

A CRITICAL EVALUATION OF HOUSING CO-OPERATIVES IN TURKEY WITHIN
THE FRAMEWORK OF COLLECTIVE ACTION THEORIES: A CASE STUDY IN
ANKARA AND İSTANBUL

A THESIS SUBMITTED TO
THE GRADUATE SCHOOL OF NATURAL AND APPLIED SCIENCES
OF
MIDDLE EAST TECHNICAL UNIVERSITY

BY

ALPER ÖZKAN

IN PARTIAL FULFILLMENT OF THE REQUIREMENTS
FOR
DOCTOR OF PHILOSOPHY
IN
CITY AND REGIONAL PLANNING

FEBRUARY 2009

Approval of the thesis:

**A CRITICAL EVALUATION OF HOUSING CO-OPERATIVES IN TURKEY
WITHIN THE FRAMEWORK OF COLLECTIVE ACTION THEORIES: A CASE
STUDY IN ANKARA AND İSTANBUL**

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ABSTRACT

A CRITICAL EVALUATION OF HOUSING CO-OPERATIVES IN TURKEY WITHIN THE FRAMEWORK OF COLLECTIVE ACTION THEORIES: A CASE STUDY IN ANKARA AND İSTANBUL

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February 2009, 354 pages

Co-operatives and housing co-operatives as main consideration of the dissertation are historically and philosophically developed institutions. Co-operative culture, although emerged in Britain during early phases of the industrial revolution, has been adapted by other countries within socialist, social democratic and even communist systems. In the contemporary era, housing co-operatives are still in existence and contribute housing production all over the world in every economic and political system.

Institutional development of housing co-operatives in Turkey can be regarded as a process of adapting a Western institution and it shows how contextual differences result in changes in terms of ideology and implementation. In this respect, the thesis aims to evaluate Turkish housing co-operatives by putting forward their contextual differences. Housing co-operatives are non-governmental organizations and produce considerable amount of housing in Turkey. The dissertation regards housing co-operatives as a kind of collective action and discusses underlying factors of success of them with respect to collective action theories.

Free riding, group size, critical mass, heterogeneity, network density and selective incentives are the factors obtained from the Theory of Free Rider and the Theory of Critical Mass and discussed regarding the Turkish co-operative development case to be tested via “The Housing Co-operatives Interview Survey” in İstanbul and Ankara.

The thesis' findings provide that despite there might be expected effects of factors on success of housing co-operatives, these factors might be different due to the fact that they depends on desires of the critical mass; whether to act in favor of collective or individual benefits.

Keywords: Housing Co-operatives (in Turkey), Free Riding, Critical Mass, Heterogeneity, Selective Incentives

ÖZ

TÜRKİYE'DEKİ KONUT KOOPERATİFLERİNİN KOLLEKTİF EYLEM KURAMLARI ÇERÇEVESİNDE ELEŞTİREL BİR DEĞERLENDİRMESİ: ANKARA VE İSTANBUL ALAN ÇALIŞMASI

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Şubat 2009, 354 sayfa

Kooperatifler ve tezin temel konusu olan konut kooperatifleri tarihi ve felsefi olarak ortaya çıkmış kurumlardır. Kooperatif kültür, endüstri devriminin ilk aşamalarında İngiltere'de ortaya çıkmış olsa da, sosyalist, sosyal demokrat ve hatta komünist ülkelerde uygulanabilmiştir.

Türkiye'de konut kooperatiflerinin kurumsal gelişimi, bir batı kurumunun adaptasyon süreci olarak düşünülebilir ve bu süreç bağlamsal farklılıkların uygulama ve felsefe düzeyinde ne denli farklılıklara yol açabileceğini göstermektedir. Bu bağlamda, tez Türk konut kooperatiflerini farklılıklarını da vurgulayarak değerlendirmeyi amaçlamaktadır. Türkiye'de konut kooperatifleri, bir sivil toplum örgütüdür ve konut üretimine ciddi katkılar sağlamaktadır. Tez konut kooperatiflerine bir çeşit kolektif eylem olarak yaklaşmakta ve konut kooperatiflerinin başarısını etkileyen faktörleri kolektif eylem kuramları çerçevesinde tartışmaktadır.

Karşılıksız faydalanma, grup büyüklüğü, kritik çoğunluk, heterojenlik, ağ (iletişim) yoğunluğu ve ayırıcı ceza/mükâfatlar gibi faktörler "Karşılıksız Faydalanma"

(Hazıra Konma - Free Riding) ve “Kritik ođunluk” (Critical Mass) kuramlarından elde edilmiş ve İstanbul ve Ankara da gerçekleştirilen “Konut Kooperatifleri Anket Çalışmasında test edilmek üzere Türkiye’deki konut kooperatiflerinin gelişim süreci dikkate alınarak tartışılmıştır. Tezin bulguları, konut kooperatiflerinin başarısı açısından etkisi beklenebilecek faktörler olduğu halde, bu faktörlerin etkilerinin değişken olabileceğini ve bu sürecin de kooperatifte bulunan kapasiteli ve aktif yönetici/ortakların kooperatif yararına ya da bireysel çıkara göre hareket etme isteklerine bağlı olduğunu göstermektedir.

Anahtar kelimeler: Konut Kooperatifleri (Türkiye’de), Karşılıksız Faydalanma, Kritik ođunluk, Heterojenlik, Ayırıcı Ceza ve Mükâfatlar

To My Parents and Family

ACKNOWLEDGEMENTS

I express my deepest gratitude to Prof. Dr. Ali Türel for his guidance, advice and encouragements. The thesis wouldn't be realized without his supports. I also wish to express sincere appreciation to Prof Dr. İlhan Tekeli for his insight and commends. I would like to thank to other examining committee members, Prof. Dr. A. Şule Özükren, Assoc. Prof. Dr. Helga Rittersberger Tılıç and Assoc. Prof. Dr. Serap Kayasü for their criticism, suggestions and the time patiently devoted.

Special thanks go to Deputy General Directors; Yusuf İnce and Mehmet Öztürk and Section Director Turgay Ekinci from the Ministry of Industry and Trade and Department Director Alp Erdem from the State Institute for Statistics for providing the past and current records of housing co-operatives. I would like to extend my thanks to Alper Aktan from Türkkent Housing Co-operative Association and Malik Şat from Batıbirlik Housing Co-operative Union for sharing their views with me.

The professional interview survey study of Veri Research Inc. is gratefully acknowledged. The interview survey study of the thesis was supported by METU within the frame of Academic Research Project Program (BAP - 2005-02-02-01)

I would like to offer sincere thanks to my close friends, Ezgi Haliloğlu Kahraman, M. Ali Kahraman for especially their significant helps at the submission phase of the study, Müge Doksoy for technical assistance in correcting language parts and Volkan Asar, Tolunay Saraç Yılmaz and Pınar Aypek Türker Devecigil for their moral support during various difficulties of the study.

Finally, I am fully indebted to my dear wife Özge Özkan, my mother Şükran Özkan and my father Hamit Özkan, my grandmother Ayşe Şah Balçık and other family members (Özkans, Doksoys) who supported me in every aspect throughout the study. This thesis dedicated to them.

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CHAPTER 1

INTRODUCTION

In the introduction part of the thesis, it is intended to explain how this PhD thesis is undertaken. In this rather different introduction method two aims are intended. The first one is to acknowledge readers about general content and aim of the thesis. The second aim is related to substantiating context dependent characteristics of writing a PhD dissertation. Theoretical research enables the dissertation include discussions and parts that would not be proposed before. So, the dissertation takes its shape by intersection of thoughts of the researcher and advisor together with the literature. Hence, the introductory part of this thesis gives details on purpose and content of the thesis within an evolutionary perspective after explaining “why the thesis gives attention to housing co-operatives”.

Housing cooperatives are important actors for not only their contribution to housing production but also their philosophical background, which had taken part within countries’ socio-political development history in the world. Hence, today’s housing co-operatives will be analyzed throughout both mentioning their historical and philosophical course of development, and evaluating their existing situation in the world and in Turkey.

Similar to other developing countries, housing problem is one of the crucial problems of Turkey since the Second World War. Rapid urbanization and concomitant process of migration to cities have resulted in many qualitative and quantitative housing problems. There have been periods that public and private housing provision could not meet housing demand. Housing co-operatives in

Turkey have been significantly contributing to the growth of housing stock, especially since 1980s. The dissertation concentrates on housing co-operatives, which are non governmental organizations and can be regarded as one of the actors for housing provision.

Since the last decades of the 20th century there have been transformations in technological, social and political spheres. Under these circumstances spatial organizations have faced with transformations simultaneously. In the new information society, new spatial organizations have brought about necessity of new policy and planning approaches.

Along with this process and with the eradication of national borders representative democracy; which is closely related to national territories, has been subject to reconsideration in terms of its legitimacy. Central, hierarchic and command type decision making which is based on technical rationality began to be replaced by horizontal, decentralized decision making, which is based on communicative rationality (Tekeli 1996b: 120, Tekeli 2002¹). In the new state-society interaction conceptualizations, central authority's responsibilities and implementation capacity of the projects have been declining, on the other hand civil society organization's improving (Tekeli, 1996b). In this respect importance of civil society organizations gained importance in all sectors including housing.

Inevitable outcomes of globalization such as inequality, poor living standards, unhealthy living conditions and insufficient social and physical services in urban areas are, in one sense, very similar to the problems of the initial periods of the industrialization process. In fact co-operative ideology emerged as a reaction to adverse impacts of industrialization. Even though description of problems has changed through time, the basic aim of cooperation philosophy was related to institutionalized solution for people who have been unable of individually acquiring housing in the market. Therefore, cooperative institution can be considered within today's policies, as it was during early industrialization period.

To begin, it should be stated that the initial studies on cooperatives directed the

¹ Tekeli İ (2002) CP 601 New Tendencies in the Planning Lecture Notes

research on the ideological and historical development of cooperatism and co-operatives. While making this research, the aim was to be able to build or formulate a theoretical framework of the thesis with respect to the history of cooperative movement literature. However, the research on the philosophy and historical development resulted in writing a chapter about the origin and the course of development and historical evaluation of cooperatives in general.

In the second chapter of the study, following the discussion about philosophical dimension of cooperatism, historical development of co-operatives and housing co-operatives, which are the main consideration of the thesis, is analyzed. In this chapter, after making descriptive and terminological discussion on co-operatives and housing co-operatives, history of co-operative and housing co-operative development is analyzed. In the chapter, cases of Britain, Sweden and Russia, which are important countries in terms of housing co-operative development history, are analyzed in order to reflect different political and economical impacts on housing co-operatives and their development phases.

Co-operative culture, although emerged in Britain, which is the earliest industrialized capitalist country, has been adapted by other countries within the socialist, social democratic and even communist systems. Robert Owen, who was regarded as a father of cooperatism, was an utopist socialist but development of cooperatism and growth of co-operatives was realized by the successful intention the Rochdale Equitable Pioneers, who organized their co-operative within the capitalist economic system. When the current economic system and globalization are considered, co-operatives can be regarded as the institutions described to work in the capitalist market system, just like other business organizations, but they do not aim at profit.

Returning back to the narration on the dissertation, it can be stated that much difficulty was encountered while developing the theoretical framework of the thesis. Despite the fact that there are many academic studies on cooperatism and co-operatives, no direct model/theory could be found in the literature. Studies are generally related to the history and development of cooperatives. In fact, this difficulty necessitated the survey of the thesis to be enlarged. The theoretical

framework of the thesis is formulated by referring to the literature on several disciplines. Since building a unitary model would not be possible, theories/models of different approaches have been evaluated and hypotheses have been formulated for investigation by an empirical study.

Cooperating and collectively acting are subjects of various disciplines such as economy, sociology and political science. Like economists, sociologists and political scientists tried to explain social actions by rational motivations as instrumental actions. In fact, even though the theory of “collective choice” belongs to many disciplines (Sen, 1970), co-operation, co-operatives and collective actions are social actions of human being, which can not be explained with 1960s rational choice theories (Scott, 2000). This might be related to the fact that assumptions of instrumental rationality cannot give a complete explanation of social order. In this respect, especially after 1960s, the problem of collective action began to be handled with different assumptions of physiology, sociology and political science. In sociology, the collective behavior become a specialized field and the concept of collective behavior distinguished with that of collective psychology, which was then become moderate, indicates the shift of attention from the motivation of individuals to their observable actions (Gallino, 1978a).

In rational choice theories, rational actors would have no individual incentives to support collective action. They calculate that the costs of membership are high and that their participation can have no significant effect on the organisation’s bargaining power, and so they will conclude that they have nothing to gain from membership. However, co-operation exists in every aspect of life in the form of associations, trade unions and co-operatives. This point directed the theoretical approach of the thesis to collective action models developed for the problem of collective action.

Since co-operatives can be regarded as a kind of collective action, theoretical framework of the thesis was determined to be constituted by the theories/models developed for collective action. Then, literature of models/theories of collective action was searched and analyzed in order to form the theoretical framework of

the thesis in the third chapter under the name of “theoretical *analysis on collective action: why to co-operate?*” The aim of this chapter is to answer the research question “*what can be the factors influencing the success of housing co-operatives?*”

Hence, the third chapter focuses on theories/models of sociology, economy with respect to the problem of collective action. The Free Rider Theory², Game Theoretical Approach to collective action, the Role of Norms on collective action and lastly the Critical Mass Theory are analyzed in the theoretical discussion chapter. Recent discussions and models developed for the collective action problem are also analyzed. The aim of this chapter is to make an interrelated discussion between the Free Rider, Critical Mass and Game Theories and other recent models in order to evaluate co-operatives, which are examples of collective action in housing provision. After the theoretical literature discussion about theories/models on collective action, co-operatives are taken into consideration to be analyzed on the basis of the literature survey.

Olson’s Free Rider Theory, which he developed in 1965, brought about development of new ideas in opposition to conventional collective action thoughts. The basic idea of Olson was that, there is problem of free riding in collective benefits. Whenever a person can not be excluded from collective benefits that others provide, each person is motivated to not to join group efforts even though he/she uses the benefits. This is called free riding and if all participants choose to free ride the collective benefit will not be produced (Olson, 1965). His ideas on free riding, influences of the group size on collective action and his proposal for avoiding the free riding called as selective incentives are included into the hypotheses of the thesis.

The Critical Mass theory developed by Pamela Oliver & Gerald Marvell in 1993 can be regarded as a complementary theory of Free Rider Theory. The theory, pays attention to concepts developed by Olson, and criticizes them by elaborating new concepts such as critical mass, heterogeneity, resourcefulness in terms of success of collective action. Although the name of the theory brings about

² In the thesis, The Free Rider Theory will be used for Mancur Olson’s theory, which he developed in 1965 under the name of The Logic of Collective Action.

thinking on required amount of people that is necessary for the success of collective actions, the theory mainly focuses on the small number resourceful people who would play pioneering role in collective action. The main assumption of the Critical Mass Theory is “*generally collective action is produced by small number of highly motivated and resourceful individuals rather than by the efforts of average group member*” (Oliver and Marwell, 1993: 2). In this respect The Critical Mass Theory pays attention to motivated and resourceful individuals rather than to the whole group willing to collectively act. Hence the hypotheses of the Critical Mass theory are also included into the main hypotheses of the thesis.

Therefore, in the third chapter by referencing to the Olson’s Free Rider Theory and Oliver and Marwell’s the Critical Mass Theory, certain hypotheses related to underlying factors of success of housing co-operatives are developed to be tested via the field survey.

The theoretical discussion that began in the third chapter continues in the fourth chapter. In this chapter, after mentioning how the thesis considers the success of housing co-operatives, the hypotheses accordingly are discussed in detail. In the chapter, in addition to the discussion on underlying social and economic factors involved in housing co-operatives, certain graphical representations are made as related to the cost-benefit situation of cooperative shareholders with respect to free riding, two persons co-operative game and the relationships between the size of housing cooperative and the cost of producing a dwelling unit.

In this part, rather than adapting a game theoretical perspective and recent model proposals, the Free Rider and the Critical Mass theory’s hypotheses were reconsidered regarding housing co-operatives. The hypotheses of the thesis with respect to the Free Riding and the Critical Mass Theory, in addition to other models developed for collective action, are related to the effects of the following characteristics of groups of collective action on success of housing cooperatives:

Group Size (Olson, 1965)

Free riding (Olson, 1965)

Selective Incentives (Reward and Punishment Mechanisms) (Olson, 1965)

Critical Mass (Marvell and Oliver, 1994)

Network Structure (Marvell and Oliver, 1994)

The fifth chapter is on the case study of the thesis on housing co-operatives in Turkey. Housing co-operatives have been making considerable amount of contribution to housing since 1934 when the first housing co-operative, Bahçeli Evler was established. In this chapter, the aim is to discuss the origin and the course of institutional development of housing cooperatives in Turkey by underlying its distinguishing characteristics.

As mentioned, co-operative development is a socio-spatial process, which is context dependent and requires in-depth analysis for different cases. In the case of Turkey it can be regarded as a process of adapting a Western institution and contextual differences result in transformation of this historically and ideologically emerged institution. Different from its counterparts in Europe, there is not a rental housing co-operative system with collective or joint ownership in Turkey. Rather, housing co-operatives work in a different manner with semi entrepreneurship type of joint ownership until it is dissolved by accomplishing its task.

These issues are analyzed in detail in the fifth chapter of the thesis. The chapter gives special emphasis on the contextual characteristics of housing cooperatives in order to better understand the current situation and the problems of housing co-operatives in Turkey. Hence, evaluation of the functioning and performance of housing co-operatives is also made with respect to their contribution to housing stock as civil society organizations in Turkey.

At the end of the fifth chapter, hypotheses of the dissertation are reassessed with respect to the discussion made in the chapter. Since, the chapter aims to underlie distinguishing characteristics of housing co-operatives in Turkey, those characteristics are reflected in the hypotheses derived from collective action theories. In this regard, main hypotheses of the thesis, which are tested via a field survey, are concluded at the end of this chapter.

The last chapter before the conclusions chapter is on the field study of the thesis.

This part of the thesis aims to explain the methodology of the field survey and the results of the interview survey on housing cooperatives in Ankara and Istanbul. The hypotheses of the thesis, which are derived from collective action theories and adapted to housing cooperatives are tested via a semi structured questionnaire composed of mostly closed questions but also some open ended questions in the sixth chapter. The survey was made in the form of face to face interviews upon appointment.

Hypotheses of the thesis are tested via “the housing cooperatives interview survey” in two biggest cities of Turkey. The interview survey was undertaken on contract by a professional research company. The survey was concluded in six months in 2006, proving difficulty of making interviews with the co-operative sector. Especially managers of comparatively unsuccessful cooperatives, in terms of cost and completion period, do not want to be interviewed. However, a total of 62 housing cooperatives could have been interviewed, 30 housing co-operatives in İstanbul and 32 housing co-operatives in Ankara.

In the sixth chapter, after describing methodology of the field survey, the results of the survey are analyzed by making statistical analysis via frequency tables and cross tabulation. In the chapter, each hypothesis is also discussed according to survey results regarding and evaluating results of frequency and cross tabulation analyses.

The last chapter is on conclusions in which evaluation of the results of field survey are carried out. In fact this chapter aims to answer the research question of the thesis which is *“what can be the factors influencing the success of housing co-operatives and how these factors influence the success of housing co-operatives in Turkey?”*

As mentioned, the thesis aims to analyze housing co-operatives as a collective action and to put forward underlying factors for success. In this respect, adapting from theories of the Free Rider and the Critical Mass, the hypotheses considering factors of free riding, size, heterogeneity, selective incentives and network structure are evaluated. This evaluation is made according to statistical results of

the field survey carried out with the managers of housing co-operatives in İstanbul and Ankara. At the end, the chapter makes an overall evaluation of housing co-operatives in Turkey with respect to factors adapted from the collective action theories regarding success. The policy recommendations of the thesis and possible further research areas, which this study can be used as a basis, are also discussed in the conclusions chapter.

CHAPTER 2

ORIGIN AND THE COURSE OF THE DEVELOPMENT: THEORETICAL AND HISTORICAL EVALUATION OF HOUSING CO-OPERATIVES

2.1. Introduction

In this chapter of the study there will be historical analysis on co-operatives. This analysis will be in a systematic way that the course of development and the ideology behind cooperation will be carried out concomitantly.

After the industrial capitalism system began to cause socio spatial problems, cooperatism emerged as a solution. In the literature it is discussed that cooperatism is as old as human history, and early attempts had been before the 19th Century. However, in the literature it is claimed that co-operative philosophy and practice has started to be institutionally formed with an Utopist Socialist; Robert Owen. After Owen, Rochdale Equitable Pioneers have been the most important figures of the co-operative movement in the World.

In fact whether co-operative movement has emerged as a result of problems that came with the industrial capitalism or regarded as a movement emerged with the ideological influences are the important aspects of the course of development. In other words, whether co-operatives have emerged as a prescription or emerged as a result of philosophical outcome, they will be the main discussion subject of this part. Historical development of co-operatives and ideological approaches to them might be guiding discussions while understanding the basis of co-operative movement.

After discussing about philosophical dimension of cooperatism, the next part will be on historical development of co-operatives and housing co-operatives, which are the main consideration in the thesis. Following the discussion on general philosophy and historical development, there will be descriptive discussion on cooperatives, which are important civil society organizations. In the following part, as a unique sector of co-operatives, housing co-operatives will be taken into consideration. Housing co-operatives are important actors for not only their contribution to housing production but also their philosophic background, which have been taken part within countries' political development in the world. Hence, attention will be paid on Turkish housing co-operatives in order to find out underlying factors for their success from the point of view of collective action theories.

2.2. Philosophical Discussion on Co-operatives

Co-operative culture, although emerged in Britain, which is one of the earliest industrialized capitalist countries, were adapted by other countries within social democratic and the socialist systems. In fact when the current economic system and the globalization is considered, co-operatives can be regarded as the institutions operating in the capitalist market system, just like other business organizations, but they do not aim profit.

In this respect, despite their capitalist type of ownership characteristic in some countries, co-operatives differ from other business organizations. In between the private ownership and the state ownership, co-operatives have been inspiration for some of the collective type of civic action. In this sense, there might be argued there is relationship between co-operative development and collective type of philanthropic actions, since both are collective civil organizations with humanitarian aims. However, in the literature there is a limited amount of discussion about relationships between philanthropy and co-operative philosophy. It is also beyond the scope of this study to handle this issue here.

Although most of the World countries have adapted themselves to the industrial capitalist rules and co-operatives do work within this system, it should be remembered that co-operatives had been dreamed as a tool for achieving socialist community, which was the dream of Robert Owen, an Utopian Socialist man.

“The co-operative form of property ownership emerged as a reaction to the individualism of industrial capitalism and as an ideology, represented a fusion of Utopian Socialism, Christian ethics, and democratic socialism” (Andrusz, 1999: 38). In addition to the ideological background, property ownership characteristics of countries can be regarded as one of the crucial factors influencing co-operative movement of the countries based on different economic and political structures. In other words, strength of the co-operative movement depends on the socio-economic and socio-spatial structures of the countries.

In this regard, it can be claimed that theoretical determination of the boundary between the state and the private sector was lying on the notion of property. So, property ownership characteristic in each state is another dimension of the debate related to co-operative way of acting. Property systems of the countries, whether coming from traditional bases or transformed according to political priorities have been at the center of the discussions related to co-operatives. Co-operative type of ownership in between the state and individual ownership has been an alternative solution to problems of the industrial capitalism. In fact, since it involves ownership of a certain group, it differs from state ownership. However it does not replace neither state ownership nor individual ownership. It is rather a kind of group or joint ownership in-between the state or individual ownership. In this regard it creates an alternative solution to traditional ownership characteristics.

Having emerged in a capitalist country as a reactive thought of Robert Owen against the thought of “just profit”, co-operative movement being a utopian socialist solution, have been influential in both capitalist and socialist societies.

As in the case of Utopian conceptualization, which will be mentioned in the following parts, (Owen, Fourier etc...), new institutions different from the bureaucracy and the state began to respond to micro scale, local, individualist and communal problems in the capitalist systems. Charles Fourier (1772-1837) in France, Robert Owen in England and Hermann Schulze-Delitzsch in Germany were concentrating on socio-economic problems of people and they can be regarded early important personalities contributing to the co-operative movement in the world (Roy, 1964). After their conceptualizations, attention started to be paid on the voluntary sector, which is neither state based nor market oriented.

As a result, it can be argued that co-operatives mostly appear to work within capitalist system, accepting capitalism's most unavoidable features like market mechanism and private property ownership. Indeed, co-operative movement has brought about a new ownership type, which can be called as collective or joint ownership. However, as many writers claim, co-operatives may be advocated from a liberal, a market-socialist or a communitarian world view (Roy, 1964, Birchall, 1988, Andrusz, 1999, Bengsston, 1999, Fairbairn, 1994).

2.2.1. Utopian Socialism and the Start of the Co-operative Philosophy after the Industrial Revolution

Before going into discussion about conceptualization of the co-operative movement within two main ideological and political systems, which distinguished the world's countries as capitalist or socialist, the Utopian Socialism current should necessarily be mentioned. Many writers and social scientists link the development of the co-operative movement with the Utopian Socialist type of conceptualization. In this approach, it is believed that rather than competing, cooperating is important, hence socialist type of co-operating should be applied in order to tackle with the challenges of the existing system. In this view *"the driven force behind co-operatives is neither money nor power, but social norms*

promoting mutual self help in a communitarian spirit" (Bengtsson, 1999: 251).

Interestingly, it would not be a mistake to claim that the co-operative movement emerged in Britain challenged Marxism in the following decades. Robert Owen (1771-1858), who was father of the British Socialism and defending philanthropic philosophy,¹ rejected the class conflict. His thoughts had constituted roots of the British co-operative movement. However the Rochdale Pioneers' thoughts and implementations, which will be mentioned later, have become more dominant in Britain and in the World in the following years. Hence, it is appropriate to say that non-Marxian socialism and the co-operatism took their bases from earlier school of the Utopianism, Owenism, Christian Socialism and other related schools of economic and social thought.

Prominence of Robert Owen's philosophy comes from the thought calling attention to abuses prevalent under capitalism (Roy, 1964). According to his philosophy, the just price of a good is its cost. To charge profit is unjust and to search for profit causes overproduction and leads to crises. As Roy mentions, "*Owen advocated the organization of men in groups which should own and use in common all the instrumentalities of production necessary for the welfare of the members of each group*" (Roy, 1964: 70). However, few of his principles were adopted and his philosophy was regarded as difficult to be applied. This might be related to enlargement of capitalist system all over the World.

Thomas More was also utopian socialist and had similar thoughts with Robert Owen. Both of them imagined that a co-operative mode of organizing society would be a solution if property owners could be persuaded. In their period they conceptualized a kind of socialist system to work with the capitalist one. Their emphases were on the collectively acting. According to them, collective action might overcome deficiencies of the capitalist system (Andrusz, 1999, Roy 1964).

¹ In some sources Owen is regarded as philanthropic. See for example Harrison (1967)

Similarly, Kropotkin claims that not competition but voluntary co-operation was the dominant force in evolution. Co-operative type of behaving will supersede competition. Hence, social scientists have been trying to conceptualize the collective action and cooperation and found this way as a solution against adverse impacts of the industrial capitalist system (Kropotkin cited in Andrusz, 1999).

As a result, utopian socialist type of socio-economic approaches has been influential on the emergence and the development of co-operative movement. *“Many individuals enjoined to sacrifice themselves to creed of selfishness, egoistic individualism and competition, chose to counter it with a view of harmony and co-operation”* (Andrusz, 1999: 2). Social scientists and theoreticians believing in benefits of cooperation paid attention to this tendency. Hence, actions of those individuals were theorized by Owen, Proudhon, Fourier, and Kropotkin who are Utopian Socialists of their periods. In the following part of the study Robert Owen as the most important figure in co-operative philosophy will be mentioned in detail.

2.2.2. Robert Owen: Philosophy of Owenism and Cooperatism

Robert Owen was in opposition of his period's facts that workers were denied the full value of their labour, hardworking in poverty for the profit of others. Owen regarded economic and educational improvements as essential factors for creating a better community. To live in poor conditions and economic difficulties and to live for individual profit are obstacles to build a better community. The sentence of Owen from his first essay to British Public shows general philosophy of him, which was based on the necessity of acting for community interest. His thoughts coincide with some of the assumptions of today's collective action models.

“Any general character, from the best to the worst, from the most ignorant to the

most enlightened, may be given to any community, even to the world at large, by the application of proper means; which means are to a great extent at the command and under the control of those who have influence in the affairs of men” (Owen, 1816², in Stern 1995b: 19.)

Similarly, in his own words Owen also stated that *“the happiness of self clearly understood and uniformly practiced, which can only be attained by conduct that must promote the happiness of the community” (Owen, 1816, in Stern 1995b: 22).*

Owen and his followers presumed benefits of co-operation and community possessions in contrast to doctrines of private ownership and competition. As Saunders points out co-operation, developed under the influence of Robert Owen was one of attacks on the claim of private ownership. According to Saunders et al *“...co-operation envisaged not the expropriation of existing property owners, but the voluntary accumulation of common possessions in order that many might be set free from dependence on the few who monopolized the means of production used them, at the expense of others, for their own private gain” (Saunders et al, 1942: 26).*

This was the very radical ontological assumption on human being. Unlike the classical economy’s basic assumption of rational human being, Owen proposed a human being, which behaves in accordance with the collective interest. Robert Owen was a man having the utopia of creating a society in which everyone behaves in favor of the common interest. Hence, Owen’s Utopia can be regarded as an important philosophy in terms of its ontology. According to him, individual interest, which is put against to public interest can be left behind the group interest. In such ontology, understanding of human and human behavior is different from the ontology of political economists.

Owen’s philosophy was supported by Holyoake. His observations on a daily life

² Owen wrote the book “A New View of Society” in 1812 but it began to be publicly sold in 1816

cooperative were that most of the people were behaving according to community interests³ (Halyoake, 1907). Owen aimed establishment of communities settled on land, consisting of producers of different commodities, owning the means of production in common, and working together to satisfy the collective needs. In these self contained communities, co-operation was thought to be replaced by competition.

According to his view, ideal group of community should consist of people between 500 and 3000 in number and they should live in 1500 acres area. All members of the community should live in one quadrangular building, with public kitchen and room and with separate apartments for each family. The community should be mainly agricultural but should carry on a variety of occupations to be self sufficing as much as possible. It should avail itself of the interventions, but without yielding to the factory system and it should combine the advantages of country and town life. (Owen, 1995b) Therefore, Owen has conceptualized the new organization of space and of society emphasizing the problem of authority and individual freedom (Benevolo, 1967: 50).

As Owen claims that *“individual happiness can be increased and extended only by increasing and extending the happiness of all around him”* (Owen 1995b: 23). In short, Owen’s belief was in the value of cooperation rather than competition. According to him, behaving regarding community interests and to co-operating is more advantageous than behaving according to individual interest (Owen, 1995b). As it will be analyzed in the following chapters, this conceptualization has close relationships with some contemporary models of collective action.

According to Owen, the effort that people spend in competition with others can not be as effective as the effort that they would combine for the general interest of society. Thus, accepted view of political economists, which claims that seeking

³ In the literature, some writers claim that in daily life certain experiences coincide with this ontology. For instance, see Holyoake (1907) for the anecdotes that he observed from daily cooperative life in Rochdale. In these anecdotes collective behaving according to collective interest can be seen.

individual interest as an effective way of life, is not true for him (Owen, 1995a).

Before developing his utopia, Owen observed deformation of his clean village into a dirty manufacturing town. He was also aware of the decreasing life standards while the industrialization was progressing. In fact, life that he was willing to systemize was his Utopia. His projects were formed within conditions of his period. However, it can be claimed that, Owen's philosophy brought about the birth of the modern co-operative movement in spite of the fact that Owenism has no relation with principles of the modern co-operative movement. Instead, Rochdale co-operative principles, which were developed in relation with the Owenism, but altered due to capitalist necessities, have been influential in formation of the modern cooperative movement.

However, this must not mean that the Owenism has not played a role in the development of the modern co-operative movement. After the start of the 20th Century acceleration of the industrial capitalism, socio-economic and spatial structures were also faced with a strong transformation. Therefore it is very normal that the Owen's utopian approaches could not have a chance for implementation after industrial capitalism began to form different social, economical and spatial order.

"Owen was concerned with the needs of people as consumers and with the enjoyment of wealth as a means to the progressive improvement of the individual and the society. He wanted to destroy the immoral and degrading system of buying cheap and selling dear for a money profit in order to make all intelligent, charitable and kind to each other" (Saunders et al, 1942:25). Owen aimed to organize workers within the scope of his philosophy. In order to capture more of the value of their labor, Owenite workers came together to establish associations for mutual aid and education. They aimed to increase wages by collective action and by making their own worker-owned enterprises in addition to raising standard of the practical education. They also aimed to extend workers' purchasing power through co-operative buying.

Owen's plan for reorganization of society had been matured between 1816 and 1820. His main consideration was to act for improving working and living conditions at New Lanark and then educational reform and restriction of child labor in factories. From this point, his endeavors can be related to philanthropic aspects of his philosophy (Harrison, 1969).

Harrison, in his book, *Rober Owen and the Owenites in Britain and America: The Quest for the New Moral World* states that "*Visitors to New Lanark impressed by the mills and disarmed by Owen's charm, praised his practical benevolence and enlightened philanthropy.....Mr. Owen, the philanthropist, or the benevolent Mr. Owen.....His name was everywhere linked with successful, paternalistic schemes for improving the lot of the poor.....Philanthropy was a basic motif in the pattern of Owenism* (Harrison, 1969: 11).

By the late 18th Century, philanthropy and charity began to be expressed by the term "benevolence". This term means that involvement in good works for the benefit of poor (Harrison, 1969). However, despite its philanthropic characteristics, Owenist philosophy can not be regarded as only philanthropic. He was a factory owner and aiming to improve the living conditions of poor workers within the philosophy of Chartism. However, this was not only and precise character of his philosophy. Rather, the basic characteristic of his philosophy was laying in the notion of collective action, which claimed cooperation of workers could create self supporting, mutually organizing communities.

On this subject Thompson states that "*the breakthrough of the new political economy of the free market was also the breakdown of the old moral economy of provision. After the Wars all that was left of it was charity. The moral economy of the crowd took longer to die: it is picked up by early co-operative flour mills by some Owenite socialists, and lingered on for years somewhere in the bowels of the Co-operative Whole Society*" (Thompson, 1971 cited in Gurney 1996)

According to Owen if the existing system produced so much misery and deterioration, a different system based on co-operation instead of competition could be designed to achieve proper results in human life (Saunders et al, 1942).

Believing in Owen's philosophy, Holyoake was one of the followers, supporters of Owenism. He regarded Owen as a very successful philosopher. According to Holyoake, Owen maintained that employers, who did most for the welfare of their working people, would be the greatest gainers (Holyoake, 1902).

As Holyoake states *"Owen was the first philosopher who changed repugnance into compassion, and taught us to treat defects of others with sympathy instead of contempt, and to remedy their deficiency, as far as we can, by creating for them amending conditions. Thus instructed good-will becomes the hand-maid of co-operation, and co-operation is the only available power of industry."*

In the literature nobody disregards Owen's influence on the Rochdale co-operative movement, and so the modern co-operative movement. *"Co-operation became a new and conscious principle of social organization. Co-operation in opposition to competition seemed to offer to the mass of the people a way of escape from misery and poverty"* (Saunders et al, 1942: 25).

Therefore, the idea of community in which individuals collectively act, is the main contribution of Owen to social thought. However practical results of the Owen's attempts could not achieve successful outcomes. In the mean time seeds of his philosophy remained in the agenda and affected many social scientists for a long period.

Saunders, referencing the views of Robert Owen, claims that the following views of Owen can be understood as the following principles of the modern cooperative thought of today:

- The abolition of the system of private profit,*
- Production for use by voluntary associations of consumers,*
- Common ownership of the means of production by the voluntary accumulation of the profits combined enterprise*
- The utilization of the wealth of the commodity for the improvement of the character and happiness of mankind (Saunders et al, 1942: 30).*

Certainly co-operation of today is not the same with the co-operative thought of Robert Owen. However, in the literature there is commonsense that the co-operative philosophy was built and began to be institutionalized by Owen and then diffused to countries under influence of the Rochdale Equitable Pioneers' co-operative movement. So, it is rigorous to claim that the Owenism can be regarded as the origin of the modern co-operative philosophy and movement.

Although there had been co-operative attempts before Owen, the Owenite phase of the co-operative development is regarded as a new and facilitator foundation in his period. His philosophy has been important for the Rochdale Pioneers who then made the start of the modern co-operative movement by implementing some adaptable principles of their period. In the following part the Rochdale Equitable Pioneers co-operative philosophy and movement will be discussed in detail. In addition, some of the characteristics of Owen's philosophy will be discussed within a comparative perspective in the following parts.

2.2.3 Influence of Rochdale Equitable Pioneers on the Co-operative Movement: Were They Followers of the Owen or Did Have a Different Philosophy?

2.2.3.1. Rochdale Equitable Pioneers and Their Co-operative Philosophy

The Rochdale Society and Equitable Pioneers co-operative has been the most influencing attempt on the development of co-operative movement in the World. That co-operative was adopted as an inspiration and model for a movement that now includes nearly 700 million people around the world⁴ (ICA). The co-operative movement were built on basic principles of the Rochdale Equitable Pioneers Co-operation and diffused all over the world. Although there have been some changes through time and socio-economic developments, it can be stated that co-operation principles remained basically within the frame of principles developed by the Rochdale Pioneers. This point gains importance when establishment date of the Rochdale Cooperative is considered. About 150-160 years later, the co-operative movement is still continuing under the umbrella of International Co-operative Alliance, which still follows basic principles of the Rochdale Pioneers. From this point of view, Rochdale Pioneers co-operation principles and philosophy will constitute the core of discussion of this part.

The creation of the Pioneers is better seen as a kind of partnership between a group of Owenites, the weavers, some ex-Chartists⁵, and some temperance campaigners. Fifteen of the thirty names of founding members were Owenite socialists, including many of the leading activists in Rochdale. Only ten were weavers (Bonner, 1961: 45, Cole, 1944: 59-60).

Before co-operation attempts, workers from Rochdale played crucial roles in trade-union movement, in massive but unsuccessful campaign of Chartism to

⁴ According to ICA calculations

⁵ Chartism was an English working class radical movement centered on a "People's Charter" (1837) of six points. In 1838 a national Petition was collected and submitted to Parliament.

obtain vote for ordinary people, and in the Factory Act movements for regulation of industry and protection of workers (Fairbairn, 1994).

Before the successful organization of the Rochdale Pioneers in 1844, Rochdale town had been a centre of co-operative activity for years. For instance, the 'Rochdale Friendly Co-operative Society' was formed in 1830 by about sixty weavers (Fairbairn, 1994). Thus, success of the Rochdale could be related to early attempts and experiences. In fact, such an organization could not be formed unless early social infrastructure had been built. In this regard, it is safe to argue that the Rochdale town had social characteristics related with the communal organizations. However, since the socio spatial and economic characteristics of the Rochdale are not related to our discussion no further attention will be paid on this subject.

For better understanding of the philosophy and development of the co-operative movement it is necessarily important to tackle with social organizations and thoughts, which influenced the Rochdale Pioneers' co-operative movement. The Owenite movement, for instance had strong influence on the Rochdale Pioneers Co-operative movement. Owen's philosophy made a lasting impression on many of the founders of the Pioneers. *"Owenism, named after maverick industrialist and reformer Robert Owen, was a philosophy that lay at the origins of socialism, trade unionism, social reform, and co-operation, in a day when these ideas were not distinct from one another"* (Fairbairn, 1994).

The legend of Rochdale has to do with twenty-eight poor weavers who started a shop in Toad Lane in 1844. That shop became the first successful co-operative in the world. And, that co-operative defined main principles to be followed by all later co-operatives (Fairbairn, 1994). The laborers, who organized the Rochdale Pioneers 150 years ago, were people suffering from the social dislocations of the industrial revolution. They were facing with the problems of unemployment, low paid jobs, unhealthy cities, and dangerous workplaces. They had no social

benefits, no insurance or health care or pensions from their employers or from the state. In their time there were no welfare state aiming to contribute to the solution of the socio-spatial problems. So, their answer to these problems was a special kind of self-help: mutual self-help, in which they would help themselves by helping each other. It was a small start to a large international movement in the late 19th Century.

As Guy & Rege mention, owing to an unsuccessful weavers' strike in 1843, 28 textile workers had been black-listed and were unable to find work. These weavers translated their political beliefs into collective action by organizing people as consumers of goods, so they could buy at fair prices. Their main goal was to form a "people's state", whose economy was democratically controlled by those who produced its wealth (Rege & Guy, 1992).

Hence, the founders in 1844 were looking for a mutual self-help organization that would serve for their social objectives through concrete economic action. They called their new association as the Rochdale Society of Equitable Pioneers, a name which was representing the relationship between Owenism and the Society. The Pioneers did care about both economic and social problems. They thought that there were not any challenging aspects between social and economic needs. So, they imagined a multipurpose co-operative that would undertake a variety of economic activities on behalf of their members.

The main scenario of the Rochdale Piononers was as follows: When they would open a store; it would increase the purchasing power of members, and bring about the accumulation of capital. Using the capital and surpluses achieved from store operations, co-operative housing and co-operative production in which the society would provide employment to its members would be undertaken. Products from employment of members could be marketed through the society's stores. Finally, they would create a self supporting utopian community in which non-exploitive social and economic relationships would be achieved (Fairbairn, 1994).

The original principles of the Rochdale Pioneers were as follows;

“1-The establishment of a Store for the sale of provisions, clothing etc.

2-Building, purchasing or erecting of a number of houses, in which those members, desiring to assist each other in improving their domestic and social conditions, may reside.

3-To commence the manufacture of such articles as the Society may determine upon, for the employment of such members as may be without employment, or who may be suffering in consequence of repeated reductions in their wages

4-As a further benefit and security to the member of this society, the society shall purchase or rent an estate or estates of land, which shall be cultivated by members who may be out of employment, or whose labor may be badly remunerated

5-That, as soon as possible this society proceed to arrange the powers of production, distribution, education and government, or in other words to establish a self supporting home colony of united interests, or assist the societies in establishing such colonies

6-That, for the promotion of sobriety, a temperance hotel be opened in one of society’s houses as soon as convenient” (Cole, 1944: 90).

By 1850s, the Rochdale Equitable Pioneers’ co-operative organization has been enlarged. Both sectoral enlargement and quantity development have been realized. By 1863, there were 427 of them, and they established their first wholesale society. In ten years its volume was so great that it began making its own products.⁶ However, a co-operative community was never created, although many new kinds of similar co-operative businesses did emerge.

Educational projects were undertaken by, and contributed to the growth of the movement. Spreading of the movement both in Britain and in the world can be explained by those attempts. On this subject Fairbairn claims effectiveness of Rochdale’s philosophy and principles were proved by both organizational and

⁶<http://www.wisc.edu/uwcc/ivic/orgs/ica/pubs/studies> (08.10.2002)

commercial successes of Rochdale and Rochdale inspired British co-operative movement. Their success involves many aspects such as social aims, membership growth, education, and commercial success (Fairbairn, 1994). Therefore, while discussing overall success of the Rochdale Co-operative

Movement, Rochdale Pioneers' implementation principles should be taken into consideration. Besides these internal advantages, it is possible to claim that necessity of such a mutual help institution could be related to period's contextual characteristics, which were shaped by socio-spatial problems of the industrial capitalist development.

As the Rochdale Movement spread over Britain it became more focused on retail. The multifunctional vision of the Pioneers was not entirely lost, co-operative organization enlarged into manufacturing and housing and many other kinds of activities. However, the basic units of the movement were concentrated on retail-oriented activities (Fairbairn, 1994, Rege & Guy 1992).

As Fairbairn states Rochdale could mean different things to people. Some people enjoyed with rules of honest commerce, (cash trading, fair measures, and patronage refunds), some of them enjoyed with commercial success and expansion or dreams of the transformation of society, emancipation through education and democracy. Hence many people could find something better for himself/herself with the philosophy of Rochdale Pioneers (Fairbairn, 1994).

Therefore, co-operatives have been inspired by Rochdale movement throughout Europe and the World. In many countries this origin transformed in to the movement. Many social theorists have also been inspired by the Rochdale Movement. Many cooperative leaders have followed the way of the Rochdale Pioneers. In many countries the Rochdale organization was regarded as a pioneer to be pursued.

For instance, Hermann Schulze-Delitzsch, who began founding credit and other kind of co-operatives in Germany in 1850 were intensely influenced by the Pioneers. In addition, many social tinkers and activists from France, Italy, Norway, Denmark and Sweden have organized their co-operative initiations under the influence of the Rochdale Pioneers.

The Rochdale Pioneers made public statements of their immediate purposes and ultimate aims; at the beginning, they did not publish a statement of their principles of action. Possibly they were too practical to be philosophers; but it is obvious that who would know their principles must investigate their methods. The Principles of Rochdale were very clear and were made manifest (Mercer, 1995). The principles came with this manifest constituted the basis of the modern co-operative movement of today.

2.2.3.2. Comparison of two Philosophy of Cooperation: Owenism and the Rochdale Equitable Pioneers

The Rochdale Pioneers inspired development of cooperatives in the World. However, as stated before there is a consensus that historical start of the cooperatism came with the Robert Owen's philosophy after the Industrial Revolution. There is correspondence between the Owen's ideals and the Rochdale Principles and this relationship is important from the point of view of the dissertation. Even though there is limited source on this subject, it is important to put forward the course of development and philosophy of cooperatism within this thesis.

Basically, it can be stated that, in the literature there are two opposite views about the relationships between the Owen's cooperation view and the Rochdale Pioneers' one. One states that, Rochdale co-operative development is a continuation of the Owen's thoughts. On the other hand some writers and Owen

himself did not believe in this idea. They believed that the Rochdale Principles had characteristics that were built on profit making. In addition to this, many of the original characteristics have been transformed and alienated from Owen's philosophy.

In accordance with the first view, which regards Rochdale co-operation as continuation of the Owenism, name of the Rochdale Society of Equitable Pioneers can be directly related to the Owenism. The word 'equitable' had been one of Robert Owen's favorite words (Owen, 1995a, Owen, 1995b, Fairbairn 1994). Since his plan was aiming to allow workers to exchange goods and services directly with each other without any hierarchical order.

On this subject, Benevolo claims that the second phase of the co-operative development began with the Rochdale Pioneers. Owen's philosophy had great influence on this movement. This society was founded in 1844 by group most of which were Owenite (Benevolo, 1967).

Similarly, Fairbairn also claims that there might be relationship between the Equitable Pioneers' Philosophy and the Owenism. According to him, in addition to Owen's favorite word 'Equitable', the word 'Pioneer' might also be combined with the name of the Newspaper, which is an organ of the Owen's Grand National Consolidated Trades Union. Hence, the statement that movement of the Rochdale Pioneers began to take place under significant influence of Robert Owen can be made from the Fairbairn's point of view (Fairbairn, 1994).

According to Fairbairn, objects of the Rochdale Pioneers can be regarded as pure Owenism, outlining pragmatic steps toward idealistic vision. Imagine of the Pioneers was growing of their association in terms of diversification and integration (Fairbairn, 1994).

As it is seen, in the literature most of social scientists and writers claim that the Rochdale Pioneers were inspired by Owen's philosophy. G. D. H. Cole in his book, *A Century of Cooperation* states that, "*Of the twenty eight men who formed the new Rochdale Society (1844) at least half were definitely Owenite socialists...Charles Howarth had been the local leader of the Owenites. There is an extant letter written by him to Owen in December 1839, strongly urging that he should visit Rochdale under the auspices of the local branch, and saying that the "Socialists had succeeded in converting many of the working and some of the middle class to their views"* (Cole, 1944: 59). According to this view, the original rules of the Rochdale Pioneers were a mixture of Owenism, Christian Socialism and other reformist movements.

The second view claiming there is strong differences between Owenism and the Rochdale Co-operatism is claimed by some writers and Owen himself. Roy stresses on Owen's view, which states that Rochdale principles is far from his thoughts. According to Roy, Owen did not accept the capitalist cooperatives as true cooperatives. He opposed the Rochdale Principles in 1844, and these principles became the basis for capitalist cooperatives later. The following sentence of Owen clarifies his views. Owen said; "*To my surprise I found their six-seven cooperative societies in different parts of the town, doing well, as they think, that is making some profit by joint stock retail trading. It is however high time to put an end to the notion very prevalent in the public mind that is the social system which we contemplate, or that will form any part of the arrangements in the New Moral World*" (Staff, 1952: 34).

In another instance cited in (Cole, 1953), Owen said, "*the trading associations that were buying and selling form no part of my cooperative scheme*" (Cole, 1953: 177). Owen's philosophy was consisting of child labor reforms, shorter working hours, more practical public educational programs, better housing for workers, play schools for children, free public libraries and trade schools. Hence, he basically advocated the organizations of people in groups which should own and use in common all the instrumentalities of production necessary for the welfare of

the members of each group (Roy, 1976: 65).

In parallel with Owen, Holyoake also emphasizes on distinguishing characteristics of the Rochdale Pioneers. According to him what practices Rochdale recommended to other co-operatives and what features they thought essential for cooperation were all related with profit. In this respect, Holyoake underlies profitable nature of the Rochdale Co-operatives. According to him underlying reason of the success of the Rochdale Co-operatives lie in their capability of good organization of profit making and distribution so they can be regarded as different from the Owenist co-operatives (Holyoake, 1879).

As remembered, Owens philosophy was based on the non profit foundations. For Owen, just the price of a good should be its cost and there is no need to profit. Profits might result in over production that leads to the crisis. However, according to Holyoake one of the main characteristics of the Rochdale Pioneers was profit making (Holyoake, 1879). In this respect co-operatives under the influence of Rochdale Pioneers can be called as capitalist co-operatives.

Mercer touches upon the distinguishing characteristics of the Rochdale Pioneers from another perspective. As he states “... *the Rochdale Pioneers were unschooled and untaught men, workers who only wanted to help themselves and improve their own condition. Yet there was deep wisdom in all their methods. Unlike most philosophers, the Pioneers were men of action. They were philosophers of action; and he who would master their philosophy, which is the philosophy by which the World Co-operative Movement lives, must seek for it in their actions...*”. (Mercer, 1995) This point is interesting and it can be argued that being activists, Rochdale Pioneers had distinguished implementation rules which are different from rules of Owen who was a philosopher.

To conclude, even though original objectives borrowed from Owen and other

socialist thoughts, the Rochdale movement and principles have faced with the transformation and their basic principles have been altered through time. Profit making characteristic of Rochdale Pionners can be stated as the most significant difference. In addition, being activists Rochdale Co-operatives had different and adaptable rules to daily life and capitalist system of Britain. And these characteristics might be important in terms of adaptability of Rochdale Principles to capitalist countries.

2.2.4. The Co-operative Commonwealth School

Co-operative Commonwealth School is one of the important schools related to cooperative thought. This School can be though as an institutionalization of philosophy of Owen and Rochdale Pioneers in a sense that they all aim to achieve a community, which entirely would be structured according to cooperative ideology and principles.

This group of cooperators regards co-operatives as one of the dominant economic institutions. According to this view individually owned and profit making enterprises would remain in economy but it would hold a secondary position (Casselman, 1952: 10).

Owen, Rochdale Pioneers, Warbasse and Keen can be counted as main figures of the Co-operative Commonwealth School. Charles Gide and Ernest Poisson in France, T.W. Mercer in England, George W. Russel in Ireland and James P. Warbasse in the United States, George V. Keen in Canada were main cooperative leaders who followed the Cooperative Common Wealth School ideals. However, as it will be mentioned in the following part, Charles Gide can be separated from this group due to some principles he advocates.

The Co-operative Commonwealth School regards cooperatives evolving into a dominant form of business activity in consumer sectors. It believes an economic and social order through the linkages between cooperatives and other associations. In this view cooperatives are regarded as important institutions influencing political economy (Tongerson et al, 1997).

According to the co-operative commonwealth school philosophy, the co-operative movement should aim at holding all activities of economic and social organization until it becomes an all-inclusive system. This philosophy places no limits on possibilities of co-operatives to expand and spread into all fields. It assumes the possibility of a totally cooperative social order.

This was the stated objective of the Rochdale Pioneers and many early 19th century cooperators. "...as soon as practicable, this Society shall proceed to arrange the powers of production, distribution, education, and government..." (Rochdale Pioneers, 1844).

The Rochdale Pioneers Cooperative Movement emerged under the influence of the Owenism and had been the basis for development of this school. As it has been mentioned in the previous parts, Owenism with the idea of behaving according the communal benefit and building a community in co-operative philosophy can be regarded as starting point of the Commonwealth School.

James P. Warbasse is one of the supporters of the Commonwealth School in America in 1940s. In his book, *Cooperative Democracy*, he states that "*Evolution may substitute cooperative democracy for state. This is now being seen in many countries, coming about as a continuation of the growth of the cooperative method of organization and its encroachment upon the dominant system of society. The beginning of this organization of society now exists in the cooperative associations...Here is the framework and the beginning of the cooperative society of the world*" (Warbasse, 1942: 137-138).

In the literature Cooperative Commonwealth thinking is generally regarded as highly idealistic, doctrinaire and utopian. For instance, according to Laidlaw cooperative commonwealth thinking is neither practical nor realistic in the existing society. However, it is possible to have a totally cooperative type of local community, as in the case of Hutterite communities in Canada and the Kibbutz (communal) settlements in Israel (Laidlaw, 1974).

Although the Co-operative Commonwealth School has some coinciding characteristics, it differs from the Socialist School, which will be mentioned later, in terms of considering co-operation process as an end itself and not as a means to an end or as a stepping-stone towards another economic system (Casselman, 1952). Also, the Commonwealth School may be distinguished from the socialist one by giving the control of the economy to the consumer instead of to the worker or to the state, which forms the basis of later school. After this point in the study, firstly distinguishing characteristics of the School of Nimes in France will be dealt and then the comparative discussion will be made on Co-operative Commonwealth School and the Socialist School of cooperatives.

2.2.5. The School of Nimes

Firstly it should be stated that in the literature the School of Nimes is regarded as a counterpart of the Commonwealth School. However Charles Gide, as an important figure of this School, claims that there are some differences between two schools. Thus, the School of Nimes is to be mentioned in the thesis in order to strengthen the discussion.

The School of Nimes was in France and it was founded in the late 19th Century by a number of cooperative leaders including Edouard de Boyve and Charles Gide. Charles Gide then became an important figure of this School, which was basically

based on the Rochdale Principles (Casselman, 1952: 13).

According to Charles Gide basic differences between the School of Nimes and the Rochdale Movement can be written as follows:

“1-The School of Nime has a religious and philosophical background and content lacking in the Rochdale movement

2- Nimes places less emphasis on the patronage refund principle and takes the stand that British cooperators think too much in terms of the ‘divi’

3-The French School appeals to and aims to attract all classes and not only the working class as does Rochdale

4-Nimes believes in better coordination of the various types of cooperatives and also where possible greater decentralization than we find in Rochdale Movement

5-The School of Nimes admits producers’ cooperatives and workers’ productive societies within its framework, while Rochdale is exclusively a consumer movement” (Gide, 1947).

In spite of limited amount of literature available for the School of Nimes, Gide’s sentences give basic differences of this school. Accordingly, the religious aspects of this school can be seen as one of the basic differences. As mentioned before, co-operatism had also a philanthropic aspect. However, once the Rochdale philosophy was begun to be implemented, philanthropic and religious aspects were subordinated by the collectivist aspects in most of the co-operative movements.

Over centuries, the cooperative type of action has been transformed from being a religious oriented institution to a more formalized business institution as they have been described above. Despite its long history going back to the ancient Egyptian era (Roy, 1964), within the scope of this study emphasis will be on development of the co-operative movement after the industrial revolution took place.

2.2.6. Socialist Approach to Co-operatives: State Ownership

As stated before, after the Industrial Revolution, with the challenge of people who remained outside the capitalist system, class conflicts began to emerge. At this point two schools emerged concerning the problems that came with the Industrial Revolution. One of them was defending the adoption of a new system in which state would control the system. Karl Marx and Friedrich Engels were advocates of this approach. Others believed in preserving the system while making some regulations. Rochdale Weavers (1844), Friedrich Raiffeisen and some others were in the second group proposing to achieve a proper system by regulations, not adopting a new system (Roy, 1964).

In fact two polar views overwhelmingly shaped the social thought and states' political environment, which directly influenced the co-operative movement in Europe and also in the world. Socialism with the growth of state and bureaucracy, and the capitalism with increasing competition and efficiency have become dominant in economic and political systems in Europe. These two opposite approaches were influential with respect to states' socio economic features. In this part, socialist approach to cooperatives and distinguishing characteristics between the socialism and the cooperatism will be the main subjects of the discussion. Early socialist views of Owen on cooperatism were discussed in the earlier parts of this chapter. Socialism, which has been one of the most important discourses with Karl Marx in Europe, will be discussed as a continuity of the early socialist thoughts with respect to the development of cooperative thought.

2.2.6.1. The Socialist School

The socialist school constituted by a group of people who participated to the co-operative movement with socialism as their final goal. This approach regards cooperatism as one of the key elements of the socialism. In other words, to

achieve a socialist state, cooperation is seen as an important key stone according to this School (Casselman, 1952: 10).

In fact, socialist school is one of the most influential schools of co-operatives. As mentioned before, Utopian Socialist Owen and other socialist thoughts contributed to development of the cooperative movement. However, the socialist thought on co-operatives has differentiated through time. After the Communist Manifesto of Karl Marx, which influenced the European Countries very much, the Socialist School took its stand. Many communist states and developing countries have been supporter of this School.

According to the Socialist philosophy, cooperatives are essentially socialist institutions, oriented to the left-wing ideology. One branch of this school regards cooperatives from a public and social point of view instead of private and individual point of view. Another branch sees co-operatives as junior partners of the State in a centrally-planned socialist economy. This school stands in polarity to Competitive Yardstick School (Laidlaw, 1974).

The Marxist Socialism, which came after the early socialist philosophy of the Utopian Socialism, regarded cooperatism in a different perspective. First of all it should be stated that social thought (Durkheim, Marx, Weber) and so called the Marxist discourse, conceptualizing labor and capital as significant factors of social development, failed to explain individual challenges. Structural and deterministic approaches to social systems and considering problems within structural challenges and proposing growth of state and bureaucracy brought about incapability of Marxist theory in terms of tackling with individual's challenges. However, co-operative movement had emerged as a reaction to individual challenges, which came with the Industrial Revolution. It has been a grassroots movement.

As a result, the categories of the Marxist dialectic, labor and capital while they are

crucial determinants of social development, failed to encompass the countless individual challenges and regarded co-operative as a capitalist type of action. One of the most important reasons of this stance was the fact that Marxism was based on collective ownership (common ownership) and in this sense, did not facilitated co-operative way of ownership.

According to socialist conceptualization co-operative type of action should not have capitalist characteristics like ownership, competition and etc but it should be a kind of communal and socialist type of action. However, from the Marxist point of view, co-operatives were seen as to be obliged to function in a capitalist system.

Engel's scientific socialism also claims that collectivist; communist mode of social organization would supersede competitive capitalism. Similarly, Lenin had also antipathy at beginning for co-operatives due to the reason that he regarded them institutions dominated by the bourgeoisie (Lenin 1999, Andrusz, 1999).

However; although there had been negative stance of fathers of the socialist system in early times, co-operative movement lived within a distinguished perspective in centrally planned socialist economies for a long time. Socialist approach to co-operatives, although regarded cooperatism as capitalist institutions, began to see them as institutions, which could be used for achieving socialist systems and communism (Lenin, 1999).

Lenin, approaching co-operatives as tools of the socialist system, claims that after labors come to the government, the political power should support co-operative associations in order to organize the society. According to him, the system of cooperatism is not different from the system of socialism. Only thing needed to achieve socialism was to persuade masses the advantages of cooperation. The cooperatism is not a Utopia as in case of Owen's period, in political environment

of the Socialist States. It should be supported by the state in order to constitute the communist system. The development of the cooperatism is not different from the development of the socialism itself. They both work for the same aim (Lenin, 1999).

Hence, it is possible to claim that after the Utopian Socialism, modern school of socialism at the beginning did not approach co-operatives as socialist institutions due to their basic characteristics based on private ownership. However, as the socialism began to spread over Europe, cooperatives began to be regarded as tools for achieving socialist system. Even, some social thinkers argued that cooperatism and socialism have the same aims. In the following part relationships between the cooperatism and socialism and their distinguishing characteristics will be discussed in detail.

2.2.6.2. Comparative Discussion about Cooperatism and Socialism

The spread of socialism in many countries has initially been regarded as cooperative strongholds. Socialism has been thought as a suitable political environment for cooperatives. Also some social and economic theoreticians regarded cooperatism as an alternative for socialism. So, it can be stated that with spread of the socialism, social thinkers began to concentrate on relationships between two philosophies.

There are certain similarities between the philosophy of cooperatism and the socialism. For instance, socialism and cooperatism have some similar objectives such as both emerged as a reaction to capitalist system deficiencies. In this regard, overall aims of both schools coincide with each other. However, it should be stated that although Owen's socialist cooperative approach is very similar to socialist approach, Rochdale Pioneers' co-operative principles, which were

designed to adapt co-operative institution to capitalist economy have many different aspects than socialist school proposals.

Casselmann argues the difference of the socialism and the cooperatism from their course of development point of view. According to him, consumer cooperatism is not the invention of a social reformer or intellectual as in the case of the modern socialism. The theory and philosophy of cooperation was discovered after the practice (Casselmann, 1952). The Rochdale movement in this sense had been in existence before the social theorists discovered its philosophy. On the other hand, socialism was the product of socialists aiming to change the socio-economic system of the whole world. The theory of socialism came before the practice. Marxism, which is the creation of Karl Marx and Friedrich Engels was a more recent school of socialism and have been followed by many nations. In this respect, practical implementation followed the theory.

At this point it should be remembered that, before Rochdale Pioneers' practical implementation cooperatism was theoretically considered by utopian socialist Robert Owen. Hence, it is difficult to state that theory of cooperatism followed by the practical implementation. Therefore, it can be more appropriate to claim that both the practice and philosophy of co-operatism came into agenda concomitantly.

Another basic difference between the socialism and the cooperatism lies in their overall objective. Whereas the socialism aims to replace capitalist system, cooperatism expect to repair or remove the capitalist system deficiencies. As mentioned before, early cooperators had different views on this subject. The followers of the Commonwealth School; J. P. Warbasse, Ernest Poisson, T. W. Mercer and Charles Gide advocated that the whole economy would be organized within cooperative basis. This view was parallel to the socialism in a sense that capitalist system should be replaced. However, other schools, which are going to be mentioned later in the chapter, do aim compensating the capitalist system's

deficiencies without replacing the whole system.

