

Embedding Independent Regulatory Agencies into Administrative Traditions: Acceptance or Resistance?

Gül Sosay
Department of Political Science and International Relations
Boğaziçi University
sosay@boun.edu.tr

Preliminary Copy - Please do not quote without the author's permission.

Paper prepared for presentation at the 2007 Annual Conference of the European Consortium for Political Research, Pisa, Italy, 6-8 September 2007

Introduction

Since the 1980s, independent/semi-independent regulatory agencies (IRAs) or as Coen and Thatcher (2005) call them, “non-majoritarian regulators”, have spread across countries and sectors. Especially starting in the 1990s, they have also diffused beyond economically advanced countries into developing countries, in some cases owing in significant part to external pressures, particularly from the IMF, the World Bank, and the EU.¹ Such proliferation of IRAs is often viewed as a part of the so called “New Public Management” (NPM) agenda aiming to foster a performance-oriented culture in a less centralized and less hierarchical public sector (Pierre 1995).² The granting of independence to regulatory agencies with specific mandates is believed to allow regulators greater opportunity to exercise their full abilities and produce more efficient, productive, economical and qualified services that can be objectively and quantitatively evaluated (Bouckaert and Peters 2004; Caulfield, et. al. 2006; Yamamoto 2006).

The administrative reforms, including the creation of IRAs, that are promoted by the NPM agenda share commonalities across countries. In the case of an IRA, the process starts with the formal delegation of authority to the agency by legislation. Subsequently, as it begins to perform its functions, the newly established agency starts interacting with other actors in its environment and adapting to its position and role in the national institutional environment. (Yesilkagit 2004) This post-delegation phase, referred to as “embedding”, is what this paper focuses on. It aims to contribute to a better understanding of how IRAs fit into different administrative traditions in the light of evidence from Turkey.

Administrative traditions, defined as the “clusters of institutions and cultural practices that constitute a set of expectations about behavior” (Perez-Diaz 1993:7), are likely to affect the

¹ Scholarly literature on the rise of the “regulatory state” and proliferation of IRAs has burgeoned especially since the 1990s. For example, see Majone (1994; 1997), Giraldi (2005), Jordana and Levi-Faur (2005), Sosay and Zenginobuz (2005)

² NPM in general involves a focus on management, performance appraisal, efficiency, disaggregation of public bureaucracies into agencies that deal with each other on a user pay basis, the use of quasi-markets and of contracting out to foster competition, cost-cutting, a style of management that emphasizes output targets, limited term contracts, monetary incentives, and freedom to manage. (Hood 1991)

process and outcomes in both delegation and post-delegation phases. Regarding the former phase, Thatcher and Stone Sweet affirm that “[t]he pace and scope of delegation to [non-majoritarian institutions] have been strongly mediated by national-level factors. State structures influence the possibility, attractiveness, and ease of delegation” (2002: 13) to IRAs. In some countries, delegation may be customary in the political process, while in others it may signify a radical break with political practice based on long-standing state traditions (Elgie 2006). The impact of such traditions, at this phase, may be more pronounced when delegation is an independent, rather than interdependent, behavior or a response to bottom-up or horizontal pressures.³ On the other hand, if delegation occurs in response to top-down pressures from dominant external actors, such as the IMF and the World Bank, the mediating effects of national-level factors on the possibility, pace and scope of delegation may be played down. In other words, although the ease with which the process of delegation proceeds may provide evidence for the effects of national administrative traditions and institutional legacies, the outcomes at this phase may not reflect the differences in these national-level variables. Hence, this paper is concerned with this phase only if and to the extent that it relates to the post-delegation phase. More specifically, for instance, if national administrative traditions and institutional legacies breed political and/or bureaucratic opposition to delegation to IRAs at the beginning, the likelihood that they will encounter political and/or bureaucratic resistance and obstruction in their interactions with the other actors in their institutional environment in the post-delegation phase increases.

Once the IRAs acquire delegated authority and start operating as formally independent institutions, the question is whether they are compatible with the administrative traditions of the country.⁴ An assessment of compatibility first requires an identification of the fundamental

³ For a differentiation of independent and interdependent behavior, see Gilardi (2004). For a discussion of top-down, horizontal, and top-down pressures, see Levi-Faur (2005).

⁴ In cases where IRAs are imported under top-down pressures, an analogy may be whether the body would readily accept or reject and fight against the newly implanted organ.

characteristics of IRAs. The next section concentrates on this. Subsequently, how these characteristics relate to the defining features of national administrative traditions should be examined. To this end, after introducing the four main administrative traditions distinguished from among developed democracies, the third section of this paper presents a set of expectations regarding the fit between these traditions and IRAs. The rest of the paper focuses on the case of Turkey as an example to demonstrate “embedding of IRAs” in a particular national context.

Characterizing the IRAs

Strøm (2000) conceptualizes democracies as chains of delegation. In a parliamentary democracy, the standard chain involves four discrete steps.⁵ These steps are, namely, delegation 1) from voters to their elected representatives in the legislature, 2) from legislators to the core executive, specifically to the head of government, i.e. the prime minister, 3) from the prime minister to the heads of different executive departments, i.e. ministers, and 4) from the ministers to their respective civil servants, i.e. bureaucracies. As such, delegation to non-majoritarian institutions (NMIs), including IRAs, is not incorporated into the standard chain. Neither is delegation to NMIs qualitatively the same as delegation in each step of the chain. Majone (2001a; 2001b) suggests depicting it as a fiduciary, rather than an agency relationship. As Braun and Gilardi summarize, in a fiduciary relationship “political property rights over policy are fully transferred to the delegate, who is thus subject to duties exceeding the normal duties of an agent.” (2006: 9) The qualitative difference between delegation to NMIs and delegation in each step of the standard chain is also evident in Thatcher and Stone Sweet’s definition of NMIs. In their conceptualization, NMIs are “those governmental entities that (a) possess and exercise

⁵ Presidential democracies involve a more complex chain as not only the legislators, but also the head of government is directly elected by citizens.

some grant of specialized public authority, separate from other institutions, but (b) are neither directly elected by the people, nor directly managed by elected officials.” (2002:2) ⁶

IRAs are NMIs with regulatory powers delegated, by law, from ministers and ministerial departments. While they can be regarded as “arms-length bureaucracies staffed and governed by technocrats and professionals” (Levi-Faur, Jordana, and Giraldi 2005: 43), IRAs differ from bureaucracies to which authority is delegated in the fourth step of the standard chain of delegation. Even though they share the qualities of possessing specialized knowledge and being appointed (rather than being directly elected by the citizens) with ministerial bureaucrats, those who occupy seats in IRAs (“regulocrats”) are mandated to enjoy autonomy from ministerial controls. This autonomy is not the same as the autonomy which traditional bureaucracies may *de facto* enjoy under ministerial responsibility as they are expected to implement laws, rules, and procedures in an impartial and rational manner and/or as they develop preferences distinct from those of the elected politicians. IRAs are formally (*de jure*) granted policy as well as organizational and financial autonomy or in more commonly used terms, independence from elected politicians. As such, they are not under ministerial responsibility. This differentiation is at the basis of still another difference underlined by Yesilkagit:

The culture of central departmental bureaus is imbued with the values stressing loyalty and obedience to the minister precisely because bureaus are designed with a degree of formal authority that just fits the purpose of serving the minister. By contrast, independent agencies in the NPM era are characterized by managerialist norms precisely because their creators wanted them to perform under a high degree of formal bureaucratic autonomy. (2004: 534)

The difference in values and norms is also related to the structure of professional and career incentives under which the bureaucrats and regulocrats operate. While bureaucracy refers an administrative staff with lifelong employment, those who occupy positions in IRAs have limited terms of office, a possible renewal of which ideally depends on performance. This is in

⁶ Other examples of NMIs, the establishment of some of which predate the creation of IRAs in many countries, include Courts, independent administrative agencies, and independent central banks.

agreement with one of the core principles of NPM, namely, “to ‘make managers manage’ by specifying what is expected of them and measuring their performance against these expectations.” (OECD 2002: 41). “Management by contract and result” is the name of the game where focus on specific expectations or regulatory objectives favors a higher level of professionalization than is possible for bureaucratic generalists and facilitates legitimacy and accountability by results. (Majone 1997)

Moreover, unlike traditional bureaucrats who can be seen as rational tools for executing commands in an hierarchical structure (“management by command”), regulocrats in most, if not all, IRAs are formally authorized not only to execute, but also to legislate and adjudicate independently in a less hierarchical structure. They may be created to carry out new functions, but they may as well be mandated to exercise functions previously exercised by three branches of government. The latter involves a re-distribution or transfer of powers from these institutions to the newly established IRAs. By diffusing power, delegation to IRAs entails a decentralization of authority.

