in the analyses.

5.3.3.2. Industry growth index

Industry growth indices were generated for 10 different sets of industries based on the GNP statistics reported in Yaşa (1978). Using these figures necessitated making two assumptions. The first assumption is that growth rates of (sets of) industries in İstanbul

and Ankara did not differ from the national-level growth rate reported in GNP statistics. Because İstanbul and Ankara were major economic centers, this assumption seems to be a plausible one. The second assumption is that industries within the same set had the same growth rate.

The industry sets (the codes of industries comprised) are agriculture (1, 2), mining (3), manufacturing (4,5,6,7,8,9,10,11,12,13,14,15,16,17,18), construction (19, 20), energy (21), commercial services (22, 33), financial services (23), transportation and communication (24,25,26,27,28,29), public services (30, 36) and other services (31,32,34,35,37,39,40).

5.3.3.3. Industry consolidation

During the observation period some industry-level subpopulations of unions experienced consolidation. The events that initiated the consolidation process were transformation of some federations, which were industry-level organizations, into unions and the subsequent absorption of member unions by the newly established unions. Though the variable lagged mergers is aimed at capturing the short-term impact of these transformations on the founding rate, this variable captures the long-term transformation in the internal structure of industry-level subpopulations and accounts for another source of inter-industry heterogeneity.

5.3.3.4. Structural Zero

During the observation period some industries in İstanbul and Ankara did not experience any foundings. In addition, it took some other industries a long time before they experienced the first founding. For all industries, a dummy variable set equal to 1 until the first founding and set equal to zero afterwards was included in the analysis. This strategy aims at capturing unobserved inter-local-industry heterogeneity and has previously been used in analyses of organizational founding that involve multiple subpopulations (see Barnett, Mischke and Ocasio, 2000). This variable is expected to have a strongly negative relation to the founding rate.

5.3.3.5. Province

A dummy distinguishes local industries situated in İstanbul from those in Ankara. İstanbul has historically been a more conducive environment for organization building. The city, which was the capital of a former empire, has been the center of many political movements and hosted a relatively developed economy with far-reaching links to the external world. The workers' movement also seems to have been more vibrant in İstanbul. For instance, during the 1963-1980 period, almost half of all strikes in Turkey took place in İstanbul, while the figure was less than 15% for Ankara (Silier, not dated). Workers in İstanbul were even engaged in a sizeable, though short-lived and unsuccessful, insurgence in June 1970. Moreover, industrial establishments in İstanbul have been scattered around a larger geographic area. There has therefore been a greater number of industrial and urban centers in İstanbul.

5.4. Data Collection

A variety of sources were used to collect data on union foundings in Istanbul and Ankara. Three lists of unions, each based on a particular source and inclusive of information on vital events (specifically, place, date and type of founding and failure) were constructed. These lists were then merged and the merged list was scrutinized to resolve inconsistencies and eliminate overlaps. One of the sources helped assess the degree of completeness of the final list.

Encyclopedia of Turkish Unionism (*Türkiye Sendikacılık Ansiklopedisi,* hereafter the Encyclopedia) was used to create a list of unions that were founded in Istanbul. This source is largely based on whatever archival material was available (around the year 1995) at General Directorate of Labor of the Ministry (*Çalışma Genel Müdürlüğü*, hereafter the Directorate). It contains information on the name(s), usually exact founding and closure date, place of founding (city or town), affiliation, type of failure, and the industry of organization of slightly more than 1700 of the unions that have existed in Turkey since 1947, and also describes the histories of some of these unions at some length, ranging from a few paragraphs to a few pages. Some detailed descriptions

of union histories contain information on the type of founding event and the dates of general council meetings.

Consulting the registers of unions kept by the Directorate yielded another list of unions. These registers are organized in terms of collections of several geographically proximate administrative provinces, and include information on the last name and usually exact founding date of workers' and employers' unions, and federations and confederations of these unions. Information on failure date and type of failure was infrequent, although one expects this not to be the case. The Directorate seems to have renewed the registers occasionally during the past five decades and only the relatively new versions of these registers could be found. During renewal, the unions, federations and confederations that had legally ceased to exist by the time of renewal were not included in the new registers. Thus, there were significant gaps in the list based on registers.

A third list of unions emerged as a result of search carried out in the archives of the provincial police departments of İstanbul and Ankara. Provincial police departments kept dossiers for all unions that operated in their provinces, as part of their officially assigned role in monitoring and regulation of union activities. Only some of these dossiers were in existence at the time archival search was done in İstanbul and Ankara (Spring 2004). These dossiers variably contained copies of documents such as union charter(s), petitions to the local authorities (most importantly the one regarding founding of a new union), correspondence between the police department and the Directorate (most importantly the ones regarding legal standing of the unions), minutes of general councils, and etc.

Minor inconsistencies in overlapping items of the merged lists, especially those regarding the exact day of founding event and full names of the unions, were not infrequent. In resolving inconsistencies, priority was given to information gathered from the archives of the provincial police departments, because it is based on direct inspection of documents evidencing various aspects of the vital events and organizational activities. When an overlapping item appeared in lists based on the Encyclopedia and registers of the Directorate only, inconsistencies were resolved by prioritizing the records of the Encyclopedia. After resolving inconsistencies, overlapping items were eliminated. There were very few items in the final list that had the registers of the Directorate as the only source.

The record keeping convention of the Directorate regarding registers provided an opportunity to assess completeness of the final list of unions. The unions that were in existence at the time the registers were being renewed were reassigned their original ID numbers. Communication with the administrators of the Directorate suggested that this has been the convention since 1947. Thus, the ID numbers in the first version of registers, which is missing, were contiguous. The last ID number in each section of registers pertaining to particular collections of administrative provinces (in our case Istanbul and the much smaller neighboring province of Tekirdağ and Ankara and the smaller provinces of Çankırı and Kastamonu) denotes how many entries of workers' and employers' unions and federations and confederations of unions the collection of administrative provinces experienced until the entry date associated with the last ID number. The total number of missing ID numbers between any two items of the list (calculated as the larger ID number minus the smaller ID number) roughly indicates the total number of entries that were experienced between the respective entry dates of the items. Thus, by choosing the ID numbers whose associated entry dates are closest to January 1st of any one year within the scope of this study allows one to calculate the total number of entries experienced in these years, and assess the degree of completeness of the final list of unions on a yearly basis. A conservative evaluation presented above indicated that almost all union foundings in İstanbul and Ankara during the period 1947-1980 were identified.

5.5. Methods, Models and Estimation

This study uses event history methods for analyzing union founding. Events, as far as event history methods are concerned, are defined as changes from one discrete state to another that are experienced by social units, such as organizations or (sub)populations of organizations (Tuma and Hannan, 1984; Blossfeld and Rohwer, 1995). There are two forms of event history analysis, and each is associated with a particular kind of event. One form of event history analysis pertains to recurrent events, and the other to transitions between relatively enduring states (Hannan and Carroll, 1992; Olzak, 1989).

Analyses of event recurrences involve repetitions of a single kind of event, usually experienced by a single social unit (e.g., an organizational population), and focus on the transitions from one event count (state y) to the next (state $y+1$). In this form of analysis, it is not the duration of the event itself, which tends to be trivial, but the duration between events (that is, the interarrival time or the waiting time), which is of interest. Events are considered simply as points in a process. Because the social units at risk of experiencing the event in question usually experience many of these events, the state space turns out to be large in the analyses of event recurrences. Analyses involving transitions from one enduring state (the origin state) to another (the destination state), usually experienced once by a multitude of social units, focus on the duration in the origin state (that is, the lifetime or age or tenure), during when the social unit is at risk of transition to the destination state. After the transition, the process terminates. That is, the destination state is an absorbing state. The state space is much smaller in this kind of analysis, and it customarily consists of only two distinct values (usually '0' for the origin state and either '0' or '1' for the destination state).

This study uses the form of event history analysis that pertains to event recurrences. This is because, organizational foundings have been characterized as recurrent events experienced by an organizational (sub)population (Hannan and Freeman, 1989). Nonetheless, it should be noted that similar models and methods of estimation can be used for studying event recurrences and transitions between enduring states (such as, organizational mortality), provided that basic data in both cases involves *time*, which could be the interarrival time (the waiting time between two consecutive foundings) or the lifetime (the time elapsed since the birth of the organization). There is however a significant difference with regard to definition, modeling and interpretation of time dependence. Although time dependence in organizational mortality is well understood (for instance, one of the so-called age dependence theories state that ageing results in erosion of fit to the external environment and hence elevated mortality rates) and accordingly (can be) incorporated into models of organizational mortality, time dependence in organizational founding has no substantive meaning (Barnett et al., 2000)[28]. Therefore, the functional form of time dependence in organizational founding

[28] Though time dependence in organizational founding can be conceptualized in terms of contagion (Olzak, 1989), ecologists have tended to model contagion in terms of lagged foundings (the number of foundings during the year prior to the year in which an episode begins).

is not known and thus it cannot be explicitly modeled. Nevertheless, there are models and estimation methods that enable the researcher to use interarrival times as basic data in the analyses of organizational founding without explicitly specifying the functional form of time dependence (the issue is taken up below).[29]

Ecological research uses continuous-time, stochastic arrival process (alternatively called counting process or point process) models for analyzing organizational founding (Hannan and Freeman, 1989; Hannan and Carroll, 1992; Carroll and Hannan, 2000). These models describe the founding process using transition rates. It is argued that these models better represent the dynamics that drive organizational foundings (Hannan and Carroll, 1992; Hannan and Freeman, 1989). Firstly, founding events can occur at any time, i.e. they are not restricted to predetermined points in time. Given data records exact dates of foundings, use of continuous-time models should be the favored strategy. Secondly, occurrence and timing of founding events are possibly affected by a very large number of factors, and only some of these factors can be given explicit theoretical consideration in models. Therefore, analyses of founding should also make use of stochastic models.

