THE IMPACT OF SOCIAL TRAUMA ON BUSINESS ETHICS:

THE CASE OF CYPRIOT TURKS

A thesis submitted for the degree of Doctor of Philosophy

By

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Abstract

The drive that initiated this doctoral thesis was the absence of a resource that investigated social trauma's effect on business ethics; therefore this thesis investigates the relationship between social trauma and business ethics practices aiming to make the first contribution on an academically untouched topic. As in the case of individual psychology, social psychology also examines matters on a case-to-case basis for a clear understanding of the underlying phenomena and complex processes. Hence, considering the past and the current characteristics of Cypriot Turks of North Cyprus, they were chosen as the case study society.

In order to explore social trauma's impact on business ethics, different disciplines were uniquely synthesized through particular lenses; large group psychology, business-government-society relationship and individual ethical decision-making.

The absence of previous work in this area suggested exploratory, qualitative research to be the optimum approach. Rich primary and secondary data were collected through interviews, observations, photographs and documents. The resulting data analysis and findings contribute to the current body of research on business ethics, social trauma and business-government-society relationship at the empirical and conceptual levels. The key contribution of this research is to substantiate the link between social trauma and business ethics, and the way social trauma causes unethical behaviour through its effect on the institutions and individual-social interaction.

Furthermore, a model of social trauma and business ethics relationship was developed which also provides a framework for potential future research in other social contexts. Even after decades, social trauma can impact on the conduct of business and can interfere with the individual ethical decision-making process in multiple ways; the causes and consequences of this are discussed in depth. The way this impact occurs and its particulars may differ from one large group to another, and this should be noted before the framework is applied to any other society.

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Acronyms and Abbreviations

£C: Cyprus Pound

AKEL: Progressive Party of the Working People

USSR: The Union of the Soviet Socialist Republics

ENG: English

BGS: Business-Government-Society

Buffer Zone (Green line): The line that divides south and north Cyprus, which is under the administration of United Nations.

CMD: Cognitive Moral Development

CSR: Corporate Social Responsibility

CTP: Cumhuriyetçi Türk Partisi [ENG: Republican Turkish Party]

De Facto: including both citizen and non-citizen population.

De Jure: Lawful, including only citizens.

ENOSIS: Movement to unite Cyprus with Greece

EOKA: National Organization of Cypriot Fighters

EU: European Union

GBP: Great Britain Pound

GDP: Gross Domestic Product

GR: Greek

TR: Turkish

ELAS: Greek People's Liberation Army

KTFD: Kıbrıs Türk Federe Devleti [ENG: Cyprus Turkish Federated State]

MNCs: Multi-National Corporations

MP: Member of the Parliament

MYK: Merkez Yönetim Kurulu [Headquarters' Board of Directors]

NGOs: Non-Governmental Organisations

ÖRP: Özgürlük ve Reform Partisi [ENG: Freedom and Reform Party]

PTSD: Post Traumatic Stress Disorder

SMEs: Small and Medium-Sized Enterprises

TL: Turkish Lira

TMT: Türk Mukavemet Teşkilatı [ENG: Turkish Resistance Organisation]

TRNC: Turkish Republic of Northern Cyprus

UK: United Kingdom
US / USA: United States / United States of America

UN: United Nations

UNDP United Nations Development Programme

UNFICYP: United Nations Peace Keeping Force in Cyprus

USD: United States Dollars

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CHAPTER ONE

INTRODUCTION

1.1. Introduction: Research Focus

This thesis investigates the relationship between social trauma and business practices focusing on Cypriot Turk entrepreneurs' accounts, aiming to shed light on an academically untouched topic and region.

In order to explore social trauma's impact on business practices from an ethical perspective, different disciplines were uniquely synthesized; namely, large group psychology through a psychoanalysis lens; politics through business-government-society relationship based on dominance theory and business ethics through individual decision-making processes.

Figure 1: Dimensions of this Research

This research is first in its area and it integrates two distinctive disciplinary areas, social trauma and business ethics. Politics, specifically business-government-society relationship and de facto states literature, serves as a bridge in the investigation of the link between social trauma and business ethics. The reason why it is chosen as bridge is politics' active and direct involvement in business practices and on social and governmental institutions.

Figure 2: Unique Contribution
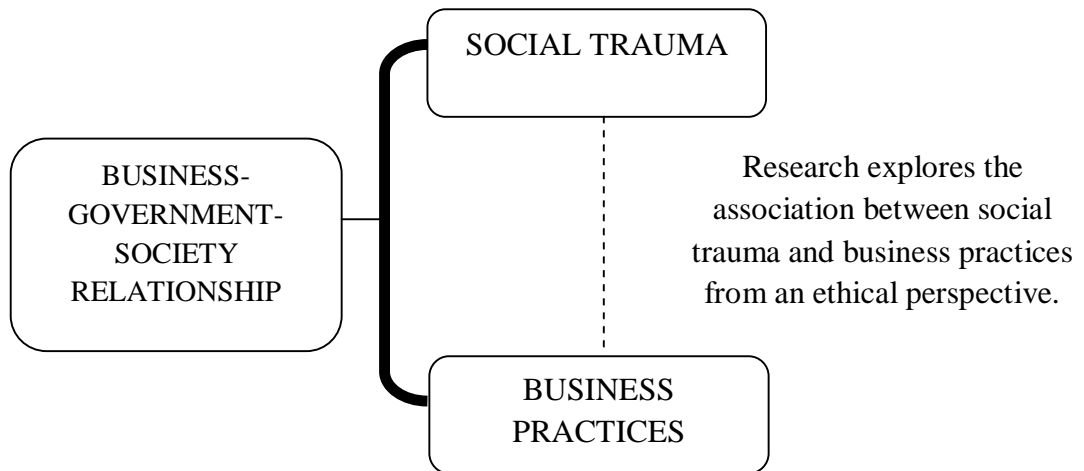
This chapter will define the context that the research is in, starting with individual's need to live in groups, which is followed by the brief review of massive social trauma and large-groups. Following that, a discussion of business ethics, entrepreneurship and society will be presented focusing on SMEs. A focused review of de facto states will be given within the framework of ethnic large-groups with massive trauma. Next the dominance model will be presented which is an assumption on business – government – society relationship and helps to understand economic skeletons of de facto states. After that a discussion of why an interdisciplinary approach and specifically large-group psychology has been adopted will be presented following a brief discussion on the research problem, framework and methodology.

It is discussed in business ethics literature vigorously that various factors impact on the way individuals perceive and practice morality in both private and professional life (Kohlberg, 1968; Trevino, 1986; Jones, 1991). The factors that have been covered ranged from individual to organisational to external factors; however to date no study looks into the relationship of social trauma and business ethics (Forsyth, 1980; Longenecker et al., 2006; Ford & Richardson, 1994; O'Fallon & Butterfield, 2005; Stead et al., 1990). Seeking to uncover the socially traumatising events' impact on the business environment, first of all, large group psychology is investigated so that social trauma's impact could be better understood as individuals make up societies and it also provides this piece of research a wider perspective in

understanding human behaviour (Volkan, 2006d; Volkan, 2004; Sztompka, 2004; Robben & Suárez-Orozco, 2000a). Secondly, business ethics was another disciplinary area that this research was informed from, however because of this research's nature, rather than adapting certain theories and attempting to interpret data through those, it was more appropriate to gather what the literature provides in terms of individual ethical behaviour, what constitutes morality, different perspectives on what is ethical and not provided the grounds to later on decide and discuss the types of behaviours that are considered as unethical; thus served both as a reference and as part of the analysis process (Kant, 1989; Bentham, 1879; Locke, 1980; Solomon, 2006). Lastly, business-government-society relationship is looked into within the de facto states boundaries as it serves as a bridge as mentioned earlier, that contributes to our understanding of politically problematic regions and the co-dependent way that businesses and governments work (Steiner & Steiner, 2008; Lynch, 2004; Mills, 1956). North Cyprus is a de facto state (for more detail, please see section 1.2.4 in this chapter); therefore the de facto state literature provides crucial contextual information to understand Cypriot Turk entrepreneurs.

1.2. Contextualisation of the Research

1.2.1. Individual's Need to Live in Groups

Since the early days of humanity, individuals have been living in groups; the emergence of a shared identity and belonging to a group dates back to the hunting and gathering stage where shared identity were experienced by tribes which included approximately 28 people (Martin, 1973). Before moving forward, it is important to clearly define what is meant by large groups in this research. The definition of what constitutes a large group is derived from psychoanalytic literature as the analysis perspective is a social psychology lens. Other than exceptions, in the literature small groups are made up of seven to 15 members and large groups consist of 30 to 150 members (Kernberg, 2003). However, in this research large groups refer to tens, hundreds of thousands or millions of members (Volkan, 2006a).

Starting with the hunting and gathering stage, many developments occurred in the large-group structures; from hunting and gathering tribes, to city-states, to nation-states which are based on common religious beliefs, linguistic and cultural

characteristics humans interacted in and experienced their large-group identities in various structures (Chittolini, 1989; Rejai & Enloe, 1969).

One of the characteristics of large-groups is that, individuals belonging to a large group continuously are in interaction and an individual member's comprehension of the world is shaped by other members who he/she interacted with before and/or are interacting with in present (Burr, 2003). Aristotle's famous quote "Man is a social animal" and the arguments which followed it led to an understanding of individual's dependency on society (large-group) (Searle, 2003). There is an agreement between Socratic, Aristotelian and Platonic traditions that society is a good thing for humans; also according to Locke and Aquinas; "full perfection of the individual physically, intellectually and spiritually depends on a healthy relationship with others" (Burt, 1999:56). Hegel and Marx state that collectivity gives individuals the whole value (Burt, 1999). Thus, the interdependency between society and its individuals are undeniable.

1.2.2. Massive Social Trauma and Large Groups

Remembering Burr's (2003) comments, there is a continuous interaction between a large-groups members and their society (the large-group), and when a traumatic event such as; terrorism, war, war like conditions, oppression by a dictator occurs social trauma follows which impacts on the large-group (even if not all of the members are directly affected still everyone may feel the impact) and certain processes take place (Erikson, 1995; Robben & Suárez-Orozco, 2000a; Volkan, 2004). One of the recent examples of massive social trauma is 9/11 (terrorist attacks to World Trade Centre, twin towers in the USA) where consequences followed. When individual's large-groups identities are threatened as in the case of 9/11, large-group regression occurs with certain changes in the large-group and its members, and regressed large-groups are open to political manipulation which can be dangerous in some cases (Volkan, 2004).

There are countless studies which examine social trauma's impact on individual members of large-groups (Danieli, 1998; Alexander et al., 2000; Sztompka, 2000); social trauma's impact on the physiological health of individuals (Snell & Graham, 1971; Graham et al., 1971); and on creative artists (Weine, 1996). Also social trauma's inter and transgenerational transmission to younger generations

were also researched mainly through Holocaust survivors and their descendants (Volkan, et al., 2002; Lazar et al., 2008; Virág, 2000). Yet to date there is only limited study done on large-group psychology and social trauma's impact on large-groups and these studies are mostly done by V.D. Volkan. Besides Volkan's work, single-time studies are done by a couple of other scholars such as Sorokin who studied the psychology of revolutionary society in his book "The Sociology of Revolution" which was published in 1967.

Diverse factors may cause social trauma and when it is experienced, certain conditions alter the perceptions, behaviours, expectations, actions and thought patterns of the members of a large-group. These changes are accompanied by certain anxieties (Volkan, 2004; Sztompka, 2000). This process of change in the large-group and its members undoubtedly reflects not only on their social and private lives but also reflects on their professional lives and the business environment as well.

Whenever a large-scale transformation happens, usually macro-level factors are used to explain the causes. For example, in an economic crisis, more clearly visible causes such as budget cuts, high interest rates and monetary policies are taken into consideration rather than micro-level factors such as psychology (Volkan, 2007). However, it is the micro-level factors that are hidden behind the macro-level factors, which are in actuality, the factors that need attention in order to reverse the negative effects on a society (Volkan, 2007; Bolitho et al., 2003).

North Cyprus is a valuable case study to capture social trauma's impact on business ethics behaviour, since Cypriot Turks are a post-war large group with a currently unrecognised state. The historical and political case of North Cyprus will be discussed in the coming sections.

1.2.3. Business Ethics, Entrepreneurship and Society: Studying Business Ethics in SMEs

While carrying out entrepreneurial activities, multi-dimensional factors impact on the process such as; major business environment characteristics – external time pressures, scarce resources, competition and the like require individual

entrepreneurs[1] to give full attention on supply and demand, labour issues, legal developments, changes in technology and their relation with suppliers and creditors in order to maintain their survival/success as a company and as an individual business-person. As a result of these, entrepreneurs experience many situations that demand ethical judgement and moral reasoning; thus sometimes leaving them in conflict and dilemma. Eventually these strong forces may change individual entrepreneur's ethical perspective (Hannafey, 2003).

In every sector there are different sizes of businesses ranging from multinational corporations (MNCs) to micro-sized companies (Spence & Rutherfoord, 2001). The importance of SMEs to a nation's economy is undeniable, as small businesses contribute both to the society and to the economy significantly (Spence & Lozano, 2000).

They constitute at least 90% of all private enterprises in most of the countries such as; Turkey, South Korea, Italy, North Cyprus, China, and the UK and continents such as Europe; they are the primary source of private employment (Beardwell et al., 2004; BIS, 2009; Tanova, 2003). The behaviours of these SMEs significantly impact all agents that they are in interaction with including customers, their suppliers and employees (Spence & Rutherfoord, 2001).

Most of the literature on business ethics focused on larger companies and MNCs with the assumption that business ethics in MNCs is the same as business ethics in SMEs (Spence & Rutherfoord, 2001). Earlier work on SMEs (1990s onwards) however, initiated the contribution on our understanding of business ethics within the SMEs context (Vyakarnam et al., 1997; Quinn, 1997; Spence & Lozano, 2000). It was suggested by scholars who initiated the business ethics research in SMEs that the concept of business ethics in MNCs is different than of SMEs; this is not just because of their differences in size but also in their nature. Unlike MNCs, control of the company and decision-making in SMEs depends on the personal decision making of a single person (Holliday, 1995; Spence & Rutherfoord, 2001). Moreover SME owners-managers are in a stronger position to apply their ethical

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[1] Entrepreneur: is a business person who focuses on maximising profits and expanding his/her businesses (Moore & Spence, 2006).

attitudes to their businesses and they have the right to do so because it is their own capital that they are dealing with whereas; in larger organisations managers' actions are constrained and intervened by the established norms and system of the organisation (Quinn, 1997).

It is observable that, more recent scholastic work such as; Fassin (2008), Spence (2007), Moore et al (2009) and others provide major focus on corporate social responsibility within SME context. Studies include the examination of CSR in SMEs in connection with size, sector, competitiveness, drives and owner's impact on application of CSR.

Since in SMEs firms are more likely to be managed by the owners, ownership and management are not separated like in large firms or MNCs. Along with this, since the ownership and management are not separated, it is very likely that ethical decision-making attitudes, individual beliefs of SME owners-managers, their 'social relationships and networks' cannot be separated from the business and they influence the practices within the company (Spence & Rutherfoord, 2003). As a result of this, business ethics in SMEs are shaped for better or worse based on an individual's choices between interests and ethics (Wu, 2002:163; Smith & Oakley, 1994). Furthermore, ethics is a very personal concept and the way it is perceived and pursued depends on an individual's core values which are shaped by his/her family members, teachers, and mentors in early life (Hannafey, 2003). In cases where the individual seeks self-interest, this may adversely reflect on individual's own values of ethics which increases unethical practice within an organisation (Hoffman et al., 1998). Unethical practice consequently reflects back to society members as organisations are in interaction with both other businesses and members of the society.

1.2.4. Ethnic large groups with Massive Social Trauma: Business in De Facto States

Besides countries that have complete recognition by the rest of the world, there are autonomous regions and ethnic groups fighting to get independency and recognition. In the group of limitedly recognized countries; North Cyprus, The Republic of China which is widely known as Taiwan, Palestine and The Sahrawi Arab Democratic Republic can be listed. In addition to limitedly recognized

countries, there are completely unrecognized states as well; namely Abkhazia, Transnistria, Nagorno-Karabakh, Somaliland, Chechnya, Anjouan and South Ossetia (Bahçeli, 2004; Lynch, 2004; Volkan, 2006a). Most of these seven nations became de-facto states as a result of war; they have similar political and ethical issues and three of them have more than 10 years of cease-fire. De facto states are "internationally non-recognized states" (Wallensteen & Sollenberg, 1999:595; Bahçeli, 2004; Lynch, 2004; Volkan, 2006a).

It is de facto states characteristics to have declining and aging population since the vulnerable and weak cannot immigrate to other countries. They are exposed to certain restrictions which, in North Cyprus's case it is foreign trade and investment, transportation of people and goods, and participation in international community. In the cases of Abkhazia and Nagorno-Karabakh, it is mainly the metropolitan state (state that they want their independency from) which impose economic trade restrictions (Lynch, 2004; Gökçekuş, 2008).

In de facto states instead of economic imperatives, politic is the utmost factor that runs the state; therefore Lynch describes de facto states as "political animals" (Lynch, 2004:63). De facto states are sustained through firm political determination, deep economic weakness, and extensive criminalization, all originating from "subsistence syndromes". Furthermore, economic isolation strengthens these. The authorities develop structures to maintain the elements that sustain the de facto situation as corrupt corporatism (corrupt principles, doctrine, or system of corporative organisation of a political unit, as a city or state) is the foundation of political stability and shadowy figures have "government-supported monopolistic roles". Authorities seek to eliminate or neutralize potential threats to their status quo by inviting or appointing certain individuals to certain positions (ibid. 64, 66; The American Heritage Dictionary, 2001).

Status quo generates profit both for the selected members of the de facto state and for the outsider people who has connections with the status quo or with the privileged members. Thus illegal economic activities and crime are undeniable elements of de facto states. This involvement of crime and illegal economic activities are a reflection of the weakness of main states (main states are the ones that de facto states are formed as a result of separating from them) (ibid., 68).

"It is clear that enough people, inside and outside the de facto states, profit enough from the states' existence to make the status quo durable. A perverted and weak, but workable, incentive structure has emerged..." (ibid. 69).

There is a generous environment for corruption and unethical behaviour in de facto states. Moreover, once the balance changes and benefits of status quo decreases significantly, these areas of the world which have no external investment and no recognition will open to the rest of the world and will attract investors to these states for they will be untouched markets open for any investment. Thus it is important to understand perceptions and how business works in these areas. More importantly it is crucial to understand how social trauma impacts the business ethics behaviour within an environment of that nature.

1.2.5. An Assumption on Business-Government-Society Relationship: The Dominance Theory

There are different ways the relationship between business, government and the society are perceived and modelled and there are different interpretations of the interaction between business, government and society. Among these different interpretations, which most of them depicts the interactions in a developed and capitalist system; one of them is very much applicable to a business ethics context; that is the Dominance Model. (Steiner & Steiner, 2008:9, 13). According to the Dominance Model, businesses and powerful elite (including people who hold governmental power), controls a system that benefits few, at the expense of many (ibid.). This research, which investigates social trauma's impact on business ethics practices, employed the Dominance Model because of its potential to serve as a bridge in the examination of business-government-society relationship in regards to business ethics. It assumes the dominance of environmental forces, businesses and governments (elites) work interdependently; whereas the rest of the society members (non-elites) experience the consequences that reflect upon the everyday environment (Steiner & Steiner, 2008). The system that de facto states have is very much similar to what is depicted by the Dominance Model (Figure 3).

Figure 3: The Dominance Model (Steiner & Steiner, 2008).
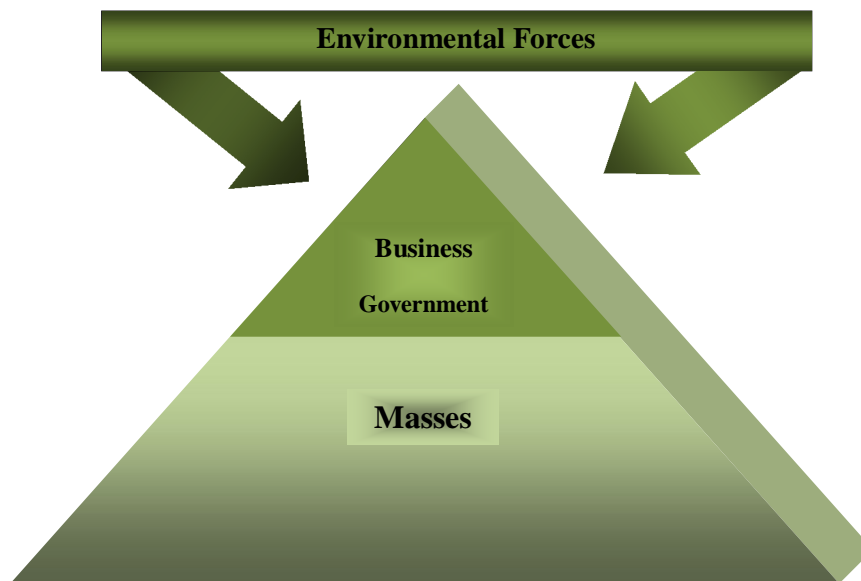
In theory, democracy is a system where its sovereign members are represented by the government; however according to the Dominance Model "corporations and a powerful elite control a system that enriches a few at the expense of the many" (ibid. 13).

1.2.6. Why an Interdisciplinary Approach?

In this research, an interdisciplinary approach is taken through the combination of certain elements of large-group psychology and business ethics which is an already interdisciplinary area that combines business studies with moral philosophy. In its nature, interdisciplinary work is an alternative to the taken-for-granted disciplinary work that can become bureaucratized as a result of taken-for-granted attitude (Robben & Suárez-Orozco, 2000a). It also provides common juncture for theoretical models, analytic perspectives and methodological strategies (ibid. 3). Moreover both business ethics and large-group psychology studies human behaviour in certain circumstances and an interdisciplinary approach contributes to the enrichment of both disciplines. Rather than a mono-causal explanation of phenomena, a multi-level approach contributes to the understanding by adding more perspective, and this is achievable through an interdisciplinary approach. Social factors that cause social problems very often cannot be fully evaluated and be

understood through the utilization of a single professional discipline; therefore an interdisciplinary action is required (Volkan, 2007).

1.2.7. Research Problem

At the current state, Nicosia is the only divided capital in the World which is the capital of Cyprus for both North and South administrations and for the previously established 'Republic of Cyprus' (Akansoy et al., 2000). Currently, the Island of Cyprus is considered as EU land, while the EU *acquis communautaire* is not enforced in North Cyprus for the time being. Since 1974 the cease-fire on the Island still continues in spite of it being EU land (Gökçekuş, 2008; Lacher & Kaymak, 2005). The events that took place during the British Colonial Rule (1878-1960) and then in the 1960's until present day created massively traumatising occurrences for both Cypriot Turks and Cypriot Greeks. As a by product of these events, current political and social environment emerged. Especially for Cypriot Turks, besides individual and social psychological wounds, there have been economical consequences of these traumatising events which still affect even the basic business activities such as importing, exporting, attracting foreign direct investment and the like. The cost of 30 years of unrecognition to Cypriot Turks is 51.6 billion USD (Gökçekuş, 2008:14). This is an enormous number and together with this, similar monetary and emotional losses are considered to have a significant impact on the individual and social behaviour, perception of what is ethical and what is not and on daily business practices. Thus, this research at a conceptual level seeks;

1. To contribute to the broader understanding of the relationship between social trauma and business ethics;
2. To provide a framework which integrates social trauma and business ethics for future studies

At an empirical level this research aims to answer these main questions within a business ethics framework;

1. How and in relation to what do Cypriot Turk entrepreneurs make their decisions in business practice?
2. What account do they give for the motives of these decisions?

3. How social trauma influences Cypriot Turk business-people's daily practices?

Finding answers to these questions generate the first contribution to the gap in the literature in terms of general understanding of the link between social trauma and business ethics by presenting exploratory and inductive research. It also adds the preliminary understanding of Cypriot Turk business-people from their own accounts based on different circumstantial and rooted influences that have an impact on their daily practices. In the broader sense, this research contributes to the exploration of the business ethics attitudes of an untouched region within the EU which is problematic as a result of chronic conflict, projecting current business environment for future investments and add to our understanding of Cypriot Turk business-people attitudes in generic terms.

It also contributes to the understanding of business ethics practices in unique socio-cultural frameworks which are same or similar to North Cyprus and the model produced in this research can be applicable to not only de facto states but also to different large-groups, such as certain religious sects, racial, occupational, ideological and national groups to understand how certain traumas they experienced (at the hand of others) impact on their business ethics conduct in general and in conditions of uncertainty; and to understand business environment in traumatised societies better.

1.2.8. Research Framework

As emphasised before, this research integrates large group psychology, business ethics and politics to explore the relationship between social trauma and business ethics. This research's interdisciplinary nature and absence of existing research, made establishing a clear, empirical link between abstract phenomena of social trauma and business ethics challenging. In spite of this challenge, many models from scholarly literature of various disciplines contributed to create a research framework and make this link empirically clearer. As part of this investigation, Volkan's Tent Analogy and related research which discusses social trauma are used as constituents to create the social trauma framework of this research (Volkan, 2004; Volkan, 2005).

The tent analogy suggests that large group identity is a cloth over people; it is a "tent canvas" (Volkan, 2004). Like a large maypole, the tent is supported by the group's leader represented by the maypole, and people around the maypole (leader) represent identification of them and support of the leader. If wear-and-tear exists on the cloth when the tent shakes, then the large group identity gains more importance for people. When the large group identity is threatened; the individuality and individual identity is overshadowed by the large group identity and by the sense of belongingness to our large group. (Volkan, 2005:529).

Within this contextual framework, through merging different scholars work (although mainly Volkan's as his work is widely accepted and he is the preliminary scholar who applied psychoanalysis to large groups) a social trauma model was created for this research to serve as a framework in the investigation of social trauma dimension. This research also uses an adapted version of the Dominance Model of Steiner & Steiner (2008) to explore the relationship between business-government-society.

These frameworks give the opportunity to combine business ethics knowledge with large-group psychology to better create a hybrid model which can contribute to the understanding of the relationship between both.

1.2.9. Overview of Research Methodology

In this research, an exploratory and inductive approach has been adopted with a critical realist perspective. Critical realism is simply based on the belief that "reality exists that is independent of human thoughts and beliefs" (Saunders et al., 2003:84).

For data collection, mainly interviews were conducted in North Cyprus, with Cypriot Turk entrepreneurs whose parents were also born in Cyprus to ensure any impact of nativity i.e. either themselves or their families were native Cypriots prior to 1963 and therefore experienced the war. This was seen as a must in order to uncover the link between social trauma's effects on unethical business practices, since the large group and its members that experienced the socially traumatising event or have been affected by it (by being the younger generation of the same

society) should be the point of reference so that the effect of social trauma on the society and unethical practices can truly be uncovered.

Nativity was considered as social trauma and large-group psychology is the dominant lens from which the data are analysed through. Interviews were held with 40 SME owner-managers from different sectors located in three major cities (North Cyprus has five cities in total). The European Commission's SME definition was adopted for this research as Cyprus is within the EU and the EU definition is adopted by the UK, and North Cyprus is in the process of adopting this definition (BIS, 2009).

Main data collection was done during February- March 2008; the data were gathered mainly through semi-structured interviews, personal observations and photographs; and employment of these enabled between-method triangulation. Main themes of the interview questions were general information about the participants' background and their businesses; their opinions, definitions, observations, experiences and practices related to business ethics; their views on the limitations of being a business-person in North Cyprus; their definition of identity, experiences during and after the war as an individual and as a business-person. Secondary data also acted as a confirmation agent of the data gathered from participants; thus reduced the limitations of qualitative studies on generalizability.

Data analysis was done through socio-cultural narrative analysis, discourse analysis and ethnographic content analysis using Nvivo software and for quantifiable data SPSS software was used. The data analysis is multi-level as such; at the social level, secondary data and literature were interpreted where these were supported with primary data to an extent; at individual level mainly primary data were interpreted where they are supported by secondary data and individual-level and social-level analyses are intertwined to give a more holistic and broad interpretation.

1.3. Conclusion

This chapter presented a brief introduction to the literature and the research and familiarized the reader with the interaction between entrepreneurship, social trauma and business ethics as well as introduced the research in terms of research questions and the methodology pursued. The gap in the literature which looks at the

relationship between large-group psychology, specifically social trauma and business ethics, have been pointed out and the research's direction is made clear in this chapter.

The next chapter focuses on the existing literature on social trauma, large-group processes when massive trauma is experienced and business ethics models in depth to prepare the platform to discuss the data collected in North Cyprus for this research.

CHAPTER TWO

LITERATURE REVIEW

"Only psychoanalysis and social science together can eventually chart the life cycle interwoven throughout with the history of the community." (Erikson, 1994a:17).

2.1. Introduction

The purpose of this chapter is to provide existing literature of concepts which this research's framework is built based on in order to achieve the research aims and questions which focuses to contribute to the broader understanding of the relationship between social trauma and business ethics; and to provide a framework which integrates social trauma and business ethics for future studies as conceptual level contributions. At empirical level, three main questions are attempted to be answered; firstly, how and in relation to what do Cypriot Turk entrepreneurs make their decisions in business practice? Secondly what account do Cypriot Turk entrepreneurs give for the motives of these decisions? Lastly how social trauma influences daily practices of Cypriot Turk entrepreneurs.

In order to achieve these, the literature review starts with social trauma, and related concepts such as large group identity and regression; followed by the business ethics literature that focuses on individual ethical decision-making and finally presents a literature on business-government-society relationship and de facto states. This way, the literature review presents all relevant scholastic literature to serve as the framework. The chapter is finalised with the presentation of the visualised integrated framework which amalgamates presented concepts which this research's framework is built on in order to provide a better understanding of this research's rationale and substantiating the gap in the literature.

Different disciplines contribute to give a general picture of how past influences the present. Considering that this research specifically looks into traumatised societies through a case study society, it is necessary to look into large group psychology to understand at what levels trauma impacts on society. The first area that is examined is shown in yellow in figure 4, the other two disciplines that will be presented are shown in blue and the main inquiry is shown in green.

After understanding the impact of social trauma, business ethics literature provides an insight into individual ethical decision-making and presented social trauma and business ethics literatures are enriched with the business-government-society relationship literature focusing especially on traumatised large groups such as de facto states.

2.2. Society as a Large Group, Individual Members & Massive Social Trauma
2.2.1. Large Group Psychology Section Introduction

Roots of national and ethnic conflicts and their consequences cannot be understood by focusing only on real-world factors, such as economic, military, legal and political circumstances. For the real-world issues are highly "psychologised"-contaminated with shared perceptions, thoughts, fantasies, and emotions (both conscious and unconscious) pertaining to past historical glories and traumas: losses, humiliations, mourning difficulties, feelings of entitlement to revenge, and resistance to accept changed realities.(Volkan, 1997:117)

This section of the literature - "Society as a Large Group, Individual Members and Massive Social Trauma", provides comprehensive definitions of social trauma and related terms; clarifies and discusses in detail the processes from the occurrence of the socially traumatising event to the consequences of the social trauma. Even though the section discusses traumatising event's consequences both at individual and social levels (as individuals make up a society), the main emphasis is on social level.

Individuals make up of societies and when a traumatising event occurs such as destruction by war, war-like conditions, terrorism or oppression by a dictator the response to trauma is through emotions of helplessness, survival guilt, humiliation, difficulty in mourning and the like. When these emotions are shared by the society

members, a shared societal, political process becomes visible. Regression and progression that are frequently referred to in this research to describe the processes of large-groups are borrowed from individual psychology (Volkan, 2004). When massive trauma occurs and is shared by the members of the large-group, first they always experience regression, confusion, a disorganisation and the like.

A massive trauma is not immediately followed by progression, but rather if there is a reparative leader, instead of keeping focus on destructive elements of the shared group identity, the leader my help the society to reorganise by holding on a different kind of share identity. In these cases, the initial regression that is caused by the massive trauma can be used to achieve progression. A similar concept also exists in individual psychology which is called "regression in the service of progression" (Volkan, 2004).

When a traumatising event occurs at the hand of "others", this causes traumatisation of individuals and the society (the large group). Social trauma shows itself in different ways, one of these are the large group identity confusion; the other possible consequence is visible regression (regression is a change often towards destructive and negative outcome) (Volkan, 1999a). Transgenerational transmission of the trauma occurs when the generation which experienced the trauma tell the traumatising event and its accompanying experiences as stories to the younger generation. Also, when the traumatising event is war or war like experience then it also leads to the phenomenon of "siege mentality" which is discussed later in this section. The concept of "chosen trauma" which is also discussed in this section is not necessarily a consequence of the traumatising event, but rather a possible means to reactivate certain traumas or glories to drive the large group in certain ways. Chosen trauma phenomenon, is mainly one of the signs and symptoms of large group regression. Although figure 5 represents a very simplified version of the contents, it guides the reader through the relationship between each section and how they relate to the overall social trauma literature.

From sections 2.2.2 "Definition of Massive Social Trauma" until section 2.2.5 "Massive Social Trauma: Interaction Between, Individuals, Society and Trauma"; the focus of the discussion will be on defining and discussing the "traumatising events" and "social trauma" in depth.

Figure 4: Traumatising Event and Social Trauma in the General Framework of Social Trauma Section

: Leads to   : Related with
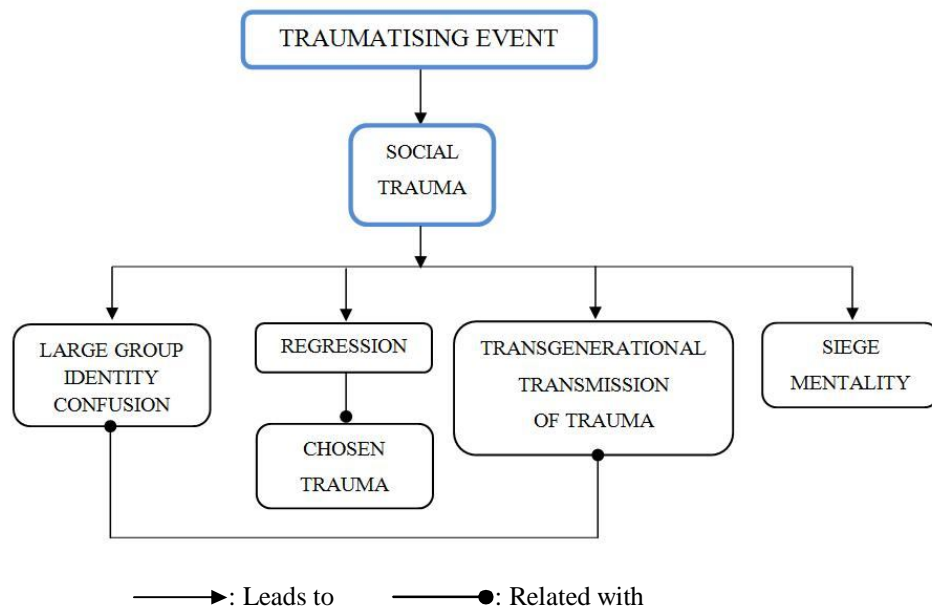
2.2.2. Definition of Massive Social Trauma

This section provides various definitions of massive social trauma and provides the definition that is adopted for this research to clarify the meaning of social trauma as it is one of the main concepts which this research is built upon since the case study country is a post-war country with large group identity and social trauma issues (Volkan, 2008a).

"Though eyes untrained in human psychology may not see the relationship, ... 'trauma is the theoretical link from individual to group, cohort, population, nation, the World'" (Lowenberg, 1991 cited in Volkan, 2004:50). This is even more observable in cases where all members of the society experiences massive trauma as a result of war or war like conditions. Since there is a link between individual to large group trauma, this section combines the concepts and definitions of both individual and social trauma to provide a compelling conceptual understanding of what social trauma is and how individual and social trauma are intertwined.

There are many definitions and various interpretations of individual psychological trauma. Person et al., (2005) defines trauma as "an experience in

which external events overwhelm the capacity of the ego[2] to process and manage them, evoking intense feelings of helplessness. The meaning of the event, not its reality characteristics, defines it as traumatic". (Person et al., 2005:561).

Trauma is also defined as "the sudden, uncontrollable disruption of affiliative bonds". (Van Der Kolk, 1997: xii).

Although the above two definitions contribute to the understanding of individual trauma, Apfel and Simon's (2000) following definition provide the ground to define what social trauma is. Trauma refers to;

> Events in life generated by forces and agents external to the person
> and largely external to his or her control, and specifically to events
> generated in the setting of armed conflict and annihilation, even death
> and mutilation, are the order of magnitude of what we can refer to as
> trauma. (Apfel & Simon, 2000:103).

Sztompka (2000) defines trauma in large groups (social trauma) as a "collective phenomenon, a condition experienced by a group, community, or a society as a result of disruptive events culturally interpreted as traumatizing" (Sztompka, 2000:458). Any large group which experienced extreme circumstances of traumatisation; war, war like conditions; terrorism; oppression by a dictator; technological catastrophes; natural disasters; social, political, cultural, gender, ethnic or religious prosecution that leave them with life-long problems can be said to be affected by a massive social trauma (Krystal, 1968; Volkan, 2004). This definition which combines Krystal's (1968) and Volkan's (2004) definitions, is adopted as the definition of massive social trauma in this research.

2.2.3. Conceptual Understanding of Social Trauma through Lay Trauma Theory

Lay Trauma Theory which provides a commonsense understanding of what constitutes trauma, is informed from the notion that feelings of security, order, love and connection are necessary for human beings and considers traumas as naturally occurring events that impact on individual or large group sense of well-being. Sudden and/or strong damage on abovementioned feelings, results in traumatisation.

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[2] Ego: coherent organisation of mental processes (Freud, 1962:8).

Current research efforts are to prove through scanning specific parts of human brain that trauma is not only a psychological issue but it also "really exist" physically and materially. (Alexander, 2004).

There are two variations of Lay Trauma Theory, *enlightenment* and *psychoanalytic.* Enlightenment perspective considers trauma either at individual or social level as a rational response to sudden changes. In these cases, the effort is on altering the circumstances which caused trauma, on developing programs of action and on reconstruction the individual and collective environments (Alexander, 2004:3).

Based on enlightenment perspective there have been contextualisation of social trauma focusing on nations. One argument is that individual and large group reactions resulting from a shocking event (which causes disruption and "radical change within a short period of time") impact on the foundations of the social world and this leads to the creation of national trauma (Neal, 1998:10). In these cases, Neal (1998) argued that "dismissing or ignoring the traumatic experience is not a reasonable option" as disruptive events create new opportunities for innovation and change (ibid. 10, 12). However, even though it is not a reasonable option, in some cases there are certain defence mechanisms such as regression, repression, denial and dissociation that are activated when a person is faced with a traumatic event aiming to minimize danger and damage (Blum, 2007:65). Initiation of the defence mechanisms can lead to the formation of selective amnesia[3], screen memories, dissociated reactions and somatisation[4] as well as impacting on trauma memories. Multiple traumas may converge into a single trauma and an amalgamation of both non-traumatic and traumatic experiences may make it difficult to identify the cumulative trauma elements (Blum, 2007:65). Cumulative

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[3] Amnesia: Generally, any partial or complete loss of memory (Reber & Reber, 2001:27).

[4] Somatisation: A somatoform (class of mental disorder in which there are clear and present physical symptoms that are suggestive of a somatic disorder but no detectable organic damage or neuro-physiological dysfunction that can explain them, leading to a strong presumption that they are linked to psychological factors) disorder characterized by a history of recurrent and multiple physical symptoms for which there are no apparent physical causes (Reber &Reber, 2001:695).

individual and large group trauma occurs when serious catastrophes are experienced (i.e., Holocaust, 1st and 2nd World War).

This counter-argument by the psychoanalyst Blum (2007) to Neal's (1998) *enlightenment* perspective is based on *psychoanalytic* perspective of Lay Trauma Theory. This perspective suggests a conceptual understanding which is based on "unconscious emotional fears and cognitively distorting mechanisms of psychological defence between the external shattering event and the individual's internal traumatic response" (Alexander, 2004:5). When traumatic events occur, "individuals become so frightened that that actually repress the experience of trauma itself" (ibid, 5). Instead of rational understanding and direct cognition of the situation, like what *enlightenment* perspective suggests, the individual have a distorted image and memory of what has happened. This causes obstacles in "accurately attributing responsibility" for the occurrence and to rectify it. Based on this psychoanalytically informed perspective, the truth about the traumatic experience is only perceived unconsciously and results in inaccurate memories about the truth, unreasonable actions and no rectification of the occurrence.

This further causes feelings and perceptions about the traumatic experience resulting both from the original, initial event and also from the anxiety that results from repression of the event. (Alexander, 2004). Psychoanalyst Blum's (2008) above statement about multiple traumas and how it becomes difficult to identify massive social trauma elements is also supportive of the *psychoanalytic* perspective discussed by the sociologist Alexander (2004).

Both versions of Lay Trauma Theory are informed from major historical occurrences such as the Holocaust and "every contemporary effort" to investigate trauma (Alexander, 2004).

2.2.4. Social Health Indicators & Causes and Symptoms of Massive Social Trauma

This section provides different scholars' works on social health and causes and symptoms of social trauma in order to offer the best combined list of factors which causes massive social trauma. It is crucial to look at the causes and symptoms of massive social trauma as it informs this research, conceptually gives a deeper

understanding of the term and contributes to the better examination of the case study country as well.

World Health Organisation defines health as "a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity" and counts mental health as a vital and integral part of a healthy society (WHO, 2007). The WHO's list of factors which is derived from various studies that have been done on this issue includes social, biological and psychological aspects such as; poverty, low levels of education, poor housing and poor income. As the socio-economic disadvantages like the ones mentioned increase constantly, both individuals and the societies are threatened by mental health risks (WHO, 2007).

Breslow (1972) defines a nation as healthy depending on the measures such as; "mortality rates, especially infant mortality rates; mortality of middle-aged persons, prevalence of tuberculosis, parasitic disease, ischemic heart disease and the like." As long as the mortality rates are low, one of the conditions of a healthy nation is satisfied. (Breslow, 1972:347). According to Breslow (1972), there is a connection between the frequency and/or amount of disability, illnesses from specific conditions, and a population's physical, mental and social well-being. (Breslow, 1972). Similarly, Sztompka (2004) also considers mental disorders, death rates at birth, life expectancy, suicide rates, frequency of diseases and the like as indicators of social health (Sztompka, 2004:161).

The state of a society's well-being is determined by micro-level and macro-level of factors (Volkan, 2007). Whenever a large-scale transformation happens, usually macro-level factors are used to explain the causes; for example in an economic crisis more solid causes such as budget cuts, high interest rates and monetary policies are taken into consideration rather than micro-level factors such as psychology (Volkan, 2007). However, it is the micro-level factors that are hidden behind the macro-level factors, which are in actuality, the factors that need attention in order to reverse the negative effects on a society (Volkan, 2007; Bolitho et al., 2003).

According to Volkan (2007) any large-scale transformation which impacts on social health takes place along three dimensions; economic, political and social. When such a significant transformation occurs, it has an effect on children, youth and future generation of that society besides adults (Volkan, 2007). When Volkan's,

Sztompka's and the WHO's dimensions are merged, social, biological, economic, political and psychological dimensions all consist of factors which have impact on a society's health.

However, these are broad categorisations of causes and a more focused list can be generated from existing definitions of collective social trauma. War, war like conditions, terrorism, oppression by a dictator (i.e.: autocratic regimes), assassination of a leader, technological catastrophes, natural disasters such as famine; epidemics, social, political, cultural, gender, ethnic or religious prosecution all cause to collective social trauma (Volkan, 2004, Sztompka, 2004). Some of the massive social traumatic event examples from the history are the assassination of the 35th USA President, J. F. Kennedy in 1963; 11 September 2001 terrorist attacks in the USA; 7 July 2005 bombings of London-UK; 2004 Indian Ocean earthquake and 2005 Hurricane Katrina (Volkan, 2004; Veerman & Ganzevoort, 2001).

Similar research have been done such as Sorokin's (1967) where he examined the biological impact of Bolshevik revolution on Russian people (Sorokin, 1967). Similarly there are example studies where suicide rates are examined after post-communist transformation and the collapse of the communist system in countries like Estonia, Hungary and Poland (Sztompka, 2004). The following table (table 1) presents the factors which have impact on social health and the dimensions that are most affected by each factor. It is a matrix table which is useful in understanding the extent of each factor's impact on different dimensions of societal aspects; biological, psychological, economic, political and social.

Table 1: Five-Dimension Matrix Presenting the Relationship Between Dimensions and Each Factor which Impacts on Social Health - Developed Based on Sztompka (2000, 2004); Volkan (2004); Breslow (1972); and WHO (2007).

Factors	B	P[1]	E	P[2]	S
Poverty	♦	♦	♦		♦
Low Levels / Lack of Education		♦		♦	♦
Poor Housing	♦	♦		♦	♦
Poor Income	♦	♦		♦	♦
Bad Economics		♦	♦	♦	♦
Unfair Trade		♦	♦	♦	♦
Mismanagement of Human Rights	♦	♦		♦	♦
Criminal Activities	♦	♦	♦	♦	♦
Destructive Religious or Political Ideologies		♦	♦	♦	♦
Natural Disasters	♦	♦	♦		♦
Endemic Diseases	♦	♦	♦		♦
Pollutions	♦	♦		♦	♦
Man-made Accidental Diseases	♦	♦	♦		♦
Assassinations of Political Leaders		♦	♦	♦	♦
Dictatorships		♦	♦	♦	♦
The Collapse of Political or Ideological "Empires"		♦	♦	♦	♦
Terrorism	♦	♦	♦	♦	♦
War	♦	♦	♦	♦	♦
War Like Conditions	♦	♦	♦	♦	♦

B: Biological **P[1]:** Psychological **E:** Economic **P[2]:** Political **S:** Social

Sztompka (2004) states that social trauma becomes apparent once society members start to understand their commonalities and perceive their similarities which resulted from the incident. Exchange of observations and experiences, diagnoses and myths, gossip and rumours, identification of causes or villains, beginning to start talking about the traumatic incident, looking for conspiracies, effort to find coping methods are all symptoms of existence of social trauma. In some cases social trauma's expression among society shows itself in a more physical form beyond symbolic, subjective or ideal levels through intense interaction, forming

of groups, outburst of protests, collective mobilisation, social movements, organisations, associations and political parties; at a sociological level. Social trauma is visible on social organisations such as; social networks, formal organisations and associations, hierarchies of stratification, class divisions and the like (Sztompka, 2004:160).

According to Luhrmann (2000) social trauma causes sense of distress, humiliation and self-blame which accompanies "the recognition that one belongs to some group" as symptoms. There are a number of characteristics which define membership in the community and in some situations these characteristics are associated with failure, shame and guilt (Luhrmann, 2000:184). Volkan (1997) defines this as "chosen trauma" which is explained in Section 2.9. (Volkan, 1997).

2.2.5. Massive Social Trauma: Interaction between Individuals, Society and Trauma

"The understanding of trauma cannot be restricted to the intra-psychic processes of individual sufferer because it involves highly relevant social and cultural processes". (Robben & Suárez-Orozco, 2000a:1). Psychic, social, political, economic and cultural dimensions are connected through complex and over-determined socio-cultural contexts when large scale traumatic event occurs. Since large groups are made up of individuals, a society's response to massive trauma reflects the extent of individual responses. (Volkan, 2008a:212; Volkan, 2006d).

Figure 5: Society and Individual Relationship
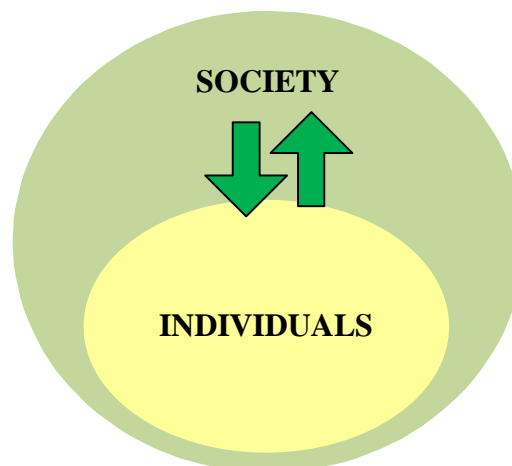
The massive trauma and collective violence distress large groups (i.e.: societies) and cultural formations as much as they do individuals. The trauma's impact on members of a society may last for a very long time, especially when it is caused by war or war-like conditions and this is referred as Post Traumatic Stress Disorder (PTSD). Impact of trauma on a society is referred to as Societal PTSD (Rice & Benson, 2005).

Until the 2nd World War, human-made massive trauma was related exclusively to military personnel, as causalities were mainly from them. However civilian causalities increased throughout the time, especially during the 2nd World War. The civilian causalities which was only 5% during the 1st World War, increased to 50% during the 2nd World War and during the Vietnam War it was 80%. Since the 2nd World War the civilian causalities is a significant consequence of war and more recent examples such as; Yugoslav Wars (1991-2001); 1st (1990-1995) and 2nd Gulf Wars (2003-present). (Robben & Suárez-Orozco, 2000a:15).

Body and mind have their tissues and so do societies, and this tissue can be easily damaged through massive trauma causing breakages in social bonds, destruction of previous sources of support, undermining communality and the social trauma may even traumatize large group members who did not experience the catastrophe first hand (Erikson, 1995). When a large group experiences trauma, even though members of the large group experiences different effects, at various intensities and different ways to cope with these effects; it is the large group itself rather than individual members who are subject to massive trauma; thus leading to collective rituals, testimonial narratives, monuments, historical studies and in some cases bodily practices (Connerton, 1989). This is a way for large groups to maintain and/or repair any wear and tear caused by the traumatic event to their large group identity "fabric" (Volkan, 2004). Large group identity is discussed in section 2.6. However, for the time being, it is beneficial to reiterate the relationship between social trauma and large group identity.

Traumatic experiences have certain effects on the society ranging from social restoration to disintegration (Robben & Suárez-Orozco, 2000a:21). Many of the non-Western societies which experienced massive social trauma utilized different ways of coping; especially non-industrialised, traditional societies sought after to

collectivise the social injuries through creating certain revitalisation moments, healing rituals, communal dances and religious ceremonies; restoring symbolic places as a response to large-scale trauma (deVries, 1996). Contrarily, in some massive trauma cases, society may not achieve restoration but the disruptive forces of the massive trauma leads to disintegration (Robben & Suárez-Orozco, 2000a).

Social trauma and large group identity (some scholars such as Sztompka, 2004 refer to as collective trauma) are intertwining concepts. In a massive traumatic situation such as war or war like situation and terrorism, the "enemy" group destroys the environment of the victimized group because of the differences in their large group identity. This is one of the main reasons why a traumatic event has an impact on a large group's identity.

Thus, at this point, it is essential to discuss and understand the concept of large group identity, its formation and its role in social changes such as regression or progression in the context of social trauma before explaining regression itself in a society. This way, a clearer picture can be presented on large group dynamics which facilitates to understand the interaction between massive traumatic events, large group identity and society providing the perspective to analyse de facto states better, to rationalise the link between business ethics and massive social trauma and pursue specific research questions.

2.2.6. Definition of Large Group Identity

From this section, 2.2.6 "Definition of Large Group Identity" until section 2.2.8 "Large Group Identity Confusion" the focus of the discussion will be on defining and discussing the large group identity, its formation, processes related with it and large group identity confusion.

Until Erik Erikson (1956) brought the concept of identity to attention, the term "identity" was not often used by scholars. In his work, Freud used the term "identity" only five times, and he only used it once, according to psychoanalyst Erik Erikson, in a non-incidental way denoting ethnicity with a psychosocial connotation (Erikson, 1994b; Erikson, 1956; Penuel & Wertsch, 1995). Therefore "identity" is a relatively new term in psychoanalysis considering that it was brought to psychoanalysis during 1950s by Erikson (Volkan & Itzkowitz; 2000:227).

Erikson defined identity as a representation of "both a persistent sameness with oneself... [and] a persistent sharing of some kind of essential character with others" (Erikson, 1956:57 cited in Volkan & Itzkowitz, 2000:227). Volkan following and revising Erikson's statement, defines large group identity as "subjective experience of millions of people – most of whom will never meet one another in their lifetimes - who share a persistent sense of sameness (we-ness) while also sharing some characteristics with others in foreign groups" and gives Turkish and Greek identities as examples of large groups (Volkan & Itzkowitz, 2000:227; Volkan, 2005). Ethnic, national or religious groups can be considered as large groups (Volkan, 2004).

Orthodox psychoanalysis which is associated with Freudian psychoanalytic approach is not engaged in the examination of large-group identity. Foulkesian psychoanalytic approach argues that there is only one garment of identity; people are born into groups and groups are basic to human existence. An opposing view to Folukesians, which has emerged through expanding the Freudian ideas, argues the differentiation of unconscious and social unconscious; and differentiation of parts of psyche as personal and social. (Dalal, 2001; Ormay, 2001). Volkan (2001a) also differentiates between individual and group identity. (Dalal, 2001; Ormay, 2001; Volkan, 2001a). This can be interpreted as that there is a link between an individual's identity and his/her large group identity or sub-group identities such as occupation. It is valuable to present here a definition of social identity as this research focuses on a society as a large-group. Social identity is "that part of an individual's self-concept which derives from his knowledge of his membership in a social group (or groups) together with the value and emotional significance attached to that membership" (Tajfel, 1981:255). On the other hand, as introduced earlier, Volkan defines large group (ethnic, national or religious) identity as "the subjective experience of thousands or millions of people who are linked by a persistent sense of sameness while also sharing numerous characteristics with others in foreign groups" (Volkan2001a:79).

Both Tajfel's (1981) and Volkan's (2001a) definitions were adopted in combination, as the researcher supports the view on co-dependency of personal and social; and individual and group identities, rather than considering them as one garment of identity. Large groups have smaller groups within themselves, and these

smaller groups carry different characteristics from each other; therefore there cannot be one single garment of identity otherwise there would be no diversity among societies, groups within societies and even among family members in terms of identity.

Considering the profound dominance of Volkan's scholastic work in the formalisation of this research's large group psychology element, it is crucial to provide a comprehensive critique and justification of the selected conceptual framework before further discussing it. Volkan's work on large-group psychology (mainly large groups that experienced trauma at the hand of "others") uncovered the processes involved, by applying individual elements of psychoanalysis into political science. Volkan's professional background is in psychiatry and he is also a psychoanalyst. His application of individual psychoanalysis to large-groups widely found acceptance by many of the scholars not only in the areas of psychiatry and psychology, but also in politics, history, sociology, anthropology, archaeology and practical theology. According to one of the significant psychiatrists and psychoanalysts Otto Kernberg; "Volkan has provided us with fundamental contributions to the understanding of the interrelationships among historical trauma, identity formation and intergroup conflict." (Kernberg, 2003:694). Few of the many examples of his work's application to different disciplines are as follow; Brabeck and Ainslie (2003) – psychoanalysis of culture and society; Suârez-Orosco (2000) – psychology; Luhrmann (2000) – psychological anthropology; Milton and Svasek (2005) – anthropology; Veerman & Ganzevoort (2001) – practical theology; Volkan & Itzkowitz (2000) – history; Russell (2006) – archaeology. His findings were also in line with sociologist Sztompka's work (2000, 2004).

In spite of well-acceptance and extensive application of his work as a framework to understand large-group psychology in different disciplines, very few criticisms towards Volkan's contributions that is known to the researcher, were two book chapters named "what is political psychology?" by Deutsch and Kinnvall (2002) and "chosen traumas and group conflict: the dehumanization of others" (Kinnvall, 2004) According to Volkan (1988) the enemy becomes a suitable target for projection if the resemblance between self and the other is closer (Volkan, 1988). Deutsch and Kinnvall (2002) argued that by using object relations theory although Volkan (1988) explained the positive relationship between closer resemblance and

suitability of other as a target for projection; through viewing the other as an object, Volkan (1988) also "implied that the enemy-other *already* exists and *is* different from the self" (Deutsch & Kinnvall, 2002:31; Volkan, 1988).

In the second criticism to Volkan's work, Catarina Kinnvall, a political scientist, attempted to provide a critical perspective on Volkan's psychoanalytic discussions on the formation of identity through a tent analogy where he describes the large-group identity formation and processes (Volkan, 2004).

Kinnvall's (2004) criticisms argue that, the analogy does not look at identity as an "open contestable concept" and she further argues that Volkan's description of large group identity through Tent Analogy is limiting since Kinnvall (2004) claims that Volkan uses only ethnicity whereas the identity has a broader meaning (Kinnvall, 2004). It can be suggested that Kinnvall established her criticisms on limitation to ethnicity based on Volkan's real-life examples from different ethnic groups as while discussing large group identity in many of his works, Volkan gives examples from ethnic conflict points around the world as these are the most substantial examples of groups with problems of large group identity that can be communicated to the readers. A counter argument to Kinnvall's criticism is given in Volkan's book, "Killing in the Name of Identity - A Study of Bloody Conflicts" where he refers to his tent analogy and explains that what he denotes by tent is not only ethnicity but besides that any kind of sub-groups under a larger-group such as; religious, national, racial, occupational, or ideological can form the tent as a garment worn by the group members alongside their individual identities (Kinnvall, 2004:123; Volkan, 2006b:4; Volkan, 2005:529; Volkan, 2006a:69).

2.2.7. Understanding the Formation of Large Group Identity and Tent Analogy

The Tent Analogy introduced by Volkan (2004, 2005) is largely based on childhood psychology and object-relations theory. Object relations theory is the emotional bonds between oneself and another. Object refers to "others" and an individual's internalised images of "others". Object relationships start to form during infancy (Kernberg, 1966; Reber & Reber, 2001:478). Volkan (2004) describes how large group identity is formed primarily through *identification* just the way an infant indentifies others through recognizing the images and functions of significant people

in his/her environment. This way, the individual takes these images into his/her own sense of self. This developmental task, *identification*, is very crucial for large-group affiliation of individuals (Volkan, 2004).

From early childhood, individual integrates cultural and linguistic traits and religious beliefs of a social sub-group which he/she belongs, into his/her self-representations to shape and strengthen self identity. Through family and intimate social group's culturally shared myths about the origin and history, individuals learn about major political upheaval, a lost war, a historically long-lasting, ongoing rivalry with another social group. Remembering the definition of object-relations theory, "others" become objects of regression which is explained in depth in 2.8. (Kernberg, 2003). In the formation of a solid self, social commonality of language, rituals, culture, religion, art, myth, the individual's sense of attachment of his/her personal values are crucial (ibid.). Thus, these elements all contribute to the sense of being part of a large group and shared we-ness/sameness/commonality that Volkan (2004) refers to in defining large group identity roots from these feelings.

Freud's (2004) discussion on the construction of group consciousness emphasised that the leader-follower interaction is crucial over intra-group relations. Drawing on Freud's conceptualisation of intra-group relations and leader-follower interaction, Volkan (2005) suggested the tent analogy to further develop the discussions on this. Tent analogy suggests that, large group identity is a cloth over people; it is a "tent canvas". Like a large maypole, the tent is supported by the group's leader who is represented by the maypole and people around the maypole (leader) represent identification of them and support of the leader. (Volkan, 2005:529; Volkan, 2006d). The leader (maypole) can be associated with the image of a "father", a very good instance of this is Mustafa Kemal Atatürk; when modern Turkey was established in 1923, Mustafa Kemal adopted the surname "Atatürk" which means "Father Turk" (Volkan, 2004; Volkan, 2006d).

Based on the definitions in section 2.5 large group identity is referred as "tens, hundreds of thousands, or millions of individuals – most of whom will never meet one another in their lifetimes - who share a persistent sense of sameness (we-ness) and belong to the same ethnic, religious, national or ideological large group from childhood on (Volkan & Itzkowitz, 2000:227; Volkan, 2006d: 306; Volkan, 2004:11-12). Though large groups are divided into subgroups such as clans, religious

sects, occupations, and the like; people share the large group identity which is their "tent canvas" as a "shared garment" (Volkan, 2005:529). In some cases the tent can be shaken, this happens especially as a result of attacks or threats from "others" (another group which does not share the same tent) or when the leader of the group becomes either paranoid[5] or dies unexpectedly or as a result of assassination (the tent's pole becomes unsteady). (Volkan, 2005:529). If wear-and-tear exists on the cloth when the tent shakes, then the large group identity gains more importance for people. In some cases, psychologically large group identity can take the priority (becomes the primary garment) over group members' individual identities (individual garments). (ibid. 529).

This is also supported by some scholars; their argument is that when tent canvas is damaged because of their nature, humans become aggressive which increase ethnic conflict possibilities (Eriksen, 2001).

To understand large groups instead of looking at personal perceptions what pole and tent canvas represent; large group psychological, political and diplomatic perspective requires the focus to be on large group identity formation, and the need of group to protect its large group identity at any cost (ibid. 529). In large groups, the main purpose of rallying around the leader is to "keep the tent canvas erect" through the pole (the leader). (Freud, 2004; Volkan, 2004; Volkan, 2005). In situations where large group identity takes priority over individual group members' identities, the main purpose of the leader becomes to protect the large group identity and this influences political and diplomatic processes. As tent canvas (large group identity) gathers massive numbers of people under a common garment and connects them, it may dominate group members' individual psychological processes (Volkan, 2005:529; Volkan, 2004:36).

Our large group identities are like breathing; we do not realise the extent our individual selves have connections with in regards to large groups that we belong to. Every morning we wake up but do not necessarily experience a strong feeling

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[5] Paranoid: is a term used to refer to a person suffering from a diagnosed paranoia and paranoid is used to define someone manifesting some of the suspiciousness and delusional tendencies typical of the disorder (Reber & Reber, 2001:508).

towards our nationalities as being British, Guatemalan, Lebanese or Indonesian or strong patriotic feelings each time we see its flag unless something happens to threaten our large group identity (our breathing); such as pneumonia or being caught in a smoke-filled house on fire where you cannot breath. When our large group identity is threatened; the individuality and individual identity is overshadowed by the large group identity and by the sense of belongingness to our large group. (Volkan, 2005:529). An example is the USA after 11 September, 2001 terrorist attacks to the World Trade Centre twin towers. With the increased security checks at airports, although there is an assault to individual autonomy, because of the border psychology which brings fear of danger in the US case; instead of resisting and going up against it, individuals go with the large group psychology (Volkan, 2006d). According to Eagle (1997) the individuals' concern for group identity initiates when either at a personal or a societal level, limited opportunities for, or sense of contribution, participation or growth creates frustration which results with hostility and anger (Eagle, 1997; Kinnvall, 2004).

The tent canvas is made of "threads" and Volkan (2004) identifies seven of them which when combined creates large group identity. These are;

1) Shared, tangible reservoirs for images associated with positive emotion
2) Shared "good" identifications
3) Absorption of others' "bad" qualities
4) Absorption of (revolutionary or transforming) leaders' internal worlds
5) Chosen glories
6) Chosen trauma (This is further explained in section 2.2.10).
7) Formation of symbols that develop their own autonomy (Volkan, 2004:37).

2.2.8. Large Group Identity Confusion

As large-group psychology is an area that is still in its development, Volkan (2003) borrows "border personality disorder" which is an individual identity confusion condition in order to define large group identity confusion. Volkan uses borderline personality disorder to explain how large group identity confusion occurs; however he states that what is applicable to and useful for individual patients cannot be directly applicable to political strategies of large groups (Volkan, 2003). BPD is a psychiatric diagnosis which refers to a long-term disturbance of personality function

in terms of depth and mood changes and Volkan (2003) applied the description of BPD in order to explain large group identity confusion from a psychiatric perspective (Millon & Davis, 1996). Similarly to Kernberg (2003), Volkan also associates the severe personality disorders with aggression which is an element of BPD and is also mirrored in large groups as well (Kernberg, 2003; Volkan, 2003).

When patients with BPD, including narcissistic patients with split internal world (a not fully integrated mental image of self and objects; leading the person to see the self and the others as either bad or good) get the systematic and proper analytic treatment, they reach a "crucial juncture experience" where they experience less depression and more mourning (Volkan, 1987; Volkan, 2003). Crucial juncture experience was first used by Melanie Klein in 1946. In the contemporary psychoanalytic understanding the term is used to refer to "bringing together libidinally determined self and object images with aggressively determined self and object images within the self-representation of an individual". (Volkan, 2003:22). At the crucial juncture, the patient may experience suicidal thoughts and depression as a result of the feeling that he/she mistreated the significant people in his/her life including the analyst or destroyed people who could have or might have loved him/her (ibid., 22).

Mourning, a response to any kind of significant loss, which was mentioned earlier as a part of the crucial juncture experience, is as a "response to the possibility of" losing previously had split images of self and is a positive response. Repetitive mourning accompanied by crucial juncture experiences is necessary for the patient to develop an integrated identity. Besides mourning, anger is also present because of giving up the existing split structures of the identity. Associated with these, guilt may also be existent hence depression as a consequence of the acceptance of responsibility for projecting unwanted characteristics onto the "other". (Volkan, 2003:22). In order to recover from BPD, the borderline patient experiences grief, anger, guilt, envy and other emotions so that he/she can have a successful mourning process (ibid. 22).

Until this point, we have discussed the process of crucial juncture experience in borderline patients. From this point forward, an analogical discussion of the

crucial juncture experience in large groups will be applied to explain large group identity confusion.

When we look at the similarities of BPD processes and the large-group identity confusion, it would not be wrong to associate BPD patients' split internal world with the confusion that large groups experience in terms of identity, in other words, when tent analogy is used to describe the split internal world of large groups, this corresponds to wear-and-tear on the tent garment eventually causing the tent to be unstable resulting in regressed large-groups. It was discussed earlier that when BPD patients' get systematic and proper analytic treatment they reach a "crucial juncture experience" where they go through less depression and more mourning. (Volkan, 1987; Volkan, 2003). Part of the crucial juncture experience is to go through the mourning process, and the difference between large groups and an individual patients is that, during crucial juncture experiences the analyst and the analysed hold associated affects of the experience in the analyst's office; however unlike borderline patients, when two opposing large groups experience a process towards having some kind of togetherness, this leads to large group identity confusion which leads to dangerous social or political movements as a result of shared effects of this identity confusion (Volkan, 2003). According to Kernberg (2003) as a basic defence mechanism, like in the BPD patients in large groups, aggression is triggered under regression conditions (Kernberg, 2003).

The objectives in both individual and large group cases are also different; in the individual borderline patient's clinical analysis of the objective is to change his/her split self-images and achieve a unified self-representation whereas in large groups the objective is to maintain the psychological or even a political border but in a permeable nature, through the coexistence and integration of two large groups (Volkan, 2003:22; Kernberg, 2003). In order to achieve a homogenous nature, as in the case of Germany after the fall of the Berlin Wall, the social and political strategies should be applied slowly so that the merging happens smoothly through finding new suitable reservoirs for unwanted elements of the large group identity as otherwise; it can lead to the emergence of new malignant reservoirs (ibid., 22).

A good example for large group identity confusion can be from Turkey. There are two competitive group images in Turkey at the moment; Turkish westernized

liberals and nationalists, hiding behind Atatürk's image; and Islamists who are hiding behind Prophet Mohammed's image (Volkan, 2006c).

For achieving a successful coexistence of two different large groups, instead of making an effort to remove the identity differences between the groups; focus on apologies, or encouraging forgiveness which may in fact harm the process; it is crucial to focus on resolutions for shared resistances before taking other steps (Volkan, 2003:22).

2.2.9. Regression in Large Groups and Symptoms of Large Group Regression

The previous section discussed large group identity confusion as one of the four main outcomes of social trauma. This section's discussion focuses on regression in large groups and provides an in-depth discussion of 20 large group regression elements with relevant examples.

Social trauma leads to regression, (often a change towards destructive and negative outcome) and progression (a change towards more restorative and positive outcome). Within the context of understanding large group identity, progression is used to refer to the "evolution of new social investments" and regression is used to "illustrate the recapitulation or renewal of previous strengths or supports for the group's identity" (Volkan, 1999a:49). In order for progression to occur, first, the large group that experienced a massively traumatising experience at the hand of "others" regresses. Both later show themselves as transgenerational transmission of trauma (Volkan, 2006d). Transgenerational transmission of trauma occurs mainly as a part of social trauma's impact on large group's psychology. However in cases, where social trauma does not cause serious damage on large group identity, social trauma itself may directly cause transgenerational transmission of trauma.

Every massively traumatising event that is caused at the hand of "others" first leads to regression within that large-group, which can then follow by the progression. After studying different traumatised large-groups with an interdisciplinary team in international relations, Vamik Volkan proposed "The Tree Model" which has three main phases; psycho-political diagnosis of the situation – psycho-political dialogues between members of opposing groups – collaborative

actions and institutions that grow out of the dialogue process (Volkan, 2006d: 310; Volkan, 2006a). This approach provides the grounds for a multidisciplinary collaboration including psychoanalysis, diplomacy and history on the issues. (Volkan, 2006d). At the last stage, a collaborative action is required for the development of solid action, institutions and programs. Then, what is learned is operationalised in order to maintain a peaceful co-existence of the large groups and to soften the threats from the "other", especially the ones that are fantasized. These, consequently, lead to progression. As in regression, there are certain signs and symptoms of progression as well; these range from "preserving individuality while stabilizing family, clan and professional subgroups" to "having a society where individuals and professional organisations establish a capacity to compromise without damaging integrity" including an ability within the large group to question what is ethical. (ibid. 311; Volkan, 2006).

A regressed group can move towards progression under the guidance of a "good" leadership. Also, in some cases, progression elements may exist at the same time with the regression elements. However, the identity of a "progressed" group does not return to what it was before the regression. (Volkan, 2004:86-87). Given the significance of regression (as it occurs after the massive trauma experienced at the hand of "others" and the way it can be transmitted from generation to generation) and the grounds to achieve a progressive society (i.e.: "good" leader, professional multi-disciplinary team to work towards achieving progression), it is more promising to examine regression elements when looking at the impact of massive trauma on business ethics. Furthermore, it is crucial to look at signs and symptoms of regression as it contributes to our understanding and analysis of the examined case country of this research as it is a traumatised society (Volkan, 2008b). All previous work in this area examined the large group's psychology after a traumatising event through analysing its regressed state (Volkan, 2004, Volkan, 2006a). This approach is also adopted in this research as, rather than a healthy, progressing society; this thesis investigates the traumatised, unhealthy society and unethical practices within it.

Regression is one of the key concepts in the mental health field, and is "a response to anxiety" which is "an internal signal that something dangerous is about to happen" (Volkan, 2004:54). It is neither good nor bad but rather an essential and

unavoidable response to different levels of threats, stress or trauma (Volkan, 2001b). In individual psychology, regression is in a more generic meaning defined as; "change in psychological phenomena in a direction that is the reverse of its usual, progressive direction." (Person et al., 2005:558). The term regression is adopted by psychoanalysts in defining the phenomenon in large groups (large group regression) as there is no single word which can be used to when referring to the phenomenon in large groups (Volkan, 2006d).

There are various types of massive trauma; some are due to natural disasters such as earthquakes, and others occur at the hand of "enemies", caused by people. Given that the massive trauma at the hand of "enemies" initiates humiliation and helplessness within the victimised group and an attack on large group identity; the resulting regression is more severe.

Ethnic, national or religious groups can be considered as large groups and in the event of a traumatizing event such as destruction by war, war-like conditions, terrorism or oppression by a dictator, large group regression occurs when the group members share certain anxieties, expectations, behaviours, actions, thought patterns (Volkan, 2004). These massive traumatic events range from "drastic losses of life, prestige, property and/or humiliation by another group" and large group regression occurs to protect, modify or repair large group identity (Volkan, 2001b).

In cases where large group identity is threatened and/or damaged, large groups show certain typical signs and symptoms of regression. The following list consist of these signs, focuses on "observable shared processes after a traumatizing event" such as destruction by war, war-like conditions, terrorism or oppression by a dictator;

1. *Group members lose their individuality.*

In a non-regressed country, soldiers for example, keep their individuality and may have loyalty to a certain political party, whereas this is not the case in regressed societies as individuals cannot express their opinion that are not favourable toward the military and/or government. For instance, during Nazi period in Germany, it was difficult for others to differentiate SS officers from each other and more interestingly, it was difficult for SS officers to differentiate themselves from other SS officers as well; thus losing their individualities (Volkan, 2004).

2. *The group rallies blindly around the leader.*

In regressed societies individuals who do not belong to the military or the governance hierarchy are erased (the leader can "make or break" a member of the group) and thus leads to a change in the social structure causing blind rallying around the leader as individuals feel a false wholeness, security and a feel of being part of the authority; this is especially visible in societies where totalitarian regimes exists (Volkan, 2004). Unifying the group around self is a characteristic often assigned to paranoid leaders (Kernberg, 1998).

3. *The group becomes divided into "good" segments – those who obediently follow the leader – and "bad" – those perceived to oppose the leader;*
4. *The group creates a sharp "us" and "them" division between itself and "enemy" (usually neighbouring) groups.*

An example of this trait is 9/11 attacks and what happened afterwards. Al Qaeda made a division in the world, creating "us" and "them", and after the attacks, USA did the same as well; they both divided the world into two (Volkan, 2006d).

5. *The group's shared morality or belief system becomes increasingly absolutist and punitive towards those perceived to be in conflict with it.*
6. *The group uses extensive "taking in" (introjection) and "putting out" (projection) mechanisms and may experience accompanying massive mood swings, from shared depressive feelings to collective paranoid expectations.*

After totalitarian Enver Hoxha regime in Albania, Albanians built 7,500 shelters with the expectation that an enemy attack might occur; this is a good instance of projection, and in terms of introjection, is non-validated "eating up" political propaganda within population (Volkan, 2006d).

7. *The group feels "entitled" to do anything to maintain its shared identity.*
8. *Group members experience increased magical thinking and reality-blurring.*

The Albanian shelter example given for the 6th trait also reflects magical thinking considering the fact that, built bunkers would not stand against modern weapons (Volkan, 2006d). There was also the myth of "great weapon" during 1963-1974 war in Cyprus. During the period when Cypriot Turks were living in enclaves,

they believed that there was a "great weapon" which they were in a common agreement among where it was located; approximately ten miles away from Nicosia, atop St. Hilarion Castle which was the only peak in the northern mountains under Turkish control (Volkan, 1979).

9. *The group experiences new cultural phenomena or adopts modified versions of traditional societal customs that are intended to protect the group identity.*

Both magically and realistically, after Chernobyl accident in Belarus, people believed that due to the accident their offspring would be born with deformities and they avoided having children. Clearly, Chernobyl accident changed existing cultural mating, marrying and having children norms in Belarus (Volkan, 1999b).

10. *The group's chosen traumas and glories are reactivated, resulting in a time collapse.*

It is leaders' institution to stimulate masses and many of them know how to activate chosen traumas and glories and thus bringing back the related emotions and amplifying associated fears and defences. During the dictatorship of Enver Hoxha in post-war communist Albania, his governance successfully erased religion and replaced his "purified" version of history which emphasized the Albania's connection to its Ottoman past leading to a gap in the history's continuum. Upon Hoxha's death, religion returned and Albanians started to question their true history (Volkan, 2004).

11. *The leadership creates a break in the historical continuity of the group and fills the gap with elements such as: "new" nationalism, ethnic sentiments, religious fundamentalism or ideology, accompanying "new" morality, and sometimes a "new" history of the group purged of unwanted elements.*

12. *Group members begin to experience some of the group's shared symbols as protosymbols.*

13. *Shared images depict and dehumanize enemy groups with symbols or protosymbols associated with progressively more subhuman traits; demons, insects, germs, human waste.*

14. The group experiences geographical or legal boundaries as a "second skin".

During regression, psycho-spatial borders and "other tangible distinctions" become significantly more important for the large group members and in the mental image, the dividing lines become psychological borders for the large group members. Therefore group members share a perception of threats by "others" to their border and their large group (Volkan, 2001b).

15. The group focuses on minor differences between itself and enemy groups.

Although, there might be major differences such as historical, cultural, linguistic or religious between a group and its enemy; during regression, regressed groups focus on minor differences between itself and its enemy group. For instance, during tense periods, the different ways dessert Baklava is made by each group can raise emotional issues (Volkan, 2004).

16. The leadership ruins basic trust within the family hierarchy and morality that interferes with roles within the family (especially women's roles), with normal childhood development, and with the adolescent passage.

When we look at the Nazi Germany, it is evident from the governing ideology *Volksgemeinschaft*, women had a more lower class status within the society and their role was being mainly sexual partners and mothers. As long as they believed in Nazi ideology, they felt that they were breeders of the superior race (Volkan, 2004).

17. Group members become overly concerned with the notion of "blood" and an associated homogenous or purified existence.

25,000 Armenians died in the 1988 earthquake and many went missing. During that time, Armenians refused Azerbaijanis ("others") blood since they saw accepting Azerbaijani blood as a threat to their large group identity. This is a common response of severely regressed large groups; they have the tendency to consider blood and identity as equivalent; blood as a physical and mental existence carrier, rather than seeing blood as a symbol of identity (Volkan, 2004).

18. The group engages in behaviours symbolizing purification.

Purification may take a benign form such as elimination of a shared out-of-date symbol; or can be in a malignant form and may show itself in ethnic cleansing. It is considered as a process of a group in transition, a ritual which through it a group attempts to move form regression and develop a new identity (Volkan, 2004).

19. Group taste has difficulty differentiating what is beautiful from what is ugly.

20. The group turns its physical environment into a gray-brown, amorphous (symbolically fecal) structure. (Volkan, 2004:60-61).

One of the oldest cities of Russia, Vladimir, which was founded in 1108, was the predecessor of Moscow with its magnificent Russian architecture and its heritage of medieval cultural and religious elements. However, under the Soviet administration, Vladimir became an industrial centre where several manufacturing and chemical plants were established. Under yellow-brown "blanket" an artificial sense of "sameness" was created. This is a reflection of the equivalence of beautiful and ugly, and a manifestation of a regressed large group under totalitarian governance.

In regressed large groups (i.e.: societies), society's regressed human condition may be seen as a resembling reflection on the physical environment. When large groups regress, through bodily wastes, debris and junk they pollute "mother earth", which is in psychoanalysis referred as "anal sadism". It is not the large group itself, but individual members of the large group who portray this behaviour. However, even though large groups cannot display "anal sadism" itself as they never go through the infancy the way an individual does, as large group members share this type of regression, large group shows the traits of "anal sadism". (Volkan, 2004).

In order to find relief from regression, large groups usually ask themselves questions such as; "Who are we now?" intending to get rid of "contaminating", unacceptable elements of their large group identity. Volkan (2005) calls this obligatory group process, "purification". (Volkan, 2005:531). This purification process may take different forms such as; efforts to clean foreign words from the

large group's language, which is something benign; or ethnic cleansing which is more malignant (Volkan, 2005:531). Regression also creates a defence mechanism in large groups (Krenberg, 2003). Estonia's independence from the Soviet Union in 1991 is a solid example of this purification process. When Estonia acquired independency, out of 1,5 million population, one third of them were either Russian speaking former Soviet citizens or Russians. This created the atmosphere where out of every three people on the street, one was "enemy", who was the "other". Consequently after getting independency from the Soviet Union, Estonians started to question their large group identity and who they are. Being part of a societal regression, these concerns exaggerated by the large number of "enemy" among them; who were perceived as contaminants of their large group identity. (Volkan, 2006d).

Freud (1917-1957) introduced the concept of "minor differences" which is another element of regression. It is the resistance of the large group not to being same or even similar to the enemy and it can be observed in "minor differences" such as; food, clothing, architecture, language and the like (Volkan, 2005:531); however these can become dangerous and lead to serious consequences as well as complicating the processes during political or diplomatic negotiations (Volkan, 1988, 1997).