Another significant difference is related to property ownership proposals of cooperatism and socialism. While socialism condemns private property cooperatism does not. Socialism opposes private ownership due to the fact that concentration of private ownership would be in hands of few people, bourgeoisie. Thus, this system proposes a solution which is different from the private ownership.

The system of cooperatism is based on the joint private property system, which is a kind of private ownership. Cooperation system tries to bring more equitable distribution of the private ownership through the way of joint ownership. Therefore, the property system of cooperative is jointly owned by all stakeholders. On the other hand, socialism proposes a collective ownership.

Socialist thought believes that new society must be based on the control of the economy by working class. Owen, Marx and other socialists had all possess the same belief. However, in the cooperatism, ownership and control of enterprise are to be in hands of organized consumers (Casselman, 1952). Here cooperative stands between the capitalism and socialism. Whereas capitalism gives control to the owners of the means of production, socialism gives control to the workers. Cooperatism does not suppose that production should control the economy. Rather, it believes organization of collective action and its control on economy. In this regard it draws a line between the capitalism and socialism.

“Socialism objects to the rewarding of capital in the production of wealth. Marxism takes the strongest stand against such reward, and as a matter of fact condemns the accumulation of capital” (Casselman, 1952: 95). Opposite to the socialism, cooperatism accepts capital as a factor of production of wealth. Cooperatism rejects profit making and it takes the position against the creation of wealth in the hand of a few people. The cooperative movement developed its more realistic

policy towards capital depending on practical experience.

In terms of role of the state, cooperatism and socialism have also distinguished characteristics also. Role of the state and relationships between the state and the system that they propose are different. In fact basically socialism idolizes the state and regards individuals working for the state; not state for individuals.

From the socialist point of view state is seen as the final authority over all economic activity. Cooperatives on the other hand, are regarded as an integral part of government planning and are subsidiary to state enterprise. Marxism does held an extreme position on this subject. Indeed, more moderate school of socialism admits the fact that state ownership and control do not represent an ideal form of the socialism.

On the other hand, according to Casselman, co-operatism is fundamentally socio-economic movement and it is non political in character and has the neutrality. Philosophy of self help has direct relationships with the state. It is based on the belief that state should not do what individuals can do for themselves (Casselman, 1952). It differs from the socialism in a sense that the only way of correcting capitalism's abuses should be brought by the state. It regards state as a necessity for the good of individuals.

Therefore, it can be stated that socialism and cooperatism have both similar and distinguishing characteristics in terms of, philosophy, aim, attitude towards ownership, capital and the state. Although socialist view after Karl Marx has been against to cooperatism at the beginning, co-operatives began to be seen as tools for achieving socialist aims in some of European Countries afterwards.

2.2.7. Capitalist Approach to Co-operatives: Individual Ownership

2.2.7.1. Capitalism and the Co-operatives

As many writers state, the capitalist system proposing social systems, which permitted co-existence of different property forms and competition, would be more efficient for the co-operatives. Adam Smith; was the patron saint of market capitalism and his objection was injustice privilege reflected in the monopoly powers exercised by the government and business. According to Smith, co-operation occurred not through individual benevolence but through the perception of each individual would have personal benefits to be gained from helping someone (Smith, 1976).

Social thinkers following to the Smith's approach such as Hayek and Fukuyama believe unidirectional convergence along with the capitalism in contrast to communist system stemming from the social thought. As Hayek claims "*...our civilization depends ... on what can be described as the extended order of human cooperation, an order more commonly, if somewhat misleadingly, known as capitalism*". According to him competition was the dominant force of the evolution (Hayek, 1988).

However, capitalist approach based on private ownership caused emergence of losers in the market competition. As stated before, emergence of the co-operative movement was related to the backwards effects of industrial capitalism. In the market competition system, the ones remaining outside the system began to organize themselves as civic initiatives. Thus, neither state based bureaucratic system, which had demonstrated its inability, nor poor capitalist system, constituted the proper way of tackling with the socio economic problems of the individuals and/or groups.

Related to the relationships between the co-operatives and socio-economic systems, Roy differentiates states economic systems into five main categories. According to him co-operatives do not constitute an economic system of their own. As he states,

*.....under **capitalism**, co-operatives are a form of business organization within the system. Under **socialism**, co-operatives can exist only with respect to consumer goods because the government does not directly control or interfere in this area. Under **communism** true co-operatives do not exist at all because government enterprise prevails both in producer and consumer goods industries.Under fascism true co-operatives may exist but ineffective when they oppose state. ... In **mixed systems**, true co-operatives may exist provided the influence of government and subsequent political considerations are held to a minimum (Roy, 1964: 23).*

Table 2.1: Economic Systems and Co-operatives

Item	Capitalism	Fascism	Socialism	Communism	Mixed
Market Competition	Various Types of enterprises compete with the government as watch dog	The state fosters corporate monopoly as a means of political control	The state has no competition if it does not want it	No one competes with the state	None in heavy industry, competition otherwise; situations vary
Can true co-operatives ⁷ exist	Yes cooperatives are truly consistent within capitalism	Yes, however cooperatives are often considered ineffective when they oppose the state	Yes, in the consumer goods sector. No, in the producer goods sector.	No, cooperatives can not exist because of the economic and political control of the state	Yes, but much depends on the influence and control of the government

Source: Roy, 1964: 15-16

⁷ A true co-operative is defined as a “business organized, financed and managed by, and for its patrons, furnishing and/or marketing at cost, goods and/or services to patrons”. (Roy, 1964: 16)

Therefore political and economic systems of the states differ in terms of contribution to co-operative type of action. Roy categorizes the economic systems with respect to adaptability of co-operatives. As he claims capitalism is seen as the most effective environment for the co-operatives. (Roy, 1964) His claim might be related to Rochdale Principles, which were designed for designation of working rules of their co-operatives and adapting them to the capitalist system. As remembered, these principles would be the basis of contemporary co-operative principles of International Co-operative Alliance, which will be mentioned later.

2.2.7.2. Competitive Yardstick School

The Competitive Yardstick School views cooperation as a means of keeping evils of the capitalist system in check. It does not imagine cooperatives as a dominant economic institution.

The model of this School can be regarded as a broader institutional economic balance model. This model argues that prevailing system of business only concentrates on competition and profit making and damages cooperation, social justice and equitable distribution. Therefore, economic enterprises remaining in the community and involve social principles should be encouraged in order to achieve economic balance and equitable distribution (Casselmann, 1952: 11).

In this view, cooperatives are seen as balancing institutions for deficiencies of the capitalist market system. From this point of view, cooperatives being democratic and non profit making institutions are supposed to be in a sense that they can not only contribute market competition but also social aspects in an economic system.

In the literature some writers call this school as “the School of Modified Capitalism” (Laidlaw, 1974). According to this view co-operatives are regarded as

essentially capitalism with a slightly different set of rules. Co-operatives are regarded as institutions to serve mainly to control the capitalist system. So, this approach claims that cooperatives are also useful for situations that are not attractive to capitalist business, where profits are uncertain or marginal. Co-operatives should not give up profit-making but rather they should try to get everyone into collective action.

As Laidlaw states the main feature of this school is that it sees capitalism as a fundamentally legitimate form of business, and cooperatives as only a modification or special form of it (Laidlaw, 1974).

Leaders of the co-operatives in USA, especially farm marketing co-operatives, many credit union leaders, can be regarded as associates of this school. This school of cooperative thought is not widely supported outside the America (Casselmann 1952, Laidlaw, 1974).

2.2.8 Social Democratic Approach to Co-operatives

2.2.8.1. The Third Way and Co-operatives

Co-operatives have been alternative for both capitalist type and state owned enterprises. Being an alternative production system, they constitute a third way for both capitalist and state owned productions systems. They can be regarded as joint or group ownership. So, taking its bases from Utopian Socialist assumptions, co-operatives became one of the main alternatives for the capitalist and collectivist production and consumption systems.

Political systems range along a continuum from socialist, centrally planned

economies to market economies of the capitalist system. There are also variations along the role of the state even in market economies (UNCHS, 1989).

Co-operatives on the other hand, have been generally discussed as the third way between the state and the market solution. In one view co-operatives are regarded as a compromise. For an instance, Kemeny regards co-operative tenure as a compromise between owning and renting. He suggests a supplementary theory of housing co-operation. He also argues that the co-operative tenure reflects the emphasis of dwelling type and lifestyle associated with the dominant tenure of society (Kemeny, 1981).

On the subject of co-operative tenure, Clapham and Kintrea claim that *“co-operative tenure can vary along a continuum from individualistic to collectivistic resembling social rented housing on the one side owner occupation on the other”* (Clapham & Kintrea, 1987: 164).

Focusing on housing sector, Bengtsson argues that co-operatives can be regarded as third way, sometimes being more social than public housing and sometime being more commercial than owner occupation. According to him, co-operative sector should be seen as third or middle way between two traditional ways of organizing production, between capitalism and socialism, collectivism and individualism, planned and market (Bengtsson, 1999).

Similarly, Pestoff also regards co-operatives as an alternative to *“mutual exclusivity of a simplistic market vs. politics perspective, third way”*. He approaches co-operative sector as being different from both for profit organizations and nonprofit organizations. He defines them as self organizations different from the private commercial firms and nonprofit organizations (Pestoff, 1991: 7).

Pestoff referencing the Swedish co-operatives claims that, co-operative organizations are between the politics and markets. As he states “...from the theoretical point of view co-operatives are significant in terms of their unique organizational form, from the viewpoint of interaction between the organizations and their environment. Co-operatives also provide unique opportunities for studying classical consumer reactions related to markets and politics such as exit, voice and loyalty phenomena normally dealt with either by economists or political scientists” (Pestoff, 1991: 8).

For that reason, Pestoff approaches co-operatives as different organizations from private, public or nonprofit organizations. According to him, co-operatives are different from the for-profit organizations in a number of aspects. Unlike for-profit organizations co-operatives have several goals rather than a single one that they should maximize. The owners of a co-operative have equal share allowing the democratic management which is different from the for-profit organizations (Pestoff, 1991).

They are also different from the non profit organizations. Since, they must achieve surplus or profit in their commercial transactions. They are self-help organizations rather than designed to help other needy or less fortunate groups. They are often started by and for low income families who need the collective benefits they can provide rather than being charitable activities provided by high income groups (Pestoff, 1991).

On this subject, Chouinard emphasizing on the housing co-operatives states that, the ideology of the co-operative housing movement by solving class challenges played a crucial role in preventing political residence to co-operative housing. Co-operative leaders concentrated on the issues of housing affordability, profiteering at the expense of consumers, general consumer rights, and a stated commitment to creating alternative third-sector society based on co-operative rather than capitalist or socialist social relations (Chouinard, 1990: 1442).

Silver, on the other hand, criticizes the middle way discussions and pays attention to the communitarian characteristics of the co-operative housing. According to her housing co-operatives should be analyzed through not market or state perspective but in communitarian, face to face relationship and human agency perspective (Silver cited in Bengsston 1999: 270).

However, co-operatives have been attractive to capitalists, socialists and the social democrats. All of the ideologies could have found reliable aspects of the co-operatives. The social democratic approach being the middle way between poor capitalism and socialism has contributed much to the co-operative type of production and consumption. This result might be dependent on the fact that, although the start was given by socialists, co-operative movement diffused countries where socialism, capitalism and other mixed systems were dominant.

2.2.8.2. The Cooperative Sector School

This School has been constituted by the philosophy of middle way. In this philosophy, co-operation is a distinct economic sector in its own right. Co-operatives are different from both capitalist institution and public enterprise. However, they have some characteristics of the capitalism and also some characteristics of the public enterprise. Hence they may be considered a 'middle way' between the two. The ideal economy is one that has a good balance of public, cooperative and private sectors.

As Laidlaw claims, this philosophy sees co-operatives as co-existing with the other two sectors and all three complementing one another in building a strong economy and a good social order (Laidlaw, 1974). This middle way approach is followed and implemented in a number of European Countries, especially the Scandinavian ones. According to Laidlaw, not only Canadian co-operators but also Israel and Japan strongly support this approach. One of the leading

spokesmen for the Cooperative Sector School was Dr. Georges Fauquet, former head of the Co-operatives Branch of ILO (1920-33) and author of *Le Secteur Cooperatif*. In addition, Dr. M.M. Coady, a well-known figure in the cooperative movement in Canada is also important person of this School (Laidlaw, 1974).

Laidlaw summarizes assumptions of the Cooperative Sector School in three headings. The first one is the rejection of other schools. As Laidlaw states according to this School, the Cooperative Commonwealth School is “utopian and unrealistic” to be applied in this modern time society. Also, the Modified Capitalist School, which is known as Competitive Yardstick School is unacceptable since in capitalist system, cooperatives lose their essential characteristics when they follow the capitalist requests. Similarly this School argues that cooperatives would lose their important characteristics if they are subjected to the power and control of the State.

The second assumption of this thought is that no system alone can provide the perfect social order. For instance, the capitalist system obviously has great defects. It can work well within presumptions for some but leaves large numbers disadvantaged and underprivileged.

The third assumption of the Cooperative Sector School is that it assumes a certain degree of willingness of state and capitalist business for co-existence with co-operatives. If it doesn't exist, state can make co-operatives ineffective or it can give up altogether. Also capitalist businesses might stop or weaken the co-operatives if they don't want to work with them (Laidlaw, 1974).

Therefore, the Co-operative Sector School being an alternative thought, has served a kind of mixed socio economic system for development of the co-operatives. It defends co-existence of co-operatives with state and business sector within a mixed economic system.

2.2.9. Influences of Rochdale Pioneers on Co-operative Movement and the Establishment of International Co-operative Alliance

As a continuation of Rochdale Pioneers, International Co-operative Alliance (ICA) was established in 1895. ICA defined rules of co-operatives mostly regarding Rochdale Principles. However, establishment of ICA could be regarded as one of the turning points of co-operative movement. The establishment might be either seen as institutionalization of co-operative movement or legitimization of it. Whatever accepted, this institutional development made great impacts on the diffusion of the movement in Europe.

The ideology of the International Co-operative Alliance, in continuation of the work of the Rochdale Pioneers and in accordance with their principles, was seeking complete independence and by its own methods to substitute for the profit-making regime a co-operative system organised in the interests of the whole community and based upon mutual self-help (Rhodes, 1996)

ICA, especially after 1920s tried to become an umbrella organization all over the world. It tried to enlarge numbers of its members and adapt its principles to co-operatives in the world. For this reason, ICA Membership was designed to include co-operative groups, federations and associations and co-operatives who were members of co-operative associations. Within a very short time span national co-operative organisations began to prefer ICA membership instead of national memberships. After the year 1921, the procedure of the membership of individual persons was defined and ICA membership became either individual, meaning that of individual co-operative societies or collective, meaning co-operative societies' organizations.

ICA was open to all kinds of co-operatives. However, consumer co-operatives became dominant in number when types of co-operatives are concerned. In 1927 the ICA had an affiliated membership of nearly 43 million of which just over 31 million were members of consumer societies. By 1946 those figures had risen to

almost 99 million and 56 million respectively (ICA, 1948 cited in Rhodes, 1996)

Although the ICA advocated some co-operative ideas developed before Rochdale, including opposition to the effects of capitalism, and support for self-help and mutual benefit proposals, its ideology was mostly influenced by Rochdale Pioneers. Until 1930s, the ICA defends all of Rochdale Principles even they were a hundred years old (Rhodes, 1996)

In London and Paris Congresses of 1934 and 1937 Rochdale Principles were reconsidered with small interventions. The basic principles of ICA were determined in line with Rochdale's which were Open Membership, Democratic Control, Dividend on Purchases and Limited Interest on Capital. A second league comprised Political and Religious Neutrality, Cash Trading and the Promotion of Education. Other features of the Rochdale system were also endorsed, but not given the status of Principles. These included trading exclusively with members, voluntary membership and sale at current market prices (ICA, 1934).

Since its creation in 1895, the International Co-operative Alliance has been the final authority for making definitions and detailing the principles and rules for co-operatives in all over the world. Accordingly, it made formal declarations for reformulating those rules and definitions according to necessities of contemporary facts. After 1937 declaration there have been two additional declarations, in 1966 and 1995. Within the last declaration in 1995, the co-operative has been defined as *"a co-operative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise"* respecting both Rochdale principles and distinguished and contextual differences among countries.

According to ICA, there is no single root from which all kinds of co-operatives emerge and many different forms serving for different needs exist in the world. However, ICA is an ultimate institution, which covers all co-operatives in the world

regarding basic rules, which are continuation of Rochdale principles but redefined through contemporary necessities (ICA, 1996)

2.3. Definitions and Terminological Discussion

2.3.1. Definitions of “Co-operative”

In the literature the word ‘co-operative’ have many different descriptions, which emphasize different aspects. The Statement of the ICA adopted in 1995 defines a co-operative as *“an autonomous association of persons united voluntarily to meet their economic, social and cultural needs and aspirations through a jointly-owned and democratically controlled enterprise”*. According to UNCHS most of the definitions of co-operative cover the basic principles of democracy and voluntarism (UNCHS, 1989: 4).

International Labor Organization (ILO) defines cooperative as *“an association of persons, usually of limited means, who have voluntarily joined together to achieve a common economic end through the formation of democratically controlled business organizations making equitable contributions to the capital required and accepting a fair share of the risks and benefits of undertaking”* (UNCHS, 1989:4).

It is possible to find different definitions of the co-operatives in the literature and most of them generally underline the democratic and voluntary characteristics of the co-operatives aiming at a common purpose. For instance, Bengtsson defines a co-operative as *“a democratic way to handle the common affairs of a certain group of people”* (Bengtsson, 1999: 273).

Similar to Bengtsson definition, Prakash defines co-operatives as *“little democracies operating at the doorstep of basic members to make use of their*

cooperatives to satisfy their social and economic needs through benefits and services” (Prakash, 2002).

From a different perspective, Holyoake claims that any society should be regarded as a co-operative, which divided profits with labor, trade, or both. He defines co-operatives simply on the basis of the fact that they divide their profits. Holyoake emphasizes on fair distribution of profits to labors while making the definition of a cooperative. According to him the ultimate goal was for profits of the labor to be fairly distributed (Holyoake, 1879).

Roy defines a co-operative in general as “...an association usually incorporated, with economic aims formed by and for persons or corporations having common needs having approximately equal voice in its management, making approximately equal or proportional contribution to capital and deriving proportional services and benefits from it” (Roy, 1964: 34).

Similarly, Warbasse defines cooperation as “the voluntary association of consumers into a society, controlled as democratically as possible, for the purpose of directly supplying their immediate needs by observing definite and generally accepted rules of action” (Warbasse, 1927 cited in Casselman, 1952: 88).

A co-operative may be described by emphasizing one of its specific features. Whereas they must survive in market economy, unlike other enterprises, they are encouraged to provide satisfaction to its members. Lewin emphasizes the efficiency and responsibility sharing characteristics of co-operatives. According to him co-operatives may be regarded as effective ways of organizing for producing or delivering a service. “One of the most important features of the co-operatives to individuals is the fact that the ultimate authority in an enterprise is inseparable from ownership and accountability, those who possess the rights of ownership also assume responsibility and thus become accountable” (Lewin, 1981: 13).

As it is seen, there are many definitions of cooperative in the literature. Generally these definitions change according to approach. In fact definitions clarify the most important characteristics of cooperatives according to the view, while making the definition. The discussion made until here, indicates that since almost all views can find something defensible for co-operatives, definition of co-operative varies accordingly.

2.3.2. Characteristics of Co-operatives

It can be claimed that, although its roots goes back to early 19th Century, the cooperative institution can be regarded as in line with the contemporary discourses, which is based on importance of civic initiatives and non-governmental organizations. Thus, in this part it will be touched upon basic characteristics of cooperatives in order to make better analysis of them.

To start with, one of the most important characteristics of co-operatives, the principle of “one person one vote” should be highlighted before discussing general characteristics. In most of the countries organizations, which uses the name co-operative must be registered under a Co-operative Societies Act or similar legislation. One member one vote meaning representative democratic feature of co-operatives is involved in countries’ legislations related to co-operatives.

Münkner pays attention to democratic characteristic of co-operatives. As he stresses democratic structure, covering one member one vote rule, decision making by majority vote, election of the leaders by members, being accountable to members and controlled by them is one of the most important characteristics of the co-operatives (Münkner, 2001).

UNCHS summarizes the common characteristics of the co-operatives referencing

the Rochdale Principles. *“Co-operatives in most countries accept the principles of, open membership, democratic control, limited interest on share capital, equitable distribution of surpluses and promotion of education for its members”* (UNCHS, 1999: 5).

If the present application of the Rochdale Principles is summarized:

-open membership

-democratic control (one man one vote)

-distribution of the surplus to the members in proportion to their transactions

-limited interest on capital

-political and religious neutrality

-cash trading

-promotion of education

(The Present Application of the Rochdale Principles, Studies and Reports, London, 1964, 24-25).

So, it can be seen that co-operatives have been organized according to the Rochdale principles, which emphasize democratic and voluntary characteristics. Similarly, Münkner defines characteristics of the co-operatives as:

“-a co-operative society is a group of persons with at least one economic interest in common

-the aim of the group is to meet a common need by joint action based on mutual assistance

-the means to achieve this aim is to establish a common enterprise

-the main objective of the enterprise is to perform services for the promotion of the economic situation of the members group” (Münkner, 1974).

Pestoff states characteristics of cooperatives as follows;

-voluntary associations or popular movements, concerned with the economic, social and well being of the members

-non governmental or private sector organizations providing goods and services to members,

-advocates of practical, mutual assistance to resolve common needs often unsatisfied organizations,

-providers of nonprofit services who value efficiency and accumulate capital,

-open to members regardless of race, religion or sex

-member owned and member controlled organizations practicing and advocating democratic principles,

-organization seeking autonomy from, but favoring collaboration with the government and

-democratic alternatives to politics and markets,

-co-operatives are capable of doing many things including:

-giving people access to financial systems

-counterbalancing market imperfections which are often created by local monopolies or national cartels,

-providing services which governments or other private firms fail to do,

-making modern technology available to members who would not otherwise have access to it,

-introducing competition into oligopolistic or monopolistic markets or branches,

-raising income levels and/or decreasing consumer prices,

-mobilizing local services and human resources and

-providing goods and servicing at lower costs and or of higher quality

(Transnational Associations, 1988: 115-120 cited in Pestoff, 1991)

In addition to these characteristics, UNCHS underlies social characteristic of the co-operatives. In this respect, most housing organizations are not business organizations in strict sense and have a strong social element nearby the democratic and voluntary characteristics (UNCHS, 1989).

Co-operatives by definition are self managed organizations. The management of affairs of the co-operative is from outset of responsibility of the members; otherwise active participation of members can not be expected.

According to Andrusz, co-operatives have in general two basic characteristics. Its federative structure meaning basic units at each level determine, on their own initiative, the dividing line between those functions, which they reserve to themselves and those which they delegate to the federal body. Education is another fundamental characteristic of the co-operative movement (Andrusz, 1999: 41).

Co-operatives are merely one aspect of civil society. But they are unique, insofar as they carry out both social and economic objectives. Because of this, the co-operative sector shares many of the features of both the private and the public sectors. It is this blending of a commercial orientation with social concerns that makes co-operatives a unique alternative for the delivery of public services (Restakis, 1998).

UNCHS; mentioning about the negative and the positive characteristics of co-operatives, states that they play an ambiguous role in many countries because of formally being non-governmental. However, they have generally contributed the mobilization of citizens towards economic and social goals (UNCHS, 1989).

2.3.3. Types of Co-operatives

Basically cooperatives can be divided into two broad groups. These are consumer co-operatives and producer consumer co-operatives, which collectively owned and run by their members in accordance with the principles laid down in Rochdale in 1844 and subsequently adopted in modified form by International Co-operative Alliance (ICA) in 1966⁸.

Producer co-operatives are defined as *“being formed by those who wish to sell the product of their labor”*. Such associations include agricultural co-operatives. Housing co-operatives were falling in producer co-operatives group, but they should be distinguished from other producer co-operatives since they have very specific characteristics. (Keleş, 1967). Consumer co-operatives are retail co-operatives and organize the sale of collective products.

Co-operative activities may be classified more comprehensively with five principle categories: agricultural, industrial (producer or worker), consumer (retail), credit and housing co-operatives (Roy, 1964). Hence, co-operatives are classified according to their aims and sector in which they operate. Housing is one of the sectors where co-operatives can make important contributions and main subject of the thesis.

2.3.4. Housing Co-operatives

Housing co-operative is described by the ICA as *“a legal association formed for the purpose of providing housing to its members on a continuing basis*. A co-operative is different from other housing associations by its ownership and its commitment to co-operative principles (Münkner, 2001: 12).

⁸ <http://www.ica.coop/ica/info/principles-background.html> (08.10.2002)

United Nations describes housing co-operatives by referencing their characteristics. “The term co-operative is used to describe a wide range of institutional arrangements for collective non-profit housing, which are also described as for example collective self help, mutual assistance, social housing and housing associations” (UNCHS, 1989: 5).

In the Global Report on Human Settlements (2001), housing co-operatives are described as “*democratically governed nonprofit corporations whose members jointly own residential developments consisting of multiple units*” (UNCHS, 2001: 208).

Lewin defines the term “housing co-operative” as usually implying “*the process of management and administration of construction, housing stock, and financing but not direct construction. They are “the economic units or enterprises, whose operations and viability are determined by the economic rules, which apply to any type of corporate body*” (Lewin, 1981: 14).

Whilst many housing co-operatives construct own, and manage dwellings, they can also work for the purpose of common land acquisition or development, management, administration of completed houses or for maintenance only. Building co-operatives are often production societies of skills and handicrafts and carry out constructing and building houses for sale to non-members (Lewin, 1981: 13).

The objectives of the housing co-operatives may involve land acquisition and development, project planning and design, purchase and transport of building materials, house building, savings and loan recruitment or administration and maintenance of housing stock (Münkner, 1974 cited in Lewin, 1981: 19).

UNCHS classifies housing co-operatives into three different types. The first type is

“market equity co-operatives” which aims at trading of shares at market value as if housing units are individually owned by members. Second type is “limited-equity co-operatives” which restrict amount of return on sale of a share increases during occupancy because of inflation, interests or improvements. The third type is “leased co-operatives” which do not allow members to own their units hold long-term leases from a community land trust, mutual housing association or similar organization that grants them particular rights (UNCHS, 2001: 208).

In the following paragraphs housing associations, which are an umbrella institutions of housing cooperatives in England will be mentioned. Since development of housing cooperatives, despite they are tied to an upper institution, namely housing association is important for the discussion in order to analyze capitalist type of housing cooperative development. Thus, at this point it may be appropriate to discuss the term association in this chapter.

Housing Association Act 1985 of England defines a housing association as a; *“society body of trustees or company a) which is established for the purpose of, or amongst whose objects or powers are included those of, providing, constructing, improving or managing or facilitating or encouraging the construction or improvement of, housing accommodation, and, b) which does not trade for profit or whose constitution or rules prohibit the issue of capital with interest or dividend exceeding such rate and may be determined by the Treasury, whether with or without distinction between share and loan capital”* (Housing Association Act 1985). As it can be understood, housing associations are similar to housing cooperatives in terms of their aims.

Cope (1999) makes a helpful analysis about the housing association and related terminology. As she states, Registered Social Landlords (RSL) is a term introduced by the Housing Act 1996, which covers social associations as being most common type, local housing companies and other bodies registered with the Housing Corporation (a government agency which funds and regulates the sector)

They are diverse, independent, not for profit organizations (Cope, 1999: xiv-1).

Cope puts forward all the co-operative type of housing organizations and gives all the definitions regarding British housing system (Cope, 1999: 38-39). According to her, "housing co-operatives" are small associations and they only involve in housing for their members. "Tenant management co-operatives" are housing co-operatives in which tenants carry out management and maintenance of their houses with existing landlord ownership. "Par value associations" are fully mutual housing co-operatives defined in the Housing Associations Act 1985 as institutions in which all tenants are members and all members are either tenants or prospective tenants. "Secondary housing co-operatives" known as primary co-operatives are the associations, which own dwellings but properties. They are funded through various grants (Cope, 1999).

In addition, she defines other independent social housing sector involving housing trusts, charities, societies, companies, almshouses, co-operatives and self-built groups. She defines voluntary transfer associations as some large scale or partial voluntary transfers to local authority stock. (Cope, 1999).

The policies followed by the housing co-operatives bring about categorization of them. There can be mentioned about different categories of housing co-operatives in terms of ways of acquiring dwellings and rights on them. The distinction between housing co-operatives depends on whether they are collectively owned or individually owned. If it is collectively owned following to construction of housing co-operative maintain ownership. On the other hand if it is individually owned the ownership is transferred to shareholder.

Birchall defines housing co-operatives as "they are a voluntary association by means of which dwellers can collectively own their own housing and control the process of housing" (Birchall 1988: 20)

According to Andrusz, housing co-operative can be divided into three categories. The first category allows co-operative members to get capital gaining due to value increase of and building on the equity or loan share while leaving the co-operative. The second category regards payments of members as mortgage repayments and allows members who leave the co-operative to take a sum regarding the mortgage principal, which has been paid during the tenancy. The third type is par value co-operative and generally referred as tenant's co-operatives. Since, a member leaving the co-operative can sell back to his or her membership loan share to the society no more than the original capital contribution (Andrusz, 1999).

As it would be mentioned in the following chapter, the housing co-operatives in Turkey are different from the counterparts in many European countries. Since there is no defined task of housing co-operatives in the legislation, they have not produced social rented housing in Turkey. Co-operative members acquire dwellings in freehold ownership status after construction is finished, and then the co-operative is dissolved after fulfilling its task (Türel, 2002).

Therefore, when the literature is searched large number of definitions underlying different characteristics of the co-operatives that come from the Rochdale principles can be found. Apart from their aims and working principles, definitions generally underline democratic and voluntary characteristics of the co-operatives aiming to serve in different sectors. As stated before, housing is one of the important areas that co-operatives can realize their aim and philosophy.

2.3.4.1. Tenure of Housing Co-operatives

UN differentiates the co-operative tenure into the three types. These three basic types of tenure are; limited housing co-operatives, multiple mortgage housing co-operatives and continuing housing co-operatives. So, according to different needs

and perspectives, types of tenures of co-operatives differ. UNHHS defines these co-operative tenures as;

Limited housing co-operatives get land and give each member his/her plot by subdividing the land on completion of the project. Multiple mortgage housing co-operatives own and maintain the common areas such as roads, paths, recreation areas and other community facilities. Their members own their individual units and the land. Continuing housing co-operatives owns all the land, houses and common areas. Members do not own their units separately but they hold equal shares for all assets of the society through their membership of the co-operative (UNCHS, 1999: 9-10, Keleş 1967: 20).

In general, Turkish housing co-operatives can be described as limited housing co-operatives since co-operative members acquire dwellings in freehold ownership status after construction is finished. Housing estates that are produced by co-operatives are managed in accordance to the Condominium Law. In fact this legislation was enacted initially for the management of multi-story apartment housing. However, although it is not usual, some co-operatives can be transformed into management co-operatives instead of being dissolved when construction is finished and title deeds of dwelling units are issued on the names of their owners. Service and living qualities in the estates that are managed by co-operatives are higher compared to others (Türel, 2002).

2.3.4.2. Characteristics of Housing Co-operatives

Co-operatives are recognized in the Habitat Agenda as important non-governmental actors for promoting sustainable human settlements. As discussed earlier, by definition co-operatives are voluntary and democratic organizations between state based and market oriented actors.

Lewin, mentions about the main characteristics of the housing co-operatives as follows:

“-self help (mutual assistance through association) which does not necessarily imply manual self help or renunciation of external assistance

-membership promotion of the economic interests of the members through service relations between the members and the co-operative enterprise,

-identity of co owners and customers of the co-operative

-democratic management and control of the society by the members and thus also equality of the members” (Lewin, 1981: 13).

Housing cooperatives are different from other cooperatives in many aspects. Housing co-operatives deal with providing a long term product, dwelling unit to their shareholders with different tenure types. In this respect, housing co-operatives have many specific features. When compared to other co-operative types, housing co-operative does not necessarily continue to operate indefinitely. It may be established for one or more objectives and dissolved when these have been accomplished.

Status of housing co-operatives, being non-profit organizations may enable them to claim tax allowances and some other privileges, which are different in each country. Lewin states the distinguishing characteristics of housing co-operatives as follows:

“-The identity of producers (owners, co-owners) and consumers is particularly pronounced in housing co-operatives, as the members produce (by means of self help or otherwise) and consume one and the same commodity, ie house

-Housing co-operatives require long term planning, financing and organization in view of the life span of houses.

-Housing co-operatives usually depend to a far greater extent than other societies on collaboration with the government and local authorities.

-Human relations between the members and the promotion of an integrated urban community play a major role in success or failure of a housing co-operatives as the members do not just work, produce or purchase together, they also live together” (Lewin, 1981: 17).

Co-operative organization brings certain advantages to housing sector. Advantages of housing co-operatives are stated in the Global Report on Human Settlements (2001). Firstly, pooling of resources lowers individual housing costs. It fosters collective action and self help. It also increases their creditworthiness. Lastly it limits or prevents speculation (UNCHS, 2001).

Lewin is another writer who points out advantages of housing co-operatives accentuating internal management capacities. According to him, internal control, collective saving accumulation, mutual security through collective repayment, tasks, functions and management costs depend on co-operative members roles, training opportunity, which can enable members to participate co-operative processes, collective maintenance and improvement opportunity by itself are general advantages of the housing co-operatives (Lewin, 1981).

As he states the most significant advantage and benefit of housing co-operatives lies in their potential to promote integrated and viable urban communities and mobilize self help sources and group dynamics (Lewin, 1981: 11).

Parallel to Lewin’s view, Andrusz also mentions about advantageous characteristics of the housing co-operatives. According to Andrusz, housing co-operatives are attractive to political and economic liberals since co-operatives promote self help, respecting competition and individual choice and action. For social democratic; if they are not Marxist, socialists, they are also attractive because of their collectivist and non profit organization. Besides, they are attractive to both individuals who prefer a working environment, which they can

control and plan themselves and to people who reject profit maximizing capitalist employer as much as the inefficient, bureaucratic state employer (Andrusz, 1999: 41). Hence housing co-operatives are attractive to different political thoughts, and actors in economy.

2.4. Historical Development of Co-operative Movement

Going back to the early 19th Century, co-operative movement took its roots after early phases of the Industrial Revolution. After the spread of the Industrial Revolution, social and economical orders in societies began to transform. Co-operative way of solution was produced against socio economic problems, which increased with the industrialization. Britain, where Industrial Revolution had started, was the country in which co-operative solutions have been brought into agenda initially. People were reacting against increasing insecurity, uncertainty and hardship as industrialization progressed.

Societies' culture and tradition might have played roles in the development of co-operatives. In addition to cultural and traditional background, economic and political developments have also been one of the crucial factors for development of co-operatives.

According to Bengsston, since the co-operative phenomena is indefinite and flexible phenomenon, institutional and political environment, relations with the political actors and institutional setting is crucial for their development and success. According to him, *"co-operative paradox is transitional not fundamental and co-operative culture type explanations are to be avoided"* (Bengsston 1999: 272). However, it can be stated in addition to political, institutional environment, co-operative culture may be regarded as influencing factor to co-operative development. Nevertheless, cultural aspect of co-operative development is very hard to be analyzed and out of the scope of the thesis.

“Co-operative culture is not an atavistic or irrational reaction to existing cultural structures. It is a mode of organization which grows out of the old structures to reveal the latent possibilities that lie within them and presents a rational opportunity to remedy the maladies constantly being reproduced them” (Andrusz, 1999: 34). So, with the acceleration of the industrialization, people began to react to insecurity, hardship and other negative effects of industrial capitalism. They started to organize, Mutual Benefit and Friendly Societies, trade unions and co-operatives in the early 19th Century.

After the development of the Friendly Societies and Mutual Aid Societies in the last decade of the 19th Century, trade unions became actors for advocating rights of labors and developing their living conditions. Meanwhile, consumer co-operatives lived in harmony with trade unions in contrast to producer co-operatives. In the last decades of the 20th Century, power of the unions faced with considerable weakening (Andrusz, 1999).

Development of the trade unions in Europe influenced the co-operative movement differing from country to country. While in Sweden and Germany trade unions committed to providing co-operative or non-profit housing, in Britain they protected their negative position against co-operative movement. In Russia and in other centrally planned economies, unions' solution to housing shortage was socialist housing policy based on public housing in 1970s (Andrusz, 1999).

As stated earlier, the real beginning of the industrial co-operative movement in Britain is usually placed early in the 19th Century, with the work of Robert Owen. However, since utopian socialist Owen's dream of organizing a society in which members would act for the welfare of their community, did not achieve success. Therefore his co-operative logic could not have been influential on the co-operative movement of today. The Rochdale Pioneers (1844) were a later 19th century initiation of the British cooperative movement and their founding principles have represented a model for many or most of the successful cooperatives of

today. Rochdale Co-operative philosophy was claiming that small regulations and collective actions within the capitalist system could overcome problems. Hence, capitalist type of co-operatives with the effect of the Rochdale Pioneers diffused to the Western European Countries. In the meantime, in the Eastern European Countries, co-operative movement has taken the meaning of socialism, collective and community type of production and consumption (Andrusz, 1999). In addition co-operatives in certain countries have been regarded as a third way between market systems of capitalism and socialism. Social democratic views could have also found characteristics of co-operatives in relation with their ideological stands.

As a result, against backward effects of the Industrial Revolution, co-operatives were organized in the late 19th Century. As discussed earlier many activists began to organize co-operatives in Europe. Socialist Robert Owen in England, Charles Fourier in France regarded cooperatives as a solution for the ills of Industrial Capitalism. However the Rochdale Pioneers in Britain and Hermann Schulze-Delitzsch in Germany were proposing a cooperative solution within industrial capitalist system (Roy, 1964).

In the year 1882 the Co-operative Producers' Federation (CPF) was established in Britain. Three years later, in 1895 the International Co-operative Alliance (ICA) was founded and became the authority for defining co-operative principles of the world. ICA made two formal declarations in 1937 and 1966.⁹ They described basic rules of working cooperatives within these declarations.

In fact, the initial basis of the co-operative movement in the 20th Century goes back to the 1918s. British Labor Party, following the ideological stance of the Eastern Europe had the common belief that co-operation is a "*lower form of socialism*" (Andrusz, 1999: 47). The co-operative movement has taken different shapes in accordance with the social and political structure of the states.

After the late 1960s, most of the Western European co-operative movement took

⁹ <http://www.ica.coop/ica/info/principles-background.html> (08.10.2002)

a new shape and countries experienced a new wave of the movement. 1970s and onwards, Keynesian type of economic conceptualizations started to be rejected and state based assumptions began to be replaced. Different partnership between the state and the producers in the economy emerged and transformation of traditional vertical links between state and the civil society began to be experienced. *“Firms were encouraged to think co-operatively rather than competitively and the new trends emerged in the direction of industrial democracy and co-operation”* (Andrusz, 1999: 57).

2.5. Historical Development of Housing Co-operatives

In this part of the thesis, history of housing co-operatives will be analyzed in order to better understand its development path. Being a part of co-operative movement, housing constituted one of the important sectors of cooperatism. Since, housing always existed at the core of discussions as a compulsory need to be provided as a right¹⁰ by either states¹¹ or institutions, which would not seek any economic benefit. Housing co-operatives are non governmental institutions dealing with housing problem, which accepted as one of the human rights in İstanbul Habitat Summit held in 1996, and through the way of cooperatism, which is a kind of collective action.

In this part, development of housing co-operatives is to be mentioned in the world and after this brief history, certain countries will be analyzed shortly for finding out distinguished paths of co-operative housing development in the world. The countries have been selected for reflecting different political and economical impacts on housing co-operatives and their development phases. Hence, before analyzing the Turkish co-operative housing history, the cases of Britain, Sweden and Russia will be discussed in an evolutionary perspective in this chapter.

¹⁰ In, İstanbul Habitat Summit (1996) housing began to be regarded as a human right

¹¹ Welfare state policy

As it is a known fact, cooperatives tend to take their ideological color from the economic environment in which they exist. In capitalist countries there is a tendency to evaluate cooperatives by the norms of profit-making business. In communist countries, they were given a role as facilitating factors for the State based socio economic system. In developing countries, they are often subject to work in a more complex environment. They must compete with private business, and at the same time follow rules of civil society organizations. Hence, this part of the thesis will be on analysis of the course of development of housing co-operatives in selected European Countries where different socio-economic systems exist.

2.5.1. General Overview

As stated before, Industrial Revolution had been the turning point for the co-operative movement. Housing co-operatives like others began to spread across the Western Europe in the middle of the 19th Century. The process of rapid urbanization and the growing impacts of the labor movements can be regarded as the main forces behind this development.

Indirect results of the rapid urbanization, housing shortages, inhuman living conditions, increasing housing prices and rents, housing speculations have all resulted in organization of self help groups, charitable organizations, philanthropists, trade unions, municipalities and local authorities to establish and promote non-governmental organizations in housing sector (Lewin, 1981).

From Rochdale in 1844, co-operatives have taken hold and spread around the world. Involving in main economic sectors, co-operatives developed according to political, economic and social aspects of Countries. Housing is one of the sectors that co-operatives have been developed. Common forms of co-operatives include rural co-operatives, credit unions and rental housing co-operatives.

The first housing co-operative was built in Britain, in the following years of the Rochdale Pioneers co-operative was established in 1844 (Mansbridge cited in Keleş, 1967: 19). In Germany, it was first built in 1849. However, institutional development of housing co-operatives was realized by Bismarck Government in 1890s¹². The modern type housing co-operative has been developed as a kind of consumer co-operative and diffused to Scandinavian countries (Wallander, 1949 cited in Keleş, 1967: 19). However, specialization of housing co-operatives, distinguishing from consumer ones, came into agenda rapidly. Demands of the tenants for having flats have been influential on the development of housing co-operatives (ILO, 1945: cited in Keleş, 1967: 19).

The cooperative idea and its application to housing migrated to America and Canada after the Second World War¹³ although certain attempts had been in 1920s¹⁴. Worker unions, trade unions, local authorities, philanthropic institutions, governments and social security organizations have played significant roles in the developments of housing co-operatives in the world (Keleş, 1967).

Due to close relationship with non-profit and philanthropic organizations, housing cooperatism is described in social housing sector in European Countries, where the co-operative movement was shaped.

“Housing co-operatives represent one of a number of forms of non-profit housing, which collectively comprise a distinctive form of social housing tenure” (Andrusz, 1999). A non profit organization or public organization can build and manage housing co-operatives. On the other hand, housing co-operatives can be built and managed by the private investors. This type includes housing for renting and sale. All of these types have been shaped with contextual diversifications of the Countries.

¹²Cooperative Development Society, A Brief History of the Cooperative Movement, <http://www.gdm32.dial.pipex.com/about%20thr%20co-operative%20movement.htm> (23.09.2007)

¹³ Cooperative Development Society, A Brief History of the Cooperative Movement, <http://www.gdm32.dial.pipex.com/about%20thr%20co-operative%20movement.htm> (23.09.2007)

¹⁴ http://en.wikipedia.org/wiki/Housing_cooperative

As mentioned before, similar to Owen's attempts philanthropic and voluntary type of housing organizations in many European Countries, due to adverse effects of industrial capitalism, were existing before the First War. However, governments became more involved with more interventionist housing policies after the First War in most of European Countries. That is to say, housing construction and its modernization began to be subsidized by governments.

The Second World War was another turning point in terms of housing policies. As a known fact, "welfare state" policies began to be implemented by countries. It brought about necessity of including housing policy into the Welfare State. Hence, housing co-operatives were integrated into to social housing policies in the European Countries. In this period, housing is regarded as a human right and it was to varying degrees de-commodified. De-commodified means a service of right, which is not to be left to market forces (Esping – Andersen, 1990).

In former socialist states subsidizing housing as rents were charged as only 3-5 % of household budgets without considering running costs was implemented until 1960s. In Sweden accommodation was provided via housing co-operatives which are so strong in housing provision and in UK by local authorities of cities having more than 500.000 populations, and in other European and Marxist countries by the principle of right to use. In these years, renting or buying a house is everywhere cheaper than the price paid on the free market (Andrusz, 1999).

In 1960s, due to budget problems, countries began to implement market oriented policies. Subsidizing housing policies began to be left after in these years because of economic bottlenecks in the world. After 1970s, development of housing co-operatives followed different paths depending on political atmospheres of the countries.

2.5.2. Britain

In Britain, where Industrial Revolution took place firstly, is one of the countries that faced with the problems of industrial capitalism earliest. As mentioned before, the co-operative movement has initially been emerged as a reaction to the adverse impacts of industrialization in Britain. Robert Owen, was a British philanthropist rejecting class conflict and his thought had constituted the roots of co-operative movement in Britain where now liberal capitalist characteristics and individual ownership is dominant. In fact even though the co-operative movement emerged in and diffused from Britain, housing co-operatives did not contribute to housing stock to same extent. Instead, housing associations, which can be regarded as an umbrella organization, have been more important actors for housing provision since last two decades.¹⁵ Almost all of housing associations are locally based and non-profit bodies run by comities of volunteers (Emms, 1990).

To begin with the Model Dwellings Companies and Trusts were regarded as two main voluntary housing types before 1850s. These two kinds of voluntary housing organizations were reflecting different characteristics in terms of their financial structure. While the model dwellings companies generally depended on capital loan of private investors who were expecting higher rates of return, trusts were financed by the philanthropists (Malpass, 2000a).

After 1850s, another reformist and philanthropic model was developed by Octavia Hill as a reaction to the intolerable housing conditions of the Industrial Revolution. Interpersonal relations and personal contacts between landlords and the tenants were the crucial characteristics of this system in terms of housing management (Malpass 1999, Clapham 1997).

After 1900s, under the influences of the “garden city” movement, several voluntary organizations emerged. Co-partnership societies, which targeted rather

¹⁵ According to information given by the Charlie Baker who is from Confederation of Co-operative Housing of UK only 0.5 % of total households live in co-ops as of 2002.

richer sections of the society, can be given as an example for this kind of organizations (Malpass, 2000a).

Between 1920 and 1930 voluntary organizations continued to be important in the housing sector. In this period, philanthropic voluntary housing organizations similar to Octavia Hill's model have been established. Nevertheless, in financial terms, these organizations were similar to model dwelling companies in which investors were buying shares and loan stock.

After 1930s, attempts to organize associations came into the agenda. According to Malpass, skeptical stance towards existing voluntary organizations of the period had been one of the motivating factors for establishing housing associations (Malpass, 2000b).

Similar to housing co-operatives, housing associations have been organized as followers of philanthropic organizations. They are also "*voluntary in nature as the housing they provide is not as a result of statutory duty but is the result of the energy and commitment of lay volunteers who have combined to form an organization to meet perceived needs*" (Cope, 1999: 1). Housing co-operatives are defined as "*associations by which dwellers control their own housing, even they do not own it*". (Birchall, 1988) They are a kind of housing associations concentrated on housing for members (Cope, 1999).

During this period housing associations did not achieve necessary political support and did not contribute to the housing sector. As Malpass states, "*housing associations suffered from being seen by local authorities as undemocratic and unaccountable, while from the central government point of view they were seen as incapable of operating on the scale that was required*" (Malpass, 2000a: 132). However, also within this period housing association movement had protected its significance in terms of rising new voluntary organizations.

Before 1960s, there were two main characteristics of the housing associations. They were almost infinitely diversified in type and they had very limited contribution to housing need (Best, 1997).

Establishment of the Housing Corporation dates back to 1964, in order to financially stimulate the development of housing societies. Government of that period adopted the policy of empowering housing societies. Unlike local authorities, the Housing Corporation acted as an independent government agency distributing government funds to housing associations and cooperatives across the country to develop housing for those in need. Local authorities on the other hand had been managing most social housing in the country, since they were restricted to provide housing in their area (Brenan, 1993).

During the period from 1961 to 1974, housing associations grew considerably in terms both number and the scale of activities (Malpass, 2000a). After 1960s housing associations were regarded as important institutions for tackling with the housing problems and meeting housing needs. As it is stated by Best, financial initiatives given by the Conservative Government of the 1961 had been important for development housing associations (Best, 1997).

In fact all of these developments were related to period's political preference . Until 1960s, provision of housing by local councils or municipalities so called "municipal socialism" was the main policy of the Labor party in UK. However, there has been a shift in housing policy in terms of leaving from public landlord to non profit housing associations and co-operatives due to budget problems. In the late 1960s and UK housing co-operatives being part of housing associations began to develop. Housing Act 1961 created a more precise framework for the housing co-operatives. As it is quoted in Best, for Henry Brook, the Minister of Housing of the period, housing co-operative is a "*type of new housing association in which a group of would be occupiers from themselves into a body to build and then to manage collectively houses in which the members themselves will live*" (Best, 1997).

According to Malpass, Housing Act 1974 can be seen as turning point for housing associations in terms of taking modern shapes. In 1974, with the Housing Act 1974, a charter for housing associations was declared in order to overcome funding and other organizational problems of the housing associations (Malpass, 2000a: 163). The Act referring to Housing Corporation was aiming to promote housing associations. The objectives of the Act were:

- *to promote and assist housing associations*
- *to facilitate the proper exercise and performance of the functions of associations*
- *to establish and maintain a register, and to exercise supervision and control over housing associations*
- *to undertake the provision of dwellings (Housing Act 1974)*

Thus, Housing Act 1974 was focusing on the organizational, institutional problems and proposing control mechanisms over housing associations. In Britain, most of the housing associations have some relationship with the state. They register with the state in order to receive public funds to build social housing; the state body is called the housing corporation.¹⁶

The figure below shows the institutional networking system for housing associations in UK. Most of the housing associations are the members the National Federation of Housing Associations (NFHA), which is the umbrella organization. These federations act as a lobby for the movement and offer advice to member. Housing associations register with the centrally established Housing Corporation. Both monitoring and funding of housing association are carried out by Housing Corporations (Oxley and Smith, 1996: 115)

¹⁶ This information was obtained from Charlie Baker from The Confederation of Co-operative Housing, UK

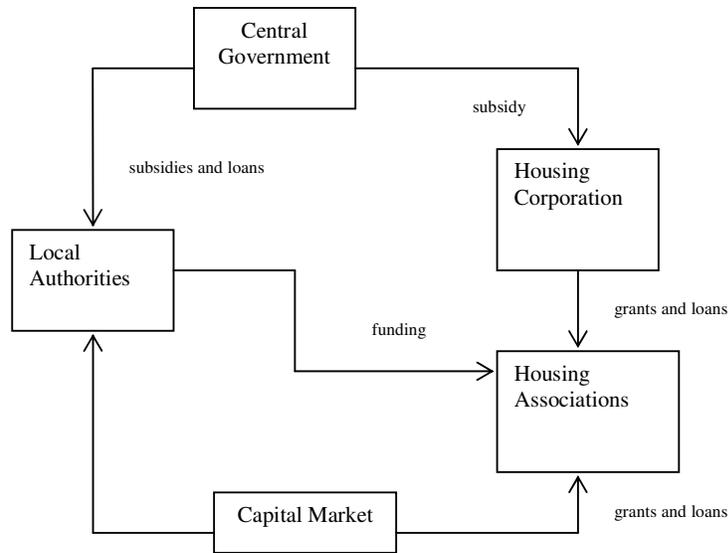


Figure 2.1: Social Housing Finance System: UK¹⁷

The first housing co-operatives to develop were co-ownership schemes. In the 1970s, rented co-ops began to develop using the new housing association grant provisions of the Housing Act 1974. However, since the historic and cultural background to housing provision in Britain was quite different from other countries co-operative housing model could not have been influential (Best, 1997).

It is a known fact that housing co-operatives began to be developed late in the history of Britain mostly because of the tenure differentiation. Unlike many other countries, only two types of tenures, social rented housing tenure (local authority council – housing associations) and owner occupation were two dominant tenures in housing tenure history of Britain. Co-operative housing has not been developed so much because of being in between home ownership and social rented housing by councils and housing associations.¹⁸

¹⁷ Oxley and Smith, 1996: 115

¹⁸Cooperative Development Society, A Brief History of the Cooperative Movement, <http://www.gdm32.dial.pipex.com/about%20thr%20co-operative%20movement.htm> (23.09.2007)

In fact housing associations play important part in development of housing co-operatives. Recently, there are arguments on necessity of promoting housing co-operatives, which is a kind of housing association in order to receive more efficient solutions in housing sector.

According to Charlie Baker, although less than 2% of the nation's housing stock was constructed by coops, they began to show their success in many aspects. Housing Act of 1994 gave right to local authority tenants to manage their estates through democratic Tenant Management Organisations (TMOs) and continued the funding begun in 1986 to train and support tenants to set up TMOs. As of 2002, there are more than 200 TMOs in England (Baker, 2002)

As he also pointed out, according to the research carried out by the Price Waterhouse for the Department of the Environment indicated that *“Most co-ops outperformed their Local Authority and Housing Association counterparts and provided more effective housing management services with usually better value for money”*.

In the literature there are other writers defending the necessity of supporting co-operatives. According to Emms, a co-operative takes on responsibility for letting the housing, collecting rents, and dealing with repair and maintenance within the budget confirmed by the local authority. Hence, it has strong incentives to run itself efficiently (Emms, 1990).

Therefore, housing associations since 1960s, and now housing coops, being a kind of association, have been important actors in terms of tackling with the housing problems. Now, housing coops are being institutionally considered for better housing management, capacity building and community sustainability.

2.5.3. Russia

The importance of housing co-operatives in socialist countries has diversified according to policies of the states. The housing cooperation as an economical occurrence appeared in the Soviet Union after the Second World War and still plays a significant role in the housing sector of Russia and other former Soviet republics.

In Russia for instance, even though political atmosphere supported the co-operative housing in general, the percentage of housing provided by co-operatives has not been so much. It is certainly due to the fact that state was overwhelmingly holding all sectors of the economy including housing sector. Between 1950s and 1980s, 67 % of (in urban areas up to 90 percent) of the housing stock was state owned. Construction of housing and maintenance was carried out by monopolized state organizations. Distribution of state owned dwelling units were organized by state institutions housing through waiting lists. A family could wait for a dwelling unit more than ten years (Lykova, 2002 in UN-HABITAT et al 2002).

As mentioned before, Lenin himself believed positive impacts of co-operatism and housing co-operatives for achieving socialism despite the fact that there were people having opposite view with him in the party. However, two types of co-operative formed in 1924, house-leasing co-operative association (ZhAKT) and house-building co-operative association (ZhSK). The first one is related to management, increase of living standards, maintenance and repair of existing housing stock while the second one is related to construction of new dwelling units. There were also two types of ZhSK Co-operatives, workers' co-operative and general citizen's co-operative and only employees in state, co-operative and any public organizations can be member of worker's co-operative (Andrusuz, 1999).

In this way, co-operative housing became one of the prestigious ways for obtaining a dwelling unit in Russia during 1950s and 1980s. At that time the co-operative tenure, was regarded as prestigious and society's elite including working class aristocracy, white collar middle class and state employees (Andrusz, 1999). Most of the Russian housing cooperatives were built between these years (Lykova, 2002 in UN-HABITAT et al 2002).

The co-operative property was regarded as non-state instrument in order for some people aiming at high standards of living. In pragmatic sense, co-operatives brought cost advantages to the State, and in ideological sense they brought about collective action tendency different from individualism of capitalist system.

Housing Construction Co-operative (ZhSK) was a co-operation between citizens, enterprises and the state. Citizens could obtain their dwelling units by paying their share in co-operatives. Big enterprises provided the largest share of construction expenses and then sold stakes to their employees. This could be a chance for employers to avoid from the official waiting lists. The state financed the gap between the price of stakes and the cost of construction (Lykova, 2002 in UN-HABITAT et al 2002).

In 1980s, there has been policy change in Russia and co-operatives began to be regarded institutions which could not solve increasing housing problems due to rapid urbanization. However, they were still regarded as significant tools for achieving overall strategy for housing in Russia with almost 10 % share of in the largest cities of the country (Andrusz, 1999).

In 1990s, major transformations began including the housing sector in Russia. The main component of the reform is a shift from state ownership to private ownership. One of the elements of this transformation is to allow tenants to claim ownership of their dwelling units by Law, permitting and encouraging free mass privatization. The Privatization Law gave tenants of rental housing the right to

choose whether to privatize or not.

On the contrary, stakeholders of ZhSK were automatically transferred to the class of homeowners by another law. Russian Civil Code (1994) declared that each co-operative member who paid off total price of his/her stake becomes the owner of the unit he or she resides in. Besides, the Civil Code says that each unit owner (in both former state rental and co-operative housing) owns a proportionate share of common spaces.

By another Law (Russian Civil Code 1994), shareholders of co-operatives were automatically gained right to hold ownership of their dwelling units if they paid total cost of the unit. In addition, the Civil Code declared that each unit owner (in both former state rental and co-operative housing) is going to own a proportionate share of common spaces.

In fact, these legal regulations meant that co-operative ownership in Russia disappeared. Before the reforms co-operatives were holding ownership of buildings with all of their units and common spaces. After 1994, ownership transferred to co-operative members (Lykova, 2002 in UN-HABITAT et al 2002).

As a matter of fact the current Russian legislation aims to transformation of co-operatives into a form of condominiums. By Law, a co-operative does not mean to own any part of the housing estate; instead it means to own any part of the building including all the dwelling units, common spaces and other built environment. In this respect it defines a type of condominium management institution (Lykova, 2002 in UN-HABITAT et al 2002:).

What co-operative members are supposed to do in such a situation? Russian laws separate conceptions of 'legal entity' and 'ownership'. The co-operative as a legal entity had lost all the rights to possess and dispose its property but it is still in charge of maintenance and provision for utility services. Co-operatives as legal

entities are not liquidated, they are still registered. The Condominium Law (1996) offers the unit owners to register as a condominium association which allows re-registering of co-operatives as condominium associations if all the unit owners desire (Lykova, 2002 in UN-HABITAT et al 2002:).

2.5.4. Sweden

In the literature most of the sources underline the strong role of housing co-operatives in housing provision in Scandinavian countries. Sweden, for some writers, is one of the successful countries in terms of co-operative housing experience (Bengtsson 1999, Andrusz, 1999). It is regarded as a country where co-operative housing has a very prominent history.

In Sweden, co-operatives have been regarded as a third sector between the private and the state owned sector in social democratic Sweden. Co-operatives have significant roles on three sectors of the Swedish economy, namely retailing, agriculture and housing. The consumer and housing co-operative movements had their roots in the labor movement. However, they have no dependent historical and organizational links (Bengtsson, 1999: 249).

In Sweden much attention has been given to the co-operative movement respecting them as a proper way of improving the society as a whole. The modern co-operative movement goes back middle of 19th Century. The first co-operative organization, which was a wholesale co-operative, was established in 1850 (Bengtsson, 1999: 253).

The development of the co-operative movement, when the socialist labor party came in to force, was accelerated after 1890s. Different from other European Countries, co-operatives have been alternative and supportive mechanism in

providing goods and services in Sweden. Political climates of different periods have influenced the co-operative movement sometimes positively sometimes negatively. However it can be stated that general attitude towards co-operatives have been positive in Swedish political history. Especially after the 1970s, co-operative alternative again intensified and co-operative movement sharpened in Sweden.

Housing has been one of the sectors in which co-operative involvement has been high. As Bengtsson argues *“housing co-operatives in Sweden has actually reached its present successful position not by finding the third, compromise way, but following the traditional paths, sometimes being more social than public housing and sometimes being more commercial than owner occupation”* (Bengtsson, 1999: 270).

Bengtsson describes the meaning of co-operative tenure in Sweden: As he states “Swedish co-operative tenure meaning tenant-ownership indicates the individual user’s right of control somewhere between tenancy and ownership.” (Bengtsson, 1999: 256) Tenant-owner co-operatives called as TOC can be divided into two different bodies; HSB and Riksbyggen. HSB is the Tenants Savings and Building Societies and Riksbyggen is the Co-operative Building Organization of the Swedish Trade Unions (Bengtsson, 1999: 256).

Tenant-ownership tenure has been dominating co-operative housing in Sweden. 1930 Act prohibited the occurrences of housing co-operative other than TOCs tenant-owner tenure. In 1980, Sweden faced with a policy renew in terms of allowing co-operative rentals. (Bengtsson, 1999: 256)

In Sweden there exists tenant-ownership type of co-operative tenure and it indicates the individual user’s right of control somewhere between tenancy and ownership. Tenant-owner co-operatives called as TOC can be divided into two different bodies; HSB and Riksbyggen. HSB is the Tenants Savings and Building

Societies and Riksbyggen is the Co-operative Building Organization of the Swedish Trade Unions (Bengtsson, 1999: 256).

HSB has three co-operative levels; TOCs, HSB societies and the HSB National Federation. TOCs are responsible for the management of existing houses and estates, HSB societies are responsible for the construction of new houses and recruitment of new members. HSB National Federation is responsible for the overall policy of the organization. Thus institutional network and relationship in Sweden is well developed in term of co-operative institutions.

Tenant-ownership tenure has been dominating co-operative housing in Sweden. The 1930 Act prohibited the occurrences of housing co-operative other than TOCs tenant-owner tenure. In 1980, Sweden faced with a policy renew in terms of allowing co-operative rentals (Bengtsson, 1999: 256).

Between 1923 and the Second World War, various attempts had been made to form housing co-operatives. The first HSB society has been organized in 1923 and it was representing an idea of non profit housing in privately dominated market. In this period HSB began to gain organizational and institutional strength and built good relationships with the local authorities (Bengtsson, 1999: 259).

Social Democratic government of 1945s supported the co-operative housing as one of important elements of the comprehensive housing policy. Co-operative share increased from 4 to 14 percent, public rentals from 6 to 22 percent from 1945 to 1970s (Bengtsson, 1999).

After the Second World War, significant emphasis given to housing co-operatives continued within the national housing policy. The left and social governments regarded housing policy and housing co-operatives as significant actors to resist neo-liberal attacks (Davidson, 1999).

The analysis of Turner on tenure shares shows that about 48 % total dwellings produced by co-operatives has been constructed between the years 1950-1970. In these years housing co-operatives increased their share to 13 % of the total stock (Turner, 1997).

In the period of liberal government that was in power between 1976 and 1982, the development of co-operative slowed down when compared to 1950-1970 period. Between the years 1976 and 1980 only about 5 % of co-operative dwellings were produced. In these years the share of housing co-operatives in total housing production continued at the level of 14 %. After 1970s public rented housing increased its share to 25 of the total housing stock (Turner, 1997).

In 1970s demand for co-operatives decreased even though non socialist, liberal government continued to support co-operatives and facilitated the conversion of rental housing in co-operatives.

Therefore in the period between 1970 and 1980 housing co-operative movement has entered into the phase of stability. Its share in the total housing production has continued at the level of 14 %. However number of dwelling units that has been produced by co-operatives decreased.