The stochastic models of organizational founding have a few fundamental properties. In these models, organizational (sub)population, not the individual organization, is the appropriate unit of analysis (that is, the unit which is at risk of experiencing the founding event). This is because, nonevents (no appearance of new organizations) are as important as events (foundings) in the analyses of founding process and "nonevents cannot be associated with particular organizations" (Hannan and Carroll, 1992: 236). Accordingly, the beginning of the time-index in analyses of organizational foundings is usually marked by the emergence of the (sub)population, that is founding of the first organization embodying a particular form. Put in other words, the population becomes at risk of experiencing a founding event after it emerges. The first event, then, is the second founding, because a meaningful waiting time for the first founding cannot be calculated.[30] The input to analysis is derived, when available,

[29] An alternative mode of investigation, appropriate only when exact timing and sequencing of founding events are not known, uses (generally annualized) counts of organizational founding as basic data, and Poisson or negative binomial regression for analysis.

[30] This study is an exception to this rule because organizers in Turkey had to wait until the union form of organization was formally legalized. Legalization involved explicit description of the elements of the union form of organization, such as the

from information on the times when increments to the (sub)population occur. In other words, it consists of the waiting times between consecutive foundings (the interarrival times).

Using the distribution of interarrival times the founding rate can be defined as:

$$\lambda(t)=\lim_{dt\to 0}\frac{Pr(t,t+dt|t)}{dt} \tag{5.1}$$

where t is the interarrival time, Pr is the probability of founding over the interval t to $t+dt$, given it did not occur until t, and λ denotes the instantaneous rate of founding.

The natural baseline model for arrival processes, and for the organizational founding process which is a subclass of arrival processes, is the Poisson process (Hannan and Freeman, 1989). Poisson process assumes that the rate of arrival does not depend on the history of previous arrivals and the current state of the system. The arrival rate does not vary over the interarrival time or with other factors. The rate of arriving at state $y+1$ (or leaving state y) at (just after) time t is a constant. That is,

$$\lambda_y(t)=\lambda \tag{5.2}$$

However, ecological arguments regarding founding processes require models that allow for exploring the effects of measured covariates (environmental and ecological variables) on the founding rate, and for controlling for time dependence. Therefore, generalized Poisson models which express the founding rate as a function of measured covariates and interarrival time are used by ecologists. Thus, the founding process can be described with the general form:

$$\lambda(t)=q(t)\Phi(x_t) \tag{5.3}$$

In this study, proportional hazards (PH) model is used and parameter estimates for the effects of measured covariates are obtained by the partial likelihood (PL) method (Cox, 1975). Estimation of parameters based on PL method allows for assuming time-

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ends that the unions could pursue and the means that they could use. Therefore, the time index begins at the day the first Unions Law was enacted in Turkey.

dependence without specifying the form of dependence (i.e., specification of q(t) is not required)-hence the label semi-parametric (non-parametric characterization of time-dependence coupled with parametric characterization of the effects of covariates). Nonparametric characterization of time-dependence is appropriate when founding rates can be considered as varying in some unknown way over time *and* dependence of founding rates on time is not a major substantive concern (Allison, 1984; Hannan and Freeman, 1989). An alternative estimation method, maximum likelihood (ML), requires q(t) be explicitly specified along with $\Phi(.)$. However, as noted above, there is no theoretical indication as to what constitutes the appropriate parametric specification of time-dependence in organizational founding (therefore any functional form of time-dependence would be arbitrary) and parametric specification of time-dependence may lead to a poor fit of the model (Yamaguchi, 1991). Prior studies on organizational founding, which defined founding rate in terms of interarrival times, have used proportional hazards models with PL estimation (Barnett and Sorenson, 2002; Barnett et al., 2000; Carroll and Hannan, 1989; Hannan and Freeman, 1987, 1989; Messallam, 1998). The PL method of estimation requires specification of a form for $\Phi(.)$. Proportional hazards model specifies the founding rate as a log-linear function of parameters for the effects of covariates. That is,

$$\lambda(t) = q(t)e^{\beta' x} \tag{5.4}$$

where $\boldsymbol{\beta}$ is a vector of parameters to be estimated and $\boldsymbol{x}$ is a vector of covariates, some of which may be time dependent, and q(t) is the baseline hazard function.

Fits of competing proportional hazards models based on PL method of estimation can be compared via likelihood ratio test. Likelihood ratio test statistic (LR) is two times the difference in log-likelihoods of competing models (Blossfeld and Rohwer, 1995):[31]

$$\text{LR} = 2\,[\text{Log-likelihood}_{\text{(default model)}} - \text{Log-likelihood}_{\text{(reference model)}}] \tag{5.5}$$

[31]The default model contains additional covariates.

Under the null hypothesis that default model's fit is not better than that of the reference model, LR approximately follows a χ^2-distribution with *m* degrees of freedom (df) where

$$m = [\text{Number of parameters}_{(\text{default model})} - \text{Number of parameters}_{(\text{reference model})}]. \quad (5.6)$$

Precision of the estimates of the proportional hazards models based on PL method of estimation can be assessed via a test-statistic, which is calculated by dividing the estimated coefficients by the estimated standard error, and whose distribution is standard normal if the model is correct and the sample is large (Blossfeld and Rohwer, 1995). In this study estimations are done by using the statistical program TDA *Transition Data Analysis* (Rohwer and Pötter, 2002).

Interarrival times were calculated at the local industry level for each city. These episodes were then split into segments every time one of the local industries in the city experienced an entry (founding of a new unions or other forms of entry). The split episodes that end with entry other than founding in a local industry (e.g., episodes that end with founding in another local industry in the same city) were censored. Also, the last episodes were censored on 11 September 1980.

Because local industry constitutes the level of analysis, baseline hazard function is actually made up of two parts. Its first part is an unspecified nuisance function which allows the founding rate to vary freely over time (i.e., the interarrival time). It is unspecified, because as noted earlier what time dependence in organizational founding means is not known. The second part of the baseline function helps deal with factors that drive inter-local industry differences in the founding rate. The variables pertaining to these factors are described below. These variables are represented by the vector *y*. Thus, the baseline hazard rate for local industry *j* (assuming j = 1, 2, …, 74 indexes all local industries in İstanbul and Ankara) is defined as follows:

$$q_j(t) = q*(t)e^{\alpha' y_j} \quad (5.7)$$

Therefore, the full model is,

$$\lambda_j(t) = q*(t)e^{\alpha' y_j}e^{\beta' x} \quad (5.8)$$

where vector x represents the focal variables (density measures, period effects, and period-density interactions).

Table 5.1
Industry codes

Industry Code (1964)	Industry	Related Industry Label (1964)	Related Industry Label (1971)	Related Industry Label (1972)
1	Agriculture and forestry (*Tarım ve ormancılık*)	A	A	A
2	Hunting and fishing (*Avcılık ve balıkçılık*)	A	A	A
3	Mining (*Madencilik*)			
4	Petroleum (*Petrol*)	G	B	B
5	Food industry (*Gıda sanayii*)	B		
6	Sugar (*Şeker*)	B		
7	Textile (*Dokuma*)			
8	Shoe and leather (*Kundura ve deri*)			
9	Wood (*Ağaç*)			
10	Paper (*Kağıt*)			
11	Printing and publishing (*Basın ve yayın*)	E	C	C
12	Rubber (*Lastik*)			
13	Chemicals (*Kimya*)	G	B	B
14	Clay and ceramics (*Toprak ve seramik*)	C	M_3*	
15	Glass (*Cam*)	C		
16	Cement (*Çimento*)	C	M_3*	
17	Metal (*Metal*)			
18	Shipbuilding (*Gemi*)			
19	Construction (*Yapı*)	C		M_4*
20	Road construction (*Karayolu yapımı*)			M_4*

Industry Code (1964)	Industry	Related Industry Label (1964)	Related Industry Label (1971)	Related Industry Label (1972)
21	Energy (*Enerji*)			
22	Business services (*Ticaret*)	D	D, M_1*	D
23	Banking and financial services (*Banka vemali müesseseler*)	D	D	D
24	Transport by highway (*Kara taşımacılığı*)	F	E	E
25	Railways transport (*Demiryolu taşımacılığı*)	F	E	E
26	Transport by waterway (*Deniz taşımacılığı*)	F	E	E
27	Air transport (*Hava taşımacılığı*)	F	E	E
28	Storage and warehousing (*Ardiye ve antrepoculuk*)			
29	Communication (*Haberleşme*)			
30	Governmental and municipal services (*Devlet ve belediye hizmetleri*)		M_2*	
31	Health (*Sağlık*)			
32	Accommodation and entertainment (*Konaklama ve eğlence yerleri*)		P**	
33	Public services (*Büro*)	D	M_1*	
34	Personal services (*Kişisel hizmetler*)		M_2*	
35	Journalism (*Gazetecilik*)	E	C	C

Industry Code (1964)	Industry	Related Industry Label (1964)	Related Industry Label (1971)	Related Industry Label (1972)
36	National defense (*Milli savunma*)			

- * M denotes merged industries
  - M_1: 'Business services' and 'public services' into 'business and public services (*banka ve büro*)'
  - M_2: 'Governmental and municipal services' and 'personal servives' into 'general services (*genel hizmetler*)'
  - M_3: 'Clay and ceramics' and 'cement' into 'cement and clay (*çimento ve toprak*)'
  - M_4: 'Construction' and 'road construction' into 'construction and road construction (*yapı ve yol*)'
- ** P denotes a partitioned industry
  - P: 'Accommodation and entertainment' into 'accommodation and entertainment' and 'fine arts (*güzel sanatlar*)'
- Industry codes of 37, 38, 39 and 40 were created by the analyst for reasons explained above. These codes pertain to door keeping, baking, acting and music industries, respectively.

Table 5.2
Industry dummies

Industry (Code)	Number of workplaces employing more than 10 workers*					
	İstanbul			**Ankara**		
	1963	1980	Tier	1963	1980	Tier
Food (5)	108	356	1	32	208	1
Sugar (6)	0		3	0		3
Bakeries (38)	188		1	58		1
Textile (7)	268	719	1	1	10	3
Leather (8)	61	172	1	0	7	3
Wood (9)	48	119	1	11	26	3
Printing and publishing (11)	61	146	1	20	45	3
Rubber (12)	52	76	2	8	12	3
Chemicals (13)	110	533	1	4	19	3
Petroleum(4)	1	20	3	1	2	3
Clay and cement(14)	25	102	2	6	40	3
Glass(15)	9	33	3	1	3	3
Metal(17)	265	1613	1	39	202	1
Paper(10)	23	88	2	0	4	3
Ship building(18)	5	NA	3	0	NA	3
Transport by highway(24)		1281	1		311	1
Transport by waterway(26)	74	173	1	10	2	3
Transport by airway(27)		48	3		2	3
Communication(29)	0	14	3	1	24	3
Commercial services(22, 33)	348	NA	1	81	NA	1
Health services(31)	4	NA	3	0	NA	3
Entertainment(32)	34	NA	2	9	NA	2
Personal services(30)	174	NA	1	113	NA	1
Mining(3)	NA	100	2	NA	33	3
Construction(19)	NA	2025	1	NA	760	1
Road construction(20)	NA	1	3	NA	6	3

† Those not in the list: 1, 2, 21, 35, 36, 37, 39, 40 (coded as Tier 3 for both provinces); and 23, 25, 28 (coded as Tier 2 for both provinces).

