

**THE EFFECT OF POLITICS ON INTERNATIONAL BUSINESS A
DESCRIPTIVE RESEARCH OF TURKEY**

GÖZDE YILMAZ

**IŞIK UNIVERSITY
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GÖZDE YILMAZ

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GÖZDE YILMAZ

APPROVED BY:

Assist. Prof. Damla Özekan
(Tez Danışmanı)

Gelişim Üniversitesi

Assist. Prof. Evrim İldem Develi

İstanbul Ticaret Üniversitesi

Assist. Prof. Levent Polat

Işık Üniversitesi

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ABSTRACT

The purpose of this study is analyzing the effect of politics on international business in Turkey and all over the world. How effective are political factors for managers in regard to growth of the corporations? What is the dimension of political awareness of managers and employees and what kind of arrangements can be made? Does socio-political issues affect on purchasing behavior of the consumers and which issues have been concentrating in? The thesis is going to find answers to these questions. Total 37 SME managers and 100 consumers participated in the research. After gathering the qualitative data within surveys, it was evaluated as quantitative extent through SPSS program. In addition to the normal distribution and reliability of the data; t-Test, ANCOVA, ANOVA and linear correlation analyses were implemented. Findings proved that the managers of SMEs consider the political factors and they are affecting positively. Also, results demonstrated that political aspects deter consumers' brand preferences. In regard to categorical variables, mostly bachelor degree graduates, young and middle-aged, both male and female participants stated that politics is influential on international business, but when the detailed statistical analysis is examined between the variables, any significant data cannot be observed.

Key Words: Political factors, political environment, political behavior, political economy, political risk, political activism, globalism, international trade and business, small and medium sized enterprises (SMEs), multinational corporations, non-governmental organizations (NGOs), corporate political activity (CPA), strategic management.

SİYASETİN ULUSLARARASI İŞLETMECİLİK ÜZERİNDEKİ ETKİSİ TÜRKİYE’NİN BETİMLEYİCİ BİR ARAŞTIRMASI

ÖZET

Bu çalışmanın amacı Türkiye’de ve dünyada siyasetin uluslararası işletmecilik üzerindeki etkisinin incelenmesidir. Şirketlerin büyümesi konusunda siyasal faktörler yöneticiler için ne kadar etkili? Yöneticilerin ve çalışanların siyasal farkındalığı ne boyuttadır ve ne gibi düzenlemeler yapılabilir? Sosyo-politik konular tüketicilerin satın alma davranışı üzerinde etkili midir ve hangi konular üzerine yoğunlaşmaktadır? Tez işte bu sorulara cevap bulmaya çalışacaktır. Çalışmaya; Türkiye’den 37 küçük ve orta ölçekli şirket sahibi, ve 100 tüketici katılmıştır. Nitel veriler, anketlerle toplandıktan sonra SPSS programı vasıtasıyla nicel haliyle değerlendirilmiştir. Verilerin normal dağılımı ve güvenilir olmasının yanısıra, hipotezlerin kanıtlanması amacıyla T-test, ANCOVA, ANOVA ve korelasyon analizleri uygulanmıştır. Bulgular, küçük ve orta ölçekli şirket sahiplerinin siyasal faktörleri dikkate aldıklarını ve olumlu yönde etkilendiklerini ortaya koymuştur. Ek olarak, sonuçlar, siyasal yönelimlerin tüketicilerin marka tercihleri üzerinde etki yarattığını göstermiştir. Kategorik değişkenler hususunda ise, çoğunlukla üniversite mezunu, genç ve orta yaşlı, hem kadın hem erkek katılımcılar siyasetin uluslararası işletmecilik üzerinde etkili olduğunu belirtmiştir, ancak değişkenler arasında ayrıntılı istatistiksel analiz incelendiğinde kayda değer ve anlamlı veriler gözlemlenmemiştir.

Anahtar Kelimeler: Siyasal faktörler, siyasal çevre, siyasal davranış, siyasal ekonomi, siyasal risk, siyasal aktivizm, globalizm, uluslararası ticaret ve işletmecilik, KOBİ’ler, çokuluslu şirketler, sivil toplum kuruluşları, kurumsal siyasal aktivite, stratejik yönetim.

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I want to special thanks to my daddy whole-heartedly who I always miss.

Lovingly dedicated to my beautiful mother Ar. İclal
Yılmaz, a graduate of İTÜ in 1986

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ABBREVIATIONS

APEC - Asia Pacific Economic Cooperation

CPA - Corporate Political Activity

EEA - European Economic Area

EME - Emerging Market Economies

EU - European Union

FDI - Foreign Direct Investment

GDP - Gross Domestic Product

ILO - International Labor Organization

IMF - International Monetary Fund

IPE - International Political Economy

IPLC - International Product Life Cycle

IR - International Relations

MNC - Multinational Corporation

NAALC - North American Agreement on Labor Cooperation

NAFTA - North America Free Trade Agreement

NGO - Nongovernmental Organizations

OECD - Organization for Economic Co-Operation and Development

R&D - Research and Development

SME - Small and Medium Sized Enterprise

SPSS - Statistical Package for the Social Sciences

TNC - Transnational Corporations

TUSIAD - Turk Sanayicileri ve İş İnsanları Derneği

US - United States

WPA - Works Progress Administration

CHAPTER 1

1.INTRODUCTION

The oldest existing expressions of economic theory came down to us from the Oriental theocracies. The overall ethos of the relating type of social life was to take imitation as the vital premise of education and to consolidate emerging civilization through the heredity of the various functions and professions, or even through a structure of strata, hierarchically limited to one another according to the origins of their multiple workplaces, both under the popular presiding position of the sacred caste. This was in control of the conventional stock of concepts and how they were applied for disciplinary reasons. Based on this conveyed corpus of practical ideas, it aspired to manage human existence in all of its domains fully. The main objective of this social structure is maintained, and its most notable attribute is consistency, which tends to degrade into immobility. But there is little question that the useful arts advanced steadily under this regime. Successive cultures acquired them, with the structure of divisions or castes preserving the level of labor division established in the early ages (Ingram, Scott, & Ely, 1915). The first significant growth of crafts in contemporary Europe dates from the 1400s and 1500s, and the rise of industrial enterprises did not occur in the Middle Ages. Agriculture follows second; while feudal rulers seek to change their self into agricultural sector heads, their traditions and assumptions hinder this process, and agrarian industry advances gradually. Therefore, this does progress partly due to the urge to get superior manufactured goods purchased from elsewhere or made at home by increasing skill, and partly as a result of wealth gained in the pursuit of urban sectors being spent on land. Some of the city trade organizations appear to be quite old, but it wasn't until the

thirteenth century that they became legally recognized and controlled that they gained prominence. Most economists, who insist on applying notions from the 1800s to the Middle Ages, have been far too harsh in their condemnation of these organizations. Indeed, they were unsuited for the recent era, and it was essential for them to vanish; their life had been unnecessarily extended. However, they were initially quite valuable in several ways. They served as a crucial gathering place for the emerging industrial powers, bolstered by the esprit de corps they generated. They increased technical proficiency by taking pains to ensure stability and completed implementation of the goods manufactured in each locale. St. Louis attempted the wider reach of Paris' trades to advance the industrial arts. Corporations also developed excellent ethical practices through the type of spontaneous inspection that they used. They sought to build social emotion within the confines of each profession when a broader public attitude was barely discernible (Ingram, Scott, & Ely, *The Middle Ages*, 1915). The Catholic-feudal structure was torn down in the 1400s and 1500s due to internal struggles, while the essential parts of a new regime rose underneath it. The natural breakdown of the medieval framework is led to a series of organized attacks that further dismantled it in the second stage of the early modern era, which began at the beginning of the 16th century. The urge toward a new structure, including temporal and metaphysical, becomes firmly evident in the final stage, which roughly corresponds to the 18th century, first in the philosophical and general writings of the age, and then in the famous French outbreak (Ingram, Scott, & Ely, *MODERN TIMES: FIRST AND SECOND PHASES*, 1915). The first stage was characterized by the uncontrolled collapse of the medieval structure on one side and the development of numerous vital parts of the new system. Religious force became less suitable and capable of fulfilling its spiritual mission, and social action was increasingly left to the erratic urges of human energy, which were frequently engaged in favor of desire and greed. In the middle of the developing moral and intellectual turmoil, robust regimes were constructed to protect secular authority. The separation between the employers and the employees first was strongly formed in this field of business. At the same time, set ties between both were rendered feasible by the limitation of military experience and duty to a single vocation. Nicole Oresme, who had been a tutor of Charles V, King of France, and dying Bishop of

Lisieux in 1382, has been mentioned by Roscher and Wolowski. Roscher hails him as a brilliant economist. His *Tractatus de Origine, Natura, Jure, et Mutationibus Monarura* (reprinted by Wolowski, 1864) includes theory money that is nearly accurate according to 19th-century viewpoints noted with such briefness, clarity, and simplicity of language thus to prove a mentor wrote the work. The emergence of social pressures was primarily unexpected during the first modern phase. In the second, they had become an instrument of structured guidance on the part of governments. Having considered financial methods of Middle Ages, they couldn't last, they cannot pursue their military and political aims any other way than through increased taxation indicating enhanced social wealth. As a result, the sector had become a constant concern for European states, and it even evolved towards becoming their primary policy goal. The commercial structure evolved and expanded in organic accord with these circumstances, reaching its pinnacle around the mid-1700s. At its most advanced form, the Mercantile ideology equates prosperity with money. It considers it the primary purpose of society to arrange its interactions with other civilizations in such a way as to draw the most significant possible amount of valuable metals with itself. Any state must export the most considerable amount of its own manufactured goods while importing as few as appropriate from other nations, getting the gap between silver and gold. The term "trade balance" refers to the difference between the amount of money gained and paid. To achieve such a balance, states must use all means available, including prohibitions or tariff barriers on the import of foreign goods, rewards on the exporting of domestic goods, and export restrictions on valuable metals (Ingram, Scott, & Ely, *MODERN TIMES: FIRST AND SECOND PHASES*, 1915). The mercantilist thinkers were fascinated by the fact that money is a unique kind of wealth, which is why it is always in high demand, and that it gives its owner the capacity to acquire all other goods. With strong states at their lead, the development of big nations was once again a feature of the age. Such conditions needed workforce and resources to maintain regular troops, which were maintained in large numbers, particularly for religious and other conflicts. The expansion of manufacturing was a reaction to trade expansion, which the foundation of colonial possessions had given a new and robust field. Politicians hoped to turn the colonized commerce into a fresh source of public revenue by treating those as properties to be managed for the benefit of

the home nations. Production was regulated methodically to ensure the quality and affordability of export products and preserve the country's position in international markets. The government exerted direct industrial supervision but primarily by favored enterprises and trading firms. Import tariffs were imposed, maybe primarily for revenue purposes at first, but later for the sake of national output. Commerce agreements were a primary diplomatic goal, intending to exclude competition in international markets while leaving as little opportunity as possible to enter anything except raw commodities from outside in domestic markets (Ingram, Scott, & Ely, MODERN TIMES: FIRST AND SECOND PHASES, 1915). The third stage of the industrialized world's internal organization saw a total disconnect of banking from ordinary commerce and a greater range of its activities, particularly thru the network of universal credit, and a significant increase in the use of machines in producing (Ingram, THIRD MODERN PHASE: SYSTEM OF NATURAL LIBERTY, 1915). In this context, Human capital is a notion initially introduced in Adam Smith's work in this area (1739). Human capital, according to Smith, is the total of a nation's population learned and functional qualities and capacities. This notion started to be explored in economics around the end of the nineteenth century and continued through the twentieth century. Nevertheless, Johnson, Schultz, and Becker are the most prominent researchers in the field of human capital today. Workers own wealth, according to Johnson, not because they own the company's stock but because they gain knowledge and skills with economic worth. In another sense, workers seek pay from owners of capital above the trade value of their labor, based on their knowledge and abilities. In other words, they seek more rewards in proportion to their knowledge and abilities than people not having such skills and expertise (Tari, 2017). During this phase, it'll be useful to take a step back and consider the teachings of Carey, an American economist. People of the US had not done much in the field of science before him. Benjamin Franklin, a man of global importance, wrote a number of writings, which mostly only reinforce practical teachings of industry and economy, but some of which also include important theoretic concepts. As a result, half a century before Smith, he proposed human labor as the fundamental measure of wealth, like Petty had said before him. (Modest Inquiry into the Nature and Necessity of a Paper Currency, 1721), He shares thoughts similar to Malthus's in his remarks upon the

Increase of Mankind (1751) (Ingram, THIRD MODERN PHASE: SYSTEM OF NATURAL LIBERTY, 1915). Ray Fair (1978) has shown us that macroeconomic factors commonly impact percentage vote in American presidential races dating back to 1916. While economic growth is strong and inflation is low, the existing party's share of the vote is expected to rise. Because the economy and voting habits are so inextricably linked, existing policymakers have a motive to influence the economics as elections approach. Creating a politic business cycle is the idea that politicians would change the economic climate for short-term political advantage at the price of long-term economic security. Heckelman and Whaples (1996) used the conventional technique used within empirical work of modern political-economic cycles to look for cycles between the Civil War and the Great Depression. From 1869 through 1929, they found little indication either real or nominal GNP, or the GNP deflator, were considerably different than predicted in the year of or the year following a presidential race. From 1905 to 1984, Davidson, Fratianni, and von Hagen (1990) use a big time. During this time, they cannot discover robust evidence of a classic political business cycle or systematic shifts in policy aims or policy actions based on party rule. They do, moreover, look for changes in the economy based on previous conditions, and they discover that patterns have been significantly affected leading up to elections just when macroeconomic results in the recent history had been unpleasant to the incumbent: rampant inflation, an increasing unemployment rate, an increasing deficit, and a downturn in money expansion. Klein (1996), on the other hand, adopts a different perspective. Klein examines economic cycle pivotal moments, as determined by the National Bureau of Economic Research, rather than the real numbers of economic indicators. He discovers that 26 of the 34 presidency elections made between 1854 and 1990 had placed within an expansionary phase. Whereas he finds that expanding is much more likely to stop soon after elections, he doesn't discover that contractions seem to be more likely to terminate just before one. As a result, his proof for political-economic cycles is a little shaky. Klein further discovers that turnaround moments fluctuate depending on which party is in power. After Republican elections, expansions are more likely to cease, whereas contractions are more likely to terminate shortly after Democratic triumphs. Following WW1, such biased conclusions are even stronger. The very first period of Nixon's presidency

remained the most compelling evidence for a political-economic cycle. Some researchers claim that this was the inspiration for Nordhaus's (1975) first conceptual perspective of the political-economic cycle (Keech 1995, p.54), the foundation for most empirical testing. Keller and May (1984) provide a specific example of Nixon's policy cycle from 1969 to 1972, highlighting his employment of expansionary fiscal and monetary policy in the first two years, salary and cost controls in the middle of 1971, and ultimately fast financial development and strong growth in late 1971 and 1972. They argue that only the cycle's growth phase is proof of electoral fraud, whereas the early shrinkage is compatible with the current Republican Party doctrine. For governmental political-economic cycles, little data has been gathered. Heckelman is an outlier for past governor elections (1998). The data supports the states' hypothesis of a political employment cycle when contrasting beneficial employment levels in countries with or without a governor election between 1870 and 1910. Since political tools would also need to be altered to impact the economy, epidemiological research of modern political cycles has recently focused on policies rather than economic cycles. The absence of proof of political-economic cycles is compatible with either no effort at manipulating or policy cycles that did not provide the expected impact thanks to other external factors and macroeconomic policy's crudeness. Also, when political-economic cycle data is limited or non-existent, there appears to be considerable evidence of recent policy cycles. Since Gavin Wright's (1974) research, scholars have generally concluded that Roosevelt's voter worries influenced expenditure allotments across the nations much as financial requirement (Couch and Shughart 1998) because of an unproportional share of government expenditures under the New Deal ended up going to probable swing states. According to Anderson and Tollison (1991), legislative self-interest affected expenditures additionally. On the contrary, Wallis (1987) notes that payouts to Southern states had been smaller part thanks to their disposition to require good thing about federal finances, indicating that political ambition and economic necessity were vital. Couch and Shughart (2000) began testing the matching grant theory on one side of latest Deal expenditure, the Works Progress Administration (WPA). They found that federal property possession, political self-interest, and state economic necessity all had a job in influencing however WPA funds were distributed throughout the states (Heckelman,

2001). According to market economy, the state is to blame for upholding peace, justice, and honest taxation. The rating process's hidden finger regulates demand and provide in markets in such the simplest way that it's continually within the public's interest, and market economy is usually within the public's interest. The rating process's hidden finger manages demand and provide in markets during a method that's continually within the public's best interests, and market economy is usually characterized in and of itself. "Every person endeavors to create the annual financial gain of the society as giant that he will," Smith says, "as all and sundry to use his assets within the supporting of native production, and to guide that sector so its product could also be of most worth." whereas he solely needs to achieve cash, he's being guided by AN invisible force during this example, as in others, to attain results that weren't at first meant for him. According to Bruce Scott, capitalism can be described as with their levels; political authority, institutional foundations and economic markets. In economic markets at the top, there are factor, firm and consumers within factor markets which are land, capital and technology, and, product markets which are goods and services. In the middle, institutional framework exists including policy regime, regulator, social and physical infrastructure, also, both of these two levels are involved in external environment. In the third bottom part, political authority is existing with civil society, culture and ideology which are having direct interaction with politics (Scott B. R., 2006). By desegregation public selection with "elite theory," Randall Holcombe provides it a historic part. As a result, he involves a contentious thesis: market economy has been replaced by a replacement national economy referred to as "political market economy." Holcombe uses the term "political market economy" to sit down with what's usually spoken as "crony capitalism," and as he points out, the notion is well created. folks of all political stripes believe that the yankee economy is ruled by a robust combination of moralist business and political interests. Political market economy, in line with Holcombe, could be a new system break free socialism and market economy. He credits goop Weber with coining the phrase, that he says was accustomed "define the economic and political structures of ancient Rome." Holcombe adapts the concept to contemporary America. "Political market economy, wherever the economic and political aristocracy maintains the system for his or her profit, is simply not market economy and should be

studied as a special national economy," the report finished (Gordon, 2019). Although it would be stupid not to see politics as a possibly destructive power, when used correctly, it may assist a firm in meeting its strategic goals and upholding its principles, particularly during times of organizational transformation. Organizational politics encompasses a wide range of actions involving impact methods to advance corporate or personal purposes. According to studies, individuals having political abilities do greater than their politically ignorant counterparts in terms of earning greater power and controlling stress and job expectations. They also have a more significant influence on business outcomes. Executives may regard political maneuvering as unethical, and they may seek to disassociate themselves from such actions. They find it difficult to accept that such actions may be beneficial to the organization and its participants. To solve these issues, we must first map the political landscape, consisting of four metaphorical contexts: weeds, stones, high ground, and the woods. Each has its own set of principles for successful navigation. Managing these areas necessitates an understanding of two key areas. The first one is the degree to which political action occurs. Individual players and their political talents are at the heart of political trends. These habits have the potential to develop into collective behavior. The degree whereby the power source is softer (informal) or more complex (formal) is the second aspect of the political climate (formal). Soft power is implicit and relies on persuasion, connections, and social conventions. Role authority, expertness, directions, and prize/control systems are all used in political action founded on formal or visible power. Individual interaction and unstructured connections reign in the weeds, and that's a dynamism that evolves spontaneously and requires little upkeep. Personal interactions and formal forms of authority, like title, function, competence, or availability, are the foundations of force in "the rocks." Political capital may also come from belonging to or having strong relationships to elevated groups like the finance committee, a specific mission force, or the supervisory board. The word "high ground" refers to the norms, institutions, policy guidelines, and processes that govern political activity. These norms and functions have the advantage of providing a balance against the inclinations of charismatic or dictatorial personalities at the individual level. Organizations have implicit conventions, concealed assumptions, and unwritten rituals in addition to their standard guidelines and process,

and here is where "the wood" begins. The woods may give protection and security for your employees, or they could be a perplexing environment where wonderful ideas and significant improvements get lost. Comprehending the political landscape can assist CEOs in combating ineffective politics. However, it's equally crucial to remember that each terrain has good characteristics (Jarrett, 2017).

1.1. Purpose of the Study

The topic of the thesis is 'the effect of politics on international business' which both political aspects and business issues has a significant interaction for company managers, government officials and consumers in contemporary capitalist world order.

The study has two goals; first one is to reveal the reciprocal interaction of politics and business and the second one is to discover whether gender, age, education level, business sector and political identity of company owners and consumers affect business cycle with their legal and socio-political attitudes.

1.2. Research Questions

The research questions of this study are;

1. How effective are political factors for managers in regard to growth of the corporations?
2. What is the dimension of political awareness of managers and employees and what kind of arrangements can be made?
3. Does socio-political issues affect on purchasing behavior of the consumers and which issues have been concentrating in?

1.3. Definitions of Concepts

Politics: People's activities which includes regulation, protection and arrangement of rules. The term is closely associated with conflict and cooperation, and involve in different political views like art of government, public affairs, negotiation and accordance, as well as allocation of resources and rulership (Heywood, 2007).

Politics factors: Containing the issues for government to determine the

measurement of state intervention on economy. The scope of political factors includes; trade restrictions, labor law, foreign trade policy, political stability and instability in offshore market, government policies, environmental law and tax policy (MARKETING THEORIES – PESTEL ANALYSIS-Political Factors).

Political behavior: Participating in a political process and activity as both individually and collectively that engender political consequences with regard to state government and policy. It signifying legitimate and illegitimate manners of political participation and activities such as interest groups' activism, voters' electoral acts, social movements, revolution (coups d'état), military coup and terrorism (Scott & Marshall, 2009).

International business: Profit-oriented business operations beyond the national borders both privately and governmentally including human capital, research and development, marketing and manufacturing, as well as providing goods and services (I. Katsioloudes & Hadjidakis, 2007) (Petkovska, Jankulovski, & Grozdanovska, 2017).

Business types: Establishment of a company based on the juridical statute, including; sole proprietorship, partnership, limited partnership, corporation, limited liability company, non-profit organization and cooperative (Business structure – What is a business structure?) (Kinnison, 2019).

1.4. Significance of the Study

The significance of the study is enlightening government officials to regulate and implement necessary legislation in order to develop national economy and advantage to small and medium sized companies in Turkey by considering the outcomes of the study. Additionally, company owners can take into consideration the consumers' views and overcome their sales targets by doing strategic planning in the light of this thesis. The empirical study of Hadjikhani, Pourmand and Thilenius revealed the effect of political decisions directly or indirectly on SMEs and MNEs business firms and their performance are very high in Sweden. They reached 134 SMEs to fill out the survey in order to demonstrate 4 designated hypotheses and obtained the reliability values of 0.83 for business relationship support, 0.87 for business relationship coercion, 0.75 for firm's business performance and 0.59 for political connection (Hadjikhani, Pourmand, &

Thilenius). Additionally, the recent study of McKinsey survey by Dua, Heil and Wilkins was revealed that governmental actions have positive effect on economic values of companies unlike laws and implementations of the rules. The study includes 1,167 managers from China, European Union, India, Mideast, Africa, United States, Asia-Pacific countries and was focused on beneficial impact of accomplished capableness for governmental relationships, consideration and sponsorship of CEOs in terms of government relationship as a top primacy, influential company business units and functions for a better relationship with the government and importance of attempt to primary market and their capability in order to affiliate with the government (Dua, Heil, & Wilkins, 2009). This thesis research is subjected to Turkey's SMEs and citizens based on political factors and behavior within compare and contrast of world countries focusing on international business.

CHAPTER 2

2.RELATIONSHIP BETWEEN POLITICS AND BUSINESS

Emerging markets have faced with different developments from 2010s within their political environment. Because of the increase in protests and conflicts in countries like Ukraine and Egypt, political instability arose in contrast of countries like Indonesia and the Philippines which improved themselves remarkably. Egypt was placed in 189th out of 203 countries in the World Bank's Political Stability and Absence of Violence index in 2013. Since Political stability affects investor and consumer confidence leading to having a wider impact on the economy, it is important for business environments in EMEs. In the World Bank's Ease of Doing Business (Doing Business) report of 2015, Poland was ranked 32nd out of 189 countries, and having a stable political setting significantly helped this process. On the other hand, countries like Brazil, Egypt and India having growth in their political instability has led to undermined business environments. Within this scope, constant changes in political stability have negative impacts on investment, economic growth and consumption in EMEs. However, foreign direct investment (FDI) inflows to Indonesia, between 2008-2013, literally grew by 66.5% which was accomplished by improved political stability and business environment reforms. While Ukraine suffered from capital flight, with FDI intensity declining from 4.5% of total GDP in 2011 to 2.1% in 2013 because of its political turmoil. Increasing political instability has also blocked the potential of growth of emerging markets like Egypt and Ukraine. Egypt's annual real GDP growth was decreased from 5.1% in 2010 to 2.1% in 2013. Rising inequality of income such as rampant corruption and high unemployment rates in some of the markets keeps

maintaining political stability as a challenge for EMEs for the years ahead. A standard for measuring income inequality is China's Gini index – with a higher value corresponding to higher inequality – increased from 40.2% in 2000 to 47.3% in 2013.

Since its relation with business environments in EMEs, political stability is a critical indicator for businesses. Because of good governance facilitates reforms and investments, EMEs enjoy political stability, for instance, UAE, Chile, Poland and Hungary often offer favorable business environments for firms. For example, Hungary's ranking in the Political Stability and Absence of Violence index was 59th out of 203 countries in 2013, whereas it was ranked 54th out of 189 countries in Doing Business in 2015.

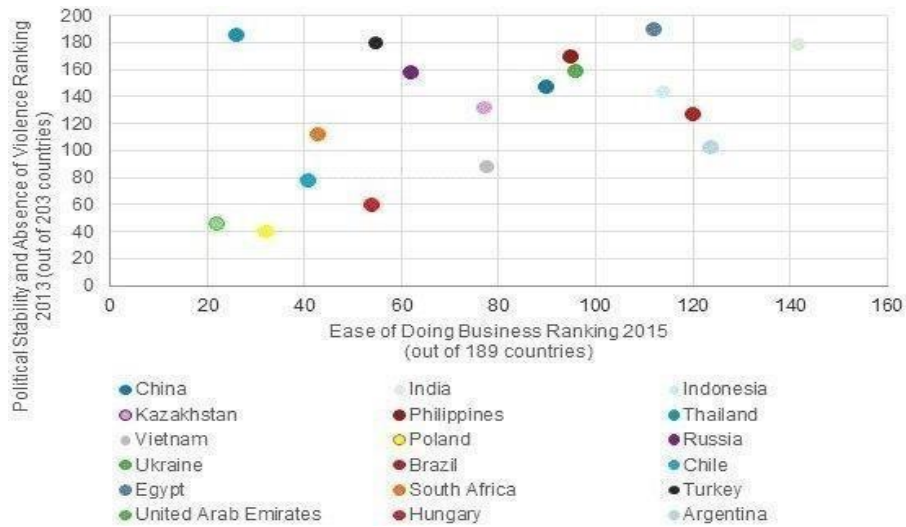


Figure 2. 1. Political Steadiness and Lack of Violence 2013 Index and Amenity of Doing Business 2015 Gradation in Chosen EMEs

Source: (Changes in Political Stability Impact Business Environments in Emerging Markets, 2014)

EMEs business environments, which have implications directly for FDI, tourism and other economic activities that take place in emerging economies, are affected by recent changes in the political situation. Contrary to political stability that will help to attract FDI, increasing political turmoil will undermine investor confidence therefore will have impact on FDI inflows. All 25 key EMEs, in total of FDI inflows, reached US\$511 billion in 2013, resulting in 35.2% of the world’s total FDI inflows, up from 29.7% in 2008 (Changes in Political Stability Impact Business Environments in Emerging Markets, 2014).