After 1980s, two trends influenced co-operative movement. The first was market expansion of 1980s. The second was acceptance of the owner-tenant tenure certificate as a deed for security for long term loans and it resulted in increasing prices of co-operative dwelling units (Bengtsson, 1990: 262).

Hence, free market based liberal policies of 1980s have resulted in increasing importance of the tenant-ownership tenure whose legal status provided institutional links between the state, market and the housing co-operatives (Bengstson 1999: 272). Hence, after 1980s, the co-operative institution began to

be adapted to liberal market policies and environment by the liberal governments.

However, the economic crisis influenced the Swedish housing market after the end of 1980s (Bjork, 1994). All of the tenure types were affected from the economic crisis and the share of co-operative housing in total housing stock did not decreased.

Since 1990s housing co-operatives has been increasingly involving rental sector after 1990s. Since households generally began to prefer rental housing due to high housing costs, lack of affordable alternatives and high cost of ownership by taxes (Werczberger 1997).

As a conclusion it can be claimed that housing co-operative movement with tenant-ownership tenure have strong institutional capacity and have been playing significant roles in housing provision in Sweden.

2.6. Concluding Remarks:

In conclusion it can be claimed that Robert Owen and the Rochdale Pioneers have been important figures for the development process of the co-operatives. Eliminating discussion about relationships of those two philosophies, it can clearly be stated that the origin of the co-operative thought after the Industrial Revolution goes back to Owen's Utopian thoughts and the Rochdale Pioneers. The important thing about emergence of the co-operative thought comes from its development feature.

First of all, it can be stated that it is not a philosophy, which had been developed before the practice. When it began to be regarded as a philosophy it had already been in existence. In other words, it could be maintained that, practice and

philosophy of cooperation have been developed concomitantly. After negative socio-economic and spatial influences of the Industrial Capitalism began to be felt, firstly Utopian Socialist Owen and then Rochdale Pioneers began to organize their communities in a co-operation idea. Therefore, early co-operatives were in a sense of self organized institutions, which were acting according to collective interest against social, economic and spatial problems of the period. In this respect, it can be concluded that philosophy and practical implementation of cooperatism have been developed simultaneously.

Another important aspect of cooperatism is that, although ideology of it was developed by a socialist; Owen; they have been advocated in the Countries with different socio-economic structures. In this regard economic and political color of the countries such as socialism, capitalism, social democratism could have founded coinciding objectives within the cooperative philosophy. As mentioned before, three important and different schools emerged emphasizing distinguishing characteristics and objectives of cooperatism.

As it is a known fact, co-operatives tend to take their ideological features from the economic environment in which they exist. In capitalist countries there is a tendency to evaluate cooperatives by the norms of profit-making business. In communist countries, they were given a role as facilitating factors for the State based socio economic system. In developing countries, they are often subject to work in a more complex environment. They must compete with private business, and at the same time follow rules of civil society organizations.

This might be an answer for the question of why co-operative movement now includes nearly 700 million people around the world in many different countries. At this point, it should be stated that after the establishment of the ICA (International Co-operative Alliance) the co-operative movement began to spread all around the world even though some basic principles were transformed through socio-economic developments and needs of the of current information age.

In the next chapters of the thesis the Turkish experience, as an adaptation of a historically and contextually emerged institution to an environment, where the context was very different, will be mentioned in detail by underlying its differences from the countries mentioned in this part. As a known fact, the ownership characteristics of the housing co-operatives in Turkey are different. There is not a rental housing co-operative system with collective or joint ownership. Rather housing co-operatives work in a different manner which will be discussed in the following parts.

CHAPTER 3

THEORETICAL ANALYSIS ON COLLECTIVE ACTION: WHY TO CO-OPERATE?

3.1. Introduction

This chapter will focus on the theories or models about the problem of collective action. Olson's Free Rider Theory¹, game theoretical approach to collective action, role of norms, and the Critical Mass Theory are to be analyzed in this chapter. After making theoretical analysis between two scholars, recent discussions and approaches related to both approaches will be mentioned through out the chapter. The aim of the chapter is to make an interrelated discussion between the Free Rider, Critical Mass and Game and other recent models in order to evaluate co-operatives, which are examples of collective action in terms of housing provision. Moreover, certain factors influencing collective action tendencies and success will be mentioned in order to find out some specific hypotheses on cooperatives. Thus, the purpose of this section is to find out the circumstances or factors that motivate people to cooperate successfully.

Cooperation is a kind of collective action. Cooperation tendencies of the societies may differ from country to country, region to region and even from city to city. Cooperation shortly means joining together to carry out certain work, and can be analyzed from the perspective of approaches developed on collective action issues. Thus, certain aspects of collective action are to be analyzed through

¹ In this study, The Free Rider Theory will be used for Mancur Olson's Theory, which he developed in 1965 under the name of The Logic of Collective Action.

models developed for the problem of collective action in this section. In fact it is not an easy task to analyze cooperation and collective action matters due to the fact that they are context dependent. All of cooperation movements as collective actions should be evaluated within its own socio-economic structure. Socio-economic and cultural dimensions have always been influential in cooperation tendencies and collective actions.

Co-operatives are generally seen as the third way; a communitarian alternative to market competition and state regulation. Voluntary organizations and co-operatives are generally expressed in Utopian terms. However socio-economic dynamics of the current period are very different from the era, when the idea of cooperation was first developed by Robert Owen as a result of the negative impacts of early industrialization process in 1800s. However, the context is now so different and cooperatives have more aspects to be expressed than utopian explanations. In economic terms, they aim to maximize their member's utility. In political terms they aim to maximize their political power and so their member's. In sociological terms they have an aim in themselves.

To obtain collective action co-operatives should provide more advantageous bargaining result in the market arena than would have been possible for individual members. People might desire collective action to control negative externalities or to encourage positive externalities. In addition, collective action requires more than just increasing the gains. Collective action is possible only under certain circumstances. Many research projects have been focused on finding out these circumstances. Generally when individual interests are in harmony, they can be coordinated in pursuit of a common goal for individuals.

Collective action has attracted the interest of many social thinkers from various disciplines such as sociology, economy, psychology and political science. Since Olson² (1965) wrote his book, *The Logic of Collective Action*, some sociologists and economists have suggested some ideas to explain why people cooperate to

² Mancur Olson is an economist and developed his well-known theory of Free Rider in 1965. His Free Rider theory will be analyzed in detail in following parts of the chapter.

act collectively. They generally have criticized Olson's analysis. However, it can be claimed that although Olson's study has been subject to many criticisms, his contribution to collective action discussions could not be denied.

There are accepted views on behavior of individuals when attempting to achieve collective benefits. In these models certain aspects for individuals seeking for group interests or collective benefits are analyzed. Two models may be used, the logic of collective action, which is known as free rider theory and prisoner's dilemma game³ in order to analyze theoretical assumptions behind cooperatism.

Hardin claims that collective action may be analyzed in terms of prisoner's dilemma, which is very well known game in literature (Hardin, 1982). After Hardin's proposal, many social researchers focused on the analysis of collective action by game theoretical perspective. Game theoretical perspective may help to analyze tendencies of individuals while they are subject to cooperate or defect. So this chapter will also concentrate on *"how a game theoretical perspective may be used for analyzing the logic behind the cooperation"*. Institutional and social context determine the situation of the games for participants, which directly influence likelihood results of collectively acting in terms of success.

All these discussions lead to deal with the game theoretic approaches, on which many recent studies are still carried. Elster (1989) includes the influences of norms in collective action focusing on another dimension of collective action discussions. Since the aim of this chapter is to mention about basic models/theories about collective action and to put forward factors behind the logic of cooperation, Elster's argument will be mentioned in the chapter as another dimension of collective action that emphasizes the importance of 'norms'.

The Critical Mass theory has recently been produced and it has expanded Olson's free rider theory. It focuses on the importance of critical mass, which is constituted by resourceful people in heterogeneous groups for the success of collective actions. Their significant influence on collective actions is main consideration of

³ Prisoner's Dilemma Game is a classic game in game theory literature and will be mentioned in the following parts of the chapter.

the theory. Thus, the Critical Mass Theory that comes from sociological school brings about recognizing the importance of a critical mass in mobilizing others for collective actions. Therefore, this chapter will also borrow from Marwell & Oliver's (1991) view on critical mass so as to make theoretical discussion more intensely.

In the literature there are many theories/models developed on collective action and some of them will be mentioned through out the chapter in order to enrich the discussion. In this chapter it will be rather focused on the logic that lies behind cooperation. Thus, underlying reasons cooperation and underlying factors of success of cooperation will be the main discussion points. In order to clarify the debate, the most well known theoretical approaches to collective action will be examined. At the end of this chapter, a basic classification of these approaches in a sense that will expand the discussion will be made. As a result of these discussions this chapter aims to stress certain hypotheses of the approaches related to the success of housing co-operatives, which are the case study of the thesis.

3.2. General Framework: Main Approaches Underlying Collective Action Studies

There are two basic approaches that constitute the basis of collective action studies. Although there are some other descriptions in literature, these approaches can be called as **communitarian optimism** and **economic pessimism**. In fact these views stem from the discussions on rationality. Narrow rationality, individual rationality, rational egoist or self interest discussions are all related to economic pessimism. In contrast, social rationality, group rationality or collective rationality discussions are related to communitarian optimism. (Olson, 1965, Hardin 1982, Marwell and Oliver, 1993, Diekmann and Lindenberg, 2000, Bengtsson, 1995)

These two extreme approaches have shaped theories/models for collective action and tried to explain behaviors of individuals for collective action. On the one side, there is **commonly accepted view of collective action stating that individuals**

have a tendency of collective action if he/she can gain extra benefits from this joint effort. This can be called as **conventional approach to collective action**, which takes its roots from Adam Smith's views (Smith, 1776). **Olson's free rider model is quite opposite one** and will be explained below in this chapter. Recently micro sociological approaches and models began to be produced. There are also views in between two of these extreme approaches.

Parallel to Olson, Hardin also opposes Adam Smith's well known conceptualization of "invisible hand" which had constituted the basis for the conventional approach. He claims that individual rational behavior leads to collective irrationality, instead of common good. In Smith's view *"each individual intends only his own gain, and he is in this, as in many other cases, led by an invisible hand to promote an end which was no part of his intention. Nor is it always the worse for the society that it was no part of it. By pursuing his own interest he frequently promotes that of the society more effectually than when he really intends to promote it"* (Smith 1776/1986, p.456).⁴

In the literature there is a consensus that the debates on the problem of collective action and behaviour turn out between Smith's optimism about the invisible hand and others like Hardin who thinks that in seeking private interests, people fail to secure greater collective interests. According to Hardin *"all too often we are less helped by the benevolent invisible hand than we are injured by the malevolent back of that hand; that is, in seeking private interests, we fail to secure greater collective interests. The narrow rationality of self-interest that can benefit us all in market exchange can also prevent us from succeeding in collective endeavours"* (Hardin 1982: 6).

⁴ www.nottingham.ac.uk/~lizrh2/chapter1.pdf

3.3. Theoretical Analysis on Collective Action? Why to cooperate or not?

3.3.1. The Logic of Collective Action: Olson's Free Rider Theory

As stated earlier, one of the extreme approaches to collective action problem comes from economic side. According to Mancur Olson (1965), the theory of collective action started with the idea that groups of individuals with common interests behave as single individuals in search for their personal interests. However, Olson developed a theory, which is different from the conventional view on collective action, in 1965.

In his book, Olson has brought about a different view against commonly accepted view on collective action. Olson summarizes this general view as; *"the idea that groups tend to act in support of their group interest is supposed to follow logically from this widely accepted premise of rational, self-interested behavior. In other words, if the members of some group have a common interest or object, and they would all be better off if that objective were achieved, it has been thought to follow logically that the individuals in group would, if they were rational and self-interested, act to achieve that objective."* (Olson, 1965: 1)

However, Olson has a different view from this commonly accepted view on collective action. As he states; *"Unless the number of individuals are quite small, or unless there is coercion or some other special device to make individuals act in their common interest, rational, self interested individuals will not act to achieve their common or group interests"* (Olson, 1965: 2). This logic of collective action has brought about a view of difficulty of collective action even if there are extra profits for collectively acting.

Hence, Olson challenged the above mentioned conventional approach by arguing that the purpose of organizations is to achieve the interests of their members, when they cannot do it by themselves or when unorganized actions cannot serve certain of their goals. The members of especially large organizations are subject to face the position of deciding to act whether for the sake of their individual

interests or the common interests of the organization. According to Olson, rational individuals would prefer to act for the sake of their individual interests (Olson, 1965).

3.3.1.1. Free Rider Problem and Collective Action

According to Olson's well-known free-rider theorem, one actor's marginal benefit from the collective good would normally not compensate for his cost of taking part (Olson, 1965). Due to this "*n-person prisoners' dilemma*", have no individual incentives to co-operate, even if it would be collectively profitable. Thus even if co-operation would be more beneficial to members, individuals may not prefer to take place in collective action. They may find free riding more profitable (Olson, 1965).

For Olson, there is free rider problem in collective benefits. Whenever a person can not be excluded from collective benefits that others provide, each person is motivated to not to join group efforts even though he/she uses the benefits. If all participants choose to free ride the collective benefit will not be produced (Olson, 1965). Thus Olson's free rider theorem claims that self-interest of rational individuals may direct them to behave collectively non-rational. Even if collective action is more profitable, it may not be take place. Individual actor may find to free ride more profitable at the expense of others. The logic behind this theorem is related to both assumptions of narrow rationality of individuals and non-excludability, which means impossibility of excluding free riders from the benefits of collective action.⁵

3.3.1.2. Group Size and Collective Action

Olson, making a technical analysis about the relationship between the group size and the individual's behavior in group, claims that even in the smallest group the members of the group will not provide as much of the good as it would be in their common interest to provide. According to him "*only certain institutional*

arrangements will give the individual members an incentive to purchase the amounts of the collective good that would add up the amount that would be in the best interest of the group as a whole". (Olson, 1965: 35)

Olson, being aware of the difficulty of designating optimum group size for collective actions in order to maximize overall gains, states that efficiency of smaller groups for collective action is clear but not enough. Olson also mentions about the difficulty of analyzing the relationship between group size and the behavior of the individual in the group. It is due partly to the fact that each individual in the group may have a different value upon the collective good wanted by his group (Olson, 1965).

Nevertheless, Olson categorizes the collective action tendencies according to group size of a collective action. Tendencies of groups are formed by their size. In other words, group size is one of the influencing factors of collectively acting. For him, there are three types of groups which have different characteristics in terms of collective action tendencies.

A privileged group is *"a group such that each of its members, or at least some one of them, has an incentive to see that the collective good is provided, even if he has to bear the full burden of providing it himself".*

An intermediate group is *"a group in which no single members gets a share of the benefit sufficient to give him an incentive to provide the good himself, but which does not have so many members that no one member will notice whether any other member is or is not helping to provide the collective good".*

A latent group is a large group and *"by definition can not make a noticeable contribution to any group effort and since no one in the group will react if he makes no contribution, he has no incentive to contribute"* (Olson, 1965: 50-51).

⁵ There are critics on Olson's assumption of individual rationality, which is non-strategic for collective rationality. See the following parts for relevant discussion.

If the group is a latent there is a necessity for selective incentives, which will stimulate a rational individual to act in a collective manner. Especially within latent groups, since individual's contribution does not cause any noticeable effect on the total welfare of group, individuals have no incentive to contribute.

One of the determining factors of acting for the sake of group interests is group size. *"The larger the group the farther it will fall short of providing an optimal amount of collective good"* (Olson, 1965: 35). In any event, size is one of the crucial factors in determining whether it is possible that, voluntarily rational objective of individual interest will result in group-oriented behavior. *"Small groups will further their common interest than large groups"* (Olson, 1965:52).

As a result, Olson basically argues that logic of collective action operates most forcefully in large groups, where the contributions of a single individual will make only negligible difference to the group. In small groups incidence of free riding is directly related to group size, which does not mean the number of members but number of active participants. However, the only factor influencing the group behavior is more than only quantitative characteristics of small groups. It also includes qualitative characteristics of those groups.

3.3.1.3. Olson's Solutions to Collective Action Problem: Selective Incentives and By Product Theory

In this theoretical approach, Olson's main argument is that, there are far less collective actions and organizations than the conventional view proposes. That is to say, in any event individual contribution, which adds only negligible amount on collective action, will result in unwillingness to join group efforts and costs. Rational individual will choose to free ride on colleagues, taking the benefits of collective organization.

If everybody behaves according to Olson's logic, nobody make collective organizations and actions. Thus, there should be other mechanisms for collective action. For Olson, "**selective incentives**" comprising reward for group

membership and punishments for free riding is one of these mechanisms. So, contribution of group members should be rewarded and vice versa. Selective incentives might be economical, social such as prestige, social pressure, or religious or philanthropic interest (Olson, 1965).

Olson argues that “selective incentives” are needed to overcome the free-rider problem by providing additional benefits that depend on individual contributions. Those who do not work for the group interest and those who contribute can be differentiated. Selective incentives can be either negative or positive so that they can form rewards for the individuals who act in the group interest and punishments for the individuals who do not act in the group interest. Rewards such as prestige, power, social reputation, personal satisfaction so on and punishments such as economic obligations, social pressure and so on are basic factors that can make collective action possible (Olson, 1965).

Therefore, collective action may not take place even in situations where universal co-operation would be profitable to all. Collective incentives do not guarantee collective actions to happen. Selective incentives are necessary as a solution of collective dilemma (Olson, 1965).

Olson’s another solution to collective action problem is **by-product theory**. By-product theory claims that if the provision of the public good can not prevent free riding and motivate people to join an organization, other purposes or benefits should be provided by collective actions. According to this theory one might contribute to group’s effort because the group ties might provide some private good not available in market. Hence, by product theory states that, if the provision of the public good is not enough to overcome the free-rider problem and motivate people to join an organization, then they must also be organized for some other purpose or motivated by additional benefits (Olson, 1965).

Therefore, what Olson’s main argumentation is that, **two situations** are necessary for solving the problem of collective action. The first is an **agent** that has a large interest in producing collective action. The second is **promises of**

rewards and threats of punishment. According to him, unless small group size and imposition of selective incentives are available, collective action seems not to be achieved. However, there are many collective actions of groups, unions and other cooperating institutions. In the literature Olson's model has been subject to criticisms in terms of being so heavily based on individual self interest.

3.3.1.4. Critics on Olson's Theory

In the literature many positive and negative views about Olson's model can be found. However, whatever its competence in order to explain collective actions, Olson's model has a lot to contribute development of models related to collective action. Much has been written about his theory and free rider theory has brought a different view on collective actions.

Hardin opposes the Olson's free rider theory in a sense that there is a lot of collective action even in many large-number contexts in which individuals do not have close relationships with each other (Hardin, 2003).

According to Hardin, Olson basically focuses on two results: The first one is that, in latent group, rational incentive to an individual is not to contribute collective good to itself. The latent groups are more difficult to realize successful cases of collective action (Hardin 1982: 20). The second result of Olson is not so clear; he does not clearly define the taxonomy of groups as small or latent. Even though he describes the small, medium and the latent groups there is vagueness about the taxonomy of groups for collective action (Hardin, 1982).

Similarly Oliver and Marwell criticize Olson's group size definitions and they claim that influences of group size can not be included into the mathematical analysis. The effect of group size is very difficult problem in terms of its effect on collective action. Thus, more complex analysis is required while looking for the influence of group size and define them as small (privileged), moderate or large (latent) in Olson's terms. Hence, the problem of collective action has been misrepresented in formulations derived from Olson (Oliver and Marwel, 1993).

Moreover, Oliver and Marwell also oppose Olson's attempt to build a unitary theory. According to them, there can be no unitary theory on collective action phenomenon. No general conclusion about the collective action can be drawn. In addition, Oliver and Marwell also criticize Olson's view that states small groups are privileged since they have more advantageous characteristics than larger ones. For them, there is a higher probability to find a small group of highly resourceful and interested individuals willing to support collective action within large groups (Oliver and Marwell, 1993).⁶

Parallel to Oliver and Marwell, Buendia also criticizes Olson's argument, which states that larger groups are more unlikely to organize collective actions. He opposes Olson's static view about effects of group size on collective action tendencies without considering the type of collective goods (Buendia, 2003).

Kelly & Breinlinger make criticisms on Olson's view in a sense that his view inevitably treats social norms as well as personal identities. It can be regarded as a distortion of normal individualistic behavior (Kelly & Breinlinger, 1996).

Ostrom also makes interpretation on Olson's model, *Logic of Collective Action*. He states that these kinds of models are useful and powerful since they capture important aspects of many different problems that occur in diverse settings in all parts of the world. Besides, she touches upon the negative characteristic of Olson's model. According to her, "*in such models the constraints that are assumed to be fixed for the purpose of analysis are taken as being fixed in empirical settings*". However in the real life some users may change their constraints (Ostrom, 1996: 6-7).

Medina criticizes Olson's theory that it assumes individual collectively non-rational and non-strategic. However they are not. Individuals are affected by other's behaviors and they do not follow a static rationality. Their attitudes toward collective action can be dynamic (Medina, 2002).

⁶ Oliver and Marwell's *The Critical Mass Theory* (1993) will be discussed in the following parts.

Bengtsson also criticizes Olson's model referencing his study that has been carried out on tenant participation on collective actions in Sweden.⁷ According to him, despite Olson's Free Rider Theory can be totally rejected owing to his wrong assumptions on individual rationality, it can be useful for formulation of research questions. As he states, *if we take individual egoistic rationality as the theoretical benchmark, the successful cases of tenant participation, and not the failures, call for an explanation. This starting-point prompts us to look not for general mechanisms that can explain why co-operation may work in some circumstances but not others*" (Bengtsson, 1998).

Therefore, there are many criticisms on Olson's Free Rider Theory. On the other hand many writers in the literature accept Olson's ideas as a starting point to develop models on collective action.

3.3.2. Collective Action within Game Theoretical Perspective

The most recent and promising representation of the collective action problem has been developed in the theory of games. *"Game theory is a branch of logic which deals with cooperation and conflict in the context of negotiations and payoffs"* (Garson, 1992). It can illustrate the incentive conditions required for cooperation and can be used for understanding of strategic decision of any actor/actors. Assumptions of the game theory are *narrow or conservative rationality*, in which players choose strategies that assume maximum average gains or minimum average losses and *full information* which is not possible in real world.

Game theory deals with interactions between individuals or groups of individuals and represents these interactions in terms of the parties' choice of strategic options and gains associated with the eventual outcome. Jon von Neumann (1903-1954) is regarded as founder of this model in the literature. Neumann initiated a theory of two persons, zero sum games in 1928. In 1944, Jon von Neumann and Oscar Morgenstern (1944) together wrote a book, *"Theory of*

⁷ Bengtsson study will be mentioned later in the chapter.

Games and Economic Behavior”, which brought about application of game theory on economic predictability (Neumann and Morgenstern, 1944)⁸. In their book, Neumann and Morgenstern argue that interaction between individuals with opposing interests must have ‘rational’ solutions, which can be predicted and prescribed to potential players (Neumann and Morgenstern 1944 cited in Binmore, 1996)

Many scientists have studied game theory and prisoner’s dilemma type of game modeling. There have been many attempts in changing the assumptions of the game. Although there are many game theoretical solutions and modelings for collective action problem, we prefer N person Prisoner’s Dilemma game, which Hardin suggested to use for collective action analysis (Hardin, 1982).

Hardin (1982) is the pioneer of the view that N-person Prisoner’s Dilemma game is more realistic representation of the collective action problem. The result of this game is that; for each of the N persons, defection dominates cooperation, independently of the others’ choice.

Thus, Olson’s theory was reinterpreted by Hardin who suggests game theoretical analysis for the collective action. Hardin, in his book, *Collective Action* suggests that, *game theory, which was firstly developed by Von Neumann and Morgenstern might be used for the analysis of the problem of collective action*. As Hardin states game theoretical analysis of collective action is more appropriate way of handling the collective action problem. Olson’s main concern, group size, plus other kinds of incentives are mapped into the payoff structure of a game by Hardin’s insight (Hardin, 1982).

According to Hardin, Olson’s theory is **static and it is based on narrow rationality**. It should be reconsidered by the **game theoretical perspective, which is based on strategic rationality**. In fact, the strength of the game theory is due to the fact that it makes strategic aspects of social interactions explicit. The prisoner’s dilemma type games have advantages over Olson’s Free Rider Theory

⁸ www.ccc.nottingham.ac.uk/~lizrh2/chapter1.pdf

since iterated prisoner's dilemma games give chance of dynamic analysis and better representation of strategic interaction (Hardin, 1982).

With the prisoner's dilemma game, individual effort to get interest will prevent their achievement since, if the collective good is not provided, individual members would not receive a benefit that would have exceeded the individual's cost in helping purchase that good for the whole group (Hardin, 1982).

Lastly, collective action may be achieved in prisoner's dilemma situations due to existence of contracts of convention based on "*common knowledge*" and "*shared expectations*" (Hardin 1982: 155-161). According to him as the problem of collective action and the Prisoner's Dilemma are basically the same; the application of Prisoner's Dilemma as with the logic of collective action has been its generality and power in terms of representing various social interactions (Hardin, 1982) Hence, prisoner's dilemma type games should be necessarily analyzed for strengthening our discussion on collective action problems⁹

3.3.2.1. Prisoner's Dilemma Game and Collective Action

The prisoner's dilemma is the one of the most applicable representation of situations where individual interests weaken the collective welfare of the group. It is the classic game in game theory literature. It centers on a game in which both actors would be better off cooperating, but both have an individual incentive to defect meaning not to cooperate. The likely outcome of prisoner's dilemma is mutual defection, which is worse for both players. Game theoretical perspective uses the so-called 'prisoner's dilemma' game as a general representation of the problem of collective action. The prisoner's dilemma involves many of the aspect of the collective action problem.

Prisoner's dilemma game can be regarded as a tool for the solution of collective action problem. Free riding problem developed by Olson can be included into the

⁹ There are views opposing Hardin's insights. Those views will be mentioned in following sections of the chapter.

Prisoner's Dilemma Game and in a normal representation of a game both players would prefer defection instead of cooperation. *"Given the definition of collective action as a Prisoner's Dilemma, it seems that cooperation trap is related to the solution of the free rider problem contained in the Prisoner's Dilemma game"* (Buendia, 2003). The strategic structure of the logic of collective action is that of the n-prisoner's dilemma (Hardin 1982). If n is 2 and the two members agree on to act together there can be no free rider if one of the members is not altruistic (Hardin, 2003).

As Hardin explains, *"...in its simplest form prisoner's dilemma involves two players in interaction, each facing possible strategies; cooperation or defection". If both players cooperate they receive a positive payoff of 1. If they both defect they receive negative payoff of -1. If one co-operates other defects the cooperator receives negative payoff of 2 while the defector does receive positive payoff of 2"* (Hardin, 1982: 23). According to him, any analysis of Prisoner's Dilemma concluding that the mutual-loss payoff (when all defect) was not rational would oppose Olson's claim that in a latent (larger) group it is obvious that a collective good would not be provided without any coercion or incentives. This conclusion of game theoretic analysis is supported by empirical consequences (Hardin, 1982).

In the figure 3.1, there is two person prisoner's game. As it is seen there are two actors. Both of these actors have free choice between two alternatives; cooperate or defect. In this game, payoffs are determined by combination of each player's strategy. The pay-offs of players are indicated in matrix with player's 1 pay-off to the left and player's 2 to the right in each box. In such a game, players would have strong preference to "defect". So, especially if they both prefer a dominant strategy and choose to defect they will gain less than other alternatives. Therefore mutual defection leads less gain for both players. On the other hand, mutual cooperation does not produce the best solution for none of the actor in normal representation of the prisoner's dilemma game.

		PLAYER 1	
		Cooperate	Defect
PLAYER 2	Cooperate	R,R	S,T
	Defect	T,S,	P,P,

Figure 3.1: Prisoner's Dilemma Game where $T > R > P > S$

According to Diekmann and Lindenberg the Prisoner's Dilemma is regarded as the best-known variant of a social dilemma and can involve large number of people. There is a dominant strategy for each player without considering other player preference leading to a so-called Nash equilibrium in which no player can unilaterally improve his or her position by deviating from the equilibrium strategy (Diekmann and Lindenberg, 2000). In prisoner's dilemma assumption on rationality of players decides the result of the games. It can be defensive; where defects if other defects or aggressive; where defects even if other cooperates for more gaining (Diekmann and Lindenberg, 2000).

As it is seen, normal representation of prisoner's dilemma game does not provide us the cooperation situation, which this part of the study tries to describe its underlying factors. However, transforming Prisoner's Dilemma into cooperative game can provide us an appropriate pay of structure for cooperation.

3.3.2.2. Cooperative¹⁰ (Assurance) Game and Collective Action

In game theoretic perspective there are arguments which proposes to change the prisoner's dilemma type games into assurance or in other words cooperative games in which players would gain extra benefits by mutual cooperation.

According to Elster (1989) selective incentives or altruism can transform the prisoner's dilemma into cooperative game (Elster, 1989: 188). Similarly, Bengtsson (1998) studying on the collective action problem also suggests cooperative game instead of normal representation of Prisoner's Dilemma Game. In Bengtsson's proposal, the problem of collective action can be solved by transforming normal prisoner's dilemma games into assurance games, which provide collectively optimal solution of stable equilibrium (Bengtsson, 1998).

Co-operative game is different from the prisoner's dilemma game in terms of player's stable position. In this game, when the cooperation is preferred, both players' gain of the game will be the highest. That is to say, once collectively optimal solution is produced no one will try to change their position in the game. In prisoner's dilemma type game player might seek to defect in order to increase his/her gain.

		PLAYER 1	
		Cooperate	Defect
PLAYER 2	Cooperate	R,R	S,T
	Defect	T,S	P,P

Figure 3.2: Cooperative (Assurance) Game where $R > T > P > S$

¹⁰ In literature this type of games is called under different games called *cooperative, assurance and coordination*. In this study these games will be called as "cooperation games".

As Bengtsson states, in order to transform the 2-person games into problems of collective action player 2 must be replaced with others representing number of n person. As he states transforming 2-person dilemma game into n person cooperative game is a basic solution of the collective action problem. According to Bengtsson, once the cooperation has been established no one will have incentive to defect (Bengtsson, 1998). From Bengtsson's analysis some basic notations can be achieved. At least some actors should find cooperation more profitable for attempting a collective action. However so called profit shouldn't be limited to only economic profits or gains.

Bengtsson analyses collective action problem from cooperative (assurance) game theoretical point of view. Studying on housing, he tests collective action problem in cooperative game model. As Bengtsson argues, responsibility, power, personal importance in housing for tenants might bring about high incentives for them to participate into collective actions (Bengtsson, 2001).

According to Bengtsson, there are social, physical and institutional prerequisites of collective action, which are necessitated for collective action. These are **tenure, size, socio economy, culture and recruitment** characteristics of housing estates (Bengtsson, 2001).

Bengtsson having made a field research on housing estates in Sweden concentrates on cooperation tendencies of different housing tenures. Bengtsson's major contribution to our discussion is certain interesting factors that arose from the case studies. Bengtsson has studied on local histories of 26 housing estates of different characters and forms of tenure in order to find out norms and other social mechanisms behind the institutionalization of collective action. As he finds out, important factors influencing collective action in housing estates are;

- spatial concentration describing physical closeness,*
- group size (small enough for tenants to know each other)*
- long run character of the relations between the actors meaning trust,*
- level of necessity for collective action meaning need for housing.*

(Bengtsson, 1998, 2001).

These factors must be highlighted in terms of the debates on collective action and cooperation. It is very clear that institutional and contextual situation play significant roles on proposed effects of these factors. In relation to this discussion, the transformation from a prisoners' dilemma to a game of cooperation does not necessarily mean a change in any objective sense. This transformation is rather redefinition of the situation in which required factors for collective action is reached.

According to Bengtsson, there should be required number of residents who find co-operation preferable to non-cooperation in order to produce co-operation. That is to say, there should be some mechanism that overrides the narrow-minded egoism for enough number of tenants. Bengtsson calls such mechanisms as "**norms of co-operation**". Norms of cooperation means mechanisms for achieving necessary conditions of collective action (Bengtsson, 2001). In the light of his analysis, it can be argued that in order to transform prisoner's dilemma game into assurance game certain mechanisms should exist. Institutional structure is the most crucial factor to be considered for creating such mechanisms.

3.3.2.3. Iterated Games and Collective Action: Tit-for-tat Strategy

Related with the problem of collective action, some writers study on the iterated games. Axelrod studies on a "*tit-for-tat strategy*" in order to solve the collective action problem. He conducted computer simulations in which various strategies played against each other for about 200 rounds. Axelrod invited suggestions for the strategies that would create the most cooperation. Winner strategy was tit for, which had been suggested by the mathematician and psychologist Anatol Rapoport. Tit-for-tat means to begin with cooperation and follow the move of your partner in previous round (Axelrod 1986 cited in Buendia, 2003).

Axelrod's analysis was on a computer tournament game, which was well-known use of iterated games. (cited in, Ostrom, 1995, Elster 1989, Buendia, 2003, Bengtsson 1998, 2001). Axelrod's strategy is to guarantee co-operation in iterated

games of prisoner's dilemma. This strategy prescribes that player 1 should cooperate as long as player 2 does, and that 1 should retaliate second player defection with his own defection in the next game. Either due to actors' long-term rationality or due to evolution tit-for-tat is suggested as the long-term solution of the collective-action dilemma (Axelrod, 1986 cited in Ostrom, 1995, Buendia, 2003, Bengtsson, 1998).

Axelrod argues that the successful strategy is tit-for-tat for iterated games. Tit-for-tat strategy means that always to cooperate in the first round and to defect when the others players defect. This strategy is not possible in static one-shot prisoner's dilemma games. In dynamic games it is possible to change player's strategy. "Tit-for-tat" strategy gives the best solution for players in dynamic games (Axelrod, 1986 cited in Buendia, 2003).

A consistent mutual tit-for-tat strategy will over time change the expectations of other actors. In this way, once initiated, a prisoners' dilemma type of collective action may even be redefined as a game of cooperation. Among other things, tit-for-tat strategies have been used as a rationalistic explanation of the emergence of social norms of co-operation (Bengtsson, 2001).

Hence, Axelrod developed a tit-for-tat strategy for optimum solution of dynamic cases. That is to say, in iterated games where individuals can change their attitude or choice according to first game, individuals may prefer to co-operate until the other players choose to defect so that they can gain more.

3.3.3. Role of Norms in Collective Action

Social norms are another dimension of the collective action problem and have been taken into consideration by Jon Elster (1989). He has integrated social norms into game theoretical analysis. In contrast to some economist's claim that individuals have the same preferences and desires, Elster stresses on the idea that people differ in their preferences. According to him, at least more than one-motivation influence individuals. Individuals do also interact with each other with

different preferences and motivations. The result is different from isolated preferences, which economists propose (Elster, 1989).

Elster argues in his book, *“The Cement of Society”* that there are three types of social norms that are related to collective action:

1-“norm of fairness”

2-“everyday Kantianism”

3-“utilitarianism”.

As he states, **“norm of fairness”** means that *“an individual to co-operate if, and only if, a substantial number of others co-operate”*. Although all members of a group share this norm, they may still have different thresholds of cooperation. Cooperation could arise in a population in which everybody was motivated by the norms of fairness (Elster, 1989: 187).

On the other hand **“everyday Kantianism”** means that *“an individual to co-operate if, and only if, universal co-operation is better for everyone than universal defection”*. (Elster 1989: 187-192). This norm indicates very high motivation of some individuals for collective actions.

Lastly **“norms of utilitarianism”** means that *“an individual to co-operate if and only if his taking part would make a positive contribution to the collective utility regardless of his personal costs and benefits”* (Elster 1989:48–49, 187, 192).

Elster makes his analysis on *“how social norms of co-operation may interact with rationalistic self-interest in creating collective action?”* While rationality is concerned with outcomes, social norms are defined as motives that are not outcome-oriented. Although rationality is always future oriented, past are very crucial for shaping norms. In this perspective, altruism is not a social norm, but it denotes a purely psychological inclination, not a moral attitude. For norms to be social, they must be shared by others and partly sustained by the approval and disapproval of others (Elster, 1989: 46-47; 98-99).

Elster believes that a mixture of motivation is influential in collective action of people. He summarizes the important motives as follows:

“-Selfish outcome oriented rational individuals have non-cooperation as their dominant strategy

-Everyday Kantians cooperate under all circumstances.

-Utilitarians cooperate if and only if they believe themselves to increase their benefits from cooperation.

-Elite participationists prefer that few other cooperate, mass participationists enjoy from larger movements

-Collective action people motivated by the norms of fairness will join the collective action when the number of cooperators exceeds their thresholds” (Elster, 1989: 203-204).

Hence, many factors and characteristics of individuals motivate them for collectively acting or not. These motivations designate the conditions required for an individual to participate to collective action. Outcome oriented, process oriented and norm based motivations may result in voluntary actions. Elster’s idea of mixed motivations might be used for analysis of voluntary collective actions.

Two factors are so important in Elster thought. These are the actual mixture of motives between, and within, actors and pay off function from collective good or action. According to him different motives may interact and contribute on collective action positively. As written before norm of everyday Kantianism, norm of fairness, norm of utilitarianism, outcome oriented altruism, elite participationism and mass participationism can be effectual according to situation and condition of collective action. All of these motivations have different logic and may influence individuals’ tendencies along with the collective action process. For instance, while elite participationists may participate into action’s initial phases, on the other hand mass participationists may participate into collective action when only it becomes a large movement.

Thus, norms are another factor behind collective action. Even though it is difficult, it may be useful to analyze the effects of norms in housing cooperatives. Indeed,

norm discussion directs the emphasis to agent factor. Although Elster's insight enriches the discussion on collective action in various ways, it is better to concentrate on his argument that different motives and norms are important for a collective action.

Elster's definition of "**everyday kantianism**" meaning very high motivations of some individuals may be hard to achieve in societies. However "**norms of fairness**" indicating to cooperate when the number of participants for collective action exceeds certain threshold might be one of underlying factors of initiating housing cooperatives.

Therefore, it is not wrong to say that, Elster's thoughts has brought about the necessity of including more than economic factors into the analysis on collective action problem. Norms and different motives are influential on the behaviours of individuals attempting to collective action.

3.4. Recent Theoretical Discussions on Collective Action

In this section overall evaluation of selected theories related to collective action will be made in order to define hypotheses, which are going to be tested in housing cooperatives in Turkey. While doing this, the main theoretical framework of the study is accepted as Oliver and Marwell's The Critical Mass Theory in addition to Free Rider Theory of Olson. The analysis of The Critical Mass Theory will be made in this part within the aim of emphasizing its basic arguments, which can be related success of housing cooperatives. "Norms" discussion, game theoretical approach and other recent models developed for the collective action will be used for strengthening the discussions after this part.

3.4.1. The Critical Mass Theory

There are many models developed for the analysis of collective action. These models are generally formed in order to find out or test factors, which influence

collective action tendencies. In this study for the sake of simplicity, we do not aim to test a mathematical model. However, we can use factors which are used in models in order to test through out our field survey. After surveying the literature on collective action, Olson's free rider theory and Marwell and Oliver's The Critical Mass Theory seems to be the most convenient models, which we can use to explain the ways in which housing cooperatives operate in Turkey. Indeed The Critical Mass Theory can be regarded as complementary theory of Free Rider Theory.

3.4.1.1. Development

The Critical Mass Theory comes from the sociological side and developed by Pamela Oliver & Gerald Marvell in 1993. Focus of this theory is the group heterogeneity in terms of resources and interests. Critical mass paradigm brings about new views on how heterogeneous individuals are motivated to participate in collective action (Oliver and Marwell, 1993).

Here we must highlight that there is inconvenience between the name of the theory and its statements. Although the name of the theory brings about thinking on required amount of people that is necessary for the success of collective actions, the theory focuses on the small number resourceful people who would play pioneering role in collective action.

In their book, namely "The Theory of Critical Mass in Collective Action" Oliver and Marwell propose two dimensions, interest and resources, in order to measure individuals' tendencies to participate in collective action. As Oliver and Marwell mention, they start to form a theory firstly by assuming that free riding does not automatically prohibit collective action in large groups.

Before Olson's Theory of Free Rider, most social scientists assumed that people naturally act on common interests. However it is not, as Olson argues (Olson, 1965). Oliver and Marwell argue that free riding is a real problem. In the meantime

collective action and collective goods are everywhere provided (Oliver and Marwell, 1993).

Oliver and Marwell mention about the criticisms on Olson's views in order to explain their attempts for formulating a new model. One of the main points that Oliver and Marwell disagree with Olson is that, Olson assumes every individual finds that the cost of action exceeds the benefit to him of the collective good and individual benefits can not be increased by coordinating action with others. However, the Critical Mass Theory pays attention to group heterogeneity and discusses on, **in which circumstances individuals find that the benefit of participation exceeds their personal cost**¹¹ (Oliver and Marwell, 1993).

If Olson's related argument is recalled, he claims that free riding is usually only economic response for all members of the group. Only irrational motives can explain collective action. Oliver and Marwell accept Olson's significant contribution to collective action studies but they do not agree with Olson's views. Generally social scientists do criticize the following views of Olson (Oliver & Marwell, 1993).

-each individual's maximum possible contribution is too small to make any noticeable difference in the provision of collective good,

-other's behavior makes no difference in the effect of one's contribution,

-coordination of action is not possible (Olson, 1965)

Marwell and Oliver also mention about "selective incentive" discussion of Olson. For Olson, rational self-interested individuals will not act to achieve their group interests without private or selective individual incentives that reward cooperators or punish non-cooperators. Only selective incentives will stimulate a rational individual to act in group oriented way. Moreover selective incentives are to be much more easily administrated in small groups than large groups (Olson, 1965: 51).

¹¹ "Cost" is one of the important aspects of collective actions and it is included into analysis of the thesis in terms of success of housing co-operatives as a kind of collective action and will be explained in the next chapter.

However some writers believe that selective incentive is a kind of collective action and somebody should pay for selective action so it also includes the free rider problem in itself (Frohlich and Oppenheimer 1970, Oliver 1980).

According to Oliver and Marwell people who have common interest in a collective good can not easily prefer to act in pursuit of that interest. The free riding problem, which means that self interest of individuals may lead them to release from taking part in the provision of collective good is related to the costs and benefits problem (Oliver and Marwell, 1993).

The problem of collective action requires a model of group process and group heterogeneity and can not be deduced from simple models of individual behavior (Oliver and Marwell, 1993). There could be disparity between individual and group interests. Also, there might be an efficacy problem when no individual is able to provide enough benefit or a free riding problem when individuals hope that someone else will provide the good. Oliver and Marwell emphasize on the role of small groups in order to solve the problems of collective action through mathematical analysis of some processes whereby group solve these problems (Oliver and Marwell, 1993).

Hence, the role of small groups of motivated and resourceful individuals who form the critical mass is very important. The Critical Mass theory assumes that free riding does not automatically prohibit collective actions in large groups.

The Critical Mass theory contributes to the tradition of collective action studies. It elaborates different factors as variables, which affect collective action occurrences. It also brings different insight focusing on **interdependence among actors, heterogeneity within groups and the role of mobilizing agents** (Oliver and Marwell, 1993). Indeed no general conclusions about collective action can be drawn. However following headings which Oliver and Marwell respect as influencing factors of collective action are to be necessarily mentioned: (Oliver and Marwell, 1993).

3.4.1.2. Main Ideas of the Critical Mass Theory

3.4.1.2.1. Interdependence

Different from the Free Riding Theory of Olson, the Critical Mass Theory assumes **interdependence among actors**. This interdependence means here that **there is considerable effect of one's participation in collective action on the participation of others**. That is to say one's participation into collective action may affect others. *"Group outcomes cannot be determined from models about individuals but must include specific information about how group members communicate and interact"* (Oliver & Marvell, 1993: viii).

Interdependence is certainly common in the empirical world of collective action. People may be in effect of others while getting involved into collective action. In the literature there is a claim that if strong communication exists between actors prisoner's dilemma game invariably locked into cooperative solutions. Thus, the Critical Mass Theory differs from the Olson's Free Rider Theory in that it does not assume individuals in an interest group acting in total isolation.

3.4.1.2.2. Group Heterogeneity and the Critical Mass

The main assumption of the Critical Mass Theory is *"generally collective action is produced by small number of highly motivated and resourceful individuals rather than by the efforts of average group member"* (Oliver and Marvell, 1993: 2). In this respect The Critical Mass Theory pays attention to motivated and resourceful individuals rather than the whole group willing to collectively act. Some group members may play important roles in mobilizing others.

Hence, what Oliver and Marvell discuss is "large contributors" who are highly interested and resourceful and contribute collective action more, play special roles in collective action. They are very effectual in mobilizing others and their roles change from situation to situation. Sometimes they can provide collective goods and sometimes they mobilize others (Oliver and Marvell, 1993).

Critical mass means simply a number of heterogeneous individual that makes collective action possible. The theory states that **heterogeneity of preferences might contribute to collective action tendencies**. It assumes that an individual's desire to join a collective action may be in connection with others' decisions.

3.4.1.3. The Major Concepts and Assumptions of the Critical Mass Theory

In this part, after analyzing main statements of the Critical Mass Theory, important concepts of the theory will be pointed out in order to identify how they can be related with the dissertation. While doing this, the major concepts of the theory, which Oliver and Marwell developed by using a mathematical model, are going to be analyzed. In the following section of the thesis the theory with its assumptions is to be reviewed.

Oliver and Marwell explain the major concepts of their theory in four headings:

- the individual who constitute the groups,
- the group as a collectivity,
- the collective good at issue,
- the process by which collective action is organized (Oliver and Marwell, 1993).

3.4.1.3.1. Characteristics of Individuals

Individuals are characterized by their interests (v) in the collective action and by resources (r) they have available to contribute. Oliver and Marwell assume that individual's interest and resources are fixed characteristics at the moment of decision about collective action despite the fact that they are not static. Individual's decisions about contributing are determined by weighting the costs and benefits of such a contribution. The benefit is a function of an actor's interest in the good and efficacy of the action for promoting the good.

Interest and Resources

Individual's interest is described as "*the value to his/her of a standard increment in the amount of the good that is provided*" (Oliver and Marwell, 1993: 16). The factors of interests are pointed out as "*any of wide array of factors that motivate human beings – including the desire of monetary gain, ideological commitment, group solidarity, a need for interpersonal support and so on*" (Oliver and Marwell, 1993: 16).

Resources, on the other hand, are the factors that are required for production of collective action. Time and money are examples of resources required for collective action. Resources are the *dependent variable* of the model of Oliver and Marwell who regard them as the key factors that can make collective actions possible. According to Oliver and Marwell, resource level is the amount of discretionary resources such as time, money that she/he could potentially contribute toward the provision of collective good. They assume resources as fixed and objective and in economic terms that there is true budget constraint no resources could be obtained by paying interest (Oliver and Marwell, 1993).

Fungibility

Interests and resources can be reduced to a single, quantifiable metric like money. Unit of individual's time and unit of what he/she gets out of collective action can be translated into quantifiable metric.

3.4.1.3.2. Characteristics of the Group

A group is defined as the aggregate of all individuals who have a positive interest in some collective good. Group of actors entail important dynamics that can not be deduced from single individuals. Individuals in group do affect each other.

Group Heterogeneity

Olson describes interest heterogeneity as "*exploitation of the great by small*". For him the difference in participation of individuals who have larger interest and who have positive but less interest in collective action is relatively small (Olson, 1965).

However, Oliver and Marwell claim that collective action is affected by a number of factors including size and interests/resources of individuals. Some members may be more interested than others. Distribution of resources can play an important role, particularly regarding the predictability of outcomes for special groups. Collective good can sometimes be produced through the efforts of some group who are more interested. Interests and resources vary from negligible to high (Oliver and Marwell, 1993).

“Heterogeneity is beneficial or harmful only when there are thresholds, that is, when people above or below a given value are more (or less) likely to contribute to collective action” (Oliver and Marwell, 1993: 22). That is to say if no threshold exist to contribute collective action, every individual might realize contribution.

Hence, Oliver and Marwell assume that group heterogeneity improves the prospects for collective action. They assume positive effects of heterogeneity. According to them there is always a problem of collective action when the people who care the most about collective action do not have required amount of resources. Thus, group heterogeneity, which means a critical mass having more resource and interest than that of others is the critical point of Oliver and Marwell's view.

3.4.1.3.3. Characteristics of Goods and Production Functions

Many factors of the goods (especially cost functions of the goods) affect predictability of collective action. Oliver and Marwell focus on relatively small number of differences that are of central importance and that divide collective goods into fundamentally distinct sets with very different dynamics. For them a key characteristic of collective good dilemma is relationship between the level of resources contributed toward the production of collective good and the level of good that is provided. This relationship is known as the production function (Oliver and Marwell, 1993).

Production Functions

In their analyses Oliver and Marwell state that the “nature of the production function emerges as the most important determinant of the outcome of a potential collective action. None of their other general results transcend the effects of production functions (Oliver and Marwell, 1993: 25).

The total production function captures the relation between the costs borne by individuals and the benefits they obtain from collective action.

Production function of collective good: (Oliver and Marwell, 1993: 25)

$$g_i(R) = v_i(P(R)) - c_i(r)$$

where;

$P(R)$: is the relationship between inputs and outputs. There is implicit assumption that collective good at issue has a given price and that the group either gets none of the good until that price is met or that the group must pay some specific unchanging price per unit of the good. The mathematical meaning of $P(R)$ is the provision level of the collective good as a function of the total resource contribution.

v_i : The value to that individual of given level of provision P of the collective good to the group

$g_i(R)$: net value to an individual of a collective action consisting of a total of R sources contributed by the group as a whole

$c_i(r)$: the cost to the individual of contributing r resource units

(All three of these functional relations can take on any form and, in general are not linear)

The links of this formula are as follows:

-the relation between the costs borne by individuals and resources contributed by the individual $c_i(r)$

-the relation between resources contributed and the level of collective good produced $P(R)$

-the relation between the level of good produced and the benefit or the value experienced $v_i(P)$

Assumptions of production function

- for each individual there is some common metric for costs and values so that two may be compared ,
- each unit of cost provides a given unit of value is a linear production function
- subjective costs of action are largely influenced by the perceived value of the good
- collective good has a given price

3.4.1.3.4. Characteristic of the Process:

Since the Critical Mass theory proposes interaction among members of collective action, it does not use simple individual decision making model. Instead, it requires a model about how decisions are collectively patterned. Here, the models related to individual decision among group members will be mentioned. Each model describes possibilities related to cases for decision making in groups. In their book, the Critical Mass in Collective Action, Oliver and Marwell describes models possible modeling of decision making in different chapters in order to make readers compare the different models.

Independent Decisions (Oliver and Marwell, 1993: 31)

By an actor in isolation, decisions made by the individual without considering others

$$g = P(r)v - cr$$

where

g = gain of individual

P(r): individual interest

v: probability of obtaining good

c: cost per contributor

If $c=1$ (the cost of contribution is simply the loss of those resources)

$g = P(r)v - r$ (This equation says that an individual decides what to do assuming that only he/she will make contribution)

If $g > 0$ that is $P(r)v > r$ means that individuals interest times probability of obtaining the good exceeds the size of his contribution

Sequential Interdependence: In sequential interdependence individuals make independent decisions one at time, but the past decisions of others are known.

If decisions are made sequentially, P depends on not only r but on R, the total contribution previously made by others. In this case, the more complex decision equation is

$$g=v(P(r+R)-P(R))-r$$

This implies that a profit will result from contributing when $P(r+R)-P(R)>r/v$

Simultaneous coordinated actions (all or non contracts) (Oliver and Marwell, 1993: 33)

In this model negotiations are possible and it is possible to change the individual's contribution level. This model assumes that the actors' defection will lead to everyone to effects. So the actor should compare the payoff contributing when everyone else contributes and payoff not contributing when every one else does not contributes.

$$g=P(r+R)v-r$$

Contributing to the contract produces a profit if $P(r+R) > r/v$ that is to say if the total payoff from all contributions to the contract exceeds the individual's r/v ratio.

Organizers and Organizing (transaction) Costs (Oliver and Marwell, 1993: 35)

Organizers just like others, have available resources and an interest in the collective action. Different from other members of the collective action, they use their resources to organize a contract that will make others willing to contribute collective action.

Oliver and Marwell assume that "*organizing costs are exactly proportional to the number of parties to the all-or-none agreement and that is constant cost per participant is a characteristic of the interest group that does not vary with the organizer or the particular individual involved*" (Oliver and Marwell, 1993: 35).

In conclusion of this section it should be stated that to understand the possibilities of action is related to characteristics of the group, interests of members, nature of

social relations and Oliver and Marwell describes models for different relations of group members.

3.4.1.4. The Factors of Affecting Collective Action

The variables that Oliver and Marwell use in their analysis include heterogeneity among group members in their resources and in their interest in the collective good, the *jointness* of the good (i.e. the extent to which an individual can enjoy its benefits without reducing the benefits to others), and the extent to which provision of the good is characterized by an accelerating or decelerating production function (i.e. increasing or decreasing returns to contributions by members). Among the major conclusions they reach is that, given high jointness and member heterogeneity in interest and resources, group size will have a positive effect on the extent of cooperation, contrary to the implications of Olson's theory.

3.4.1.4.1. Group Size

In contrast to Olson, Marwell & Oliver claim that larger groups can be more successful in collective actions. They focus on “why larger groups may be more likely to solve collective action problem”. They basically argue that if a collective good is highly non-rival, *a large group is more likely to contain a critical mass of individuals whose interests are served by providing the good*. One feature of a group that encourages the formation of a critical mass is heterogeneity of the group in terms of the diversity of group members' interests and resources. Some of group members may be more interested than others.

Indeed group size is one of the important factors that most social scientists try to relate it with collective action tendencies. For instance, Olson describes interest heterogeneity by exploitation of the great by small (Olson, 1965: 29). Hardin also deals with group heterogeneity in terms of interests. According to Hardin if intensely interested persons can be satisfied with private alternatives to the public good collective action is less probable to occur (Hardin, 1982: 72-75).

According to Oliver and Marwell, homogenous groups are very different from heterogeneous ones in that they have distinguishing collective action tendencies. *Large contributors who are highly interested and highly resourceful are very important figures for collective action.* Sometimes they provide collective good and sometimes they mobilize others (Oliver and Marwell, 1993: 10).

As a result, the Critical Mass Theory states that **in large groups there is higher probability to find a small group of highly resourceful and interested individuals willing to support collective action.** However other factors; such as jointness of supply, should also be taken into consideration while analyzing the effects of group size on collective action (Oliver and Marwell, 1993).

According to Oliver and Marwell, Olson's view of "*no rational individuals in large group would ever contribute collective action*" is not accurate. For Olson, group size negatively affects collective action provision (Olson, 1965). However Oliver and Marwell do not agree with Olson and verify their statements on Olson's equation with a simple algebraic proof. But the mathematical proof formulas will not be mentioned here. Basically, Oliver and Marwell discuss that group size effect assumption of Olson, is not totally wrong. They argue that more complex factors might be influential together with group size. Among these, jointness of supply together with the size of the group are some of the most important factors.

3.4.1.4.2. Jointness of Supply:

3.4.1.4.2.1. Zero Jointness of Supply: Negative Effect of Group Size

Oliver and Marwell examine the issue of jointness of supply, which is the extent to which the cost of good varies with the number who shares it. Public good is defined as being non-excludable and joint in supply (Samuelson, 1954). Jointness of supply means that consumption of the good by one individual does not limit the amount that good available to any group member. Most private goods have zero or close to zero jointness of supply (Marwell and Oliver, 1993).

According to Marwell and Oliver; Olson's group size argument is correct only when the good has zero jointness of supply. That is to say, when the good has zero jointness of supply, the harder the collective good provide (Oliver and Marwell, 1993).

"Zero jointness of supply" is used for the goods when cost of the providing good increases proportionately to the number who shares in it or the value of a given level of the collective goods declines proportionately with the number who share in it. Free riding problem is seen more at larger groups when the good has zero jointness of supply.

Hence, in addition to group size, jointness of supply is an important factor influencing the collective action tendency. Large groups which are collectively producing goods with zero jointness of supply are hard to achieve better results. However, still the critical mass is important in those groups in order to achieve better collective action results.

3.4.1.4.2.2. Pure Jointness of Supply: Positive Effect of Group Size

The case is different when goods have pure jointness of supply which means the value of good is unaffected by the member who share in it. That is to say, cost of providing good does not increase to the number who shares in it. Group size here has positive effect on collective action (Oliver and Marwell, 2001). Public goods have pure jointness of supply.

Marwell and Oliver combine the subjects of heterogeneity and jointness of supply. On this subject, Olson (1965) and Hardin (1982) argue that group heterogeneity has positive effects on collective action. Hardin claims that efficacious subgroup will be smaller in more heterogeneous group. Marwell and Oliver go one step further and state that when groups are heterogeneous and a good has jointness of supply, *the critical mass will be smaller in a larger interest group.* Heterogeneity is one of the important aspects of collective action but should be considered with supply jointness of goods that is to be produced.

Hence, zero jointness of supply means negative effect of group size and pure jointness of supply means positive effect of group size for collective actions are two contradicting aspects of collective goods.

3.4.1.4.2.3. Economies of Scale: Partial Jointness of Supply

Partial jointness of supply is called as economies of scale. It means that, cost of collective action rises less than proportionately with the number who enjoys it. Thus economies of scale is a kind of intermediate condition where jointness is neither zero nor pure. In these cases, *“the amount of collective action as a function of group size depends on interaction between the cost function for collective good and the distribution of potential contribution levels among members of the group”* (Oliver and Marwell, 1993: 48).

3.4.1.4.3. Type of production function

Oliver and Marwell examine the effect of the overall production types on the forms of collective action, contrasting accelerating and decelerating production functions. Here accelerating production function means increasing return to scale and decelerating production function means decreasing returns to scale.¹²

Combination of relations;

- between cost borne and resources contributed,
- between the resources contributed and level of collective good and
- between the level of collective good and the value experienced constitutes the shape of the overall production function.

The Critical Mass Theory assumes that these two links are linear. This is to say the relation between costs borne and resources contributed and the relation between level of the good and the value obtained are linear. *An additional contribution always adds to the provision level of the collective good, although this addition may be small or negligible* (Oliver and Marwell, 1993: 60). Oliver and

Marwell's analysis also assumes that the *"production functions are continuous and twice differentiable"* so that it can be mentioned about rates of acceleration and deceleration considering the second derivative (Oliver and Marwell, 1993: 60).

As a result, production function is one of the factors that affect collective action results. So, while analyzing the factors underlying collective action, production function should be considered.

3.4.1.4.3.1. Decelerating Production Function

In **decelerating production functions** each additional contribution puts in progressively less impact meaning decreasing returns to scale. That is it has *"no start up costs, so that the initial period of low but increasing returns is reduced to zero and returns are highest for initial contributors and decline thereafter"* (Oliver and Marwell, 1993: 61). This function leads to a negative interdependence. Each contribution makes other's following contributions less likely. Lobbying, publicity, organizational maintenance, newsletter publication are all kinds of goods which a few people can provide and once provided additional contributions are little.

3.4.1.4.3.2. Accelerating Production Functions

On the other hand, in **accelerating production functions** early contributions have very small impacts meaning increasing returns to scale. Any contribution always produces an increase in the provision level of the good. In accelerating case early contributions produce very small increase while later produce much greater. Each contribution makes the next one more valuable (Oliver and Marwell, 2001). Here accelerative production has *"high start up costs and long initial period of low returns, followed by period of extending the edge of the range of feasible contributions"* (Oliver and Marwell, 1993: 61).

¹² Types of production function could be explained as marginal contribution of new comers to collective action.

3.4.1.4.3.3. Linear Production Function

If each added unit of contribution produces about the same amount of collective good regardless of how much already been contribution the production function is linear. That is; if the production function linear; if each unit of resources produces the same change in the provision level, the slope of production function $P'(R)$ is constant and invariant with the R and always greater, less or equal to $1/v$. So whenever $v > 1$ means whenever maximum provision level exceeds the total cost of the maximum provision level net gain “ g ” will be positive (Oliver and Marwell, 1993:67).

Thus, *“with decelerating production function initial contributors have the greatest effect, with additional contributions generating increasingly diminishing returns. An accelerating production function produces a few returns for the initial contributions but brings increasing returns as the contribution increase. With a linear production function each unit of resource contributed produces the same return”* (Kollock, 1998).

3.4.1.4.4. Network Structure

Social networks have three features. Overall prevalence of ties in a group, the degree to which the ties are centralized around one person and cost of communicating tie. High overall prevalence of ties and less communication cost promotes collective action. The value of centralization meaning ties around one person has positive effects on collective action (Oliver and Marwell, 1993: 183).

Oliver and Marwell mention about three different network characteristics influencing collective action results. The first one is *social networks* meaning overall prevalence of ties in a group. They called it as *network density*. The second one is *network centralization* meaning ties, which are centralized around certain persons rather than spreading across a group. The last one is *cost of communicating across a tie*. Higher overall advantage of ties promotes collective action and higher communication costs hinder it (Oliver and Marwell, 1993).

Concentration of ties among group members has a very positive effect on collective action. When the group heterogeneity is considered, instead of mobilizing the whole large network, to mobilize heterogeneous groups may be more successful by mobilizing the selected group. In this respect they are free from the cost of mobilizing a large number of people (Marwell and Oliver, 1993).

3.4.1.5. Concluding Remarks

To conclude it can be stated that there are many factors affecting success of collective action from the point of views of the Free Rider and the Critical Mass Theory. Olson's group size effect changes according to the types of collective goods so that it is not consistent. In fact, there can be no general principles of collective action. Olson's group size argument should be combined with production functions. Jointness of supply is one of the underlying factors for group size effect on collective action. With high jointness of supply and heterogeneous groups, collective goods can be provided by fewer contributors in a larger interest group.

Group size is not important for the public goods. It might be important for the goods with zero jointness of supply. When groups are heterogeneous, group size tend to have positive effect on the provision of jointly supplied collective goods. However, it has negative effect on the provision of goods with zero jointness of supply, costs of which increase proportionately with the number who have shares in them.

When the group is heterogeneous and collective good has high jointness of supply critical mass would be smaller. Critical mass is constituted by contributors who pay for others also. Free riding seems to be more where critical mass is smaller.

The role of critical mass differs according to the type of production function. Sometimes a few can provide the good for many while all other times collective action is needed. Decelerating production functions encourage at least initial

levels of action but creates problem of free riding. However, accelerating functions may help to get out of free riding. In the literature there are attempts for putting forward the relation between production functions and games (Oliver and Marwell, 2001).

When the production function is accelerative there are increasing marginal returns to contributors and positive interdependence. Each contribution increases the value of next contribution. Critical mass overcome start up costs and creates the condition that make less interested members willing to contribute. Free rider is not a problem for accelerative case.

If interdependence among group members and production functions are taken together, group members make decisions sequentially with full knowledge of what had been done previously and with the ability of calculating the effects of their actions. When groups are heterogeneous network centralization increases the rate of collective action by increasing the probability that an organizer will be tied to the few large contributors (Oliver and Marwell, 2001).