‡ The figures are based on 1963 and 1980 census of industry and workplaces published by DİE in various volumes.

6

RESULTS

Table 6.1 presents the descriptive statistics for the independent variables in founding analyses carried out at the local industry level and Table 6.2 presents the correlations between continuous independent variables. The primary input to the founding analyses reported below is interarrival time data concerning union founding in both İstanbul and Ankara. Rather than carrying out the analyses separately for İstanbul and Ankara, the interarrival times estimated at the local industry level were pooled. This is because local industry constitutes the level of analysis in this study. The models which are tested with this data set nonetheless differentiate between different geographic locations (by using a dummy that takes the value of 1 for İstanbul) and industries (by using a set of continuous and dummy variables that capture inter-industry variance as well as stratified models).

6.1. Provincial and Industrial Carrying Capacities, Unobserved Heterogeneity, Time Dependence and Union Founding

Estimates of proportional hazards (Cox) models of organizational founding are reported in Table 6.3. Models presented in this table (Model 1 to Model 8) do not include explicit specifications for time dependence in union founding and account for five distinct sources of inter-(local)industry heterogeneity, namely the province within which the industry is located, the number of larger workplaces within the local industry, industry growth, industry consolidation, and unobserved sources of variance between industries. Towards the end of this chapter, results obtained by employing alternative specifications for dealing with the baseline processes, that is time dependence (in a

flexibly specified form) and inter-(local)industry variance in carrying capacity, are also presented. Results obtained by using these alternative specifications also provide information with respect to robustness of the findings from the original model.

A dummy variable that distinguishes local industries situated in İstanbul from those in Ankara was included in the analyses. As described in the previous chapter, this variable was used to capture the influences emanating from a set of factors, which cannot be easily operationalized, but which nevertheless might have caused systematic variance in founding rates in industries located in İstanbul and Ankara. Firstly, İstanbul has historically been a more conducive environment for organization building. Secondly, the workers' movement also seems to have been more vibrant in İstanbul. Moreover, industrial establishments in İstanbul has been scattered around a larger geographic area. There has therefore been a greater number of industrial and urban centers in İstanbul. Consequentially, as one would expect, in almost all models union founding rate was found to be higher in İstanbul when compared to Ankara. The coefficient for the İstanbul dummy however is not statistically significant in the more complex models that include inter-(local)industry interactions and the political opportunity-organizational infrastructure interaction.

Other variables regarding the baseline processes capture variance across and within industries. As described in the previous chapter, some of the local industries were characterized by a relatively large number of large-scale workplaces. Sometimes, this was true for particular industries regardless of geographic location. For instance, when compared to other industries, metal, bakery, transport by highway, commercial services, personal (general) services and food industries hosted a greater number of large-scale workplaces in both İstanbul and Ankara throughout the whole observation period. At other times, an industry was characterized by a relatively large number of large-scale enterprises in İstanbul and a smaller number of large-scale enterprises in Ankara, such as the transport by waterway industry. Three dummy variables were used to differentiate between three sets of local industries. These variables thus allowed for capturing inter-industry as well as within industry (more specifically within-industry and across-province) variance. Tier 1 industries are the local industries with the relatively largest number of large-scale workplaces. Tier 2 industries are those with a smaller number of large-scale industries. Finally, Tier 3 industries are the local industries with a very small number of large-scale workplaces. In the analyses, Tier 3 variable was omitted. As expected, in all models Tier 1 industries were found to

experience a higher rate of founding relative to Tier 3 industries. The coefficient for Tier 1 industries is statistically significant in all models. Estimate from Model 8 suggests that the founding rate in these industries was 48% higher ($e^{.389} = 1.48$) when compared to Tier 3 industries. The carrying capacities of these industries seem to have been significantly larger. Tier 2 industries also had higher rates of founding relative to Tier 3 industries. However, the coefficient associated with the dummy variable representing Tier 2 industries is not statistically significant in any of the models.

The industry consolidation variable differentiates industries that experienced consolidation, at some point during the observation period, from other industries. This variable took the value of 1 for all split episodes following the consolidation event (transformation of a federation of unions into a union and absorption of all member unions by the new union) and was 0 for all other split episodes for all industries. The idea was that, consolidation would significantly intensify competition within the industries that experienced it and thus decrease the founding rate. In none of the models the industry consolidation variable was found to be significantly related to the union founding rate. Perhaps, although consolidation intensified competition at the center of the resource space in industries that experienced it, it also generated a resource partitioning effect on the union founding rate, which countered the adverse effects of intensified competition.

The variable labeled 'structural zero' is a dummy variable set equal to 1 until the first founding in each local industry and set equal to zero afterwards. It took some local industries a longer time before they experienced the first founding. (Note that the clock starts for all local industry level subpopulations at the same time, i.e. on the day the first Unions Law was enacted.) Also, some local industries never experienced any union foundings. This variable was included in the analyses to capture the unobserved differences between industries, which might have caused variance in founding patterns. As expected, in all models structural zero was found to relate very strongly and negatively to the founding rate.

6.2. Political Opportunity and Union Founding

Period effects are included in Model 2 to Model 8. These models assess whether the union founding rate varied as the political environment of unions changed. The period which starts with the legalization of the union form of organization in 1947 and lasts until the government change in 1957, that is, the period of initial growth of the union population in Turkey, constitutes the baseline period. Findings indicate that during the decade following the enactment of a new constitution in 1961, which granted greater union freedoms, offered protection to unions and union organizers and facilitated resource flows to unions, the union founding rate was higher than that in the baseline period. The findings also point out that during the whole 1961-1980 period, union founding rate was higher than that during the 1947-1961 period, which was characterized by a less permissive legal framework. Thus, these findings lend support to **Hypothesis 1** by showing that enhancement in political opportunity in the form of favorable changes in legal-institutional structure of the polity increases the founding rate of related organizations.

Findings also show that during the period of 1974-1980, which was a period of political turmoil characterized with proliferation of political movements that challenged the polity and the ensuing political divisions within the union movement in Turkey, the union founding rate was higher than that in the baseline period. Union founding rate during this period of bottom-up political turmoil was also found to be significantly higher than that in the 1961-1971 period, during when unions were enjoying a recent improvement in the legal framework. The impact of bottom-up political turmoil on the founding rate was thus higher than the initial impact of the improvement in the sociopolitical standing of the union form of organization brought about by changes in pertinent laws. No matter what the baseline period is, during the period of bottom-up political turmoil in Turkey (1974 to 1980) union founding rate was significantly higher. These findings thus support **Hypothesis 2** which states that bottom-up political turmoil increases the organizational founding rate.

Findings regarding periods of political turmoil accompanied with governmental repression (1957 to 1961 and 1971 to 1974) are mixed. Findings from initial models (Models 1 to 4) show that union founding rate during the period of 1957 to 1961 was lower than that during the previous period (though not always statistically significantly)

whereas the rate was as high as the rate in the baseline period during 1971-1974. These findings somewhat support **Hypothesis 3**, which predicts a negative relationship between top-down political turmoil that involves repression and the rate of founding of organizations favored by social groups that may challenge the ruling portion of the elite. Absence of difference between the union founding rate in the baseline period (1947-1957) and the second period of political turmoil (1971-1974) may be attributed to the fact that during 1971-1974 the legal framework underlying union organization was left to a large extent intact and unions still enjoyed the benefits that accrued from the framework instituted in 1961. Selecting the period of 1961-1971 as the baseline in Model 4, for instance, would reveal that founding rate was significantly lower during the following period of political turmoil that involved repression.

In the more complex models, however, **Hypothesis 3** is not supported. After controlling for inter-local industry interactions and population age, as well as population dynamics and baseline processes, during both periods of political turmoil (1957 to 1961 and 1971 to 1974) that involved governmental repression, union founding rate was found to be higher than that in the baseline period (1957-1961). Moreover, these models reveal that founding rate during 1971-1974 was significantly higher than that in 1961-1971. Repressive acts of governments during 1957-1961 and 1971-1974 do not seem to have had a negative impact on the union founding rate.

6.3. Organizational Infrastructure and Union Founding

Models 5 to 7, which investigate inter-industry interactions at the province level, were designed to separate the infrastructural effects of density from its legitimating effects. As argued before, the legitimation process is strongly associated with prevalence of organizations embodying a common organizational form in a particular geographically-bounded area (Greve, 2002; Hedström, 1994). In the present context, legitimation process relates to prevalence of unions in provinces. Organizational infrastructure may on the other hand be structured by finer grained social processes, such as regulation that divides a local population of organizations into local subpopulations. With respect to unions in Turkey, the argument presented earlier is that the infrastructural process unfolded at the local industry level subpopulation of unions.

Disaggregating local density into local industry level density and 'other density' (which subsumes related as well as unrelated industry densities) allows one to investigate both legitimation and infrastructural processes. As described in the preceding chapter, unions could organize workers either in a single industry or in a small number of industries called related industries. Related industry density measure captures the density of all unions in a set of related industries minus the density of the focal industry. Other density has had a larger range (from 0 to 217) when compared to local industry level density (from 0 to 36, at its highest) and a larger mean value (112.7 as opposed to 3.1[32]). Therefore, other density is the appropriate measure through which the legitimation process can be investigated. It simply helps better capture prevalence of the union form of organization in the province. However, because related-industry density might have related to the competition process as well, the investigation was based on the relation between unrelated industry density and the founding rate (the range and the mean value of unrelated industry density are 0-216 and 108.8, respectively). Local industry level density is in contrast a better indicator of the strength of the organizational infrastructure at the local industry level subpopulation rather than prevalence of the union form of organization. Therefore, in examining the infrastructural process, the relation between local industry level density and the union founding rate was focused on.