To summarize, the criteria by which the compatibility of IRAs with administrative traditions is to be evaluated include:

- formal delegation of executive, legislative, and judiciary powers
- decentralization of authority
- operational, organizational and financial autonomy
- low hierarchy
- appointed, rather than directly elected by citizens
- management by contract and result (performance-oriented), rather than management by command
- managerialist values and norms

- expertise-based

State/Administrative Traditions, Reform, and IRAs

Administrative traditions may define which reforms are compatible with the national political system. I argue that policy and/or institutional changes or innovations that are at odds with the defining characteristics of national administrative traditions are less likely to be introduced and even if/when they are introduced under certain circumstances (e.g. crises, under top-down pressures, or out of real or perceived necessity), the tensions are likely to persist during the post-reform period so as to render “embedding” difficult. Upon presenting the four main traditions distinguished from among developed democracies, this section generates some expectations regarding the compatibility between IRAs and administrative traditions by bringing in the criteria specified in the previous section.

While there is some variation among specific cases within each tradition, the following classification of traditions constitutes an acceptable basis for the purposes of this study:

- 1) Anglo-Saxon (minimal state)
- 2) Continental European – Germanic (organicist)
- 3) Continental European – French (Napoleonic)
- 4) Scandinavian (mixture of Anglo-Saxon and Germanic)

Table 1: Key Features of Four State Traditions

	Anglo-Saxon	Germanic	French	Scandinavian
Is there a legal basis for the “State”?	No	Yes	Yes	Yes
State-society relations	Pluralistic	Organicist	Antagonistic	Organicist
Form of political organization	Limited federalist	Integral/organic federalist	Jacobin, “one and indivisible”	Decentralized unitary
Basis of policy style	Incrementalist	“Muddling through” legal	Corporatist legal	Technocratic consensual
Form of decentralization	“State power” US); local government (UK)	Cooperative federalism	Regionalized unitary state	Strong local autonomy

Source: Loughlin (1994)

As summarized in Table 1, state traditions vary in the key attributes related to “the state”. While it exists as an overarching legal entity (l’Etat, lo Stato, el Estado, de Staat, der Staat, etc.) in the Germanic, French, and Scandinavian traditions, it exists in a much weaker form (the Crown in the G.B. and the Constitution in the U.S.) and the reference is instead made to “government” or “government departments” in the Anglo-Saxon tradition. (Peters 2000) In this tradition, the state is often conceptualized as emerging out of a contract among atomistic individuals as members of the society. The contractual basis and the pluralist character of the relationship between the state and society make it more flexible and bargainable. In this respect, the other three main traditions significantly differ from the Anglo-Saxon tradition. Viewing the citizens as members of an essentially organic society, the Germanic and Scandinavian traditions facilitate more corporatist than pluralist patterns of representation.

Compared to not only Anglo-Saxon, but also Germanic and Scandinavian traditions, the French tradition emphasizes the state as a more domineering entity vis-à-vis society. Having evolved “as part of a nation-building project focused on overcoming deep divisions in civil society” (Peters 2000: 3), the state in the French tradition has more antagonistic relations with society over which it tends to impose its authority. This is also reinforced by the form of political organization that relies on an understanding of the state as unitary and indivisible. The other three traditions, on the other hand, allow for a much higher degree of decentralization by delegation of central authority to sub-state regional and local units.

Based on a very general description of the four main traditions, the most evident expectation is that delegation to and embedding of IRAs would encounter the most resistance in countries in the French tradition, characterized by a unitary and indivisible state, highly centralized authority and antagonistic state-society relations, as delegation to IRAs involves a decentralization of authority and less hierarchical relations. The least resistance would be observed in those in the Anglo-Saxon tradition, while those in the other two traditions would be

somewhere in between. This view is supported by the fact that NPM doctrines and reforms have been more popular and arrived earlier in Britain than in France, Germany, and Scandinavian countries (Ferlie, et. al. 1996; Thatcher 2002; Yesilkagit 2004) and that the IRAs have emerged out of the Anglo-Saxon tradition.

In addition to investigating the aforesaid general expectation regarding variance across countries with different state traditions within the context of the Turkish polity, this paper will also look at some factors related to bureaucratic traditions which may have an impact on the “embedding” of independent regulatory agencies. Short of a comprehensive comparative analysis across traditions, the paper will focus on a specific attribute of the bureaucracies in the French tradition. In her studies of the French bureaucracy, Suleiman (1974; 1978) makes the case that in France, civil servants regarded themselves as guardians of the general interest and of politicians solely as defenders of sectional interests. Unlike the IRA regulocrats who are appointed based on specialized expertise, the top-level civil servants work in a non-specialized capacity (Birnbaum 1987). Nevertheless, there is a marked similarity between the perceptions and demands of these civil servants and the rationale behind the creation of IRAs. As Heper citing Suleiman (1974) summarizes, in the French polity, “[t]he demand of the *grand corps* for administrative autonomy was more than a claim for a secure career. It was a demand for an autonomous function that would not be subject to the hazards and turbulence of politics.” (1987: 11) The rationale behind the creation of regulatory agencies with formal independence, similarly, involves the objective of isolating them from hazardous and turbulent political influences, including those of sectional interests also represented by elected politicians. It is only under such conditions that IRAs can effectively fulfill their specific mandates. It can be claimed that just as appointed bureaucrats who know what is best for the state and society, appointed regulocrats know what is best in their area of expertise. Consequently, a tradition of a strong and autonomous bureaucracy vis-à-vis the society and elected politicians may hold

certain values and norms that may facilitate the acceptance of IRAs as independent bodies aiming to promote the general interest. The public's belief and trust in the ability of appointed officials to make better and impartial decisions than elected politicians and in the legitimacy of these decisions may also be among these values.

Some caveat to this expectation should be introduced. First, while having continuity, bureaucratic traditions should not be viewed as being static and unresponsive to changes in and pressures from the parts of the general polity. One major source of pressure is the politicians. For instance, in post-1958 France, there were serious efforts to subordinate the bureaucracy to the government in an environment characterized by a lack of trust and confidence between civil servants and ministers (Heper 1987). In addition to being subject to pressures from the government in office, civil bureaucracies may also be tried to be politicized by other political parties. Penetration of party politics into these bureaucracies may erode the tradition depicted above. Furthermore, due to the differences between bureaucracies and IRAs introduced in the previous section, a tradition of strong and autonomous bureaucracy may not necessarily facilitate peaceful accommodation of IRAs into the polity. In order to clarify this point, a discussion of the sources of resistance against them is in order.

The premise of this paper is that the creation and accommodation of IRAs may be resisted by those who lose powers to them and whose interests they are likely to operate against. In the group are the elected politicians and traditional bureaucracies who do not look favorably at giving up some of their authority, responsibilities and functions to the newly established independent agencies which they cannot control. Particularistic economic and social interests may join the group as those whose interests are at stake.

Opposition to IRAs may surface at the delegation phase. If such opposition proves unable to prevent delegation, resistance may be staged at the post-delegation phase in various forms, such as efforts by politicians, traditional bureaucracies, and interest groups to undermine

their credibility and legitimacy and to intervene in decision making by and functioning of IRAs so as to weaken their formally granted independence. After introducing the main characteristics of the Turkish administrative tradition and assessing their compatibility with delegation to IRAs in the next section, this paper examines whether, thus far, IRAs have been readily accepted, resisted, or adapted to this tradition.

Turkish Administrative Tradition

Among the four main traditions identified in the previous section, the Turkish administrative tradition is closest to the French tradition. The Republic of Turkey inherited from the Ottoman Empire a “strong, centralized, and highly bureaucratic state”⁷ (Özbudun 1996). This legacy involved a view of the state as being above and even possessing, rather than being an apparatus for or serving the society. This is consistent with the Napoleonic conception of a society “based on order and hierarchy, and devoid of squabbles that threatened anarchy.” (Suleiman 1978: 20)

In a system where barriers to the emergence and legitimation of an autonomous society prevailed, central authority could not be checked by countervailing powers. As the Ottoman polity developed into one of patrimonialism, the periphery was almost totally subdued by the center. Those challenging the authority of the center were pushed to the periphery where they remained unable to influence the bureaucratic center. (Heper 1985) As Mardin (1980) asserts, the state elite, for centuries, thought they could easily manipulate the society by regulation from above. Even the representative councils, which were established at the provincial and local levels as advisory bodies during the second half of the 19th century as a part of the “decentralization” policy, were actually designed by the center as a means to control the periphery and to improve tax collection. The composition of these councils where the bureaucrats appointed by the center comprised more than half of the membership was also indicative of the motive behind their creation.

⁷ In this context, a “strong state” signifies a society that is high in “stateness” where the state, as a power authorized to exact obedience, determines the ends independently of the political elites. (Heper 1987).