Discussions and cases presented until this point demonstrated the clear link between social and individual trauma, large group identity, large group identity confusion and large group regression. From this point forward, it is crucial to look at chosen trauma as the significant link between large group regression and chosen traumas can be used by leaders of these regressed societies through activation of chosen traumas either for good or bad (Volkan, 2004; Volkan, 2001b). Considering the unsolved conflicts in de facto states, it is vital to consider the impact of activation of chosen trauma especially in post-war de facto states which have elements to initiate the activation and once chosen traumas are activated the whole societal textures including business practices are all impacted consequently. The discussion of concepts of chosen trauma, activation of these and transgenerational transmission of trauma are presented as in the later sections 2.2.10, and 2.2.11. They are helpful to show the link between socio-psychological elements and environmental factors which impacts on business ethics practices.

2.2.10. Chosen Trauma

This section provides the definition and discussion of chosen trauma in large groups through relevant examples. Chosen trauma was discussed in the previous section (2.2.9 Regression in Large Groups and Symptoms of Social Regression) as the 10th element - "the group's chosen traumas and glories are reactivated, resulting in a time collapse"; however the same concept is discussed here in more detail. Chosen trauma is one of the 20 elements of regression, yet it is one of the most crucial elements which can help to show the link of the past with the present, through the analysis of chosen traumas. Past traumas are transmitted through generations, merely a misuse of a chosen trauma or chosen glories of the past, which a large group could not mourn, in the hands of a malignant leader, can result in a highly regressed, unhealthy society.

This research aims to uncover the link between social trauma and unethical business practices through the analysis of Cypriot Turks who experienced a number of socially traumatising events at the hand of others. In order to show social trauma's impact on entrepreneurial environment and unethical business practices, an in-depth analysis of chosen traumas of Cypriot Turks was discussed in Chapter Five. What Cypriot Turks went through in regards to the large group's regression can be investigated better by looking at the past historical trauma of the examined large-group which links can be seen to the present day. This section reviews the literature on chosen trauma in order to provide the detailed framework on the phenomenon.

Through the activation of chosen traumas or chosen glories, certain historical, cultural or religious heritage can be replaced with the new version that was created by the leadership and parts of large-group or sub-group identity can be erased to use emotions related with the trauma to achieve certain ends. (Volkan, 2004). Thus, chosen trauma is an important means to manipulate the bridge between the past and the future of a large group. In this investigation, it is crucial to look at the past traumas, and the way they took their place in the examined large-group.

According to Robben and Suárez-Orosco (2000a) psychoanalyst Volkan and historian Itzkowitz made a great contribution to the understanding of the relation between trauma and society. Even though a large group cannot choose whether to be the victim or not; it can choose to psychologise and mythologize what has happened

and reshape its identity through that event both consciously and unconsciously. (Volkan & Itzkowitz, 2000:232; Robben & Suárez-Orosco, 2000a). In traumatic situations, large groups feel the need to correct past wrongs and even if they do not feel victimized at a conscious level, they reflect their losses by psychologising them and transforming them into "powerful cultural narratives" which takes a significant part of their large group identity (Robben & Suárez-Orozco, 2000a:23).

The term "chosen trauma" was introduced by Vamık Volkan and it describes the consequences when large groups cannot mourn for pass losses for different reasons. (ibid.23). Volkan briefly defines "chosen trauma" as follows;

> When a traumatized group cannot reverse its feelings of helplessness and humiliation and cannot effectively go through the work of mourning, it transfers these unfinished psychological tasks to future generations. ... Such tasks are often transferred through parents' behaviour patterns, physical gestures, other nonverbal communications, and the granting or withholding of affection when a child behaves in certain ways. In other words, such transmissions take place mostly unconsciously within the child-parent (or –caretaker) relationships.

> Despite the individuality of each child in subsequent generation(s), in a large group whose ancestors have experienced a massive trauma and severe losses at the hands of enemies, the children of ensuing generation(s) are given similar primary tasks: complete the mourning over the losses, reverse shame and humiliation, and turn passivity into assertion. Since all of these tasks are related to the mental representation of the same massive traumatic event, the mental representation of this event connects the members of the group in an invisible way. This mental representation of the event, decades later, evolves into a large group identity marker. I call these historical hurts chosen traumas – that is, the historical image of the trauma is "chosen" to represent a particular group. (Volkan, 2006a:154).

Luhrmann (2000) adopted Volkan's (2006a) definition of chosen trauma and showed its link to social trauma as such; previously referred emotional feelings which results from massive trauma such as humiliation, distress, self-blame and guilt when shared

by many belonging to the same group shows the existence of collective (large group/social) trauma (Luhrmann, 2000).

The membership of a large group is determined with "bundle of traits" and at a certain point, these traits become associated with emotions of shame and guilt, and cognitively with failure. (Luhrmann, 2000:184). Luhrmann (2000) argues how fitting the term "chosen trauma" is to define the shared representation of an event on a large group. These representations may include sense of distress, intense feelings, fantasized expectations, realistic information and defences against unacceptable thoughts (ibid. 184).

When a person confronts the fact that his/her loved one's death, commonly denial is the common response, however it follows the acceptance and bereaved reconcile of the loss (Robben, 2000). On the other hand, when the case is about a "disappeared person" the process is different and it is crucial to share at this point that "disappeared persons" is still an important issue which both Cypriot Turks and Cypriot Greeks are still experiencing its traumatising impact. In a disappeared person case, after the individual denies the loved one's death, he/she continues with reality check by searching the loved one through police-stations, military bases, hospitals and morgues until the search provides the conclusive indication of death (ibid. 2000:88).

There was the case of Argentinean parents whose children were abducted alive in front of their eyes during Argentine Dirty War[6] (1976-1983), even though they heard about the secret detention centres and torture and killings that takes place there; in spite of their anxiety about their loved-ones welfare, they hardly considered them to be dead (Robben, 2000:88).

There is a significant connection between inability and difficulty to mourn and chosen traumas; in order to be able to call a trauma "chosen", there must be issues of adaptive mourning. Moreover the trauma related humiliation is irreversible. (Volkan & Itzkowitz, 2000:233). Through the interaction between a child and his/her caregivers, as well as via the interaction of a traumatised large group's adult

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[6]Argentine Dirty War (1976-1983) civil war between Argentine military and revolutionist guerrilla forces (Robben, 2000:71).

members the "mental representation of the chosen trauma" and associated feelings of loss, hurt, shame and related defences are transferred to the next generation in non-verbal ways (ibid.,233). While this transfer occurs, large group's members unconsciously expect the next generation to complete mourning and reverse the humiliation that they experienced. From one generation to the other, the story of the traumatic event alters, however its psychological impact stays over generations which as a result reflects on the attitude towards certain groups that is directly or indirectly related to the traumatic event (ibid. 233).

Once a trauma is "chosen", mental representations of other past traumas are often condensed with it and the truth about the historic event is no more important; instead its significance on the formation of the large group identity and victimizers' mental representations gains importance.

Chosen traumas, can stay inactive within some generations; however they are reactivated when there is a threat to their large group identity or when either political or personal reasons a leader (consciously or unconsciously) bring these traumas to the attention of the group (Volkan & Itzkowitz, 2000:233). In most of the cases chosen traumas are chosen to be reactivated to "fuel entitlement ideologies" and this may be initiated by political leaders (Volkan, 2006d).

An example of activation of chosen trauma was by a leader, Slobodan Milosevic in 1989, who died in 2006 while he was still on trial for genocide and crimes against humanity. The United Nations believed he was responsible for mass murder among other crimes (Volkan, 2004; Volkan, 2006).

Milosevic, Serbian Church officials, Milosevic's followers and certain academics activated the Serbian chosen trauma of 1389, Battle of Kosovo through "show and tell" behaviour. The Battle was between the Serbians and the Ottomans where Serbians were defeated. With Milosevic's order, a Serbian battle hero was unearthed and they took his remains from one village to another. Milosevic's proxies made speeches and they held funeral ceremonies for the hero as if he died recently and next morning he would be "resurrected" to be "killed" again in another village creating "time collapse". This way, Serbs' past traumatic experience, related feelings and fantasies were intertwined with their current political and social environment. (Volkan, 2004).

2.2.11. Transgenerational Transmission of Trauma

"Massive traumas do not just nestle themselves in the victim's inner world: they are transmitted within the family and across generations" (Robben & Suárez-Orozco, 2000b:44).

This section provides a discussion on the process of transgenerational transmission of trauma, which is a crucial phenomenon to grasp as it is an unavoidable consequence of a socially traumatising event experienced at the hand of "others". The case study society, Cypriot Turks, experienced social trauma for more than 40 years now, therefore it is important to look at transgenerational transmission of trauma so that its importance within historical processes becomes clearer.

When a large group experiences a massive traumatic experience such as war, war-like conditions or deteriorating political system; there is an identifiable enemy or oppressor group that intentionally causes pain, helplessness and suffering on its victimized large group. In such cases, the impact on the large group is different in many ways compared to naturally or accidentally-caused catastrophic disaster or sudden loss of a leader. The group members experience, "shared humiliation, shame, dehumanization and guilt, inability to be assertive and identification with the oppressor". This leads to a complicated large group mourning process causing transgenerational transmission of trauma. (Volkan, 2006b:2). This complication occurs when victimised large group members cannot mourn and repress; if they cannot reverse the feelings of humiliation and helplessness, what happens is, in most of the time unconsciously, they pass on their injured self images and incomplete psychological tasks to their offspring. This transmission is also in line with Tajfel's (1981) definition of social identity who defined it as a "part of an individual's self-concept which derives from his knowledge of his membership in a social group (or groups) together with the value and emotional significance attached to that membership" (Tajfel, 1981:255). When reconsidered, it is evident that values and emotions that are transmitted from ancestors shape the sense of belongingness to a group which also confirms Tajfel's (1981) definition's accuracy.

The same historical, traumatic event is referred in all the images and tasks transferred and after decades, the individual members of the large group shares the mental representation of the event which links them to their large group. Thus, the

large group identity marker becomes the mental representation of the traumatic event. Here it is crucial to show the link between chosen traumas and transgenerational transmission of trauma; the "infection" of a large group's mourning process is the chosen trauma and when it is reactivated, it connects large group's members (Volkan, 2006a:307).

The impact of chosen trauma on large groups is studied by psychoanalysts and mental health professionals; and these studies, which most of them studied children and grandchildren of Holocaust survivors; have shown how this transgenerational transmission occurs. Intergenerational transmission of trauma is also a reflection of the massive trauma on and a confirmation of its existence in a society. (Robben & Suárez-Orozco, 2000a:24).

Over-protectiveness can be seen in Holocaust survivor parents and psychiatrists interpret this as a re-emergence of their suppressed object feelings and at the same time defensive anxiety about new losses (ibid. 24).

2.2.12. Siege Mentality

Preceding section discussed transgenerational transmission of trauma. This section discusses the "siege mentality" and its altered form. Unlike the other three main outcomes of social trauma (large group identity confusion, regression and transgenerational transmission of trauma), siege mentality and altered siege mentality occurs only during circumstances such as war or a war like event.

Once a large group starts to respond to trauma at the hand of "others", this shows itself in societal, cultural or political processes. Even though the majority of the group members work on the healing process, if helplessness still continues then five major psychological phenomena can be experienced;

1. A shared sense of shame, humiliation, dehumanization and guilt
2. A shared inability to be assertive
3. A shared identification with the oppressor
4. A shared difficulty or even inability to mourn losses
5. A shared transgenerational transmission of trauma (Volkan, 2006b:14; Volkan, 2008a:213).

Large group identity confusion is also related with a social-political-psychological phenomenon called "enclave mentality" through this phenomenon's altered form. This change occurs for many reasons one being looting. (Volkan, 2008a:215). Siege mentality (another term to refer to enclave mentality) is the feeling that "one's own society is surrounded by a hostile world or the rest of the world has highly negative intentions towards one's own society" (Bar-Tal & Antebi, 1992).

Before making any further discussions on siege mentality, it is crucial to mention why in this research the term "siege mentality" is used rather than "enclave mentality". Although Volkan (2008b) used the term "enclave mentality", in this research siege mentality is used to refer to the phenomenon. The reason of this selection is, first of all, some of other authors referred to it as siege mentality (i.e.: Bar-Tal & Antebi, 1992) which shows alternate usage and secondly, and more importantly, "siege mentality" term linguistically provides a self-explanatory nature that can be applied by other disciplinary areas and non-specific cases as well.

In large groups with siege mentality, no one can have a position change for better without being humiliated and being jealous by its fellow group members as this positive change disturbs the unhealthy large group identity which is based on masochism, humiliation and helpless anger. When siege mentality continues even after the disappearance of the traumatic event, the unhealthy society tries to pull the positively changing individuals or entities back to the crowd that feels shame and humiliation. (Volkan, 2008a:216).

2.2.13. Social Trauma Model

This section summarises the conceptualisation of the interaction of trauma with related outcomes with each other and with different layers of a large group.

When a massive traumatic event occurs such as war, trauma impacts on individuals and society and just the way individuals have identities, societies also have their own large group identities. Society is made up of individuals and large group phenomena occur when significant majority of population influenced by a traumatic event. These include large group identity confusion; regression, transgenerational transmission of trauma and siege mentality. It is accurate to say

that a massively traumatising event has different levels of impact, on a large group (i.e.: a society) and its individual members. These phenomena are depicted with a model in this section so that readers can have a holistic picture of the relationships. These relationships that the model depicts are explained here at individual identity level, individual level, social identity level and social level before the presentation of the model.

Individual Identity Level: Massive traumatic event has impact on individual's psychology and shows itself as post-traumatic stress disorder (PTSD); in certain cases it may also cause the individual to question his/her identity which starts to form during infancy. These lead to individual level consequences of the traumatic event.

Individual Level: At individual level, an individual member of the large group suffers from the psychological and in some cases physical impact of the massive traumatic event, which creates certain individual feelings such as guilt, shame, humiliation, inability to mourn and the like. In cases where the massive traumatic event is war, the incidences of looting are highly possible. This creates alteration in the siege mentality which the war creates among the society during the event. Altered siege mentality also impacts on large group identity confusion.

Large Group (Societal) Identity Level: Following its individual members' emotions such as humiliation, guilt, shame and inability to mourn to a traumatic event, large group identity confusion occurs which leads to an inward aggression that results in the division of the large group, in most of the cases into two distinct sub-groups. Moreover, transgenerational transmission of trauma and trauma related emotions occurs usually involving change of the traumatic historical occurrence related stories while transmission to the younger generations. The existence of relationship between large group identity confusion and transgenerational transmission of trauma is also clear at large group identity level.

Large Group (Societal) Level: There is a direct link between massive traumatic event and social trauma; as well as between massive traumatic event and regression/progression. Social trauma occurs as a result of a massive traumatic event and large groups under trauma regress which is called "large group regression". In most of the cases, regression is followed by progression, however in certain

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circumstances they can co-exist. Furthermore, in cases of war siege mentality occurs as a result of social trauma and as explained in large group identity level, where as a result of traumatic experience, certain emotions are transmitted with change of story to new generations; social trauma which is directly caused by the traumatic experience also results in transgenerational trauma.

The interrelationship among individual level, individual identity level, large group identity level and large group level which are all explained above are depicted in figure 6 to provide a holistic visualisation of the way all these different layers of psychology interwoven and presents the possible consequences of social trauma's impact and possible consequences on these different layers. The model was developed by the researcher, based on the existing scholastic work available on social trauma and large group psychology.
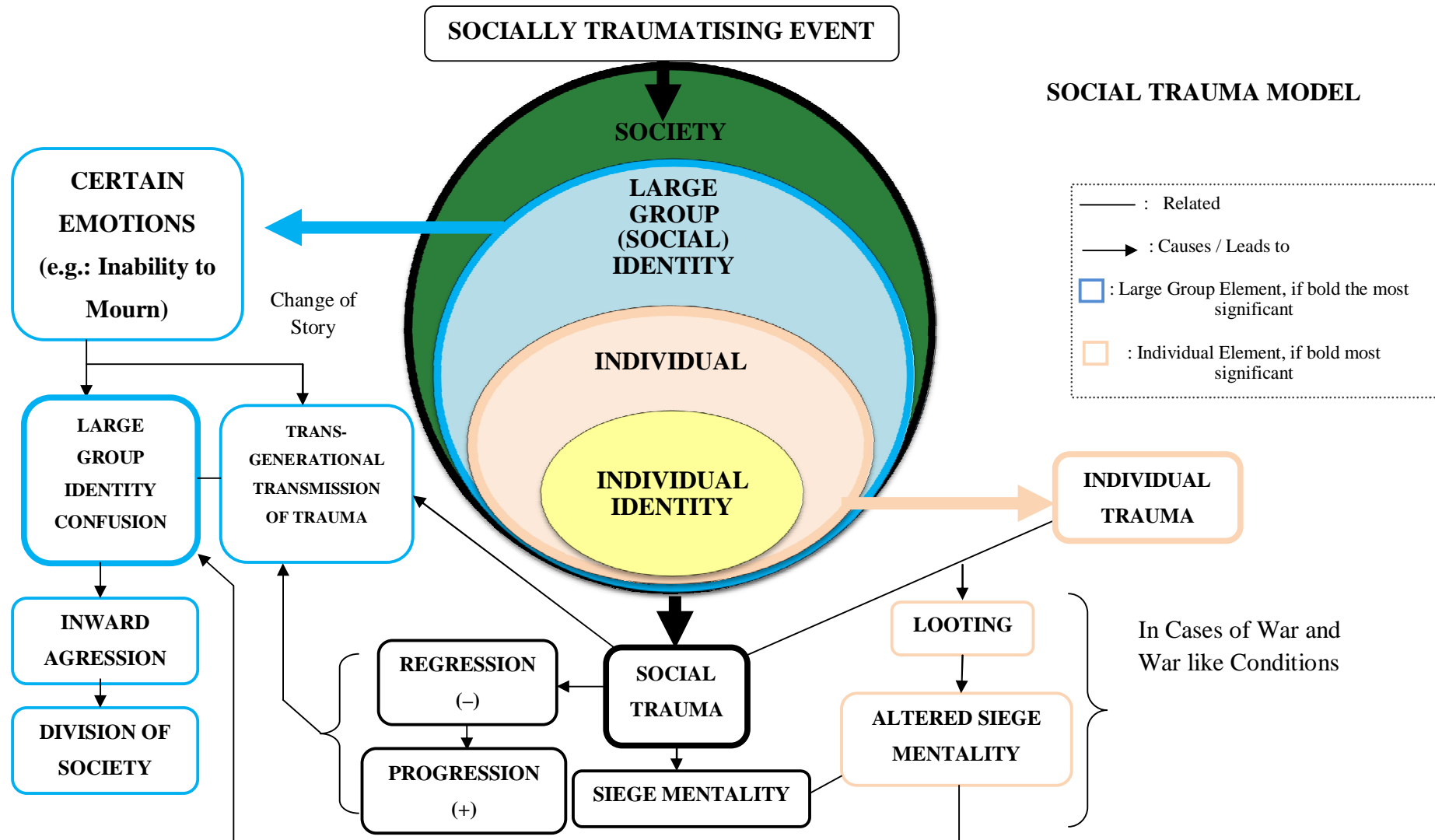
Figure 6: Impact of a Socially Traumatising Event: From Individual to Society – Adopted based on the work of Volkan (2008a, 2006d, 2004) and Robben & Suárez-Orozco (2000a)

2.3. Management and Business Ethics[7]

    2.3.1. Management and Business Ethics Section Introduction

Previous section discussed social trauma which is one of the three crucial disciplines that was investigated to answer the research questions. Considering the importance of understanding business ethics element of this research as much as social trauma in order to achieve conceptual aims and to contribute to answer the empirical level questions, an insight of the existing business ethics literature is also required.

Moral philosophies are crucial in understanding the roots of ethics and get an in depth comprehension of the main debates around what constitutes an ethical or an unethical behaviour. However, considering that this research's primary data focus on individual entrepreneurs' accounts of the practices that they are involved in and considering that the social trauma discussions presented in the preceding section provided the knowledge of how socially traumatising events can impact on the society through traumatising its individual members; in this research, rather than the discussion of emerged practices' ethicality through classical moral philosophies from a general perspective, the focus is on individual ethical decision-making as this research looks into how social trauma impacts on entrepreneurs' practices.

This section provides discussions of ethics in SMEs, and ethics in family businesses. Although, the discussions of the findings are mainly done through social trauma and business-government-society relationship literature, ethics serves as the framework that these discussions are fitted into.

In order to provide the broad alternative of views that shaped what constitutes unethical behaviour or decision in the business world, possible reasons of these views are explored in this chapter. These are presented under following sub-sections; ethics, business ethics and small and medium sized enterprises which the research sample is derived from as a result of the dominancy of the SMEs in the case study society North Cyprus.

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[7] Parts of this section were published in refereed proceedings of the 11th European Business Ethics Network – UK (EBEN UK) and 9th Ethics and Human Resource Management Conference, 12 – 13 April, 2007, University of Gloucestershire, Cheltenham, UK

It also provides the review of previously done research on factors which influence an individual's decision-making process and these include various individual, situational and external factors in order to offer the theoretical understanding. The review of previous models of ethical theories provides the wider knowledge of other factors and the way they impact on ethical decision-making; therefore shows that this particular research accept that possibility of influence of those factors to an extent on the investigated phenomenon, however focuses on social trauma's specific impact and its consequences.

2.3.2. Definitions and Discussions: Morality, Ethics and Business Ethics

As there are various perspectives on what constitutes morality and ethics, before providing any definitions of the concepts in question, it is more useful to first discuss different arguments on what morality and ethics are, and then adopt the right definitions of ethics and business ethics for this research, so that a better distinction can be made at later stages while discussing the grounds why certain behaviour or decision is considered unethical.

In spite of the fact that "morality" and "ethics" are used interchangeably since an ethical issue is also a moral issue; in the scholastic literature there are different views on the interpretation of what morality and ethics constitute (Honderich, 2005; Blackburn, 2005).

Some views such as Socrates' and Bernard William's consider ethics as a more broader concept which engulf efforts to answer questions such as "How should we live?" rather than its applied version where ethics is more associated with a certain profession's associated moral obligations and concerns. In this type of perspective, morality becomes a subset of ethics which is concerned with obligations. (William, 1985; Honderich, 2005).

William (1985) also argues that morality in today's context, transformed ethical norms and standards and since these ethical norms and standards are similar to legal rules, the actual virtue that exists is only obeying to the call of duty. Hence instead of this type of formation of ethics; unconstrained, less moralistic and more humane ethical life should be sought. Through this type of statement, William

(1985) actually specifies a form of ethics through the use of the concept "morality" (William, 1985; Mautner, 2005).

Similar to William's (1985) arguments, Hegel (1893) in his *Rechtsphilosophie* discusses the concepts of morality (*Moralität)* and ethicality *(Sittlichkeit).* He argues that morality is the independent individual's subject matter and as a concept which initially originated with Socrates and strengthened along with Christianity; it deals both with welfare of self and others. Yet, it fails to be compatible with existing customs and social values and the institutions that maintain these and thus Hegel (1893) defines ethicality as being able to live in "unforced harmony" with these values, customs and institutions in spite of this failure. (Hegel, 2005; Mautner, 2005:404).

In contrast with William, Socrates and Hegel; scholars such as Habermas (1992) and Rawls (2005) distinguish between ethics and morality. Habermas argues that ethics has limitations because morality is embedded in *Sittlichkeit* the way Hegel (1893) defines it, and because of morality, ethics "is always subject to limitations" (Habermas, 1992:99; Hegel, 2005; Mautner, 2005; Rawls, 2005).

Similar to Habermas's (1992) reasoning, in some cases, because of the nature of the established system morality is more eminent to the particular system than ethics. For instance, as Kant's maxims are based on notions of duty, principles of conduct and obligation his system is more associated with morality; whereas ethics and morality are integrated in approaches that are related with the notion of virtue as of Aristotle's Virtue Ethics (Blackburn, 2005).

Ethics, rooting from *ēthos* in Greek, means character traits. It is one of the two traditional branches of the theory of value which studies concepts such as; good, right, duty, obligation, virtue, freedom, rationality and choice in practical reasoning (Broadie & Rowe, 2002; Blackburn, 2005).

Ethics as it is used in this research, evaluates human conduct and how human beings essentially are supposed to behave, in particular towards each other and inquires the standards of good and bad; and right and wrong (Honderich, 2005; Mautner, 2005:201). Thus, rather than considering morality and ethics as distinctive

concepts, in this research, with a more Socratic perspective, morality is considered as embedded in ethics.

According to Lewis (1985), even during 1980's the term "business ethics" was defined in 254 various articles, books and textbooks in 308 different ways (Lewis, 1985). Therefore, instead of giving various definitions, it is more appropriate to provide the definition that is used in this particular research. Based on the above definition of ethics, *Business ethics* is defined as the application of the "ethics" concept defined above into the business environment.

According to Jones (1991) ethical decision is the one which is both legal and morally acceptable to the larger community (Jones, 1991:367). Conversely, unethical decision is defined as a decision that is either illegal or morally unacceptable to the larger community (Jones, 1991:367). However, in this particular research, *unethical decision* refers to a decision that is morally unacceptable and *ethical decision* refers to a decision that is morally acceptable. These two particular definitions exclude from the notion of "ethical" those decisions which are legal but are morally unacceptable. Bommer et al., (1987) states that, what is legal is not necessarily ethical; they are not synonymous. However, legal dimension of ethics is an important element in ethical decision-making. Managers do not act lawfully just because of the legal consequences an unlawful behaviour may lead to, but also because of society's perception of "illegal" and obedience to what is morally acceptable by the society. Business related crimes, frequently cannot be prosecuted because it is difficult to understand the intricacies of the offence. Moreover, usually since the harm is not physical (to a person's body) but rather economic (financial harm), the case may be given low priority in prosecution. This results with the evaluation of the relatively light prosecution against the relatively large personal or corporate financial rewards. Therefore, it can be concluded that a manager who does not perform a business-related crime, does not perform it because of the moral force behind the law and not because the existence of the law itself. (Bommer et al., 1987).

2.3.3. Small and Medium Sized Enterprises

During the beginning of 2008, there were an estimated 4.3 million SME businesses in the UK and they made up of 99.9% of the UK enterprises during 2008, providing 59.4% of the employment (BIS, 2009). In TRNC, more than 95% of the

private enterprises are SMEs and they provide 88% of the jobs in private sector (Tanova, 2003). According to 2003 data, SMEs made up of 99.89% of the Turkish economy; since TRNC heavily relies on financial aids from Turkey and uses Turkish Lira as currency the Turkish definition of SME is also presented (Okumuş et al., 2005). However, since there was no agreed definition of SMEs in Turkey, every institution that was dealing with SMEs was using a different definition (Yılmaz, 2003). In November 2005, as part of the European Union (EU) adaptation process, under regulation numbered 2005/9617 the government introduced the EU version of SME definition as the common definition which has been in force since April, 2006 (İktisadi Kalkınma Vakfı, 2005).

In the EU, there are approximately 23 million SMEs employing more than 75 million people, making up of 99.8% of the businesses (EU Commission Turkey Office, 2005; EU Commission, 2005). According to the EU version of SMEs definition, the staff headcount and financial ceilings are the determinants of SME categories. Medium enterprises employ less than 250 persons; their turnover does not exceed €50 million and/or their annual balance sheet total does not exceed €43 million. Small enterprises employ, less than 50 persons, with a turnover and/or annual balance sheet total not exceeding €10 million. Micro enterprises employ less than 10 persons, and their turnover and/or annual balance sheet total does not exceed €2 million. Table 2 gives the summary of the SME definition of the EU and its categories (EU Commission Regulation, 2003).

Table 2: EU definition of SMEs (EU Commission Regulation, 2003).

SME Category	Micro	Small	Medium
Staff Headcount	< 10	< 50	< 250
Annual Turnover	< €2 million	< €10 million	< €50 million
Annual Balance Sheet	< €2 million	< €10 million	< €43 million

Although previously, United Kingdom defined SMEs slightly different than EU, now the European Union definition is in application in the UK as well. The previous UK definition also was taking into account the staff headcount, annual turnover and/or annual balance sheet total. In terms of staff headcount, they shared very similar numbers for each SME category although EU excludes the given

maximum staff headcount number; whereas the UK definition included the given maximum. The other difference was on the annual turnover and annual balance sheet figures (Department of Trade and Industry, 2006). Details of the UK's previous SME definitions can be seen on table 3. The figures are also given in approximate Euro values so that a comparison can be made.

Table 3: UK definition of SMEs (Department of Trade and Industry, 2006).

SME Category	Micro	Small	Medium
Staff Headcount	≤ 10	≤ 50	≤ 250
Annual Turnover	£ 2.8 million (€4.1 million)	£ 2.8 million (€4.1 million)	£ 11.2 million (€16.5 million)
Annual Balance Sheet	£1.4 million (€2 million)	£1.4 million (€2 million)	£ 5.6 million (€8.3 million)

SMEs are not covered under the body of current law of Turkish Republic of Northern Cyprus (TRNC); however business associations, chambers and governmental bodies working under Prime Ministry EU Coordination Centre decided in April, 2004 that SMEs should be covered under the law according to the EU definition and an SME inventory should be created (Yeni Kıbrıs, 2004).

According to Cyprus Turkish Chamber of Industry, TRNC's current unofficial SME definition is as follows; (Table 4)

Table 4: TRNC Unofficial Definition of SMEs (Cyprus Turkish Chamber of Industry, 2005).

SME Category	Micro	Small	Medium
Staff Headcount	≤ 4	≤ 9	≤ 49

However, it has been proposed that a law is required for SME definition and it should be decided based on the appropriateness of the definition to the Country (Cyprus Turkish Chamber of Industry, 2005). An SME definition has not been promulgated since 2004 since the decision was made to create one. However, since it is evident that the government's preliminary decision was to follow the EU

definition and since all of the laws and regulations are in the process of adaptation to EU standards, the definition is used in this research is the EU definition.

2.3.4. Business Ethics in SMEs and in Family Businesses

In North Cyprus, majority of the companies, both SMEs and larger companies are family businesses (Cyprus Turkish Chamber of Commerce, 2007). Unlike large organisations, in SMEs, most of the time ethical decisions are made by the owner-manager, and it is likely to reflect the individual ethics of the owner. This may create positive or negative influence on the ethical profile of an SME and may impact ethical decisions for better or worse in general. (Spence & Rutherfoord, 2003; Wu, 2002; Smith & Oakley, 1994).

SMEs impact at the local, regional, and national levels of the economy is evident; however empirical studies suggest that SMEs lack the motives to practice social responsibility (Thompson & Hood, 1993; Wu, 2002). It should not be ignored that there are factors that exist which influence ethical behaviour of business people; business is about money, power and working with people and people are not perfect (Fassin, 2005). Greed and pursuit of profit; the nature of competition and the desire to beat the other party in a competitive environment; and the need to insure or restore some standard of justice that may have been violated have been identified as three major dimensions that may drive individuals to unethical practices (Fassin, 2005).

One of the elements that a business is associated with is power, and it is the ultimate requirement for a manager to run a business (ibid. 2005). When objectively examined power is neither something bad nor good but rather is about the way it is possessed and it is utilised. If a company acts responsively towards its society, this is a positive utilisation of power (Gallo, 1998). In both non-family owned SMEs and family-owned businesses the power might be misused as the owner runs his/her business. Since the owner has the power discussed above, it gives him the control of the company (Gallo, 1998). Any misuse of power has potentially harmful results in terms of social responsibility. Then the question of why people misuse their power emerges. Some people always behave ethically in their private and social lives as well; whereas others do not. Therefore, it is questionable to what extent it is sensible to expect the same people that are not behaving ethically in their private and social lives to act ethically in their professional lives (Fassin, 2005).

It is important at this point to mention that as the individual ethical attitudes are different from each other and individual attitudes of owner-managers largely affect the company's ethical attitude, Forsyth's (1980, 1981, 1985, 1992) studies, are useful tools to analyse the ethical decision-making processes of owner-managers.

There are people who cheat in sports and in games. According to Lombardian doping game, for players "winning is not everything, it is the only thing"; therefore some competitors cheat by using doping (Bird & Wagner, 1997:751). Berentsen and Lengwiler (2003) suggested that the doping problem in sport events is very similar and can be applicable to business to promote further understanding of competition in the business environment (Berentsen & Lengwiler, 2003).

As in sports participants, managers strive for success and the last thing they want to do is fail. Failure in business, especially for new businesses is a very likely incident and it can create a lot of pressure on owner-managers, as having a second chance is a very rare thing in the current market system. Therefore, in order to succeed, all means are "acceptable" for them. Especially when psychological sides of this issue are considered the pressure that entrepreneurs experience can be understood. (Fassin, 2005).

For example, acceptance of the failure and admitting this to family, friends and community is the main fear of business owners-managers since the overnight transformation form success to failure is very hard. It is understandable considering this pressure, how; even an ethical, honest business person can be tempted to behave in an ethically questionable way as an option. ''Numerous rationalisations lead to unethical behaviour from usually intelligent, honest people who transgress the border between right and wrong'' (Gellerman, 1986 cited in Fassin, 2005). It is the belief of the most social observers that in most of the societies, there is a major negative moral change and business-people, public figures and politicians engaged in ethical violations and this is a commonality in the world of sports, religion, business, politics and academia as well (Fassin, 2005).

In many of the transition economies such as Eastern-European countries, China and Russia as a result of the absence of regulations, entrepreneurs build fortunes in considerably short times without ethical considerations (Fassin, 2005; Wu, 2002). Even though, North Cyprus is not a transition economy, it is a

developing country with structural deficiencies in the system and taking advantage of this situation is common as it is in transition economies mentioned above.

Based on different research findings, ethical dilemmas in SME decision-making are;

- unethical entrepreneurial activities
- conflicts between individual values and business needs
- recognition of social responsibility
- personality of the owner-manager
- employee interest issues
- product pricing
- product quality
- legal problems
- government regulatory concerns (Vyakarnam et al., 1997; Hornsby et al., 1994, Wu, 2002).

Also this is a list of moral dilemmas SMEs face in terms of their customers' satisfaction as;

- faulty investment advice
- favouritism in marketing
- acquiescing in dangerous design flaws
- misleading financial reporting
- misleading advertising
- defending healthfulness of cigarette smoking (Longenecker et al,, 1989; Wu, 2002:165).

Moreover in a more general framework, companies face complex ethical dilemmas concerning human resources, environment, social stakeholders, basic fairness, personnel and customer relationships and distribution (Wu, 2002; Hannafey, 2003). These are issues that do not necessarily unique for and represent ethical issues in SMEs, but they are common for every type of organisation (Wu, 2002).

2.3.5. Factors Influencing Individual Ethical Decision-Making

Besides models which focus on individual factors on ethical behaviour and the way an individual's ethical perception develops there are other models which look at the situational factors alongside the individual factors. Although ethical decision-making theories are investigated thoroughly, considering context of this research, models which can be linked to social trauma discussions are presented here.

This research assumes that there are different group of factors which determine the ethical decision-making process of an individual and this includes individual, situational and environmental factors.

Models which are represented under this section have the purpose to provide the theoretical business ethics elements which are easily applicable as an outline to interpret this research's findings as well as to serve an intermediary between data and moral philosophies for a deeper discussion of the findings.

2.3.5.1. Entrepreneur as an Individual

In order to determine "the depth of the spontaneously ethical company business ethics", many studies in the literature of ethical decision-making examine individual attitudes of the decision-maker and individual values where the company's ethical behaviour results from (Wu, 2002:163). Since in small businesses firms are more likely to be managed by the owners, ownership and management are not separated compared to a multinational firm. Along with this, since the ownership and management are not separated, it is very likely that ethical decision-making attitudes, individual beliefs of SME owners-managers, their 'social relationships and networks' cannot be separated from the business and they influence the practices within the company (Spence & Rutherfoord, 2003). Longenecker et al, (1989) observed that "management practices in smaller firms reflect to a greater degree the personality and attitudes of the entrepreneur" (Hannafey, 2003:104). As a result of this, "individual's crucial choices between interests and ethics will necessarily impact on corporate business ethics, for better or worse. Individuality; therefore, influences business ethics" (Wu, 2002:163; Smith & Oakley, 1994).

Furthermore, it is suggested by Hannafey (2003) that ethics is a very personal concept and they way it is experienced depends on an individual's core values which are shaped by their family members, teachers, and mentors in early life (Hannafey, 2003). It is discovered by many research that seeking self-interest may adversely reflect on an individual's (owner-manager) own values of ethics which increases unethical practice within an organisation (Hoffman et al., 1998). Therefore, this should be taken into account that when analysing individual owner-managers ethical attitudes, their background and mentality are both important. Thus, while reviewing the literature of decision-making in SMEs, as these organizations' ethical attitudes are determined very significantly by their owners-managers' ethical attitudes, understanding individual ethical decision-making is the priority for this research.

2.3.5.1.1. Kohlberg's Cognitive Moral Development Theory

In order to understand individual decision-making, first the theoretical bases of ethical decision-making should be understood. Cognitive Moral Development (CMD) proposed by Kohlberg (1968) where he challenged social views of morality and Expectancy Theory of Porter and Lawler (1968) which is an extension of Expectancy Model of Vroom (1964), constitute the theoretical bases of ethical decision-making. Although Expectancy Theory is a widely used framework for contemporary behavioural science, Kohlberg's CMD is still among the most cited work in this area and as mentioned before it is one of the key literatures in ethical decision-making (Durkheim, 1961; Longenecker et al., 2006; McDonald & Pak, 1996; Trevino, 1992).

According to Expectancy Theory, motivation is a function of the subjective probability that effort will lead to successful behaviour (expectancy), that such success will lead to a number of positive and negative outcomes (instrumentality) and finally the combined value of those outcomes (valence) (Knouse & Giacalone, 1992:370). Expectancy theory is similar to utilitarianism in the sense that in both concepts individual's decisions are based on rational[8] choices; their definitions are based on possible consequences and both have the drawback of the identification and

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[8] Rationality refers to the best selection of means to achieve an objective consistent with the value system of the decision-maker (Bommer et al, 1987:274).

evaluation of all possible consequences by an individual before a decision is made which is a requirement for both systems to work correctly (Knouse & Giacalone, 1992:370).

In his theory, Kohlberg defines six stages of moral development, which are grouped into three general categories.

1. Pre-Conventional (Pre-Moral)

In this category, individuals base their judgement of right and wrong base on their own physical needs, instead of societal standards. At this category, individuals follow the rules mainly as a result of fear of punishment.

2. Conventional Level

In this category main determinant of an individual's perception of right or wrong is based on norms and regulations of the society.

3. Post-Conventional

An individual at this category has the capacity of reflection, responsibility, inner source of morality and justice, and logical reasoning. Even though s/he accepts the legitimacy of the societal rules, at times s/he questions the demands of the society. (Bommer et al., 1987:273; Knouse & Giacalone, 1992; Kohlberg, 1968; McDonald & Pak, 1996).

Table 5: Kohlberg's Stages of Moral Development (Robertson & Fadil, 1999:388; Kohlberg, 1968)

Moral Judgement	Social Perspective
Level 1 Pre-conventional	
Stage 1: Orientation toward punishment and unquestioning deference to superior power	Concrete Individual Perspective
Stage 2: Right action consists of that which instrumentally satisfies one's own needs and occasionally the needs of others	Obey Rules to Avoid Punishment
Level 2 Conventional	
Stage 3: Good behaviour is that which pleases or helps others and is approved by them.	Member of Society Perspective
Stage 4: Orientation toward authority, fixed rules and the maintenance of the social order.	Recognize and Follow Laws and Rules
Level 3 Post-Conventional	
Stage 5: A social-contact orientation, generally with legalistic and utilitarian overtones.	Prior to Society Perspective
Stage 6: Orientation toward the decisions of conscience and toward chosen ethical principles appealing to logical comprehensiveness, universality and consistency.	Follow Self Chosen Ethical Principles

Rest (1986) posed the question, "when a person is behaving morally, what must we suppose has happened psychologically to produce that behaviour?"

According to his Four-Component Model the steps that an individual follows during making a moral decision are as follows;

a) Recognition of the moral issue

b) Making a moral judgement

c) Resolving to place moral concerns ahead of other concerns (establish moral intent)

d) Acting on the moral concerns. (Jones, 1991:368).

Kohlberg's CMD theory which is described above focuses on step (b), "making a moral judgement" (Trevino, 1992).

2.3.5.1.2. Criticism to Kohlberg's Cognitive Moral Development Theory

In spite of the fact that Kohlberg's CMD Theory is a significant discussion of development of moral cognition; shaped many ethical theories and was one of the milestones of descriptive ethics, there were various criticisms to Kohlberg's CMD Theory. This section provides an overview of these criticisms by different authors in order to widen our understanding of CMD so that it can be more applicable later on when it is integrated into the data analysis process.

Kohlberg's theory was criticised on different grounds and one of these was, most notably, that his emphasis on power of reason. According to the critics, he was ignorant of other elements which were usually associated with moral reasoning such as emotions, traits, or habits of character. The theory is a failure in terms of showing the link between moral behaviour and reasoning. In connection with the preceding criticisms a number of critics were concerned with the depiction of the reasoning in the model finding him as cold, rationalistic, out of touch with the realities of everyday life and disembodied person (Arnold, 2000).

There were many studies in business ethics examining the consistency of the CMD, providing evidence that age and education are positively related with the increase of CMD. However, Kohlberg is criticized with the claims that hierarchy of moral stages is not universal and it can change from culture to culture as opposed to his proposition that moral development is universal (Robertson & Fadil, 1999; McDonald & Pak, 1996).

Another dimension of criticisms was the moral dilemmas of Kohlberg's theory, where they have been found as artificial; furthermore reliability and validity of his interview scoring system have been disputed extensively (Arnold, 2000).

From a more feminist perspective, Gilligan (1982) criticized Kohlberg's Theory because of his assumption that his theory is applicable to both genders whereas he had conducted his study on an all male longitudinal sample. In her study on abortion decisions of women, she suggested that Kohlberg's justice-based moral reasoning is gender biased and does not capture the moral reasoning of women. (Gilligan, 1982; Trevino, 1992). Following Gilligan's work, a number of other scholars such as; Lifton (1985); Nunner-Winkler (1984) and Walker (1984) also explored this issue (Lifton, 1985, Nunner-Winkler, 1984, Walker, 1984, Weber, 1990).

Beside feminists, many others also criticised the justice-based reasoning of Kohlberg's theory, suggesting that a more "care and response" oriented conception of morality could also be applicable (Gilligan, 1982; Gilligan, 1977; Noddings, 1984; Arnold, 2000).

2.3.5.1.3.   Forsyth's Taxonomy of Ethical Ideologies

Forsyth (1980) developed taxonomy of ethical ideologies to provide a framework to study individuals' moral judgements on the assumption that decisions in certain business practices are influenced by individual moral philosophies (Forsyth, 1980). This taxonomy is beneficial for identifying ideological tendencies. The reason why it is presented in this research is because, Forsyth's (1980) Taxonomy serves as a bridge between theoretical and practical aspects of this research since it is a beneficial tool to connect primary data to the moral philosophies literature.

Forsyth (1980) model assumes that "individuals' moral beliefs, attitudes and values comprise an integrated conceptual system or personal moral philosophy" (Forsyth, 1980:461). According to Forsyth's typology, there are four ethical dispositions; subjectivism, situationism, exceptionism and absolutism. In giving ethical decisions subjectivists decide according to the circumstances, and therefore they are considered as pure relativists. Situationists are considered as ethical individualists and they decide their act by using a combination of both situations and personal principles. Exceptionists are considered as pragmatists and they act according to the moral rules but in special circumstances they may change the

application. Lastly, absolutists believe that best possible outcome can be achieved if universal rules of behaviour are followed (Forsyth, 1980; Allmon et al., 2000).

Table 6: Forsyth's Taxonomy of Ethical Ideologies (Forsyth, 1980)

<table>
<tr><th rowspan="2"></th><th rowspan="2"></th><th colspan="2">IDEALISM</th></tr>
<tr><th>LOW</th><th>HIGH</th></tr>
<tr><th rowspan="5">RELATIVISM</th><th rowspan="2">LOW</th><td>SUBJECTIVIST
(pure relativist)
Situations Only</td><td>SITUATIONIST
(ethical individualist)
Situations & Personal Principles</td></tr>
<tr><td>EXCEPTIONIST
(pragmatist)
Principles with Option of Divergence</td><td>ABSOLUTIST
(rule based)
Universal Principles Only</td></tr>
</table>

Forsyth and Berger (1982) studied college students' ethical ideologies' impact on their moral behaviours; specifically in this test they looked at the cheating tendencies (Forsyth & Berger, 1982). The findings supported that even though there was no difference in cheating behaviours in relation to ethical ideologies; there were differences in moral reasoning and the way students felt about their moral misbehaviour in relation to ethical ideologies (Forsyth & Berger, 1982; Allmon et al., 2000). Also, Forsyth's (1981) research findings about moral judgement and ethical ideologies suggested that consequences of the situation and the responsibility change the way people judge moral events if they have different ethical ideologies.

2.3.5.2. The Entrepreneurial Environment and the Entrepreneur

Individual ethical values correlate with the decision-making processes to an extent; however enough research has been done to show that external factors play a very crucial role in that process as well (Allmon et al., 2000).

2.3.5.2.1. Personal and Situational Factors Impacting Ethical Standards (2006)

In their paper of a longitudinal research which was studying ethical attitudes of small businesses and large corporations for three decades, Longenecker et al, (2006) stated the main influences on ethical perceptions and behaviours are multidimensional, made up of differences based on individuals, organisational settings and the interplay of these two (Longenecker et al., 2006). It is crucial to look into this model, as it provides an alternative model in examining the relationship between situational and personal factors where environmental factors are considered. They say this claim is supported by previous research such as; Trevino's (1986) 'person-situation interactionist model'. In their model, they use Kohlberg's (1968) Cognitive Moral Development as one of the personal variables as it is one of the most important theories in the discussion of ethical decision-making (Longenecker et al., 2006; Loviscky et al., 2007). They have also used Rest (1986) to explain Cognitive Moral Development. Figure 7 represents the way Longenecker et al., (2006) represented the impact of these factors to ethical standards.

Figure 7: Personal and Situational Factors Impacting Ethical Standards
(Longenecker et al., 2006).

They have used three different types of arrows in their schematic explanation. To indicate a factor that has a negative influence on small firms' ethics compared to large firms, dashed arrows are used. To indicate a positive influence on ethics of small firms compared to large firms a solid arrow shape is used. Lastly, double-lined arrows represent inconclusive effects on ethical standards (Longenecker et al., 2006).

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As a model which considers social/reputational costs under personal factors and environmental forces under situational factors, Longenecker et al's., (2006) model is very workable with existing social trauma theories put forward in previous sections to serve as part of a framework for this research.

2.3.5.2.2. Synthesized List of Factors Influencing the Ethical Decision-Making Process (1994-2005)

Ford and Richardson (1994) reviewed the empirical literature on ethical decision-making until 1992, and O'Fallon and Butterfield (2005) from 1996-2003. From these studies a list of factors that influence the ethical decision-making process are gathered (Ford & Richardson, 1994; O'Fallon & Butterfield, 2005). They divided these factors into two; individual and situational factors similar to Longenecker et al. (2006). They have determined individual factors as; personal attributes; religion, nationality, gender, age, education and employment background, personality, beliefs and values. Under situational factors, there are three sub-categories; Referent groups, organisational factors and industrial factors. Referent groups are peer group influence, top management influence, codes of conduct, type of ethical conduct. Organisational factors are organisation effects, organisation size and organisational level. Lastly, industry factors that are mentioned in these studies are industry type and business competitiveness.

Figure 8: Schematized List of Factors Influencing the Ethical Decision-Making Process (Ford and Richardson, 1994; O'Fallon and Butterfield, 2005).

FACTORS INFLUENCING THE ETHICAL DECISION-MAKING PROCESS	
INDIVIDUAL FACTORS	**SITUATIONAL FACTORS**
Personal Attributes	1. Referent Groups
Religion	Peer Group Influence
Nationality	Top Management Influence
Gender	Codes of Conduct
Age	Type of Ethical Conduct
Education and Employment Background	2. Organisational Factors
Job Satisfaction	Organisation Effects
Personality, Beliefs and Values	Organisation Size
Work Experience	Organisational Level
Value Orientation	Codes of Ethics
CMD/Ethical Judgement	Rewards and Sanctions
Locus of Control	3. Industry Factors
Machiavellianism	Industry Type
	Business Competitiveness

All the factors mentioned above, with different significances, have a role in the ethical decision-making process as shown across the business ethics literature. In their study Hegarty and Sims (1978) found that personality, cultural and value orientation and environmental rewards and punishments all contribute to unethical decision-making (Hegarty & Sims, 1978).

Considering the social trauma elements, individual factors (i.e.: nationality, age, personality, beliefs and values) and situational factors (i.e.: peer group influence, type of ethical conduct and business competitiveness) all are form a set where certain elements impact significantly the others. Therefore, besides figure 15, the models where factors can be impacted from a traumatic event such as war, are highly significant for this research.

2.3.5.2.3. Model of Ethical Behaviour (1990)

In the initial stage, the relationship between individual factors and its influence in the development of an individual's ethical philosophy and decision ideology is presented. This relationship reflects the influence of personality and background on a person's ethical beliefs and how and when those beliefs are applied (Stead et al., 1990).

Figure 9: Model of Ethical Behaviour (Stead et al., 1990).
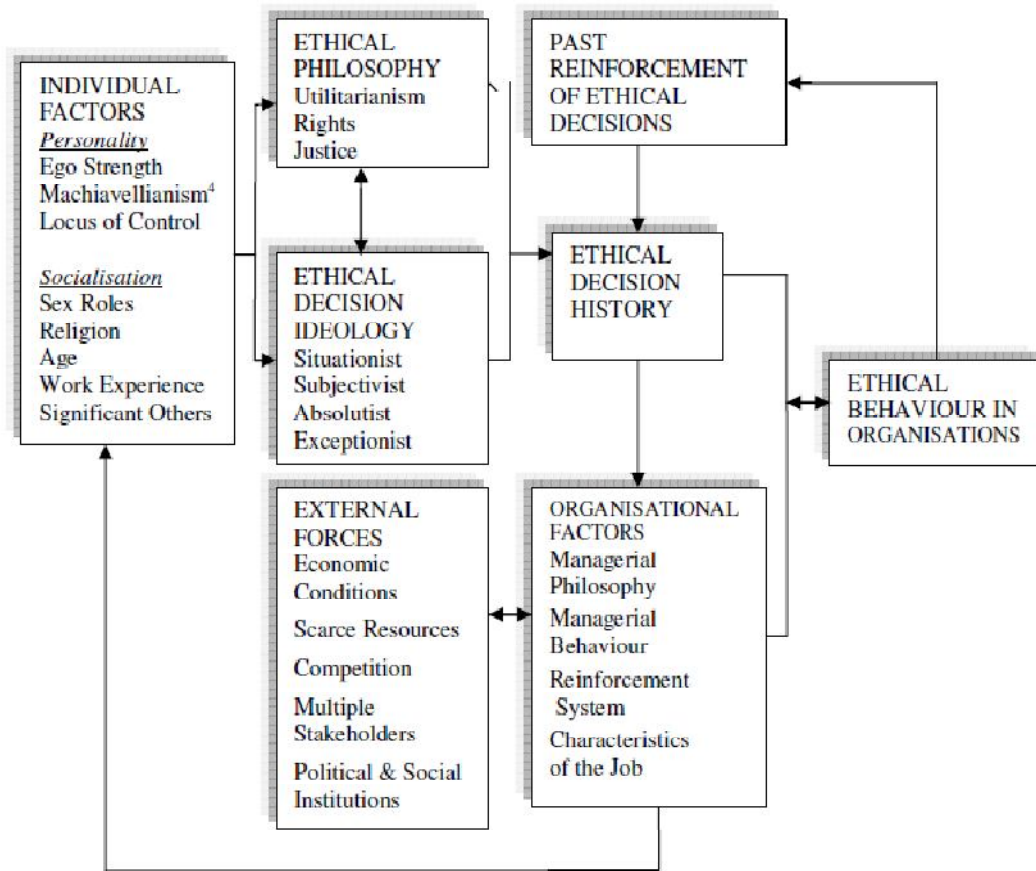
Machiavellianism[9]

When a person makes certain decisions, these are usually reinforced, mainly through rewards and punishments. Ethical decision theory is a result of this cause and effect relationship of the ethical choices and the reinforcement. When an individual becomes a member of an organisation, his/her ethical behaviour is influenced by

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[9] Machiavellianism: Ideology which is inspired by Niccoló Machiavelli (1469-1527). His famous claim is; the end justifies the means. It also advocates the use of immoral means to acquire and maintain political power (Honderich, 2005:549).

certain factors such as; the managerial philosophy and behaviour within the organisation; the reinforcement system adopted; and the job's characteristics. This individual ethical decision-making process further influenced by individual ethical decision history and past reinforcement of ethical decisions in combination with management's influence. (Stead et al., 1990).

2.3.6. Conclusion of the Management and Business Ethics Literature Review Section

Ethical theories and discussions presented in this section provide an understanding of various views on what constitutes ethicality and individual ethical decision-making. The purpose of the business ethics section was to provide a collaborative presentation of normative ethics theories and individual ethical decision-making theories. Normative ethics theories provided the framework to conceptualise why certain behaviours and practices are considered unethical.

Individual ethical decision-making theories on the other hand showed that this research acknowledged previously done theoretical work on various factors that influence ethical decision-making, such as individual and situational factors. In Chapter Seven, these factors are examined in relation to their existence among Cypriot Turks.

2.4. Business-Government-Society Relationship and De Facto States
2.4.1. Introduction

As proposed in the "Introduction" section of this literature review chapter, there are three main disciplinary areas that this research is informed from so that the relationship between social trauma and unethical business practices can be explored. Preceding sections, "2.2 Society as a Large Group, Individual Members and Massive Social Trauma" and "2.3 Management and Business Ethics" looked into the large group psychology focusing on social trauma experienced at the hand of "others" and business ethics focusing on individual ethical decision-making.

Before presenting any discussion on business-government-society relationship and de facto states, it is very crucial to present the readers with the function of having this section within the literature to serve as a part of the integrated framework. Although, this relationship is presented in detail in section 5, "Integrated

Framework", it is also helpful to give an overview at this stage, so that the presented material can make more sense.

In order to present this link, it is helpful to remember the research questions which at conceptual level seek;

1. to contribute to the broader understanding of the relationship between social trauma and business ethics;
2. to provide a framework that integrates social trauma and business ethics for future studies.

At empirical level research aims to answer these main questions within a business ethics framework;

3. How and in relation to what do Cypriot Turk entrepreneurs make their decisions in business practice?
4. What account do they give for the motives of these decisions?
5. How social trauma influences Cypriot Turk business-people's daily practices?

The first part of the literature chapter presented was social trauma. When a traumatising event occurs at the hand of "others", a large group's members (this research focuses on Cypriot Turk society as a large group) experience trauma at social level. This leads to certain processes that the society goes through, where these results with four main outcomes. These are large group identity confusion, regression, transgenerational transmission of trauma and siege mentality. Although the first three are observable outcomes in many cases, siege mentality only emerges during war or war like conditions.

Trauma is visible at both social and individual levels; therefore it is correct to make the assumption based on the literature of social trauma presented here that, it will impact on social health. Hence the structures or behaviours of the individuals who make up that traumatised society are dominantly shaped by the trauma and its outcomes at various degrees.

Now, revisiting the conceptual and empirical level research questions, where does BGS relationship and de facto states fit? BGS relationship and de facto states

literature, provides a more focused knowledge on societies, especially in terms of understanding administrational structures and the relationship between politics and society. Businesses are constantly in contact with both governmental institutions and with the members of the society. Thus, it can be said that while social trauma serves as a broader and more abstract framework that helps us to understand impacts of traumatising events on a society, BGS relationship and de facto states literature serves as a framework that enables this research to bridge the knowledge gap between social trauma elements with unethical business practices through contributing to our understanding of socio-political processes and structures at meso level so that the ethical decision-making processes of entrepreneurs in their business practices can be explored better in relation to social trauma.

Currently many de facto states exist in many parts of the world from Asia to Africa; in the group of limitedly recognized countries North Cyprus (Turkish Republic of Northern Cyprus – TRNC), The Republic of China which is widely known as Taiwan, Palestine and The Sahrawi Arab Democratic Republic can be listed. In addition to limitedly recognized countries, there are completely unrecognized states as well; namely Abkhazia, Transnistria, Nagorno-Karabakh, Somaliland, Chechnya, Anjouan and South Ossetia (Bahçeli, 2004; Lynch, 2004; Volkan, 2006a). Most of these seven nations became de facto states as a result of war; they have similar political, economical and ethical issues and three of them have more than 10 years of cease-fire. De facto states are "internationally non-recognized states" (Wallensteen & Sollenberg, 1999:595; Bahçeli, 2004; Lynch, 2004; Volkan, 2006a).

Map 1: De Facto States

The provided map shows, seven current de facto states which are completely unrecognised and in this research TRNC is also considered as a completely unrecognised country because although politically Turkey recognises TRNC because of socio-political and economical reasons which are explained in coming sections, it is more accurate to consider TRNC as a completely unrecognised de facto state.

2.4.2. Definition of a De Facto State

Following on the introduction of business ethics in de facto states in Chapter One; in this section it is helpful to first provide a clear definition of what constitutes a de facto state as this helps to better understand the economic, social and political environment and their impact on business ethics practices.

Scholars such as Lynch (2004) and Pegg (1998) provided detailed studies which contribute our understanding of de facto states. However their efforts in defining de facto states are rather limited to presenting the characteristics of de facto states rather than a clear, conceptual definition. Pegg's (1998) definition which is also adopted by Lynch (2004) is as follows;

A de facto state exists where there is an organized political leadership, which has risen to power through some degree of indigenous capacity; receives popular support; and has achieved sufficient capacity to provide governmental services to a given population in a specific territorial area, over which effective control is maintained for a significant period of time. The de facto state views itself as capable of entering into relations with other states and it seeks full constitutional independence and widespread international recognition as a sovereign state (Pegg, 1998:26).

Although Pegg's (1998) definition is a valuable contribution to our understanding of de facto states, in this research, through a synthesis of Volkan 's (2006a) definition of large group identity and Pegg's (1998) definition of de facto states, a de facto state is defined as a large group whose members share a persistent sense of sameness that seek international and constitutional recognition as their unity fulfils the duties expected from a sovereign state government in a given territorial area that is internationally accepted as belonging to another state's soil. Here the sense of sameness in large groups that is referred does not necessarily constitute ethnic large groups but may include any shared element that can create the large identity "tent" referred in Chapter Two, section 2.2.7.

Besides characteristics mentioned by Pegg (1998) it is accurate to say that most of the de facto states (i.e.: South Ossetia, Abkhazia, TRNC) have separate national flags and different history reservoirs than that of the "others" or the "main" state, which they are considered to be citizens/minorities of. They also have governmental institutions which satisfy main government duties such as military protection, education, regulating trade and the like. In most of the cases, de facto states have all of the characteristics of a fully recognized state except having their own internationally recognised soil.

According to Montevideo Convention on Rights and Duties of States - 1933, a sovereign state has four traits;

1. a permanent population
2. a defined territory
3. a government
4. Capacity to enter into relations with other states (Lynch, 2007:486).

For instance, post-Soviet de facto states such as Nagorno-Karabakh satisfy the first three traits except that as they are not internationally recognised they cannot enter into relations with other states even though they are currently pursuing the fourth trait (Lynch, 2004). This is true for other de facto states such as the TRNC and Taiwan. In spite of the fact that many de facto states have the traits put forward in Montevideo Convention on Rights and Duties of States except the capacity to enter into relations with other states, when there is a "main state" involved with a de facto state, the meaning attributed to sovereignty may perceived differently. For instance, in the case of TRNC, although the state ticks the traits of a permanent population, a defined territory and a government; heavy reliance on the "main state" / "motherland" Turkey, provides a different meaning of sovereignty than the one put forward in the Montevideo Convention.

2.4.3. How and why does De Facto States exist?

Following 19th century colonialism, United Nations (UN) made a declaration, The UN General Assembly Resolution 1514 – Declaration on the Granting of Independence to Colonial Countries and Peoples on 14 December 1960. Resolution 1514 mainly argues that "all peoples have an inalienable right to complete freedom, the exercise of their sovereignty and the integrity of their national territory" (UN Declaration, 1960). Declaration has seven clauses, these are;

1. The subjection of peoples to alien subjugation, domination and exploitation constitutes a denial of fundamental human rights, is contrary to the Charter of the United Nations and is an impediment to the promotion of world peace and co-operation.

2. All peoples have the right to self-determination; by virtue of that right they freely determine their political status and freely pursue their economic, social and cultural development.

3. Inadequacy of political, economic, social or educational preparedness should never serve as a pretext for delaying independence.

4. All armed action or repressive measures of all kinds directed against dependent peoples shall cease in order to enable them to exercise peacefully and freely their right to complete independence and the integrity of their national territory shall be respected.

5. Immediate steps shall be taken, in Trust and Non-Self Governing Territories or all other territories which have not yet attained independence, to transfer all powers to the peoples of those territories, without any conditions or reservations, in accordance with their freely expressed will and desire, without any distinction as to race, creed or colour, in order to enable them to enjoy complete independence and freedom.

6. Any attempt aimed at the partial or total disruption of the national unity and the territorial integrity of a country is incompatible with the purposes and principles of the Charter of the United Nations.

7. All States shall observe faithfully and strictly the provisions of the Charter of the United Nations, the Universal Declaration of Human Rights and the present Declaration on the basis of equality, non-interference in the internal affairs of all States, and respect for the sovereign rights of all peoples and their territorial integrity. (UN Declaration, 1960).

During the Cold War period, with the decolonization process many new states emerged on the basis of self-determination. These newly emerged states granted sovereignty and their juridical statehood. As according to the third clause of the declaration, political, economic, social or educational unpreparedness was not a reason to deny independence; non-self governing territories also granted self-determination as a legal and moral right on the basis of *uti possedetis juris,* which entails that newly sovereign state, inherits colonial administrative borders they held at independence (Lynch, 2004:17). It was introduced to guarantee equal sovereignty and territorial integrity with insistency and later on expanded to include intrastate sovereignty as well.

This provided a crucial juncture which created a de facto state as such; newly sovereign states inherit the colonial administrative border they held at independence, and according to the sixth clause any attempt aimed at the partial or total disruption of the national unity and the territorial integrity of a country is incompatible with the purposes and principles of the Charter of the UN. This lead to new states achieving definite existence as the ones emerged from decolonisation were impossible to fail based on this declaration. (Lynch, 2004).

However, this also eliminated the right of all people to have self-determination rights; thus people demanding self-determination and creation of states with traits of a sovereign state facing with the situation of being considered as "de facto" by the

world since according to the declaration this is seen as an attempt of partial or total disruption of the national unity and territorial integrity of the state formed after decolonisation. (Lynch, 2004; UN Declaration, 1960).

A very solid counter-argument on the limitations put by the world on self-determination can be argued through Kant's notion of justice and rights; "Justice itself requires that the right be granted, for there is no more certain injustice than alien rule imposed against the will of the people" (Hoffmann, 1981:34).

2.4.4. Examples of De Facto States

Providing examples of de facto states is helpful to grasp the background and the current events that shape those states and at the same time provide the ground to discuss the case study state as well. Therefore, in this section examples of Eritrea – from Africa, Taiwan – from Asia and Abkhazia – Europe[10] are given.

2.4.4.1. De Facto States that Resulted from Civil Wars: Cases of Eritrea and Taiwan

2.4.4.1.1. Eritrea

In 1961, Eritrea started a struggle (a civil war) with small fighting and made it a full-scale military operation against Ethiopian rule for thirty years. Consequently, Ethiopian government started to gradually recognize and accepted the independence of Eritrea under the presidency of Meles Zenawi. However, during that time the country was destroyed, hundreds of thousands died and the struggle created three quarters of million refugees. Eventually, in April 1993 a referendum on independence was held under the observation of the UN and 98.5% of the Eritreans voted for independence and in May 1993 Eritrea became independent from Ethiopia as a *de jure* country. (Lynch, 2004).

2.4.4.1.2. Taiwan (the Republic of China)

Taiwan existed since the end of the Chinese civil war and since 1940s; its political status is complicated as unlike other de facto states, Taiwan was recognised

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[10] Here, Europe is used as a geographical term rather than political. It does not indicate European Union but the geographical region which covers westernmost peninsula of the Eurasia.

and was derecognised by many international states and despite People's Republic of China's refusal to recognise Taiwan and in spite of its unrecognised state, Taiwan has security assistance of the USA and it is successfully engaged in world economy and affairs (Lynch, 2004).

2.4.4.2. De Facto States that Resulted from Ethnic Conflict: Case of Abkhazia

Although there are number of other de facto state examples (i.e.: Nagorno-Karabakh, Transnistria, Pridnestrovyan Moldovan Republic – PMR, Chechnya – Republic of Ichkeria, South Ossetia) that could have been discussed in this section, in order to keep focus on the main research aims, only the example of Abkhazia-Georgia conflict is given as it has many similarities with the case study state of this research (Lynch, 2001).

The conflict between Georgia and Abkhazia is one of the distinct examples of ethnic conflict which roots from Soviet Union period. Georgian-Abkhaz relations never were tension free and problems existed throughout the history including the 20th century, in 1920s, 1930s and especially during the first Georgian Republic (1918-21). During the decades before Gorbachov, both Georgians and Abkhaz developed historical visions to legitimize their claims over the land (rewrote the history based on their benefit to legitimize their claims). After 1917 until 1931 when Abkhazia became an autonomous republic within in Georgia, Abkhazia kept a treaty association relationship with Georgia. During late 1980s, as Georgian nationalism increased, Abkhaz population and some of the local elites were scared of cultural and ethnical disappearance of Abkhaz population from Georgia; consequently in 1989, only 17.8% of the autonomous republic's population was representing Abkhaz. (Jussim et al., 2001; Lynch, 2004:27). With the Lykhny Declaration which was organised by the People's Forum of Abkhazia and signed by several thousand Abkhaz in 1989, Abkhaz population demanded separation from Georgian Union Republic and the creation of a Soviet Socialist Republic of Abkhazia. In the same year, following the Georgians' attempt to open a branch of Tbilisi University in the Sukhumi-Abkhaz capital, an armed conflict occurred. After the Soviet Union's collapse, the demand of secession from Georgia increased. (ibid).

2.4.5. Business-Government-Society Relationship and Dominance Theory

2.4.5.1. Business-Government-Society Relationship in De Facto States

All of the de facto states have some social, political and economical characteristics that are similar to each other. This section discusses these in a general context. Although business-government-society (BGS) relationship exists in every country, in de facto states these elements have more complex and different ties than of a recognised country.

There are models that look into the BGS relationship such as the Stakeholder model, Market Capitalism Model; Dominance Model; Countervailing Forces Model, all of these models except the Dominance Model are valuable to understand properly running capitalist system of sovereign, recognized countries such as the USA. The Dominance Model is used to visualise the Dominance Theory; this model suggests that "business is the most powerful institution in society" with an assumption that the society runs a free market. The Dominance Theory is applicable to explain BGS relationship as it has a clear hierarchical model; where government and businesses (elites that hold the power) take place at the top of the pyramid, and the rest of the population (non-elites) is represented at the bottom part while external factors shapes the environment these three elements interact (business, government and society). (Steiner & Steiner, 2008).

Figure 10: The Dominance Model (Steiner & Steiner, 2008:11)
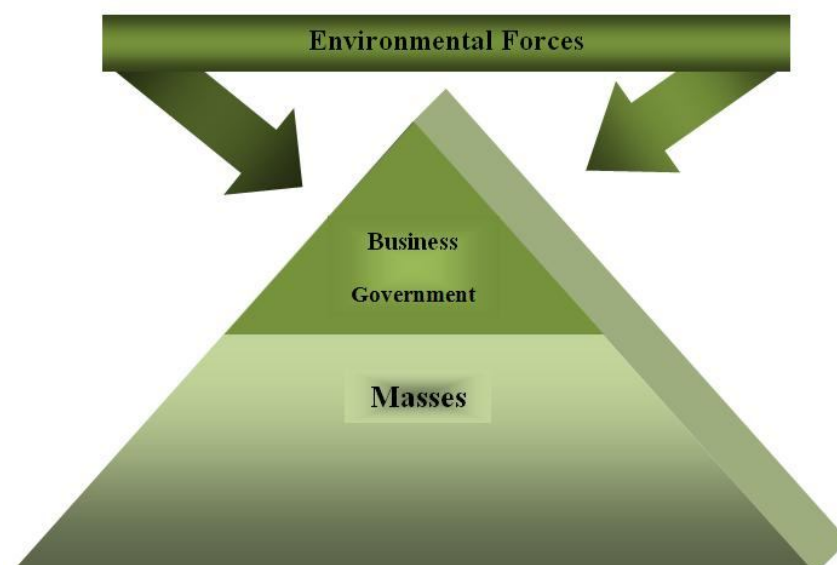
In theory, democracy is a system where its sovereign members are represented by the government; however according to the Dominance Theory the government and businesses dominate the rest of the society; therefore "corporations and a powerful elite ("power elite") control a system that enriches a few at the expense of the many" (ibid., 13). This is very much in line with Lynch's (2004) statement about the way de facto states work and the reasons of how the created system serves to the people who held the power and elites that are associated with them. This is further discussed later in detail.

Dominance Theory criticise the existing dominant capitalist system because of its deficiencies in sustaining the idealised democracy and draws attention to the weak control and regulation of big businesses/powerful elites by the government and protection that big businesses have which protects them from being responsible. Besides this, insufficient market forces also do not help to implement and ethical managerial approach which eventually causes the deficiencies of the current system.

The momentum to the Dominance Theory came from the sociologist C. Wright Mills's book "Power Elite" (Mills, 1956). He referred to the advantaged group as "power elite" and described them as the small group of individuals that control the economy, military and government (Mills, 1956; Steiner& Steiner, 2008). One of the criticisms towards the "power elite" argument is that it is necessary to have a "power structure" in order to have an orderly system, and stratification of the organisations (Bachrach & Baratz, 1962). Also, according to Dahl, the absence of political equality does not prove the existence of ruling elite (Dahl, 1958:465). In spite of the criticisms of his work, "The Power Elite" provides a powerful alternative explanation of the distribution of power among a society (Steiner & Steiner, 2008:67). Although the Dominance Model does not give any kind of model as a solution, it suggests that democratic environment is only achievable if the pyramid is upside down. (Steiner & Steiner, 2008).

The main arguments of the Dominance Model is based on the currently dominant capitalist system in the world, however the business environment in de facto states are very easily observable that as described by Lynch (2004) as well, it is a distorted, deficient and unwell developing version of the capitalist system within individual states in which they cannot interact with other countries. Therefore,

Dominance Model provides the scholastic model to develop arguments further on business environments in de facto states considering the limited literature on this matter. Besides our understanding of BGS relationship in de facto states from other studies, this model is also a crucial contribution to visualise and comprehend the relationship better.

Based on the de facto literature and the Dominance Model, the following model which reflects BGS relationship is developed. It is a more detailed model than the Dominance Model (figure 10) and it focuses on many elements that a society is made up of and its environment. The developed model is also informed from de facto states literature, although it is easily applicable to non-de facto states as well. When the model is applied to countries that are already internationally recognised, the "Invisible Enclave" border could be removed and adopted accordingly.

Figure 11: BGS Relationship
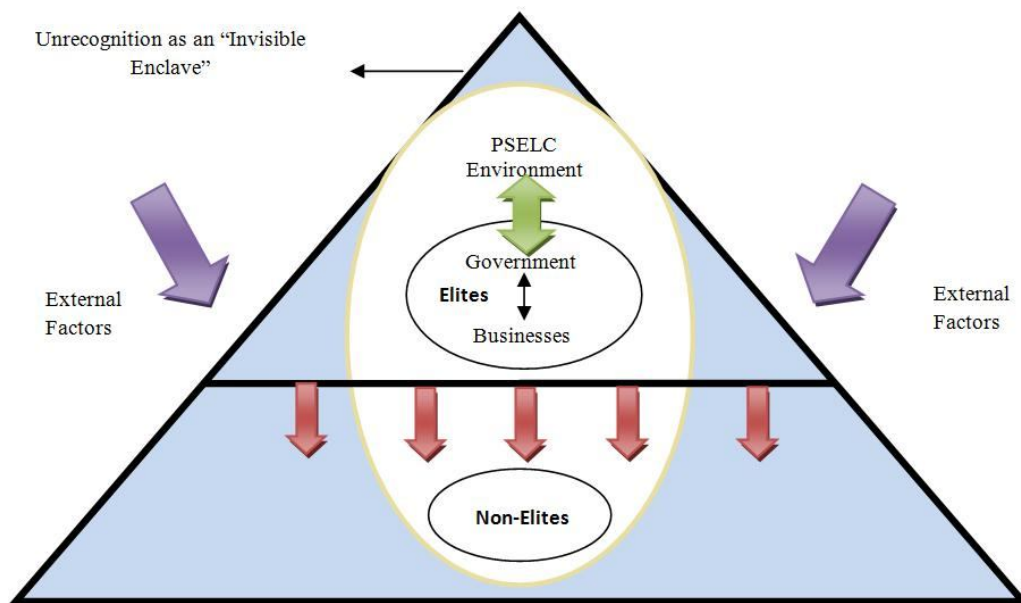
(PSELC: Political, Social, Economic, Legal Cultural)

What differentiates BGS relationship in de facto states in comparison to recognised capitalism oriented countries is that in de facto BGS relationship since unrecognition provides an "invisible enclave" for the large-group it creates both the advantage and the disadvantage for its members. It provides the significantly impact proof shield against the external economic, cultural and social influences which

creates a perfect environment of business/elites-government-society (BGS) relationship where they can utilise all the resources and power available without an external body regulation (i.e.: EU), but at the same time create the system that works for the benefit of the power holders (Lynch, 2004). However, external factors have their impact to a certain level as a result of political dimensions. The system created by the business-government elites has vital impact on the society and the internal political, economic, social and cultural environment created with much greater significance than it has in BGS relationship in recognised countries.

There are many reasons that de facto states demand sovereignty and recognition; first of all when a state is recognised it enjoys benefits from being part of the international state society securing the elimination of extinction possibilities; protection and self-defence opportunities. Without sovereignty and recognition a state has no protection in the international arena and very limited rights to enjoy. (Lynch, 2004). However, for certain groups within these states, unrecognition is a mean to get individual benefit.

In de facto states instead of economic imperatives, politics is the utmost factor that runs the state; therefore they are defined as "political animals" (Lynch, 2004:63). De facto states sustained through firm political determination, deep economic weakness, and extensive criminalization, which all originate from "subsistence syndromes" (psychological state of feeling the lack of existence as an independent entity). Furthermore, economic isolations strengthen these. The authorities develop structures to maintain the elements that sustain the de facto situation as corrupt corporatism (corrupt principles, doctrine, or system of corporative organisation of a political unit, as a city or state) is the foundation of political stability and shadowy figures have "government-supported monopolistic roles". Authorities seek to eliminate or neutralise potential threats to their status quo by inviting or appointing certain individuals to certain positions (ibid. 64, 66).

Status quo generates profit both for the people belonging to the selected members of the de facto state and people who have connections that are outsiders; thus illegal economic activities and crime are undeniable elements of de facto states and this involvement of crime and illegal economic activities are a reflection of the weakness of main states (ibid., 68).

"It is clear that enough people, inside and outside the de facto states, profit enough from the states' existence to make the status quo durable. A perverted and weak, but workable, incentive structure has emerged ..." (ibid. 69).

2.4.5.2.   Social Dominance Theory

In human history, although there are some counter-views on the human society's hierarchical organisation such as Gimbutas (1989); this view is widely accepted; and based on the notion that throughout history all human societies have been organised hierarchically; the Social Dominance Theory proposes four assumptions;

1. Human social systems are predisposed to form group based social hierarchies. This type of social hierarchy consists of, at least, a hegemonic group at its top and a negative reference group at its bottom.
2. Hegemonic groups will tend to be disproportionately male.
3. Most forms of social oppression (e.g.: racism, sexism, nationalism, classism) can be regarded as manifestations of the same human predisposition toward the establishment and maintenance of group-based social hierarchy.
4. Social hierarchy is survival strategy that has been selected by most if not all species of primates, including homo-sapiens. (Sidanius & Pratto, 1993:174).

When assumptions of the Social Dominance Theory are examined it is evident that hegemonic groups show themselves in steep difference in multi-ethnic and multi-group societies. The hegemonic groups have dominant representation in social institutions and decision-making positions; especially as with the increasing power the hegemonic groups' representation increase. This case is just the opposite for the negative reference group, as their representation shows the steepest decrease when decision-making positions and powerful social institutions are examined (Sidanius & Pratto, 1993). The first assumption of the Social Dominance Theory can also be considered a manifestation of R. D. Putnam's law of increasing disproportion (Putnam, 1976). The law of increasing disproportion states that "as one ascends the political hierarchy, the advantages of maleness, education, high socio-economic status and elite background increases disproportionately" (Volcansek, 1996:6).

Putnam's law's patterns can be found around the globe although it was formulated based on Europe (ibid. 1996).

The second assumption draws on gender inequality and Putnam's law also applies here in terms of male-female differences. Based on the second assumption, the political power is male dominated and the density of this dominance increases as political power increases. The remaining two assumptions are self-explaining; therefore considering the construct and assumptions proposed by Social Dominance Theory, it is correct to say that it supports the Dominance Model which BGS relationship is depicted through in this research.

Social hierarchies are formed and maintained through two different driving forces; aggregated individual and institutional discrimination[11].

2.4.5.2.1.   Aggregated Institutional Discrimination

This type of discrimination occurs, when things which are highly valued in a particular social system (i.e.: money, title, promotion) are distributed discriminatively and it takes places in institutions such as legislative bodies, courts, schools, various types of committees and the like. Social Dominance Theory's first assumption is that human social systems are predisposed to form group based social hierarchies. This type of social hierarchy consists of, at least, a hegemonic group at its top and a negative reference group at its bottom. In aggregated institutional discrimination, the hegemonic group is more likely to be allocated socially valued things (Sidanius & Pratto, 1993).

2.4.5.2.2.   Aggregated Individual Discrimination

At individual level discrimination occurs when an individual in power of decision-making allocates a thing of social value to another individual based on his/her membership of a certain group (i.e.: certain race, ethnicity, religion and the like). Individual based discrimination aggregates to other individual belonging to the same "negative reference group" and eventually over the years the difference in the

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[11] Discrimination: In social psychology and related areas, the unequal treatment of individuals or groups based on arbitrary characteristics such as race, gender, sex, ethnicity, cultural backgrounds, etc. (Reber & Reber, 2001:206).

degree of power and prestige each group possesses becomes larger and the group which was discriminated becomes lower.

This ensures higher self-esteem and higher social ranks for the people who belong to the hegemonic, dominant group (of course here the exceptions should also be considered) which is one of the main reasons of individual level discrimination against an individual belonging to a different group in the first place (ibid., 177).

Within societies myths are used to legitimise acts of discrimination and in doing this attitudes, values, beliefs, and/or ideologies are used to provide justification and legitimacy for the unequal distribution of value. Thus, Social Dominance Theory serves as a functional theory of values, social attitudes, beliefs and ideologies and it is a function of social systems as well as individuals. (Sidanius & Pratto, 1993).

Referring to the second assumption of Social Dominance Theory on gender inequality, it is the supposition that males are more dominance oriented. This supposition exists because of both differential socialisation of two genders and also biological differences present between males and females such as genetic and hormonal; however this supposition cannot be universalised as there is always the possibility of exceptions. Therefore, it would not be correct to assume that all males have a greater dominance orientation than females. (Sidanius & Pratto, 1993).

It is also the assumption of the Social Dominance Theory that there is an equilibrium point in social systems *ceteris paribus* where oppression would contribute to the possibility of survival of it however, after that equilibrium point, excess oppression may lead to the collapse of that system. Thus, it is arguable that, in more stable social systems the expectation is that both oppression equilibrium and an oppression asymptote can be found concurrently. (Sidanius & Pratto, 1993).