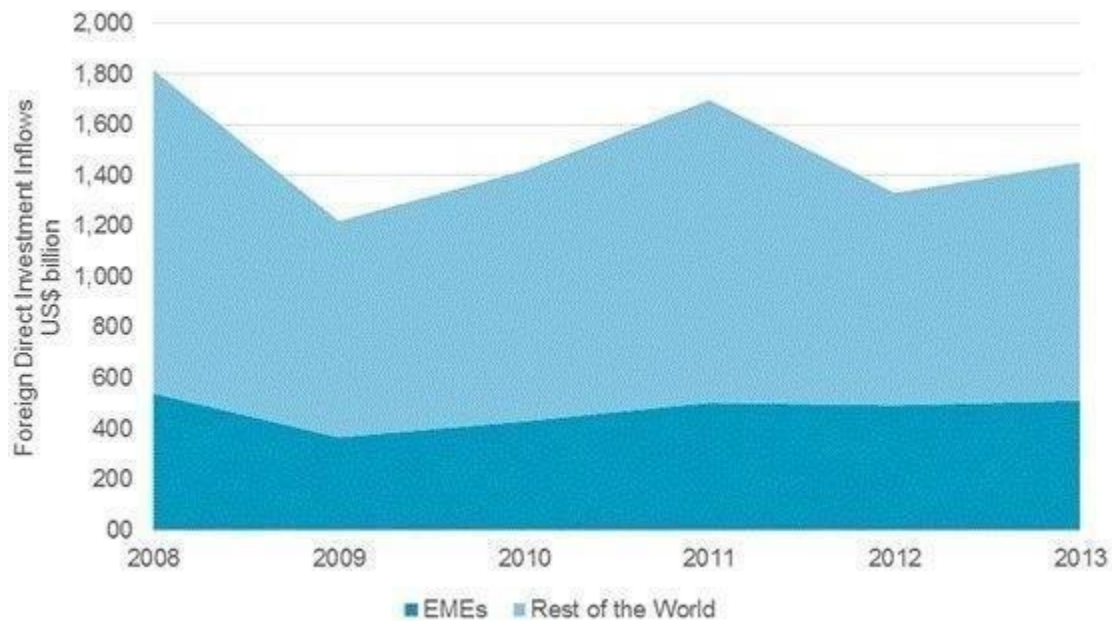


Figure 2. 2. Worldwide FDI Interflows: 2008-2013

Source: (Changes in Political Stability Impact Business Environments in Emerging Markets, 2014)

Many regulations and policies that guide businesses are set by governments. Some of the rules such as minimum wage, are necessary, while other policies may or may not influence your business indirectly. Businesses are required to be flexible enough in order to respond to changing policies and rules. It is a fact that not only limited to national level, but also more locally as well, since states and municipalities own their sets of rules. Surely, there are also international treaties that may affect the way companies conduct business. We can describe the mutual effect and reciprocal relationship of politics and business in five phases. Policy as a Market Catalyst; a policy can be implemented by the government which alters the behavior in the business environment. As an example, taxes on the usage of carbon-based can be levied by the government and subsidies for businesses which use renewable energy can be granted. The government is able to guarantee the development of new technology which will bring the crucial change. While investors will lose interest in that sector if more taxes or duties are implemented on a particular sector more than obligated, exemption of these tax and duties on these sectors can trigger investment that will generate growth. For instance, in

order to encourage local production, a high tax rate can be implemented on imported goods, however, a high tax rate for raw materials will hinder domestic productivity. Political Stability and Political Culture; Government policy will rely on political culture of the moment all the time. Policy crafted in an unstable country will be different from the one that is crafted in a politically stable country. In order to promote local businesses and attract foreign investors, a stable political system which can make business-friendly decisions must take place. Governments getting money to spend which is from taxation is Government Taxation and Spending. Meaning, inclined spends, more taxes or borrowing. Especially for entrepreneurs who take risks by starting and managing businesses, any increase in tax will impact negatively on investment. One of the other negative impacts of increased spending is it depletes limited pool of savings which leads to leaving less money for private investment. Therefore, because of reduced private investments, production of goods and service declines. Which may result in elimination of jobs. Setting Interest Rates; Government policy is able to influence the interest rates which if increased a rise in cost of borrowing will take place in the business community. High rate in the interests will also be the reason for decrease in consumer spends. On the other hand, low interest rates will attract investment because of the increased production in businesses. The short-term solution is the government printing more money to influence interest rates but it will eventually result in inflation. Businesses cannot grow in a high level of inflation environment. Regulations and Permits; Trade regulations, requirements for permits or licenses and the federal minimum wage affects business. For instance, periodic health inspections are obligated to be carried out in all restaurants. Businesses may have to spend lots of money and time to comply with regulations which in the end prove to be ineffective and unnecessary. On the other hand, fair and effective regulations will ultimately promote business growth (Williams, 2019).

2.1. International Political Economy and Theories

The structure of market functions includes political rules and regulations. Economic power is a significant fundament for political power. Economics belong to prosperity and politics belong to strength complicatedly. The root of international

political economy (IPE) constitutes politics and economics with states and markets in international context. IPE is focusing on wealth and poverty within self-interested gains in the international system. Scholars believe that IR should be considered as subtopic of IPE as an extensive discipline and including international researches both IPE and IR should be embraced as subtopics. The split between political sphere of the government and economic sphere of the market creates modern and capitalist society. Economic Liberals think that if the economic system works by itself without political intervention then it would reach the peak. Free market does not refer a system without politics. The term free market consists of conditions of employment, taxation, consumer and producer protection, and treaties. Both politics and economics are mixed within complexity in liberal free market economic orders. After World War II ended, government officials established to raise international exchange and economic growth which is called as Bretton Woods system. This international money management system determines the rules of commercial transaction and financial operations between the prominent states in the world. It is free trade with open system within converting currencies into other monetary units. In 1971, President Nixon decided to declare new economic policy without applying nobody; the dollar could not be transformed to gold and the US impose %10 overcharge on imports that are liable to duty (Jackson & Sorensen, 2013).

The root of mercantilist theory is originated in 16th and 17th centuries and associated to modern and sovereign state. Prominent political elites who are the creator of modern state believe in mercantilism and thought that strong state can be built by conducting economic activity, thus economics is a component of politics and a fundament for political power. Mercantilists believe that every nation has its own self-interest so international economy is a conflicting phenomenon but not cooperative or does not seek reciprocal gain. This situation is called as zero-sum game which means if a state lose another one will win. Because of the material wealth and power of military and politics as threats, states should be aware of economic winnings. Mercantilist and neorealist views have intimacy for each other due to competition and conflict between states in the anarchical world order. Economic competition between countries emerges in two side; benign mercantilism and malevolent mercantilism. First one emphasizes that states take care of their national economic interests in order to provide their own

national security that does not need any negative impact for other states. Second one implies that by implementation expansionist policies, states have to presume on international economy. Liberals suggest a different view that economic wealth via free trade and open exchange against chase of strength through military posture and economic enlargement which means countries can keep up with economic advancement and commerce as they evolve trading states like West Germany and Japan after World War II. Mercantilist theory claim that economy must support growing power of the state, so politics should be superior than economics. As Great Britain got the most powerful industrialized era, other states should be developed in order to get more national strength as well. Merchantalist economists asserted the theory of productive power that emphasize how much states produce more than what they produce, thus the term powers of production is more significant, because wealth of the states is not belong to their store of prosperity. Mercantilism also concentrate on East Asian developmental countries which are China, South Korea, Japan and Taiwan and the theorists imply that economic achievement come along with economic growth always. Overall, Merchantalism states that main actors and units of analysis are the states, economic purpose should be state power, economic relations are naturally conflictual and zero-sum game exists, and politics is definitive in terms of the relation between politics and economics (Jackson & Sorensen, Mercantilism, 2013).

Economic liberals suggest that politics is not more important than economics. According to Adam Smith, markets tend to extend themselves for the convincing human needs which the state of government cannot intervene. He claims that rationalist individuals have mutual gains from free exchange and also the fundamental resource is economic marketplace which is wealthy, progressive and cooperative, but political intervention and government regularization is wasteful, reactionary and conflictual. Liberal economists have been developed many norms including executing economic development and people's welfare which indicates that economy can implement its own rules and mechanisms without any intervention, and the rules are subsistent for the process of economic procurement and troke. Additionally, liberals think that governments can necessarily intervene to politically. They believe laissez-faire which means nonintervention on economics without any formation and limitation. For the sake

of market, political legal rules should be implemented and laissez-faire should be understood correctly that government can apply political regulations with minimal underpinning for the straight market function. During 1930s, Keynes stated that one of the excellent advantage of citizens is market economy, but it's also a risky, nescient and ambiguous place. This issue can be solved by enhancing the administration of the market and Keynes positively concentrated on the management of the market eruditely by state. Keynesian views brought a breath into economic liberal theory which discourse market economy within state intervention and well-liked in the EU during the World War II. In brief, Liberalism belongs to main actors as individual citizens and private companies, natural economic relationships within cooperation and positive-sum game, maximum economic goals embracing individual and social well-being, and economics is autarchic in relation to economics and politics (Jackson & Sorensen, Economic Liberalism, 2013).

Karl Marx alleged that the context of economy includes human exploitation and inequality among classes. Economics is more important than politics for Marxism and capitalism contains two classes; bourgeoisie and blue-singlet working class. Bourgeois has means of production and proletariat has its own work force to vend bourgeoisie. Surplus value emerges when labour produce more and get lesser than its producing, and bourgeoisie obtains the value which is called as capitalist gain arise from labour exploitation. Marx think that capitalism is not obscurant or negative and it's a two sided process; firstly, it destroys feudalism which based on master-slave system and secondly, it supports social revolutionist thought which based on social control of means of production for majority working class. Materialist view embraced by Marxists which emphasize the basic activity in a society is producing people's means of existence. Politics and all human activities include basic economic production which contains forces of production. IPE is closely related to Marxism. Firstly, capitalist countries characterized with the interests of esteemed blue blood bourgeoisies within ruling-class interests that's why wars and conflicts emerge between states due to capitalist classes, so class confronting is more dominant than war between states for Marxism. Secondly, capitalism is pricey because new markets and ways of gain arise constantly. It is happening because of confrontations beyond the state borders by classes. At the

beginning it emerged as imperialism and colonization but in today's world it is observed as economic globalization under the guidance of transnational companies. Therefore, Marxism evaluates the history of IPE as the history of capitalist development all around the world. In brief, Marxism emphasize classes as main actors, class interests as economic aim, economics definitive for relation between economics and politics, and the nature of economic relations is zero-sum with conflict (Robert & Sorensen, 2013).

For a liberal international economy, there is a need of a strong state which should have both military and economic power in order to implement liberal rules in a liberal world market economy. Within this form, hegemonic stability theory is belong to mercantilism by Kindleberger and Gilpin, but not solely. Liberalism is also involved in this theory which claims that hegemon state cannot abuse international economic relations for its own interest and should provide beneficial free trade for all states in the world. Hegemonic stability theory is important because it provides international market in the power of liberal dominant power. If it does not exist, then open world economy cannot be came true and economic relations would be more nationalitarian, exploitable and rivalry would be preservationist within the thought of impoverish your neighbour. The US is hegemon in today's world but does not willing to create a liberal economic order by itself that's why America is not isolated from the other countries. Permutable power resources are essential for a hegemon to carry out its role. They can be used for various issues like military forces as they are not used for only wars but also security and leverin international policy. In the context of hegemonic stability theory, so-called public and collective goods within goods and services are significant for every state because they are very advantageous. Public goods cannot be rejected like air, lighthouse, currency system or trade in a free market which are useful for all states (Jackson & Sorensen, *The Relationship between Politics and Economics: The Debate on US Hegemonic Stability*, 2013). Liberals believe modernization theory which claims that developing states should follow the same path with developed states and what they explored before, so they should not be traditional, pre-industrial or agrarian but should become more modern, pre-industrial and mass-consumption. Development and modernization requires open- minded value systems, onward institutions and post-industrial production. Most of the economic liberals emphasize the modern sector which

can be provided by reservoir of labour of traditional sector that hinder economic development (Jackson & Sorensen, Development and Underdevelopment in the Developing World, 2013). Economic liberals argue the dependency theory which does not anticipate capitalist development as the same capitalism in Western Europe and North America. The theorists embrace decentralization and democracy unlike Soviet model but like Socialist model. Their goal is not producing alternative developmental models for capitalism and economic liberalism but criticizes capitalism in developing world so this theory is against the capitalism and provide theoretical tools to the states for protect themselves from globalized capitalism (Jackson & Sorensen, Development and Underdevelopment in the Developing World, 2013).

A country can manufacture some goods more effectively than other countries, according to Adam Smith's absolute advantage hypothesis. This is premised on the idea that a country's advantages in the production of commodities may be natural (environment and natural resources) or acquired (skills and technology). Smith's labor division in the manufacturing process was expanded to include labor and specialized product across nations. Each country would focus on a product that it was better adapted for. For the same amount of money, more could be produced. As a result, a country with an absolute advantage might create more overall and commerce goods for inexpensive items than those produced domestically. In the manufacturing of olive oil, Spain has a distinct edge. Spain produces one unit of olive oil in fewer person-hours (two as opposed to four) than the United States. In the creation of footwear, Italy, on either side, has a distinct edge. Italy produces one item of shoes in fewer person-hours (two as opposed to four) than the United States. The manufacturing of olive oil in Spain is clearly more effective. Producing one unit of olive oil in Italy requires four person-hours, but building the very same quantity of olive oil in Spain takes just two person-hours. Creating the same amount of product in Italy requires twice a person-hours. Italy requires two person-hours to make one unit of shoes, while Spain requires four person-hours. To create the very same unit of shoes, Spain requires two more person-hours than Italy. In terms of relative production efficiency, the two countries are diametrically opposed. (I. Katsioloudes & Hadjidakis, 2007).

Ricardo introduced the law of comparable costs for perhaps the first instance

in his model of international commerce. The easiest way to demonstrate the principle of competitive advantage is to use the case of two nations (Spain and Italy) manufacturing two products, olive oil and shoes. If the relative value of olive oil to shoes for both nations is the same, no commerce will actually occur since there is no benefit in trading these products produced in other countries for those produced at home. Wherever there are cost discrepancies, trade will actually occur. There are two types of them. To begin with, if olive oil is inexpensive in Spain and shoes are inexpensive in Italy, Italy will concentrate in shoes and Spain in olive oil, and trade will occur to their collective gain. Secondly, although both items are manufactured cheaper in one nation than in another, the trade theory establishes the conditions under which trading would actually occur. Italy sells one unit of olive oil to Spain and buys $120/100$ units of shoes in return. Italy would have created just $80/90$ pairs of shoes if it had spent the Eighty person-hours it spent manufacturing olive oil for exporting on fabric. As a result, Italy benefits from the commerce by the variability in shoe units ($(120/100) - (80/90)$). Italy will benefit out from trade as long as it can swap olive oil for shoes at a greater rate than $80/90$. If Spain sends one pair of shoes to Italy, it will receive $90/80$ units of olive oil in return. About $100/120$ units of olive oil might be produced if the 100 person-hours needed by Spain to create 1 unit of shoes were committed to domestic production of olive oil. As a result, the benefit from trading is $((90/80) - (100/120))$ units of olive oil. Spain will profit from the trade if it would swap shoes for olive oil at a rate higher than $100/120$. Both nations gain from the trade of olive oil for shoes in the $120/100$ and $80/90$ levels.

The prior concept was created principally by David Ricardo in the 19th century. It solely considers one element of manufacturing: labour. The Heckscher–Ohlin (H-O) model, referred to as factor proportions theories, extends the Ricardian concept by providing many production components. The conventional H-O models starts by increasing the number of factors of production between one to two. Capital and labor are assumed to be utilized in the creation of two final items in the concept. The physical machines and equipment employed in production are referred to as capital. Therefore, capital includes industrial equipment, conveyers, vehicles, forklifts, offices buildings, computers, office equipment, and more. One must possess all of the producing capital. Individuals and corporations possess the majority of physical capital in a capitalist

system. The government must own producing capital in a socialist system. The state controls some investment resources in most economies nowadays, but private persons and corporations hold the majority. Anyone who possesses ordinary shares given by a firm has a piece of the company and is eligible for profits or income build on the company's performance. As a result, the individual is a capitalist, or a capital holder. The According to the H-O model, the sole difference among countries is their relative inventories of production factors. Suppose countries vary in overall comparative relative factor and various industries employ elements in different quantities. In that case, it is proven that trade can happen, trade would be beneficial to the country, and trade will still have identifiable impacts on costs, salaries, and rentals. The main findings of H-O model's: Depending on the types of the nations, the H-O hypothesis assumes the structure of commerce among them. According to the H-O theory, a nation with a lot of capital would trade investment commodities, whereas a nation with a lot of labour would sell labor-intensive products. All in all, the H-O factor ratios theorem of competitive advantage nations that global trade equalizes for the unequal distribution pattern of productive assets, that tradable products are actually combinations of variables (labor, capital and land), and that global commerce is thus explicit hedging, transmitting the assistance of such inert production factors from places in which they are plentiful to places where they are rare. This implicit trade can, in some cases, totally remove price discrepancies. Regardless of new concepts in trade theory, the H-O theory remains incredibly helpful: in correcting partial adjustment presumptions supply of labour and pay rates; politically, in demonstrating that, while import duties have redistributionist impacts, those who decrease effectiveness; and empirical evidence, in true way facets of international trade patterns. (I. Katsioloudes & Hadjidakis, 2007).

In his effort to clarify global trade trends, Raymond Vernon noticed a cyclical occurrence in the structure of commerce among nations on the global market. Developed economies, which, in addition to offering high levels of income, can contribute to developing and participating in massive consuming, are the first exporters of commodities. On the other hand, they lose their exports to emerging nations and then to fewer advanced nations, ultimately becoming importers of these commodities. The lifecycle of produce idea identifies the four levels of the lifecycle of product. Louis

Wells identifies those four stages as regards: Foreign production starts, foreign manufacturing gets competent in export industries, and imported rivalry starts in the United States. The product line is a macro-level effort existing empirical to standardize trade trends across nations. As explanatory factors, it focuses on economy and innovation of scale. Vernon proposed a vicious circle of trade content among business partners at various phases of economic development. In marketing theory, the lifecycle of goods idea is a micro-level description of the phases of a service's product's life cycle in its economic lifetime. Vernon's product lifecycle concept is mostly production-oriented, with little attention paid to behavioral and sociocultural elements that affect consumers. Vernon's paradigm is built on industrial commodities in industrial jobs, and it mostly excludes trade in intangible things like trade marks and services. The IPLC and the production cycle vary markedly in two ways. The first one is the renewal or resuscitation of a brand in global markets that is in fall locally due to market forces or is on the threat of collapse. The second distinction is that a culture-specific product produced for the foreign market can reach a new product 's life cycle level that is not conceivable in the local market.

According to Porter, a country gains a competitive advantage if that is enterprises are competitive. Innovations allow businesses to be more competitive. Technology innovations to the goods or the manufacturing process are examples of innovation. He suggested a framework that lays out the requirements for a company to be globally successful and competitive. This approach is based on four basic criteria, which he organized into a diamond graphic. Factor factors, demand circumstances, related and supporting industries, and firm strategy, organization, and competition are the four main aspects of successful entrepreneurship worldwide. Generally, Porter's thesis suggests as the diamond's constituents become more prevalent, commerce grows. Moreover, the diamond's components form a system that is self-reinforcing. Domestic competition for final products encourages the formation of a dedicated interim goods sector. Customers become more intelligent as a result of fierce domestic rivalry, and they anticipate upgrades and innovations. Gathering is encouraged by the diamond. Porter stresses the model's importance of probability. Random occurrences have the potential to help or hurt a company's competitive standing. Major technical discoveries or innovations, acts

of violence and disaster, or abrupt fluctuations in currency rates are all examples. One can question why self-reinforcing aggregation occurs. Governmental Implications: In Porter's diamond system, the government has a significant role. Porter, like everyone else, believes that there are certain things that governments should never do and others they must. "The correct function of government as a driver and competitor is to encourage and even force enterprises to elevate their goals and advance to a greater level of competitive capability, even if this is an uncomfortable and even disagreeable exercise," he argues. Government can control whole four of Porter's factors thru a range of activities, including direct (monetary) and indirect (infrastructure) subsidies to firms, tax rules that affect corporation, business, or land ownership, academic regulations that affect worker skill levels, technical specifications and quality standards, such as environmental legislation, government purchases of services and products, and antitrust legislation. (Katsioloudes & Hadjidakis, 2007).

2.2. Political Activism of Brands

Branding political involvement is a marketing strategy in which firms utilize their company and culture influence to take a quasi-stance on a contentious issue. According to recent data from CMO Survey, despite the generality of advertising agencies believe their company would not pick up a political position, greater leading companies are beginning to endorse this approach for their companies. 17.4% of respondents believed that it was suitable for their company to pick up a political position. Endorsement has risen to 26.5 %, as according fresh data collected from 341 advertisers in July and August. According to the statistics, the majority of backers were B2C businesses (Moorman, 2019). Branding activism is a situation where a corporation communicates its values and ideas on societal, financial, environment, or political issues, a viewpoint that reflects the brand's significance. Consumers could well be bullied or preached at by advertisements as a result of marketing activity. More exactly, customers disagree or agree with the brand's political stance. Corporations exhibit honesty and trust when they have a solid political opinion. Also, to remind customers that the company is involved with the cause. Customers began to expect firms who did outstanding business in Europe to stand out and indicate their viewpoint when the news of Brexit initially broke. Large

businesses who sought to remain silent were targeted fiercely and lost customer trust. The most important part of building a group of loyal clients and thus improved loyalty to the brand is reliability. As a result, appreciating a customer's political and social emotion is a simple way to acquire their confidence. The more positive your position on political and social problems, the more likely you are to gain trust and build brand loyalty. The trend provides insight into the fundamental features of social and political topics on which companies should regularly take a stand and appreciate customer emotion. There are two types of customers: open-minded and liberal customers who seek more brand activity, and traditional customers who are logical but not suspicious of brand activism. This trend analysis citation claimed credit for the emergence of a social media network. This demonstrates that liberal customers have a larger demand for brand activism, and firms should take this into consideration (Kumar, 2020). Inside an age of global social networking sites and a leader who have never tires of tweeting, company political action seems fresh and innovative. Corporations that might have kept a careful quiet generation earlier are now speaking out loudly on various topics from gun crime to immigrant and freedom of speech, and they're revamping their advertising, selling, and lobby strategies to fit. Consider Dick's Sporting Goods' decision to prohibit assault rifles after a client, Nikolas Cruz, murdered and murdered his colleagues in Parkland, Florida. Likewise, internet giants Facebook, Google and Apple have spoken out against Trump's immigration issue, which addressed 7 Muslim-majority nations. Nike, which is no strange person to political action, has now entered the conflict. Colin Kaepernick, the infamous retired player of the San Francisco 49ers, has been appointed the subject of the firm's 30-year-old "Just Do It" marketing campaign. Since most of the world knows, Kaepernick is the footballer whom kneeled to protest racial inequality as the national anthem of the United States is being played before the beginning of the player's football matches in 2016. Kaepernick not only suffered public backlash for his decision, and he also lost his job as a franchise player after he was not being re-signed by a NFL team. The reality that Kaepernick is presently pursuing the NFL, a Nike partner, for conspiracy adds a layer of complexity to Nike's choice. In a CMO poll, researchers questioned marketers how they took the jobs they did. Some who claimed they might enter politics did so primarily due to social leadership: It demonstrates that their

organization is concerned mostly about generating money (75.7 percent), and it has a beneficial effect on their capacity to recruit and keep consumers and partnerships (69.7 percent), It improves the company's capacity to recruit and retain people (69.7%), as well as the capacity to distinguish itself in the marketplace(51.5 percent) (Moorman, What Do Marketers Think About Big Brands And Political Activism?, 2018). According to research, people are more likely to notice items that show corporate accountability. Surprisingly, 73 percent of people believe that brands should do more than just promote a product or service. After realizing this, many corporations try harder to develop socially responsible techniques for generating funds or advocating for a worthwhile cause. However, this type of action is carried out quietly behind the doors most of the time. This is obviously not incorporated into a customer strategy. In recent years, we've witnessed an increase in the number of incidents of businesses advocating for and using present political or social topics to inform commercials. It is unquestionably a risky strategy, and Pepsi may be used as an instance. Pepsi seemed to have gone it in to a social purpose without exploring the repercussions, and they truly felt the sun. Consumers are willing to reject goods which do not share their moral ideals, according to 57 percent of consumers. However, it was a one-time occurrence. Some businesses were socially or ethically concerned, and it paid off handsomely for them. There was also a solid presence of Airbnb. Airbnb released a commercial 9 days after Donald Trump issued a decree briefly closing America's borders for migrants during the coveted Super Bowl advertisement to show the quick reaction to the decision. The commercial, titled "We Agree" featured a group of people of various countries with the sayings: "We declare that we all participate, regardless of who we really are, where we came from, who we admire, or who we believe. Ever more beautiful the atmosphere is, the further you want to be a part of it. This advertisement was a huge success for the corporation, and it was one of the most popular ads during the Super Bowl. It significantly strengthened and facilitated Airbnb's overall posture on racism and diversity issues. The brand has previously been chastised for what was believed to be ethnic stereotyping on its site. In this sense, the commercial aimed to reassure viewers of the company's uncompromising stance on such a controversial topic. There are several examples of businesses that truly advocate for actual political and social problems. A

case report from P&G demonstrates how beneficial it may be to work on real-world political and social issues. This company was fascinated with the conflict between sexuality and identification. They've been thrust into the limelight for a good reason. Several businesses have abandoned gender stereotypes in order to portray their skeptically innovative attitude. P&G was also one of those. They launched the 'Campaign Like a Child' advertisement. This was utilized to promote the genuine essence of female's appreciation. They took this initiative a level beyond by forming the 'We See Fair' campaign, which was created to address sexual discrimination and promote equality for all. The multi-channel advertising, which was backed on social media sites and also television, featured boys & girls breaking gender stereotypes. The importance of the moment could not be overstated. It was promoted, especially after the election in the US, since many people found debates about gender and gender parity to be intolerable. In regard to proving the issue, the report claims that 45 % of executives and a third of the management are women. P&G's proactive approach to promoting gender equality in the workplace has boosted the firm's general attractiveness (Kumar, 2020). Branding are important carriers of significance in our culture, and assuming a leading position for such strong cultural actors with the ability to impact business and public life is a logical next step for them (Moorman, Big Brands And Political Activism: What Do Marketers Think?, 2018).

2.3. Online Trade and Marketing

An advertising plan outlines devised by a corporation that outlines how its goods or services would be distributed to consumers. Goods are physical objects created by human work in order to meet a demand. A valued activity or transaction conducted to meet a desire or need is referred to as services. Ongoing technology advancements provide company owners with new methods to communicate online with current and future clients. Email campaigns, social media marketing, video marketing, banner ads, blogs, mobile advertising, and television and radio are just a few of the digital advertising options available to firms. When developing a digital strategy, consider the following factors: aim market, money, skill, technologies and time (Brookins). The divide of digital is a phrase used to characterize the gap between individuals who have

access to the intellectual property features of the Internet within a specific country. There is no digital gap worldwide depending on ethnicity or race, as there is in the US. The digital gap isn't just an economic problem that has to be addressed across nations. The features of intellectual property control and ownership and technology skills give rise to four worldwide models of the presence of a digital gap. The first model is that of countries with a lot of information and a lot of knowledge. India is the greatest example of this model type. The digital gap in India is mostly based on economics and underlying class inequality. The necessity to control foreign e-commerce is a second challenge that the India is grappling with. Despite India being a land of information and knowledge, the country actually lacks any e-commerce regulation. In the 2000, the Indian legislature intends to have a draft e-commerce bill. The government activities in New Zealand reflect the third model of an international digital divide, info poor, T knowledge poor. 17 New Zealand uses a cost-benefit analysis strategy to increase technological ownership. Finally, in the global environment, an example of the concept of info poor, T knowledge rich is tough to come by. In and of itself, the approach raises the question of how a society without intellectual property can have a population with substantial technological expertise. Closing the worldwide digital divide with e-commerce for one, e-commerce for all. The best way to address the worldwide digital gap is to take a patriotic approach. In the international electronic market, a nationalist review will consider the state or global bodies acting. The state or the agencies establish its power over the e-commerce sector by interfering, ensuring that technically disadvantaged groups have access to digital market. Furthermore, a nationalistic perspective advocates for the national state to take greater intellectual ownership. Quite an approach encourages measures aimed at closing the global digital gap. E-commerce can be explained using micro - economic theories. Microeconomics is based on three main suppositions: there are no obstacles to a firm entering and exiting the market; no firm controls and so has the capacity to control market pricing; and businesses would function at a deficit in the short run. The simultaneous presence and mutual relationship of the government and the business are described as economy of politic. A clean capitalist market exists whenever the government is removed from the equation and the market is permitted to make its own decisions commodity cost. One premise would be

that to build a country's income, people both in the local and foreign economy have to be able to freely and unrestrictedly exchange goods and services. Using a patriotic paradigm, on either hand, can help to reduce the global digital gap. A nationalist attitude to global e-commerce, in contrast to free market competition, encourages foreign officials to engage in the digital economy. Absent government support, knowledge poor nations like New Zealand would be unable to modernize their technologies, widening the worldwide digital gap (Ferrette, 2000).