In the Ottoman polity, the conception that the bureaucracy was the group which would determine the public interest gained ground during the *Tanzimat* period (1839-1876), when rationalist ideas of 18th century Europe were adopted (Heper and Berkman 1980). The state was now structured in the civil bureaucracy, whom, the leading statesmen of the period believed, needed to be safeguarded from the ambitions of the sultans (Davison 1963). Thus, viewing themselves as the servants and guardians of the state, rather than of the Sultan, bureaucratic elites became concerned with shielding themselves against outside influences and preserving their autonomy. This resonates with Suleiman's (1974) characterization of the French polity in which civil servants considered themselves as guardians of the general interest and hence, demanded autonomy from political influences.

The Republic of Turkey, which was established in 1923, inherited the Ottoman legacy. First of all, the tradition of centralized authority continued into and was even further reinforced during the Republican period. The unitary and indivisible character of the state has been constitutionally guaranteed, barring the possibility of any form of federalism. According to Turkish Constitution, Turkish administrative structure is unitary in nature in the sense that the executive branch is to be considered as constituting a whole in relation to all central and other (decentralized) administrative units constituting the state. Therefore, a strict indivisibility of administration is envisaged, and even the agencies with separate public legal personality are considered as being under the tutelage control of the center (Sönmez, 2004; 179).

In addition to centralization of authority, the Republic also inherited patrimonialism and the absence or weakness of a civil society from the Ottoman polity. In such a polity, the *Devlet Baba* ("Papa State") (Sunar 1974) was believed to know what was best for its "children" (i.e. citizens) who were in turn expected to comply. In 1981, the Chairman of the Association of the Turkish Industrialists and Businessmen summarized this belief from the businessmen's perspective as follows: "In this country, our philosophy has always been that of taking the 'Papa

State' as paramount, refraining from challenging it, and of pursuing an economic policy, not in spite of, but with the 'Papa State'." (Erel 1981)

The Ottoman legacy was not limited to the aforementioned attributes. With the transition to the Republican period, bureaucracy rose to further prominence as the tradition established during the *Tanzimat* (Reform) period of 1839-1876 was bolstered by special laws and regulations, protecting the bureaucracy from arbitrary interference by the political executive, were introduced.⁸ During the single party years (1923-1950) of the early Republican period the government was practically "bureaucratized by the virtual merger between the party and the bureaucracy" (Heper 1985: 71), both of which perceived themselves as "the state elites", a differentiation that would be more salient after Turkey's transition to multi-party politics in 1950 coupled with the emergence of "political (elected) elites" with an "anti-state" and "anti-bureaucracy" stance. While the state, the party, and the bureaucracy were merged into a centralized and highly authoritarian apparatus run by "the state elites" during the single party period, the so called "political elites" entered the Turkish political scene with the foundation of the Democrat Party (DP) in 1945.

After the multi-party election of 1950, the DP came to power with an overwhelming majority with the claim that they represented the people as against the bureaucracy, i.e. the state. The relations between the DP and the bureaucracy were laden with tensions and conflicts even before the DP won the 1950 election. In 1946, Celal Bayar, the Chairman of the DP, described the situation quite clearly: "It is a well-known fact that during its one-year life our political party has been placed in a position of having to deal not only with the Republican People's Party and its members but rather with the government forces. It is only natural that a political party enters into political competition with other political parties. But in countries at

⁸ Appointments and promotions were formally controlled by incoming governments. However, a civil servant who was denied promotion or removed from an attractive force, remained in service, and could seek promotion and reinstatement by appeal to the Council of State, which, as the Turkish version of the French *Conseil d'Etat* was itself composed on bureaucrats. (Heper 1985)

advanced stages of development, it is not acceptable for a political party to have to put up with pressures coming from an administration that holds its own hands both the public authority and the means which that authority entails.” (Cited in Toker 1970: 135) At the core of the bureaucracy’s resistance to the DP was the disbelief in the conception of public interest shaped through a competitive political process involving different economic and social interests. Holding a conception of public interest identified with certain abstract, substantive ideal norms and values⁹ of a *Weltanschauung* and viewing the representatives of the periphery, namely, the Democrats, as a threat to these norms and values, the bureaucrats ascribed themselves the mission and the right of national representation and leadership and tended to derive their legitimacy from this. (Turan 1984; Sunar 1973) Unable or unwilling to recognize their ideological and political disposition and persistent in claiming monopoly over the definition of the general interest, Turkish civil bureaucrats maintained, well into the 1960s, that they had the responsibility “to carry out public services on the basis of ‘objective’ criteria and not in accordance with the ‘whims’ and ‘illegal’ interventions of the politicians” (Heper 1985: 82) whom they judged to be unfit to rule.¹⁰

On the other hand, while the political elites of the post-1950 period attacked and resorted to various tactics against the so called “state-centered polity”, their reaction was actually an attempt to replace it with a “party-centered” one, functioning largely autonomously from societal groups, in an environment characterized by the absence or weakness of civil society (Heper 1990a) For instance, in his study of the 1965-1975 period Powell (1981) found very weak linkages between political parties and interest groups. In the absence of systematical information exchange and institutionalized consultation with interest groups, regulation from above continued to be an important feature of policy making. (Heper 1992) In other words, the

⁹ See Huntington (1968) for a discussion of different conceptions of public interest.

¹⁰ Heper’s (1976) research based on questionnaires administered with civil servants provides evidence for this.

introduction of multi-party politics did not signify a break away from the tradition of centralized authority.

The shift towards a party-centered polity also had noticeable effects on the Turkish civil bureaucracy. As the state ideology came to be rivaled by various ideologies and political parties at the left and the right during the 1960s, a gradual fragmentation and polarization of the bureaucracy began. Such politicization was also facilitated by the efforts of political parties to bring in civil servants sympathetic to them and to capture the state from within. Especially during the period of coalition governments between 1973 and 1980, each party worked to parcel out for itself different ministries. (Heper 1979-1980; 1992) As they became increasingly politicized between 1960 and 1980, bureaucracies diverged from the sense of mission and autonomous action they adopted during the earlier decades, became more preoccupied with promoting their own particularistic interests (Heper 1985), and when they could, joined in the networks of “party-directed patronage” (Sayarı 1977). For instance, in Turkey, top-level civil bureaucrats still remain a salient group from which new MPs are recruited. Before the most recent 2007 parliamentary elections, there was a spree of resignations from bureaucratic posts to run for political office and the most preferred political party to be an MP candidate from was the governing Justice and Development Party (AKP), which was also expected to be re-elected with a significant majority. There were even a few IRA board members who sought a change of career. Namely, Doğruer of the Capital Markets Board resigned from his board membership to be placed as AKP’s number one candidate in Osmaniye (ANKA, 28 June 2007). In a polity like Turkey’s where political parties are characterized by highly centralized, even personalistic internal decision making, gaining the favor of political parties, essentially of their leaders is crucial. An official close to the Prime Minister Erdoğan confirmed this in his own words: “Here in order to become a candidate, initially a signal from the Prime Minister is awaited” (*Milliyet*, 5 May 2007).

The aforementioned example evidences the persistent patterns of patrimonialism and patron-client relationships in Turkish politics. When tradition defined as the “clusters of institutions and cultural practices that constitute a set of expectations about behavior” (Perez-Diaz 1993:7), “party-directed patronage” emerges as a part of that tradition in the Turkish polity. In a society where neither pluralist, nor corporatist arrangements are developed, patron-client relations based on personalized, rather than institutionalized ties shape and create expectations about behavior. As Sozen and Shaw put it, “the shift from traditional, small-scale, close-knit communities based on personal ties to a modern, commercial society based on impersonal, contractual relations has not yet been achieved” (2003: 113) in Turkey. While political parties still try to use state resources to please their supporters through clientelistic relations and network politics in exchange for electoral support, the clients do not shy away from relying on their group affiliations, such as families, religious groups (*tarikats*), clan (*aşiret*) and *hemşehrilik* (i.e. being from the same village, town, or province), to obtain social, economic, or political benefits from their patrons, that is, the political parties. Thus, any change or reform that disrupts clientelistic relations and network politics and poses a threat to the interests of the patrons and their clients are likely to be resisted. (Özbudun 1981)

Interpreting the ascendancy of party-centered politics, politicization and fragmentation of the polity, including the long-trusted bureaucratic elites, as the virtual erosion of the state, the Turkish military staged a coup in 1980. The 1982 Constitution formulated under military tutelage remained within and in some ways strengthened Turkey’s tradition of centralized authority. The Constitution gave greater powers to the executive in general and the prime minister in particular. For example, it made it easier for the Council of Ministers to issue “governmental decrees with the force of law”. Even though the Constitution involved an effort to revive the state in the personality of an impartial president and autonomous state institutions such as the military, the National Security Council (NSC), and the Constitutional Court, their

responsibilities were rather narrowly defined as to safeguard the security, independence, and territorial integrity of the country and the secular Republic. Neither the president, nor the state elites, including those occupying seats in the aforementioned autonomous institutions were perceived to be responsible for specific political and economic issues. In other words, the state elites of the post-1980 period no longer viewed the definition of general interest outside their domains of responsibility (i.e. security, independence, indivisible unity, and territorial integrity of the country and the secular Republic) as an all-embracing task (Heper 1990a). This opened a window of opportunity to post-1983 elected governments for less state-bound action, especially in the realm of economic policy and institutions.¹¹ However, the restrictions which the Constitution imposed on political and civil rights did not provide the same opportunity to the individuals and societal groups in a country already characterized by a weak civil society.