In models 5 to 7, the union density measures count the unions headquartered in the focal province (İstanbul or Ankara) and the unions headquartered elsewhere but which had at least one functioning branch within the focal province. Measures of local industry density with and without branches were slightly different (see the descriptive statistics in Table 6.1). The purpose in including unions with a branch presence was to account for inter-regional interactions. As described in the previous chapter, full data on union founding in Turkey could not be obtained. Data on İstanbul and Ankara branch networks of unions headquartered in provinces other than İstanbul and Ankara, respectively, could however be collected. Considering that unionism during the period was largely a local activity, representing inter-regional interactions by taking into account branch networks of unions headquartered in distant locations seems to be an

[32] The mean values were estimated by dividing the sum of all observed values by the total number of observations.

appropriate strategy. Model 3 and Model 4 reveal that using either measure produces the same result.

Model 5 includes measures of related local industry density and unrelated local industry density as well as focal local industry density. Model 5 shows that related local industry density had a negative impact on the founding rate. The coefficient of the variable was however found to be only marginally significant. Although increases in unrelated local industry density (province level density minus related industry density minus the focal industry density) were expected to have a legitimating effect only, the coefficient associated with this variable was significantly negative suggesting that increases in unrelated local industry density generated competitive, rather than legitimating, effects on the founding rate.

Model 6 includes population age to discover whether the negative coefficient associated with unrelated local industry density simply reflects a secular time-trend in this variable. As Table 6.1 indicates, unrelated local industry density is highly correlated with population age. Entering population age decreased the absolute values of the coefficients of related industry density and unrelated industry density to almost zero and rendered them insignificant. The impact of population age on the founding rate was found to be significantly negative, suggesting a saturation effect which unfolded over time.

Insignificance of the coefficients of related local industry density and unrelated industry local density may be due to an interaction between these variables and population age. As noted before, one ecological argument suggests that legitimation is resolved early in the evolution of organizational populations (Zucker, 1989). If this is so, one should expect to see a (stronger) legitimating effect from neighboring populations during the initial stages of population growth, or put alternatively, a legitimating effect which wears out over time. Model 7 includes two interaction terms (first, related local industry density-population age interaction and second unrelated local industry density-population age interaction) to test this idea. The interaction term that involves unrelated local industry density and population age was found to be significant and negative whereas the conditional main effect of unrelated local industry density was positive. When the age of the population was zero increases in unrelated local industry density increased the local industry level rate of founding, suggesting a legitimation related spillover. Estimates associated with Model 7 suggest that the so-called multiplier of the rate was 1.011 (= $e^{.011}$). In other words, one unit increase in

unrelated local industry density increased the founding rate by 1.1%. However, as population age increased this positive impact decayed. When population age was slightly above 30 years (that is, during 1977 and afterwards), increases in unrelated industry density no longer generated legitimation related benefits. Though legitimating effect of increases in unrelated local industry density was highest during the early stages of population evolution, it took a long time before this effect completely decayed. (The full model, i.e. Model 8, indicates that legitimating effect of increases in unrelated local industry density totally eroded in slightly more than 18 years.)

Model 7 indicates not only a legitimating effect of increases in unrelated industry density but also supports the infrastructural argument. The significantly positive coefficient for the plain local industry density term suggests that densely populated local industry level subpopulations enjoyed the benefits of a stronger organizational infrastructure. The findings also indicate that at very high levels of density the competition process dominated the infrastructural spillovers. The coefficients for the plain and squared density terms (.126 and -.002, respectively) suggest that the turning point was 32, which is within the observed range of local industry density (which is 0 to 36). Thus, **Hypothesis 4**, which predicted that the relation between local industry level density and the founding rate takes an inverted-U shape was supported.

6.4. Political Opportunity-Organizational Infrastructure Interaction and the Union Founding Rate

Model 8 includes the interaction terms for local industry level density and period effects. The interaction terms involve the period effects and both the plain and the squared local industry level density terms. The findings indicate that organizational infrastructure shaped the way union founding rate responded to alterations in political opportunity. At zero density, relative to the 1947-1961 period, union founding rate was higher during the 1961-1980 period, when the union population was enjoying an enhancement in political opportunity through favorable changes in the legal-institutional structure of the polity. Again, at zero density, the founding rate was lower during the 1957-1961 period, a period of contraction in political opportunity due to political repression, when compared to the 1947-1957 period. As density increased, the

difference between the founding rate during the 1961-1980 period and that during the 1947-1961 period initially increased.[33] According to estimates, the increase could be observed until the local industry level density was around sixteen (the increase was most notable when density was around 8). Throughout the observation period, the densities of all but seven local industry subpopulations of unions remained lower than seventeen (the analyses pertain to a total of 74 local industry level subpopulations of unions). In all, less than 2% of the observations displayed local industry level density that was higher than sixteen. Thus, it can be concluded that stronger organizational infrastructure, as indicated by higher density, brought about a more strongly positive response (in terms of rate of union founding) to enhancement in political opportunity through favorable changes in the legal-institutional structure of the polity. The finding thus offers support to **Hypothesis 5**.

Organizational infrastructure however was not found to moderate the impact of bottom-up political turmoil on the founding rate. Relative to the 1961-1971 period, or even the 1971-1974 period, union founding rate was not higher in the more densely populated industries during the 1974-1980 period, which was a period of bottom-up political turmoil. Thus, local industry level subpopulations of unions responded homogenously to enhanced political opportunity during this period. That is, in all industries, irrespective of density, the union founding rate during the 1974-1980 period was higher than that during 1961-1971 or 1971-1974.

The argument regarding the interaction between organizational infrastructure and political opportunity suggests that decline in political opportunity generates a more adverse impact on local industry level subpopulations with higher density. At observed non-zero levels of density, the founding rate during the 1957-1961 was higher than that during the 1947-1957 period. It seems that organizational infrastructure compensated for the negative effect of repression due to top-down political turmoil rather than worsening it. During the 1957-1961 period, density of 31 local industry level subpopulations of unions was zero, i.e. never positive. (Also, almost 40% of the observations during the period displayed zero density at the local industry level.) The likelihood of union founding in these industries during the 1957-1961 period was lower than that during the preceding period. In addition, findings reveal that, regardless of density, the founding rate during the 1971-1974 period, a period of repression due to

[33] A two-period solution, as well as the five-period solution which pertains to Model 8, renders the same result.

top-down political turmoil, was at least as high as that during the 1961-1971 period. Overall, findings offer partial support to **Hypothesis 5**.

An interesting finding is that infrastructural implication of local industry level density was visible only from 1961 onwards. Before 1961, within the observed range of density, local industry level subpopulations of unions with higher densities experienced lower rate of union founding. Thus, during this period, the infrastructural implications of changes in density were dominated by the competitive implications of these changes.

6.5. Alternative Representations of Baseline Processes and Robustness of Findings

Model 9 was designed to test whether the findings regarding political opportunity, organizational infrastructure and their interaction were sensitive to the particular models (the proportional hazards or the Cox model) used and the estimation method employed in these models (the partial likelihood estimation) influenced the findings in a significant way. Model 9 is a piecewise constant exponential model of organizational founding with maximum likelihood estimation. Piecewise constant exponential models are flexible models that allow the researcher to deal with time dependence without necessitating an explicit specification for time dependence. Nevertheless, the estimates from these models can readily be used to make inferences regarding time dependence. Results from Model 9, presented in Table 6.4, for instance reveal an initially negative time-dependence in union founding in İstanbul and Ankara. As the interarrival time became larger the likelihood that a union founding would be experienced declined. This finding can be construed as contagion in founding which decays over time. Founding of unions seems to have triggered new foundings more strongly in the shorter term (e.g. within the first 30 days following the foundings rather than the next 60 days). The founding rate however is found to increase again as the interarrival time exceeded 900 days. The reversal is however not very strong and the founding rate continues to be higher for shorter (<900 days) interarrival times.

Aside from providing explicit information on the form of time dependence in union founding, findings from Model 9 do not differ in any important way from the findings from Model 8. In other words, an alternative representation of time dependence (with a different type of model and estimation method) does not alter the findings.

In Model 10 and Model 11 (presented in Table 6.5 and 6.6, respectively), alternative specifications geared towards capturing inter-industry variance are employed. Model 10 is a stratified proportional hazards model whereas Model 11 is basically Model 8 which includes a dummy variable for each of the 37 industries. Two variables in Model 8, namely 'Number of large workplaces in local industry (Tier 1)' and 'Number of large workplaces in local industry (Tier 2)' are excluded from Models 10 and 11. Stratified PH models are not identified when there are variables that differ across groups (i.e. industries, to which stratification pertains) but not over time. In a model which includes a dummy for each industry (excluding the baseline industry) inclusion of the above mentioned variables would result in multicollinearity and an unidentified model, specifically because these two variables are simply sums of certain sets of industry specific dummies. The stratified PH model estimates a different baseline hazard rate pertaining to interarrival time for each of the 37 industries. This nuisance factor therefore captures variance across industries and reports them in the form of time dependence for each of the industries.

The findings from the stratified PH model do not markedly differ from those that relate to Model 8. The same is true for Model 11, which includes a dummy for each industry. Models 10 and 11 thus reveal that Model 8 was successful in capturing variance across industries. Lack of fine grained data on the distribution of workplaces and workers across local industries, which might be argued to be better indicators of carrying capacities of industries, does not seem to have generated problems.

6.6. Other Ecological Dynamics

The findings do not support the rate dependence arguments. In models 1 to 8, which involve local industry-level analyses of union founding, coefficients of plain and squared terms for lagged (local industry-level) foundings and failures variables are neither significant nor in the predicted direction. Alternative specifications were tried in models not reported. Entering the plain terms for local industry-level lagged foundings and failures only did not result in statistically significant coefficients. Rate dependence was also investigated with province-level data on lagged foundings and failures. The findings do not point to contagion or competition effects at the province level.

Assuming contagion operates at the province level of analysis and competition at the industry level, a specification with the number of lagged foundings in non-focal local industries and the squared term for prior foundings in the focal local industry as well as the squared term for lagged failures within the focal local industry and prior failures in non-focal local industries was tried. No sign of multi-level rate dependence in union founding could be detected.