2.4. Globalization and OECD Countries

Globalisation in industry refers to providing or producing services and goods on a global basis. Almost every item we use is formed of pieces obtained from all over globe (globalisation and business). It is generally accepted that the persona of contemporary capitalism has changed dramatically within last years of the 20th century, as the political-economic system formed in the aftermath of WWII has come under increased pressure, raising doubts about the validity and ethics of the post-Enlightenment proposal of modernisation. The problem of Fordism and 'the problem of the welfare system were used to describe this. A dispute centered on ideas such as globalization, Europeanization, (particularly as it pertains to the founding, expansion, and strengthening of the EU), and transnationalization, flowed through it all. Those very theories are meant to acknowledge that an already world politics economic system, built around the construction blocks of financial systems, political systems, and social systems, as well as transnational corporations' organizations, has been converted into new, subjectively varying forms of supranational organization (Hudson, 2003). International developments in the globe, political changes, economic, and corporate activity, and advancements in technology, transportation, and communications force firms in their quest for existence to adapt their tactics and expand outside their own country's boundaries. Limited market, competitive rivalry, request for lower-cost assets, and the postmodern age's dynamics are pressuring corporate leaders to shift their attention from traditional goals to various measures for successful organization and world market entry, with the goal of gaining a competitive edge. Foreign corporations

are businesses that conduct business on a global scale. A global firm is an organization that has considerable funds and engages in a variety of commercial operations through a network of suppliers in several states, which each develops its own business plan depending on market factors. A multinational corporation is located in one state but conducts business in numerous others. Ansoff divides the causes why a corporation became a multinational into 2 groups: organizational necessities: source which provides materials, machinery, technology, and the reveal of surplus; and strategic needs: ensuring the privileges and immunities of potential external changes, solid growth, and increased profit. The growth of foreign corporate activity paralleled the broad phenomena of market globalization. The term market globalization results in an increasing economic interconnectedness and interconnection of nations around the globe. Corporations' internationally corresponds to the desire to expand the worldwide range of their commercial act in a methodical way, whereas globalization corresponds to a macro pattern of extensive economic contacts between nations throughout the world. Organizations are allowed to globalize and significantly expand the type and number of cross-border transactions in products, services, and money as a result of internationalization. Also, regardless of background, significantly contributes to the fast spread and dispersion of goods, equipment, and information around the world. Globalisation is a widespread phenomenon in which industries throughout the globe shed their boundaries and link to one another. It is primarily economic in nature, and it has two main parts: internationalization of commerce and internationalisation. The internationalization tendency of integrating and socialising the global society, or forming economic relations and organizations like the EU and NAFTA, which gathered together more countries in a common market, provides major market prospects for businesses. Two factors of such a tendency that make a contribution to the internationalization of company activities are the gradual decrease of capital and foreign asset obstacles according to most authorities, which results to severe launch of new marketplaces by global firms, that also transfer those and construct manufacturing plants in there, as well as the marketisation of most industries in former communist states, and the reopening of their markets to foreign marketplace (Katerina & Aneta, The Impact of Globalization on the Business). There are several approaches to examining how internationalization has

benefitted enterprises, standard of living, and overall economic efficiency. Global commerce developed at a breakneck pace from 1980 to 2010, making this a one-of-a-kind phase of internationalization. Clearly, world trade grew in the years previous to 1980, and it has continued to increase afterwards 2010, but neither of those periods compare to the rise of trade even during globalization time. The same may be said for Foreign Direct Investment (FDI), which increased by a factor of ten from 1980 to 2010. For over a century, trade progress remains modest and stagnant. The first wave of globalization began in the 1950s, with global trade increasing by tenfold from 1950 to 1980. The actual growth, though, occurred from 1980 to 2010. During that era, foreign trade increased by about thirty-five times. Nevertheless, even as chart shows, past few years have seen little growth in business. The global financial crisis of 2008 culminated in the creation of a significant decline in commerce. Also, what distinguishes the 30 years from 1980 to 2010 is the growing globalization of world commerce. During those years, several more nations opening up for business by lowering trade restrictions and implementing internal policies that allowed people to sell goods over boundaries (for example, permitting the interchange of currencies) and engage into agreements with international companies. As a result, they drew investments from enterprises all over the globe, and its foreign trade expanded at a breakneck pace — quicker than at any previous period in history. Comparing the trade sector's growth through time is another approach to looking at the expanding role of commerce. Commerce is stated as a ratio of GDP to characterize the trade sector (GDP). The global commerce industry rose from 25percent in 1960 to almost 58 % in 2016. In the 2000s, a strong trend broke in administrative boundaries to trade. Until then, the amount of commercial liberty has risen. Nevertheless, has since, trade regulations have become far more restrictive. e. With additional to both of these administrative restrictions on trade, several types of non-trade laws have created cross-border interchange more complex in the technology sector. The incredible increase of commerce over history has numerous reasons, but one clear element has been businesses and its commercial improvement. In some ways, the increase in exports is merely one way of stating that businesses having steadily supplied more to overseas consumers or that international buyers became a larger part of the business industry's overall sales. It is known as the globalization size advantage, and it

consists of the following scale economies. Another of the visible benefits for the business world has been the ability to build enterprises that rely on selling many pieces to many different clients due to globalization. One distinction among real growth and the envisioned future of a non-globalized society is that globalisation facilitated the specialisation of products and enterprises at a higher rate. Specialization opens up business chances since it's simpler to enter new markets since you don't have to be a giant corporation with a tight grip on end consumers. Highly specialised sectors normally have more room for new businesses, and they surely make it feasible to face the challenge of innovative technology and a compelling product. Globalization has opened up new business options, cut consumer costs, and increased overall production (Erixon). In the current economy, SMEs play a critical part in the industrial processes of both advanced and developing worlds. They are regarded as the most active undertakings in the globalized trade and play a critical part in the development of any nation's human health. As according current data, SMEs account for 90percent of all businesses and employ over 60percent of the global workforce. As a result, SMEs play a critical role in poverty reduction and long-term wealth creation. Oyelana and Fiseha stressed the importance of SMEs in the growth of agriculture industries in nations throughout the world. SMEs are more important in reducing poor, injustice, and unemployment in rural areas because they help people meet their minimum standards and assist oppressed minorities such as the handicapped, female household leaders, illiterate individuals, and rural families. The most important truth is that SMEs boost the economy because of their ability to use available resources like sustainable building materials, generate local funds, provide opportunities for self-employment, and teach semi-skilled workers through apprentice. Inside any economic, that is the most profitable industry for producing jobs. According to manufacturing qualities such as limited technical base, higher proportion in the work sector, low barriers of entry, remarkably less fixed costs of production, and primarily providing price-taker items, SMEs are more affected by economic competitiveness than other businesses. Nowadays, the World Trade Organization (WTO) is the most powerful international organization on earth, governing world commerce and promoting trade agreements in the world economy. Even though liberalization of trade enables well-performing abroad brands and

distributors to enter poorly developed and distant marketplaces, which makes it very difficult for SMEs to sustain their current sales in the corresponding local market, world economic intensity of rivalry will have a greater impact on domestic SMEs whose creations are exceedingly centrally located and fragmented. The world's current economy is defined by liberalization, constantly shifting technology, and increasing and an ever demand for high value and differing intermediary and concluding services and goods which should meet extremely strict global standard, according to a survey through the Un Economic And social Commission for Pacific and Asia. Although in their own market, SMEs find it difficult to compete like this in an atmosphere. Owing to their monopoly methods and manufacturing and distribution qualities under great economy of scale, MNCs have largely encouraged increasing product competitiveness in the global market. According to MNCs' rising dominance of local and worldwide marketplaces throughout the financial globalised world, this tendency has been a burden for SMEs. Resulting in lack of technological adoption, limited management skills, efficiency concerns, labor-intensive structure of the production system, and other factors, the commercial viability of SMEs, particularly in developing countries, has been challenged.

As a result, strategic options to addressing this essential problem for SMEs are offered. SMEs contribute as possible providers of outsourcing components or services, as indicated at the beginning of this article. As a result, SMEs should develop components of the appropriate standard and supply them to MNCs in order to compete or obtain acceptable rates. As a result, SMEs play a secondary role in assisting MNCs. MNCs may be enticed to provide technical support to SMEs by the valuable supplier relationships. MNCs also push local enterprises to improve their management capabilities or implement new marketing strategies, which are then adopted by MNCs' domestic or international markets. Many regional SMEs, as according Yeung and Chew, provide parts, elements, and manufacturing-related operations to foreign TNCs. Technical expertise and know-how are essential for developing a high-quality, low-cost goods. The most prominent sphere of technology knowledge transfer was created from TNCs to SMEs. Due to two factors, even if a TNC has focused on a given technology, it may not be motivated to transfer it to SMEs. To begin with, it may spend fees, and to further that end, local vendors supply technological support in lieu of TNCs.

Furthermore, if there is no mutual communication of advanced technologies entering from SMEs, TNCs may not be able to communicate their technical capacity. SMEs faced a variety of international and domestic obstacles, which they overcame via diverse innovations and methods. Infrastructure, supply of materials, market expertise, conformity assessment, technical support, managerial expertise, branding strategy, processing facilities, brand name marketing, and foreign investment are all necessary for SMEs development. Expansion of dynamic capabilities, R&D expenditure, technology trends, new partnerships, participation in international distribution networks, FDI, social capital and versatile relationships with partners, internet and ecommerce, credit funding systems, SMEs dataset, linking structure, and skills enhancement are some of the longevity plans and tactics. (Gamage, Ekanayake, & Abeyrathne, 2020). Numerous firms, such as Renault and Biotherm, collaborate extensively in the industrialized international economy. Biotherm (component of the L'Oreal Group's) and Renault jointly created a new car idea called the Spa Car, which is aimed to treat for the wellness of its passengers while also protecting the environment. Each firm's specialists offered their expertise to create interior characteristics that are unique to a car. Biotherm, which has been researching cellular processes in the body and the benefits of aromatherapy since 1950s, provided its expertise. Renault contributed its more than a century of expertise in creating and testing automobile comfort systems. Toyota and Microsoft are also illustration. Toyota and Microsoft formed a strategic agreement in 2011 to co - create a technology system for managing electrical vehicles data management. The effort is crucial for a modern trend of telemetry applications, such as power management, GPS systems, and multimedia technology. In 2012, the first fruits of this partnership could be seen in Toyota automobiles. The firms' goal is to build a full cloud service through 2015 that really can supply telemetry solutions to each Toyota client on the planet. Both firms will spend 12 million dollars in Toyota Media a company which will create electronic information products for Toyota consumers, as part of the agreement (Turiera & Cros, 2013).

OECD is a multinational organization committed to economic development. better plans for a good life. The OECD was founded with the goal of shaping policies that promote development, fairness, chance, and well-being for all. To prepare the future of

humanity, we build on decades of experience and ideas. We collaborate with states, politicians, and individuals to develop proof based worldwide standards and discover services for a variety of societal, financial, and ecological issues. We include a unique knowledge pool for research and data, expertise, practice sharing, and guidance on public law and regulatory basic establishments on topics ranging from boosting market achievement and creating more jobs to promoting a highly educated workforce and combating international tax fraud. OECD works with countries, legislative bodies, and society. OECD provides information that participants and associates may utilize to make choices. Its research is reflected in more than 500 key findings and state assessments that publish each year, and the thousands of government briefings, essays, and digital material on policy problems that we generate. We assist inform discussions in legislative bodies, the press, and academic work as one of the world's biggest and most reputable comparative information, data, and policy studies providers. It monitors and forecasts financial, ecological, and social development and provides specific analyses upon state request. The OECD brings together governments and a wide variety of stakeholders from all over the area to discover creative ideas and information throughout the political sector as a worldwide platform and information center focused on building stronger policies to enhance lives. Legislators and policy shapers offer knowledge and encouragement via conceptual organisations, specialist and task forces, addressing hard issues such as injustice, unemployment levels, the gender disparities, immigration assimilation, and poverty aging, to make sure that accomplishments and obstacles inside one spot can better inform and advantage everyone else. In conjunction with member nations, the OECD develops worldwide norms and standards. The consensus standards vary from lawful documents like the 1997 Antibribery Agreement to guidelines aimed at guiding governments to best practices in areas including consumer rights and chemical constituents, as well as accountable corporate behavior and environmental safety. The Polluter Pays Principle and vehicle safety testing rules are two of its standards, that assist preserve countless lives each year. Its benchmarks and norms contribute to leveling the worldwide field of play, strengthening global cooperation, and encouraging other countries to confront difficulties and enhance its performances. Organizations are created at the demand of nations and are approved on by the agreement, resulting from

extensive talks and painstaking politic debate, which might take years. Approximately the last fifty years, the OECD has produced upwards of 450 global standards, comprising agreements, guidelines, recommendations, and statements. They've evolved into crucial instruments for safeguarding individuals while also allowing authorities retrieve money, time and effort. In conjunction with partner and allied countries, the association is always working to strengthen such criteria. States that join the OECD are considered as possibly more desirable beneficiaries of global investment since they satisfy international criteria and complete evaluations. The process of joining the EU takes at least a year. OECD is a club of 34 states united by the premise which all have democratic governments and economic systems. It's all been dubbed the "wealthy state league" since its participants account for roughly 70 percent of the worldwide market.

Country	Date of OECD Membership
Australia	7/6/71
Austria	29/9/61
Belgium	13/9/61
Canada	10/4/61
Chile	7/5/10
Czech Republic	21/12/95
Denmark	30/5/61
Estonia	9/12/10
Finland	28/1/69
France	7/8/61
Germany	27/9/61
Greece	27/9/61
Hungary	7/5/96
Iceland	5/6/61
Ireland	17/8/61
Israel	7/9/10
Italy	29/3/62
Japan	28/4/64
Republic of Korea	12/12/96
Luxembourg	7/12/61
Mexico	18/5/94
The Netherlands	13/11/61
New Zealand	29/5/73
Norway	4/7/61
Poland	22/11/96
Portugal	4/8/61
Slovakia	14/12/00
Slovenia	21/7/10
Spain	3/8/61
Sweden	28/9/61
Switzerland	28/9/61
Turkey	2/8/61
United Kingdom	2/5/61
United States	12/4/61

Figure 2. 3. List of OECD member states

Source: (Iglesia, 2016)

OECD established in 1961 with objective of advocating initiatives that favor folk's social and economic health. The OECD offers a platform for states to collaborate and exchange expertise in order to find answers to shared issues. Its responsibilities even include creating efficiency indexes and global investment and trade patterns, evaluating and evaluating information to forecast patterns, and establishing global standards for a variety of policy of public concerns. Participants of the OECD became standard nations, setting standards of quality in a variety of investment and trade fields. The OECD develops policy suggestions evaluations conducted by its specialists in participating nations in this context. This is analogous to the evaluations conducted by the IMF under 4th Article of the IMF's Agreement Article. The OECD, like the IMF, provides two or three times in a year macroeconomic reviews which study recent developments and explore fiscal plans that would be necessary to ensure robust, sustained growth in participating nations. When a nation joins the OECD, it has access to a wider range of information about the nation: the institutions reveal information on their participants on a wide range of areas, like education, food and agriculture, development, gender relations, and macroeconomic statistics. Also, there is a project devoted to technical sessions on regulations that have been decided upon by participating nations (Iglesia, 2016). Via various sorts of cross-border activity, globalisation of industry, notably the latest wave of massive manufacturing reorganization, has progressively attracted SMEs, particularly those in industries vulnerable to significant global dynamics, within international wealth chains (OECD, 1997&Sakai, 2002). There is proof that a set of SMEs having strong growth potential requires earlier access to foreign markets in order to develop and flourish (OECD, 2002a). For SMEs, the internationalisation method could be realized thru a diverse array of cross-border actions, such as commerce, overseas investment, and involvement in political partnerships, collaborations, and connectivity agreements, impacting a broad range of functions from development and commercialization to allocation. Australia has recently participated in several forms of globalization. Since the OECD studies a years earlier, nothing has altered much. Except some states, information is rare and does not give complete and accurate data on the size and evolution of SMEs in global markets. Therefore, a general overview of SME internationalization can be drawn for several OECD and non-member nations, revealing

SMEs' remarkably low degree of engagement in global markets as contrasted to bigger enterprises. According to a recent study conducted for the Observatory of European SMEs (2002) in 19 European nations, almost 20percent of European SMEs (250 workers) claimed exports activities (individual country shares ranged between 34 percent and 7 percent). Though 20percent of European SMEs found to be involved in exports on aggregate, the number differed per size group: micro companies (19percent), small businesses (32 percent), and medium-sized businesses (33 percent). In business, more European SMEs (22 percent) were exporting than in activities (14 percent). In the United States, the involvement of SMEs (500 workers) in export has increased, with 2/3 of export enterprises employing less than 20 workers in 1998. Unlike their European counterparts, 70percent of United States selling SMEs were not in the industrial sector. SMEs perform poorly in terms of their percentage of overall exports. In past years, the percentage of SME sales in overall United States sales has been about 30 percent, with non - manufacturing enterprises accounting for 60percent of the overall. During the 1990s, SME exports (300 workers) in Japan were close to 50percent of overall manufacturing sales, comparable to the experiences of Australian SME (200 workers), whereas SME sales (300 workers) in Korea ranged among 1/3 and 2/5 of total trade throughout that period. The proportion of SMEs in Korea's exports increased from 36.9percent in 2000 to 42 percent in 2002. According to a research performed for APEC economies, SMEs participate only about 30percent of imports in APEC economies in aggregate (FACILITATING SMEs ACCESS TO INTERNATIONAL MARKETS, 2004).

CHAPTER 3

3. GOVERNMENT INTERVENTION TO TRADE

4.2 Legal Issues

In 1919, according to the Treaty of Versailles, the ILO was established to promote social justice and the role of global human and labor rights. The International Labour Organization (ILO), which was founded in the heart of the conflict, has long supported the concept that only genuine social equality could ensure widespread and enduring peace. Civil rights, decent living circumstances, job possibilities, and financial stability are key aspects of social equity. One of the most fundamental core aims of women's rights and the ILO is good working circumstances. It is not only about abiding by civil rights, but also about expanding and improving job possibilities, recognizing and legally defending worker protections, constructing and expanding state welfare systems, and encouraging companies and labour unions to engage in social discourse. The ILO maintains 4 strategic objectives: establish and achieve core concepts, freedoms, and quality of labor; provide greater possibilities for males and females to still have good employment; and promote gender equality in the workplace. Strengthening three institutions and social discourse, as well as improving the efficiency of social protection measures. Just at 86th International Labour Conference in 1998, the ILO approved The Declaration on Fundamental Principles and Rights at Work. This Conference and Declaration have demonstrated the need to respect, promote, and realize in good faith workers and employers current societal free association and efficient collective bargaining. In addition to statements and conventions, the ILO may exert influence on governments through more powerful mechanisms such as international conventions.

Meetings may only adopt agreements and proposals after they have been prepared by the ILO's headquarters and regulatory body. The ambassadors of the member states then bring them to the notice of the member states. Additionally, the ILO has a management process in place to assess and encourage the efficiency of member nations to conventions, conferences, and standards, among other things. According to the ILO's regular reporting framework, each member country must report on the extent to which its national legislation complies with ILO international convention on a regular basis. The Expert group on the Application of Conventions and Recommendations evaluates these documents first (Arslan, 2020). International labor law is sometimes characterized as a collection of laws that apply via both public international law (i.e., law between nations or governments) and private international law. It may also contain 'comparative law,' which refers to legal ideas that apply in various nations. In this article, we look at each of these components of global labour legislation. A collection of laws that applies to a specific group of nations is another hub for international labor law. The most well-known example is European labor law, which establishes minimum standards that apply throughout the European Union. Employees have the right to a documented contract of employment (if a fixed-term or indeterminate contract) by European labour legislation. Employees' principle of free mobility across European Union member states, A right to at least four weeks of annual leave; minimum health and safety requirements (for example, guidelines on how to return to work safely); makes it illegal to discriminate; and redundancy restrictions. Minimum wages and bargain collectively are established unilaterally by specific European Union nations, not by the European Union as a whole. The North American Labor Cooperation Accord (NAALC) is a "parallel agreement" to the North American Free Trade Agreement (NAFTA). All three nations (Canada, the United States, and Mexico) committed to implement some baseline labor norms, including freedom of effective recognition of the right to assemble, as part of the NAALC. The right to negotiate collectively, Strike privileges, There will be no child labor. Wages, hours, and terms of employment, Equal pay for equivalent work, Health and safety safeguards, Workers' compensation, and migratory worker rights are all examples of basic labor requirements. Employee Contracts, for example, are labor law concepts that apply to all nations. Employee benefits, min wage, unfair dismissal, and

payroll duties (Donnelly, 2021). In past few decades, EU policies had aimed to increase employment and strengthen social security, enhance working and living circumstances, and safeguard social cohesion. The EU's mission is to promote social development and enhance the living and working circumstances of European citizens, as stated in the Treaty on the Functioning of the EU's prologue. Individual EU member states have the option of providing additional levels of protection if they so want. While the European Working Time Directive, for instance, provides for four days of paid yearly leave, several nations have chosen a more liberal right to the advantage of employees. The EU adopts directives that are incorporated into national legislation and implemented by its member countries. This indicates that the regulations are enforced by national authorities, such as labor inspectorates and tribunals. In 2016, the European Union established a European centre of competence in labor law, employment, and labor market issues. The center of skills and experience covers legal, legal, financial, and strategy elements of labour and employment markets, including reform proposals, in the 27 Member States, the Great Britain, European Economic Area (EEA) nations, applicant nations, and prospective candidates eligible to participate in the European Union Programme for Employment and Social Innovation's Progress alignment. When a national judge is confronted with a case, he or she should: on how to interpret an EU rules, The matter might be referred to the Supreme Court. European Court of Justice. The European Court then provides the national court's answers to conclude the case. The Commission guarantees that EU directives are integrated into national legislation and that the regulations are appropriately implemented through rigorous monitoring. So when Commission believes an EU country has not properly implemented a regulation into national law, it may initiate infringement actions. As a result, all of the rights outlined in the regulations are attainable under national law. On the other hand, the Commission cannot get remedy for individual persons (i.e., recompense damages or correct a situation); this is the responsibility of the relevant public governments. Employers and community as a whole benefit from EU labor law because it establishes a clear framework of employment rights and duties, protects worker health, and promotes long-term growth in the economy (Employment, Social Affairs & Inclusion: Labour law). CSR is defined by the International Labour Organization (ILO) as a strategy

through which businesses assess the influence of their activities on society and assert their beliefs and values, both within their own internal systems and procedures and in relationships with external players. Multinational corporations have adopted optional rules of ethics controlling labor conditions in their production areas and distribution networks in response to growing customer interest in the ethical component of goods and the working circumstances in which they are created. The lot of the top 500 corporations in the US and the UK have signed a code of ethics, with many of them referencing ILO standards. While these codes are not a replacement for legally enforceable international instruments, they do serve an essential role in spreading the ideals found in international labor standards. The ILO could indeed have a key role in CSR thru the mainly two points of reference: the ILO Declaration on Fundamental Principles and Rights at Work (1998) and the MNE Declaration. A Modified version of which will be embraced by the Ruling Body in 2017 in reaction to current financial forces, especially the rise in inter-national trade and investment, as well as the expansion in globalization (Corporate social responsibility (CSR) – the promotion of inclusive, responsible and sustainable practices in the workplace).

A flashback of Brazil's attempts to respect and safeguard women's work may not differ significantly from other worldwide situations, but it is defined by distinct cuts that match to the country's recent past. Women's labor legislation has been harmonized in part as a result of the developments that the issue has undergone in the final years of the 20th century. From the standpoint of sociology of law, note fundamental shifts in the way industrial activity is organized, which began with primarily male labor. On the other hand, political squabbles have undoubtedly played a significant role in this trend. The establishment of women's rights as a social right in the Brazilian law reflected the tremendous impact of international civil rights activism in national legislation. It might be argued that the introduction of social rights (later dubbed "2nd generation rights") in the Federal Constitution signaled a step forward in civilization. The existing labor rules include a number of directives relating to close the gender gap and then to women's work security. These orders have been expanded to include the protection of pregnant and nursing women to ensure the laborers and newborns' health. As a result, Article 5, 1988 Constitution which provides equal rights and obligations for men and women,

forbidding wage disparities in the discharge of tasks and in hiring criteria based on sex, marital status, age, or race. Furthermore, maternity leave was extended from 84 to 120 days without loss of employment or compensation, especially for domestic and rural employees. It is crucial to note that, like many other nations, Brazil has been under intense pressure from international organizations to enact protective legislation for women, however this influence does not explain the increase in legal safeguards for maternity leave. Here on social and legal repercussions of the problem of 'equality between the sexes,' huge companies have included issue in their Social Responsibility initiatives, despite the considerable increment throughout lawsuits decrying misuses, bullying, and wage equality, the continual airing of the subject in the news, the zealotry of social categories and trade union movement patterns. The Volkswagen Social Responsibility Report in Brazil (2013) contains a wealth of information on the company's activities, from the number of vehicles sold to the partner initiatives it supports in the areas surrounding its factories. The corporation highlights in the research that gender diversity is a historically sensitive topic for the automobile sector, given the nature of the activity. According to the report, the issue is a significant concern because there are now 94 percent male employees and just 6% female employees. This figure is less in the hourly (producing) group, where women account for 3% of the workforce. Women make up roughly 21% of the paid class, which is more directly related to administrative operations, whereas female presence on the company's administrative structure is comparable to 8%. Women account for 27% of all students. Unilever's reporting was renamed Progress Report and Sustainability Plan a few years ago. Sustainable, as well as how it is implemented to the environment, productivity concerns, team leadership, and brand care. There are over 400 brands in the globe. According to the company's study from Brazil (2014), the corporation reserves a dedicated room to tackle the issue of gender participation and employment retention, specifically for women workers, by disclosing their environmental actions and providing support to communities that are far removed from the raw materials used in the product of its various products. 'Nestlé Brazil Annual Creating Shared Value' is the moniker given Nestlé's social good reporting to the corporation. According to Nestlé's 2014 report, which was only available in English on the company's Brazilian website, the company's

big shared opinion is that diversity should be fostered and normalized. Nestlé's goal by 2018, according to a separate chapter headed 'Enhancing the Gender Balance in Our Workforce,' is to be a model organization in terms of gender balance, with an annual rise in the number of female CEOs and chairmanships (Proni).

Environmental regulations currently regulate the majority of a company's operations. At all stages of the innovation process, including raw material extraction and product manufacturing, distribution, marketing, transportation, and disposal, environmental problems and principles must be integrated into company strategy. ¹ This essay avoids simply explaining the content of corporation environmental protections in light of this company's environmental reality. Rather, it looks at whether environmental principles and standards defined by international law and applied in local jurisdictions support progressive corporate governance change. There is mounting indication that the green liability trend is moving beyond its current concentration on corporate legal personality. Individuals closely connected to the corporation, such as company directors, corporate executives or executives, and even investors (under US federal law) are now implicated in various nations. Several legal system nations, such as the United Kingdom, Australia, Canada and Hong Kong, have seen this tendency. The nature of company's responsibility The growth of responsibility is intertwined. This has to do with the introduction of strict legal, and perhaps criminal, requirements., culpability for business environmental harm on business leaders, as contrasted to much more traditional types of liability based on blame. This tendency is particularly noticeable in domestic environmental legislation in the United States. Environmental regulations and associated case law in the United Kingdom have also combined to eliminate the concept of fault-based responsibility and replace it with vicarious liability. The first trend, which entails expanding the breadth and types of corporate environmental accountability, contrasts with a second trend that is gaining support in several continental European countries. A second tendency is to be a legal requirement to implement some type of business sustainability policy. This legal requirement almost always entails the designation of a business officer who is responsible for the firm's overall sustainability impact. At least four mainland European nations, notably the Federal Republic of Germany, Austria, Belgium, and the Netherlands, are showing the second trend. The last part of this

pattern, requiring the creation of a dedicated corporate social and environmental officer, is also common in domestic environmental law in the United States. These major external trends in company environmental responsibility and corporate environmental policy have put pressure on businesses governance practices law to be reformed internally. Environmental issues should be included in the scope of directors' obligations, either expressly through law or implicitly through the expansion of existing fiduciary responsibilities given to the firm (The Impact of Environmental Law on Corporate Governance: International and Comparative Perspectives, 2001).

The majority of economists' debates regarding the effects of trade policy regulation are ideological rather than logical. While tariffs may force families to pay more for trade products, households and the whole economy are influenced in a variety of ways, both favorably and adversely. What important are the circumstances under which industrial intervention programs are implemented. Given all of the talk about the start of a trade war between the US and China, I thought it may be useful to go through some of the pertinent concerns. In most cases, trade deficits and surpluses drive monetary and other economic adjustments in the afflicted nations, which tend to correct the imbalances. It is incomprehensible to believe that in a trade war, all countries lose. This cannot be true, not just because there is abundant documentary proof that trade regulation has benefited countries, or because the claim is logically untenable. While taxes and other types of trade interference can raise costs for customers, this is just one of the ways these policy instruments affect families, and it is frequently a small one. Tariffs and currency depreciation are not the only types of trade interference, and they are not the only ways that global trade and capital flows are distorted. Tariffs and other beggar-thy-neighbor measures will not lower US trade imbalance because the link between US investment and savings is defined externally, by the nation's role in absorbing surplus global savings. In a globalized market, protecting workers' bargaining power, reversing income inequality, raising minimum wages, improving the social safety net, or generally making families better off compared to firms and politicians may be highly problematic for any nation to achieve. To look at it another way, a globalisation has to choose between protecting its industrial production and sellable products industries by bringing down relative wage levels (explicitly or implicitly through tariff

barriers, subventions, or currency collapse), or boosting the assistance and untradeable products sectors by rapidly increasing debt (Pettis, 2018). Governments may impose tariffs for various purposes, including safeguarding emerging sectors, strengthening national security programs, boosting local job prospects, resisting harsh trade policies, and preserving the environment (Potters & Schmitt, 2021).

After Donald Trump's election, trade wars as a tool of export and import strategy have resurfaced in modern politics. During the election campaign, modifications to US trade policy under a Trump presidency were already suggested. Despite this, only in 2018, a slew of simmering disagreements erupted into a full-fledged trade war, encompassing China, Canada, Mexico, the EU, India, and Turkey. Donald Trump said after announcing duties on aluminum and steel, as well as taxes on Foreign goods, that "trade battles are clear and easy to win." In the form of trade conflicts, the European Commission expresses its goals in a straightforward manner. In the case of a trade dispute, European Union Regulation 654, released in 2014, sets three objectives for commercial policy measures: trade policy should strive to influence the opposing economic growth policy while minimizing harm to the own sector. In the context of Trump's trade war, introducing a political cost for the Republican party might be one approach to influence US trade policy. Rigorous regression analysis also shows that tariff targeting had a significant impact on districts where voters flipped to support Donald Trump in the presidential election in 2016 (compared to the Republican primary selection team in 2012). Surprisingly, the degree of partisan targeting is linked to support for Donald Trump in 2016 (compared to 2012), and not to regions that flipped to favor Republican establishment members more generally, such as in the 2016 House or Senate races. This demonstrates that retribution was precisely aimed at communities that swung heavily in Trump's favor. This demonstrates a high level of skill in the retribution response's construction. Systematic regression analysis also shows that tariff targeting had a significant impact on counties where voters flipped to support President Trump in the presidential election in 2016 (compared to the Current republican candidate in 2012). Surprisingly, the degree of political targeting is linked to support for Donald Trump in 2016 (compared to 2012), but not to regions that flipped to support Republican establishment members more generally, such as in the 2016 House or Senate

elections. This demonstrates that retaliation was precisely aimed at communities that swung heavily in Trump's favor. This demonstrates a high level of skill in the retribution response's design. We compare the chosen commodities basket to counterfactual simulated baskets that nations may have chosen to assess this potential. In an ideal world, all possible retaliation packets might be simulated. However, deriving all workable solutions to what is really a subset sum issue is technologically impossible. We employ a sampling strategy to simulate potential retaliation baskets in our article. The sampled basket must reflect important aspects of the actual basket: it must be similar in size and number of various items picked, and it must affect a similar overall US export market volume. Finally, we look into whether retaliatory tariffs were successful in influencing political and economic consequences. We show that retaliatory tariffs reduced exports considerably compared to shipments that were not hit by tariffs on the commercial front. This finding from a difference-in-difference design is seen in Figure 3. Overall, our findings indicate that higher tariffs caused 2.55 billion dollars in US shipments to be canceled or redirected each month. Researchers also illustrate that the trade war has a detrimental impact on the export pricing of US goods. All of these findings point to retaliatory tariffs having a detrimental impact on the local economies of impacted counties. More significantly, we look at whether the additional tariffs were able to affect the Republican group's election results in the 2018 major election to see if they were successful as a political tool. Researchers discovered evidence that Republican candidates scored worse by 1.4 to 2.7 basis points in areas most vulnerable to retribution (Fetzer & Schwarz, 2019).