After winning the 1983 election, the Motherland Party (MP), under the premiership of Turgut Özal, launched a programme of structural adjustment aiming to replace import-substitution with an export-oriented growth strategy. Özal's belief was that neither the politicians in his own party, nor the civil bureaucracies of the time were qualified to carry out this programme effectively. Hence, he moved on to concentrate power in fewer hands, particularly in his own. The 1980s was a time period when the control of the executive over the economy and its power vis-à-vis the legislature were expanded. The creation of "Extra-budgetary Funds" which could be channeled to various uses without parliamentary approval is a case in point.

Moreover, the institutional restructuring realized under the MP government was one that aimed to weaken the role of the traditional bureaucracies and boost the power of the executive in public policy making. One of the ways in which Özal tried to achieve this was creating new institutions, such as the Privatization Administration and the Board of Housing Public

¹¹ Turgut Özal who became the prime minister after the 1983 election had also been put in charge of the economy under the military regime of 1980-1983.

Participation Fund which were established to carry out the privatization of the state economic enterprises under the control of the prime minister. Another was the setting up of a number of autonomous units within the existing agencies (e.g. a unit responsible for the Southeastern Anatolia Project within the State Planning Organization) and transferring of some critical functions from an existing agency to a newly created one (e.g. from the Ministry of Finance to the newly established Undersecretariat for the Treasury and Foreign Trade formally related to the prime minister). All these novel institutional arrangements were tailored so as to ensure direct prime ministerial control over them. Özal's personalistic leadership was not unique in the Turkish political history even during the multi-party years. Not only Özal, but also Menderes of the DP during the 1950s and Çiller of the TPP between 1993 and 1995 were also among prime ministers who made decisions alone or with a small group of most trusted ministers or advisors and often bypassed parliament through the use of executive decrees. (Özbudun 1996)

Still another means by which Özal sought to reduce the influence of the traditional bureaucracy in the 1980s was to superimpose a new layer of what might be termed a managerial-economic bureaucracy (Heper 1990b) recruited from outside the traditional bureaucracy. Popularly called "the princes", the new managerial-economic bureaucrats appointed as the heads of critical new and existing institutions were handpicked by the Prime Minister from among those known to him and his family, rather than selected solely based on an objective assessment of their merit. In short, personal ties through which loyalty and trust could be secured obviously still had an impact on statesmen's preferences in Turkey.

From one perspective, the rise of managerial-economic bureaucrats under the MP government during the 1980s might seem like a move favoring some of the values the NPM advocates, such as managerialism, expertise, efficiency, disaggregation of public bureaucracies. From another perspective, however, the persistence of centralized and concentrated authority as well as patrimonialism in Özal's institutional restructuring and appointments significantly

deviated from the objectives of NPM and did not allow the institutionalization of what Ilchman (1969) differentiated as a “rational productive” bureaucracy in the new as well as existing institutions. The political parties that came to power in the 1990s after the MP period did not show a willingness to challenge traditional patterns, either. For example, the Prosperity Party (PP), which formed a coalition government with the True Path Party (TPP) in 1996, tried to staff the bureaucracy with its supporters, without much regard to their qualifications and expertise (Heper and Sancar 1998).

To summarize, constitutionally Turkey has been, is, and seems to remain in the foreseeable future a unitary and indivisible state. Furthermore, centralization of authority vis-à-vis a weak civil society, patrimonialism, party patronage and clientelism still linger in Turkey’s administrative tradition. How are these attributes to play out in embedding IRAs into Turkey’s institutional landscape? In their 2002 article, Sozen and Shaw make a case for the difficulty of NPM reforms in Turkey. They argue that the prevailing administrative practices and procedures in the country clash with the principles on which the NPM is built and hamper the introduction of delegated authority, output-oriented and performance-related appraisals promoted by the NPM agenda. Does Turkey’s experience with the IRAs thus far support the validity of this argument? Has delegation to these agencies been a panacea for what some regard as “flaws” in the Turkish administrative tradition? Or have the IRAs been compelled to adapt to tradition so as to develop into *a la Turca* institutions?

Embedding the IRAs into the Turkish Administrative Tradition

Turkey’s experience with agencies that fit the definition of IRAs is quite recent. Although the ideas of autonomous institutions and specialized boards¹² are not foreign to the Turkish polity, when the IRAs started to proliferate in the country, the overwhelming majority did not have a

¹² Kurnaz (2003) presents a rather comprehensive list of boards established in diverse areas. The autonomous institutions other than the IRAs include the National Security Council, the Council of State, the Constitutional Court as well those established under Özal’s premiership.

clear conception of what these agencies were, how they differed from traditional bureaucracies, and what they were expected to accomplish. This is not surprising since they were added to the country's institutional landscape without much dissemination of information, public discussion and deliberation. In a polity characterized by centralization of authority vis-à-vis a weak civil society, this might be the usual state of affairs. However, the fact that these agencies were created despite much resistance from elected politicians and traditional bureaucracies (Sağlam 2005) evidences the critical impact external factors and actors had on the delegation of authority to IRAs. As demonstrated by Sosay and Zenginobuz (2005), most of the IRAs in Turkey were not voluntarily mandated based on independent and rational calculations of their costs and benefits. The main motivation behind their foundation was to meet the conditionality requirements of the IMF and the WB or to progress towards harmonization with the EU. Under such powerful, in fact, even coercive external influences and pressures, the obstructive effects of national level variables, including the administrative tradition, could be mitigated at the delegation phase.

As presented in Table 2, nine agencies have been created in Turkey since the 1980s. The Capital Markets Board (CMB) is the first public body that was established in Turkey with the broad traits of a *bona fide* IRA. It was established in 1981 as a public legal entity in its own right and given the authority to make decisions independently. However, in the terms of Turkish administrative law, it was a body “related” to the Ministry of Finance.¹³ A consequence of the CMB's related status was to carry out inspections of entities that operated in capital markets, if and when requested by the Ministry of Finance. It could take action against infringements of the law and impose sanctions on entities involved only with the approval of Ministry. The

¹³ As mentioned above, the Turkish Constitution envisages a strict indivisibility of administration. In the case of agencies created with their own public legal personality, the indivisibility of administration is established by “relating” the agency to a (related) Ministry. The status of relatedness constitutes an obvious violation of notion of independence for an IRA. To get around this issue the IRA's that are established later were declared as being “affiliated” to a Ministry rather than being related to it. This was a creative piece of lawmaking as there is no previous mention of this notion in the Turkish administrative law. In fact, critics argue that the Turkish Constitution does not allow room for such a notion. See Tan (2000) for a discussion of the place of IRAs in Turkish administrative law.

considerable power of control exercised by the Ministry of Finance over the operations of CMB was ended through two extensive amendments of *Capital Market Law No. 2499* that were enacted in 1992 and 1999. With these changes CMB became the sole authority with the power to regulate, supervise, and sanction in the capital market. Hence, it would be fair to say that CMB became a *bona fide* IRA only in 1999. CMB is now “affiliated” with a Ministry of State within the Prime Ministry instead of being “related” to the Ministry of Finance and enjoys full administrative and financial independence.

The Radio and Television Supreme Council (RTSC), the Competition Agency (CA), and the Banking Regulation and Supervision Agency (BRSA) were created by laws passed in the 1990s. The Telecommunications Agency (TA), the Energy Markets Regulatory Agency (EMRA), the Sugar Agency (SA), the Tobacco, Tobacco Products, and Alcoholic Beverages Markets Regulation Agency (TTAMRA), and the Public Procurement Board (PPB) were established in or after 2000. Although they are often included in analyses of IRAs in Turkey, the overall structure and certain aspects of the SA and the TTAMRA are markedly different from the IRAs established for non-agricultural sectors. As calculated by Zenginobuz (2002b) based on Giraldi’s (2002) index, the two agricultural agencies are much less independent from the government’s influence in terms of decision-making and financial matters. Moreover, the law that established the SA to regulate the sugar market contains a sunset clause granting discretion to terminate the activities of the agency at the end of 2004. Hence, the SA is now defunct.