The critical mass means highly interested and resourceful people play a crucial role in the early phase of collective action for decelerating production functions where they provide the good and give everyone else to free ride. Oliver and Marwell claim that *interest heterogeneity contributes collective action while resource heterogeneity sometimes* (Oliver and Marwell, 2001).

As a result, The Critical Mass Theory brings about new insights to the studies related to collective action. The discussion on the importance of critical mass in terms of success of collective action has resulted in paying attention in group classification with respect to resourcefulness of group members. Oliver and Marwell's discussion of group heterogeneity in terms of resources and interest provides a further development of constructing the payoff structures in collective action games.

3.4.2. Certain Models Developed for Collective Action

3.4.2.1. A Strategic Approach: Multiple Equilibria Model

As stated earlier, Olson's Free Rider theorem and Prisoners Dilemma type game theoretical perspectives have influenced many social scientists from various disciplines. These two scholars have constituted the basis for the recent theories to be developed. In other words new theories are generally formed with additional insights to both approaches. For instance Medina attempts to build a model regarding main approaches. Medina briefly summarizes the assumptions of Olson's theory for himself as follows;

1. *Groups as such do not have interests of their own. Only individuals have interests.*
2. *Individuals act on their interests, choosing actions only when their (expected) benefit exceeds their (expected) cost.*
3. *Although participation is costly for an individual, the goal that a group can attain if its members cooperate is beneficial for these same members.*
4. *Individuals cannot be excluded from enjoying the benefits from the goal, if attained.*
5. *Individuals do not take into account the effect of other individuals' choices in deciding whether to participate (Medina, 2002).*

According to Medina the first four assumptions of Olson's theory have been subject to criticisms. As he states if all these assumptions are accepted then the optimal choice of the individual is not to participate. This situation can be stated as the free riding problem. Medina also mentions about the necessity of selective incentives for accurate theory of collective action. Situation should be changed in the structure of costs and benefits that individuals face so that they would find it more advantageous.

One of the questions that Medina tries to answer is "**do higher benefits lead more co-operation?** According to Medina, *Olson's theory implies that in deciding whether to cooperate, individuals only consider the value of the selective incentive*

and the cost of cooperation. Hence, for Olson's theory, an organization is to compensate its members so that they find it more advantageous to participate in the objectives of the organization (Medina, 2002).

Regarding the Olson's theory, Medina mentions about the question of "**who provides selective incentives?**" As he states, according to the theory, the leadership of an organization provides selective incentives to its members so that they increase the probability of supplying the collective good. However, there is no considerable discussion about the rationality of leaderships as administrator of selective incentives in the literature (Medina, 2002).

Medina thinks that the problem with the theory of collective action comes from the fact that it assumes individuals who are not rational enough. If we recall Olson's insight, his free rider theorem implies that the self-interest of rational individuals may lead them to abstain from taking part in the provision of the collective good, which may produce outcomes that are collectively non-rational. Medina defends **a reformulation of the collective action problem with individuals who are fully rational.** As he states the problem with the collective action theory might be overcome by regarding individuals fully rational that is individually and collectively and restructuring the cost-benefit situation of collective action.

Medina criticizes the Olson's theory that his theory can not make clear distinction between large and small groups. Olson's theory is static and it is decision theoretic not game theoretic. Moreover Olson's decision-theoretic analysis has been translated into game theory in a way that reproduces its drawbacks again. Even though it is argued that collective action problems have the structure of the game known as a Prisoners' Dilemma, it is not. Game theoretic analysis with prisoner's dilemma has the similar defaults with the free rider theory. According to Medina, the problem is that in the prisoner's dilemma game, each player has dominant strategy, which he/she should play regardless of what the other individual does. However, this is not true in many collective action situations. Situation of the game may result in participating collective actions. There can not be strict or static behaviour of individuals (Medina, 2002).

Therefore, Olson's decision theoretic approach should be changed into game theoretic analysis since the Game Theory, with its assumption of strategic rationality, approximates the reality of collective action better than the Free Rider Theory. However Prisoners dilemma type solutions do not involve strategic and dynamic behaviors of individuals. In fact "collective action is a strategic situation with multiple equilibria: the outcome they want is possible but not inevitable" (Medina, 2002).

To sum up, Medina criticizes Olson's free rider theory and suggests game theoretic approach to collective action problems. According to him, the problem with the current collective action theories stems from their assumptions that individuals are non strategic in that they do not take into account the actions of others when making their choices. For Medina, when strategic rationality is reintroduced it becomes clear that some of the most relevant collective action phenomena are characterized by *multiple equilibria* in which the beliefs of players have about each other determine the result.

Thus, Medina emphasizes on the interaction among group members and suggests including this dynamic decision making into the analysis. As he states multiple equilibria is very hard problem in game theory and its development might require several years. However, game theory with *multiple equilibria* considers beliefs and outcomes and so allows comparative results about the effect of changes in the payoff structure of the game on the likelihood of each outcome. Hence it is very dynamic and suitable for the collective action analysis (Medina, 2002).

3.4.2.2. A Model Considering Several Paradigms of Collective Action Theories

There are other recent discussions about the theories developed for the problem of collective action in the literature. For instance, Chiang's study, which seems to be an eclectic view, might contribute to our discussion. In his paper, Chiang, after mentioning about the approaches on collective action, makes a computational

simulation, in which he tries to show how some parameters such as network density and heterogeneity influence the final contribution of collective goods. Chiang mentions about the coexistence of different groups (Olson, 1965) by focusing on social and economic incentives that distinguish the groups. Chiang applies to the Critical Mass Theory, which proposes interest and resources, to measure individuals' tendencies to participate in collective action (Oliver and Marwel, 1993).

After mentioning about the Critical Mass Theory, Chiang focuses on game theoretical perspective referencing Hardin's views. (Hardin, 1982). According to Chiang game theoretical perspective presents corresponding types of games to the types of groups proposed by Olson (1965): *privileged* games, *cooperative* games (also often called as *assurance or coordination* games) and *prisoner dilemma* games (Chiang)¹³.

For Chiang, if the argument that thresholds do exist in both dimensions of interest and resources is accepted, then four different "groups", categorized by their relative position to the threshold, are obtained and illustrated as follows.

* Notation: R^* and I^* serve as threshold values

		RESOURCES	
		$R < R^*$	$R > R^*$
INTEREST	$I > I^*$	Activist	Pioneer
	$I < I^*$	Free Rider	Sponsor

Figure 3.3. Types of Actors¹⁴

¹³[http://students.washington.edu/yen506/collective action games embedded in social networks.pdf](http://students.washington.edu/yen506/collective%20action%20games%20embedded%20in%20social%20networks.pdf)

¹⁴ Adapted from Chiang

As he states, the title in each cell roughly shows differences of individuals in terms of how they are interested and resourceful. The Chiang's Model is different from the Critical Mass Theory whose inputs of interests and resources are transformed into various types of production function. In Chiang's Model individuals are set to play dyadic collective action game with others. Their group identity forms the payoff structure when playing the game (Chiang).

Thus, different from the Critical Mass Theory, Chiang's Model identifies resource and interest characteristics of individuals with respect to thresholds. Thus instead of transforming resource and interest values of individuals into production function, he builds a game according to actor's characteristics.

The existence of different types of games, especially cooperative game, directs Chiang to explore what happens if different types of players play the game interactively? As he states, some theories of network formation provide mechanisms determining how people decide their game-playing partners. At the end of his study, Chiang concludes that, network density leads to higher contribution level of the intermediate individuals only within a certain range.

Moreover, parallel to Oliver and Marwel, (1993), heterogeneity of interests and resources is beneficial in increasing the contribution of collective goods, but it works differently given different mechanisms of network formation (Chiang).

Thus what can be concluded from this study is that, collective action is very complex phenomenon in that many factors such as network density, group heterogeneity and group types with different social and economic incentives might be influential. Chiang's model pays attention to network formation of the groups in addition to resource and interest heterogeneity for categorization of collective action tendencies.

3.5. Concluding Remarks

As indicated earlier, the purpose of this chapter is to analyse the factors

influencing the tendencies for collective actions. In this chapter referencing the well known writers it is aimed to underline the influencing factors of collective action in terms of success.

To summarize, there are at least three groups of writers, which have different thoughts about the problem of collective action. Indeed, the differences of these approaches firstly come from their basic assumptions and human definition. The first view was developed by Olson as Free Rider Theory and argues that certain agents, reward and punishment mechanisms are necessary for collective action. Otherwise, there would be high motivation of individuals for free riding instead of participating into the collective action. If in a group contribution of a member is negligible and it is not possible to exclude this member from additional gains of collective action this member would possibly choose an alternative of free riding. Olson also mentions about the effects of group size on collective action. Small groups are more likely to organize collective action (Olson, 1965).

The second view was suggested by Hardin. Hardin claims that Prisoner's Dilemma Game can be used for modelling of collective action (Hardin, 1982). Although the game developed by Jon von Neumann, Hardin has directed attentions on Prisoner's Dilemma type solutions and models for collective action problems. **Co-operative game** is a kind of dilemma type games and many writers think that transforming normal representation of prisoner's dilemma game into cooperative game would be solution of collective action problems. In other words, transforming pay-off matrix according to cooperative game would result in stable cooperation. So, factors should be transformed into cooperative game type situations. Institutions (such as cooperatives) are important for such transformations. In such cases, individuals would prefer stable cooperation in collective actions.

In any game theoretical analysis there are some problems to be considered. As in the case of Olson, prisoner's dilemma, cooperative and other models have all certain assumptions. There are also other game types that could not be included into our analysis. In fact assumptions of these games generally regard individuals

as commonly having same preferences. However, although it is hard to include all different characteristics of individuals, they are not homogenous and should not be regarded as they are in the games. For that reason, in the literature these models are faced with some criticisms and many attempts to develop these perspectives are being carried out in the disciplines of economy, sociology and political science.

Elster is the pioneer of the third view and has brought a different perspective to collective action problem. As he claims many motives influence individuals while cooperating. According to him norms should be included into the analysis. **Norms of fairness, norms of everyday Kantianism and norm of utilitarianism** are the norms influencing individuals while they are giving decisions on whether cooperate or not. Besides, some other motives such as being elitist participant or mass participant, being utilitarian or egoist have all influence the individual behaviors. Hence, mixture of motives has significant influence and interaction between different motives and individuals do affect preferences. While analyzing the collective action problem these dimensions should be included into the analysis.

The Critical Mass Theory comes from sociology and it pays attention to the importance of group structure in terms of its members. According to the theory, the critical mass meaning a number of heterogeneous individuals can make collective action possible. The theory states that in large groups there is higher probability to find a small group of highly resourceful and interested individuals willing to support collective action. The critical mass constituted by resourceful people can mobilize others for collectively acting. The theory, which assumes interaction among members of collective action, pays attention to **group heterogeneity in terms of interest and resources.**

The general conclusion of the theory in relation to this study is when groups are heterogeneous; group size tends to have a positive effect on the provision of jointly supplied collective goods and a negative effect on the provision of goods whose cost increases proportionately with the number who share them. Besides,

other factors such as network centralization and production function are important for collective action. There is no consistent group size affect on collective action but there are multiple effects of factors together with group size. Among them **critical mass is the most important factor influencing the success of collective actions** (Oliver and Marwell, 1993).

After mentioning about basic discourses of the main theories on collective action, it might be beneficial to think about the relationships between the case of the thesis, which are housing co-operatives and collective action discourses. As indicated earlier, this part of the study specifically considers underlying factors behind collective action and cooperation. In other words this chapter aims to discover the answers for the questions “*what might be socio-economic factors that motivate people to co-operate within housing co-operatives?*” and “*what might be the underlying factors of success of housing co-operatives?*” In the next chapter, these questions will be discussed within the framework of thesis’ hypotheses.

CHAPTER 4

EVALUATION OF HOUSING CO-OPERATIVES WITH RESPECT TO THE FREE RIDER AND THE CRITICAL MASS THEORY AND BUILDING HYPOTHESES

4.1. Evaluation of Housing Co-operatives within the Perspectives of Collective Action Theories

In fact housing co-operatives not only in Turkey but also in many countries have significant importance in housing provision. As non governmental organizations housing co-operatives have been producing considerable amount of dwellings even though they have been subject to many criticisms. Collective action may be defined as voluntary provision of collective goods. In this thesis **housing co-operatives as the case study is regarded as a kind of collective action and to be analysed with respect to collective action models/theories.**

This part of the study draws general frame of the theoretical analysis for housing co-operatives by adapting different views and hypotheses of theories/models that have been developed for the collective action problem. In fact the problem of cooperation as collective action is a context-dependent issue and it seems not possible to explain such a phenomenon by a unitary theory.

The analysis of the theories/models developed for the collective action show that they are representing elaboration of the topics developed by Olson in his free rider theory. It is true that Olson's view has been subject to many criticisms; however his free rider theorem might be used for categorization of co-operatives.

As stated earlier, hypotheses of the Free Rider and the Critical Mass theories will be used for putting forward underlying factors of success of housing co-operatives within the frame of the thesis.

Success of housing co-operatives can be analyzed in different ways. In the literature, certain factors have been used in order to indicate success of housing co-operatives. For instance, Özüekren (1990) measures the success of co-operatives in four dimensions; continuity of ratio of membership, increase of cost, prolongation of duration of construction and quality. She describes continuity of membership as the continuity ratio of co-operative shareholders who continued his/her membership to the end and obtain dwelling unit. Cost increase, duration of construction and quality of construction are other factors that she used for evaluation of success of worker's housing co-operatives in Turkey (Özüeken, 1990)

Similar to Özüekren's approach, success of housing co-operatives is evaluated taking into account the measurable factors such as cost, duration of construction and quality of construction in the thesis. As many social researchers studying on housing co-operatives would accept there is difficulty of obtaining measurable indicators related to cost of construction, the question "*is your co-operative successful*" is also asked to members of management committee in order to be informed about their overall evaluation. As it would be seen from the Figure 4.1, successful housing co-operatives do realize their production between the equilibrium points **E**, where co-operative housing cost equal to private benefit and **F**, where co-operative housing cost is equal to market housing cost. However, between the point **E** and **G** where the co-operative housing cost is above the market housing cost, housing co-operative can be regarded as unsuccessful in terms of cost. (See the figure 4.1)

Here, it should be underlined that, answers related to general evaluation, cost of construction, duration of completion of construction and quality of construction of housing co-operatives are according to perspectives of members of management committee in housing co-operatives. In the thesis, the results are evaluated

comparatively regarding the answers of managers in housing co-operatives.

To escape from the condition of non-cooperation it is clear that co-operatives should be freed from free riding. Hence, the question of “**how can co-operatives be organized without free riding**” gains importance with respect to aim of the thesis. Free rider problem might be one of the most important factors causing failure of housing co-operatives as collective action. According to most of the writers in the literature free riding problem is an unarguable fact and has an aspect, which influences cooperation negatively. In a kind of collective action, it may be argued that if the level of free riding is high no successful cooperation results can be achieved. Thus, when the case of the thesis; housing co-operatives are considered, the hypothesis that, “**the free riding is one of the important factors influencing the success of housing co-operatives**” can be stated.

According to the figure 4.1 it can be seen that free riding restricts unpaid benefits of cooperative members. In a housing cooperative, if free riders exist, it means there are some members who can not be excluded from the benefits of cooperative despite they do not put required amount of capital for the membership of housing co-operative.

The figure 4.1. points out economic rationality behind housing co-operatives. In economic terms the purpose of collective action in housing is to get housing in economically more advantageous manner. As it is seen, free riding problem prevents unpaid benefits of housing co-operatives.

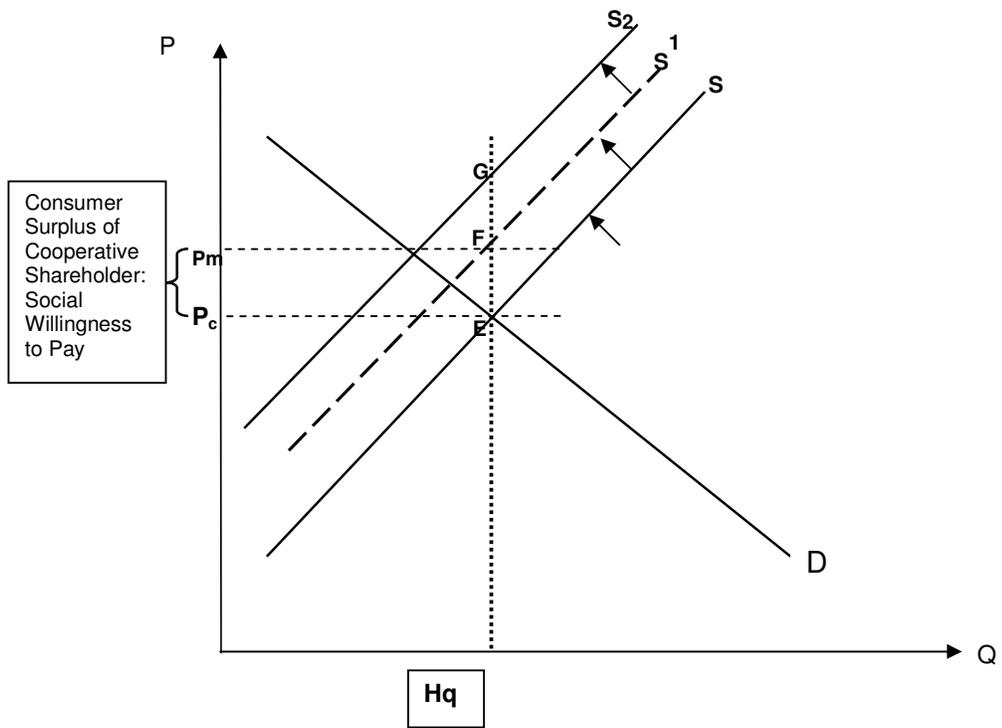


Figure 4.1: Graph representing the cost-benefit situation of co-operative shareholders with respect to free riding

P_c : Housing cost in efficient co-operative

P_m : Private housing cost in market

E: Equilibrium point where cooperative housing cost = private benefit

F: Equilibrium point where cooperative housing cost = market housing cost

P_m F E P_c : Consumer surplus on the basis of social willingness to pay

D: Demand curve of a cooperative member

S: Supply curve of co-operative housing

S^1 : Supply curve of the private producers (Market Supply Curve)

S^2, S^3 : Supply curves of in efficient co-operatives (due to free riding)

From the figure 4.1 it can be seen that housing shareholders can tolerate the cost

of housing due to inefficient cooperative management until the point P_m , which represents housing cost in market. In this point, consumer surplus equals to zero. If the cost of housing increases more, negative consumer surplus appears. This means that there will be private cost.

In fact, the analysis of collective action within game theoretical perspective, which was mentioned before, may contribute to the discussion by providing solution in the form of reward and punishment mechanism. Prisoner's dilemma game being a commonly accepted way of representing the n person dilemma may not provide us cooperation results. However, the cooperative game, in which mutual cooperation will result in extra gains for players, might be appropriate way of structuring the collective action game. Thus, in order to achieve mutual cooperation results for a collective action, institutional arrangements should be designed in a sense that cooperative game type pay off matrix can be built.

In cooperative games, players may prefer cooperation to free riding. From the game theoretical perspective, a solution of n person prisoner's dilemma is related to transformation of the game into n person game of cooperation. This transformation does not necessarily mean a change in any objective sense; it rather means that redefinition of the situation. This redefinition can only be achieved by institutions and institutional regulations. Therefore to design a reward and punishment mechanisms in housing co-operatives are important for superior cooperation results. As stated, rewards and punishments might be both social and economical and they should be institutionalized within housing co-operatives.

When the game theoretical perspective is considered, housing cooperative game should be designed as follows. For the sake of simplicity 2 persons housing cooperative game can be designed as follows:

Table 4.1. Two Persons Housing Cooperative Game

		PLAYER 1	
		Cooperate	Defect
PLAYER 2	Cooperate	A Minimum payments of both members for getting co-operative housing	B Extra benefits for cooperating one and punishment for free rider
	Defect	C Punishment for free rider and extra benefits for cooperating one	D Maximum payments of both members for getting co-operative houses

Within this table, the game theoretical analysis underlines the economical aspects of housing co-operatives. However, certain social punishments can also be defined. Thus punishments could make people to behave in collective manner in housing co-operatives. Free riders should be excluded from the benefits of co-operative housing. Certainly, free riding can be prevented by institutionalized mechanisms. Certain measures of rewards and punishments to be developed will be discussed in the following chapters with respect to the field survey.

A: If everybody put capital (contribute) collective action $D=mpb$ (see the table 4.1) In this case cooperative members can get their dwelling units below the market price.

B-C: Extra payments for the free riders and extra benefit for the contributors due to economic punishment of free riders

D: If nobody put any capital there will be no organization of housing cooperative.

The A situation can only be achieved by new institutional arrangements. As already indicated, housing co-operatives or any kind of collective actions are context depended issues and successes or failures of them depend on the social

and economical context. That is why the importance of institutions is highlighted through out the study. In Scott's definition, "*institutions consist of cognitive, normative and regulative structures and activities that provide stability and meaning to social behavior*" (Scott, 1995: 33). As a result, housing co-operatives as historical institutions might be redesigned considering the current context. In relation with Scott's definition, Bengtsson argues "*institutions once created they live on and have effects on social interaction independent of the original creators*" (Bengtsson, 2001).

Buendia also argues the importance of institutional change for escaping from non-cooperation situation of collective actions. For Buendia, institutional change, collective action and cooperation are all related concepts and their relations come from the fact that both democratic political institutions and norms of behavior are collectively chosen. Buendia proposes a model by considering institutional change for collective action problem. If certain critical mass, interdependence of decision, geographical proximity among individuals, social ties among individuals, progressive learning and other conditions are reached by institutional changes, full cooperation is obtained and collective action takes place (Buendia, 2003). Hence, the interdependence of decisions, geographical proximity among individual and social ties among individuals are important factors.

Bengtsson's study on housing estates can contribute to the discussion. According to Bengtsson's survey results, **spatial concentration describing physical closeness, group size (small enough for tenants to know each other), long run character of the relations between the actors meaning trust, level of necessity for collective action meaning need for housing** appear as underlying factors of success of collective action. These findings are important and pay attention to the factors, most of which the Critical Mass Theory underlines. In the thesis the Critical Mass Theory together with the Free Rider Theory is to be used as main theoretical approaches for generating hypotheses in order to put forward underlying factors of success of housing co-operatives.

4.2. Factors Behind the Logic of Housing Co-operatives

After this point it may be helpful to discuss on the question of ***“If housing co-operatives are regarded as a kind of collective action, what factors can be thought behind the logic of co-operatives in housing sector?”*** In addition, it should be remembered that many of these assumptions are subjective and subject to in-depth analysis. If the rationalistic perspective is taken into account, the following factors may be considered for extra benefits of participants in terms of housing co-operatives. So, before discussing the underlying factors of success of co-operatives, it could be beneficial to mention about existing benefits of housing co-operatives.

Economic factors/benefits underlying housing co-operatives:

For collective action, housing co-operatives has to reach a better bargaining result in the market arena than would have been possible for individual members. A housing co-operative can be regarded as a tool or institution for transforming a person's dilemma game situations into cooperative game situations.

The following types of benefits of housing co-operatives can be listed;

- Pooling of resources even they are limited, can contribute to the mobilization of financial mechanisms
- Cooperation can provide affordable housing payments for the members. In financial terms especially people who can not get long term credits can benefit from the long term payments of housing co-operatives.
- Land provision by the government: Land price constitutes very high proportion of housing cost. Land provision by the government brings about the chance of lowering housing costs.
- Cost of infrastructure can be reduced due to state oriented subsidies.
- Land development profit: Many co-operatives buy land beyond planned area of cities and subsequently get building rights. This involves substantial savings in land cost due to land development profit. Improving urban infrastructure, increasing demands for housing result in increasing benefits for co-operative shareholders who have already achieved his/her land shares before development.

- Managerial cost saving: As the managerial activities are carried out by the members of co-operatives managerial cost might be reduced.
- Lowering transaction costs: Certain works can be done by the members depending on members' qualifications. Also high profits of speculative house builders can be reduced due to contribution of housing co-operatives to housing supply.
- Subsidies can be achieved through institutional network of co-operatives and their unions
- Subsidized housing finance credits can be achieved

Social factors/benefits underlying housing co-operatives:

- As historically and ideologically developed institutions, housing co-operatives might be considered as strong civil society organizations, which gain importance in the current era.
- Self realization, taking active roles in collective works might be attractive for certain individuals
- Internal organizational features and external institutional context may build mutual trust for housing co-operatives.
- Housing co-operatives provide people to select their social environment to live.
- Housing co-operatives can be an environment for active participants seeking an institutional context to be involved
- Homogenous social structure might be achieved through members of co-operatives, which serve people for a particular aim.
- Institutions can make the production of collective action less dependent on individual efforts. Cooperation may bring about new institutions, which can be alternatives to mutual trust or social norms.

4.3. Hypotheses Derived from the Theories of the Critical Mass and Free Rider in Relation with Housing Co-operatives

In Turkey, housing co-operatives being a form of collective action are producing housing for their members. However, even though the level of provision is high,

there are many problems related to the efficiency of housing co-operatives. In this part the emphasis will be rather on structuring a theoretical frame of the study in order to develop hypotheses for evaluating housing co-operatives. The hypotheses that are derived from the collective action theories will be tested through the field survey.

Although collective action theories are generally developed in order to analyze public goods provision of collective action, certain hypotheses can be generated from these theories in order to test through the subject of the thesis; housing co-operatives. After this point, discussion will be on selected hypotheses, which are derived from the Critical Mass and Free Riding Theories, and will be tested in order to evaluate the role of factors influencing success of housing co-operatives in Turkey. The discussion will be made with respect to the characteristics of housing co-operatives in Turkey. An overall evaluation of characteristics of housing co-operatives in Turkey and their relations with the hypotheses will be made in the following parts of the thesis.

4.3.1. The Critical Mass, Free Riding, and Housing Co-operatives

The “critical mass” discussion constitutes the main argument of Oliver and Marwell. As stated earlier, the main assumption of the Critical Mass Theory is *“generally collective action is produced by small number of highly motivated and resourceful individuals rather than by the efforts of average group member”* (Oliver and Marwell, 1993: 2). Thus the main point of the Critical Mass Theory is related to motivated and resourceful individuals instead of whole group members since, Oliver and Marwell claim that the critical mass of large contributors to collective action is very crucial. The collective good can be paid for by a few people even though it benefits to many (Oiver and Marwell, 1993, 2001). As a result it is possible to build a hypothesis of ***“the housing co-operatives in which there exists certain critical mass achieve superior cooperation results”***. However, since the aim is to make theoretical discussion considering relationships between the Critical Mass Theory and the Free Rider Theory, discussions on both theories should be continued simultaneously concerning their

relation with housing co-operatives.

As it can be remembered, Oliver and Marwell develop their theory by considering and reevaluating certain views of Olson. If Olson's main argument is remembered, he claims that free riding is the most important problem of collective action. Respecting Olson's view, it is possible to produce a hypothesis of "**free riding is one of the important factors influencing the success of housing co-operatives**". This hypothesis implies that **if the free riding level is high the success of housing cooperative is harder to achieve**. This point is one of the important discussions of this thesis in terms of analyzing underlying factors of success of housing co-operatives. However, when the relationship between the free riding and the housing co-operatives in Turkey are considered, it is ended up with another aspect of the problem.

Free riding problem can be related to the people at the managerial level. Some people at the managerial committees can have dwelling units of housing cooperative without making necessary payments or can get other economic benefits such as salary more than he/she deserves. In other words people at the committees might use housing co-operatives as a legal institution they and their friends, relatives or etc can get incomes without making adequate contribution. In this regard housing co-operatives are seen as income generating institutions. These subjects will be mentioned later in the following chapter where Turkish housing co-operatives will be analyzed. This point takes us to focus on heterogeneity discussion of the Critical Mass Theory.

As it can be remembered, the Critical Mass Theory refuses Olson's argument and states that for a collective action to occur, **the important thing is not the size of a group willing to cooperate but the critical mass, which constituted by resourceful people and have capacity to influence others to follow them in the group**.

At this point, the discussion can be improved by stating that the critical mass argumentation and free riding problem might be thought together while analyzing

certain collective actions such as housing co-operatives. As regards to the Critical Mass Theory, heterogeneity of interests and resources plays crucial roles on success of the collective action. That is to say, if some resourceful people would have more at the end of collective action they might be willing to use more resources i.e. professional capabilities, administrative capabilities, experience of them. In the meantime, they might direct and manage other shareholders.

Nevertheless, when the free riding argument of Olson is thought, it is possible to claim that the critical mass, which is constituted by resourceful people, may not always work for the success of a collective action. Hence, **it is an open question that whether critical mass would behave in favor of the group or for their self interest.** Oliver and Marwell's view on this subject is *"generally collective action is produced by small number of highly motivated and resourceful individuals rather than by the efforts of average group members"* (Oliver and Marwell, 1993, 2001). However with respect to the Free Rider Theory it can be claimed that the critical mass of resourceful people might use universal cooperative argument in order to reach individual benefits. In other words, if the critical mass uses cooperative institution for their individual interests, this tendency might affect success of housing co-operatives negatively.

Thus, these resourceful people might either motivate others or use other's contributions in favor of their own individual benefits. In this case, effects of group heterogeneity in terms of resources and interests are to be searched through the field survey. So the hypothesis that is built above should be improved as ***"the housing co-operatives in which there exists certain critical mass achieve superior cooperation results depending on tendencies of resourceful people"***. That is to say the critical mass can either contribute to the success of collective action or negatively influence collective action. Therefore effects of the critical mass in terms of success of co-operatives will be tested through the field study.

4.3.2 Group Size, Jointness of Supply and Housing Co-operatives

Until here, group size has been discussed as one of the most important variables of the models developed for the production function of collective action. Beginning from Olson, many social scientists have tried to find out effects of group size on collective action. As it can be remembered from Olson's argument, small groups are "privileged" because they have an advantage in overcoming problems of cooperation. Small groups are more likely to realize successful collective actions. As he states not only quantitative but also qualitative characteristics of small groups are different from large groups, in which collective action is very hard to achieve. So, group size has been regarded as a factor, which negatively affects collective action in the literature (Olson 1965, Hardin 1982).

In fact, difficulty in reaching any strict conclusion is due to the fact that so many factors can vary as group size increases (Kollock, 1998). As Oliver and Marwell claim, other factors are influential together with the group size. The size of a group can not be the only factor influencing provision of collective action so other factors should be included into the analyses. Characteristic of the good and its production function together influence the collective action in addition to the group size.

Depending on the jointness of supply characteristic of the good, group size might have negative or positive effects on collective action. Here it can be stated that, housing co-operatives do have close to zero jointness of supply. It means that providing an additional dwelling unit for additional member leads to an increase proportionately in the cost of supply. So, there is the necessity of extra resource, which is supposed to be paid by the additional member of the cooperative. There are no consistent economies of scale¹, which Oliver and Marwell call as partial jointness of supply for housing co-operatives. Economies of scale can only be achieved up to a certain cooperative size.

On this subject there exist certain surveys and studies (Özüekren 1990, 1996,

¹ The discussion related to economies of scale in housing co-operatives will be made under the heading of Production Function Part followingly.

Berkman 1995). These studies will be discussed in the chapter on historical development of housing co-operatives in Turkey. If these studies are mentioned shortly in this part, it could be stated that according to Özüekren's study housing co-operatives having more than 60-70 members begin to be outside the economies of scale. The amount of fee per member increases beyond this size of housing co-operatives (Özüekren, 1996). Berkman also makes a similar analysis and finds out that after 100 shareholders, the ratio of unsuccessful housing co-operatives increases suddenly (Berkman, 1995). Hence economies of scale do not work beyond certain size of housing co-operatives. As it will be mentioned in the following parts, these characteristics could be related to management capacities of the management board.

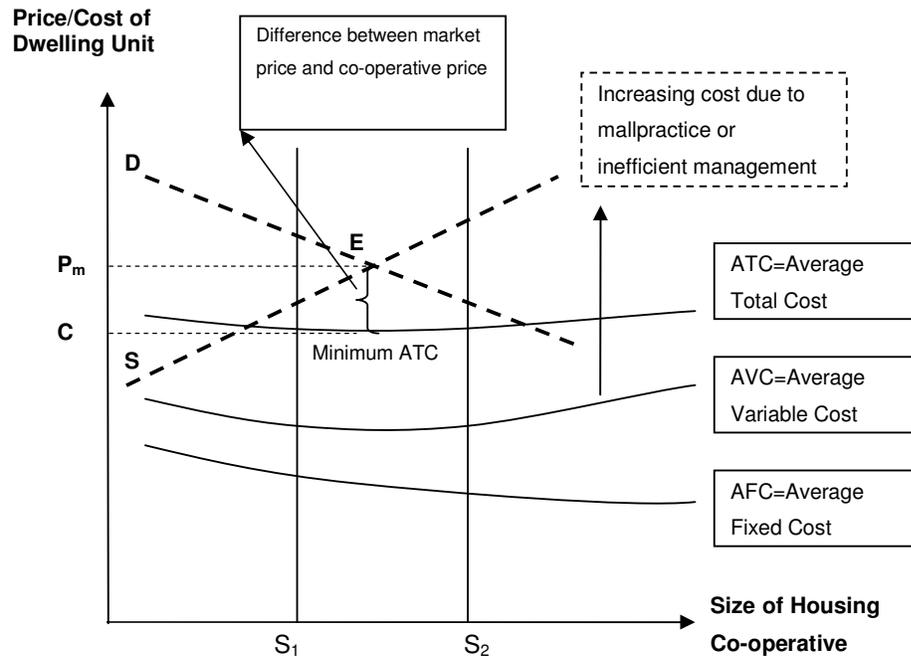


Figure 4.2. Cost and Size Relation in Housing Co-operatives

D: Market Demand Curve of Housing

S: Market Supply Curve of Housing

E: Market Equilibrium

P_m : Market Price

C: Minimum Average Total Cost

The relationships between the size of housing cooperative and the cost of dwelling unit with respect to average fixed cost, average variable cost and average total cost curves is shown in the figure 4.2. The minimum average total cost owing to efficient size of housing co-operative is in-between the size (S_1) and (S_2). Here size is thought to represent the number of shareholders in the housing co-operative.

Housing co-operatives are examples of goods having (close to) zero jointness of supply. In this regard group size should have negative effects on housing co-operatives. The hypothesis of **“housing co-operatives of small groups achieve superior cooperation results”** could be tested via the field survey. In other words the question of whether small housing co-operatives are more successful organizations is to be searched through the survey of the thesis. However, it should be remembered that the Critical Mass Theory also claims that for large groups there is higher probability of finding the critical mass of resourceful people who can play a pioneering role. Thus the hypothesis will have to be tested by means of field study on housing co-operatives in Turkey. According to interview survey results, most favorable sizes for success of housing co-operatives in Turkey will be discussed in the sixth chapter.

4.3.3. Selective Incentives and Housing Co-operatives

Selective incentive discussion is another important dimension in collective action studies. As mentioned earlier, many writers argue on the necessity of selective incentives, which are constituted by reward and punishment mechanisms. That is to say, to distinguish the ones who are contributing for collective good should be rewarded and the other free riders should be punished in order to make collective action possible. These selective incentives might be both social and economic. Certain reward and punishment mechanisms are necessary for escaping free riding in housing co-operatives.

As it can be remembered Olson’s solution for free riding problem is *selective incentives*. For Olson, cooperation among rational individuals in large groups is almost impossible without the provision of selective incentives. Selective incentives are private benefits or cost exemptions that are available only to those who contribute towards the collective good.

Recently, a new literature focused on to examine the conditions under which selective incentives may not be necessary for cooperation even in large groups. Marwell and Oliver being well known scientists of this view disagree with Olson’s

view and claim that selective incentive includes free riding problem in itself. In their approach the assumption is that individuals are purposive actors and that they will seek to maximize the net benefits that they gain from their choices (Oliver and Marwell, 1993, 2001).

The selective incentive argument of Olson might be used while solving the problem of free riding in the frame of this thesis. Even selective incentive might include free riding problem in itself it can still play an obstruction role toward free riding. Thus, the hypothesis of ***“social and economic reward and punishment mechanisms contribute to the effectiveness of housing co-operatives”*** can be built. In housing co-operatives free riding might be prevented by using especially economic punishment mechanism.

In fact, although housing co-operatives of Turkey will be discussed in the following chapter, here existing punishment and reward mechanisms might be mentioned in order to make discussion more clear. For instance, in Turkey, the current Law related to housing co-operatives allows to dismiss members who are not making required payments. In this case, legal rights of dismissed cooperative members are transferred to the cooperative body being financial advantage to other members. Thus these types of punishment and reward mechanisms can be considered in order to prevent free riding, which might have very negative effects on housing co-operatives.

4.3.4. Network Structure and Housing Co-operatives

Network is one of the most important dimensions of collective action. Many writers in the literature make analysis considering influences of network structure on collective action (Oliver and Marwell, 1993, Bengtsson, 1998, Chiang, Medina, 2002). In housing co-operatives network structure is so important that success of these organizations might be directly related to social and economic ties among members.

Investigating relationships between people in groups, the Critical Mass Theory

focuses on the network centralization rather than the network density for the success of housing co-operatives. That is network centralization around one person instead of spreading across a group has more positive effects on collective action. Hence, network centralization meaning building relationships between the critical mass and other resourceful people instead of spreading to the whole network would contribute collective action more (Oliver and Marwell, 2001).

In the meantime, Oliver and Marwell also believe that *“network effects should be construed neither simply nor simplistically. The effect of the structure of network ties on collective action always depends on the specific organizational structure of the collective action”* (Oliver and Marwell, 1993: 184).

When housing co-operatives are considered, it is not possible to claim network centralization has positive or negative effects on the organizations. The critical mass constituted of resourceful people might play a pioneering role on collective action and so on housing co-operatives. However, they can also use their positions for their individual interests causing different negative impacts on cooperative organizations. It is clear that network structure in housing co-operatives are very important but network centralization may not be beneficial to housing co-operatives. It might be beneficial to the resourceful critical mass. Certainly, this question is subject to in depth analysis via the field study.

Thus it is possible to build a hypothesis that **“network density might have either positive or negative effect on housing co-operatives depending on the characteristics of critical mass”** This hypothesis is again to be tested through the field study of the thesis. The characteristic of critical mass is closely related to influences of network structure on collective action. If the critical mass has positive effects on collective action network centralization around them might contribute to collective action (Oliver and Marwell, 1993). On the other hand, if The Free Rider theory is recalled, it is also possible to argue that the critical mass might exploit other group members by using their pioneering positions. In this case, the effect of network structure becomes the opposite. Thus, it can be stated that “depending on the characteristics of critical mass, network structure might

have either positive or negative effect on housing co-operatives.” Characteristic of networks are also subject to field survey in order to clarify their effects on housing co-operatives.

4.4. Concluding Remarks

In this chapter, regarding housing co-operatives as a kind of collective action are evaluated with respect to the Free Rider and the Critical Mass theories. The chapter aims to find out and discuss the factors that have impacts on success of housing co-operatives with respect to discourses of the theories mentioned above. In this respect, chapter firstly mentions about how the thesis considers the success of housing co-operatives.

The factors behind the logic of housing co-operatives are also discussed in the chapter. In this respect, the graphical representations of cost-benefit situation of housing cooperative’s shareholders with respect to free riding, two persons co-operative game and the relationships between the size of housing cooperative and the cost of producing a dwelling unit are made in the chapter.

Lastly, the chapter brings up the hypotheses of the thesis, related to success of housing co-operatives considering both; the hypotheses of the theories of the Free Riding and the Critical Mass and the characteristics of housing co-operatives in Turkey. Success of housing co-operatives would be evaluated considering measurable factors such as cost, completion time and quality of construction according to perceptions of managers who are interviewed. Size of housing co-operatives, free riding, critical mass, selective incentives and network density in housing co-operatives are the factors mentioned in the hypotheses in relation with success. The interview survey, statistical analysis and evaluation of results testing hypotheses in this chapter will be explained in the sixth chapter.

CHAPTER 5

HISTORICAL AND THEORETICAL ANALYSIS OF HOUSING CO-OPERATIVES IN TURKEY

5.1. Introduction

Having discussed the ideological and historical development of co-operatives and the theoretical framework of the study, this chapter aims to analyze development of housing co-operatives in Turkey. As it has been emphasized throughout the thesis, there are universal models related to cooperation, which are built on an historical ideology. Co-operative development is a socio-spatial process, which is context dependent and requires in-depth analysis for different cases. Co-operative movement in Turkey can be explained as an adaptation of Western institution to a country where the context was very different.

In Turkey there is a need for in depth analysis of the content and contextual differences of co-operative housing. There exist only a limited number of studies on housing co-operatives. Some of the questions related to characteristics of housing co-operatives in Turkey will be answered after results of the interview survey are obtained. There is limited amount of information about housing co-operatives in Turkey. Hence, this chapter intends to deal with the contextual differences of housing co-operatives in order to better understand the current situation of housing co-operatives in Turkey. Therefore, this chapter will be an evaluation of housing co-operatives in Turkey by referring to the literature only. Hence, the aim of this chapter is to analyze housing co-operatives by referring to universal co-operation arguments and models/theories that have been used for the categorization of housing co-operatives in this study.

Within this aim, there will be two main parts in the chapter. The first one will be on the historical development of housing co-operatives focusing on contextual differences of structures of housing co-operatives in Turkey. The second part will be on the analysis of Turkish housing co-operatives with respect to general cooperation suppositions and models/theories of the Free Rider and the Critical Mass. As a result this chapter will be on the social, economic and political analysis and evaluation of Turkish housing co-operatives.

5.2. History of the Co-operative Movement in Turkey

As far as the whole study is concerned, the main area of concentration is obviously the development of housing co-operatives in Turkey. Thus, after having analyzed the historical development of the co-operative movement in the (Western) European countries, a comparative examination of the co-operative movement in Turkey becomes meaningful and explanatory. For reasons of simplicity, a general overview of co-operative development in Turkey is followed by theoretical analysis in comparison with the Western experiences.

To begin with, similar to other developing countries, it is safe to argue that development of the co-operative movement in Turkey is an adaptation of a Western institution. As indicated earlier, co-operative development in Western Europe emerged in Britain where Industrial Revolution gave its start. Having close relations with the development of industrial capitalism, development of the co-operative movement was not an unexpected event. Therefore, an historical approach is necessary. It emerged as a reaction to the adverse impacts of the industrial capitalist development. The co-operative movement in Britain and in other developed countries began to be experienced as an outcome of industrialization and urbanization process.

After the Second World War, Turkey also faced the transition from agricultural based economy to industrial based economy by the process of depeasantation¹

¹ Özkan, 2000

The level of migration from rural settlements increased suddenly. However, in Turkey the co-operative movement began to be experienced in 1930s when industrialization and urbanization movements were at the initial stages of development. In these years industrial revolution was not the agenda in Turkey. Huge amount of the population was constituted by rural people and adverse impacts of the industrialization, which were regarded as one of reasons of start of the co-operative movement in Britain, were not again in the agenda of Turkey. Thus, being aware of this differentiation, Turkish experience might be regarded as an adaptation of a historically and contextually emerged institution to an environment where context was very different.

Although the initial phases of the co-operative movement can be found in the late 19th Century, the first co-operative organizations in Turkey appeared in 1912-1913 (Fındıkoğlu, 1953 cited in Keleş 1967: 16). The environment, suitable for co-operative development, was prepared between the years 1926 and 1935 when the Trade Law and other Laws concerning agriculture co-operatives were enacted (Keleş, 1967: 16).

Therefore, in spite of the fact that co-operative development has been a bottom up movement in Europe, co-operative development started in Turkey as a top-down movement (Tuna, 1944). That is to say, the start of co-operative movement in Turkey has been different from the case in Europe, where the co-operative movement appeared as a result of socio-economic needs. In Turkey the ideological discourses and adaptations have been influential for the start of the co-operative movement. Although contextual differences exist between the Europe and Turkey, this Western institution were tried to be adapted in Turkey as a top down movement.

5.3. Historical Analysis: Development of Housing co-operatives in Turkey

Housing sector can be regarded as one of the important sectors that co-operatives can operate. Declaration of the Republic and the consequent start of a

new modernization project have brought to the fore the process of industrialization. Especially after the Second World War, hand in hand with industrialization, Turkey faced a rapid urbanization process. However, the first co-operative initiative began after 1930s. The economic crisis of 1930s, which caused a significant decline in housing production, and moreover, declaration of Ankara as the capital city of the nation were the two factors behind the need for housing in Ankara as well as in other cities. Thus, the first housing co-operative was established in 1934 in Ankara, the capital city of Turkey as a result of these developments. In these years, due to economic crisis and deficiency of resources, co-operatives were regarded as an alternative to state and private sector housing provision.

In “The Story of Bahçelievler (1984)”, Tekeli & İlkin provide an important framework to understand the co-operative housing movement in Turkey. This book is important in the sense that it gives the history of the first housing co-operative with an emphasis on how a Western model was applied in Turkey. In fact, as Tekeli & İlkin claim, the analysis of the Bahçeli Evler Housing Co-operative might be used to understand development characteristics and the current state of housing co-operatives in Turkey. The contextual socio economic features of the period formed the movement and gave its distinctive characteristics, which will be discussed in the following parts. Hence, the following section concentrates on the history of housing co-operatives in Turkey with special reference to the Bahçeli Evler Housing Co-operative.

The historical evaluation of housing co-operative development in Turkey will be made in a way that four distinct periods will be analyzed. These periods are 1946-1962, 1963-1980, and after 1980s. Major attributes of these periods concerning basic niches such as definition of the period with respect to housing co-operative development, general political characteristic of the period, legal regulations, institutional structure - main agents and quantitative analysis of housing co-operatives will be summarized within tables together with their historical background.

5.3.1. Between 1930 and 1945

The period between 1930 and 1946 witnessed the beginning of the early phases of housing co-operative movement in Turkey. The diffusion of co-operative movement except for agriculture was realized after 1930s (Tekeli, 1984). Bahçeli Evler Housing Co-operative was organized as a first legal housing co-operative in 1934. As it is stated earlier, the analysis of this co-operative organization is helpful in understanding the characteristics of the period. This period is important because of the fact that, during this period, the characteristics of the housing co-operative movement in Turkey was shaped as a reinterpretation of the Western Housing Co-operative Movement.

Table 5.1. Analysis of Turkish Housing Co-operative Development (1930-1945)²

Period	Definition of the Period with Respect to Housing Co-operative Development	Main Political Approach	Legal Regulations Concerning Housing Co-operatives	Institutional Structures / Main Agents	Quantitative Analysis
1930 – 1945	Initial phase of co-operative housing development	Single Party Regime and Import Substitution Economic Model	Turkish Trade Law 6762 – 1926-1935 Laws on Agricultural Co-operatives	Turkish Co-operatives Association First Housing Co-operative: Bahçeli Evler Real Estate and Credit Bank	Number of Housing Co-operatives 1934: 1 1939: 4 1092:11 1942: 26

² This table and the following tables in relation were made with reference to, Tekeli & İlkin (1984), Keleş (1967), Tekeli (1996a), the Ministry of Trade and Industry and State Institute for Statistics

The development of housing co-operative movement might be related to the political preferences of the period. Co-operative movement had been supported by governments in an ideological manner. Establishment of the Turkish Co-operatives Association in early 1930s was a sign of support towards housing provision as well as other sectors through co-operatives. In addition, the State owned Real Estate and Credit Bank that was established in 1926, provided credits to finance, about 90 percent of the construction cost of houses of the Bahçeli Evler Housing Co-operative (Tekeli & İlkin, 1984).

As İlkin and Tekeli state, one of the distinctive features of the Bahçeli Evler Co-operative was the social status of their members. Different from the Western Countries' experiences, the housing co-operative movement in Turkey did not emerge as a consequence of demands of low-income groups, which was caused by the reactions to negative impacts of industrialization, such as poor living conditions, insecurity and hardship. Despite the fact that co-operatives, both in Turkey and in the West, have similarly contributed positively to the increase of the housing stock, the social class they served was different. Members of the Bahçeli Evler Housing Co-operative were high bureaucrats and they were trying to solve their housing problems by using their positions (Tekeli & İlkin, 1984, Keleş, 1967). Here, the aim of the bureaucrats was not only to have a shelter, they were also trying to realize certain economic benefits from the co-operative institution. It has also been regarded as an profit making mechanism.

Ankara, especially because of its declaration as the capital city of the Republic of Turkey, was one of the earliest provinces that faced with an increase in housing need. With the rise in land prices in planned areas by the Jansen's Plan, house ownership became less affordable for state officials. Thus, high ranked bureaucrats formulated the co-operative type of solution in which co-operative's land was outside the planned area. On this subject, Tekeli & İlkin claim that, Bahçeli Evler Housing Co-operative can be regarded as an institutionalized tool for achieving personal benefits (Tekeli & İlkin, 1984).

These characteristics of the housing co-operatives constituted the elements of co-operative housing understanding in Turkey. Inevitably, the bureaucrat members of

the Bahçeli Evler co-operative gave its highly bureaucratized characteristics, and consequently such a structure facilitated the co-operative movement in several aspects. Due to their members' status, Bahçeli Evler housing co-operative had close and positive relationships with the central government agencies and the local authorities. Through this, they enjoyed many financial and institutional privileges by using their status. Instead of collaboration and collective accumulation of the fund to finance construction, Bahçeli Evler Housing co-operative relied on credits from state funds as it was formed by bureaucrats holding important positions. The Bahçeli Evler Housing Co-operative was transformed to an organization, which was sharing opportunities given by the state, instead of collectively making opportunities by themselves. This movement, by the initiation of bureaucrats was adopted by political regime of the period (Tekeli & İlkin, 1984: 47).

In addition to the differences in financing co-operatives, the type of the housing that Bahçeli Evler co-operative was producing was also different. With the very favorable credit opportunities, bureaucrat members of the co-operative were demanding luxury houses with gardens (Tekeli & İlkin, 1984: 129).

The Bahçeliever Housing Co-operative was established with 134 shareholders, most of which were holding important bureaucratic positions. Since the co-operative had a land, which was 321650 m² in size, about 300 houses could be built on this land. In this respect, the co-operative was open to new shareholders and it produced houses for 169 shareholders. Besides the size of the land, the co-operative was open to new shareholders because of preventing the idea that it would only serve for those 134 important bureaucrats (Tekeli and İlkin, 1984: 52).

Some powerful bureaucrats, who left the Bahçeli Evler Housing Co-operative established Güvenevler Housing Co-operative in 1936 and this co-operative constructed houses in lines with the "garden city approach" and completed building 51 houses in 1937 (Kubin, 1991). A shareholder and a member of management committee of the Bahçeli Evler Housing Co-operative, Mr. Affan Ataçeri established three co-operatives and in this way he could be regarded as the first professional co-operative manager. These co-operatives were, Kartal Plaj

Evleri Ko-operatifi (Kartal Summer Houses Co-operative) that was established in 1941 in İstanbul, Şenyuva Building Co-operative established in 1941 in Ankara and Ucuz Evler Building Co-operative (Cheap Houses) in 1942 in Ankara. They were followed by others in Adana, Aydın, İzmir Balıkesir, Bursa, Denizli Diyarbakır, Erzincan, Erzurum, İzmir, Mersin, Sivas, Tarsus and Zonguldak (Tekeli, 1996a: 39).

Private ownership is another distinguishing characteristic of the Bahçeli Evler Housing Co-operative. Bureaucrat members preferred private ownership. This preference shows us that the first co-operative initiative was not formed with the aim of having a dwelling unit in the frame of co-operative rules. Instead, members of this organization have tried to realize economic benefits, which they got through the universal co-operative argument in Turkey.

In conclusion, Bahçeli Evler Housing Co-operative was formed by these middle/high ranked bureaucrats and was based on the principle of building housing for private ownership by its members. Also the member's status was an advantage for the co-operative in the sense that they could benefit from their close relationships with the local and central government authorities as well as with the state owned banks. As stated before, these characteristics have been influential in shaping co-operative housing in the following periods in Turkey.

After the establishment of the Bahçeli Evler Housing Co-operative in 1934, the number of housing co-operatives which was only 4 in 1939, increased to 26 in 1942, and at the end of the War in 1946 to 50³ (Tekeli, 1996a: 39). According to the registrations of the Ministry of Trade and Industry, the number of active co-operatives as of the date of 31.12.1945 was 135. There are some mismatches between the data of State Institute of Statistics and the Ministry of Industry and Trade.

Hence, the start of housing co-operative movement was given in the period of 1930-1946 by affiliation of the co-operative ideology and decreasing affordability

³ Number of housing co-operatives and number of houses that co-operatives constructed is missing for some years in official records of the State Institute for Statistics and the Ministry of Trade and Industry.

of state officials in the capital city of Turkey, Ankara where land prices very much increased due to migration and the implementation of Jansen's plan. Housing co-operatives have been the most appropriate form of mass housing provision as it legitimizes application for development right of lands beyond planned areas (Tekeli and İlkin, 1984). Tekeli summarizes characteristics of the Bahçeli Evler Housing Co-operative as follows and states that these characteristics played crucial roles in the formation of the features of housing co-operative movement in Turkey.

- Formed within the hands of high ranked bureaucrats instead of low income groups as in the case of Western examples
 - Used subsidized credits from public source
 - Got land from the outside of planned areas
 - Constructing luxury and large houses
- (Tekeli, 1996a)

5.3.2. Between 1946 and 1962

This period is important from the point of view of Turkish political history, that the transition from one party to multi party regime was realized in the year 1946. One of the important consequences of this transition can be stated as leaving from import substituted policies for export oriented policies. Thus, this period gives rise to free trade policies meaning opening boundaries to foreign capital, credit and aid. The effect of international economic resources came into the agenda with increasing credit opportunities.

Table 5.2. Analysis of Turkish Housing Co-operative Development (1946-1962)

Period	Definition of the Period with Respect to Housing Co-operative Development	Main Political Approach	Legal Regulations Concerning Housing Co-operatives	Institutional Structures / Main Agents	Quantitative Analysis
1946 – 1962	Initial Phase of Co-operative Housing Development	Transition from Single Party Regime to Multi Party Regime and Free Trade Policies with the Opening of the Economy to Foreign Capital Export Oriented Strategy	The Squatter Housing Law (5228 – 1948) The Law Related to Availability of Land Belonging to Municipalities for Housing Co-operatives (6188 – 1953)	Real Estate and Credit Bank (Emlak ve Kredi Bankası) Social Security Organization (Sosyal Sigortalar Kurumu) Mutual Help Organization of Army Officers (OYAK)	Number of Housing Co-operatives 1946: 50 1960:1800 1964:2214

After the Second World War, Turkey began to be faced with a transformation process. Industrialization and concomitant urbanization processes have brought about differentiations of social and spatial order. Migration to urban areas accelerated and this rapid urbanization required an increase in housing production.

Table 5.3. Urbanization Ratios Between 1945 and 1960

Years	Total Population	City Population	Ratio
1945	18.790.174	4.687.102	24,94
1950	20.947.188	5.244.337	25,04
1955	24.064.763	6.927.343	28,79
1960	27.754.820	8.859.731	31,92

Source: State Institute for Statistics

In addition, following the Second World War, social welfare state policies were influential in the world and in Turkey (Dülger, 2000). In one sense, housing sector might be differentiated from other public services, as welfare policies are concerned with public services. Housing is open to market regulations and rules when compared to other public services such as education, health and social security (Alkan, 1998). However, it might be claimed that development of the co-operative alternative in Turkey might be also related to the influence of welfare policies of the period.

Another characteristic of the period was increasing urbanization rates, which initially were experienced in Ankara. Population increase in Turkey resulted in increasing housing need, which caused growth in land prices due to land speculations. As discussed earlier, especially some powerful people (high ranked bureaucrats, politicians and etc) began to use co-operatives as a solution for their housing need.

In terms of legislative point of view this period witnessed enacting some laws. The Law related to prevention of squatter housing (5228 – 1948) aimed to prevent squatter housing by providing publicly developed land at low cost to individuals and co-operatives. However, this Law did not contribute as much to the co-operative housing development as expected (Keleş, 1982: 49).

Similarly the Law (6188 – 1953), which allowed co-operatives to benefit from the

land owned by municipalities, like real persons, did not make contribution to housing co-operative development (Keleş, 1982: 49). In this respect, this period can be regarded as transition period in terms of legal regulations concerning the support of housing co-operatives.

After 1950s, the Social Security Organization began to give credits to housing co-operatives, which would be built by workers who are covered by that organization. In addition, the Real Estate and Credit Bank that was reorganized in 1948 continued to give housing credits.

In fact, involvement of the Social Security Organization in housing financing can be regarded as a turning point for the co-operative housing movement. At the same time, the Mutual Help Organization of Army Officers also began to give credits to the co-operatives of its members in 1962, but its contribution to housing provision has been much less than the Real Estate and Credit Bank and Social Security Organization. In this period, the number of housing co-operatives has grown slightly.

Table 5.4 Number of Established Housing Co-operatives

Years	Number of Established Housing Co-operatives
1950	1
1951	1
1952	2
1953	1
1954	5
1955	3
1956	5
1957	6
1958	8
1959	13
1960	6
1961	6
1962	6
1950-62	Total 69

Source: Ministry of Trade and Industry

As seen in the table 5.4 between the years 1950 and 1962, 63 new housing co-operatives were established (Table 5.4). According to Keleş, between 1950 and 1965, a total of 374 co-operatives produced 32862 dwelling units, and 26252 of them were financed by the Social Security Organisation, and the rest by the Real Estate and Credit Bank (Keleş, 1982).

According to the data obtained from the Ministry of Industry and Trade, 63 new housing co-operatives were established between the years 1946 and 1962 and the numbers of active housing co-operatives was 154 as of the date of 31.12.1962.⁴

In this period although there was no negative political stance to co-operative housing, it is difficult to notice that housing co-operatives have been adequately supported. Without much state subsidies and control mechanisms, housing co-operatives remained open to speculation and lost their trustworthiness (Keleş, 1982: 50).

Hence, it can be concluded that after 1946, with the transition from one party regime to multi-party regime, free-trade and liberal policies were adapted and these policies did not provide favorable environment for housing co-operatives even though they had provision certain supportive mechanisms. In this period housing co-operatives were not for low income people. Different from the Bahçeli Evler case, which was organized by high/medium ranked bureaucrats, co-operatives began to be established or organized by political representatives of the party in power (Tekeli, 1982). They were also open to speculation without proper control mechanisms.

5.3.3. Between 1963 and 1980

This period can be called as the planned period because of the beginning of state controlled resource allocation based on development plans. In this period internal

⁴ There is still inconsistency between the data belong to the Ministry of Trade and Industry and State Institute of Statistics for that period and data.

market oriented import policies were adopted. Reducing consumption and urban infrastructure investments and directing resources to more productive sectors were the main policies of the first decade of the period.

Table 5.5 Analysis of Turkish Housing Co-operative Development (1963-1980)

Period	Definition of the Period with Respect to Housing Co-operative Development	Main Political Approach	Legal Regulations Concerning Housing Co-operatives	Institutional Structures / Main Agents	Quantitative Analysis
1963 – 1980	Acceleration of Development of Co-operative Housing by introducing the Co-operatives Law	Planned Period with Various Development Plans via Adopting Import Substitution Policy	Flat Ownership Law (634 – 1965) Squatter Housing Law (775 – 1966) Land Office Law (1164 – 1969) Co-operatives Law 1163 - 1969	Real Estate and Credit Bank Social Security Organization Mutual Help Organization of Army Officers Kent-Koop (1979) Municipalities (i.e. İzmit Ankara)	Number of Housing Co-operatives 1964: 2214 1980:6553 ⁵

In this period, although there have been populist policies towards rural population, the migration from rural areas to urban areas has continued to bring about the need of increasing housing provision (Tekeli, 1982, Özkan, 2000).

⁵ This is the minimum number of housing co-operatives in 1980. According to the data of Ministry of Trade and Industry the number of housing co-operatives is 2214 in 1964. and between 1969 and 1979 a total of 4339 new housing co-operatives were established. Since there are no data for the period of 1965-1968, the number of housing co-operative was counted as a minimum of 6553.

Table 5.6. Urbanization Ratios Between 1965 and 1980

Years	Total Population	City Population	Ratio
1965	31.391.421	10.805.817	34,42
1970	35.605.176	13.691.101	38,45
1975	40.347.719	16.869.068	41,81
1980	44.736.957	19.645.007	43,91

Source: State Institute for Statistics

In the planned period, which started by 1962, the co-operative development has accelerated. In addition to increasing housing needs due to continuing migration to cities, the Flat Ownership Law⁶ (kat mülkiyeti yasası), dated 1965, contributed to the organization of the co-operative movement. In this period, housing provision was planned to be provided at certain standards. Housing policy was included in the First Five Year Development Plan (1963-67). The main idea behind this plan was reducing consumption in order to increase national savings. (State Planning Organization, The First Development Plan 1963-1967)

Within this aim, social housing standards were designated with the Decision of Council of Ministers, dated 23.10.1964 (Koç, 1989). According to the Decision, the production of 63 m² dwelling units was encouraged and became prerequisite to get credits from the public sector. However this 63 m² dwelling unit proposal was not so influential during the period. Firstly the standard of 63 m² was displaced with 69,3 m² with the Decision of Council of Ministers, dated 13.11.1964 and published in Official Gazette No:11855. In 1966 this proposal was again surpassed and displaced with 100 m² standard (Tekeli, 1996a). Thus, encouragement of social housing type building in order to increase housing production in number was not influential in this period.

The Flat Ownership Law made it possible to build apartment blocks in one parcel. It became possible for especially middle income groups to share increasing land

⁶ It can be also called as Condominium Act

cost in the city. In this period, two forms of housing provision, speculative house-building and housing co-operatives were both aiming to provide dwelling units for the middle and upper income groups who possessed relatively more incomes, when compared to large number of lower income groups. Thus, after the Flat Ownership Law, housing co-operatives and speculative house-builders began to produce dwelling units by financing them from middle income group's small savings.

The Social Security Organization continued to give credits only to housing co-operatives, which were established by members that were covered by this organization. This development opened the door for acquiring flats in the planned lands by middle income groups. However, most manual labor could not benefit from this development (Tekeli, 1982). The Mutual Help Organization of Army Officers also continued to give credits to its members during the period.

In this period the government policy was stated as supporting mass housing production. Hence, it can be stated that the more favorable environment contributed to the development of housing co-operatives in the period. The Social Security Organization continued to give credits for workers co-operatives.

The Squatter Housing Law (775 – 1966) were enacted in 1966 and can be regarded as an important Law of the first plan period in terms of supporting housing co-operatives by providing publicly owned lands in Squatter Prevention Areas that are declared in accordance to that Law.