4.2 Agreements and Sanctions

Employees' rights are now included in an increasing amount of bilateral and international free trade deals, and also regional economic participation accords. Indeed, during the last two decades, the number of free trade deals incorporating labor clauses has risen dramatically: In 2016, there were 70 international treaties with labor clauses, compared to 58 in 2013, 21 in 2005, and four in 1995. (1) (Note 1) In its labor terms, trade agreements frequently relate to ILO documents, especially the 1998 Declaration on Fundamental Principles and Rights at Work, as well as ILO Conventions in the case

of current European Union accords. Since 2013, similar measures have been included in 80% of the agreements that have come into force, beginning with those including the EU, the US, and Canada. On the other hand, such provisions have been there for a long time. In the EU, for instance, a specific incentive program for environmental sustainability and better governance gives extra advantages to nations that adopt particular international norms in human and labor rights. The we have indeed signed several trade deals with nations such as North American countries, Chile, Jordan, Singapore, Korea, Morocco after the NAFTA was signed in 1992 and was topped up in 1994 by the NAALC. The signing nations reaffirm their devotion to the ILO, namely to the observance and advancement of the ILO Declaration on Fundamental Principles and Rights at Work, in these accords. More lately, the free trade deal among EU and Japan, that was approved in 2017, mentions the ILO Declaration on Social Equality and the Decent Work Agenda for a Fair Globalization in 2008 as benchmarks which are contractual in nature, who must also try to accept the eight basic Types Of standards. The deal has additional terms on mutual social responsibility, with links to the MNE Manifesto (How International Labour Standards are used: Free trade agreements). Nowadays, there are several methods for regulating and fostering global commerce. The techniques range between multilateral and bilateral relations between countries to much more comprehensive efforts at market interdependence via multilateral institutions like the EU. Each agreement of contractual among governments involving its trading interactions is referred to as a trade deal or a trade pact. Trade pacts can be multilateral and bilateral, meaning they might be among states. A joint commerce agreement often has a wide variety of clauses that govern the terms of commerce among the parties to a contract. Custom tariffs and other assessments for exports and imports, corporate and financial laws, goods passage plans, customs valuation bases, administrative procedures, quotas, and other legislative restrictions are among them. Many trade agreements allow for fairness, most-favored-nation treatment, and "national treatment" of nontariff trade barriers, either expressly or tacitly. Inside a trading relationship, the sides commit to making mutual sacrifices in order to strengthen their business links. The notion of fairness is centuries old, and it may be recognized, informally at minimum, in all commercial agreements in some shape or another. Most MFN condition obligates a

government to adopt any reduced rate of import tariffs this could later provide to imports from another state to its trading partner. The provision might only apply to a specific list of items or special privileges given to select various nations. The most-favoured-nation provision on customs taxes has the impact of combining all of a country's previous trade deals. If separate contracts have varying amounts, the provision lowers them to the cheapest cost indicated in any pact. The advantages granted under the MFN clause may be conditional or unconditional. If unconditional, the clause operates automatically whenever appropriate circumstances arise. This is not necessary for the nation that benefits from it to work on new concessions. Bringing up a conditional most-favoured-nation provision, on the other hand, requires the associate to give compromises equal to those made by the other nation. The country treat provision in international treaties was created to guarantee that nontariff prejudice was not created by domestic financial or administration laws. It prohibits the exclusionary application of taxation or even other inner taxes, as well as legislation, restrictions, and edicts influencing the selling, offering to sell, buy, transit, allocation, or the use of goods on the home market; merchandise pricing for obligation reasons; regulation on import costs; storage of goods and transportation legislation; and the institution and procedure of private trading corporate entities. (Contemporary trade policies).

Financial bans are employed more and more to advance the whole spectrum of American diplomacy. Far too frequently, however, restrictions turn out to be nothing more than demonstrations of United States desires, harming American commercial development while doing little to change the recipient's conduct. Penalties should, in general, be less arbitrary and more concentrated on the issue at hand. Senate and the current administration must implement considerably more stringent penalties control, already when they are enacted, to guarantee that the projected risk is worth the costs significantly and that penalties achieve more than other foreign affairs instruments. Another of the ironies of modern International relations is the regular use of financial bans. Penalties are usually chastised, if not mocked. Around the same moment, after the Cold War, financial sanctions are quickly to become the preferred policy document for the US. The Us today has financial regulations in place on multiple nations; in fact, sanctions have become so widespread that several cities and states have adopted them.

Furthermore, financial restrictions have become progressively crucial for the United States, not just because they are used regularly. Arms blockades, international aid cutbacks and cuts, international shipping restrictions, targeted sanctions, border tax rises, temporary suspension among most preferred country most-favoured-nation trade prestige, negative ballots in financial institutions, diplomatic ties suspensions, residence permit denials, revocation of air links, and prohibitory on loans, funding, and asset are all examples of sanctions used to achieve affairs policy goals. The recent use of trade restrictions by the United States for international relation goals has led to numerous findings: If the goals are vast or the time frame is limited, penalties alone cannot provide the intended effects. On the other hand, Penalties can sometimes accomplish (or assist in achieving) a variety of foreign policy objectives, varying from minor to major. Bans imposed alone are seldom successful. Additional punishments might exacerbate the situation. Penalties are harsh devices that can result in unanticipated and unfavorable outcomes. Sanctions may be costly for American businesses, farms, and employees, and they are usually simpler to impose than to remove. It's really nearly still more hard to change the situation than to maintain it, and penalties weariness and global conformity tend to develop with term. (Haass, 1998).

4.2 Managers' Strategic Planning

In a global setting, strategies refer to a strategic plan of the company for gaining a competitive advantage over its competitors. This strategy led the corporation to specific clients, markets, goods, and operations in worldwide marketplaces, rather than simply one. In a global setting, strategy must supervisors in creating a powerful global perspective, allocating scarce resources globally, participating in major markets, forming global partnerships, and engaging in competitions in due to international competitors, as well as establishing activities that add extra value on a world stage. (Katerina & Aneta). The following are the main advantages of strategy development: it causes the boss to methodically think about the future, drawing attention to the goal and its revelation; it instills in the manager the habit of long-term thinking and improves his prospective ability; it allows for more reasoned use of labor, capital, and time, resulting in cost savings; it leads to better coordination of activities; and, finally, it provides the standards

and measures required for an effective audit. (Mucuk, 2008). Ever since mid-1970s, governments were becoming increasingly involved in international firms' activities. They now routinely impose stringent requirements on multinational corporations seeking to do business in their country. They discuss some of the ramifications of establishing a reasonable balance for international corporations' organizational structures. A multinational corporation's (MNC) meticulously prepared supervised method call for new manufacturing facilities to be established in Europe, but the potential host government imposes exceptionally onerous sales and export volume criteria before granting the required authorization. National management of a multinational corporation's Latin American subsidiary strives to apply the parent company's international competitive strategy, while states urge the company to form joint ventures with local enterprises. In latest days, hosting countries' desire to conserve sovereignty about their own financial systems have hampered MNC executives' ability to deploy economic resources. Moreover, nations have frequently tampered with the independent process of MNC strategy formation. Managers who are or will be subjected to such constraints may find it helpful to differentiate between the two types of government interference. The first is best viewed as a restriction on strategic freedom since it establishes the legislative and monetary ground conditions for an MNC's choice to compete in a host nation. The second is best seen as a challenge to managerial autonomy, since it aims to affect the internal mechanics of an MNC's decision-making process. They combined represent a significant encroachment on MNC executives' strategical liberty. Any limitation on management or tactical independence is a severe concern. These constraints may be enough to cause a multinational corporation to either avoid entering or depart from a national market. The prospect of such violation may also encourage multinationals, such as IBM, to avoid specific businesses in all nations, such as the public sector of the Chinese telecom sector. Other corporations, such as CPC Worldwide or Du Pont in the U.S., and Brown Boveri or Nestlé in Europe, had tolerated and adjusted to this violation in exchange for sustained customer base or fresh brand recognition. Among adjustment and cessation lies the wide centre way of what we'll call the "contraproductive" reaction: an MNC's cautious use of its market power with the host state, given its strong position inside its sector, in order to obtain a higher

benefit over other transnationals. Evaluate the two counterproductive reaction scenarios: Nation's Leading chip firms were invited to participate in establishing a national silicon sector by the Japan policy in the late 1950s. The state demanded partnerships with Japan investors as a requirement for American entrance into the Japanese market. Technological, economy of scale, and brand identification are all major sources of MNC negotiating leverage. Control of market access and inducements are other forms of bargaining leverage for the host government (Doz & Prahalad, 1980).

CHAPTER 4

4.ROLE OF INTERNATIONAL ORGANIZATIONS

4.1 Non-governmental Organizations

Nongovernmental organizations (NGOs) have expanded in numbers, size, and influence over the last several decades, becoming key players in business, particularly business– government relations and the larger role of business in society. Environmental groups, business associations, labor unions, human rights organizations, consumer groups, church and religious groups, academic institutions, think tanks, trade and industry associations, grassroots not-for-profit organizations, and many others are examples of non-state, non-firm actors. At various levels of investigation, a series of studies of NGO–business–government interactions. Starting at the most fundamental level, David Vogel gives a holistic analysis of global regulatory systems. Within a specific institutional sector, David Levy, Halina Szejnwald Brown, and Martin de Jong focus on NGO–firm connections; The aforementioned reaches an NGO as a "organisational businessman" wishing to grow thorough benchmarks for all corporates investing around the world, as investigated in a sequence of dyads, while the latter nears an NGO as a "organisational businessman" wishing to grow thorough benchmarks for all corporates investing around the world. Civil law provides for mediated settlements in which the corporate sector or non-governmental organizations (NGOs) might take the lead. So according Vogel, the rise of global civil regulation is a reaction to the growing globalization of business and nations' failure to establish an effective governance mechanism for these operations. Many businesses have agreed to follow çivil regulations as a result of public pressure from activists and the media. As Vogel points out, some

opponents see global civil regulation in place of state regulation as one defective system of governance succeeding another, and Vogel has doubts about this tendency. Although the Global Reporting Initiative GRI action plan has gained some momentum in the business world, Levy, Szejnwald Brown, and de Jong argue that it has demonstrated inadequate in achieving regularized/common reporting that benefits investors and culture as a whole, and that it has unlikely resulted in widespread changes in corporate procedures related to the environmental or society. According to the researchers, these findings are due to the fact that resource-constrained NGOs aiming to push such procedures must reach out to the very enterprises they hope to influence, which may result in immoral or at least uncomfortable interactions with the corporations they intend to control. Lucea's research examines firm-NGO partnerships from the view of corporate behavior, in which actors' institutional cognitions impact their knowledge of diverse NGO and business stakeholders and their interactions. According to Lucea, corporate executives and NGO officers see the same connection via distinct conceptual lenses, resulting in vastly divergent perspectives. Therefore, his paper warns us to be wary of the very real possibility of misconceptions among cross-sectoral collaborators, as well as the fact that our current research methods to NGO cooperation may be missing essential frameworks provided by the topic actors themselves. Le Ber and Branzei look at a number of NGO-firm collaboration initiatives to identify significant success elements. Like Levy et al., these writers emphasize that the interactions between companies and NGOs lead to periodic reorganization of their collaborations throughout time. In its private organization, NGOs are similar to businesses, with donors (in the case of NGOs) and investors (in the case of businesses) placing a premium on accountability for resources invested in these organizations. As a result, some paradigms from our knowledge of private business collaboration through alliances and joint ventures should be relevant to our investigations of NGO-NGO and even NGO-firm collaboration. In society, NGOs work with businesses and governments. This involvement can come from NGOs themselves, as well as from businesses and/or government entities who approach NGOs. Many interactions with players from other sectors are the consequence of a deliberate or unintentional blurring of sectoral roles in society. Regulatory gaps can arise for a variety of reasons, allowing NGOs to step in to

offer supervision, create standards, and monitor other players' adherence with socially desired norms. Excellent Provisioning/Service When profit motivations are inadequate to persuade private enterprises to enter a market where there is demand for products or services but customers' capacity or willingness to pay does not match rate of return requirements set by investors, failure occurs. Firms and governments may seek partnership with NGOs in order to mitigate negative consequences of their operations and better anticipate their "partners'" future behaviors. In effect, this strategy weakens the function of NGOs as watchdogs. NGOs that construct new regimes or operating regions where they have unique and difficult-to-duplicate skills may create new industries or institutions. Multilateral system flaws are to blame for several globally important challenges. NGOs working internationally can participate in efforts to compel corporations to follow specific norms that may in reality contravene world trade systems between nations, but NGOs are free from WTO fines because they are private entities. Other concerns that NGOs and authorities are interested in are the desire to extend their influence across jurisdictional boundaries in order to affect change in other parts of the world. This extrajudicial reach is frequently directed towards developing-country practices, with NGOs serving as change agents in these regions. Some challenges are fundamentally global, and the lack of institutions capable of dealing with them has made things tough. This organizational gap is visible in recent attempts to establish global environmental accords, where worldwide acceptance of consistent standards supported by governmental agencies in each nation is restricted, but where NGOs working with businesses in critical areas (e.g., marine stewardship) have had better success. NGO participation is frequently driven to tap into special resources or specialized expertise, as is the case with other kinds of cooperation, both between enterprises and between firms and governments. Leveraging the resources of others may also help organizations become more resilient, since networks of resource providers can protect against interruptions and allow for more in-depth learning about how certain skills and skills can be utilized in a variety of circumstances to excellent effect. Non-governmental organizations (NGOs) can play a significant role in society's administration and monitoring. They can act as consumer advocates for other institutions, providing critical clarity; they can vigorously protest and conduit or agglomeration worker and consumer's

' preferences; they can shift the sentiment polarity of dominant frames (for example, from the more negative "social regulatory oversight" to the more positive "corporate social"); and then they can straight restrict firms when such firms agree to give up power to them. Partnering with NGOs may improve efficiency of this process by gaining access to resources and knowledge, increasing size, and reducing conflict that might stymie an employee's performance. NGOs frequently play a crucial role in this interaction, acting as brokers or mediators rather than primary players. Their private management chart, along with their aim to offer public goods/social wellbeing, allows them to successfully reach both governments and businesses, as well as function as a link among actors in other areas. (Dahan, Doh, & Teegen, 2010).

4.2 Civil Societies

TÜSIAD, centered primarily in Ankara, Istanbul, and Izmir, represents Turkey's largest industrialists, enterprises, financial industry, insurance businesses, construction industry, and other services. As a result, TÜSIAD members engage in a diverse set of economic activities. TÜSIAD is the Turkish Chamber of Commerce and Industry. This was demonstrated in a 1986 study undertaken by the Istanbul Chamber of Industry. TÜSIAD has 62 members among the top 100 private enterprises, according to the study. In 1986, these member businesses had 71.7, 69.9, and 72.5 percent shares in production sales, gross value added, and profit, respectively. TÜSIAD's firms play a significant role in the Financial markets. The overall total sales of 227 enterprises was \$69, 6 billion, with 30, 6 billion dollars in revenue contributed, per the TÜSIAD 2000 members account. In the manufacturing, construction, and finance industries, TÜSIAD's 227 members created 47 percent of Turkey's additional value. Furthermore, these businesses employed roughly 414,000 individuals. TÜSIAD has risen to the top of Turkey's international trade. In the year 2000, TÜSIAD membership contributed 13 billion dollars in imports and 9 billion dollars in imports, correspondingly. TÜSIAD members account for 47.2 percent of Turkish exports and 18.2 percent of Turkish imports, respectively. The export-oriented growth policy of the 1980s is responsible for the enormous value of TÜSIAD enterprises' trade activity. The regime began to support the growth of exporting as a level of external cash with the 24 January 1980 directives in two different

ways: first, household consumption was reduced via different measures such as depreciation of the Turkish lira and salary cutbacks. Following the 1980 invasion, these measures were bolstered by tight restrictions on trade union operations and the ban of strikes. Second, the government of Kazakhstan provided direct subsidies to export-oriented businesses. Although export substitution was phased out in 1988, it offered a significant incentive for businesses to manufacture for the global market. (Demirkol, 2006)



Figure 4. 1. Direction of TÜSIAD Member Corporations' Exports

Source: (Demirkol, 2006)

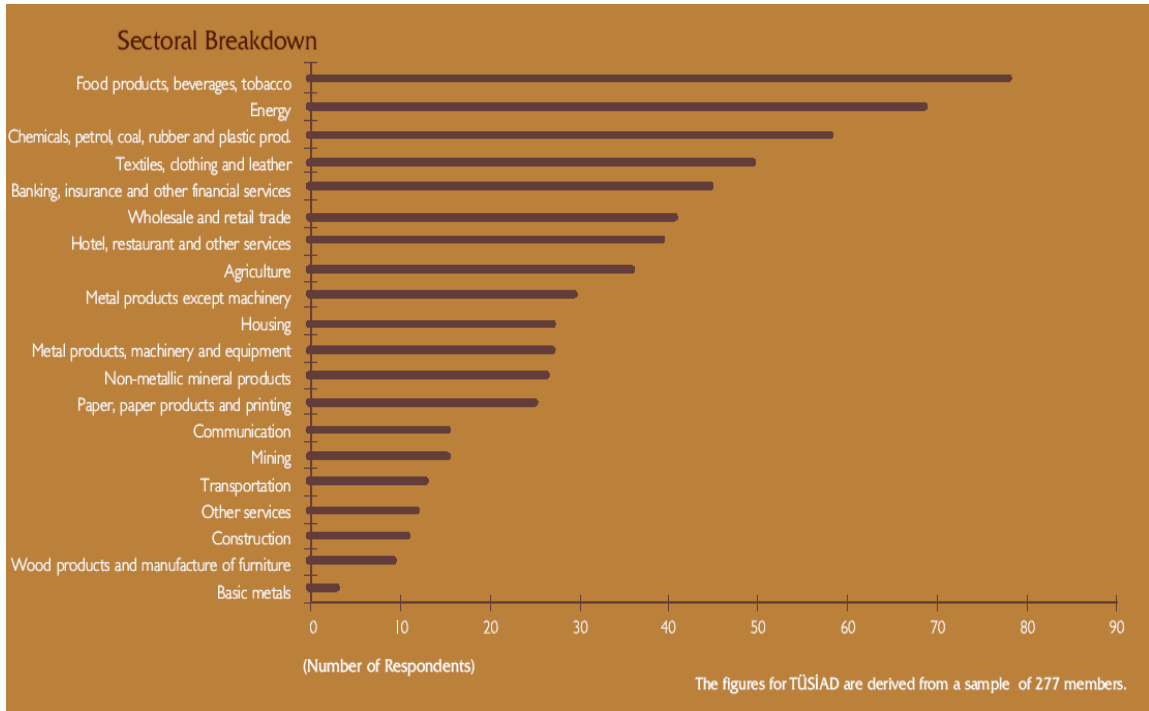


Figure 4. 2. Sectoral Deterioration

Source: (Demirkol, 2006)

The European states are primary export destinations for TÜSIAD membership, just as they are for Turkey. These are all either straight exporter or collaborators with EU enterprises in third-country industrial and contractual operations. TÜSIAD members are becoming direct traders in European markets in addition to being producers. They had taken advantage of the opportunity presented with Bulgaria's and Romania's non-EU membership and also have relocated their assets to these countries. They've also been actively establishing an uniform spending patterns across Eastern Europe. Due to the import-substitution industrial model, TÜSIAD argues that the Turkish private market is more competent than that of old communist nations. As a result, import implantations targeted at nurturing the fledgling sector helped Turkey create an industrial foundation as well as a functional transportation and energy infrastructure. Furthermore, because prices were set by markets, Turkish businesses gained market rationality. As a result, import implantations aided Turkish industry's management, labor, and sales abilities. TÜSIAD is concerned about the economic volatility, but feels that the fragile economy

has taught Turkish businesses valuable lessons. These statements are used in the pamphlet "Turkey: A New Corporate World for Europe" to explain the success of Turkish company in international markets. The organization of TÜSIAD is made up of both entrepreneurs and top management. Despite the fact that TÜSIAD's pioneers were all business proprietors, the company's number of professional managers has grown in recent years. Kurtulus analyzes this trend by referring to the post-liberalization financial challenges that TÜSIAD member enterprises suffered. According to Kurtulus, rising inflation and interest rates, which made borrowing prohibitively expensive, encouraged huge corporations to hire experienced management. TÜSIAD members represent practically every significant economic sector in Turkey. The food, beverage, and tobacco industries, on the other hand, are the most populous and have the greatest number of TÜSIAD members. The energy industry comes next, trailed by the pharmaceuticals, rubber, oil, coal, and plastics industries (Demirkol, 2006). Turkish businesspeople have a love-hate relationship with the government. As a result, corporations have viewed the government as critical to preserving its societal status and riches. However, many consider the government to be the primary cause of their problems. As a result, they advocate greater cooperation with the state on policymaking rather than a reduction in government participation in the economy. TÜSIAD thinks that the economic and political system are inextricably linked. Economic difficulties, according to TÜSIAD, should not be treated apart from political and social issues. TÜSIAD advocates for political changes that are consistent with the EU's political requirements for a stable economy. TÜSIAD thinks that the financial downturn is the result of an ineffective, highly centralized, inept, and out-of-date government system that is unable to respond to popular demands. The government's aversion to reforming the economic and political systems in accordance with the IMF's reform program is to blame for the country's economic troubles. TÜSIAD sees crises as an opportunity to compel the government to make structural changes. The good impacts of the financial downturn on the political framework, according to Zilhan. The crisis, he claims, demonstrated the necessity for effective and efficient government based on the needs of the time. TÜSIAD wants the Turkish government to have a bigger role in foreign policy (Demirkol,2006).

CHAPTER 5

5.SIGNIFICANCE OF CORPORATE POLITICAL ACTIVITY

All management teams face the difficulty of establishing and maintaining competitive edge, yet political arenas are sometimes overlooked as a method of doing so. The CPA viewpoint is now a well-known study framework for analyzing corporation behavior in political arenas. Air transportation is used in a variety of sectors, including oil and gas., computer technology, cigarettes, and medicines, a wide range of companies are active in political activity. Political donations, direct campaigning, government involvement on corporate boards, social contracts, political organizations (PACS), and even bribes have all been used by these companies to influence authorities. Academic study on CPA - defined as a company's effort to sway public policy in a way that benefits the company - has not maintained with the popularity of the practice in business or across political structures. The industry landscape has changed considerably, which explains the increased interest in corporate political participation. The advent of new economies, particularly those with a big proportion of state-led capitalists, such as China or the Gulf states, highlights the need for more comparable conceptions of companies and governments across a variety of institutional contexts. As these countries evolve, their institutional frameworks and, as a result, their private lobbying patterns of behaviour may shift. However, any confluence with Western traditions should not be presumed; further research is needed to determine the level, if any, of confluence. The growth of a network of CPA experts has revealed that it is not a managerial function in and of itself. Instead, it takes place under the auspices of a larger public relations department. CPA is largely used by businesses to develop or sustain corporate profits as

a matter of value. The first is to determine how much CPA conduct firms are likely to engage in, and the second is to determine whether CPA will be done individually or collectively throughout the industry. Institutional theory contributes to our knowledge of CPA in two ways. For starters, it can explain how various political, cultural, and economic systems influence firm-government ties. According to Peng, corporate strategy continues to ignore contextual, and an organizational viewpoint that supports industry and resource-based perspectives is required. Furthermore, conceptual framework may be related to RBV at the company level since it guides us to understand how enterprises adapt (or do not) to changes and developments in the non-market context. This is particularly true in emerging markets, where economic progress can challenge old institutional systems. The political environment, in particular regulation, political risk, and the influence of the kind of political structure on the predictability of political systems, is a key subject in CPA. Because of its consequences for company performance, the political atmosphere as a backdrop has received much interest. Political uncertainty and country-level campaigning have always been the attention of CPA studies. High-risk countries (often emerging countries) are considered politically dangerous. Countries with comprehensive checks and balances in the official policy-making equipment (reduced political turmoil), like Switzerland, Germany and the US have the least amount of strategy threat because numerous veto players involved in the policy-making procedure find it very hard to decide to accept the current establishment strategy. Electoral risk rises when the quantity of veto parties grows and their views are becoming more diverse. Moving from a diversified parliamentary- presidential structure, like Brazil and France, to strongly factionalized parliamentary democracies, such as the Netherlands, Israel, Belgium, or even to the (typically) winner- takes-all structure of the United Kingdom, is an example of this. Prior studies have endeavored to offer proof for business political activity with markets, another key hole in the political environment viewpoint. Blumentritt and Nigh found that when a company's subsidiaries are more economically connected, inter-subsidiary cooperation of political actions is more likely. Their research backs up the idea of combining CPA with marketing methods. While Shaffer and Hillman analyze the links between linear expansion and internal debates over political strategy, they make minimal economic hypotheses. They claim that the

higher the level of heterogeneity inside a corporation, the higher the risk of intra-firm dispute and the expenses of synchronizing policy agenda, implying that market activities and political activity are inextricably linked. Traditionally, CPA research has concentrated on productivity rather than the causes of CPA. The social economics method postulated and tested a popular finance adage that government bodies should incorporate policies in the national good. Officials, on the other hand, trade policy favors for resources from advocacy groups in order to improve their political prospects. Backing organized interest votes, money assets, and knowledge are all significant and scarce commodities that may affect electoral results. (Rajwani, Lawton, & McGuire, 2013). The idea that political decisions launched at the corporate level may be an essential part of business strategies for both local and international operations is not new. Even though there is a significant amount of literature on firm conversations with the ideological environment and the effects of the political landscape on company performance in the household United States, there is far less on the effect of corporate political causes (CPA) and firm 's performance in the global setting. According to the findings, three of seven business-level political causes were connected with better levels of firms' performance, as evaluated by average worldwide yearly revenue growth. Notably, instead of overall organisational tactics, every one of the three important factors may be regarded direct independently firm-based politics contacts. In direct, individual-level political interactions, neither the use of enticements nor the development of ties with government leaders and/or legislators were shown to be substantially connected to corporate performance. Individualistic firm-level political actions are shown to be strongly linked with corporate strategy as evaluated by average yearly worldwide sales. This study recognized lobbying, contacts with government entities, and political donations as three such actions. (Keillor, Hauser, & Dannemiller, 2009).

CHAPTER 6

6.DATA, METHODOLOGY AND HYPOTHESES

In this chapter, methodological procedures of the study are introduced. Firstly, participants of the study is emphasized, including their characteristics and selection of the participants. The following sections exhibits data collection instruments, questionnaire forms of basic topics and hypotheses of the research. The data collection procedure is adverted thirdly and finally, data analysis procedure is presented.

6.1. Participants of the study

The goal of this study is exploring the interaction between the fields of politics and business in Republic of Turkey and world countries. By focusing on Turkish Republic specifically, the data was obtained Turkish citizens and company managers.

The total number of participants are 137 which company owners constitutes 37 and consumers comprises 100 people during the years of 2020 and 2021. According to Shari Dworkin and Grounded Theory, sample size should be between 25-30 or 5-50, so the number of participants is adequate for this research (L. Dworkin, 2012). Appropriate sampling method executed for the selection of participants and instruments are implemented as participants acted voluntarily from different genders, ages, education levels, business sectors and political views.

Managers of small and medium sized companies were selected especially in order to provide the most prevailing data from Turkey. The sample involve in 12 females and 25 males and, the upper age ranges are between 20-29 (%27), between 30-39 (%27) and between 40-49 (%21,6). Most of the Corporation managers have bachelor degree with

51,4 percent, master degree with 27 percent and high school graduates with 21,6 percent. In business sectors, the rate of information technologies is 13,5 percent and food sector had 13,5 percent rate samely, also, trade sector including sales and marketing is having 10,8 percent and 8,1 percent of managers work on social and private services.

The 50 percent of participants comprise Isik University students for consumer behavior survey. It consists of 24 percent males and 76 percent females. The age interim is 20 to 29 with 85 percent ultimately. Most of the participants are bachelor degree graduates with 83 percent and Republican with 48 percent.

6.2. Data Collection Instruments

To obtained the data of this study, Statistical Package for Social Science (SPSS) was used and questionnaire forms of political factors and consumer behavior were conducted for exact measurement.

6.3. Questionnaire Forms of Political Factors and Consumer Behavior

The questionnaire forms were created for both managers and consumers to collect and measure political behaviors, information about gender, age, education level, political ideology and business sectors. The questions compose of political factors which are effective on business including taxes, rules of law, codes of conduct and governmental actions for company managers. Additionally, survey questions prepared for consumers focusing on socio-political topics including political foreign relations, national economy, humanitarian relief and environmentalism (Political Factors Affecting Business, 2015). The responses were obtained by using Likert scale (1-strongly agree, 2-agree, 3-neutral, 4-disagree, 5-strongly disagree) and in-depth questions.

6.4. Hypotheses of Research

Hypotheses are studied and tested for the purpose of this thesis are;

H.1. Both males and females believe that politics affect international business.

H.2. Most educated people believe that politics affect international business.

- H.3. Middle-aged people believe that politics affect international business.
- H.4. White-collar entrepreneurs believe that politics affect international business.
- H.5. Political aspects deter consumers' brand preferences.

6.5. Data Collection Procedure

Data was collected through social media tools such as LinkedIn by distributing the online surveys to the groups and individuals in 2020-2021 academic spring semester (Mirabeau, Mignerat, & Grangé, 2013). Online surveys presented with written information including the research topics, goal of the research within its usage area, confidentiality issues and information about the researcher. Participations substantiated voluntarily by taking nearly 5 minutes.