2.4.6. Conclusion of the Business-Government-Society Relationship and De Facto States Literature Review Section

The literature presented in this section provides a theoretical ground to understand study and analyse social structures and the way different groups of the society are inter-dependent and impact on the society. This literature provides a very crucial theoretical segment of this research as it serves as a bridge in understanding

social trauma's impact on groups within a society, so that social trauma's impact on business practices can be better understood. Specifically, the presented BGS Relationship Model is applied through the analysis to make a more detailed and visualised interpretation of the case-specific data.

2.5. Integrated Framework

The literature presented in this chapter covers areas of social trauma and large group psychology; mainly individual ethical decision-making theories; and business-government-society relationship, with a focus on de facto states. These three distinctive areas serve as a knowledge basis to explore the relationship between social trauma and business practices. This chapter provided the existing literature of business ethics to show that none of the existing studies actually looks into the social trauma's impact on ethical decision-making and practices within businesses; therefore contributes to the formation of the research questions;

At conceptual level this research seeks;

1. to contribute to the broader understanding of the relationship between social trauma and business ethics;
2. to provide a framework which integrates social trauma and business ethics for future studies

At an empirical level this research aims to answer these main questions within a business ethics framework;

3. How and in relation to what do Cypriot Turk entrepreneurs make their decisions in business practice?
4. What account do they give for the motives of these decisions?
5. How social trauma influences Cypriot Turk business-people's daily practices?

As social trauma is the fundamental element in this research, a detailed social trauma literature is also provided to better understand societies that experienced trauma and in what ways this trauma can impact on different layers of identity (society and individuals), mainly business ethics practices. The business-government-society relationship literature provides a bridge through substantial

examples, so that the relationship between social trauma and business practices can be explored as man-made traumatising events in turn impact on different layers of the society as it was visualised in detail in figure 12. Therefore, the main aim of collecting these different disciplinary areas under one roof is to see the way they connect in explaining social trauma's impact on unethical practices.

Figure 12: Reminder of the Unique Contribution
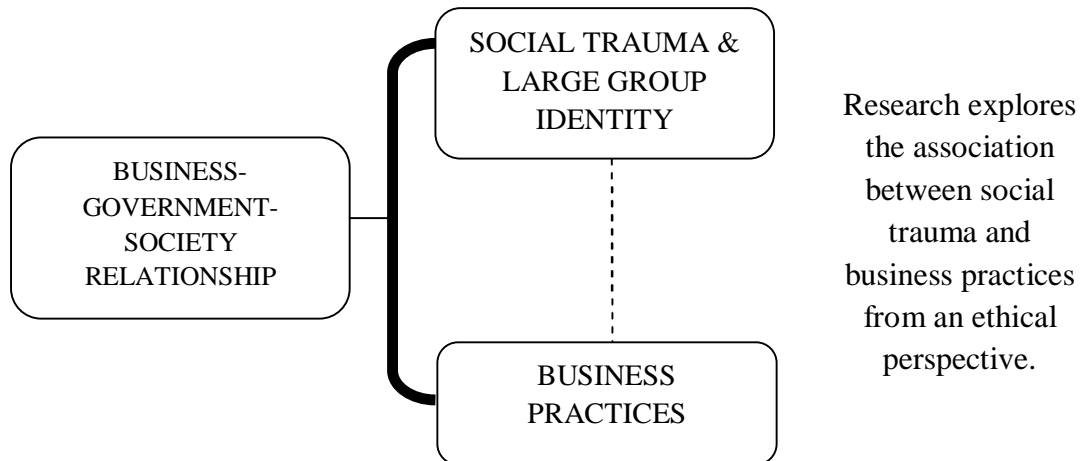
The separate disciplinary literatures that were presented in this chapter are summarised and rationalised in a visualised integrated framework in figure 13.

Figure 13: Integrated Framework
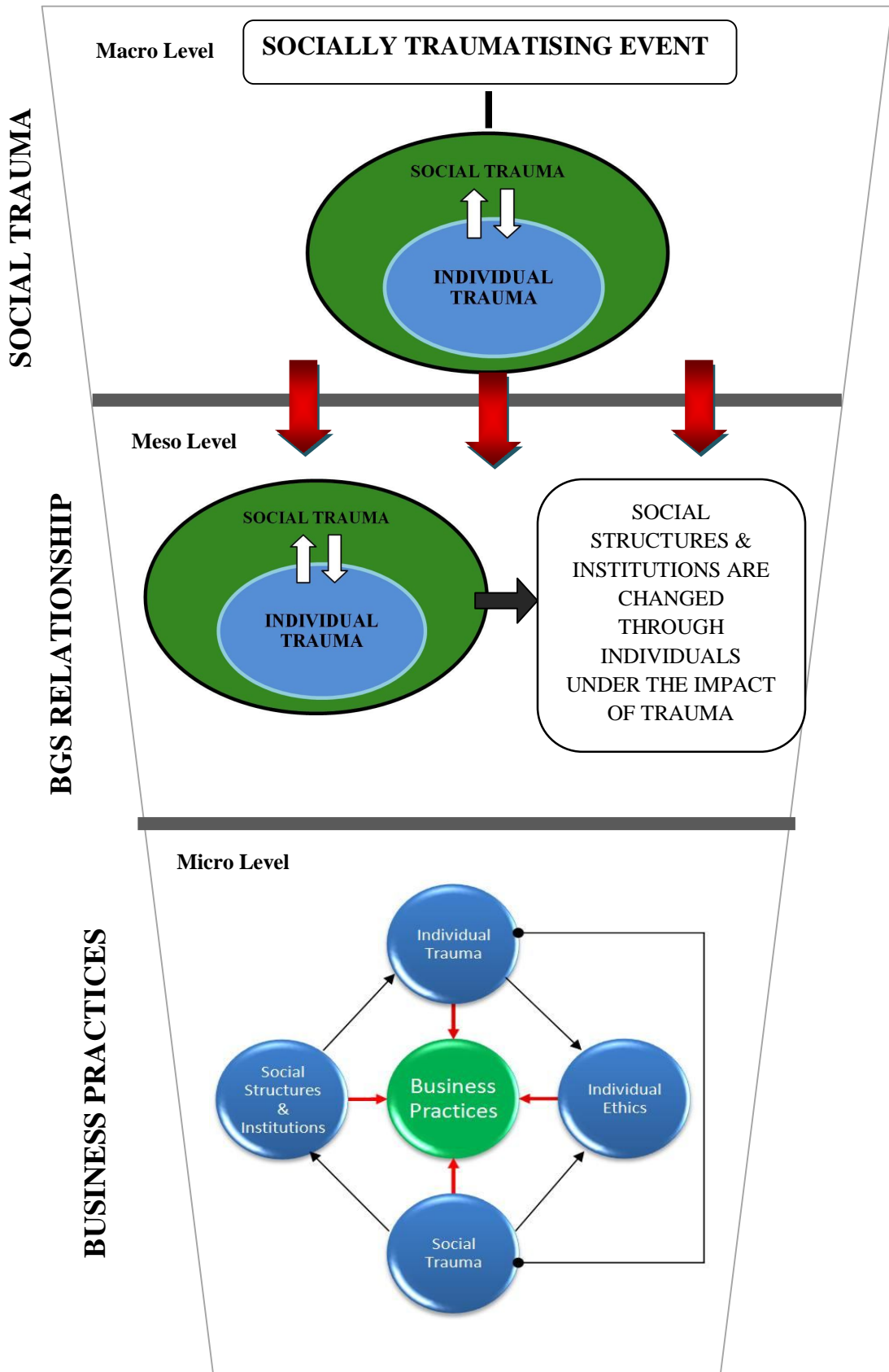
When a traumatising event occurs at the hand of "others", this does not directly impact on people's ethical behaviour, but rather through traumatised individuals, the society goes through certain processes that resulted from traumatising occurrence, which shape the social structures and institutions. Hence, when the social trauma and business ethics relationship is investigated, it should be noted that the link between social trauma (macro level phenomenon) and unethical practices (micro level phenomenon) cannot be fully understood unless the meso level in between is uncovered.

As the traumatised society goes through certain processes as explained in section 2 "Society as a large group, individual members and massive social trauma", structures and institutional practices become distorted because of the traumatised and later on regressed state of the society and its members. The process from regression to progression, as discussed before, takes considerably long periods of time for large groups, thus the consequences of trauma becomes more visible within the social structures and institutions. Impact of trauma can also be visible at individuals' behaviours in the form of looting, siege mentality or the like, when the society in question becomes traumatised as a result of war or war like events.

Individuals are actively involved in the governance and administration processes of the large group (i.e.: the state) as well as non-governmental institutions and businesses. Therefore, individual trauma (individual level), large group trauma (societal level) and their consequences become more visible and considerably more influential on day-to-day activities as well as on long-term plans and progresses.

This is why the business-government-society (BGS) relationship and de facto states section of the literature, serves as a bridge in the investigation of the link between social trauma and unethical business practices. Without looking into the meso level (BGS relationship under the impact of social trauma) it would have been very challenging to uncover social trauma's link to unethical business practices; thus making this research a prematurely concluded academic piece of work.

Unethical business practices in traumatised large-groups can be better understood through focusing the BGS relationship literature on de facto states where evidence exist on how the society changes once a traumatising event occurs and how this reflects upon the distribution of power and wealth among the society. This was

crucial to focus in the literature review, as this research pursues the case study approach in a de facto state in order to explore social trauma's link to unethical business practices within an ethical framework.

The presented literature review provides enough conceptual evidence to create an integrated framework. As a macro level phenomenon once social trauma occurs, it causes individual members of that large group to become traumatised (although may be not every single individual). The traumatised individuals make up the society and when traumatisation of the individuals occurs in large scale (through for instance an attack to their large group in the form of war or war like occurrence), the society goes through certain processes such as regression, large group identity confusion and others that have been mentioned earlier. Since long time is required to go back to the healthy state (especially under wrong leadership, it can go worse), certain consequences and changes that result from social trauma may become permanent; therefore may become embedded in relationships between individuals and strata of society. As it was discussed earlier in this chapter, although business-government-society (BGS) relationship exists in every country, in de facto states these elements have more complex and different ties than of a recognised country. In de facto states instead of economic imperatives, politics is the utmost factor that runs the state and de facto states are sustained through firm political determination, deep economic weakness, and extensive criminalization which economic isolations strengthen; the authorities develop structures to maintain this. In spite of the fact that each large group that belongs to a de facto state goes through different traumatising experiences, unrecognition is a common trauma of these kinds of states.

Considering the presented literature on BGS relationship in traumatised societies (i.e.: de facto states), it is undeniable that besides impact of trauma on individuals' psychology (including transgenerational transmission of this trauma and siege mentality), the trauma at social level leads to a distorted social structure and BGS relationship. This in return, impacts individual decision-making process, and if unethical practices are part of the environment, it is highly likely that as a "situational factor" this may become significantly determinant of an entrepreneur's ethical decision-making for both day-to-day and long term actions.

This integrated framework is designed to serve as a conceptual basis for the investigation of the link between social trauma and unethical business practices from an ethical perspective and what has been presented so far is aimed to contribute to answer both the conceptual and empirical research questions.

2.6. Conclusion

Above literature review provides the merged framework of social trauma and large group psychology, business ethics, and business-government-society relationship and de facto states literature with the aim of providing an insight in understanding the link between social trauma and unethical business practices.

Even though individual and situational factors have been used by many scholars in understanding ethical decision-making, to date, no research looks at the connection between socially catastrophic events and their impact on ethical behaviour neither at individual nor at social levels. Given the gap in the literature, through examining Cypriot Turks of North Cyprus, this research contributes to this gap with an initial research.

Often when there is an economic or political crisis in countries, rather than micro-level factors, macro-level factors are considered to fix the problem; however it is the undermined micro-level factors such as psychological issues which either disturb or support the society's well-being. Taking micro-level factors into consideration, better solutions could be achieved as this leads to a firmer comprehension of the macro-level factors and the ways they can be utilised (Volkan, 2007).

Considering the economic and social repetitive trauma that Cypriot Turks experienced, analysing their ethical practices from the social psychology angle is promising to yield interesting findings. It would have been an ignorant attitude only to include the individual and situational factors in examination of unethical business practices, but exclude socio-psychological elements which provides a promising field of research; therefore it is the researcher's belief that including socio-psychological literature enhances our understanding of business ethics practices in unique social groups with certain characteristics.

3.1. Introduction[12]

The preceding chapters have;

a) Reviewed existing theories in the area of large group psychology focusing on social trauma and its impact on large groups which experience traumatising events at the hand of "others", in order to provide a clear and compelling framework for this research;

b) Reviewed existing scholastic literature on individual ethical decision-making and have provided an overview of the classical moral theories, so that a point of reference can be created to understand the ethical decision-making processes of the entrepreneurs. This review also demonstrated that there are various factors originating from phenomena that can be rooted to different disciplines have impact on decision-making processes (i.e.: philosophy, psychology, organisational behaviour and the like).

c) Provided a focused literature review in the area of politics, centring the discussions on business-government-society relationship with an emphasis on the structure in de facto states, eventuating in a business-government-society relationship framework.

This chapter explains the methodological framework that this research's data collection is built upon; justification of the research approach taken; research design, data collection methods and the way these have been conducted. It also discusses reliability, validity and generalizability issues. This chapter also provides basic presentation of the primary data such as the coding of interview data after they have been collected; the dates and lengths of interviews and the like which are followed by a chapter summary.

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[12] Parts of this methodology section were presented in the 21st European Business Ethics Network Annual Conference – Antalya, Turkey. October- 2008.

3.2. Epistemological and Ontological Framework

This research has adopted interpretivism and critical realism to investigate the proposed phenomenon. Similar to Willig (1999) this research also acknowledges the benefits of adopting a social constructionist perspective, yet considers that through applying critical realist perspective, the benefits derived can be extended. Thus, although social constructionism provides the benefits of deconstructing certain realities and objects and show how these realities and objects always could have been constructed differently; critical realism provides the account of "why things are they are and in what ways they could be better" (Willig, 1999:38). Critical realism suggests that experiences and observations of people are "generated by underlying, relatively enduring structures, such as biochemical, economic or social structures" (ibid. 45).

> We will only be able to understand – and so change – the social world if we identify the structures at work that generate those events and discourses...These structures are not spontaneously apparent in the observable pattern of events; they can only be identified through the practical and theoretical work of the social sciences (Bhaskar, 1989:2).

Therefore, this research is built upon the critical realist assumption that people are affected by large-scale social forces and processes; although they may not necessarily be aware of the way these forces and processes impacts on their behaviours and interpretations (Saunders et al., 2003:85). Keat and Urry (1975) argue that;

> "... We must discover the necessary connection between phenomena, by acquiring knowledge of the underlying structures and mechanisms at work. Often, this will mean postulating the existence of types of unobservable entities and processes that are unfamiliar to us: but it is only by doing this that we get beyond the 'mere appearances' of things ..." (Keat & Urry, 1975:5).

Interpretivism is based on the subjective meaning of social action and an interpretivist approach "respects the differences between people and the objects of the natural sciences". (Bryman & Bell, 2003:16). It is often associated with qualitative research approach. Hermeneutic-phenomenological tradition, symbolic

interactionism and Weber's *Verstehen* (interpretation, understanding) are all examples of interpretivist epistemology. On the other hand, positivism, which is often associated with quantitative research approach, supports the application of natural science methods to social reality and beyond (Bryman & Bell, 2003:14).

This research adapts interpretivism as the epistemological position and critical realism as the ontological view acknowledging the importance of large-scale forces, processes, relatively enduring structures (e.g.: biochemical, economic, social) on individuals' perspectives of the occurrences although they are not aware of these factors (Bhaskar, 1989; Burr, 2003; Willig, 1999).

Based on critical realist argument, natural and social worlds are different; and social world which is socially constructed, is dependent on human action for its existence (Fairclough, 2005). Within this perspective, objectivity issue is considered as an impossibility since the way the world is interpreted is shaped by the assumptions "that are embedded in our perspective". (Burr, 2003:152). Considering the fact that social constructs impact on individual's perspectives, no person can "step outside of their humanity and view the world from no position at all". One way or another everyone encounter the world from a perspective and hypotheses out of necessity, thus objectivity is impossible to achieve.

3.3. Research Methodology

After determining the epistemological framework, the next step is to identify an appropriate research approach. Debates that exist on research methodology distinguish between quantitative and qualitative approaches, and from 1990s onwards, a combination approach which is an integration of both qualitative and quantitative under the alternate names of "multi-strategy" (Bryman, 2004), "multi-methods" (Brannen, 1992) and "mixed-methods" have been frequently discussed (Creswell, 2003, Tasakkori & Teddlie, 2003). (Bryman, 2006).

Both qualitative and quantitative research methodologies are tools to investigate a research question and it is the best practice to adopt them according to the research needs (Kvale, 1996). However, before selecting the investigation

methodology, it is crucial to identify characteristics of both methodologies so that an informed decision can be made.

It is the tendency of the scholars to usually associate epistemologies with methodology and thus in the literature that deals with research methodology, occasionally the terms "positivism" and "empiricism" denote that the approach is "quantitative" thus are used interchangeably as synonyms; on the other hand terms such as "interpretivism" and "constructivism" are associated with "qualitative" methodology (Bryman, 1984; Bryman & Bell, 2003).

Quantitative methodology is usually associated with positivist epistemology and supports the application of natural sciences to social reality. The research is designed strictly to test theory and provide generalizable laws (Bryman & Bell, 2003). By word meaning, qualitative emphasizes "qualities of entities, processes and meanings that are not experimentally examined or measured in terms of quantity, amount, intensity or frequency [as in quantitative approach]" (Denzin & Lincoln, 2000:8). Qualitative approach focuses on processes and seeks to understand social meanings and experiences through the question of "how" rather than measurement and analysis of causal relationships between variables as in quantitative approach (Denzin & Lincoln, 2000).

Even though, deciding on the research approach during the research design helps organising research methods and data analysis tools, it is possible to have data collection and selection methods to be independent from the research approach (i.e.: in a research where positivist epistemology was adopted, participant observation can be applied as a data collection method); this depends on the way a certain method is used and is tuned with the orientation (Bryman & Bell, 2003).

Both qualitative and quantitative methodologies are means to investigate a research question and it is the best practice to adopt them according to the research needs rather than the epistemological claims that the specific research adopts (Kvale, 1996).

When the inductive nature of this research and its aim of exploring the social trauma's impact on the conduct of business are taken into account, and given that no study exists that looks into this relationship, independent from the epistemological

claims that were adopted for this research, a qualitative methodology was followed as it is considered more suitable considering the given opportunity to conduct an exploratory research that yields richer data.

3.4. Research Design

Given the scope of this research and its exploratory nature, for the preliminary investigation, rather than examining different countries that have experienced social trauma, a case study country was selected. This has provided the opportunity to examine the phenomena within its real life context, thus enriching research quality (Yin, 1994).

Besides semi-structured interviews, photographs (taken by the researcher) and non-participant covert observations, secondary data such as photographs (taken by others), non-governmental data, governmental statistics and newspapers were collected during February-March 2008.

Although certain advantages and disadvantages are associated with this type of research design, these are discussed under section 5 of Chapter Three: Data Collection: Reliability, Validity and Generalisability.

From design to analysis, pseudonyms were used for each participant to ensure individual and company privacy. However, general information that would help to get insight about the profiles of the participant SMEs and individuals such as; establishment years, number of employees, participants' education levels and the like are given.

3.5. Data Collection

Both primary and secondary data collection methods were applied; semi-structured interviews were conducted with 40 SME owners; non-participant covert observations to gather data on social symbols and behaviour and photographs are taken to support interview and observation data.

3.5.1. Pilot Data Collection

During December 2006, two semi-structured interviews and a week long non-participant covert observations have been conducted in order to test the

interview questions, seek the access options and to have a 'feel' of the environment that Cypriot Turk entrepreneurs were working in during that period. As Randall and Gibson (1990) suggested, during a December 2006 visit to North Cyprus, potential participant lists were drawn from the membership list of Turkish Cypriot Chamber of Commerce, and Cyprus Turkish Chamber of Industry. According to the electronically available list, there were 388 members of Cyprus Turkish Chamber of Industry, and 3557 members of Turkish Cypriot Chamber of Industry.

The researcher accessed Turkish Chamber of Commerce and Cyprus Turkish Chamber of Industry members list, which are the two largest business associations in North Cyprus. Lists contain information on these aspects about the registered companies where preliminary short-listing of SMEs was done;

- The registered company name
- The name of the director(s) of the company
- The education level of the director of the company
- Names of the partners/shareholders
- Which sector they are in
- Number of employees
- Form of company (family-owned, self-employment, and the like)
- Any internationally recognised certificates and/or approvals (i.e.: ISO)
- Any internationally recognised certificate and/or approval application in process
- Website addresses
- Email addresses
- Phone and fax numbers
- Work addresses and regions
- Whether they are subscribed to the association's monthly magazine
- Their stance about trading with South Cyprus
- Whether they do import and/or export and/or production

It is helpful to clarify at this stage that, a preliminary list of potential participant companies were derived from membership lists and members from different sectors were contacted. Although a number of contacted company owners agreed to participate as interviewees, others who were also members of the named associations, agreed to participate through networking. This is because of the

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workload that company owners have and considering the environment in North Cyprus (which is discussed in detail in Chapter Four), some of the owner-participants that were hesitant to participate as interviewees, trusted the researcher to give interviews once they were contacted through networking.

The pilot data (both semi-structured interviews and unstructured observations) were beneficial in the sense that they have provided the opportunity to develop interview questions, and indicated which questions to expand further (i.e.: daily business environment, different aspects of practices) and which details were not necessary (i.e.: religion).

3.5.2. Triangulation

For grounding the research *between-method triangulation* as a methodological triangulation is enabled. Data triangulation is using various sources to collect data; whereas between-method triangulation is combining different methods of data collection to gather data, for instance using semi-structured interviews and questionnaires in combination is between-method triangulation (Flick, 1998:229). In this research, triangulation is employed not as a way of validating the research results but as an alternative strategy (tool), to add scope, richness, and complexity to the inquiry (Denzin & Lincoln, 2000).

Using multi-method of data collection is also supported by Becker & Geer (1957) as they argued that using observation enables the researcher "to check description against fact" and to "become more aware of systematic distortions" made by the informant which are harder to discover if the interview method is applied on its own (Becker & Geer, 1957:31).

3.5.3. Primary Data Collection: Semi-Structured Interviews

Interviews have been frequently used for data collection in social sciences for a long time. Sociologists and psychologists used it to get more information from their participants to further investigate issues through laboratory experiments and questionnaire studies. Also anthropologists and sociologists used it as an informal way to collect information from their informants. (Kvale, 1996). Kvale (1996) defines the purpose of the qualitative research interview as "…to obtain descriptions of the lived world of the interviewees with respect to interpretations of the meaning

of the described phenomena" (Kvale, 1996:30). Instead of quantifying the information, qualitative interviews focuses on understanding the described situations from the informant's world. Rather than exactness of measurements, the focus is on being precise on descriptions as a researcher and on the interpretation of meanings. (Kvale, 1996). Also, qualitative research interviews give the researcher an opportunity to collect rich and detailed data (Saunders et al., 2003).

Interview is "a purposeful discussion between two or more people" (Saunders et. al., 2003:245).When there are large number of questions to be answered, the questions are either complex or open-ended, and/or the order and logic of questioning may need to be varied; interview is the best method to collect data. As this research is an exploratory qualitative research, semi-structured, and in-depth interviews would be appropriate to use.

In this research the focus is on the relationship between social trauma and business ethics practices, rather than individuals' personal accounts and experiences. Therefore, considering the need to find emerging issues related to social trauma and to business ethics and given the amount of interviews conducted to increase reliability of the findings, semi-structured interviews were employed alongside other data collection methods.

Because of the nature of field studies, researchers increasingly seek other methods rather than classical quantitative models to ensure that their research is scientific (Emerson, 1981). Thus, to increase research reliability and validity, between-method triangulation is enabled.

Semi-structured interviews were conducted in North Cyprus with Cypriot Turk entrepreneurs whose parents were also born in Cyprus to ensure any impact of nativity i.e.; either themselves or their families were native Cypriot Turks prior to 1963 and therefore experienced the war; as the specific perspective that the data analysed through is social trauma. Data collection was done during February-March 2008 and 40 entrepreneurs from different sectors participated.

The European Commission's definition was adopted before approaching the companies and a list was created based on their employee numbers to ensure an unbiased way of short-listing them. Medium enterprises employ less than 250

people; their turnover does not exceed €50 million and/or their annual balance sheet total does not exceed €43 million. Small enterprises employ, less than 50 people, with a turnover and/or annual balance sheet total not exceeding €10 million. Micro enterprises employ less than 10 people, and their turnover and/or annual balance sheet total does not exceed €2 million. (EU Commission Regulation, 2003).

Later on, the derived shortlist reduced to 40 participants through either contacting them directly or through social networking based on their voluntarism to participate in the research. The organisations that participated are located in three major cities of North Cyprus out of a total number of five; Lefkoşa (Nicosia), Girne (Kyrenia) and Gazi Mağusa (Famagusta). Randall and Gibson (1990) suggest compiling the list of participating companies from related business associations (Randall & Gibson, 1990). This was followed in this research and the original lists were derived from Turkish Cypriot Chamber of Commerce and Cyprus Turkish Chamber of Industry. Main details of the participant companies and participants are given in Table 7.

Although, number of interview participants asked from the researcher to give their full, open names in the research as they said they have "nothing to hide", considering there is no necessity to openly state participants' identities in order to analyse the thesis and considering their privacy none of the participant names were given. Rather, they were all coded as "IP" standing for "interview participant", that is followed by either "M" or "F" representing the gender of the participant and then number assigned based on the sequence of the interviews. Therefore, for instance a male participant who was the 16th person that was interviewed is denoted as "IPM16".

Table 7: Participant Entrepreneurs' and Companies' Details

Pseudonym	Birth Year	Education Level	Employee Number	Sector	Foundation Year	Gender
IPM01	1969	U.GRADUATE	150	CONSTRUCTION	1993	MALE
IPM02	1966	HIGH SCHOOL	180	CONSTRUCTION	1993	MALE
IPM03	1949	SECONDARY S.	2	FOOD & DRINK	2006	MALE
IPF04	1961	HIGH SCHOOL	4	TOURISM	1987	MALE
IPM05	1960	U.GRADUATE	17	HOUSEHOLD GOODS & ELECTRONICS	1981	FEMALE
IPM06	1957	U.GRADUATE	16	EDUCATION	1990	MALE
IPM07	1958	HIGH SCHOOL	4	TEXTILE	1981	MALE
IPM08	1957	ELEMENTARY S.	0	FOOTWEAR	1980	MALE
IPM09	1953	U. GRADUATE	8	ELECTRIC & TEXTILE	1974	MALE
IPM10	1959	HIGH SCHOOL	1	HOUSEHOLD GOODS	1986	MALE
IPM11	1947	U. GRADUATE	40	TOURISM	1985	MALE
IPM12	1967	U. GRADUATE	5	AUTOMOTIVE	1995	MALE
IPM13	1982	POSTGRADUATE	0	ELECTRONICS & IT	2007	MALE
IPM14	1949	SECONDARY S.	0	FASHION	1975	MALE
IPM15	1940	U. GRADUATE	0	EDUCATION	1996	MALE
IPM16	1968	POSTGRADUATE	15	CREATIVE & MEDIA	1996	MALE
IPM17	1982	U. GRADUATE	8	SECURITY	1991	MALE
IPM18	1982	U. GRADUATE	1	FASHION	2007	MALE
IPM19	1977	U. GRADUATE	20	ADVERTISEMENT	1972	MALE
IPM20	1953	U. GRADUATE	6	ELECTRONICS	1957	MALE
IPM21	1959	U. GRADUATE	86	EDUCATION	1941	MALE
IPM22	1959	ELEMENTARY S.	22	PUBLISHING	1985	MALE
IPM23	1977	U. GRADUATE	42	FOOD & DRINK	1991	MALE
IPM24	1965	U. GRADUATE	4	FINANCIAL SERVICES	1994	MALE
IPM25	1964	U. GRADUATE	5	AUTOMOTIVE	1989	MALE
IPM26	1964	HIGH SCHOOL	10	FOOD & DRINK	1991	MALE
IPF27	1957	HIGH SCHOOL	1	HOUSEHOLD GOODS	1989	FEMALE
IPM28	1963	U. GRADUATE	10	FOOD & DRINK	1972	MALE

IPM29	1960	U. GRADUATE	0	HOUSEHOLD GOODS & ELECTRONICS	1985	MALE
IPM30	1950	U. GRADUATE	8	AUTOMOTIVE	1971	MALE
IPM31	1956	ELEMENTARY S.	3	HOUSEHOLD GOODS	1987	MALE
IPM32	1951	POSTGRADUATE	11	CONSTRUCTION	1942	MALE
IPM33	1964	HIGH SCHOOL	7	FOOD & DRINK	1993	MALE
IPM34	1956	U. GRADUATE	3	ELECTRONICS & IT	1996	MALE
IPM35	1965	U. GRADUATE	80	FOOD & DRINK	1989	MALE
IPF36	1965	U. GRADUATE	87	FOOD & DRINK	1989	FEMALE
IPM37	1968	POSTGRADUATE	77	CONSTRUCTION	1983	MALE
IPM38	1963	U. GRADUATE	6	FINANCIAL SERVICES	1988	MALE
IPM39	1958	U. GRADUATE	0	EDUCATION	1988	MALE
IPM40	1983	U. GRADUATE	1	FASHION	2005	MALE

Unless it is marked as PhD, all of the postgraduate degrees associated to interview participants are at master level. U. Graduate stands for undergraduate, S. Stands for school.

Interview questions were generated based on three areas that the literature review was informed from; social psychology; business ethics and the case study country – North Cyprus.

Main themes of the interview questions were general information about the participants' background and their businesses; their opinions, definitions, observations, experiences and practices related to business ethics; their views on the limitations of being a business-person in North Cyprus; their definition of identity, experiences during and after the war as an individual and as a business-person. A sample of the interview question sample is provided in appendices.

The interviews took approximately 1.5 hours and they were mainly conducted at participants' offices. The interviews were recorded with two different recorders and hand notes were also taken to assure reliability of the collected data.

The interviews were conducted in Turkish as it was the native language of both the participants and the researcher. This can be considered as strength; since the researcher had the opportunity to capture the essence of the conversations with each interviewee. To ensure consistency and correct translation, both interview questions and the verbatim transcripts of the interview data went through a process. Documents that were originally written in Turkish (research questions, and verbatim interview transcripts) were first translated into English by the researcher. Then translated English documents were all translated back to Turkish by an English Language expert so that the consistency is ensured between the original documents and the translations by comparing them. (Saunders et al., 2003).

3.5.4. Primary Data Collection: Non-Participant Covert Observation

Participant observation is mainly practiced by sociologists and modern anthropologists (Jarvie, 1969). Debates have been going on regarding to participant observation between sociologist scholars. According to positivist sociology, characteristics of a research are repeatability and objectivity. Furthermore, in order to consider a research as valid, it should be scientific. On the other hand, interactionalist sociology view is based on a belief which strongly argues that since researchers are also individuals, and individuals in a social environment construct their social world and they have their own meanings and beliefs based on their cognition, social scientist can never be truly objective in a scientific sense. Moreover; because of individual assignment of meanings, researchers use their own symbolic meanings in selection, processing and interpretation of their research data (Duffield, 1998).

In this research, interactionalist sociology view was dominant since this view accepts researcher's involvement in the whole research process and provides a similar kind of discussion on objectivity.

Figure 14: Typology of Participant Observation Researcher Roles

(Gill & Johnson, 1997:112; Saunders, et al., 2003:224; Schwartz & Schwartz, 1955).

Researcher takes part in activity

Participant as Observer "OBSERVES"	Complete participant "PARTICIPATES"
Observer as Participant "PARTICIPATES"	Complete observer "OBSERVES"

OVERT Research ←→ COVERT Research

Researcher observes activity
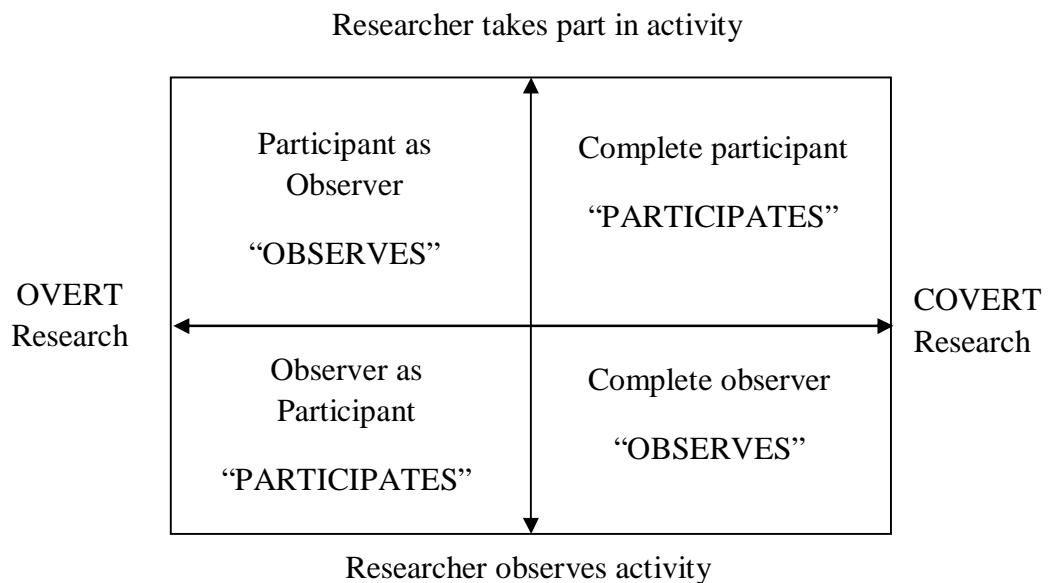
Due to its nature, it is very likely that a researcher faces some ethical and methodological concerns while applying participant observation. All types of participant observation share common methodological and ethical concerns. In most of the field research, observers tend to depict the social world and interactions as they perceive, distorting the perspective and lived reality of the respondents (Emerson, 1981). This affects objectivity thus accuracy, which also influences validity and reliability of the research (Saunders et al., 2003).

General characteristics and disadvantages of observation method to collect visual data are summarised in Table 8 as it was part of the data collection through observation in this research.

Table 8: Comparison of Non-Participant Observation and Participant Observation for Collecting Visual Data (Flick, 1998:163)

Criteria	Non-Participant Observation	Participant Observation
Openness to observed's subjective view by:	▪ Integration of interviews	▪ Integration of interviews ▪ Empathy Through Participation
Openness to the process of actions and interactions by:	▪ Not influencing the observed field	▪ Distance despite participation ▪ Most open observation
Structuring the analysis by:	▪ Increased focusing ▪ Selective Observation	▪ Integration of key persons ▪ Increase focusing
Contribution to the general development of visual data methods	▪ Refraining from interventions in the field ▪ Elucidating the gendered nature of fieldwork ▪ Self observation for reflection	▪ Elucidating the conflicts between participation and distance
Area of Application	▪ Open fields ▪ Public places	▪ Delimited fields ▪ Institutions
Problems in conducting the method	▪ Agreement of (unknown) people observed in public places	▪ Going native *(not applicable in this particular research)* ▪ Problems of access ▪ Inundation of the observer
Limitations of the method	▪ Covert observation as a problem of ethics	▪ Relation between statements and actions in the data

None of the limitations of participant observation apply to this research as a non-participant covert observation was conducted. The benefit of covert observation whether it is participant or non-participant, is that it provides an opportunity for emergence of more information that would not be possible otherwise if informants knew they were being observed (Gray, 2004).

Usually it is the criticism on covert observation that subjects that are part of the observation do not have consent as they are not given the opportunity to decide whether or not to participate, thus this create an invasion of privacy (Gilbert, 2001).

However, the criticism of informant consent and ethicality becomes a serious concern once the observation focuses on individual behaviour and thoughts; whereas in this research observation was focusing on social processes and discourses. The observation data was collected on the venues where people were aware that they were in public mediums thus they are observable by anyone that is present there. Also, as mentioned, since the focus was not particular groups of large group members', or particular individual behaviours' but rather the observation of environment and processes there was no violation of individual privacy, thus no need to get their consent. Furthermore, as the observations conducted as non-participant, the issue of influencing the observed field or intervention did not exist for this research.

The only difference between the non-participant covert observation conducted in this research from the non-participant overt observation where observed subjects' consent are taken, is that in this research it was not possible to let all the public to know that their environment and processes were observed as this would create "Hawthorne Effect" which would totally eliminate all the triangulative support that observation has given to this research. Hawthorne Experiment shows how awareness of being observed influences the behaviour of observant, and if research is done overtly, then a number of questions arises (Gill & Johnson, 1997).

In this particular research, keeping in mind the mentioned ethical issues, and disadvantages, covert participant observation was applied. The researcher was completely away from interaction with the subjects to prevent any kind of researcher intervention. The cases where covert observation was applied no serious ethical issues could arise as the observations took place in public areas. If researchers act in integrity to the society and with respect to its values there would be no harm; this was the approach taken by the researcher. (Jarvie, 1969).

Covert form of participant observation was conducted complying with Brunel University Code of Research Ethics, where the researcher observed general public in aspects of signs of trauma, BGS relationship and unethical business practices. Photographable observations such as one of the regression elements (where

environment turns into a fecal structure) documented to further validate observations made by the researcher and to decrease the chances of the researcher's bias in interpretation.

Internal validity of field data is high according to most researchers, since data analysis is strongly related to empirical observation (Emerson, 1981). In order to increase the validity and reliability of the field research, a number of suggestions have been made by different researchers. One of these suggestions is "host verification" also sometimes called "respondent validation" that is taking the interpreted findings back to the respondents and getting their feedback to determine the adequacy of the study; nevertheless it is questionable whether informants can 'validate' a researcher's work (Emerson, 1981; Bryman & Bell, 2003).

However in this research "host validation" was not possible as covert non-participant observation was conducted.

One of the challenges in analysing observation field notes is the issue of *data reduction*. This concerns the process of "selecting, focusing, simplifying, abstracting and transforming the data, that appear in written-up field notes" (Miles & Huberman, 1994:10).

Data reduction process also takes place while taking the field notes and the drawback of data reduction is that "it is not possible to capture the actual event on paper", so consciously or not, researchers make certain decisions of including or excluding certain aspects of the phenomena in inquiry both in the field and after the notes have been taken. Also, researchers' individual biases and emphases in recording certain data can also be seen as limitations of the observation notes (DeWalt & DeWalt, 2001:166). Therefore, in order to minimise the disadvantages of this approach, the collected data are triangulated through interviews, photographs and various forms of secondary data.

Given the covert form of non-participant observation, it was possible to take field notes while the events were happening. The researcher had a small, pocket size notebook (12cm height to 8.5 cm width) with her all the time so that she could record events right away.

"It is critical that field notes include at a minimum a date, time, place, and listing of the persons present" (Blomberg et al., 1993:113). These were ensured in

observation data collected, on the top part of each page in the field notebook, date, time, place and length of the observation were recorded. Dates were written as day-month-year (e.g.: "06 MARCH 2008"); time was always written as a 24 hour clock, rather than a.m. – p.m. and it was always noted during the beginning and at the end of the observation so that the duration can be known. Notes included observations based on observation of the environment and people's conversations in public; the conversations were noted as verbatim and notes about the environment and elements were written as they were observed rather than an interpretation of them. Because the notes were taken immediately right after, or during the occurrence of the events the content of the observation notes are not suitable to publish in this PhD thesis given the privacy and controversial, unnecessary content. Rather, the relevant sections are presented both in Chapter Five and Chapter Six in combination with other data collected through other methods.

In this research, the collected observation data are themed (coded) based on the categories that emerged during the analysis stage, and in the presentation of the analysis the observatory notes are presented in combination with other forms of data, rather than presenting them on their own in a separate section in order to protect the holistic picture of the findings.

3.5.5. Primary Data Collection: Photographs (Taken by the Researcher)

From 1990's onwards, there is a growing interest in using visual data as a valid source of data in business and management research (Bryman & Bell, 2003; Flick, 1998). However, visual data, especially photographs, were employed long before 1990's by ethnographers and anthropologists (Flick, 1998). Traditionally there are four ways to apply photography to a research;

- TYPE I: The researcher can show photos (as demonstrator) to a person under study (as spectator) and ask him or her about the material.
- TYPE II: The operator (who takes the photograph) can use the researched individual as a model.
- TYPE III: The researcher (as spectator) may ask the subject to show him or her photos concerning a certain topic or period (as demonstrator).

- TYPE IV: The researcher (as spectator) may observe the subject (as operator) while he or she takes a picture and conduct an analysis of the choice of subject matter being photographed (Flick, 1998:152).

However, in this research, photography is used in a different way than it was categorised by Flick (1998). As primary data, the researcher took photos of certain symbols, environment, public places and the like to further strengthen the findings. The meanings and interpretations are examined through content analysis. Photography is used to better understand the physical and social working environment of participants as well as the general environment in North Cyprus as a means to strengthen validity and reliability of the collected data and interpretation. When photographs are used alongside other data collection methods as in this research, photography helps to;

- Develop a richer understanding of organisational processes
- Capture data not disclosed in an interview
- Offer a novel channel for respondent validation of data (Buchanan, 2001:151).

The photographs which were taken by the researcher are only numbered based on the appearance on the thesis.

3.5.6. Primary Data Collection: Documents

Besides interviews, observation and photographs, documents were also used as a means for between-method triangulation. Mainly, these consisted information from participant company websites, brochures, business cards and advertisements.

3.5.7. Secondary Data Collection: Governmental Statistics

Certain governmental statistics such as unemployment rates, census results, and the like were accessed through the internet website of State Planning Organisation of North Cyprus. However, due to bureaucracy and the developing state of North Cyprus, the figures that are accessible are either 2006 or 2007 data. Also, census is conducted in every few years; therefore the census information given in this research reflects the very recent, officially release.

3.5.8. Secondary Data Collection: Published Non-Governmental Data

Non-governmental data that were published by private research companies as well as articles that were based on either interviews or references which reflect cases such as corruption that are published in the newspapers are used in this research. In all cases, articles that reflect individual writers' views based on no reference which are mere personal perception on issues were not used in order to sustain the scientific nature of this research. It is crucial to state here that, both Kıbrıs Newspaper (various years) and Güngör (2002) references are secondary data and therefore used in the data analysis chapter. (Güngör (2002) is a book, which presents only direct transcripts of interviews conducted by Güngör with Cypriot Turks who all were born in 1974 on their views of Cyprus problem, life in North Cyprus and their experiences without any interpretation or discussions of the transcripts.)

3.5.9. Secondary Data Collection: Photographs (Taken by Others)

Besides photographs taken by the researcher, photographs taken by others are presented in this research. Each photograph numbered consecutively based on their appearance and relevant photographer/writer or the relevant issue of the publication was referenced.

3.6. Data Collection: Reliability, Validity and Generalisability

Data quality issues such as reliability; forms of bias (both interviewer and interviewee biases); validity and generalizability are issues to consider. Also, researchers' interviewing competence, logistical and resource issues and how to manage these factors all impact on the outcome of an interview (Saunders et. al., 2003).

Reliability is repeatability of the research results; in other terms reliability and the possibility of obtaining the similar results on different occasions has direct relationship (Saunders et al., 2003). As it is hard to standardise semi-structured and in-depth interviews, there may be concerns regarding their reliability. It is proposed that researchers who use these approaches should take notes while designing their research such as they have chosen these approaches and what data they have retrieved; thus justification of these may provide a basis of more stable reliability.

Based on this possible method to minimise reliability issues, the themes that questions were categorised into and their significances are presented in section 3.5.3 Primary Data Collection: Semi-Structured Interviews.

Also, bias issues may take different forms; such as interviewer bias and interviewee/response bias. Interviewer bias may occur because of various factors. Interviewer's tone of voice, body language, comments and the way questions are asked (e.g.: imposing or framing) are all influential factors on data collection through interviews. Also, if credibility and trust cannot be established, it may also impact the amount and depth of information interviewees share.

Interviewee bias happens when interviewee has perceptions about the interviewer or feels that there is an interviewer bias. In some cases, even though interviewee is willing to participate to the interview, still s/he may be sensitive on certain issues that the interviewer wants to enquire in-depth. Thus, the interviewee may only give a partial picture of the real situation including him/her on the "socially desirable" role either positively or negatively. (Saunders et al., 2003).

The research was aimed to be conducted and analysed without passing judgement based upon researcher's personal cultural context (Marshall & Rossman, 1989). Before collecting data, the researcher was aware of the possibility of her nativity to the country and her perception of the environment might impact on the data analysis; therefore to ensure objective account of the research during the analysis stage secondary data, data triangulation and unlike traditional qualitative research, findings from the literature are all used.

Nevertheless, even though from a common methodological perspective this familiarity poses a limitation to the research; it can also be a valuable contribution as long as the researcher is aware of the posed danger (Myrdal, 1970; Marshall & Rossman, 1989). Strauss and Corbin (1998) provide an interesting approach to this issue; usually when professionals return to universities for advanced degrees, their reform ambition is the key motivation drive for them, and connected to that, they pose their research questions by grounding them to their motivation. Therefore as much as going through the path of researching a familiar environment with a posed research problem based on familiarity and personal judgements is dangerous than choosing the question through literature; in some cases, an individual researcher's

own experience may make way for a successful piece of research (Strauss & Corbin, 1998).

Taking into consideration this notion also enriched the research, since the researcher was aware of the danger and limitations of being familiar and judgemental about the research field and/or participants. Also, she had certain predictions on the way participants can perceive a researcher before she went to the field. As she is a Cypriot Turk as well, she established a good rapport with the participants and as she is familiar with the culture and has prior knowledge on sensitive topics for society, she was attentive to those details, and asked questions accordingly so that she could get as honest and detailed responses as possible. However, one of the anticipated limitations of the research was the researcher's nativity to the ethnic group. Participants might have been afraid to reveal certain details or might have distort their answers with the fear of those becoming available to the government, media or other members of the society as North Cyprus is a small country, people believe that news travels fast. This anticipated limitation turned out to be a very strong advantage during data collection as most of the participants felt comfortable and openly talked about issues like bribery. As participants have given responses on sensitive issues, privacy of the respondents was guaranteed as a crucial element of this research.

Validity is "the extent to which data collection method or methods accurately measure what they were intended to measure and is the extent to which research findings are really about what they profess to be about" (Saunders et al., 2003:492). Semi-structured and in-depth interviews can be high in validity as long as they are conducted carefully as being qualitative research tools they are flexible and provide an environment for the interviewer and interviewee to interact, which allows the interviewer to cover topics from diverse perspectives (Saunders et al., 2003).

Lastly, generalizability, which is "the application of the results of a research study to other settings", is not applicable to the whole population in qualitative studies which use semi-structured and in-depth interviews when studies are based on unrepresentative samples (Saunders et al., 2003: 478; Noe et al., 2003). When a study can be linked to an existing theory, it shows the broader importance of that piece of work; this way generalizability can be enhanced in qualitative research. However, besides the traditional problems of using interviews as a means of

collecting data, current ethical and political developments impact the openness of the informants adversely, where they tend to be reluctant in their contributions to the research. Most anxious informants who are reluctant and unwilling to contribute depend on their positions on the societal spectrum. They are usually at the very bottom or around the top of the power, prestige and socioeconomic hierarchy. Besides, reluctant informants, there is another group which can make data collection harder, are secretive respondents who tend not to discuss or contribute on issues that may be categorised as personal issues which are "delicate or sensitive" (Adler & Adler, 2002). Also, people who have status, wealth and power, "the advantaged" are reluctant informants. Lastly, "the disadvantaged" people, (e.g.: poor / low income group; people who are engaged in illegal activities and the like) can also be reluctant to share information as they may distrust the intentions of the researcher (Adler & Adler, 2002).

Similar validity, reliability, generalizability problems alongside the observer's "going native" risk are all limitations that can be faced while conducting observations. In this research, specifically covert non-participant observations were conducted. Since application of observation was non-participant, there was no risk of "going native" other than that researcher's original nativity to the culture. The pros and cons of this, however, were discussed in this section previously.

In his work, Janes (1961) talks about an overt field observation, which was about observing the effect of a disastrous flood on community activity, and for that he had made a series of visits to Riverville, a small town in USA and a couple of nearby counties. Fifteen years later, the same author made another visit to Riverville to study the same community; however during the period, most of the informants were either dead or moved away from Riverville (Janes, 1961). This is a case where replicability and reliability are very low. Replication can be done without having any limits by comparing different studies which analyses similar groups. On the other hand, compatibility is possible only if conclusions do not contradict, even if different researchers study the same environment by considering different questions and theories, and coming up with different results (Katz 1982, cited in Emerson 1981:361).

Similar to Jane's research, the replicability of the observation data of this research is low in terms of finding the same observation informants, as the observations were conducted on random groups, rather than initially selected groups with certain characteristics. However, these observations later on, validated through various data collected through different methods, thus increasing reliability.

It is also a limitation of overt observations that, the knowledge of being observed is more likely to alter the natural behaviour and/or response of the informants (Heery & Noon, 2001:151; Kreitner & Kinicki, 2004; Gill & Johnson, 1997; Newstorm & Davis, 2002). However, given that in this research covert observation is employed, it was an advantage that responses and behaviours were observed in their natural environment without any alterations.

Many issues that are covered under the research ethics, namely the way in which the data are processed and analysed, participant reactions and permission, and confidentiality may influence on or violate participant's privacy. (Saunders et al., 2003). According to Punch (1986) every researcher should at the same time be his/her own moralist (Punch, 1986). In spite of many criticisms directed to covert observation, considering that this research employs a non-participant covert observation many of the ethical issues that are concerned with covert observation are automatically not relevant to the type of observation conducted in this research. Also, given the fact that, the details of the observation groups were kept completely private, the covert non-participant observation only validated and enriched the data collected through other means of data collection. Thus, the advantages of conducting a covert observation were achieved while none of the disadvantages were experienced given the non-participant role of the researcher. Also, drawbacks of conducting an observation was overcome by keeping the focus of the observation not on individuals and to collect data from them about specific occurrences, but rather on observing Cypriot Turks in their natural environment to capture an in-depth understanding of issues and events, and the direction that they shape their views on daily life.

3.7. Conducting Data Analysis

Both primary and secondary data were blended and analysed at two levels.

Level 1 – Macro Level: Looks into aggregate characteristics of the North Cyprus environment covering socio-political, economic and socio-psychological elements aiming to provide an overall, general picture of general environment and atmosphere in North Cyprus.

Level 2 – Micro Level: Looks into the determinants and reasons of unethical business practices and existing case examples from both primary and secondary data. This section focuses on business related issues more specifically, rather than providing a depiction of general socio-economic environment.

Collected data were analysed through Nvivo software (qualitative data and interview responses) and SPSS software (quantifiable data, e.g. demographics, establishment year and the like).

To enhance interpretation accuracy, diverse analysis techniques were used. For visual data collected such as photographs and newspaper images ethnographic content analysis was used; to get participants' individual stories socio-cultural narrative analysis was employed; lastly discourse analysis was employed to get an in-depth insight of the main statements; it has a crucial role in understanding the relationship between social trauma and business ethics practices as it enables to identify social, economic and political climates (Grbich, 2007).

3.7.1. Ethnographic Content Analysis

Ethnographic content analysis is used in attempt to understand the communication of meaning and it relies on original conceptions. It also helps to verify theoretical relationships (Altheide, 1987; Krippendorff, 2004; Tesh, 1990). Specifically it is an analytical method to identify and to understand the signs within visual images and their meanings within the culture that they are located in (Grbich, 2007). It is best suited to answer research questions where the aspects of cultural context or social organisation are under investigation or where the visual image's content is studied (ibid).

In this research, visual documents act as supporting evidence in answering the research questions that focus on social processes. Although this type of analysis is useful to "read" visual images within cultural or historical contexts, in some cases, "the origins and the purpose of the construction or collection of the images" may not be clear (ibid. 156).

In conducting ethnographic content analysis there are number of stages. The first stage is about understanding the content and the context of the visual image by attempting to answer questions such as; "what is the image of? What is the context of its production? Who was involved in the production and for what purpose? How do the outcomes convey meaning?" (Grbich, 2007:156). The second stage is linking the image or embedding it, in a variety of other signs through intertexuality and through exploring what other signs are. Last stage involves interpretation of the most obvious readings of the image and alternative readings that can be made (ibid).

As photographs act as supportive evidence to primary and secondary data in this research, rather than heavily relying on photographs as main data and analysing them in-depth through ethnographic content analysis, they are analysed through embedding them into a variety of other data in order to explore theoretical relationships yet following the steps as closely as possible.

3.7.2. Socio-Cultural Narrative Analysis

Out of the two main versions of narrative analysis, socio-linguistic and socio-cultural, the latter is employed in this research as it helps to study the narrative within the context rather than merely as a text as oppose to socio-linguistic analysis where the focus is on "plots" or the structure of narratives and convey meaning (Grbich, 2007:124).

In this research, from primary data, the interview questions such as the ones that focus on experiences of being an entrepreneur in North Cyprus, experiences during the war time (1963-1974) and afterwards and the like were analysed mainly through socio-cultural narrative analysis; as this type of analysis gives insight on how individuals construct meanings from their live experiences (Grbich, 2007).

In socio-cultural narrative analysis processes such as data segmentation into themes or coding are avoided as the stories are considered as complete entities. This

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is partly as a result of the assumptions underpinning this approach; according to the assumptions stories provide the view of the informants' lives and reflects culture, ideology, socialisation as well as the historical and political climates, usually linking past, present and the future (ibid).

In order to apply socio-cultural narrative analysis first of all, boundaries of the narrative segments in the interview transcript should be identified; following with the exploration of content and context of the story, which can include either life stories or specific segments. This is followed by comparing statements of different participants and linking their stories with relevant political structures and cultural locations. Finally the process is completed by interpreting stories and understanding the way these interpretations shape the final text. (ibid. 131).

In this research, socio-cultural narrative analysis was applied to the primary data collected through interviews, and the main benefit of applying this kind of analysis for this research was that it enabled to link individual stories with the socio-political environment which provided a major bridge to relate BGS relationship with unethical business practices within an ethical framework.

3.7.3. Discourse Analysis

This type of analysis stands on the principle that meanings, values and ethical principles are not created by individuals, but entities that people create through the communication and social action (Talja, 1999).

Foucault (1972) uses the metaphor of human circulatory system to describe the process of how a certain discourse is spread into a society;

> The heart (the person/people with an interest in developing and controlling this discourse) pumps these ideas and discourses via the arterial, venous and capillary systems (ways of feeding the discourse to the wider populace through various media) and these views are then internalised by the population and fed back into the system, enabling reinforcement. The binary opposites of structuralism, in particular "good" and "evil", serve to persuade the population that truth is singular and these "truths" are "normalised" through the processes of "surveillance" and "monitoring" which together

with notions of "confession" are reinforced by legal structures (Grbich, 2007:147; citing Foucault, 1972).

In order to rupture the discourses described in the human circulatory metaphor of Foucault (1972) it is required to track the historical processes that construct the discourses (Grbich, 2007). "History is that which transforms documents into monuments. In that area where, in the past, history deciphered the traces left by men, it now deploys a mass of elements that have to be grouped, made relevant, placed in relation to one another to form totalities" (Foucault, 1972:7).

Michel Foucault who extensively used the notion of discourse describes the basic element of this type of analysis as *the statement* which is made up of signs that have an internal relationship between them and between the objects and the statement. Later, the statement is viewed in a wider domain (Foucault, 1972; Grbich, 2007). In order to accurately identify the discourses and evidence the statements' interrelationship, socio-economic and political events are required to be described (Grbich, 2007).

A successful discourse analysis can be done through following certain steps;

1. Track the historical development of the discourse over time and identify the player and the social, economic and political climate which fostered its development.
2. Identify constituents in terms of objects, statements, themes, arguments, traces of challenges, and traces of ideas which changed directions. Seek disunity and discontinuity and the limits to the discourse. Monitor dispersion in other fields.
3. Locate challenges and see what happened to these: where did they come from? Why/ and if they were rejected, how were they dispensed? And by whom? For what purpose? (Grbich, 2007:149).

Discourse analysis is helpful in exploring how a particular phenomenon is presented (Krippendorff, 2004:16). It is also effective in "identifying" and "tracking" powerful discourses and helps to answer research questions where a certain way of thinking, behaving, writing or talking eventuates. This analytical tool was particularly beneficial for this research as it helps to "track historically the origins of and challenges of mainstream ideas and to illuminate marginalised ideas". (Gbrich, 2007:146). In this research it mainly contributed to the analysis of written documents

in particular to explore the unethical business practices and highlight the relevant discourses.

Table 9 summarises the types of data that has shaped the discussion of the findings and the analytic tools that are applied.

Table 9: Summary of Types of Data and Analytic Tools Applied

Primary Data	Socio-Cultural Narrative Analysis	Discourse Analysis	Ethnographic Content Analysis
Semi-Structured Interview	✔	✔	
Non-Participant Covert Observation		✔	
Photographs			✔
Secondary Data			
Governmental Statistics	✔		
Published Non-Governmental Data		✔	
Newspapers		✔	
Photographs (taken by others)			✔

Although this research makes no claims of using grounded theory as a data analysis technique, it is correct to say that the coding process was inspired by the process of grounded theory introduced by Glaser and Strauss (1967). Data are considered as indicators of concepts which later on can be turned into categories (Corbin & Strauss, 1990). Secondary and primary data were all either written or visual except interviews; therefore once they were verbatim transcribed each of the interviews were handled individually and read thoroughly multiple times. The codes were categorised in Nvivo software while the notes were being taken during the process; however generated codes constantly changed as data analysis progressed thus serving as a mean to produce a meaningful analysis out of rich material (Miles & Huberman, 1984).

The main themes that emerged from primary data coding, consequently produced the same three broad disciplinary themes which literature review (Chapter Two) was also designed based on. These broad disciplinary themes were large group psychology, business ethics, and business-government-society relationship.

Table 10: Coding Under Three Main Focus Themes

CODE & SUB-CODE	ASSIGNED LABELS	EXPLANATION
Code 1	**LGP-TRM**	**Large Group Psychology & Trauma**
Sub-Code 1.1	SOCTREXPR	Socially Traumatising Experiences
Sub-Code 1.2	REGR	Regression Elements
Sub-Code 1.3	LGIC	Large Group Identity Confusion
Sub-Code 1.4	LOOT	Looting
Code 2	**BGS RELTN**	**Business-Government-Society Relationship**
Code 3	**BE**	**Business Ethics & Entrepreneurial Environment and Practice**
Sub-Code 3.1	BE-DFN	Definition of Business Ethics
Sub-Code 3.2	GOV-CS/OPN	Government Cases & Opinions
Sub-Code 3.2.1	BNG-ENTR	Being an Entrepreneur in North Cyprus
Sub-Code 3.2.2	UNEMPL/COMM-ILLGL WRKR	Unemployment & Commute and Illegal Workers
Sub-Code 3.2.3	PTRNG-NPTSM-CRNYSM	Patronage, Nepotism and Cronyism
Sub-Code 3.2.4	BRBY-KCKBKS-GRFT	Bribery, Kickbacks and Graft
Sub-Code	UNFR-COMPTN	Unfair Competition

/: Represents "and"; -: Represents a space between two words.

Mainly the secondary data on sub-codes 1.1., 1.2 and 1.3 are presented in Chapter Four and Chapter Five as these codes provide the social, historical, political and cultural elements that contribute to our understanding of Cypriot Turk society. Specifically sub-code 1.2 is only presented in Chapter Five as regression elements are more evident in secondary data, therefore except only few direct quotations given from the interview participants to support discussions presented on regression signs

and symptoms, rest of the sub-code 1.2 is presented through secondary data as part of the Chapter Six.

From this chapter onwards, there are certain signs and letters that are used to explain certain issues further; provide a word's meaning or equivalent in English or provide the original Turkish word. These are represented as in table 11.

Table 11: Signs Used in the Following Chapters

Sign	Meaning
[TR: word]	Original Turkish word is given
[ENG: word]	A Turkish or Greek word's English equivalent or its meaning is given
[GR: word]	Original Greek word is given
[word]	A word or explanation is given by the researcher within a directly quoted text.
(words)	Additional explanations by the researcher

3.7.4. Sources of Data Based on the Main Themes

Table 12: Sources of Data Based on the Main Themes

ELEMENTS	SOURCE		
	Primary Data	Secondary Data	Literature
(Macro Level) Social Trauma	Satisfactory	Satisfactory	Plenty
(Meso Level) BGS Relationship	Plenty	Plenty	Satisfactory
(Micro Level) Unethical Business Practices	Plenty	Plenty	Limited

The data analysis was based on different time periods within the history to show the dynamic presence of social trauma, BGS relationship, and business ethics related elements. To provide a richer understanding of the today's business ethics practices and the environment these practices take place, these discussed in Chapter

Four, Chapter Five and Chapter Five. The time periods that this thesis examines are clearly indicated so that occurrences can be identified and be linked. The timeline is as follows;

Table 13: Time Periods that Data Analysis Informed From

Rule	Official Period	
Ottoman Empire Period	1571 – 1878	
Great Britain Period	1878 – 1960	
Republic of Cyprus	1960 – 1963	1963 – 1974
North Cyprus	1974 - Present	

The following chapters, Chapter Four and Chapter Five presents general information about the land and its society based on the timeline presented in table 13 to familiarise the reader, where applicable, with hallmark events, relevant historical occurrences, demographics, governmental structure, business related facts and figures and the like.

The familiarization with these background information, definitely provides a better comprehension of the afterwards sections where deeper social and behavioural issues are discussed.

Figure 15: Variety and Density of Influences throughout Time Periods

Variety of Factors Increasing, with Decreasing Impact
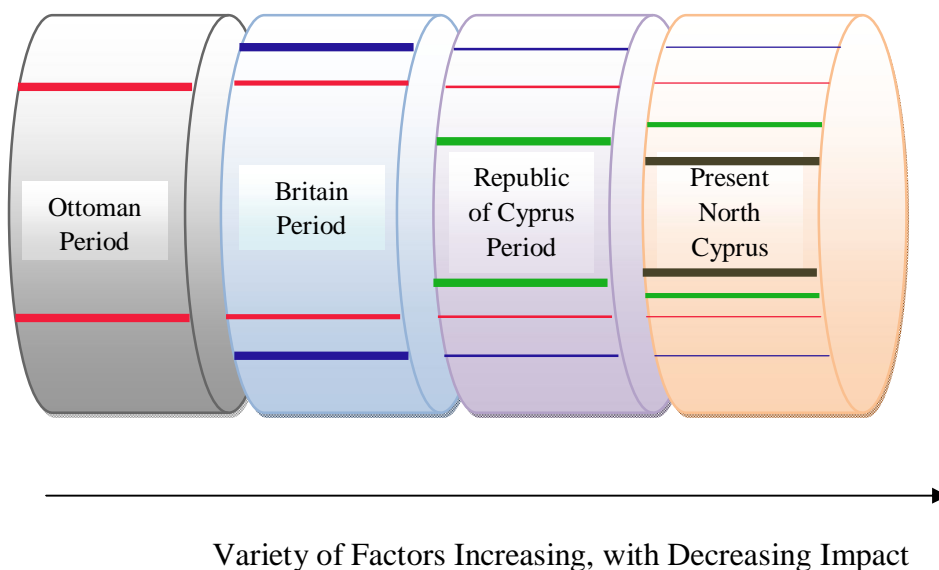
The impact of various factors which shaped certain time period in Cyprus history, impacts on Cyprus society today. However, as the time passes, although variety of factors impacting on the society increases, the density of the impact decreases. Thus it is crucial to explain trauma occurred in Ottoman period, Britain period, Republic of Cyprus period respectively as well as BGS relationship and entrepreneurial practices and environment as much as possible, to provide well-informed understanding and discussion on today's factors that influence business ethics practices and entrepreneurial environment.

3.8. Synopsis of the Methodology Chapter

This chapter presented the methodological framework applied, the research design, methods used for data collection and analytical approaches adopted for data analysis. It also provided a discussion on the data collection methods' reliability, validity and generalizability. Data codes derived from the analysis were also presented in this chapter, informing the readers about the process that research questions are answered through.

CHAPTER FOUR

CASE OF CYPRIOT TURKS OF CYPRUS

4.1. Introduction

Given the multi-disciplines involved in this research, it was a necessity to have a separate chapter to present the reader with various aspects of the society studied, so that the analysis could be better understood.

Besides secondary data, materials from the literature are also used as literature helps to deliver the main messages to the reader clearly, provides multi-dimensional view of certain phenomena for better understanding of the issues that relates to business ethics behaviour and the general entrepreneurial environment and sheds lights to elements that are vital for the analysis which cannot be explored through primary data (i.e.: social trauma experienced during Ottoman Empire period). This chapter aims to expand the horizon of our understanding of certain aspects which are put forward by the multi-disciplinary nature of this research and free it from single-disciplinary interpretation.

Given the focus of this investigation on social trauma's impact on unethical business practices within an ethical framework, it is crucial to look into the historical occurrences that resulted in social trauma and initiated the processes related with this phenomenon. Therefore, before presenting the data analysis and findings, it is very helpful to provide the historical, political and social elements which created today's environment that businesses of North Cyprus interact with.

The chapter presents general information on the Island of Cyprus, its history focusing on the history of the large group that is being studied and discusses social trauma's existence among Cypriot Turks focusing on socially traumatising experiences.

4.2. Information on Cyprus and its Location

Cyprus is the third largest island of the Mediterranean after Sicily and Sardinia and is situated in the north-eastern part of the Mediterranean Sea (O'Brien, 2001; Özkul, 2005). With a surface area of 9,251 km^2, Cyprus is 70km away from Turkey, 100 km away from Syria; 100 km away from Rhodes, 400 km away from Egypt, and 800 km away from Greece (Özkul, 2005). Because of its commercial, strategic, geo-political and similar other characteristics, throughout the history, it was an attraction point for states that wanted domination in Mediterranean and Mediterranean trade (Özkul, 2005).

Due to its location in the Eastern Mediterranean, Cyprus was ruled by many states in history; and for that reason, it has been known with different names in different periods of time. Cyprus was known as "Alaşya" (Alasya) and "Asi" in Egyptian and Hittite resources. Phoenician referred Cyprus as "Hetim"; whereas Assyrians called it "Yagtyana" or "Ya". (Özkul, 2005). According to different resources, Cyprus might be named after the Queen Mother Kibele, who was named as "Kipris" on the Island. Also, it may be rooted from the word "bakır" (cooper) which is "kopher" in Hebrew; or from "Cuprum" where it has meanings in Latin and Akkadian. Also, another possibility is the word "Cypress" meaning "cypress tree" in Latin; there are plenty of them in Cyprus (Özkul, 2005).

4.3. Climate and Natural Resources

Many crops are produced in Cyprus because of its mild climate. Among those crops barley, wheat, potato, citrus fruits, pomegranate, pear, carob, olive, sugar cane, tobacco, cotton and grape can be counted. The vegetation of Mediterranean, Lemur, is dominant in Cyprus. In terms of subterranean resources, there are plenty of copper, asbestos and chrome courses and to a lesser amount, silver and gold can be found in Cyprus (Özkul, 2005).

4.4. Ethnicities and Religions

There are a number of ethnic groups in Cyprus. The two main ethnicities are Cypriot Turks (18%) and Cypriot Greeks (77%); other ethnicities such as Maronites, Armenians, and British form the remaining 5% of the island's population (US Department of State, 2004; Serter, 1997).

In terms of religion and ethnicity the distribution of the population is as follows;

Table 14: Distribution of Ethnicity on Cyprus Island

Ethnicities	Percentage
Cypriot Greeks	77%
Cypriot Turks	18%
Maronites, Armenians, British	5%

Table 15: Distribution of Religion in North Cyprus

Religions	Percentage
Greek Orthodox	78%
Muslim	18%
Maronites, Armenian Apostolic, Catholic, Protestant, Anglican	4%

Table 16: Distribution of Religion in North Cyprus

Religions	Percentage
Muslim	99%
Others	1%

Two main ethnicities that are discussed in this thesis, Cypriot Turks and Cypriot Greeks are both linked to certain civilizations that dominated the Island through history. Cypriot Greeks identify themselves with Hellenistic Era and Byzantine Empire and Cypriot Turks were exiled to Cyprus from Anatolia when Ottoman Empire conquered the Island.

4.5. Political History of Cypriot Turks

Historical information that is presented in this section is crucial in understanding the trauma and identity elements, as well as the conflict between Cypriot Greeks and Cypriot Turks which caused a great trauma for both groups and

its multi-dimensional impact (i.e.: economic, psychological, social, political) is still evident in Cyprus.

Before presenting any historical material, it is crucial to inform readers that, since Cyprus has been ruled by many nations and given the current conflict between Cypriot Turks and Cypriot Greeks and the involvement of different nations with the Island's history (i.e.: United Kingdom, Turkey, Greece etc), existing historical literature is very much diluted with various political perspectives on the historical occurrences; thus the presentation of the history is not seeking to explore the truth about the history but rather to give a synopsis to the reader as objective as possible in order to enable the understanding of the underlying causes and effects of past occurrences on today's society and specifically on business behaviour and environment.

In order to create a point of reference, table 16 shows the periods and civilizations that ruled Island of Cyprus.

Table 17: Chronology of Civilizations on the Island of Cyprus

Time	Period
8500 BC – 8000 BC	Hunter and Gatherers
7000 BC – 5300 BC	The first settlers: the Khirokitians
4000 BC – 2500 BC	Chalcolitic (Copper) Age
2700 BC – 1600 BC	*Cypriot Bronze Ages (Early and Middle)*
1600 BC – 1050 BC	The Late Bronze Age
1500 BC – 1450 BC	Hittites
1450 BC – 1000 BC	1st Egypt Domination
1200 BC – 1000 BC	*Establishment of the City-States; 2nd Egyptian Domination*
1000 BC – 850 BC	Cypro – Geometric I & II
850 BC – 750 BC	The Phoenicians
750 BC – 612 BC	Assyrians
568 BC – 525 BC	3rd Egypt Domination
525 BC – 333 BC	Persians
333 BC – 58 BC	Hellenistic Rule: Heirs of Alexander the Great
58 BC – 395 AD	Roman Empire
395 AD – 1191 AD	Byzantine Empire
647 AD – 964 AD	*Islam Raids*
1191 AD – 1192 AD	Richard the Lion Heart of England

1096 AD – 1270 AD	*The Crusades*
1191 AD – 1489 AD	Frankish Lusignan Dynasty
1489 AD – 1570 AD	Venetians
1570 AD – 1878 AD	Ottoman Empire
1878 AD – 1925 AD	Great Britain (rented)
1925 AD – 1960 AD	Great Britain (annexed)
1960 AD	Republic of Cyprus
1963 AD – 1974 AD	Inter-communal Strife
1974 AD	Division of the Island
1983 AD	Turkish Republic of Northern Cyprus (TRNC)

4.5.1. Synopsis of the Ottoman Empire Period (1571-1878)

4.5.1.1. The Conquest of Cyprus from the Venetians: Reasons and Motives

The recent history presented here starts from Ottoman Empire period and continues to until present day. The reason why Ottoman Empire period was included is that, most of the current Cypriot Turks' ancestors were previous citizens of Ottoman Empire who were exiled [TR: sürgün] to Cyprus (from 1571 until the beginning of the 18th century) and this research's focus is on Cypriot Turk business-people's business ethics practices (Beratlı, 1995). It is crucial to look at historical past of Cypriot Turks as especially Ottoman Empire, British Crown and later on major war had major influences on the formation of current North Cypriot society.

Even though Ottomans were ruling Syria, Palestine, Trablusgarp and Egypt; Cyprus was ruled by Venetians during that period (1489-1570) and Cyprus was considered as the capital of Christianity in the Eastern Mediterranean. Also the Island was a very vital base for Venetians during Ottoman-Venetian strife which took place during 1463-1479. Most importantly, the pirates, who were using Cyprus as a base during Venetian period (1489-1570), started to cause difficulties for the transportation between Istanbul and Alexandria (Gazioğlu, 2000; Özkul, 2005; Serter, 1997).

The commercial lines between Asia and Europe was either passing through Cyprus or were passing very close to Cyprus and as in Malta, Crete and Rhodes; pirates in Cyprus were creating danger for the Ottoman commercial ships. Cyprus was in a location where Eastern Mediterranean commerce could be controlled from;

therefore this was one of the main reasons of the conquest (Gazioğlu, 2000; Özkul, 2005; Serter, 1997).

Furthermore, during Byzantine Empire period (395-1191), Orthodox Christians (Cypriot Greeks) could have been considered as sovereigns of the Island. However, during Lusignan period (1191 AD – 1489 AD), the rivalry between two sects (Orthodox Christians and Catholic Christians) turned into a fight. These religious pressures also continued during Venetian period (1489-1570). As a result of both heavy taxations and religious pressures, Orthodox Christians (Cypriot Greeks) had to ask for help from the Ottoman Empire. After the conquest of the Island by the Ottomans, the Orthodox Church was reached its religiously brightest period and none of the churches were recognised except Orthodox Church (Newman, 1953; Özkul, 2005:387).

During the Venetian Rule (1489-1570) Cypriot people were faced with serious problems. They were forced to work for free under heavy taxation; were under religious pressure to become Catholics and during that period, Orthodox Church was shut down. The public knew that all of the nations under the rule of the Ottoman Empire were benefiting from all kind of freedom including religious freedom and Cypriots trusted that the Ottoman Empire would protect their lives, properties possessions, and honours. As a result of these, Cypriot people wrote their first letter to Sultan (highest power in the Ottoman Empire, equivalent of a King), who was Yavuz Sultan Selim (1512 – 1520) demanding Ottoman rule in Cyprus. During that time the ethnic population of the Island included Orthodox Christians, Armenians, Lusignans and Maronites; however no figures were accessible for percentages to be given (Gazioğlu, 2000; Serter, 1997; Newman, 1953).

As a result of these reasons, Cyprus became one of the Ottoman Empire provinces in 1571 until 1878 (Thompson, et al., 2004; Halil, 1983).

4.5.1.2. British Take Over of Cyprus during the Last Year of the Ottoman Empire Period

During the 19th century, the population of Cyprus was made up of Catholic Christians, Armenians, Maronites, Orthodox Christians and Muslims. In 1877, the Ottoman – Russian war broke out and the war was progressing against the Ottomans. In 1878, on the eve of Berlin Congress, the British Prime Minister Benjamin Disraeli

secured the seizure of Cyprus through diplomacy. He entered into an agreement with the Turks to defend the Ottoman Empire against Russians in return of occupying Cyprus. In those days, Britain saw Cyprus as a key to Western Asia and as a fulfilment of the agreement; Cyprus was occupied by Great Britain in 1878. (Calvocoressi, 1991; Blake, 1969).

4.5.2. Social Trauma during the Ottoman Empire Period (1571-1878)
4.5.2.1. Exile Statute of the Ottoman Padişah Selim the Second

Following the Ottoman Empire conquest of Cyprus from the Venetians (Catholic Christians) partly because of the Cypriot Orthodox Christians' demand in 1571, besides approximately 20,000 soldiers, from Middle and South Anatolia groups were also exiled to Cyprus both to repair the destruction of the war as well as to bring in Muslim population. As no one would willingly leave the place he/she was living in, this was not an easy and was not a self-occurring process; from time to time through *sürgün fermanı* [ENG: exile command] issued by the Padişah [ENG: equivalent of a King in the Ottoman Empire], people were forced to relocate to Cyprus. For the copy of the original document, please see Appendix IV. As a matter of fact, earliest of its kind, one of these exile commands which is currently archived in Republic of Turkey, archive of Prime Ministry, has the title of "Exile Statute" [TR: Sürgün Hükmüdür]. (Gürkan, 2006).

On this statute, it is stated that a letter written by that time's Cyprus's Governor General to Padişah referred to the ruined state of Cyprus because of the war (conquest) in spite of its soil's suitableness for vineyards, orchards, and sugar cane plantations. He also referred to how one bushel of grain produces 50-60 bushels of crop and how the quality of water and weather was good in Cyprus. Moreover, he stated that in order to develop Cyprus Island again, they would not charge tithe tax [TR: öşür] for two years for people who would move to Cyprus. (Gürkan, 2006).

4.5.2.2. Exiled Groups: Occupations and Rebels

The exile statute of Padişah continued by asking Kadı [ENG: Muslim Judge] of Anadolu, Karaman, Rum and Dulkadriye (Anatolia provinces) to gather, forgive their offences and send people who were well known for brigandage, or bed-temper; people who lived on the streets with no jobs; people who argued with their

neighbours over land issues; single, good looking men with no job who hit on women [TR: levent eyleyen] to Cyprus. Besides these offenders, people who were living in the city towns who were from certain occupations were also ordered to be exiled to Cyprus, from every ten house, one house was ordered to be exiled. (Gürkan, 2006:41).

There were various occupations that people were selected from; shoe maker, tailor, cook, candle maker, grocer, jeweller and the like occupations which were required to fulfil the daily needs of a town (ibid. 42). That time's Padişah, Selim the Second requested that people who would be exiled to be so, before the winter comes and not to make this exile process an instrument of injustice, fraud or a malign act (ibid).

Although people who were to be exiled to Cyprus were given equivalent monetary compensation of the land or assets they had own before they were exiled; besides being exiled from the place that they have been living, in; it was forbidden for them to immigrate to anywhere else from Cyprus, therefore they had to settle in Cyprus. It was ordered that anyone who oppose the Padişah's *ferman* [ENG: Statute] and move to another Ottoman Empire land other than Cyprus, was executed wherever they get caught. People, who were exiled to Cyprus, were located by *Beylerbeyi* wherever he thought was suitable and exiled people's names were written down as a list and a copy was sent to Istanbul. According to 21 September, 1572 *Padişah Fermanı*, initially 5721 households were proposed to be exiled to Cyprus. (Gürkan, 2006:42; Alasya, 1939:55-58; Gazioğlu, 2000:100-104; 464-467).

When these statutes are examined it is evident that in the beginning people who disturbed the society, acted against the rules and people whose craftsmanship was required on the Island were exiled. Besides these, Turkmen nomadic who would not obey the rules, and prefer to live independently were exiled to Cyprus (Gürkan, 2006:43).

Based on other documentary evidence, it can be said that the exile practice to Cyprus continued for centuries, however it was not an easy process. Many, who tried to escape or insisted of not going, were executed for this cause. Again according to historical evidences, this exile process continued until the beginning of the 18th century and especially Türkmen tribes were exiled to Cyprus from Karaman, İçel,

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Bozok (Yozgat), Antalya, Kadirli, Uşak and the like from middle and south Anatolia provinces (Kökdemir, 1957:89-92).

4.5.2.3. Famagusta as the Exile "Prison": Traces of the Past in Today

Famagusta, one of the main cities of modern North Cyprus, was once the exile city alongside other places such as Rhodes and Acre. These three cities had one commonality; they were all surrounded by well-built city walls which were built either during Venetians or the Crusaders period. Because of the strong city walls, it was very hard to escape from Famagusta. Another feature of this city as an exile place was that, since it was surrounded with city walls, the connection with the outer world was at minimum and it was forbidden for Christians to live and work within the city walls. After Venetian's have gone, their mansions and palaces became ruins and because the harbour was destroyed, there was no economic or trade activity either. Famagusta, during this period, had a small population where majority were soldiers. People who had visited the city during the 19th century, mentioned 400-500 poor people living there. Therefore, Famagusta can be summarised as a city where life was hard and boring, thus very similar to a prison (Gürkan, 2006:181-182).

A famous Turkish poet - play writer - writer - journalist of the 19th century, Namık Kemal was also sent to Famagusta as an exile and was a prisoner there. "Her kime gazap eylerse Mevlasi/Ona zindan olur Mağusa Kal'asi" lines explain the exile characteristic of Famagusta very well. Lines mean "Whoever God punishes will have Famagusta as his/her prison". (Gürkan, 2006:182). Today, Namık Kemal's prison has been turned into a museum, and a high school in Famagusta was named after him. This shows its impact on today's society.