In addition, development and use of publicly owned land also aimed in the Second Five Year Development Plan, which was for the period of 1968-1972. The Land Development Office was established with the Law 1164, which was enacted in 1969 and aimed the development and production of land for the activities that can generate social benefit, including housing co-operatives. The most important legal development of the period in terms of housing co-operatives has taken place, which was enacting the Co-operatives Act, in order to regulate co-operative institutions. These Laws either provided privileges for housing co-operatives on

publicly developed land or aimed to regulate the housing co-operative sector as one of the significant housing provision institutions. In the following Development Plan (1973-77), no new objectives were introduced. Thus it can be regarded as a continuity of the previous plan (Koç, 1989).

In the Second Five Year Development Plan the policy of encouraging mass housing projects, in order to achieve economies of scale was initiated. Housing co-operatives might be included into mass housing type of housing solutions (Tekeli, 1995). In this respect, it is not wrong to claim that co-operatives were the only producers of large scale housing projects due to lack of large scale speculative housebuilders at the end of 1970s. The land development function of co-operatives has been important since they could buy land beyond boundaries of planned areas of cities (Türel, 2001).

Table 5.7. Number of Established Housing Co-operatives

Years	Number of Established Housing Co-operatives
1963	16
1964	10
1965	9
1966	27
1967	41
1968	63
1969	82
1970	158
1971	179
1972	165
1973	209
1974	134
1975	264
1976	657
1977	816
1978	936
1979	937
1980	1018
1963-1980	Total 5721

Source : Ministry of Trade and Industry

Even though there existed privileges of housing co-operatives in terms of public land allocation, their activities in land development beyond planned areas and the enactment of the Co-operatives Law in 1969, the number of housing co-operatives established between 1969 and 1979 reached only 4339⁷ (Geray, 1992, Berkman 1993, Özükren, 1996). The number of housing co-operatives was 2214 in the year 1964. If both data are taken into account together, it is concluded that the number of housing co-operatives for the year 1980 should be at least 6553. However, according to the data obtained from the Ministry of Trade and Industry, the number of housing co-operatives as of the date of 31.12.1980, was 9303 and 1292 of them were active.

During the same period, construction permits were given to 3275 co-operatives and occupancy permits to 2161 co-operatives (Berkman, 1993, Özükren 1996)⁸. The table 5.8 indicates that total number of construction permits given to co-operative dwelling units was 245362 between 1966 and 1980 and number of occupancy permits was 102578 between 1967 and 1980. In these years, about 9,5 % of total construction permits were belonging to housing co-operatives. When 1980s approach, increasing share of co-operatives in total production can be observed from the table. Hence, end of this period might be regarded as the initial phases of increasing importance of housing co-operatives in total housing production.

⁷ According the table 5.7 this number is 4537.

⁸ Source: State Institute for Statistics

Table 5.8 Number of Construction and Occupation Permits

Years	Total		Co-operatives			
	Construction permits	Occupancy permits	Coop. Const. Permits	%	Coop. Occup. Permits	%
1966	91151	40973	3570	3,9		0,0
1967	99373	50282	4172	4,2	2231	4,4
1968	110263	62910	4564	4,1	3508	5,6
1969	132066	65215	8277	6,3	3310	5,1
1970	154825	71589	11654	7,5	3734	5,2
1971	150357	72816	14561	9,7	4019	5,5
1972	166983	88231	14277	8,5	5636	6,4
1973	194981	96163	25507	13,1	8153	8,5
1974	161047	84199	13966	8,7	5830	6,9
1975	181685	97431	14005	7,7	7892	8,1
1976	224584	102110	16643	7,4	9166	9,0
1977	216128	119409	25142	11,6	10917	9,1
1978	237097	120615	26049	11,0	12148	10,1
1979	251846	124297	31437	12,5	13978	11,2
1980	203989	139207	31538	15,5	12056	8,7
Total (1966-1980)	2576375	1335447	245362	9,5	102578	7,6

Source: State Institute for Statistics

These figures indicate that the period of 1963-1980 can be regarded as a period in which acceleration of development of co-operative housing has taken place under the effects of the enacted Laws (Flat Ownership Law, Squatter Housing Law, Land Office Law and Co-operatives Law) to support the co-operative housing.

In this period, another important characteristic of the housing co-operatives was their relationship with municipalities. Although prevalence of increasing central government intervention and decreasing revenues and responsibilities of municipalities are underlined by some writers (Ersoy, 1992), after 1970s the role of municipalities in housing provision increased. Municipalities, at this period began to take part in the development of mass housing projects including co-

operative housing projects. After the 1973 elections, social democrats came into the administrations of big cities. Thus, mass housing implications considering social housing policies came into the agenda with social democrats' run municipalities due to increasing housing need as well as their attempts to develop projects in lines with their ideologies.

The first initiation came from the İzmit Municipality, whose major was Erol Köse. İzmit Project was the first example for municipal co-operative implication. In the İzmit Project, a kind of participatory architectural model was established and has been followed by other municipalities. Following the İzmit project, Ankara Municipality with social democrat mayors such as Vedat Dalokay and then Ali Dinçer gave start to co-operative mass housing projects.

As stated, some municipalities pioneered in organizing housing co-operatives. In other words, there were very close relationships between housing co-operatives and local authorities. The Kent Koop case is a good example of the municipal type of co-operative housing and it had taken its roots from the İzmit Project. It was a co-operative union supported and founded by the Municipality of Ankara. At that time, Murat Karayalçın was the head of Kent-Koop organization and played crucial role in the development of co-operative projects.

Being one of the biggest co-operative housing projects, Batıkent was realized by Kent-Koop, which is the initiation of social democrat municipality. This project has been a model for the housing co-operatives in other provinces (Türel, 2001). In fact the establishment of Kent Koop has been one of the turning points in terms of housing co-operative development in Turkey. Kent-Koop was established by the Ankara Municipality and thirteen co-operatives on the 17th October 1979.

Therefore, it can be concluded that 1970s was the initial phase for the progressive housing co-operative movement in Turkey. The "mass housing" discourse has been firstly introduced with the Second Five Years Development Plan (1968-72). So, institutionalization of mass housing began with the Second Five Years Development Plan. Oran City was the first example for mass housing implications, which was undertaken by private sector initiative.

At the end of this period, big co-operative housing projects such as İzmit, Batıkent were planned and constructed with the contribution of municipalities and with increasing finance from public sources. The crucial characteristic of the period, which was that co-operatives established or managed with the contribution of municipalities, continued after all those following projects. As stated, these municipalities were run by social democrats who tried to enable lower income people to benefit from mass housing investments of municipalities through the way of housing co-operatives.

5.3.4. Since 1980s

The period that began in early 1980s can be described as the transition to a liberal economy. In these years, certain discourses such as liberalism, open market economy, and free entrepreneurship gained importance. According to this period's strategy, solutions were begun to be looked for in the market with minimum government intervention. At the end of 1970s, world economic crises caused economic bottlenecks and adversely affected state welfare policies in the world (Harloe, 1995). On this subject Ball claims, in order to recover the economic crisis of the welfare state, many economic stabilization programs were adopted and these programs resulted in bottlenecks in planning and housing sector (Ball, 1983).

In fact, 1980s were the years that the co-operative movement was supported by the governments and consequently the number of co-operatives and their associations increased sharply. Therefore, 1980s were the years of strengthening the housing co-operative movement. It might be due to the fact that, co-operatives were begun to be seen as a third alternative to the market and the state (Pestoff, 1991). Especially, regulations introduced by Özal, which will be mentioned in the following paragraphs, can be related to liberal strategies of this period.

Table 5.9 Analysis of Turkish Housing Co-operative Development (After 1980)

Period	Definition of the Period with Respect to Housing Co-operative Development	Main Political Approach	Legal Regulations Concerning Housing Co-operatives	Institutional Structures / Main Agents	Quantitative Analysis
After 1980	The golden period for Housing Co-operatives due to introduction of the Mass Housing Law leading to Considerable Financial Support to Housing Co-operatives which have been regarded as an important housing provision actor in the market economy of Turkey.	Liberal Period in which Integration to World Economy was aimed with Free Trade Policies	Mass Housing Law dated 1984 Law on the Organization and Duties of the Ministry of Industry and Trade dated 1985 Law on the Establishment of Undersecretary of Housing and Land Office dated 2001	Housing Development Administration And Housing Development Fund Türk Konut (1985) Türk Kent (1988)	Number of Housing Co-operatives 1980: >6553 2000: 35538

Two Housing Laws related to housing were put into effect within 3 years time span. The First Mass Housing Law of 2487, dated 1981, demanded at least 5 % of state budget to be allocated for the finance of mass housing projects (The Law 2487, 1981). The 2487 Law has been enacted by the Military Government, which came into force after the Military Coup of 1980. This Law can be regarded as a continuation of the co-operative movement, which had already come into agenda in Turkey. With this Law, without making any differentiation between households, everybody was allowed to get credits via housing co-operatives and the Social Security Organization, as much as the 90 % of the construction cost. Hence, the housing co-operatives and their associations, and other social security organizations had the priority for getting credits.

However, this Law was not so much influential on the development of housing co-operatives. This might be related to the economic stabilization decision of 24 January, 1980. First of all, the Law 2487 was enacted after 24 January economic stabilization regulations, which restricted public investments. The economic stabilization program resulted in decreasing housing demand in the market. Thus, affordability of housing, even via co-operatives was not so easy. Also, owing to the economic bottlenecks of the period, many co-operatives established for benefiting from this credit opportunities, could not get credits from the Mass Housing Fund (Alkan, 1998). As will be discussed in the following paragraphs, the Mass Housing Fund became very effective after the second Mass Housing Act.

In addition to this financial regulation, the second Mass Housing Act dated 1984, made much greater contribution to the development of co-operatives. The Law, numbered 2985 was enacted by the liberal government of Özal. This Law, which includes free market concerns, was different from the first one. This time, the liberal government aimed to work with the private sector developers for the housing provision. With this Law, a great amount of finance from the Mass Housing Fund, which is under the control of Housing Development Administration, was provided to the housing sector. Since co-operatives were the main beneficiaries of this financial source, both the number of housing co-operatives and the amount of housing that they produced increased significantly (Türel, 2001).

However, it should be again underlined that Özal's Law of 2985 was rather different from the Military Government's Law of 2487. Since, for Özal's politics, public share should be restricted for liberal free market economy. But, in the mean time, housing sector is one of the significant sectors for the improvement of the market economy in Turkey. Hence Özal aimed to support the housing sector within the frame of liberal policies aiming restructuration of urban housing market. He regarded housing co-operatives as if they were private sector developers in his period. His policies were parallel with the separation from the welfare polices in the world (Özkazanç, 1997). In these years, due to the economic crisis, welfare policies that had been implemented after the Second World began to be left.

The Law 2985 was involving new regulations, which removed certain priorities of co-operatives and their associations. This Law opened door for individual credit demands, which showed digress from social and mass housing considerations. It also had regulations, which put away limitations for credit access, such as size of housing dwelling unit. With its by-law, the 100 m² limit for credit was enlarged to 150 m² in order to apply for housing credit form the Mass Housing Fund (The Law, 2985, 1984, Official Gazette No: 18344, Date: 17.03.1984).

As stated above, Özal's approach to housing co-operatives, as regarding them one of entrepreneurships of liberal market economy was leading the rapid growth of housing co-operatives. Another reason was that, with the liberal policies of 1980s, population in the rural areas began to be left to market rules meaning that populist supportive mechanisms for rural population were gradually withdrawn (Özkan, 2000). This gave rise to increasing migration, which brought about the need for additional housing provision. The housing co-operatives and squatter housing (gecekondu)⁹ type of housing provision developed enormously after 1980s. These years were golden years for housing co-operatives.

Table 5.10. Urbanization Ratios Between 1980 and 2000

Years	Total Population	City Population	Rate
1980	44.736.957	19.645.007	43,91
1985	50.664.458	26.865.757	53,03
1990	56.473.035	33.326.351	59,01
2000	67.803.927	44.006.274	64,90

Source: State Institute fr Statistics

⁹ The squatter housing problem will not be discussed in the thesis. For detail discussion on squatter housing see Şenyapılı T (1985), (1996) and (1996), Tekeli (1982), (1995) and (1996).

In 1985, Türkkonut, the second central association of housing co-operatives, was established to carry out the Çayyolu Project in Ankara with the financial support from the Mass Housing Fund. It was established by the initiative of the mayor of Ankara Municipality who was a member of Mr. Özal's party and has different political views from social democrats. Hence, the Çayyolu Project was developed by Türkkonut in competition with the Batıkent Project of Kent-koop.

According to Aktan, Türkkonut had been established by rightists in opposition to Tükkent, which was established by the initiation of Kent-Koop that was already established by leftists. Türk-Kent is an institution based on social democrat rules and working principles. As he claims, there were close relationships between Özal's liberal government and administrators of Türkkonut and it was established by the help of Özal's government. Both associations acquired political power due to increasing importance of co-operatives in housing provision (Aktan, 2006).

As Şat states after ratification of the Mass Housing Law and establishment of the Housing Development Administration in 1984, mass housing projects accelerated. These were golden years of housing co-operatives. Especially successful examples of mass housing projects such as Ankara-Batıkent, İzmit-Yenikent and others brought about establishment of unions in different regions of Turkey (Şat, 2006).

The figures in the table 5.11 indicate the increasing contribution of co-operatives to housing stock after 1980s. From 1984 to 1993 the number of newly founded co-operatives increased. This is directly related to the Mass Housing Fund and great amount of finance that had been provided for housing co-operatives since 1984. However, it has lost its effectiveness in 1990s (Türel, 2001).

Table 5.11. Table Number of Established Housing Co-operatives

Years	Number of Established Housing Co-operatives
1981	336
1982	301
1983	290
1984	1251
1985	2444
1986	3925
1987	5395
1988	3364
1989	2039
1990	2665
1991	4024
1992	5474
1993	5646
1994	4406
1995	5195
1996	3516
1997	2895
1998	2562
1999	1790
2000	1398
2001	823
2002	729
2003	739
2004	1073
2005	1160
2006	870
1981-2006	Total 64.310

Source: Ministry of Trade and Industry

According to Şat, after 1990s, Housing Development Administration began to limit amount of credits available for housing co-operatives. Since resources of the Mass Housing Fund were limited (i.e. tax on travelling abroad removed) the amount of credits available for housing co-operatives began to be reduced to symbolic amounts. As Şat stresses, while up to 70 % cost of construction can be credited in 1984, only limited amount of credits began to be given to housing co-operatives due to government policies and budget constraints after 1990s (Şat, 2006).

In the table 5.12 the numbers of established housing co-operatives are seen. After 2000s, with decreasing financial supports of Housing Development Administration (TOKİ), number of housing co-operatives established began to decrease with decreasing supportive mechanisms of governments. From the table it can be also seen that after 2000s, the number of newly established housing co-operatives decreased. In fact, the governments of coalition of DSP, ANAP and MHP and following government of AKP both decreased the level of financial support via Mass Housing Fund. The coalition government of DSP, ANAP and MHP had to decrease credits because of economic crisis lived in 2001.¹⁰ The impact of 2001 economic crisis, which necessitated an IMF economic stability program, can be clearly seen from the table.

The AKP government, which came to power after 2002 elections, also decreased financial supports to co-operatives and began to produce mass housing projects on state owned lands by TOKİ aiming to regulate housing market. However, this policy is not coinciding with their liberal based policy programs. In fact housing is the only sector that AKP government has not followed pure liberal policies.

According to Şat, in the current era, Housing Development Administration began to work like a contractor with more than 300 construction sites. The AKP government tries to remove certain advantages of housing co-operatives such as tax advantage. In 2006 the deposits of housing co-operatives began to be subjected to stoppage tax. They are trying to get rid of the advantages of having dwelling units by the way of housing co-operatives (Şat, 2006).

¹⁰ DSP is democratic left part, ANAP is Mother Land Party, which has liberal thoughts, MHP is nationalist movement party. AKP is religion oriented conservative party. The Coalition Government and AKP, carried out liberal based policies for housing sector. Credit opportunities of housing co-operatives have been limited since 2000s.

Table 5.12. Number of Construction and Occupation Permits

Years	Total		Co-operatives			
	Construction Permits	Occupancy permits	Coop. Const. Permits	%	Coop. Occup. Permits	%
1981	144394	118778	26904	18,6	12874	10,8
1982	160078	115986	48518	30,3	15571	13,4
1983	169037	113453	36841	21,8	17201	15,2
1984	189486	122580	38426	20,3	19456	15,9
1985	259187	118205	76563	29,5	21273	18,0
1986	392625	168597	142779	36,4	34311	20,4
1987	497674	191109	160863	32,3	41931	21,9
1988	473582	205485	167514	35,4	43389	21,1
1989	413004	250480	131504	31,8	67140	26,8
1990	381408	232018	70730	18,5	58566	25,2
1991	388974	225390	77068	19,8	61842	27,4
1992	472817	268886	122694	25,9	83204	30,9
1993	548130	269694	136012	24,8	83421	30,9
1994	523794	245610	131780	25,2	68767	28,0
1995	518236	348946	111106	21,4	68799	19,7
1996	454295	267306	103757	22,8	79229	29,6
1997	464117	277056	119320	25,7	76541	27,6
1998	432599	238958	104186	24,1	64438	27,0
1999	339446	215613	70323	20,7	64997	30,1
2000	315162	245155	61267	19,4	78799	32,1
2001	279616	243464	40469	14,5	84576	34,7
2002	161920	161491	23561	14,6	51610	32,0
2003	202854	162906	20347	10,0	51941	31,9
2004	330446	164994	27209	8,2	46528	28,2
2005	546618	249816	34844	6,4	55528	22,2
2006	600387	295389	51501	8,6	37321	12,6
1981-2006	9659886	5517365	2136086	22,1	1389253	25,1

Source: State Institute for Statistics

In the literature there are studies on housing co-operatives, which underline the growth of housing co-operatives after 1984 (Geray, 1992, Berman, 1993, Osmay 1996, Türel 2001). Berkman (1993) pointed out that, housing co-operatives, which had been established before 1984 constitutes only 24 % of total housing co-operatives in 1991. Similarly, Türel (2001) also showed that about 81 % of the total construction permits of co-operative dwelling units between the years 1935

and 2000 have been taken after 1984. Between 1935 and 2000, 2.250 million construction permits were taken by co-operatives. In the same period for about 1.200 million occupancy permits were issued and 84.7 % of which were after 1984 (Türel, 2001).

In parallel with the claims mentioned above, the table 5.12 indicates that especially between 1982 and 1989 housing co-operatives have achieved a share up until 30 % of total production. Hence, after 1980s, housing co-operatives became one of the important housing producers. Especially, after the year 1984, when credits from the Mass Housing Fund became available for co-operatives, housing co-operative boom was witnessed when compared to previous years. The development trend of housing co-operatives, which continued until 1995s can be observed from the table 5.13.

To conclude it should be stated that between 1980s and 1990s housing co-operative movement in Turkey had its golden years, and both the number of co-operatives and construction permits issued for co-operative houses reached their peaks. Financial incentives, credits with low interest rates and other encouragement facilities such as land provision, eased planning procedures with local development plans have contributed to the growth of housing co-operatives (Geray 1992, Osmay 1996). The contribution of co-operatives to housing supply substantially increased after the second Mass Housing Law was enacted in 1984, and their share has been between 20 to 30 percent during most years since that time (Türel 2001).

However, beginning from the 2000s, share of housing co-operatives began to diminish since number of housing co-operatives is decreasing. Decrease in the number of housing co-operatives can be explained by three main reasons. First is related to real interest rates, which has been high in years 2000 causing a significant rise in the cost of co-operative constructions that are known to spend into long periods of time.

Second reason is increasing dominance of speculative housing building that serves not only to upper income groups but also to lower income groups

particularly in transformation of housing in unauthorized housing sites. Increasing land development activities can also be related to increasing dominance of speculative house building.

The third reason is increasing house building activities of Housing Development Administration (TOKİ) as a one of the significant policies of AKP government. As mentioned AKP government decreased financial supports to housing co-operatives and significantly increased its housing building activities. As the date of 25 June 2008, the number of dwelling units produced by TOKİ in 81 provinces and 428 counties is 314.492. TOKİ, using certain financial opportunities and credits can moderate to low income groups in a more advantageous manner than housing co-operatives. Hence number of housing co-operatives has been declining since 2000.

However, even though the share of housing co-operatives began to decrease after 2000s, it is a fact that they produced about % 22 of housing production between 1981 and 2006 indicating that they are still one of the significant actors in housing provision.

As a result of the analysis of housing co-operative movement of 1980s, it should be stated that although this period had witnessed a considerable development of housing co-operatives and their significant contribution to housing production, they faced also institutional and organizational problems. As it has already been mentioned, the way chosen for the co-operative movement in 1930s, have constituted general problems of today's co-operatives. As in the case of Bahçeli Evler Housing Co-operative, housing co-operatives have generally addressed to middle and upper middle income groups to produce owner occupied housing for their members. They have been different from the cooperation ideology and formed its own distinguished structure with state subsidies. In fact, Laidlaw (1980) has already guessed that towards 2000s, the number of co-operatives might increase enormously, and they might face with transformations and get different shapes from what was known in 1980s (Laidlaw, 1980).

5.4. Theoretical Evaluation of Housing Co-operatives in Turkey and Development of Research Hypothesis

While the historical development of housing co-operatives is being discussed, it has been already touched upon the distinguishing characteristics of housing co-operatives in Turkey. In this part it will be concentrated on the theoretical explanation of housing co-operatives, which are different from the Western counterparts. In previous parts underlying reasons for distinguishing characteristics of housing co-operatives in Turkey was discussed. This part aims to discuss theoretical explanations of housing co-operatives within the frame of universal theories related to co-operatives. Therefore, the historical development of housing co-operatives will be analyzed and evaluated with respect to the theories of Free Riding and the Critical Mass, which were already been analyzed.

5.4.1. The Co-operative Argument and Housing Co-operatives in Turkey

In the world, co-operative housing has been regarded as a third alternative to private and public sectors. It has been used as an alternative to free market because of its extra economic benefits and giving opportunity to low income people for benefiting from collective capital accumulation. However in Turkey, sometimes it can be more disadvantageous than the market housing supply due to malpractices. In the meantime, there is considerable amount of contribution of housing co-operatives to the formation of housing stock. Thus, there might be other mechanisms and motivations behind the co-operative organization in Turkey.

Gerhard Kessler is an important personality in the course of development of co-operative movement in Turkey. He was one of the German scientists, who were expelled from the university due to his social democratic thoughts in Germany. He was a very active social democrat against the rise of National Socialists especially after the economic crisis of 1929 (Tekeli, 2004). At the end of 1933 he came to

Turkey and was appointed as a chair of sociology at Istanbul University. He began to teach Weberian Sociology despite the fact that this chair had been established by Ziya Gökalp, who was following Durkheim's sociological views. When Kessler came to Turkey, Bahçeli Evler Housing Co-operative was in the process of establishment in Ankara. Kessler was very much believing in organized society and worked on development of co-operatives in Turkey. He played an active role in Hereke Workers Housing Project. According to Kessler, building co-operatives should be formed within the frame of following three universal aims:

-collective capital accumulation (cooperation in saving)

-collective provision of credits (cooperation in credit derivation)

-collective ownership of assets (cooperation in construction and use of housing)

(Kessler, 1934: cited in Tekeli & İlkin, 1984: 48)

As mentioned earlier, the co-operative ideology took shape in the agenda against the adverse impacts of industrial revolution as an utopia and formed with socio economic context of post industrial revolution period. However, it came as a top-down movement instead of socio-economic necessity of the period of 1930s in Turkey. Thus, housing co-operative development, which began with the Bahçeli Evler Housing Co-operative, was formed with different motivations and expectations due to contextual differences in Turkey.

Kessler's proposals were never considered in Bahçeli Evler Housing Co-operative. As stated earlier, this co-operative was not organized by the lower classes; on the contrary it was established by top bureaucrats who use co-operatives to provide legitimacy for their individual aims. Kessler regarded this kind of housing co-operatives as unethical (Idem, 1948 cited in Tekeli 2004).

If Bahçeli Evler housing co-operative experience is remembered from the point of views of universal co-operative aims, its contextual differences can easily be recognized. Firstly three universal aims of cooperation have been reduced to only one aim, which is related to achieving privileges in terms of credit accessibility and/or land development. For the co-operative ideology, although cooperation basically means gathering of low income people for a certain aim, it sometimes

transformed into realization and distribution of profits to the members in Turkey.

The basis of the housing co-operative development in Turkey was not built on the universal co-operative ideology. As discussed in the literature, the first housing co-operative, Bahçeli Evler was built by top bureaucrats in search of benefiting from state subsidies and opportunities such as high credits, land development and infrastructure investment supports.

For instance, members of Bahçeli Evler Housing Co-operative tried to lessen their capital contributions by using their official status in the state. They tried to use speculative advantages of. Moreover, some other benefits such as infrastructure investment supports and high credits were the ways that bureaucrats have applied for getting their dwelling units at lower cost. Thus, the meaning of cooperation was different in Bahçeli Evler Housing Co-operative. It was institutionalization of getting benefits by using advantages of their member's bureaucratic positions. The private ownership and so getting economic benefits individually is one of the distinctive characteristics of Bahçeli Evler Housing co-operative when compared to other housing co-operative organization in the World. The co-operative movement in the world has its own ideology and has already been discussed in detail in the previous chapters. Since the start of first housing co-operatives with Bahçeli Evler housing co-operative, housing co-operatives could not have been institutions for the low income groups in Turkey.

As a result, in view of the fact that the beginning of co-operative development was different from the counterparts in the world, the current housing co-operative organizations have their distinguished structure in Turkey. So, it will not be wrong to say that, in general, housing co-operatives in Turkey have not been reflecting characteristics of co-operative ideology. Housing co-operatives are generally different and they are not coinciding with universal ideology of cooperation even though they are still called as co-operatives.

5.4.2. Evaluation of Housing Co-operatives with Respect to the Theory of Free Rider and the Theory of Critical Mass in Turkey Before the Interview Survey

In the previous chapters, important theories have been discussed in addition to some recent models developed for the analysis of collective actions. In this part, co-operative aspect of housing co-operatives, which are semi entrepreneurship semi co-operative, can be discussed. Hence, housing co-operatives are to be analyzed in-depth in relation with certain theories/models developed for collective action tendencies.

In Turkey, there is no sufficient case study and research, which considers internal and external dynamics of housing co-operatives. Housing co-operatives can be analyzed by using universal theories about collective action. However, since there is no sufficient information about housing co-operatives, this part will be completed after the field research. In the following paragraphs limited number of studies that are on Turkish housing co-operatives, of which are different from the co-operative ideology and implementation of the cases in early industrialized countries will be used. The hypotheses, which are derived from the collective action theories, would be helpful while formulating this part of the thesis.

As emphasized in the previous chapters, the Free Rider Theory and the Critical Mass Theory and other complementary models constitute theoretical basis of the thesis. In other words the hypothesis derived from those theories/models will be tested via the field survey. Among others, *free riding* meaning benefiting without contributing from collective actions and the *critical mass*, meaning heterogeneity in group of collective actions, are the key concepts that are going to be analyzed. So, at this point of the study, Turkish housing co-operatives can be analyzed with respect to these hypotheses.

Therefore the survey on housing co-operatives will be made in order to test the hypotheses, which come from the theoretical discussion of the thesis. In this context, the factors derived from the theoretical analysis of the thesis, such as free riding, critical mass, heterogeneity group size, selective incentives and

network structure will be analyzed in terms of their influences on the success of housing co-operatives in Turkey. Success of housing co-operatives, will be analyzed considering measurable factors such as cost, completion time and construction quality. Overall evaluations of members of management committees in terms of success of housing co-operatives are also included into the questionnaire and all these subjects will be explained in detail in the next chapter.

Although there is no information about current structures of co-operatives, for the sake of simplicity Turkish housing co-operatives can be categorized as two main groups in terms of thesis' focal discussion points, group size and heterogeneity. That is to say, housing co-operatives can be distinguished into two groups; one is big-professional and the other one is small non-professional housing co-operatives in order to make the analysis easier.

The first one is a professional housing co-operative, which have professional managers. In these co-operatives managerial activities are carried out by professional groups and do not require extra efforts of ordinary members in the co-operative. This executive group manages the housing co-operative with respect to decisions taken by the general assembly of the housing co-operative. In this regard, management, implementation and other services of these co-operatives are carried out professionally.

In these co-operatives, since the services are paid, it is expected to decrease the amount of fee per members when the number of co-operative members increases. However, as it will be mentioned later, the amount of payment per member may not decrease even though number of members increase. In this type of housing co-operatives "heterogeneity" lies in expectations. It means, in such housing co-operatives there are different expectations of members, professional managers and other groups. These housing co-operatives might face with the problems when different expectations can not be realized. The professional group deals with such problems.

In these co-operatives professional managers and other professional and resourceful groups may play crucial roles in the success of the housing co-

operative. However, they can also use their position and power for their own economic benefits. In the meantime, there is a economic threshold behind “extra benefits” of professional managers who use co-operative ideology and institution. This threshold is generally influential on the continuity and success of housing co-operatives in Turkey. By comparing with the market prices of dwelling units, members of housing co-operatives can give a margin to those people who use the co-operative as an economic benefit generating institution.

The second group of co-operatives is the non-professional housing co-operatives. These co-operatives are small and generally established by certain network relations such as friendship, kinship or etc... In these co-operatives heterogeneity is in the ability of members and the success might be related to heterogeneity in skills of members. To have members who have different capabilities might play crucial roles in the success. There is also necessity of “resourceful people”, who will direct, manage the issues of the housing co-operative unprofessionally. Since the number of members is limited, “professional management” is hard to be applied in these small co-operatives. Hence, the differentiation of skills, which will be used for the collective success, seems important for the small co-operatives and the subject of the field study.

In Turkish housing co-operatives, which are described as professional co-operatives in the analysis, it can be mentioned about two different groups. Some of the co-operative members are the ones who make necessary payments for getting their housing units. On the other hand, some members, who are at the managerial level, might have different motivations. These motivations can differ, however, salary, having a dwelling unit without paying dues, choosing a dwelling unit/s without draw are the most well-known benefits of those people through co-operatives.

The professional managers might benefit from co-operatives and they can either get their dwelling units without putting any capital or can get their professional salaries. This group gets their rights for their professional contribution in terms of management. This situation is not the same in every housing co-operative but generally people at the managerial level might use co-operative institution and

ideology for extra benefits for themselves. In other words, they might prefer to use co-operative institution for their individual benefits instead of collective benefits of the whole shareholders by mistreating their position in the co-operative. As remembered, the effect of free riding is one of the hypotheses to be tested through the field survey. The hypothesis is **“if the free riding level is high the success of housing co-operative is harder to achieve”**.

The free riding problem might come from the ones who use the benefits of collective action but do not make necessary contribution. In this respect, it can be related to the people at the managerial level in Turkish housing co-operatives. Some people at the managerial level can have dwelling units of housing co-operative without putting the required capital or they can have extra economic benefits more than they should achieve. In other words, since the people at the managerial level can use housing co-operatives as an income generating activity, they generally can benefit from the collective good (here it is a dwelling unit) without making necessary contribution. Thus, free riding come to the fore by the group of who do not put their capital while they would benefit from the good of co-operative.

In addition, contribution of managers in terms of their labour might also give rise the free riding. Educational and professional capacity of managers in housing co-operatives might not be sufficient enough for efficiently managing their organization. They might get wages or other economic benefits without making necessary contribution in terms of quality and quantity of their labour.

As mentioned above, the type of free riding can change according to the type of housing co-operative as professional and non-professional ones. While in big housing co-operatives professionals might “exploit” other members, in small co-operatives some members might create certain free riding by not properly paying their dues or not participating into collective actions necessary for the housing co-operative. This problem might be seen in big co-operatives because of difficulty of control in big co-operatives.

In fact, in the big housing co-operatives, the professional group that manage

housing co-operatives get their legitimacy from universal co-operative argument in order to benefit from housing co-operatives of which are subject to state subsidies such as tax, state land etc. In this respect one of the basic aims of cooperation or collective capital accumulation can become the only aim of the powerful groups in co-operatives. Here, members of housing co-operatives continue their membership until they find it still more profitable when compared to market conditions. Thus, there is a threshold level until which members of housing co-operatives continue to cooperate with the managerial people who put their professional capabilities instead of capital. As a result, the level of free riding might be related to the success of housing co-operatives in Turkey. This hypothesis is a subject of the field survey. In other words the effects of the level of free riding will be one of the questions that are going to be answered by the field survey on housing co-operatives.

The critical mass is another concept to be explored in terms of its influences on success of housing co-operatives. According to the Critical Mass Theory, *“generally collective action is produced by small number of highly motivated and resourceful individuals rather than by the efforts of average group member”* (Oliver and Marwell, 1993: 2). In this theory the crucial factor for the success of collective actions is related to motivated and resourceful individuals rather than ordinary group members. Since, the collective good can be paid for by a few even though it benefits to many (Oiver and Marwell, 1993, 2001). As a result the hypothesis of ***“housing co-operatives in which there exists certain critical mass achieve superior cooperation results”*** for housing co-operatives in Turkey will be tested.

In fact, as it has been discussed before, the critical mass and the free riding problem might be thought together while analyzing housing co-operatives. According to The Critical Mass Theory, heterogeneity of interests and resources are one of the key factors which positively affect prospects for the collective action. In other words, when some people would have more at the end of collective action they might be willing to use more resources of them. In the meantime they can play pioneering roles among group members. However, they can also use their capabilities for the sake of their individual interests instead of

the interests of collective benefits.

On this subject Şat claims that certain group of people in the housing co-operative may be organized and involve the co-operative works while other shareholders do not involve the co-operative works. In this case, success of housing co-operative might be dependent on abilities and ethical characteristics of those active shareholders. According to him, there might be two main reasons for being unsuccessful in co-operative sector. The first reason is related to education and experience of the managers of housing co-operatives. The second one is related to ethical point of view of the managers (Şat, 2006).

Therefore, seeing as there is no information on the effects of resourceful people on the success of housing co-operatives this part of the chapter will be completed after the survey. At the same time, it should be noted that the effect of heterogeneity in resources and expectations is very crucial for the success or failure of housing co-operatives in Turkey. They might either motivate others or use other's contributions in favor of their individual benefits. In this case, effects of group heterogeneity in terms of resources and interests are to be searched through field survey. So the hypothesis to be tested is ***“the housing co-operatives in which there exists certain critical mass achieve superior cooperation results depending on tendencies of resourceful people”***. That is to say the critical mass can either contribute to the collective action or negatively influence collective action. Therefore effects of the critical mass in terms of success of co-operatives will be tested through field study.

In Turkey when housing co-operatives are analyzed in two groups, it can be stated that heterogeneity is so important that success of co-operative can be directly related to heterogeneity characteristics of housing co-operatives. In small and self-help co-operatives, organization of the co-operative with members having different capabilities such as technical, political, or managerial is so important and the success may depend on this formation. On the other hand, heterogeneity is at the expectations of professionals and other groups in the co-operative for the big and professional ones. This relationship between the heterogeneity and success will be analyzed with the survey results later in this chapter

As stated before, there has been very little research on housing co-operatives in Turkey. Özükren's studies (1990 and 1996) are one of the recent and most important studies on housing co-operatives in Turkey.¹¹ So, it should be mentioned about her two studies, which depend on field surveys on housing co-operatives. The first study of her was made for the International Labor Organization and it was on the Worker's Housing Co-operatives in Istanbul and İzmit. Especially the aim of the study, the identifying factors affecting success of housing co-operatives is related to the thesis and should be mentioned in order to contribute to the discussion.

Özükren's questionnaire on co-operatives involves questions about her proposed factors affecting the success. She uses the factors of organizational patterns, size of co-operative (number of shareholders), and group homogeneity. With the factor of organizational patterns she distinguishes co-operatives as professional and other co-operatives. According to her, the professional co-operatives are built by people who are experienced as cooperators in the field of housing construction and seek for profit making professionally. Other co-operative types are establishment, trade unions and self help co-operatives. Establishment and trade unions co-operatives are the ones founded by workers within an establishment or in the same branch of industry. The self help co-operatives are described as the co-operatives built by people who usually have common friends, relatives, and professional colleagues (Özükren, 1990).

Measuring the success of co-operatives in terms of continuity of membership, cost, duration of construction and quality Özükren makes her analysis with respect to these success factors. According to her findings, size of co-operative, organizational pattern and group homogeneity are the critical factors in success of housing co-operatives. Her survey results indicate that there is a positive correlation between the size of the co-operative and construction completion time in both cities; İstanbul and İzmit. However, Özükren also adds that, there should be other factors affecting the duration of construction. Since, there is no

¹¹ One of the earliest surveys on housing co-operatives was carried out by Ruşen Keleş in 1967. For detailed information see Keleş R (1967) Kooperatifçilik İlkeleri ve Sosyal Konut Politikası açısından Türkiye'de Konut Kooperatifleri, İmar ve İskan Bakanlığı, Mesken Genel Müdürlüğü Araştırma Dairesi, Ankara.

consistent correlation between the duration and size of co-operatives according to her analysis.

Here, Özükren describes homogeneity in terms of income so she approaches homogeneity concept in economic terms. As she finds, different from her hypothesis, there is no negative correlation between the continuity of membership as an indicator of success and homogeneity. That is, she can not find a survey result indicating that if the level changing hands is less, housing co-operatives are more successful and have high level of homogeneity. Hence, as it has been mentioned many times there are various factors affecting the success of housing co-operatives.

Another study made by Özükren is also important for the discussion. In her book, "How is the Housing Co-operative System" Özükren discusses other survey results of her, which was made in 16 cities. Özükren findings is very similar to her previous ILO study and can contribute to the discussion while dealing with the current internal and external features of housing co-operatives with respect to universal cooperation theories. In fact, she could have made a comparative analysis depending on her two parallel studies. In the recent study, Özükren analyses housing co-operatives within 5 headings in 16 cities of Turkey. Her field research was constituted of 434 questionnaires with managers and 1763 questionnaires with shareholders. She distinguishes housing co-operatives into four types; as professional, establishment, trade union and self help co-operatives as she did in her previous research (Özükren, 1996).

In the study, Özükren again relates the success with factors of organizational structure and co-operative size. In the study, the co-operative size is dependent on the number of dwelling units that the co-operative produced and the number of shareholders. The organizational structure has been related to being a member of co-operative union, co-operative type and group homogeneity in terms of income, education and occupation of members. According to the results of the field survey, when the size of a co-operative is larger more heterogeneity is observed in housing co-operatives. This result coincides with the Critical Mass Theory, which is to be used to formulate the hypothesis of the thesis.

Among others, results of this important field research of Özüekren (1996) from the point of view of the discussions of the thesis can be summarized as follows:

- the bigger the size of the housing co-operative the more time is required for building the dwelling unit
- the bigger the size of the housing co-operative the more amount of fee per shareholders for unit m² housing
- the bigger the size of the housing co-operative the less quality of dwelling units
- the bigger the size of housing co-operative the more discontinuity of membership for shareholders
- professional housing co-operatives are good in land purchase but they can not show the same success in the construction phase
- the number of technical people (architect/engineer) participating in the construction process is very limited in housing co-operatives
- the number of workers in housing co-operatives is very small

As a result, the size of housing co-operatives is another factor that will be tested in terms of its effects on the success of housing co-operatives. As mentioned, Özüekren's ILO study indicated that there is a relationship between the success and the size and of the housing co-operatives. The second study of Özüekren has also certain statements on the relationship between the group size and success of housing co-operatives. According to the field survey results, the amount of fee per member increases when the co-operative begins to have more than 60-70 members (Özüekren, 1996: 174).

Berkman's study (1995) on housing co-operatives indicates similar results. (Berkman, 1993). Her study was built on a survey, which was carried out by distribution of questionnaires by means of posting to 434 housing co-operatives in 58 provinces. She also aimed to answer the effects of certain factors on the success of housing co-operatives. She regards housing co-operatives as successful if they could finish the construction before average time span of construction, which was 4 years according to findings. The highest rank of success was observed in small co-operatives having 7-30 shareholders according to her survey results. Other intervals were 31-100, 101-500 and 501+. According to her findings the probability of success diminishes when the number of

shareholders exceeds 100. Hence, what she concludes is similar to Özüekren's findings that housing co-operatives with fewer shareholders seem to be more successful (Berkman, 1995, Özüekren 1990). In the following paragraphs the probable reasons for effects of group size on success will be discussed in detail.

In accordance with his experience in co-operative sector Şat claims that smaller housing co-operatives are more dynamic and controllable. In big housing co-operatives (for instance more than 200-250 shareholders) generally certain small groups can ask for their rights. Also, there is homogeneity in smaller housing co-operatives in terms of economic status. In big co-operatives there might exist low income people who can not afford co-operative payments nearby other people who can afford payments. If the number of low income people increase, the possibility of success declines in Turkish housing co-operatives (Şat, 2006).

In fact, the findings of the researches and the claims mentioned above are very important and basically state that bigger co-operative organizations are relatively unsuccessful in many aspects. These arguments support Olson's statements on the group size effect. As stated, Olson describes the large group of collective action as latent and claims that the logic of collective action operates most forcefully in large groups, where the contributions of a single individual will make only negligible difference to the group. According to Olson, since the level of free riding will be more in latent groups the collective aim would be hard to achieve. That is to say the larger the size of group the less probability of success of collective action due to increasing level of free riding (Olson, 1965).

However, as it can be remembered, the Critical Mass Theory refuses Olson's group size discussion, which states that there is less probability of success in larger collective actions. The Critical Mass Theory proposes that there is higher probability of finding a critical mass, which is constituted by resourceful people who can direct and manage others for the success of collective action. They are "large contributors" who are highly interested and resourceful and contribute collective action more. This critical mass can play crucial roles in mobilizing others and their roles change from situation to situation (Oliver and Marvell, 1994). Therefore, considering statements of both theories of the Free Rider and the

Critical Mass, the effect of the size of housing co-operatives is also subject to be tested via the field survey.

Hence, another hypothesis that will be tested is related to group size of co-operatives. As remembered, Olson's ideas were already mentioned on this subject. However, Oliver and Marwell who think that the underlying factors of success of collective actions are multidimensional touch upon another point, which is related to the effect of group size. According to them, if a certain good has zero jointness of supply, there is negative effect of group size on collective action. Housing co-operatives are examples of goods having zero (close to) jointness of supply, which means that the cost of providing an extra dwelling unit for extra member increases proportionately to the cost of supply per dwelling unit. In this regard group size should have negative effects on housing co-operatives. As a result the hypothesis to be tested via survey is ***“housing co-operatives of small groups achieve superior cooperation results”***.

As remembered, the figure 4.2 in the previous chapter indicates the relationship between the size of housing co-operative and the cost of dwelling unit with respect to average fixed cost, average variable cost and average total cost curves. As it is seen, between S_1 and S_2 ¹² there is minimum average total cost owing to efficient size of housing co-operative. (see the figure 4.2 in the 4th chapter)

In fact, there could be expected economies of scale in housing co-operatives due to decreasing fixed costs of co-operatives such as management costs (wages), annual meeting costs and accounting costs. Economies of scale can also be expected in land provision for housing co-operative. However, fixed costs will not be significant beyond certain size of co-operatives. There should be a limit for the size of housing co-operatives for an efficient management for non-professional co-operatives. Otherwise it could be beyond the efficient management capacities of non professionals.

¹² As it would be mentioned in the next chapter, the survey results indicated that S_1 is 59 and S_2 is 167 for the interviewed housing co-operatives.

On the other hand, if the management committee of housing co-operative is comprised of professionals, the risk of malpractices and consequences of free riding would arise due to ineffective auditing of co-operative accounts, both by the co-operative itself and by the State. As already mentioned, related to this subject, Özüekren finds out that, in housing co-operatives having more than 60-70 shareholders “diseconomies of scale” increase. The amount of fee per shareholder increases beyond 60-70 shareholders of housing co-operatives in Turkey (Özüekren, 1996).

Other hypothesis is related to selective incentives, which means use of reward and punishment in order to escape from the free riding problems. As stated earlier, Olson’s view stating, selective incentives are necessary especially for large groups is not supported by the Critical Mass Theory. According to the Critical Mass Theory, selective incentives, which mean to punish free riders and to reward the ones who behave for the sake of collective action can have the free riding problem in itself. Thus, the effect of selective incentives is still an open question and a subject of the field study. Moreover, it should be stated, mostly shareholders free ride without paying fees but this is subject to the economic punishment according to the Co-operatives Law.

In Turkey, the current Co-operatives Law, dated 1969, and amended in 1988, includes punishment mechanisms in itself. This Law allows dismissing of members who do not make required payments for getting his/her dwelling unit. In this case, legal rights of dismissed co-operative members are transferred to the co-operative institution and so to their shareholders. However, even though the Co-operatives Law allows punishing the members who do not make their obligations, there is no information about the implementation of the Law. Since, management boards of housing co-operatives generally can impose rules of implementations without considering the Law. Thus, it is also subject to the survey to find out whether the punishment-reward mechanisms are being implicated and their possible impacts on the success of housing co-operatives in Turkey.

According to Şat, co-operatives generally implement procedures and obligations of the main contract. By Law, shareholders who do not make necessary

payments must be punished and even dismissed from the co-operative. However especially in big housing co-operatives management committees do not apply for the sanctions even if a shareholder does not fulfil economic responsibilities in the co-operative. In this respect, shareholders of housing co-operative must be wide-awake and must control accounts of the co-operative (Şat, 2006).

The last hypothesis that will be tested through the survey is related to network structure of housing co-operatives in Turkey. The current literature has many network discussions related to collective action (Oliver and Marwell, 1993, Bengtsson, 1998, Chiang, Medina, 2002). Most of the studies give special emphasis on the importance of network structure in collective action. The Critical Mass Theory claims that, network centralization around the critical mass instead of spreading across the whole group has more positive effects on collective action.

Therefore, the relationships between resourceful people gain more importance for the success of a collective action. In the meantime, Oliver and Marwell also stated that network effects should always be taken into consideration. It should be remembered that, the effect of the structure of network ties on collective action depends on the specific organizational structure of the collective action (Oliver and Marwell, 1993).

In the previous paragraphs the likely effects of the Critical Mass depending on the attitudes of resourceful people were discussed. They might either behave for the sake of themselves or for the sake of success of collective action by using their positions and powers. Thus, again it should be paid attention to the probable effects of network structure, both in negative and positive terms. As a result the hypothesis of “depending on the characteristics of critical mass, network structure might have either positive or negative effect on housing co-operatives can be tested via the field survey. Characteristic of networks are also subject to field survey in order to clarify their effects on housing co-operatives.

When the Turkish housing co-operatives are considered, it is an open question that whether network centralization has positive or negative effects on the

organizations. The critical mass can play a pioneering role on collective action and so on housing co-operatives. However, they can also use their positions for their individual interests causing different negative impacts on co-operative organizations. It is clear that network structure of housing co-operatives is very important but the effects of networks and their characteristics are to be analyzed via the field study.

In Turkey, "housing co-operatives have become highly organized together with the increase in their contribution to housing provision. There are two central associations, which are confederations of co-operative associations, namely TÜRK-KONUT and TÜRK-KENT, both acquired considerable political support. Rising political power of housing co-operatives enhanced their lobbying capacity and they have become effective in the formation of housing policies" (Türel, 2001).

Under the umbrella of the central co-operative associations, there exist many associations. By the Co-operatives Law, there must be at least seven co-operatives to establish an association. Co-operatives that are members of associations are exempted from income and value added taxes. However, only limited numbers of co-operatives are attached to associations. As Türel mentions, only 9304¹³ co-operatives are attached to associations, and there are 293 associations of housing co-operatives in Turkey in June 2002. Municipalities may also become members of co-operative associations, and mayors or other representatives of municipalities may serve as chairperson or executive committee members of these associations. Türel summarizes the advantages of organic relationships between municipalities and housing co-operatives in the acquisition of publicly owned land, in land development activities, which include preparation and approval of land use plans and infrastructure provision, and in carrying out construction works with considerable assistance provided by the technical staff of municipalities (Türel, 2003).

Şat also give emphasis to the importance of relationships between municipalities

¹³ In December 2005, total number of housing co-operatives is 62.414. This means that about 15 % of housing co-operatives are members of housing associations.

and housing co-operatives in terms of success. As he states, publicly owned land allocation, planning procedures and permissions are all related to relationships with the public institutions (Şat, 2006).

Therefore, the network structure of housing co-operatives in Turkey is also to be analyzed. In other words, network type relations between shareholders in the co-operative and institutional relations of the co-operative are important factors in terms of their influences on the success and to be analyzed via the field survey.

5.5. Concluding Remarks

In this chapter, historical evaluation of housing co-operatives is made within an evolutionary perspective. The chapter mainly emphasizes that beginning from the first initiative; co-operative development has followed a distinguished way from the counterparts in Europe. This can be explained by the contextual differences of Turkey, in which industrial development had not been on the way when the Bahçeli Evler Housing co-operative was organized as a first housing co-operative.

Serving not for the low income groups but high ranked bureaucrats, aiming to use public resources such as credits, land and infrastructure investment by using co-operative institution, constructing luxury houses and large houses outside the planned areas have not been only the main features of Bahçeli Evler Housing Co-operative but also been influential on co-operative understanding in Turkey. However, the chapter also discusses significant roles of housing co-operatives on the growth of housing stock despite those deficiencies.

In the second part of the chapter, existing characteristics of housing co-operatives are discussed within the framework of collective action theories/models discourses and hypotheses developed from them.

CHAPTER 6

RESULTS OF THE INTERVIEW SURVEY ON HOUSING CO-OPERATIVES IN ANKARA AND İSTANBUL

6.1. Aim

This part of the thesis aims to explain the results of the field survey. The hypotheses of the thesis, which were obtained from collective action theories and adapted to the case of housing co-operatives, will be tested via semi structured questionnaires composed of mainly closed questions but also open ended questions. This survey was made by face to face interviews with managers of housing co-operatives upon appointment.

At this point, it should be stated that, due to resource problems of the thesis, the interview survey was carried out by applying a questionnaire with the managers of housing co-operatives and results were compared according to answers of those managers. Total evaluation could be undertaken by applying a questionnaire survey with co-operative shareholders.

Moreover, as it would be mentioned in the following sections, managers of 62 housing co-operatives could be interviewed. Hence, the results of interview survey reflects the results according to perspectives of members of management committee of housing co-operatives. Therefore, results of the interview survey should be evaluated with such restrictions.

The interview survey was carried out in December 2005 and finished in May 2006. Results and analysis of the questionnaires¹ are going to be presented in

¹ Appendix A is a sample questionnaire in english.

this chapter. Hence, this part of the thesis will be on general explanation of the interview survey on housing co-operatives and evaluation of survey results and analysis.

The hypotheses of the thesis have been developed in the previous chapter, with respect to two main theories namely, the Free Riding and the Critical Mass, in addition to other models developed for collective action. The hypotheses are related to the effects of the following characteristics on the success of housing co-operatives:

Group Size (Olson, 1965)

Selective Incentives (Reward and Punishment Mechanisms) (Olson, 1965)

Free Riding (Olson, 1965)

Critical Mass (Marvell and Oliver, 1994)

Network Structure (Marvell and Oliver, 1994)

6.2. Methodology: Face to Face Interview Survey

The hypotheses of the thesis have been tested via “the housing co-operatives interview survey” in two big cities of Turkey. The interview survey was contracted by a professional research company.²

Face to face interview was realized in three steps:

- 1-To get an appointment for face to face interview
- 2- Making face to face interview with managers of housing co-operatives in the official addresses of each co-operative
- 3- If required, control and completion of answers with another interview or phone

The evaluation of interview survey results are going to be made in the following parts of this chapter.

² The Professional firm is Veri Research Inc., which is one of the most well-known professional research firms in Turkey.

6.3. Selection of Housing Co-operatives

6.3.1. Restrictions and Problems

The legal status of housing co-operatives is given by the Ministry of Trade and Industry, where all co-operatives are registered. The Ministry has the sole authority to inspect the accounts and activities of co-operatives. Therefore, lists of housing co-operatives in Ankara and in İstanbul were obtained from the Ministry.

However, the data, which contain the list of housing co-operatives and their contact information such as addresses and telephone numbers both in Ankara and İstanbul, were not updated although the latest data were obtained. In the meantime, the Ministry of Trade and Industry is the only responsible institution for registration of co-operatives. Therefore it should be used the list that is obtained from the Ministry.³ The reason for the non-updated state of İstanbul housing co-operatives list can be related to the incapability of İstanbul Provincial Directorate of the Ministry of Trade and Industry. Lists are collected by the Ministry via its provincial directorates, where not sufficient number of experts are employed.

In the meanwhile, even though it could be contacted, some managers of housing co-operatives did not accept the interview. Especially in İstanbul, other than selected 60 co-operatives (half of which is the principle and others are spare), only 13 housing co-operatives could be interviewed from the list, which contains 699 housing co-operatives. In order to find contact lists of required number of co-operatives, lists of İstanbul Chamber of Trade and certain Co-operative Unions were used. This problem was not as much for Ankara where more than 16 co-operatives have been contacted from the selected lists. The others were selected from the spare list, as addresses of many sampled co-operatives have also been changed.

Before going into the evaluation of the results of the field survey within the context of the hypotheses, certain problems that were encountered in the survey should

³ There are other institutions, Ankara Chamber of Trade and İstanbul Chamber of Trade, where lists of housing co-operatives were obtained. However these lists are also not updated and do not coincide with lists of the Ministry of Trade and Industry.

be mentioned. Some of the questions related to the financial measurement of success of co-operatives did not work. In general, amount of monthly payments of shareholders and m² cost of construction questions were either not answered or answered insufficiently by the interviewed managers.

This survey has proved again the difficulty of making interviews in the co-operative sector. Especially managers of comparatively unsuccessful co-operatives, in terms of cost and completion period, do not want to be interviewed. **A total of 62 housing co-operatives have been interviewed; 32 of which were in Ankara.** Only the target number of interviews for the group of co-operatives having more than 200 shareholders could not be completed. For this group, 5 samples in Ankara and 6 samples in İstanbul have been interviewed. For the 4th group of co-operatives, which have 100-199 shareholders, 9 samples in Ankara and 6 samples in İstanbul have been interviewed. For the other groups, targeted numbers of sampled co-operative (6 for each) have been interviewed. The table 2 gives the summary of the number of interviews undertaken in İstanbul and Ankara.

6.3.2. Data Set: Housing Co-operatives in Ankara and İstanbul

Ankara and İstanbul cities have been selected because of the following reasons. Firstly Ankara, being the capital city of Turkey, has faced with a rapid urbanization process after the Second World War and the first housing co-operative was institutionalized in Ankara under the name of Bahçelievler Housing Co-operative. As discussed earlier, this organization played a significant role in the development of housing co-operatives in Turkey for being a model for housing co-operatives. İstanbul, on the other hand, being the largest city of Turkey has a population structure in which various income groups and civic initiatives exist. With its huge population, İstanbul has been subject to rapid urbanization that caused emergence of the housing problem.

The number of housing co-operatives in Turkey was 62.414 in December 2005.

There were 9.360 housing co-operatives in Ankara and 9.194 housing co-operatives in İstanbul in December 2005⁴. According to these figures, about 15 % of number of housing co-operatives of Turkey exists in Ankara and that much in İstanbul that means 30 % of the total number of housing co-operatives exists in two biggest cities of Turkey.

As discussed earlier, the hypotheses of the thesis, which are related to underlying factors of success of housing co-operatives, are to be tested via an interview survey. Interviews were made with members of management boards of housing co-operatives, who have been elected democratically by shareholders of the housing co-operatives, and responsible for management of their housing co-operatives. They take the authority from decisions made at general assemblies of their co-operatives.

6.3.2.1. Selection Criteria

While preparing the questionnaire it was aimed to cross-examine underlying factors of success of housing co-operatives. As it can be understood from the questionnaire, most of the questions were prepared in relation to the hypotheses of the thesis in addition to other questions, which pay attention to general structure of housing co-operatives, such as characteristics of their members, working principles, aims, organization, etc...

It is thought that housing co-operatives, which have the completion level of construction of housing they built is at least 75 %, would be more appropriate for the analysis. Hence co-operatives that are at their final stages of construction are included in the analysis. Since, the success dimension of a co-operative can be related to certain factors; construction quality, completion period and unit cost are the selected factors in this study. Housing co-operatives at the 75 % or above completion levels are thought to be more appropriate while making comparative analysis of success related to measurable factors of cost, quality and completion period of construction depending on perceptions of members of management

⁴ The Ministry of Trade and Industry (December, 2005)

committees in housing co-operatives.

As housing co-operatives at the 75 % or above completion levels are taken into consideration, total number of such co-operatives is 605 in Ankara and 907 in İstanbul. These numbers also include some of land development, tourism and vacation housing co-operatives are included. When those co-operatives are excluded from the lists, the number of housing co-operatives becomes 540 in Ankara and 863 in İstanbul.

In addition, housing co-operatives, which have less than 20 shareholders, could also be excluded. Although there is no certain threshold, housing co-operatives, which have less than 20 shareholders can be excluded from our analysis since they generally do not reflect basic co-operative features. They are either family organizations or speculative house builder type small entrepreneurships that aim to enjoy tax advantages that are provided to co-operatives. Hence, these housing co-operatives are out of the frame of our field survey. Therefore, 494 housing co-operatives in Ankara and 799 in İstanbul constitute the total population for the selection of samples in these cities.

6.3.2.2. Size of Housing Co-operatives

In the thesis, the size of a housing co-operative is defined in terms of the number of its shareholders. In some studies, the size of a housing co-operative is dependent upon the number of dwelling units that a housing co-operative produces. However, the theoretical background of this thesis is based on the theories of collective action, and size is one of the important factors that most of theories/models take into account when analyzing its impacts on the success of collective action. In these models, size is regarded as the number of persons in the group that is involved in collective action. Hence, a quantitative classification is made for housing co-operatives in terms of the number of shareholders.

In this thesis housing co-operatives are categorized into five main groups in

Ankara and İstanbul. The aim of this classification is to be able to make equal numbers of interviews with different housing co-operatives, which are different in size and so in organization. The classification is thought to be changed according to the results of interviews in order to achieve a meaningful classification of housing co-operatives in terms of their success.

When the list of housing co-operatives in Ankara and İstanbul is analyzed, it is seen that distribution of groups are very similar. Besides, in order to make a comparative analysis between housing co-operatives of two provinces, the same interval classification would be more expressive. Hence, firstly it was decided to make five groups, which include almost the same number of housing co-operatives in each group for making results comparable.

Table 6.1. Number of Housing Co-operatives According to Determined Groups

Number of Shareholders (Groups)	Number of Housing Co-operatives in İstanbul	Number of Housing Co-operatives in Ankara	Total (İstanbul + Ankara)	Number of Sampled Co-operatives
20-39	181	141	322	6
40-59	154	154	308	6
60-99	206	125	331	6
100-199	195	103	298	6
200+	107	36	143	6

Since total number of interviews is limited to 30 for each province due to budgetary limits, number of interview surveys per group intervals was decided as 6. It means that 6 main samples were selected for each group randomly. The conditions for co-operatives in sampling are:

- to be a housing co-operative (not land developer or other type)
- to make construction within the boundaries of selected provinces
- even if construction of dwelling is completed, co-operative has not been dissolved

In addition, 6 spare samples were selected for each group. This classification consists of narrow group intervals in terms of the size of housing co-operatives. As mentioned, some of the groups might be combined according to the results of the survey. As it can be remembered, Özüekren found out that, co-operatives with 60-70 shareholders were the most successful ones (Özüekren, 1996).

Table 6.2. Groupings of Housing Co-operatives Subjected to Survey

Province	Groups										Total	
	Group1 (20-39)		Group2 (40-59)		Group3 (60-99)		Group4 (100-199)		Group5 (200+)		C.	Col. %
	Count	Column %	Cou	CIm. %	C.	Col. %	C.	Col. %	C.	Col. %		
İstanbul	6	50	6	50,0	6	50	6	40	6	54,5	30	48,4
Ankara	6	50	6	50,0	6	50	9	60	5	45,5	32	51,6
Total	12	100	12	100	12	100	15	100	11	100	62	100

6.4. Hypotheses and Statistical Analysis on Survey Results

In the conclusion part of this chapter the hypotheses that were developed in relation to the Free Rider Theory of Mancur Olson (1965), and the Critical Mass

Theory of Pamela Oliver & Gerald Marvell (1993) in the theoretical discussion chapter will be analyzed according to survey results. There are 5 main

hypotheses, which were designed in order to test the factors underlying the success of the housing co-operatives in Turkey. The data are analyzed by creating frequency tables and cross tabulation. The non parametric chi square test is not applicable for the questionnaire results since frequency of many answers are below the minimum frequency threshold of chi square test, which is 5 (Connor-Linton, 2002)

6.4.1. Hypothesis 1: “housing co-operatives of small groups achieve superior cooperation results”

As one of the important hypotheses of this thesis, group size is very crucial in order to put forward its impacts on the success of the housing co-operatives. Here, since it is tried to analyze the relationship between the success and the group size, success of co-operatives would be evaluated in many aspects depending on the questions of the field survey.

As mentioned above, the field survey was designed to be realized within 5 groups, which were made for equal representation of co-operatives in different size groups. These groups were formed according to (nearly) equal arithmetic distribution of housing co-operatives in terms of the number of shareholders, which were obtained from the Ministry of Industry and Trade.

However, since analysis of five groups did not give consistent results, it is decided to make the analyses regarding the groups that were formed according to z distribution of the data. Hence, it is decided to make evaluation of groups formed after finishing the field survey.

The clusters are:

Group 1: 192-800 shareholders

Group 2: 59-167 shareholders

Group 3: 17-55 shareholders

The first analysis⁵ of testing impacts of the size of housing co-operatives on success is the evaluation of co-operatives by the members of the management board who were interviewed. As already mentioned, success of housing co-operatives will be related to questions on success in general, as well as on construction quality, cost and completion time. The cross tabulation between the answers for the questions asking success of co-operatives and group size show that among all of the housing co-operatives maximum success ratio is observed in the second group (59-167) of housing co-operatives with 88,9 %. The first group's (192-800) success ratio is 75 % and the third group's (17-55) is 69,6. In the same analysis it can be stated that among all unsuccessful co-operatives, 50 % of them are from the third group (17-55). (Table 6.3)

Table 6.3. Number of Shareholders and Success

		S8. What is the total number of shareholders in the co-operative today?						Total	
		1 (192-800)		2 (59-167)		3 (17-55)		Count	Column %
		Count	Column %	Count	Column %	Count	Column %		
52. Is your co-operative successful?	Successful	9	75,0	24	88,9	16	69,6	49	79,0
	Unsuccessful	3	25,0	3	11,1	6	26,1	12	19,4
	No answer					1	4,3	1	1,6
Total		12	100,0	27	100,0	23	100,0	62	100,0

Similarly, when the questions related to quality, cost and construction completion time are analyzed it is ended up with the following results. Good quality construction is observed at the highest ranks in the second group (59-167) again with 66,7 %. (Table 6.4) In terms of cost, only 18,5 % of housing co-operatives with 59-167 shareholders have high construction costs when compared with market prices. (Table 6.5) On the other hand, large housing co-operatives (having

⁵ Before going into discussion on statistical analysis, it should be stated that, as it has been seen that results of most of the questions of the survey are very similar for İstanbul and Ankara, evaluations of most of the questions generally will be made by considering housing co-operatives in İstanbul and Ankara together, which are 62 in total. The distinguished features of both provinces will be mentioned and underlined when they are observed in the analysis.