Table 2 Independent Regulatory Agencies in Turkey

Agency	Sector	Law No./Date of Creation
Capital Markets Board(CMB)	Capital markets	Law 2499/1981 Amended 1992,

		1999
Radio and Television Supreme Council (RTSC)	Radio, TV, broadcasting	Law 3984/1994
Competition Agency (CA)	Competition, all sectors	Law 4054/1994 Effective 1997
Banking Regulation and Supervision Agency (BRSA)	Banking	Law 4389/1999 Effective 2000
Telecommunications Agency (TA)	Telecommunications	Law 4502/2000
Energy Markets Regulatory Agency (EMRA)	Electricity, natural gas	Law 4628 and Law 4646/2001
Sugar Agency (SA)	Sugar and sweeteners	Law 4634/2001
Tobacco, Tobacco Products, and Alcoholic Beverages Markets Regulation Agency (TTAMRA)	Tobacco, tobacco products, and alcoholic beverages	Law 4733/2002
Public Procurement Board (PPB)	Public procurement, all public sectors	Law 4734/2002

Table 3 reveals that with the exception of the two IRAs in agricultural sectors and to some extent, the HBRT, the formal independence scores of Turkish IRAs are close to each other across the board. In fact, these scores are comparable to and even higher than the scores for the corresponding IRAs in Western Europe. For example, financial markets IRAs in Belgium, France, Germany, Italy, Sweden, and the UK have formal independence scores of 0.47, 0.60, 0.51, 0.64, 0.54, and 0.56, respectively. The scores for the telecommunications IRAs in the same six countries are, again respectively, 0.36, 0.65, 0.48, 0.71, 0.64, and 0.74 (Giraldi 2002:

879). This observation implies that there may not be a straightforward relationship between administrative traditions and statutory independence granted to IRAs. Thus, it is necessary to bring in *de facto* independence. This is especially the case for developing countries and emerging economies, such as Turkey, which have established IRAs under significant external pressures and constraints and sometimes also in dire times and crises.¹⁴ Under such conditions, the immediate effects of national level factors, including administrative traditions, at the delegation phase may be significantly abated. Yet, they are likely to surface at the post-delegation phase in various forms of resistance.

As widely agreed, real (*de facto*) independence of an IRA may not correspond with its formal (statutory) independence. Level of intervention associated *de facto* (real) independence may be interpreted as a sign of resistance to independent decision making by IRAs as they are legally mandated. In this regard, what has the experience of IRAs been in Turkey thus far? Based on direct semi-structured interviews and questionnaires, Sezen (2007) analyzes the *de facto* autonomy of IRAs in Turkey through an “insiders” (i.e. chairmen, deputy chairmen, and board members) evaluation. She finds that although a great majority of the board members (over 90 %) share the view that legislation “partly” or “completely” secures the formal independence of IRAs, there is the generally agreed opinion that statutory guarantees are

<p>Table 3: Statutory (formal) independence of Turkish regulatory agencies</p>

¹⁴ For an analysis of the conditions and factors that led to the creation of IRAs in Turkey, see Sosay and Zenginobuz (2005).

	A) Agency head status	B) Board member status	C) Relationship with government and parliament	Financial organization and autonomy	Independence index
Competition Agency	0,56	0,56	0,84	1,00	0,74
Public Procurement Board	0,75	0,75	0,85	0,63	0,74
Telecommunications Agency	0,59	0,59	0,84	0,88	0,72
Banking Regulation and Supervision Agency	0,62	0,62	0,84	0,75	0,71
Capital Markets Board	0,62	0,62	0,84	0,75	0,71
Energy Markets Regulatory Agency	0,62	0,62	0,84	0,75	0,71
Radio and Television Supreme Council	0,78	0,78	0,58	0,50	0,62
Tobacco, Tobacco Products, and Alcoholic Beverages Markets Regulation Agency	0,25	0,25	0,67	0,38	0,39
Sugar Agency	0,20	0,20	0,17	0,38	0,23

Source: Zenginobuz (2002b)

weakened by decrees and circulars. Furthermore, about two-fifths of the members included in the study underline sporadic direct and indirect (via the media) interventions from the representatives of regulated sectors, political authorities, and the public bureaucracy in the

decision making process.¹⁵ The potentiality of intervention seems higher at the members' level than at the board level. One reason for this is that it is more difficult to reach the board as a whole than to individual members. Still another reason, which Sezen (2007) does not particularly state, may be the tradition of doing business in Turkey, where personalized, rather than institutionalized ties shape and create expectations about behavior. As also mentioned by some of Sezen's interviewees, courtesy visits by the affiliated minister for a friendly chat with an individual board member just before a strategic decision constitute a way of indirect intervention. Sezen also contends that it is not uncommon for politicians to see the chairmen of the IRAs as their interlocutors. Given that the terms of office of the chairmen and board members are renewable in all Turkish IRAs, except the PPB, expectations for re-appointment creates "a potential incentive for some members to make concessions to those who will re-appoint them" (Sezen 2007: 455). The fact that the board members as well as the general staff of these IRAs are paid high salaries almost unimaginable by traditional bureaucrats in Turkey¹⁶ creates a major incentive to bow to party patronage for reappointment as well as appointment at the first place. (Karacan 2002; Kurnaz 2003)

The extent to which the chairmen and board members of IRAs can resist succumbing to material incentives, to their feelings of indebtedness to their appointees, to politicians' tutelage as well as to external interventions in general is critical. The fact that the majority of those included in Sezen's study did not express an opinion on the question of whether they can resist all kinds of external interventions is somewhat revealing of their uncertainty or unwillingness to reveal what they know to be the case. Only about 17 % of members think that they can resist against interventions "all the time" as about 27 % of members think that IRAs "sometimes" show resistance to interventions.

¹⁵ In this respect, variance across IRAs should be also mentioned. As Sezen reports, "[i]n every board there is at least one member who accepts the existence of intervention, except the Capital Markets Board where all members deny the existence of any intervention. The RTSC and the Telecommunications Agency seem to be the agencies most exposed to external intervention" (2007: 456)

¹⁶ See <http://www.yenimesaj.com.tr/index.php?haberno=6003259&tarih=2006-02-06> for information on salaries and other benefits they enjoy.

Sezen's study based on the evaluations of "insiders" needs to be fleshed out by others' observations and relevant illustrative examples. One general observation is that to an extent unseen in other countries, the boards of the IRAs in Turkey are staffed by former politicians, their supporters and bureaucrats close to politicians. For example, the members of the Telecommunications Agency were selected from among the supporters of the National Action Party (NAP), which was the coalition partner in control of the related ministry when the agency was created (Güçlü 2007).

The terms of office of the chairmen and board members of the Turkish IRAs are five or six years. As included in the laws establishing these agencies, unless they lose the qualifications required for the job or violate laws, the chairmen and the board members cannot be dismissed before the end of their term of office. This is one of the conditions for ensuring the independence of regulatory agencies. However, the implementation of this requirement has also encountered difficulties in Turkey. For instance, when he was brought into the government as the minister affiliated with the BRSA in 2001, Derviş, upon passing a temporary provision to the law, dismissed five board members of the agency before the end of their terms of office and replaced them with those he himself selected.¹⁷ Furthermore, upon Derviş's appointment, the Chairmen of the BRSA, Temizel who had been appointed to the post in 2000, resigned. At the time, the exact reasons for Temizel's resignation were made clear neither by him nor by others. These developments were rather unfortunate as the law establishing the BRSA had just been passed in 1999 and become effective in 2000. Acknowledging the need to enhance the credibility of this young agency, the Prime Minister of the time, Ecevit praised Temizel's performance in the job and asked him to pull back his resignation. Ecevit also emphasized that no decision or activity of the BRSA had been intervened and that it was legally impossible for

¹⁷ It is also interesting to note that at the core of the legal battle which one of the dismissed members (to constitute a precedent for other members as well) started was compensation for their losses (they could receive salaries for 15 months instead of 72 months) with interest. (<http://www.bugun.com.tr/haberler/300807/p63635y139.asp>)

the BRSA to be put under the affiliated minister's control.
(http://www.belgenet.com/2001/zt_03031.html)

Unlike Temizel, his successor, Akçakoca was rather forthcoming in explaining why he also resigned from the Chairmanship of the BRSA in 2003, 2.5 years after his appointment. Being also the only BRSA board member who had not been dismissed by Derviş in 2001, Akçakoca stated his and the board members' discomfort regarding the recurring inspections of their decisions by the inspectors of the Prime Ministry, which is also a problem underlined by Karacan (2002) in connection with all the IRAs in Turkey. Such inspections of decisions are not among the accountability requirements included in the Banking Law establishing the BRSA. In regards to its substantive decisions, the agency's legal obligation towards the affiliated minister, the Council of Ministers and the Parliament includes only annual reporting.¹⁸ Hence, Karacan's (2002) observation that the Turkish politicians replace the concept of "accountability" with the concept of "inspectability" seems on the mark. In his opinion, this damages not only the independence, but also the effectiveness of the IRAs in Turkey (2002: 39). In line with this argument, Akçakoca, right before this resignation, was also quoted as saying:

In my opinion, this resignation is the end of independent boards in Turkey. If a person who is appointed to this position for six years has to leave in 2.5 years because of pressures and adverse developments, one cannot speak of the existence of independent boards. It is not sufficient to say we have made the board independent. You must also guarantee the independence of the person chairing that board.¹⁹

Praising the qualifications and performance of those who worked in the BRSA and the need to avoid actions and statements that could offend and upset them, Akçakoca also stated that there were politicians, bureaucrats, and civil society organizations that could not accept the BRSA, that the agency's efforts to do business ran into bureaucratic impediments, and that the agency

¹⁸ The law provides for financial oversight by a committee appointed by the Minister affiliated with the agency and consisting of an inspector from Court of Accounts, an inspector from the Ministry of Finance, and an inspector from the Prime Ministry and judicial oversight by the Council of State. Whether the law provides sufficient guarantees to ensure the accountability of the BRSA can be contested. Yet, the issue here is whether the inspections were in compliance with the law in effect.