4.5.2.4. Taxation and Religious Issues

Although society was not prosperous, the Muslim community was paying less tax than the other groups and was dominant thought the governmental structure during the Ottoman Empire period; therefore they were in a better position. It is a historical fact that, not Orthodox Christians (later on referred to as Cypriot Greeks) but mainly Venetian descendant people who were Catholic Christians were treated worse because of the Ottomans' opposing position in politics against Venetians. Towards the end of Ottoman Empire dominance, General Luis Plama Di Casnola,

refers to a group of people called *Linobambaki* which means linen and cotton representing a mixture of Christianity and Islam. Although in appearance to the outer world, they acted as Muslims and they were recognised as such; yet they were Christian practitioners in reality. In order to save their lives, their ancestors were believed to accept Islam as their religion to save their lives and their wealth, although they remained faithful to the Latin Church. (Beratlı, 1995:168-169).

4.5.2.5. Natural Disasters as Massive Trauma

In his book titled "Viaggi per I'isola di Cipro" [ENG: Travels in the Island of Cyprus], which was published in 1769, Italian priest Govanni Martini, who had been in Cyprus during 1760-1767 explains his observations. He talks about the continuous natural disasters which led to economic recession and decrease in population. Because of the earthquakes of 1735, 1741 and 1756 which was followed by grasshopper attacks in 1757 and 1758, majority of the population was forced to emigrate to Anatolia and Syria. One third of the population also died during the 1760 plague epidemic (Mariti, 1909, Gürkan, 2006).

4.5.2.6. Corruption during the Ottoman Empire Period (1571-1878)

Moreover, disintegration and collapse process of the Ottoman Empire's also overlaps with this period; thus corruption at the level of institutions and administration which keeps together the Empire also impacted on Cyprus as one of Ottoman Empire's constituents. A wrecked society which was already depressed as a result of natural disasters was pushed to the edge of burst by governors who were only collecting tax and would not take care of the society's problems. (Gürkan, 2006).

Although the Padişah issued commands from time to time to relieve the society's burden during those times, people who were in charge did whatever they wanted rather than following these commands (Gürkan, 2006). According to Mariti (1909) who was on the Island during that period "Cyprus had suffered for many years from the incessant, heavy and unjust burdens imposed on its inhabitants by the caprice of successive Governors, in spite of the commands issued by the Sultan to prevent such exactions." (Mariti, 1909:94).

4.5.2.7. Social Depression and Divorce Rates

It is also notable that, for the period of 1726-1750 Özkul (2005) acquired interesting statistical information about the society and divorce rates. Historical evidence suggests that there were 278 registered divorces during the given period and taking into consideration that 72.66% of these divorces were initiated by women, interpreted by Özkul (2005) as an indication of social recession attributed to possible economic problems (Özkul, 2005:389). It is an interesting similarity with today's North Cyprus society, as divorce cases increased tremendously. According to a survey conducted during August 2009 by a private research company in North Cyprus, during the 1970s, the divorce rate was 20% and 40% of the cases were initiated by women; whereas in 2009, divorce rate was 55% and 70% of them were imitated by women.

These results, which shows similarities with percentages of 1700s, similar attributions are made by different researchers; increase in divorce during these periods are attributed to increased materialising values (being tempted by things that can be purchased with money, that has monetary value) (Faiz, 2009 cited in Çiftçioğlu, 2009) and social conditions (Özkul, 2005) respectively. However, given the significant similarities on divorces between these periods and considering the different characteristics of each period, unlike Faiz's (2009) conclusion, this research supports Özkul's (2005) opinion as we can see a repetition in the history and both today and back in 1700s, it is evident that social psychology of both groups were under recession, not to be confused with economic recession. It is highly probable based on what literature suggests on regressed societies and traumatising events' consequences on social structures that, in both cases it is the society's health that affects on social institutions of a group.

The reason why religious affiliations were used until this point is because during the Ottoman Empire Period (1571-1878), given the diverse groups' existence, religion was used to categorise sub-group identity. However, from this point onwards, considering that with the British Colonial Period (1878-1960) ethnic nationalism gradually increased and groups started to be identified with their ethnicity rather than religion, the Orthodox Christians of Cyprus are referred to as Cypriot Greeks and Muslims of Cyprus referred to as Cypriot Turks, although

religious or ethnic affiliations were used interchangeably depending on the context of the discussion.

4.5.2.8. Rights, Significance and Involvement of the Orthodox Church on Social Processes

In his book, which mainly explores education in Cyprus mainly during United Kingdom period, W. W. Weir refers to Ottoman Empire period and writes "During Ottoman period, the Orthodox Church was the most powerful authority within the area of education". He continues sharing his observations on the extent of educations' impact on Greek national emotions and concludes that "In order to understand the traits of the schools within the Ottoman Empire (Orthodox ones in Cyprus), motives of the aims of education should be known. This aim was identified as keeping national emotions alive". (Gazioğlu, 2000:293).

The reason why this has been presented here is that, based on the secondary data, it is evident that even in today's Cypriot Greek society, the church's impact and power on politics is undeniable. Church was involved in requesting the help of the Ottoman Empire to save them from Lusignan Rule which was a political involvement and contributed to a population's change of faith. The reason why they have requested the Ottoman's help was that Cypriot Greeks were Orthodox Christians whereas Lusignans were Catholics. Given the disagreement between two sects, the Lusignan Rule was not providing the environment for them to experience their religion, and there was a pressure for Orthodox Christians to become Catholic Christians. The rights given during the Ottoman Empire period, (e.g.: free practice of their religion, shut down of other sects' churches except Orthodox churches) eventually led to strengthening of the Orthodox Church.

Considering the Church's main strengthening and sound involvement with social and political issues since 1500s, the rights and flexibility given during the Ottoman Empire period is visibly linked to the traumatic event later on experienced by both Cypriot Greeks and Cypriot Turks.

More importantly, although debates of how there is no difference between Turks and Cypriot Turks because Cypriot Turks were exiled from Turkey is the national view that was reflected many times by the 1st President of North Cyprus R.

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Denktaş (Ramm, 2007:10). Many scholars and political groups that are considered radical according to the nationalist end of the political spectrum shows effort to unfold how Cypriot Turks are different than Turkey's Turks and somewhat superior than them. This issue is further discussed in Chapter Five; however it was crucial to mention it in this section so that it could be pointed out how current identity confusion and trauma Cypriot Turks have, to a degree rooted from the occurrences during the Ottoman Empire period.

4.5.3. Synopsis of the British Colonial Period (1878-1960)

4.5.3.1. Annexation of Cyprus and Changes in the Social Equilibrium

Great Britain annexed Cyprus in 1914 after the declaration of war between Great Britain and the Ottoman Empire. By the Treaty of Lausanne, Turkey recognized British sovereignty on Cyprus in 1923 (Calvocoressi, 1991; Serter, 1997). The Island became officially a British Crown Colony in 1925 (Newman, 1953).

After British occupation in 1878, more Cypriot Greeks went into the civil service sector. According to the figures from 1901, Greeks strongly over-represented in services such as medicine, pharmacy and law; whereas Cypriot Turks over-represented in the colonial police occupation. It is also evident that, Cypriot Greeks prospered more rapidly than Cypriot Turks as a community, under the British rule. (Minority Rights Group, 1979). Cypriot Greeks who are identified with Orthodox Christianity in Cyprus identified themselves as Hellenes and with Greece for a long time, which is their chosen glory (Lacher & Kaymak, 2005). British rule was challenged many times by the *enosis* [ENG: Union with Greece] partisans; however it was never a serious threat (Calvocoressi, 1991).

4.5.3.2. Rebellions against the Colonial Administration

In 1931, while yearly a budget meeting was held, Cypriot Greek members vetoed a legislative act regarding taxation (Serter, 1997). Following the veto, on 21 October, 1931 under the leadership of Priest Dionysios Kykkotis, Cypriot Greeks gathered together that night and burned down the Governor's Residence. British troops in Egypt were brought in to Cyprus to restore the order. From 1931 until 1949 the precautions continued to keep rebellions under control; Kitium and Kyrenia Archbishops Nikodimos, Milonas and Makarios as well as others that were involved

in the rebellions were exiled to Seychelles. (Drusotis, 2005; Newman, 1953; Serter, 1997).

4.5.3.3. Reflections on the Second World War and the Cold War on Cyprus

During 1939, after the Second World War started, the importance of Cyprus for the British increased as it served as a military emplacement in the Middle East for both British and for its allies; provided the necessities of the army and the industry and had energy resources. (Drusotis, 2005; O'Malley & Craig, 2001).

In 1941 the establishment of AKEL (Progressive Party of the Working People) was initiated by the working class of Cyprus although they had a number of bourgeois members. The main body of AKEL was formed by the illegal Communist Party and this was a political establishment. During these times, Cypriot Turks were also members of the worker unions. Although in the beginning they have perceived the war between Great Britain and USSR (the Union of the Soviet Socialist Republics) against Germany as a war between imperialists, later on as USSR was involved in the war with Great Britain against Nazism, AKEL changed its position and encouraged many to fight in the war as members of the British troops. (ibid. 2-3).

Given the mass movements of the Cypriot public, Colonial administration allowed Cypriots to hold municipality (council) elections in 1943. After the end of the Second World War, the alliance of anti-Nazi group dissolved and it turned into a competition between the East and the West which resulted in the Cold War that lasted for half a century. Given the strategic position of Cyprus, its importance has increased and this impacted on the future of Cyprus. For the East wing, Cyprus was the junction of the petrol tracks; it was the obstacle for communism to be spread to the region, and was the control centre of the mechanisms for suppressing the liberalistic movements in the Middle East and in Africa. (ibid. 3).

4.5.3.4. Greek Civil War and Identification of Cypriot Greeks

Meanwhile, in Greece there was a Civil War (1946-1949) between Greek Government Army which allied with United States and United Kingdom and National Liberation Front which was supported by Bulgaria, Yugoslavia and Albania. Greek People's Liberation Army (ELAS) was the military arm of the leftist

National Liberation Front. The Cypriot Greek leftists, because of the political ideology identified themselves with ELAS and it was the British premonition supporting Greek guerrillas AKEL would be organizing armed movements against British in Cyprus (ibid).

4.5.3.5. From Cypriotism to Segregative Ethnic Nationalism

It can be seen that the conflict between Cypriot Greeks and Cypriot Turks did not suddenly start in 1960 but rather it was a process which was encouraged by both sides, but actually initiated by Great Britain's as *divide and rule* policy in which they have applied to other commonwealth territories such as India as well. Unlike French colonial policies which supported assimilation, British colonial policy supported territorial exclusion as a means of reducing conflicts and problems with indigenous people; however if it was not the desired end, an alternative was segregation of the indigenous people through dividing them into discrete groups based on their linguistics, religion, ethnicity and skin colour. The ideology behind this type of policy was the officially perceived need to protect English or British identity. (Christopher, 1988:233).

The politics of the Great Britain rooted in two main axes; the first one was to create a rightist Cypriot Greek community which would share the British strategic aims and share an identical ideology with the Colonial administration on the common enemy communism. The second one was to create a Cypriot Turk community with strong Turkish nationalist consciousness. This way, they could weaken the well-established, strong left with right; in case of its failure they would be using Cypriot Turks against Cypriot Greeks. This way Great Britain would secure its dominance and none of the Cypriot groups could threaten its existence; thus Britain would protect their strategic interests. (ibid. 4).

Although before the Church was under the control of the left, towards the end of the 1940s, AKEL started to lose its strength and in order to regain that and re-attract Cypriot Greek and Cypriot Turk workers, large scale strikes was organized. In 1948, the peak was reached with strikes in many mines (e.g.: Ksero, Mavrouvuni, Amianto). Mines were owned by many foreign companies mainly Americans. They were very powerful, acting like the government within the government and they were for the protection of the Colonial administration. (Drusotis, 2005; 5).

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After the supervision of the Church was taken by the right, they established a rightist "New Unions" association and have broken the strikes by sending their member workers to the mines. The opposition between the leftist and rightists turned into a political struggle and eventuated in conflict between sides that dispersed into different cities. With the intentions of acquiring the domination, right called colonel Georgios Grivas to Cyprus to establish a similar organization like X (X is the name of the organization), which was active right after the independency of Greece. (ibid. 6).

In 1948, Cypriot Turks and Cypriot Greeks fought together against the Colonial administration and the foreign mining companies. This was the last struggle that Cypriot Greeks and Cypriot Turks gave together (ibid).

After 1948 the rightists were more dominant than leftists, the next step in British politics was to create a Cypriot Turk community with the Turkish nationalism consciousness. In June 1948 they have established a committee which was assigned to gather information and the research was completed in six months. R. R. Denktaş was also a member of this committee who was seen as a leader from 1950s onwards, and was the first President of the Turkish Republic of Northern Cyprus. The recommendations of the committee were to establish family courts; to increase the role of religion and to reorganise the education of Cypriot Turks (ibid. 6).

British administration encouraged the establishment of Cypriot Turk associations that are separate from Cypriot Greeks in order to decrease the power of AKEL on Cypriot Turk workers. They also allowed Turkish war aircrafts and battleships to come to the Island during the special occasions of Cypriot Turks; thus encouraging Turkey's intervention with Cyprus. Until this time, Turkey was not involved with the issue of Cypriot Turks, and Great Britain never allowed Turkey to intervene to the issues related within the Kingdom. (ibid).

Meanwhile leftist AKEL, resulting from the communists' weakness in Greece, changed their politics and rather than supporting *Enosis* (Enosis was the utmost aim of AKEL as it was part of the communist ideology), they started to pursue the idea of an autonomous government. In 1948, Communist Part of Greece encouraged AKEL to start armed struggle for *Enosis* with the expectation that the

inter-communal strife in Greece will end with the victory of the leftists. This again encouraged AKEL to return to its *Enosis* ideology; however this nationalistic approach of AKEL made it lose Cypriot Turks' support and further encouraged Cypriot Turks to gather around Turkish nationalism with the intentions of integration with Turkey. On the other hand, rightists and the Church demanded *Enosis* as the ultimate and the only demand considering the strengthened rightist presence in Greece. (ibid. 7).

During 1950's, Cypriot Turks complained to the colonial authorities about their relatively poor municipalities in comparison to Cypriot Greeks' (given the British favouritism towards Cypriot Greeks based on religion) demanding unified municipalities to benefit from the subsidies by wealthier Greek taxpayers; however Cypriot Greeks were against this (Minority Rights Group, 1979). Cypriot Greeks' ethno-nationalist demand of unification with Greece [GR: Enosis] was in return created the counter-demand of the Cypriot Turk population; the division of the Island [TR: Taksim]. In the beginning of the 1950s, Cypriot Turks started to establish their own community and Cypriot Greeks were divided into "nationalists and traitors" who were eventually supported *Enosis*.

Great Britain considered Cyprus as a colony which gradually could be given self-governance "with its usefulness as a staging-post and a base in the British imperial scheme of things" (Calvocoressi, 1991: 276). On the other hand, Cypriot Greek population considered British rule as an obstacle for all Greeks being brought under a single nation-state (obstacle on the way of *Greek Irredentism*). (Calvocoressi, 1991). Muslim population of the Island, customarily were being referred to as "Turks" and similar to Cypriot Greek ethno-nationalist turn (nationalism originating from ethnicity), Muslim population started to identify themselves as "Turks" (Lacher & Kaymak, 2005). Considering this identity formation as one of the two main axes of politics that British administration used on the Cyprus population, we can point out the antecedents and reasons better.

This ethno-nationalist turn in Muslim population was a result of the 1954 attempt by Greece to dominate the Island, and consequent launch of Cypriot Greek anti-colonial struggle organised by EOKA (Kızılyürek, 2003). EOKA, which was established by the right-wing nationalists, started a campaign of violence against the

British rule on 1 April 1955, which was followed by a four-year long revolutionary struggle. (Thompson et al, 2004). This reformation of communal identity of Cypriots was significantly aided by the divide-and-rule policy of Great Britain. Britain used Cypriot Turks as policemen, administrators and prosecutors against Cypriot Greeks to repress them given the increase rebellious movements against British rule which has promoted the segregation between two ethnicities even more (Faustmann, 1999; Lacher & Kaymak, 2005).

This is one of the reasons why according to Arif Hasan Tahsin, a Cypriot Turk writer, the reason of increased nationalist feelings on both sides which resulted in loss of their "Cypriotness" and led to the war, is the British colonial administration's blame (Tahsin, 1995).

The leader of the anti-colonial struggle, Archbishop Makarios accepted an independent Cypriot state under duress (Lacher & Kaymak, 2005). In 1959, Great Britain withdrew and negotiations resulted with the establishment of the independent Republic of Cyprus on 16 August 1960 (Thompson et al., 2004).

4.5.4. Social Trauma during the British Colonial Period (1878-1960)

Although Muslims were the group that was in a better position during Ottoman Empire Period, it is visible from the historical documents that during the Great Britain period, Cypriot Muslims (Cypriot Turks) became equal with other ethnicities (e.g.: Greek Orthodox, Catholic, Armenians). The transfer of Cyprus's governance from Ottoman Empire to British Crown was itself a hallmark event for citizens of Cyprus, especially for the Muslim population as it was a unilateral annexation of Cyprus from the Ottomans in 1914 (Gazioğlu, 2000); this caused change in the equilibrium in the society and also part of a social trauma which as a result impacted on Cypriot Turks.

Furthermore, in 1923 Mustafa Kemal Atatürk established the modern Republic of Turkey and in 1925 a right was given to Cypriot Turks called "hakk-ı ihiyar" [ENG: freedom of selection and preference]. Based on this, very significant number of Cypriot Turks immigrated to Turkey after selling their properties. (Hikmetağalar, 2005:58). Also, it was during British Crown Colonial period, when the inter-communal conflict's first seeds were disseminated which led to a war

during the Republic of Cyprus period. These are the highlights of social trauma dimensions experienced by Cypriot Turks during the Great Britain period which are discussed in-depth in this section.

4.5.4.1. Fall of the Ottoman Empire and Increased Identification with Turkishness

The period when Great Britain annexed Cyprus coincides with the fall of the Ottoman Empire and struggles of establishing independent, modern Turkey. Cypriot Turks social psychology during that period was defined as such; "With the unilateral annex of Cyprus to Great Britain, although legally it was continuing to be an Ottoman territory, Cypriot Turks were pushed into a dark and unclear period." Gazioğlu (2000:182). During the same period, (1910s) Cyprus was promised to be given to Greece as part of the discussion to share Ottoman Empire territories after the First World War by the allies (United Kingdom, France, Russia -later on left-, United States, Italy and Japan). This also activated the ideology of *enosis* (unification with Greece). During these occurrences, in 1918 intellectuals of the Cypriot Turks established an assembly called *Meclis-i Milli* [ENG: National Congress]. This congress, following M. K. Atatürk's footsteps in the struggle, mainly demanded that the Island should be returned to Ottoman Empire to protect Cypriot Turks rights. (ibid. 187). It is notable that, during those days, Cypriot Turks were referring to themselves as "Muslim people" (ibid).

It is in 1924, when Müftü Ziya Efendi, who attempted to travel overseas in order to show effort to apply the decisions that were agreed in *Meclis-i Milli*, was prevented to leave the Island. An organisation called *Kıbrıs Türk Cemaat-i İslamiyesi* [ENG: Cyprus Turkish Islam Community] is when Cypriot Turks first defined themselves as a "Turkish Community" rather than using the words "Ottoman" or "Islam". (Gazioğlu, 2000:191). It is interesting to note that, Cypriot Turk's definition of themselves as "Turks" is during the same period when Turkey won the Independence War and modern Republic of Turkey was established. It is also during these events, when M. K. Atatürk said his famous *"Ne Mutlu Türk'üm Diyene"* [ENG: How Proud to Say 'I am a Turk'].

After the establishment of the National Congress, three newspapers, *"Doğru Yol"*, *"Söz",* and *"Vatan"* were started to be published with a Turkish nationalist

perspective, giving news from independency struggle of Turkey. Following these, many organisations started to be established with causes to support people of Anatolia in their struggle through donations, or to protect and support schools. After Republic of Turkey's establishment in 1923, Cypriot Turks' morale had increased and their worries of future diminished (Gazioğlu, 2000:189, 191).

After the Treaty of Lausanne was signed in July 1923 and following the establishment of the Republic of Turkey in October 1923, as mentioned previously, "hakk-ı ihiyar" [ENG: freedom of selection and preference] was given to Cypriot Turks and they were encouraged to immigrate to Turkey, and for 10 years, this immigration continued. However, while Cypriot Turks were immigrating to Turkey, many Greek (Roum) and Armenians that were living in Turkey immigrated to Cyprus in order to run away from the war during Turkey's independency struggle. Therefore, this exchange of inhabitants caused a significant change in the population composure.

4.5.4.2. From Muslim Society to Cypriot Turkishness through Cases and Examples

It was Hikmetağalar's (2005) argument that although a mass number of Cypriot Turks lived for many centuries on 11 streets of *Tabakhane neighbourhood* in Nicosia before "hakk-ı ihiyar" in 1925, and although these streets were known by their Turkish names, according to Hikmetağlar (2005) British Crown administrators overlooked the situation and therefore, Cypriot Greek municipality authorities have changed them into Greek mythology heroes such as, Apollon, Alexander the Great and the like (Hikmetağalar, 2005:169). This is also a sign of Cypriot Greek chosen glory, which later on focuses on Hellenistic heritage and is used as a means to support *Enosis*. He refers that these streets were known with their Turkish names in the past and how they were replaced with the Greek mythology names after the 1900s. Yet it is evident even today, the change of somewhat dominant status of Turks where they were the "governors" to one of the "governed" ethnicities of Cyprus during the British Colonial period and consequentially related elements initiated by this still impacts negatively, at least, some of the people in the society.

On the other hand, he refers to two cases of "name changed streets" with references from newspapers which were being published during the 1940s.

He refers to an article 17 September 1954, issue: 39 of Yanık Gazetesi [ENG: Yanık Newspaper], where they refer to the change of *Tophane* neighbourhood's name to "Ayios Andreas". The article's title is "(Tophane Neighbourhood of 300 Years) Ay. Andrea Neighbourhood". (Hikmetağalar, 2005:174). The article follows as;

> "...we would like to remind that members of four different communities living
> in this neighbourhood; Turks, Greeks, Catholics [Lusignans and/or Venetians]
> and Armenians. However, there are places on the Island where although there
> isn't a single Greek living, their name carries Christian Saints' names such as
> Ay. Nikola, Ay. Yanni and Turks never attempted to change these names."
> (Hikmetağalar, 2005:174). (Ay. means Saint in Turkish. This quotation is a
> direct translation of the original script).

Another one is from İnkılap Newspaper of 7 November 1945, issue 18 which reads;

> "We are observing that streets of the city, even century old Turkish
> neighbourhood's names are being changed from Turkish to Greek. We will
> consider this move as a disrespectfulness of our Greek citizens towards Turkish
> society." (Hikmetağalar, 2005:175). (This quotation is a direct translation of
> the original script).

As a part of the previously mentioned British divide and rule policy, although all ethnicities were referred to as their religious beliefs i.e.: Maronites, Catholics, Orthodoxies, Muslims being main two ethnicities, Muslims and Orthodoxies started to be called Turks and Greeks respectively. This is also notable in the newspaper quotations from 1945 that was presented above.

4.5.4.3. British Influence on Cypriot Turk's Education

When we look at the beginning of Great Britain governance, there are many elements which show themselves as an open attempt of segregation and differentiating two main ethnicities of Cyprus from each other, which is of course occurred willingly as both Turkey and Greece had been a great influence on both

groups for a long time. Education was one of the social aspects where this was firmly visible.

After the British Colonial Administration started to govern educational institutions as well, the commissions which were previously responsible for the governance of the schools were totally ignored. The name of the oldest school of Cypriot Turks which was established in 1862, *Kıbrıs Türk Lisesi* [ENG: Cyprus Turkish Lycée] was changed to *Kıbrıs İslâm Lisesi* [ENG: Cyprus Islam Lycée] (Mapolar, 2002:296). When we look at the development of the name of this school, it was first established as *Idadi* [ENG: A general name given to old type of schools at high-school level]. Later on, in 1922, it became *Lefkoşa Sultanisi* after certain alterations in the programme [ENG: After 1900s, in Turkey, *Sultani* is the name given to high-school equivalent institutions – Sultani of Nicosia]. (Öksüzoğlu, 2008:8).

Although Sultani institutions were introduced in Turkey during the beginning of 1908, this was not adopted in Cyprus until 1922. Following with Turkish people's independency war and establishment of Republic of Turkey in 1923, *Kâzım Nami Duru* a Turkish educator who was also a member of parliament in Turkey from Bolu city, was appointed as a headmaster by *Nimetullah Bey* [ENG: *Bey* is the equivalent of Mr. In English] who was one of the commission members of the school, who went to Turkey to find a headmaster for the school. (Öksüzoğlu, 2008:123). Upon his appointment, the first thing he did was to change the school's name from *Sultani* to *Kıbrıs Türk Lisesi* [ENG: Cyprus Turkish Lycée]. When he resigned in 1928, two English headmasters and one acting headmaster were appointed until 1933. Mr. Harold Wood, who also was appointed as headmaster in 1936, stayed in his position until 1950. He was the headmaster who changed *Kıbrıs Türk Lisesi* [ENG: Cyprus Turkish Lycée] name to *Kıbrıs İslâm Lisesi* [ENG: Cyprus Islam Lycée]. He was a headmaster during a period where colonial administration was more dominant (Öksüzoğlu, 2008:124).

When we analyse all these events' traumatising aspects, we can comment on them in terms of identity formation limitations. Schools are institutions, especially when they are public schools rather than private, where one can learn, live and experience their large group identity. During Ottoman Empire period, Cypriot Turks

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associated themselves with being citizens of the Empire which is also visible from visual documents as well.

Photograph 1: Oldest Cypriot Turkish School - 1907 (Öksüzoğlu, 2008).

For instance, the above picture shows the Ottoman Empire flag with a writing saying "Padişahım Çok Yaşa!" [ENG: Long live the Padişah]; the picture is from 1907 (Öksüzoğlu, 2008:213).

Later on, when the British Colonial administration took over, they could no longer associate themselves with the Ottoman Empire (or later on the Republic of Turkey); they could not use the flag or any other identity symbols. They were celebrating the birthday of the Queen Elizabeth I, singing the English national anthem and had Great Britain flags. This is also visible from photograph 2 which depicts the opening of the new building of the school in 1929. From left to right, Secondary School's Commission Member Sir M. Münir, School's headmaster Mr. Henry and interpreter Mithad Bey (Öksüzoğlu, 2008:206).

Photograph 2: Opening of the New School Building (Öksüzoğlu, 2008).

In education, books for the schools used to be supplied from Turkey and most of the teachers/headmasters were appointed from there. However during British administration in the 1930s books were forbidden to be supplied from Turkey so they had education without books. Celebrations of Turkish national days were also forbidden and students who protested these were also suspended from the school. (Öksüzoğlu, 2008; Mapolar, 2002). Although as it was argued by Christopher (1988) assimilation was not part of the aim of British Colonial administration, in practice freedom of identity was not present either.

This issue of limitation on learning and living identity was one of the most significant issues that created a traumatising experience of Cypriots of all ethnicities. The generation of Cypriot Turks who were students during the British Colonial period are in their 50s - 60s now and majority of the prestigious public jobs and successful businesses are run by this generation. The things that they have experienced during British Colonial period and of course, afterwards, during 1960-1974 significantly impact on the way they live, their perceptions and understandings.

4.5.4.4. British Influence on Politics and the Division of the two Ethnicities

When we look into political aspects of trauma created during the British Colonial Period, as mentioned earlier, the division is visibly supported by the Colonial administration as well. Hikmetağalar (2005) shares his own experiences from those days in his book as a business-person in Nicosia city. His business was established by his grandfather and according to him they had many Turkish, Greek and Armenian customers during the 1950s to whom they were selling both wholesale and retail. According to him "there were no luxury products back then, and even if they existed, there were no one to afford these types of products". (ibid. 321). There were very few people who had private cars and they could be counted with fingers of one hand. During those days, high-rank public officials, clerks, even public doctors were going work by bike. When people were to come from rural areas to the city, they would buy the necessities such as rice, salt, soap, matches and some sugar. Also, for illumination they would buy a couple of gallons of oil, lantern glass, fuse and candles. There were not much difference between the way people were living and their life standards in the city and in the villages. (Hikmetağalar, 2005:321).

While he was describing business environment during that period, he also makes a comparison on ethicality of the way people were conducting business. This quotation helps both to maintain the argument about political trauma and also gives a very valuable example of business ethics practices which can be used on other sections for comparison of the findings of this research as well.

> Back then, people were not aware of malevolence. Various intrigues, thievery, corruption and smuggling were not known. Everyone would be happy with what they have earned legitimately [TR: helâl –religiously allowed; daily use – with honesty] and would try to live their lives without any stress or hurry. Instead of having bad thoughts of earning easy money and become rich through shortcut, everyone would try as much as they can to produce a little extra so that living could be easier. Those were the days… Marijuana, heroin, smuggling and various illegal business and trade was not known yet. The crimes that could be considered as serious would occur very rarely, other than exceptions such as murder, no crime would go further than stealing a lamb from a barn or a chicken from a henhouse. (Hikmetağalar, 2005:321).

While the general business environment was peaceful, as it was described, the bombs that were exploded by EOKA on 1 April 1955 morning, initiated a new period in Cyprus history. The terror period of 1955-1959 created a troubled period for everyone, including businesses in Nicosia city. Hikmetağalar (2005:325) explains how people who got along for centuries, started to feel feared, worried and troubled during this period.

After EOKA attacks the British administration announced an "extraordinary circumstance" in Cyprus and whenever thought it was necessary, the administration have introduced curfew order; forbidding people who were under a certain age to use bicycles and motorcycles, and whoever looked suspicious were arrested without checking whether the person is Cypriot Turk or Cypriot Greek. (ibid. 328).

In the beginning EOKA's riots were against British Colonial administration and they had nothing to do with Cypriot Turks, this was reiterated in General Grivas's announcements by the signature of *Digenis*. However, this was a very delicate equilibrium and soon, because of the British administration Cypriot Turks started to be involved with this conflict. In order to cope with Cypriot Greek riots, British administration established police teams called "auxiliary police" which was made up of Cypriot Turks who wanted part-time jobs. Many of these were full-time tailors; duvet-maker apprentice or greengrocers (Hikmetağalar, 2005:326-327). British administration was accused by many authors for provoking inter-communal conflict by presenting itself as an ally to each side (i.e.: Tahsin, 1995; Hikmetağalar, 2005; Gazioğlu, 1996) since during Greek Cypriot riots against British colonial administration, many Cypriot Turk auxiliary police were either injured or killed, which provoked Cypriot Turks against Cypriot Greeks (Hikmetağalar, 2005). Although the agitated environment in Cyprus goes back to 1940s – 1950s and has its roots in the Second World War, the main traumatic event's initiation occurred with the earliest death of a Cypriot Turk according to the documents that the researcher could get hold of is 1955 a Police Sergeant named Abdullah (Küçük, 1957).

It was also British administration who divided Nicosia into two on 26 April 1956 and Nicosia was not the same for Cypriots afterwards (Hikmetağalar, 2005:332); since then, Nicosia, is still a divided city and it is the only divided capital city in the World as mentioned earlier (Akansoy et al., 2000).

Although it is not directly related with the political trauma as there was no direct impact on society, the following reveal how deeply socio-political implications impacted on small but significant elements of Cypriots. Since Nicosia was a city within city walls, there were three entrances/exists to Nicosia until 1931; Baphos, Kyrenia and Famagusta Gates.

In 1931, Nicosia Municipality started to open different roads from the city walls to the outside regions. One of these roads was a wide road called "Hacı Sava Meydanı" [ENG: Hadji Sava Square]. In 1945, the road's name was changed to Metaksas after that time's famous Greek General, Yannis Metaksas. The square's name changed for the third time in 1969 to "Elefteria" [ENG: Liberty].

As a retaliation for the name change from "Hacı Sava Meydanı" to "Metaksas Meydanı"; "Sarayönü Meydanı" [ENG: Sarayönü Square] within the city-walls that was known with that name for centuries, which was named after Lusignan Palace, was named after modern Republic of Turkey's founder and its name was changed to "Atatürk Meydanı" [ENG: Atatürk Square]. (Hikmetağalar, 2005:332). [ENG: "saray" means palace, "önü" means front – this palace was demolished by the British administration and a court house was built on the land].

It is an interesting fact that, although in official documents it is referred to as "Atatürk Meydanı", in daily use, although it has been more than 50 years, the square is referred to as "Sarayönü". After the borders were opened for crossing between South and North Cyprus, it was an interesting observation to see that Cypriot Turks still referred to "Elefteria Square" as "Metaksas", perhaps because there was no long-term, proper inter-communal contact after 1963.

4.5.5. Synopsis of the Republic of Cyprus Period One (1960-1963)

Prior to the declaration of the Republic of Cyprus, involved parties signed a series of agreements. Zurich Agreement was signed on 11 February 1959 by Greek Prime Minister Constantine Karamanlis and by Turkey's Prime Minister Adnan Menderes as a prior agreement. The main agreement was signed by the both parties; Turkish and Cypriot Greeks, on 19 February 1959 in London. Archbishop Makarios and Dr. Fazıl Küçük represented and signed the agreement in the name of Greek and Cypriot Turks respectively (Serter, 1997).

According to that agreement, the representation in the government was as such; 70% Cypriot Greeks and 30% Cypriot Turks. Besides the Zurich and London agreements, a Treaty of Guarantees and a Military Alliance Agreement were signed by Independent Republic of Cyprus, Turkey, Greece and Great Britain (Serter, 1997). According to the Treaty of Guarantees, Republic of Cyprus guaranteed that she would not enter economic or political unification with any other country either partially or fully. Also, Republic of Cyprus guaranteed that she would protect the sovereignty, security and the unity of the country, and would respect the constitution of the Republic. Turkey, Greece and Great Britain guaranteed and recognized Republic of Cyprus; they guaranteed they would protect the unity of the Republic of Cyprus soil and her sovereignty. According to the Military Alliance Agreement, Great Britain also got two totally sovereign bases on Cyprus; Agrotur-Psikobu-Paramal, and Dikelya-Pergama. (Serter, 1997).

The average *per capita* income of Cypriot Turks was 20% lower than Cypriot Greeks at independence. At that stage, Archbishop Makarios, who was the President of the newly established Republic of Cyprus, tried to take a wise step by creating extra civil service jobs to allocate Cypriot Turks as a future investment in good social relations. However, this was not welcomed by many Cypriot Greeks and they were reluctant to add taxes. On the other hand, Cypriot Turks wanted more than what Makarios offered to them (Minority Rights Group, 1979).

The establishment of the Independent Republic of Cyprus did not pacify Cypriot Greeks who were demanding *Enosis* (union with Greece) according to the self-determination principle (Lacher & Kaymak, 2005). With the Republic of Cyprus, Cypriot Turks as a minority were given power-sharing rights and protection by the 1960 constitution (Lacher and Kaymak, 2005; Thompson, 2004).

During 1950s and 1960s Turkish nationalism was the predominant ideology of Cypriot Turks (Ramm, 2006). Republic of Cyprus, which was found by Cypriot Turks and Cypriot Greeks in 1960, became very fragile as a result of nationalist movements from both ethnicities and after three years of its establishment, these movements lead to a civil war.

Even though the first Turkish intervention is justified the second one created a situation where Turkish intervention was perceived as an invasion by most of the

countries as a result of not restoring the 1960 constitution (Yorucu & Keles, 2006). It would have been justified if the 1960 constitution was restored and the troops that came for the intervention was recalled to Turkey. However, its existence on the Island is seen as an invasion by the majority states of the World, which consequently resulted in the unrecognised states of North Cyprus. Nevertheless, there is a point that remains very valid; without Turkey's intervention, the massive and repeated abuse of Cypriot Turk's human and community rights would continue as it was during 1963-1974 (ibid). The Cyprus Island partitioned and two separate, and almost homogenised territories have been created in the name of Turkish and Hellenic national good (Ramm, 2006).

At the current state, Nicosia is the only divided capital in the World which is the capital of Cyprus for both North and South administrations and for the previously established "Republic of Cyprus" which is currently run by Cypriot Greeks (Akansoy et al., 2000).

4.5.6. Synopsis of the Republic of Cyprus Period Two (1963-1974)

During the period where Cypriot Turks were in enclaves, especially from August 1964 to November 1967, the supplies and personal movement in or out of the enclaves were heavily restricted. Even though, this "blockade policy" was aiming to weaken Cypriot Turks politically to resist the Cypriot Greek government, it hurt them economically. While Cypriot Turk economy stagnated the Cypriot Greek economy developed during that time period. After November 1967, Cypriot Turks were allowed to work outside the enclaves and have economic transactions with Cypriot Greeks. Six years later after the blockade (in 1971), Cypriot Greek *per capita* income was approximately twice than that of the Turks. (Minority Rights Group, 1979).

4.5.7. Social Trauma during the Republic of Cyprus Period One (1960-1963) and Period Two (1963-1974)

The division of the Republic of Cyprus period is a result of the major traumatising event that took place from 1960 to 1974. Although there was an agitated environment, yet both Cypriot Turks and Cypriot Greeks were actively involved with the governance of Republic of Cyprus albeit conflict between two

ethnicities that were inherited from the British Colonial Period; however in December 1963, as a result of the beginning of systematic attacks against Cypriot Turks, they have been forced to live in enclaves, many people killed, discriminated and went through inhumane experiences because of their ethnic identity. Therefore, from 1963 to 1974 is considered the second part of the Republic of Cyprus period, where Cypriot Turks were not actively involved with the governance of the Republic anymore yet they have not had their own administration either. This period witnesses both Cypriot Turks' and Cypriot Greeks' traumas; however because of the focus of this research, only Cypriot Turk traumas are discussed.

There were mass demonstrations, tension and armed violence, the main traumatic event happened in 21 December 1963 when a group of Cypriot Turks were murdered on that day, and these consecutive events continued until 1974 which is the year that Cypriot Greeks' main massive trauma was initiated (Gibbons, 1997).

After 1963 many Cypriot Turks were forced to retreat into isolated 39 enclaves and they were almost dependant on support from Turkey (Morag, 2004; Volkan, 1979; Ramm, 2006). It also resulted with the creation of the 180 km. long *Green Line* which was the neutral zone guarded by the British and United Nations troops for the following ten years. (United Nation troops are still controlling the *Buffer Zone* (another name for the Green Line. The *Green Line* still exists and it is the cease-fire line). Meanwhile, Greeks continued to have their political crisis and this culminated in a Greek-engineered military junta under the control of Colonel George Grivas, EOKA-B leader. They launched a suicidal coup in July 1974 that overthrew Makarios and initiated the Turkish landing on the Island (Lacher & Kaymak, 2005; Thompson et al., 2004). As a result of this, Turkish army intervened to the situation with a military operation with a month interval twice in 1974. Because the military intervention of Turkey occurred from the North part of the Island towards the middle, the part that was taken under control (the North half of the Island) became a safe zone for Cypriot Turks, and Cypriot Greeks who were in the North part, fled towards the South part of the Island. As a result, during the same year, two ethnicities which once lived together, gathered in two separate parts of the Island; Cypriot Greek population driven away from the North, gathered in the South, and Cypriot Turk population who was in the South, fled from there to the North (Ramm, 2006).

When 1963-1974 is referred, Cypriot Turks and Cypriot Greeks have different versions of the events happened. Cypriot Greeks refer to the British Colonial times and the way they fought for self-determination, following with the July 1974 intervention of Turkey which they refer to it as "invasion". On the other hand, when it is asked to Cypriot Turks, they start to speak by going back to 1963 and explain how they were outnumbered by Greek Cypriots, forced to live in enclaves, treated inhumanely and how in July 1974 Turkish army came referring to the event as the "peace operation". (Volkan, 2008a). Although both sides have different versions of the same events, this is a fact that, it is the same event which traumatised both societies, the difference is traumatising events' occurrences during the period, Cypriot Turk trauma occurred between 1963-1974 with difference intensities, whereas Greek Cypriot trauma mainly occurred during 1974 operations. It is crucial to state awareness of the impact of the war related traumatic events and incidences on Cypriot Greeks at this point; however, as this thesis focuses on Cypriot Turk entrepreneurs, this section explains traumatic experiences of Cypriot Turks from their own perspective with full effort in keeping objectivity of historical occurrences. Instead of a section which heavily relies on written history which is in most of the cases highly biased reflecting a book's author's perspective, in this section the priority was given to visual documentation which can minimise the bias and instead of telling the history, shows it to the reader. For additional photographs, please see Appendix X.

Photograph 3: 24 December 1963

Cypriot Turk women and children fleeing from Küçük Kaymaklı (Omorfita)

(Gibbons, 1997:129).

Photograph 4: "Refugee Trucks Queue Up, Waiting Signal to Escape" -1963

(Gibbons, 1997:140).

Photograph 5: 24 April 1964 - Famagusta (UN archive No: 52052) "Irish UNFICYP soldiers escort Cypriot Turks from an area in Famagusta which was recently under fire" (UN Photo Archive, 1964a).

Photograph 6: 27 April, 1964 - Nicosia (UN Archive No: 180617) "Children playing near armoured vehicles stationed outside a school in the Turkish Cypriot sector of Ayios Theodoros where women and children are housed for protection." (UN Photo Archive, 1964b).
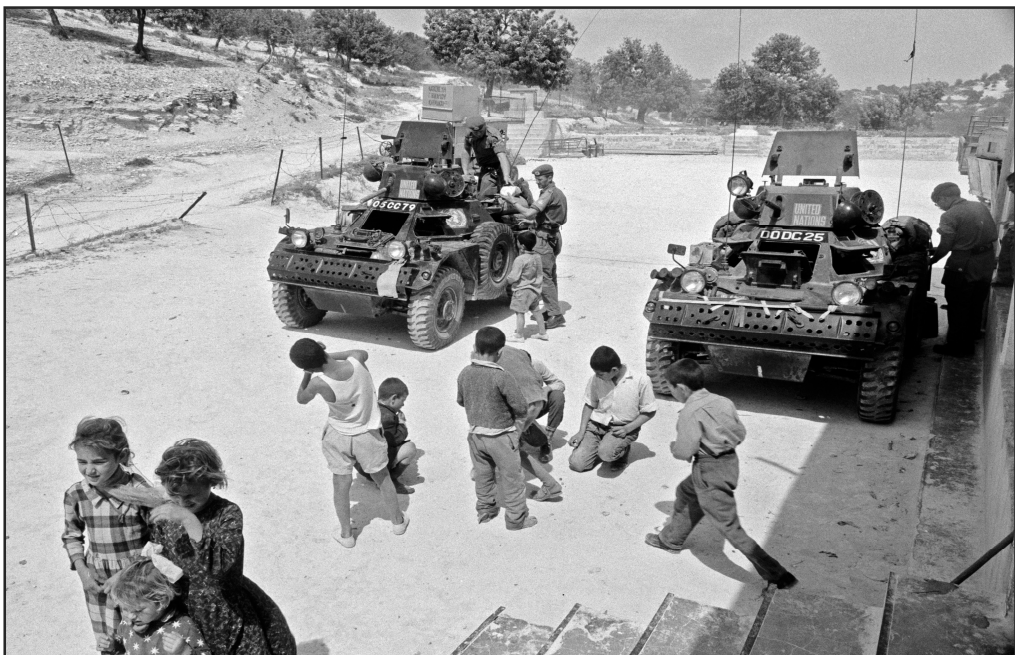
Photograph 7: "**Cypriot Turk woman crying after her husband killed by Cypriot Greeks**. British photographer McCullin from The Observer, later on confesses his feelings of guilt for looking the situation from a photographer perspective and for not being able to help as a social worker. **Gaziveran - 1964**" (McCullin, 1964).

Photograph 8: Cypriot Turks in Refugee Camps (Gibbons, 1997:150).

Photograph 9: Cypriot Turk Refugee Children trying to warm up around a bucket of fire (Gibbons, 1997:142).

Photograph 10: 30 August 1974- Maratha (UN Archive No: 180238)

"Here a Cypriot Turk prays for the souls of the ones that were killed in an area in Maratha (Famagusta District) where 86 Cypriot Turk bodies were found from the villages of Maratha and Sandalaris". The corpses ranged from 6 months of babies to 86 years old people. The person on the photo is praying for his murdered children and wife, he is the only person who survived from his family. (Nagata, 1974a).

Photograph 11: 30 August 1974- Maratha (Atin, 2009). Same person as in the photograph 10. A similar massacre occured in Dohni village where all males of the village were murdered and all the women became widowers.

Photograph 12: 16 September1974- Nicosia (UN Archive No: 147556)
"116 Cypriot Greeks and 127 Cypriot Turks sick and wounded prisoners of war and detainees were exchanged. The exchange carried out at the Ledra Palace Hotel courtyard" (Nagata, 1974b).

Because of the traumatisation of individuals (i.e.: verbal humiliation, seeing loved ones being killed, being raped, being a war prisoner, and the like) as a result of the war, Cypriot Turks who lived in enclaves for 11 years shared emotions such as victimization, difficulty of mourning, survival guilt, humiliation and shame. For instance, a father whose wife and children were murdered during Maratha massacre had the emotions of "survival guilt" as he stayed alive because he was away from the village that day. This becomes a large scale shared emotion, when lot of the members of the large group experience similar kinds of emotions and stay alive after a massively traumatising experience, questioning his existence.

These types of emotions lead to the emergence of inability to be assertive, identification with the oppressor, inability to mourn to their losses and also trans-generational trauma was experienced. Not being able to face the past is one of the main causes of large group identity confusion and abovementioned emotions also lead to transgenerational transmission of trauma as well, resulting in turning the aggression felt for the "enemy" inwards, thus dividing the society.

4.5.8.   De Facto North Cyprus (1974-Present)
4.5.8.1.   South Cyprus

In 1975, a year later, after the intervention, the Cypriot Greek economy in South Cyprus, almost miraculously, recovered very fast. Even though all of the economic activities influenced as a result of the events, still most of the fields recovered and some of them, such as clothing and shoes started to do even better than before 1974. By November 1975, £C95 million was representing the reserves available to Cypriot Greek central bank which was a rough equivalent of 12 months worth of imports. They also had the prospect of mainly American, further foreign aid, making Cyprus a good loan risk and a good investment for foreign banks (Minority Rights Group, 1979).

4.5.8.2.   North Cyprus

Unlike the South part of the Island, in North Cyprus little investment had been done until 1976 and very limited steps were taken for massive economic renaissance. This was as a result of the lack of any industrial or business infrastructure (as existing ones were either damaged or destroyed during the war)

and there was a more serious problem of settling 65,000 Cypriot Turks who moved from the Cypriot Greek controlled areas to the North side in 1975. (TRNC Public Information Office, 2002a).

There was a high rate of unemployment and inflation during that period and there were heavy duties on all imported products. Also many essential goods were not available at that time. As a compensation for the lost businesses and houses, Cypriot Turks were given Greek shops and houses and merchants; however they soon realised that they do not have enough cash to purchase new stocks for their shops from Turkey. There were problems of getting credit for that purpose as well. After a couple of months of the intervention, Turkish Lira became the common currency for transactions in the North.

Even though a few number of Cypriot Turk business people established very prosperous existence, many of the Cypriot Turks only got their security. (Minority Rights Groups, 1979). The stagnation in the Cypriot Turk economy lasted until the early 1980s except the inter-communal sewage and drainage work for Nicosia which was financed by the UNDP (Lacher & Kaymak, 2005).

In terms of political progression towards a peaceful solution on the Island, negotiations between two sides which started in 1968 are still continuing and they formed a constant that has remained ever since (Yorucu & Keles, 2006).

Following Turkey's intervention, on 13 February 1975 Cypriot Turks established and declared Kıbrıs Türk Federe Devleti (KTFD) (Cyprus Turkish Federated State) pointing at certain issues which caused the establishment. These issues were;

- Cypriot Greeks prevention of Cypriot Turks to use their rights which arose from the 1960 Republic of Cyprus constitution.
- For long years being forced to live in enclaves where Cypriot Turks survived under threat and pressure in order to protect their existence and being deprived from every kind of economic rights and opportunities.
- As a result of Cypriot Greeks threats and attempts to end the sovereignty of the Republic of Cyprus in 1963, 1967 and 1974, as one of the co-founders of the Republic, Cypriot Turk community had been faced to oppose these attempts with heavy self-sacrifices. (KKTCB, 2009).

On 15 November 1983, Cypriot Turks declared the establishment of independent Turkish Republic of Northern Cyprus and this is the current state of the Cypriot Turks (Serter, 1997).

Map 2: Current Map of the Cyprus Island (Isxys, 2008).
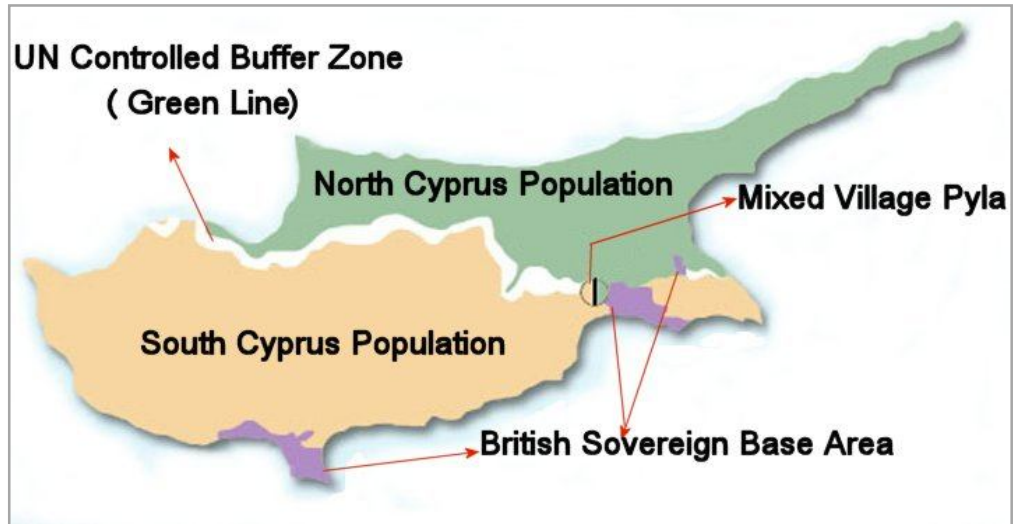
One might ask, now that Republic of Cyprus is an official member of the European Union, what is keeping Cypriot Turks to return to their positions in the Republic of Cyprus to experience their rights? However, it is more complicated than that. Even though Cypriot Turks are individually experiencing their rights arising from the Republic of Cyprus 1960 Constitution, still they are not welcomed to elect and to be elected for the Republic of Cyprus parliament or any other governmental bodies. In 2007, 78 Cypriot Turks applied to Republic of Cyprus High Court demanding their election rights as it was stated in the 1960 Constitution; however this demand has been rejected. (Kıbrıs Newspaper, 2007b).

It is an international, political fact that North Cyprus is a de facto state based on the criteria discussed in section 4 of Chapter Two. Pegg (1998) argues that depending on which side of the green line a person stands on, his/her perception of the Cyprus conflict and TRNC's right of self-determination would be greatly different (Pegg, 1998).

The foregoing historical and political portrait of Cyprus serves to provide the context and the region in which the research took place. The large group that this research focuses is in isolation from the rest of the World as a result of war and its consequences; which have been described in detail until this point. Keeping in mind

the main focus of this research, which is to explore social trauma's impact on the business practices from an ethical perspective a detailed overview of Turkish Republic of Northern Cyprus and current socio-economic and political environment is provided to familiarise the readers with the issues and environment of North Cyprus which are very valuable for an in-depth understanding of data analysis and in order to make sense of the findings.

Until this section, the explained history above, all contributed to and created the current Turkish Republic of Northern Cyprus and they have a significant impact on Cypriot Turks. From this point forward, it would be proper to give some main characteristics of TRNC, since the defined TRNC is the current social, political, economic, and daily environment of Cypriot Turks that influence them directly.

As a secular republic, TRNC has a president, a prime-minister, and ten ministers to run the government. Both the president of TNRC and the deputies of the parliament are elected by public voting. The 50 members of the parliament are elected for a period of five years (Türkiye Cumhuriyeti Lefkoşa Büyükelçiliği Ticaret Müşavirliği, 2007). The tables below provide a profile of the country in terms of identity and social and economic indicators.

Table 18: TRNC Overview – 2006 (Kıbrıs Newspaper, 2007a; Türkiye Cumhuriyeti Lefkoşa Büyükelçiliği Ticaret Müşavirliği, 2007:6).

Capital City	Nicosia
Government Style	Republic
Official Language	Turkish
Religion	99% Islam, 1% Christianity
Currency	Turkish Lira
Surface Area	3.1355 km^2
Population (2007)	De-Facto:265,100; De-Jure:256,644
Yearly Population Increase (%)	1
Population Density (km^2/person)	66,3
Main Cities	Nicosia, Famagusta, Kyrenia, Güzelyurt, Iskele
Main Ports	Famagusta, Kyrenia

Table 19: TRNC Main Indicators – 2007 (Akifler & Süreç, 2009:6).

Population (2007)	268,000
Gross Domestic Product (GDP)	3.5 billion USD
GDP/Person	14,553
GDP Position within the World	0.016%

Table 20: TRNC Social Indicators – 2006 (Kıbrıs Newspaper, 2007d; Türkiye Cumhuriyeti Lefkoşa Büyükelçiliği Ticaret Müşavirliği, 2007:6).

	2003	**2004**	**2005**	**2006**
GDP (With Current Prices – Million TL)	1.907,07	2.520,8	3.143,7	3.806,7
GDP (Million USD)	1.283,7	1.765,2	1.327,8	2.625,3
GDP (With 1977 Prices, TL)	10.177,1	11.739,6	13.327	14.364
Real Growth Rate (%)	11,4	15,4	13,5	7,8
GDP / Person (USD)	5.949	8.095	10.567	11.802
Inflation Rate				
Increase of Consumption Price Index /year (%)	12,6	11,6	12,7	19,2
GDP – Sectoral Growth Rates (%)				
Agriculture	7,3	8,5	2,8	-0,1
Industry	7,7	10,6	6,4	5,9
Service	9,4	12,4	14,4	10,3

Table 21: TRNC Economic Indicators 2003 – 2006 (Kıbrıs Newspaper, 2007c; TRNC – State Planning Organisation, 2007; Türkiye Cumhuriyeti Lefkoşa Büyükelçiliği Ticaret Müşavirliği, 2007:6)

	2003	2004	2005	2006
GDP (With Current Prices – Million YTL)	1.907,07	2.520,8	3.143,7	3.806,7
GDP (Million USD)	1.283,7	1.765,2	1.327,8	2.625,3
GDP (With 1977 Prices, YTL)	10.177,1	11.739,6	13.327	14.364
Real Growth Rate (%)	11,4	15,4	13,5	7,8
GDP / Person (USD)	5.949	8.095	10.567	11.802
Inflation Rate				
Increase of Consumption Price Index /year (%)	12,6	11,6	12,7	19,2
GDP – Sectoral Growth Rates (%)				
Agriculture	7,3	8,5	2,8	-0,1
Industry	7,7	10,6	6,4	5,9
Service	9,4	12,4	14,4	10,3

According to Foreign Trade statistics announced by the Trade Department of TRNC, During 2006 January – July period imports which were 894,345,000 YTL (approximately USD672 million) in last six months of 2005, with an increase of 5% became 983,385,000 YTL (approximately USD739 million). 69.2% of these goods, which is equivalent of 489,209,000 YTL, have been imported from Turkey. As a result of this, foreign trade deficit has increased by 10.5% during 2006 (Kıbrıs Newspaper, 2006). However, according to the recent figures, even though the amount imported is greater than the exports, there is a 3% decrease in importing, and exports increased by 35%, which is a good indicator for TRNC economy (Kıbrıs Newspaper, 2007c). During 2007 January- March period, total imports were worth 291,2 million USD and exports were worth 29,3 million USD (Kıbrıs Newspaper, 2007c). Although these figures are reflecting 2-3 years ago, there is no accessible up-

to-date organised information about presented aspects. For more detailed figures and products please see the Appendix section.

Table 22 summarizes the historical events that were significant for Cypriot Turks and in some cases traumatising, thus shaped their current social psychology and therefore the environment that businesses interact through changes within their institutions.

Table 22: Significant Historical Events of Cypriot Turks

Period	Significant Events for Cypriot Turks
1571	The Ottoman Empire conquered the Island of Cyprus
1572	First group of households were exiled from Anatolia to Cyprus
1878	Great Britain seized the Island from the Ottoman Empire
1914	Great Britain annexed Cyprus unilaterally
1919-1922	War of Independence on the Ottoman lands
1923	Fall of the Ottoman Empire and establishment of the Republic of Turkey
1923	Republic of Turkey (previously the Ottoman Empire) recognized British sovereignty in Cyprus
1925	Cyprus officially became British Crown Colony
1925	Republic of Turkey gave Cypriot Muslims (Cypriot Turks) the right to select and move to Turkey if they want to. (*Hakk-ı Ihiyar*)
1931	British Governor's Residence was burned down by Orthodox Christians (Cypriot Greeks) as a rebellious movement against British Colonial occupation
1941	AKEL (Progressive Party of the Working People) established with a leftist ideology
1943	British administration allowed Cypriots to hold municipality elections
1946-1949	The Civil War in Greece
1948	Cypriot Turks and Cypriot Greeks fought together against the Colonial administration and the foreign mining companies
1948	British Colonial Administration formed a committee to increase Turkish nationalism among Cypriot Turks

1948	Communist Party of Greece encouraged leftist AKEL to start armed struggle for *Enosis* (unification with Greece) & the Orthodox Church and right wing also started to support this ideology
1954	Attempt of Greece to dominate the Island
1955	EOKA was established by the right-wing nationalist to fight against the Colonial occupation
1955	First Cypriot Turk was killed by Cypriot Greeks
1956	Nicosia was divided into two
1959	Dr. Fazıl Küçük (on behalf of Cypriot Turks) and Archbishop Makarios (on behalf of Cypriot Greeks) signed an agreement in London
1960	Republic of Cyprus was co-founded by Cypriot Turks and Cypriot Greeks
1963	Cypriot Greeks started their systematic attack against Cypriot Turks with the aim of *Enosis*.
1963-1964	25,000 – 30,000 Cypriot Turks fled to
1964	180 km. Long *Green Line* was drawn by the United Nations
1964-1967	Cypriot Greeks applied "blockade policy" to Cypriot Turks
1964-1968	Cypriot Greeks forced Cypriot Turks to live in 39 small enclaves
1968	The negotiations between Cypriot Greeks and Cypriot Turks started
1974	Greek engineered military junta, initiated a suicidal coup to overthrew Archbishop Makarios
1974	As one of the three guarantors of the Republic of Cyprus, Turkey made two armed military interventions in July and August to bring order to the Island
1974	Exchange of captives and war prisoners took place
1974	The Green Line became impassable from 1974 onwards
1975	65,000 Cypriot Turks moved from Cypriot Greek controlled south, to the North.
1975	Cypriot Turks established Turkish Federate State of Cyprus
1983	Cypriot Turks established Turkish Republic of Northern Cyprus
2003	Mass demonstrations and Annan Plan Referendum
2003	Borders were open between South Cyprus and North Cyprus allowing

	them for the first time in 30 years to cross to the other side and interact with each other
2007	Cypriot Turks applied to Republic of Cyprus High Court demanding their election rights

CHAPTER FIVE

CURRENT SOCIAL TRAUMA OF CYPRIOT TURKS

5.1. Introduction

Social trauma is not something as easily discoverable as, for instance, marketing practices of a company. Also, it is more complicated than individual trauma as it requires the examination of the whole society from different angles. Therefore, unlike business-government-society relationship and unethical business practices which related data can be gathered through primary data collection methods such as interviews, in order to point out social trauma, a thorough understanding of the society in question is required. In Cypriot Turks' case, this thorough understanding can be achieved, first of all, by looking at the historical context. Interviews or surveys are not fruitful methods to investigate such an issue unless they are applied to the whole population.

Social trauma will first be analysed here from past to present through an analytic review of Cyprus history to set the broad context for business practices and ethics in present-day North Cyprus. Therefore, social trauma related data analysis consists of references predominantly from the literature and historical documents, including photographs taken by others and newspapers (all secondary data) and to a lesser extent references based on the observations, direct quotations from the interviews conducted and photographs taken by the researcher (all primary data). Although a couple of the interview quotes are presented in this chapter, the main analysis of the interview data collected from the SMEs are discussed in Chapter Six.

Out of the four main outcomes (regression, large group identity confusion, siege mentality and transgenerational transmission of trauma) of a socially traumatising event, namely war or war like situation, regression and large group identity confusion are rather the immediate and stronger symptoms of a society's unhealthy state. The evidence from Cypriot Turks is presented in this chapter in two sections; first section focuses on regression elements that are evident, and the second one focuses on large group identity confusion signs among Cypriot Turks. Because transgenerational transmission of trauma appeared implicitly, this phenomenon is given as an overview within the discussion of regression and large group identity

confusion. Siege mentality, on the other hand, is discussed in relation to Cypriot Turks within the context of altered siege mentality which emerges when looting occurs as a result of war or war like traumatising event. As empirical data suggested strong connections between looting and business-government-society relationship, this is mainly discussed through primary data reflecting today's entrepreneurial environment in Chapter Six.

5.1.1. Regression Elements that are Evident in North Cyprus

The regression elements discussed in this section are the ones that actually either existed in Cypriot Turk society or still exist. Some of the elements are presented together rather than singularly, as those are complexly interwoven in the society in question. The amount of information presented and the length of discussion may differ from one sub-section to another as this depends on the literature and data availability related with that symptom. Out of the 20 signs of a regressed society 12 of them were evidenced in Cypriot Turk society and as part of the representation of the case study society, these are also represented with the intention of giving an insightful and in-depth analytical presentation of Cypriot Turks that makes the reader "feel" the real process.

Some of the elements are discussed shorter in length and some of them have been spared more pages, this is caused by both the amount of discussion and examples that are required to deliver the intended information to the reader; as well as the significant visibility of some of the elements over the others in North Cyprus society. If a section is significantly longer than the others or vice versa, the rationale of that is explained in the introduction part of that element. Also, some of the elements are presented together as the understanding of related phenomena become clearer once they are discussed within the same body.

5.1.1.1. Evidence for 3rd and 4th Elements

There was no substantial evidence on elements 1 *(group members lose their individuality)* and 2 *(the group rallied blindly around the leader)* that emerged during the historical analysis. However, element 3 *(the group becomes divided into "good" segments – those who obediently follow the leader – and "bad"-those who perceived to oppose the leader)* and element 4 *(the group created a sharp "us" and*

"them" division between itself and "enemy"- usually neighbouring- groups) were evidenced through the historical analysis.

The transformation from the 2nd element (group rallying blindly around the leader) to the 3rd (division into "good" and "bad" segments) have occurred very smoothly in North Cyprus that there is no solid evidence to show the start point of the division of the group into "good" and "bad" segments (3rd element). However, this element became solidly visible during the 2000. In that year a banking crisis deprived and most of the Cypriot Turks lost their savings to five bankrupted banks and the first mass demonstrations started with this crisis, leading to a symbolic occupation of the parliament (Lacher & Kaymak, 2005). Cypriot Turk newspapers defined bank-owners as 'hosepipes' because bank-owners, including the father-in-law of Serdar Denktaş (a previous minister, politician, and the son of Rauf. R. Denktaş) took customers' investments and lent it to his own companies. The total cost of these five banks to the country was, USD 162.6 million (Güçlü, 2006). This is also a very strong example of BGS relationship in North Cyprus as it confirms Lynch's (2004) arguments of BGS relationship in de facto states and shows how the individuals who have powerful positions in government have relations with individuals that have the capital and the way their relationship work.

During the year 2000, as a result of different occurrences which accumulated over time including the banking crisis, many changes happened in North Cyprus and this led to the peak experience of the 3rd element, division within the society into "good" and "bad" segments. The below quote is a good example to refer to these occurrences which accumulated over time.

> ... elites circles around Denktash [1st president of TRNC] always regarded "independence" as second best to North's incorporation into Turkey, the promise of "sovereignty" was taken more seriously by some bureaucrats and administrators. Their experience of the real limits on the autonomy of the TRNC's administration created awareness of an increasingly obvious discrepancy between reality and the rhetoric of "sovereignty". This related not only to policy, but also to the administration's top positions, some of which (such as the head of the Central Bank) were reserved for citizens of Turkey; the TRNC's police remain under the control of the Turkish army. (Lacher & Kaymak, 2005:156).

Besides the crisis in the banking sector, there are other elements which led to the current psychological state of Cypriot Turks and initiated the 3rd regression element. A population, who occupied 18% of the land on the island, suddenly had 34% which caused the problems of just distribution of wealth and land left from Cypriot Greeks. One of the claimed reasons of how nationalistic narrative (Turkish) sustained itself for more than 30 years is to brush aside the demand for justice in these matters. (Lacher & Kaymak, 2005:156). This has resulted in an accelerated over-discrediting of the political and economic foundations of TRNC by its citizens (Lacher & Kaymak, 2005). Thus, leading to a division between "regular public" – representing the citizens who would describe themselves as "people with no beneficial connections with the ones who hold the power" and "others" – "people who hold the power (i.e.: high ranking governmental officials and elites". This is also an issue which is very much related with business-government-society relationship and it is discussed in detail in Chapter Six, throughout the section 6.3.

This division was made solid with the introduction of Annan Plan in 2002, which was turned into a division within the society, "good" people who love their country, flag, nation and consider Turkey as their motherland, defend independency of TRNC and see protection of Turkey as vital and "bad" people who "love" Cypriot Greeks, seek and value opportunities made available through the EU membership, consider Cyprus as their motherland and believe more commonalities exist with Cypriot Greeks than Turkish people". In this division, with the intentions of classic nation-building, "good" segments created traditions such as "typical" Cypriot Turk folk dance which stress Anatolian and Ottoman traditions whereas "bad" segments promoted folk dance similar to Cypriot Greeks (Güven-Lisaniler & Rodrigues, 2002:185).

Prior to the Annan Plan referenda, during early 2003, there were mass demonstrations to support peace and settlement in Cyprus as well as counter-demonstrations emphasizing the importance of unity of the nation and Turkey's protection. In the pro-settlement demonstrations, approximately 60,000 Cypriot Turks participated and in the anti-Annan Plan demonstrations there were more than 10,000 participants. Referendum result and the demonstrations would be hard to become true without the prospect of EU membership since that was seen as a chance to escape the economic situation and the isolation from the rest of the World.

(Ramm, 2006; Lacher &Kaymak, 2005). These strictly opposite views when combined with the significance of the referendum, divided the society into "good" and "bad" segments.

Once the borders were opened in April 2003 as a sign of goodwill by the TRNC, 80,000 Cypriot Turks have obtained Republic of Cyprus passport (Volkan, 2008b:104). As the Republic of Cyprus accessed to European Union in 2004, Cypriot Turks saw its passport as a gate to access to Europe "with a recognized passport without a visa".

After Cypriot Turks turned to pro-settlement political parties in 2003, there have been many social and political developments that occurred in the society (Lacher & Kaymak, 2005). The reason of cultural and political transformation of Cypriot Turks can be explained by the "dynamic intersection of socio-economic interests and identity formation" (Lacher & Kaymak, 2005:150). Inter-ethnic conflicts between communities often results from the competition between the elites within each ethnicity and the "mass mobilisation for power, status and wealth" (ibid., 150). This was the framework of decomposition of North Cyprus as well as the previously mentioned diminished ability of integration of the society beyond the elite groups and the exhaustion of the distributive capacities that caused the transformation (Lacher & Kaymak, 2005).

Also the influence of almost complete dependency on Turkey, international isolation, unresolved status of North Cyprus, economic decline and large-scale migration are all contributed to the erosion of the nationalism and stimulated Cypriot Turks for other 'conceptions of collective consciousness' (Ramm, 2006). Even now, a larger number of the population, feels disaffection to the state since its capacity to provide jobs and incomes started to diminish; bureaucracy clogged and getting a job in the government depends on "political affiliations" (Lacher & Kaymak, 2005). These were the initial psychological reasons driving mass scale demonstrations which divided the society into "good" and "bad" segments; unlike other examples from the history where the division is usually against the neighbouring groups; in North Cyprus this has happened between two opposition groups as a result of different acknowledgements of what constitutes identity and this is how regression element 3 and element 4 are intertwined.

Photograph 13: Pro-settlement Demonstrations - March 2003 (Cypriot, 2003).

Photograph 14: Pro-settlement demonstrations. "On Binler "Çözüm" Dedi [Thousands Said "Solution"] March – 2003 (Sağıroğlu, 2003).

Photograph 15: Anti-Annan Plan demonstrations March – 2003 (TCN-CY, 2003).

More detailed discussion of these elements on ethical business practice (and daily business life) is provided in Chapter Six. This is because the elites issue and "good" and "bad" segments of the society formulate the link between social trauma and business-government-society relationship which was also mentioned previously as a cause of current social trauma of Cypriot Turks in North Cyprus.

5.1.1.2. Evidence for the 8th Element

According to the 8th element, the large group members experience increased magical thinking and reality-blurring, and this element was evident among Cypriot Turks during the 1963-1974 war where they were helpless.

This section provides a rather shorter discussion compared to other sections, because this element is related with an element that no longer exists, it is given here to evidence the traumatising events that led to the current psychological state of the society. The reason why there is less secondary data on this element is that, the only evidence that was found which revealed magical thinking of Cypriots was Vamık Volkan's psychoanalytical field work of 1979.

Like in the case of Holocaust survivors where they shared a myth of a secret or uniquely effective weapon, during 1963-1974, Cypriot Turks mythologized about a "great weapon" where they were in agreement about the weapon's location; approximately 10 miles away from Nicosia near the ancient St Hilarion's Castle, which was the only peak in the northern mountains under Turkish control (Volkan, 2004; Volkan, 1979). The "great weapon" was depicted as huge cannon in children's drawings. Besides that the castle was strategically important for Cypriot Turks to access the sea, it also had a history where a "queen was said to have jumped from one of its windows rather than surrender to the enemy" so it was associated with sacrifice, heroism and victimhood. (Volkan, 2004:70). It is a solid fact that war traumatised Cypriot Turks (Volkan, 2004). Currently, large group identity confusion and division within the society is very easily observable among them which can be tied tangibly to the socially traumatising events experienced in the past, which reoccurred in different forms and intensities later on from 1974 until today. This element was present in Cypriot Turks but is not noticeable anymore; therefore it is mentioned as part of a historical occurrence rather than a current state in order to serve as a reference for the past.

5.1.1.3. Evidence for 10th and 11th Elements

Based on the historical evidence, Cypriot Turks also have been experiencing 10th element which refers to the reactivation of the group's chosen traumas and glories, resulting in a time collapse; and 11th element where the leadership creates a break in the historical continuity of the group and fills the gap with elements such as "new" nationalism, ethnic sentiments, religious fundamentalism or ideology, accompanying "new" morality, and sometimes a "new" history of the group purged of unwanted elements.

The history which was told emphasized Cypriot Turks connection to Turkey and how Cypriot Turks were descendents of the Ottomans. Every 1 August is celebrated as Social Resistance Day as it represents the establishment of Turkish Resistance Organisation (Türk Mukavemet Teşkilatı - TMT), Armed Forces (Güvenlik Kuvvetleri Komutanlığı) and conquest of Cyprus by the Ottoman Empire (Kıbrıs Newspaper, 2008). These are only some of the national days that are celebrated officially nation-wide. These are all part of the reactivation of chosen glories as

although celebration of memorial days for national events is common in every society, day-to-day emphasis through certain signs such as excessive use of the national flag and ethnicity (Turkishness) focused nationalistic discourses which are discussed as part of evidence from element 12 *(group members begin to experience some of the group's shared symbols as protosymbols)*.

During 2009, there was a big debate about re-writing the history school books which is very much related with the regression element 11 (break in the historical continuity of the group where the gap is filled with elements such as "new" nationalism and sometimes a "new" history of the group purged of unwanted elements). This is exactly what has happened in 2008. In order to further develop the peaceful co-existence with Cypriot Greeks, Cypriot Turks proposed a project of modifying history books and received 69,000 USD for this purpose from the European Union (Volkan, 2008b:100). Although in previous history books there were violent pictures such as photograph 15 which can traumatise children aged 10-13 and nationalist expressions, there are much opposition to the new version of history books on the ground that while nationalist expressions and violent pictures are removed, some of the historical occurrences which actually happened are omitted to "look nice to Cypriot Greeks" and to "fulfil what EU wanted" which lead to now some segments of the history to be erased. There were also oppositions claiming that books aim to erase "Turkishness" and spread "Cypriotness". (Türkmen, 2009).

Photograph 15: Turkish army doctor's family murdered in their homes. Nicosia – December, 1963 (Gibbons, 1997:120).

The house depicted above later on converted into a museum called "Barbarlık Müzesi" [ENG: Museum of Barbarism] on 1 January 1966 which is still visited by students (Güngör, 2002:14). Male-28a reflects the feelings of a primary school student and shows the identity formation based on transgenerational transmission of trauma, in other words, what is taught to him.

[Male – 28a] The existence of the army was comforting for all of us. Before I started the school, [the word] Rum [ENG: Cypriot Greek] would make me imagine people like us, when you are a kid everything is light pink anyway. But when I started to go to school and started to read history, then I understood what had happened; when I saw those pictures and listened to our teachers then I realised the truth....Of course, I would be sad every time I saw those pictures. I would say, "Why should people die?". At the same time I would be scared. Don't pictures of dead people scare anyone? (Güngör, 2002:87).

Both extremes cause certain disruptions within a society; although rewriting history is a major tool of purging history from unwanted elements, it leads to a break in the historical continuity. Also, extreme visual materials such as Photograph 15 and the way certain occurrences in the history are put into words are issues of concern when teaching history as in some cases it can skip certain historical realities to reflect a certain group's nationalistic interest, it may lead to a time collapse as in North Cypriot's history teachings. Until recent changes in the books, the time periods before the 1960's where there were no conflict between different ethnic groups on the Island existed, was not being taught thoroughly, and if it was taught it was mere mentioning. This was mentioned by all of the participants of this research who were born after 1974.

IPM17: Of course, we understand, some people for instance, have family members killed, of course these cannot be forgiven, may be their grandchildren will have less pain, may be they forget because they will not be the ones who lived through the event. It is same for South side as well [refers to South Cyprus – Cypriot Greeks], certainly, they also have been through some stuff, they also experienced similar things. Events must not have been the way it is taught in our books at primary, secondary schools. Of course there is stuff that they have gone through as

well [Cypriot Greeks]... I do not have an attitude against Cypriot Greeks, if I have the opportunity I can work with South Cyprus.

IPM40: When I recall back the history lessons we took at the school, all I remember is there was Ottomans conquered the Island in 1571, then rented the Island to United Kingdom in 1878, in 1960 a republic was established between Cypriot Greeks and Cypriot Turks and in 1963 they attacked us. What happened during the periods that were not mentioned? Obviously, it was not empty!

Quote below shows a live example of transgenerational transmission of trauma and how it can be transmitted to the descendants as an unfinished task through teaching of the generation who lived through the event.

[Female-28a] Couple of times, Cypriot Greeks marched to borders (for demonstrations)... I was at high school. Everyone was there from our village, my family, mothers, fathers, kids everyone came. We had TRNC and Turkish flags, and posters. Cypriot Greeks were on the other side, in their hands they had flag of Greece, and in between us there was United Nations. We have shouted to each other mutually, us in Turkish and them in Greek. They wanted the area that we currently living in, apparently this was written on their posters. While I was at the border for demonstrations, I felt that I was carrying on our parents' struggle (Güngör, 2002:59).

The young of any nation are exposed to child-rearing practices approved within that nation's culture, and since the events and the climate of childhood and adolescence play an important role in forming adult character, common early experiences are sure to mark the characterological makeup of any national group as a whole. (Volkan, 1979:43).

Being a youth of a traumatised society is not easy as it becomes complicated as a result of transgenerational transmission of trauma, regression and the like which are usually present in a traumatised society compared to healthy societies. Although violent elements of history books were extreme in the North Cyprus case, omitting certain historical facts might lead to splits in the society as transgenerational transmission of trauma is an important phenomenon in the process of healing. In transgenerational transmission, if the trauma is not recognised and openly dealt with, then offspring of the people who experienced the traumatic event first hand might

experience impact of this including development of splits among them where while some of the descendants deny their ancestors humiliation and others may hold on to the task transmitted to them without denial and involve in reversing the negative fate of their ancestors. These issues are also very much related with large group identity confusion. (Volkan, 2008a:101). The rewriting of history books is a good example of the 11th element of regression and it contributes to identity confusion as described.

Remembering the example from the literature of the 10th element, in Albania there was an emphasis on the Ottoman past with erasing certain elements and replacing these with "purified" version of the history (Volkan, 2004). In Cypriot Turks' case, although they accept their origins come from Ottoman times, many emphasize the metamorphosis experienced within 438 years since 1571 and therefore express disagreement with the Turkish nationalist narrative (Ramm, 2007).

> [male – 29a] It would have been wrong to put ourselves in a completely different category that Turks as our grandfathers, grandmothers came from Anatolia. ... [however] the culture that I was moulded in has elements of Greek Cypriots, Venetians, British. I am an Islander. (Güngör, 2002:133).

In spite of the majority's disagreement (evidenced through observations and interview participant responses), there are some views which reject any difference between Turks in Turkey and Cypriot Turks in Cyprus.

> [male – 28a] Both Cypriot Turk and Turk is the same thing. My origins are from Ottomans. We do not have different identities. (Güngör, 2002:21).

Cypriot Turks questioning of their true history and identity started as a result of economic and political problems that were experienced within North Cyprus. So, it would not be wrong to say that invisible enclave which significantly contributed to the identity confusion of Cypriot Turks, later on lead to a socio-political environment which made them question their identity. This socio-political environment and the invisible enclave are discussed in proceeding sections.

> In the Turkish nationalist narrative the Turkish Peace Operation of 1974 stands for the liberation of the Turkish Cypriots from

Greek terror. "Motherland" [anavatan] Turkey is regarded as liberator and protector of the Turkish "Youngland" [yavruvatan] in Cyprus, the presence of the Turkish army as an indispensable guarantee for the Turkish Cypriot's security (Ramm, 2007:3).

The feeling of security that the Turkish army gives to the Cypriot Turks is a common element which was also significantly evident in informants of Güngör (2002) as well. Although there are opposing views on the abovementioned nationalist narrative of the motherland-youngland relationship, a sculpture which is erected in the garden of Prime Ministry of TRNC is an important sign of the impact of trauma and the emotional-psychological link established through the time between Turkey and North Cyprus.

Photograph 17: Motherland-Youngland This picture is taken from Kıbrıs Gazetesi [Cyprus Newspaper] which is one of the most popular daily newspapers in North Cyprus. Under the picture it reads; "There is a bust in the garden of Prime Ministry. Its concept is mother and her child. It is enough to tell how strong the "**Motherland-Youngland**" relationships are" [Başbakanlık bahçesinde anlamlı bir büst var. Ana ile çocuğu konu alan bir büst "Anavatan-Yavruvatan" ilişkilerinin ne denli kuvvetli olduğunu anlatmaya yeterli] The person on the left is the General Manager for Publication Reşat Akar and the person on the right is Dr. Derviş Eroğlu who was the Prime Minister in 2009; he was elected as the President of TRNC in 2010 (Kıbrıs Newspaper, 2009i).