192-800 shareholders) produce relatively more housing at lower cost compared to other groups which may indicate some economies of scale.

Table 6.4. Number of Shareholders and Construction Quality

		S8. What is the total number of shareholders in the co-operative today?						Total	
		1 (192-800)		2 (59-167)		3 (17-55)		Count	Column %
		Count	Column %	Count	Column %	Count	Column %		
S51.a. According to the quality	1 Construction quality is good	6	50,0	18	66,7	13	56,5	37	59,7
	Construction quality is normal	6	50,0	8	29,6	9	39,1	23	37,1
	Construction quality is bad			1	3,7	1	4,3	2	3,2
Total		12	100,0	27	100,0	23	100,0	62	100,0

Table 6.5. Number of Shareholders and Comparison with the Market Price of Similar Dwelling Units

		S8. What is the total number of shareholders in the co-operative today?						Total	
		1 (192-800)		2 (59-167)		3 (17-55)		Count	Column %
		Count	Column %	Count	Column %	Count	Column %		
S51.b. According to the market price	High	4	33,3	5	18,5	6	26,1	15	24,2
	Same	1	8,3	8	29,6	7	30,4	16	25,8
	Low	7	58,3	14	51,9	10	43,5	31	50,0
Total		12	100,0	27	100,0	23	100,0	62	100,0

The same group has the highest percentage among the successful co-operatives in terms of the completion time of construction. (Table 6.6) Hence, it could be claimed that especially co-operatives in the second group with 59-167

shareholders seem to be more successful than others.

However, it should be stated that the table 6.6 does not indicate a clear differentiation of groups in terms of success regarding completion period of construction. The table 6.7 can be helpful in order to make a clear differentiation of groups of co-operatives in terms of completion time of construction.

Table 6.6. Number of Shareholders and Construction Completion Period

		S8. What is the total number of shareholders in the co-operative today?						Total	
		1 (192-800)		2 (59-167)		3 (17-55)		Count	Column %
		Count	Column %	Count	Column %	Count	Column %		
S51.c. According to the completion time of construction	It is completed in a very short time considering the amount of payments	2	16,7	4	14,8	3	13,0	9	14,5
	It is completed in an acceptable time considering the amount of payments	7	58,3	14	51,9	15	65,2	36	58,1
	It is completed in a very long time considering the amount of payments	3	25,0	9	33,3	5	21,7	17	27,4
Total		12	100,0	27	100,0	23	100,0	62	100,0

If it is accepted that any co-operative, which could not finish the construction in more than 10 years is unsuccessful, it is observed that most of the co-operatives that began to built before 1996 are relatively bigger co-operatives (the first group 192-800). The second group of co-operatives (59-167) has the minimum ratio in terms of co-operatives that began to build before the year 1996. This ratio is 25,9 % for the second group, 66,6 % for the first group and 47,8% for the third group. Furthermore, only the second group has the housing co-operatives, which started to build after 1999 and reached at least 75 % of construction level. (Table 6.7)

Table 6.7. Number of Shareholders and Date of Beginning Construction

		S8. What is the total number of shareholders in the co-operative today ?						Total	
		1 (192-800)		2 (59-167)		3 (17-55)		Count	Column %
		Count	Column %	Count	Column %	Count	Column %		
S13.1. When did the construction begin?	1978	1	8,3					1	1,6
	1988	1	8,3					1	1,6
	1990					3	13,0	3	4,8
	1991	1	8,3			1	4,3	2	3,2
	1993	1	8,3	1	3,7	1	4,3	3	4,8
	1994	4	33,3	4	14,8	3	13,0	11	17,7
	1995			2	7,4	3	13,0	5	8,1
	1996	2	16,7	7	25,9	2	8,7	11	17,7
	1997			6	22,2	4	17,4	10	16,1
	1998	1	8,3	2	7,4	3	13,0	6	9,7
	1999	1	8,3	2	7,4	1	4,3	4	6,5
	2000			1	3,7			1	1,6
	2001			1	3,7			1	1,6
	2002			1	3,7			1	1,6
	No answer					2	8,7	2	3,2
Total		12	100,0	27	100,0	23	100,0	62	100,0

According to the survey results there is no clear differentiation between groups in terms of suspension of construction. It is not possible to make a clear distinction between groups in terms of suspension of construction. (Table 6.8)

Table 6.8. Number of Shareholders and Continuation of Construction

		S8. What is the total number of shareholders in the co-operative today ?						Total	
		1 (192-800)		2 (59-167)		3 (17-55)		Count	Column %
		Count	Column %	Count	Column %	Count	Column %		
S37 Have construction of dwellings ever stopped?	Yes	5	41,7	11	40,7	9	39,1	25	40,3
	No	7	58,3	16	59,3	14	60,9	37	59,7
Total		12	100,0	27	100,0	23	100,0	62	100,0

Management board change could be another indicator affecting success of housing co-operatives. The minimum ratio of unchanged management board with 11,1 % is seen in housing co-operatives of the second group that have 59-167 shareholders. (Table 6.9) This ratio is 25 % for the first group and 21,7 for the co-operatives in the third group. This results indicates that, for the interviewed co-operatives, unchanging management boards would not lead to success.

Table 6.9. Number of Shareholders and Change in the Management Committee

		S8. What is the total number of shareholders in the co-operative today ?						Total	
		1 (192-800)		2 (59-167)		3 (17-55)		Count	Column %
		Count	Column %	Count	Column %	Count	Column %		
S46. Has there been any change in the management committee/ board of co-operative until now?	Yes	9	75,0	24	88,9	18	78,3	51	82,3
	No	3	25,0	3	11,1	5	21,7	11	17,7
Total		12	100,0	27	100,0	23	100,0	62	100,0

Therefore, it can be concluded that the analyses via frequency and cross tabulation tables give the results that (except the table 6.8) there is a relationship between size of co-operatives and success. However, results do not directly support the hypothesis, which is derived from the theory of free riding, *“housing co-operatives of small groups achieve superior cooperation results.”* Since, the group of housing co-operatives, which have relatively smaller numbers of shareholders do not seem to be more successful according to survey results. Instead, middle range co-operatives with 59-167 shareholders are more successful.

As it can be remembered Olson also underlines difficulty of analyzing impacts of

group size on collective actions. He pays attention to increasing probability of free riding in big groups. He discusses difficulty of success of collective action with big groups. Hence it can not be concluded that the results of analysis do not absolutely support the hypothesis. On the contrary, even though there is a relationship between the success and the size of housing co-operatives, small co-operatives with 17-55 shareholders are not the most successful ones. As it is mentioned before, in addition to group size, many aspects such as economies of scale could make impacts on this result. According to the analysis, co-operatives having 59-167 shareholders are more successful. Hence it should be stated that up to and beyond a certain size (55 and 167, respectively) the size of co-operatives begins to make impacts on success negatively.

In the theoretical discussion chapter, expected impacts of the size, specifically for housing co-operatives, have already been mentioned. Although there could be expected economies of scale in housing co-operatives due to decreasing fixed costs of co-operatives such as management costs (wages), annual meeting costs and accounting costs, fixed costs become very small beyond a certain size of co-operatives. This result might mean that there should be a limit for the size of housing co-operatives for efficient management by non-professional management boards. Otherwise, it could be beyond the efficient management capacities of non professionals, as control capabilities of managers on co-operative works might be not sufficient. Therefore, economies of scale works until certain size of housing co-operatives and other factors become influential beyond a certain size. The optimum size, according to the results of a survey is within the 59-167 interval.

Hence, the factors effecting economies of scale and managers' capabilities for managing housing co-operatives could be influential, and therefore, both factors bring about relatively higher success for the middle range group of co-operatives with 59-167 shareholders.

6.4.2. Hypothesis 2: If the free riding level is high the success of housing co-operative is hard to achieve

The characteristic of groups for collective action is very important and can be related to free riding problem. Both in Ankara and İstanbul many of the interviewed housing co-operatives have been established by groups of friends. The ratio of housing co-operatives, which were founded by friends is 53,3 % in İstanbul, 34,4 % in Ankara. (Table 6.10)

Table 6.10. Who Established the Co-operative?

		Province				Total	
		İstanbul		Ankara		Count	Column %
		Count	Column %	Count	Column %		
S14. Who established the co-operative?	A certain group of friends	16	53,3	11	34,4	27	43,5
	A certain group of professionals	7	23,3	7	21,9	14	22,6
	Relatives and acquaintances	4	13,3	2	6,3	6	9,7
	People who are in the management today	1	3,3	1	3,1	2	3,2
	People who are not a shareholder of co-operative today	1	3,3	2	6,3	3	4,8
	People with different status and education who come together for different reasons			8	25,0	8	12,9
	No answer	1	3,3	1	3,1	2	3,2
Total		30	100,0	32	100,0	62	100,0

Voluntary participation to collective works is one of the important questions testing the level of free riding. As mentioned before, those who do not participate to collective works while others participating, is accepted as one form of free riding in the thesis. The percentage of voluntarily participation to collective works is 43,3 % for İstanbul and 37,5 % for Ankara. (Table 61.1)

Table 6.11. Voluntary Contribution to Collective Works in Co-operative

		Province				Total	
		İstanbul		Ankara		Count	Column %
		Count	Column %	Count	Column %		
S27. Has there been any voluntary contribution of shareholders in co-operative works ?	No	17	56,7	20	62,5	37	59,7
	Yes	13	43,3	12	37,5	25	40,3
Total		30	100,0	32	100,0	62	100,0

When the effect of free riding on the “success” of a co-operative is analyzed no direct relationship between the level of free riding and success could be observed. (Table 12) It appears that the percentage of success is not related to voluntary participation of shareholders to collective works. (Table 6.12.) As much as 80 % of co-operatives⁶ having voluntary participation tendencies to collective works are stated as successful. (Table 6.12.) However, a similar ratio is observed for the co-operatives, in which voluntarily participation does not exist. Hence, it can be concluded that a consistent relationship between the level of voluntarily participation and the success does not exist for interviewed housing co-operatives in İstanbul and Ankara.

⁶ 20 successful co-operatives among 25 co-operatives have voluntary participation tendencies to collective works.

Table 6.12. Voluntary Co-operation and Success

		S52.a. Is your co-operative successful?						Total	
		Successful		Unsuccessful		No answer		Count	Column %
		Count	Column %	Count	Column %	Count	Column %		
S27. Has there been any voluntary contribution of shareholders in co-operative works ?	No	29	59,2	7	58,3	1	100,0	37	59,7
	Yes	20	40,8	5	41,7			25	40,3
Total		49	100,0	12	100,0	1	100,0	62	100,0

Depending on this result it can be claimed that voluntary participation does not make an impact on success of housing co-operatives. It might be because of the level of participation to collective works or the types of works that are undertaken by voluntary participation or both are either ignorable or not crucial to make impacts on success. Accordingly, when the quality and cost of construction, and construction completion duration indicators are considered, no direct relationship is seen between the level of free riding and success. (Table 6.14, 6.15 and 6.16)

Table 6.13. Voluntary Contribution and Who Established the Co-operative

		S27. Has there been any voluntary contribution of shareholders in co-operative works?				Total	
		No		Yes		Count	Column %
		Count	Column %	Count	Column %		
s14 Who established the co-operative?	A certain group of friends	14	37,8	13	52,0	27	43,5
	A certain group of profession	12	32,4	5	20,0	17	27,4
	Relatives and acquaintances	5	13,5	2	8,0	7	11,3
	People who are in the management today	1	2,7	1	4,0	2	3,2
	People who are not in the co-operative today.	4	10,8			4	6,5
	People with different status and education and come together due to different reasons	4	10,8	4	16,0	8	12,9
	No answer			2	8,0	2	3,2
Total		37	100,0	25	100,0	62	100,0

Table 6.14. Voluntary Contribution and Construction Quality

		S51.a. According to the quality						Total	
		Construction quality is good		Construction quality is normal		Construction quality is bad		Count	Column %
		Count	Column %	Count	Column %	Count	Column %		
S27. Has there been any voluntary contribution of shareholders in co-operative works ?	No	22	59,5	15	65,2			37	59,7
	Yes	15	40,5	8	34,8	2	100,0	25	40,3
Total		37	100,0	23	100,0	2	100,0	62	100,0

Table 6.15. Voluntary Contribution and Construction Cost in the Market

		S51.b. According to the cost in the market						Total	
		High		Same		Low		Count	Column %
		Count	Column %	Count	Column %	Count	Column %		
S27. Has there been any voluntary contribution of shareholders in co-operative works ?	No	9	60,0	12	75,0	16	51,6	37	59,7
	Yes	6	40,0	4	25,0	15	48,4	25	40,3
Total		15	100,0	16	100,0	31	100,0	62	100,0

Table 6.16. Voluntary Contribution and Construction Completion Period

		S51.c. According to completion time of construction						Total	
		It is completed in a very short time considering the payments		It is completed in an acceptable time considering the payments		It is completed in a very long time considering the payments		Count	Column %
		Count	Column %	Count	Column %	Count	Column %		
S27. Has there been any voluntary contribution of shareholders in co-operative works ?	No	5	55,6	22	61,1	10	58,8	37	59,7
	Yes	4	44,4	14	38,9	7	41,2	25	40,3
Total		9	100,0	36	100,0	17	100,0	62	100,0

Hence, it can be stated that these findings do not support the hypothesis, which states that “if the free riding level is high the success of housing co-operative is hard to achieve”. Here it should be stated that, since the questionnaire is directed to people at the management committees of housing co-operatives, questions related to the level of success should be questioned from the point of view of various aspects. The survey’s questionnaire involves some other crosswise questions for investigating success of housing co-operatives from different aspects.

Meanwhile, another important outcome of the survey, which indicates that most of the voluntary participation is being carried out in co-operatives established by friends, should be underlined. Among 40,4 % of housing co-operatives in İstanbul and Ankara, 52 % of participation is provided by groups of friends, 20 % by the people in the same occupation, and 16 % by the group of people with different status and education. (Table 6.13) Therefore, it can be stated that generally groups of friends have tendencies of participating to co-operative works. This might be explained by the Critical Mass Theory's network centralization discussion, which will be mentioned later in the chapter.

Percentage of operating and managerial costs including managers' salaries to overall expenditures of housing co-operatives is also related to the free riding problem if it is unrealistically high. It is already discussed above the thin line between free riding and constituting critical mass for resourceful people. It is related to tendencies of managers. Thus, percentage of operating and managerial expenditures in overall expenditures can be included into the discussion.

The effect of free riding on success is investigated, by referring to the questions aimed to measure the success level of housing co-operatives, which are quality of construction, cost and time span for completion of construction and overall evaluation of success.

Among the intervals of less than 1 %, 6-10 % , 11-20 %, 21-30 %, 31-40 %, 41-50 % and more than 51 %, the **1-5 %** interval of management and operation expenditure in total expenditure ranks 1st among successful co-operatives. As much as 79 % of co-operative managers involved into the field survey regard their co-operatives as successful and % 51,1 of their co-operatives have operating and managerial costs as much as 1-5 % of total expenditures of co-operatives. (Table 6.17)

Table 6.17. Percentage of Dues for Co-operative Management Expenditure and Success

		S52.a. Is your co-operative successful?						Total	
		Successful		Unsuccessful		No answer		Count	Column %
		Count	Column %	Count	Column %	Count	Column %		
S25. What percentage of the dues collected by co-operative, is used for management committee and office worker's salaries, office expenditures (rent, electricity, water, etc....) and general assembly meetings?	less than % 1	9	18,4	2	16,7			11	17,7
	% 1-5	16	32,7	3	25,0	1	100,0	20	32,3
	% 6-10	12	24,5	4	33,3			16	25,8
	% 11-20			1	8,3			1	1,6
	% 21-30	4	8,2					4	6,5
	% 31-40	1	2,0					1	1,6
	more than % 51	2	4,1	2	16,7			4	6,5
No answer	5	10,2					5	8,1	
Total		49	100,0	12	100,0	1	100,0	62	100,0

Here it should be stated that, increase of management and operation costs may not directly be related to the professionalism of housing co-operatives. As discussed earlier, increasing management and operation costs could also depend on mistreats of the managers. In the following paragraphs, the educational and professional features of managers of housing co-operatives will be analyzed. In this respect, increasing management and operation expenditures could be explained as free riding because of insufficient contribution of managers without necessary professional / educational background in return to high salaries. As some of questions in the questionnaire are related to the educational and professional backgrounds of the managers of housing co-operatives, it has been possible to investigate this relationship. (Table 6.18, 6.19 and 6.27)

Table 6.18. Do Managers Get Salaries from the Co-operatives ?

		Province				Total	
		İstanbul		Ankara		Count	Column %
		Count	Column %	Count	Column %		
S21 Do managers get salaries from the co-operatives ?	No	15	50,0	8	25,0	23	37,1
	Yes	15	50,0	24	75,0	39	62,9
Total		30	100,0	32	100,0	62	100,0

If the calculation is made from the table 6.19 , the average salary of chairperson of the management committee of co-operative in 2006 prices can be obtained. According to the table average salary for the chairperson was about 500 YTL in 2006. However, it is very hard to analyze the relationship between the salary and capability of chairperson of the management committee and other members.

Table 6.19. Salary of the Chairperson of the Management Committee in the Co-operative ?

		Istanbul		Ankara	
		Count	Column %	Count	Column %
How much the salary of the chairperson of the management committee in co-operative ⁷	0	4	33,3	5	18,5
	75			1	3,7
	150			2	7,4
	200			5	18,5
	225			1	3,7
	250			1	3,7
	280			1	3,7
	300			2	7,4
	350	1	8,3		
	400	1	8,3	1	3,7
	500	1	8,3		
	600	2	16,7	1	3,7
	650			1	3,7
	700			2	7,4
	750	1	8,3	1	3,7
	800			2	7,4
	1000				
	1200	1	8,3		
	2000	1	8,3		
	No Answer			1	3,7
Total		12	100,0	27	100,0

The relationships between management costs and success is as follows; 64,8 % of housing co-operatives with high construction quality, have operating and managerial costs up to 5 % of total costs, 48,4 % of housing co-operatives with low costs when compared to market prices have operating and managerial costs up to 5 % of total costs, and 55,5 % of housing co-operatives with appropriate completion time span have operating and managerial costs up to 5 % of total costs. As it can be seen from the results of the survey, successful co-operatives have generally expenditure ratio up to 5 % in total expenditure. (Table 6.17, 6.20, 6.21 and 6.22)

⁷ In 2006 prices – YTL

Table 6.20. Percentage of Dues for Co-operative Management Expenditure and Construction Quality

		S51.a. According to the quality						Total	
		Construction quality is good		Construction quality is normal		Construction quality is bad		Cou nt	Colu mn %
		Cou nt	Colu mn %	Cou nt	Colu mn %	Cou nt	Colu mn %		
S25. What percentage of the dues collected by co-operative, is used for management and operation expenditures such as manager's and office worker's salaries, office expenditures (rent, electricity, water, etc....) and co-operative assembly meetings ?	less than % 1	8	21,6	2	8,7	1	50,0	11	17,7
	% 1-5	16	43,2	4	17,4			20	32,3
	% 6-10	7	18,9	9	39,1			16	25,8
	% 11-20	1	2,7					1	1,6
	% 21-30	2	5,4	2	8,7			4	6,5
	% 31-40	1	2,7					1	1,6
	more than % 51			4	17,4			4	6,5
	No answer	2	5,4	2	8,7	1	50,0	5	8,1
Total		37	100,0	23	100,0	2	100,0	62	100,0

Table 6.21. Percentage of Dues for Co-operative Management Expenditure and Market Price of Similar Housing

		S51.b. According to the cost in the market						Total	
		High		Same		Low		Cou nt	Colu mn %
		Count	Colu mn %	Cou nt	Colu mn %	Cou nt	Colu mn %		
S25. What percentage of the dues collected by co-operative, is used for management and operation expenditures such as manager's and office worker's salaries, office expenditures (rent, electricity, water, etc....) and co-operative assembly meetings ?	less than %1	3	20,0	3	18,8	5	16,1	11	17,7
	% 1-5	5	33,3	5	31,3	10	32,3	20	32,3
	% 6-10	4	26,7	5	31,3	7	22,6	16	25,8
	% 11-20					1	3,2	1	1,6
	% 21-30			2	12,5	2	6,5	4	6,5
	% 31-40					1	3,2	1	1,6
	more than % 51	2	13,3	1	6,3	1	3,2	4	6,5
	No answer	1	6,7			4	12,9	5	8,1
Total		15	100,0	16	100,0	31	100,0	62	100,0

Table 6.22. Percentage of Dues for Co-operative Management Expenditure and Construction Completion Period

		S51.c. According to the dead line						Total	
		It is completed in a very short time considering the payments		It is completed in a normal time considering the payments.		It is completed in a very long time considering the payments		Count	Column %
		Count	Column %	Count	Column %	Count	Column %		
S25. What percentage of the dues collected by co-operative, is used for management and operation expenditures such as manager's and office worker's salaries, office expenditures (rent, electricity, water, etc....) and co-operative assembly meetings ?	less than% 1	2	22,2	7	19,4	2	11,8	11	17,7
	% 1-5	3	33,3	13	36,1	4	23,5	20	32,3
	% 6-10	1	11,1	9	25,0	6	35,3	16	25,8
	% 11-20					1	5,9	1	1,6
	% 21-30			3	8,3	1	5,9	4	6,5
	% 31-40	1	11,1					1	1,6
	more than% 51	1	11,1	1	2,8	2	11,8	4	6,5
	No answer	1	11,1	3	8,3	1	5,9	5	8,1
Total		9	100,0	36	100,0	17	100,0	62	100,0

On the other hand, when educational and professional features of managers are taken into account, more than 5 % expenditure in total expenditure for management fees and operation expenses might mean high level of free riding. As it would be discussed later, professional and educational backgrounds of the managers can be related to their insufficient management capacities. Hence, when the expenditure for management and operation costs is above 5 % in total expenditure, it might mean there is an imbalance between managers' contribution and their salaries according to survey results, which can be interpreted as a kind of free riding.

Therefore it can be concluded that free riding makes impacts on success as shown by the survey results. This supports the hypothesis of *"if the free riding level is high, the success of housing co-operative is hard to achieve"*.

Rights given for the co-operative managers is another important question related to free riding. The ratio of housing co-operatives, which pay salaries to members of the management board, were mentioned as 50 % and 75 % for İstanbul and Ankara respectively. (Table 6.18) Considering all the rights, including getting dwelling unit without payment or selecting the dwelling unit without drawing lots, the most widely provided right is the salary, as it is 53,3 % in İstanbul and 65,6 % in Ankara and in total it is 59,7 %. (Table 6.23)

Tablo 6.23. Rights given to the chairperson of the management committee

		Province				Total	
		İstanbul		Ankara		Count	Column %
		Count	Column %	Count	Column %		
S22. What are the rights given to the chairperson of the management committee by your co-operative?	Only salary	16	53,3	21	65,6	37	59,7
	Having a dwelling unit without paying dues			2	6,3	2	3,2
	Choosing a dwelling unit/s without draw			2	6,3	2	3,2
	None	13	43,3	7	21,9	20	32,3
	No answer	1	3,3			1	1,6
Total		30	100,0	32	100,0	62	100,0

Percentage of shareholders who are involved in co-operative works voluntarily is another question related to free riding. Less than half of all housing co-operatives (40,3 %) have shareholders who voluntarily participate to works. (Table 6.11) In those co-operatives most of the participation is made by relatively small groups, which constitute 1-10 % of total shareholders in housing co-operatives. When the answer to the question “what percentage of total shareholders participate to collective works” is analysed, it is seen that among other intervals designated in questionnaire as % 1-10, % 11-20, % 21-30 and % 31-40, 1-10 % of total

shareholders, the first one ranks 1st with 38,7 % in all co-operatives terms of percentage of participants to total number of shareholders. However, 58,1 % of the managers did not answer this question. Hence according to survey results it could be stated that even if there exist voluntary participation to co-operative works, percentage of shareholders participating to collective works is generally between 1-10 % of total shareholders.

When the cross tabulation analysis between the ratio of voluntarily participation in total shareholders and the success is analyzed, no direct relationship can be observed between free riding and success according to survey results. (Table 6.24) This result might explain the finding that has been previously discussed that there is no direct relationship between the success and the existence voluntarily participation. This result can be related to the number and level of participations to collective works.

Table 6.24. Percentage of Shareholders Who Are Willing to Take Part in Co-Operative Works Voluntarily

		S52.a. Is your co-operative successful?						Total	
		Successful		Unsuccessful		No answer		Count	Column %
		Count	Column %	Count	Column %	Count	Column %		
S28. What is the percentage of shareholders who are willing to take part in co-operative works voluntarily?	%1-10	19	38,8	5	41,7			24	38,7
	% 11-20	1	2,0					1	1,6
	% 31-40	1	2,0					1	1,6
	No answer	28	57,1	7	58,3	1	100,0	36	58,1
Total		49	100,0	12	100,0	1	100,0	62	100,0

Housing co-operatives in İstanbul and Ankara differ in participation to co-operative works in return of economic benefits. Ratio of shareholders who are involved in co-operative works for a certain payment is 10,0 % in İstanbul and 34,4 % in Ankara. (Table 6.25)

Tablo 6.25. Existence of Shareholders Willing to Take Part in Co-operative Works in Return of a Payment

		Province				Total	
		İstanbul		Ankara		Count	Column %
		Count	Column %	Count	Column %		
S29. Is there any shareholder willing to take part in co-operative works in return of a payment?	No	27	90,0	21	65,6	48	77,4
	Yes	3	10,0	11	34,4	14	22,6
Total		30	100,0	32	100,0	62	100,0

The cross tabulation analysis between success and participation to works in return to an economic benefit shows that there is a slight difference in terms of success. The ratio of people working for housing co-operatives and taking certain amount of money in return is 24,5 % in successful co-operatives and 16,7 % in unsuccessful co-operatives. (Table 6.26) This might indicate the importance of professional contribution to housing co-operatives if it is regarded that people, who participate to works taking certain amount of money in return are professionals. Or it can be claimed that whether professional or not, economic benefits can motivate people at the management board. As shown before, voluntarily contribution to collective works does not make any difference for success.

Tablo 6.26. Shareholders Willing to Take Part in Co-operative Works in Return of a Payment and Success

		S52.a. Is your co-operative successful?						Total	
		Successful		Unsuccessful		No answer		Count	Column %
		Count	Column %	Count	Column %	Count	Column %		
S29. Is there any shareholder willing to take part in co-operative works in return of a payment?	No	37	75,5	10	83,3	1	100,0	48	77,4
	Yes	12	24,5	2	16,7			14	22,6
Total		49	100,0	12	100,0	1	100,0	62	100,0

This characteristic of co-operatives can also be evaluated as transparency, which is very important for success of institutions. In housing co-operatives, if there are shareholders willing to participate in co-operative works taking certain amount of money in return, this might mean involvement of different persons in co-operative works. In this regard, since they are involved in co-operative works, they can know that “what is going on in the co-operative” Hence, this characteristic displaces “alienation” of shareholders in housing co-operatives and might contribute to success.

When the profile of the managers is analyzed it can be stated that in management boards professional people are not in majority. It is interesting that ratio of co-operatives without at least one professional member, like a lawyer or engineer in the management board is 20 % for İstanbul and 56 % for Ankara. When the ratio of co-operatives giving salaries to managers is considered, (it is 50 % for İstanbul and 75 % for Ankara) it can be claimed that management boards are regarded as an income generating position for non-professional people in Turkey. And this way of organization can be defined as an institutionalized organization of less educated and non-professional people via housing co-operatives. (Table 6.18, Table 6.27)

However, when the impacts of economic benefits on the success of housing co-

operatives is considered it can be argued that even though there is insufficient education and professional expertise of managers, there seems a slight impact of managers who work and take certain amount of money in return. (Table 6.26)

Table 6.27. Profession Groups Available in the Co-operative

		Province				Total	
		Istanbul		Ankara		Count	Column %
		Count	Column %	Count	Column %		
S18.a.3. How many of these profession groups are available in your co-operative ?	0	6	20,0	18	56,3	24	38,7
	1	9	30,0	6	18,8	15	24,2
	2	1	3,3	5	15,6	6	9,7
	3	7	23,3	1	3,1	8	12,9
	4	1	3,3	2	6,3	3	4,8
	5	1	3,3			1	1,6
	10	1	3,3			1	1,6
	13	1	3,3			1	1,6
	20	1	3,3			1	1,6
	40	1	3,3			1	1,6
	No answer	1	3,3			1	1,6
Total		30	100,0	32	100,0	62	100,0

As a result of these analyses it can be concluded that up to a certain amount of expenditures (as much as 1-5 % in total expenditure) co-operatives seem to be more successful. However beyond this level of expenditure it begins to turn into a kind of “free riding” due to the fact that managers are not so much educated and professional according to survey results. In this respect, it can be said that there is mismatch between the poor contribution by management boards to co-operative activities and the level of payments or other benefits made for their services. Therefore, it can be argued that survey results support the hypothesis of “*if the free riding level is high the success of housing co-operative is hard to achieve*”.

6.4.3. Hypothesis 3 “Social and economic reward and punishment mechanisms contribute effectiveness of housing co-operatives”

Selective incentives or reward and punishment mechanisms are the issues that are also investigated in the survey. As discussed above, they are directly related to avoidance of free riding problem according to Olson’s Free Riding Theory. Therefore, especially economic punishment mechanisms, which are easy to measure, are the subjects of the field survey. According to answers given by the managers of housing co-operatives almost every housing co-operative (96,7 % in İstanbul, 93,8 % in Ankara) apply the sanctions, which are made possible by the Co-operative Law, to shareholders who do not carry out their responsibilities that are decided by the decisions of council of shareholders. (Table 6.28)

Table 6.28. Execution of Legal Sanctions

		Province				Total	
		İstanbul		Ankara		Count	Column %
		Count	Column %	Count	Column %		
S31. Does your co-operative execute any legal sanctions to the members who doesn't pay their dues?	No	1	3,3	2	6,3	3	4,8
	Yes	29	96,7	30	93,8	59	95,2
Total		30	100,0	32	100,0	62	100,0

Table 6.29. Execution of the Rules and the Sanctions Objectively to Each Member

		Province				Total	
		İstanbul		Ankara		Count	Column %
		Count	Column %	Count	Column %		
S30. Does your co-operative execute the rules and the sanctions objectively to each member?	Yes	29	96,7	31	96,9	60	96,8
	No	1	3,3	1	3,1	2	3,2
Total		30	100,0	32	100,0	62	100,0

According to survey results, co-operatives also put into practice sanctions without treating their shareholders differently. The percentage of those co-operatives is 96,7 for İstanbul and 96,9 for Ankara. (Table 6.29) However, no relationship between success and selective incentives was observed. Therefore, these results do not support the hypothesis of “social and economic reward and punishment mechanisms contribute to the effectiveness of housing co-operatives”. This result of the survey could be related to legislative obligation of housing co-operatives in terms of taking necessary measures for shareholders who do not make required payments. As discussed earlier, shareholders should regard economic responsibilities, given by the decision of council of shareholders or they would be subject to sanctions. Today’s information technologies make it easy to control or inspect payments of shareholders by other shareholders or auditing committees of co-operatives, but it is not known how seriously such inspections are carried out.

6.4.4. Hypothesis 4: “The housing co-operatives in which there exists certain critical mass achieve superior cooperation results depending on tendencies of resourceful people”

The question of “what kind of people/group established the co-operative” aims to put forward the group structure of co-operatives, which can be related to heterogeneity⁸. In 25 % of co-operatives in Ankara, shareholders are different in status and education and have come together with different aims. This feature can be regarded as the heterogeneity in groups. Thus, according to field survey results, 25 % of housing co-operatives in Ankara have certain level of heterogeneity. (Table 6.10)

This should not mean that in other co-operatives, which were established by friends and people with the same occupation, there is no heterogeneity or difference between shareholders in terms of constituting critical mass that could lead other shareholders. In İstanbul, on the other hand, no answer of “co-

⁸ The Critical Mass Theory describes heterogeneity in terms of resourcefulness of the members of the group. In the thesis, heterogeneity is thought to be tested via certain factors, which can be regarded as the basis of resourcefulness such as education, occupation, professionalism and experience.

operative was established by people with different status or education” was given. There are other questions in the questionnaire for exploring heterogeneity level in co-operatives.

When the relationships between the heterogeneity and participation to works are searched it can be seen that 50 % of the co-operatives having certain heterogeneity have shareholders who contribute to co-operative works voluntarily. (Table 6.13) In addition, when the relationship between success and heterogeneity is analyzed, it is ended up with the result indicating that 87,5 % of housing co-operatives containing certain level of heterogeneity are successful ones according to survey results. (Table 6.30)

This result supports the hypothesis, which is borrowed from the theory of Critical Mass: *“the housing co-operatives in which there exists certain critical mass achieve superior cooperation results depending on tendencies of resourceful people”*

Here, it should be stated that there is no certainty that heterogeneous co-operatives will have resourceful people. However this characteristic might increase the probability of having resourceful people with different capabilities. In the following paragraphs, impacts of people having bureaucratic or political power on the success of co-operatives will be investigated.⁹

⁹ Although bureaucratic power and political power represent different networks, nevertheless both institutions and their impacts on success of housing co-operatives are questioned without differentiating them. The discussion of differentiation of bureaucracy and policy is out of the scope of this study.

Table 6.30. Who Established the Co-operative and Success

		S52.a. Is your co-operative successful?						Total	
		Successful		Unsuccessful		No answer		Count	Column %
		Count	Column %	Count	Column %	Count	Column %		
S14. Who established the co-operative?	A certain group of friends	21	42,9	5	41,7	1	100,0	27	43,5
	A certain group of profession	12	24,5	2	16,7			14	22,6
	Relatives and acquaintances	3	6,1	3	25,0			6	9,7
	People who are in the management today	2	4,1					2	3,2
	People who are not in the co-operative today.	2	4,1	1	8,3			3	4,8
	People with different status and education and come together due to different reasons	7	14,3	1	8,3			8	12,9
	No answer	2	4,1					2	3,2
Total		49	100,0	12	100,0	1	100,0	62	100,0

Another question for testing heterogeneity in the questionnaire is related to differentiation of shareholders in occupation, education or income. The question is “which definition is appropriate for your co-operative?” Among other descriptions indicating homogeneity, the percentage of answers indicating heterogeneity of shareholders in terms of income, occupation and income is 29 % on the average. (Table 6.31)

Table 6.31. Heterogeneity in the Co-operative

		Province				Total	
		İstanbul		Ankara		Count	Column %
		Count	Column %	Count	Column %		
S17 Which of the followings is suitable for your co-operative?	Most of our shareholders are from the same profession	10	33,3	26	81,3	36	58,1
	Most of our shareholders work in the same workplace	4	13,3			4	6,5
	Most of our shareholders work in the same work branch	2	6,7			2	3,2
	Most of our shareholders' education level is the same	1	3,3			1	1,6
	Most of our shareholders' incomes are nearly the same			1	3,1	1	1,6
	Our shareholders are from different professions	7	23,3	1	3,1	8	12,9
	The education level of our shareholders differs	5	16,7	3	9,4	8	12,9
	The income level of our shareholders differs	1	3,3	1	3,1	2	3,2
Total		30	100,0	32	100,0	62	100,0

When the relationship between heterogeneity and success is analyzed, it is seen that most of the housing co-operatives, which claimed to be successful by their managers are constituted by people in different occupations. Among all of the successful co-operatives, those with shareholders from different occupations rank 1st with 44,9 %. (Table 6.33) This result can be interpreted as positive impacts of heterogeneity of occupations on the success of co-operatives. Different occupations in groups of co-operatives may increase the possibility of existence of resourceful people in housing co-operatives.

Here it should be stated that among all of unsuccessful co-operatives those with shareholders from different occupations also rank 1st with 50 % (Table 6.32) Therefore the table 6.33 indicates the importance of heterogeneity and resourceful people for both successful and unsuccessful co-operatives. As mentioned before, tendencies of resourceful people constituting heterogeneity becomes crucial in terms of success of housing co-operatives.

Table 6.32. Heterogeneity in the Co-operative and Success

		S52.a.. Is your co-operative successful??						Total	
		Successful		Unsuccessful		No answer		Cou nt	Colum n %
		Coun t	Colum n %	Cou nt	Colum n %	Cou nt	Colum n %		
S17 Which of the followings is suitable for your co-operatives ?	Most of our shareholders are from the same profession	10	20,4	1	8,3	1	100,0	12	19,4
	Most of our shareholders work in the same workplace	2	4,1					2	3,2
	Most of our shareholders' education level is the same			1	8,3			1	1,6
	Most of our shareholders' incomes are nearly the same	10	20,4	3	25,0			13	21,0
	Our shareholders are from different professions	22	44,9	6	50,0			28	45,2
	Income levels of our shareholders differs	4	8,2	1	8,3			5	8,1
		1	2,0					1	1,6
Total		49	100,0	12	100,0	1	100,0	62	100,0

Whether bureaucrats or politicians are in the management boards of housing co-operatives was another investigated issue in the survey. (Table 6.34) In Ankara, being the capital city, ratio of housing co-operatives having at least one member holding an important position in bureaucracy is higher with 43,8 %, but it is only 10 % for İstanbul. (Table 6.33)

Table 6.33. Existence of Bureaucrats in the Co-operative

		Province				Total	
		İstanbul		Ankara		Count	Column %
		Count	Column %	Count	Column %		
S19. Is there anyone holding an important position in bureaucracy among your co-operative managers?	No	27	90,0	18	56,3	45	72,6
	Yes	3	10,0	14	43,8	17	27,4
Total		30	100,0	32	100,0	62	100,0

This question was aimed to find out whether people holding an important bureaucratic position prefer to take part in co-operative management committees. As remembered, in the Bahçelievler Housing Co-operative this was the case (Tekeli & İlkin, 1984). Bureaucrats were involved in management of the co-operative and used their positions in order to solve problems in public institutions and use public sources for the finance of construction of their dwellings.

Table 6.34. Positions of Bureaucrats

		Province				Total	
		İstanbul		Ankara		Count	Column %
		Count	Column %	Count	Column %		
S19.1 What are their positions?	No answer	1	3,3	4	12,5	5	8,1
	Politician	1	3,3	3	9,4	4	6,5
	Bureaucrat	1	3,3	6	18,8	7	11,3
	Academic			1	3,1	1	1,6
Total		30	100,0	32	100,0	62	100,0

Table 6.35. Roles of Bureaucrats in Solving Bureaucratic Problems

		Province				Total	
		İstanbul		Ankara		Count	Column %
		Count	Column %	Count	Column %		
20. Do/did these managers holding important bureaucratic positions have/had positive contributions for solving the problems in the co-operative.?	No	2	6,7	4	12,5	6	9,7
	Yes	1	3,3	10	31,3	11	17,7
Total		30	100,0	32	100,0	62	100,0

Table 6.36. In Which Subjects Bureaucrats Gave Support

		Province				Total	
		İstanbul		Ankara		Count	Column %
		Count	Column %	Count	Column %		
S20.1. In which subjects do/did they give support?	Technical subjects	1	3,3	5	15,6	6	9,7
	Problems in bureaucratic works			3	9,4	3	4,8
	Management subjects of co-operative			2	6,3	2	3,2
Total		30	100,0	32	100,0	62	100,0

Ratio of those high ranked bureaucrats who participate to co-operative works is 33,3 % for İstanbul and 71,4 % for Ankara, and 64,7 % on the average. (Table 6.34 and 6.36) Excluding non answered questions, 27,2 % of those people use their positions for solving bureaucratic difficulties such as getting credit for co-operative members, in facilitating title deed procedures and so on in Ankara. There is no such a person in management boards in housing co-operatives of İstanbul. (Table 6.36) It should be stressed that the distinguishing feature of Ankara in terms of the number of shareholders holding a bureaucratic position has not proved making an impact on the success of housing co-operatives. The

ratio of success in both provinces is very similar (78 % for Ankara and 80 % for İstanbul)

However as it would be analyzed in the following paragraphs, the relationships between existence of active shareholders (ie not only bureaucrats but also private sector administrators and/or other resourceful people) and the success has been observed and will be mentioned in following paragraphs (Table6. 47).

This result might be evaluated in two aspects. One is changing power relations in the society in Turkey. As remembered, the powerful class of the society in 1930s when the Bahçelievler Housing Co-operative was established was generally constituted by high ranked bureaucrats (Tekeli & İlkin, 1984). However, today, private sector managers or entrepreneurs as well as high ranked bureaucrats could be influential in solving bureaucratic problems and contribute to the success of their co-operatives. In the meantime, public sources available for the housing co-operatives are scarce and limited. Hence, it can be concluded that existence of people holding important bureaucratic positions have no significant effect on the success of housing co-operatives according to survey results. The tables 33-36 are related to people holding bureaucratic positions only; not active and resourceful people in general.

Experience in construction and co-operative works can be another indicator for understanding administrative structure of housing co-operatives. In İstanbul 42,3 % and in Ankara 57,7 % of members of management boards of housing co-operatives are experienced people, which took part in other co-operatives` management boards before. (Table 6.37) But, it is not found a relationship between the existence of experienced managers and success. (Table 6.38) This can be related to the previous discussion on tendencies of resourceful people or their capabilities. As it can be remembered, some of resourceful people might use their potential for the sake of group benefits, but some can use it for their own personal benefits.

Table 6.37. Existence of Experienced Specialist in the Management Committee of the Co-operative

		Province				Total	
		Istanbul		Ankara		Count	Column %
		Count	Column %	Count	Column %		
S24. Is there any specialist experienced in co-operative and construction sector and had been in another co-operative management before and now in your co-operative's management board?	No	19	63,3	17	53,1	36	58,1
	Yes	11	36,7	15	46,9	26	41,9
Total		30	100,0	32	100,0	62	100,0

Table 6.38. Existence of Experienced Specialist in the Management Committee of the Co-operative and Success

		S52.a. Is your co-operative successful?						Total	
		Successful		Unsuccessful		No answer		Count	Column %
		Count	Column %	Count	Column %	Count	Column %		
S24. Is there any specialist experienced in co-operative and construction sector and had been in another co-operative management before and now in your co-operative management board?	No	29	59,2	6	50,0	1	100,0	36	58,1
	Yes	20	40,8	6	50,0			26	41,9
Total		49	100,0	12	100,0	1	100,0	62	100,0

Ways of taking decisions or implementing management committees' decisions are asked for understanding administrative characteristic of co-operatives. It is not surprising that most of the housing co-operatives are run in accordance to decisions of their managers and management boards (93,3 % in İstanbul and 93,8 % in Ankara). What is interesting is that only 1 % of total number of housing co-operatives, which were interviewed, takes professional consultancy services.

These results support the hypothesis stating the importance of the critical mass on success if chairperson and members of the management board are accepted

as critical mass. Or another outcome of this analysis can be stated in a sense that almost all of the members of management board of housing co-operatives believe in their capabilities of management. (Table 6.39) However, when the educational and professional characteristics of managers are taken into consideration, it is not so acceptable to regard all those managers as a critical mass. In addition, as stated in the hypothesis, the critical mass is important in terms of success of co-operatives but impacts of the critical mass differ depending on the tendencies of resourceful people. The changing results of the analysis on impacts of heterogeneity, critical mass or resourceful people can be related to tendencies of those people, which are included in the hypothesis.

Table 6.39. Description of Administration in the Co-operative

		Province				Total	
		İstanbul		Ankara		Count	Column %
		Count	Column %	Count	Column %		
S26.1. 1. Which description do you think is suitable for administration and implementation of works in the co-operative? (Choose maximum 3 of them indicating the best suitable as 1)	Implementations are carried out by the president and management committee	28	93,3	30	93,8	58	93,5
	Co-operative employs professional consultancy	1	3,3			1	1,6
	Some shareholders deal with co-operative works in return of payment			1	3,1	1	1,6
	Most of shareholders do not deal with co-operative implementations except voting for decisions	1	3,3	1	3,1	2	3,2
Total		30	100,0	32	100,0	62	100,0

The provinces of İstanbul and Ankara are different from the point of view of carrying out the co-operative works in return to economic benefits. Ratio of shareholders who are involved in co-operative works for a certain payment is 10,0

% in İstanbul and 34,4 % in Ankara. (Table 6.40) In total (İstanbul and Ankara) 22,6 % of those people involved in co-operative works in return to certain payments. Among them, 57 % of shareholders (8/14) contribute to technical issues such as land development, construction and etc. (Tables 6.41 and 6.42)

Table 6.40. Existence of Shareholder Willing to Take Part in Co-operative Works in Return of a Payment

		Province				Total	
		İstanbul		Ankara		Count	Column %
		Count	Column %	Count	Column %		
S29. Is there any shareholder willing to take part in co-operative works in return of a payment?	No	27	90,0	21	65,6	48	77,4
	Yes	3	10,0	11	34,4	14	22,6
Total		30	100,0	32	100,0	62	100,0

Table 6.41. Existence of Shareholders Willing to Take Part in Co-operative Works in Return of a Payment and Success

		S52.a. Is your co-operative successful?						Total	
		Successful		Unsuccessful		No answer		Count	Column %
		Count	Column %	Count	Column %	Count	Column %		
S29. Is there any shareholder willing to take part in co-operative works in return of a payment?	No	37	75,5	10	83,3	1	100,0	48	77,4
	Yes	12	24,5	2	16,7			14	22,6
Total		49	100,0	12	100,0	1	100,0	62	100,0

Table 6.42. In Which Works Shareholders Willing to Take Part in Co-operative Works in Return of a Payment Took Part at Most?

		Province				Total	
		Istanbul		Ankara		Count	Column %
		Count	Column %	Count	Column %		
S29.1. In which works they took part at most?	No participation	27	90,0	21	65,6	48	77,4
	Office works	1	3,3	1	3,1	2	3,2
	Planning, development, construction and other technical works	1	3,3	7	21,9	8	12,9
	Accountancy			2	6,3	2	3,2
	Production for dwellings			1	3,1	1	1,6
	Legal Consultancy	1	3,3			1	1,6
Total		30	100,0	32	100,0	62	100,0

When the cross tabulation analysis is made between the success and participating to works for a certain payment, it can be observed that there is a relationship between these factors. In housing co-operatives, in which there exist shareholders working for housing co-operatives and getting certain amount of money in return, have the success ratio of 85,7 % while other co-operatives have the success level of 77,1 %. (Table 6.41)

This may show the importance of professional contribution to housing co-operatives since voluntarily contribution to works does not make difference in success. Although there is only a very small number of them, some of resourceful managers might contribute to the success of their housing co-operatives. Or another claim might be related to positive impact of economic return to people participating to co-operative works. As discussed in the theory chapter, extra benefits might motivate resourceful people who can lead other members in the group. Hence, this result supports the hypothesis of “the housing co-operatives in which there exists certain critical mass achieve superior cooperation results depending on tendencies of resourceful people”.

In terms of contributing to co-operative works, 20 % of housing co-operatives in İstanbul, 25 % of housing co-operatives in Ankara and 20,9 % of housing co-operatives in overall (İstanbul and Ankara) have certain level of heterogeneity. (Table 6.43) Heterogeneity means here that diversification of groups in the co-operatives regarding their contribution to works. According to survey results, overall ratio of unsuccessful co-operatives both in İstanbul and Ankara is 19,4 %. And among these co-operatives, 75 % of them have no heterogeneity in terms of contributing to co-operative works. (Table 6.44) That is to say, 75 % of unsuccessful co-operatives have no different groups in terms of contribution to works. This result supports the hypothesis of “the housing co-operatives in which there exists certain critical mass achieve fair cooperation results depending on tendencies of resourceful people”.

Table 6.43. Existence of Different Groups in Terms of Voluntary Contribution to Collective Works

		Province				Total	
		İstanbul		Ankara		Count	Column %
		Count	Column %	Count	Column %		
S33. Are there different groups in terms of voluntarily contribution to co-operative works among shareholders?	No	24	80,0	24	75,0	48	77,4
	Yes some of the shareholders don't make any kind of contribution	5	16,7	7	21,9	12	19,4
	Yes most of the shareholders don't make contribution	1	3,3			1	1,6
	No answer			1	3,1	1	1,6
Total		30	100,0	32	100,0	62	100,0

Table 6.44. Existence of Different Groups in Terms of Voluntary Contribution to Collective Works and Success

		S52.a. Is your co-operative successful?						Total	
		Successful		Unsuccessful		No answer		Count	Column %
		Count	Column %	Count	Column %	Count	Column %		
S33. Are there different groups in terms of voluntarily contribution to co-operative works among shareholders?	No	38	77,6	9	75,0	1	100,0	48	77,4
	Yes some of the shareholders don't have any kind of contributions	9	18,4	3	25,0			12	19,4
	Yes most of the shareholders don't have contributions	1	2,0					1	1,6
	No answer	1	2,0					1	1,6
Total		49	100,0	12	100,0	1	100,0	62	100,0

When the success of housing co-operatives in terms of quality of construction, cost and completion time of construction is considered, similar results can be observed. Among unsuccessful co-operatives in terms of construction quality, 50 % of them have certain heterogeneity in terms of voluntary contribution to co-operative works. Among unsuccessful co-operatives in terms of cost, only 20 % of them have certain heterogeneity. In terms of completion time of construction, ratio of unsuccessful co-operatives having certain heterogeneity in terms of voluntary participation to co-operative works is 29.4 % only. (Table 6.45, 6.46 and 6.47) Therefore, these results also support the hypothesis that “the housing co-operatives in which there exists certain critical mass achieve superior cooperation results depending on tendencies of resourceful people”

Table 6.45. Existence of Different Groups in Terms of Voluntary Contribution to Collective Works and Construction Quality

		S51.a. According to the quality						Total	
		Construction quality is good		Construction quality is normal		Construction quality is bad		Count	Column %
		Count	Column %	Count	Column %	Count	Column %		
S33. Are there different groups in terms of voluntarily contribution to co-operative works among shareholders?	No	28	75,7	19	82,6	1	50,0	48	77,4
	Yes some of the shareholders don't have any kind of contributions	7	18,9	4	17,4	1	50,0	12	19,4
	Yes most of the shareholders don't have contributions	1	2,7					1	1,6
	No answer	1	2,7					1	1,6
Total		37	100,0	23	100,0	2	100,0	62	100,0

Table 6.46. Existence of Different Groups in Terms of Voluntary Contribution to Collective Works and Cost in the Market

		S51.b. According to the cost in the market						Total	
		1 High		2 Same		3 Low		Count	Column %
		Count	Column %	Count	Column %	Count	Column %		
S33 Are there different groups in terms of voluntarily contribution to co-operative works among shareholders?	1 No	12	80,0	15	93,8	21	67,7	48	77,4
	2 Yes some of the shareholders don't have any kind of contributions	3	20,0	1	6,3	8	25,8	12	19,4
	3 Yes most of the shareholders don't have contributions					1	3,2	1	1,6
	9 No answer					1	3,2	1	1,6
Total		15	100,0	16	100,0	31	100,0	62	100,0

Table 6.47. Existence of Different Groups in Terms of Voluntary Contribution to Collective Works and Construction Completion Period

		S51.c. According to the dead line						Total	
		It is completed in a very short time considering the payments		It is completed in a normal time considering the payments		It is completed in a very long time considering the payments		Count	Column %
		Count	Column %	Count	Column %	Count	Column %		
S33 Are there different groups in terms of voluntarily contribution to co-operative works among shareholders?	No	7	77,8	29	80,6	12	70,6	48	77,4
	Yes some of the shareholders don't have any kind of contributions	2	22,2	6	16,7	4	23,5	12	19,4
	Yes most of the shareholders don't have contributions					1	5,9	1	1,6
	No answer			1	2,8			1	1,6
Total		9	100,0	36	100,0	17	100,0	62	100,0

Answers to the question designed for understanding existence of the critical mass indicate that 13,3 % of co-operatives in İstanbul and 21,9 % of co-operatives in Ankara have more active shareholders when compared to other shareholders because of using their occupational, political or technical capabilities. (Table 6.48) The existence of these active shareholders can be regarded as a critical mass. In this respect when relationship between the critical mass in co-operatives and success level is investigated it can be concluded that among unsuccessful housing co-operatives, which constitute 19,4 of total co-operatives (İstanbul and Ankara), 66,7 % of them have no critical mass who are more active than other shareholders. (Table 6.49)

Table 6.48. Existence of the Critical Mass

		Province				Total	
		İstanbul		Ankara		Count	Column %
		Count	Column %	Count	Column %		
S35.a. Is there anyone who is more active than other members by using his/her political and/or professional advantages in the co-operative?	Yes	4	13,3	7	21,9	11	17,7
	No	26	86,7	25	78,1	51	82,3
Total		30	100,0	32	100,0	62	100,0

Table 6.49. Existence of the Critical Mass and Success

		S52.a. Is your co-operative successful?						Total	
		Successful		Unsuccessful		No answer		Count	Column %
		Count	Column %	Count	Column %	Count	Column %		
S35.a. Is there anyone who is more active than other members by using his/her political and/or professional advantages in the co-operative?	Yes	7	14,3	4	33,3			11	17,7
	No	42	85,7	8	66,7	1	100,0	51	82,3
Total		49	79,0 100,0	12	100,0	1	100,0	62	100,0

Hence, these analyses support the hypothesis of the thesis, which is “the housing co-operatives, in which there exist certain critical mass, achieve fair cooperation results depending on tendencies of resourceful people”. As remembered, according to the Critical Mass Theory, small but resourceful groups might lead other members in the group and might play significant roles on the success of their co-operatives.

Among the housing co-operatives having active shareholders, the active shareholders mostly carry out works related to overcoming bureaucratic problems with 45.4 %. Bureaucratic contribution is followed by technical contribution with 27.5 %. (Table 6.48 and 6.53)

The analysis of relationships between quality of construction, cost and time span for completion of construction and the critical mass helps to better understanding impacts of the critical mass on success of housing co-operatives. When the tables 6.50, 6.51 and 6.52 are studied together it is seen that there is no clear effect of active people on success. This result may be related to characteristics of the resourceful people as described in the hypothesis of “the housing co-operatives in which there exists certain critical mass achieve superior cooperation results depending on tendencies of resourceful people”.

Table 6.50. Existence of the Critical Mass and Construction Quality

		S51.a. According to the quality of construction						Total	
		Construction quality is good		Construction quality is normal		Construction quality is bad		Count	Column %
		Count	Column %	Count	Column %	Count	Column %		
S35.a. Is there anyone who is more active than other members by using his/her political and/or professional advantages in the co-operative?	Yes	6	16,2	4	17,4	1	50,0	11	17,7
	No	31	83,8	19	82,6	1	50,0	51	82,3
Total		37	100,0	23	100,0	2	100,0	62	100,0

Table 6.51. Existence of the Critical Mass and Cost in the Market

		S51.b. With respect to the market price of similar housing						Total	
		High		Same		Low		Count	Column %
		Count	Column %	Count	Column %	Count	Column %		
S35.a. Is there anyone who is more active than other members by using his/her political and/or professional advantages in the co-operative?	Yes	3	20,0	2	12,5	6	19,4	11	17,7
	No	12	80,0	14	87,5	25	80,6	51	82,3
Total		15	100,0	16	100,0	31	100,0	62	100,0

Table 6.52. Existence of the Critical Mass and Construction Completion Period

		S51.c. According to the dead line						Total	
		It is completed in a very short time considering the payments		It is completed in a normal time considering the payments		It is completed in a very long time considering the payments		Count	Column %
		Count	Column %	Count	Column %	Count	Column %		
S35.a. Is there anyone who is more active than other members by using his/her political and/or professional advantages in the co-operative?	Yes	1	11,1	6	16,7	4	23,5	11	17,7
	No	8	88,9	30	83,3	13	76,5	51	82,3
Total		9	100,0	36	100,0	17	100,0	62	100,0

Table 6.53. In Which Subjects Does the Critical Mass Take Part?

		Province				Total	
		Istanbul		Ankara		Count	Column %
		Count	Column %	Count	Column %		
S35.In which subjects?	Pursuing official procedures	3	10,0	2	6,3	5	8,1
	Technical (construction and etc..)	1	3,3	2	6,3	3	4,8
	Administrative and Legal			2	6,3	2	3,2
	In all matters			1	3,1	1	1,6
Total		30	100,0	32	100,0	62	100,0

6.4.5. Hypothesis 5: “Depending on the characteristics of critical mass, network density might have either positive or negative effect on housing co-operatives.”

When network structure of housing co-operatives is investigated membership to a co-operative union is asked first. The ratio of co-operatives that joined a union is 90 % for İstanbul, 81,3 % for Ankara, and 85,5 % in total. (Table 6.54) These ratios are very high when compared to average ratio of being a member of co-operative union in Turkey. Türel states that only 9304 co-operatives are attached to associations in June 2002 (Türel, 2003). So, when the total number of housing co-operatives¹⁰ is taken into consideration the ratio is about 15 % in Turkey.

Tablo 6.54. Association Membership of the Co-operative

		Province				Total	
		İstanbul		Ankara		Count	Column %
		Count	Column %	Count	Column %		
S3. Is there any associations or upper level associations that the co-operative is bounded?	No	3	10,0	6	18,8	9	14,5
	Yes	27	90,0	26	81,3	53	85,5
Total		30	100,0	32	100,0	62	100,0

Besides others, land provision appears to be the most encountered contribution of co-operative unions, as 27,4 % of the co-operatives mentioned this issue. The second important contribution of joining a union is tax exemption, which is mentioned by 22,6 % of respondents. (Table 6.57)

¹⁰ In December 2005, total number of housing co-operatives was 62.414 (Ministry of Trade and Industry)

Table 6.55. Association Membership of the Co-operative and Success

		S52.a. Is your co-operative successful?						Total	
		Successful		Unsuccessful		No answer		Cou nt	Colum n %
		Cou nt	Colum n %	Cou nt	Colum n %	Cou nt	Colum n %		
S3. Is there any associations or upper level associations that the co-operative is bounded?	No	7	14,3	2	16,7			9	14,5
	Yes	42	85,7	10	83,3	1	100,0	53	85,5
Total		49	100,0	12	100,0	1	100,0	62	100,0

According to survey results there is no relationship between union membership and success in housing co-operatives of Ankara and İstanbul. (Table 6.55) From this result, it can be possible to state that co-operative unions are not effective institutions contributing success of housing co-operatives. As stated, except land provision and tax exemption, co-operative unions do not provide much assistance to housing co-operatives. There is no answer to the question of “supervising and auditing housing co-operatives” by the managers, although this would be an effective contribution of unions.

Tablo 6.56. Contribution of Association

		Province				Total	
		İstanbul		Ankara		Count	Column %
		Count	Column %	Count	Column %		
S4.1. Ask with the card) In which subjects does this association contributed to you? (Please numerate by giving 1 to the biggest contribution)	Establishment of cooperation	2	6,7			2	3,2
	Finding the plot	10	33,3	7	21,9	17	27,4
	Land development/planning issues			1	3,1	1	1,6
	Preparation of the housing projects or tendering of projects	3	10,0	1	3,1	4	6,5
	Supporting provision of infrastructure	2	6,7			2	3,2
	Tax exemption	4	13,3	10	31,3	14	22,6
	No contribution	2	6,7	4	12,5	6	9,7
	Helping to find the contractors			1	3,1	1	1,6
	Consultancy			1	3,1	1	1,6
	Helping in problem solving at co-operative meetings	1	3,3			1	1,6
Total		30	100,0	32	100,0	62	100,0

Another question related to the impact of external network indicates that 13,3 % of co-operatives in İstanbul and 21,9 % of co-operatives in Ankara have bureaucratic networks. (Table 6.48) When the relationship between existence of active shareholders with bureaucratic networks and success of housing co-operatives is analyzed, it is understood that among unsuccessful housing co-operatives, which constitute 19,4 of total co-operatives in İstanbul and Ankara, 66,7 % of those co-operatives have no shareholder with external political or bureaucratic relations. (Table 6.49)

Effects of characteristics of co-operatives in terms of similarities of shareholders in occupation, income or friendship relations are also investigated via the questionnaire. Among co-operatives with high construction quality, 51,4 % (with 1st rank) of them were established by friends. (Table 6.57) Among successful co-operatives regarding cost of dwelling units compared to average market

conditions, 41,9 % (ranking 1st) of them were established by friends. (Table 6.58) Among housing co-operatives, which have finished construction or are about to finish construction of dwelling units within a reasonable time period or in a short time (when payments are considered), 33,8 % of them established by friends. (Table 6.59) The second highest rank in successful housing co-operatives regarding cost, construction time and quality of construction belongs to the co-operatives that were established by a certain occupation group. (Table 6.58 and 6.59)

Table 6.57. Who Established the Co-operative and Construction Quality

		S51.a. According to the quality						Total	
		Construction quality is good		Construction quality is normal		Construction quality is bad		Count	Column %
		Count	Column %	Count	Column %	Count	Column %		
S14. Who established the co-operative?	A certain group of friends	19	51,4	7	30,4	1	50,0	27	43,5
	A certain group of professionals	6	16,2	7	30,4	1	50,0	14	22,6
	Relatives and acquaintances	3	8,1	3	13,0			6	9,7
	People who are in the management today	2	5,4					2	3,2
	People who are not in the co-operative today	1	2,7	2	8,7			3	4,8
	People with different status and education and come together due to different reasons	4	10,8	4	17,4			8	12,9
	No answer	2	5,4					2	3,2
Total		37	100,0	23	100,0	2	100,0	62	100,0

Table 6.58. Who Established the Co-operative and the Cost in the Market

		S51.b. According to the market price						Total	
		High		Same		Low		Cou nt	Colum n %
		Cou nt	Colu mn %	Cou nt	Colu mn %	Cou nt	Colu mn %		
S14. Who established the co-operative?	A certain group of friends	6	40,0	8	50,0	13	41,9	27	43,5
	A certain group of profession	2	13,3	3	18,8	9	29,0	14	22,6
	Relatives and acquaintances	3	20,0	1	6,3	2	6,5	6	9,7
	People who are in the management today	1	6,7	1	6,3			2	3,2
	People who are not in the co-operative today	2	13,3	1	6,3			3	4,8
	People with different status and education and come together due to different reasons			2	12,5	6	19,4	8	12,9
	No answer	1	6,7			1	3,2	2	3,2
Total		15	100,0	16	100,0	31	100,0	62	100,0

Table 6.59. Who Established the Co-operative and Construction Completion Period

		S51.c. According to the dead line						Total	
		It is completed in a very short time considering the payments		It is completed in a normal time considering the payments		It is completed in a very long time considering the payments		Cou nt	Colum n %
		Count	Colu mn %	Cou nt	Colum n %	Cou nt	Colum n %		
S14. Who established the co-operative ?	A certain group of friends	3	33,3	18	50,0	6	35,3	27	43,5
	A certain group of profession	4	44,4	7	19,4	3	17,6	14	22,6
	Relatives and acquaintance			3	8,3	3	17,6	6	9,7
	People who are in the management today	1	11,1	1	2,8			2	3,2
	People who are not in the co-operative today			1	2,8	2	11,8	3	4,8
	People with different status and education and come together due to different reasons	1	11,1	4	11,1	3	17,6	8	12,9
	No answer			2	5,6			2	3,2
Total		9	100,0	36	100,0	17	100,0	62	100,0

According to the survey results, there is a positive impact of network relations on success. As it can be seen from the analysis, those co-operatives established by friends seem to be more successful. As discussed before according to the Critical Mass Theory, network centralization meaning establishing networks, which are centralized around certain persons rather than spreading across a group of active participants might have positive effects on housing co-operatives. The housing co-operatives, which are established by friends, might reflect network centralization type of conceptualization of the Critical Mass Theory. As analyzed before, the level of participation to collective works is high in the co-operatives founded by the friends indicating network relations between friends.