Table 6.1
Descriptive statistics for founding analysis variables (İstanbul and Ankara)

Variable	Minimum	Maximum	Mean	SD
İstanbul	0	1	.661	.473
Number of workplaces in local industry (Tier 1)†	0	1	.296	.457
Number of workplaces in local industry (Tier 2)†	0	1	.180	.384
Industry growth index (/100)	1.090	27.200	6.843	4.438
Structural zero	0	1	.238	.426
Industry consolidation	0	1	.083	.275
Political turmoil and repression (1957-1961)‡	0	1	.045	.206
Legalization of strikes and collective bargaining (1961-	0	1	.411	.492
Political turmoil and repression (1971-1974)‡	0	1	.087	.281
Bottom-up political turmoil (1974-1980)‡	0	1	.308	.462
Local industry level density	0	33	2.805	3.621
(Local industry level density)^2	0	1089	20.979	59.349
Local industry level density with branches	0	36	3.110	3.827
(Local industry level density with branches)^2	0	1296	24.317	67.549
Prior foundings in local industry	0	7	.404	.849
(Prior foundings in local industry)^2	0	249	.884	3.187
Prior failures in local industry	0	4	.228	.602
(Prior failures in local industry)^2	0	16	.415	1.649
Prior mergers in local industry	0	4	.015	.180
Related local industry level density	0	45	3.860	6.899
Unrelated local industry level density	0	216	108.813	55.080
Population age (days/100)	0	121.850	74.599	31.319

† Tier 3 omitted
‡ 1947-1957 period (the period of initial proliferation of the union form of organization) omitted

Table 6.2
Correlations between continuous founding analysis variables
(İstanbul and Ankara)

		1	2	3	4	5	6	7	8	9	10	11	12	13
1	Industry growth index	1												
2	Local industry level density	.357	1											
3	(Local industry level density)^2	.292	.894	1										
4	Local industry level density with branches	.390	.989	.887	1									
5	(Local industry level density with branches)^2	.305	.887	.990	.895	1								
6	Prior foundings in local industry	.132	.599	.535	.595	.531	1							
7	(Prior foundings in local industry)^2	.119	.506	.507	.499	.498	.879	1						
8	Prior failures in local industry	.148	.397	.325	.407	.336	.289	.238	1					
9	(Prior failures in local industry)^2	.130	.334	.286	.344	.299	.248	.213	.903	1				
10	Prior mergers in local industry	-.035	.029	.011	.027	.008	.005	-.004	.065	.050	1			
11	Related local industry level density	.167	.141	.113	.129	.112	.098	.103	.091	.077	-.024	1		
12	Unrelated local industry level density	.672	.312	.183	.346	.195	.140	.082	.182	.114	-.016	.167	1	
13	Population age	.803	.309	.204	.346	.219	.127	.090	.168	.122	-.031	.208	.837	1

† Correlation coefficients in shaded cells are not significant at $p<.05$.
All other coefficients are significant at $p<.05$.

Table 6.3
Results of PH models of union founding in İstanbul and Ankara, 1947-1980

	Model 1	Model 2	Model 3	Model 4
İstanbul	.208**	.226***	.192**	.206**
	(.087)	(.087)	(.088)	(.088)
Number of workplaces in local industry (Tier 1)	.700***	.750***	.476***	.464***
	(.091)	(.093)	(.103)	(.104)
Number of workplaces in local industry (Tier 2)	.175	.224*	.185	.184
	(.122)	(.124)	(.125)	(.125)
Industry growth index (/100)	.016*	-.008	-.046***	-.047***
	(.008)	(.016)	(.016)	(.017)
Structural zero	-4.847***	-4.789***	-4.824***	-4.832***
	(.716)	(.718)	(.720)	(.720)
Industry consolidation	-.054	-.091	.004	-.014
	(.142)	(.143)	(.145)	(.145)
Political turmoil and repression (1957-1961)		-.314	-.401**	-.394*
		(.206)	(.208)	(.208)
Legalization of strikes and collective bargaining (1961-1971)		.456***	.390***	.372***
		(.128)	(.132)	(.132)
Political turmoil and repression (1971-1973)		.158	.077	.044
		(.195)	(.199)	(.199)
Bottom-up political turmoil (1974-1980)		.462**	.398**	.361*
		(.206)	(.205)	(.206)
Local industry level density			.111***	
			(.023)	
(Local industry level density)^2			-.002**	
			(.001)	
Local industry level density with branches				.105***
				(.022)
(Local industry level density with				-.002**

branches)^2				
				(.001)
Prior foundings in local industry			-.042	-.035
			(.095)	(.095)
(Prior foundings in local industry)^2			.014	.013
			(.018)	(.018)
Prior failures in local industry			.022	.024
			(.126)	(.126)
(Prior failures in local industry)^2			.020	.019
			(.039)	(.039)
Prior mergers in local industry			-.579*	-.578*
			(.335)	(.337)
Number of local industries	74	74	74	74
Number of founding events	687	687	687	687
Number of episodes	27380	27380	27380	27380
LL	-3725.4	-3711.8	-3674.3	-3676.1
-2LL / df [a]	--	27.2 / 4	102.2 / 11	98.6 / 11

*p<.10, **p<.05, ***p<.01
[a] All significant at p<.01 (compared to Model 1)
[†] Standard errors are in parentheses

Table 6.3 continued :
Results of PH models of union founding in İstanbul and Ankara, 1947-1980

	Model 5	Model 6	Model 7	Model 8
İstanbul	.923***	.173	-.007	.353
	(.139)	(.199)	(.217)	(.219)
Number of workplaces in local industry (Tier 1)	.371***	.359***	.362***	.389***
	(.105)	(.105)	(.105)	(.107)
Number of workplaces in local industry (Tier 2)	.117	.096	.090	.118
	(.125)	(.125)	(.125)	(.126)
Industry growth index (/100)	-.012	.007	.017	.008
	(.017)	(.018)	(.019)	(.019)
Structural zero	-4.916***	-5.138***	-5.100***	-5.565***
	(.719)	(.718)	(.720)	(.720)
Industry consolidation	.058	.070	.061	.021
	(.149)	(.150)	(.150)	(.152)
Political repression (1957-1961)	-.194	.599**	.573**	-.087
	(.211)	(.268)	(.268)	(.477)
Legalization of strikes and collective bargaining (1961-1971)	1.149***	2.299***	2.254***	.929**
	(.172)	(.295)	(.295)	(.381)
Political repression (1971-1974)	1.140***	2.695***	2.811***	.995*
	(.261)	(.413)	(.418)	(.592)
Political turmoil (1974-1980)	1.737***	3.510***	3.835***	2.211***
	(.295)	(.468)	(.488)	(.580)
Industry density with branches	.114***	.129***	.126***	-.638***
	(.022)	(.023)	(.024)	(.148)
(Industry density with branches)^2	-.002***	-.002**	-.002**	.049***
	(.001)	(.001)	(.001)	(.011)
Prior foundings in industry	.009	-.002	-.033	-.073
	(.095)	(.095)	(.096)	(.098)
(Prior foundings in industry)^2	.003	.000	.005	.018
	(.018)	(.018)	(.019)	(.020)
Prior failures in industry	.039	.063	.086	.014
	(.127)	(.127)	(.127)	(.129)
(Prior failures in industry)^2	.008	.007	-.001	.009
	(.040)	(.039)	(.006)	(.040)
Prior mergers in industry	-.574*	-.572*	-.561*	-.511
	(.335)	(.330)	(.329)	(.331)
Related industry density	-.012*	-.001	.042	.028
	(.006)	(.007)	(.028)	(.028)
Unrelated industry density	-.013***	.000	.011*	.007
	(.002)	(.003)	(.006)	(.006)
Population age (days/100)		-.044***	-.046***	-.030***
		(.009)	(.009)	(.009)
Related industry density*Population age (/100)			-.044	-.036
			(.030)	(.029)

Unrelated industry density*Population age (/100)			-.010** (.005)	-.011** (.005)
Industry density*Political repression (1957-1961)				.465* (.264)
Industry density*Legalization of strikes and collective bargaining (1961-1971)				.754*** (.156)
Industry density*Political repression (1971-1974)				.878*** (.179)
Industry density*Political turmoil (1974-1980)				.807*** (.151)
Industry density^2*Political repression (1957-1961)				-.036** (.018)
Industry density^2* Legalization of strikes and collective bargaining (1961-1971)				-.050*** (.011)
Industry density^2*Political repression (1971-1974)				-.056*** (.012)
Industry density^2*Political turmoil (1974-1980)				-.052*** (.011)
Number of local industries	74	74	74	74
Number of founding events	687	687	687	687
Number of episodes	27380	27380	27380	27380
LL	-3654.5	-3642.1	-3638.6	-3618.6
-2LL / df [a]	141.8 / 13	166.6 / 24	173.6 / 16	213.6 / 24

*p<.10, **p<.05, ***p<.01

[a] All significant at p<.01 (compared to Model 1)

[†]Standard errors are in parentheses

Table 6.4
ML estimates for piecewise-constant exponential model of union founding in İstanbul and Ankara, 1947-1980

	Model 9
Interarrival-time < 30 days	-5.806***
	(.280)
Interarrival-time 30-60 days	-6.006***
	(.291)
Interarrival-time 60-120 days	-6.119***
	(.279)
Interarrival-time 120-240 days	-6.227***
	(.271)
Interarrival-time 240-480 days	-6.409***
	(.271)
Interarrival-time 480-960 days	-6.404***
	(.263)
Interarrival-time 960-1920 days	-6.306***
	(.267)
Interarrival-time ≥ 1920 days	-6.261***
	(.276)
İstanbul	.309
	(.217)
Number of workplaces in local industry (Tier 1)	.391***
	(.106)
Number of workplaces in local industry (Tier 2)	.132
	(.125)
Industry growth index (/100)	.011
	(.019)
Structural zero	-5.356***
	(.722)
Industry consolidation	.044
	(.150)
Political repression (1957-1961)	-.324
	(.466)
Legalization of strikes and collective bargaining (1961-1971)	.990***
	(.372)
Political repression (1971-1974)	1.098*
	(.580)
Political turmoil (1974-1980)	2.245***
	(.564)
Industry density with branches	-.607***
	(.147)
(Industry density with branches)^2	.047***
	(.011)
Prior foundings in industry	-.065
	(.096)
(Prior foundings in industry)^2	.017
	(.019)