6.6. Data Analysis Procedure

Descriptive research method was used for this study which is based on absolute facts within surveys and case studies (Pedamkar). After collecting qualitative data, it was transformed to quantitative data by applying for SPSS program. The data for both of the surveys does not involve in any missing value. To demonstrate the hypotheses of the first part of the research; acceptable reliability test (68,4%) (Kılıç, 2016), test of normality (Shapiro-Wilk values 224-417) (Testing for Normality Using SPSS Statistics), questions of the survey within mostly strongly agreed responses (see chapter 7.3.), t-Test ($p=,000$, $p<0,005$) and ANCOVA analysis ($p=,832$, $p>0,05$) (Yılmaz, 2019) were implemented. For the second part of the research, consumer behavior embraced by test of normality (Shapiro-Wilk values are ,065 for scale variable and 102-103 for nominal variable), test of reliability (69,9%), responses of the form included in mostly agreed by all of the participants (see 7.8.), one-way ANOVA ($p=,015$, $p<0,05$), Student's t-Test ($p=,000$, $p<0,05$) (Yılmaz, 2019) and bivariate correlation analysis ($0,91>0,05$ and $0,89>0,05$) (Öztürk, 2020) for demonstrating the hypotheses.

CHAPTER 7

7.INTERNATIONAL RELATIONS AND ECONOMIC GROWTH OF TURKEY

Buying and selling is a foreign affairs strategy that favors bilateral over intergovernmental relations, prioritizes short-term gains over long-term strategic planning, complies to a zero-sum view of the world in which all gains are comparative and mutuality is absent, rejects real worth policy decisions, but does not obey a global strategy. The European Union and Turkey's AKP administration inked a landmark agreement in 2016 regarding the handling of refugee transit through Turkey to European Union member states. As terms of the arrangement, Turkey pledged to stop the flow of Syrian migrants into the EU, in exchange for the EU agreeing to pay Turkey 3 billion euros over two years to take care of the Syrian refugees. Turkey also received assurances that visa liberalization with Europe would be accelerated and that a chapter in the EU admission discussions would be opened. As a result, the arrangement included advantageous transactions for both parties. The agreement, however, was not typical of Turkey-EU ties. In reality, it marked the beginning of a new era in Turkey's ties with the EU, with the emergence of transactionalism. It was in sharp comparison to earlier 2000s, while Turkey, underneath the AKP administration, sought EU membership based on EU organizations' rules and ideals. It was also distinct from the de-Europeanisation phase that occurred between 2011 and 2016, which was followed by culture politics. On a global scale, certain features of a transactionalist foreign policy have emerged after Donald Trump's election as US president in 2016. Because transactionalism dislikes lengthy held and prefers bilateral agreements, it lacks a grand plan to lead foreign policy. Recognition and prioritizing of country's interest, aims, and objectives; possible

threats to so best interest; and assets and/or methods to address these challenges and safeguard these preferences are all part of overall strategy. In the case of Donald Trump's administration in the United States, this has been the case. First, Trump's strategies have been inconsistent with his declared goals in so many areas. While his main designed to Russia as serious risks to the United States, he tinkered with the Russian connection in Eastern Europe and Syria, and vigorously queried the significance of the US's security collaborations with European allies, resulting in a schism between the two villages that make up the Atlantic pact. Moreover, all Trump's signature initiatives, such as his trade battle with China, are dependent on gut feeling and daily occurrences, rather than a systematic plan, and reflect Trump's general impulsive behavior. Trump's tariffs haven't been constant, and given the expected bad effects for the United States economic, it's no surprise he's backed off his trade war by August 2019. Furthermore, it is unclear what function Trump's trade war fulfills or what the US stands to gain from it. Turkey has been pursuing EU membership until 1963, when the Association Agreement among Turkey and the European Economic Community was established. In reality, the Kemalist government's modernization and westernization measures were seen as a natural consequence to membership in Europe. Turkey filed for EU membership for first time in 1987, but little progress had been made until 1999, when the EU recognized Turkey's candidacy for the first time. Between 2002 and 2005, the AKP administration made significant headway for European Union membership. The AKP went on a legislative binge after assuming office in 2002 in order to achieve the Copenhagen criteria. The changes were broad, encompassing several areas including such rights of minorities, free expression, civilianization of the army, and the elimination of the death sentence. They were based on EU proposals. Scholars of EU-Turkey relations were quick to point out that the AKP administration's EU membership policies benefitted the latter's national particular agenda as well. The youth of today Islamists who created the AKP were able to redefine their image and obtain support from the EU and other elements of society by embracing democratic and civil rights concepts. Since the EU membership process stalled in 2005, the TFP's attitude toward the EU has gradually changed. Even though the AKP administration managed to implement certain changes, their speed dropped significantly,

and even those reforms that were implemented were quite limited in scope and scale. Turkey-EU ties were evolving due to Turkey's growing soul, economic prosperity, regional aspirations, and the AKP gov't's Islamist leanings, in addition to selective Europeanization. While mainly aligned with Western objectives at the time, Turkey's assertive foreign policy was a significant departure from Turkey's Kemalist foreign policy paradigm. The concept of 'zero difficulties with neighbors,' pushed by Ahmet Davutoglu, Erdogan's powerful main foreign policy advisor at the time, became TFP's predominant foreign affairs model. Primarily a practical reaction to Turkey's limited influence in the Middle East, as well as the difficulties in relations with the EU and the US. During this time, Turkey's assertive, self-initiated international policy signaled that the AKP leadership was no longer willing to embrace traditional Kemalist objectives of passive participation and Western direction. Turkish capitalists, who regarded Turkey's surroundings as a big and under-exploited marketplace rather than a checkerboard on which to play power games, backed Turkey's regional activity. Furthermore, this international action was not limited to the Middle East³, but also included Cyprus, Russia, Greece. Turkey's 'entrances' to the Middle East, the Baltic countries, and Russia have been decided to carry out in a sense that'd supplement rather than compete with its diplomatic ties, as they did serve the Euro-Atlantic society's primary priorities besides trying to promote neo-liberalism democratic institutions, boosting European and American energy supplies, and bolstering peace and protection in Afghanistan. The forced resignation of Prime Minister Ahmet Davutoglu in May 2016 marked the end of Turkey's culture agenda and the advent of a paradigm shift in foreign affairs that is more concerned with pragmatism and state preservation. Even though Turkey's EU affiliation has been removed of its former conceptual or personality significance, becoming an empty shell to maintain anyone else type of relationship among Turkey and the European Union as lengthy because this new layout continues to serve the new overarching objective of Turkish foreign policy better, the pragmatic international relations era has begun. Turkey's pragmatic move is most visible in its dealings with the EU, not just because the bilateral agreement policy objectives are completely transactional, but because the pragmatic era is markedly different from earlier times. The EU-Turkey refugee pact reached in March 2016 was the 'deal' that signaled the

transactionalist trend in Turkey-European Union ties. In numerous aspects, the agreement signaled a pragmatic shift in Turkey-EU ties. To start with, it featured a term of financial support as a short-term solution to a huge human problem. The value-free, short-term, and zero-sum nature of Turkey's new path of ties with the EU was plainly highlighted by these disputes with European union countries. It's worth noting that both the European Union and Turkey planned to continue their brief objectives at the price of a lengthy ethical engagement when they switched to a transactionalist worldview. The EU's key goal has been to manage the conflict's externalities and avoid further escalation of the war in Syria and Iraq, as well as the dissolution of statehood in this turbulent area. Turkey, on either side, benefits from the contractual relationship since it allows it to earn political points at home while also pursuing its short-term strategic goals in the region. Economic trade is yet another crucial area wherein Turkey and the European Union's transactionalist relation has revealed itself. The Turkish economy is greatly reliant on steady commerce with EU nations; otherwise, Turkey would face economic insecurity, which might be expensive to Erdogan's administration. Turkey's important economic ties with key EU nations like Germany, France, Italy, and the Netherlands are bolstered by the less difficult norms and standards that the Turkish government gives as incentives to international companies. Although France is Turkey's third biggest market in the EU in the fields of transportation, nuclear power, medicines, and fabrics, Germany and the Netherlands are involved in Erdogan's massive projects to build motorways, bridges, and tunnels. Italy's commercial ties with Turkey have more than quadrupled, totaling \$7.6 billion in 2017. Because of its geopolitical location, Turkey is seen as a gateway to the larger Middle Eastern area, as evidenced by total EU investments increasing by 28.1 percent in 2017 (Bashirov & Ylmaz, 2019). Turkey's diplomatic ties and industrial progress are inextricably linked, resulting in cooperation. Here is the data on Turkey's industrial prosperity during the last three decades.;

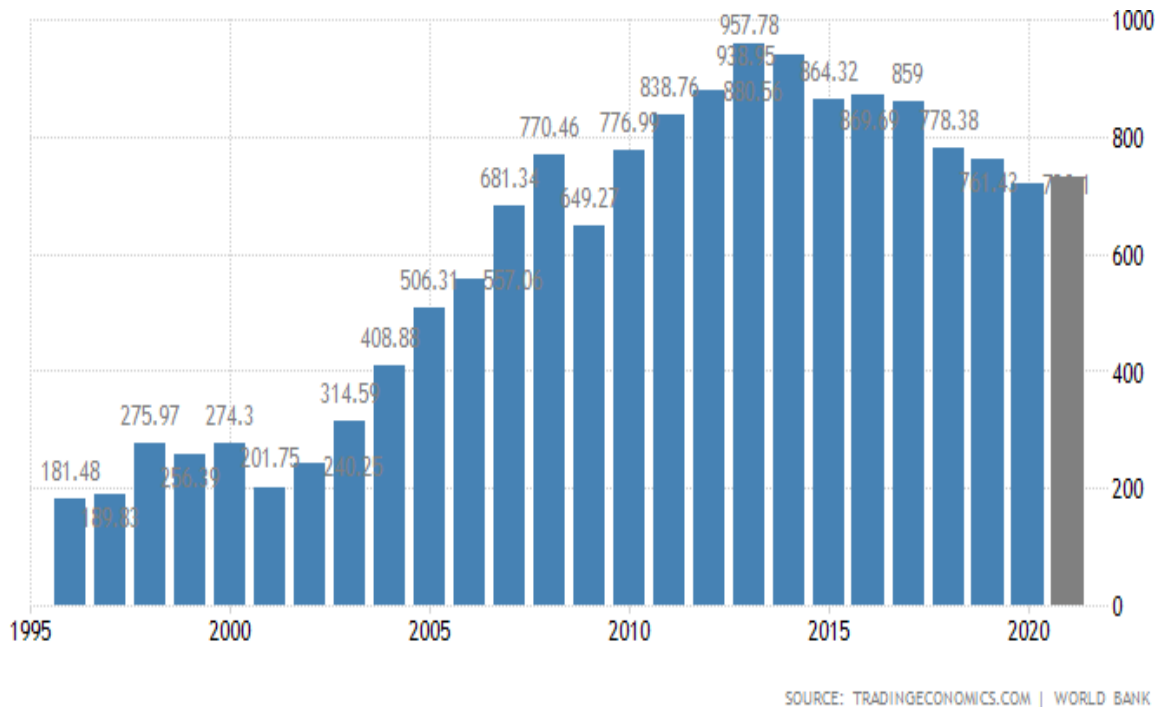


Figure 7. 1. Economic Growth of Turkey for Gross Domestic Product in last 25 years

Source: (Turkey GDP)

As according actual World Bank figures, Turkey's GDP was valued \$720.10 billion in 2020. Turkey's GDP accounts for 0.64% of the global economy.

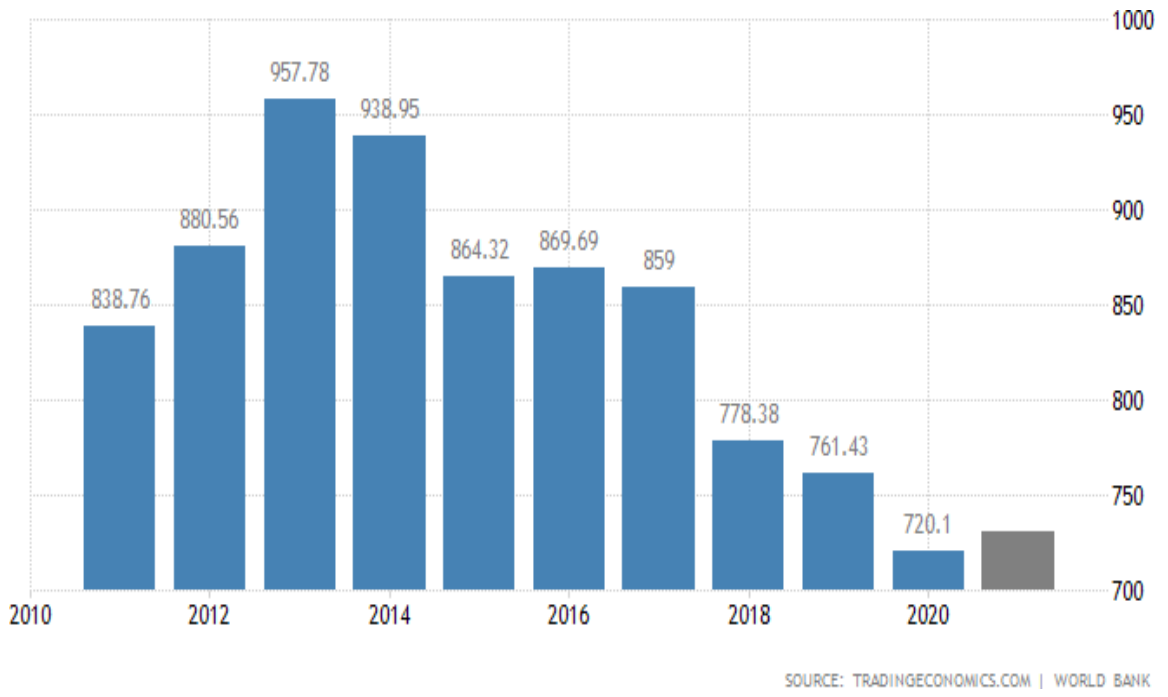


Figure 7. 2. Economic Growth of Turkey for Gross Domestic Product in last 10 years

Source: (Turkey GDP)

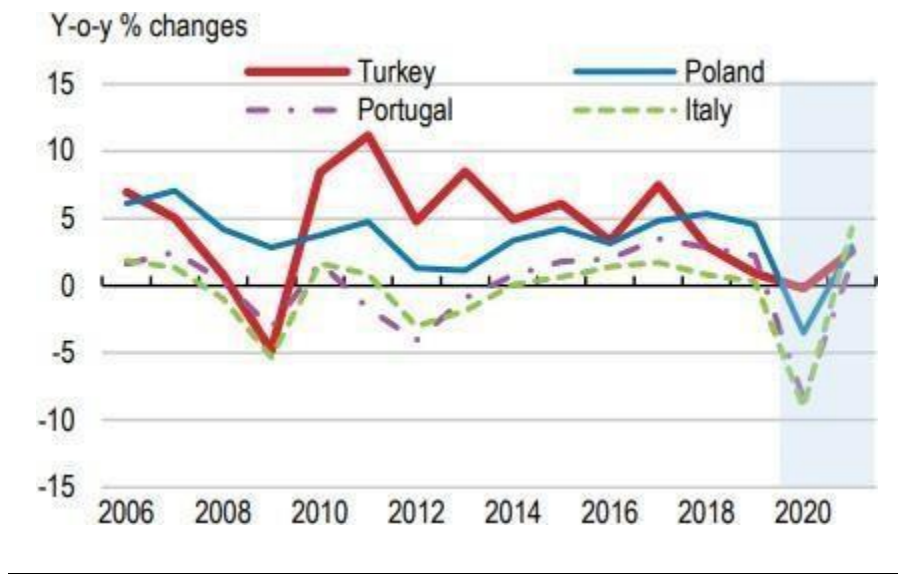


Figure 7. 3. Growth comparing of Turkey and Poland

Growth rates, unless specified	2019	2020	2021	2022
Gross domestic product	0.9	-0.2	2.6	3.5
Private consumption	1.6	0.8	3.9	5.7
Government consumption	4.3	2.7	2.1	0.1
Gross fixed capital formation	-12.4	5.6	2.6	3.8
Exports	4.9	-19.1	7.6	7.4
Imports	-5.3	7.7	9.3	8.8
Unemployment rate (%)	13.7	13.2	13.7	14.5
Consumer price index ¹	15.2	12.2	12.0	10.0
Current account balance (% of GDP)	1.2	-4.7	-4.6	-4.8

Figure 7. 4. Growth rates of Turkey

Source: (OECD Economic Surveys TURKEY, 2021)

The pandemic's influence on business growth came later than other nations in the area, but it was significant. Thanks to a solid critical care network and focused shut downs, Turkey was able to keep the amount of COVID-19 cases under control in the early stages of the epidemic. Symptoms, on the other hand, increased significantly once control efforts were eased in June, and they kept rising dramatically in the fall. In the first wave, jobs and consumer spending fell sharply, but rebounded as the government stepped in to help. They are, however, once again up against headwinds. The tourism and hospitality industries, which create a lot of desire for other goods and services and offer jobs in a lot of places, are particularly hard hit (OECD Economic Surveys TURKEY, 2021).

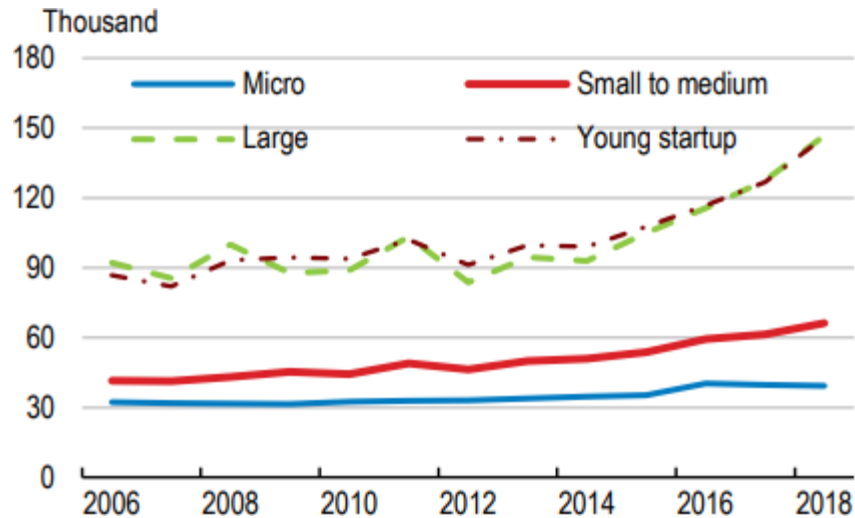


Figure 7. 5. Growth rates of micro to small and medium

Source: (OECD Economic Surveys TURKEY, 2021)

In the face of tough macroeconomic and due to geopolitical concerns, the economy's innovative vitality remains extraordinary. However, in finest business entities, only a small percentage of enterprises produce high-quality jobs. Small and medium-sized firms rely on informal or semi-formal labor, administration and legal and operational regulatory guidelines for the most of their operations. Structural reforms that allow more freedom in labor markets, more competitiveness in market segments, and significant advances in corporate governance would enable Turkey realize its full potential by increasing productivity, creating jobs, and stimulating digital transformation. More trade liberalization is also possible in agriculture, industries, and procurement practices. In comparison to a situation with no changes in policy, dynamic general equilibrium models for this Survey indicated that a bundle of reforms might raise Turkey's GDP per capita by more than 10% over ten years (OECD Economic Surveys TURKEY, 2021).

Turkey's economic outperformed most of its rivals in the third quarter, but rising inflation and a currency crisis might jeopardize the rebound. Turkey's economy expanded 7.4 percent in the third quarter, outpacing most rivals, but surging inflation and a weakening currency imply the boom may be short-lived. Growth in the three months leading up to September was in line with the consensus expectation of nine economists polled by Bloomberg. Seasonally and working day-adjusted numbers indicated a 2.7

percent increase Compared to the previous three months, gross domestic product increased in the fourth quarter. increased by 22 percent as the economy recovered from the pandemic's deadliest phase According to Khoman, development would decrease from 8.8% this year to 3.4 percent in 2022, with the danger solidly on the negative. He projected that the central bank would continue to decrease rates for the time being, but that in order to stabilize the economy, it will be compelled to raise borrowing prices to 20% next year. Since September, Turkey's central bank has lowered borrowing rates by 4 percentage points, as President Recep Tayyip Erdogan tries to resurrect his fading popularity ahead of the 2023 elections by providing solid growth and more employment. However, rising inflation has eroded buying power, implying that some of the Group of 20's best real GDP growth isn't transforming into many consumers' higher living standards. While manufacturers profit from the weakened lira and landowner's profit from higher rents and home values, working-class Turks - Erdogan's core constituency - are one of the most hurt. Household consumption makes up over two-thirds of the economy., is one of the most important drivers of growth. It increased by 9.1percent from the previous year. In the third quarter, annual GDP increased to 795.2 billion dollars, up from 765 billion dollar in the previous three months. Exports increased by

25.6 percent year over year. Imports decreased by 8.3 percent. Gross fixed capitalformation, a measure of company investment, fell by 2.4 percent annually. After a corrected 3.4 percent increase in the preceding quarter, government expenditure increased by 9.6percent (Hacaoglu & Yilmaz, 2021).

In the event of more disruptions, GDP growth is forecast to be 9% in 2021, then 3.3 percent in 2022, and 3.9 percent in 2023. Immunisations have made rapid progress, but some people are still hesitant, and the number of COVID-19 cases has risen this autumn as more infectious strains have circulated. Inflation is quite high and persistent. Inflationary pressures, the currency rate, real family incomes, and borrowed capital have all been impacted by recent interest rate reduction. (Turkey Economic Snapshot: Economic Forecast Summary (December 2021), 2021).

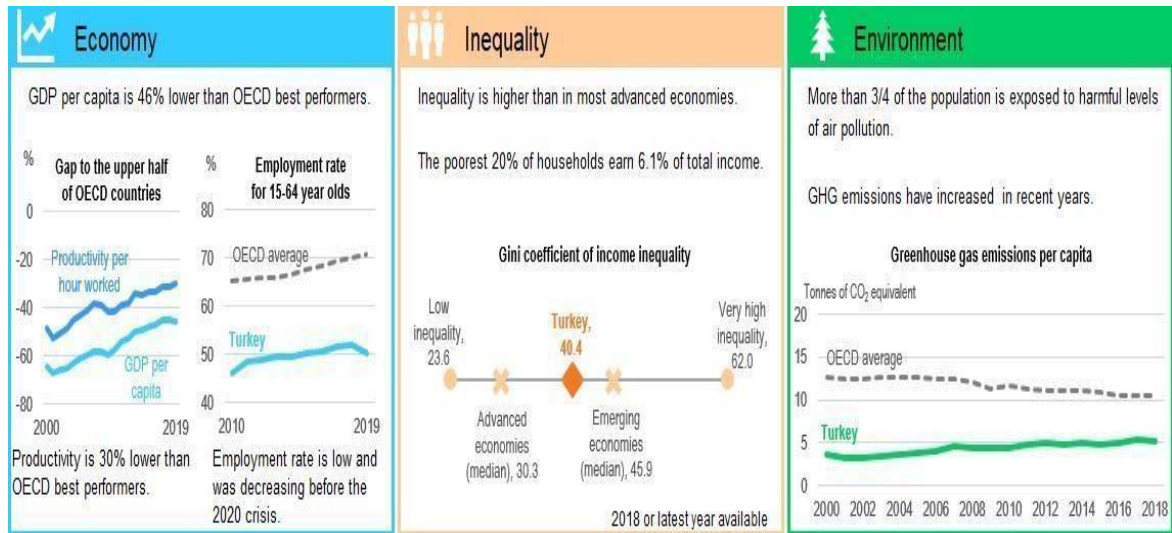


Figure 7. 6. Turkey’s current economic, environmental and equality situation

Source: (Turkey Economic Snapshot: Economic Forecast Summary (December 2021),

The Turkish Republic set various structural reform goals in 2021, including labor market change, education or professional reform, competitiveness and regulatory restructure, and environment policy initiatives. The following are the details: lowering the cost of work for low-skilled workers, Reforming job protection laws and bolstering active labor market policies, as well as tackling the informal sector, are all priorities. At all educational levels, improvement of the quality and equity of educational accomplishment is a priority. lowering administrative costs, price controls, and other impediments to international investment and cross-border service trade Population increase, urbanization, transportation, and the increase of coal power generation are all putting strain on the environment. (Turkey Economic Snapshot: Economic Forecast Summary (December 2021), 2021).

CHAPTER 8

8.RESULTS

8.1. Test of Reliability

Table 8. 1. Total number of respondents of the survey

		N	%
Cases	Valid	37	100,0
	Excluded(a)	0	,0
	Total	37	100,0

Table 8. 2. The Cronbach's Alpha coefficient of Political Factors

Cronbach'sAlpha	N of Items
,684	15

Table 8. 3. Means and standard deviations of the Political Factors

	Mean	Std. Deviation	N	
politicalfactors_1		2,4324	1,28107	37
politicalfactors_2		1,1892	,46175	37
politicalfactors_3		1,8649	,85512	37
politicalfactors_4		3,0811	1,11501	37
politicalfactors_5		1,8378	,76425	37
politicalfactors_6		1,6486	,71555	37
politicalfactors_7		1,7027	,96796	37
politicalfactors_8		1,5135	,65071	37
politicalfactors_9		2,0811	,89376	37
politicalfactors_10		1,4865	,60652	37
politicalfactors_11		2,1351	1,25083	37
politicalfactors_12		2,4324	1,16763	37
politicalfactors_13		3,0000	1,33333	37
politicalfactors_14		1,8649	,85512	37
politicalfactors_score		26,4986	4,79319	37

The value of Cronbach's Alpha is 68 percent which is very close to level of 0.70 and a sufficient outcome for the reliability test (Testing for Normality using SPSS Statistics). The descriptive statistics revealed that the mean value for participants' political interaction scores was 26.49 with a standard deviation of 4.79. The each mean value is very low, it means that most of the firm owners agreed on the political impact on businesses. Accordingly, aiming to determine the awareness of company owner about political and legal issues, 19 statements are proposed. The statements and the replies has not any missing value and provided as per Likert Scale by respondents.