Moreover, the hypothesis of the thesis is more general due to changing tendencies of resourceful people. In this respect, it can be claimed that the results support the hypothesis that “depending on the characteristics of critical mass, network structure might have either positive or negative effects on housing co-operatives”.

The ways of joining the co-operative is another question related to networking in housing co-operatives. According to survey results, shareholders are generally joined co-operatives by networks of friends, relatives and etc both in İstanbul and Ankara. Few shareholders joined co-operatives by the way of advertisement. This result might prove the importance of trust or face to face relations while joining a co-operative. Negative thoughts about housing co-operatives could be influential on this behavior.

Joining co-operatives by friendship networks ranks the 1st place with 82,3 %. (Table 6.60) Hence, it can be concluded that most of the co-operatives that are subject to the survey were established by friends, which would imply existence of network ties among groups of friends who established these co-operatives. Such network ties can be described as informal relations such as friendship and similar type of relationships.

Table 6.60. Joining to the Co-operative

		Province				Total	
		İstanbul		Ankara		Count	Column %
		Count	Column %	Count	Column %		
S16. Which of the followings are used while choosing the shareholders for your co-operative?	Advertisement			2	6,3	2	3,2
	Invitations by friends and relatives	25	83,3	26	81,3	51	82,3
	Promotion by the co-operative associations	2	6,7			2	3,2
	Promotion and invitation among profession groups	2	6,7	4	12,5	6	9,7
		1	3,3			1	1,6
Total		30	100,0	32	100,0	62	100,0

Overall definition of co-operatives according to characteristics of groups suggests presumptions about co-operatives. In terms of characteristics of groups of shareholders, most of them have different occupations, as this answer ranks the 1st with 45 % and shareholders, who are from similar income groups rank the 2nd with 21 % in total number of co-operatives in Ankara and İstanbul. (Table 6.61)

Tablo 6.61. Network Types in the Co-operative

		Province				Total	
		İstanbul		Ankara		Count	Column %
		Count	Column %	Count	Column %		
S17. Which of the followings is the most suitable for your cooperation?	Most of our shareholders are from the same profession	7	23,3	5	15,6	12	19,4
	Most of our shareholders work in the same workplace	1	3,3	1	3,1	2	3,2
	Most of our shareholders' education level is the same	1	3,3			1	1,6
	Most of our shareholders' incomes are nearly the same	10	33,3	3	9,4	13	21,0
	Our shareholders are from different professions	9	30,0	19	59,4	28	45,2
	The income level of our shareholders differs	1	3,3	4	12,5	5	8,1
	-	1	3,3			1	1,6
Total		30	100,0	32	100,0	62	100,0

When the relationship between success and type of decision taking and implementation of decisions are investigated, different outcomes can be observed. Among all of the successful co-operatives 93,9 % of them operate on decisions of the managers or management boards. On the other hand, among all of unsuccessful co-operatives 91,7 % of them make implementations by decisions of the managers or management boards. (Table 6.62)

Table 6.62. Network Types in the Co-operative and Success

		S52.a. Is your co-operative successful?						Total	
		Successful		Unsuccessful		No answer		Cou nt	Colum n %
		Count	Colu mn %	Cou nt	Colum n %	Cou nt	Colum n %		
S26.1. Which description, do you think is suitable for administration and implementation of works in the co-operative? (Choose maximum 3 of them indicating the best suitable as 1)	Implementations are carried out by the president and management committee	46	93,9	11	91,7	1	100,0	58	93,5
	Co-operative employs professional consultancy			1	8,3			1	1,6
	Some shareholders deal with co-operative works in return of payment	1	2,0					1	1,6
	Most of shareholders do not deal with co-operative implementations except voting for decisions	2	4,1					2	3,2
Total		49	100,0	12	100,0	1	100,0	62	100,0

Although these results do not support the hypothesis related to the Critical Mass Theory, which states that network centralization contributes success of collective actions, it can be claimed that the results support the hypothesis of the thesis, which is “depending on the characteristics of critical mass, network structure might have either positive or negative effect on housing co-operatives”. As discussed earlier, tendencies of resourceful people, here they are managers or members of management boards (active shareholders) might either be in favor of group benefits, or their own benefits. The challenging results of the analysis might be dependent on this statement.

For exploring network relations, network types and group structures can give information about housing co-operatives. In this respect, the answer of “all relations between shareholders are at the same level within the co-operative”

meaning “homogenous relations” answer ranks the 1st place for İstanbul and Ankara with 76,7 % and 84,4 % respectively. In total it is 80,6 %. (Table 6.63) Here it should be stated that since the critical masses in co-operatives are small in number, they are unlikely be involved in network relations. Existence of heterogeneity and its positive influences on the success have already been analyzed. (Table 6.30, 6.32 and 6.41)

Table 6.63. Grouping in the Co-operative

		Province				Total	
		İstanbul		Ankara		Count	Column %
		Count	Column %	Count	Column %		
S34. Which of the following network and grouping type is suitable for your co-operative?	There is a group which has close relationships with the management	3	10,0	1	3,1	4	6,5
	Everybody has the same relationship	23	76,7	27	84,4	50	80,6
	There isn't any kind of relationship	2	6,7			2	3,2
	There exist different kinds of groupings	1	3,3	2	6,3	3	4,8
	No answer	1	3,3	2	6,3	3	4,8
Total		30	100,0	32	100,0	62	100,0

Among all successful co-operatives, 83,7 % of them have homogenous relationships among shareholders. In unsuccessful housing co-operatives, on the other hand, homogenous relations ranks 1st with 66,7 %. The second highest ratio is for the answer of “having group of people who are in close relation with the managers” with 33,3 %. (Table 6.64)

Table 6.64. Grouping in the Co-operative and Success

		S52.a. Is your co-operative successful?						Total	
		Successful		Unsuccessful		No answer		Count	Column %
		Count	Column %	Count	Column %	Count	Column %		
S34. Which of the following network and grouping type is suitable for your co-operative?	There is a group which has close relationships with the management			4	33,3			4	6,5
	Everybody has the same relationship	41	83,7	8	66,7	1	100,0	50	80,6
	There isn't any kind of relationship	2	4,1					2	3,2
	There exist different kinds of groupings	3	6,1					3	4,8
	No answer	3	6,1					3	4,8
Total		49	100,0	12	100,0	1	100,0	62	100,0

In terms of quality of construction, among co-operatives with high construction quality, 83,8 % have homogenous relationship structure within the co-operative. (Table 6.65) Likewise the quality of construction, there seems also relations between cost and network structure. Among all the co-operatives with low cost, 77,4 % of them have homogenous relations within their co-operatives. Interestingly, among co-operatives with high construction costs, 73,3 % of them have homogenous relations and 26,7 % have group of people who are in close relations with the managers. (Table 6.66) This result might again be related with the argumentation of the thesis about changing impacts the critical mass. As mentioned, impacts of a critical mass of network structure on success are argued to be in relation with the tendencies of these people. They might either use their networks or managerial powers for their individual benefits or for collective benefits.

Table 6.65. Grouping in the Co-operative and Construction Quality

		S51.a. According to the quality						Total	
		Construction quality is good		Construction quality is normal		Construction quality is bad		Cou nt	Colum n %
		Cou nt	Colum n %	Cou nt	Colum n %	Cou nt	Colum n %		
S34. Which of the following network and grouping type is suitable for your co-operative?	There is a group which has close relationships with the management	3	2,7	2	8,7	1	50,0	4	6,5
	Everybody has the same relationship	23	83,8	18	78,3	1	50,0	50	80,6
	There isn't any kind of relationship	2	2,7	1	4,3			2	3,2
	There exist different kinds of groupings	1	2,7	2	8,7			3	4,8
	No answer	3	8,1					3	4,8
Total		37	100,0	23	100,0	2	100,0	62	100,0

Table 6.66. Grouping in the Co-operative and Market Price of Similar Housing

		S51.b. According to the market price						Total	
		High		Same		Low		Cou nt	Colum n %
		Cou nt	Colum n %	Cou nt	Colum n %	Cou nt	Colum n %		
S34. Which of the following network and grouping type is suitable for your co-operative ?	There is a group which has close relationships with the management	3	26,7					4	6,5
	Everybody has the same relationship	23	73,3	15	93,8	24	77,4	50	80,6
	There isn't any kind of relationship	2		1	6,3	1	3,2	2	3,2
	There exist different kinds of groupings	1				3	9,7	3	4,8
	No answer					3	9,7	3	4,8
Total		15	100,0	16	100,0	31	100,0	62	100,0

In terms of construction completion period, the co-operatives having comparatively longer construction period regarding payments have generally homogenous relations within the co-operative. The ratio of co-operatives having homogenous relations is 82,4 % in unsuccessful co-operatives regarding construction completion time. (Table 6.67) Parallel to findings related to network – cost relations, there is also similar results in terms of completion time of construction. Among unsuccessful co-operatives 11,8 % of them have group of people who are in close relations with the management. (Table 6.67)

Table 6.67. Grouping in the Co-operative and Construction Completion Time

		S51.c. According to the dead line						Total	
		It is completed in a very short time considering the payments		It is completed in a normal time considering the payments		It is completed in a very long time considering the payments		Count	Column %
		Count	Column %	Count	Column %	Count	Column %		
S34. Which of the following network and grouping type is suitable for your co-operative ?	There is a group which has close relationships with the management			2	5,6	2	11,8	4	6,5
	Everybody has the same relationship	7	77,8	29	80,6	14	82,4	50	80,6
	There isn't any kind of relationship			2	5,6			2	3,2
	There exist different kinds of groupings	1	11,1	1	2,8	1	5,9	3	4,8
	No answer	1	11,1	2	5,6			3	4,8
Total		9	100,0	36	100,0	17	100,0	62	100,0

All of these results support the hypothesis of “depending on the characteristics of critical mass, network structure might have either positive or negative effect on housing co-operatives.” From the results of the analysis, characteristics of critical mass seems to be important in terms of positive or negative impacts of network structure on success of housing co-operatives.

6.5. Concluding Remarks

In this chapter of the thesis, interview results were analyzed and evaluated according to results of frequency tables and cross tabulation analysis. The chapter aimed to put forward the influences of the factors, which were taken from the theories of the Free Rider and the Critical Mass and stated in the hypotheses of the thesis. The factor that were tested in terms of their effects on success via the interview survey are free riding, size, critical mass, selective incentives and network density.

In the thesis, success of housing co-operatives is analyzed considering overall evaluation of co-operatives in terms of success, cost of construction, completion time of construction and quality of construction. The success of housing co-operatives were evaluated according to perspectives of managers of housing co-operatives who were interviewed.

Considering the success of housing co-operatives in terms of cost, the figure 4.1 can be recalled. According to findings of the thesis, housing co-operative can be regarded as successful between the point E, which is the equilibrium point where co-operative housing cost is equal to private benefit and the point F, which is another equilibrium point where co-operative housing cost is equal to market housing cost. The co-operative housing production generally realized near and below the point F. After that point, a housing co-operative can be regarded as unsuccessful in terms of cost and there is high probability for each shareholder to get out from the co-operative. Between the point F and G, which is the equilibrium point of in efficient housing co-operatives the production might still continue, but the point G can be defined as maximum limit to tolerate (see the figure 4.1)

To sum up, the survey results indicated that, middle range housing co-operatives are more successful ones for the interviewed co-operatives. As it can be seen from the figure 4.2 in the fourth chapter, between S_1 and S_2 average total cost of housing co-operatives would be the minimum. Survey results indicated that housing co-operatives from 59 shareholders to 167 shareholders are more successful and have the minimum average cost. (see the figure 4.2)

In addition, survey results indicated that there might be expected effects of the critical mass and network density on success of housing co-operatives depending on tendencies of the critical mass. In this respect, desires of the resourceful people leading others appears to be important in terms of success of housing co-operatives. Another result of the interview survey is that, there is no consistent relationship between the selective incentives and the success for the interviewed housing co-operatives.

CHAPTER 7

CONCLUSIONS

There is a consensus on ongoing transformation in the world since 1990s. On this transformation there exist mainly four discourses. Each discourse is built on a transition process. Transition from industrial society to information society, fordist production to post-fordist - flexible production, nation state system to globalizing world system and from modernist thought to post modernist thought. In fact all of these transitions are interrelated to each other as complementary phenomena and underlie new society-state interactions (Tekeli, 1996).

After the second half of 1990s, government understanding which is based on instrumental rationality, hierarchic command type of decision making was begun to be replaced by governance understanding, which is based on communicative rationality, which allows horizontal and decentralized type of decision making, and enables different actors in the society. Along with this development, there has been increasing concerns about active roles of civil society organizations, horizontal relationships, co-operation and partnerships along with the society (Tekeli, 1996).

In fact, all of these discussions are beyond the scope of this thesis, but in the meantime they are important for the dissertation analyzing housing co-operatives, which are non-governmental organizations and have been making significant contributions to the growth of housing stock in Turkey.

Housing co-operatives are historically and institutionally strong civil society organizations and may take active roles in solving housing problems. In this

respect, the thesis analyzes and evaluates this “philosophically” and “historically” developed institution in terms of their capabilities for solving housing problem in an era when non governmental organizations gain importance.

Co-operatives are institutions, based on the strength and collective interest of a group. All co-operatives have an economic and social dimension, but some of them are more oriented towards a social mission such as housing, which accepted as a right in the Habitat II Conference held in 1996 in İstanbul. When universal aims of co-operative housing are thought, it can be seen that there are not only economic concerns like collective capital accumulation and credit provision but also social aims such as collective ownership and collective way of living for shareholders even from low income groups.

Housing co-operatives can provide housing to their shareholders as an outcome of collective action. Importance of housing co-operatives in providing housing and their addressing income group may differ according to contextual differences of countries. In this respect, the thesis gives special emphasis on the analysis of existing institutional characteristics of housing co-operatives in Turkey and factors related to the success of them with respect to the theories of the Free Rider and the Critical Mass.

7.1. Overview and Theoretical Arguments of the Dissertation

The thesis is made up of mainly seven chapters. After the introduction chapter the second chapter discussed the origin and the course of development of the philosophy of cooperatism.

In fact cooperatism is as old as human history, and early attempts had been before the 19th Century. After the industrial capitalism began to cause socio spatial problems, cooperatism emerged as a solution in Britain firstly. In the literature it is argued that co-operative philosophy and practice has started to be institutionally formed with a Utopist Socialist; Robert Owen. After Owen, Rochdale

Equitable Pioneers were the most important figures of the co-operative movement in the World.

Leaving the discussion about relationships of those two philosophies, it can be stated clearly that the origin of the co-operative thought after the Industrial Revolution goes back to Utopian thoughts of socialist Robert Owen and Rochdale Pioneers who afterwards inspired development of co-operatives in the World.

Cooperatism is a different philosophy in a sense that when it began to be regarded as a philosophy, it had already been in existence. In fact it would not be a mistake to argue that both the practice and philosophy of cooperation were developed concomitantly. As industrial capitalism came into agenda, socio-economic and spatial influences began to be felt. Because of that, firstly Owen and afterwards Rochdale Pioneers began to organize their communities in a co-operation mind.

Therefore, early co-operatives were in a sense self organized institutions, which were acting according to collective interest against social, economic and spatial problems of the period. This feature of the cooperatism brings about the thought that they can be regarded as self organizing civil society organizations. In this respect, co-operatives with their organizational and networking capabilities can be regarded as important civil society actors.

Another important aspect of cooperatism is that, although the ideology of cooperatism developed by a socialist man; Owen, it has been advocated in the countries with different socio-economic structures. In this regard economic and political preferences of the countries such as socialism, capitalism, social democracy could have founded coinciding objectives within the cooperative philosophy. In this chapter, before analyzing the Turkish co-operative housing history, the cases from Britain, Sweden and Russia were discussed in an evolutionary perspective. This discussion indicated that, housing co-operatives

could have adapted to different social and political environments and played significant roles not only in contributing to growth of housing stock and but also in realization of social and political aims.

In the third chapter theories and models related to collective action were analyzed. From a theoretical point of view this research aimed to analyze housing co-operatives in Turkey with reference to theories developed for collective action. The factors influencing the success of housing co-operatives were investigated with respect to Olson's the Free Rider Theory and Oliver and Marwell's the Critical Mass Theory.

Since the rational choice theory was in difficulty of explaining social actions and collective choice, the problem of collective action began to be handled with different assumptions of sociology and political science after 1960s. In this respect, Olson's (1965) Free Riding Theory came from the discipline of economy and made social scientists to reconsider assumptions of traditional models of sociology and political science.

There are groups of writers, which have different thoughts about the problem of collective action depending on their basic assumptions and human definition. In this conclusion part, in order to avoid dispersion from the focal point of the thesis, game theoretical perspective suggested by Hardin (1982) and norms discussion of Elster (1989), which already discussed before, are not going to be mentioned.

Olson's Free Rider Theory argues that selective incentives; reward and punishment mechanisms are necessary for collective action. Otherwise, there would be high motivation of individuals for free riding instead of participating into the collective action. If, in a group, contribution of a member is negligible and it is not possible to exclude this member from additional gains of collective action this member would possibly choose an alternative of free riding. Olson also mentions about the effects of group size on collective action. Small groups are more likely to organize collective action (Olson, 1965).

The Critical Mass Theory pays attention to the importance of group structure in terms of its heterogeneity of members. According to the theory, the critical mass, meaning a small number of resourceful individuals, can make collective action possible. The theory states that in large groups there is higher probability to find a small group of highly resourceful and interested individuals willing to support collective action. The critical mass constituted by resourceful people can mobilize others for collectively acting. The theory, which assumes interaction among members of collective action, pays attention to group heterogeneity in terms of interest and resources.

The general conclusion of the theory in relation to the subject of the thesis is when groups are heterogeneous; group size tends to have a positive effect on the provision of jointly supplied collective goods such as public goods and a negative effect on the provision of goods whose cost increases proportionately with the number who share them. In terms of partial jointness of supply meaning economies of scale, effect of group size depends on heterogeneity level of group. When there is high level of heterogeneity in terms of resources and interests of the critical mass, group size has positive effect on collective action. Besides, other factors such as interaction of group members and network centralization are also important for success of collective action. There is no consistent group size affect on collective action but there are multiple effects of factors together with group size. Among them critical mass is the most important factor influencing the success of collective actions (Oliver and Marwell, 1993).

The hypotheses were formed with respect to factors in relation with success of housing co-operatives with reference to the theories of the Free Rider and the Critical Mass and they were tested via the interview questionnaire. In the thesis, success of housing co-operatives is evaluated taking into account the measurable factors such as cost, duration of construction and quality of construction.

Co-operative development is a socio-spatial process, which is context dependent and requires in-depth analysis for different cases. Hence, holding this fact in hand, the hypotheses were formed regarding the contextual differences of Turkish

housing co-operatives in the fourth chapter.

The hypotheses of the thesis are:

- ✓ “Housing co-operatives of small groups achieve superior¹ cooperation results”
- ✓ “Housing co-operatives in which there exists certain critical mass achieve superior cooperation results depending on tendencies of resourceful people”
- ✓ “Social and economic reward and punishment mechanisms contribute to the effectiveness of housing co-operatives”
- ✓ “Network density might have either positive or negative effect on housing co-operatives depending on the characteristics of critical mass”

Here, it can be stated that, the critical mass, which is mentioned in the second and the fourth hypotheses, is one of the significant factor influencing success of housing co-operatives. Furthermore, when contextual differences of housing co-operatives in Turkey are considered, tendencies and characteristics of the critical mass in terms of desires of resourceful people, whether to act in favor of collective or individual benefits become crucial for their success.

In the fifth chapter the historical development of Turkish housing co-operatives with its contextual differences was mentioned. The cooperative ideology came to Turkey as a top-down movement instead of socio-economic necessity of the period of 1930s in Turkey. In fact institutional development of housing co-operatives in Turkey can be regarded as a process of adapting a Western institution and it shows how contextual differences result in changes in terms of ideology and implementation. For this reason, housing co-operative development, which began with the Bahçeli Evler Housing Co-operative, was formed with different motivations and expectations from universal cooperative aims due to contextual differences in Turkey.

¹ As stated before, it should be underlined that co-operation results and success of housing co-operatives were tested and evaluated regarding interview questionnaire results, which indicates perceptions of members of management committees in housing co-operatives.

If Bahçeli Evler Housing Co-operative experience is remembered from the point of views of universal cooperative aims, its differences can easily be recognized. Firstly, three universal aims of cooperation; namely, collective capital accumulation, collective provision of credits and collective ownership of assets (Kessler, 1934: cited in Tekeli & İlkin, 1984: 48) were not intended. Instead, these aims were reduced to only one aim, which is related to achieving privileges in terms of credit accessibility and/or land development. For the cooperative ideology, cooperation basically means gathering of people who can not afford for a certain aim. However, it transformed into realization and distribution of profits to the shareholders in Turkey. Thus, the basis of the housing co-operative development in Turkey was not built on the universal cooperative ideology.

The first housing cooperative, Bahçeli Evler was established in search of benefiting from state subsidies. For instance, members of Bahçeli Evler Housing Cooperative tried to lessen their capital contributions by using their official status in the state. They tried to use speculative advantages of land development. Moreover, some other benefits such as infrastructure investment supports and high credits were the ways that bureaucrats have applied for getting their dwelling units at lower cost. Hence, the meaning of cooperation was different in Bahçeli Evler Housing Co-operative. It was institutionalization of getting benefits by using advantages of their member's bureaucratic positions. The private ownership and so getting economic benefits individually is one of the distinctive characteristics of Bahçeli Evler Housing cooperative when compared to other housing co-operative organization in the World. The cooperative movement in the world has its own ideology and has already been discussed in detail in the previous chapters.

Bahçeli Evler Housing Co-operative has the pioneering role in cooperative development of Turkey. It was not organized by the people from lower socio-economic groups; on the contrary it was established by top bureaucrats who use co-operatives to provide legitimacy for their individual aims. Since the start of first housing co-operatives with Bahçeli Evler Housing Co-operative, housing co-operatives could not have been institutions for the low income groups in Turkey.

As a result, it can be claimed that housing co-operative development in Turkey has been formed with the aim of benefiting from state sources. Housing co-operatives have taken their legitimization from the cooperative ideology. Nonetheless, implementation rules have been different and they have been generally in search of getting extra benefits when compared to market conditions. For this reason, there appeared a kind of semi entrepreneurship semi co-operative structure in housing co-operatives. At the end of this chapter, the Turkish housing co-operatives were evaluated with respect to the hypotheses before going into the survey chapter.

Before explaining the sixth chapter it should be emphasized that, historical analysis of housing co-operatives is important for understanding the existing situation of housing co-operatives in Turkey. In this respect, the survey and its results, which will be mentioned in the following parts, should be evaluated recalling the discussions of the fifth chapter.

The sixth chapter is on the field survey and both the methodology and survey results were put forward in this chapter. The hypotheses of the thesis have been tested via "the housing co-operatives interview survey" in two largest cities of Turkey, İstanbul and Ankara. The survey was realized by the way of questionnaire filled in face to face interview. A total of 62 housing co-operatives have been interviewed; 32 of which were in Ankara.

The interview survey results indicated that there might be expected effects of the size, critical mass and network density on success of housing co-operatives for the interviewed housing co-operatives in Turkey. Here, it should be underlined that since 62 housing co-operatives could have been interviewed and interview survey was carried out with the members of management committees in housing co-operatives, survey results should be evaluated considering these restrictions.

7.2. Evaluation of Housing Co-operatives in Ankara and İstanbul According to Interview Survey Results

As mentioned above, institutional development of housing co-operatives in Turkey can be regarded as a process of adapting a Western institution and it shows how contextual differences result in changes in terms of ideology and implementation. Through the time, housing co-operatives adapted themselves to changing social and economic developments. Hence, as the thesis and the survey were aimed to investigate institutional characteristics and differences of Turkish housing co-operatives; it might be beneficial to make overall evaluation of housing co-operatives in Turkey with respect to hypothesis related to underlying factors of success after getting results of the survey.

As investigated from the survey results, despite the fact that some factors appears to have unconditional effects on success of housing co-operatives, some factors have varying effects. According to survey results, factors stated in hypotheses might have positive or negative impacts on success of housing co-operatives. Certainly, it would be a mistake to expect to get all answers related to hypothesis of theories from the interview survey. However the investigations can be evaluated in respect of theoretical aspects and contextual differences of Turkey. In fact the thesis findings provide that *even though there might be expected effects of factors on success of housing co-operatives, these factors might be different due to the fact that they depends on desires of the critical mass; whether to act in favor of collective or individual benefits.*

In the thesis the evaluation of housing co-operatives in İstanbul and Ankara was realized according to three clusters, which were achieved through z distribution of the data related to sizes of housing co-operatives.

The clusters are:

Group 1: 192-800 shareholders (professional housing co-operative)

Group 2: 59-167 shareholders (middle range housing co-operatives)

Group 3: 17-55 shareholders (small – non professional housing co-operatives)

At this point it should be recalled that results of interview survey indicate perspectives of members of management committee in housing co-operatives in Turkey. Total number of interview surveys is limited to 62. Therefore, results of interview survey should be evaluated considering these restrictions.

- **The middle range housing co-operatives seem to be more successful in Turkey**

The analyses via frequency and cross tabulation tables give the results that there is a relationship between size of co-operatives and success. However, results do not directly support the hypothesis, *“housing co-operatives of small groups achieve superior cooperation results”*.

According to survey results, among all of the housing co-operatives, those with 59-167 shareholders are more successful than other groups (192-800 and 17-55) of housing co-operatives.

As it can be remembered the Free Rider theory pays attention to increasing probability of free riding in big groups claiming difficulty of success of collective action within big groups. At the same time, the theory also underlines difficulty of analyzing impacts of group size on collective actions.

Hence, it can not be concluded that the results of analysis do or do not absolutely support the hypothesis. On the contrary, even though there is a relationship between the success and the size of housing co-operatives, small co-operatives with 17-55 shareholders are not the most successful ones. As it was mentioned before, in addition to group size, many aspects such as economies of scale could make impacts on this result. According to the analysis, co-operatives having 59-167 shareholders are more successful. However, it should be also stated that up to and beyond a certain size (according to the interview survey up to 59 and beyond 167) the size of co-operatives begins to make impacts on success negatively.

In fact, building a dwelling unit is an example of production of a good, for which cost of the producing increases proportionately to the number of units. In this respect, it can be claimed that there are no economies of scale in construction costs of dwelling units. As remembered, according to the theory, the free riding problem is seen more at larger groups for the goods, having the cost of producing that increases proportionately to the number of shareholders.

In the meantime, there may be economies of scale related to fixed costs in housing co-operatives, such as management costs (wages), annual meeting costs and accounting costs. However, although there could be expected economies of scale in housing co-operatives due to decreasing fixed costs as they may become very small beyond a certain size, but there might appear management and control problems in large housing co-operatives. This result might mean that there should be a limit for the size of housing co-operatives for efficient management by non-professional management boards. Otherwise, it could be beyond the efficient management capacities of non professionals, as control capabilities of managers on cooperative works might be not sufficient. In addition to this, beyond a certain size the risk of malpractices and consequences of free riding could arise due to ineffective auditing of cooperative accounts, both by the cooperative itself and by the State. Therefore, it can be claimed that economies of scale work until certain size of housing co-operatives and other factors become influential beyond a certain size.

The optimum size, according to the results of survey, is within the 59-167 interval. Hence, the factors effecting economies of scale and managers' capabilities for administrating or controlling housing co-operatives could be influential, and therefore, both factors bring about relatively higher success for the middle range group of co-operatives with 59-167 shareholders.

- **Housing co-operatives with 1-5 % management and operation expenditure in total expenditure seem to be more successful**

The consistent relationship between level of free riding and success were seen in terms of management and operation costs. Among the intervals of less than 1 %, 6-10 % , 11-20 %, 21-30 %, 31-40 %, 41-50 % and more than 51 %, the **1-5 %** interval of management and operation expenditure in total expenditure ranks 1st among successful co-operatives.

Here it should be stated that, increase of management and operation costs may not directly be related to the professionalism of housing co-operatives. Increasing management and operation costs may also be depended on mistreats of the managers.

- **Insufficient education and professional background of managers and their economic benefits bring about free riding that has negative effects on the success of housing co-operatives**

When educational and professional features of managers are taken into account, more than 5 % expenditure in total expenditure for management fees and operation expenses might mean high level of free riding. That is to say, when the expenditure for management and operation costs is above 5 % in total expenditure, it might mean there is an imbalance between managers' contribution and their salaries according to survey results, which can be interpreted as a kind of free riding.

When the profile of the managers is analyzed it can be stated that in management boards professional people are not in majority. It is interesting that ratio of co-operatives without at least one professional member, like a lawyer or engineer in the management board is 20 % for Istanbul and 56 % for Ankara. When the ratio of co-operatives giving salaries to managers is considered, (it is 50 % for Istanbul

and 75 % for Ankara) it can be claimed that management boards are regarded as an income generating position for non-professional people in Turkey. And this way of organization can be defined as an institutionalized organization of less educated and non-professional people via housing co-operatives.

As a result of these analyses it can be concluded that up to a certain amount of expenditures (as much as 1-5 % in total expenditure) co-operatives seem to be more successful. However beyond this level of expenditure it begins to turn into “free riding” due to the fact that managers are not so much educated and professional according to survey results. In this respect, it can be said that there is mismatch between the poor contribution by management boards to co-operative activities and the level of payments or other benefits made for their services.

- **Selective incentives have no effect on success of housing co-operatives for the interviewed housing co-operatives**

According to survey results, co-operatives also put into practice sanctions without treating their shareholders differently. However, no relationship between success and selective incentives was observed. As remembered, opposite to the Free Rider Theory, the Critical Mass Theory also claims that selective incentives has free riding in themselves, so no positive impact of selective incentives should be expected.

These results also do not support the hypothesis of “social and economic reward and punishment mechanisms contribute to the effectiveness of housing co-operatives”. This result of the survey could be related to legislative obligation of housing co-operatives in terms of taking necessary measures for shareholders who do not make required payments. As discussed earlier, shareholders should regard economic responsibilities, given by the decision of council of shareholders or they would be subject to sanctions. Today’s information technologies make it easy to control or inspect payments of shareholders by other shareholders or auditing committees of housing co-operatives, but it is still not known how

seriously such inspections are carried out.

- **The housing co-operatives in which a critical mass meaning certain level of heterogeneity exists seem to be more successful**

According to survey results, housing co-operatives containing certain level of heterogeneity are more successful. Nevertheless, it should be stated that there is no certainty that heterogeneous co-operatives will have resourceful people. However this characteristic might increase the probability of having resourceful people with different capabilities.

In fact, many crosswise questions related to impacts of the critical mass were asked to managers. In order to find out heterogeneity level of housing co-operatives, many characteristics of both shareholders and managers were asked. As remembered the thesis regards heterogeneity as differentiation of shareholders in terms of resources and interests.

Most of the housing co-operatives, which claimed to be successful by their managers, are constituted by people in different occupations. Among all of the successful co-operatives, those with shareholders from different occupations are the most successful ones according to survey results. This result can be interpreted as positive impacts of heterogeneity of occupations on the success of co-operatives. Different occupations in groups of co-operatives may increase the possibility of existence of resourceful people in housing co-operatives.

However, most of the housing co-operatives, which claimed to be unsuccessful by their managers, are also constituted by people in different occupations. This result might be related to tendencies of resourceful people not dealing with co-operative affairs.

The conflicting results of the analysis on impacts of heterogeneity, critical mass or resourceful people can be related to tendencies of those people, which are

included in the hypothesis.

- **Voluntary participation to collective works has no influence on success of housing co-operatives for the interviewed housing co-operatives**

According to survey results a consistent relationship between success and the level of voluntary participation does not exist for the interviewed housing co-operatives. It might be because of the level of participation to collective works or the types of works that are undertaken by voluntary participation or both are either ignorable or not crucial to make impacts on success. It can also mean that there exists alienation of shareholders in co-operative activities and this may negatively affect success. The survey's questionnaire involves some other questions for testing success of housing co-operatives from different perspectives.

- **The housing co-operatives having shareholders participating to collective works in return to economic benefits prevent alienation of shareholders that have positive effect on success**

There is a relationship between the success and participation to works for a certain payment. Housing co-operatives, in which there exist shareholders working for housing co-operatives and getting certain amount of money, are slightly more successful

This may show the importance of professional contribution to housing co-operatives since voluntarily contribution to works does not make difference in success. Although there is only a very small number of them, some of resourceful managers might contribute to the success of their housing co-operatives. Or another claim might be related to positive impacts of economic return to people participating to cooperative works. As discussed in the theory chapter, extra

benefits might motivate resourceful people who can lead other members in the group. Hence, this result supports our hypothesis of “the housing co-operatives in which there exists certain critical mass achieve fair cooperation results depending on tendencies of resourceful people”.

According to survey results, housing co-operatives, in which there exists no heterogeneity in terms of contributing to cooperative works, are less successful. Similarly, the existence of active shareholders has relationship with success. Generally in unsuccessful co-operatives there are no shareholders who are more active than other shareholders. These shareholders can be regarded as critical mass if they really contribute to management of housing co-operative and direct others by the way of interaction as the Critical Mass Theory claims.

However, it should be stated that the statistical results about the relationships between success and heterogeneity and existence of active shareholders differ. There is no consistent relationship between the success and level of heterogeneity in terms of having critical mass.

Even though there is a difference between Ankara and İstanbul in terms of quantity of shareholders holding a bureaucratic position, there is no consistent relationship between the successes of housing co-operatives and this factor in both provinces. The ratios of success are very similar.

This result might be related to fact that public sources available for the housing co-operatives are scarce and limited in the current time. As mentioned before, after 2000s, financial supports of Mass Housing Administration have gradually been decreased. Hence, it can be concluded that existence of people holding important bureaucratic positions have no significant effect on the success of housing co-operatives according to survey results.

However, the relationships between existence of active shareholders (ie not only bureaucrats but also private sector administrators and other resourceful people and the success has been observed according to survey results. However, this

relationship is no consistent and differs according to different cross tabulation analysis.

Among the housing co-operatives having active shareholders, the active shareholders mostly carry out works related to overcoming bureaucratic problems such as such as getting credit for cooperative members, title deed procedures and so on.

Therefore these results indicate that “the housing co-operatives in which there exists certain critical mass achieve superior cooperation results depending on tendencies of resourceful people”. However, the statement “depending on tendencies of resourceful people” is very important in terms of its effect on success. Since, some of the survey results show that there is no consistent relationship between existence of critical mass, or even though they exist; they may bring about unsuccessful results to housing co-operatives.

- **There is no relationship between experienced managers and success for the interviewed housing co-operatives**

According to survey results, there is no consistent relationship between the existence of experienced managers and success of housing co-operatives. This result is interesting that, there could be expected positive impacts of experienced co-operative managers in housing sector on success. However, it seems that it still depends on the intention of managers in a sense whether they behave in favor of group interest or their own interests. Also, since the experienced managers do know the tricks of benefiting from co-operative institution, expected result of positive influences of experienced managers on success didn't appear from the survey results.

- **Only 1 % of total number of housing co-operatives interviewed takes professional consultancy services.**

As it will be mentioned in detail, there are small and big-professional co-operatives in Turkey. Among them, only % 1 of total housing co-operatives interviewed takes professional consultancy services. Several explanations can be made related to this result. One is, since professional consultancy services might be expensive, cost of construction per shareholders would arise if they get the paid consultancy service. Hence, most of the small co-operatives do not apply for professional consultancy services.

For big and professional housing co-operatives, since the management committee has already been regarded as professional, the co-operative does not seem to require professional consultancy. Since most of the managers obtain salaries from the co-operative, they do not want to lose their position in housing co-operative, which is seen as income generating institution. In addition, if there are some mistreats of managers in the co-operative, they do not want to be investigated by other professionals out of their housing co-operative.

- **Union membership does not have positive impact on success of housing co-operatives for the interviewed housing co-operatives**

According to survey results there is no relationship between union membership and success in housing co-operatives of Ankara and Istanbul although there are economic advantages of membership. Ratio of membership to co-operative unions is very high both in İstanbul and Ankara. From this result, it can be claimed that co-operative unions are not effective institutions contributing to the success of housing co-operatives. As stated, except land provision and tax exemption most cooperative unions do not provide much assistance to housing co-operatives. There is no answer to the question of “supervising housing co-operatives” by the managers, although this could be an effective contribution of unions.

- **Network density in housing co-operatives might have positive or negative influences on success of housing co-operatives**

Most of the co-operatives that are subject to the survey were established by friends, which would imply existence of network ties among groups of friends who established these co-operatives. Such network ties can be described as informal relations such as friendship and similar type of relationships.

According to the survey results, there is a positive impact of network relations on success. The housing co-operatives established by friends seem to be more successful. As discussed before according to the Critical Mass Theory, network centralization meaning establishing networks, which are centralized around certain persons rather than spreading across a group of active participants might have positive effects on housing co-operatives. The housing co-operatives, which are established by friends, might reflect network centralization type of conceptualization of the Critical Mass Theory. The survey results indicated that the level of participation to collective works is higher in the co-operatives founded by friends, showing network relations between friends. It also represents heterogeneity, which have positive impacts on success according to survey results.

Among all successful co-operatives, most of them have homogenous relationships among shareholders. In unsuccessful housing co-operatives, still most of them have homogenous relations. The second highest ratio is for the answer of "having group of people who are in close relation with the managers".

This result might again be related with the argumentation of the thesis about changing impacts of the critical mass. As mentioned, impacts of a critical mass of network structure on success are argued to be in relation with the tendencies of these people. They might either use their networks or managerial powers for their individual benefits or for collective benefits. From the results of analysis characteristics of critical mass seems to be very important in terms of positive or negative impacts of network structure on success of housing co-operatives.

As a result, the thesis findings provided that even though there might be expected effects of factors on success of housing co-operatives, these factors might be different due to the fact that they depend on desires of the critical mass; whether to act in favor of collective or individual benefits?

7.3. Policy Recommendations

Housing co-operatives in Turkey are civil society organizations and they have been significantly contributing to the growth of housing stock since 1980s. Although they have been developed different from the ideology of cooperation, they are still significant actors in the housing market in Turkey. The thesis intends to investigate and evaluate current situation of this ideologically and historically developed institution within the frame of collective action models/theories.

The thesis findings indicated that, the hypothesis derived from the theories of the Free Rider and the Critical Mass were supported by the interview survey results when contextual differences of Turkish housing co-operatives are considered. At this point, in line with the results of the interview survey, certain policy recommendations can be stated:

In order to avoid diseconomies of scale (for small co-operatives) and management problems (for big co-operatives) middle range housing co-operatives might be supported in Turkey. For the interviewed housing co-operatives the range of shareholder for successful housing co-operatives is between 59 and 167.

For the interviewed housing co-operatives in Turkey heterogeneity is important for success. In small and unprofessional housing co-operatives, heterogeneity in skills and professions might be important. However it seems that, there should be mechanisms that would provide economic benefits (even if small amounts) to active shareholders in order to make them participate to collective works. Economic benefits meaning a kind of selective incentives namely rewards to

shareholders seem to bring about prevention of alienation from the co-operative works.

In the big and professional co-operatives, heterogeneity of interests seems to be more important. If the educational and professional capacities of managers and their contributions to cooperative are sufficient, their expectations should be met within the limits of ethical values. Here, educational and professional background of managers appears to be important for the success of housing co-operatives.

7.4. Recommendations for Future Research

In Turkey, there is very limited number of surveys related to housing co-operatives. This research contributed to housing cooperative literature by focusing on evaluation of housing co-operative with respect to collective action theories. This research was based on the interview survey, which was carried out in İstanbul and Ankara. It took six months to finish the interview survey, which proved again difficulty of making interviews in the co-operative sector. However, further surveys are needed in order to achieve updated information about contemporary structure of housing co-operatives.

In this respect two recommendations can be made for further researches. The first one is related to making the interview survey in different cities of Turkey. This may provide additional information about housing co-operatives in different cities, which might have distinguishing socio-economic features affecting formation of housing co-operatives in Turkey.

The second recommendation might be related to developing the research further. A new research might be carried out in order to develop and test other hypotheses, which would be derived from collective action theories. These researches may bring about opportunity to make evaluation and develop proposals related to other factors influencing the success of housing co-operatives.

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APPENDIX A

Questionnaire for housing co-operative managers who exceeded the level of %75

Name of the co-operative:

.....

Telephone number :

e-mail :

Adress :

()İstanbul ()Ankara

1. The manager of the cooperation's

Sex : 1 () Female 2() Male

Age :

Profession :

Position in co-operative : 1() President
2() Manager with salary
Other-(Please mention).....

2. The Date of establishment of the cooperation?

...../...../.....

3. Is there any associations or upper level associations that the co-operative is bounded ?

1 () No ----Please pass question 5

2 () Yes-----Name of the Association:

Name of the high level association :

..... () No

4. (Ask with the card) In which subjects does this association contributed to you? (Please numerate by giving 1 to the biggest contribution)

01() Establishment of cooperation

02() Finding the plot

03() Land development/planning issues

04() Preparation of the housing projects or tendering of projects

05() Taking construction and/or occupancy permits

06() Finding constructors

07() Supplying the construction material

08() Supplying the technical personnel for the control of the construction

- 09() Supporting provision of infrastructure
- 10() Making credit applications
- 11() Finding new shareholders to co-operatives instead of resigned shareholders.
Other.....

5. (Please ask by showing the card) If the co-operative is not a member of any association, what is the reason from the followings (Please numerate by giving 1 to the most important reason)

- () there isn't any cooperative association in the city
- () there isn't any reliable cooperative association
- () the dues of the association are very high
- () believing that there is no contribution of them to the cooperative
- () not to consider being a member of any association
- () other.....

6. How many shareholders were there when the co-operative's plot was bought?
.....

7a. Is there any change in the number of shareholders after the construction phase began?

- () No
- () Yes -----**How?**

Increased from.....person to.....person
Decreased from.....person to.....person

7b. What are the reasons of changes in the number of shareholders?
.....

8. What is the total number of shareholders in the co-operative today?.....

9. What are the date and the value of the purchase of the plot (billion TL)

Date :
Value:

10. How is way of purchasing the plot?

- () purchasing from private party
- () purchasing from private party by giving some agreed percentage of dwelling units
- () public plot: from a public institution
- () public plot: having from cooperative associations
- () Other:

11. Is the plot in or out of the land development plan when it was purchased?

- () in the land development plan
- () out of the land development plan----- What is the date of approval of the land development plan?

Date:...../...../.....

12. What is way implemented for the construction?

- 1() Tender
- 2() Emanet type
- 3() Other.....

13. When did the construction begin and what is the level of construction today?

Date :

Level (%) :

14. (Ask by showing the card)Who established the co-operative?

- () a certain group of friends
- () a certain group of profession
- () relatives and acquaintances
- () people who are in the management today
- () people who are not in the co-operative today
- () people with different status and education and come together due to different reasons.....
- Other:

15. What is the aim of the establishment of the co-operative?

.....

16. (Ask by showing the card) Which of the followings are used while choosing the shareholders for your co-operative?

- () advertisement
- () invitations by friends and relatives
- () promotion by the co-operative associations
- () promotion and invitation by telephone etc.
- () promotion and invitation among profession groups
- Other:

17. (Ask by showing the alternatives) Which of the followings is suitable for your cooperation?

- () most of our shareholders are from same profession
- () most of our shareholders work in same workplace
- () most of our shareholders work in the same work branch
- () most of our shareholders' education level is the same
- () most of our shareholders ' incomes are nearly the same
- () our shareholders are from different professions
- () the education level of our shareholders differs
- () the income level of our shareholders differs
- Other:

18a) How many of these profession groups are available in your cooperation?

Qualified worker/technician
Unqualified worker
Lawyer, doctor, engineer, pharmacist etc

- Tradesman/zanaatkar
- High level manager/businessman
- Trade and sales personnel
- Office personnel, officer
- Retired
- No profession
- Other.....

18b) May I learn the numbers of the management personnel of the co-operative according to their education levels?

- Primary school education.....
- Secondary school education
- High school education.....
- Academic education

19. a) Is there anyone holding an important position in bureaucracy among your co-operative managers?

- No ----**Please pass question 21**
- Yes -→ **What are their positions?**

.....

20. Do/did these managers holding important bureaucratic positions have/had positive contributions for solving the problems in the co-operative.?

- No
- Yes---- **In which subjects do/did they give support?**
 - technical subjects
 - problems in bureaucratic works
 - having credit
 - management subjects of co-operative
 - contracts with the co-operative and the third parties
 - Other :

21. How much are the salaries given to the managers in your co-operative?(please tell them separately for each position)

- president
- vice president
- members of management board
- supervisors
- other
- managers don't have salary

22. What are the rights given to the president by co-operative?

- only salary
- having a dwelling unit without paying dues
- choosing a dwelling unit/s without draw
- other:
- none

- 23. How many people regularly obtain salary at the positions mentioned below?**
- Management :
- Bookkeeping :
- Administration :
- President of co-operative :
- Architect/engineer :
- Secretary :
- Driver :
- Clerical :
- Other :
- 24. Is there any specialist experienced in co-operative and construction sector and had been in another co-operative management before and now in your co-operative management board?**
- () No
- () Yes---How many?
- 25. What percentage of the dues collected by co-operative, is used for management and operation expenditures such as manager's and office worker's salaries, office expenditures (rent, electricity, water, etc....) and cooperative assembly meetings ?**
- () less than % 1
- () % 1-5
- () % 6-10
- () % 11-20
- () % 21-30
- () % 31-40
- () % 41-50
- () more than % 51
- 26. Which description do you think is suitable for administration and implementation of works in the co-operative? (Choose maximum 3 of them indicating the best suitable as 1)**
- () Implementations are carried out by the president and management committee
- () Voluntary support exists
- () Co-operative employs professional consultancy
- () Some shareholders deal with co-operative works in return of payment
- () Most of shareholders do not deal with co-operative implementations except voting for decisions
- Other:
- 27. Has there been any voluntary contribution of shareholders in co-operative works?**
- () No
- () Yes --> **In which works they took part at most?**
- () Office works
- () Pursuing official procedures

- () Planning - development, construction and other technical works
- () Emanet –trust- commission
- () Accounting works
- Other :

28. What is the percentage of shareholders that are willing to take part in co-operative works voluntarily?

- () %1-10
- () % 11-20
- () % 21-30
- () % 31-40
- () % 41-50
- () %51-60
- () % 60 >

29. Is there any shareholder willing to take part in co-operative works in return of a payment?

- () No
- () Yes → **In which works they took part at most?**
 - () Office works
 - () Pursuing official procedures
 - () Planning - development, construction and other technical works
 - () Trust commission
 - () Accounting works
 - Other:

30. Does your co-operative execute the rules and the sanctions objectively to each member?

- () Yes
- () No ----- **In which subjects there exist some privileges?**
.....
Why?.....

31. Does your co-operative execute any legal sanctions to the members who doesn't pay their dues?

- () No
- () Yes → **How?**
 - () Executes interests for late dues
 - () There isn't any financial sanction for late dues instead warning etc. is used
 - () Members who doesn't pay their dues in a certain time are discharged
 - Other :

32 A) Is there anyone who is discharged from membership or who left membership in your co-operative?

Yes No ----Please pass question 33

B) How many people assigned his/her share?

.....people---Why?.....

C) How many people discharged from the co-operative?

.....people ---Why?.....

33. Are there different groups in terms of voluntarily contribution to co-operative works among shareholders?

No

Yes

Yes some of the shareholders don't have any kind of contribution

Yes most of the shareholders don't have contribution

Other :

34. Which of the following network and grouping type is suitable for your co-operative?

There is a group which has close relationships with the management

Everybody has the same relationship

There isn't any kind of relationship

There exist different kinds of groupings

Other :

35. a) Is there anyone who is more active than other members by using his/her political and/or professional advantages in the co-operative?

Yes No ----- Please pass question 36

b) How many?

c) In which subjects?

36. a) Have the contractor ever changed during the construction of the houses?

Yes No Pass question 37

b) How many times?

c) What were the reasons?

d) How did the remaining works completed?

Tendered to another contractor

Subcontractor completed

Shareholders did by themselves

Emanet type

Other:

37. a) Have construction of dwellings ever stopped?

No Yes ----- pass question 38

b) How long did it stop? It stopped for monthyear.

c) What was the most important reason for discontinue?

- there were problems since the contractor didn't make the construction according to the project
 - money couldn't be paid to the contractor since collective payments couldn't be made in time.
 - there were problems in co-operative.
 - credit can not be taken, credits cannot be taken in time
 - municipality stopped it
 - management changed
- Other:

38. To which level does your collective construction continue in your co-operative?

- Till the rough construction is completed
 - Till the rough construction and the interior construction is completed
 - Key delivery (rough construction, interior and woodwork – key delivery)
- Other :

39. What will be the estimated cost per m2 of your houses when the collective construction is finished?

.....(TL).....(for the level)

40. What are the house types and numbers constructed by your co-operative?

Flat.....
Müstakil – Separate house (1–3 floors).....
Other:

41. What is the size of the houses as m2?(please mention separately if there is more than one)

Type I.....
Type II.....
Type III.....
Type IV.....

42. Is any credit used by your co-operation till today?

- No
 - Yes → credit from TOKİ
 - Credits from private sector banks
 - credits from unions of member's workplace.....
- Other:

43. How much credit is used if it is used from any other institution than TOKİ (million TL) ?

Amount:million TL...

44. How many people use credits in your co-operation?

..... Person

45. (Ask by showing the card) What are the biggest problems that the co-operative has come across with? (Please numerate 3 of the following by giving 1 to the most important one.)

- finding a plot suitable for demands and payment
- relations with municipality
- finding qualified work force
- shareholders irregular payments
- illegal behaviours of the previous management
- increases in the cost
- inadequate credits and difficulties
- not supplying infrastructure services like electricity,water.etc.
- objections to the betterment levy and draw
- difficulties in implementation of rules because of the inadequate number of attendance to the meeting
- extra demands of shareholders
- other :

46. a) Has there been any change in the management board of co-operative until now?

- Yes No ---- **Please pass the question.....**
- b) How many times?
- c) In which years?.....
- d) Why?

47. Is there any co-operation management not acquitted and/or cooperative manager subjected to take legal action?

- No
- Yes----**Why?**

48. When did you join the management of the co-operative?

- I took part in establishment
- in the establishment year
- before purchasing the plot
- after purchasing the plot but before the project is done
- after the project is done but before the construction
- during the construction of houses
- after the construction is completed
- Other:

49. How did you join the co-operative?

- it is established in my workplace
- my colloquies established it
- the union that I am a member of established it
- by the help of a friend/relative
- by purchasing a share
- by the association that the co-operative works with.....
- by a contractor
- other:

APPENDIX B

TABLE A.1 LIST OF HOUSING CO-OPERATIVES

NO	NAME OF CO-OPERATIVE (ANKARA)	NUMBER OF SHAREHOLDERS	LEVEL OF CONSTRUCTION (%)
1	13 MART	100	98
2	19. DÖNEM HUZUR	45	90
3	ABİDEKENT	22	90
4	ACAR	204	90
5	ACARGÜN	39	97
6	ADALET 93	68	90
7	ADEL	66	90
8	AHIKENT	50	95
9	AKÇAKENT	68	99
10	AKDENİZ KENT	25	90
11	AKEMEK 92	106	99
12	AKYER	43	95
13	AL KORU (ALTUR TURİZM GELİŞTİRME KOOP)	144	99
14	ALAZKENT	50	95
15	ALHISAR	88	85
16	ALP-ÖZER	8	98
17	ALTIN EZGİ	48	80
18	ALTIN KAFKAS	12	90
19	ALTIN TERAZİ	100	100
20	ALTINYUNUS	40	80
21	ALUÇDAĞI	23	100
22	ANA MERKEZ	12	100
23	ANAMUR ÖREN	39	90
24	ANIL MODERN KENT ARSA	40	80
25	ANKARA ANADOLU	60	99
26	ANKARA AYDINLAR	116	99
27	ANKARA CANLI HAYVAN ALIM SATIM VE	37	100
28	ANKARA DİLAN	45	97
29	ANKARA ELEKTRİK-ELEKTRONİK TEKNİSYENLERİ	52	97
30	ANKARA EVLERİ	35	100
31	ANKARA GÜLKENT	51	98
32	ANKARA İLİ MARANGOZLAR	190	100
33	ANKARA KENT	38	80
34	ANKARA SARAYEVLERİ	55	100
35	ANKARA ŞİMAL	100	80
36	ANKARA TUHAFYECİLER	110	98
37	ANKARA TURİZMCİLER ARSA VE SAHİL	71	100
38	APKAN ARSA	156	92

TABLE A.1 LIST OF HOUSING CO-OPERATIVES (cont'd)

39	ARZUM ARSA	37	99
40	ARZUMKÖY	30	80
41	ARZUTAŞ	60	99
42	AS KARAPÜRÇEK	56	80
43	AS YAMAÇ	74	99
44	AŞÇIFTLİK KENT	65	98
45	ASILSOY 86	110	100
46	ASİM HAS ONURKENT	72	95
47	AS-SERKENT	109	100
48	AŞAĞI KAYIKENT	22	75
49	ATA DOSTLAR	198	98
50	ATAKENT	271	80
51	ATILIM	78	100
52	AY DORUK	32	98
53	AYANLAR	19	85
54	AYAŞ HİSAR	35	75
55	AYDINEV	80	90
56	AYDOĞAR	44	95
57	AYIŞIĞI SAHİL	27	90
58	AYSAV	35	90
59	AYSER	59	100
60	AYVALIK ALTINKENT SAHİL SİTESİ ARSA	44	90
61	AZAT BEĞ	38	90
62	BABA EVİ	16	75
63	BAHAR SİTESİ	24	100
64	BAHÇELİ UĞUR EVLER	22	98
65	BAHÇELİEVLER BARIŞ	823	99
66	BAHŞILI YEŞİL VADI	42	80
67	BALA EKİZ	48	95
68	BALGAT ENDÜSTRİ ARSA	60	100
69	BANKACILIK YAZLIK EVLER	126	95
70	BASIN KLÜP	38	80
71	BASIN YAYIN YARIM LİMAN	18	100
72	BAŞARAN	67	100
73	BAŞAT	46	75
74	BAŞKENT 92	41	98
75	BAŞKENT BAHÇELİEVLER	22	100
76	BAŞKO SAHİL ARSA	289	100
77	BAŞTUR	212	100
78	BATIKENT ERCE	60	98
79	BATIKENT ÖZSERAP	114	100
80	BATIKENT TANSU	57	80
81	BAYIRKENT	54	95
82	BEGENDİK	200	90
83	BELDES	21	85
84	BENĞİ GÖKKUŞAĞI	21	99
85	BERFİN	40	99
86	BERNA SİTESİ	24	95

TABLE A.1 LIST OF HOUSING CO-OPERATIVES (cont'd)

87	BERRAK 90	80	80
88	BEYAZ ÇİZGİ	46	94
89	BEYDAĞLARI TOROSKENT	137	100
90	BEYKÖY ARSA	151	99
91	BEYPAZARI BEYKENT	63	90
92	BEYPAZARI DİRİLİŞ	161	95
93	BEYPAZARI ELİF SİTESİ	44	97
94	BEYPAZARI GÜMÜŞ SU	20	80
95	BEYPAZARI IŞIK	44	100
96	BEYPAZARI ÖZ-İŞKENT	48	90
97	BEYPAZARI SEFAKENT	49	100
98	BEYPAZARI ŞEREFHANE	71	85
99	BİLİM AĞACI	43	80
100	BİLİŞİMCİLER (OBİM PERSONELİ)	55	100
101	BİL-TAN	30	100
102	BİR MAVİKENT	47	99
103	BİRKENT 91	54	90
104	BİRLEŞİM	9	99
105	BİRLİK SARAY	21	85
106	BİRTAT	96	95
107	BİZİM ÇİZGİ	110	100
108	BİZİM DİLARA	8	96
109	BİZİM GÜNEYCE (YAMADAĞ)	44	94
110	BİZİM YÖRE	129	100
111	BODRUM ORTAKENT	98	95
112	BOĞİNA	26	80
113	BOĞAZKÖY EVLERİ	26	91
114	BOYDER	50	90
115	BÜYÜK ÇINAR ARSA	278	98
116	BÜYÜK EMRE	32	94
117	BÜYÜKKAYAŞ MODERN	57	100
118	CAN-ÇAV	16	95
119	CANIM KÖŞK	125	99
120	CEBECİ ESAFLARI	104	86
121	CEM-SU	35	80
122	CİHAT	25	80
123	CÖMERTLER	80	98
124	ÇAĞDAŞ 95	61	95
125	ÇAĞDAŞ KONDU YERİNDE İSLAH	20	98
126	ÇAĞDAŞ SİSTEM (SÖZEN KENT)	60	100
127	ÇAĞRI BİRLİK	63	95
128	ÇAMLICA VADI SİTESİ	70	100
129	ÇAMLIDERE MAVİÇAM	52	100
130	ÇANKAYA DORUK MESKEN	216	100
131	ÇARDAK	28	95
132	ÇARDAK 90	46	100
133	ÇAY İLKAY	44	92
134	ÇAY KONUT	44	90

TABLE A.1 LIST OF HOUSING CO-OPERATIVES (cont'd)

135	ÇEKİRDEK	49	95
136	ÇELİKKAYA	45	90
137	ÇELTİKÇİ ÖRNEKEVLER	32	90
138	ÇEŞME SAKIZLIKÖY PLAJ EVLERİ	221	100
139	ÇEVRE DOSTLARI	41	85
140	ÇEVREGÖL PARLEMENT	186	93
141	ÇİÇEK SİTESİ	167	95
142	ÇINARCIK MÜJDE EVLER	46	95
143	ÇİSE	44	97
144	ÇİZGİ-KENT	30	80
145	DAĞISTAN SİTESİ	13	80
146	DAMLA ALINTERİ	90	90
147	DAVAM 1957	308	98
148	DEMET ALTIN	42	80
149	DEMİRKENT 86	80	95
150	DEMİRKENT ŞAKRAN	77	99
151	DENİZ DOĞAKENT	27	95
152	DENİZ KABUĞU SAHİL ARSA	96	100
153	DERSAL	125	100
154	DERVİŞLER	146	95
155	DESTE	131	100
156	DİDİM	92	90
157	DİDİM AYSUKENTSAHİL SİTESİ	16	100
158	DİKME KÜLTÜR	100	100
159	DİLARA	214	95
160	DOĞAN GÜNEŞKENT SAHİL	137	98
161	DOĞANGÜN	35	75
162	DOĞANKENT	319	100
163	DOĞU KARADENİZ	54	85
164	DOĞUŞ KÜLTÜR	146	95
165	DOLUNEVLER	36	100
166	DORUK	28	100
167	DUHAKENT	90	95
168	DUYGU CENK	69	90
169	DUYGU UMUT	49	85
170	EDA	14	80
171	EDİNCİK BAŞAK (BAŞAK SAHİL ARSA)	312	85
172	EGE MUTLU	400	99
173	EGE TURKKENT SAHİL ARSA	138	98
174	EGEHAN	23	95
175	EĞİT-KOOP-91	101	90
176	EKİNSU	27	75
177	EKOL SAHİL	40	100
178	ELBİRLİK GAZİ	102	95
179	ELİT ALTIŇATI	8	99
180	ELMADAĞ TATLICA	66	100
181	EMİNEL SAHİL (LİKYA GÜNEŞİ)	31	99
182	EMİRYAMAN	15	95

TABLE A.1 LIST OF HOUSING CO-OPERATIVES (cont'd)

183	EMVAK	128	99
184	ENDAY	84	88
185	ENDER DOĞUŞ	123	79
186	ENGİNDEMİR	16	100
187	ERDEK SAHİL SİTESİ DİNLENME KÖYÜ ERSAS	90	100
188	ERDEM KENT ARSA	222	98
189	ERGİN KARDEŞLER	75	80
190	ERGÖNÜL	20	80
191	ERSAN	136	100
192	ERTAN KENT	36	99
193	ERYAMAN DOKTORLAR SİTESİ (BALLIK)	21	80
194	ERYAMAN FETİH (YEŞİL KAMAN)	86	95
195	ERYAPI	49	100
196	ESENKÖY ARSA	68	95
197	ESENLER 91	57	100
198	ESERTEPE	42	100
199	ES-GÜNAY	60	98
200	ETİKAN	60	100
201	ETLİK SERUMALTI BARIŞ	106	100
202	EVSER	44	100
203	FENİKE SİTESİ	72	100
204	FERAH	18	100
205	FERTAŞ ARSA	74	95
206	FETHİYE ALTIN PETEK SİTESİ	96	98
207	FETHİYE TARIM TURİZM	290	96
208	FEZA	243	100
209	FİZİKCİLER	39	98
210	GAMZE	55	93
211	GAZİLİLER SİTESİ (İŞLETME KOOP İÇİN ÖN İZİN)	189	87
212	GENÇ ELİF ETAP	94	80
213	GENÇ YETENEKLER	55	96
214	GERÇEK 92	60	99
215	GİZEM	80	100
216	GONCAGÜL 90	100	100
217	GÖKÇEKENT	172	98
218	GÖLBAŞI SAĞLIK	21	100
219	GÖLKENT	86	95
220	GÖLKÖY-95	30	94
221	GÖLSUKENT	30	100
222	GÖRKEM KENT	100	98
223	GÖZDE BAĞKENT	50	100
224	GÖZDE EVİN	11	100
225	GZDE KENT TATİL KÖYÜ VE TURİSTİK TESİSLER	123	94
226	GRIDA	70	100
227	GÜL SAHİLKENT	36	75
228	GÜLACAR	21	97
229	GÜLENLER	48	80
230	GÜLER	40	99