Prior failures in industry	.013
	(.128)
(Prior failures in industry)^2	.013
	(.040)
Prior mergers in industry	-.526
	(.336)
Related industry density	.019
	(.028)
Unrelated industry density	.008
	(.006)
Population age (days/100)	-.031***
	(.009)
Related industry density*Population age (/100)	-.026
	(.029)
Unrelated industry density*Population age (/100)	-.011**
	(.005)
Industry density*Political repression (1957-1961)	.519**
	(.259)
Industry density* Legalization of strikes and collective bargaining (1961-1971)	.709***
	(.153)
Industry density*Political repression (1971-1974)	.813***
	(.177)
Industry density*Political turmoil (1974-1980)	.762***
	(.149)
Industry density^2*Political repression (1957-1961)	-.038**
	(.018)
Industry density^2* Legalization of strikes and collective bargaining (1961-1971)	-.047***
	(.011)
Industry density^2*Political repression (1971-1974)	-.052***
	(.012)
Industry density^2*Political turmoil (1974-1980)	-.050***
	(.011)
Number of local industries	74
Number of founding events	687
Number of episodes	27380
LL	-5140.2

*p<.10, **p<.05, ***p<.01
†Standard errors are in parentheses

Table 6.5
Estimates for stratified PH model of union founding in İstanbul and Ankara, 1947-1980

	Model 10
İstanbul	.292
	(.248)
Industry growth index (/100)	.015
	(.030)
Structural zero	-4.683***
	(.738)
Industry consolidation	-.031
	(.229)
Political repression (1957-1961)	-.573
	(.581)
Legalization of strikes and collective bargaining (1961-1971)	1.550***
	(.452)
Political repression (1971-1974)	1.810***
	(.701)
Political turmoil (1974-1980)	2.897***
	(.690)
Industry density with branches	-.432***
	(.148)
(Industry density with branches)^2	.034***
	(.011)
Prior foundings in industry	-.158
	(.104)
(Prior foundings in industry)^2	.023
	(.020)
Prior failures in industry	-.052
	(.139)
(Prior failures in industry)^2	.018
	(.043)
Prior mergers in industry	-.442
	(.327)
Related industry density	.059
	(.043)
Unrelated industry density	.011
	(.007)
Population age (days/100)	-.031***
	(.011)
Related industry density*Population age (/100)	-.065
	(.041)
Unrelated industry density*Population age (/100)	-.013**
	(.005)
Industry density*Political repression (1957-1961)	.579**
	(.282)
Industry density* Legalization of strikes and collective bargaining (1961-1971)	.427***
	(.158)

Industry density*Political repression (1971-1974)	.529***
	(.187)
Industry density*Political turmoil (1974-1980)	.512***
	(.151)
Industry density^2*Political repression (1957-1961)	-.041**
	(.019)
Industry density^2* Legalization of strikes and collective bargaining (1961-1971)	-.030***
	(.011)
Industry density^2*Political repression (1971-1974)	-.036***
	(.012)
Industry density^2*Political turmoil (1974-1980)	-.035***
	(.011)
Number of industries	37
Number of founding events	687
Number of episodes	27380
LL	-1535.9

*p<.10, **p<.05, ***p<.01

†Standard errors are in parentheses

Table 6.6
Estimates for PH model of union founding with industry dummies in İstanbul Ankara, 1947-1980

	Model 11
İstanbul	.385*
	(.222)
Industry growth index (/100)	.021
	(.027)
Structural zero	-5.708***
	(.724)
Industry consolidation	.161
	(.215)
Political repression (1957-1961)	-.086
	(.472)
Legalization of strikes and collective bargaining (1961-1971)	1.222***
	(.402)
Political repression (1971-1974)	1.462**
	(.621)
Political turmoil (1974-1980)	2.618***
	(.605)
Industry density with branches	-.623***
	(.155)
(Industry density with branches)^2	.049***
	(.011)
Prior foundings in industry	-.111
	(.100)
(Prior foundings in industry)^2	.018
	(.020)
Prior failures in industry	.004
	(.130)
(Prior failures in industry)^2	.004
	(.040)
Prior mergers in industry	-.466
	(.328)
Related industry density	.088**
	(.038)
Unrelated industry density	.008
	(.006)
Population age (days/100)	-.036***
	(.010)
Related industry density*Population age (/100)	-.095**
	(.037)
Unrelated industry density*Population age (/100)	-.010**
	(.005)
Industry density*Political repression (1957-1961)	.438*
	(.259)
Industry density* Legalization of strikes and collective bargaining (1961-1971)	.664***
	(.163)

Industry density*Political repression (1971-1974)	.775***
	(.188)
Industry density*Political turmoil (1974-1980)	.737***
	(.159)
Industry density^2*Political repression (1957-1961)	-.034*
	(.018)
Industry density^2* Legalization of strikes and collective bargaining (1961-1971)	-.046***
	(.011)
Industry density^2*Political repression (1971-1974)	-.053***
	(.012)
Industry density^2*Political turmoil (1974-1980)	-.051***
	(.011)
Number of industries	37
Number of founding events	687
Number of episodes	27380
LL	-3579.6

*p<.10, **p<.05, ***p<.01

†Standard errors are in parentheses

7

DISCUSSION

7.1 Political Opportunity, Organizational Infrastructure, and Organizational Founding

Previous ecological research pointed to the ways political influences and population dynamics may interact to shape variation in the rates of founding and failure (Barnett and Woyvode, 2004; Carroll et al., 1988). This body of research however primarily concentrated on how political processes shape the population dynamics, especially competitive and (de)legitimating relations between interlinked organizational forms. Though some of the ways in which population level processes moderate the political processes have been recognized (Carroll et al., 1988) these ideas have remained untested. This study constitutes an attempt to extend the currently scant research on the interaction between political influences and population dynamics by examining how organizational infrastructure, construed as a density dependent subpopulation level process, moderates the impact of particular changes in the political environment, namely bottom-up political turmoil and favorable changes in the legal-institutional framework, on the rate of founding.

Though the investigation is done with models of organizational ecology, the analytical framework is based on a wider range of fields of social inquiry. Research in social movements and institutional theory underpin the basic arguments regarding the political environment of organizations. The concept of political opportunity is used in a way that may help integrate two seemingly disparate lines of research in organizational ecology, specifically those pertaining to sociopolitical legitimacy of organizational forms and political turmoil. Emphasis on form specificity of particular political changes is a contribution to research in social movements. Organizational infrastructure related arguments are based on research in interpersonal networks and social movements. The

arguments differentiate between content and structure of interpersonal networks and suggest that both play an important role in shaping social action. These ideas are then hooked to ecological research on organizational founding and argued that density dependence theory in organizational ecology offers the opportunity to sharpen the network related ideas and empirically test them.

The hypotheses were tested with data on union founding in two major centers of unionism in Turkey, namely İstanbul and Ankara, during the period from 1947 to 1980. The period starts with legalization (and initiation) of unionism in Republican Turkey and ends with a massive change in the institutional environment of unions which soon brought about a fundamentally different population of unions (that is, one that was small in terms of union density and highly concentrated). During the period significant changes in the political environment of Turkish unions took place. In 1961, a liberal constitution granted unions the right to strike and laid the grounds for institution of a collective bargaining system. Enactment of the constitution thus represented a significant enhancement in political opportunity. During the period, episodes of political turmoil were also not infrequent. In two instances, strains between the ruling elite resulted in repressive governments particularly hostile towards the unions. In another instance, political turmoil involved engagement of a large number of social groups in political clashes. The Turkish context thus provided the opportunity to test how political change shapes organizational founding.

The structure of the union population in Turkey, partly stipulated by regulation, also allowed for testing infrastructure related arguments and ideas pertaining to the interaction between changes in the political environment and organizational infrastructure. During the observation period, most unions remained local. Moreover, regulation required limiting union activities to a single, and in some instances to a small number of, industries. The relational networks in and around unions were therefore local-industrial in character. This gives the opportunity to capture variance in the strength of organizational infrastructure across local industry-level subpopulations of unions in terms of organizational density. Density dependent infrastructural processes can also be neatly differentiated from the legitimation process which operates at a broader level of analysis (i.e. at the local level rather than the local-industry level). Central hypotheses in this study pertain to the interaction between variation in political opportunity (represented by period effects) and local industry-level union density.

The analyses involved four different sets of variables: the control variables, variables representing changes in the political environment, variables that relate to the infrastructural process and other population dynamics, and the interaction terms. The control variables are included in the models to avoid confusion of focal political and infrastructural processes with other processes that might have caused variation in the founding rate over time and space. The findings reveal for instance that local industries differed with respect to their carrying capacities as indicated by significantly positive coefficient of the variable that relates to the number of larger workplaces within the local industry. When there was comparatively a very high number of large-scale workplaces within the industry union founding within that industry was significantly higher when compared to other industries. Interestingly, after accounting for influences associated with the political environment and population dynamics, no difference between İstanbul and Ankara was found. This shows that differential carrying capacities of local industries in these provinces (for instance, İstanbul had a higher number of industries which hosted a large number of large-scale workplaces) and the population dynamics fully explain the difference in counts of foundings in these provinces.

7.1.1. Political Opportunity and the Founding Rate

Analyses also reveal that local industry-level founding rates changed over time as the political environment of unions changed. Results indicate that an initial distinction can be made between the periods with and without the right to strike and a collective bargaining system: union founding rate was significantly higher during the post-1961 period during when strike activity was legal and a collective bargaining system was in place. During the initial years of proliferation of the union form of organization in Turkey, unions were not allowed to strike and a collective bargaining system was not instituted. Pertinent regulation emerged after the enactment of the liberal 1961 constitution. The new legal framework significantly improved the life chances of unions. Unions became truly functional organizations. They were functional in terms of both realization of the national developmentalist program of the new ruling elite and protection and advancement of the rights of large sections of the working class. Unions were thus given the chance to muster a greater amount of resources from their members

thanks to their new standing vis-à-vis the political elite. Institution of the check-off system further facilitated the opportunity for building stronger unions. The new legal framework thus must have accelerated the rate at which ongoing efforts at union founding resulted in functioning organizations. Legalization of strikes and collective bargaining and granting of greater freedoms for those willing to organize for political reasons gave the union form greater legitimacy and increased the potential for politically oriented mobilization. The new legal framework then probably resulted in perceptions of greater (political) returns on organizing in unions, especially when political divisions and markers became more visible (as explained below), and resulted in increased attempts at founding unions.