8.2. Test of Normality

Table 8. 4. Distribution of Gender of Respondents

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
politicalfactors_score						
Female	12	100,0%	0	,0%	12	100,0%
Male	25	100,0%	0	,0%	25	100,0%

Table 8. 5. Descriptive analysis and Gender

politicalfactors_score	Gender		Statistic	Std. Error
	Female	Male		
		Mean	26,2500	1,49555
		95% Confidence Interval for Mean	Lower Bound Upper Bound	22,9583 29,5417
		5% Trimmed Mean	26,3250	
		Median	28,0750	
		Variance	26,840	
		Std. Deviation	5,18073	
		Minimum	18,05	
		Maximum	33,10	
		Range	15,05	
		Interquartile Range	10,00	
		Skewness	-,437	,637
		Kurtosis	-1,326	1,232
	Male	Mean	26,6180	,94052
		95% Confidence Interval for Mean	Lower Bound Upper Bound	24,6769 28,5591
		5% Trimmed Mean	26,4689	
		Median	26,1000	
		Variance	22,115	
		Std. Deviation	4,70261	
		Minimum	17,10	
		Maximum	39,25	
		Range	22,15	
		Interquartile Range	6,53	
		Skewness	,614	,464
		Kurtosis	1,024	,902

Table 8. 6. The result of test of normality and Gender

politicalfactors_score	Gender	Kolmogorov-Smirnov(a)			Shapiro-Wilk		
		Statistic	df	Sig.	Statistic	df	Sig.
	Female	,219	12	,116	,912	12	,224
	Male	,175	25	,046	,960	25	,417

a Lilliefors Significance Correction

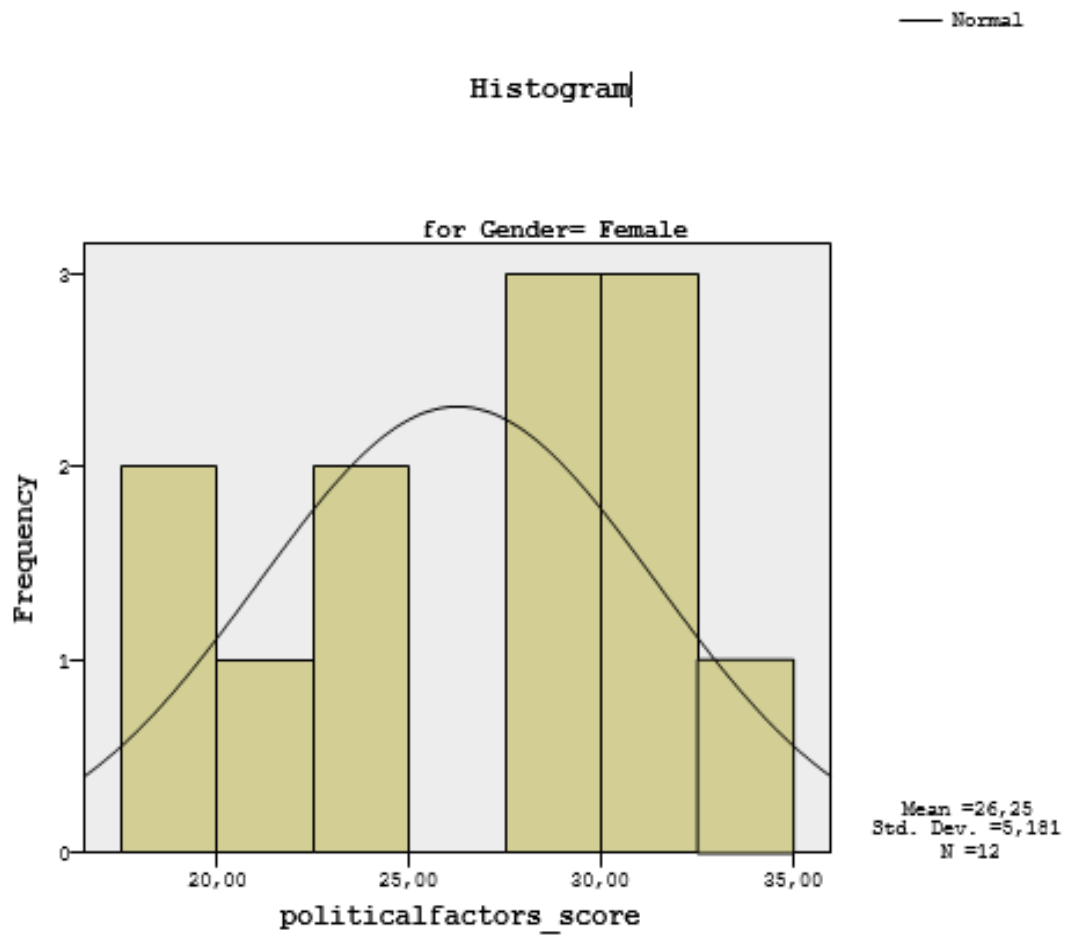


Figure 8. 1. The histogram curve of test of normality for females

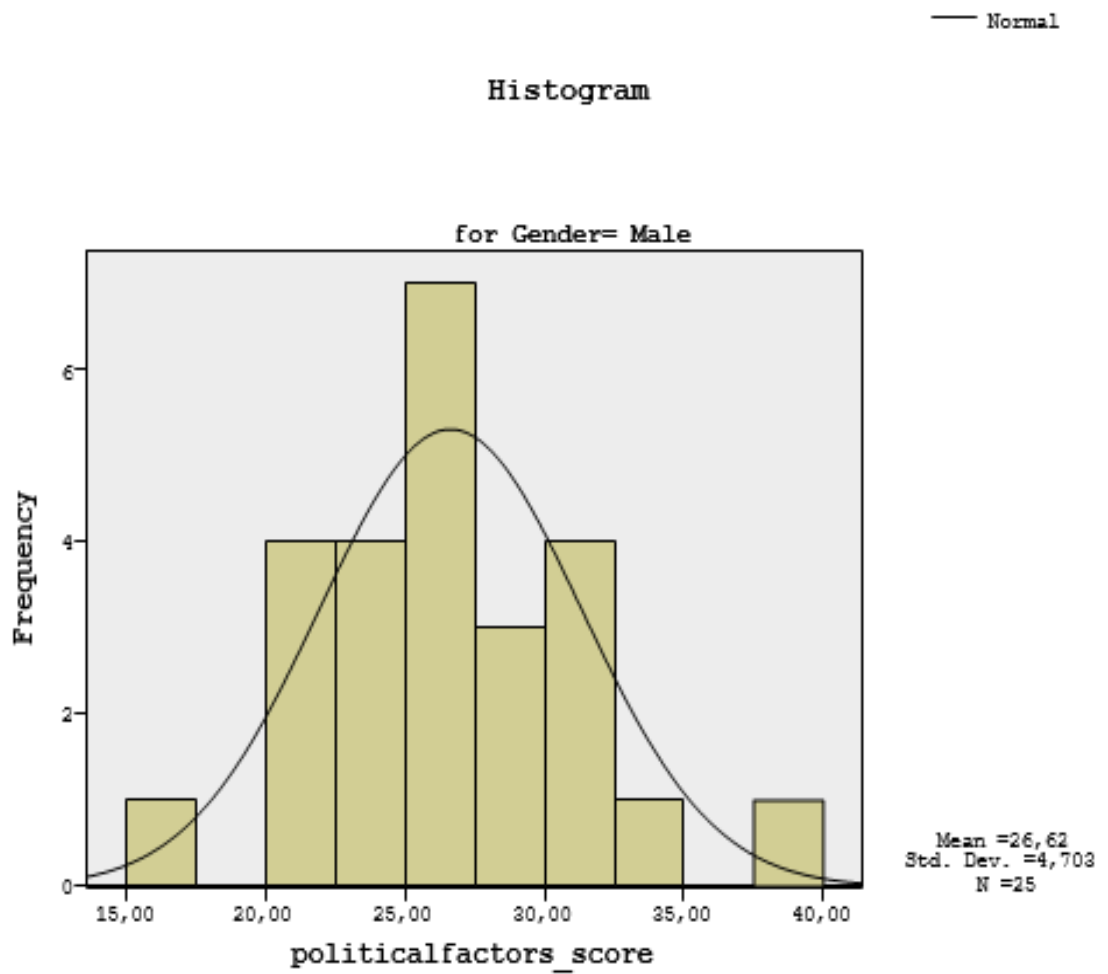


Figure 8. 2. The histogram curve of test of normality for males

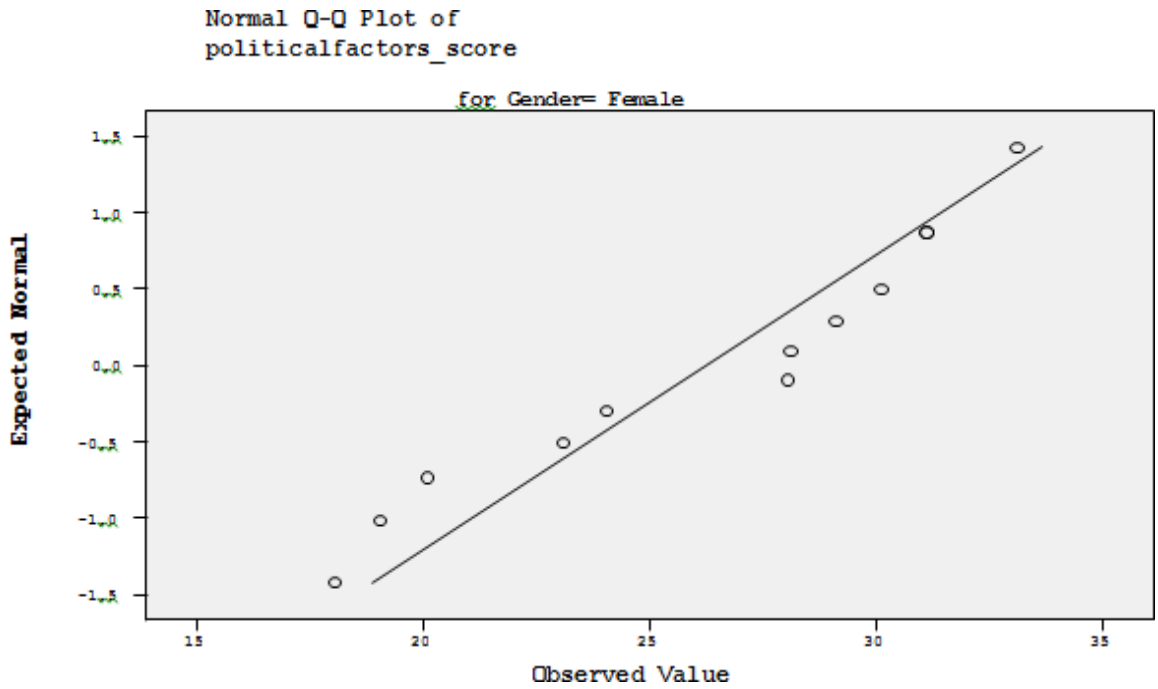


Figure 8. 3. The scatter plot of test of normality for females

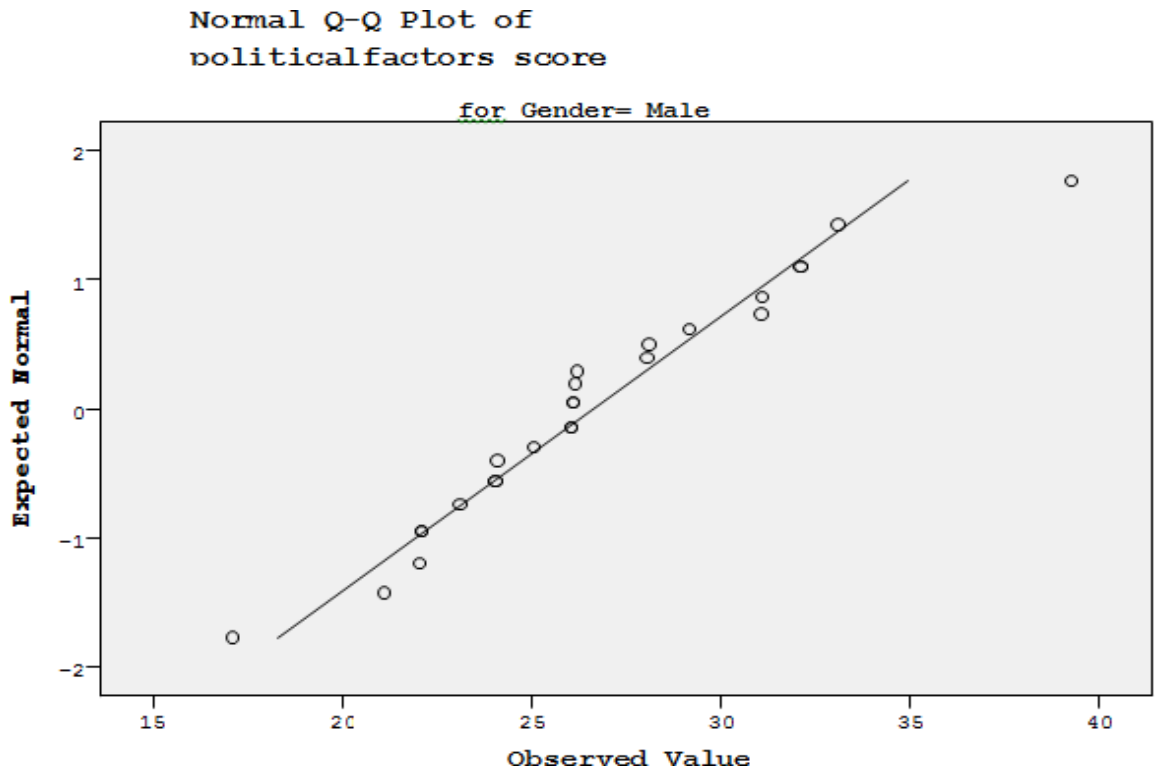


Figure 8. 4. The scatter plot of test of normality for males

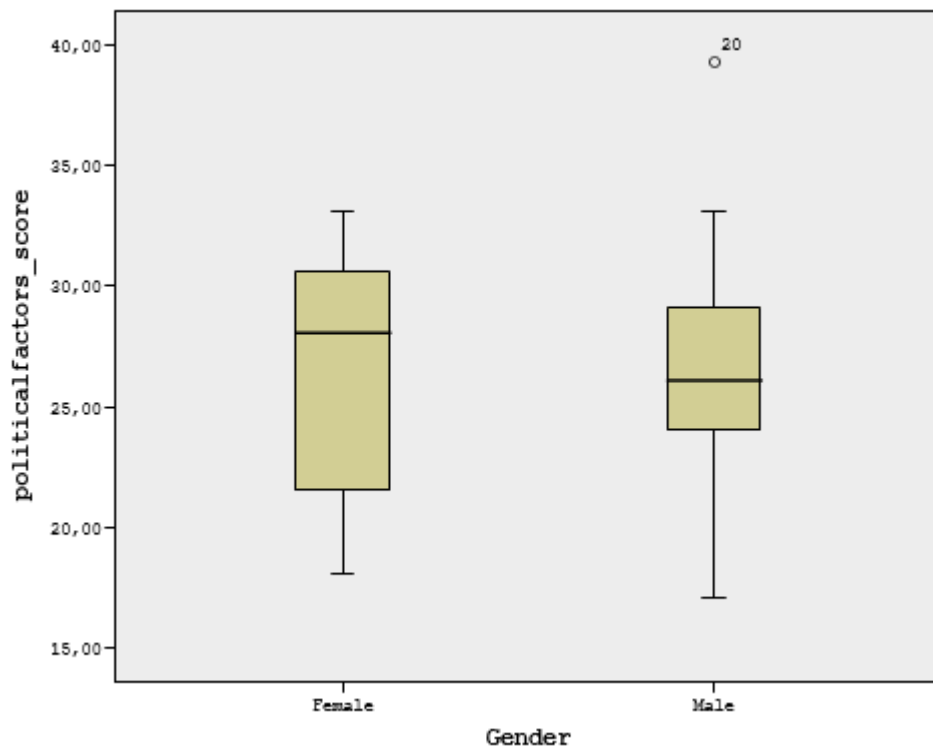


Figure 8. 5. The box plot of test of normality and Gender

The number of male entrepreneurs are 25 and female entrepreneurs are 12. The data does not include any missing value. Average median and standard deviation values are indicated with maximum and minimum values. Skewness and Kurtosis values are between -2 and +2, thus the data exhibits normal distribution. The table proves that the value of significance greater than 0.05 and n number is greater than 30 for both females and males thus, the data is normally distributed. Normal distribution can be analysed with the histogram graphs. On the scatter plot graphs, observations around the regression line shows a normal distribution. On the box plot graph, extreme values are not observed.

8.3. Survey Questions and Responses

Statement 1: As a manager I think that the donation support of government is beneficial for my company and its satisfactory.

Table 8. 7. Replies provided by company owners to the statement “As a manager I think that the donation support of government is beneficial for my company and its satisfactory.”

politicalfactors_1

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	12	32,4	32,4	32,4
	Agree	7	18,9	18,9	51,4
	Neutral	11	29,7	29,7	81,1
	Disagree	4	10,8	10,8	91,9
	Strongly Disagree	3	8,1	8,1	100,0
	Total	37	100,0	100,0	

Statement 2: As a manager I take care of implementation of labor law, healthy environment and gender equality rules in my company.

Table 8. 8. Replies provided by company owners to the statment “As a manager I take care of implementation of labor law, healthy environment and gender equality rules in my company.”

politicalfactors_2

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	31	83,8	83,8	83,8
	Agree	5	13,5	13,5	97,3
	Neutral	1	2,7	2,7	100,0
	Total	37	100,0	100,0	

Statement 3: I am very interested in the issue of tax policy, rating and tax incentives, so I provide to pay on time.

Table 8. 9. Replies provided by company owners to the statement “I am very interested in the issue of tax policy, rating and tax incentives, so I provide to pay on time.”

politicalfactors_3

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Agree	14	37,8	37,8	37,8
Agree	16	43,2	43,2	81,1
Neutral	5	13,5	13,5	94,6
Disagree	2	5,4	5,4	100,0
Total	37	100,0	100,0	

Statement 4: I interact with business by participating in commercial cooperations and agreements which government involved.

Table 8. 10. Replies provided by company owners to the statement “I interact with business by participating in commercial cooperations and agreements which government involved.”

politicalfactors_4

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Agree	3	8,1	8,1	8,1
Agree	8	21,6	21,6	29,7
Neutral	13	35,1	35,1	64,9
Disagree	9	24,3	24,3	89,2
Strongly Disagree	4	10,8	10,8	100,0
Total	37	100,0	100,0	

Statement 5: Protection of the consumers and online trade markedly advantage for my company.

Table 8. 11. Replies provided by company owners to the statement “Protection of the consumers and online trade markedly advantage for my company.”

politicalfactors_5

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	14	37,8	37,8	37,8
	Agree	15	40,5	40,5	78,4
	Neutral	8	21,6	21,6	100,0
	Total	37	100,0	100,0	

Statement 6: I underfollow the impact of government on economy and make strategic planning in order to minimize the risk.

Table 8. 12. Replies provided by company owners to the statement “I underfollow the impact of government on economy and make strategic planning in order to minimize the risk”

politicalfactors_6

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	17	45,9	45,9	45,9
	Agree	17	45,9	45,9	91,9
	Neutral	2	5,4	5,4	97,3
	Disagree	1	2,7	2,7	100,0
	Total	37	100,0	100,0	

Statement 7: As a company owner me and my all employees obey the government limitations strictly in case of state of emergency.

Table 8. 13. Replies provided by company owners to the statement “As a company owner me and my all employees obey the government limitations strictly in case of state of emergency.”

politicalfactors_7

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Agree	20	54,1	54,1	54,1
Agree	11	29,7	29,7	83,8
Neutral	4	10,8	10,8	94,6
Disagree	1	2,7	2,7	97,3
Strongly Disagree	1	2,7	2,7	100,0
Total	37	100,0	100,0	

Statement 8: I have enough knowledge about the concepts like insurance, commercial register, unfair competition, current accounts and negotiable instruments which are based on business law.

Table 8. 14. Replies provided by company owners to the statement “I have enough knowledge about the concepts like insurance, commercial register, unfair competition, current accounts and negotiable instruments which are based on business law.”

politicalfactors_8

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Agree	21	56,8	56,8	56,8
Agree	13	35,1	35,1	91,9
Neutral	3	8,1	8,1	100,0
Total	37	100,0	100,0	

Statement 9: During government restrictions and interventions, presentations of new product and service are implemented in order to maximize the operational efficiency.

Table 8. 15. Replies provided by company owners to the statement “During government restrictions and interventions, presentations of new product and service are implemented in order to maximize the operational efficiency.”

politicalfactors_9

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Agree	12	32,4	32,4	32,4
Agree	11	29,7	29,7	62,2
Neutral	13	35,1	35,1	97,3
Disagree	1	2,7	2,7	100,0
Total	37	100,0	100,0	

Statement 10: I find beneficial to attempt to foreign market in terms of employment, demand of domestic production and economic growth under globalization process.

Table 8. 16. Replies provided by company owners to the statement “I find beneficial to attempt to foreign market in terms of employment, demand of domestic production and economic growth under globalization process.”

politicalfactors_10

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Agree	21	56,8	56,8	56,8
Agree	14	37,8	37,8	94,6
Neutral	2	5,4	5,4	100,0
Total	37	100,0	100,0	

Statement 11: Building around freedom of thought, my employees have liberty of speech about governmental actions and political activities.

Table 8. 17. Replies provided by company owners to the statement “Building around freedom of thought, my employees have liberty of speech about governmental actions and political activities.”

politicalfactors_11

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Agree	16	43,2	43,2	43,2
Agree	8	21,6	21,6	64,9
Neutral	7	18,9	18,9	83,8
Disagree	4	10,8	10,8	94,6
Strongly Disagree	2	5,4	5,4	100,0
Total	37	100,0	100,0	

Statement 12: As a corporation, we are sensitive towards political events which influence the society and we release our product and service manner in this direction.

Table 8. 18. Replies provided by company owners to the statement “As a corporation, we are sensitive towards political events which influence the society and we release our product and service manner in this direction.”

politicalfactors_12

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Agree	9	24,3	24,3	24,3
Agree	12	32,4	32,4	56,8
Neutral	9	24,3	24,3	81,1
Disagree	5	13,5	13,5	94,6
Strongly Disagree	2	5,4	5,4	100,0
Total	37	100,0	100,0	

Statement 13: I think that state governance must be invariably sustained and stable because of negative affect of gross domestic product as a result of policy amendment.

Table 8. 19. Replies provided by company owners to the statement “I think that state governance must be invariably sustained and stable because of negatively-affected gross domestic product as a result of policy amendment.”

politicalfactors_13

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Agree	5	13,5	13,5	13,5
Agree	10	27,0	27,0	40,5
Neutral	9	24,3	24,3	64,9
Disagree	6	16,2	16,2	81,1
Strongly Disagree	7	18,9	18,9	100,0
Total	37	100,0	100,0	

Statement 14: I think that we must be in league with non-governmental organizations in order to provide sustainability and implement corporate social responsibility projects.

Table 8. 20. Replies provided by company owners to the statement “I think that we must be in league with non-governmental organizations in order to provide sustainability and implement corporate social responsibility projects.”

politicalfactors_14

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Agree	12	32,4	32,4	32,4
Agree	21	56,8	56,8	89,2
Neutral	2	5,4	5,4	94,6
Disagree	1	2,7	2,7	97,3
Strongly Disagree	1	2,7	2,7	100,0
Total	37	100,0	100,0	

Statement 15: Please indicate the sector that your company is located.

Table 8. 21. Replies provided by company owners to the statement “Please indicate the sector that your company is located”

		Sector			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Justice and Security	2	5,4	5,4	5,4
	Information Technologies	5	13,5	13,5	18,9
	Education	2	5,4	5,4	24,3
	Finance	1	2,7	2,7	27,0
	Food	5	13,5	13,5	40,5
	Construction	2	5,4	5,4	45,9
	Architecture	2	5,4	5,4	51,4
	Business Management	2	5,4	5,4	56,8
	Chemistry, Petroleum and Plastics	1	2,7	2,7	59,5
	Metal	1	2,7	2,7	62,2
	Automotive	2	5,4	5,4	67,6
	Textile	2	5,4	5,4	73,0
	Trade (Sales-Marketing)	4	10,8	10,8	83,8
	Tourism	2	5,4	5,4	89,2
	Transportation and Logistics	1	2,7	2,7	91,9
	Social and Private Services	3	8,1	8,1	100,0
	Total	37	100,0	100,0	

Statement 16: Please indicate your age range.

Table 8. 22. Replies provided by company owners to the statement “Please indicate your age range.”

		Age			
		Frequenc y	Percen t	Valid Percen t	Cumulativ e Percen t
Valid	Between 20 and 29	10	27,0	27,0	27,0
	Between 30 and 39	10	27,0	27,0	54,1
	Between 40 and 49	8	21,6	21,6	75,7
	Between 50 and 59	5	13,5	13,5	89,2
	Between 60 and 69	4	10,8	10,8	100,0
Tot al		37	100,0	100,0	

Statement 17: Please indicate your gender.

Table 8. 23. Replies provided by company owners to the statement “Please indicate your gender.”

		Gender			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	12	32,4	32,4	32,4
	Male	25	67,6	67,6	100,0
	Total	37	100,0	100,0	

Statement 18: Please indicate your education level.

Table 8. 24. Replies provided by company owners to the statement “Please indicate your education level.”

		Education			
		Frequenc y	Percen t	Valid Percen t	Cumulativ ePercent
Valid	High School	8	21,6	21,6	21,6
	Bachelor Degree	19	51,4	51,4	73,0
	Master Degree	10	27,0	27,0	100,0
Total		37	100,0	100,0	

It is observed that the most of the replies provided by the participants are positively strongly agreed. Accordingly it is indicated by this result that owners of corporations believe in the political factors within legal implementations in their business life.

Additionally, main unsolved problems and recommendations which are highly connected with politics and legal issues were asked for the participants about their sector. These issues can be considered to solve in order to improve small and medium sized enterprises and contribute to develop national economy. Here are the replies below;

Statement 19: Please indicate main problems in your business sector.

Table 8. 25. Replies provided by company owners from textile sector.

Textile Sector
<p>1. Constituting new platforms that may increase foreign trade. Decreasing exportation procedures. Providing tax advantages for new small-sized companies and enhancing entrepreneurship.</p>
<p>2. Reducing the restrictions during pandemic period.</p>

Table 8. 26. Replies provided by company owners from education sector.

Education Sector

1. In order to enable to find job for newly graduate instructor of Ministry of Education, the compulsory internship should be two years on the way of being qualified employee.

2. The physical environment where educational institutions are operating should not be standard and it should be improved on regulations by considering the student profiles and number of the courses.

3. Value-added tax rate should be reduced to one percent in the fields of education and health.

4. Tax reduction, social security insurance and cost reduction are needed.

Table 8. 27. Replies provided by company owners from information technologies sector.

Information Technologies Sector
1. Developing research and development and innovation with shared wisdom. It can be provided by constant participation of both public and private establishments at technopark within their membership.
2. Innovations and enterprises are developed by contribution of customers more than grants. It is compulsory to create working culture notwithstanding places and overtime. It should be thought that even any person with obstacles can change the world, so the sector should be improved according to this view.
3. Unionization and workers' rights should be reviewed. The scope of state subventions should be extended. Social attitude should be change.
4. State subventions and incentives which based on justice and merit should be transferred to information technologies sector more than construction sector, in this way the companies can provide value-added product and services for national economy.
5. In order to train personnel, the education reform in software and informatics programs should be contemporarily appropriate, and incentives like salary and insurance should be provided for companies in order to train new graduates.
6. Research and development and investment incentives should be provided for software and informatics companies, and companies from other sectors which want to invest for software.
7. Turkey needs education reform, economic reform and merit to hinder brain drain. There must be revolution on economy and state governance.

Table 8. 28. Replies provided by company owners from mining industry.

Mining Sector

1. Subsistence of unfair competition. Lack of semi-skilled workers. Visa issues and unpleasant foreign relations.

Table 8. 29. Replies provided by company owners from food sector.

Food Sector

1. Agricultural production must be increased, the manufactured foods must be controlled properly for human health and export incentives must be increased.

2. Providing standby credits, improving the age limit of retirement and providing assistance for logistics.

Table 8. 30. Replies provided by company owners from justice and security sector.

Justice and Security Sector

1. Turkish Bar Association and province bars can be functionalized.

2. Trainee lawyers and beginning lawyers should not be classified as low-cost labor.

3. Works that extend the area of judicial service should be made.

8.4. T-test Analysis of Hypotheses

Hypothesis H1₁

It is explored that the political factors revealed normal distribution, thus applying to parametric T-Test is convenient. One sample T-test is used to reveal whether two sample groups (e.g. male-female, married-single) diverge or not. It examines whether the average in a group has a statistically significant graph other than another group or not (R. Burnham, 2012).

Table 8. 31. Mean and Standard Deviation of Gender

	N	Mean	Std. Deviation	Std. Error Mean
Gender	37	1,6757	,47458	,07802
politicalfactors_score	37	26,4986	4,79319	,78800

Table 8. 32. One Sample T-Test of Political Effect and Gender

Test Value = 0.05						
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Gender	20,837	36	,000	1,62568	1,464	1,7839
politicalfactors_score	33,564	36	,000	26,44865	24,805	28,0468

Based on above data sig. value is computed as ,000, $p < .05$. Thus, Hypothesis H1₀ is rejected, accepted hypothesis H1₁. Hypothesis H1₁ being “Both males and females believe that politics affect international business” and null hypothesis H1₀ is “Both males and females do not believe that politics affect international business”; the result of T-test implemented on the replies of the survey’s respondents is accepting H1₁ “Both

males and females believe that politics affect international business”, rejecting the hypothesis H10 “Both males and females do not believe that politics affect international business”. This outcome can be interpreted as that political factors are positively effective on behaviors of male and female entrepreneur (Yılmaz, 2019).

Hypothesis H2₁

Table 8. 33. Mean and Standard Deviation of Education

	N	Mean	Std. Deviation	Std. Error Mean
Education	37	3,0541	,70498	,11590
politicalfactors_score	37	26,4986	4,79319	,78800

Table 8. 34. One Sample T-Test of Political Effect and Education

	Test Value = 0.05					
	t	df	Sig. (2-tailed)	Mean Difference	Lower	Upper
Education	25,920	36	,000	3,00405	2,7690	3,2391
politicalfactors_score	33,564	36	,000	26,4865	24,8505	28,1168

Based on above data sig. value is computed as ,000, $p < .05$. Thus, Hypothesis H2₀ is rejected, accepted hypothesis H2₁. Hypothesis H2₁ being “Most educated people believe that politics affect international business” and null hypothesis H2₀ is “Most educated people do not believe that politics affect international business”; the result of T-test implemented on the replies of the survey’s respondents is accepting H2₁ “Most highly educated people believe that politics affect international business”, rejecting the hypothesis H2₀ “Most educated people do not believe that politics affect international

business”. This outcome can be interpreted as that political factors are positively effective on behaviors of business people.

Hypothesis H3₁

Table 8. 35. Mean and Standard Deviation of Age

	N	Mean	Std. Deviation	Std. Error Mean
Age	37	2,5405	1,32486	,21781
politicalfactors_score	37	26,4986	4,79319	,78800

Table 8. 36. One Sample T-Test of Political Effect and Age

	Test Value = 0.05					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Age	11,435	36	,000	2,49054	2,048	2,932
politicalfactors_score	33,564	36	,000	26,44865	24,805	28,0468

Based on above data sig. value is computed as ,000, $p < .05$. Thus, Hypothesis H3₀ is rejected, accepted hypothesis H3₁. Hypothesis H3₁ being “Middle-aged people believe that politics affect international business” and null hypothesis H3₀ is “Middle-aged people do not believe that politics affect international business”; the result of T-test implemented on the replies of the survey’s respondents is accepting H3₁ “Middle-aged people believe that politics affect international business”, rejecting the hypothesis H3₀ “Middle-aged people do not believe that politics affect international business”. This outcome can be interpreted as that political factors are positively effective on attitudes and behaviors of experienced business people.

Hypothesis H4₁

Table 8. 37. Mean and Standard Deviation of Sector

	N	Mean	Std. Deviation	Std. Error Mean
Sector	37	14,2973	8,69503	1,42945
politicalfactors_score	37	26,4986	4,79319	,78800

Table 8. 38. One Sample T-Test of Political Effect and Sector

	Test Value = 0.05					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Sector	9,967	36	,000	14,24730	11,3482	17,1464
politicalfactors_score	33,564	36	,000	26,44865	24,8505	28,0468

Based on above data sig. value is computed as ,000, $p < .05$. Thus, Hypothesis H4₀ is rejected, accepted hypothesis H3₁. Hypothesis H3₁ being “White-collar entrepreneurs believe that politics affect international business” and null hypothesis H3₀ is “White-collar entrepreneurs do not believe that politics affect international business”; the result of T-test implemented on the replies of the survey’s respondents is accepting H3₁ “White-collar entrepreneurs believe that politics affect international business”, rejecting the hypothesis H3₀ “White-collar entrepreneurs do not believe that politics affect international business”. This outcome can be interpreted as that political factors are positively penetrating on managers from many sectors (Babbie, 1975).