¹⁹ See <http://www.radikal.com.tr/yazici.php?haberno=94512&tarih=01/11/2003>

had been tried to be worn out systematically and from time to time, intentionally since its activation in 2000.²⁰

As the government in office when the IRAs increasingly became more active and visible players in the Turkish political economy, the first AKP government's (2003-2007) attitudes and actions towards the IRAs are particularly relevant in examining their "embedding" into the Turkish administrative tradition. In 2005, about two years after the AKP came to power, Küçükkaya (2005) wrote: "There is a deep crisis of mutual [dis]trust between the AKP government and the IRAs. The AKP sees the IRAs as a locus of power limiting their authority... Some AKP leaders even hold strong beliefs that these agencies are working against them... The board members of the IRAs, on the other hand, think that the government is trying to destroy them, replace them with the AKP supporters, and put an end to the independence of their agencies." These fears were not actually unsubstantiated. Sağlam (2005) pointed to the Undersecretariat of the Prime Ministry as the institution that assumed the mission to diminish the effectiveness of the IRAs, to place them back under political authority, and to take control of their boards. The new appointments the AKP government made to the IRA boards were, indeed, selected among its sympathizers. For example, when a board membership became vacant, the Deputy Prime Minister Şener appointed his own advisor to the Capital Markets Board in June 2007 (ANKA, 28 June 2007). The balance in composition of the Competition Board was changed in favor of the AKP. Legal arrangements to select the members of the RTSC according to political party quotas were started to be formulated. In brief, it seems that loyalty more than merit remains the main appointment criterion and that the IRAs have not been immune from party-centered politics, patrimonialism and patron-client relations.

Persistent clientelism has also been evident in the AKP government's efforts first to postpone going into effect, later to amend the Public Procurement Law involving the creation of

²⁰ For Akçakoca's statements, also see <http://webarsiv.hurriyet.com.tr/2003/10/27/363174.asp>

an IRA in this area, namely, the Public Procurement Board and scheduled to go into effect on January, 1, 2003. The AKP was simply resisting the original Public Procurement Law and the activation of an independent Public Procurement Board because they would hamper its ability to selectively target benefits to its constituencies. Among the amendments proposed by the government, there were the proposals to curb the autonomy of the PPB and to introduce a scheme to issue contractor “report cards”. According to Patton (2006), in this instance, the objective of the AKP government was to allow preferential treatment for contractors who were its supporters, most importantly, the *nouveau* rich religiously conservative Anatolian provincial businessmen and industrialists. As such, the AKP government’s resort to the long known and tried strategy of selectively targeting benefits was a clear indicator of ongoing clientelism in a society where impersonal, institutionalized links between the elected politicians and citizens remained underdeveloped.

The impact of established clientelistic practices is also evident in the behavior of societal groups. For instance, in 2006, the EMRA issued decisions penalizing twenty eight petroleum companies for unlawful action and declared a deadline date for the payment of fines. The companies did not pay the fines past the deadline with the expectation that there would be an amnesty (*Yeni Şafak*, 30 October 2006). Even though the minister affiliated with the EMRA announced that there was no consideration of such an amnesty, its being regarded as a possibility by the companies reflects how their expectations and behavior are shaped by accustomed practices where the patrons (i.e. the politicians) protect the interests of their clients in return for political support. It is evident that the authoritative position of the IRAs is not sufficiently understood or internalized by most Turkish citizens who assume that the decisions by the IRAs can be easily overturn or made ineffective by elected politicians.

Still another example gives additional clues regarding the impact of deep-rooted frames of mind conditioned by the past on the behavior of societal groups in Turkey. In 1999, a

proposal to amend the Capital Markets Law was to be discussed in the related commission of the Turkish parliament. This was an opportunity for the Turkish Industrialists and Businessmen Association (TÜSİAD), which is often viewed as one of the, if not the, most influential organized interest group in Turkey, to be represented in the parliamentary commission meeting and to communicate its criticisms regarding the proposed amendment including extension of the terms of office of the Chairman and members of the Capital Markets Board. However, no TÜSİAD member volunteered to attend the meeting. Even those who were particularly requested to represent the Association shied away. Berberoğlu (1999) offers an explanation for this: “Managers and members [of TÜSİAD] own companies, banks or intermediary institutions open to public. Any harsh criticism made in the parliament can touch a chord in the Capital Markets Board. Being aware of the powers of the Board, businessmen in TÜSİAD probably preferred to avoid that.” The businessmen evidently did not want either to be unfairly penalized by the CMB or to damage their clientelistic links with the CMB by offending it. In either likelihood, what they did (or rather, did not do) reflects a doubt in the CMB’s ability to make purely rule-based, impartial, and independent decisions. In other words, the TÜSİAD members’ attitude towards the CMB which is the oldest IRA in Turkey, appears to be tainted by time-honored norms and practices.

In sum, although there is the need to further expand and deepen the qualitative analysis presented in this section, the evidence displayed thus far reveals the challenges experienced in “embedding” the IRAs, as they are ideally modeled, into the Turkish polity. Expectations and behavior of actors, including the elected politicians, bureaucrats, regulocrats of the IRAs, organized and unorganized citizens, continue to be affected by entrenched norms, values, and practices.

Concluding Remarks

The analysis presented in this paper provides empirical support for the argument that there is incompatibility between the fundamental characteristics of Turkey's administrative tradition and the principles of NPM in general and delegation of authority to IRAs in particular. While the difficulties generated by this incompatibility could be overcome at the delegation phase owing for the most part to powerful external pressures, resistance against IRAs persists at the post-delegation phase. As also confirmed by the EU and the IMF reports, despite the existence of some persistent problems and weaknesses, most of which are caused by external interventions and bureaucratic obstacles, many of these agencies have improved their performance over the years. Nevertheless, they are still not fully respected and embraced by politicians and traditional bureaucrats. The public is also skeptical. At the beginning, the perception that the IRAs would be new "barley sheds" ("*arpalik*")²¹ and that their being independent would further encourage this was quite wide-spread. Some years of experience with the IRAs have not been able thoroughly wipe out this negative perception which is very much influenced by the people's experience with politicians and bureaucrats who are among the groups least trusted by the Turkish citizens. In brief, the expectations, attitudes and behavior of not only the politicians and bureaucrats, but also of the citizens molded by decades (if the Ottoman legacy is also considered, even centuries) of conditioning around certain values, norms, and practices do not provide a friendly environment for "embedding" IRAs.

Where to, then? Traditions die hard. Therefore, expecting an overnight transformation which would create a friendly environment for the IRAs would be too optimistic. Moreover, even in countries where the administrative tradition facilitates delegation of authority to IRAs, they are not immediately and wholeheartedly accepted. It takes years after their creation for these agencies to build credibility and legitimacy that notably rely on their performance. Authority may be delegated to an IRA by merely passing a law; however, building an institution

²¹ In Turkish, the term is used to refer to organized institutions that generate and deliver large and unwarranted benefits to those employed by or associated with them.

that can perform is a lengthy process. The IRAs in Turkey are at the early stages of institutionalization. The fact that they are trying to achieve this in the environment described in previous sections may make the process even lengthier than elsewhere. According to Sağlam (2005), thus far, the IRAs in Turkey have not been able to develop their own organizational cultures as the conventional conception of bureaucracy has not changed. Still, in Turkey, there is the example of an independent Central Bank which has been able to institutionalize, develop an organizational culture, and perform well. A scenario where the IRAs in Turkey can eventually achieve the same is not out of the range of possibility.

Another likelihood that should be considered is the gradual adaptation of the IRAs to the Turkish administrative tradition so as to become *a la Turca* institutions. As IRAs enjoying low statutory independence, the SA and TTAMRA were established as *a la Turca* IRAs to maintain some state control over liberalized markets for sugar and tobacco. However, the other economic regulation IRAs, namely, the CMB, CA, BRSA, EMRA, TA, and PPB, were designed under the purview of the IMF, the World Bank, and the EU. Hence, they have high statutory independence and closely resemble the IRA model promoted by these external actors. Will these six IRAs evolve and operate as their designers intended) Or unable to overcome various forms of resistance, will they gradually turn into *a la Turca* institutions, as well?