General image of TRNC administration is a nationalistic one referring to the Turkish nation with gratitude and Turkey is part of the state ideology. This is visible in the national symbols as well. Republic of Turkey's official holidays are still

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celebrated in North Cyprus and TRNC and Turkish flags are hoisted together alongside Mustafa Kemal Atatürk's portrait (Founder of the Modern Turkey). Turkey's national anthem is the anthem that is used in TRNC (Ramm, 2007:4).

However, a similar type of link with "motherland" is solidly evident in South Cyprus as well, since although Republic of Cyprus entered the European Union in 2003, Greece's flag is still in use next to Republic of Cyprus flags.

Photograph 18: Greece and Republic of Cyprus flags can be seen often

Also, even though Turkish is one of the official languages of Republic of Cyprus, Cypriot Turks who go to any governmental institution (of Republic of Cyprus) to get their work done are faced with the problem of not having Turkish and in some cases even English versions of the forms, which makes them feel "excluded" and "unwanted".

> Male – 29b: Another issue which disturbs me and it is not only me my friends also think same, is the flag of Greece which is used in the South. At the banks, at the semi-official governmental departments there is flag of Greece next to Republic of Cyprus's flag. According to 1960 Republic of Cyprus Constitution, they have to use English,

Turkish and Greek at the same time. They do not do this. (Güngör, 2002:111).

According to Appendix D, Part I, article 3 "the official languages of the Republic are Greek and Turkish" and according to the Treaty of Guarantee "authorities and communities shall have the right to fly the Greek and Turkish flags on holidays at the same time as the flag of Cyprus. The Greeks and Turkish communities shall have the right to celebrate Greek and Turkish national holidays" (Kypros, 2009a; ibid, 2009b). However now that Republic of Cyprus became a European Union member; Cypriot Turks are even more sensitive to the flag issue and they feel "unwanted".

5.1.1.4. Evidence for the 12th Element

12th element which is the case where group members begin to experience some of the group's shared symbols as protosymbols (original, preliminary symbols) is significantly evident in North Cyprus.

During 2000s the visibility of 12th element in North Cyprus was at its peak. An association was established during the beginning of 2000s to illuminate the giant flag which was painted on Beşparmak Mountains during the beginning of 1990s, so that it can be seen during the night as well; it flashes Turkey and TRNC flags in order. Next to the TRNC flag, the star and crescent of Turkish flag is accompanied by M. K. Atatürk's famous statement "Ne Mutlu Türk'üm Diyene" [ENG: "How Proud to Say I am a Turk"]. This statement aims to address everyone who lives on Turkish soil no matter what their ethnicity is in order to encourage their adoption of Turkishness as a large group identity.

Photograph 19: Painted TRNC flag, Turkey's star and crescent and M. K. Atatürk's famous statement (Google Earth, 2008).

Photograph 20: The flag is approximately 470 meters to 270 meters.

Photograph 21: The flag during at night (KKTC Bayrak, 2009).

For Cypriot Turks the flag "symbolizes TRNC, Cypriot Turks honour and the battle of social existence" (ibid, 2009). Although some of them associates their identity with the Republic of Cyprus flag, which is now accepted among many Cypriot Turks as the flag of Cypriot Greeks. A similar type of symbolization of identity through different means can be seen in other countries as well in different forms such as cultural artefacts and this happens in the existence of the 12th element; large group's symbols such as flags and cultural artefacts which represent the group identity become protosymbols as these things start to be seen to constitute the identity. Under these conditions, if "others" attack the group's symbol in any way, then this is considered as an injury, an attack to the group's shared self-esteem and consequently to group members' individual self-esteem. In the cases of two large groups in conflict, as in the case of Cyprus, in order to injure "enemy's" self-esteem, almost always disparaged and in return, the injured group may react violently on emotions rather than rationally. (Volkan, 2004:91).

In Cyprus's case, this 12th element can be seen as very strong considering the importance of flag example as represented above. One of the cases of "violence" which resulted from "disparaging" as described above occurred in 1996 when one of the Cypriot Greeks passed the UN buffer zone entered into North Cyprus during

their demonstrations, climbed up to the flag pole and while trying to remove the flag from the flag pole he was shot (Yakinthou, 2009:246).

Especially in Turkish nationalist narrative "flag is the honour of a nation" [TR: Bayrak bir ulusun namusudur] is a very common expression and it shows the identification between self identity and group identity and flag as a protosymbol can be seen in North Cyprus quite frequently and almost everywhere.

Photograph 22: Extra-large flags

The TRNC flag painted on the mountains can be seen at the background of these extra-large flags in one of the main roundabouts of North Cyprus. Recently in 2007-2008 many new flags like these ones are set up various places within North Cyprus. For instance, in November 2007 two flags seized width: 18 metres and length: 12 metres were set up with a ceremony in the region called "Ciklos" on Beşparmak Mountains and it is said that the flags can be visible from Toros Mountains of Turkey. Both the flags on the above picture, in Ciklos and in many others they have flashing lights on top of them. Considering the regression in the society, it is apparent why 12th element is significant and why the flag became a protosymbol, a sacred object for North Cyprus. Also, this specific example can be linked to Turkish people's own trauma which was presented in the chosen trauma

section as well that lasts from the Ottoman Empire period. The spokesperson of Cyprus Turkish Combatants' Associations [TR: Kıbrıs Turk Muharip Dernekleri] said in the press conference "It has a deeper meaning for us that the flags are visible from Toros Mountains". (LPG Haber, 2007). Considering this quote, it is linked with Cypriot Turk's trauma; it may represent their resistance to survive for 11 years without any support and waiting for Turkey's intervention which took place after waiting 11 years. Now that flag is visible, it creates a tangible, material link which can be seen from Turkey during night and day. Nevertheless, there are also Cypriot Turks who question their sense of belongingness and large group identity through protosymbols such as the flag:

> [Male – 29c]   I have respect for Republic of Turkey's flag, that's something different but if we are a state why do we use another state's flag? (Güngör, 2002:119).

This questioning of the use of flags is actually a reflection of questioning one's own large group identity and the State which should serve as a tent for a certain large group with shared identity. Although there are various speculations and interpretations of why both flags are used together in spite of the fact that TRNC has a separate flag; from a social psychology perspective, it can be interpreted as it is because the Turkish flag forms part of Cypriot Turks historical past, represents the period when they held on to the Turkish flag during 11 long years and the Republic of Turkey flag now partially constitutes a sense of identity, provides the large tent although it does not fully provide them with the large group symbol that represents Cypriot Turks own identity. This is one of the main causes of identity confusion in North Cyprus.

A shared reservoir of ethnicity consists of constituents such as; Finnish sauna, German nursery rhyme and matzo ball soup; this shared reservoir contributes to the creation of "we-ness" which is required for the creation of large group identity such as ethnic identity. This shared reservoir works as a common ground where large group identity or ethnicity merges with personal identity and definition of identity emerges as "Finnishness" "Germanness" (Volkan, 1997:90-91). Although until the 2000s, the abovementioned protosymbols were dominant for Cypriot Turks as a large group, after "the damage on the tent", substantially visible divisions within the

society they are more associated with nationalistic view. Other half of this division, on the other hand, adopted the EU flag and in some extreme cases Republic of Cyprus flags as their protosymbols as it can be seen from Photographs 12,13, and 14 with the sense of ownership towards Republic of Cyprus and with the urge to unite with the World and to reach better standards.

5.1.1.5. Evidence for the 13th Element

13th element is about shared imaged that depict and dehumanise enemy groups with symbols or protosymbols associated with progressively more subhuman traits such as; demons, insects, germs and human waste.

The reason why this element is discussed longer than the others is because it focuses on association of the enemy groups with symbols or protosymbols (which can be multiple) progressively with more subhuman traits thus requiring an in-depth discussion of what these symbols or protosymbols are, how they have emerged, how they are associated with each other and with the society in question with clear examples. This element also emphasised slightly more because although this chapter as a whole provides the detailed understanding of the socio-cultural, economic, political environment that Cypriot Turks live in, this element provides the opportunity to mirror the socio-cultural and political environment for the reader, preparing the grounds to make better sense of business practices discussed later on and their association with the environment. Furthermore, this element contributes to focus on the "Turkey element" and its relation, importance and impact on North Cyprus, thus enables a better understanding of cultural, economic and political environment that businesses conduct business.

Doob (1986) identified different elements between "motherlands" and "Cypriots";

1. They believed that [Cypriots] they themselves were less religious in an orthodox sense or in practice, or more secular in outlook. Cypriots quite rightly were proud of their mosques and churches, but few worshipers could be seen inside except on important holidays. They heard amplified calls from the mosques and the sounds of church bells, but these were considered only part of tradition and almost devoid of religious significance.

2. They believed that they themselves were socially and politically less conservative.

3. They believed that their folk music and dancing were somewhat different and that they had influenced each other in these respects.

4. They believed that they had been strongly affected by Great Britain because Cyprus had been a British colony for 82 years. The British, as ever, introduced many of their own customs and institutions into both communities (Doob, 1986:391).

These elements are all still valid among Cypriot Turks and there are many issues regarding the perception of religion, cultural elements such as folk music and dancing, British influence and the like. These are actually the main reasons why Cypriot Turks define their identity more frequently as "Cypriot" or "Cypriot Turk" rather than "Turkish" and again these are the main reasons why they believe that they are "looked down" by most of the Turks of Turkey. This is also very much related with the large group identity confusion they experience, as occasionally they feel more commonalities and familiarity with the once "enemy" group, Cypriot Greeks than Turks who once "saved" them from their "enemy".

Cypriot Turk participants of both this research; Güngör's (2002) informants who were mainly the generation between 27-29 years old who were born in 1974 and other Cypriot Turks between ages of 12 – 82 who were part of this research's observation element expressed their perspectives on the way Turks of Turkey see Cypriot Turks; the way they see Turks who currently live in North Cyprus under immigrant/ illegal worker/ settler-citizen status and the differences between themselves and these Turks; the differences they see between themselves and Cypriot Greeks and more importantly the way they perceive themselves and describe what constitutes a Cypriot Turk identity. These are all discussed in relation to Doob's (1986) quotes above as well as large group regression elements mentioned in the beginning of this section. These discussions are presented by looking into the psychological evolution of Cypriot Turks from the beginning of traumatic event, from the 1960s until today and why they feel detachment from Cypriot Greeks and Turks of Turkey.

Although in Cypriot Turks case, when looked into the existing literature "enemy" is considered as Cypriot Greeks as the initial massively traumatising event

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occurred between these two parties; this sharp division is visible between Anatolian settlers and Cypriot Turks and also within themselves even though the concept of "enemy" is not in its literal meaning in the current setting.

After 1974 intervention to stop the war on the Island, roughly two third of the TRNC's population is made up of Anatolian settlers (Bahçeli, 2004; Ramm, 2007). The reason why this demographic change is supported by Turkey and TRNC leaderships was because in the short run to fill the labour shortage which rose especially in the agricultural sector, however in the long run this led to the change of demographic balance in North Cyprus (Ramm, 2007:10). According to another source, right after the war, newly established state in the North made an agreement with Republic of Turkey to accept citizens to settle on the island and to provide those properties which were left from Cypriot Greeks who immigrated to the South. The reason behind it was to increase the population and boost the economy; properties abandoned included many orchards, factories and businesses. (Hatay & Bryant, 2008a:7).

According to Mete Hatay, many of the Turkish settlers live within the Nicosia city walls in "insufficient and insecure" houses and Arabic or Kurdish is the first language of many of them (Hatay, 2005). On the other hand, Cypriot Turks deem themselves more 'modern' than the settlers as they are more secular, are better educated and enjoy higher standards of living (Bahçeli, 2004). Moreover, in the Cypriotist discourse, Cypriots are seen more European than Turkish or Greek people in terms of becoming a European Union member (Ramm, 2006). Cypriotness and European identity are Western-centric line of thoughts that in North Cyprus denigrate not only Turkish settlers but any 'Oriental' person (anyone from the East) equally (Ramm, 2006). Therefore, these factors all prevented a homogenous society and Cypriot Turks are concerned that immigration from Turkey has diluted the 'Cypriot' character of the society (Bahçeli, 2004). This was also further elevated with disagreement towards the leadership when R. R. Denktaş literally ignored this demographic change and expressed no difference in the sense of "identity" between settlers from Turkey and Cypriot Turks with his famous "Those who come are Turks, those who leave are Turks" [TR: Gelen Türk, Giden Türk] sharing his thoughts on immigrating Cypriot Turks and current discomfort within the society as a result of demographic changes (Ramm, 2007:10).

Photograph 23: Famous Samanbahçe neighbourhood in Nicosia; restored by UNDP. The round structure is a very old water reservoir which is not in use anymore. It is located in the middle of the neighbourhood and the below picture was taken just behind the water reservoir.

Photograph 24: Samanbahçe is within the Nicosia City Walls

Currently, Samanbahçe is within the city walls and its habitants are mainly immigrants, with different cultural values than Cypriot Turks.

During late 1970s as a result of international pressure the migration to North Cyprus slowed down for a few years, however it returned to its original pace during early 1980s when most of the Cypriot Turks started to move out of the Nicosia's walled city to suburbs where new homes and apartments were built. In this wave, majority of the immigrants were semi-skilled and skilled workers as well as a number of professionals who came to work in the textile industry which during those years was growing as a result of exports mainly to the UK. Most of these immigrants came to Cyprus as a result of limited opportunities in Turkey during that period. (ibid. 8).

This also created a phenomenon called "bavul ticareti" [ENG: suitcase trade]. Suitcase traders were buying from Turkey to sell in North Cyprus without paying any customs; they would enter the country for a very short time and the merchandise was brought in to the country in their suitcases as individual belongings. The people involved in suitcase trade and many textile workers moved into the houses within the Nicosia's walled city. With 1990s economic liberalization in Turkey, suitcase trade decreased to an extent however existing traders' connections and regional ties in Turkey served as a crucial link of future immigration. Within the same decade, Near East University, a privately owned institution, established attracting many students who formed a large population during those days and some of them later on decided to reside in North Cyprus. (Hatay & Bryant, 2008a:8).

The third wave of immigration to North Cyprus started with beginning of 1990s as a result of global economic forces and increased life standards there. Two major groups immigrated during that period to North Cyprus; highly skilled professionals and workers. Highly skilled professionals included university lecturers, financial experts who were hired to work in local or offshore banks and business people who had investments in North Cyprus. On the other hand, workers started to come in 1990s as a result of change in the property law. (Hatay & Bryant, 2008a:8). Also, a useful fact is that based on an agreement between TRNC and Turkey which was signed on 2 September 1991, Republic of Turkey citizens enter into North Cyprus with their identity cards without any passport, and vice versa (Güngör,

2002:21). With the legislative changes, the construction sector boomed during that decade, many bungalow villages and villas were started to be built mainly for the sale to the foreign market and in order to support the demand for labour, local entrepreneurs started to bring in workers from Turkey who were (and still) willing to work for much lower wages than Cypriot Turks. Thus, entrepreneurs started to bring workers from mainly poorer areas of south and south-east Turkey. When educational levels of the immigrants are compared, it is evident that people who arrived during 1980s and early 1990s were relatively educated and the education level began to decrease. People who arrived during late 1990s often had fewer skills and little education, with some of them with no literacy. (Hatay & Bryant, 2008a:8).

The labour surplus from Southern Turkey, to an extent, shows itself as an excessive and unregulated migration in the Northern Cyprus labour market. This consequently gives a rise to significant costs such as criminal migrants and increased expense in social, educational and health services (Özay et al., 2007).

Apart from the registered guest workers, non-registered immigrants from marginal ethnic groups in Turkey provide cheap workforce without benefiting from the social services, or union protection (Özsağlam, 2003). From 1999 - 2003, there were 5,000 - 6,500 yearly guest workers who got work permits to work in the North including seasonal agriculture works in citrus harvest and forestry. However, there have been illegal entrances as tourists into Northern Cyprus without any passport formalities.

By 2005 the number of newly registered guest workers was 38,464 which with the combination of the previous guest workers, in total made 46,010 (Özay et al., 2007). According to the same study, 51.6% of the guest workers expressed that they do not intend to go back to their countries and 38% said their decision would depend on the available opportunities. This workforce flow from the Southern Turkey replaces the Cypriot Turk workers who go to the South Cyprus for the same reasons, higher wages (Özay et al., 2007).

It is estimated that more than 100,000 Cypriot Turks migrated in past decades from the Island, 40,000 of these being during the period after 1974. The people immigrated to countries like Great Britain, Turkey and Australia and to a lesser extent to countries like USA and Germany. While significant number of the

population immigrated to other countries, a large number emigrated from Turkey to live in North Cyprus. Also, a small amount of people from other countries work and study at the universities of North Cyprus and British and other European expatriates have bought properties and settled in TRNC. (Ramm, 2006).

Even though many Cypriots left Cyprus as a result of violence and conflict between Cypriot Greeks and Cypriot Turks during the 1950s and 1960s; however after 1974 as internationally isolated TRNC faced with a "fragile political and economic situation", the out-migration has increased very significantly. Today, more than 100,000 Cypriot Turks live in Great Britain, most of them being in London. The main reason why they immigrated to Great Britain is because being the former colonial citizens; Cypriot Turks felt the "special" historical connection (Ramm, 2006).

While a significant numbers of Cypriot Turks are still immigrating to other countries, migration from Turkey continues. In terms of public acceptance of immigrants by Cypriot Turks, the comments of public shows that merging of two communities has not been successful until now (Ramm, 2006).

However, the Turkish population in North Cyprus is not a homogenous community (Ramm, 2006).

Sociologist Muharrem Faiz points out the racism within the population against people from Turkey and exaggeration of the population numbers, saying that both behaviours are extreme. Unlike the population numbers announced by the government which were used in this research, he claims that de-jure population is 190,000 and de facto population is 300,000 in North Cyprus which is nowhere in the world, a normal ratio. Faiz states that as a country having the immigrant population is normal as there are Arabs in Great Britain, Algerians in France, which this situation is also contributes to make the World a more just place. However, in North Cyprus, he says, the immigrant population is double the indigenous population which disrupts the social ecology causing hospitals and public transportation to be over crowded and inefficient. Moreover, since the immigrant population does not feel the belongingness and ownership towards the country, immigrants do not care about and contribute to the public properties such as; roads, schools, hospitals and the like. (Gürkan, 2007).

Both immigration and emigration are current problems of TRNC; however the bigger problem is that 15% of the young generation who are at higher education age are leaving the country for education and never come back, which creates a very vital problem in TRNC that is called "brain migration". Besides the young generation at the higher education age, there are many unemployed graduates in many of the occupations such as; pharmacists, lawyers, architects, engineers and others. Some of them do not perform their own specialisation but they work in other occupations; some of the graduates are unemployed. For instance currently there are approximately 600 Turkish literature graduates, and 800 physical education teachers that are unemployed. As a last option, people that are unemployed or see no future on the Island, immigrates to other countries (Hastürer, 2005).

This demographic change resulted with a social tension between immigrants and the local Cypriot Turks. This was because of the differences between two groups; most of the Turkish settlers are from poor, rural areas of Turkey; they are socially more conservative than most of the Cypriot Turks and they are religiously more observant. (Bahçeli, 2004). This is also in accordance with Doob's (1986) quotes which are given previously as well as confirmed through both secondary and primary data.

> [Female – 28a]: I do not want to look down on those people but mostly worker class comes here from Turkey. Everything about them is bad, their clothes; the way they look at you... They do not come from normal places anyway; they generally come from Hatay and from East. I do not like them very much. They come for the day with ferryboats from Mersin [a harbour city of Turkey which is very close to North Cyprus], they rob places that their relatives determine beforehand and by morning they go back to Mersin. Every Cypriot talk about this, I remember that door locks are checked again and again. Robbery, murder increased significantly. Everything is attributed to them right away, but 99% they do it. (Güngör, 2002:50).

This also creates confusion in Turkey and frequently Cypriot Turks are asked "Why don't you like us?" "Always the same question; "Why don't you like Turks?" Well, I am Turk as well." (Güngör, 2002:50). The prejudice and therefore dislike is mainly against immigrants because they are "different".

US Department of State's 2007 Human Rights Report for Cyprus states that 61% of the prisoners in North Cyprus – Nicosia central prison were Turkish nationals. Like the above quote, there is a common perception in the Cypriot Turk public that most of the crime is committed by Turks from Turkey (Hatay & Bryant, 2008a:50).

Like in the above case, Cypriot Turks often approach immigrants negatively with various forms of resentment. They are called "fica" (explained later on), "karasakal" [ENG: black beard] (which can be used in a derogatory way although not necessarily it is a derogatory term), "fellah" [ENG: an Arabic origin word, originally meaning "peasant" but in Cypriot Turk dialect it is used in the meaning of "Arab gypsy"] and "gaco" (again refers to gypsy) are considered, unlike themselves, strictly religious, not civilised, very conservative and underdeveloped (Ramm, 2007:10; Hatay & Bryant, 2008a:59).

One of the above mentioned words, "fica" is frequently used to refer to the immigrants from Turkey which means seaweed in Cypriot Turk dialect. Seaweed is brought by the tide; cover the shores of the beaches and "clings to swimmers' skin". This is a strong example of 13th regression element, where "others" are associated with progressively subhuman traits. Psychologically, associating immigrants with a subhuman trait through referring to them as "fica", besides emphasizing their Cypriot Turk dialect and identity, Cypriot Turks also create a mental representation of immigrants as washing up Cyprus's shores, spoiling the natural environment through an unwanted invasion. (Hatay & Bryant, 2008b:435).

A writer associates poor immigrants as "black spots" which starts to appear on a white, flawless woman face leading to a referral of immigrants directly as a "disease" or "plague" which is "spreading" (Hatay & Bryant, 2008a).

> While passing the whitewashed houses, the odours that emanated from them told us what was being cooked that day. The whitewashed houses were this city's symbol. At one time they were like the white, flawless face of a woman. In all the clean innocence of the jasmine scent that soothes the soul. (Doğrusöz 2002:102)

Later on he explains how black spots represent people with different languages, skin and occupation from them (Doğrusöz 2002).

> "Others" are the ones who live in houses that we do not find reasonable to live in; are the ones who live under the conditions that we would never live; are the ones who do not talk like us; do not live like us; who verbally and physically harass women; who rape them; who steal and rob. Since we are not "them", who are we? (Erhüman, 2006:98).

The preceding quote represents the previously mentioned 4th element of regression (the group creates a sharp "us" and "them" division between itself and "enemy" – usually neighbouring – groups) and provides a picture of what constitute "others" for Cypriot Turks, but who are "us" in this conception and how do Cypriot Turks see themselves while making this type of solid division?

One of the most significant elements of "us" aspect of this sharp division was "yasemin" [ENG: jasmine] flower which is very strongly associated with nostalgic Nicosia and this is also associated with the 10th element of regression (the group's chosen traumas and glories are reactivated, resulting in a time collapse). It is a contrasting symbol compared to "fica" which is a dirty brown dead seaweed washed on the shore. "Yasemin" is clean, fresh, white indigenous flower of Cyprus which is carefully grown. It reminds Cypriots of old fresh summer evenings and necklaces made of jasmine flowers which were given to sweethearts. More importantly jasmine represents lost innocence of Nicosia and flower's association with "old days". (Hatay & Bryant, 2008b:435).

Besides being a current division symbol between settlers and Cypriots, jasmines also serves as a time continuum where the emergence of this symbolism actually provides us with the link between past and present meanings of identity for Cypriot Turks.

During 1960s, Cypriot Turk assigned important meanings to jasmines; this is an observable reoccurrence today. Jasmines were symbolising the period of time where division between "us" and "them" occurred for Cypriot Turks. Although in history research, the 1960s almost always dominantly depicts the war, not many discussions focus on daily social lives of Cypriot Turks during late 1950s and beginning of 1960s. After the first serious inter-communal fight occurred on 21

December 1963, many Cypriot Turks fled from their villages. During those days, they were exposed to indignifying experiences at Cypriot Greek checkpoints, had little access to supplies, fresh fruits and vegetables. Families whose extended relatives had fled from their villages were sharing their small houses with them, thus many houses were over-crowded. All types of supplies were controlled at Cypriot Greek checkpoints where often they were left to spoil or confiscated. These created highly militarised Cypriot Turks who were dependant both to their local Cypriot Turk administration and their "motherland" Turkey. (Hatay & Bryant, 2008b:439). By January 1964, Cypriot Turks organised a state which would serve as an administration and even established a post office. The primary profession of every Cypriot Turk became defending their community; even children of both sexes were trained to be able to participate in defence. In the Nicosia enclave, many local children recall no changes in their lives except the "influx of unwanted refugees from the villages". Since everyone was involved in contributing to the needs of the community defence and were under the Cypriot Turk administration, economic and social differences gradually flattened. Everyone who was able to hold a rifle, man and boy became *Mücahit* [ENG: a special name for Cypriot Turk fighters]; boys as young as 16-17 years old were going to the school during the day and during the night they were on guard duty which also impacted on the traditional hierarchy between younger and older. While men and boys were defending the community women stitched uniforms and girls cleaned and loaded guns (ibid.,439).

Given the situation, although Cypriot Turks were suffering a lot, in an exceptional situation in the enclaves they managed to create a normalised environment where they can enjoy their enclaved lives. During their resistance to keep their existence, they were not an ordinary group of people who were forced to live together but were working as "all together, as one body". This is a clear case of siege mentality as described in Chapter Two. During these 11 enclave years, they had a common goal and a meaningful purpose to dedicate themselves to. The symbolisation of "jasmine" refers to this period when in spite of their resistance to exist, they established the first state theatre (ibid., 439; Ersoy, 1998:73-74). In the stadiums, football matches were held with abundant sports teams as well as pole-vaulting competitions. There were also beauty contests and bicycle races. The latest Turkish films were shown in the cinemas with frequent appearance of famous Turkish artists who were coming to give morale to Cypriot Turks (Hatay & Bryant,

2008b:440). During that period, cinemas and "mücahit gazinoları" [ENG: fighter's clubs] (social gathering places with various activities for everyone within the enclave. i.e.: weddings, concerts etc) became popular centres for Cypriot Turks and many folk-rock bands formed by young men who let their hair grow, inspired from Beatles and the Monkees were performing in these places. They were also mücahit when they were not performing. When band names are looked into carefully, although these groups were making songs associated with love and freedom the names were very much associated with their struggle i.e.: the Fighters, Sinyaller [ENG: the Signals], Fırtınalar [ENG: the Storms], Adsızlar [ENG: the Nameless (plural)], Feveranlar [Outbursts] "Bayrak Quartet" [Flag Quartet] which later on became "Sıla 4" [ENG: Sıla means going back to where you were born and raised and reunite with your relatives, with the ones that you love] (ibid., 440; Adanır, 2001; Türk Dil Kurumu, 2009).

When in 1968, although Cypriot Turks were still in enclaves until 1974, the conditions eased; however they refused to allow Cypriot Greeks to their enclave areas. During his visit of enclaves in 1968, Volkan observed depression like symptoms in Cypriot Turks after restrictions were loosen and they "tasted the freedom"; they were not happy to go back to "their shabby houses" at night. His observation was that;

> Although they continued for the most part to live within the enclaves and
> to endure considerable curtailment of rights and shortages of goods, their
> adaptive-defensive illusions were no longer tenable. Their confinement had
> given them out of a situation of great discomfort and some danger a world
> shared with their compatriots in which the behaviour of the needy and their
> mythic saviour could be psychologically controlled. This world was now
> gone, and its inhabitants were faced with the humiliating recognition that a
> prosperous Greek life-style surrounded them on every hand. (Volkan,
> 1979:102-103).

During their confinement, Cypriot Turks aggression was built up and they believed a "fantasy" that once they control the Greeks, it would triumph. However, in reality they were under domination of Greeks who had the control of the larger "world" and they had to be submissive to that domination. This created an inward aggression and lowered Cypriot Turks self-esteem. Not letting Greeks into their enclaves was a way to maintain secrecy in order to control, and enjoy their "power"

although in reality this power was an illusion and a damaged sense of self-worth. (Volkan, 1979). Thus, the enclave period served for Cypriot Turks as a self-contained a "world apart" therefore felt that they have maintained some form of control which also gave them the sense that they determine their destiny. Living in the enclaves, only with compatriots, Cypriot Turks' socio-cultural live flourished the way it never had before and the centre of this was Nicosia; as men and boys were involved in the armed struggle this gave the traditional manhood values a new meaning, as well as impacting on everyone's understanding of what constitutes socio-cultural values. This period also contributed to the Cypriot Turks modernization which was closely following developments in Turkey helping the social and cultural developments of the new state that they hoped to form. (Hatay & Bryant, 2008b:440).

> This was, then, a period of suffering and struggle whose orientation towards a better, independent future gave it the character of hope and whose communitarianism made it also a form of enjoyment. It was this combination of struggle and hope, or suffering and enjoyment that makes the period suitable for nostalgia. (ibid. 441).

Hence, "breezy, jasmine-scented, fun-filled" Nicosia currently represents Cypriot Turks' longing for a better past, a past "characterised by an egalitarian struggle for an independent future". (ibid. 441). The struggle which occurred as a result of an abstract ideology becoming a reality in people's daily lives who fought and died in the name of "self-determination", to have some kind of control over their future and for their right to exist on the island.

Although, Cypriot Turks' experience of 1963 – 1974 is much different than now in terms of large group psychology, considering emotional scars the experiences during that period left as well as the meaning assigned to Nicosia as described above, the changes occurred in the "jasmine-scented, fun-filled" city alongside with differences in demographic profile reinitiated the association with the feelings of "humiliation", "struggle", "suffering" "hope" and "enjoyment". This is why jasmines are considered in the above conception as "us" by Cypriot Turks and currently there is a reoccurred division which psychologically separates them from "others".

The Sıla 4 music group which was introduced previously gave an interview for Caretta Magazine of Cyprus Turkish Airlines, April 2009 issue. In this interview group members explained the reasons of why the group was very successful among

Cypriot Turks. It was established in 1964 as "Bayrak Kuartet" [ENG: Flag Quartet] which later on in 1967 became "Sıla 4" with change of group members as a result of some of them leaving Cyprus for higher education. After they have lost one of their group members to a car accident, Raif Denktaş (one of the sons of 1st president of TRNC, Rauf Raif Denktaş) and giving 40 years of interval except some memorial concerts dedicated to him and getting together between themselves, recently they have entered the studio and released their album "Sıla 4 - 2009" this year. This new album has already broken national sales record and there are demands from the UK and Australia too (which are the main countries that Cypriot Turks have been immigrating to since 1950s). (Caretta Magazine, 2009:69, 72).

They were popular during 1960s for number of reasons. Besides being a respected, quality music group, more importantly they have provided a "shared reservoir" for Cypriot Turks who were struggling for existence. However, according to Sıla 4 besides this struggle, Cypriot Turks were in the struggle to protect their essence, culture and identity. In other words, they were ready to embrace and accept anything that was made by Cypriot Turks. Sıla 4 achieved this through offering the society with their folklore, poetry and songs which were about to disappear. They have visited many villages during that period and managed to gather as much information as they can from the elders, then they rearranged the compiled songs (ibid.,69-71).

The reasons why Sıla 4 was so popular among Cypriot Turks have a very similar story of what Cypriot Turks experience currently. When the current socio-psychological state of Cypriot Turks is analysed, protection of their culture and essence from "others" and repairing their damaged identity "tent" is a struggle that they are psychologically facing. As a result of demographic change which occurred over decades, now Cypriot Turks are in minority. (Bahçeli, 2004; Ramm, 2007). Therefore the fear of extinction significantly initiated Cypriot Turks' "shared reservoirs" such as jasmines, and Sıla 4. Thus, it can be seen that either willingly or not, Sıla 4 retook the same mission within the society. Cypriot Turks are currently in the process of re-discovering and protecting their collective identity.

TRNC has one of the best living standards than any of the other de-facto states as a result of significant economic and financial support from Turkey; however still collective identity is a significant part of the political struggle of the Cypriot

Turks (Bahçeli, 2004; Ramm, 2006). Previously mentioned mass demonstrations are more than to support a particular political opinion. Whether they were for or against the Annan Plan, both groups expressed a strong manifestation and conception of Cypriot Turk identity (Ramm, 2006). However the conceptions of large group identity were very much different from each other, which was another proof of large group identity confusion in North Cyprus.

It is agreeable among most of the Cypriot Turks that no unified conception of collective identity exists; contrarily it became a major part of the political struggle within Cypriot Turks (Ramm, 2006). However, this problem is shared with South Cyprus as well; both communities imported their national identities from their "motherlands" during Britain's rule; therefore some of the writers blame Britain for the differentiated nationalist identities (Tahsin, 1995; Ramm, 2006). Nevertheless, "Cypriotism" refers to cultural and traditional commonalities shared by both Cypriot Turks and Cypriot Greeks. According to this approach, before problems broke out in the 1950s, both Cypriot Turks and Cypriot Greeks lived peacefully together. (Ramm, 2006).

According to a study, Cypriot Turks have the tendency to adopt "Cypriot" identity against Turkish people, and against "Cypriot Greeks" they stress on their "Cypriot Turk" identity. According to t his study, the general tendency among Cypriot Turks is adoption of the "Cypriot Turk" identity (Gürkan, 2007) and only very few Cypriots adopted the "Cypriot" identity as its simplest and purest form (Vural & Rüstemli, 2001).

This adoption of "dual" identity depending on the person who they speak to is also evident from an interview;

> [Female-28b] Recently, among Cypriots something has started which we can call "Cypriot nationalism". They define themselves as "I am solely Cypriot". When someone asks me in London; "Where are you from?" I say "I am Turkish". When someone asks the same question in Turkey I reply "I am Cypriot". (Güngör, 2002:16).

5.1.1.6. Evidence for the 14th Element

The last regression element which is categorised under macro level analysis is the 14th element, the group experiences geographical or legal boundaries as "second skin". Current political situation which lead to an unrecognised country created an "invisible enclave" for Cypriot Turks. As a result of this, they experience many limitations as "second skin" which include common human practices that if someone has them it is something "natural" and their non-existence is not considered such as travelling with "your" passport, having a postal address, making sports competitions with other countries, participating in song contests such as Eurovision, having someone representing your country in Olympics, entering into trade relationships with other countries without any practical problems and the like.

Although practical consequences of these on business are analysed in depth at micro-level in the following section, in terms of its macro level a discussion of the limitations are given in order to provide a bigger picture on the ways the "second skin" exists in North Cyprus so that micro-level analysis can be understood better.

After 11 years of literally living in enclaves, Cypriots Turks are currently living a further invisible enclave as a result of the already established borders which are also acting as an intrusion to the Cypriot Turk identity (Volkan, 2004). Although Cypriot Turks are individually showing effort to destroy these borders by gaining EU passports etc, the fact of the borders still exist. IPM33 "An imaginary world has been established, we are living in it".

Since 1963, Cypriot Turks are facing different forms of economic, democratic, social, and cultural, sports, and education embargoes (Cyprus Turkish Chamber of Commerce, 2007). In order to reach a residence in North Cyprus, first Turkey's international area code must be entered; also there are no direct flights from anywhere in the World to the North Cyprus except Turkey.

Cypriot Greeks are recognised as a legitimate state by the World; whereas Cypriot Turks are only recognised by Turkey. The reality of unrecognition by the World states created an "invisible enclave" for Cypriot Turks which acted as a continuation of the previous enclave years. Still embargoes on Cypriot Turks continue and they cannot have typical human rights; this leads to the feeling of being

second class world citizens. International posting is done through Turkey; Cypriot Turks cannot participate in any international sports events. Moreover, there are no direct flights to North Cyprus; there is no foreign investment; it is impossible to trade with foreign countries directly and the international community does not recognise passport and travel documents that North Cyprus authorities issue; this is solid evidence that they have no large group identity that is legitimately recognised by the World. (Volkan, 2008a:203; Cyprus Turkish Chamber of Commerce, 2007).

Until May 2003, that is before the Republic of Cyprus entered into the European Union, besides being "a prisoner" under this second skin, Cypriot Turks have not had the individual rights they have acquired after May 2003 as being indigenous Cypriots.

A passport scandal broke out in 1995, when it was discovered that many Cypriot Turks either held or obtained the "Republic of Cyprus" passports. Following that President of that time, Rauf R. Denktaş announced that through semi-official newspapers that "anyone caught with a 'Republic of Cyprus' passport would be subjected to five years imprisonment and a large fine". During the passport scandal, it was discovered that many of the top ranking ministers in administration also "held and occasionally used" Republic of Cyprus passports (Navaro-Yaşın, 2003:113). According to Republic of Cyprus laws, as long as a person can prove that he/she has indigenous Cypriot parents or is married to an indigenous Cypriot, he/she can get a Republic of Cyprus passport. After the borders were opened in April 2003 as a sign of goodwill by the TRNC, 80,000 Cypriot Turks have obtained Republic of Cyprus passports (Volkan, 2008b:104). As the Republic of Cyprus accessed the European Union in 2004, Cypriot Turks saw its passport as a gate to access Europe "with a recognized passport and without a visa". Currently, the TRNC passport is not recognised and is not accepted in International airports. This leaves Cypriot Turks in the dilemma of identity; even though they can get Republic of Turkey passports as well, this does not give them the right to work and reside in Turkey; if they get Republic of Cyprus passports they do not enjoy the privileges of the Cypriot Greek citizens of Cyprus (Navaro-Yasin, 2003). Two distinctive cases from the primary data are presented here;

IPM05: Of course it is a comfort [owning the Republic of Cyprus passport], as you know, we use Republic of Turkey passport for our travels to the Middle East. Of course, when we go overseas, we open our briefcases and we take three passports. People look at this with amazement. [He opened his briefcase, and put three different passports on the table, showing them to the researcher; Turkish Republic of Northern Cyprus, Republic of Turkey, and Republic of Cyprus passports.] People have trouble in understanding this. I mean, this is how it is in practice and they take all three and check them one by one."

IPM06: 8-10 years ago, one of my friends sent an invitation from Germany. He said I am towards the end of my appointment, come here for a week and let's chill for a week or 10 days together. He was a very high ranked elder brother; I said OK brother, I will come. I have never seen Germany before, so I thought I can go and have pleasant 10 days. At that time, the borders haven't been opened yet and I didn't have an identity which was valid within the European Union. There was no Germany Embassy, they had only one bureau; I went there. The person who sent me the invitation was working at the Republic of Turkey – Germany Embassy. I have taken the invitation as well because he warned me to take it so that you can get the thing [visa]. There was a young, nice girl sitting I cannot say that she was attending the high school but most probably hasn't finished the university yet at that time; an official who knows Turkish poorly and questioning me on why I will be going there. I will never forget her face expression when she opened and looked at my Turkish Republic of Northern Cyprus passport. As if she was making fun of me, she said "this is no good". I said "why not"? She told me to go and get a Turkish passport [Republic of Turkey]. Although I knew it would made no difference, I gave an identity fight, I said I am Cypriot, Cypriot Turk for one reason or another there have been many incidences out of my control. I am a world citizen, but Turkish, Cypriot Turk, you cannot send me to get Turkey's passport or go to South to get Rum [Cypriot Greek] passport or go to Germany and get German passport, no one has to give these to me. I am a Cypriot Turk, I am a human being, I am not a thief, I am not a wrong person, I have got an invitation for 10 days, I will go to Germany and I have the financial situation to take there and spend as much as money you want, I have no financial trouble. There I insisted that I am a Cypriot Turk

and to send me with that passport first nicely, then I have raised my voice but unfortunately did not help, and of course eventually, with the help of the person who invited me, I went to Republic of Turkey embassy, I got my passport from there and I have travelled with that passport. Of course, these are sad things... I felt like I was a son of a bitch, I am not a step child, even if I was, someone has to take care of me, and of course at the end of the day, Turkey took care of me but I wish I could have gone to Germany or anywhere in the world with my own passport, with my own identity but I didn't have that chance. However, now we caught that chance; how did we, well since we have born before 74 [1974], we got our Cyprus Identity very easily and now with that we can go anywhere we want but the conversation that I had for half an hour with my Turkish Republic of Northern Cyprus identity before borders were open and before I got that identity made me really sad; because I did nothing to deserve that. That short, that squat that German girl made me really sad; of course she might have her own reasons but these are the difficulties of being unrecognised.... It is strange that I have two identities in my pocket, one person two identities, very strange feeling. It shouldn't be this way. I am a Cypriot Turk, that's it. The one identity I have should be valid all around the world within that mentality, I am a Cypriot Turk.

As a way to get out of the problems of North Cyprus such as unemployment and unrecognition, usually younger generations prefer to study or work overseas. In the case of Ayşe, she applied to different foundations and possible institutions that she can get a scholarship to study abroad. One of the first questions an individual has to answer is the citizenship; one might think how hard can it be to answer this question? When she writes that she is a TRNC citizen, as TRNC is not recognized, she is not recognized either and her application is not filed. When she applied as a citizen of the "Republic of Cyprus", she cannot benefit from the funds reserved for the "Greek" citizens of Cyprus. "Ayşe is off the records of the international system too. She has no 'identity' that can properly be translated into the accepted terms of international practice". (Navaro-Yasin, 2003:114).

Perception of desperation and hopelessness; and existence between identities reflect two very important elements of Cypriot Turk identity discussion (Ramm, 2006). This is reflected in a short statement of a 29-year old male Cypriot Turk from

Güzelyurt (Morphou) "I am a Cypriot, I am a Turk and I am unlucky" (Güngör, 2002:57). A strong identity crisis, which is also described as "imagination of loss, dilution, forgetting, lack" can be traced back to the "deep-rooted experience of insecurity and outside domination" which had been impacting many Cypriot Turks' lives since 1950's until today (Ramm, 2006).

This picture, as an interesting frame, is worth sharing which is as a physical link of past to today.

Photograph 25: This photograph is taken in Nicosia, near Ledra Palace Border
Currently there are people living in the flats and on the ground floor of the apartment there are businesses running. Shell and bullet marks are still visible on the building.

According to Psychoanalyst Vamik Volkan, Cypriot Turks lost their collective identity as individualism has increased and societal responsibility has decreased; which in return caused problems such as; environmental pollution. He

explains how in psychiatry, when an individual experiences a traumatic experience or experiences a life changing event, it is possible, that individual can return to the early stages of their development. (Basri-Akter, 2006). He connects this to the current collective identity problems of Cypriot Turks and their experiences as a society throughout the near history.

After literally being in enclaves for 11 years; since 1974, Cypriot Turks still continue to live in an invisible enclave (Volkan, 2008a:203). However, according to Volkan, (2008) Cypriot Turks are still not aware of this symbolic invisible enclave in their daily lives; yet they refer to the invisible enclave as "isolation" and they talk about limitations they experience in travel, sports and the like. The details and implications of the "invisible enclave" are discussed at micro-level, mainly under Chapter Six while discussing the entrepreneurial environment.

5.1.1.7. Evidence for 15th and 17th Elements

Analysis support element 15, where the group focuses on minor differences between itself and enemy groups, and element 17 where group members become overly concerned with the notion of "blood" and an associated homogenous or purified existence substantiate among Cypriot Turks.

Different forms of Turkish are spoken in many Turkic countries (i.e.: Azerbaijan, Uzbekistan, Turkmenistan, Kazakhstan and Kirghizstan) and their dialects are different from each other. However a Turkish theatre actor and intonation expert suggested that although he uses Cypriot Turk dialect while shopping and the like and he finds Cypriot Turks' "language" "very sympathetic"; on radio and TV stations a "standard Turkish should be used so that communication can be done successfully" (Kıbrıs Newspaper, 2008).

In another example, a Cypriot Turk character, "Nadir" was created for one of the most popular sitcoms in Turkey, "Avrupa Yakası" [European Side] for episode 185 which was aired on 29 April 2009 and many Cypriot Turks watched it through the original broadcasting channel.

Nadir's mother was a Cypriot Turk and father was a rich Turkish man who was very fond of his son to the extent that Nadir felt pressurised, so when he was 20 years old, he and his mother escaped to North Cyprus and now he was back since he

heard that someone who looked just like him is after his father's 30 million USD wealth; whereas he wanted the wealth for himself. (Avrupa Yakası, 2009:185).

Considering the fact that now cultural elements became shared reservoirs of Cypriot Turks, this character represented sensitive issues for them and was an opportunity to see the sensitivity of Turkish people (although a sitcom cannot be a reflection of the whole population it is perceived an extension of the view on Cypriot Turks).

In a local daily newspaper "Havadis Gazetesi" on 1 May 2009 the episode was criticised based on the issues such as the dialect (use of non-existent phrases as if they were part of Cypriot Turk dialect, mispronunciations, common use of English words to represent Cypriot Turk dialect), appearance of the player and how the writer tried to smoothen the humour by referring to the Cypriot Turk dialect occasionally as "sweet" both in the script and as her response to Cypriot Turks. (Havadis Gazetesi, 2009).

Photograph 26 and 27: "Fictional character Cypriot Turk Nadir" (Avrupa Yakası, 2009:185).

Within current sensitivity of Cypriot Turks on elements related to their identity, these perceived as "looking down" and "disrespectful" issues such as a different naming of a certain Cyprus dessert, the referral of Cypriot Turks dialect as "Look at him! He speaks so mellifluent that the meaning of what he says can only be understood afterwards"; "The Cypriot dialect carries you away and you suddenly

realise actual tenseness of the situation afterwards". In the above pictures, "Nadir" has the Cyprus dessert in a jar in one hand and a gun in the other. This is another sensitive issue because it is a very common opinion among Cypriot Turks that armed violence is introduced to Cyprus after casinos were allowed. There is also a referral to casinos, where "Volkan" the person who is identical with "Nadir", asks him whether they escaped to Cyprus to gamble. Also, many complained that unnecessary amount of English words were used in the Cypriot dialect which many of them are not in use any more, such as "breakfast" for the morning meal. (Havadis Gazetesi, 2009).

Considering the sensitivity of these issues, although this was only part of a show, still it offended many Cypriot Turks as it included every misconception that they have been complained about and served as a confirmation that people in Turkey "do not know them"; right after the episode, they formed a Facebook group protesting the writer. The writer replied to criticisms and protests by defending herself for each element she was criticised on and stressing that there was nothing degrading or offending to Cypriot Turks. (Havadis Gazetesi, 2009).

These type of externalising acts, although in some cases are done without bad intentions, makes this dialect issue a sensitive topic which is one of the main things that leads to a sense of separate identity than Turkey. Very good quotes which show the importance of this issue is from Güngör (2002);

> [Male – 29d] Rich people's kids come here for university, they mock our accents; they look down on us as if we are peasants. (Güngör, 2002:156).

> [Female – 28b] Now when I talk to a Turk beyond my power I speak *Türkiyelice* [with a Turkish accent]. Being in the same environment with a Turk and a Cypriot Turk at the same time makes me uncomfortable. Because, unwillingly my accent changes when I am next to a Turk, then I start to worry about what that Cypriot Turk will think of me. ...My first boyfriend was Turkish and he always told me that I have to change my accent; he was ashamed of the way I speak. We fought a lot because of this, I was telling him "you talk the way you do, and this is how I talk, do not interfere with me." But they do not know us at all. I have come across many questions such as "which currency do you use?", "what does your flag look like?"; "do you speak Greek?"; "Are you speaking Turkish with

an accent because you speak Greek in Cyprus?" All these questions show that there is a big ignorance. (Güngör, 2002:17-18).

[Male – 29e] Turkish people do not know us. They do not even try. I rarely came across with very few people who show effort. ... If the accent is different, they find you weird. (Güngör, 2002:37).

Besides these differences, there are also some expressions used by Turkish people as well as some attitude towards the cultural elements which increase Cypriot Turks humiliation and offense related feelings;

[Male – 29e] I never forget this, I wasn't even going to primary school during that time, and I was at the beach. I had an argument with a Turkish child and first he called me "İngiliz piçi" [English bastard]. The argument became more tense and this time he called me "Rum piçi" [Greek bastard]. We often face with these types of expressions, the remarks which start with "If we weren't there for you..." (Güngör, 2002:38).

[Male – 29e] Turkish people want to live Turkey in Cyprus....They do not accept that döner [a type of kebab dish] can be eaten with pide [pitta bread], it has to be eaten in bread. When you are in another country, you taste that country's cuisine, try to understand their culture. Not all but most of them want to continue their habits here as well (Güngör, 2002:38).

Result of these differences which caused a negative atmosphere between the common people of Cypriot Turks and Turks; is currently reflecting onto different settings from university campuses to the electronic environment. It is observable that, no matter what the content is (Pictures around the island, Cypriot Turk music groups singing, and comedy movies made in Cypriot Turk accent, a piece of article written on a specific issue and the like), especially on websites like youtube.com, the presented material initiates an argument between Cypriot Turks and Turks, leading to sentences starting with "if we weren't there for you...", "before you came, we were sleeping safely with our doors open..." and dense arguments with curse words on both sides.

Currently at university campuses there is segregation between Cypriot Turks and students from Turkey which creates serious concerns among university

authorities for it can result with violence. Usually, a Cypriot Turk dating with Turkish or vice versa is not very welcomed which is a mild form of regression element 17 (regression element 17: group members become concerned with the notion of blood and an associated homogenous or purified existence) and it is also a daily life evidence of regression element 4, "the group creates a sharp "us" and "them" division between itself and "enemy" (usually neighbouring) groups".

Cypriot Turks, although they consider themselves as Muslims, have long been a secular society and rarely a Cypriot Turk attends mosque regularly. Also, many Turkish immigrants, after living in Cyprus, become less religious. (Hatay & Bryant, 2008a:61). Given the religious and nationalistic characteristics of Cypriot Turks, Cypriot Turk university students refer to Turkish students as "extreme religious" or "extreme nationalist" feeling dissimilar which these two categorisations also reflect current political "secular" and "religious" debates of Turkey. (Volkan, 2008b:104).

5.1.1.8. Evidence for the 18th Element

18th element, which refers to the group's engagement in behaviours that symbolises purification, is significantly evident among Cypriot Turks.

The pessimism of the youth on keeping their identity and culture was observed during primary data collection, when he shared his worry jokingly by saying that; "a day will come where, us Cypriots (referring to Cypriot Turks) will be such a minority that we will be kept within Nicosia city walls, or maybe even in a museum. They will say, once Cypriot Turks existed in Cyprus".

Based on the observations (primary data) that took place in different points of time from 2006 - until 2009 whose details are given in Chapter Three – Methodology, it is evident that, given the previously described socio-cultural environment (i.e.: immigrant issues, economic conditions etc) Cypriot Turks show effort to use their dialect even more strongly than before which shows itself not only in daily conversations but also through TV and radio programmes which were also criticised by the Supreme Broadcasting Board in October 2009 (for more information please follow the reference: Yayın Yüksek Kurulu, 2009), use certain elements related with their land as symbols such as jasmines which was explained in

depth previously and they try to protect their cultural elements such as women performing "henna nights" before the weddings and the like. All these are related to regression elements 15 (focus on minor differences) 17 (being overly concerned with the notion of blood) and 18 (engaging in behaviours symbolising purification).

5.1.1.9. Evidence for the 20th Element

Another regression element that was substantiated through analysis in North Cyprus is the 20th element; "the group turns its physical environment into a gray-brown, amorphous (symbolically fecal) structure (Volkan, 2004:60-61).

Photograph 28 (Kıbrıs Newspaper, 2009a)

Photograph 29 (Güler, 2008)

Photograph 30 Taşkent Village near the painted flag – Picnic Area

Besides random environmental pollution and fires which have been occurring as a result of ignorance there are also specific cases which have turned Cyprus, which was once called "Yeşilada" [ENG: Green Island] into a dumpster.

One of the main environmental problems is currently the stone quarries which are located on the only mountain of North Cyprus, Beşparmak Mountains. The number of stone quarries was 18 in 2008 which have been active on Beşparmak Mountains and in the same year, eight more were given permission. (Cansu, 2008).

Photograph 31

Photograph 32

The daily production of 18 stone quarries is 400 lorries. The reason why this many stone quarries are active is because of the attraction of the profit margin. There are no tight control and sanctions on stone quarries. A company may open one by depositing 100 Turkish Liras (40GBP) and pays nothing else. The only expense is energy and dynamite which are used to break stones and these companies do not pay any fees to the government for stones they are extracting. (Cansu, 2008). Environmentalist associations are protesting these quarries on the ground that they are destroying forests, natural habitat for wild animals, decreasing the rain fall and also human health as well because of the dust.

Photograph 33

They are complaining that "the area that TRNC covers turned into a dumpster". There are also concerns for the long-term future as well as within 50 – 100 years or so, if stone quarries continue their extractions then Nicosia and Kyrenia will be connected and people in Nicosia will be able to see the sea as there will be no mountain view "obstructing" it. (Cansu, 2008).

There are also other issues such as water pipes with asbestos in Nicosia, Kyrenia, Gönyeli ad Lefke total 172 kilometres long and base stations of private mobile phone companies within very close proximity to populated areas such as in Nicosia which people are concerned with their impact on health of citizens. Also Mustafa Camgöz who is currently a professor in Imperial College, as a part of "orchid walk" visited North Cyprus and said that they have made an analysis of the soil in order to be able to define the problem and to search for an answer of why certain cancer types are seen more frequently than others in North Cyprus. As a result of their studies, they found "frighteningly high levels of arsenic" as a result of pesticides that are used in agriculture. Another environmental problem is Dikmen Garbage Dump which is burned from time to time in order to clear out the space and this excretes enormous amounts of toxic gas. Vamik Volkan's observation is that day by day North Cyprus is becoming even dirtier and this pushes the identity confusion of Cypriot Turks even further (Düzgün, 2008).

5.2. Synopsis of the Evidence of Regression Elements Among Cypriot Turks

Table 23 highlights the main evidence of regression signs among Cypriot Turks that were discussed in this section to provide a bird's eye view.

Table 23: Summary of the Evidence of Regression Elements among Cypriot Turks

SUMMARY OF THE EVIDENCE OF REGRESSION ELEMENTS AMONG CYPRIOT TURKS
3rd element: *the group becomes divided into "good" segments – those who obediently follow the leader – and "bad"-those who perceived to oppose the leader.*
In 2000, with the banking crisis the 3rd element became visibly evident. Bank owner – President relationship emphasised the privileges acquired through closeness to power. Division elevated with the unjust distribution of national wealth acquired after the war (1963-1974).

4th element: *the group created a sharp "us" and "them" division between itself and "enemy"- usually neighbouring- groups.*
With the introduction of UN Settlement Plan (Annan Plan) in 2002, society divided into two "us" and "them"; people who love their flag, nation and consider Turkey as their motherland, defend independency of TRNC and see protection of Turkey as vital ("good" segments); and people who "love" Cypriot Greeks, seek and value opportunities made available through EU membership, consider Cyprus as their motherland and believe they have more commonalities with Greek Cypriots than Turkish people ("bad" segments).
8th element: *Group members experience increased magical thinking and reality-blurring.*
During 1963-1974, Cypriot Turks shared a myth of a secret or uniquely effective weapon. Cypriot Turks mythologized about a "great weapon" in which they were in agreement about the weapon's location. This element no longer exists.
10th element: *The group's chosen traumas and glories are reactivated, resulting in a time collapse.*
Reiteration of the ethno-nationalistic (Turkishness emphasized nationalism) discourse through different mediums such as; official nation-wide celebration or memorial days of the 1963 attacks of Cypriot Greeks, establishment of Turkish Resistance Organisation, the Republic of Turkey's establishment, through various events held by non-governmental organisations (NGOs) and the like, so that the time that passed from the day of the initial trauma occurred is ignored, and the society feels like the trauma occurred "yesterday".
11th element: *The leadership creates a break in the historical continuity of the group and fills the gap with elements such as: "new" nationalism, ethnic sentiments, religious fundamentalism or ideology, accompanying "new" morality, and sometimes a "new" history of the group purged of unwanted elements.*
The history books (from elementary school onwards) that previously emphasised strong nationalist perspective with photographs of brutality (e.g.: photographs of children killed in a bath tub) were rewritten in order to further develop the peaceful co-existence with Cypriot Greeks. Cypriot Turks proposed the project of modification of the history books and received 69,000 USD for this purpose from the European Union. Related with the 10th element above, it also in the long run might result in time collapse through erasing the socially traumatising event (inter-communal conflict).
12th element: *Group members begin to experience some of the group's shared symbols as protosymbols.*
An association was established during the beginning of 2000s to illuminate the giant flag which was painted on Beşparmak Mountains during the beginning of 1990s, so that it can be seen during the night as well; it flashes Turkey and TRNC flags in order. For Cypriot Turks the flag "symbolizes TRNC, Cypriot Turks honour and the battle of social existence". In 2007-2008 many new very large flags were set up in various places within North Cyprus.
13th element: *Shared images depict and dehumanize enemy groups with symbols or protosymbols associated with progressively more subhuman traits; demons, insects, germs, human waste.*
Although traditionally in Cypriot Turk discourse, "enemy" is considered as Cypriot Greeks since the initial massively traumatising event occurred between these two parties; this sharp division is visible

between Anatolian settlers and Cypriot Turks as well. Turkish settlers live within the Nicosia city walls in "insufficient and insecure" houses and Arabic or Kurdish is the first language of many of them. Cypriot Turks often approach immigrants negatively with various forms of resentment. They are called "fica" [seaweed] (Seaweed is brought by the tide; cover the shores of the beaches and "clings to swimmers' skin, and immigrants are seen the same way), "karasakal" [black beard] (which can be used in a derogatory way although not necessarily it is a derogatory term), "fellah" [an Arabic origin word, originally meaning "peasant" but in Cypriot Turk dialect it is used in the meaning of "Arab gypsy"] and "gaco" [again refers to gypsy] are considered, unlike themselves, strictly religious, not civilised, very conservative and underdeveloped. Also poor immigrants are perceived as "black spots" which starts to appear on a white, flawless woman's face leading to a referral of immigrants directly as a "disease" or "plague" which is "spreading".

14th element: *The group experiences geographical or legal boundaries as a "second skin".*

Current political unrecognition creates an "invisible enclave" as a result of legal boundaries. Cypriot Turks do not have a passport that is recognised so that they can travel; there are no direct flights to the North part of Cyprus. They cannot participate in sports and arts competitions that are accepted worldwide; such as Olympics, Eurovision song contest, World Cup etc. When someone phones a person who resides in North Cyprus, before the phone number, and North Cyprus's code, Turkey's national code +90 should be dialled. International posting is done through Turkey, and imports come to North Cyprus through Turkey's Mersin harbour.

15th element: *The group focuses on minor differences between itself and enemy groups.*

Cypriot Turks have sensitivity regarding their dialect and they get offended when it is commented on by Turkish people and they emphasise the difference between their dialect and Turkish people. Although Cypriot Turks are Muslims, they are more secular than many Turkish people, as unlike them, Cypriot Turks do not attend the mosque as Turkish people do. Apart from the minority of Cypriot Turks that occasionally attend to Friday prayers at the mosque, the rest of the males of the society only visits the mosque when it is a religious holiday. They also emphasise their culinary differences and feel insulted with the way Turkish people perceive these differences of dialect, food and flavours; religion, customs and traditions.

17th element: *Group members become overly concerned with the notion of "blood" and an associated homogenous or purified existence.*

Because of the focused differences discussed in element 15, currently at university campuses there is segregation between Cypriot Turks and students from Turkey which creates serious concerns among university authorities for it can result with violence. Usually, a Cypriot Turk dating a Turkish or vice versa is not very welcomed.

18th element: *The group engages in behaviours symbolizing purification.*

Cypriot Turks show effort to use their dialect even more strongly than before which shows itself not only in daily conversations but also through TV and radio programmes. In connection with the attempt to protect their cultural elements and large group identity, use of certain symbolical elements that are related with their land (i.e.: jasmines); women performing "henna nights" before the weddings and similar elements and practices increased visibly.

20th element: *The group turns its physical environment into a gray-brown, amorphous (symbolically fecal) structure.*
One of the main environmental problems is currently the stone quarries which are located on the only mountain of North Cyprus, Beşparmak Mountains. The number of stone quarries was 18 in 2008 which have been active on Beşparmak Mountains and in the same year, 8 more were given permissions. There are also other issues such as water pipes with asbestos in Nicosia, Kyrenia, Gönyeli and Lefke in total 172 kilometres long and base stations of private mobile phone companies within very close proximity to populated areas such as in Nicosia which people are concerned with their impact on health of citizens. There are "frighteningly high levels of arsenic" in the soil as a result of pesticides. Also, the Dikmen Garbage Dump is burned from time to time in order to clear out the space and this excretes enormous amounts of toxic gas.

5.3. Large Group Identity Confusion

As the division among Cypriot Turks became very solid during the Annan Plan referendum in 2003, majority of the Cypriot Turks started to differentiate their identity from that of Turkey which also reflected into the general elections for the parliament; a pro-settlement left-oriented political party had the highest number of Member of Parliament. Referring to Tent Analogy we can see that division within the society occurs as a result of series of phenomena. The socially traumatizing event, impacts layers of society (i.e.: large group's identity and individual level, individual identity). When a socially traumatizing event occurs, certain emotions emerge such as; humiliation, inability to mourn and the like. These lead to the large group identity confusion, which then causes inward aggression and these results in division of the society. Although these are discussed in detail in Chapter Two, it was helpful to show the relationship here so that the large group identity confusion discussion that is presented here can be understood better. This relationship from socially traumatizing event to the division of the society is presented in figure 16.

Figure 16: Large Group Identity Confusion
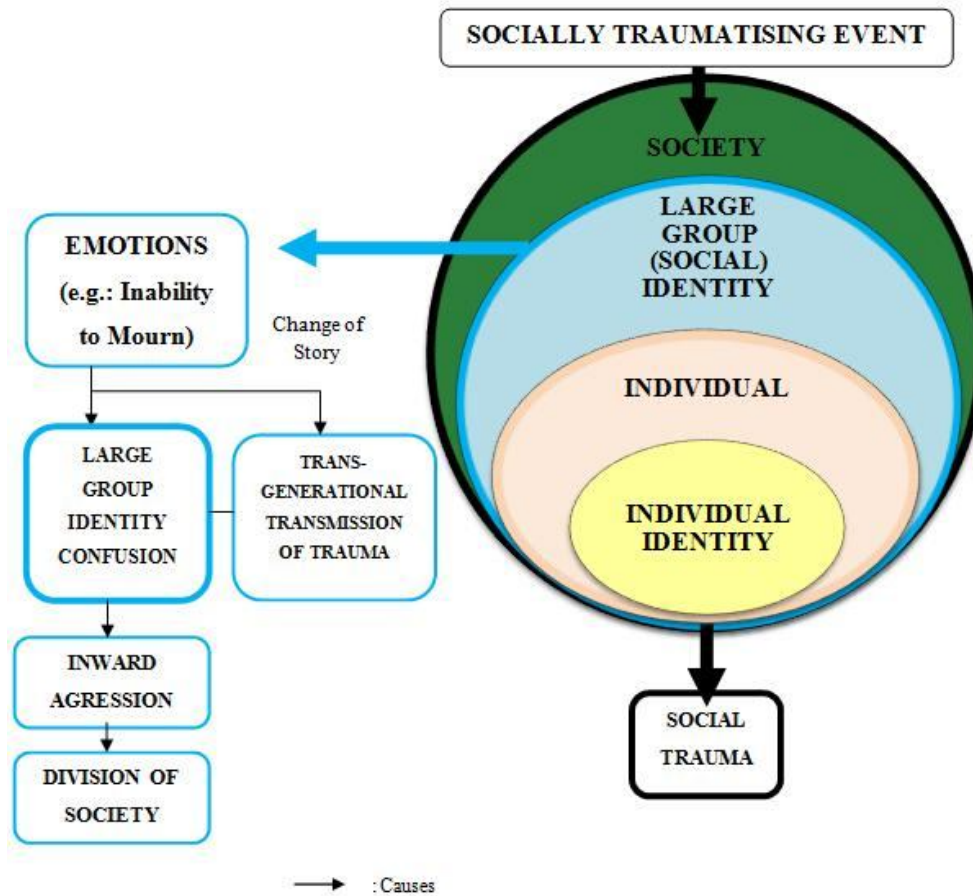
Especially within the last 10 years it is strongly visible that Cypriot Turk dialect which is an element that they "feel" the humiliation from "others" and Cyprus songs and cultural elements such as certain songs and the like started to create this reservoir which in some discourses is referred to as "Cypriot nationalism". These shared reservoirs are playing an important role in Cypriot Turks identity search. Besides, excess nationalist symbols within the society, some of the statements of the first president and an important figure of Cypriot Turks, R. R. Denktaş created the detachment between the society and its leader.

In 1995, at a conference he characterized himself as;

I am a child of Anatolia. With all of mine I am a Turk, and my roots are in Central Asia. With my culture, my language, my history and my whole personality I am a Turk. […]There are neither Turkish Cypriots or Greek Cypriots, nor Cypriots. […]the only Cypriot living in Cyprus is the Cyprus donkey. (Ortam 13. 11. 1995 cited in Kızılyürek, 2003:293-294).

A different version of this statement was; "the only Cypriots are the wild donkeys of the Karpaz peninsula"; recognizing "Greeks" and "Turks" living on Cyprus who are ethnically and culturally indistinct from the population in Greece and Turkey (Lacher & Kaymak, 2005:155).

Later on he claimed that these were Archbishop Makarios's words; refusing that these were his. In an interview for a magazine in 2008 he stated that he was conveying a short anecdote that occurred between a female journalist and Makarios and he claimed that those were the words of Makarios to answer the journalist's question of "As the president of the Republic of Cyprus, how can you demand enosis?" He also stated in the same interview that "Cypriotism" refers to something that is introduced to make Cypriot Turks forget about their Turkishness and to open a door for assimilation. [TR: Bu "Kıbrıslılık", yani Türk olduğumuzu unutmak, asimilasyona kapı açmak anlamına gelen bir şeydi bizim için] (Şenver, 2008).

According to this perspective, self-determination was something to be pursued within the larger framework of Turkish nationalism and there is a statement of "a fundamental denial of a Turkish Cypriot identity distinct from Turkish mainlanders"; thus contextualizing "self" as an extension of Turkish nation rather than Cypriot Turks. (Lacher & Kaymak, 2005:155).

All these abovementioned factors led to a solid distinction between nationalists who advocate strong links and "identicality" with Turkey and Cypriot Turks who tried to hold on to their shared reservoirs to strengthen their Cypriot Turk identity with an emphasis of difference between themselves and Turkish identity.

5.4. Conclusion

This section discussed the chosen traumas of Turks and Greeks and their strong connections to Cyprus history. Social trauma of Cypriot Turks was evidenced through mainly secondary data evidence by looking into the regression elements and large group identity confusion among Cypriot Turks in North Cyprus. Evidence based discussions provided the background information on social trauma and Cypriot Turks which was necessary in order to analyse social trauma's link to unethical practices through the case study of Cypriot Turks which is discussed in Chapter Six.

CHAPTER SIX

CONTEMPORARY ENTREPRENEURIAL ENVIRONMENT AND BUSINESS ETHICS PRACTICES[13]

6.1. Introduction

Revisiting the research aims; at conceptual level this research aims to contribute to the broader understanding of the relationship between social trauma and business ethics and to provide a framework that integrates these two for future studies. At empirical level, it seeks to explore how and according to what Cypriot Turk entrepreneurs make their business decisions within an ethics framework; what account they give for the motives of these decisions and how social trauma impacts their daily practices. Figure 17 shows the summarised structure that this chapter presents its discussions.

Figure 17: Summarised Structure of Chapter Six
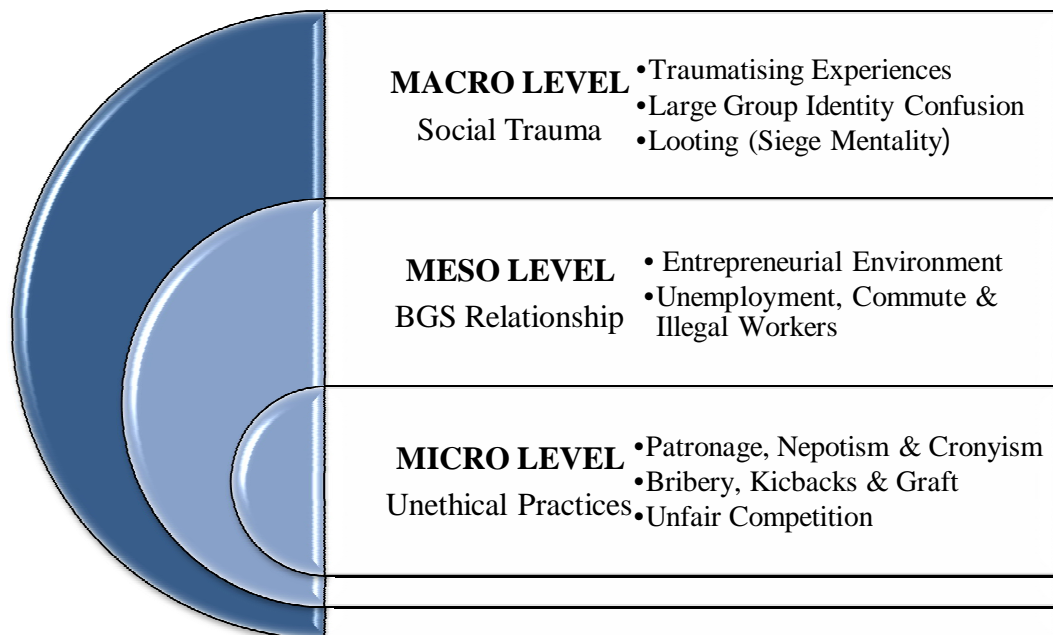
As it was described in Chapter Two, this research's theoretical framework is built upon three levels; at macro level (also comparatively more conceptual) social

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[13] Parts of this chapter were presented in the 7th International Congress on Cyprus Studies, Famagusta Cyprus. November 2009.

trauma and related elements which their existence among Cypriot Turks was evidenced through the historical analysis of dominantly secondary data in Chapter Five. Related primary data are presented in the current chapter since they are discussed in integration with entrepreneurial environment and unethical practices in North Cyprus. Out of four outcomes of social trauma (large group identity confusion, regression, transgenerational transmission of trauma, siege mentality) the regression elements are presented in Chapter Five through the historical context, therefore they are not presented in this chapter.

Also, transgenerational transmission of trauma, which appeared only implicitly as part of the regression elements is not discussed in this chapter. This is due to the aims of this research and data sample that was selected. The data sample focused on native Cypriot Turk entrepreneurs for the analysis of social trauma's link with unethical business practices. Additional data collection would have been required with significant emphasis on younger generations so that a comparative study could be done with the generation who had experienced the traumatising event to uncover its existence and behavioural impact on business ethics practices. This would have eventually led to a different thesis.

Socially traumatising events, large group identity confusion and looting (a phenomenon associated with altered siege mentality) will be presented in this chapter, through mainly primary data which confirmed their existence. Social trauma's existence among Cypriot Turks is evidenced through the historical analysis in Chapter Five; therefore in the light of this, this chapter's discussions focus on evidencing the link between business-government-society relationship and unethical practices. At meso level, business-government-society (BGS) relationship is considered as a bridge which helps us to see the social trauma's link to unethical business practices. Lastly, at micro level (comparatively more practical level) unethical practices are discussed through evidence; however micro and meso level evidences are presented in combination as they are strongly related. This relation is discussed in detail in the proceeding sections. Chapter Seven, serves as a conceptual chapter which discusses in detail the relationship of all these different levels (macro, meso, micro).

The link between social trauma and business ethics through business-government-society is confirmed by the data analysis and a clear representation of this relationship is depicted in Figure 18. Sections of this chapter will explain the elements of this table and their relationship in-depth through empirical data.

Figure 18: Social Trauma's Link to Business Ethics
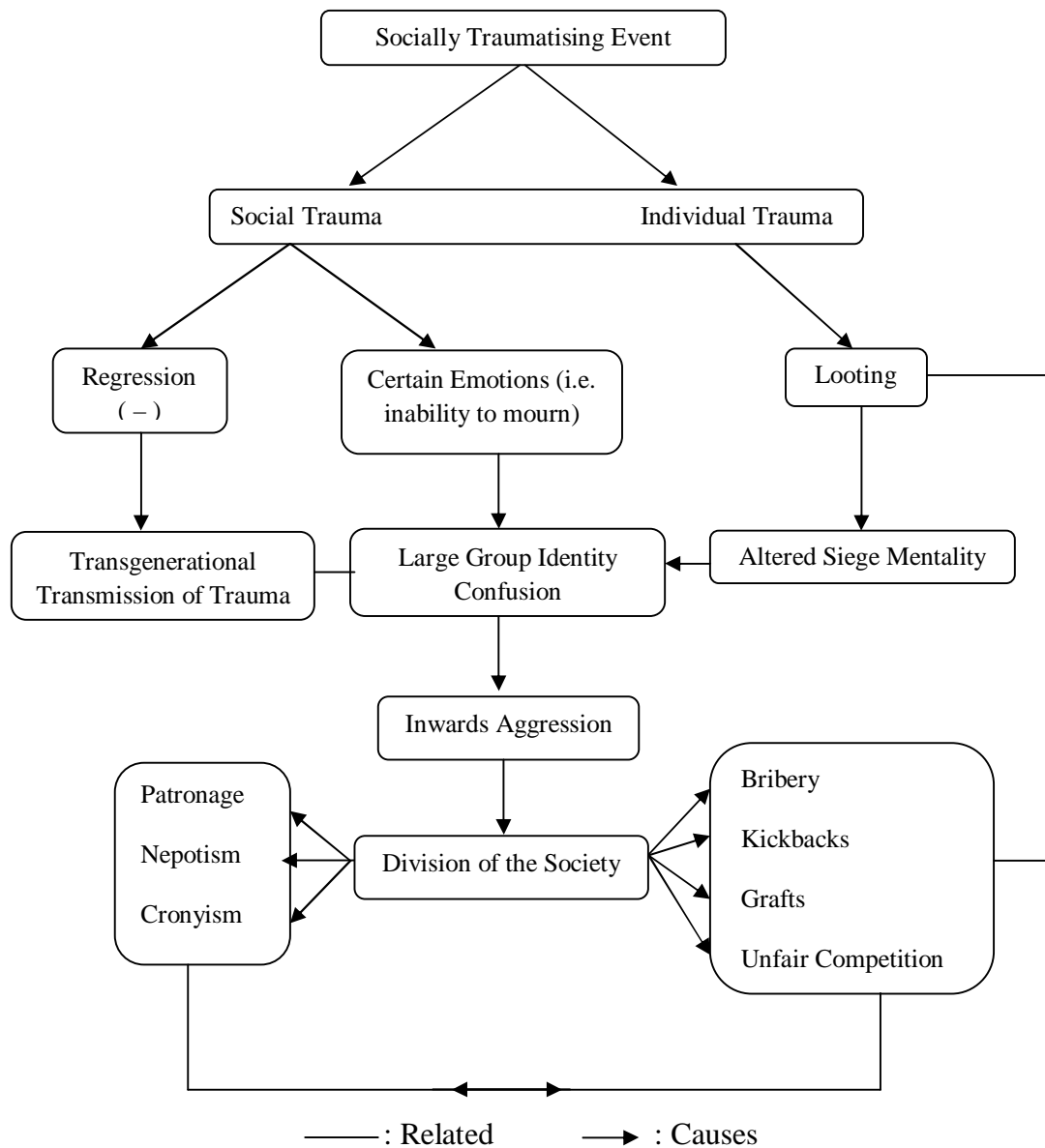
In the light of the literature and empirical data, socially traumatising event causes trauma at individual and social levels. Social trauma results in regression which results in transgenerational transmission of trauma, and shows itself as certain emotions such as inability to mourn and guilt. These later on lead to large group identity confusion which creates an inwards aggression within the society that

eventually results in its division. Individual trauma is associated with a phenomenon called looting which emerges in the cases of war or a war like event leading to altered siege mentality which also causes large group identity confusion. Looting is visibly related with unethical practice through practices such as bribery and kickbacks. There is a connection between large group identity confusion and transgenerational transmission of trauma. All these social and individual level phenomena juncture at division of the society (this division dominantly occurs based on political association as data confirm and shows itself as patronage, nepotism and cronyism) which also causes unethical practices such as bribery. Also, unethical practices further cause an amplification of political division (i.e.: through patronage, nepotism and cronyism). What is explained here is discussed in depth throughout the sections of this chapter.

It is crucial to state at this point that, actions that are referred to as "unethical" within previously presented Western ethical literature in this research, eventually became an inescapable occurrence; therefore "unethical" became "normal" even if not "ethical" within North Cyprus context. These are further discussed when references are made to data.

Given the research aims, this chapter presents findings based on three themes which also shaped the literature review as well. These are social trauma, BGS relationship and ethics, although certain sub-themes have emerged as a result of both secondary and primary data analysis. This chapter presents the data analysis in order to provide the background for a clear conceptual discussion of the findings in Chapter Seven: Discussion and Conclusions.

Data presented here refer to two different types of data; primary and secondary data. Primary data were collected through semi-structured interviews, non-participant covert observation and photographs taken. Direct quotations, photographs and observation notes are the main data that enriched this chapter. Secondary data, on the other hand, included photographs taken by others, governmental and non-governmental statistics, published non-governmental data (i.e.: surveys conducted by private research companies), and newspaper articles (i.e.: news about certain events rather than columnists' opinions).

It is very important to explain the nature of one of the most crucial secondary data references used in this research before moving on to the data analysis. It is Çağla Güngör's (2002) book titled "Cypriot Turk Youth Speaking". The reason why this book is considered as a secondary data, rather than literature is because of the original nature of the book. Güngör shares her interview data with the audience that she has collected directly from her participants without any analysis, so she shares only the raw data with the readers. Besides the introduction which is the only section with reflection of her thoughts and a section of "Modern Cyprus History" of 12 pages at the end, where with couple of sentences major events are summarised based on their dates that covers the period from 1878 until July 2002, there are no other words that belong to her. In order to avoid repetitions, she presents 26 interview scripts out of 39 interviews which were conducted during September-December 2001. There are very opposing participant views in the book, which shows that the author was not biased while selecting the interviews to present in the book. Also while presenting each interview, she gives participant details as such; participant's city, their occupation, age and gender. The rest is all direct full transcripts of the participants.

Using her transcripts is enriching the social trauma aspect of this research's analysis as it provides the opportunity to compare if any changes occurred in the society within the eight years. Moreover it provides insights of "regular" people who are not involved in business and helps to capture the BGS relationship from the society angle. On the other hand, primary semi-structured interview data collected for this research sheds light to business element of the BGS relationship, so both references of data also serve as between-method triangulation agents.

All available information in hand is presented as a combination through three main themes which also shaped the literature review. These themes are; social trauma, business-government-society relationship and business ethics.

6.2. Overview of the Interview Participants and SMEs

Before discussing collected data, it is useful to look at the general profile of the participant companies and their owners, as this helps to better understand the outcomes of socio-cultural narrative analysis and discourse analysis.

6.2.1. Establishment Years

Establishment years of 40 SMEs that participated in the interviews, the oldest enterprise was established in 1941, and the youngest one was in 2007.