8.5. ANCOVA-Unianova Analysis of Variance for Gender, Education and Age and Estimated Marginal Means of Variables

Table 8. 39. Between Subjects Factors of ANCOVA for Gender, Education and Age

		Value Label	N
Gender	1,00	Female	12
	2,00	Male	24
Education	2,00	High School	8
	3,00	Bachelor Degree	18
	4,00	Master Degree	10
Age	1,00	Between 20 and 29	9
	2,00	Between 30 and 39	10
	3,00	Between 40 and 49	8
	4,00	Between 50 and 59	5
	5,00	Between 60 and 69	4

Table 8. 40. Descriptive Statistics of ANCOVA for Gender, Education and Age

Descriptive Statistics

Dependent Variable: politicalfactors_score

Gender	Education	Age	Mean	Std. Deviation	N	
Female	High School	Between 40 and 49	29,1000	.	1	
		Between 60 and 69	31,1000	.	1	
		Total	30,1000	1,41421	2	
	Bachelor Degree	Between 20 and 29	28,0500	.	1	
		Between 30 and 39	25,4000	7,12162	3	
		Between 40 and 49	29,7667	1,52753	3	
		Between 50 and 59	18,0500	.	1	
	Master Degree	Total	26,4500	5,54887	8	
		Between 30 and 39	21,6000	2,12132	2	
	Total	Total	Total	21,6000	2,12132	2
			Between 20 and 29	28,0500	.	1
		Between 30 and 39	23,8800	5,55119	5	
Between 40 and 49		29,6000	1,29099	4		
Between 50 and 59		18,0500	.	1		
Between 60 and 69		31,1000	.	1		
Total		26,2500	5,18073	12		
Male		High School	Between 20 and 29	32,1000	.	1
			Between 30 and 39	24,1000	.	1
			Between 40 and 49	22,0500	.	1
	Between 50 and 59		22,4333	5,50757	3	
	Total		24,2583	5,23550	6	
	Bachelor Degree	Between 20 and 29	28,6250	5,73566	6	
		Between 30 and 39	26,0500	.	1	
		Between 40 and 49	27,1000	7,07107	2	
		Between 60 and 69	24,0500	.	1	
	Master Degree	Total	27,6050	5,12399	10	
		Between 20 and 29	23,1000	.	1	
		Between 30 and 39	27,7833	6,11562	3	
		Between 40 and 49	26,1000	.	1	
		Between 50 and 59	28,0500	.	1	
		Between 60 and 69	26,0750	,03536	2	
	Total	Total	26,5938	3,66756	8	
		Between 20 and 29	28,3688	5,43224	8	
		Between 30 and 39	26,7000	4,62345	5	
Between 40 and 49		25,5875	4,73821	4		
Between 50 and 59		23,8375	5,30179	4		
Between 60 and 69		25,4000	1,16940	3		
Total		26,4313	4,70811	24		
Total	High School	Between 20 and 29	32,1000	.	1	
		Between 30 and 39	24,1000	.	1	

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	Between 40 and 49	25,5750	4,98510	2
	Between 50 and 59	22,4333	5,50757	3
	Between 60 and 69	31,1000	.	1
	Total	25,7188	5,21317	8
Bachelor Degree	Between 20 and 29	28,5429	5,24042	7
	Between 30 and 39	25,5625	5,82386	4
	Between 40 and 49	28,7000	3,97492	5
	Between 50 and 59	18,0500	.	1
	Between 60 and 69	24,0500	.	1
	Total	27,0917	5,18911	18
Master Degree	Between 20 and 29	23,1000	.	1
	Between 30 and 39	25,3100	5,59424	5
	Between 40 and 49	26,1000	.	1
	Between 50 and 59	28,0500	.	1
	Between 60 and 69	26,0750	,03536	2
	Total	25,5950	3,92368	10
Total	Between 20 and 29	28,3333	5,08251	9
	Between 30 and 39	25,2900	5,04038	10
	Between 40 and 49	27,5938	3,86472	8
	Between 50 and 59	22,6800	5,27074	5
	Between 60 and 69	26,8250	3,00569	4
	Total	26,3708	4,79681	36

Table 8. 41. Levene's Test of Equality of ANCOVA for Gender, Education and Age

Dependent Variable: politicalfactors_score

F	df1	df2	Sig.
1,284	19	16	,310

Table 8. 42. Tests of Between Subjects Effects of ANCOVA for Gender, Education and Age

Dependent Variable: politicalfactors_score

Source	Type II Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	344,767 ^a	19	18,146	,630	,832	,428
Intercept	12642,015	1	12642,015	439,188	,000	,965
Gender	,311	1	,311	,011	,918	,001
Education	8,486	2	4,243	,147	,864	,018
Age	55,239	4	13,810	,480	,750	,107
Gender * Education	20,913	2	10,456	,363	,701	,043
Gender * Age	7,379	2	3,689	,128	,881	,016
Education * Age	82,663	6	13,777	,479	,815	,152
Gender * Education * Age	,000	0	.	.	.	,000
Error	460,560	16	28,785			
Total	25840,478	36				
Corrected Total	805,327	35				

Univariate analysis of ANCOVA testing is performed for each of the three subgroups to determine if there are any significant differences between scores on these categorical variables. Table 7.16 shows that bachelor degree graduated females between the age of 40 to 49 and high school graduate males between the age of 20 to 29 have the highest mean values with 28,00 and 32,10. Table 7.17 displays the p-value of ,310 which means significance exists across groups. To find if there is any significant difference between the variables, it is observed that despite gender variable has a low F-value with ,011 it does not exhibit a significant p-value with ,918. Also, education and age variables do not indicate a significance value or difference with the values of ,147 and ,480 as seen in table 7.18. Thus, the data can be concluded as although all hypotheses are proved for each variable, any significant differences between the variables are not determined (Rothwell). The detailed data for each categorical variable is shown below;

Table 8. 43. Estimates and Gender

Dependent Variable: politicalfactors_score

Gender	Mean	Std. Error	95% Confidence Interval	
			Lower Bound	Upper Bound
Female	26,152 ^a	1,742	22,459	29,846
Male	25,971 ^a	1,294	23,227	28,714

Table 8. 44. Pairwise Comparisons and Gender

Dependent Variable: politicalfactors_score

(I) Gender	(J) Gender	Mean Difference(I-J)	Std. Error	Sig. ^a	Confidence Interval for Difference ^a	
					Lower Bound	Upper Bound
Female	Male	,182 ^{b,c}	2,170	,934	-4,419	4,783
Male	Female	-,182 ^{b,c}	2,170	,934	-4,783	4,419

Table 8. 45. Univariate tests and Gender

Dependent Variable: politicalfactors_score

	Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Contrast	,202	1	,202	,007	,934	,000
Error	460,560	16	28,785			

The F tests the effect of Gender. This test is based on the linearly independent pairwise comparisons among the estimated marginal means.

On the subject of gender, negative values means J group is more dominant than I group and positive values means I group is more superior than J group in mean difference section. As seen in all tables above, univariate F-value is ,007<0.05 which is not a significant value and p-values are greater than 0,05 thus, any significant data is not detected.

Table 8. 46. Estimates and Education

Dependent Variable: politicalfactors_score

Education	Mean	Std. Error	95% Confidence Interval	
			Lower Bound	Upper Bound
High School	26,814 ^a	2,065	22,436	31,192
Bachelor Degree	25,886 ^a	1,549	22,603	29,170
Master Degree	25,451 ^a	1,861	21,505	29,397

a. Based on modified population marginal mean.

Table 8. 47. Pairwise Comparisons and Education

Dependent Variable: politicalfactors_score

(I) Education	(J) Education	Mean Difference (I-J)	Std. Error	Sig. ^a	Confidence Interval for Difference ^a	
					Lower Bound	Upper Bound
High School	Bachelor Degree	,927 ^{b,c}	2,581	1,000	-5,973	7,827
	Master Degree	1,363 ^{b,c}	2,780	1,000	-6,069	8,794
Bachelor Degree	High School	-,927 ^{b,c}	2,581	1,000	-7,827	5,973
	Master Degree	,435 ^{b,c}	2,421	1,000	-6,038	6,908
Master Degree	High School	-1,363 ^{b,c}	2,780	1,000	-8,794	6,069
	Bachelor Degree	-,435 ^{b,c}	2,421	1,000	-6,908	6,038

Table 8. 48. Univariate Tests and Education

Dependent Variable: politicalfactors_score

	Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Contrast	7,120	2	3,560	,124	,885	,015
Error	460,560	16	28,785			

The F tests the effect of Education. This test is based on the linearly independent pairwise comparisons among the estimated marginal means.

On the subject of education, negative values means J group is more dominant than I group and positive values means I group is more superior than J group in mean difference section. As seen in all tables above, univariate F-value is ,124 > 0.05 which is a

significant value and p-values are greater than 0,05 thus, any significant data is not detected.

Table 8. 49. Estimates and Age

Dependent Variable: politicalfactors_score

Age	Mean	Std. Error	95% Confidence Interval	
			Lower Bound	Upper Bound
Between 20 and 29	27,969 ^a	2,387	22,909	33,029
Between 30 and 39	24,987 ^a	1,909	20,939	29,035
Between 40 and 49	26,823 ^a	2,101	22,370	31,277
Between 50 and 59	22,844 ^a	2,732	17,053	28,636
Between 60 and 69	27,075 ^a	2,828	21,081	33,069

Table 8. 50. Pairwise Comparisons and Age

Dependent Variable: politicalfactors_score

(I) Age	(J) Age	Mean Difference (I-J)	Std. Error	Sig. ^a	Confidence Interval for Difference ^a	
					Lower Bound	Upper Bound
Between 20 and 29	Between 30 and 39	2,982 ^{b,c}	3,057	1,000	-6,958	12,922
	Between 40 and 49	1,145 ^{b,c}	3,180	1,000	-9,195	11,486
	Between 50 and 59	5,124 ^{b,c}	3,628	1,000	-6,673	16,921
	Between 60 and 69	,894 ^{b,c}	3,700	1,000	-11,140	12,927
Between 30 and 39	Between 20 and 29	-2,982 ^{b,c}	3,057	1,000	-12,922	6,958
	Between 40 and 49	-1,837 ^{b,c}	2,839	1,000	-11,069	7,396
	Between 50 and 59	2,142 ^{b,c}	3,333	1,000	-8,697	12,981
	Between 60 and 69	-2,088 ^{b,c}	3,412	1,000	-13,184	9,008
Between 40 and 49	Between 20 and 29	-1,145 ^{b,c}	3,180	1,000	-11,486	9,195
	Between 30 and 39	1,837 ^{b,c}	2,839	1,000	-7,396	11,069
	Between 50 and 59	3,979 ^{b,c}	3,446	1,000	-7,228	15,186
	Between 60 and 69	-,252 ^{b,c}	3,523	1,000	-11,708	11,204
Between 50 and 59	Between 20 and 29	-5,124 ^{b,c}	3,628	1,000	-16,921	6,673

Tablo 8.50 (devamı)

	Between 30 and 39	-2,142 ^{b,d}	3,333	1,000	-12,981	8,697
	Between 40 and 49	-3,979 ^{b,c}	3,446	1,000	-15,186	7,228
	Between 60 and 69	-4,231 ^{b,c}	3,932	1,000	-17,017	8,555
Between 60 and 69	Between 20 and 29	-,894 ^{b,c}	3,700	1,000	-12,927	11,140
	Between 30 and 39	2,088 ^{b,c}	3,412	1,000	-9,008	13,184
	Between 40 and 49	,252 ^{b,c}	3,523	1,000	-11,204	11,708
	Between 50 and 59	4,231 ^{b,c}	3,932	1,000	-8,555	17,017

Table 8. 51. Univariate Tests and Age

Dependent Variable: politicalfactors_score

	Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Contrast	74,643	4	18,661	,648	,636	,139
Error	460,560	16	28,785			

The F tests the effect of Age. This test is based on the linearly independent pairwise comparisons among the estimated marginal means.

On the subject of age, negative values means J group is more dominant than I group and positive values means I group is more superior than J group in mean difference section. As seen in all tables above, univariate F-value is ,648>0.05 which is a significant value and p-values are greater than 0,05 thus, any significant data is not detected (Rothwell).

8.6. Test of Normality and Consumer Behavior

Table 8. 52. Distribution of respondents for Consumer Behavior

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
consumerbehavior_score	100	100,0%	0	,0%	100	100,0%

Table 8. 53. Descriptive Analysis and Consumer Behavior

		Statistic	Std. Error
consumerbehavior_score	Mean	2,4817	,05453
95% Confidence Interval for Mean	Lower Bound	2,3735	
	Upper Bound	2,5899	
	5% Trimmed Mean	2,4833	
	Median	2,5000	
	Variance	,297	
	Std. Deviation	,54531	
	Minimum	1,33	
	Maximum	3,83	
	Range	2,50	
	Interquartile Range	,67	
	Skewness	,045	,241
	Kurtosis	-,049	,478

Table 8. 54. The result of test of normality and Consumer Behavior

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
consumerbehavior_score	,097	100	,022	,976	100	,065

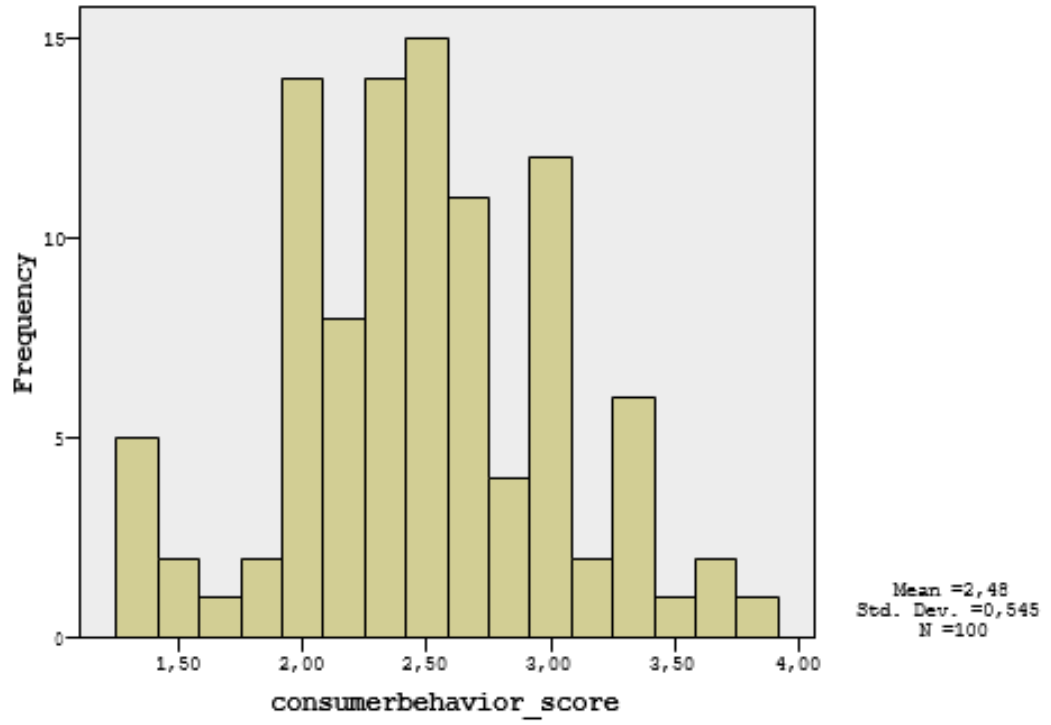


Figure 8. 6. Histogram curve of Test of Normality and Consumer Behavior

Normal Q-Q Plot of consumerbehavior_score

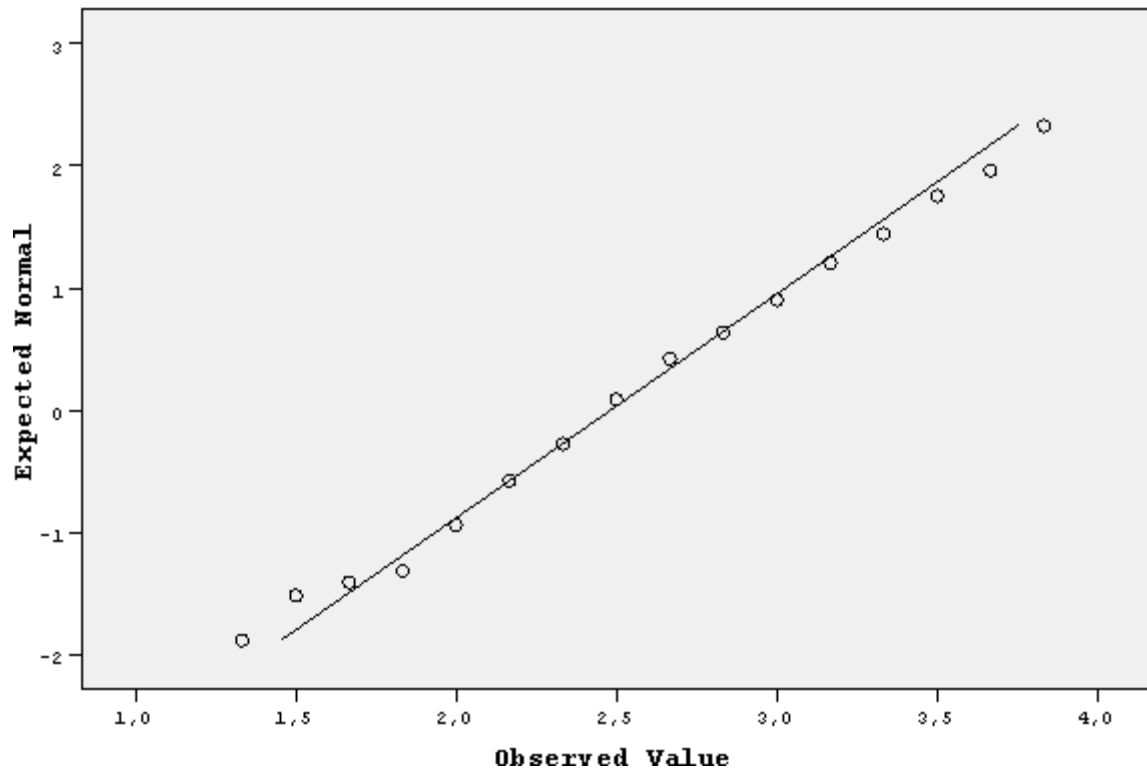


Figure 8. 7. Q-Q Plot of Test of Normality and Consumer Behavior

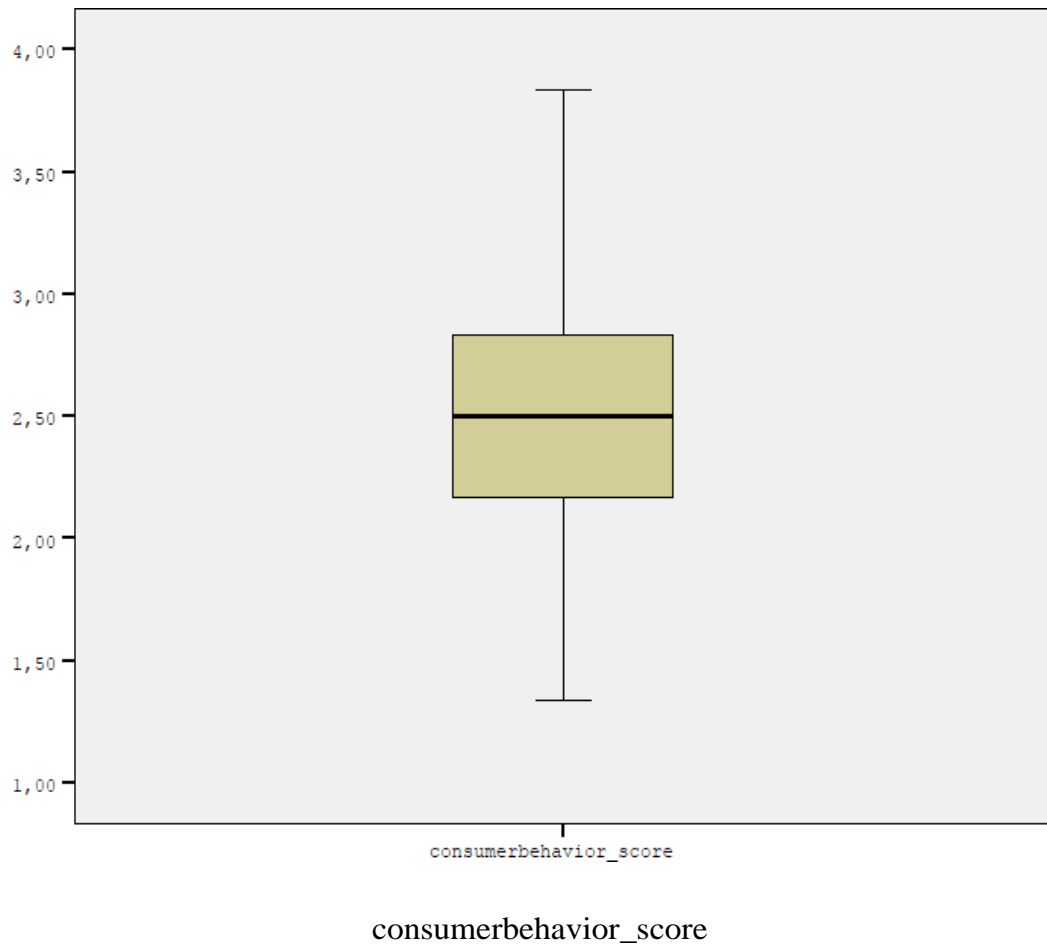


Figure 8. 8. Box plot of Test of Normality and Consumer Behavior

The number of participants are 100 and the data does not include any missing value. Average median and standard deviation values are indicated with maximum and minimum values. Skewness and Kurtosis values are between -1.5 and +1.5 and it is found between +0.45 to 0.49, thus the data exhibits normal distribution. I ground on Shapiro-Wilk with p-value $0.65 > 0.05$, thus I prove that the data is significant and normally distributed for consumers (Testing for Normality using SPSS Statistics). Normal distribution can be analysed with the histogram graphs. On the Q-Q plot graph, observations around the regression line shows a normal distribution. On the box plot graph, extreme values are not observed (Testing for Normality using SPSS Statistics).

Table 8. 55. Distribution of respondents and Gender

Gender	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
consumerbehavior_score	76	100,0%	0	,0%	76	100,0%
Fe	24	100,0%	0	,0%	24	100,0%
male						
Male						

Table 8. 56. Descriptive Analysis and Gender

Gender		Statistic	Std. Error		
consumerbehavior_score	Female	Mean	2,4539	,06123	
		95% Confidence Interval for Mean	Lower Bound		2,3320
		Upper Bound	2,5759		
		5% Trimmed Mean	2,4464		
		Median	2,5000		
		Variance	,285		
		Std. Deviation	,53375		
		Minimum	1,33		
		Maximum Range	3,83		
		Interquartile Range	2,50		
		Skewness	,79		,276
		Kurtosis	,223		,545
Male	Male	Mean	2,5694	,11909	
		95% Confidence Interval for Mean	Lower Bound		2,3231
		Upper Bound	2,8158		
		5% Trimmed Mean	2,5957		
		Median	2,5833		
		Variance	,340		
		Std. Deviation	,58342		
		Minimum	1,33		
		Maximum Range	3,33		
		Interquartile Range	2,00		
		Skewness	,92		,472
		Kurtosis	-,493		,918
			-,167		

Table 8. 57. The result of Test of Normality and Gender

	Gender	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
		Statistic	df	Sig.	Statistic	df	Sig.
consumerbehavior_score		,110	76	,023	,973	76	,102
male	Fe	,103	24	,200*	,931	24	,103
Male							