An overall evaluation in terms of two periods separated by the institution of a more liberal legal framework thus supports the proposition that enhanced political opportunity in the form of favorable changes in the legal-institutional structure of the polity increases the founding rate. These two periods however also displayed heterogeneity. In both periods there were episodes of political turmoil with repressive governments, the first during 1957 to 1961 and the second during 1971 to 1974. Findings however do not support the proposition that repression decreased the rate of union founding. To the contrary, union founding rates during these periods were actually higher when compared to the preceding periods[34]. That is, union founding rate in 1957 to 1961, a period of political repression first by a civilian government and then by a military one, was significantly higher than that in 1947 to 1957, during when the political climate was more positive. In a similar fashion, during 1971 to 1974, a period of military backed governments of technocrats hostile towards left-wing movements and unions, the founding rate was significantly higher than that in 1961-1970, a period when the political regime was truly liberal.

Perhaps union foundings during these periods of political turmoil and repression were still attempts at capitalizing on the opportunity that emerged at the beginning of preceding (baseline) periods. Apparently, political repression did not directly affect the resource flows to unions during these periods. The legal frameworks underlying

[34] In a model not reported Period 3 (1961-1971) was chosen as the baseline. The founding rate in the following period of repression is significantly higher than this baseline period ($\beta = .557$, $p<.01$). Founding rates in periods of repression are compared to those in preceding periods, not to a common baseline, because the legal frameworks underlying union form of organization remained the same during these two sets of adjacent periods.

unionization remained untouched. Despite inauspicious changes in the stance of governments towards popular movements, and especially the left-wing movements during the 1971-1974 period, ongoing efforts at union founding were therefore not negatively affected. The repressive stance of governments was perhaps not influential on the union movement because of the so-called signaling effect. During late 1950s and early 1970s unions were indeed not involved in mass movements or political protest. Repression during these periods rather emanated from strains within the political elite and was directed towards social groups which threatened the ruling sections of the elite. Democratic Party governments after 1957 tried to suppress CHP, the press, and the military bureaucracy. Though part of the repressive government action (e.g. some of the legal changes, especially that relating to the mass demonstrations) was related to the union movement, as noted before, unions remained politically docile. Military backed governments of the 1971-1974 period targeted left-wing organizations, which were embedded primarily in the student movement. Though sections of the public servants and only a small section of the working class were also politicized prior to the coup in 1971 the civil unrest during the few years before the coup did not really involve the workers' unions. The second largest confederation of labor, DİSK, which was mildly socialist, was loyal to the regime. It declared its loyalty just after the coup in March 1971 and hailed the military intervention with the hope that it would reinstitute order. Though the military backed governments were unfriendly towards worker organization (for instance, a change in the constitution outlawed public servant unions and martial order in many provinces meant a ban on strikes) the legal framework underlying unionization was again not notably changed. Perhaps, union movement's disengagement from politics prevented negative effects of political repression on union building activity and workers continued to seize the opportunity which had been around for a while to start new unions.

Though not explicitly documented in existing historical research in Turkish unionism, a few countervailing factors might have contributed to increased rate of founding during these periods of repression. The clash between Democratic Party and CHP intensified towards the end of 1950s. The clash between these two parties was echoed in many sections of the society (Keyder, 1989). For instance, there were Democratic and Republican camps within villages. Even the private lives of villagers were organized along the Democratic-Republican divide. A Democrat, for instance, would not go to a café known to be hosting the Republicans. Such divisions could be

observed within the union movement. Until 1957, CHP affiliated individuals dominated the single labor confederation of the time, Türk-İş. There had been Democrat strongholds as well as many Republican unions during the preceding ten years. In late 1950s Democratic Party took measures to establish control over the union movement. One important step was having a Democrat as the president of Türk-İş to which majority of the unions of the time were affiliated. Democrat intervention in 1957 was successful but it nevertheless generated much controversy within the leaders of Turkish unionism. This controversy might have caused splits within existing unions and new foundings.[35]

Politicization of large sections of the society, this time not involving top down sponsorship, started in late 1960s. There were divisions within mainstream political parties and forerunners of the political parties that were to become actively involved in the political turmoil in late 1970s were emerging. A left-wing movement firmly embedded in students and public servants was visible from late 1960s onwards. Though also nationalistic in stance and loyal to the constitutional regime, this movement encountered hostility emanating from the state and an extreme right-wing counter movement. Also splits within this emergent movement were too visible in late 1960s. Though this movement was barely associated with the union movement of the time (through the socialist Turkish Labor Party which was initiated by left-wing labor leaders and then brought under the control of left-wing intellectuals), its emergence might have nevertheless caused strains in the union movement and politically oriented splits and founding attempts. An extreme right-wing confederation of labor, MİSK, was for instance founded in 1970 shortly after a two-day worker insurgence in İstanbul. Thus, political developments usually not considered to be influential on the union movement might have played a role in unionization efforts during early 1970s.

The findings clearly support the hypothesis that bottom-up political turmoil increases the founding rate. The founding rate during the 1974-1980 period was significantly higher than that in all the preceding periods. Political divisions within the larger society and the union movement seem to have significantly increased the carrying

[35] Data at hand do not allow for direct verification of this claim. But then having such data (i.e. accurately knowing beforehand which foundings were caused by politics-related splits, splits because of organizational or tactical matters or the mere need in functional terms for a new union) would render much of this study unnecessary.

capacity of the society with respect to unions. Unions were founded as a consequence of political rivalry (that is to pursue political aims) as well as in response to emergence of groups within the working class with distinct political identities and the need for a union.

7.1.2. Organizational Infrastructure and the Founding Rate

Testing the density dependence argument regarding infrastructural processes requires distinguishing between legitimating effects of density from the infrastructural effects of density. Prior ecological research showed that the density dependent legitimation process may unfold at multiple levels of analysis, e.g. at the international level, national level or the city or province level. Some studies found that legitimation process operates most strongly at the local level and weaker legitimating effects spill over from neighboring localities. This is argued to be so because an organizational form can most easily be observed by individuals in the localities where they work and live. Infrastructure related arguments too consider the infrastructural process in relation to occupational and residential patterns because workplaces, neighborhoods and other sorts of local organizational environments are where individuals frequently meet each other. Using density counts at the local level then may cause conflation of legitimation and infrastructural processes. The empirical context of this study allowed separating these two density dependent processes. Regulation involving unionization stipulated union organization on an industry basis. This meant that relational networks that constituted organizational infrastructure were also structured in terms of industry. What mattered most, for instance, were the relations between leaders of a union engaged in a particular local industry and the members of the union in that local industry. Thus, infrastructure related propositions were tested with local industry-level density whereas legitimation related processes were captured by the measure that captured the density of local industries other than the focal industry.

The findings show that the relation between local industry-level density and the founding rate is inverted U-shaped. Increases in local industry-level density initially strengthened the organizational infrastructure and facilitated union founding. At higher ranges of density however increases in density depressed the founding rate. According

to parameter estimates positive effects of density on the founding rate would be completely eroded if local industry-level density reached 64. Highest observed level density was 36.

These findings are important in the sense that they clearly show that union founding does not simply respond to the needs of a working class or factors associated with non-organizational elements of carrying capacities of industries (e.g., the number of large-scale workplaces within industry). Organizational infrastructure independently explains a large portion of the variance in founding rates. Union foundings responded not only to the infrastructural process. Increases in density of non-focal local industries increased the local industry-level founding rate and this legitimating effect of density was highest during initial years of emergence of the union population.

7.1.3. Political Opportunity-Organizational Infrastructure Interaction and the Founding Rate

Further analysis also revealed that infrastructural implications of increases in density were visible only after the enactment of the 1961 constitution. Increases in local industry-level density generated competitive effects on the founding rate during the pre-1961 period. Put alternatively, the infrastructural implication of density was dominated by the competitive implication of density. This was perhaps due to the fact that immediately after the enactment of the first Unions Law in 1947 formerly existing workers' associations in a number of industries (especially food and textile industries) facilitated establishment of unions by their members. For instance, in İstanbul a total of 17 unions, 12 of them in the food and textile industries, were founded in 1947. A higher count of annual foundings appeared only in the year 1962. Because there were possibly forerunners to unions prior to legalization of unionization (no research clearly documents the activities of such organizations) the infrastructural process (not related to union density) showed its impact immediately after the enactment of the Unions Law in 1947. Because the entrepreneurial resources and other resources (such as workers that can be organized) were quickly depleted and because generation of new entrepreneurial resources through the creation of unions took some time, density relates (within the

observed range of density) negatively to the founding rate during the pre-1961 period (somewhat less negatively towards the end of the period).

Local industry-level density relates positively to the founding rate during the post-1961 period. Throughout the preceding period workers had accumulated significant levels of experience with the union form and there was a sizeable, though weak, population of unions by 1961. Emergence of new opportunities during the period, some political in nature and others related to a growing economy and industrialization, generated a need for organizing skills. What was lacking was perhaps a pool of individuals with the requisite organizing skills. So, during this period increases in union density fulfilled this need and increased the founding rate. Put alternatively, the more densely populated industries were more ready to capitalize on the opportunity and therefore experienced higher founding rates. Thus, in density dependent terms, political opportunity clearly seems to have moderated the infrastructural process.

Findings also partially supported the hypothesis regarding moderation of political opportunity by (density dependent) organizational infrastructure. More specifically, the impact of enhancement in political opportunity through favorable changes in the legal-institutional structure of the polity was significantly higher for more densely populated local industries. The moderation effect was most powerful when density was around 8 and was in the expected direction until local industry level density exceeded 16 (98% of the observations display local industry level density lower than 17). So, at higher levels of density the impact, on the union founding rate, of enhancement in one aspect of political opportunity was higher.