Graph 1: Establishment Years of the Participant SMEs
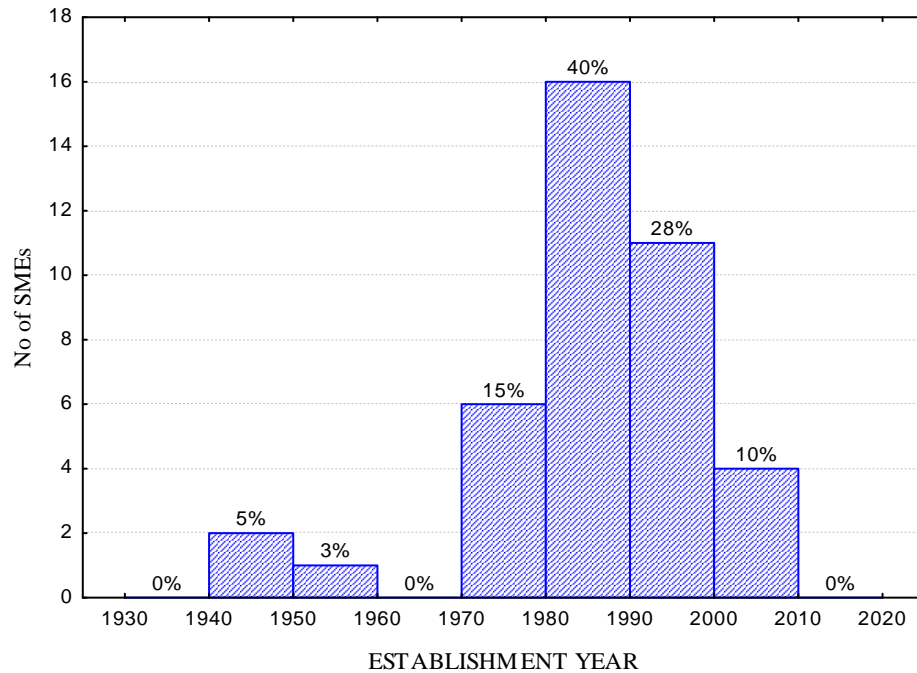
40% of the participant companies were established during the 1980-1990 period. Also, majority of the participant companies were established after 1980 (31 enterprises) which is the period that Turkish Republic of Northern Cyprus was established in spite of the highly visible decrease in the number of newly established businesses from 1990 onwards in every decade. Although, in criticism, this visible decrease can be associated with the "biased" participant selection method and can be argued that actually there is no graduate decrease in newly established enterprises when many new businesses appear in North Cyprus, a solid counter-argument can be made against this possible criticism as the participant businesses were selected through individual networks of different individuals and only Cypriot Turk entrepreneurs were interviewed, although there are many new Turkish entrepreneurs, thus increasing the number of new ventures. Furthermore, the impact of the 1963-

1974 war is evident as there was no enterprise establishment between 1960 until 1970.

6.2.2. Employee Numbers

When visually summarised, it is observable that 30 out of 40 SMEs that participated in this research, have less than 20 employees, and only two of them have more than 140 which are both in the construction sector which experienced a boom during 2000s after the Cyprus resolution plan of Kofi Annan that was voted on a referendum by both Cypriot Greeks and Cypriot Turks. Thus, it can be argued that, the optimistic expectations about future and rise of opportunity to reconnect with the world had a positive impact on business environment.

Graph 2: Employee Numbers of the Participant SMEs
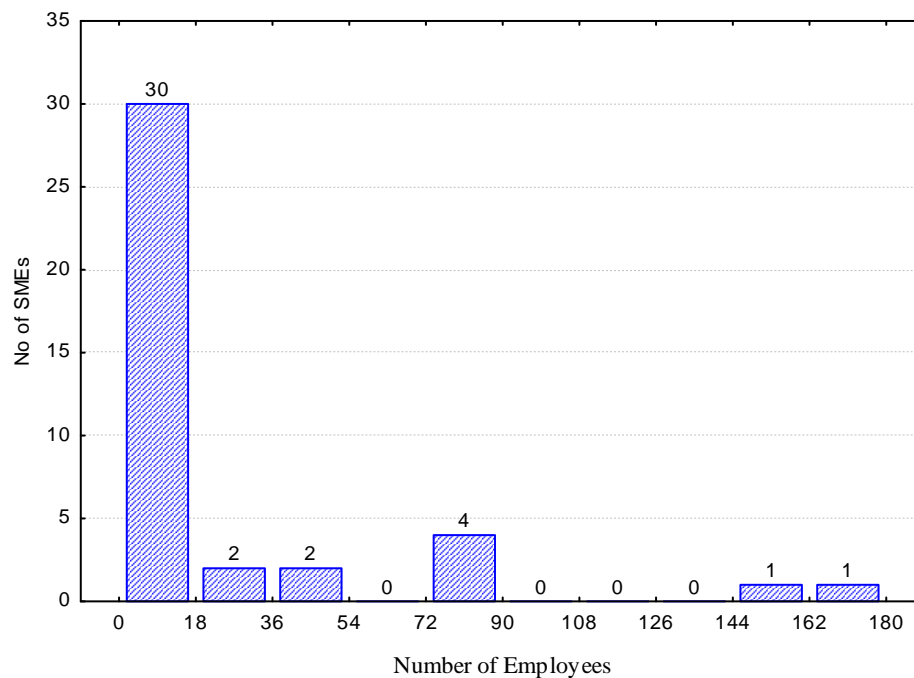
Based on the EU definition of SMEs, 24 of them were categorised as "micro" businesses having less than employees; 10 of the participant 40 SMEs were categorised as "small" enterprises and six of them were "medium" sized.

Table 24: Reminder of Table 2 – the EU Definition of an SME

(EU Commission Regulation, 2003)

SME Category	Micro	Small	Medium
Staff Headcount	< 10	< 50	< 250
Annual Turnover	< €2 million	< €10 million	< €50 million
Annual Balance Sheet	< €2 million	< €10 million	< €43 million

6.2.3. Sectors

Graph 3: Sectors of the Participant SMEs
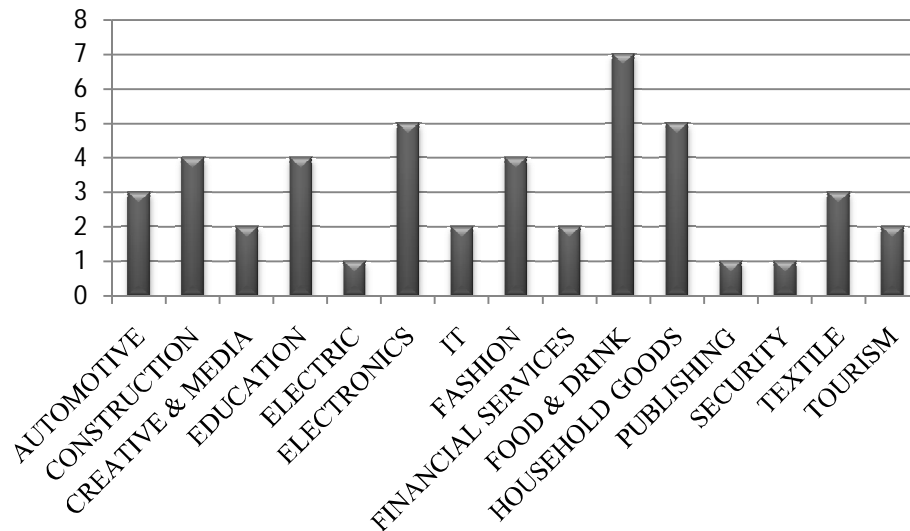
The frequency of businesses in each sector is given based on different sectors that the companies were active in during the time of data collection (March-April 2008). Therefore, instead of assigning each company to one sector, some companies are represented under multiple sectors. For instance, a company that is active both in electronics and tourism are counted under both sectors.

When the sectors are examined, the highest number of companies active under the food and drink sector; although this high frequency can also be linked to various sub-sectors ranging from food imports to restaurants that are gathered under the food and drink sector. The next two frequent sectors are household goods and electronics which are all rely on imports. Given North Cyprus's high reliance on

imported goods, high frequency of businesses in these two sectors is confirmed through increased figures of foreign trade deficit.

In order to make more sense of the responses of participants, the readers are provided with the participant SMEs' sector profiles in detail (Table 25).

Table 25: Detailed Sectors of Participant SMEs

Automotive	Retail of Motorcycles and Parts; Retail of Second Hand Cars
Construction	Building & Retail Sale, Wholesale of Construction Materials
Creative & Media	Advertisement Services & Products
Education	Dormitory Services; Books, Educational Materials and Stationary Supplies Wholesale & Retail; Publishing
Electric	Electrical Supplies Wholesale & Retail
Electronics	Wholesale; Retail; e-Retail; Consumer Electronics Retail
IT	Services; Retail
Fashion	Leather Goods Manufacturing & Retail; Accessories Retail; Footwear Manufacturing and Retail.
Financial Services	Foreign Exchange Services
Food & Drink	Butchery; Patisserie & Cafe Services; Food Import Wholesale; Supermarket; Fast Food
Household Goods	White Furniture
Security	Safety & Security Products Retail
Textile	Textile Manufacturing; Wholesale Exporting; Retail
Tourism	Ticketing & Travel Agency Services

6.2.4. Age Range of the Participant Entrepreneurs

It is crucial to look at the ages of the participant entrepreneurs as while selecting the participants, nativity to Cyprus was prerequisite as socially traumatising event and its impact is the focus.

Graph 4: Birth Years of the Participant Entrepreneurs
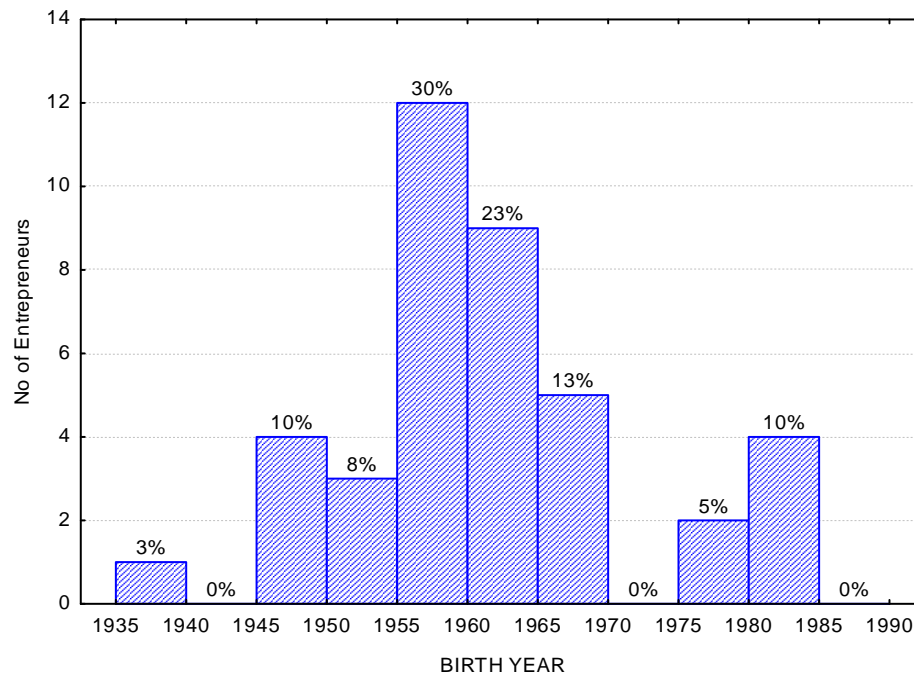
20 of the participants were born before the 1963-1974 war; therefore they have experienced traumatising events. Also, 14 of them were born during the war period, thus they have experienced trauma when they were kids. Therefore, we can consider majority of the participants as initial victims of trauma, and since 14 of them were kids, they can be considered as part of a generation that is significantly influenced from transgenerational transmission of trauma besides six participants who were born after 1975. Thus, in this research, half of the participants (20 of them) experienced trauma first hand; 26 of them are influenced by transgenerational transmission of trauma and 14 of these experienced both transmission of trauma and trauma itself first hand.

6.3. Evidence of Social Trauma's Existence among Cypriot Turks

This section presents evidence of social trauma's existence among Cypriot Turks, through discussing three of the four main outcomes (large group identity confusion, regression, transgenerational transmission of trauma, siege mentality) of a socially traumatising event of war. Therefore, focuses only on macro-level elements presented in figure 26. As it is stated earlier, this chapter mainly presents primary data and only discusses the interview participants' accounts of socially traumatising experiences, large group identity confusion of Cypriot Turks and looting

phenomenon which causes an alteration of siege mentality as a result of war. The discussions presented in this chapter on social trauma, is complementary to the discussions put forward in Chapter Five.

6.3.1. Statements of Interview Participants on Types of Socially Traumatising Experiences

This section presents interview participants' socially traumatising experiences, which are categorised based on their types. These categories were part of semi-interview questions and they were derived based on the literature. Socially traumatising events are called "socially traumatising" because an enough number of individual members of that society are affected from the particular event. Represented figures, evidence various forms of traumas experienced, thus contributing to our understanding of Cypriot Turks as a traumatised large group, paving the way for a better analysis of social trauma - unethical business practices link for the coming sections. This is the reason why interview participants' responses on the types of traumatising events they have experienced during the war (1963-1974) are presented here.

Based on both secondary data from historical, official documents and primary data collected from 40 informants, Cypriot Turks experienced all of the abovementioned war related occurrences. The elements that were inquired in this section was derived from the existing literature on war and war like conditions; however informed from Cyprus history, immigration was an element that was characterising war in Cyprus especially. The quantitative representation of the collected data is as follows:

War related traumatising events that interview participants experienced are presented as pie charts.

Figure 19: Experiencing Shelling or Bombing during 1963-1974
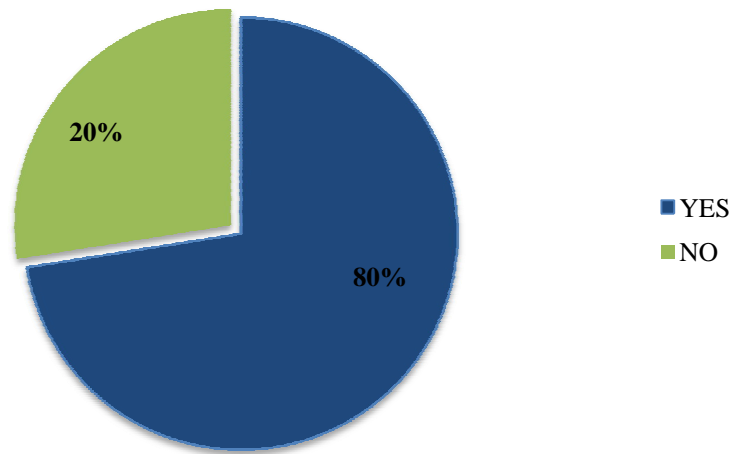
Interview data suggests that 80% of the participants experienced either shelling or bombing, or both during 1963-1974. 20% of the respondents who replied "No" are made up of merely six participants who were not born during that period and two of them who were overseas during the war (Figure 19).

Figure 20: Suffering from Lack of Food, Water, Shelter or Medical Care during 1963-1974
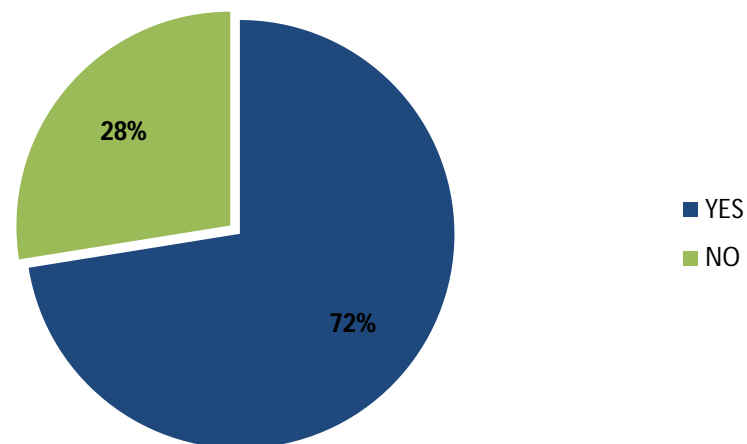
In correlation with the photographs presented in this section earlier, responses of interview participants also reflect certain traumatising experiences of Cypriot Turks such as scarcity of food, water, shelter and lack of medical care.

Participant IPM08 describes his experience as a kid during 1960s, where there was very limited access to medical care.

> IPM08: There were trenches in Kaymaklı [name of the neighbourhood in Nicosia] and I fell into a trench while riding a bike during my childhood. When I fell, my hand was cut. I am the first person who crossed through Cypriot Greeks; Peace Force [United Nations force is also known as "peace force" as they try to maintain the peace between two sides] took me to the hospital. During that time, there was no hospital, the road to Küçük Kaymaklı was closed and the first people who passed through that Kaymaklı road were my dad and me [Kaymaklı region is divided into to, Büyük Kaymaklı and Küçük Kaymaklı, after 1974 Büyük Kaymaklı is in South Cyprus and Küçük Kaymaklı is in North Cyprus]. Together with the Peace Force, they took us to the hospital, I had my stitches and they took us back. There was this Peace Force tower in our neighbourhood, they asked for help from them and Peace Force took me to the hospital.

Figure 21: Separation of Family Members during 1963-1974
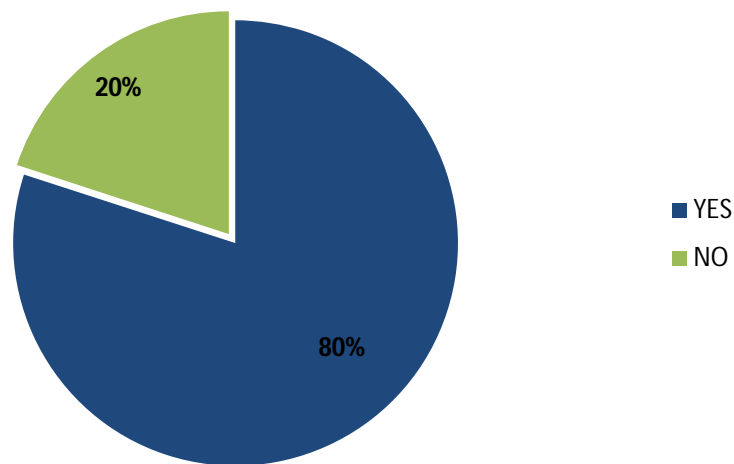
During 1963-1964 Cypriot Turks were forced to live in enclaves and during the same period, out of 120,000 of Cypriot Turks 25,000 - 30,000 of them were displaced within Cyprus (Volkan, 2008b). This displacement occurred as before the occurrences, Cypriot Turks and Cypriot Greeks were mainly living in villages, some of them sole Greek or Turkish villages, and other mixed where both ethnicities were living together. When conflict started, Cypriot Turks were attacked in their homes,

Turkish villages were burned down; people were killed or heavily beaten; were raped and the like; thus initiating immigration in large numbers from one village to a larger one where there were all Cypriot Turks so that they could protect each other. This was how enclaves were formed.

Later on, after the 1974 military intervention of Turkey, Cypriot Turks were moved to North and Cypriot Greeks were moved to South as Turkey's military intervention was started from the North part of the Island moving towards the middle, forcing Cypriot Greeks that were in the North to flee to the South and Cypriot Turks that were in the South to the North. After the intervention, there was the process of exchange of population and war captives, many people were also displaced. This is also evident from interview participant responses.

Figure 22: Being Close to Death as a Result of Sickness, Wounds, or Other Serious Injuries during 1963-1974
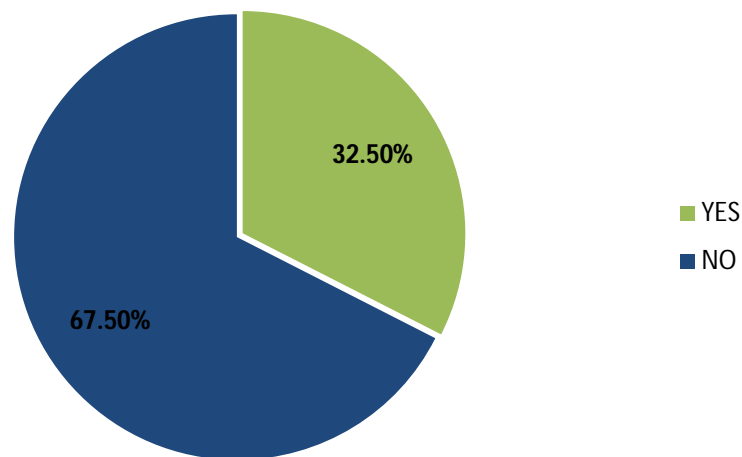
Figure 23: Witnessing that One of the Family Members, or a Friend Being Killed, Injured, Taken into Custody or Put into Prison during 1963-1974
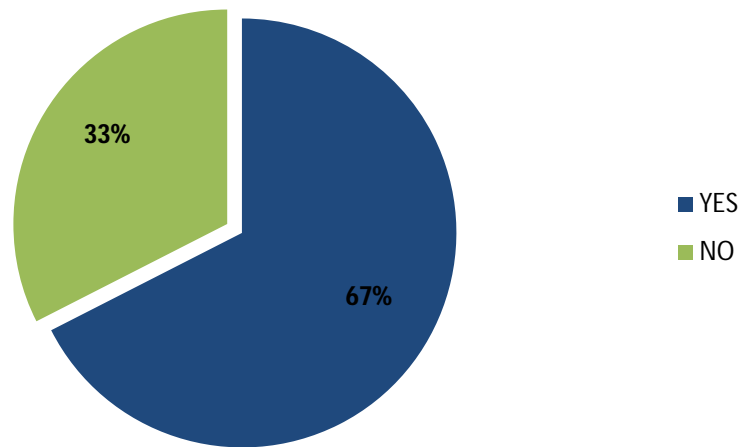
Although none of the participants were emotionally comfortable to share their stories in-depth, IPM05 shared a significant one;

We have lived through a war in this country during 63-74 [1963-1974] while still 14 [he was 14]. I remember that couple of people died next to me. In 1974, the blue jean trousers and shirt that I was wearing... It was the second operation, a mortar fell into *mazgal* [a whole within the city wall whose entrance is narrow and inside is wide]. During that time while I was checking myself for whether I was injured or not, I realised that my jeans and shirt were covered in blood. I saw the 4.5 years old child in front of me, it was him who "got" the piece of mortar, even now I feel...

Figure 24: Being Held Captive during 1963-1974
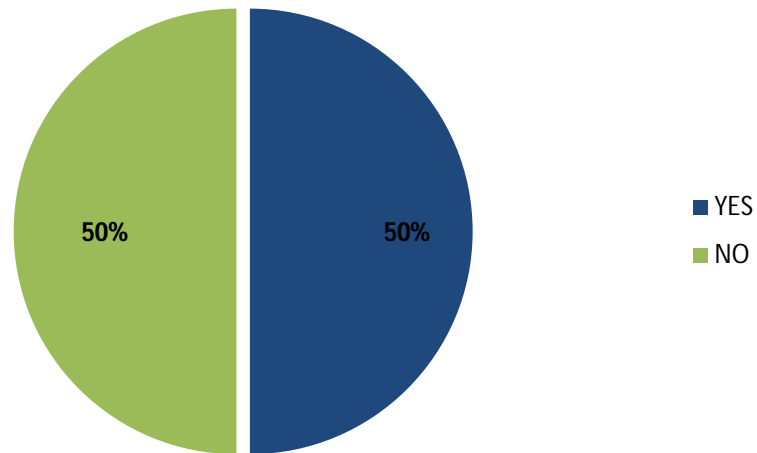
Figure 25: Have Killed or Injured Someone during 1963-1974
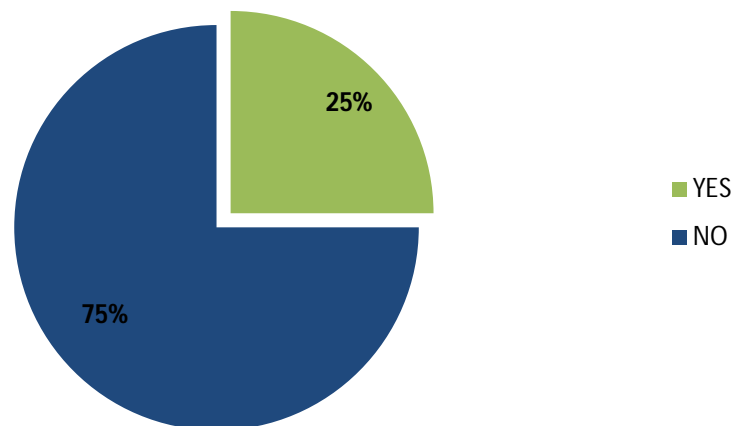
None of the participants wanted to talk in-depth about their experiences of being close to death as a result of sickness, wound, or other serious injuries resulting from the war, witnessing one of the family members, or a friend being killed, injured, taken into custody or put into prison; being held captive or killing or injuring someone during the war. However, based on the observations, it was evident that the topic made them stressful and sad, as their answers became less formal and more emotional. One of the participants (IPM05), lit two cigarettes one after another and said "You took me back to 1974...Those days were really bad, I will never forget them".

Figure 26: Forced to Emigrate as a Result of War during 1963-1974
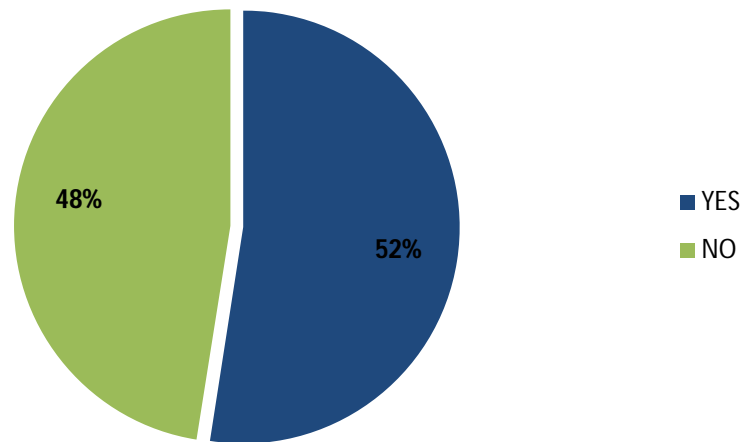
As previously mentioned out of 120,000 population of that time, 20,000 - 30,000 Cypriot Turks immigrated during 1963 and later on when the Island divided, another exchange of population occurred between Cypriot Turks and Cypriot Greeks, which also constitutes one of the trauma of Cypriot Greeks.(Volkan, 2008b). The information available on immigration during 1963-1974 was also confirmed by the interview participants, in which a majority of them immigrated due to the war.

Traumatising events which occurred since 1974 are rather unusual conditions and practices in conjunction with these conditions are rather than traditional socially traumatising occurrences such as war or terrorism. In the case of North Cyprus, one of the main reasons of these is the "invisible enclave" that they have been living in after being literally in enclaves during the 1963-1974 periods. This invisible enclave is mainly caused by the de facto status of the North and therefore, Cypriot Turks as a society. These are discussed in detail under section 6.4, 6.5 and 6.6, which contribute to our understanding of the BGS relationship in North Cyprus but more importantly evidence why and how de facto status has been causing social trauma since 1974.

6.3.2. Evidence of Large Group Identity Confusion among Cypriot Turks

This section discusses large group identity confusion through presenting the evidence derived mainly from the collected primary data. It is helpful to remind the readers that out of the four main outcomes (large group identity confusion,

regression, transgenerational transmission of trauma and siege mentality) of a socially traumatising event such as; war or war like occurrence, large group identity confusion (in this section) and siege mentality (under section 6.3.3. in this chapter) are discussed within this chapter. However regression elements and majority of the relevant secondary data on large group identity confusion are presented in Chapter Five within the context of historical analysis as this provided a more beneficial, clearer and fruitful discussion. Transgenerational transmission of trauma is also embedded into the discussion of regression elements and large group identity confusion that were presented in Chapter Five.

The discussion of the large group identity confusion of Cypriot Turks fits within the context of the analysis of contemporary entrepreneurial environment and unethical business practices since division of the society (that originated from the large group identity confusion) is evidenced as one of the most important ways of determining who gets the privileges and benefits from the unjust distribution of wealth within the society through associations with political parties which are mainly categorised based on the nationalist discourse that they have adopted (e.g.: political parties which consider Turkey as the motherland and demand its full rights on North Cyprus; political parties that demand unification with Cypriot Greeks, and Cypriot Turks' rights acquired from Republic of Cyprus; political parties that demand an independent North Cyprus state and recognition of TRNC and the like).

Remembering the process that leads to large group identity confusion, it is caused as a result of certain social level emotions' emergence such as inability to mourn to losses, shame, victimisation, survivor's guilt and the like. These damage the "tent" (for details of the tent analogy, please see Chapter Two, Understanding the Formation of Large Group Identity and Tent Analogy), the shared collective identity that keeps the large group under one "roof" and the same emotions, causes the aggression to be directed inwards, thus the large group starts to show aggression to its own members, which eventuates with the division of the large group (Figure 27).

Figure 27: Reminder of the Large Group Identity Confusion
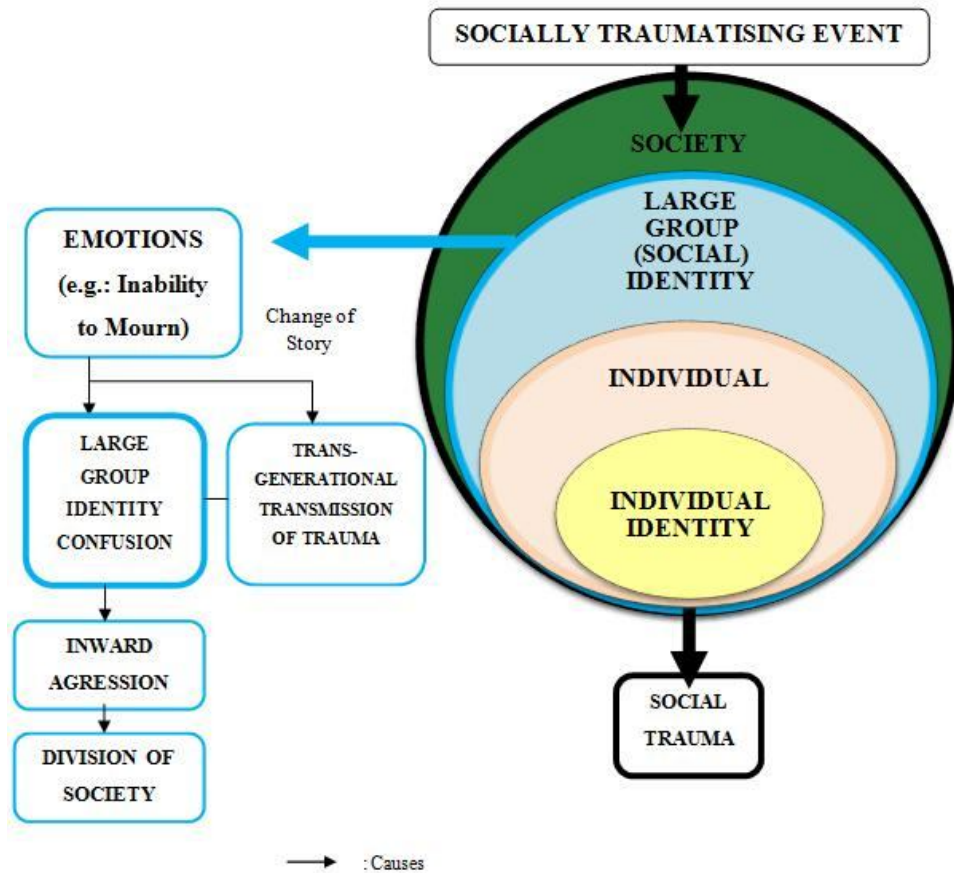
Social trauma that Cypriot Turks experience started when they were forced to live in enclaves during 1963-1974 under the influence of emotions such as; humiliation, shame, victimisation, survivor's guilt and inability to mourn. They became identified with the oppressor, they could not mourn to their losses, and they became part of transgenerational transmission of trauma. This eventually damaged the feeling of "us" within the large group they belong to as a result of turning the aggression felt for the oppressor towards themselves, and caused divisions within the society in North Cyprus leading to large group identity confusion as discussed earlier. (Volkan, 2008a:215).

From 40 participants, it is obvious that Cypriot Turks define their identity with different ethnic associations and many stressed on the fact that they "are not ashamed of saying that they are Cypriot Turks", some of the participants such as IPM37, emphasized the identicality of Cypriot Turk and Cypriot concepts. According to him, saying "I am Cypriot Turk" and "I am Cypriot" means the same thing, because Cypriotness is the identity feature to be emphasized and Turkishness

is just his ethnicity. Except few, most of the participants were really confused when they were asked about their definition of "identity" and "nationality" and repeated, "Cypriot, Cypriot Turk and Turk" within the same sentence.

During the interviews for this research, the participants' definitions of identity and nationality were consecutive questions. During one of the interviews, a participant was asked about his identity and he emphasized his Cypriotness and he said "proudly Cypriot", while the following question on nationality was asked a Turkish businessman entered into the store where the interview was conducted. The participant was about to start his sentence and saw the Turkish businessman entering into the store, he hesitated and then said; "I would say I am a Turk, with pride". Realising the interviewee's discomfort, the interviewer repeated interviewee's answer for a confirmation and the interviewee said; "Turk. Cypriot Turk. Turk" After Turkish businessman left the store, the interviewee felt the need to explain his answer by saying that:

> That man who just came into the store is a Turk from Turkey. He is my neighbour; his store is just across mine. While I was giving my answer I wanted to be careful not to hurt his feelings.

Clearly he did not want his neighbour to know about his true feelings of nationality and identity as he believed that this, at some level, could damage their friendship or cause a confrontation.

The interview participants' responses are presented in pie charts;

Figure 28: Identity Definition of Cypriot Turks
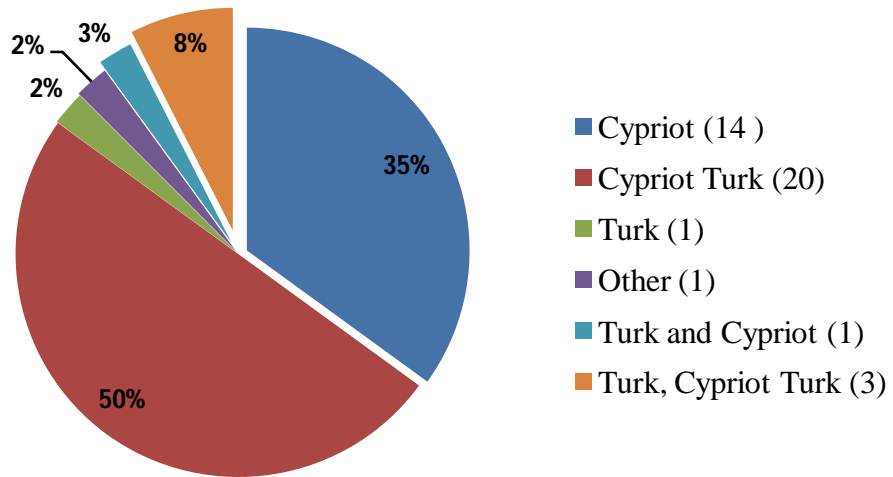
Numbers next to the legend entries represent the number of responses. Cypriot Turk was the most common response to defining identity by the interview participants, and this response was followed by 14 responses of "Cypriot".

Out of 40 participants, 50% feels that their identities are Cypriot Turk, 35% feels Cypriot. People who felt Turk, Turk and Cypriot, and the ones who used, Turk, Cypriot Turk together to describe their identities are only 6 people (15%). The participant IPM03 who is the one that defined his identity under "Other" gave his village's name as the identity that he associates himself with.

Figure 29: Nationality Definition of Cypriot Turks
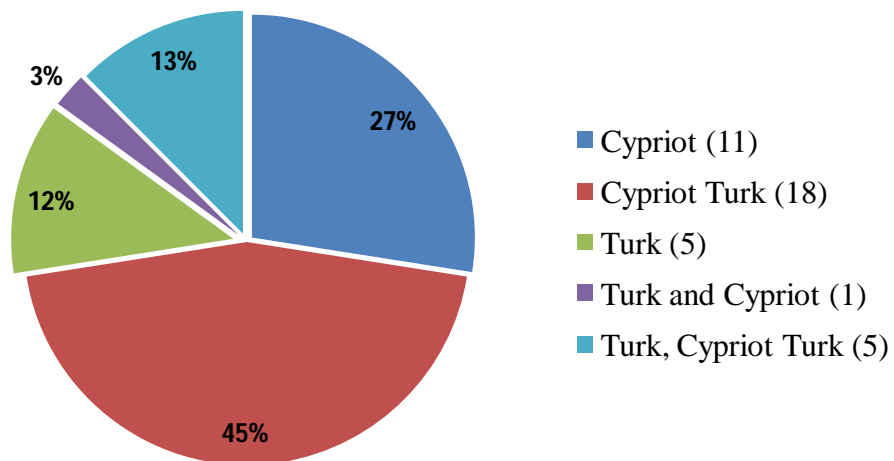
For nationality, out of 40 participants 45% expressed their nationalities as Cypriot Turk, and 27.5% as Cypriot and 11 people (27%) consider their nationalities as Turkish, Cypriot Turk, or Turkish-Cypriot Turk.

When comparisons of these tables are made, it is evident that Turkishness constitutes a bigger part of Cypriot Turk nationality and Cypriotness constitutes a significant part of their identities. However, out of 27% who do not consider themselves strictly "Cypriot" or "Cypriot Turk" in terms of nationality, 12.5% consider their nationality as Cypriot Turk and Turk. This also shows the confusion that Cypriot Turks are in at the moment as 12.5% of the participants of this research, could not decide whether their nationality is Turk or Cypriot Turk, thus they gave both answers. Also, as mentioned before, many consider Cypriotness and Cypriot Turkishness as same. According to Doob's research in 1986, before that period, a response to nationality questions were "Cypriot", however during those years (1986) in the North, Cypriot answer started to be preceded by "Turkish" and in the South, to a lesser extent "Greek" (Doobs, 1986:394). Nevertheless, there are Cypriot Turks who consider even Turkish Cypriot and Cypriot Turk terms completely different and believe that preference makes a statement.

> [Female - 28a] There is much difference between calling yourself "Cypriot" and "Cypriot Turk". Calling myself "First I am Cypriot and then I am Turk" makes me feel like I am accepting what Greeks are advocating. First I am Turk and then Cypriot. The way you introduce yourself also indicates your preference [political]. We came here from Anatolia. We have dense cultural connections with Turkey. For example we follow developments in the World and the other events through Turkish newspapers and TV channels. (Güngör, 2002:49).

Therefore, while interpretation is made it should be noted that each respondent's individual perception and understanding of what constitutes identity and nationality can be different, and these two completely different perspectives eventually serves as an indicator of how deep identity confusion is in North Cyprus.

When these "identity" and "nationality" categorizations are cross-tabulated with education level and birth years, there was no observable dependency between birth year or education level and the self-categorization of identity and nationality.

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Also no significant relationship is found between categorization of identity and nationality and the type of traumatic experience during 1960s-1970s.

After experiencing an initial increased "we-ness", and exaggerated nationalistic feelings and excitement over "being free" during the years following 1974, large-group identity splits began to appear in TRNC (Volkan, 2008b:103). The type of division that Volkan is referring to is in terms of large group identity and the metaphorical tent which leads to large group identity confusion.

Mehmet Yaşın, a Cypriot Turk poet as one of the intellectuals involved explained the state of Cypriot Turks by these words: "We have never been able to adopt Cyprus as our motherland, instead of having a feeling of Cypriotness we feel like a nomad minority dropped somehow on this island" (Ali, 1988:58). Yaşın's perspective rejects the minority status of Cypriot Turks with regard to the Turks from Turkey and Cypriot Greeks (Ramm, 2007:4).

Although Yaşın's quote is from 1988, many Cypriots' "feeling of strangers" in their "motherlands" while they have been studying reported before that; and this was true for both Cypriot Turks and Cypriot Greeks (Doob, 1986:390). Back then, according to Doob's research Cypriots had these common beliefs when they made comparison between themselves and their motherlands' people or culture taking Ankara or Athens as point of reference although in some cases, they referred to rural areas as well.

> They believed that their languages differed. A Turk or a Greek, it was said, could immediately perceive that a speaker came from Cyprus after hearing his or her accent. Some Greek Cypriots maintained that, their language was closer to that of Homer and other, that it had borrowed fewer or more words from Turkish than the Greek of Greece. A Turkish scholar thought that the two languages of the island had affected each other's intonation. (Doob, 1986:391).

This is still a common belief among Cypriot Turks based on the participant's responses to the questions related with identity, nationality, war period and experiences and the like as well as the researcher's occasional observation of social conversations. Although they speak the same language with Turks in Turkey, they see less commonality with the way they "live" the language. They talk about

common words with Cypriot Greeks which are seen as elements of common Cypriot identity, emphasize almost same dialect and intonation in pronouncing words and a feeling of commonality with them sharing same historical heritage as well as an association of these elements with being a Mediterranean islander.

In March 2008 an article was published in one of the most popular daily newspapers in Cyprus, where a Turkish theatre player, who teaches pronunciation, Ali Ecder Akışık, stated in his seminar that "standard Turkish" should be used in Cypriot Turk Radio and TV stations. (Kıbrıs Newspaper, 2008).

6.3.3. Looting Phenomenon among Cypriot Turks and Unfair Distribution of the National Wealth

Under this section, the phenomenon of looting which causes altered siege mentality is discussed mainly through primary data. Siege mentality is one of the four main outcomes of a socially traumatising event such as; war or war like situation. On its own it is just a phenomenon, an outcome of the traumatising event. However, when looting occurs in relation to war (or a war like event), altered siege mentality occurs. Looting has strong consequences in terms of unjust distribution of the national wealth, and sense of "unfairness" within the society, feeling that people who are close to power have the advantages such as acquiring looted land and/or wealth, whereas others feel they are unjustly treated. In this section, the discussion of looting is presented within the above context.

In Cypriot Turks, siege mentality that was mentioned in Chapter Two was altered as a result of vast opportunities they had after the intervention in 1974 which can also be referred to as looting. During that time, Cypriot Greeks who immigrated to the South left their lands and valuables behind. After 1974, the economic balance among the Cypriot Turks changed very significantly. Most of the poor or middle income families became very wealthy, and wealthy families became poor or middle income, with no property or land. (Volkan, 2008a). This finding of Volkan (2008a) is also verified by both interview participants, and secondary documents such as newspapers.

Besides Cypriot Turks who found valuables, the ones who immigrated from the South and certain people who had connections with influential people of that

time, benefited from the situation by receiving a permit to settle in those houses and lands left by Cypriot Greeks. The reality of looting and sharing the land, disrupted the siege mentality and instead it created jealousy and selfishness between the members of the society. (Volkan, 2008a:216).

Looting is a concept which made an impact within Cypriot Turks and it became part of their lives; now most of the Cypriot Turks refer to this phenomenon as *ganimet kültürü* [ENG: looting culture].

> IPM05: The ethics of the society was seriously damaged because when you look at the people; before 1974 my dad had water hose, grape-vine trimming machine, ladder among people in our neighbourhood, the neighbours would come and borrow these from my dad before 1974. However, after 1974 all of our neighbours had ladders, water hoses and grape-vine trimming machine and grape-vine pest control pump and that feudal thing, I mean the economic bases which were enabling the organic connection disappeared. And this also created serious troubles among neighbours, did you know that? I mean when we go from basic to complex, there are also people who got land unjustly, then sold it and today this disturbs our social psychology. I have been working for 26 years now; my savings is obvious; on the other hand you look at a person, he has been given 100 acres of arable field next to the sea, you hear that he sold it for I don't know how much trillion. I will never see that much trillion until the end of my life. Therefore, these are serious things, traumas. These are traumas but these are serious traumas and you cannot underestimate [IPM05 used original English word underestimate] these at all. And according to me, Cypriot Turk society has a psychological case. I think it exists... exists.

Also, many of Güngör's informants talk about the looting of Cypriot Greek properties during 1974. Quotes from two 28 years old male informants:

> Quote 1: May dad immigrated to North before us. Apparently, many people found a lot of loots, and benefited from this division [of the island]. However, we haven't seen any benefits. The house that was given to us was also a Greek [Cypriot Greek] house before but when my dad got the house the inside was already emptied, and apparently they have only left the couches. There have been many bullet marks all over the house. Since the roof of the house that was

given to my grandmother was full of holes because it was bombed, they fixed that. (Güngör, 2002:86).

Quote 2: Although my mum settled into a house in the North, until my dad came stayed with my uncle as she was scared to stay alone. During that period [according to what he heard from his family] there had been lot of looting. Greeks [Cypriot Greeks], people who had assets/wealth, left a lot of gold behind them. According to what my mother told me, people were breaking the doors of the houses that they come across and were entering, in order to collect the valuables inside. [According to what his mother told him] many people were doing this. My grandmother remembers Baf [Paphos] longingly, but most probably since they are part of a problematic generation, my mother and father do not want to think about living together with Cypriot Greeks again. From the photos that were at the house that we settled in, apparently it belonged to a recently married couple...There were no furniture in the house [when his parents moved in]. For example during that period, gold crosses were being found from everywhere, and people were collecting these crosses and were selling them. Crosses had a high monetary value. My older brother, with his child mindset, was entering to houses to find loot. (Güngör, 2002:144-145).

Figure 40, informed from the social trauma literature, visualises how a socially traumatising event, lead to looting which was mentioned frequently by both this research's interview participants as well as Güngör's (2002) informants. Although siege mentality is a social phenomenon, looting which causes its alteration occurs at individual level. Therefore, siege mentality is presented as part of social trauma, whereas looting and altered siege mentality is presented as part of individual trauma. However, altered siege mentality is also a social level phenomenon; therefore the connection is presented with a line which connects siege mentality with altered siege mentality.

Figure 30: From Socially Traumatising Event to Looting
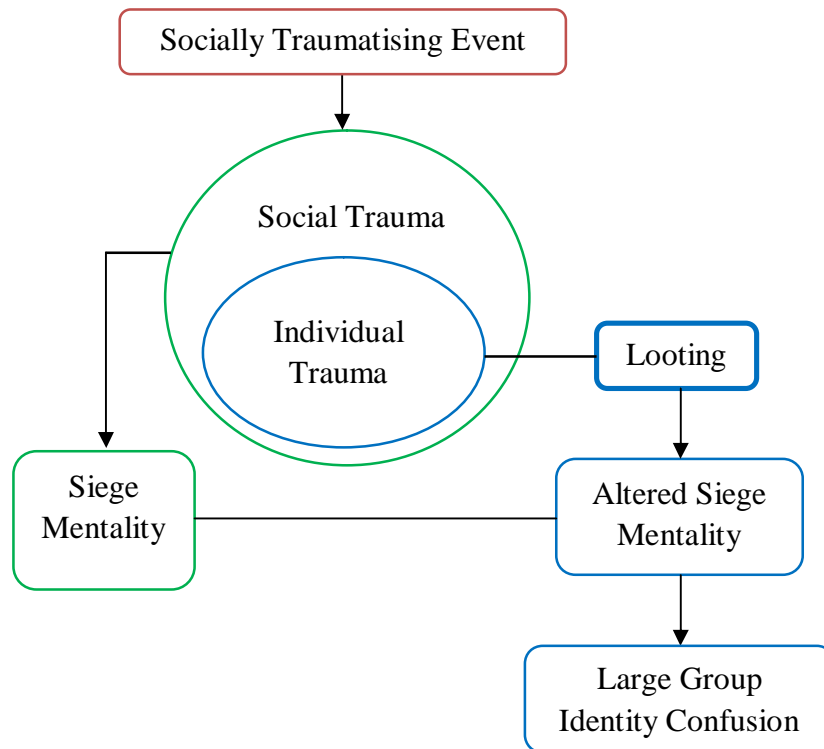
IPM19: Unfortunately, for years, people established a system they fed on, their families fed on; people, who are not right holders were given many lands, were given houses, factories, cars; they also fed on this system. There is no power which can make me believe that politicians only worked for the benefit of this country from the 1960s until now. I believe they have achieved many things but they also took away many things from this country. Unfortunately, [the country] had been used for their personal benefits as well. They haven't guessed that the day will come, but there you go! Unfortunately there is no water well without a bottom; every well has its bottom. What we have "in the house" is finished, and Turkey is not giving anymore. Imagine a country, it does not have any money to pay its own public officers, because the number of public officers it has exceeds the need; it has low income and everyday someone else comes into power.

In January 2009 there was a newspaper headline "Greek Cypriot Lands are Being Distributed!" According to the article, in August 2008, December 2008 and January 2009 Council of Ministers approved the sale of approximately 100 land and properties left by Cypriot Greeks which sum up to 7 million GBP without contract

bidding. This was also opposed by many citizens who were given "equivalence property points" by TRNC when Cypriot Turks immigrated to the North in return of their title deeds of their properties in the South. However, many people complain how they either got a much lesser value property or nothing at all and they ended up with points that they can do nothing with. (Süreç, 2009:4-5). There are also many complaints on how very beautiful pieces of lands and properties have been given away unjustly to people who can be considered as "elites".

The detailed discussion of looting, and unjust distribution of wealth is also discussed under sections, 6.4, 6.5 and 6.6 as looting (therefore altered siege mentality) is also much related with business-government-elites relationship which impacts on society at multi-levels.

6.4. Overview of the Current Entrepreneurial Environment in North Cyprus

This section serves as an overview of the current entrepreneurial environment in North Cyprus so that the discussions presented in section 6.6 onwards of this chapter, which evidence the unethical practices, can be rationalised better and can be linked with business-government-society relationship comprehensively. While providing an overview of the entrepreneurial environment that Cypriot Turk entrepreneurs work in at present, business-government-society relationship is also given as a visual model, so that later on, when discussion of particular unethical practices are given, this visual model can guide the readers for an in-depth understanding of the relationship structures between business-government and the society. With this section, also the meso-level analysis starts (Figure 26). The discussions focus on the general entrepreneurial environment and issues of employment as they have emerged strongly during the data analysis.

Unrecognized by the international law and system, TRNC has an unstable economy which is almost totally dependent on Turkey's approximately 300 million USD per annum support; it is experiencing international isolation and Turkey's dominance in many sectors of the society (Calotychos, 1998; Navaro-Yasin, 2003). Recently in May 2009, Turkey has sent 60 trillion Turkish Lira [approximately 24 billion GBP] (the naming of large numbers are different in North Cyprus and in the UK) to North Cyprus so that salaries of the public sector employees could be paid (Kıbrıs Newspaper 2009b). As in Turkey, there are many cases of bribery, tax evasion and deceptive business practices in North Cyprus which reflects to media as well and in its existence, economically and politically TNRC is very heavily dependent on Turkey (Okumuş et al., 2005).

One of the participants defined North Cyprus through this metaphor:

IPM21: We have an expression here, when you say North Cyprus, I explain it in two ways. First, in its plain form we define it as the public employees' heaven. Another definition says that Turkish Republic of Northern Cyprus has been turned into a freak creature, a monster made up of a body with undeveloped arms and legs that is fed from Ankara [capital city of Turkey] through two serums connected to its body and is supported from there so that it can live. However, I don't know if there is anyone who can help this freak creature to recover.

Besides guest workers from Southern Turkey, there is a significant amount of immigration from Anatolia and there has been few improvements made for their prosperity until now (Ramm, 2006).

Currently there are five universities in North Cyprus and in total there are eight higher education institutions making higher education sector as the locomotive of TRNC's economy (Türkiye Cumhuriyeti Lefkoşa Büyükelçiliği Ticaret Müşavirliği, 2007; Türkay, 2006). The university students are mostly from Turkey even though there are students enrolled from other Middle Eastern and European countries as well (Türkiye Cumhuriyeti Lefkoşa Büyükelçiliği Ticaret Müşavirliği, 2007). The number of Cypriot Turks enrolled in a Northern Cyprus University is 12,457; number of Turkish students is 28,565 and there are 2,714 students from

Middle East (Türkiye Cumhuriyeti Lefkoşa Büyükelçiliği Ticaret Müşavirliği, 2007).

As a result of the decrease of employment opportunities in the public sector, there was a significant expansion of the universities during the mid-1990s, and this provided a new source of distribution of income. However, since 1990s, there are an increased number of university graduates feeling the 'sense of entitlement' because of their educational achievements in a very limited job market which can no longer provide enough jobs for its graduates. The surplus of university graduates is a result of low entry requirements of the universities (Lacher & Kaymak, 2005). Students who enter local universities with low requirements graduate with no or limited employability both because of very limited available vacancies and also because of their individual competencies.

> IPM19: I see it here, I have friends who work at the Eastern Mediterranean, they are academics there; there is nothing that can be done. I mean, go to work; shake your head, someone calls you to pass [a course] his/her child etc. time goes like that. Last month, a final year undergraduate student came here [to his office] apparently she was going to graduate from graphic design; she does not know buttons' places on the keyboard. Seemingly, she came here, to our graphic designer to prepare her assignment for her but he didn't do it; he just showed her how to do it. Eventually this is her knowledge, her task to do; therefore we said we don't know what you are supposed to do. This year the girl will graduate, she does not know which button is where and what their functions are. You tell her to push the "control" button, she searches the keyboard to find where it is; you tell her to push the "spacebar", she looks at your face questioning what a spacebar is. This girl is going to graduate, she will be a graphic designer, you imagine! Very severe...very, very, very.

In spite of existing multi-dimensional difficulties, universities in North Cyprus are trying to enter the Bologna Process which is a big transformation in education system in Europe and they struggle for direct trading with the countries other than Turkey, mainly Europe (Hantal, 2006; Cyprus Turkish Chamber of Commerce, 2007).

Recently, following the April 2004 Referendum for Annan Plan, EU prepared a "Direct Trading Regulation" in order to remove the isolations on TRNC to a certain extent; however because of the veto of the Republic of Cyprus the regulation cannot be put into practice (Şenerdem, 2007). The agriculture sector, which, according to data of 2004 holds 34% of the foreign trade experiences, suffers from the problems caused by other factors rather than unrecognition and embargoes such as; water shortage caused by unplanned resource usage and low annual rainfalls; and struggle with agricultural diseases. (Currently, the water need of the TRNC is 25-28 million cubes whereas the supply is only 20 million cubes).

However, apart from those, the Cyprus Conflict related problems also negatively impact on its development creating difficulties in storage, transportation of the products; getting loan; lacking technology; lacking agricultural research and adaptation work; and expensive imported input usage (Türkay, 2006).

Because of the problems in marketing of products into the domestic and foreign markets resulting from embargoes; the producers usually cannot find the right price and most commonly cannot find the buyers. Also, the profit margin of the wholesaler and retailer is significantly high that, as a result of this, the purchasing power of the producer is low causing a recession in production. In terms of foreign trading, since international airway companies do not recognize TRNC, establishing the link to provide the products to foreign markets is a big problem for Cypriot Turk producers. Moreover, since as the official currency Turkish Lira is in use, in any price increment in the Republic of Turkey reflects on TRNC. Additionally, because of the inflation and the value of the currency, the prices of inputs imported from foreign countries constantly increase. (Türkay, 2006).

In the Industry Sector, because of TRNC's natural and economic structure, the businesses are made up of SMEs which are mainly family companies. Until now, the major developments have occurred in the light industry sectors such as tourism and its sub-sectors as well as food and textile, which are sectors which hold a bigger percentage in consumption and pay the first investment back quicker.

Because of the regular economic crises, even though businesses in North Cyprus show a great effort to adapt themselves to the changes going on in the global world, they are still behind the developments and opportunities. Furthermore,

industry sector holds only 11.6% of the GDP according to data of 2003. Interestingly, this is because they only use 30-35% of their capacities. The low use of capacity is a result of low domestic demand, and export limitations as consequence of unrecognition. Also to a certain extent, there is the impact of economic crisis that caused lack of capital. Moreover, it is hard for North Cyprus businesses to find a big market other than the current market in Turkey because of the Cyprus Conflict related causes. (Türkay, 2006).

Another issue is the construction industry, which it expanded, largely unplanned, with little or no attention to the public benefit and preservation of the environment. Besides currently existing social costs of urbanisation such as; automobile congestion on roads causing high mortality form traffic accidents, deforestation and destruction of unique shorelines for development; as a result of construction growth, environmental pollution and damage of historical and natural sites occurred (The only mountain of TRNC is being damaged to get pebble for the construction). Even though the government took the credit for the benefits caused by the construction sector's growth, until now, little have been done to manage the damage caused by urbanisation. The ultimate solution for these problems is to effectively implement urban development plans within the national physical plan framework as provided in the Urban Development Law (55/1989) (Yorucu & Keles, 2006:83). This case again shows that there are implementation and control problems within the governmental structure; also they are very much related with Volkan's (2006a) list of elements of regression which are discussed in Chapter Six.

All over the World, every country has trouble in taxing small business and the self-employed people; this is because the burden of the tax compliance rests heavily on SMEs (Besim & Jenkins, 2005). When enterprise profile of the TRNC is considered, where almost all of the enterprises are SMEs this is an important problem. Since the mid-1990s, due to inadequate inflation index and increase in social security contributions, combined marginal tax rates on private employees has increased 41% for individuals, and 49% when employer's contribution to social security is combined with the personal income taxes and social security contributions paid by the employee (Besim & Jenkins, 2005:1202).

These high tax rates are reached when an individual's gross income is only about 10,000 USD. As a result of these, it was often rumoured that private employers and their employees collude to evade personal and corporate income taxes and social security contributions (ibid.,1203). According to the estimates of Household Consumption Expenditures Survey (HCES) results, there was an underreporting of self-employed income during the household survey by 11 and 14%. Private employees were also underreported their income by 9.7 and 14.2%. (Besim & Jenkins, 2005).

In spite of these problems, tourism is the main sector that contributes to close the Country's budget deficit. The main problem of the tourism sector is transportation as a consequence of unrecognition. Besides that Cyprus is an Island and it is always harder to access the Island; since TRNC is not recognized by other countries, the tourists that prefer air transportation have to trans-pass Turkey to visit Northern Cyprus. There are regular flights both ways between Istanbul, Ankara, Izmir - Turkey and Ercan-North Cyprus; however there are no direct flights to London, Paris or Berlin. The only way to go to any destination other than Turkey is to stop at Turkey first and then take another flight to the destination (Mardell, 2006).

Other than that sea-transportation as an alternative transportation means is not a good option either because of the current insufficient conditions of harbours and political limitations. Furthermore, since tour-connections are not long enough to influence the fullness ratio of the hotels, large businesses started to focus on the "casino" business as a priority, to make profits. (Türkay, 2006). In conjunction with the support to casinos, there have been lot of gambling related businesses which started to open.

Photograph 34

A lot of bet offices and casinos are opening in accelerating pace because of legal environment, and government-business relationship which in return have significant impact on society and the way government is perceived. Government gives financial credits and convenience to people who would like to open casinos whereas; there are complaints from the entrepreneurs who would like to expand their businesses such as shoe manufacturing or tourism (IPM08).

Moreover, the problem of transportation that results from international embargoes negatively influences the economy, tourism and social life in Northern Cyprus since this makes it very hard to access to the Northern part of the Island. Similar embargoes also exist in postal services and currently the post code that North Cyprus uses to send and receive post is "Mersin 10 via Turkey"; Mersin is one of the southern cities of Turkey. (Türkay, 2006).

> IPM10a: Imagine, you are going to import merchandise, since you are from an unrecognised country; you have to import it through Mersin [a harbour city of Turkey which is very close to North Cyprus]. Merchandise will go to Mersin, it will stay Mersin and the very same container will be transferred to another ship. I am very curious if anything happens [to the merchandise] there, who is going to cover you? You pay 100 USD for insurance, do they cover you? ...There is something called "deboraj", when you receive merchandise in a container, you have to return the container within 15 days or else you pay a fee. In our case, the 15 days

starts from the day merchandise arrive to Mersin. If for any reason this period coincides with public holiday [in Turkey - which majority of the public holidays of Turkey also are holiday in North Cyprus as well] or something else happens, you pay that fee; and this is exactly one of the risks of being unrecognised. I am not saying this happens all the time, but if it happens you pay. We experience this kind of stuff.

Figure 31: BGS Relationship in North Cyprus (1974 – Present)
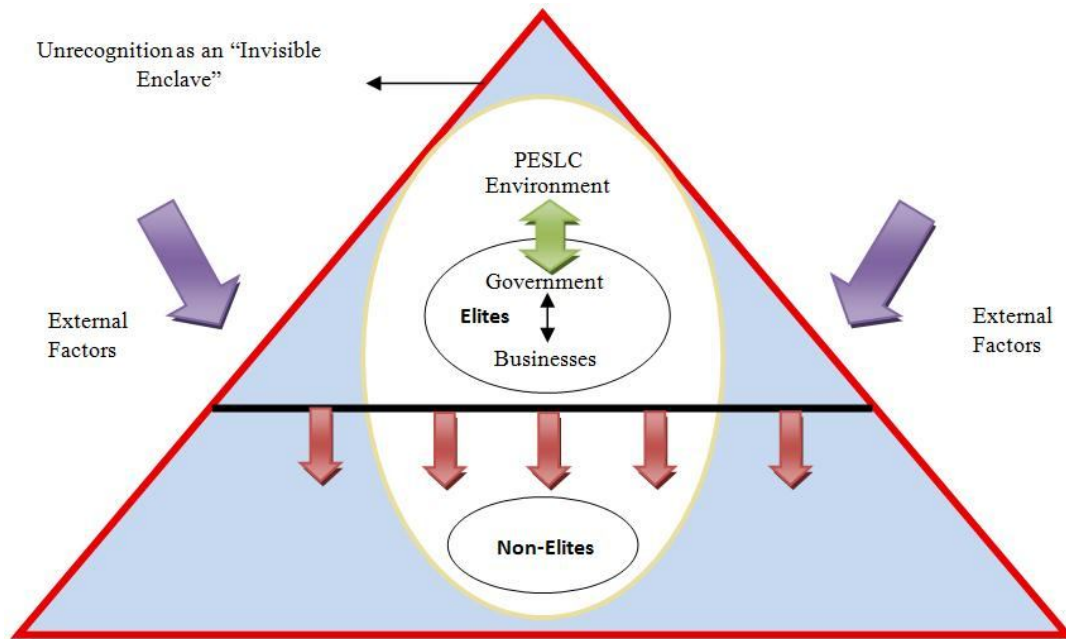
PESLC: Political, Economic, Social, Legal and Cultural

Although external factors exist here (e.g.: external body regulations such as European Union, United Nations) they have no sanctions on North Cyprus. As in the 1960s, Cypriot Turks are still living in an enclave but this time it is an invisible one that is created by unrecognition. Government and businesses as well as elites interacts and their activities, or any behaviour that brings them individual benefit reflects on the society and impacts on political, economic, social, legal and cultural environment. This creates a loop between society's behaviour and PESLC environment. In North Cyprus, changes in the environment further encouraged certain type of practices such as; looting, cronyism, patronage, bribery and kickbacks among governmental institutions and businesses which have been turned into "culture" through practicing them over a long period of time and moulded into the social behaviour. These unethical practices are discussed in-depth through example cases under section 6.5.1 and its sub-sections within this chapter.

6.5. Evidence of Unethical Business Practices in North Cyprus

Micro-level presentation and discussion of the analysed data starts from this point onwards, although 5.1.1 and 5.1.2 are part of the meso-level business-government-society relationship phenomenon; 5.1.3, 5.1.4 and 5.1.5, on the other hand, are micro-level elements (Figure 17).

In this section, secondary data collected from various sources (research data, newspapers, photographs taken by others) and the primary data (semi-structured interview transcripts of 40 Cypriot Turk entrepreneurs from North Cyprus; observations; photographs taken by the researcher) are presented in amalgamation. Different forms of unethical practice (patronage, nepotism, cronyism, bribery, kickbacks, graft and unfair competition) are all presented in this section. As the previous section, 6.4 provides the overview of the entrepreneurial environment and visualises the business-government-society relationship in North Cyprus, there is frequent referral to business-government-society relationship and the entrepreneurial environment during the discussions here.

Unethical practices are presented under sub-sections 6.5.1.3, 6.5.1.4 and 6.5.1.5. Each of these sub-sections contains three different unethical practices that are discussed through evidence. 6.5.1.3 has patronage, nepotism and cronyism, 6.5.1.4 has bribery, kickbacks and graft and 6.5.1.5 has unfair competition. These different unethical practices emerged as a result of data analysis. The rationale of categorising them under different sub-sections is the intention of providing rather flowing discussions on similar types of unethical practices. For instance, political appointments of close friends which is cronyism; political appointments of family members which is nepotism and appointing partisans (usually in exchange of political favours such as vote, or support) which is patronage are all presented under the same sub-section, as they are noticeably falls under the same kind of unethical practice.

Since this section focuses on Cypriot Turk entrepreneurs' individual definition of what business ethics is, it is beneficial to give the definition that is adopted in this research so that an interpretation can be made.

Ethics as it is used in this research, evaluates human conduct and how human beings essentially are supposed to behave, in particular towards each other and inquires the standards of good and bad; and right and wrong (Honderich, 2005; Mautner, 2005:201). Thus, rather than considering morality and ethics as distinctive concepts, in this research, with a more Socratic perspective, morality is considered as embedded in ethics. Based on the above definition of ethics, *Business ethics* is defined as the application of the 'ethics' concept defined above into the business environment.

The definitions provided by the participants can be categorised from philosophical to practical interpretations to actually perceiving ethics as social norms and values. There were also three participants, who did not know what business ethics is so they could not provide perceptions of their understanding. Given the importance of how participants perceive business ethics in our understanding of their perception of the world while interpreting their other responses, detailed quotations and categorisations are given in this section. Before presenting the data, the distribution type of their responses are given as a bar chart.

Graph 5: Distribution of Business Ethics Definition of Interview Respondents
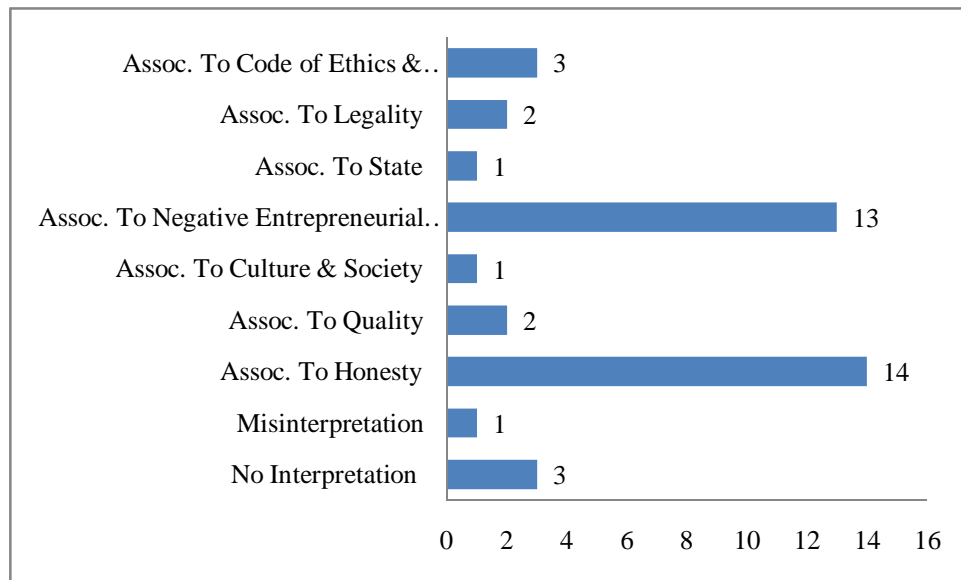
The quotations provided in table 26 are responses to the question of "According to you, what is business ethics?" and analyses of different types of answers were provided below each relevant quote group.

Table 26: Quotes of Business Ethics Definitions of Interview Participants

Definition Categories	Quotes from Interview Participants
No Interpretation (3 participants)	IPM03: Not too bad, it's going good. [He smiled and looked blankly. Later on when business ethics is simplified and explained the participant said these]. For me honesty is the priority. First health and then honesty. Honesty comes before everything, honesty before everything else.
Analysis	From 40 interviews, although very few of them have given direct and clear definition of business ethics from their perspective; four participants did not have any perception on what constitutes business ethics [IPM03]. Two of them mumbled but talked about something different [IPM17; IPM33] and after the question was rephrased with simplification and the respondent considered ethics concept in relation with general morality of individual and society, IPM03 associated it with honesty which is the highest association of business ethics definition in this research (14 participants).
Misconception (1 participant)	IPM09: If I need to talk honestly and openly, book definition of business ethics is zero in TRNC. First of all, your customer comes to your store to con you; if you are not careful they will con you. There is no possibility of doing on credit trade in this country, because no one is loyal to their debt, consumers are not loyal to their debt. They try various ways to postpone the payment. According to me business ethics is zero. Competition ethics is also zero. For instance, the guy that you sell merchandise stabs you in the back. I am a product's agent, I sell you the product and I know what your selling price is supposed to be. Plus I know your cost because I am selling the

	product to you; however you sell the product below your cost. This is not called competition; the guy sells the product for loss. What does he do? He is going to sell your merchandise, to make a payment to someone else as he needs money. So, he will distribute your product to the market; a product that is all over the market has no ethics anyway.
Analysis	Besides not giving their clear understanding of business ethics, one participant misconceptualised business ethics and he showed scepticism about everyone, including his customers which made his limited definition of business ethics rather an individual complaint and sharing of his thoughts on the way he perceive stakeholders of his business. Furthermore, his example of the wholesale buyer who sold products for a loss is rather a questionable incidence and is open to discussion, whether it is unethical or not. Even if it is so, who is behaving unethically in that incident? Overall, this participant neither could provide clear expression of his definition of business ethics nor could his example gives a clear ethical case, which shows his misconception of business ethics.
Ethics Associated to Honesty (14 participants)	IPM02: Business ethics is honesty, of course everyone can define ethics according to themselves but as long as you behave honestly, I believe business ethics is there.
	IPM10: The thing that you call business ethics, first of all, is honesty. Is there anything beyond honesty? I mean you have to keep your promise, make your payments regularly. For example, last night I was counting the checks I had in my safety box, if I make lot of purchases by relying on these checks, I mean if you use 100% of your capital, it means you cannot support your business ethics.
	IPM12: According to me, business ethics is being totally honest in your relationship with customers, so doing your job to the fullest. As I mentioned, to me business ethics is to get

	what you pay for and not to be deceived.
	IPM15: My uttermost thing of business ethics is that first you have to be satisfied with the work you do, so that you can satisfy your customers [IPM15 owns a stationary store and provides binding services]. I have hundreds of items that I made, when it is 1mm. left or right than the original place, I do not give those to customers. Therefore, first I should be satisfied with my products so that the person who buys it will be pleased with the product, because at the end of the day they are paying money for it. I mean you should be honest.
	IPM31: According to me, first of all, honesty should be there; you should be honest to your customers, to your state, to your employer and to your employees. What I mean is you should only take only what you rightfully deserve. Furthermore, you should be honest to rival companies as well. You should be honest to rival companies so that you can have an ethical business. However, this is my individual opinion. If this is not a general attitude then I cannot say that business ethics exists within that area of business or within that country.
Analysis	This category of definition is a very important indicator of interview participants' contextualisation of business ethics as strongly associating business ethics with honesty, which is one of the virtues of virtue ethics although Solomon (2006:36) considers it as a relative virtue which is open to cultural relativism. Taking Solomon's discussions of cultural relativism of virtues into consideration while interpreting honesty's integration to Cypriot Turk entrepreneurs conceptualisation of business ethics, it can be concluded that within North Cyprus context, honesty is considered as a positive, good virtue and is associated with positive ethical behaviour and is seen as the foundation of an ethical business.
Ethics Associated with Quality	IPM20: Although we do not have one yet, we carry out a business based on ISO [quality certification], based on quality

(2 participants)	and customer satisfaction. We are applying a system which works based on customer feedback.
Analysis	Two of the interview participants associated business ethics with quality which provided a different perspective on business ethics definition by Cypriot Turk entrepreneurs, although responses did not thoroughly define the concept.
Organisational Commitment & Customer Services (3 participants)	IPM04: Ethics is something that a person who loves his/her job has. So, a person who does not betray the place s/he works, is an ethical person. Being ethical means that you go to work on time, talking properly to the customer. Therefore, it is a type of approach to business.
	IPM05: You have responsibilities to your employees, your employees have responsibilities to you, and your business has responsibilities to consumers. When all these integrate, most probably issue of business ethics appear. This is the first time I am facing with a question like this.
Analysis	Like two responses which linked quality to the definition of business ethics, three of the respondents have associated their definitions to their code of practice and how they think the professional practice should be for ethical business.
Association to Culture & Society (1 participants)	IPM11: First of all, I would like to tell you that business ethics is very important. The word ethic is not only important in professional life but also in personal life as well. Although ethics seems as if it is the life style of a person, it is actually the reflection of society's ethics. In different countries, people behave differently in certain situations. You know that an English person would behave like this, a Turkish person would behave like this an Arab person would behave like that. This shows that it is not individuals' but rather society's ethics. Ethics that we refer today is being good natured, so it is a positive meaning that we load to that word therefore it seems like a good virtue. Ethics is also an abstract concept and where do we need it? To what extent do we need it? What is it to be

	ethical? All of us need ethics, and since good ethics is the society's behaviour rather than individual, good ethics cannot belong to individual persons. Therefore, when good ethics is considered, we all need it as a society and I think it is necessary. Thus, an individual's ethics and business ethics is the same thing. What I mean is if you keep your promise you are an ethical person, if you do not that means you lack ethics. This means that an individual's ethics at business is even more important than his/her ethics in private life. The more ethical and close to the right [behaviour] you are as a person, the longer will be the life of your business.
Analysis	IPM11 was the only participant who clearly linked business ethics to culture and society and suggested that ethics is a concept which should not be linked to individual but rather should be linked to society as he suggested that society determines individual's ethical attitudes. In a similar way, in his discussion of ethical decision-making, Bommer et al., (1987) whose presented in the literature review, discusses the role of society's perception of legality and morality's influence on entrepreneurial decision-making. In that sense, IPM11's response can be linked to Bommer et al.'s, (1987) views.
Association to Legality (2 participants)	IPM06: May be there is a maid, or someone who collects the trash who is honest, clean, good or a security guard; does not matter what his/her name is. First of all, if that person is an employee, if he/she is working, then that person must be given all the rights proposed by the law of the state. According to me, this is what business ethics is.
	IPM01: Business ethics is obeying the rules and laws imposed by your profession as well as being peaceful in your inner world; these are the elements of or the whole of business ethics.
Analysis	Although these two participants associated ethicality with legality, there are contradictory discussions about this in the

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	literature. As it was mentioned in the literature review, for instance, Jones (1991) defines an ethical decision as the one which is both legal and morally acceptable by the society (Jones, 1991:367). On the other hand, according to Bommer et al., (1987) a legal act is not necessarily ethical. Considering the definition adopted in this research, an ethical decision is the one that is morally accepted by the wider society and legally conforming acts are not always ethical. Therefore, although these two participants view legal acts as ethical, there are limitations to that type of view and it is open to discussion.
Association to the State (1 participant)	IPM08: First of all, ethics starts at the state, first of all state should have the ethics, the people who govern us should be real administrators, they should have ethics first so that it can reflect onto us and we too become ethical. Well, if they do not have ethics then trades-people do not have it either; in that case they start to try to steal. How do they do this? They do not pay insurance, they are guilty, they do not pay tax; they are guilty. But why do they do not pay these? They do not pay because they cannot make it. Or they hire a person for three month, and after three months they send him/her away saying that this was a provisional trial. This is it.
Analysis	Only one participant linked business ethics definition to state, and it is very similar to *Association to Negative Entrepreneurial Environment* category as they both are concerned with governmental practices and de facto situation's impact on ethics of business environment although neither of these two categories provide a clear definition but rather they explain the formation and continuity of unethical practices.
Association to Negative Entrepreneurial Environment (13 participants)	IPM36: It is a concept that does not exist. Within 50 metres space, competitor firms open.
	IPM21: Business ethics is very important however in Cyprus [North Cyprus] our friends, although I do not want to talk about our businesspeople friends... Nevertheless the

	government's inconsistent acts and practices, do not give trust. They increase tax constantly to cover their budget and they have "Re'sen" practices [Res'en means they calculate an approximate, predictive tax for active companies and collect the assigned amount beforehand] and their attitude is like "I do it if you do not like it, that is your problem". Of course, people think that most probably the Cyprus conflict will continue, thus they do not know what to expect from the future, and given they are human race, they left business ethics aside. So, they think that today is today, I do whatever I do today, and they act without thinking for tomorrow. They behave greedy, of course as a result of this, there is mistrust within the market.
Analysis	This was the second most frequent type of business ethics definition categorisation based on interview responses. Although they did not provide a clear definition of what they think business ethics is, it is evident that participants associated entrepreneurial environment with business ethics and they have attempted to describe business ethics though giving instances of unethical practices.

Preceding selected quotations reflect the general view of 40 Cypriot Turk entrepreneurs on ethics and how they define business ethics. It is evident that 14 participant out of 40, which was the highest rate, associate business ethics with the virtue of honesty. The second highest response was the association of ethics by 13 participants with entrepreneurial environment where they have given incidences of unethical practices based on their perception of what constitutes unethicality in business.

It is obvious that, to an extent, mainly Cypriot Turk entrepreneurs have a conception of ethics which is parallel to virtue ethics, although it is a very limited parallelism.

This section onwards, the main primary data is presented in density and given the amount of available data and since present day is the main aim to show how social trauma of past impacts on today and further created a traumatic environment,

data presentation and analysis are divided into different sections based on the data-coding that was done initially.

6.5.1. Governmental Practices and their Effect on Unethical Business Practices: Example Cases and Opinions

6.5.1.1. Being an Entrepreneur in North Cyprus: Obstacles and Limitations

As part of the meso level business-government-society relationship discussions presented in this chapter, this section provides evidence from primary data on the limitations they experience and obstacles that they tackle with while conducting business in North Cyprus, which eventually leads to unethical practices. This section contributes to our understanding of how participants' individual experiences shape their opinions on being an entrepreneur in North Cyprus when they take various factors (that they think are influential) into consideration. First, mainly the statements are presented, following the discussion and analysis.

Below are some of the statements of interview participants on being an entrepreneur in North Cyprus and the limitations they experience.

> IPM01: When we look at other countries in the world, the daily life is much more different here. First of all, there are isolations; because of isolations importing and exporting is very hard and expensive. Because of the combination of these I can say that it [the entrepreneurial environment in North Cyprus] is very hard. I can feel the small volume when I do trading, I can feel the small volume and after I come to a certain point, I also feel that I can do nothing because of the small volume.

> IPM33: Being an entrepreneur in North Cyprus is something nice. The positives are, everyone knows each other, if you do what you do properly; then you become more believable. It is believable, it is easier. There is not much system within the country, since everyone is used to monkey business there are easy ways out within the taxation system as well, nothing happens to someone who does not pay his/her tax. These are positives of being a pirate country. In terms of negatives, since everyone

knows each other the situation does not allow you to make even an easy mistake. Since it is a small society, you can disappear from the market right away.

IPM08: People talk there [on the radio]. One day someone was on the radio and made a speech when the road was open [participant means Ledra Palace Border] he said "Did you see the benefits of Annan Plan? There had been a Güneş Makarna Fabrikası [the Sun Pasta Factory] during1960s in this country, with the application of Annan Plan; this pasta factory will be opened again. I had goose bumps inside, I mean I was happy and until today I never heard anyone on the radio to say I established this business, or that factory has been established, I never head...For example, manufacture electric heater, you graduate many technicians, manufacture gas heater, is there anything like this? No. Long time ago we had Sanayi Holding [Industry Holding] who was producing these but we closed them all, CLOSED, closed. Or for example buy everything from Turkey, and sell everything you produce to Turkey since it recognises us, no, there is nothing like that.

Photograph 35 (Kıbrıs Newspaper, 2009c)

Many businesses especially in manufacturing sector are bankrupted as a result of political and economic environment. Most of the people are employed by the government in North Cyprus.

IPM19: For good or bad, we are losing our own population here through time, but eventually there is unemployment, there are embargoes. It is not only embargoes which stop us; our government is also an obstacle in terms of doing business; however our youngsters also do not have the thing, the effort. I mean they prefer not to do jobs that they do in South Cyprus, for example they work there in construction; or the jobs that they do in Turkey or in England they clean restaurant toilets. This is not something to be ashamed of, if you are getting a pay in return of what you do, consequently this is service. I am a business owner but I too go to the field to fit sign boards whenever it is necessary because these people are paying me to do that job [the participant is in the advertising sector]. In some cases where necessary, if we are short of employees or if someone specifically asks for me I work under the sun; I also dig holes, and do fittings. Because eventually this is my job; however especially with my generation, there is this relaxation among people in their 30s. And I think is as a result of a long-term policy, most probably this is also something that looting culture brought; people do not want to work, they do not want to do the job that they do away from home. When they work outside the country they do it and no one sees, however they do not do the same job when they come back here. Therefore, this is a little shameful; I mean how can someone be ashamed of working? You cannot. Even if you are going to do cleaning, you will do it, there is no shame in working. You are going to earn money eventually; this is your money so that you can buy bread.