In Turkey, there are those who believe that if it were not for the constraints imposed by the IMF, the World Bank, and the EU, the Turkish politicians have already taken control of the IRAs by *de jure* and/or *de facto* measures. After all, it is in the power of the elected politicians to amend the laws delegating authority to the IRAs and even to legally take back the authority delegated. As exemplified by the Public Procurement Law and the Capital Markets Law above²², amendments do actually come to the executive and legislative agendas from time to time. Nonetheless, it is highly likely that the continuing leverages of the IMF, the World Bank, and the EU will keep changes within limits, as they have done so thus far.

²² See pp. 29 and pp. 30

Finally, the significance of the Chairmen and board members of the IRAs not succumbing to traditional ways should be also underlined. What they do independently matters in all national contexts. This is even more critical in a country where they are not easily accepted as credible and legitimate actors. Hence, they have to be careful not only in dealing with technical issues and decisions that reflect on their professional performance, but in everything they do under the watchful eyes of the Turkish media. Otherwise, they cannot avoid being the targets of demeaning comments undermining what credibility and legitimacy they could gain. To give an example showing what they are up against, a quote from Dođru's (2004) is in order:

[IRAs] have turned into independent farms. Each has become a duchy. For example, the CMB, although its headquarters is in Ankara, bought a flat in a luxurious plaza in İstanbul for 21 trillion liras. The EMRA also bought a flat in the same plaza for 13 trillion liras; it remains unoccupied for two years. And for an office to nobody drops by, [the EMRA] is making a fixed payment of 400 billion liras annually. And it is filling its "privileged" ("torpilli")²³ cadres with the sons and daughters of ex-ministers, governors, chairs of the inspection board, undersecretaries.

If the IRAs in Turkey continue to being likened to "barley sheds", "independent farms", or "duchies" and what they do or do not do provide a sound basis for these comparisons, it may be difficult to defend that the IRAs are not acquiring an *a la Turca* flavor.

Bibliography

Barzelay, M. (2001) *The New Public Management: Improving Research and Policy Dialogue*, Berkeley, CA: University of California Press

Berberođlu, Oya (1999) "Devlerin Reyting Yarış", *Hürriyet*, 17 October 1999

Bevir, Mark, R. A. W. Rhodes, and Patrick Weller (2003) "Traditions of Governance: Interpreting the Changing Role of the Public Sector", *Public Administration*, 81, 1: 1-17

Birnbaum, Pierre (1987) "France: Polity with a Strong State" in Metin Heper, ed. *The State and Public Bureaucracies: A Comparative Perspective*, Westport, Connecticut: Greenwood Press

²³ More accurately, the term refers to discriminatory decision or action in favor of specific individuals or groups.

- Bouckeaert, Geert and Peters, Guy B. (2004) "Symposium on the Diffusion of the Agency Model: Guest Editors' Preface", *Public Administration and Development*, 24, 2: 1-2
- Braun, Dietmar and Fabrizio Gilardi (2006) "Introduction" in Dietmar Braun and Fabrizio Gilardi, eds., *Delegation in Contemporary Democracies*, London and New York: Routledge
- Brinkerhoff, Derick W. and Arthur A. Goldsmith (2002) "Clientelism, Patrimonialism and Democratic Governance: An Overview and Framework for Assessment and Programming", IQC# AEP-I-00-00-00005-00 Task Order No. 4801-003-01, Cambridge, MA: Abt Associates Inc.
- Capano, Giliberto (2003) "Administrative Traditions and Policy Change: When Policy Paradigms Matter. The Case of Italian Administrative Reform During the 1990s", *Public Administration*, 81, 4: 781-801
- Carpenter, Daniel (2001) *The Forging of Bureaucratic Autonomy: Network, Regulations and Policy Innovation in Executive Agencies, 1862-1928*, Princeton, NJ: Princeton University Press
- Caulfield, Janice, Guy B. Peters, and Geert Bouckeaert (2006) *Public Administration and Development*, 26, 1
- Christensen, Jørgen Grønnegaard and Kutsal Yesilkagit (2006) "Political Responsiveness and Credibility in Regulatory Administration", paper presented at the ECPR Conference of Regulatory Conference Bath, UK, 7-8 September 2006
- Coen, David and Mark Thatcher (2005) "The New Governance of Markets and Non-Majoritarian Regulators", *Governance: An International Journal of Public Administration and Institutions*, 18, 3: 329-346
- Doğru, Necati (2004) "BağımsızÇiftlikler Cumhuriyeti", *Vatan*, 11 December 2004
- Davison, Roderic (1963) *Reform in the Ottoman Empire, 1856-1876*, Princeton: Princeton University Press
- Elgie, Robert (2003) "Governance Traditions and Narratives of Public Sector Reform in Contemporary France", *Public Administration*, 81, 1: 141-162
- ___ (2006) "Why Do Governments Delegate Authority to Quasi-Autonomous Agencies? The Case of Independent Authorities in France", *Governance: An International Journal of Public Administration and Institutions*, 19, 2: 207-227
- Ercan, Metin R. and Ziya Öniş (2001) "Turkish Privatization: Institutions and Dilemmas", *Turkish Studies*, 2, 1: 109-134
- Erel, Teoman (1981) "Ufalanma Korkusu", *Milliyet*, 4 December 1981

- Ferlie, Ewan, Lynn Ashburner, Louise Fitzgerald, and Andrew Pettigrew (1996) *The New Public Management in Action*, Oxford: Oxford University Press
- Findley, Carter V. (1980) *Bureaucratic Reform in the Ottoman Empire: The Sublime Porte, 1789-1922*, Princeton, NJ: Princeton University Press
- Giraldi, Fabrizio (2002) "Policy Credibility and Delegation to Independent Regulatory Agencies: A Comparative Empirical Analysis", *Journal of European Public Policy*, 9, 6, pp. 873-893
- ___ (2004) *Delegation in Regulatory State: Origins and Diffusion of Independent Regulatory Agencies in Western Europe*, unpublished Ph. D. Dissertation, Université de Lausanne, Switzerland
- ___ (2005) "The Institutional Foundations of Regulatory Capitalism: The Diffusion of Independent Regulatory Agencies in Western Europe", *The Annals of the American Academy of Political and Social Science*, 598 (March), pp. 84-101
- Güçlü, Serdar (2007) "Seçim Beyannamelerine Göre Partiler Telekom Alanında Neler Vaat Ediyor)", available at <http://turkey.internet.com/haber/yaziyaz.php3?yaziid=1868>
- Heper, Metin (1976) "Political Modernization as Reflected in Bureaucratic Change: The Turkish Bureaucracy and a 'Historical Bureaucratic Empire' Tradition", *International Journal of Middle East Studies*, 7, 4: 507-521
- ___ (1979-1980) "Recent Instability in Turkish Politics: End of a Monocentrist Polity?", *International Journal of Turkish Studies*, 1: 102-113
- ___ (1985a) "The State and Public Bureaucracies: A Comparative and Historical Perspective", *Comparative Studies in Society and History*, 27, 1: 86-110
- ___ (1985b) *The State Tradition in Turkey*. Hull, UK: The Eothen Press
- ___ ed., (1987) *The State and Public Bureaucracies: A Comparative Perspective*, Westport, Connecticut: Greenwood Press
- ___ (1990a) "The State and Debureaucratization: The Turkish Case", *International Social Science Journal*, 126: 611-615
- ___ (1990b) "The State, Political Party and Society in post-1983 Turkey", *Government and Opposition*, 25, 3: 321-333
- ___ (1992) "The Strong State as a Problem for the Consolidation of Democracy: Turkey and Germany Compared", *Comparative Political Studies*, 25, 2: 169-194
- Heper, Metin and A. Ümit Berkman (1980) *Development and Administration in Turkey*, Istanbul: Boğaziçi University Press