TABLE A.1 LIST OF HOUSING CO-OPERATIVES (cont'd)

231	GÜLERKENT	49	100
232	GÜLHİLAL	49	80
233	GÜLİSTAN	97	90
234	GÜLLÜK ORJAN SAHİL ARSA TURİZM	873	80
235	GÜLSARAY (GÜLSARAY YAZLIK)	46	85
236	GÜLSU 91	60	100
237	GÜLŞEHİR	60	96
238	GÜLTAN ARSA	313	97
239	GÜLTEPE BALKAYA	54	98
240	GÜLÜM KIYI	192	100
241	GÜMÜŞKENT MADENCİLER ARSA	111	99
242	GÜMÜŞKENT SAHİL ARSA TURİZM	466	90
243	GÜMÜŞŞEHİR	49	100
244	GÜNDÜZALP	110	80
245	GÜNEŞKENT	109	100
246	GÜRDAĞ	32	90
247	GÜR-SEN	21	85
248	GÜVEN ŞEKER	132	100
249	GÜVENGİR ÖNDER ARSA	113	88
250	GÜVERCİNLİK HİSAR KENT	99	100
251	GÜZEL ÇAMLI YAYLA	108	99
252	GÜZEL ÇAMLIYUVA	9	90
253	GÜZEL EV	16	97
254	GÜZEL KIRKENT	50	100
255	GÜZEL OTAĞ	30	95
256	GÜZELKENT TURİSTİK SAHİL	127	97
257	GÜZELTEPE	104	98
258	GÜZELYURT ANKA	90	85
259	HACETTEPELİLER BODRUM (METİN KONUT)	44	99
260	HANEDAR	68	97
261	HANEM 91	112	99
262	HAS GÜLİSTAN (GÜLİSTAN)	49	85
263	HAS KARATAŞ	15	90
264	HAS VİLLALARI	41	98
265	HASANOĞLAN SEYMENKENT	17	90
266	HAS-KAY	57	97
267	HAVAYOLLARI ÇALIŞANLARI	63	98
268	HAYMANA KAPLICA SİTESİ	208	99
269	HEDEF GÖL	28	75
270	HEKİMKÖY	150	99
271	HEKİMLER VE SAĞLIKÇILAR	37	90
272	HEME-İŞ KENT	28	90
273	HEMŞİN SOSYAL MESKENLER	37	100
274	HİLAL BİRLİK	17	100
275	HOŞKENT	17	80
276	HOŞEDA KENT	40	75
277	HUKUKÇU DOSTLAR	134	100
278	HUZUR KARDEŞ KENT SAHİL	110	90

TABLE A.1 LIST OF HOUSING CO-OPERATIVES (cont'd)

279	HUZUR SİTESİ 92	63	85
280	HÜR-KENT	30	100
281	İÇME-SU KENT	54	85
282	İKBAL KENT	45	85
283	İKİZKENT	52	96
284	İLETİM	38	95
285	İLGİN	29	95
286	İLK ARZUM	89	97
287	İL SEFER	32	85
288	İLK ŞAFAK	22	95
289	İLK YUVA ÇAKIRLAR	56	98
290	İLK YUVA METROPOL	98	99
291	İLKBAHAR KENT	7	95
292	İLKBAŞAK 92	44	85
293	İLKENT	25	99
294	İLKEVİM	48	90
295	İLKİZ	50	99
296	İMECE	25	100
297	İMECE 87 TOPLU	76	99
298	İMECE KIRKLAR	56	98
299	İNCEK ORGANİZE VİLLALARI	109	100
300	İREM	38	90
301	İSİKENT	31	75
302	İŞİKSU	45	95
303	İŞ-KÖY TÜRKİYE İŞ BANKASI ÇALIŞANLARI	48	100
304	İZGİ	88	99
305	KABAÇAM	43	98
306	KAÇKAR	24	99
307	KAÇKAR KARDELENİ	46	100
308	KALECİK YENİ OVABAĞI	100	99
309	KANARYA	57	95
310	KAPLUMBAĞA	41	90
311	KARACAÖZÜ 92	28	80
312	KARAOĞLU VADİKENT YERİNDE ISLAH	51	85
313	KARARLI	38	85
314	KARATEKİN YARENLERİ	34	80
315	KARDELENLERİMİZ	43	95
316	KARİNE DOĞANBEY	39	98
317	KAR-KÖY	57	80
318	KARSLI EĞİTİCİLER	34	95
319	KAYIKENT	149	98
320	KAZAN BERRAK	64	85
321	KAZAN NURLU	76	98
322	KAZAN SANATKARLAR	66	80
323	KESİN-KENT	96	98
324	KEYFİM	30	95
325	KIRKAYAK	40	98
326	KIRMIZI GÜL TATİL SİTESİ	115	95

TABLE A.1 LIST OF HOUSING CO-OPERATIVES (cont'd)

327	KIRTAY	44	81
328	KIZIKKENT	50	93
329	KIZILCAHAMAM ELİF	50	90
330	KIZILCAHAMAM HUZUR	48	80
331	KIZILCAHAMAM MERVE	17	80
332	KIZILCAHAMAM YEŞİL ÇAMLIK (MET-SA YEŞİL	148	85
333	KIZILCAHAMAM YEŞİLBELDE	32	98
334	KOOPERATİF 18	790	86
335	KORDAY 34	40	100
336	KOVAN GÜL	50	100
337	KÖŞK BİRLİK	66	75
338	KÖŞKPINAR	53	95
339	KÖYDE-KENT	31	90
340	KUM LİMANI TATİL KÖYÜ ARSA	149	85
341	KUMSAL	100	100
342	KURYAP	100	98
343	KÜÇÜK ÇINAR	95	92
344	KÜÇÜKER	38	100
345	KÜÇÜKEVLER	32	100
346	KÜÇÜKEVLERİMİZ 93	28	99
347	LALE 92	58	98
348	MADENLER	40	90
349	MAK-İŞ	345	95
350	MARTIKÖY	193	90
351	MASALKENT	20	93
352	MATRIS ARSA	15	80
353	MAVİ BOĞAZIÇI SAHİL	42	95
354	MAVİ ÇAM DAGEVLERİ	153	99
355	MAVİ DILEK SAHİL	42	100
356	MAVİ RÜYA SİTESİ	79	95
357	MECİDİYE 91	26	100
358	MELİS	136	88
359	MELTEM KENT	53	85
360	MELTEMKÖY SAHİL ARSA	459	100
361	MERDAN (MERDAN TURİZM GELİŞTİRME)	40	95
362	MESA ÇALIŞANLARI	60	100
363	MESA ÇALIŞANLARI GÜZELKENT	36	85
364	MESUT TATİLKÖYÜ	198	100
365	MESUTEVLER	92	95
366	METİN OKTAY YERİNDE ISLAH	33	85
367	METROKENT	184	100
368	METROKENT ARSA	24	85
369	MEYDAN	96	100
370	MİLAS HİSAR	19	98
371	MİLKUM SAHİL ARSA	161	100
372	MİNİKENT SAHİL ARSA	111	100
373	MODERN BAŞAYAŞ	53	90
374	MODERN SİTE	79	90

TABLE A.1 LIST OF HOUSING CO-OPERATIVES (cont'd)

375	MUHTEŞEM KENT	35	100
376	MURADİM 92	90	100
377	MUTLUKÖY	469	100
378	MÜCEVHER	346	80
379	MÜZİK SEVENLER MÜZ-SEV	36	75
380	NADİR CAN	48	99
381	NALTEK	48	97
382	NARLI DENİZ KENT	36	100
383	NAZLI DENİZ	60	99
384	NAZLILAR ARSA	7	95
385	NUR-MİRAÇ BURAK	34	99
386	OĞULBEY	15	90
387	OĞULCAN	48	95
388	OĞUZHAN 91	56	98
389	OHRI	63	95
390	OKUR	20	100
391	OLİMPİYAT KÖY	82	80
392	ONKO-KENT	49	95
393	ORSEL	50	100
394	ORTADOĞU SİTESİ	257	100
395	ORUN	46	99
396	ÖNDER ATA	18	80
397	ÖNDER ÇEVİK	67	75
398	ÖREN-EV	93	95
399	ÖRENKALELİLER	38	87
400	ÖRNEK 91	65	98
401	ÖRNEK AKKENT	54	98
402	ÖRNEK ARI	126	77
403	ÖRNEK SİTE	72	90
404	ÖVGÜ İLETİŞİM	32	98
405	ÖVGÜM	24	95
406	ÖVSEV	61	90
407	ÖZ AHİKENT	1636	81
408	ÖZ AŞIYAN	82	95
409	ÖZ BİZİMEVLER (GEYLANI)	82	99
410	ÖZ ÇAYIRBAŞI	48	90
411	ÖZ EMEK	20	100
412	ÖZ GENÇBİRLİK	51	95
413	ÖZ GÖKTÜRK	37	94
414	ÖZ GÜNAYDIN (ERYAMAN MAVİ LADİN)	74	80
415	ÖZ HARİTACILAR	38	98
416	ÖZ OLUŞUM	88	100
417	ÖZ ONUR	36	96
418	ÖZ ÖRENKENT	28	96
419	ÖZ ÖZLEM	34	96
420	ÖZ REYHAN	52	75
421	ÖZ SEÇKİNKÖY	93	98
422	ÖZBAHÇEKENT	24	99

TABLE A.1 LIST OF HOUSING CO-OPERATIVES (cont'd)

423	ÖZÇELİK-İŞ	22	93
424	ÖZDEBİRLİK	94	75
425	ÖZEN-İŞ	41	95
426	ÖZEREK	100	98
427	ÖZGİMAT	152	90
428	ÖZGÜLCEM	24	95
429	ÖZGÜR ANIL	96	100
430	ÖZGÜR EVLER	48	90
431	ÖZKOÇ	48	90
432	ÖZLEM 95	50	90
433	ÖZLEMKÖY	25	95
434	ÖZLENEN DOĞAL YAŞAM (ÖZDOYA)	37	100
435	ÖZLER	25	100
436	ÖZNURAL	42	95
437	ÖZPAMİR TURİZM	99	97
438	ÖZ-SA ETAP	75	95
439	ÖZ-SU	179	95
440	ÖZTUNA	60	76
441	ÖZTÜRK	24	85
442	ÖZYUNUS EMRE	34	85
443	ÖZYURT 92	120	98
444	PARK	28	100
445	PAŞALİMANI ARSA ALMA	26	100
446	PETEK 19	20	95
447	PETROLÇÜLER	25	80
448	PETRO-İŞ 84	64	100
449	PLANLAMACILAR YEŞİLKENT	12	100
450	PLATİN SİTESİ (ÖZ SEDA)	40	99
451	POLATLI BATIKENT	90	85
452	POLATLI ŞİRİNEVLER	112	90
453	POLATLILAR SAHİL ARSA	115	100
454	POLİGON	58	78
455	POYRAZ 1 ARSA	130	98
456	PULPINAR	16	85
457	PURSAKLAR YENİ ELİF	69	99
458	ROKET 92	72	80
459	RÜYA-KENT	25	95
460	SAFİR ÇAMLICA	42	95
461	SAĞLIKTA BİRLİK	40	98
462	SAHİBİM	16	100
463	SAHİL 90	39	95
464	SAHİL DİNLENME EVLERİ ÖZLEM	95	98
465	SAHİL KENT 85	78	95
466	SALKUMA	69	100
467	SALMANLILAR	40	99
468	SAMANYOLUNDA (ADABÜKÜ ÇAMLIK SİTESİ)	65	99
469	SANKOP SANATÇILAR SAHİL	255	77
470	SARAY BAHÇELİEVLER	32	85

TABLE A.1 LIST OF HOUSING CO-OPERATIVES (cont'd)

471	SARAYKÖY YAYLAKENT	22	90
472	SEÇ GÖKAY	13	90
473	SEDA TERASEVLER	42	97
474	SEDEF	98	85
475	SEDİR KENT	111	84
476	SEKİZLER	8	95
477	SELAMKENT	100	100
478	SELSA	78	90
479	SERENDER (FERENDEN)	38	77
480	SERİK HEKİM KENT SAHİL ARSA	20	95
481	SEVGİ 91	16	100
482	SEVGİ KENT	16	85
483	SEVİLEN GÜZELEVLER	55	100
484	SEVKUR	50	99
485	SEYİRCE ACUN-KENT	36	95
486	SEYMEN 90	110	99
487	SİNCAN DOĞANKENT	162	100
488	SİNCAN ERENLER	150	100
489	SİNCAN ONUR	107	80
490	SİTETAŞ	22	99
491	SON GÜNDEM	45	100
492	SONBAŞAK	28	82
493	SOYALTIN	113	90
494	SOSYAL ÇARŞI ESNAFLARI	44	90
495	SÖNMEZ KENT	40	80
496	SÜMEYRA	173	80
497	ŞAHİN SİTESİ	90	99
498	ŞAKAR	117	80
499	ŞANSAL SİTESİ	87	100
500	ŞEFFAF	118	80
501	ŞEKER	42	99
502	ŞEN BACANAKLAR	27	95
503	ŞEN BALLIK PINAR	78	92
504	ŞİRİN BAYIR	40	98
505	ŞİRİN GÖLKÖY	104	100
506	ŞİRİN GÜNEŞKENT SAHİL	58	95
507	ŞİRİN KEÇİÖREN	79	75
508	ŞÖLEN	50	90
509	ŞUHEDA	117	80
510	TANIŞKENT	56	85
511	TEDA	55	90
512	TEKVAK	72	99
513	TELEVİZYONCULAR SİDE DİNLENME EVLERİ	158	100
514	TEMA	86	100
515	TEPEKENT	394	80
516	TEPEKÖY TATİL SİTESİ	192	97
517	TİSAN ANKARA TİCARET VE SANAYİCİLERİ	591	100
518	TOROSKENT	38	80

TABLE A.1 LIST OF HOUSING CO-OPERATIVES (cont'd)

519	TUĞBERK	55	100
520	TUĞRA	50	99
521	TUNAHANLILAR	107	100
522	TURİSTİK ELMAS ARSA	72	96
523	TUR-KENT	100	75
524	TÜRELİ PERSONELİ	7	80
525	TÜRKELİ OĞUZKENT (OĞUZKENT ESKİŞEHİR	60	85
526	UĞURBEY	8	95
527	ULUS ESNAFLARI	50	86
528	UMUT PARK (GÖLBAŞI EVLERİ KONUT YAPI İÇİN	54	95
529	USTAOĞLU	50	80
530	UTLU PALMIYE ARSA (ÖREN PALMIYE ARSAVE	18	97
531	UYUM 90	80	90
532	VADİKENT	21	95
533	VAK-MEN	63	95
534	YAĞAN KENT	44	96
535	YAMAN KARDEŞLER	49	90
536	YAPRAKKENT	34	85
537	YAYIN	24	100
538	YAYLAKÖY	87	100
539	YAZ CENNETİ	207	95
540	YED	76	99
541	YEDİEL 91 ARSA	43	100
542	YENİ ANADOLU SAHİL (BAŞBAKANLIK DPT	122	95
543	YENİ ATILIM	40	100
544	YENİ BALA	72	85
545	YENİ ÇAĞIL	54	75
546	YENİ ÇAĞIN SİTESİ	50	99
547	YENİ ÇINAR	31	98
548	YENİ DEĞİŞİM	72	95
549	YENİ DUMANKENT (SÜRÜCÜLER)	81	90
550	YENİ ELİF	247	99
551	YENİ ELİF ELVAN	150	100
552	YENİ ELİF ÖZGEN	57	95
553	YENİ ERCE	27	75
554	YEİ ESENBOĞA	29	90
555	YENİ GÖKKUŞAĞI 87	20	100
556	YENİ GÜÇ	50	87
557	YENİ HASSAS TERAZİ	13	99
558	YENİ İLKYAZ	66	85
559	YENİ LADİN	38	85
560	YENİ MELİS	35	98
561	YENİ METROKENT	18	95
562	YENİ MİZAN	50	99
563	YENİ MÜCEVHER	116	75
564	YENİ ÖYKÜ ARSA	60	80
565	YENİ ÖZDOĞUKENT	125	100
566	YENİ PALMIYE	64	100

TABLE A.1 LIST OF HOUSING CO-OPERATIVES (cont'd)

567	YENİ SEMAKENT	56	90
568	YENİ SERAP	13	98
569	YENİ SİYASAL 93	193	100
570	YENİ ÜNİVERSİTELER	30	100
571	YENİ VİLLAKENT	141	100
572	YENİCE SAHİL	87	85
573	YENİHISAR 92	94	93
574	YENİKENT MAVERA SİTESİ	44	78
575	YENİLİMAN AYIŞIĞI	13	95
576	YENİMAHALLE GÜMÜŞKENT	95	95
577	YENİŞEHİR ARSA	79	100
578	YERKÜRE 92	34	90
579	YERSERA	39	90
580	YEŞİL ALTINKENT	49	99
581	YEŞİL BAYINDIR BİRLİK	32	85
582	YEŞİL DENİZ	155	100
583	YEŞİL DOSTLARI	27	90
584	YEŞİL ORMANKENT	46	100
585	YEŞİL ZÜMRÜT	29	90
586	YEŞİLAYKENT (ELİT YUVAM)	110	85
587	YEŞİLLER SİTESİ	130	90
588	YEŞİLTEPE	383	100
589	YEŞİM YUVA	33	90
590	YİĞİTLER	99	100
591	YILDIZ 88	275	98
592	YILDIZ 91	100	99
593	YILKI	20	95
594	YİRMİ ÇATI	16	95
595	YONCA 1 SAHİL	70	100
596	YUNUS EMRE ÇAĞDAŞ	44	85
597	YUNUSKENT	46	100
598	YURTKENT ANKARA VİLLALARI (19. DÖNEM -	225	75
599	YÜKSELİN	24	80
600	YÜZAKLAR	18	75
601	ZAMBAK VADİSİ	26	80
602	ZARIF	70	90
603	ZELVE	25	90
604	ZİGANA	44	75
605	ZÜMRÜT SARAY	40	100

TABLE A.1 LIST OF HOUSING CO-OPERATIVES (cont'd)

NO	NAME OF CO-OPERATIVE (İSTANBUL)	NUMBER OF SHAREHOLDERS	LEVEL OF CONSTRUCTION (%)
1	15 LER	1	99
2	1963 YILI MEZUNU İNŞAAT YÜKSEK	44	95
3	2010 ALEV	42	100
4	3 G (GÜNAYDIN GÜNEŞ GELİŞİM) (VEB OFSET	187	100
5	44 ÇATI	59	80
6	7. GAZETECİ	49	96
7	89 DOĞANAY (ÇALIŞMA VE SOSYAL GÜVENLİK	60	100
8	ABANT YAYLA DAĞ EVLERİ	34	95
9	ADABÜKÜ DOKTORLAR	410	100
10	ADAKENT YAKAMOZ	72	98
11	ADALET	82	100
12	ADALET VE TABABET	36	90
13	ADAY (İST.317008-264590 ESKİ SİC.)	39	90
14	ADILHAN	25	78
15	ADİLKENT-85	39	99
16	AĞAKENT	98	75
17	AK GÜVERCİN	10	75
18	AKABE	188	80
19	AKADEMİ	30	100
20	AKADEMİK KENT	90	100
21	AKAN DOSTLAR	19	90
22	AKARSLAN	53	100
23	AKASYA SAHİL SİTESİ	51	85
24	AKBİRLİK	160	90
25	AK-EL İŞÇİ	301	100
26	AKHAYAT	117	100
27	AKKENT	68	100
28	AKKENT AKÇA	89	100
29	AKSARAY ATABEY	62	85
30	AKSARAY YER ALTI ÇARŞISI MENSUPLARI	60	94
31	AKTAŞKENT	77	75
32	AKYAPI	88	100
33	AKYAŞAM	8	100
34	AL EVİN	40	92
35	ALAN TATİL EVLERİ	40	99
36	ALKİM	108	95
37	ALP.ÇAĞDAŞ	104	84
38	ALPASLAN İŞÇİ	69	100
39	ALPER ERDEM	120	100
40	ALTIN	85	75
41	ALTINKENT	56	90
42	ALTINOLUK KISMETİM	22	75
43	ALTINOLUK YEŞİLEVLER	37	100
44	ALTINYAKA	34	100
45	ALTINYILDIZ- BEYMEN	630	97

TABLE A.1 LIST OF HOUSING CO-OPERATIVES (cont'd)

46	ANADOLU 2	150	99
47	ANADOLU ÇİHANKENT	271	100
48	ANADOLU ÖZKENT 93	30	80
49	ANDAÇ KENT	144	100
50	ANIT 86	22	100
51	ANTALYA BİLLUR KENT	40	95
52	ARYUVA	80	100
53	ARAYIŞ	28	100
54	ARDIŞEN	84	99
55	ARI BİRLİK	319	87
56	ARIMAK	28	100
57	ARMADA	22	80
58	ARSEL	40	100
59	ARZUM	70	100
60	AS ÇAMLICA	107	100
61	AS FATİH KENTLİLER	190	99
62	AS YILDIZ KENT	140	90
63	ASFALT	240	100
64	AL-HİLAL ARSA	135	100
65	ASKENT 3	38	100
66	ASRIN YENİ TOPLU	97	100
67	AŞIYANIM	96	79
68	ATA-2	2754	100
69	ATABEK 4	220	100
70	ATAK	19	100
71	ATASEV	24	85
72	ATILGAN	128	95
73	ATILIM-KENT	93	100
74	AVİS MENSUPLARI	51	87
75	AVKON	240	97
76	AYAN EVLERİ	53	85
77	AYDINLIK EVLER	38	100
78	AYMAKENT	20	100
79	AYTEKİN KENT	115	100
80	BAĞ-TEK	42	80
81	BAHAR 1991	14	75
82	BAHAR ERGÜL ARSA	226	100
83	BAHARKENT	105	95
84	BAHÇEŞEHİR ADALET	32	90
85	BAKIRKÖY ALTINKENT	78	80
86	BAKIRKÖY ANIT	32	99
87	BAKIRKÖY ATA SİTESİ	71	100
88	BAKIRKÖY BEYLİK KENT	72	100
89	BAKIRKÖY ÖZBİRLİK	552	90
90	BAKIRKÖY PINARKENT	209	100
91	BAKIRKÖY SEFAKENT	94	100
92	BAKIRKÖY UYGUN	105	90
93	BALIKLI	7	100

TABLE A.1 LIST OF HOUSING CO-OPERATIVES (cont'd)

94	BANKA VE PIYASA ARAŞTIRMACILARI	32	100
95	BANKACILAR 116	80	95
96	BANKSİS	610	100
97	BANKSİS AKMAN	136	80
98	BANKSİS-1988 BANKACILAR	480	100
99	BARANKENT	60	100
100	BASIN EMEKÇİLERİ	35	80
101	BASIN VE YAYIN ÇALIŞANLARI	202	75
102	BASKO	367	100
103	BAŞAR	67	80
104	BAŞARAN	40	100
105	BAŞARI BİRLİK	60	80
106	BAŞKURT	25	90
107	BAYBURT KENT	104	95
108	BAYBURTLU ZİHNİ	210	85
109	BEGOVİLLA	8	85
110	BEKA	638	100
111	BEKİROĞULLARI	24	90
112	BEKOTEKNİK 1. ÇALIŞANLARI	96	100
113	BELDE	90	100
114	BELKENT	36	95
115	BERRAK	164	95
116	BETONKENT	168	100
117	BETÜLCAN ÇİFTLİK EVLERİ	18	90
118	BEYAZ HİLAL	157	100
119	BEYAZ İNCİ KENT	144	99
120	BEYAZ DENİZ	7	100
121	BEYAZKENT EĞİTİMCİLER	12	80
122	BEYKOZ KÖRFEZ	334	100
123	BEYKÖY	29	95
124	BEYLİK YEŞİL GÖZDE	80	90
125	BEYLİKDÜZÜ AK KENT	19	100
126	BEYLİKDÜZÜ AL KENT	31	100
127	BEYLİKDÜZÜ ÇAĞDAŞKENT	55	100
128	BEYLİKDÜZÜ ESENYURT	570	95
129	BEYLİKDÜZÜ MERVE	16	90
130	BEYLİKDÜZÜ MERVE ÇAMLIK SİTESİ	76	97
131	BEYLİKDÜZÜ YAKAMOZ	33	90
132	BEYLİKDÜZÜ YARAŞAN ESERKENT	38	98
133	BEYLİKDÜZÜ YENİ ÇAĞDAŞKENT	60	100
134	BEYLİKDÜZÜ YENİ ÇEVRECİLER	36	80
135	BEYLİKDÜZÜ YILMAZ	241	90
136	BEYMAN KAMPÜS ÇALIŞANLARI	56	100
137	BEYOĞLU EMRE	33	80
138	BEY-ŞAP	360	100
139	BİFA MENSUPLARI	55	90
140	BİKON BOĞAZIÇİLİLER	72	100
141	BİLİM YUVA	151	95

TABLE A.1 LIST OF HOUSING CO-OPERATIVES (cont'd)

142	BİLLUR KENT	69	80
143	BİNEVLER	1004	100
144	BİR ÜSKÜDAR GÜNEŞ	90	90
145	BİRİNCİ ERDEMLİLER	60	99
146	BİRLEŞİM	270	95
147	BİRLİK EVLER	145	90
148	BİRLİK KENT	134	80
149	BİRLİK ONURSAL	59	99
150	BI-SAN KENT	148	80
151	BİZİM EVİMİZ	135	99
152	BİZİM VADI	56	80
153	BODRUM DENİZATI ARSA	292	85
154	BODRUM EGE	283	90
155	BODRUM GÜMÜŞEVLER	13	95
156	BODRUM YENİ İMBAT	51	100
157	BOĞAZGÖREN	120	100
158	BOĞAZIÇI	36	100
159	BOĞAZIÇI İSTİNYE	900	95
160	BOĞAZIÇI MUTLU YUVA	109	95
161	BOĞAZKENT	42	100
162	BOĞAZKÖY BAYSAL YAŞAMKENT	37	80
163	BOĞAZKÖY ORKİDE	48	80
164	BOLKAR	88	95
165	BORAKENT	132	95
166	BORCAM KENT	45	99
167	BORUSAN BİRLEŞİK BORU FABRİKASI İŞÇİ	77	95
168	BORUSAN OTO	58	95
169	BUKET EVLER	31	80
170	BUL TER 1	90	100
171	BULUTLAR	133	96
172	BURAK	52	95
173	BURCU KENT	76	100
174	BURÇ YUVA	38	100
175	BÜYÜK AY GÖÇMEN	144	90
176	BÜYÜK ÇAĞRI	232	100
177	BÜYÜK KÜLTÜR	103	90
178	BÜYÜK SERDAR EVLERİ	94	90
179	BÜYÜK TAŞPINAR	32	95
180	BÜYÜKÇEKMECE	3682	99
181	BÜYÜKÇEKMECE AKKENT	230	100
182	BÜYÜKÇEKMECE ÇİÇEKEVLER	80	99
183	BÜYÜKÇEKMECE ERENLER	80	88
184	BÜYÜKÇEKMECE GÜZİDE	32	98
185	BÜYÜKÇEKMECE İKİLER	114	98
186	CAM İŞÇİLERİ ÖRNEK	48	95
187	CAM SANAYİİ YILDIZ	80	100
188	CAN AYTEKİN KENT	85	85
189	CAN KARDEŞLER	34	100

TABLE A.1 LIST OF HOUSING CO-OPERATIVES (cont'd)

190	CANANLAR	69	97
191	CANSOYLU KENT	68	75
192	CEMRE	84	100
193	CENK HİLAL	54	99
194	CETSON	18	100
195	CEVİZLİK ÇİFTLİKKÖY	23	90
196	CIHAN FURKAN	40	75
197	ÇAĞDAŞ AYDINLAR	30	99
198	ÇAĞDAŞ BASIN MENSUPLARI	80	93
199	ÇAĞDAŞ GENÇLER	57	90
200	ÇAĞDAŞ GENÇ (ÇAĞDAŞ EĞİTİMCİLER)	216	91
201	ÇAĞDAŞ MAKİNA İŞÇİLERİ	120	100
202	ÇAĞDAŞ OBA EVLERİ	58	100
203	ÇAĞDAŞ ÖZAYDINLAR	38	80
204	ÇAĞDAŞ ÖZVERİ	50	98
205	ÇAĞDAŞ UYUM	60	100
206	ÇAĞDAŞ YENİ YUVAM	60	80
207	ÇAĞDAŞ-91	31	98
208	ÇAĞKENT	240	100
209	ÇAĞLAYAN UTKU	23	75
210	ÇAĞRANKAYA	28	100
211	ÇAKMAK	153	80
212	ÇAKMAK DÜZÜ	38	90
213	ÇALIŞKANLAR 90	40	75
214	ÇAMDİBİ	60	100
215	ÇAMLİBELDE	72	99
216	ÇAMLICA ARIFLER	193	80
217	ÇAMLIK	33	95
218	ÇAMLIKENT	42	98
219	ÇANAKKALE SER-FAB MENSUPLARI VE KALE	87	90
220	ÇARDAK DENİZCİLER TOPLU	28	78
221	ÇATALCA ERGUVAN	54	85
222	ÇATALCA ŞİRİNKENT	34	95
223	ÇAYIROVA CAM YAZLIK EVLER	130	75
224	ÇAYKARALILAR	27	100
225	ÇEKMECE PINARKENT	36	75
226	ÇEKMEKÖY	158	95
227	ÇELEBİ	20	80
228	ÇELİKLER	89	77
229	ÇELİKTEPE TEKNİSYENLER	22	80
230	ÇENGELKÖY ÖZYUVA (4 EYLÜL)	83	90
231	ÇEŞMEBAŞI ANADOLU SİTESİ (ANADOLULU)	58	100
232	ÇEVKOP YENİ ÇEVRE	30	90
233	ÇINAR-90	60	90
234	ÇORUH	59	100
235	DAÇKA 79	94	100
236	DALGIÇKENT TOPLU	372	80
237	DARGELİRLİLER	120	100

TABLE A.1 LIST OF HOUSING CO-OPERATIVES (cont'd)

238	DAYANIŞMA TOPLU	162	85
239	DELTA DENİZCİLER	108	100
240	DEMSEL	111	100
241	DENİZ	8	100
242	DENİZ SİTELERİ (TÜRK HARBİŞ SEND.MENS.)	236	85
243	DENİZ TEK	52	100
244	DENİZKENT	22	95
245	DERBENT MELEKSUYU EVLERİ	13	90
246	DERYA 85 (SON FORMDA SIC.216662-164414)	219	100
247	DETAY	79	100
248	DEVECİOĞULLARI	60	90
249	DİDİM AKBÜK MUHASEBECİLER	167	90
250	DİKİMEVİ MENSUPLARI	152	95
251	DİLEK 126	126	100
252	DIŞ HEKİMLERİ	32	100
253	DIŞBANK MENSUPLARI	103	100
254	DOĞA	60	98
255	DOĞA İLKTAŞ	58	90
256	DOĞA YIRMI	18	100
257	DOĞALKENT	60	92
258	DONAT	90	100
259	DORUKTEPE	32	95
260	DOST BİRLİK	60	80
261	DOSTKENT	84	99
262	DOSTLAR AS	36	100
263	DOSTLAR OTAĞI	52	75
264	DUDULLU	160	95
265	DÜNYA GAZETESİ ÇALIŞANLARI	106	75
266	DÜZGÜNOĞLU	60	75
267	DÜZKENT	87	80
268	ECE	168	90
269	ECZACIBAŞI SERAMİK FABRİKASI	48	100
270	ECZACILARHEKİMLER SAĞLIK ELEMANLARI	228	100
271	EGE VİLLA	100	100
272	EĞİTİM İLGİLİLERİ	132	100
273	EKİN ARSA	107	80
274	EKMEL BETON	75	95
275	EKO	60	89
276	EKŞİOĞLU AYDINKENT	30	85
277	EKŞİOĞLU ÇENGELKÖY EVLERİ	58	80
278	EKŞİOĞLU DETAY	101	100
279	EKŞİOĞLU DRAGOS SAHİL EVLERİ	43	100
280	EKŞİOĞLU GÜVEN	32	95
281	EKŞİOĞLU UYGARKENT	163	85
282	EKŞİOĞLU YENİ GÜVEN	39	95
283	EMEK EVLER (TEK MENSUPLARI)	143	100
284	EMEKİŞ DEVREMÜLK	264	100
285	EMİRGAN	118	100

TABLE A.1 LIST OF HOUSING CO-OPERATIVES (cont'd)

286	EMİRKENT	39	95
287	EMRE DENİZ	54	95
288	ENDÜLÜS	52	90
289	ER YUVAM TOPLU	229	100
290	ER BAHAR	35	100
291	ERBAY YEŞİL VADI	39	95
292	ERDEM DOSTLAR	30	96
293	ERDEMİR BEYLİKDÜZÜ	40	80
294	ERDEMLİ	40	80
295	ERDİ	39	90
296	ERGENEKON	17	85
297	ERİNÇ	129	90
298	ERKONUT	43	99
299	ERKUD YAYLA	300	99
300	ERYAP SİTESİ İŞÇİ	106	100
301	ESENKENT İSPARTAKULE	129	95
302	ESENKENT MALİ MÜŞAVİRLER	65	76
303	ESENKENT MAVİ GÖK	106	98
304	ESENKENT YEŞİLYURT	86	100
305	ESKON	91	100
306	ESNAF KENT	38	95
307	EVRENSEL	97	85
308	EVRİM 2	110	100
309	EYÜP ARZUM 87	72	80
310	EZİNE KONYAP	33	100
311	FAALKENT	80	100
312	FATİH 87	110	90
313	FATİH ÇAMLIK SİTESİ	27	100
314	FAZİLET	10	90
315	FEN DERSANESİ MENSUPLARI	22	80
316	FENERBAHÇE ÜYE VE ÇALIŞANLARI	116	85
317	FERAH	48	100
318	FERAH RAVZA	45	95
319	FETHİYE	33	99
320	FETİH KENT	46	80
321	FEYİZ MERKEZ	24	90
322	FİRUZ HANIM	182	85
323	FUNDA SAHİL	110	75
324	GALATASARAY EĞİTİM	250	100
325	GARANTİ BANKASI MENSUPLARI	220	100
326	GARANTİ YONCA	120	80
327	GAYE	101	80
328	GAZETECİLER	690	100
329	GAZİBİR	27	100
330	GAZİOSMANPAŞA ADALET	37	98
331	GAZİOSMANPAŞA BELDE	224	100
332	GAZİOSMANPAŞA ELMAS	40	100
333	GAZİOSMANPAŞA GÖÇMENKENT	240	98

TABLE A.1 LIST OF HOUSING CO-OPERATIVES (cont'd)

334	GAZİOSMANPAŞA KUBİLAY	40	80
335	GELİŞİM	16	90
336	GENÇ DERMANCILAR	56	97
337	GENÇ MÜHENDİSLER	158	77
338	GEZGİN	25	100
339	GÖK YUVA	100	80
340	GÖKÇE NERGİS KENT	61	95
341	GÖKDOĞUŞ	13	100
342	GÖKPINAR	8	100
343	GÖKSARAY	60	100
344	GÖKSER HAVACILAR SAHİL	27	99
345	GÖKSUEVLERİ ARSA	1328	100
346	GÖL	19	75
347	GÖLKÖY	32	100
348	GÖMEÇ YAŞAM YAZLIK	27	100
349	GÖNEN YILDIZEVLER ARSA	84	98
350	GÖRMEZLER	105	95
351	GÖRSEV	104	95
352	GÖRSEV KENT	82	100
353	GÖZDE ARSAN	192	95
354	GÖZDE BAHÇE	44	85
355	GÖZDELER	80	100
356	GÖZDELER	108	100
357	GÖZEBAŞI TOPÇAM	44	80
358	GÜL DEMİRKAN	36	97
359	GÜLAY	74	80
360	GÜLBAY	76	75
361	GÜLBELDE	63	98
362	GÜLCEMAL	16	90
363	GÜLÇİMEN	14	100
364	GÜMSAN GÜMRÜKÇÜLER SANAYİCİLER SAHİL	601	99
365	GÜMÜŞKAYA DERYA (YENİ:GÜRPINAR DERYA)	240	80
366	GÜMÜŞKENT ESENYURT	111	75
367	GÜN	32	90
368	GÜNAYKENT	104	90
369	GÜNEŞ 1	138	95
370	GÜNEŞ KENT	70	99
371	GÜNEŞLİ KENT	16	90
372	GÜNEYLİLER	50	100
373	GÜNEYSU ORTA KÖY	100	75
374	GÜNGÖREN GÜNEŞTEPE	108	75
375	GÜNTUR DİNLENCELİK	188	100
376	GÜRGAYRET	32	100
377	GÜRGENSU	82	98
378	GÜRKENT ARSA	20	80
379	GÜRPINAR BİRLİK	80	90
380	GÜRPINAR VOLKANLAR	73	90
381	GÜVEN MEHTAP	30	90

TABLE A.1 LIST OF HOUSING CO-OPERATIVES (cont'd)

382	GÜVEN REŞADİYELİLER	45	100
383	GÜVENCE	103	99
384	GÜZEL SEFAKENT	257	99
385	GÜZELKENT	55	80
386	GÜZELKENT 81	89	90
387	HAK İŞÇİ	48	100
388	HAKFEN	88	100
389	HAKTAŞ	40	98
390	HALIÇANA	138	98
391	HAMSİKÖY	42	95
392	HANTEPE PALMIYE	18	95
393	HANTEPE SAHİL	334	99
394	HAS DENK	38	80
395	HAS DOSTLAR	29	100
396	HAS HASRET	107	99
397	HAS KIRKLAR	39	90
398	HAS ÖZLEMKENT	23	80
399	HAS SAYINLAR	8	95
400	HASÇAM	61	99
401	HATBOYU	96	100
402	HAYDARPAŞA ÖZGÜR	170	95
403	HAYRİ	95	85
404	HAZAR MİMAR SİNAN	62	100
405	HEDEF YENİ YAŞAM	100	98
406	HİLAL 86	622	95
407	HİSARCIK	40	100
408	HİSSE	59	97
409	HİSSE GÜZELKENT	210	90
410	HIZLI YÜKSELİŞ	38	80
411	HOPA EVLERİ	35	100
412	HOŞ SEDA	98	80
413	HÖYÜK ÖZLEM YUVA	118	92
414	HUZURKENT	135	90
415	HÜDAVERDİ AVCILAR	33	99
416	HÜR ERENGAZİ	21	90
417	HÜRKENT 86	77	100
418	HÜRTEPE	10	80
419	İÇMELER	33	90
420	İÇMELER TOPLU	79	100
421	İDEAL HUKUKÇULAR	39	100
422	İĞNEADA ÜNSAL KENT	16	95
423	İHLAMUR EVLERİ	226	100
424	İKİBİN	1758	99
425	İKİNCİ ÖRNEK-İŞ	153	80
426	İKTİSATLILAR	87	85
427	İLAYDA	66	90
428	İLERİ ÇAĞ	82	92
429	İLK EV	10	75

TABLE A.1 LIST OF HOUSING CO-OPERATIVES (cont'd)

430	İLK GÜNEŞ KENT	31	95
431	İLK YAKAMOZ	29	75
432	İLK YANKI	284	75
433	İLKE	96	98
434	İLKEV	34	98
435	İL-KUR	72	80
436	İLK YAZ	32	85
437	İMECE KENT	20	100
438	İMREN	12	95
439	İPAŞ GRUP	32	100
440	İSTANBUL 2 NOLU SOSYAL MESKEN	54	100
441	İSTANBUL AYYIL	54	75
442	İSTANBUL BAŞARI	171	98
443	İSTANBUL CANKENT	35	99
444	İSTANBUL DEMİRYOLCU	120	90
445	İSTANBUL İŞÇİ SENDİKALARI	160	100
446	İSTANBUL KAMYONCULARI MERİÇ	7	100
447	İSTANBUL LEVENT HUKUKÇULAR	549	99
448	İSTANBUL MATBAACILAR	464	100
449	İSTANBUL MAVİ BELDE	58	100
450	İSTANBUL MÜHENDİSLERİ BOĞAZIÇI	102	100
451	İSTANBUL OZANLAR	42	98
452	İSTANBUL ÖĞRETMENEVLERİ	1024	100
453	İSTANBUL SANATKENT	140	90
454	İSTANBUL ŞAFAK ANAKENT	76	95
455	İSTANBUL UMUM SARAÇLAR	24	95
456	İSTANBUL YENİ BELDEMİZ	102	100
457	İSTKOBİR SOĞANLIK	103	95
458	İŞ BANKALILAR YALI KENT	206	100
459	İŞ YILDIZ	155	100
460	İŞIKKENT	57	100
461	İŞİL PARK SİTESİ	110	100
462	KAÇMAZOĞLU	160	98
463	KADIKÖY AYDINLAR	120	100
464	KADIKÖY BAŞARI	60	90
465	KADIKÖY BETAV	120	100
466	KADIKÖY BİLİM VE EĞİTİM EMEKÇİLERİ	40	100
467	KADIKÖY CAN	48	100
468	KADIKÖY MİM. KOOP. MİMARLAR VE	36	85
469	KADIKÖY PAŞABAHÇE CAMKENT TOPLU	30	75
470	KADIKÖY SAĞLIK EĞİTİM	63	100
471	KAĞITHANE OKMEYDANI SAKİNLERİ	273	100
472	KALEYURT	334	96
473	KALKAY (SON FORM YEŞİLKÖYLÜLER	20	100
474	KAPER	292	100
475	KAPIKAYA	24	95
476	KARAĞAÇ TATİL EVLERİ	37	83
477	KARACAKENT	96	99

TABLE A.1 LIST OF HOUSING CO-OPERATIVES (cont'd)

478	KARADERE	13	100
479	KARAKAYA	160	90
480	KARDELEN SARAY	16	99
481	KARDEŞ BANKACILAR	41	100
482	KARPUZCU SİTESİ (SON FORM KUŞADASI	104	75
483	KARSUM	75	80
484	KARTAL BİLİM KENT	180	98
485	KARTAL BULVAR KENT	120	90
486	KARTAL ÇİMENTO İŞÇİLERİ	80	98
487	KARTAL DİLEK	53	100
488	KARTAL EMRE	36	100
489	KARTAL SEÇKİNEVLER	30	98
490	KARTAL UYUM	144	99
491	KARTAL YEŞİL BELDE	177	92
492	KAVAKLI EVLER	388	90
493	KAYMAR ARSA	60	100
494	KAZLIÇEŞMELİLER	113	100
495	KEMERBURGAZ 84	70	80
496	KENTBAŞI	150	95
497	KENTYUVA	60	85
498	KİMYA SİTESİ	82	85
499	KIRAZLI YALI	80	100
500	KIRÇIÇEĞİ	46	100
501	KIRKSEKİZEVLER BİRLİK	41	98
502	KIZILAY ARSA	420	99
503	KLAS	53	92
504	KOMŞUM YUVA	64	80
505	KONAK	22	100
506	KONAK	30	95
507	KONAK KENT ARSA	26	85
508	KOZA KENT ARSA	30	100
509	KÖRFEZ GÜLKENT	50	95
510	KÖY-EV	58	95
511	KUMBAĞ	70	100
512	KUMLUBAHÇE ARSA	162	100
513	KUMLUBAHÇE ARSA	162	100
514	KURNA TATİL KÖYÜ	43	100
515	KURSA	28	98
516	KUZEY EGE BİRLİK	41	85
517	KUZEYBATI BÖLGESİ PINAR	77	100
518	KUZEYYILDIZI	88	95
519	KÜBRAPINAR	20	75
520	KUÇUK DENİZKIZI	20	95
521	KUÇUKKENT	42	100
522	KUÇUKYALI EVLERİ	250	95
523	KÜLTÜR BİRLİK	47	100
524	KÜLTÜR EVLERİ	60	100
525	LEVKUR MENSUPLARI	36	90

TABLE A.1 LIST OF HOUSING CO-OPERATIVES (cont'd)

526	LEVSU	72	100
527	LİBAS DİKMEN	55	95
528	LİDER MÜHENDİSLİK	37	85
529	MADEN ARASI TURİZM	112	100
530	MALTEPE DENİZ SİTESİ	76	95
531	MALTEPE HUKUKÇULAR VE İDARECİLER (424	80
532	MARMARA UYUM KENT	1358	100
533	MASLAK SAĞLIKÇILAR	10	100
534	MAŞUKİYE SUKENT VİLLA	36	80
535	MAVİ BOĞAZ	28	100
536	MAVİ KENT AKDENİZ	63	100
537	MAVİ MARMARA ÇİNİKENT GÜNEŞ	108	80
538	MAVİ SEMA	50	100
539	MAVİ SERİK	128	100
540	MAVİ TUNA	135	98
541	MAVİEGE TROIA EVLERİ	27	90
542	MEF DERSANESİ BEŞİKTAŞ	55	95
543	MEF DERSANESİ MENSUPLARI	31	90
544	MEKAN	75	90
545	MENSUR	70	85
546	MERAM 3	82	100
547	MERKEZ SARAY	60	100
548	MERMUTLU MAVİ DORUK	15	100
549	MERT KARTAL	128	100
550	MERTER 4 KENT	23	100
551	ME-SA	72	90
552	MEŞALE (PERSONEL OKULU MENSUPLARI)	36	100
553	METEM BİRLİK	240	99
554	METEM TOPLU	32	100
555	MİMARLAR VE MÜHENDİSLER	91	80
556	MİNİKENT	221	100
557	MİSTAŞ SAHİL	35	95
558	MOBİLYA DEKORASYON VE SANAYİ SİTESİ	248	100
559	MODALILAR DENİZ	132	100
560	MODÜL	106	95
561	MUTLU AYDIN TÜRKÖĞLU	122	75
562	MUTLU EVİM	46	95
563	MÜHENDİSLER ARIKENT	51	80
564	MÜLKİYELİLER	47	99
565	MÜNEVVERLER	36	90
566	NARLIPINAR	207	100
567	NAZAR	30	80
568	NAZLI ÖZGE	14	100
569	NETEL	160	100
570	NEZİH EKOLKENT	58	95
571	NİCEKENT	54	92
572	OCAK TOPLU	41	90
573	OCAKKENT TOPLU	128	100

TABLE A.1 LIST OF HOUSING CO-OPERATIVES (cont'd)

574	OFİS KENT	214	90
575	OĞUL KENT TOPLU	60	95
576	OĞUZHAN ÇAĞLA	32	90
577	OKAN GRUBU	31	80
578	OKUTAN	45	99
579	OKUTANLAR ÇAMLIKENT	36	99
580	ONURCAN	105	80
581	ONURLU DOSTLAR	98	80
582	ORHANLI ÇAMLIK	9	99
583	ORKA-KENT	112	85
584	ORKESTRA SANATÇILARI	19	100
585	ORKİDE	464	100
586	ORKİDOS SİTESİ	58	100
587	ORKUN	35	100
588	ORMAN KENT	24	80
589	ORMANKÖY	32	80
590	ORME	248	95
591	ÖĞRET YAZLIK (YENİ ALTINKAYA)	36	98
592	ÖN-EL	109	100
593	ÖRNEK BANKACILAR VE MÜHENDİSLER	104	99
594	ÖRNEKEVLER	161	100
595	ÖZ AYTEPE	120	95
596	ÖZ BİZİMEVLER	83	99
597	ÖZ EKİN	38	85
598	ÖZ ELELE DOSTLUK	18	90
599	ÖZ MAVİKENT	94	96
600	ÖZ NEVŞEHİRLİLER	60	95
601	ÖZ SAĞLIK KENT	48	92
602	ÖZ ŞENGÜL	54	90
603	ÖZ YUNUS EMRE	31	100
604	ÖZ ZAFER	73	98
605	ÖZAKADEMİ	113	100
606	ÖZAKPER	25	90
607	ÖZBAHADIR KENT	70	90
608	ÖZBAHARKENT	16	90
609	ÖZBARBAROS	75	99
610	ÖZBAŞARANLAR	173	99
611	ÖZBİRLİK	96	100
612	ÖZBÜYÜKÇEKMECE	32	100
613	ÖZCAN BAYRAMOĞLU	209	98
614	ÖZDAL	34	95
615	ÖZDE SİTESİ	130	98
616	ÖZDENİZ 92	28	100
617	ÖZEL 3. SEYHAN SİTESİ	201	100
618	ÖZEN-EL RAHMANLAR	54	80
619	ÖZFIDANKENT	36	95
620	ÖZGE TEMEL	130	97
621	ÖZGELİŞİM AVCILAR TOPLU	35	100

TABLE A.1 LIST OF HOUSING CO-OPERATIVES (cont'd)

622	ÖZGÜL	60	90
623	ÖZGÜLEVLER	118	80
624	ÖZGÜR EREN KENT	60	100
625	ÖZGÜRBAHÇE	65	80
626	ÖZGÜVEN	115	100
627	ÖZHISAR	54	100
628	ÖZİMES	170	85
629	ÖZ-İŞ	474	90
630	ÖZİŞİK	60	85
631	ÖZKALEYURT	132	80
632	ÖZKALLAR	60	100
633	ÖZKERNEK	48	80
634	ÖZKORAY	54	80
635	ÖZKUR	21	95
636	ÖZLEM 990	36	95
637	ÖZLEM KENT	78	100
638	ÖZLEM YUVA	60	99
639	ÖZLEM-SES	89	100
640	ÖZLENEN SOKAK	83	100
641	ÖZLENEN MODEL	280	100
642	ÖZSARAÇKENT	60	100
643	ÖZŞEREFKENT	75	100
644	ÖZTOPRAK	60	90
645	ÖZÜM	28	98
646	ÖZVATAN	96	85
647	ÖZVERİ 89	20	90
648	ÖZYAKACIK	150	100
649	ÖZYILMAZ	56	99
650	PALMEK MENSUPLARI	132	92
651	PARSAN	106	100
652	PAŞABAHÇE	120	98
653	PAŞABAHÇE ESERKENT	78	98
654	PAŞABAHÇE ÖZLEM YUVA (ÖZLEM SİTE	376	100
655	PAYAS	66	100
656	PELİT-KENT	60	100
657	PENDİK	72	80
658	PENDİK BAHÇELİEVLER	58	100
659	PENDİK ÇAMEVLERİ ÖĞRETMENLER	50	100
660	PENDİK EVİM KENT	120	95
661	PENDİK GRUP KENT	80	90
662	PENDİK KARADENİZ	138	91
663	PENDİK ÜNCA	32	80
664	PERTEVİNİYALLİLER	60	90
665	PETEK 87	133	100
666	PLASTİFAY İŞÇİLERİ YUVAM	160	100
667	POLAT	60	100
668	RAST-KENT	120	80
669	REİSKENT	84	90

TABLE A.1 LIST OF HOUSING CO-OPERATIVES (cont'd)

670	REŞADİYE DAĞEVLERİ	11	100
671	RUMELİLER BEYLİKDÜZÜ	158	85
672	SAHİL ÇAM KÖY	24	95
673	SAHİLKÖY YALI	15	85
674	SAHİLTEPE VİLLALARI	99	100
675	SAKLIKENT	21	90
676	SANDOZ İLAÇ SANAYİ İŞÇİ	17	100
677	SANTE DOSTKENT	30	80
678	SAPANCA AYKENT VİLLA	46	80
679	SARAYLAR BELDESİ	399	78
680	SARHAN KÖYÜ	108	90
681	SARIKENT GÖÇMEN	146	95
682	SARIKIZ YAZLIK	66	100
683	SARIYER AS-KENT	190	100
684	SARIYER SINEMKÖY (İSTANBUL SANATKENT)	52	100
685	SAROS ÖZENKENT	166	100
686	SAROS DENİZ EVLERİ	100	100
687	SAROS DOSTLAR	29	100
688	SAROS MAVİ KENT	62	80
689	SAROS SULTANIÇE	42	100
690	SAYGI	24	90
691	SAZALAN	62	100
692	SAZLIDERE YUVAMKENT	7	100
693	SEÇKİN EV	253	90
694	SEÇKİN KONAKLAR	141	100
695	SEDİR	304	100
696	SEFAKÖY	118	100
697	SEFAKÖY İŞÇİ	114	98
698	SEFAKÖY MİMARLAR	62	100
699	SELAY	26	95
700	SELİMPAŞA MUTLU KENT	11	90
701	SELİMPAŞA YAVUZ	96	90
702	SELPE	24	100
703	SER ÇALIŞAN	36	80
704	SERENDER	154	97
705	SERHENDİ	66	85
706	SERİN YUVA	80	99
707	SERKENT (SON FORMDA SİC.284045-251627)	100	100
708	SES	16	80
709	SETA	25	95
710	SEVAL SELİMPAŞA	64	80
711	SEVGİPİNAR	44	95
712	SEV-YAP 87	69	100
713	SEYİR SİTESİ	112	85
714	SEYRANTEPE EMEKÇİLER	116	90
715	SEZGİKENT	28	95
716	SİBEL	68	100
717	SİDE BİZİMKÖY	121	100

TABLE A.1 LIST OF HOUSING CO-OPERATIVES (cont'd)

718	SIHHİYE	168	75
719	SILAY	168	90
720	SİLİVRİ BAŞAK	50	75
721	SİLİVRİ EMRE	28	99
722	SİLİVRİ KINALI ÇİFTLİKEVLERİ	81	99
723	SİLİVRİ MARMARAKENT	53	95
724	SİLİVRİ OBA	56	90
725	SİLİVRİ ORTAKÖY YILDIZ	43	100
726	SİLİVRİ VENEDİK EVLERİ	92	90
727	SİLİVRİ YENİ GÜNEŞ	71	80
728	SİLİVRİ YENİŞEHİR	24	90
729	SİMGE KALEYURT	265	84
730	SİNEMA VE TİYATRO SANATÇILARI	45	100
731	SİNE-TUR SİNEMACILAR VE TURİZMCİLER	75	99
732	SİSDAĞI	20	80
733	SİTE ARKADAŞLARI	37	90
734	SİTE GÖKÇELER	40	99
735	SOĞANLIK ERAYKENT	106	100
736	SOYKAR	84	90
737	SÖNMEZ YENİAY	72	80
738	SPORKENT 87	115	100
739	STAR	35	80
740	SUGÖZÜ	96	100
741	SULTAN FATİH	45	100
742	SULTANÇİFTLİK ÖNDER	30	95
743	SULTANGAZİ SEÇKİN	223	98
744	SUNBÜL	40	75
745	ŞAMPİYON SPORCULAR	180	95
746	ŞANLILAR	7	99
747	ŞANLIPINAR	140	100
748	ŞANLIPINAR	101	100
749	ŞEFFAF	124	100
750	ŞEHİDİYE	7	80
751	ŞENLİK	66	80
752	ŞENÖZ	160	99
753	ŞİLE AYDINKENT	22	80
754	ŞİLE PINAR	36	98
755	ŞİLE TATILKÖY TATİL SİTESİ	60	95
756	ŞİLE SANAYİCİ VE TÛCCARLAR	7	80
757	ŞİMŞEKER	59	100
758	ŞİRİN KÖYÜM	70	80
759	ŞİŞE CAM ŞİMŞEK	240	100
760	ŞİŞLİ ÇAMLIK	49	77
761	ŞİŞLİ YENİ AKDENİZ	167	100
762	TAHTAKALE TÛCCARLARI VE SANAYİCİLER	70	95
763	TAMÇINAR	53	80
764	TAN	52	100
765	TARIMCILAR	135	90

TABLE A.1 LIST OF HOUSING CO-OPERATIVES (cont'd)

766	TASARIM ELELE	190	90
767	TAŞ-HAN KENT TOPLU	96	90
768	TAVAKLI	46	90
769	TEK KARDELEN SİTESİ	88	90
770	TEK ÖZLEM	122	100
771	TEKELLİ KOMŞUM TOPLU KONUT	120	98
772	TELETAŞ 1	214	100
773	TELETAŞ MENSUPLARI	58	100
774	TEM	240	100
775	TEMİZ KAYA	38	100
776	TEMİZLİK İŞÇİLERİ	165	100
777	TEVD SAĞLIK BİRLİKLERİ	324	80
778	TEZ-KAR-KOOP	152	75
779	TH PARLEMENTERLER	511	90
780	TH UNİVERSAL	60	85
781	TOKLAR TOPLU	7	100
782	TOPRAKBANK MENSUPLARI	108	75
783	TUĞSALLAR	103	100
784	TURAN ALTINŞEHİR	67	99
785	TURİSTİK SAHİLKÖY	22	97
786	TURİZM ÇALIŞANLARI	76	100
787	TURİZMCİLER VE REHBERLER	42	95
788	TURUVA	37	85
789	TUZLA 91 ANADOLU	136	80
790	TUZLA HEDEF 95	22	80
791	TUZLA SAHİL EVLERİ	119	85
792	TUZLAGÖZÜ	42	90
793	TÜKETİCİLERİ KORUMA	81	85
794	TÜM AYDINLAR	360	96
795	TÜM ÇAYKARALILAR	452	90
796	TÜM EMEK İŞ 2. KISIM SOSYAL MESKEN	332	98
797	TÜM EMEK İŞ SOSYAL MESKEN	122	100
798	TÜNELLER	60	95
799	TV ÇALIŞANLARI	40	99
800	UÇAN BEYAZ MARTI	20	95
801	UFUK SERBEST	31	100
802	UĞUR ARSA	44	95
803	UĞUR İŞÇİ	70	95
804	UĞURKENT	82	100
805	UĞURKENT	266	100
806	UĞURPINAR	44	98
807	UMUT YILDIRIM	40	85
808	UMUTKENT	112	96
809	UYGAR BOĞAZIÇI 92	192	90
810	UYUM	339	100
811	UYUM KENT DOĞA EVLERİ	296	100
812	UZUN ÖMÜR SET	35	85
813	ÜLFET	120	99

TABLE A.1 LIST OF HOUSING CO-OPERATIVES (cont'd)

814	ÜLKÜKENT	238	100
815	UMRANIYE AVTAŞ	233	90
816	UMRANIYE EĞİTİMCİLER	47	92
817	UMRANIYE EVTAŞ	233	100
818	ÜNAL KENT	33	99
819	ÜNİVERSİTE MENSUPLARI VE DOSTLARI	110	98
820	ÜRÜNKENT	192	75
821	ÜSKÜDAR ATILIM	19	95
822	ÜSKÜDAR FAZİLET	48	100
823	ÜSKÜDAR ÖRNEK GÜRKENT	40	90
824	ÜSKÜDAR SEÇKİN	141	75
825	ÜSKÜDAR YILDIRIM	90	100
826	VALİDEBAĞ	451	99
827	VATAN YUVAM	94	98
828	VOLKANER KENT	9	80
829	VURAL KENT GÜVEN	331	80
830	YAKACIK ÇAMLIK	108	100
831	YAKACIK HUZURKENT	12	80
832	YAKAKENT 89	52	94
833	YAKIN ÇAĞDAŞ	110	80
834	YAKUPLU GÖL	12	100
835	YALINKENT	181	100
836	YAPAŞ TÜKETİM MALLARI PAZARLAMA A.Ş.	45	100
837	YAPRAK	58	100
838	YAPSER	108	100
839	YARAŞAN ESERKENT	61	100
840	YARGI	58	100
841	YAŞAR KENT 90	44	75
842	YATIRIM	36	75
843	YAYLADERE	33	80
844	YAZARLAR VE SANATÇILAR	54	85
845	YAZICIOĞLU	40	85
846	YEDİGÜL	47	90
847	YENİ ALTINKÖY	302	100
848	YENİ AYDOS	60	100
849	YENİ BİRLİK	160	100
850	YENİ BİRLİK	100	95
851	YENİ ÇAMALTI	192	75
852	YENİ DAĞKENT	40	100
853	YENİ DOĞUŞ (YENİ ŞEREF)	241	90
854	YENİ DOSTLAR VİLLA	85	99
855	YENİ DÜNYAM	203	80
856	YENİ EMEL	84	100
857	YENİ GÖKDENİZ	75	80
858	YENİ GÜNGÖREN	76	100
859	YENİ GÜRPINAR	64	95
860	YENİ HABERLEŞME	8	99
861	YENİ MARMARA VE ANADOLU	99	100

TABLE A.1 LIST OF HOUSING CO-OPERATIVES (cont'd)

862	YENİ MUTLU YUVA	38	100
863	YENİ OTAĞ	7	100
864	YENİ ÖZGÜRKENT	60	95
865	YENİ REFAH EVLERİ	16	100
866	YENİ SITE İŞÇİ	9	100
867	YENİ TEKÇAM VİLLALARI	42	99
868	YENİ UYUM	326	93
869	YENİ YEŞİLEVLER	32	75
870	YENİ YUVA	56	100
871	YENİYAZKON YAZLIK	30	90
872	YEŞİL ANADOLU	60	100
873	YEŞİL AYDOS	77	75
874	YEŞİL BOĞAZIÇI	92	100
875	YEŞİL DORUK	46	90
876	YEŞİL GÖKPINAR	110	75
877	YEŞİL GÖLLÜ	11	100
878	YEŞİL GÖMEÇ VİLLA	62	80
879	YEŞİL GÜRPINAR	24	85
880	YEŞİL MARMARA	56	98
881	YEŞİL MESKEN	48	100
882	YEŞİL SİTE	49	88
883	YEŞİL UFUKKENT	40	100
884	YEŞİL YAMAÇ	390	100
885	YEŞİLBAHÇE	19	100
886	YEŞİLBAŞAK	49	100
887	YEŞİLEVLER	32	100
888	YEŞİLİŞİK	48	80
889	YEŞİLKENT	62	87
890	YEŞİLPINAR SAĞLIK	83	99
891	YEŞİLYURTLULAR ORTAKENT VİLLA	68	85
892	YILDIRIM	49	100
893	YILDIZ	22	100
894	YILDIZLILAR	150	100
895	YIL-MAY	201	80
896	YILMAZ DOSTLAR	55	100
897	YOL-ETÜD	1176	100
898	YOL-İŞ ÖZLEM	120	100
899	YUVAKUR 87	32	95
900	YÜKSELEN İŞÇİLERİ	45	100
901	YÜNSA MENSUPLARI SAHİL ARSA	202	96
902	YÜZÜNCÜ YIL PHILIPS PERSONELİ	50	100
903	ZEMİNKENT	54	95
904	ZERKON DOĞA	68	95
905	ZEYNEP	7	80
906	ZİHNİPAŞA	44	100
907	ZÜMRÜT İKİBİN	43	100

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1999-2002	Middle East Technical Uni.	Research Assistant
1998-1999	Kentkur Project Consultancy Inc.	City and Regional Pln.

FOREIGN LANGUAGES

Advanced English, Beginner Russian

PUBLICATIONS

Alp Ali, Özkan Alper, "A Proposal for an Integrated Real Estate System in Turkey with Reference to *The Mystery of Capital*", İşletme ve Finans Dergisi, Eylül 2005, Sayı 234

Özkan Alper, Türkiye'de Köylülüğün Çözülme Süreci, Planlama Dergisi, Şubat 2004, ŞPO Yayınları