When all the above statements are analysed, it is evident that the limitations imposed by the de facto situation cause significant impact on entrepreneurial practices. For instance, IPM01's views are dominantly linked with what is described by Volkan (2008a) as invisible enclave. The statements show that individuals feel the political unrecognition as both an issue of identity and at the same time as an obstacle in integrating with the world and feeling like a world citizen. It is also evident that because of the social trauma and its afterwards effects, people get into a different mentality when they are in North Cyprus, which is now dominated by the Turkish products and population. Also, we can see that there is a desire to be a productive, self-efficient society again although Cyprus Conflict related constraints are preventing it at the moment.

6.5.1.2. Unemployment and Commute and Illegal Workers in North Cyprus

Unemployment rates and lack of opportunities; commute workers who go to South Cyprus daily for work, and illegal workers who are mainly coming from Turkey are discussed in this section and their impact on entrepreneurial environment is questioned based on evidence.

As a result of external forces, there is the issue of Cypriot Turk commute workers in South Cyprus who inevitably work there as a result of unemployment in the North. The effects of banking crisis in 2000-2001 periods; economic constraints resulting from embargoes and unrecognition and migration which still occur as a result of unreliable, unpromising economy are all representing economic conditions as an external force. According to October 2008 Household Labour Force Survey by State Planning Organisation, there were 3,252 people working in the South. (Kıbrıs Newspaper, 2009f). Most of the commute workers in South Cyprus now are being laid off as a result of the 2008 crisis which is still impacting on businesses.

Some of the workers, who just lost their jobs, became mobile fruit/vegetable sellers. One employee who just recently has been laid off (in February) said: "I have one month of work left, I am in the construction work, I don't know if should I think about my home's rent, or my child's milk and diapers?" He stated that in the North he has trouble paying the house rent of which is around 1000 YTL (390GBP) and in a month he will be losing his 2500 YTL (980GBP) salary from the South. He also said "most probably we'll be starting a rebellion soon as we have no other alternative anymore". (Kıbrıs Newspaper, 2009d). According to the Household Labour Force Survey which was conducted in October 2008, announced by the State Planning Organisation the unemployment rate within North Cyprus has increased 0.4% and became 9.8%. The number of people who can work is 201,796; among these people 9,881 of them are unemployed and 30.6% are employed by the government which makes 60,539 people. (Kıbrıs Newspaper, 2009f).

Unemployment and current socio-political situation also led to many emigrations from North Cyprus.

> IPM19: ... and I think the population of Cypriot Turks is now 100,000, there
> are more of them overseas in England, Australia. Previously, it was "those

who come are Turks and those who leave are Turks", but if those who come do not anymore we will have no manpower for work. Who is going to work now? That is another story because even those people are not coming anymore. Everyone is trying to go to the other side [South Cyprus] and therefore "those who come are Turks and those who leave are Turks" is also ending as those Turks are not coming anymore. Everyone tries to go to the other side or there are Turkish workers / employees, who get married and go to the other side etc, therefore I don't know, we are very pessimistic when these dimensions are considered.

One of Güngör's (2002) informants, a 29 years old-male from a village of Nicosia summarized the psychological situation unemployment and economic constraints impose on Cypriot Turks and the pessimism these led them into with these sentences:

I am hearing from the people who work in the Greek side [South Cyprus], according to what they say the other side is like heaven, their life standards are apparently very high. I don't see anything good here. I feel like very bad days are waiting for us. Our economy is zero, unemployment is everywhere. Everyone wants to emigrate. If I have the chance, I would leave from here as well. Finding a job is impossible, and when you do they do not pay more than 200 million [78GBP Note: During 2002 still old Turkish Lira (TL) was in use. This was approximately what the minimum wage was during 2002. Twice a year a commission is gathered and decides how much minimum wage should be increased. In 2008 the minimum wage was 1060TL (413 GBP). In 2008 six zeros were removed and it was called New Turkish Lira (YTL). So, 200 million in old TL became 200 YTL. In 2009 the word "new" is also removed from the currency and now 200 million TL is the equivalent of 200TL.]. How can someone live on 200 million? How am I supposed to form a family with this amount of money? I constantly think about stuff like this. I wish I could buy one newspaper everyday; for example I cannot do that. I can read it here and there when I get a chance. In Cyprus, it is a custom if you are going to light a cigarette, absolutely you offer it to the other person [sitting with you or around you] and you insist them to take one. The other day, I was sitting in the coffee house with my friend that I know since childhood, neither he nor I could smoke because if you smoke, you must offer to the person sitting with you. We sat like that with discomfort. They put us in a situation where we

think about the value of a single cigarette. We remember our customs no more. (Güngör, 2002:114).

On the other hand when we look at the immigrant worker population in North Cyprus, as mentioned earlier, according to the 2005 data there were total 46,010 guest workers in North Cyprus (Özay et al., 2007). This is suspected to be close to 60,000 this year, 2009. However, 46,010 is the recorded number, whereas according to the inspections, 90% of the workers are illegal and there are approximately 7000 illegal workers in Nicosia excluding other cities. All of these illegal workers come to North Cyprus on a "tourist" status and work without a work permit. (Tokay, 2008).

Majority of the people who work in the North are employed by the government and this creates a burden on the governmental budget. The reason why people prefer the public sector is because the minimum starting salary is almost double the minimum wage that they are being offered in the private sector, shorter working hours and more benefits such as holidays, permanent job security, retirement bonus and salary; and the like. Political parties use public job opportunities as a means to earn votes. As there are high numbers of unemployed university graduates and since employment conditions are harder and pay is lower in private sector where there are limited job opportunities exist, people either immigrate to countries like Turkey and England, or wait for the political party that they support or have connections with to come into power so that they get a job in the public sector. One of the interview participants, while explaining cronyism and bribery and their impact on their business conduct, he referred to the current situation of cronyism within public employment.

> IPM03: A country is not a country if there is cronyism and bribery, and that country never goes a step forward, contrarily it goes back three steps. These [bribery or cronyism] could be present in any country; however in our case cronyism works this way: every government when they come to power they appoint their partisans. If every government appoint their partisans to high positions who are unconscious/ unknowledgeable, that does not work.

Recently, within these five years there is an increase demand for positions in municipalities as well. In February 2009, based on Exchequer and Audit

Department's report excess although 150 employees of the Nicosia Turk Municipality were laid off, one and a half month before the national elections, 65 people were hired showing lack of employees as an excuse (Kıbrıs Newspaper, 2009e). Some of the quotes from interview participants which are presented below gives interesting perspective and describes the situation in detail.

IPM17: Currently we have many unemployed university graduates in our country and most of these people hope for help from the governmental departments. I mean everyone is trying to get their child employed in one of the governmental departments and they are searching for in which department they can get employed. People are not finding jobs within their specialisations; they are in a situation where they want a public office job and whatever job they do, they are fine as long as it is a public office job and the reason for this is guaranteed salary because private sector's situation is unclear. I mean there are many alternative employees from Turkey, for example I have friends from tourism and hotel management department and when they graduate from this programme, when they are from Cyprus they cannot start at a hotel as an employee because most probably, you know it as well, it might be a technical manager position or something else, these positions are all filled from Turkey because they are employed for low salary. There is no place for our Cypriot people; I mean we call it [Cyprus] tourism, tourism country, however in this country that we call tourism country there is nothing related to tourism anyway. I mean for example, at the moment, in our hotels only casinos are working and you know, they are owned by Turkish people anyway, and people who come there are Turkish. They are picked up [from airport] with vehicles [usually limousine or expensive, branded cars]; the people who pick them up are Turkish anyway, they take them, these people gamble and they leave; there is nothing they leave for the country, I mean nothing. Their nonexistence is definitely better for us. On the other hand, tourism has to be developed in this country but now I am thinking and we say it should be developed; Cyprus is a very beautiful country, country like heaven etc, however what is the Greek side's difference from us which is only a border away? There is no difference, that is the same country, I mean if this side is like heaven, that side is heaven as well. In this case, there is no reason for people not to go there; they can go there with direct flights. There are more hotels there, because it is a more frequently visited place. They have more opportunities especially now being a

European Union member, people have more advantages and in this situation there is no reason for people not to go there. Anyway, only old people visit our side [giggle], it goes like that.

IPM08: How come they become big corporations here? What do they do here? They build hotels, and do tourism at hotels. With the aim of tourism important business-man comes here from Turkey, they are all from their people the doorkeeper, night guard, driver we hear all these on televisions. However, there is this law which states that businesses have to employ minimum 51% from locals, but that does not exist either. Who is going to obey the law? The guy brings a worker, makes him/her work for 3 months and after 3 months sends him/her away and brings someone else. All of them are temporary so that working permit is not a burden (!) on them [on employers].

IPM19: There is no Cypriot employee anyway if you look around; unfortunately none our Cypriot friends want to work here. They all want to become public officers or want to work in the municipality, especially during recently Nicosia Turk Municipality. I mean they do not want to work, I remember when I was a kid, but approximately 20 years ago, we had people coming over here to work part-time during summer time; teachers, artists. Cypriots, they were all very hard-working and productive; however this recent period we have very few Cypriot Turk personnel. ...however we have many problems both in terms of imports and quality of workers; unfortunately our people do not work, because in terms of human resources, government is a very big competitor of ours. Our biggest competitor is government because a public officer who just starts a position gets 2000 YTL [782 GBP]. When they start the position they do nothing, and at the end of the day, they only work half a day; do not work on Saturday and Sunday and do not work during the afternoons [in Cyprus both in the South and the North, public offices are closed during the summer time in the afternoons]. When they work extra, they demand twice their salary as overtime. However if someone works for us, they work from morning until night, he/she will work during Saturdays, in some cases will work on Sundays as well and the minimum wage that the government determines is 1,050 YTL (410 GBP), no one works for the half salary [of what they can get in the public sector]. When the person goes back to his/her home, his/her neighbour works for government, gets 2000YTL and

does not work, you work all day, you become exhausted all day and you get 1000YTL, there is nothing like this on the world... W [a company name which researcher kept for ethical reasons] became W here but does not give any business here, including the bank's businesses. X [a company name - kept private] is same, everything comes from Turkey. Y [name kept private] Bank is here for years now, maybe it is the biggest bank on the Island in terms of numbers it hold, they do not buy even one pencil from here, everything comes from Turkey. Z [name kept private] is same, others are same; the one which recently opened, they are all same. I am talking about my sector all that outside visual work came from Turkey.

IPM21 supported other participants' views of government as an obstacle to private sector and its effort to create a public officers society.

IPM21: We have a saying here, and this is how I describe North Cyprus. In its plain form, we define it as a public officers' heaven.

It is evident that besides people who demand to become public officers, unemployment is partially caused by native Turkish companies opening their businesses in Cyprus but employing majorly Turkish people who are working illegally without a work permit. Besides these, unrecognition is seen as a big obstacle in front of producers; thus more people are searching for jobs in the public sector immigrating to other countries or searching for jobs in South Cyprus.

IPM08: What I am trying to tell is that, government, I am not referring to the current government, I mean all of them; the system which was established has not been changed since 1980-83 and it still continues. The same system, there is no production in here [North Cyprus], for example everyone who comes to power talk about production based economy. Where is it? I do not see production based economy. For example, we have abundant of olives in our country, we export olives, what else do we have here? The olives that we produced are all desiccated, oranges for example, desiccated. Why? Because the person [producer] does not earn anything from that, for example produce oranges now, according to your needs take oranges, process them, give producers the opportunity. If we had the opportunity to export, wouldn't we have factories here? Making orange juice to export this to overseas? But no; to whom does the person

will sell what he produces? We have these issues as well. Therefore, everyone has leaned towards ready-made stuff. The people who have money do ready-made business [importing goods] and the ones who do not have money takes public jobs thinking "Oh! I am comfortable at a public office position".

6.5.1.3. Evidence of Patronage, Nepotism and Cronyism in North Cyprus

While answering a question on the way bribery and patronage impact on people; work environment and the business, one participant's response was this:

IPM33: Definitely one of the results of cronyism and bribery is its psychological impact. First of all it causes distrust towards the administrative mechanism; as a result no trust exists. This distrust also reflects on the family as well. The most important indicator is distrustful people; people do not trust other people. They [believe] that everyone is a cheater, [and] achieved the positions they have unjustly. And this is the biggest wound of our society today. For example, someone comes to a position such as manager in the government [the appointments at managerial and above level in the government are done through written decree with three signatures and they are referred to as "triple written decrees" in daily language], everyone believes that he/she got the position as a result of cronyism, they believe no one become anything justly and according to me this is a very scary mistake. Everything [related to cronyism and bribery] decreases the trust; it [cronyism and bribery] promotes distrust, no one trusts anybody, this is a very big wound of our society....Achieving sudden wealth after 1974 has a very significant impact on this. As a society in every period we always found loot anyway and we are still enjoying that dominion. No one knows how long it is going to last, because it gets better and something else comes up [gets worse]. We say oh! These are also over, then something else comes up, for years now; it has been centuries that we are managing these like this. I am thinking most probably it will continue like this.

The suspicion and distrustful attitude towards individual successes, is a very distinctive and congruent example of altered siege mentality. Through a metaphor Volkan (2008b) described people who rise in the society as "diamonds covered in the mud" because of the social effort to try to pull them back into the "mud" (Volkan,

2008b). IPM33's comments on getting high positions and the way this is approached with distrust and suspicion of patronage or cronyism within the society are also verified through observations and other participants' statements as well. However, not all the suspicions are wrong, as presented through other cases cronyism and partisanship does extensively exist in North Cyprus; therefore although many of the cases are true, the attitude of the society through every individual who succeed in the society is the sign of the presence of altered siege mentality.

Association of one's own ethnicity and nation with a negative behaviour such as looting and the hopelessness are also indicators of the impact of social trauma on both individuals and society in the form of inward psychological aggression through degrading their own society and leads to eventual division within the society which is a very visible element of North Cyprus.

Most of the observers of the Cyprus Conflict have missed that political connections are, in fact, still very important in enjoying wealth and privileges in North Cyprus. Navaro-Yasin wrote "in the experiences in which I have immersed myself in Northern Cyprus, there is no space where 'culture' is not already and all the time politicized." (Navaro-Yasin, 2003:121). The group within the North Cyprus population, being as socio-economic elites of the Cypriot Turks, enjoys the benefits of having political connections. The most important benefit that they enjoy is getting land. However, this unequal distribution of property created a problem; political allegiance led to wholesale redistribution of properties. (Lacher & Kaymak, 2005). At the moment in North Cyprus, opposing political parties are perceived as if they have different large group identities as a result of this division among society members (Volkan, 2008a).

6.5.1.4. Evidence of Bribery, Kickbacks and Graft in North Cyprus

This section provides evidence on the unethical practices of bribery, kickbacks and graft through a number of examples which confirms high independency between governments and businesses. Furthermore, through direct quotes, it shows business-government-society relationship form time to time to emphasise the existing strong connections between micro and meso levels.

When bribery was brought up during the interviews through the researcher asking participants "assuming that bribery and corruption exists, how does this

impact on your business conduct?" all of the participants except one replied by saying "we do not assume, it does exist" or "This is not an assumption, we know that it exist" and by similar responses like these.

> IPM19: We don't assume [that bribery and cronyism exist] anyway, I believe it exist. Especially in governmental departments I believe there is bribery and cronyism in serious scales.

> IPM05: I ask about it [bribery] to some of my friends while joking around and ask them; "how do you give bribes? I mean you are going to offer bribe to a person, how can you do it?" and they tell me "we go to the person, we say look brother, you do this for us, and wish whatever you want from us; we'll do it for you. When we say this, that person gets the message."

> IPM10: You bring a container for example, when you bring this one container merchandise your commissioner tells you 'Lets empty your container after usual working hours because it is more appropriate like that. Then you see that, customs officers, government's employees, customs officers, gets over time from the government. They work after 5pm so that they can get paid overtime, but on top of that, even though they come with their personal cars, they request money for taxi, for food and similar expenses and you pay extra. Last time, I paid 500 YTL (≈200GBP) extra because of that whereas usually the normal procedure should not take more than 200 YTL (≈ 82GBP).

Among many interesting cases, few of them are presented in this research as examples. The ones which made the greatest impact on the media are presented here alongside the interview participants' responses on bribery and corruption.

One of the cases, which received major newspaper coverage, was about a lottery ticket that was sold for 100,000 USD (60,000 GBP). It is a common case in North Cyprus that non-governmental organisations (NGOs), football clubs and political parties prepare lottery ticket where each of them are sold for a fixed price such as 5 – 20 YTL (2 GBP – 8 GBP) in order to receive funding. Prizes would include goods such as TV, kettle, mobile phone and the like and sometimes cars which are in almost all cases are donated by the business-people, or individuals who

are associated with the organisation and afford to make such donations. In ÖRP's case (Özgürlük ve Reform Partisi [ENG: Freedom and Reform Party] which was the smaller number of chair holder party in the coalition government between 2004-2009), there have been a case of selling lottery tickets for 100,000 USD. The accusations included that the party had this money in return of a favour done for an individual and others saw that as "investment" done for future favours; however the agreement existed that in spite of the public's demand for honest society and clean politics, this was an example of a bribe. After this information leaked to the press, the top ÖRP administrators confirmed that they have received that money from a private company (which is one of the largest companies in North Cyprus), and defended his party by saying that in order to survive, political parties require income and the incidence was natural. (Yurtsever Kıbrıslı, 2007a).

Derviş Kemal Deniz was the Minister of Economy and Tourism during 2004-2006; he made statements in 2007 on the ways things are run in the government. He referred to the "powerful forces" that manage the government, and referred to "self-interest groups". He said that the way to identify these self-interest groups is to look at the relationships within a ministry. (Esendemir, 2007a). In his interview with Esendemir as it is directly published, he continues by saying;

> The first and the most important circle of this chain of relationships is the party; the chairman of the party which appointed you. Along with the party policies, the chairman of the party controls you. Not only him/her but also party's MYK (Merkez Yönetim Kurulu [Headquarters' Board of Directors] and members of the parliament (MPs), want to keep you under control. In addition to these, party has secret forces; these secret forces exist in all parties. They try to carry out individual interests rather than party's policies. Whichever ministry they acquire, these groups pursue all sorts of manoeuvre to get maximum benefit. The second group consists of organised groups within non-governmental organisations and they have connections with a ministry. Third group are the ones who intrigue for self-interest. What does this group want? They generally are businessman or investor. They want to establish close relations with you, they want opportunities. Do you know that party ağaları [plural, Turkish word, title of a feudal lord], they send a paper to the Council of Ministers. On the paper it is written how to distribute which land to whom. They

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also told me "Let's give you a place in Industrial Estates". Of course, I did not accept it. They said "Are you crazy? Before you, everyone was getting it." When they saw my reaction, they gave up. (Esendemir, 2007a:1).

Derviş Kemal Deniz described the personal gain he could have had in the Economy and Tourism Ministry which is described among politicians as "Barley (money) Barn" as follows;

I could have left from the door of the Ministry with 20 million GBP wealth. I could have sold 170 lands over 30 million GBP. I could have sold 4-5 large tourism parcels for above 2.5 million GBP. I could have distributed to the people who wanted by making a % calculation. I never had these intentions. (Esendemir, 2007b:2).

Another corruption case involved Asım Vehbi who was the minister of Environment and Natural Resources Ministry during the same period of CTP/ÖRP coalition (2004-2009) although he resigned in 2008. The allegations about him was on allotting lands overnight to a private company which is owned by his uncle, and two other companies that his friends own while approximately 3000 people were waiting for their turn; the companies' names were given in the newspapers (Yurtsever Kıbrıslı, 2007b).

In spite of the impact of previously mentioned corruption cases created on public, they were not as big as what has leaked to the press later on and proven through cassette recordings which were also broadcasted on TV for some time. It was a bribery case again involving Asım Vehbi. He was accused of (and proofs were also provided) that in return of bribe of 4 million USD (2.4 million GBP) from a company called Variant Ltd., approximately 1200 acres of land which is in a very good location with 70 million GBP worth was going to be allocated (through long-term leasing of 49 years). Apparently, previously other companies also pursued to get this place, they were rejected based on the reasons of the land being unsuitable for the specified purpose and its allocation's being against the Macquis vegetation fields order. The Council of Ministers' decision which was also published on the newspaper was showing that the land is a forest area and the company was intending to build an 18 holed golf range alongside a first class holiday village or a five star

hotel. In spite of this, the Council of Ministers order was for the land to be leased to Variant Ltd. for 49 years under the authorization of the Environment and Natural Resources Ministry, where Asım Vehbi was the minister during the time. (Yurtsever Kıbrıslı, 2007c,d). After these were known to the public, the director of the Variant Ltd. contacted the newspaper which brought these to the public attention and he told the details of the deal that he had with the people involved in the bribery. His statement was as follows;

> ...if they say that there was no money matters in this business then they lie. If I say it, it is a lie too. I have given 2 million dollars [1.2 million GBP] for this business. On the day that I signed the contract, I will give 2 million more. I have made my payments with cheque. Moreover, I have made them sign a document saying that they will give my money back just in case if anything goes wrong. If anyone needs proof, or main resource from you [talking to the journalist] you can comfortably show me as your resource. However, there is another sensitive issue here. Since Council of Ministers is involved in this thing, I don't want people who are innocent to be mistreated/ accused. (Harman, 2007a:1).

After his confession of bribery which was presented in the above quotation, the director contacted to the journalist again with the claims that he got death threats. He also stated that he officially returned the land which was given to his company with Council of Ministers order; however he has trouble getting back his 2 million USD and he has been getting various threats including death threats. He also has given the name of the person who was threatening him heavily. During his next meeting with the journalist, the director of Variant Ltd also further confessed bribery and graft to the ÖRP party which was the governing partner of the state during that time until April 2009 elections and invited the Deputy Prime Minister of that time Turgay Avcı, who is also the party leader of ÖRP to resign so that they both can be put on trial. (Harman, 2007b). Director's statements are as follows;

> Turgay Avcı had a statement where he said he doesn't know me etc. Let me tell you this; I have decorated all of their party buildings in Mağusa [Famagusta] and Iskele. With pressure and insistence they made me to do this; from Ortaköy [a town in Nicosia] – Arçelik [a Turkish white goods brand] fridge-freezers, televisions, television stalls, computers, Oreks

computers, all and all these are imposed by Özlem Hanım [Ms. Özlem –
Wife of Turgay Avcı]....Now he should tell me, is he going to leave his
wife or [resign] from the government? (Harman, 2007b:1).

Later on, the director of the Variant Ltd, who is now very well-known and
referred to by the people as "Variant Ahmet" put forward another version of the
situation which was contradictory of what he stated before. Apparently, the land was
given to him without his demand as a way to pay back ÖRP's debt to him, since he
financially supported the party since its establishment. He said that the first half of
the money, which was for supporting the party financially, was given through the
minister of Environment and Natural Resources Ministry of that time, Asım Vehbi,
and mufti – Head of Religious Affairs Department of that time Ahmet Yönlüer (now
he has his own political party where he is the part chairman, Halk Için Siyaset Parti
[Politics for Public Party]). There were also allegations of sudden wealth
acquirement by the same minister as his under construction villa was valued at
400,000 GBP which is impossible to build with a minister's salary. (Harman, 2007c;
Yurtsever Kıbrıslı, 2007f).

In June 2009, the government which took over from the previous coalition
government made a public statement with all its Council of Ministers members on
allegations of questionable activities and corruption of the previous government.
Currently, the deficit of TRNC budget is 470 million TL (182 million GBP) because
of the previous government's unethical mismanagement. According to the statement
of the prime-minister of that time Derviş Eroğlu (2009) and the Council of Ministers
members there have been many unethical practices by the previous CTP/ÖRP
(Cumhuriyetçi Türk Partisi [ENG: Republican Turkish Party] / Özgürlük ve Reform
Partisi [ENG: Freedom and Reform Party]) coalition government, ranging from
cronyism to kickbacks. There have been 4620 new employments and as a result of
all these, the foreign trade deficit has increased; while import was equal to 680.7
million USD (418. 3 million GBP), export was 83.7 million USD (51.2 million
GBP). Statement refers to very serious kickback allegations (Kıbrıs Newspaper,
2009g). Some of the questionable activities and corruption cases included but are not
limited to spending 1.5 million dollars (912,000GBP) to some of the TV channels,
newspapers and journalists. Also, one of the TV channels got 1.5 million dollars
(912,000 GBP) credit from Development Bank of the TRNC government. As

elections investment, although it was against the election bans, they have installed electric meters to 290 houses and 675,000 TL (265,000 GBP) of the total expense which was 732,000 TL (287,600 GBP) was paid by the Prime Ministry. Moreover, the statement also referred to 90 million TL (35,4 million GBP) overtime payments of the public employees which were 7 million TL (2,75 million GBP) in 2003. The national airways, Cyprus Turkish Airline is in 44,5 million USD (7 million GBP) debt and public-foundation owned Eastern Mediterranean University is in 43,7 million TL (17 million GBP) debt. Also, the debt of publicly owned Cyprus Turkish Electric Establishment is 190 million TL (74,8 million GBP). More importantly, they have presented the cases of kickbacks. (Kıbrıs Newspaper, 2009g).

One of these kickback cases is about the newly built Famagusta Public Hospital. Three companies have entered into the contract bidding for the construction whose investigated value was at 23,691,411 TL (9,280,000 GBP); Tosunoğlu İnşaat Ltd. 26,000,000 TL (10,000,000 GBP), Emek İnşaat Şti. Ltd. 26,500,000 TL (10,380,000 GBP) and Korman Cons. Ltd. 26,638,807 TL (10,442,000 GBP) (Kıbrıs Newspaper, 2009h). Tosunoğlu İnşaat Ltd won the contract bidding on the grounds that they have provided the lowest amount for building the hospital, later on with the order of the Central Contract Bidding Commission, the company dropped its bid from 26 million TL to 23, 691,411 TL which was the original investigated value by the government and signed the agreement and started the construction on 27 February 2006 with the commitment that the project would be completed by 20 August 2007. However, in 20 June 2007 the Council of Ministers approved the extra expenses request of the company under the title of "extra work done" and increased the cost of the contract bidding from 23,691,411 TL (9,280,000 GBP) to 38,525,824 TL (15,109,000 GBP); therefore the expense of the state increased by 14,834,413 TL (6,430,000 GBP). Although the state has paid the company 38,171,314 TL (14,970,000 GBP), state still owes Tosunoğlu İnşaat Ltd 354,171 TL (138,916 GBP); moreover another important contract was also signed with the same company. According to the agreement, the company would provide general monthly maintenance of the hospital in return of monthly maintenance expense of 162,400 TL (63,532 GBP). The agreement at the moment covers July 2008 until April 2009 (same month of the elections); however, there was no information available on whether the agreement would continue as it is

or if it was to be terminated. So far, besides the main construction payment, this company has received 1,542,800 TL (605,000 GBP) towards the maintenance service. (Kıbrıs Newspaper, 2009h). In October 2009 the contract with the company was cancelled by the government; however there was no mentioning of giving back the kickback money to the government.

Entrepreneurs who were interviewed for this research complained about the bidding contracts and had these to say:

> IPM14: Partisanship is very open now...They do not support local production... They give contracts to people who are in luggage/bag business, but they give it to people that have nothing to do with this business. Favouritism! For example I am the manager of X institution, I give the contract to my relatives or friends by saying come and bid in for this contract; go to Turkey, pay and have them made there and bring them here. No one asks the person how did you made these bags, or no one asks to the manager why you gave this contract to this person. Did he/she give the best offer? For example, Name Surname [name and surname of a person was given during the interview], this man "eats" (earns, gains like a "tornado") large amounts of money.

> IPM05: Every period, people know someone and they carry on their businesses from the top... Unfortunately, we couldn't demolish this custom.

These quotes evidence the scope of the corrupt activities that take place within the business environment and shows how businesses and government work as it was described by business-government-society relationship literature.

6.5.1.5. Evidence of Unfair Competition in North Cyprus

This section provides evidence on unfair competition through both secondary data and primary data (interview responses). It is also helpful to see the relationship between government and businesses and the impact of unfair competition on Cypriot Turk entrepreneurs.

Besides large scale corruption cases, there are also issues which make daily business lives of entrepreneurs much harder and provides a different environment for

business conduct that pushes them to either leave the system (to work in South Cyprus, work in the public sector, or to immigrate) or to adapt it, learn it and become part of it.

> IPM16: First of all, there is no government support, just the opposite; there are many issues where they create obstacles; things that limits us to compete with certain people. For example, yesterday we brought in merchandise, it was looted in customs. Someone gets one piece, someone else gets another piece and you cannot say anything. If you say something you cannot get your merchandise out of customs or instead of paying three you pay five to get it. You have to obey; the people there can loot your goods. They just take it, they say I am taking this, they take it and go. To whom you will complain about it? If you complain them to their supervisors, he/she says give me two pieces as well and I will take care of it. ... I know that one night, personally the minister has been woken up, the law has been edited, and the next morning it has been presented to the Council of Ministers and got approved. It was about business. I know that for one person they changed the law and can change it again.

There is unfair competition between importers and local producers and government does not provide proper control in the market, which creates competition.

Ahmet Yeşilada, who was the Cyprus Turkish Potato Producers Association Chairman in 2007, said "Everyone wants to be employed by the government; however, my son who is a mechanical engineer that graduated with an honour degree, is doing my job. Nevertheless, he is very regretful" (Basri-Akter, 2007a). In an interview, he explained current problems that they are facing as local producers (besides being a potato producer he produces apples as well) and the corruption within the domestic market.

When the general cost of apple production is asked to him, he answers by saying that it changes since it is hard to find a trimmer, he adds by saying that being a trimmer is a shameful occupation according to the Cypriot Turk society and everyone has a job in the government. (Basri-Akter, 2007a). It is very common in North Cyprus, as a Mediterranean country, where parents want the best education for their sons and daughters, so that one day they may become someone important in the society (Peristiany, 1976).

There is a law banning import of apples during certain periods to support local producers, which states that within the indicated period of time, no apples can be imported or be sold, however producers are complaining that the government does not control even after they demand it every season both verbally and in writing. Mainly, the apples are imported from Turkey, South America, and Chile. The ban period starts during May and ends at the end of August. However, even though there is a law banning imported apples to protect local producers, importers starts to refrigerate a year's apple demand well before May, and during May to August, when only local apples should be sold they distribute imported apples to supermarkets.

Besides unfair market competition and lack of control, there is also an issue of business to business practice. Since, apart from the period of May to August, local producers cannot supply any apples to the supermarkets, supermarkets do not buy local apples even if they are much cheaper than the imported ones since they are afraid of not being able to get other variety of fruits or price embargo by the importers.

He said because of lack of control and problems that are described above, last year twenty tonnes of his apples have been thrown away and decayed. In order to maintain the quality and hardness of apples, Yeşilada says, importers use a certain chemical which they do not, and claims that they are trying to do organic agriculture as in other parts of Europe. He stated that, before there were fewer apple producers which would not affect importers, however as the number of local apple producers increased, importers started to see them as a threat, and that created business competition. He mentioned that as a result of all these difficulties and problems that they are facing, the number of apple producers decrease from twenty to ten. Whereas, if there was a proper control by the government, the apples that they produce would very easily be consumed by the market from May to September; indirectly the local producer and organic production is discouraged by the government (Basri-Akter, 2007a).

He argued that the countries that export apple, subsidize their producers unlike TRNC, and therefore foreign producers can give competitive prices to North Cyprus, where importers get apples for a cheap price and sell them in the domestic market by excessively over pricing them. Importers are threatened by the local

producers because they have to decrease their profit margin, and provide competitive prices with cheaper-priced domestically produced apples. His most impressive comment that summarised what has been going on in terms of wrong governing was;

> ...Whereas, we waste and throw away our products and we import the same products from other countries. We are that rich (!). If it continues like this, next year there will be no producers. For example, once upon a time, we were producing lots of peaches in Güzelyurt and Lefke, now we do not have any peaches. We had pears, now we do not have that either. And we are importing. (Basri-Akter, 2007a:4).

Aziz Kent was the Honorary Chairman of the Cyprus Turkish Hotel Owners Association in 2007, and is the director of Celebrity Hotels Group. He is the first Cypriot Turk tourism entrepreneur in Cyprus that entered this business before 1974. In his interview with Aysu Basri-Akter; Kent says, he is 73 years old, and he is going to immigrate back to England soon because of the system in TRNC, even though he does not want to leave the Island which he describes it as "the place which could make the heaven jealous".

He stated that there is an unfair competition between the local hotel owners and the foreign owners. Foreign hotel investors get almost as much as 120% - 150% encouragement capital, whereas he, himself faced with an unfair increment of the interest rates that made him sell his businesses in North Cyprus and relocate to England where he first made his 40 properties and 15 restaurant wealth and invested into his own country.

He explained that he loaned 1,000 TL (392 GBP) from a commercial bank on a 30% interest, and with an overnight increase in the interest rates, the loan rate became 100% -130%. Since this was lawful, his debt became 12,000 TL (4700 GBP) and he started to pay off 12,000 TL. Later on his debt has been increased unfairly to 2, 5 million TL (980,617 GBP) with accounting tricks. (Basri-Akter, 2007b). He mentioned that he has nine kids and only one of them is in Cyprus; the rest of them are either in England or in Turkey. He stated that currently there are only two tourists in Celebrity Hotel and this is same in hotels around Lapta (Lapethos) region. He said they proposed an illuminated footpath to be built through the seashore and other attractive features to draw the attention of tourists; however because of the political

opposition between the government and the municipality, the municipality cannot get any funding from the government.

As a result of these problems, he says, tourism in Lapta region is dead. He added that as long as transportation is this expensive, no one from England would pay 350 GBP for a ticket only, but they would rather pay the half of it and have a full holiday in USA, or in Spain. He says even though he paid for the land that he built his hotel on, some of the hotel owners got the land and even buildings free. Even though they invested much less than him, 90% of those hotel owners are also on the verge of bankruptcy. (Basri-Akter, 2007b).

Although unfair competition exists in many industries in North Cyprus, it is better to reflect the situation through the words of an entrepreneur who participated in this research as an informant. The competition is also visible between Turkish market and North Cyprus businesses.

> IPM19: If we need to give example from the job we are doing, for example we also supply plaque and shield [the participant is in the advertising sector]. There is this understanding among people who work for government; I go to Turkey, get these made there, I get separate travel allowance for this, and once I am there I bargain and get my commission. I believe in our laws the protection of the locally produced goods is 20%, so that means even if a good/service produced in Cyprus [North Cyprus] is 20% more expensive than Turkey, still during contract biddings they have an obligation to get them made here. However, during this last period, governmental departments do not enter into [open] contract biddings. Since there is partisanship they either get them made in one of their partisan's company or because of travel allowances they get them made in Turkey. I think we had a 2 YTL [0.78 GBP] difference with Turkey; it was 20 YTL [8.66 GBP] in Turkey and ours was 22 YTL [7.87GBP]. During that period they did not work with us in spite of the fact that we had better quality than the place they have worked with because we have a laser machine, we were going to do the job with that; its standard was very good. But they didn't work with us, they went to Turkey got it made there. We have to be complainant even for a very small amount of money because even our own people are unfortunately ungrateful. For a very minor benefit, he/she sells [metaphorically] his/her country's businesses to get the

work done in someplace else. During this last period people started to get their work done in Greek side [South Cyprus], not that I am very nationalist or chauvinist, or that we are against that it can be done there; these are not the reasons. The issue is that this country is already being crushed by embargoes and within this country's tiny market everyone is trying to do something, the cake is further divided day by day; what is left for us is not a slice anymore but crumbs. If we are going to spend these crumbs like this, I don't know; what a shame. People's mindsets are also "object/thing" [the participant could not find the word to describe and used the Turkish word "şey" which is usually used to refer things, objects, situation etc]. Especially people who work in the public sector have a very different mindset.

6.6.   Synopsis of the Current Business Environment in North Cyprus

A synopsis of the current business environment is given in this section. In some ways, what is represented in this section summarises the consequences of the unethical practices at micro and meso levels, which are outcomes of social trauma as discussed in Chapter Five and partially in this chapter.

As it can be seen from the table 27, inefficient government bureaucracy is the most important factor in conducting business, which eventually promoted distrust to governmental institutions and encourage corrupt behaviour.

Table 27: TRNC Competitiveness Report – Most Influential Factors While Conducting Business (Akifler & Süreç, 2009:6).

Factor	Value
Inefficient Government Bureaucracy	249
Taxation Procedure	195
Inefficient Infrastructure Providers	173
Access to Funding	147
Tax Rates	129
Inconsistent Policies	99
Inflation	93
Insufficient Educated Human Resource	86
Foreign Exchange Arrangements	79
Inconsistent Government / Coup d'état	67
Human Resources Related Restrictive Arrangements	65
Bad Public Health	56
Bad Business Ethics	34
Corruption	15
Crime & Theft	8

According to the European Union biannual survey whose results were announced in January 2009, the most important problem in North Cyprus according

to the public is the economic situation, which is followed by the inflation. The survey conducted with 500 people in North Cyprus, and in the source that the results were accessed; no distinction has been provided between the Cyprus situation and the Cyprus Problem.

The results are as follows:

Table 28: 2009 the EU Biannual Survey (Moral, 2009)

Issue	%
Economic Situation	42
Inflation	37
Unemployment	19
Education System	16
Health System	14
Cyprus Situation	14
Taxation	12
Cyprus Problem	8
Energy Issues	8
Crime	6
Retiree Salaries	4
Protection of the Environment	4
Terrorism	2
Immigration	2

The issues that are given in the EU survey do not cover every issue that have been presented in this analysis, as it is a standardised survey that is applied to every European Union member country twice a year. However when responses are evaluated, it is evident that short-term problems such as economy and inflation are seen as more important problems than long-term issues such as immigration and protection of environment. This is an indicator to understand the way Cypriot Turks look at issues and the dominancy level of individualism and short-termism which can be linked to social trauma's reflection on the society in the long-term.

It was also the researcher's observation that whatever happened negative in

the society such as immigration, or bad economic indication, there was a distinguishable, common response, common saying among Cypriot Turks from uneducated to very well educated people; it was "we are an Island country, therefore it is normal, and immigration is the fate of island states". Considering the frequency of linking issues to being an island country, the researcher searched scientific fact in this statement. There was only one study found that looked into immigration as a part of a study on Island states, which was conducted in 1980 by Dommen.

Dommen (1980) through a quantitative study, among many other elements, tested the distinctive existence of immigration in island states. Cyprus was one of the sample island states used in this study, however it should be noted that the data included in that research covered the period of 1971-1975 when there was still war on the island of Cyprus. In spite of this fact, Dommen (1980) does not refer to this event, and this should be considered when interpreting his results.

In terms of immigration, he tested two hypotheses; one was stating that emigration is common from island countries, and the other one was stating that emigration is more usual among island states than among continental countries (Dommen, 1980:939-940). He found no significant difference in the rate of natural increase (he denoted this as n) and the rate of population growth (he denoted this as p) neither in island states nor in continental countries population. Moreover, no direct comprehensive data could be found on emigration, although there was a tendency in island state sources to mention the number of islanders living abroad and this shows the importance of population and emigration issues on island states but clearly, does not confirm that immigration is the fate of islands. Therefore, it can be said that current unethical practices and entrepreneurial environment do not exist because North Cyprus is an island state, therefore the answer should be sought in other dimensions.

As a result of large scale corruption scandals like the ones mentioned so far, the general business environment also gets damage and the government-business elites' relationship, as it is presented in figure 42 impacts negatively on society members' and companies' behaviours which are without influential networks. Although partially this is caused by the de facto situation of North Cyprus, this situation is also linked with the looting habit that has been going on for more than 30 years now as well as more individualistic personas of Cypriot Turks which is something related with traumatic event, siege mentality, large group identity

confusion and altered siege mentality which all resulted in division within the society.

CHAPTER SEVEN

DISCUSSIONS AND CONCLUSIONS

7.1. Introduction

The analysis was categorised into three main broader areas; social trauma section, business-government-society relationship and entrepreneurial environment and lastly business ethics and the entrepreneurial practice. The social trauma part of the analysis is structured through examination of four areas of large-group psychology which were derived from the model (Figure 12) that was designed based on the literature of social trauma. These four areas were the description of the socially traumatising experiences; examination of the regression elements; large group identity confusion and phenomenon of looting.

The business-government-society relationship and entrepreneurial environment section is informed from business-government-society relationship and de facto states section of Chapter Two and the model that was created based on the Dominance Model of Steiner & Steiner (2008) was adopted to the available data.

Lastly, the business ethics and entrepreneurial practice section uncovered the way Cypriot Turk businesses perceived and discussed the ethicality of certain practices and the reasons why individuals pursued those actions. Thus, this section provided us an overall, in-depth analysis of the Cypriot Turks' experiences of traumatising events, the way these shaped the social hierarchy and the relationships between businesses/elites, government and society leading to certain behaviours in entrepreneurial practices.

At conceptual level, this research aimed to contribute to our understanding of the relationship between social trauma and business ethics; and to provide a framework that integrates social trauma and business ethics for future studies. At an empirical level, it also aimed to explore the answer to these questions;

1. How and in relation to what do Cypriot Turk entrepreneurs make their decisions in business practices?
2. What account do they give for the motives of these decisions?
3. How social trauma influences Cypriot Turk entrepreneurs' daily practices?

All these were designed to be analysed within a business ethics perspective.

In order to be able to clearly present the answers of the conceptual level research questions, first empirical questions should be answered. This is because of the conceptual level aim of this research which is to uncover the link between social trauma and business ethics. Thus, this research can be thought to be designed first to run clockwise, and then anticlockwise in order to draw the conceptual work from more abstract to tangible, and to answer the questions from the more tangible in order to see the abstract.

Figure 32: From Abstract to Tangible – Literature Review

Figure 33: From Evidence to Concepts – Analysis

As in the case of individual psychology, in large group psychology the cases are dealt individually in order to be able to give a correct diagnosis. In order to show the way social trauma impact on business ethics a case study was required that could solidify the links and make them more visible. However, given that each case should be examined separately, this research serves as an example which distinctly identifies the path from social trauma to business ethics that other studies can benefit. This means that, although it shows the link between social trauma and business ethics and evidence shows that social trauma causes unethical behaviour through its impact on the institutions and psyche, the way this impact occurs and its

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particulars may differ from one large group to another, and this should be noted before the framework is applied to any other society.

In this research, this relation is uncovered through the examination of a society that experienced series of social traumas at the hand of others for a long time and its unrecognised state made the relationships more visible making it a very valuable case study society. This is the sole reason why an unrecognised state is the case study society of this research. It is the experiences that shaped the current environment which businesses interact in daily; therefore business-government-society relationship in North Cyprus provided the bridge to make the connection between social trauma and business ethics.

Figure 34: Case Study as a Bridge to Examine Social Trauma and Business Ethics
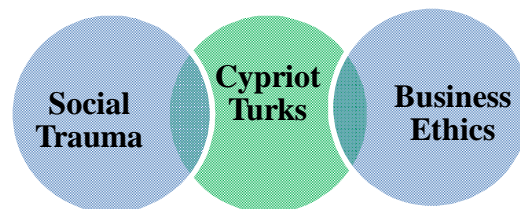
7.2. Empirical Level: Decision-Making Processes of Cypriot Turk Entrepreneurs of North Cyprus

Empirical Level Research Question 1: How and in relation to what do Cypriot Turk entrepreneurs make their decisions in business practices?

Data suggests that inefficient government bureaucracy, taxation process, infrastructure, economic parameters (inflation, dependency on Turkey's currency, Turkish Lira, heavy budget deficits and the like) are the most significant determinants of entrepreneurial decisions. From the business ethics literature, reviewed in Chapter Two, table 29 lists the factors influencing the ethical decision-making process as a useful reference point in understanding which one of the widely accepted factors are more evident in North Cyprus.

Table 29: List of Factors Impacting on Ethical Decision-Making Derived From the Existing Literature (Kohlberg, 1968; Forsyth, 1980; Jones, 1991; Ferrell & Gresham, 1985; Hunt & Vitell, 1986; Longenecker et al., 2006; Ford & Richardson, 1994; O'Fallon & Butterfield, 2005; Bommer et al., 1987; Hegarty & Sims, 1978; Stead et al., 1990).

INDIVIDUAL FACTORS	SITUATIONAL FACTORS
Age	**Environmental Factors**
Aspect of Personality & Motives	Cultural Environment
Attitudes	Social
Beliefs	Political Social Institutions
CMD /Ethical Judgement	Government and Legal
Core Self Evaluation	**Organizational Factors**
Education Background	Opportunity
Ego Strength	Multiple Stakeholders
Employment Background	Organization Effects
Entrepreneurial Act	Organization Size
Ethical Decision History	Organizational Level
Ethical Decision Ideology	Codes of Ethics
Ethical Philosophy	Reinforcement Systems
Field Dependence	Peer-Group Reference
Gender	Top Management Influence
Intentions	Codes of Conduct
Job Satisfaction	Type of Ethical Conduct

Knowledge	Managerial Philosophy
Locus of Control	Characteristics of the Job
Machiavellianism	**Industry Factors**
Nationality	Economic Conditions
Need For Achievement	Business Competitiveness
Past Reinforcement of Ethical Decisions	Industry Type
Personal Attributes	Scarce Resources
Religion	
Sex Roles	
Social/Reputational Costs	
Value Orientation	
Work Experience	

When we look at the characteristics and responses of the participants (e.g.: their definition of business ethics) we can see that the strongest factors that were defined as influential on their decision-making are "environmental factors". This research does not deny the influence of individual, organisational or industry related factors on ethical decision-making processes of entrepreneurs; however, it claims that in cases where social trauma exists, it is one of the strongest factors. In Cypriot Turk entrepreneurs' case, besides the ones that are discussed in the literature, the stronger discourses led to the emergence of specific factors that are not listed in the reviewed literature. These are presented in table 30.

Table 30: Factors Affecting Individual Ethical Decision Making that Emerged from Empirical Data

INDIVIDUAL FACTORS	SITUATIONAL FACTORS
Degree of Individuality	**Environmental Factors**
Closeness to the people who hold power	Altered siege mentality
	Bureaucracy & Red Tape
	Political corruption
	Unfair distribution of wealth within the society
	Absence of Sanction(Opportunity to gain unethically without sanctions)
	Demand of the involved entities
	Industry Factors
	Type of Bidding Contracts
	Heavy Taxation and Fees

Considering the current environment's (political, social, legal, economic, technological) implications, setting long-term goals is challenging and almost impossible for Cypriot Turk entrepreneurs. Given this fact and considering the forces within this environment, their decisions are heavily shaped by the market conditions, on a daily basis. This is valid for not only their ethical decision-making processes but for all types of short term and long term decisions. When considering the significant impact of the market forces and environmental elements on continuity and profitability of a business in North Cyprus (i.e.: unfair competition, heavy imports from Turkey, distorted institutionalisation, inefficient control mechanism of the government, instability, inflation, heavy dependency on Turkey, high tax and fees, size and closeness of the market, red tape, political corruption and others), it is very clear that these are the influential determinants of the outcome of their individual ethical decision-making processes and it is these dynamic factors (especially the situational factors) that are uncontrollable by the entrepreneurs which shape their business practices in a negative way.

7.3. Empirical Level: Cypriot Turk Entrepreneurs' Accounts for the Motives of their Decisions

Empirical Level Research Question 2: What account do they give for the motives of these decisions?

Following from the previous question's answer, the table that was derived actually is an indicator of the origins of the accounts they give for the motives of their unethical behaviour such as giving bribes.

Referring back to the BGS relationship model of current North Cyprus, for instance, businesses have to interact with the government through different institutions and they have to deal with bureaucracy and red tape. The more they have networks, kinship or friendship with people who hold the power at the top part of the social pyramid; it is more likely that "requests" are handled in their favour. This relationship cannot work in the long-term if it is unilateral; therefore businesses form ties with people in power to be able to run their businesses profitably and in many cases highly profitably through unethical means.

Although, it can be argued that this type of behaviour is common in other countries and it does not necessarily originate as a result of social trauma, what makes it significantly related to social trauma is the extend and the type of unethicality that occurs in practice, which are discussed while answering the third empirical level research question.

7.4. Empirical Level: Social Trauma's Influence on Daily Practices of Cypriot Turk Entrepreneurs

Empirical Level Research Question 3: How Does Social Trauma Influence Cypriot Turk Entrepreneurs' Daily Practices?

Social trauma influences Cypriot Turk entrepreneurs from different dimensions. Firstly, they are individuals and either from experiencing the traumatising events first hand or through transgenerational transmission of trauma; beyond power they carry the scars of the events. Secondly, since the society as a whole suffers from the consequences of trauma that has been caused by various events (i.e.: 1963-1974 war, 2003 referendum, being in an "invisible enclave" and the like), this creates implications and complications within the institutions and the entities of the society.

The biggest evidence is the distorted, loose governmental structure where seeking after individual benefit rather than the society became habitual as a result of altered siege mentality and looting. This corruption deprives the health of the society further, resulting in theoretical and practical obstacles for companies that try to conduct ethical business.

For instance, unfair distribution of the national wealth in the form of land, originates from the traumatising 1963-1974 war which is followed by the phenomenon of looting brining the alteration of siege mentality as it was discussed earlier in Chapters Two, Four and Five. It is helpful to remind the reader the example of Varyant Ahmet case where there were allegations that bribery was requested by the politicians in exchange of a valuable piece of land for business investment.

In North Cyprus, any kind of injustice (either unethical or illegal) can be justified or just be ignored by the responsible as, in these situations there is absolutely no external sanctions or consequences as a result of the de facto state of the country. This is the reason, why a few of the entrepreneurs actually argued that unrecognition has its benefits as well as its drawbacks.

Figure 47: Reminder of the Figure 42 - BGS Relationship in North Cyprus (1974 – Present)
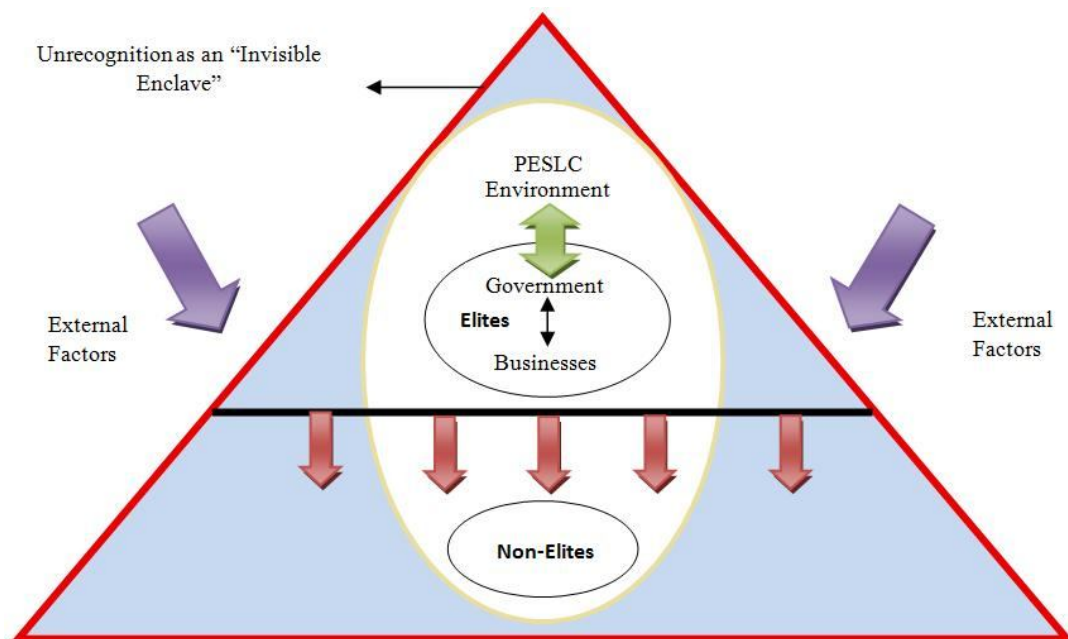
By being disconnected from the rest of the World, North Cyprus can be thought as a metaphorical prison with no guards in it (as suggested by the interview

participants); that eventuates in every prisoner to create individual rules or break the existing ones that are created by the "inmate society" leading to chaos and within this kind of environment, even better temperate inmates have to adapt to the chaotic order in order to survive. It is also valuable to note that, during the observations this prison metaphor was popular among not only entrepreneurs but also among others as well. Also linked with this prison metaphor, as a result of social trauma related large group identity confusion, as discussed previously, an inward aggression initiates. This also shows itself in business environment and leads to harsh competition and also extreme decrease in respect to customer rights (e.g.: warranty, returns, service quality and the like).

7.5. Conceptual Level: Contribution to the Broader Understanding of the Relationship Between Social Trauma and Business Ethics

Conceptual Level Aim: Contribution to the Broader Understanding of the Relationship between Social Trauma & Business Ethics

As it was explained earlier, since social psychology can only be understood correctly, if the society in question is examined with particular focus; the contribution to the broader understanding of the relationship between social trauma and business ethics can only be made visible through the explanation of the relationship through a case; in this research that case study is Cypriot Turks. The cases study helps our understanding of the social trauma related issues through its examples and thus a conceptual framework can be developed afterwards.

First, it is evident that the socially traumatising event scarred society's psychology while scarring its individual members. This was also observable when during the interviews; one participant lighted a couple of cigarettes one after another one while talking about the war of 1963-1974 and his experiences.

It is evident from the data that since the 1570s, Cypriot Turks had traumatising events and/or periods that resulted in significant changes such as economic, political, demographical or social. The impact of the traumatising experiences on Cypriot Turks can be shown by an adaptation of the original model provided in Chapter Two.

Figure 36: Adaptation of the Proposed Social Trauma Model to Cypriot Turks

SOCIALLY TRAUMATISING EVENT

SOCIETY

LARGE GROUP (SOCIAL) IDENTITY

INDIVIDUAL

INDIVIDUAL IDENTITY

CERTAIN EMOTIONS (e.g.: Inability to Mourn)

Change of Story

LARGE GROUP IDENTITY CONFUSION

TRANS-GENERATIONAL TRANSMISSION OF TRAUMA

INWARD AGRESSION

DIVISION OF SOCIETY

REGRESSION (–)

SOCIAL TRAUMA

INDIVIDUAL TRAUMA

LOOTING

ALTERED SIEGE MENTALITY

———— : Related

———▶ : Causes / Leads to

☐ : Large Group Element, if bold the most significant

☐ : Individual Element, if bold most significant

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During the Ottoman Empire period, many of the people who are now considered part of the ancestral history of Cypriot Turks experienced exile (Chapter Four, sections 4.5.2.1 – 4.5.2.2). This experience now is in Cypriot Turk's shared reservoir as an occurrence where they identify themselves as being rebellious, strong and an independent group. When their politically unrecognised collective identity today is considered, their effort to link themselves to the rebellious and independent Turkmens who were exiled rather than linking their identity to the Ottomans could be better understood. Evidence from the history (Gürkan, 2006) also gives insights on the way society collapsed and corruption increased when traumatising events (both natural and men-made) followed one after another. Also, it is a strong indicator that social trauma is followed by corruptive behaviour as this research's data confirms Özkul's (2005) similar findings following traumatising events during 1700s.

During the British Colonial Period (1878-1960), a society, which was exiled from its own land and later on formed a dominant population on the Island and in the governmental system, suddenly faced with a negative change of the equilibrium once the colonial administration took over. Meanwhile, while trying to adapt to the new flag, new identity and new administrational system, through certain individuals and consuls, the independency war that was taking place in Turkey and nationalism that rose along with the independency struggle was being reflected on Cypriot Turks and that again caused large group identity confusion. (Chapter Four, section 4.5.4; Chapter Five, section 5.3). While these nationalistic identity elements were significantly dominant for both Cypriot Greeks and Cypriot Turks, two ethnicities of Cyprus became the co-founders in the formation of the Republic of Cyprus. These nationalism elements and identity conflicts with the intervention of other countries such as Great Britain also laid down the ground for the inter-communal strife which slowly started in 1930s and gradually turns into a war in 1963 (Christopher, 1988).

During the 1963-1974 period Cypriot Turks lived in enclaves which only occupied 3% of the Cyprus Island (Volkan, 2008). They had limited medical care, food, water, shelter and they have experienced various forms of individual trauma ranging from seeing a person being killed, killing a person as a result of the war, being injured, seeing a loved one being killed, rape, mass killings, torture and the like (Gibbons, 1997). (Chapter Four, sections 4.5.3-4.5.7). Cypriot Turks who were

children during 1963-1974 are now in their 40's and 50's. These individuals are active within the community and they occupy positions such as being a public clerk, member of the parliament, or owning their businesses; after the war there was no psychological help available for these people. Besides the extent of individual traumas impact on their current psychology, through narratives and stories, as well as through the memorial days and various visual and written information available through media, transmission of these traumas from the first generation which experienced it first hand to the second generation have been occurring since 1974. Even transgenerational transmission of trauma started to occur on the third generation, who are children of the people who were born after 1974.

Considering the availability of more data (especially primary data) on the period after 1974 until today and considering that the findings from the secondary data can be triangulated with the primary data and interview responses; the social trauma section that focuses on current North Cyprus society covers this issue in more depth. Informed from the literature, social trauma section of North Cyprus was examined in four main sections; first one is regression elements. Regression elements are sub-one of the four outcomes of social trauma and Chapter Five, thoroughly examined the indicators of regression that are presented in the literature (Chapter Two) and the extent of their existence in North Cyprus. As a result of this examination, Cypriot Turk society's regressed state was evidenced. Out of 20, 12 of the elements exist in North Cyprus and the existence of these were discussed in detail through secondary data, primary data and through work of others where they specifically referred to certain instances or occurrences that were necessary to discuss in this research for the data to make sense.

When we look into the large group identity confusion, from the responses of the interview participants, it is evident that currently the members of the investigated group's majority adopted Cypriot Turk (50%) or Cypriot (35%) identities and this is same for nationality as well; 45% considers their nationality as Cypriot Turk and 27% as Cypriots. Rest of the responses, also shows confusion as while attempting to define their nationality and identity, respondents in most of the cases, faced with mental confusion and did not show the clarity while answering the question. They have used Cypriot, Turk; Cypriot Turk, Cypriot and Turk and the like combinations within the same sentence. This instability of the large group members' responses in

defining their identity and nationality, have also been confirmed with other secondary data resources such as Güngör (2002)'s respondents as well.

Socio-political factors such as demographical changes which caused the Cypriot Turks the feeling of "not belonging" with the individuals that emigrated from Turkey, this also caused them to seek a common "tent" to protect their shared identity. However, the attachment of political meanings to the definition of identity and nationality, created divisions within the society. These divisions (which are also linked with altered siege mentality as described in Chapter Two and Chapter Five) made it more complicated for Cypriot Turks to define their nationality and identity; and to feel a sense of full belonging to one group. Thus, traumatising events that they have experienced, and their current invisible enclave caused further trauma for Cypriot Turks since, for instance, they cannot have an official identity (i.e.: passport to travel with). These types of consequences of the current traumatising invisible enclave caused significant large group identity confusion among Cypriot Turks.

Also, following the 1963-1974 war, the data evidenced that the looting phenomenon turned into a culture and certain groups within the society, through personal connections, acquired land and advantages within the society. Besides, being a part of the altered siege mentality concept that was explained in Chapter Two, this phenomenon also caused a disbelief in the newly established Turkish Republic of Northern Cyprus. This disbelief, in return led to a more selfish social structure where individual benefits are considered above anything causing corruption not only at individual level but also at administrational and therefore social level. These are also, very much related with the regression and some of the elements that emerged are significant such as environmental pollution.

From the data put forward in Chapter Five, Cypriot Turks' regressed and traumatised state is evident. Cypriot Turks could have been moving towards the progression stage. However, after the traumatising event of war, which was already impacting on the society through economic, social, individual, cultural even technological constraints the de facto state put Cypriot Turks through another series of traumatising occurrences such as unrecognition, not being able to travel with an internationally recognised passport, not being able to participate in international

events, demographic changes, economic limitations and the like, keeping them in an invisible enclave.

The discussions that have just been put forward in this chapter, which were discussed in more detail in Chapter Five, provides strong evidence of social trauma's existence in North Cyprus, in Cypriot Turks and the way it reflects on different facets of cultural, political, social, and legal environment through individual connections and co-dependent relationships. Therefore, the Cypriot Turks' case study fulfils its role successfully by providing a society with many issues of social psychology originating from a number of traumatising events.

The main challenge of this research was to show the link between social trauma and unethical practice as no such study was done before, and it was even more challenging when mass level occurrence such as social trauma is attempted to be linked with a rather micro level phenomenon such as business practices. The integration required a medium that would work as a bridge which investigates the meso level impact of social trauma on society. The findings of this research, led to the development of a framework, which shows the interactions between various elements.

Figure 37: Reminder of the Figure 27 - Social Trauma's Link to Business Ethics – Evidenced through Empirical Data
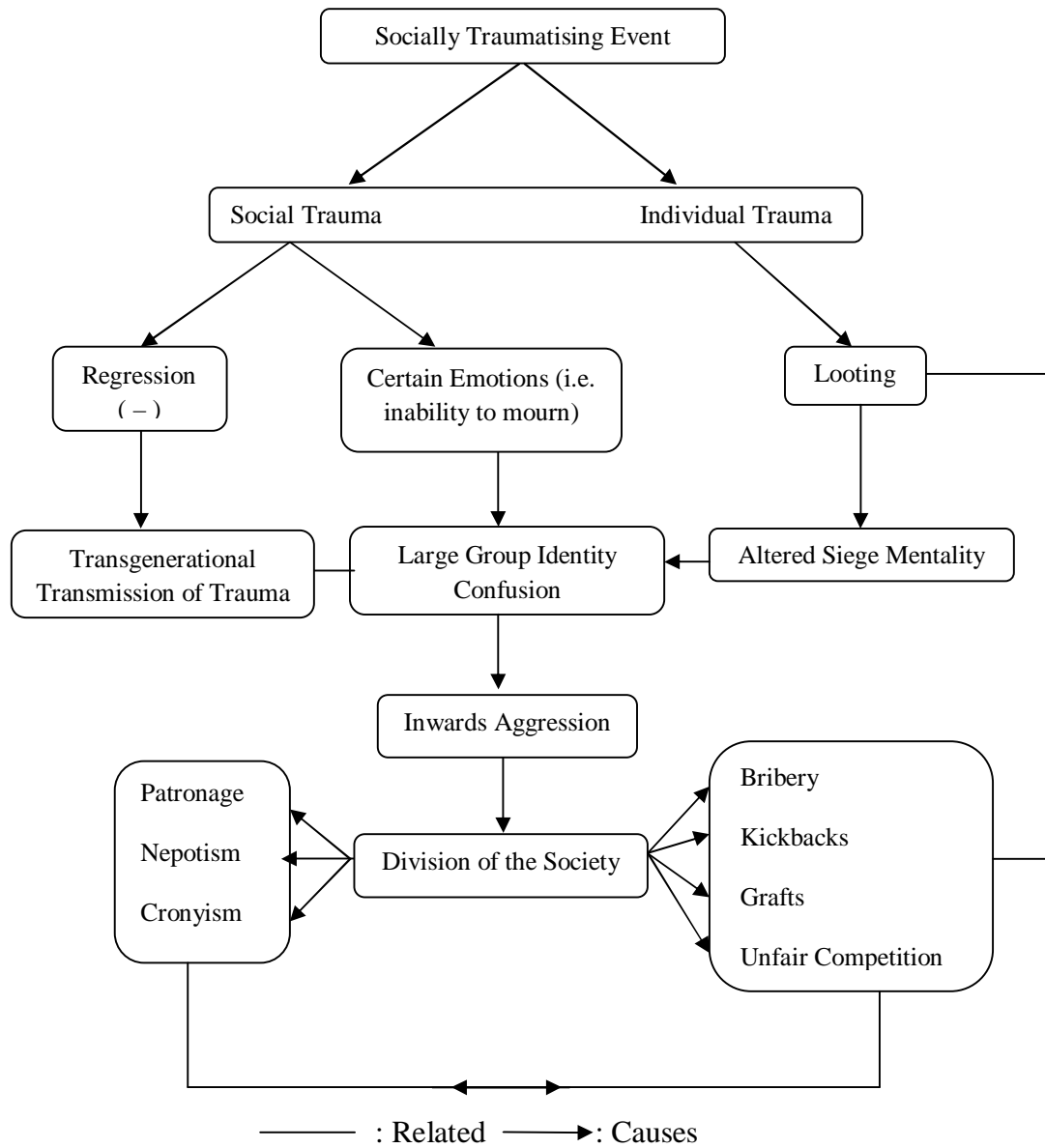
Social trauma's impact can be visible in social institutions as well as governmental structures and entities that have the influence of shaping the social environment through policies, applications and practices. Societies are made up of individuals and when a traumatising event occurs, a mass number individual behavioural changes impact on the societal processes and institutions. Besides individual level changes, it is through these societal processes and changes that certain factors emerge (e.g.: political corruption) and cause behavioural changes in businesses as well as depicted in Figure 49 which was described in detail in Chapter Six.

7.6. Conceptual Level: Integrated Framework of Social Trauma and Business Ethics

Conceptual Level Aim: Creating a Framework That Integrated Social Trauma with Business Ethics

Based on the discussions presented in the previous sections, a model is proposed to serve as a general framework which can guide future research that explores the relationship between social trauma and business ethics in entrepreneurial practice.

Figure 38: Model of Social Trauma and Business Ethics
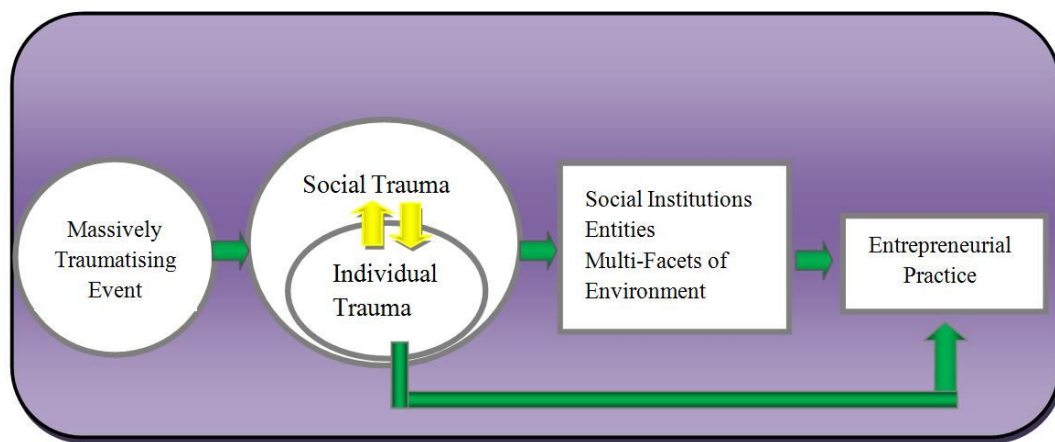
Given the impact of trauma at social, social identity, individual and individual identity levels the impact of the trauma reflects on the entrepreneurial practice through the interaction of the enterprises with government, public and other enterprises. For instance, any kind of favouring or bribery in a bidding contract that gives certain land for future development, impacts on the way enterprises act in future transactions. If majority of the contracts are won through personal connections or bribery, in future transactions, businesses seek ways to bribe or use connections to be able to survive in a market where already there are economic and political constraints that make it hard to conduct business.

Nevertheless, can social trauma be clearly seen as the *sole* cause of unethical behaviour? As it was discussed, many factors such as individual factors (i.e.: personal attributes, religious beliefs, gender, personality, ethical philosophy, ethical ideology) education level to age; situational factors such as; industry type, business

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competitiveness, past reinforcement of ethical decision, ethical decision history and lastly external forces such as; scarce resources, economy, political and social institutions have impact on the ethical decision-making process (Ford & Richardson, 1994; O'Fallon & Butterfield, 2005; Stead et al., 1990; Forsyth, 1980).

This thesis accepts the impact of individual, situational or external forces on individual and organisational decision-making processes; however it argues that when the companies and individuals that are investigated are part of a society that suffers from socially traumatising events' consequences, social trauma becomes the dominant factor that shapes the multi-facets of the environment and distracts the normal way of business conduct. Although this is confirmed by the data collected from North Cyprus, it needs further investigation. A comparative study with South Cyprus would be highly beneficial to understand social trauma's impact on business practices when de facto factors are not present.

7.7. Concluding Remarks

This thesis investigated social trauma's link with business ethics and contributed to the current knowledge and body of literature on social trauma and business ethics by providing the first academic research which combined these disciplines and serves as the first academic reference on business ethics in North Cyprus.

A conceptual model was developed based on empirical data that links social trauma to unethical business practices. Through the detailed investigation of social trauma elements and business ethics practices, the researcher provided a business ethics angle to the existing understanding of the social trauma phenomenon.

The central argument of this thesis is that a socially traumatising event affects many facets of a society. If social trauma can be evidenced in a society, there are implications of this trauma on business environment through meso (business-government-society relationship) and micro levels (unethical business practices) as discussed in Chapter Two, Chapter Five and Chapter Six. This brings a new perspective into the discussions of business ethics literature, since the individual and situational factors were acknowledged widely and external factors such as economy and industry were discussed in to a lesser extent by the current scholastic work in

this area. By investigating social trauma's role, this thesis extended the discussions on factors influencing ethical decision-making by looking into the origination of those factors in specific circumstances such as after a long-term traumatising event. This was achieved through examining phenomena under both an individual and social level through a case study.

It is an arguable weakness of this thesis that social trauma can only be analysed through cases; therefore a conceptual model was developed based on the empirical data collected in North Cyprus. The applicability of this model can only be validated once the findings of this thesis and the conceptual model which links social trauma to business ethics are investigated in other traumatised groups. This leads to a number of future research suggestions.

Considering that similar traumatising events have been occurring in many parts of the world, it would be an interesting contribution to see whether the unethical practices are same in societies which are traumatised by war, or if the unethical practices of North Cyprus are because of its political unrecognition. Also, a comparative future research can be done in South Cyprus, looking into similarities and differences between two ethnicities to determine which elements are Cyprus specific, and which elements are more widely applicable. Lastly, since this research contributed as the initial scholastic work within this context, it would be highly beneficial to see further research that looks into the relationship of social trauma and business ethics in different contexts.

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APPENDICES

Appendix I: Interview Questions - Turkish Original

The below questions are in their original Turkish format that were directed to the interview participants. An English version is also given in Appendix II.

1) İşinizi ne zaman kurdunuz?

2) Sektörünüz nedir?

3) Kaç çalışanınız var?

4) İş ortaklarınız var mı?

5) Genel Bilgi:

      a) Cinsiyet   ☐ Bay   ☐ Bayan

      b) Eğitim Seviyesi (Mezuniyet)

☐ Resmi Eğitimim Yok ☐ Ortaokul ☐ Lisans _____

☐ İlkokul   ☐ Lise   ☐   Yüksek   Lisans

_____

      *c) Doğum Yılı:*_____

      *d) Doğum Yeri:*_____

      e) Ebeveyin Doğum Yerleri

Anne: _____; Baba: _____

6) Kuzey Kıbrıs'ta iş insanı olmak nasıl birşey? (sınırlandırmalar)

7) İşinizle ilgili

- yasal,

- finansal,

- bürokratik,

- bilgi-deneyim ve

- Pratik açılardan ne gibi zorluklarla karşılaşıyorsunuz?

8) Sizce iş ahlakı nedir? Nasıl olmalıdır?

9) Ülkedeki iş ahlakıyla ilgili gözlemleriniz nelerdir? Geçerli iş ahlağı sizce nedir?

10) İş ahlakıyla ilgili duyduğunuz-tanık olduğunuz-başınızdan geçen bir olayı anlatır mısınız?

11) Ülkede torpil ve rüsvetin olduğunu varsayarsak, bunlar sizin şirketinizi, çevrenizi ve insanları nasıl etkiliyor? Değerlendirmeniz nedir?

12) Ticaret/ iş yaparken ne gibi sınırlandırmalar hissediyorsunuz?

13) Kıbrıs sorununun bireysel ve iş hayatınızdaki etkileri nelerdir?

14) Aşağıdakileri nasıl tanımlarsınız;

     a. Kimliğiniz

     b. Milliyetiniz

     c. Türkiye dışındaki ülkelere seyahatteki deneyimleriniz? Bu durumlarda neler hissediyorsunuz?

15) 1963-1974 dönemindeki deneyimlerinizi lütfen anlatabilir misiniz? Bu dönem sizi kişisel ve iş hayatı bakımından nasıl etkiledi. 1974 sonrası doğmuşsanız bu dönemin kişisel ve iş hayatınıza etisiyle ilgilidüşünceleriniz nelerdir?

16) Genç nesilde bir yozlaşma olduğunu düşünüyor musunuz? Eğer düşünüyorsanız gözlemlerinizden bahseder misiniz?

17) <u>EVET/HAYIR Soruları</u>: Aşağıdakileri siz veya ailenizden bir fert yaşadı mı?

Şarapnel parçası (top) veya bombalama   ☐

Yetersiz su, yiyecek, barınak veya tıbbi bakım   ☐

Aileden ayrılma   ☐

Hastalık, yaralanma, veya diğer ciddi yaralar sonucu ölüme yakın olmak   ☐

Aile bireylerinden birinin veya arkadaşınızın öldürüldüğüne, ciddi şekilde yaralandığına, göz altına alındığına veya hapse atıldığına tanık olmak   ☐

Esir düşmek   ☐

Savaşa bağlı birini öldürmek veya yaralamak   ☐

Zorla Göçmen Olmak   ☐

18) Eğer varsa ortaklarınızla aranızdaki güveni nasıl sağlayıp koruyorsunuz?

19) Bağış veriyor musunuz? Herhangi bir yardım işi yapıyor musunuz?

20) İş yerinize çalışan alacağınız zaman hangi metodları kullanırsınız?

21) Neden bu sektörü seçtiniz?

22) Şirketinizle ilgili piyasada kalma veya genişleme kararlarınızı nasıl veriyorsunuz? Kriterleriniz nelerdir?

23) İşinizi kurarken ne gibi zorluklarla karşılaştınız?

Appendix II: Interview Questions – English Translation

The below questions are in English format. A Turkish version is also given in Appendix I.

1) When did you establish your business?

2) Which sectors are you in?

3) How many employees do you have?

4) Do you have partners?

5) General Information:

      i. Gender ☐ Male   ☐ Female

      ii. Educational Level (Graduation)

☐ No Official Education ☐ Secondary School ☐ Undergraduate

_____

☐ Primary School ☐ High School ☐ Postgraduate _____

      iii. Birth Year:_____

      iv. Birth Place:_____

      v. Birth Places of Parents

Mother: _____; Father: _____

6) How would you describe being an entrepreneur in North Cyprus?

7) What type of obstacles/limitations do you face when conducting your business?

- legal

- financial

- bureaucratic

- knowhow- experience

- Practicality

8) How would you define "business ethics"? How is it supposed to be?

9) What are your observations in North Cyprus regarding business ethics? In your opinion, what is the valid "business ethics" in North Cyprus?

10) Is there an instance, and example which is related to business ethics that either you experienced, witnessed or heard that you can share with me?

11) Assuming that there is favouring and bribery in this country how would these impact on your company, your environment and society? What is your opinion?

12) What type of limitations do you experience when conducting business?

13) What are the implications of Cyprus Problem on your personal and professional life?

14) How would you define these;

     a. Your Identity

     b. Your Nationality

     c. Your experiences of traveling to countries other than Turkey? How do you feel?

15) Can you please share our experiences of 1963-1974 periods? How this period did influence you in terms of you individually and professionally?

- If you were born after 1974, what are your thoughts of 1963-1974 periods' impact on your individual and professional life?

16) Do you think there is degeneration in the young generation? If yes, what are your observations?

17) Yes/No Questions: Have either you or a member of your family experienced any of these during the war 1963-1974?

Shelling or Bombing	☐
Inadequate water, food, shelter or medical care	☐
Separation of family members	☐
Being close to death as a result of sickness, injury or other serious injuries	☐
Witnessing the murder, or serious injury, or captivation or imprisonment of one of your family members or one of your friends	☐
Being Captive	☐
Killing or injuring someone as a result of war	☐
Forced to Emigrate	☐

18) (If the participant has a business partner) How do you maintain the trust?

19) Do you give donation? Do you do or support any charity work?

20) When you are going to hire someone, what type of recruitment methods do you employ?

21) Why did you pick this sector?

22) How do you give decisions of staying in the market or expansion decisions of your company? What are your criteria?

23) What type of difficulties did you face when you first established your business?