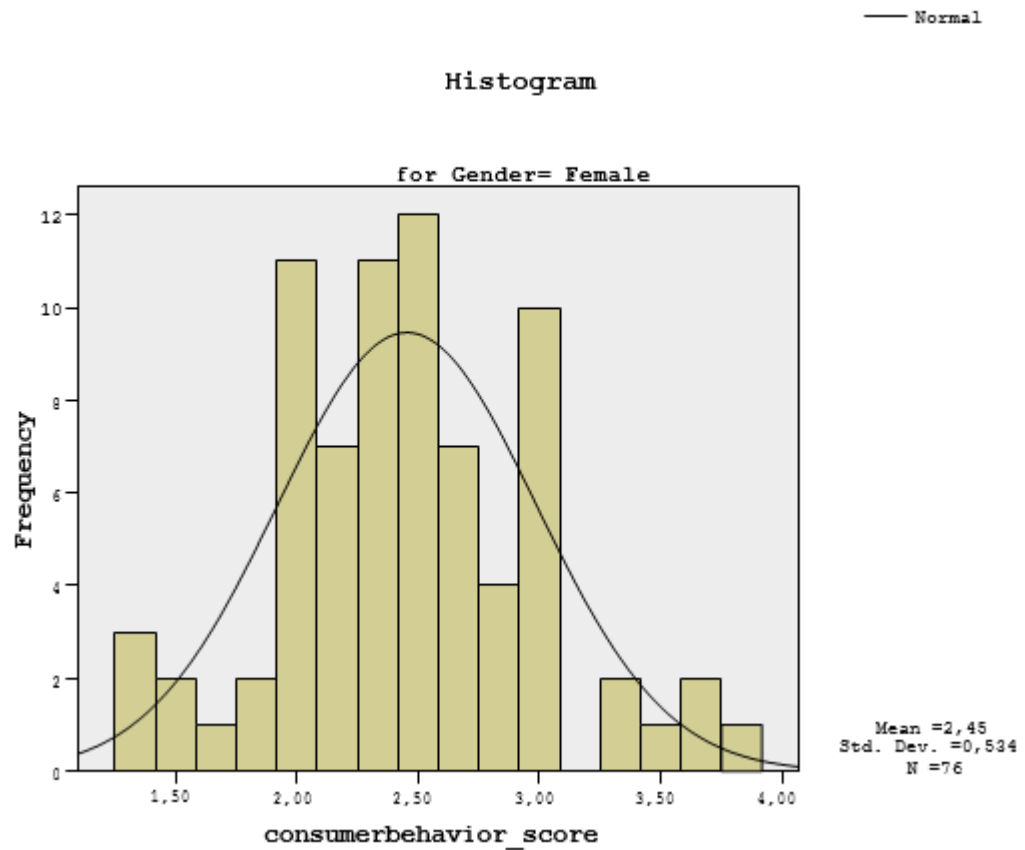


Figure 8. 9. Histogram curve of Test of Normality for female respondents

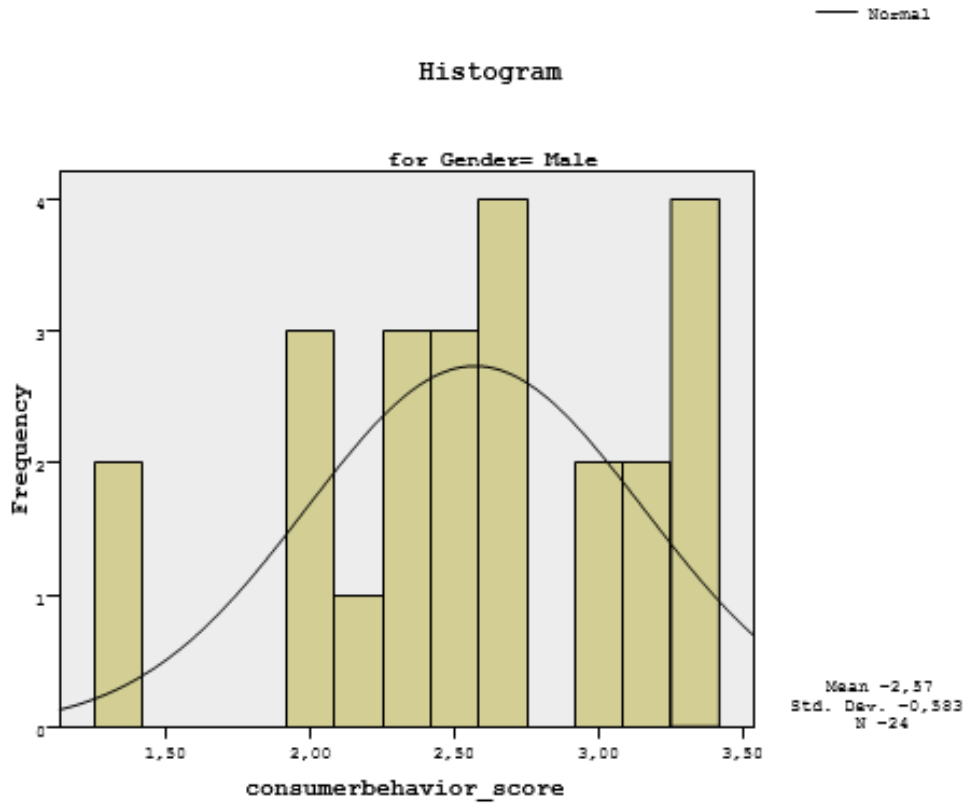


Figure 8. 10. Histogram curve of Test of Normality for male respondents

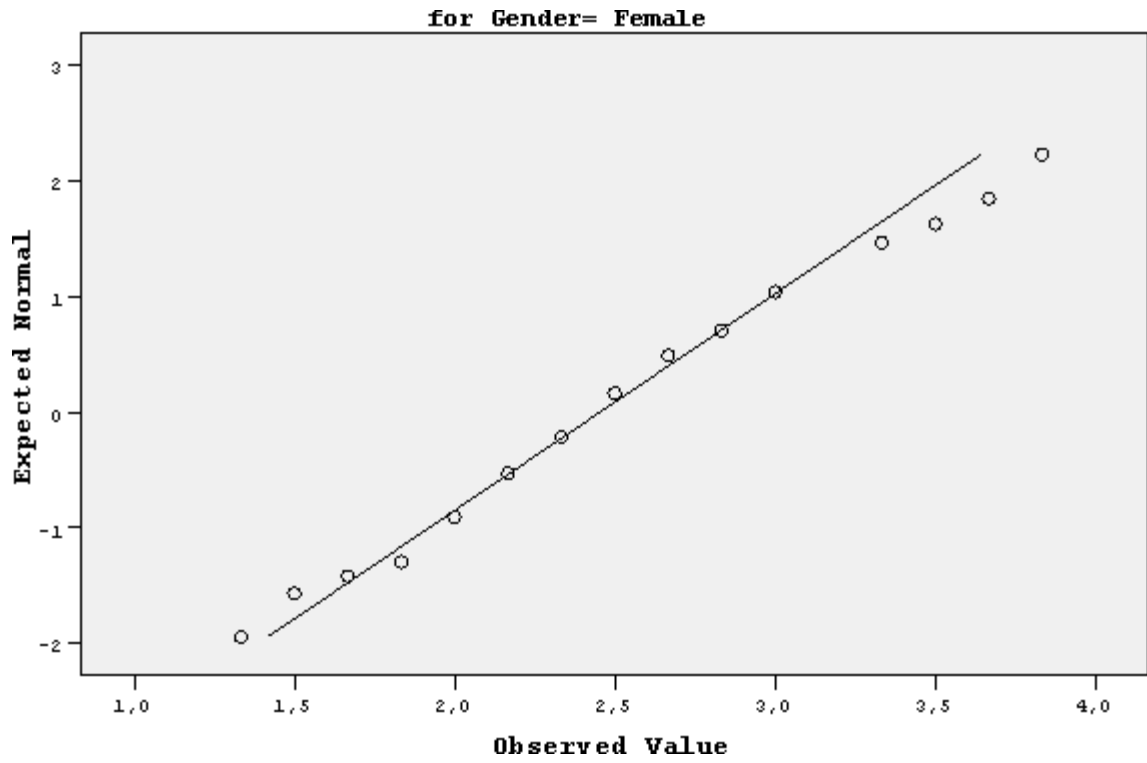


Figure 8. 11. Q-Q plot of Test of Normality for female respondents

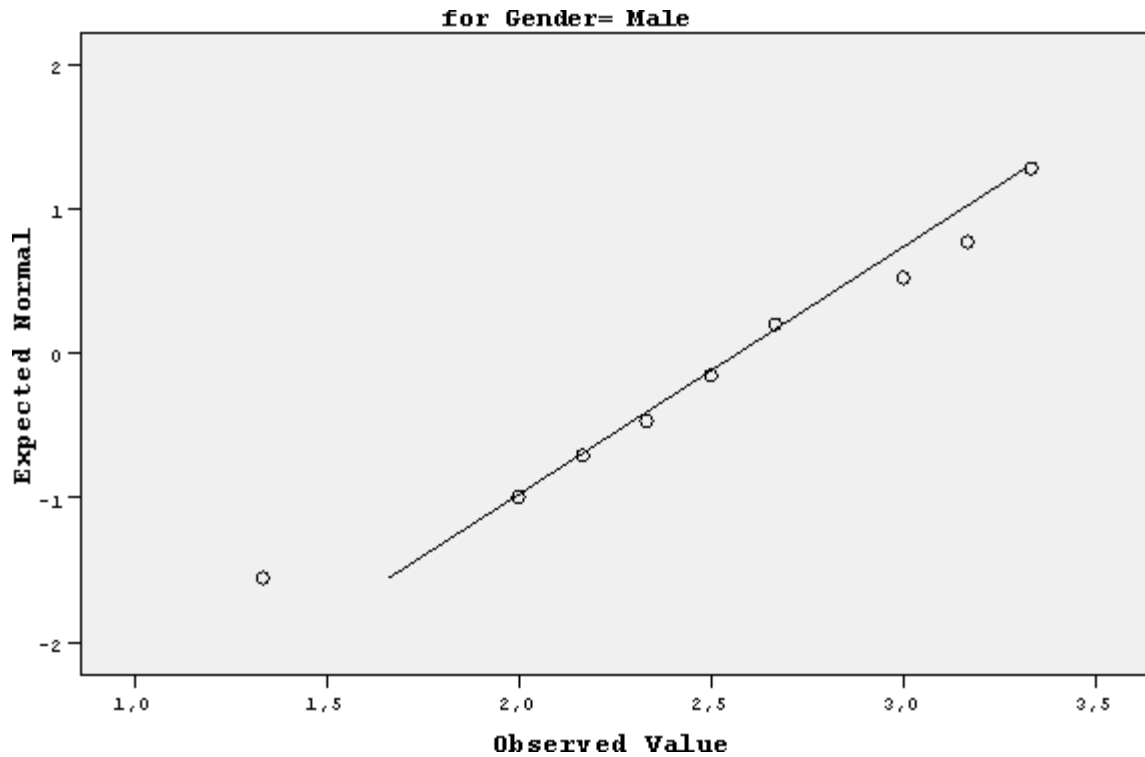


Figure 8. 12. Q-Q plot of Test of Normality for male respondents

The number of female participants is 76 and males are 24. The data does not include any missing value. Average median and standard deviation values are indicated with maximum and minimum values. Skewness and Kurtosis values are between -2.0 and +2.0 and it is found between -,493 to -,167, thus the data exhibits normal distribution. I ground on Shapiro-Wilk with p-value ,102>0.05 for females and ,103>0.05 for males, thus I prove that the data is significant and normally distributed for consumers (Testing for Normality using SPSS Statistics). Normal distribution can be analysed with the histogram graphs. On the Q-Q plot graph, observations around the regression line shows a normal distribution. On the box plot graph, extreme values are not observed.

8.7. Test of Reliability and Consumer Behavior

Table 8. 58. Total number of respondents of the consumer behavior survey

		N	%
Cases	Valid	100	100,0
	Excluded ^a	0	,0
	Total	100	100,0

Table 8. 59. Cronbach's Alpha coefficient of Consumer Behavior

Cronbach's Alpha	N of Items
,699	8

Table 8. 60. Mean and Standard Deviation of the Consumer Behavior

	Mean	Std. Deviation	N
consumerbehaviour_1	3,5800	1,19070	100
consumerbehaviour_2	2,5800	1,19916	100
consumerbehaviour_3	2,9000	1,14150	100
consumerbehaviour_4	2,8600	1,35602	100
consumerbehaviour_5	1,5100	,65897	100
consumerbehaviour_6	1,4600	,61002	100
consumerbehavior_score	2,4817	,54531	100

The value of Cronbach's Alpha is 69.9 percent which is equal to level of 0.70 and a sufficient outcome for the reliability test (El Hajjar, 2018). The descriptive statistics revealed that the mean value for consumers' political interaction scores was 2.48 with a standard deviation of ,5453. Each mean value is very low, it means that preference of the consumers are inclined to political aspects. Accordingly, aiming to determine the awareness of consumers about social, political and legal issues, 6 statements are proposed. The statements and the replies have not any missing value and provided as per Likert Scale by respondents can be analyzed as below;

8.8. Questions of Consumer Behavior Survey and Responses

Statement 1: The political relationship between the countries is effective on my product preference while I am purchasing.

Table 8. 61. Replies provided by consumers to the statement “The political relationship between the countries is effective on my product preference while I am purchasing.”

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agree	6	6,0	6,0	6,0
	agree	16	16,0	16,0	22,0
	neutral	15	15,0	15,0	37,0
	disagree	39	39,0	39,0	76,0
	strongly disagree	24	24,0	24,0	100,0
	Total	100	100,0	100,0	

Statement 2: I prefer domestic manufacturer brands instead of imported goods.

Table 8. 62. Replies provided by consumers to the statement “I prefer domestic manufacturer brands instead of imported goods.”

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agree	21	21,0	21,0	21,0
	agree	31	31,0	31,0	52,0
	neutral	25	25,0	25,0	77,0
	disagree	16	16,0	16,0	93,0
	strongly disagree	7	7,0	7,0	100,0
	Total	100	100,0	100,0	

Statement 3: My demand is very high for the brands which reflect the social, legal and political issues that impact humanity to their advertisements and products.

Table 8. 63. Replies provided by consumers to the statement “My demand is very high for the brands which reflect the social, legal and political issues that impact humanity to their advertisements and products.”

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agree	11	11,0	11,0	11,0
	agree	25	25,0	25,0	36,0
	neutral	25	25,0	25,0	61,0
	disagree	32	32,0	32,0	93,0
	strongly disagree	7	7,0	7,0	100,0
	Total	100	100,0	100,0	

Statement 4: I am impressed if a brand establishment specifically support, donate or negotiate for a political party.

Table 8. 64. Replies provided by consumers to the statement “I am impressed if a brand establishment specifically support, donate or negotiate for a political party.”

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agree	17	17,0	17,0	17,0
	agree	29	29,0	29,0	46,0
	neutral	17	17,0	17,0	63,0
	disagree	20	20,0	20,0	83,0
	strongly disagree	17	17,0	17,0	100,0
	Total	100	100,0	100,0	

Statement 5: I support the political attitudes and form of consumption which importantly consider green management, nature and environmentalism.

Table 8. 65. Replies provided by consumers to the statement “I support the political attitudes and form of consumption which importantly consider green management, nature and environmentalism.”

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agree	57	57,0	57,0	57,0
	agree	38	38,0	38,0	95,0
	neutral	3	3,0	3,0	98,0
	strongly disagree	2	2,0	2,0	100,0
	Total	100	100,0	100,0	

Statement 6: As a customer, I prefer and support the brands which exhibit social responsibility and political advocacy about women’s rights, human rights and gender equality.

Table 8. 66. Replies provided by consumers to the statement “As a customer, I prefer and support the brands which exhibit social responsibility and political advocacy about women’s rights, human rights and gender equality.”

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agree	60	60,0	60,0	60,0
	agree	34	34,0	34,0	94,0
	neutral	6	6,0	6,0	100,0
	Total	100	100,0	100,0	

It is observed that the most of the replies provided by the participants are positively strongly agreed. Accordingly, it is indicated by this result that consumers as an important part of business cycle and economics believe in the socio-political factors within legal implementations. Also, distribution of categorical variables is shown below;

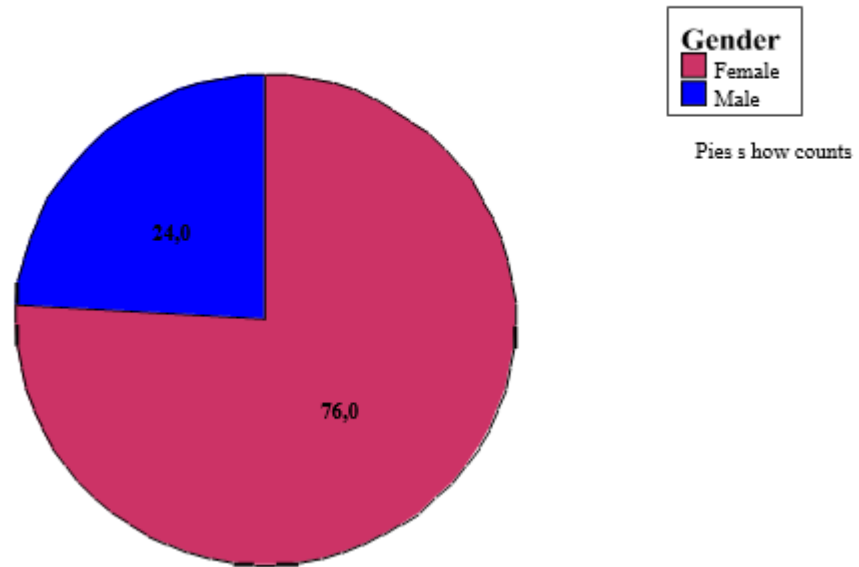


Figure 8. 13. Gender distribution of participants and Consumer Behavior

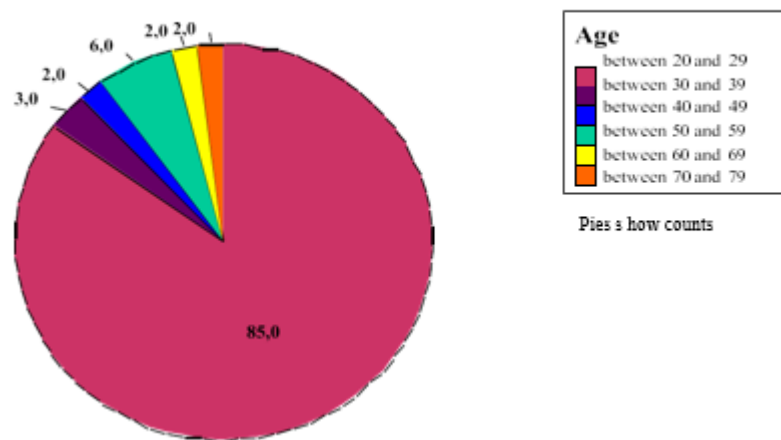


Figure 8. 14. Age distribution of participants and Consumer Behavior

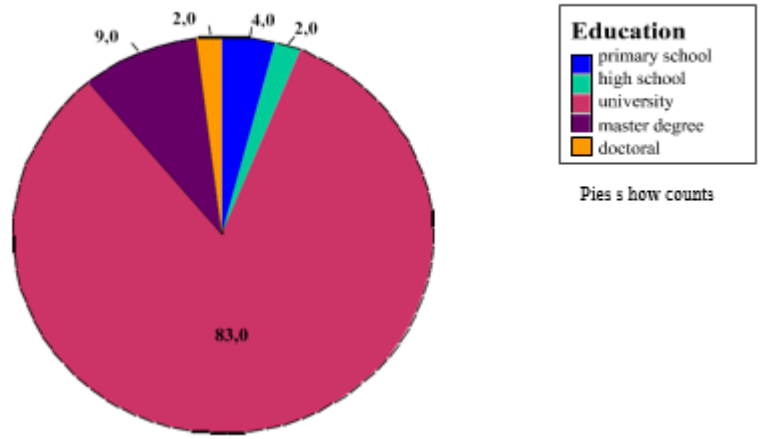


Figure 8. 15. Distribution of Education Level of participants and Consumer Behavior

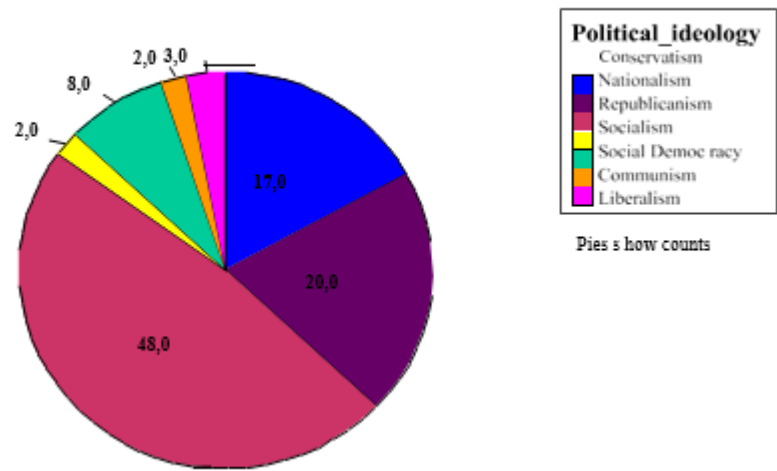


Figure 8. 16. Distribution of Political Ideology and Consumer Behavior

8.9. ANOVA and Post Hoc Analysis of Education

Hypothesis H51

It is explored that the consumer behavior values revealed normal distribution, thus applying to Linear Correlation is convenient. Linear Correlation is used to reveal that two or more variables are highly associated and impact each other (Babbie, Analysis of Variance, 1975).

Table 8. 67. Descriptive statistics of one-way Anova and Education

consumerbehavior_score

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
primary school	4	2,8750	,59900	,29950	1,9219	3,8281	2,33	3,67
high school	2	2,5000	,00000	,00000	2,5000	2,5000	2,50	2,50
university	83	2,5080	,52570	,05770	2,3932	2,6228	1,33	3,83
master degree	9	2,3148	,51670	,17223	1,9176	2,7120	1,50	3,00
doctoral	2	1,3333	,00000	,00000	1,3333	1,3333	1,33	1,33
Total	100	2,4817	,54531	,05453	2,3735	2,5899	1,33	3,83

Table 8. 68. Levene's Test for Homogeneity of Variances

consumerbehavior_score

LeveneStatistic	df1	df2	Sig.
1,795	4	95	,136

Table 8. 69. One-way Anova and Education

consumerbehavior_score

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	3,565	4	,891	3,273	,015
Within Groups	25,874	95	,272		
Total	29,439	99			

Table 8. 70. Post Hoc test and Education

Multiple Comparisons

Dependent Variable: cons umerbehavior_score

	(I) Education	(J) Education	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
Tukey HSD	primary school	high school	,37500	,45196	,921	-,8818	1,6318
		university	,36697	,26715	,646	-,3759	1,1099
		master degree	,56019	,31361	,388	-,3119	1,4323
		doctoral	1,54167*	,45196	,008	,2848	2,7985
	high school	primary school	-,37500	,45196	,921	-1,6318	,8818
		university	-,00803	,37344	1,000	-1,0465	1,0305
		master degree	,18519	,40797	,991	-,9493	1,3197
		doctoral	1,16667	,52187	,176	-,2846	2,6179
	university	primary school	-,36697	,26715	,646	-1,1099	,3759
		high school	,00803	,37344	1,000	-1,0305	1,0465
		master degree	,19322	,18315	,829	-,3161	,7025
		doctoral	1,17470*	,37344	,018	,1362	2,2132
	master degree	primary school	-,56019	,31361	,388	-1,4323	,3119
		high school	-,18519	,40797	,991	-1,3197	,9493
		university	-,19322	,18315	,829	-,7025	,3161
		doctoral	,98148	,40797	,123	-,1530	2,1160
	doctoral	primary school	-1,54167*	,45196	,008	-2,7985	-,2848
		high school	-1,16667	,52187	,176	-2,6179	,2846
		university	-1,17470*	,37344	,018	-2,2132	-,1362
		master degree	-,98148	,40797	,123	-2,1160	,1530
Scheffe	primary school	high school	,37500	,45196	,952	-1,0449	1,7949
		university	,36697	,26715	,756	-,4723	1,2063
		master degree	,56019	,31361	,530	-,4251	1,5454
		doctoral	1,54167*	,45196	,026	,1218	2,9616
	high school	primary school	-,37500	,45196	,952	-1,7949	1,0449
		university	-,00803	,37344	1,000	-1,1813	1,1652
		master degree	,18519	,40797	,995	-1,0965	1,4669
		doctoral	1,16667	,52187	,295	-,4729	2,8062
	university	primary school	-,36697	,26715	,756	-1,2063	,4723
		high school	,00803	,37344	1,000	-1,1652	1,1813
		master degree	,19322	,18315	,891	-,3822	,7686
		doctoral	1,17470*	,37344	,050	,0015	2,3479
	master degree	primary school	-,56019	,31361	,530	-1,5454	,4251
		high school	-,18519	,40797	,995	-1,4669	1,0965
		university	-,19322	,18315	,891	-,7686	,3822
		doctoral	,98148	,40797	,225	-,3002	2,2632
	doctoral	primary school	-1,54167*	,45196	,026	-2,9616	-,1218
		high school	-1,16667	,52187	,295	-2,8062	,4729
		university	-1,17470*	,37344	,050	-2,3479	-,0015
		master degree	-,98148	,40797	,225	-2,2632	,3002
Bonferroni	primary school	high school	,37500	,45196	1,000	-,9240	1,6740
		university	,36697	,26715	1,000	-,4008	1,1348
		master degree	,56019	,31361	,772	-,3411	1,4615
		doctoral	1,54167*	,45196	,010	,2427	2,8406
	high school	primary school	-,37500	,45196	1,000	-1,6740	,9240
		university	-,00803	,37344	1,000	-1,0813	1,0653
		master degree	,18519	,40797	1,000	-,9873	1,3577
		doctoral	1,16667	,52187	,277	-,3332	2,6666
	university	primary school	-,36697	,26715	1,000	-1,1348	,4008
		high school	,00803	,37344	1,000	-1,0653	1,0813
		master degree	,19322	,18315	1,000	-,3332	,7196
		doctoral	1,17470*	,37344	,022	,1014	2,2480
	master degree	primary school	-,56019	,31361	,772	-1,4615	,3411
		high school	-,18519	,40797	1,000	-1,3577	,9873
		university	-,19322	,18315	1,000	-,7196	,3332
		doctoral	,98148	,40797	,181	-,1910	2,1540
	doctoral	primary school	-1,54167*	,45196	,010	-2,8406	-,2427
		high school	-1,16667	,52187	,277	-2,6666	,3332
		university	-1,17470*	,37344	,022	-2,2480	-,1014
		master degree	-,98148	,40797	,181	-2,1540	,1910

*. The mean difference is significant at the .05 level.

Table 8. 71. Homogeneous Subsets and Education

consumerbehavior_score

		N	Subset for alpha = .05	
Education			1	2
Tukey HSD ^{a,b}	doctoral	2	1,3333	
	master degree	9	2,3148	2,3148
	high school	2		2,5000
	university	83		2,5080
	primary school	4		2,8750
	Sig.			,091
Scheffe ^{a,b}	doctoral	2	1,3333	
	master degree	9	2,3148	2,3148
	high school	2	2,5000	2,5000
	university	83	2,5080	2,5080
	primary school	4		2,8750
	Sig.			,064

I appealed One-way Anova to test that the average of group variables significantly differ on a dependent variable. One-way Anova test is favorable to apply Tukey, Scheffe and Bonferroni, because significant differences exist among the groups on descriptive statistics. The value of homogeneity of variances is significant with ,136 ($p>0,05$), thus my presupposition is actualized (The steps for interpreting the SPSS output for ANCOVA). The ANOVA ($p=,015$) and Post-Hoc tests reveal that the average of subgroups differs and the values are marginally significant which means attitudes of the graduates of every education level towards the legal and political factors differ about corporate management and political issues (Babbie, 1975).

8.10. Student's t-Test of Hypotheses and Consumer Behavior

Table 8. 72. Mean and Standard Deviations of Student's t-Test Statistics and Consumer Behavior

	N	Mean	Std. Deviation	Std. Error Mean
Gender	100	1,2400	,42923	,04292
Age	100	1,4300	1,13933	,11393
Education	100	3,0300	,59382	,05938
Political_ideology	100	2,8200	1,36611	,13661
consumerbehavior_score	100	2,4817	,54531	,05453

Table 8. 73. Student's t-Test Analysis and Consumer Behavior

	Test Value = 0.05					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Gender	27,724	99	,000	1,19000	1,1048	1,2752
Age	12,112	99	,000	1,38000	1,1539	1,6061
Education	50,183	99	,000	2,98000	2,8622	3,0978
Political_ideology	20,277	99	,000	2,77000	2,4989	3,0411
consumerbehavior_score	44,593	99	,000	2,43167	2,3235	2,5399

Based on above data sig. value is computed as ,000, $p < .05$ for gender, age, education and political ideology variables (Yılmaz, 2019). Thus, Hypothesis H10 is rejected, accepted hypothesis H11. Hypothesis H11 being “Political aspects deter consumers’ brand preferences” and null hypothesis H10 is “Political aspects does not deter consumers’ brand preferences”; the result of T-test implemented on the replies of the survey’s respondents is accepting H11 “Political aspects deter consumers’ brand preferences”, rejecting the hypothesis H10 “Political aspects does not deter consumers’ brand preferences”. This outcome can be interpreted as that political factors are positively effective on consumers’ political behavior and purchasing preferences (R. Burnham, 2012).

8.11. Linear Correlations of Gender and Age

Table 8. 74. Descriptive statistics of Linear Correlation and Gender

	Mean	Std. Deviation	N
consumerbehavior_score	2,4817	,54531	100
Gender	1,2400	,42923	100

Table 8. 75. Linear Correlation Analysis and Gender

		consumerbe havior_score	Gender
consumerbehavior_score	Pearson Correlation		1 ,091
	Sig. (2-tailed)N		,368 100 100
Gender	Pearson Correlation	,091	1
	Sig. (2-tailed)	,368	
	N	100	100

Table 8. 76. Descriptive statistics of Linear Correlation and Age

	Mean	Std. Deviation	N
consumerbehavior_score	2,4817	,54531	100
Age	1,4300	1,13933	100

Table 8. 77. Linear Correlation Analysis and Age

		consumerbe havior_score	Age
consumerbehavior_score	Pearson Correlation		1 ,089
	Sig. (2-tailed)N		,380 100 100
Age	Pearson Correlation	,089	1
	Sig. (2-tailed)	,380	
	N	100	100

Based on above data, Pearson correlation for gender variable is computed as ,091 and age variable is ,089. As ,091>0,05 and ,089>0,05 then Hypothesis H50 is rejected, accepting hypothesis H51 (Öztürk, 2020). Hypothesis H51 being “Political aspects deter consumers’ brand preferences” and null hypothesis H50 is “Political aspects does not deter consumers’ brand preferences”; the result of linear correlation implemented on the replies of the survey’s respondents is rejecting H50 “Political aspects does not deter

consumers' brand preferences", accepting the hypothesis H51 "Political aspects deter consumers' brand preferences". If correlation is greater than 0,00 it means that all variables move in the same direction. If p value is above +1, it demonstrates that the compared two variables have a perfect positive relationship; if one variable is higher or lower, the other variable evolves in the same direction with the same magnitude. If p value is near to +1, the linear relationship is stronger (Steven, Mansa, & Munichello, 2021). As it can be seen above, the value of consumer behavior is related to the categorical variables directly, with ,091 and ,089 correlation coefficients. Thus, the relationship between political aspects and preferences of consumers has a highly strong positive correlation because the value is near to +1. Also it means that if political behavior decreases, consumers' purchasing also decrease, and if the revenue of a brand specifically increases then it depends on the political behavior (Babbie, Criteria for Nomothetic Causality,1975).

CHAPTER 9

9.CONCLUSION

It is defined as an era in which economic, political, and cultural relations have become more intense during the last half-century. During this time, cultures' lives and perceptions of the world have diverged. In this setting, cultures' perceptions of time and space and their procedures for making sense of the world have evolved and diverged. As a result, politicians formed new methods with new communication technologies, removing the distinction between far and near, expanding the dimensions of cross-border contact, and national governments, formerly powerful actors, began to cede power to smaller towns and regions. The passing of time has resulted in a societal transition. Multinational enterprises that can compete in global market circumstances have taken their position as a global player in this rapid change and development process, with their fields of operation, organizational structures, managerial styles, forms of competition, and capital structures; these all affected by political decision-makers. Because being a global participant of the economy, international company politics has also globalized its influence in the globalizing world. Now they use their power to influence the global market instead of holding the economy or world order in their hands with physical wars and attacks.

On the other hand, consumers are faced with the influence of their views on international business due to the discourses of politicians, their direction, or their taking preventive actions. My study on company owners and consumer behavior also yielded this direction. Because the borders between countries have become more permeable, the circulation of human resources, capital, and production tools has become more

accessible the cheapening and diversification of communication has brought the countries and businesses of the world closer to each other economically, the disappearance of primitive borders in this area has caused the effect of political ties to move to the international arena. This means that managers take into account many more parameters when analyzing political conditions and are ready to review their plans and strategies at any time. For example, when examining the economic environment factors, not only the leading country but also the enterprise's financial performance, which depends on the countries' politics that make up the target market, and its position in international markets should be taken into account. Some of the political factors affecting the whole country, some involving the entire world, affect only one sector. For this reason, the effect of each factor on the business can be different. Some of the political aspects, directly and indirectly, impact the business. In addition, while there are factors that the industry can direct itself, the contact with the political and legal authorities can be pretty one-sided, and the companies are affected by these issues unilaterally and relatively high. The change of political ties between countries, the transformation of the political staff of the country where the company is located, the political events in the countries with which it has commercial relations are all factors that affect a company. Globalization and developments in information and communication technologies have increased the impact of events around the business on businesses both qualitatively and quantitatively. Political factors are closely related to the political system and the government's policy and attitude towards business. The stability of the politicians is also directly related to the plans and activities of the enterprises. Interest groups and investors also expect stability. Political stability, power centers, nationalization and privatization approaches, tax laws, anti-monopoly and competition laws, consumer protection laws, environmental protection legislation, foreign trade regulations, health and safety regulations. It is also essential to what political factors in the countries direct their policies. For example, many issues in politicians' hands, such as different policies such as industry-oriented, agriculture-oriented policies, exchange rates, taxes, and interest rates, directly affect international companies and consumers. Political factors provide positive effects to business. Government officials and entrepreneurs should consider these factors and, law

amendment and strategic changes should be done if it is essential.

APPENDICES

APPENDIX A)

- 1) As a manager I think that the donation support of government is beneficial for my company and its satisfactory.
- 2) As a manager I take care of implementation of labor law, healthy environment and gender equality rules in my company.
- 3) I am very interested in the issue of tax policy, rating and tax incentives, so I provide to pay on time.
- 4) I interact with business by participating in commercial cooperation's and agreements which government involved.
- 5) Protection of the consumers and online trade markedly advantage for my company.
- 6) I underfollow the impact of government on economy and make strategic planning in order to minimize the risk.
- 7) As a company owner me and my all employees obey the government limitations strictly in case of state of emergency.
- 8) I have enough knowledge about the concepts like insurance, commercial register, unfair competition, current accounts and negotiable instruments which are based on business law.
- 9) During government restrictions and interventions, presentations of new product and service are implemented in order to maximize the operational efficiency.
- 10) I find beneficial to attempt to foreign market in terms of employment, demand of domestic production and economic growth under globalization process.
- 11) Building around freedom of thought, my employees have liberty of speech about

governmental actions and political activities.

12) As a corporation, we are sensitive towards political events which influence the society and we release our product and service manner in this direction.

13) I think that state governance must be invariably sustained and stable because of negative affect of gross domestic product as a result of policy amendment.

14) I think that we must be in league with non-governmental organizations in order to provide sustainability and implement corporate social responsibility projects.

15) Please indicate the sector that your company is located.

16) Please indicate your age range.

17) Please indicate your gender.

18) Please indicate your education level.

19) Please indicate main problems in your business sector.

APPENDIX B)

1) The political relationship between the countries is effective on my product preference while I am purchasing.

2) I prefer domestic manufacturer brands instead of imported goods.

3) My demand is very high for the brands which reflect the social, legal and political issues that impact humanity to their advertisements and products.

4) I am impressed if a brand establishment specifically support, donate or negotiate for a political party.

5) I support the political attitudes and form of consumption which importantly consider green management, nature and environmentalism.

6) As a customer, I prefer and support the brands which exhibit social responsibility and political advocacy about women's rights, human rights and gender equality.

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