However, estimates suggest that density did not significantly moderate the impact of alterations in political opportunity during the 1961-1980 period. For instance, during the period of bottom-up political turmoil (1974-1980), in comparison to the preceding periods characterized by the same legal framework (1961 to 1971 and 1971 to 1974), the more densely populated local industries, which arguably enjoyed stronger organizational infrastructure, did not experience higher rates of founding. The hypothesis regarding moderation of the impact of enhanced political opportunity (in the form of bottom-up political turmoil) by the infrastructural process was therefore not supported.

7.2. History of Unionization in Turkey

This study is unique in that it constitutes first quantitative analysis of union founding within the Turkish context with a dual emphasis on both the socio-political environment and organizational dynamics. Formerly undertaken historical analyses of unionization in Turkey are generally descriptive studies that prioritize the legal regimes under which the Turkish union movement evolved. The usual rationale behind these studies is that there has been no genuine union movement in Turkey, like its counterparts in the more developed parts of the world, which has actively struggled with the employers and the state to obtain a place within the polity. Rather, socio-political changes that have influenced the Turkish union movement have been effected from above, without prior involvement of the workers or unions (Koç, 2003; Makal, 1999, 2002). Thus, in standard accounts of the history of Turkish unionism the state enacts laws and regulations and consequentially the union movement is sometimes victimized and at other times its standing is unduly enhanced.

Extant historical studies on Turkish unionism thus emphasize one type of environmental influence on unionization, i.e. that emanating from the socio-political environment. In very rare instances organizational issues have been referred to. Tuna (1951) for instance paid some explicit attention to the disconnection between the union movement during the late Ottoman period and the emerging union movement of the Republican period in organizational terms. The argument was that the large time gap between the two movements prevented transfer of vital organizing skills from the older generation of union organizers to the younger ones. Hence, the argument continued, the weakness of the new unions (i.e. those founded in late 1940s and early 1950s) and slow pace with which the union form of organization diffused. Though the same theme was repeated in other sources (e.g. Makal, 2002) no further attention has been paid to organizational issues and therefore to the possibility that there is an interaction between the sociopolitical processes and organizational dynamics.

Historical descriptions of Turkish unionism have been buttressed by a conceptual framework constituted by a mix of ideas from the disciplines of industrial relations and labor law. These disciplines customarily have not problematized organizational evolution. The field of industrial relations for instance quite often deals with temporal and spatial variance in unionization rates, which pertain to aggregate membership in

unions (Western 1994). The number of unions itself has almost never been of interest. However,

> "…the number of unions in a society is an interesting variable in its on right. A society in which, say, all union members belong to a single union has a quite different structure from the one in which the same number of members are organized into a thousand unions. For one thing, the average (and maximum) size of unions differs greatly in the two cases, and size is associated with a great many dimensions of internal structure. For another, the totality of collective actions by unions will obviously be more diverse in the second case than in the first" (Hannan and Freeman, 1987: 914).

This study therefore makes a distinct contribution to the body of historical studies that involve unionization in Turkey by quantitatively analyzing the numerical evolution of the union form in Turkey and explaining this evolutionary process with reference to organizational as well as sociopolitical processes.

In doing so, a number of specific methodological and substantive issues are raised. With respect to methodology, two issues seem to be of importance. The first pertains to the kind of data used in published resources and the second to the kind of models that have been utilized. Prior research seems to be deficient because of use of inappropriate data and models. The substantive issue concerns what past researchers have labeled, but failed to explain, 'union inflation,' that is overcrowding of the sociopolitical landscape with unions. The sort of organizational analysis undertaken in this study also partly explains why there were so many unions (in some local industries) in Turkey.

Prior research has relied almost exclusively on data reported by the Ministry of Labor and Social Security. Some of the problems with official data, for instance data on collective agreements and strikes, have been recognized (Akkaya, 2002). The problems usually stem from the fact that the Ministry either failed to systematically collect data or it did not make the data collection procedure explicit. These problems have been aggravated by the fact that sources containing raw data, such as the registers, no longer exist (Akkaya, 2002; Koç, 2003). There is, for instance, no way that one can check whether the published data on collective agreements are accurate. A similar problem underlies published data on organizational activity, i.e. union foundings and failures. Aggregate numbers on union foundings, failures and density have been largely distorted by the bookkeeping conventions of the Ministry. The most important problem is that the

numbers in published data do not really reflect organizational activity. For instance, union density statistics are unusable because in these statistics many organizationally dead (i.e. no longer functioning) unions are reported alongside with functioning unions. This has been so because it took the Ministry a long time (sometimes 30 years) before it recognized that a particular union was no longer functioning. The published density figures are thus inflated. (This partly accounts for the so-called union inflation issue dealt with below.)

Published data also do not differentiate between foundings of functioning unions and simple attempts at foundings (written declaration of the intent to start a union). Some attempts did not materialize in a functioning union. Nevertheless, in the registers of the Ministry, founding attempts are coded as foundings. The registers of the Ministry also do not differentiate between organizational death and loss of corporate identity. Loss of corporate identity almost always follows organizational death and, depending on how fast the public bureaucracy (the courts, the Ministry, etc.) works, may take place long after organizational death. Thus, published figures on organizational failures (closures) are unusable too. Historical research then needs to better deal with definitions of the organizational events studied and reconstruct data for the purpose at hand rather than uncritically using published data. Sadly, most of the archival sources kept by the Ministry and the local police departments have been destroyed and do not seem to be recoverable.

The substantive contributions of this study involve the models that should be used in analyzing the evolution of unions in Turkey and the union inflation during the pre-1980 period. In extant historical work on unionization one of the usual arguments states that political repression during late 1950s and early 1970s hindered organizing efforts. A visual inspection of the growth and founding patterns in İstanbul and Ankara lends some credibility to this argument. During these periods union densities do not grow and foundings are more infrequent when compared to other periods. The multivariate models used in this study however point that inferences regarding the impact of political repression on at least one aspect of unionization, union founding, should be based on models that control for a multitude of sociological processes. After controlling for these processes (e.g. the legitimation process that weakens over time or the competition process that intensifies with increasing density) there may be no overall relationship between adoption of a repressive stance by the government (and even jailing of some union leaders) and aspects of unionization. Moreover, there may be differences with

respect to how localities and industries within the same locality respond to this kind of change in the broader political environment. For instance, repression may severely hit an already very densely populated local industry-level subpopulation of unions whereas a moderately densely populated subpopulation may respond quite favorably when compared to the same baseline period.

Extant historical accounts of the Turkish union movement seem to associate union building with working class interests (Güzel, 1996; Işıklı, 1990; Koç, 2003). But why were there so many unions in Turkey during the 1947-1980 period? The legal framework which stipulated industry-based organization was one reason behind union inflation. The number of industries defined by regulation was above 30 from 1963 onwards. However, union inflation was noticeable in individual industries too. Apparently, processes not driven by class interests, that is organizational processes, were also at work. Previous work notes the local character of many unions founded in Turkey. These studies however do not delve into the processes that drove localism and the particular forms of relationships between these processes and union founding. Based on recent research in interpersonal networks, social movements and organizational ecology, this study shed some light on the organizational processes that determine when and where unions are most likely to proliferate. Social units, such as local industry-level subpopulations of unions, characterized by stronger form specific organizational infrastructures are more likely to experience founding of new organizations with particular organizational forms, such as unions. The number of already existing unions (union density) is an indicator of the strength of the organizational infrastructure. Unless density is too high to generate a prohibiting competitive effect, denser local industry-level subpopulations have been shown to experience greater number of foundings. Organizational infrastructure then triggers a process in which strength of infrastructure drives the founding rate and foundings in turn contribute to organizational infrastructure (until some point where competition starts dominating the infrastructural process). Social units with stronger infrastructures experience more foundings. New foundings increase density. Density in turn strengthens infrastructure and brings about new foundings. Some social units may therefore exhibit an irrationally high number of organizations of some form, simply due to the strength of organizational infrastructure (Sorenson and Audia, 2000). Union inflation in Turkey was perhaps an instance of this more general process which has customarily been observed in industrial districts around the world.

7.3. Further Research

An interesting extension of the work presented here involves the interaction between political opportunity structure and the aspect(s) of organizational infrastructure relevant for organizational failure. Former research in organizational ecology points to the ways political opportunity structure may bring about change in the failure rate. This body of research for instance provided yet untested propositions about how strategy moderates the effect of political turmoil on the failure rate. These propositions state that r-strategist organizations, geared towards short-term exploitation of ephemeral environmental resources, benefit more from political turmoil in the shorter term, if turmoil proves to be episodic and in the longer term if turmoil results in sweeping environmental change. K-strategists, organizations built for competition on the basis of efficiency under conditions of intense competition, on the other hand, protect their positions unless turmoil lasts a very long time and results in large-scale change.

In addition to testing these propositions future research can also examine the ways certain aspects of the organizational infrastructure interact with political opportunity to bring about change in the failure rate. During the pre-1980 period some unions were members of federations. Though in most instances these organizations were not effective in representing all workers in an industry there were nevertheless the grounds for relationship formation for the leaders of member unions. Prior research indicates that such organizations may play a great role in the structuring of institutional fields and shape the life chances of organizations (Aldrich and Fiol, 1994). They may for instance bring an orderly system of relations between member organizations, prevent destructive competition and act as conduits for cooperation. There may thus be significant differences in the failure rates of organizations that are members of these supra organizations. In addition, nonmember organizations may also be influenced given these organizations are able to affect the larger field (or subpopulation). An extension of the current work could thus be investigation of variance in failure rates of organizations that were and were not members of such overarching bodies.

Another extension of this research would be an investigation of asymmetry in selection processes. Organizational founding may be more vulnerable to infrastructural processes whereas failures are more responsive to the competition process. Current analysis shows that local industry-level turning point was around 32 (see Model 8

presented in Results). This shows that competition process started dominating the infrastructural process when density exceeded 32. The estimates also imply that density would stabilize at 64. Thus, infrastructural process could have led to province level density around 2368 assuming all industries at some point reached their equilibrium densities. The failure rate on the other hand may respond more swiftly unfavorably to increases in density. Such a finding would actually strengthen the arguments and the findings presented in this study. If failures reflect the operation of the competition process then variance in growth patterns of different local industry-level subpopulations of unions can better be explained in infrastructural terms.

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