- Heper, Metin and M. Selçuk Sancar (1998) "Is Legal-Rational Bureaucracy a Prerequisite for a Rational- Productive Bureaucracy? The Case of Turkey", *Administration and Society*, 30, 2: 143-166
- Hood, Christopher (1991) "A Public Management for All Seasons", *Public Administration*, 69: 3-19
- Huber, John D. and Charles R. Shipan (2002) *Deliberate Discretion? The Institutional Foundations of Bureaucratic Autonomy*, New York: Cambridge University Press
- Huntington, Samuel P. (1968) *Political Order in Changing Societies*, New Haven and London: Yale University Press
- Ilchman, Warren I. (1969) "Productivity, Administrative Reform and Antipolitics: Dilemmas for Developing Countries" in R. Braibanti, ed., *Political and Administrative Development*, Durham, NC: Duke University Press
- Jordana, Jacint and David Levi-Faur (2005) "The Diffusion of Regulatory Capitalism in Latin America: Sectoral and National Channels in the Making of a New Order", *The Annals of the American Academy of Political and Social Science*, 598 (March), pp. 102-124
- Karacan, Ali İhsan (2002) *Özerk Kurumlar Üzerine Denemeler*, Istanbul: Creative Yayıncılık
- Kurnaz, Hikmet (2003) "Türkiye'de Üst Kurulların Çelişkili Gerçeği ve BDDK-I", *İktisat İşletme ve Finans*, 18: 81-91
- Küçükaya, İsmail (2005) "Ak Parti'nin Özerk Kurullar Sorunu", *Akşam*, 26 May 2005
- Levi-Faur, David (2003) "The Politics of Liberalisation: Privatisation and Regulation-for-Competition in Europe's and Latin America's Telecoms and Electricity Industries", *European Journal of Political Research*, 42, pp. 705-740
- ___ (2005) "The Global Diffusion of Regulatory Capitalism", *The Annals of the American Academy of Political and Social Science*, 598 (March), pp. 12-32
- Levi-Faur, David and Eran Vigoda-Gadot eds., (2004) *International Public Policy and Management: Policy Learning Beyond Regional, Cultural, and Political Boundaries*, New York: Marcel Dekker
- Levi-Faur, David, Jacint Jordana, and Fabrizio Giraldo (2005) "Regulatory Revolution by Surprise: On the Citadels of Regulatory Capitalism and the Rise of Regulocracy", paper prepared for the 3rd ECPR Conference, 8-10 September 2005, Budapest, Hungary
- Loughlin, J. (1994) "Nation, State, and Region in Western Europe" in L. Beckemans, ed., *Culture: The Building Stone of Europe*, Brussels: Presses Interuniversitaires
- Majone, Giandomenico (1994) "The Rise of the Regulatory State in Europe", *West European Politics*, 17, 3: 77-101

- ___ (1997) “From the Positive to the Regulatory State: Causes and Consequences of Changes in the Mode of Governance”, *Journal of Public Policy*, 17, 2: 139-167
- ___ (2001a) “Nonmajoritarian Institutions and the Limits of Democratic Governance: A Political Transaction-Cost Approach”, *Journal of Theoretical and Institutional Economics*, 157: 57-78
- ___ (2001b) “Two Logics of Delegation: Agency and Fiduciary Relations in EU Governance”, *European Union Politics*, 2, 1: 103-121
- Mardin, Şerif (1980) “Turkey: The Transformation of an Economic Code” in E. Özbudun and A. Uluşan, eds., *The Political Economy of Income Distribution in Turkey*, New York: Holmes and Meirs
- Maor, Moshe and G. W. Jones (1999) “Varieties of Administrative Convergence”, *The International Journal of Public Sector Management*, 12, 1: 49-59
- Milliyet* (Turkish daily newspaper) various issues
- OECD (2002) *Distributed Public Governance: Agencies, Authorities and Other Government Bodies*, Paris: OECD
- Olsen, Johan P. (2005) “Maybe It Is Time to Rediscover Bureaucracy”, *Journal of Public Administration Research and Theory*, 16: 1-24
- Osborne, David and Ted Gaebler (1993) *Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector*, New York: Plume
- Önis, Ziya (1992) “Redemocratization and Economic Liberalization in Turkey: The Limits of State Autonomy”, *Studies in Comparative International Development*, 27, 2: 3-23
- Özbudun, Ergun (1981) “Turkey: The Politics of Clientelism” in S. N. Eisenstadt and R. Lemarchand, eds., *Political Clientelism, Patronage, and Development*, London: Sage
- ___ (1996) “Turkey: How Far From Consolidation”, *Journal of Democracy*, 7, 3: 123-138
- Patton, Marcie J. (2006) “The Economic Policies of Turkey’s AKP Government: Rabbits from a Hat?”, *The Middle East Journal*, 60, 3: 513-536
- Perez-Diaz, V. M. (1993) *The Return of Civil Society*, Cambridge, MA: Harvard University Press
- Peters, B. Guy (2001) *The Politics of Bureaucracy*, 5th ed., London and New York: Routledge
- ___ (2000) “Four Main Administrative Traditions”, available at <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTPUBLICCTORAN..>

- Pierre, J. (1995) "Comparative Public Administration: The State of the Art" in J. Pierre, ed., *Bureaucracy in the Modern State: An Introduction to Comparative Public Administration*, Edward Elgar, Aldershot
- Powell, G. B., Jr. (1981) "Party Systems and Performance: Political Power, Voting Participation, Government Stability and Mass Violence in Contemporary Democracies", *American Political Science Review*, 75: 861-879
- Sağlam, Erdal (2005) "Bağımsız Kurumlar AB Gündeminde", *Hürriyet*, 14 November 2005
- Sayarı, Sabri (1977) "Political Patronage in Turkey" in E. Gellner and J. Waterbury, eds., *Patrons and Clients in Mediterranean Societies*, London: Duckworth
- Sezen, Seriye (2007) "Independent Regulatory Agencies in Turkey: Are They Really Autonomous?", *Public Administration and Development* (in press), published online in Wiley InterScience (www.interscience.wiley.com), DOI: 10.002/pad.448
- Sosay, Gül and Ünal Zenginobuz (2005) "Independent Regulatory Agencies in Emerging Economies", Boğaziçi University, Research Papers, ISS/EC 2005-10
- Sozen, Süleyman and Ian Shaw (2002) "The International Applicability of 'New' Public Management: Lessons from Turkey", *The International Journal of Public Sector Management*, 15, 6/7: 475-486
- ___ (2003) "Turkey and the European Union: Modernizing a Traditional State?", *Social Policy and Administration*, 37, 2: 108-120
- Sönmez, Ümit (2004) "Independent Regulatory Agencies: The World Experience and the Turkish Case", Unpublished M.Sc. Thesis, Department of Political Science and Public Administration, Middle East Technical University, Ankara
- Strøm, Kaare (2000) "Delegation and Accountability in Parliamentary Democracies", *European Journal of Political Research*, 37: 261-289
- Suleiman, Ezra N. (1974) *Politics, Power, and Bureaucracy in France: The Administrative Elite*, Princeton: Princeton University Press
- ___ (1978) *Elites in French Society: The Politics of Survival*, Princeton: Princeton University Press
- Sunar, İlkay (1973) "A Preliminary Note on the Politics of Civil Society Formation in Turkey", *Ankara Üniversitesi SBF Dergisi*, 28: 73
- ___ (1974) *State and Society in the Politics of Turkey's Development*, Ankara: AÜSBF
- Tan, Turgut (2000) "Bağımsız İdari Otoriteler (Autonomous Administrative Bodies)" in İ. Atiyas (ed.), *Devletin Düzenleyici Rolü: Türkiye'de Elektrik ve Telekomünikasyon Sektörlerinde Özelleştirme ve Rekabet (The Regulatory Role of State: Privatization and Competition in Turkish Electricity and Telecommunications Industries)*. Istanbul: Tesev Yayınları.

- Thatcher, Mark and Alec Stone Sweet (2002) "Theory and Practice of Delegation to Non-Majoritarian Institutions", *West European Politics*, 25, 1: 1-22
- Toker, Metin (1970) *Tek Partiden Çok Partiye*, İstanbul: Milliyet Yayınları
- Turan, İlter (1984) "Continuity and Change in Turkish Bureaucracy: Kemalist Period and Its After" in Jacob Landau, ed., *Atatürk and the Modernization of Turkey*, Boulder, Colorado: Westview Press
- TÜSİAD (2002), *Bağımsız Düzenleyici Kurumlar ve Türkiye Uygulaması*, Yayın No. TÜSİAD-T/2002-12/349, İstanbul.
- Yamamoto, Kiyoshi (2006) "Performance of Semi-Autonomous Public Bodies: Linkage Between Autonomy and Performance in Japanese Agencies", *Public Administration and Development*, 26, 1: 35-44
- Yesilkagit, Kutsal (2004) "Bureaucratic Autonomy, Organizational Culture, and Habituation: Politicians and Independent Administrative Bodies in the Netherlands", *Administration and Society*, 36: 528-552
- Weber, Max (1978) *Economy and Society*, Vol. 1, Berkeley: University of California Press
- Wilson, James Q. (1975) "The Rise of the Bureaucratic State", *The Public Interest*, 41: 77-103
- Zenginobuz, E. Ünal (2002a) "Uluslararası Karşılaştırmalar", in *Bağımsız Düzenleyici Kurumlar ve Türkiye Uygulaması*, Yayın No. TÜSİAD-T/2002-12/349, İstanbul
- ___ (2002b) "Political Economy of Independent Regulatory Authorities: Some Observations on the Case of Turkey", manuscript, İstanbul.