Appendix III: Interview Details of the Participant Companies

Pseudonym	Interview Venue	Interview Date	Interview Length	Pages of Data
IPM01	Owner's Office; Nicosia	25 Feb.2008	21 mins, 22 secs	4 pages
IPM02	Owner's Office; Kyrenia	25 Feb2008	24 mins, 30 secs	7 pages
IPM03	Owner's Office; Famagusta	26 Feb 2008	24 mins, 06 secs	8 pages
IPF04	Owner's Office; Famagusta	26 Feb 2008	27 mins, 40 secs	9 pages
IPM05	Owner's Office; Famagusta	26 Feb 2008	37 mins, 50 secs	11 pages
IPM06	Owner's Home; Famagusta	26 Feb 2008	45 mins, 55 secs	12 pages
IPM07	Owner's Factory; Nicosia	29 Feb 2008	Written Response	5 pages
IPM08	Owner's Shop; Nicosia	29 Feb 2008	1 hour, 18 mins, 19 secs	28 pages
IPM09	Owner's Office; Nicosia	29 Feb 2008	23 mins, 04 secs	7 pages
IPM10	Owner' Office; Nicosia	29 Feb 2008	42 mins, 37 secs	14 pages
IPM11	Owner's Office; Nicosia	29 Feb 2008	31 mins, 28 secs	10 pages
IPM12	Owner's Showroom; Nicosia	29 Feb 2008	28 mins, 32 secs	7 pages
IPM13	Owner's Office; Nicosia	01 March 2008	27 mins, 12 secs	8 pages
IPM14	Owner's Shop; Nicosia	01 March 2008	28 mins, 54 secs	10 pages
IPM15	Owner's Shop; Nicosia	01 March 2008	20 mins; 44 secs	8 pages
IPM16	Owner's Office; Nicosia	01 March 2008	26 mins; 58secs	8 pages
IPM17	Owner's Office; Nicosia	03 March 2008	24 mins; 05secs	9 pages
IPM18	Owner's Shop; Nicosia	03 March 2008	21 mins; 16 secs	7 pages
IPM19	Owner's Office; Nicosia	03 March 2008	56 mins, 21 secs	19 pages
IPM20	Owner's Office; Nicosia	03 March 2008	1 hour, 9 mins, 53 secs	9 pages
IPM21	Owner's Office; Nicosia	04 March 2008	44 mins, 36 secs	13 pages
IPM22	Owner's Office; Nicosia	04 March 2008	37 mins, 08 secs	11 pages
IPM23	Owner's Shop; Nicosia	05 March 2008	47 mins, 03 secs	14 pages
IPM24	Owner's Office; Nicosia	05 March 2008	11 mins, 36 secs	4 pages
IPM25	Owner's Office; Nicosia	06 March.2008	37 mins, 12 secs	11 pages
IPM26	Owner's Office; Nicosia	06 March 2008	21 mins, 01 secs	7 pages
IPF27	Owner's Shop; Nicosia	06 March 2008	7 mins, 25 secs	3 pages
IPM28	Owner's Office; Nicosia	06 March 2008	55 mins, 14secs	20 pages
IPM29	Owner's Office; Nicosia	06 March 2008	41 mins, 04 secs	7 pages
IPM30	Owner's Office; Nicosia	08 March 2008	30 mins, 48 secs	9 pages
IPM31	Owner's Home; Nicosia	08 March 2008	1 hour, 6 mins, 17 secs	10 pages
IPM32	Owner's Home; Nicosia	09 March 2008	1 hour, 31 mins, 2 secs	32 pages
IPM33	Owner's Office; Nicosia	05 March 2008	1 hour, 02mins, 45 sec	6 pages
IPM34	Owner's Office; Nicosia	10 March 2008	08 mis, 37 secs	3 pages
IPM35	Owner's Office; Nicosia	10 March 2008	17 mins, 41 secs	5 pages

IPF36	Owner's Office; Nicosia	10 March 2008	07 mins, 08 secs	4 pages
IPM37	Owners Office; Nicosia	10 March 2008	28 mins, 34 secs	9 pages
IPM38	Owner's Office; Nicosia	10 March 2008	14 mins, 15 secs	5 pages
IPM39	Owner's Office; Nicosia	10 March 2008	12 mins, 43 secs	4 pages
IPM40	Owner's Office; Famagusta	11 March 2008	29 mins, 43 secs	9 pages

دوسورجه دوكلكدن وطانجي ونوجمي دقزانجي دساير لمس مناسبه وبالجمله مرتبعه ده شهر
وفضات خانه النرف كوره مرادة خانه وه برخانه اقزاع اسدوس ولح الرار ادومار قنوين قسنة
وكن تنكن لمبان وطواري وجعندادي ايله فري يي وبري يرجعورمكي اولايدوس مورجه كه
ايرشجيه وكن تنكن لمبان مبشرادلوس اودازول مسكن فرز وله شرن وفضا ايله مستورولارده
وصوله بولدقح بوبابه مبشرادلوس اودازول دورندي اولخوس احرتي يرطوانري دربافورلق
دباخو ولارين وفترت خارع اولوس احرتي يرطوانري اولخوس احرتي يرطوانري دربافورلق
امردين دبه حضوصت بري بريله دعوى اوزره مقتدم قعتادي وطوارلرن ايله اقزاع
بياه ازلفا لرونه مرادة خانه وه برخانه اقزاع اسمكل واردوس وكتباسلم ضاهدريس
ايلوس لفدكه نوفاردش ارلري وملكاري وارليج يي من برنيرادوس وكتباسلم ضاهدريس
ايلري امخه اديلم اسلوس والح على النحيم سلفك خانرنبدكنرودن فرس حرب سنه كعورمكي
اروجكا اولفاستي دلمس ضعمنده والح ككردوس وسايراشداروته اولاوه حرفه مرادة خانه وزه
برماه حاله لوزره برار فلكن ككو حلوكمنساري بارفوس والح اسدوس سلفك بولنده فرس حربيته
كورسي بوبابه وفت ولاهمام ايله اوكن معتبرادلوس لركن شهرمه والح قعباندده اقزاع اولتاة
لمس ضعمنده دكركزوارته اوزاع وزنا تعلاه ذلرني مرادلرني قطع ايديتنكن اقزاع اولتاعله رلري
وملكاري فنه بهاايله ضالمرس هيعل لدفنا بوب وماندخزركاكة حنررابيسزو بالجم مراده
خانه وه برخانه اكرحفني واكروبارن مناتع وراسماريله دراسماريله وفترت فبرادوس حفني لدنلار
فندارسطولارلري ايله بازلده وفح مناسمته بازلداولر ملك لحباء ايله باولوس فنني فوة ده
وفنن لجمله ده بازلده فلغه مفسر ومرزع وفترة فبادوس كر برحضورتي بته معارفة ديجورتش
اقزح كله بكبنت كزنرروككزنمك ابرجعورتن والح فاضيكنس وكىكنه ازلده لنركبيار
بازلر قدنمكل اوله جانه دارسوس والكسر ايلارلري مولنه فتح كبرودسورله ديبشرار اولناه

Appendix V: Caricature of Archbishop Makarios

"*But, gentlemen, the problem is settling itself...*"
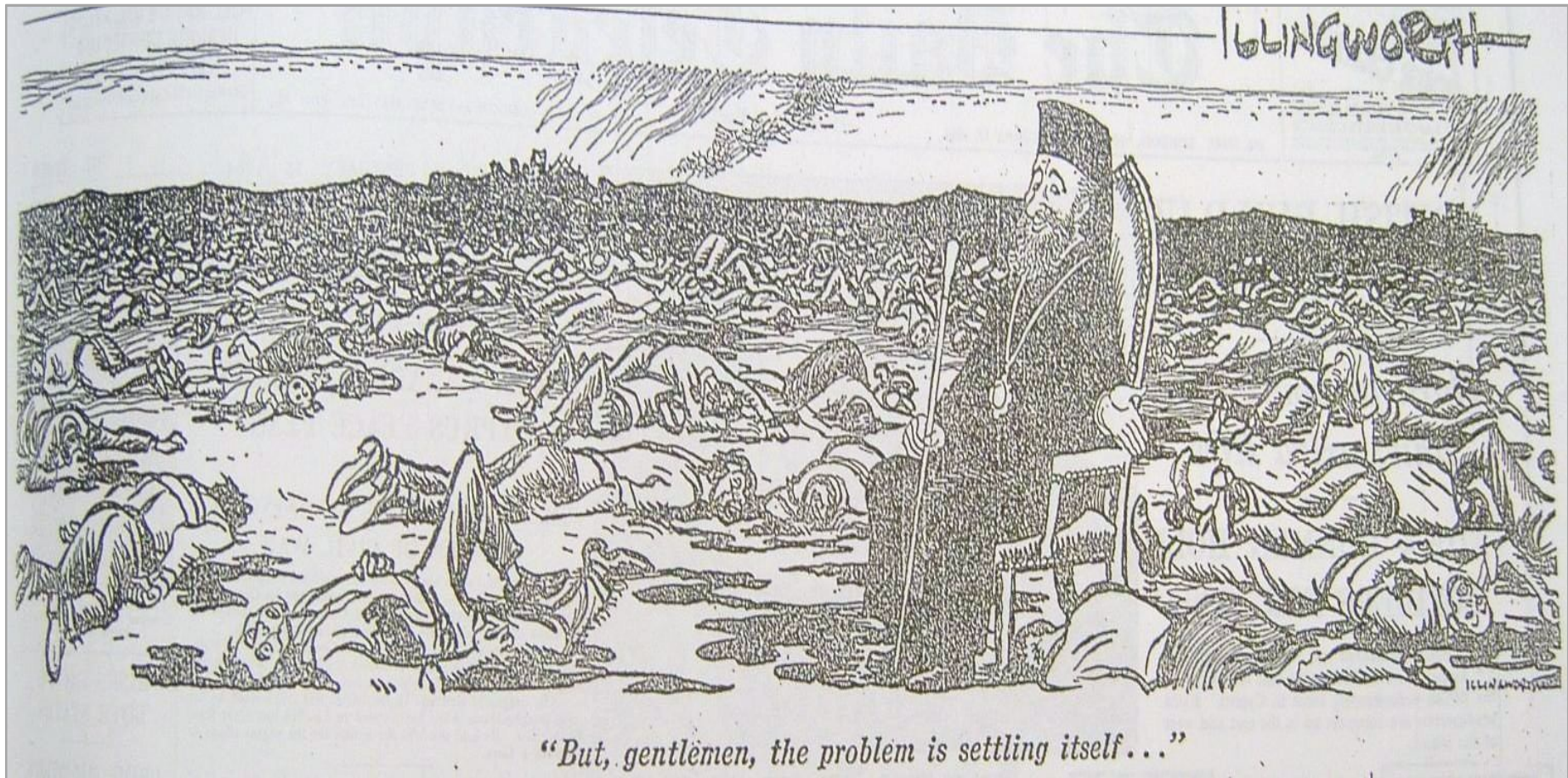
Drawn By Illingworth Published in Daily Mail 14 February 1964 (Gazioğlu & Demirer, 1998:55)

Appendix VI: TRNC Foreign Trade Balance 2001-2006

($)	2001	2002	2003	2004	2005	2006
Import	271.970.836	309.464.541	477,732,524	853.101.517	1.255.479.526	1.287.571.643
Export	34.575.005	45.373.470	50.622.021	61.535.677	66.615.822	65.021.788
Foreign Trade Volume	306.545.841	354.838.011	528.354.545	914.637.194	1.322.095.348	1.352.593.431
Foreign Trade Deficit	237.395.831	264.091.071	427.110.503	791.565.840	1.188.863.704	1.222.549.855

(Türkiye Cumhuriyeti Lefkoşa Büyükelçiliği Ticaret Müşavirliği, 2007:70).

Appendix VII: TRNC Foreign Trade According to Countries – 2006

YEARS	TURKEY	EU	FAR EAST	OTHER EUROPEAN	MIDDLE EAST	OTHER	TOTAL IMPORT
2006 Export ($)	30.920.640	9.738.744	0	9.805.754	11.669.995	2.886.655	65.021.788
%	47,6	15,0	0,0	15,1	17,9	4,4	
2006 Import ($)	897.992.614	244.058.639	82.003.559	16.466.600	28.736.086	18.314.145	1.287.571.643
%	69,7	19,0	6,4	1,3	2,2	1,4	

(Türkiye Cumhuriyeti Lefkoşa Büyükelçiliği Ticaret Müşavirliği, 2007, 2007:70).

APPENDIX VIII: TRNC Main Imported Products 2005-2006

	Main Imported Products ($)			
	Product Name	2005	2006	% Change
1	Vehicles	175.287.435	144.273.920	-18
2	Fuel	141.892.841	134.302.820	-5
3	Cigarettes	19.457.083	17.989.520	-8
4	Construction Iron	42.104.719	48.210.039	14,5
5	Industry Style Machines	29.705.335	26.179.063	-12
6	Ready Made Clothes	28.401.911	32.725.554	15,2
7	Drugs	19.922.912	20.928.737	5,0
8	Auto Acccessories	20.335.098	21.348.593	5,0
9	Electric Supplies	15.754.075	22.281.308	41,4
10	Electrical White Goods	8.137.649	10.210.304	25,5
11	Information Systems Machines and Accessories	19.793.814	23.836.596	20,4
12	Aluminimum Profile	9.291.856	11.069.107	19,1
13	Alcoholic Beverages	6.709.778	11.448.393	70,6
14	Package Cardboard	4.534.518	4.424.951	-2,4
15	Çimento Hammaddesi	5.129.414	12.304.397	139,9
16	Timber and Chipboard	14.280.249	14.460.801	1,3
17	Chemical Fertilizer	8.777.750	6.423.624	-26,8
18	Air Conditioner	11.289.953	10.885.702	-3,6
19	Furniture and Parts	24.337.542	29.811.847	22,5
20	Paper Products	3.742.721	4.769.573	27,4
21	Plastic Products	11.831.814	12.500.371	6
22	Animal Food and Additive Substances	12.007.936	10.291.614	-14
23	Cleaning Products	8.545.336	11.258.780	32
24	Television	5.940.550	7.590.439	28
25	Medical Equpiments	6.752.075	8.251.676	22
26	Sugar	5.067.749	3.932.189	-22
27	Auto Tyres	7.653.360	7.029.112	-8
28	LPG Gas	8.668.987	10.689.416	23
29	Beverages and Fruit Juices	8.345.508	11.148.296	34
30	Various Hardware Goods	9.768.878	10.575.193	8
31	Plastic Raw Material	5.965.476	4.977.806	-17
32	Fride and Freezer	7.146.554	7.098.922	-1
33	Fabrics	13.788.475	10.275.968	-25
34	Galvanize Plates	6.603.824	6.424.810	-3

35	Wheat	6.052.226	5.716.344	-6
36	Washing Machines	3.508.426	3.634.569	4
37	Pipes and Parts	10.337.101	10.389.394	1
38	Sunflower Oil	3.791.191	3.632.732	-4
39	Can Foods	4.212.894	4.439.960	5
40	Cosmetics Products	7.488.657	7.678.439	3
41	Tea	3.446.257	3.061.726	-11

(Türkiye Cumhuriyeti Lefkoşa Büyükelçiliği Ticaret Müşavirliği, 2007:72).

Appendix IX: TRNC Main Exported Products 2005-2006

	Main Exported Products ($)			
1	**Product Name**	**2005**	**2006**	**% CHANGE**
2	Citrus Fruit	20.194.675	19.237.226	-5
3	Ready-Made Clothes	9.927.748	7.759.853	-22
4	Citrus Perfume Oil	184.893	174.426	-6
5	Dairy Products	16.892.411	16.537.472	-2
6	Concentrated Citrus	2.981.917	4.958.198	66
7	Gypsum	1.086.165	2.023.787	86
8	Drugs	819.975	835.761	2
9	Leather	730.329	729.563	0
10	Scraps	2.364.516	4.686.306	98
11	Cigarettes	1.370.983	1.096.598	-20
12	Carob (Seed)	1.016.305	185.241	-82
13	Carob (Grinded)	349.202	115.557	-67
14	Carob (Whole)	0	85.304	0
15	Tobacco	216.659	165.902	-23
16	Gin	69.429	15.704	-77
17	Rakı	5.277.436	2.827.630	-46
18	Vodka	109.906	12.189	-89
19	Whisky	47.999	43.669	-9
20	Scrap Paper	87.504	83.558	-5
21	Fish	319.681	0	-100
22	Vegetables	359.236	434.500	21
23	Olive Oil	241.046	1.458	-99

24	Tea	0	6.400	0
25	Grape (Fresh)	0	54.300	0
26	Liqueur	0	25.231	0
27	Wool Grease	84.157	17.110	-80
28	Potatoes	1.024.371	1.946.427	90
29	Powder Drink	104.633	0	-100
	Sub Total	**65.861.176**	**64.059.370**	**-2,74**
	Others	**754.646**	**962.418**	**28**
	Total Exports	**66.615.822**	**65.021.788**	**-2,39**

Appendix X: Photographs from 1963-1974 War

Women and Children fleeing in trucks during 1963 Greek Attacks (Gibbons, 1997:139)
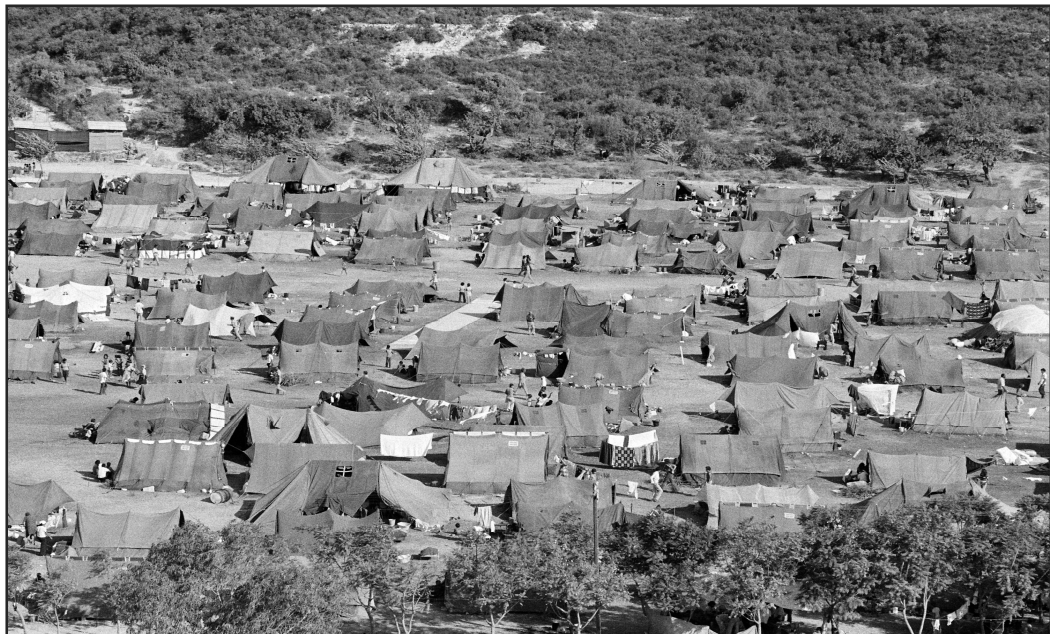
August 1974- Episkopi (UN Archive No: 85284) The tent village "Happy Valley" ro provide shelther for Cypriot Turk refugees" (Nagata, 1974c).
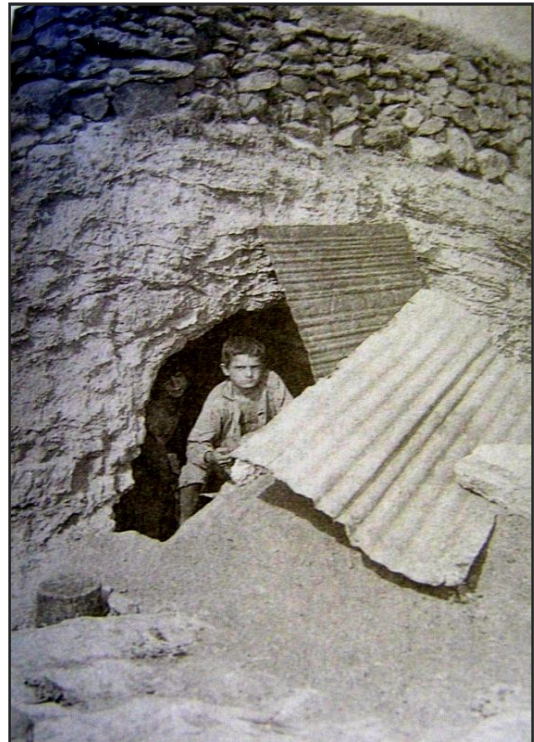
Cypriot Turks lived in caves from 1964-1974 - Kokkina. (Gibbons, 1997:146, 147)

Smiling Girl – "Cypriot Turks lived in caves from 1964-1974" – Kokkina (Gibbons, 1997:148)

Cypriot Turks in Refugee Camps (Gibbons, 1997:150)

**Appendix XI: Business-Government-Society Relationship and the
Entrepreneurial Environment (1571-1974)**

**A) BGS Relationship and the Entrepreneurial Environment during the
Ottoman Empire Period (1571-1878)**

During the Ottoman Empire period, the style of governance in Cyprus had changed from time to time. In the beginning of this period, the governance style of the Island was *Beylerbeylik* [ENG: Governance of a province by a governor] until 1640. During these years, the salaries of *Beylerbeyi* [ENG: governor] and *Sancak Beyleri* [ENG: people who govern 9-10 districts – flag officers] were paid from the Cyprus budget. However, during those years, frequent droughts and similar scarcities; damage as a result of grasshopper attacks and epidemic diseases were weakening the society. Thus, *Beylerbeylik* became heavy for the Cyprus budget. As this issue was approached with sympathy, from *Beylerbeylik*, Cyprus was connected to *Kaptan Paşalık*. [ENG: the highest martial and executive chief commander of the navy in Ottoman Empire]. As the navy commander was not living on the island, he had assigned the governance of Cyprus to administrators called *Musellim* and tax was collected by people that were called *Haraççı*. Besides religious figures, people who held the economic power also had the say and influence on issues related with state governance. This elite group was very powerful especially during *Kapan Paşalık* administration; as tax collection was a highly profitable job the group of economically powerful elites entered into tax collection business as well. This group applied for the privilege to collect tax to *Kapan Paşalık* and were given this advantage. After they got this privilege, they started to collect the tax and after they get their cut from the amount collected, they were giving it to *Haraççı*. This way, once again, an administrational change to better citizens' lives, exploited by a small group of people within the society (Gürkan, 2006:60).

During 1700s, Cyprus Kadılığı [ENG: *Kadılık:* Islamic Law Judge Position] was given to high-level retired Ottoman administrators or allocated to Istanbul Kadı(s) as subsidy [TR: arpalık]. However, instead of attending their jobs these appointees were sending someone else as deputy, and their number increased gradually. Moreover, people who were sent to Cyprus as appointees in return of a payment, were appointing someone else. These types of practices and Island's

governance by unqualified people have shaken the trust of Cypriots to Islamic Law courts. (Özkul, 2005:388).

When we look at the business-government-society relationship during the Ottoman Empire period, we can see that privileged; elite people were advantaged and benefited from the structure. Among these people were foreign consuls and Palace interpreters who also interfered with the business transactions during those times and gained personal benefits.

Palace interpreters [ORIG: saray tercümanları] who were assigned to work with tax collectors during that period for the empire [ORIG: they are called *muhassıl*] were another important group that was part of the Island population. (Özkul, 2005:389). According to the references from the Ottoman Empire period, many of the Palace interpreters misused the wide opportunities that were given to them and stole from their citizens in some cases together with the Ottoman Empire authorities in Cyprus. (Özkul, 2005:389). Also, because of the rights given to the consuls by the Ottoman Empire, it would not be wrong to say that they had privilege of freedom from arrest and they have been acting the way they wanted in Cyprus. Although, consuls were living in *Tuzla - Larnaca* district they owned many vineyards, orchyards and dwellings all over the Cyprus through privileges they were given and it is evident from the records that they were lending money to the community. (Özkul, 2005; Gazioğlu, 2000:297). It is also interesting that, from time to time, these people actually were complaining about certain upper-ladder administrators of Cyprus and had the power to get them punished. (ibid).

Consuls were active in Cyprus since the beginning of the 18th century and they were active within the field of trade and their activities were also visible on social and political life on the Island as well. During the Ottoman Empire period, consuls' were considered as equals of *Beylerbeyi*. (Gazioğlu, 2000). With the privileges given to them by *Padişah* they not only protected their own citizens, but also people who were under their protection. Consultates and the buildings that they have owned had immunity and it was impossible to get someone if they were to refuge to them. Consuls also had the right to trial their own citizens in Cyprus. In some cituations, people who wanted to escape from tirals within their own consultates, were refuged to other consultates. Consuls were equipped to trial the

disagreements between their citizens as well as disagreements between their citizens and others with the permision of the consul of the involved person.(Gazioğlu, 2000:297).

Given the scope of the privileges and rights to consuls, it is evident from the history that many times, consuls exploited the rights and privileges given to them, thus causing political, diplomatic tensions and difficulties. (ibid. 300). Therefore, the business-government-society relationship during the Ottoman Empire period can be depicted through below figure. (PESLC: Political, Economic, Social, Legal, and Cultural).
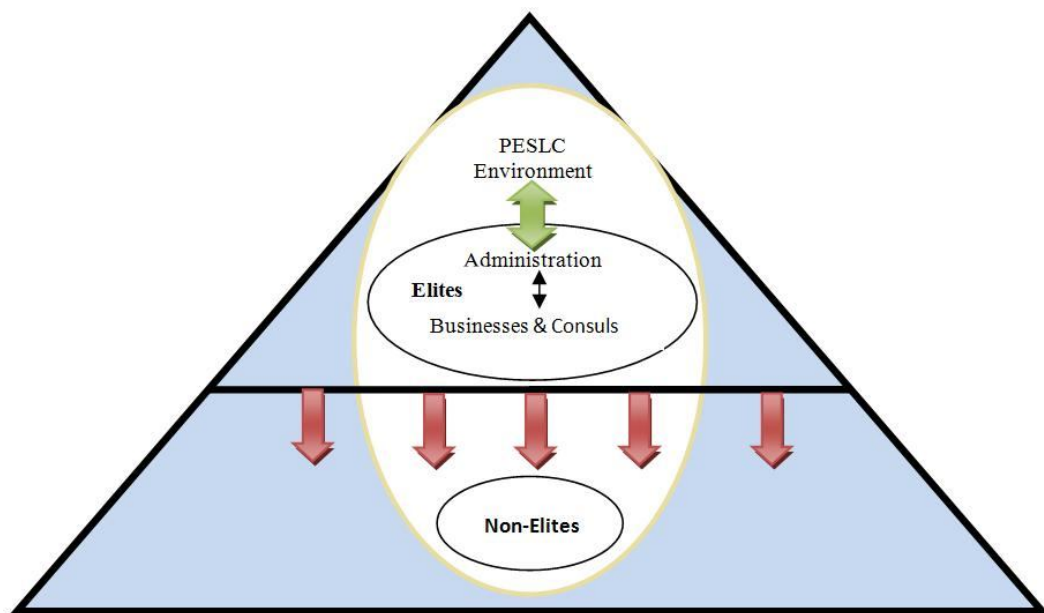
BGS Relationship during Ottoman Empire Period (1571-1878)

It is evident that, during this period consuls and people who held the economic power were given privileges and rights which were exploited for personal gain; therefore impacting on political, economical, social and legal environments. The behaviours of consuls and elites could be interpreted through Bentham's version of Utilitarianism as it is associated with hedonism or Egoism which both could be linked to individualism and self-focus rather than pursuing society's benefits as a priority which could have been an altruistic approach of public governance and could be interpreted as a more ethical attitude from an Act Utilitarianist perspective.

B) BGS Relationship and the Entrepreneurial Environment during the British Colonial Period (1878-1960)

It would not be wrong to say that consuls' importance in Cyprus history continued during all periods. A. A. Asaf, the consul of Turkey who was assigned to Cyprus in 1925, was a person who followed Atatürk's principles closely. He also developed a close and tight relationship with a group of people in Cyprus known as, *Halkçılar* [ENG: Populists] who were carrying out activities to achieve closer relations with "Motherland". Within this context, he was supporting the campaign with sympathy against Mehmet Münir (also known as Sir. Münir who was the father-in-law of R. R. Denktaş) who was known as being the number one man of the colonial administration. (Gazioğlu, 1996:210).

The following example is very useful in the process of understanding the impact and importance of consuls in Cyprus history. On 24 March 1930, Turkish Consul Asaf Bey sent a letter to an *Evkaf* [Islamic religious organisation that accumulated properties for that purpose since 1571 in Cyprus] official, Hasan Hilmi, questioning why required accounts have not been sent to Cafer Paşa Vakfı Trustees [ENG: Cafer Pasha Foundation] although a year had past. This letter was initiated by Cafer Paşa Vakfı Trustees' complaints to Turkish Consul. (ibid., 210).

Hasan Hilmi, replied ot the Republic of Turkey Consul by saying that in accordance with Evkaf delegates M. Munir and Police Commander Gallagher's orders delegates, he sent the accounts to relevant people. Based on Hasan Hilmi's reply, Consul Asaf Bey sent another letter to Hilmi on 9 April 1930 asking him to send accounts directly to the Trustees wtihout waiting for the approval of Evkaf delegates. Evkaf delegate Mehmet Munir who was also known as being close to the Colonial administration made a complaint to Governor Storrs, about Republic of Turkey consul A. Asaf considering his letters as outside intervention to Evkaf's activities and asked for a precaution from Storrs. Upon M. Munir's complaint, Governor Storrs, wrote a letter to Minister of Colonies, Passfield informing him about the situation and suggested to demand from Ankara [capital city of Republic of Turkey where parliament is] A. Asaf's withdrawal back to Turkey, in his letter Storrs said, after being appointed as a consul for the second time in 1928, instead of giving his attention and focus on Turkish citizens here; he inclined to encourage native

Muslim people to be closely interested in politics in Ankara and awaken their Turkish national consciousness. (ibid). He continued his letter by saying that although there is no evidence that he is acting beyond his responsibilities and abusing his power; his articles which can be considered as making propaganda of Turkishness were being published in the Cyprus Muslim press and the celebration of the Republic of Turkey's foundation started after A. Asaf came into the consul position. Storrs wrote that according to his opinion, these activities were happening because of Asaf's individual interference. (FO 371/ 14854/ E 2903).

It is evident from the historical documents that during the British Colonial Period, business-government-society relationship became very much complicated than it was during the Ottoman Empire period. Instead of two levels, during British period, there were three distinct levels. The first level was the normal public who was implicated from any activity from other two levels as much as the PESL (Political, Economic, Social, and Legal) environment. One level higher in the pyramid, there were elites who were society's well-educated people with more opportunities and benefits such as lawyers, doctors and the like and these prominent members were the ones who actually started to publish newspapers, had the direct connections with the highest level of the pyramid and could impact on the PESL environment through their actions.

These elite people during British period were Evkaf members such as M. Munir, who had great impact on society as it was evident from the Turkey consul A. Asaf example, and also group of intellectuals who were *Halkçılar* as described before. Entrepreneurs who were shown in a different colour box considered to possibly belong to any of the groups; Evkaf members, or having tight connection with them or alternatively they could be from *Halkçılar* or have tight connection with them. Although depth of the relationships are unknown, it is a fact that entrepreneurs, during this period were considered as elites as they have used the opportunities and ties which were not available to rest of the public for their benefits. Highest level consisted of individuals who had direct impact on level 2 elites and level 1 public as well as PESL environment. These were Colonial administration members such as the governor, and 1920s onwards Republic of Turkey consuls as it was also evidenced by the example of A. Asaf.

BGS Relationship during Great Britain Period (1878-1960)
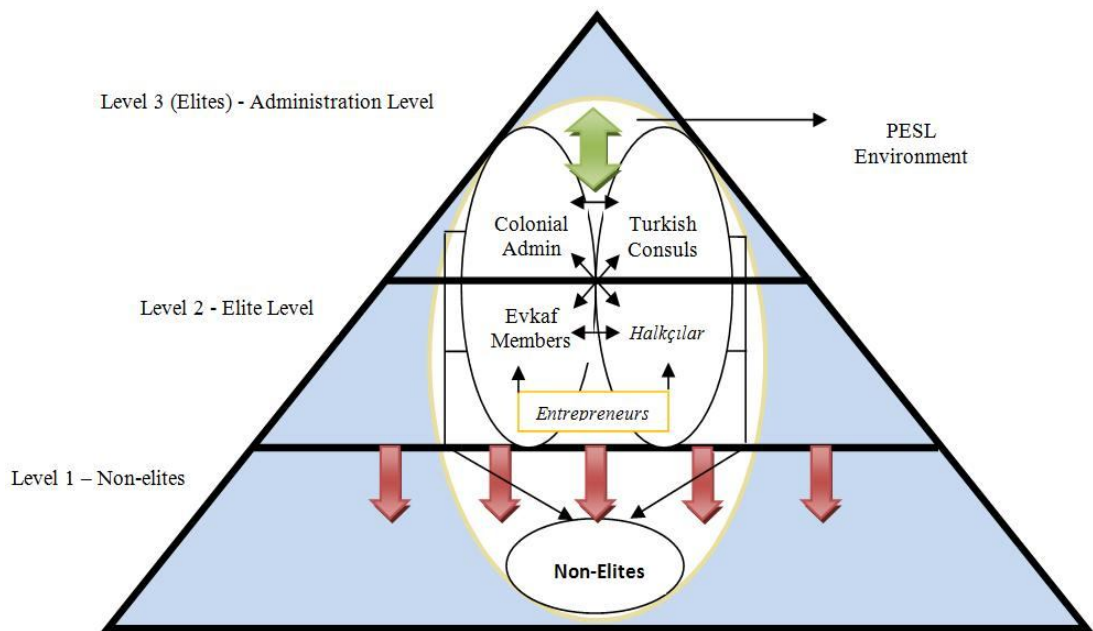
The main relationships were represented in green arrows. PESL: Political, Economic, Social and Legal.

C) BGS Relationship and the Entrepreneurial Environment During the Republic of Cyprus Period 1 (1960-1963) and Period 2 (1963-1974)

In terms of BGS relationships; there was no existing government that society and business was interacting with but rather leadership and people that were working with it.

BGS Relationship in Republic of Cyprus Period (1960-1974)
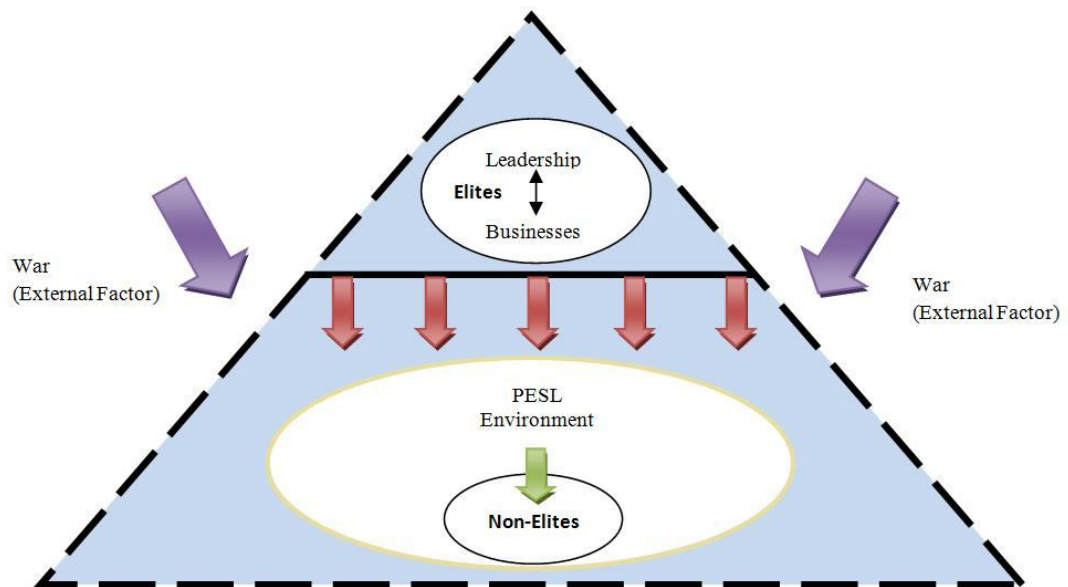
PESL: Political, Economic, Social legal.

Appendix XII: Business Ethics and the Entrepreneurial Practice

A) Business Ethics and the Entrepreneurial Practice during the Ottoman Empire Period (1571 - 1878)

During the Ottoman Empire Period, based on the documents, 102 different crafts existed that both non-Muslims and Muslims mastered. In spite of this fact, there were some fields which were solely run by Muslims; these were butchery, candle making, coffee manufacturing, duvet making, halvah making and the like. It was also only Muslims who owned inns. (Özkul, 2005:338).

During that period, official maximum price was being determined for different products and this price was called *Narh*. *Kadı* [ENG: Islamic Judge] would witness the price determination process where both relevant trades people and *muhtesip* [ENG: in old times, municipality officials that are responsible to inspect trade people based on Islamic rules] would be present. While determining the prices, keeping public's interests as priority, the committee would give permission to 10% - 15% profit margin depending on the labour or raw material requirements, when a product was very hard to produce then 20% profit would be given. (Özkul, 2005:346).

Prices for animal products would be determined in spring and autumn bi-annually. Also, there were circumstances that would require the committee to determine new *narh* prices; these circumstances were extraordinary events such as flood, strong winters, famine, grasshopper attacks, war, mobilisation, blockade, or any other natural disasters. Based on old documents, we can see that the price of bread was determined a couple of times especially during drought years. (Özkul, 2005:347).

While determining the prices, *Kadı* would discuss with officials and trades people. He would determine different *narh* prices for wholesalers and retailers. It is evident from the historical documents that trades people were agreeing that if they would sell above *narh* prices once they are determined, they will accept the relevant punishment or fine. (ibid).

However, in spite of the importance given to *narh* and tight controls, and furthermore despite trades people's promise that they would obey *narh* prices, it was

often the case especially during those years when there was inflation and when balance of currency would fluctuate, trades people would charge whatever they wanted to, rather than *narh* prices without any sanctions. (ibid, 347).

Although this information about *narh* prices cannot be generalizable to every individual who did trade during the Ottoman Empire period, it is an indication of the ethical behaviour. Yet, given the limited depth of information available and limited data on other factors which might have been an influence on their behaviour during those days, it would be wrong to draw conclusions on this type of behaviour through a certain ethical explanation, rather discussions of possible ethical interpretations would be more insightful.

Narh prices were being determined during the Ottoman Empire period to be just to the public and provide affordable prices for the necessities such as bread. This is the practice even today in North Cyprus; the Ministry of Finance and Union of Bakers determine a *narh* price for bread and none of the bakers can sell above or below this price.

When behaviours of trades-people during the Ottoman Empire period are considered, it is evident that especially during challenging economic periods; trades people were applying their own prices without any sanctions. This is not considered as an ethical practice by any of the normative ethical theories suggested by the literature. Trades people's behaviour on *narh* prices, reflect rather an egoistic attitude and as it reflects an extreme on one end, instead of finding "mean between the extremes" as Aristotle's virtue ethics suggest and it also does not confirm with utilitarianist view where there is a greater balance of benefit for everyone.

Nevertheless, although limited, the available data on the Ottoman Empire period does not necessarily confirm unethical behaviour of trades-people on *narh* prices, initiates or further promoted by the exile trauma that took place during the Ottoman Empire period that explained in previous sections. It is more likely that other decision-making factors such as personality traits, individual ethical philosophy and the like impacted on their behaviour on pricing. However, it is notable that the tendency to act unethically was more significant when there was economic regression which can be interpreted as decrease in the social or economic welfare of the society is more likely to lead to an increase in unethical behaviour.

B) Business Ethics & the Entrepreneurial Practice During the British Colonial Period (1878-1960)

When we look at the general entrepreneurial environment, according to the interview participants and Hikmetağalar (2005) towards the end of the British Colonial period, there were only a few Cypriot Turk entrepreneurs left in the Nicosia bazaar. According to Himetagalar (2005) the Nicosia bazaar was like a school of the entrepreneurs where people from mixed backgrounds were working together (i.e.: Cypriot Greeks, Cypriot Turks, Armenians and the like). The environment was suitable to learn the craft, how to trade and interpersonal relationships; it also provided the environment to learn different languages where respect, bonds and supporting each other was above anything else. Elder entrepreneurs who have been working longer in the bazaar were considered as people with wisdom and knowledge therefore they were the ones that other entrepreneurs consult when they needed guidance. (Hikmetağalar, 2005).

A good level of understanding of the entrepreneurial environment of the British Colonial Period can be achieved through different examples reflecting the business environment and crafts of that time.

In 1946-1957 the first fizzy drink factory was launched in a mansion by Kemal Rüstem Bey who rented the place. According to his statement, until Coca-Cola came to the Cyprus market in 1953, this factory continued to manufacture fizzy drinks. Later on, with the advertisements, competition and modern technological advances that Coca-Cola used, all of the small businesses in this sector, closed down. (Hikmetağalar, 2005:37).

Another interesting business was *Debbağlık* which consisted of processing animal skin to produce leather and shoe soles. There was a street called *Tabakhane* within city walls, where majority of the residents were *Debbağ* [ENG: Person whose occupation is *Debbağlık*] who were Nicosia's important and wealthy families. *Debbağ* masters would not teach their craft to non-Turks, also non-muslims would not be welcomed to *Tabakhane*. This is the reason why there were no Cypriot Greek *Debbağ* in the past times. (Hikmetağalar, 2005:163). After 1900's, young generation started to lose interest in this occupation and also competition gradually increased between the local manufacturers and importer as Cypriot Greeks' and Cypriot

Armenians' started to import leather and shoe soles from overseas. Given the decrase in the business, a Cypriot Turk *debbağ* was convinced by two wealthy businessmen, Cypriot Greek Yanni Klama and Cypriot Armenian Kuyumcuyan to work for them and they have invested in this line of business. However, later on the craft was stolen by other people that worked in the factory and it no longer was solely done by Cypriot Turks from that time forward. This incident coincides with the first modern *Tabakhane* factory named Cyprus Leather Factory in Larnaca. (ibid).

By the 1950s, the Island's economy was shaken as a result of EOKA's activities, production halted, and great decease occurred in importing and exporting. Although during British Crown Colonial Administration Cypriot Greeks benefited significantly from British existence and opportunities on the Island, with an order announced from EOKA headquarters every British product was boycotted and other than necessity items, nothing was imported from Great Britain. During this period, the number of Cypriot Turk entrepreneurs that was doing import and export decreased significantly and they became a middle-man between the end-consumer and Cypriot Greek importers and entrepreneurs. They started to buy from them and sell to the customers. However, after tension developed further between Cypriot Greeks and Cypriot Turks and after Cypriot Greeks stopped buying from British, Cypriot Turks started to take entrepreneurial steps in small scales. (Hikmetağalar, 2005:330). This is a very important timeline as the campaign which encouraged Cypriot Turks to buy only from Cypriot Turks started with these events; the campaign was named as "From Turk to Turk". Later on it was forbidden to buy from anyone but Cypriot Turks and Cypriot Turk entrepreneurs started to bottle lemonade and buy from Cypriot Greeks and pack necessities like washing powder, canned milk, matches and things that did not need large amounts of investment. Later on, Cypriot Turk entrepreneurs started to produce "Taksim Cola" [ENG: Partition Cola] in crescent and star symbolled bottles, and this was followed by ironmongers, metal workers and construction building masters to advance within the society (ibid., 331).

When this "From Turk to Turk" campaign is further examined, it is also confirmed by the interview participants as well that certain groups of people benefited from this campaign which later on forbid Cypriot Turks to buy anything from Cypriot Greeks, so that actually maximised their profit out of the situation. Although this campaign started in British Colonial period, it continued during 1960s

as well. As a result of this campaign, rich people started to appear; people who were close to power misused the resources available to them and enhanced their individual gain from the situation. Although as a society, it was clearly stated that it is forbidden to buy from Cypriot Greeks, these entrepreneurs bought necessities themselves and sold these to Cypriot Turks with profit. Even today, these entrepreneurs who made significant capital during 1950s-1970s through this campaign hold serious capital and entered into various lines of business as a result of the gain they have acquired during that period.

These activities described above can be analysed as unethical behaviour based on what current literature suggests (i.e.: Ford & Richardson's list of factor impacting on ethical decision-making; normative ethical theories such as act utilitarianism, virtue ethics). However more importantly, this is the period when conflict-related unethical behaviour initiated and later on started to influence society as a whole in future decades as part of the social trauma.

C) Business Ethics & the Entrepreneurial Practice During the Republic of Cyprus Period 1 (1960-1963) and the Period 2 (1963-1974)

Due to the inter-communal conflict which later on turned into 11 years of war, there is very limited information available on Cypriot Turk business activities during those days. Available information such as "From Turks to Turks" campaign and the like, originated during the British Colonial period, however continued in Republic of Cyprus periods as well therefore, they were discussed under both periods.

"From Turk to Turk" campaign also continued with acceleration and with increase in its significance during the Republic of Cyprus period, especially during Period 2 (1963-1974) as this was the period when inter-communal conflict turned into an armed conflict, a war between two ethnicities of Cyprus and from 1963 to 1968 Cypriot Turks lived in enclaves where they were detached from the world. Given this situation, the conditions gave entrepreneurs to increase their individual profits through supplying necessities to the detached Cypriot Turk community in different enclaves. Similar to the end of British Crown Colonial period (1950s), in 1960s there was no trade between Cypriot Turk public and Cypriot Greeks as this

was deemed forbidden as was considered betrayal to one's own community; although some of the entrepreneurs continued to get their supplies from Cypriot Greeks and some of them from Turkey (Hikmetağalar, 2005:311). Considering the adverse situation, people had trouble in accessing even necessities and they were getting main things such as; bread, rice, flour and the like with ration cards during this period.

Considering the war and the consequences it led to, there was an unusual circumstance, thus attempting to describe business-government-society relationship during these two periods would cause an argument on the politics and history rather than evidence BGS relationship to contribute to the understanding and answering the research questions of this thesis. However, it would be helpful to state that given the circumstances, entrepreneurial environment was at the bottom and given the war situation.

APPENDIX XIII: CHOSEN TRAUMAS OF TURKS AND GREEKS AND THEIR REFLECTION ON CYPRUS

Introduction

The purpose of this section is to serve as a connection between social trauma literature and the Cyprus case, however, more importantly since this chapter gives brief history of Cyprus starting from the Ottoman Empire period to the present day; this section also serves as a quick bird's eye view of historical context from a psychoanalytical lens in order to provide insight and critical understanding of the impact of historical traumatising events which are presented in this chapter in integration with the trauma of Cypriot Turks, leading to better capture the link between socially traumatising occurrences and unethical business practices within North Cyprus.

Origination and Historical Background of Chosen Traumas of Turks and Greeks

To show how Turkish chosen trauma and Greek chosen trauma led to a further division between Cypriot Turks and Cypriot Greeks that still impacts on individuals' lives, society and business environment, one must examine each of these large groups' own chosen traumas.

In 1071, a battle took place between Byzantinians (Eastern Roman) and the Seljuk Turks at Manzigert (now known as Malazgirt); and with the defeat of Byzantine forces, Turkish tribes that were originally from Central Asia, started to settle in Anatolia. Turkish tribes arrived in Anatolia and started to intermarry with existing inhabitants which included Greeks that belonged to the Orthodox Church. Aforementioned Greeks lived under the rule of the Byzantine Empire (Eastern Roman Empire) for a long time and they generally called themselves "the Romans". (Volkan & Itzkowitz, 2000:227-228; Pears, 2004).

Until the end of the 11th century the Byzantine Empire had been "a splendid and dominant power, the champion of Christendom against the onslaught of Islam". (Ruciman, 1990:2). During that time, religious affiliations were more important. When Turkish tribes started to settle in Anatolia, during the mid-11th century, a new Muslim challenge came from the East as during the migration from Central Asia

Turkish tribes became Muslim. (Runciman, 1990; Volkan & Itzkowitz, 2000). Meanwhile, an attempted aggression was developed within Western Europe towards the Normans, leaving the Byzantines which were then caught in a war on two fronts while passing through constitutional and dynastic difficulties. This was further complicated by the Crusades (Runciman, 1990:2).

There were multiple Crusades starting from 1096 (Riley-Smith, 1995). Crusade was "a war which is aimed at acquiring or preserving Christian domination over the Sepulchre of Our Lord in Jerusalem i.e. a clear-cut objective which can be geographically pinned down to a particular region" (Hans Meyer 1965 cited in Riley-Smith, 1995:9). In today's popular understanding Crusades are considered as "a great contest between faiths fuelled by religious fanaticism" (ibid.18).

Being Christians, the Byzantines sympathized with the Crusaders, however after the loss of Anatolia to Seljuk Turks; Byzantines became dependant on foreign mercenaries and allies. In 1204, the Fourth Crusade ended the power of the East Roman Empire (Byzantine Empire) as a supranational state as neither the Byzantine Empire nor Constantinople (its capital city) was recovered from the impact of the Fourth Crusade (Runciman, 1990; Pears, 2004). The fourth crusade was supposed to intend the conquest of Jerusalem as given in the previous definition; however it turned into a battle between Roman Catholic Church and Eastern Orthodox Church which is also referred to as the battle between Latins and Greeks (Queller & Madden, 1997). Also, in 1231 and 1239 Crusades were launched against Greeks "who were trying to recover Constantinople" (Riley-Smith, 1995:4).

Within the decreasing territory of the Byzantine Empire, the Greek speaking population continued to maintain their cultural identity and stayed as an identifiable social unit (Geanakoplos, 1989:189; Volkan & Itzkowitz, 2000). During the 13th century, distinguished from the Latin, Greek communities became even more fervently attached to their liturgy, preserved their Greek language, and started to consider the Orthodox patriarch of Constantinople as the "real head of their church and numerous monasteries" rather than the pope. They also maintained their cultural and economic relations with "motherland" of Greece. (Geanakoplos, 1989:190).

By the mid-15th century, the Byzantine Empire territory was only the city of Constantinople which half in ruins with decreasing population (Runciman, 1985).

On 29 May 1453 when Constantinople was conquered by the Ottomans, this achievement of Sultan Mehmet "came as an almost incredible surprise" and "the capture of Constantinople sent an electric shock throughout Europe" (Pear, 2004:398). The fall of Constantinople is considered as a historical incident which made Turkey (that we know today), a European State (ibid). Besides parts of today's Greece which were already under the rule of the Ottoman Empire, with the fall of Constantinople, the total Greek world became part of the Ottoman Empire. Greeks and Turks lived in peace under the Ottoman Empire until 1830s when an independent (modern) Greece started to emerge. (Volkan & Itzkowitz, 2000:228).

The Ottoman Empire citizens were multi-cultural, multi-religious and multi-lingual groups, and their main identity derived from religious affiliation. Within this variety of sub-groups, there were Serbs, Vlachs and others alongside Greeks. Greeks belonged to Orthodox *millet*[14] (Volkan & Itzkowitz, 2000:228).

From 1850s onwards, the Ottoman Empire was started to be seen as "the sick man of Europe" (ibid. 229). In 1821 the Greek rebellion in Morea signalled the beginning of the Greek War of Independence and eventuated with an independent Greek state although many Greeks stayed in the Ottoman territory. In the 1830s, the mental image of circumstances that ignited the "birth" of modern Greece, affected the identity of this nation. In order to achieve independence as a nation-state; there were three tasks to accomplish which were;

1. Fight for independence against the declining Ottoman Empire;
2. Reclaim members of their ethnic group in remaining and former territories of the Empire (which is also referred to as *irredentism*); and
3. Create a culturally homogenous people. (Volkan & Itzkowitz, 2000:230).

Greek Byzantine heritage was condensed with Hellenism (pre-Christian ancient Greek civilization "that had been in eclipse for some 2,000 years, long before

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[14] Millet: Organized religious community whose head was responsible to the Ottoman government for the good behaviour of its members, payment of the *cizye* (special capitation) tax, and other obligations. There were the Orthodox Millet, the Jewish Millet, and the Armenian Millet. The Muslims constituted the *Ummah,* the community of God or of Muhammad (Volkan & Itzkowitz, 2000:228).

the Turks and Greeks met in Manzigert") around 1868 (Volkan & Itzkowitz, 2000:230).This is the reason why Greek irredentism was a special political ideology of the *Megali Idea*[15].

So, why was Greek Byzantine heritage condensed with Hellenism? There are number of theories that aim to explore the relationship. Throughout time, Byzantine intellectuals turned ancient authors and heroes into models of natural virtue in an ethical field increasingly independent of Christian boundaries, as they were less disturbed by their paganism. This change redefined Hellenism from "the negative opposite of Christianity to being the positive opposite of barbarism" (Kaldellis, 2007:287).

Another suggestion is that as a result of the military disasters that took place in the 11th century, the Byzantine Empire's territories were reduced to more Hellenic regions, thus emphasising Greek dominant ethnicity within the State eventuating in increased interest in all things that are Greek (ibid. 293).

However, in opposition to this theory, it is also argued that;

> the crisis of the 11th century ushered in a period of intense instability characterized by the frequent passage of foreign armies through Byzantine territory, by increased contact in the capital and the provinces with foreigners of all kinds, by a pervasive military, commercial, theological, and ideological contest with the Latin West, by a greater reliance on ethnic mercenaries, and by the rise of an aristocracy that took in new members faster than they could learn how to set aside their ethnic backgrounds. In these circumstances, the emphasis on Hellenism may have represented the reaction of the cultural elite to a perceived increase in ethnic diversity rather than the natural product of cultural, ethnic, or linguistic homogeneity. (ibid).

Hellenism's, thus Megali Idea's importance was and still is great for Cypriot Greeks (who were majorly and still are Orthodox Christians) since Cyprus was under the dominance of Byzantine Empire rule from 395 until 1185 and this is the heritage

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[15] Megali Idea: The Great Idea; the doctrine whereby all the lands of Classical and Byzantine Hellenism should be reclaimed for the re-born nation (Herzfeld, 1986:119 cited in Volkan & Itzkowitz, 2000:233).

and initial start point of their thinking that resulted in *enosis* (unification with Greece) (Özkul, 2005).

Even though Megali Idea's origin dates back to the fall of Constantinople (1453), it was not a dominant ideology until the mid-19th century (Volkan & Itzkowitz, 2000:233; Ruciman, 1990: i). Reactivation of Greek chosen trauma, which was the collapsing of the Byzantine Empire, occurred when the Ottomans conquered the Constantinople and Megali Idea started soon after this event (Volkan & Itzkowitz, 2000:233).

Psychoanalytic Perspective on Chosen Traumas of Turks and Greeks

It was the European Christian's belief that God led the conquest to take place because of the Christian sins; this belief was a psychological implication of the shock which caused the loss of Constantinople and even though historically Byzantium was already shrunk to the size of a little more than the Constantinople itself, the mental representation of the event shaped the European Christians' reasoning (ibid., 234). Desire to reverse the sense of loss kept denial persistent and supported with the self-suggestion: "Again, with years, with time, again they will be ours". Denial also occurred in various ways; there were efforts to link Ottomans and the Byzantines which would help Byzantines and other Christians to feel less pain about the trauma. One of these attempts was by Giovanni Maria Filefo, who declared Mehmet the Second, the Sultan (supreme ruler, equivalent of a King) of the Ottoman Empire during the seizure of Constantinople, was a Trojan (Trojan is a citizen of an ancient Hellenic city, Troy). Another attempt was by Feliz Fabri, a German who suggested that Trojan princess Hesione; and son of Telemon (Greek mythology figure) and friend of Hercules (Roman mythology figure, Greek equivalent Heracles), Teucer (Greek mythology figure) were ancestors of Turks. Contrarily, there were some attempts to unlink Byzantines and Turks so that Byzantines could "maintain *their* identity". (ibid, 234).

There is a contrast between the psychology of the formation of the Modern Greek identity and modern Turkish identity (Volkan & Itzkowitz, 2000:238). While Modern Greek identity is formed based on an ancient civilization that was in eclipse for 2000 years; modern Turkish identity was formed in a similar way that of the 19th century western European revolutions that aimed "removing the monarchy and

restricting the scope of religion", thus collapsing the already declining Ottoman Empire. (Volkan & Itzkowitz, 2000:238). Also, unlike Greeks, Turks had a charismatic leader, Mustafa Kemal (Atatürk - means Father Turk) who provided military cohesion during the war and political cohesion afterwards. Further difference was that the Turkish War of Independence was fought with a disciplined regular army, rather than depending on irregular forces and individualistic adventurers which led to the avoidance of the general "lawlessness" that affected the new Greek state (Volkan & Itzkowitz, 2000:239).

During the last century of the Ottoman Empire (19th century), there was a process of reconsidering the identity in order to keep the Sultan in power. Given the *millet* system of the Ottoman Empire, its population was a diverse conglomeration of various ethnicities, religions, cultures and languages. There were three options of identities; one was the extension of Ottoman identity to all its citizens, independent from ethnic or religious affiliations; however given that the emphasis of ethnicity had been increasing following the French Revolution (1787-1799), this had reflected on the Ottoman Empire as well.

The second alternative was focusing on Islam and gathering all Muslim population of the Empire under the umbrella of "Pan-Islamism" (ideology that support the unification of the Muslim under one Islamic state). However, given the ethnic diversity within the Muslim population (e.g.: Muslim Turks, Muslim Arabs), this was not feasible either. (Volkan & Itzkowitz, 2000:238).

The last option was adapting a Turkish identity which would gather all the Turks and people who felt like Turks under the Turkishness umbrella (pan-Turanism, *Turan* [ENG: the land of Turks]. Considering the number of Turks or Turkic origin people throughout Asia and Europe, this option promised a powerful cultural and political force although did not come into movement given the weakness of the Ottoman Empire during that period. The common aim of these three identity alternatives was to keep the Sultan in place and power. (Volkan & Itzkowitz, 2000:239).

During the First World War, and the Balkan Wars, the Ottomans were one of the losers. The damage that the society had got was so significant that, it was said "walking through the streets of Istanbul (Constantinople) one could hear nothing but

the sorrowful voices of mothers who had lost their sons" (Volkan & Itzkowitz, 2000:241). However, soon after these, the Turkish War of Independence (1919-1922) took place under the leadership of Mustafa Kemal Atatürk and with his modern vision; the current Republic of Turkey was established in 1923.

Atatürk and his associates created the National Pact [TR: Misak-ı Milli] which determined the physical borders of modern Turkey (except *Hatay* - also known as Alexandretta which later on annexed to Turkey by means of plebiscite in 1938); however, these physical borders also drew psychological borders as well. (ibid. 239). Later proportion of the population of the Republic of Turkey now is Turks, and Muslims that consider themselves as Turks who had been forced out from their centuries-old Balkan lands through ethnic purification. Based on the 1923 Lausanne Treaty, forced population exchange also occurred between Turkey and Greece and an "attempt to keep a homogenous population within the borders of modern Turkey". (ibid). Turkey had no problems in relation to their Ottoman heritage, the way Greeks had with their Hellenistic and Byzantine heritages.

For the society, gaining a charismatic leader and a new modern republic compensated their losses which they could not mourn; therefore the image of Atatürk became the sacred symbol of "new Turkishness" for them because as long as his image could be maintained their loss was compensated. (ibid. 241). His bust is in all the public buildings and several public places throughout the Turkey, and North Cyprus. The new Turkish identity was not a continuation of the Ottoman heritage and through secularism the new Republic of Turkey was differentiated from the Ottoman Empire. In spite of the fact that Turks fought with Western countries such as France and United Kingdom during the First World War and during their War of Independence, yet through Atatürk's interest in modernising Turkey, the country engaged in a process of Westernisation. This created a paradox for the political leaders both at individual and societal levels since the West was seen as the "former enemy" and "an ideal object" at the same time. This "split" first occurred within the revolutionary elite individuals (called themselves "enlightened ones") who embraced the Westernised Turkey and this "split" eventuated in them perceiving Greeks and other Europeans as both an ideal and an enemy.

Unsuccessful mourning attempts to their loss of the Ottoman identity and to transform to the new identity; failure of some citizens, especially in rural areas, in adopting Western lifestyle and poor and unstable economy further encouraged the split within the society (ibid. 242).

It is an interesting fact that, even though Atatürk formed a completely new and modern Republic of Turkey, in certain events and celebrations Janissary Band [TR: Mehter Takımı] Ottoman Empire Military Marching Band still performs which is a major identity element carried today from the Ottoman Empire period.

Turks reflected their extensive externalisations and projections of unwanted elements onto the Ottoman Empire and its royalty because of the parent figures (i.e.: Ataturk) and considered the Islamic fanaticism of them as the main cause of the end of the Ottoman Empire rather than reflecting these externalisations and projections onto modern Greeks (although they were enemies, they were perceived as not dangerous). Also, their inability to mourn over their lost Empire was part of their chosen trauma.

Turks' aforementioned chosen trauma, and the chosen trauma of Greeks which resulted from the loss of Constantinople to Turks (Constantinople was one of the strongest symbols of the glorious Byzantine Empire that they identified themselves with), and Turks chosen trauma of inability to mourn over their lost Empire and the history with Greeks later on intersected on the Island of Cyprus.

The continuing transformation of the Turkish identity would be less related with Turkish-Greek relationships if there were no events in Cyprus. Cypriot Greek rebellion against the British rule which was intending *Enosis* [ENG: union with Greece] with the spirit of Megali Idea (Markides, 1977 cited in Volkan & Itzkowitz, 2000:242). Following the Greek movement, in 1960 Republic of Cyprus established between the two largest ethnicities on the Island, Cypriot Turks and Cypriot Greeks. However, within three years of the establishment, Cypriot Greeks forced Cypriot Turks to live in 39 enclaves which was only 3% of the land compared to the previous 35% they occupied.

Cypriot Turk Enclaves (TRNC Public Information Office, 2002b).

(The areas that are shown in red represent the enclaves)
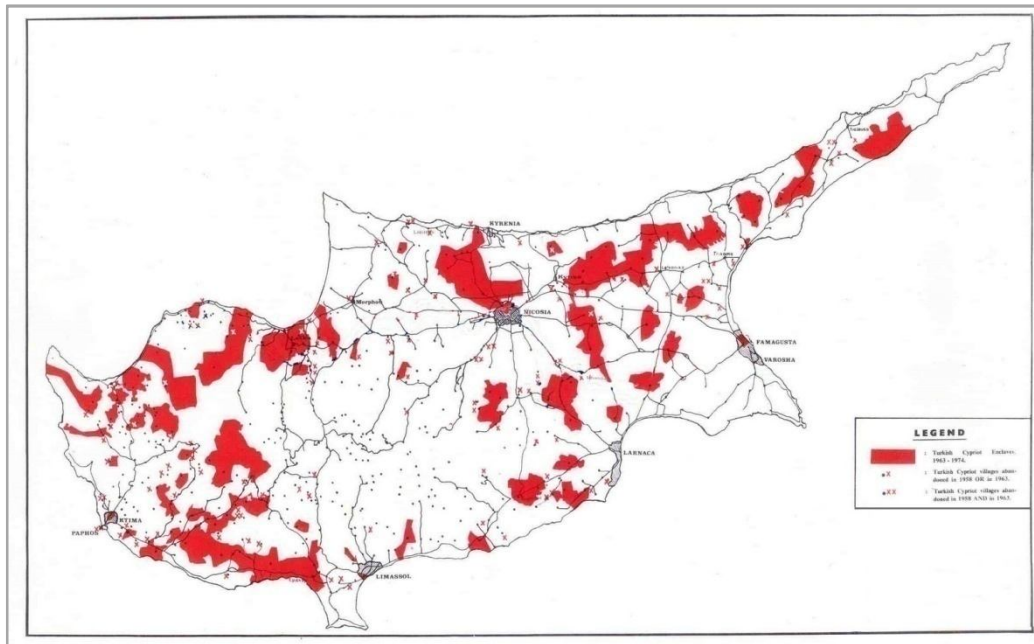
As one of the three guarantors of the Republic of Cyprus, Turkish military intervened and partitioned the island into two sections; Cypriot Turks in the North and Cypriot Greeks in the South. However as this partition was a *de facto* division, later declared Turkish Republic of Northern Cyprus is not officially recognized by the World. (ibid. 242).

This intervention resurrected Turkish previous occupation in Cyprus during the Ottoman Empire period (1571-1878) and this lead to a group mourning to the lost Empire. Interestingly, the amount of land that Cypriot Turks owns did not change significantly as previously 35% of land owned during British period (1878-1960), was 37% after 1974 intervention and in spite of this, it triggered the mourning for the Ottoman Empire which further separated Cypriot Greeks - former members of *millet* system and the former Ottoman Turks (Volkan & Itzkowitz; 2000:242). Until the physical and psychological division of Cyprus took place Cypriot Greeks' and Cypriot Turks' "togetherness" continued (Volkan, 1979). Now, after 30 years still there is an effort to unify them, however this idea threatens both parties unconsciously.

When large groups are suddenly separated, especially after being together for centuries, they show the tendency to hold on to their separate identities through rituals which supports their separate identities and maintain it. In the political arena both parties make statements about unification and living "together"; this opposes their psychological wish to stay separate and results in identity confusion.(Volkan & Itzkowitz, 2000: 243).

The recent history presented in this analysis starts from the Ottoman Empire period and continues to until the present day. The reason why the Ottoman Empire period was included is that, most of the Cypriot Turks were previous citizens of Ottoman Empire who were exiled to Cyprus and this research's focus is on Cypriot Turk business-people's business ethics practices (Beratlı, 1995). Considering the historical occurrences' importance on a society's cultural and ethical values besides the undeniable phenomenon of transgenerational transmission of trauma, it is crucial to look at historical past of Cypriot Turks as especially the Ottoman Empire, the British Crown and later on the major war all had major influences on the formation of current Cypriot Turk society.

APPENDIX XIV: MORAL PHILOSOPHIES & ETHICAL DECISION MAKING – NORMATIVE ETHICAL THEORIES

Moral Philosophies and Ethical Decision-Making: Normative Ethical Theories

In search for an answer why and how individuals make decisions that require ethical judgement, it is beneficial to examine normative ethical theories so that the philosophical understanding of the analysed data can be more profound.

A) Teleology (Consequentialism)

Teleology, rooted from the Greek word *telos* which refers to "end" or "purpose" broadly defines moral philosophies that decide which action or behaviour is considered morally right by looking at the results it produce rather than looking at the feature of the actions; thus they are often referred to as *consequentialism.* According to consequentialist moral philosophies, as long as an act leads to desired results (e.g.: wealth, career growth, knowledge, pleasure, utility) that act is considered as morally acceptable or right. (Boatright, 2000; Ferrell et al., 2005).

Egoism

Different definitions of *egoism* exist, from psychological egoism to ethical egoism. However, here the focus and discussion is on ethical egoism as an ethical theory.

In making ethical decisions, according to ethical egoists, a decision is considered to be a right if the act maximizes an individual's self-interest as defined by him/her (Ferrell et al., 2005:96). The egoist principle states that "Do the act that promotes the greatest good for oneself" (ibid. 97). Hence, in egoism an action is right "if and only if it benefits the agent" (Mautner, 2005:180).

The reason why egoism is considered as a teleological theory is because of its consideration of the consequences for an individual when defining an act as right or acceptable. Since consequences for an individual is the main assessment in *egoism,* each individual defines what the maximization of their own self-interest is differently than everyone else; therefore while wealth or power can constitute self-interest for one egoist, for another one, self-interest may be pleasure (Ferrell et al., 2005).

It is believed that an egoist would choose an alternative that maximizes his/her self-interest in a situation that demands ethical decision-making; this is the reason which leads to the general belief that egoist individuals and institutions are short-term orientated; inherently unethical and they will take advantage of any individual or opportunity (ibid., 97).

As seeking self-interest maximisation lies in the roots of egoism, the extent of its applicability as an ethical theory is arguable. If as an ethical theory, an egoist "A" proposes that "everyone should understand the object of moral endeavour to be the pursuit of his or her individual good", then suggestion of this motto as a universal rule conflicts with the egoist "A"'s self-interest; his/her own pursuit of individual good (Honderich, 2005:236). If everyone pursues their own pursuit of individual good, then these acts interfere with each other, thus creating disorder.

However, if egoist A, secretly writes in his/her diary and adopts a personal manifesto, " I am going to pursue my own fulfilment only, and I understand morality as precisely a means to that", then this brings consistency but then egoism cannot be considered as a public ethical theory which can be adopted by everyone (Honderich, 2005).

Furthermore, *ethical egoism* is often debated as self-defeating since when a society is entirely made up of egoists, they harm themselves more than a society with altruists (opposite of egoism) (Mautner, 2005:180). Another fundamental criticism on ethical egoism is that, it contradicts with the nature of trust and friendship; however ethical egoists argue that there is no reason why these cannot be preserved while having an egoistic conception (Balckburn, 2005:110).

Utilitarianism

Utilitarianism is considered to be an ethical theory as it is concerned whether human actions are right and wrong. As a teleological ethical theory, like egoism, utilitarianism is also concerned with consequences of actions but unlike egoists who focus on maximization of self-interest, *utilitarianism* is concerned "with greatest for the greatest" amount of people (Ferrell et al., 2005:96). Because of its concern with

consequences only, rather than any other feature of the act itself, it is a consequentialist (teleological) ethical theory (Snoeyenbos & Humber, 2006).

According to utilitarians when decisions are made, this should be based on providing greatest total *utility* for everyone involved or affected by the decision. In order to achieve that, utilitarians rely on the systematic cost-benefit analysis; they consider all possible options and calculate their individual utilities; and then they compare each possible option's utility with others and select the highest utility providing decision. (Ferrell et al., 2005:96, 98). Therefore, when deciding whether an act or a decision is right or wrong, *utilitarianism* evaluates it based on whether that act or decision brings the best consequences. When the best consequences are the focus, it is crucial to explore what "best consequences" mean (Snoeyenbos & Humber, 2006).

There are different type of interpretations of what constitutes utilitarianism and how the utility of decisions can be calculated so that "best consequences" can be selected; from this point forward, these will be discussed.

The classical form of utilitarianism was created by Jeremy Bentham (1748-1832) and John Stuart Mill (1806-1873) and besides a philosophical concept; utilitarianism became a powerful social, political, economic and legal instrument (Bentham, 1879; Boatright, 2000). The maxim of the classical utilitarianism is; "an action is right if and only if it produces the greatest balance of pleasure over pain for everyone" (ibid. 35). Although the utilitarianism suggests including everyone's interest in the cost-benefit analysis, it does not necessarily asserts the promotion of everyone's interest (ibid. 37).

There are four theses that utilitarianism is built on; consequentialism, hedonism, maximalism and universalism. Consequentialism as explained already, states that an action is considered as right only based on its consequences, and it is this thesis which by virtue makes utilitarianism a teleological theory. Hedonism constitutes that pleasure is the only and the ultimate good and is associated with the absence of pain. The third thesis, maximalism is based on the amount of good consequences an action leads to and it focus is on the greatest amount of good consequences when the bad consequences are also considered. Thus, maximalism allows bad consequences as long as amount of good consequences (i.e.: pleasure) is

greater than the bad consequences (i.e.: pain) and both Bentham and Mill assumed the net amount of pleasure and pain could be calculated by subtracting the bad from the good consequences.

Lastly, universalism holds that when cost-benefit analysis is done, the good consequences should be considered for everyone, not for an individual as in the case of egoism. (ibid. 36-37). However, universalism generalises the pain and pleasure experiences of individuals, and assume that it is alike for everyone. Furthermore, there is the problem of *interpersonal comparison of utility* which concerns with the problem of comparing different individual's pleasures and pains in calculating utility (ibid. 39). This problem actually creates the grounds for rejection of utilitarianism as an ethical theory and basis of economy for some scholars such as Robbins (1932:140) and Arrow (1963:9) (Arrow, 1963:9; Boatright, 2000; Robbins, 1932:140).

B) Deontology

Deontology rooted from Greek word *deon* for duty and unlike moral teleological philosophies where the focus is on consequences of actions, deontological moral philosophies is concerned with the individuals' rights and specific behaviours' nature of intentions and they are useful in answering the questions of what we ought to do in given circumstances. Goodness and other concepts are all defined based on obligation or duty in deontological philosophies and duty is the main moral category. (Boatright, 2000:33). This type of moral philosophies propose equal respect to all individuals and considers that some actions are right and some of them are wrong inherently, therefore even though they maximise utility, because of their nature they should not be pursued. For instance, with the same example again, bribery is considered wrong not because of its benefits to certain individuals, or because of the calculated utilities but because in its very own nature, bribery is wrong. Because of its philosophical stand, deontological perspectives are sometimes referred to as *non-consequentialism* or the ethics of *respect for persons.* (ibid. 33; Ferrell et al., 2005:100).

Kantianism

Kantianism is one of the main deontological philosophies of ethics, and its arguments were put forward by Immanuel Kant (1724-1804) in his ethical treatise *Foundations of the Metaphysics of Morals* in 1785. Although he wrote this before English utilitarianism which was discussed under 2.3.5.1.2 Teleology section, he still based his arguments on reason rather than on pleasure and pain as in the utilitarianism. Also, he believed that there are things that we ought to do and things that we ought not to do simply because of rationality (Kant, 1999; Boatright, 2000). The maxims that Kantian ethics is built upon are which Kant himself referred to as "categorical imperatives";

1. Act only according to the maxim by which you can at the same time will that it should become a universal law.

2. Act so that you treat humanity, whether in your own person or in that of another, always as an end and never as a means only.

3. So act if you were a member of an ideal kingdom of ends in which you were both subject and sovereign at the same time (Kant, 1989; Bowie, 2006:4; Boatright, 2000:54, 56).

It is Kant's argument that good will is the highest good and "to act from a good will is to act from duty". What makes an action good is its intention behind the act rather than its consequences. People who have good will do have it because it is part of their duty. (Bowie, 2006:3; Kant, 1989).

According to Kant, it is only human beings who can choose to follow laws voluntarily and this shows rationality. This rationality and morality results from freedom of human beings, moreover he argues that dignity and unconditioned worth of humans are results of the free will they have. Kantian ethics suggests that a person who "acts form the right intentions" is considered as an ethical person and this is possible because human beings have freewill. Thus, referring to the categorical imperatives, they are binding for all rational beings as they are requirements of reason (ibid. 4). Therefore, moral obligation is binding for all rational beings not because it has something to do with consequences, but merely this obligation occurs from a moral law. Because of this stance, Kant's ethical theory is deontological in nature rather than teleological (Kant, 1989; Boatright, 2000).

When the first maxim is focused on, *the principle of universalizability,* it has wide applications for moral reasoning. It simply suggests that being rational, logical beings, in making decisions we must be consistent. Hence, puts effort to eliminate the natural tendency of making exceptions for ourselves as well as emphasize the question of what could have happened if everyone acted the same way? Although still there is a pattern of looking at consequences involved in this way of approaching to the ethical questions, Kantianism differs from utilitarianism that when consequences of actions are considered, in Kantianism they are hypothetical rather than actual as in the case of utilitarianism. In spite of this maxim being crucial in its nature for rational moral decision-making, on its own it cannot be considered as an ethical theory. (Kant, 1989; Strang, 1960; Boatright, 2000:55).

The second maxim, *respect for people*, expects rational human beings to treat other people with respect, with our equals by acknowledging their rationality and humanity and not to treat them solely as they are "things" to utilise on our way to achieve our ends (Kant, 1989; Boatright, 2000).

In spite of the fact that, all ethical systems require respect to others, what differentiates Kantian ethics from others is the way he defines by respect and being a human being. When utilitarian definitions are recalled, it defines human beings as creatures that enjoy pleasure, and therefore it suggests the maximisation of pleasures by considering everyone else's as well. Contrarily, in Kantian ethics, rather than pleasure, rationality is in the centre of arguments and what distinguishes human beings from animals is not their capacity of enjoying pleasure but their rationality and capacity to reason. Thus, Kantianism expects human beings to treat other individuals with respect as rational beings (ibid. 56).

In spite of its weaknesses, such as not providing a clear method for decision-making, still Kantianism provides an alternative corrective approach to the utilitarianism, as well as sets a good foundation for *rights* (ibid. 57).

Natural Rights (Human Rights) Theory

To have rights stands for the entitlements an individual has to act on his/her own, not being dependent on goodwill of other individuals and not being treated in

certain ways by others (Boatright, 2000:59). There are different type of rights; legal and moral rights; specific and general rights; and negative and positive rights.

Legal and Moral Rights: Legal rights are the ones that are recognised and enforced as a part of a legal system, whereas moral rights do not depend on a legal system; without the existence of a legal system, moral rights can still exist. Although moral rights are not forced by a legal system, they are still recognised and forced by general rules of ethics embedded in a given large group.

Specific and General Rights: Specific rights can be considered as rights that an individual has which involves other identifiable individuals; an example can be contracts where mutual rights are set through the agreement. On the other hand, general rights are wider in nature, where a claim may be against everyone or humanity, and include rights such as freedom of speech.

Negative and Positive Rights: Negative rights obligate other individuals not to act in certain ways so that they do not interfere with our freedom of action. By contrast, positive rights oblige others act positively on our behalf which may include health care. (Boatright, 2000:59).

All human beings are considered to be entitled to natural rights, which are also referred to as *human rights* simply by being human. Natural rights have two representing features; universality and unconditionality.

Universality stands for the unified approach in considering the entitlement of these rights and it holds that every human being is entitled to natural rights regardless of their race, sex, ethnicity, nationality and/or any other condition of birth or present condition.

Unconditionality, states that natural rights is independent from any kind of institutions or particular practices and there is no means to deprive neither ourselves nor others from these rights. This is the feature of natural/human rights which is usually meant by *inalienable.* (Boatright, 2000:60).

Although our current understanding of its historical context is still inadequately understood, when origins of the natural rights is examined, it is seen that in ancient Greece, there was a law, which was above all laws, that applied to

every individual from everywhere and this was the basis to evaluate the laws of states. (Honderich, 2005:643; Tuck, 1981).

One of the most influential Natural Rights Theory was presented by John Locke (1633-1704) in *Second Treatise of Government* (Locke, 1980). It is Locke's argument that, even without the existence of states, humans have their natural rights and the reason of unification under a state is to protect the rights they have. Locke identified *right to property* as the most important right and argued that although God provided earth for the benefit of everyone, individuals cannot utilise what is given without having a portion of his/her own. (Boatright, 2000, Locke, 1980). Therefore, in order to own a portion to make use of what has been given, individuals through using their labour, actually own a form of property as he considers each individual's labour as his/her own; "Every man has property in his own person, the labour of his body and the work of his hands ... are properly his" (Locke, 1980:19).

C) Theory of Justice (Egalitarianism)

Theory of Justice proposes that no individual should be privileged or favoured over another one, and its basis is equality, that is the reason why it is also referred to as *egalitarianism*. What is meant by equality may change according to the context.

For instance, egalitarians are against the birth rights children derive from based on aristocracy[16] or plutocracy[17] and supports equal opportunities. In another situation, same egalitarians may tolerate inequality in the sense that as long as a person performs better or have more luck may get better rewards. By contrast, some egalitarians may disagree with getting better rewards with better performance and more luck and may suggest equal distribution of rewards to everyone. (Mautner, 2005:179).

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[16] Aristocracy: a class of persons enjoying high status and hereditary privileges; a state ruled by a privileged upper class, usually with hereditary membership; a system of government by those considered best or most capable for the task; the governing body in such a system. (Mautner, 2005: 43; Blackburn, 2005: 23).

[17] Plutocracy: power that comes with wealth, rule by wealth.

When just distribution is considered, there have been many propositions of the way it can be ethically done. One point of view, suggests that just distribution should take contribution as a basis; another one proposes effort to be taken, there are other views which suggest need or economics and the like. There is no firmly set criteria list or definite procedure for decision-making on distributing rewards ethically just. (Honderich, 2005:464).

D) Ethics of Care

Ethics of care emerged from feminist theory, and the main arguments were based from hypothesis that "women speak in a different voice" – "the voice of care" which was presented in Carol Gilligan's (1936 - —) book *In a Different Voice* (1982) (Honderich, 2005:126; Mautner, 2005:246).

Gilligan argued that different from males, females can have empathic association with others and can be caring with a sense of responsibility. Based on this argument, she identified two modes of moral thinking which are; an ethic of care and an ethic of rights. (Honderich, 2005:126).

Following Gilligan's studies, Annette Baier (1929- —) in her studies, found the different voice that Gilligan was pointing out and she argued noticeable differences of reasoning and methods of women in ethical theory from traditional ones. She also criticised traditional moral philosophies on the basis of their focus on universal rules and principles and ignorance of sympathy and concern for others.

Mainly based on these two influential feminist ethicists' works, ethics of care is established upon promotion of traits such as sympathy, fidelity, discernment, love, compassion and trustworthiness in close personal relationships. (Honderich, 2005:126; Mautner, 2005:246).

E) Virtue Ethics

Virtue, *aretē* is a character trait, an excellence, a good quality in a person that makes the possessor an admirable person and morally, intellectually and/or in the conduct of special affairs better (Blackburn, 2005; Mautner, 2005). Virtues are "a set of acquired traits of character that enable a person to lead a good life" (Crane & Matten, 2004:96). Although *aretē* usually translated into English as virtue, the

connotations which the word virtue has in English are completely missing in Greek (Ostwald, 1999). In their translations of Aristotle's work *Nicomachean* Ethics, many scholars have chosen the word 'excellence' to define *aretē* since they considered it is less likely to distort the original meaning, and is the best translation of *aretē* into English language (Ross et al., 1998; Irwin, 1999; Broadie & Rowe, 2002; Solomon, 1992; Solomon, 2006). Throughout ancient Greek literature, word *aretē* means *functional excellence* or *virtue*. Putting aside the connotations of the word in English language, in its original meaning it denotes; "a set of qualities which will make man fulfil his function as a man properly and well in much the same way as a different set of qualities makes a good horse fulfils its own proper functions" (Ostwald, 1999:xxii).

Virtue ethics is;

> The theory of ethics that takes the notion of virtue as primary, rather than
> a view either of the 'good', for the sake of which we act, or of duty, law or
> reason thought of providing rules of action (Blackburn, 2005:383).

An alternative definition is provided by Mautner (2005) who defines virtue ethics as "an ethical theory in which the concept of virtue is fundamental, in contrast to – rule or duty – based moral theories" (Mautner, 2005:648).

Contrary to Deontology which focuses on the principles of action, their universality and justification is based on the notion of duty; and Utilitarianism which focuses on consequences of action, and relative benefits and harms; focus of virtue ethics is a person's character traits and it studies how these traits are expressed in his/her actions (Blackburn, 2005; Solomon, 2006).

Rather than questioning the right action like Kantianism or utilitarianism which is the main focus of both in spite of their differences, virtue ethics question the type of character a person should have (Boatright, 2000:62).

In the business framework, virtue as a concept is "those qualities that advance the purpose and specific practice of a given institution" (Crockett, 2005:198). Institutions can determine their unique "purposeful excellences" by using virtue ethics as guidance. (Crockett, 2005).