

**SUCCEEDING GENERATIONS, CHANGING TRAJECTORIES: THE
INFLUENCES OF GENERATIONAL TRANSITION ON THE LOCAL
PATHWAYS OF DEVELOPMENT – THE KAYSERİ EXPERIENCE**

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OZAN HOVARDAOĞLU

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submitted by **Ozan HOVARDAOĞLU** in partial fulfillment of the requirements for
the degree of **Doctor of Philosophy in City and Regional Planning
Department, Middle East Technical University** by,

Prof.Dr. Canan Özgen _____
Dean, Graduate School of **Natural and Applied Sciences**

Prof.Dr. Melih Ersoy _____
Head of Department, **City and Regional Planning**

Assoc.Prof.Dr. M. Melih Pınarcıoğlu _____
Supervisor, **City and Regional Planning Dept., METU**

Examining Committee Members:

Assoc. Prof.Dr. Oğuz Işık _____
City and Regional Planning Dept., METU

Assoc.Prof.Dr. M.Melih Pınarcıoğlu _____
City and Regional Planning Dept., METU

Prof.Dr. İlhan Tekeli _____
City and Regional Planning Dept., METU

Prof.Dr. Erol Taymaz _____
Economics Department, METU

Prof.Dr. Sezai Göksu _____
City and Regional Planning Dept., Dokuz Eylül University

Date: 10-09-2009 _____

I hereby declare that all information in this document has been obtained and presented in accordance with academic rules and ethical conduct. I also declare that, as required by these rules and conduct, I have fully cited and referenced all material and results that are not original to this work.

Name, Last name: Hovardaođlu, Ozan

Signature

ABSTRACT

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HOVARDAOĞLU, Ozan

Ph.D., Department of City and Regional Planning

Supervisor : Assoc.Prof.Dr. M. Melih Pınarcıoğlu

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The success of the local development experiences after the 1980s is associated with the non-economic components as well as the economic ones in the contemporary development literature. Most apparently, the literature seems to be intensified on the local institutions and on the local social interaction which creates reciprocal cooperative trust relations. These socially constructed local institutions refer to the local rules, routines and patterns having been directly influencing the relation among the local actors of development. They are also seen to be the organizational actors of development being responsible for the social inheritance of traditional and even tacit local knowledge and facilitating the adaptation of other local actors to the changing supra local networks. In many cases, however, the age groups dominating these successful development experiences have come to the edge of or already exceeded the age limits of active workforce cohorts currently. The coming decade, therefore, indicates a succession period from these generations leading to the emergence

of successful development experiences to their successors. This period is identified in this study as the generational transition.

This concept represents a newly emerging field of contradiction and this study analyses and conceptualizes the influences of generational transition on the local pathways of development both in terms of the tensions between diverse generations, and in context of tensions between the institutions and successor generations and among the institutions being socially constructed by diverse generations. These tensions are analyzed in this study through the Kayseri experience which has created a successful local development practice after the 1980s by focusing the generational transformation of both the local development path and the socio-spatial patterns of the town. This analysis indicates three vitally important outcomes of generational transition. Firstly, the local socio-spatial institutions have a crucial importance in the social inheritance of the traditional local knowledge and they have been transformed by the influences of generational transition. Secondly, it is found that the economic organizations have been transformed generationally in tune with the generational transition. And finally it is found that the generational transition has directly been influencing the local development path by destroying or changing some institutions and by creating some new ones.

Key Words: Generational transition, local institutions, local development path, Kayseri, family firms.

ÖZ

BÖLGESEL KALKINMANIN NESİL-AŞAN BAĞLAMI: NESİLLER ARARASI GEÇİŞİN YEREL KALKINMA EKSENİ ÜZERİNDEKİ ETKİLERİ – KAYSERİ ÖRNEĞİ

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Güncel kalkınma literatürü, 1980 sonrası dönemde yerel kalkınma deneyimlerinin başarısının iktisadi olanlar kadar iktisadi olmayan bileşenlerle ilişkili olduğu vurgusunu gündeme getirmektedir. Bu vurgu özellikle yerel kurumların önemine işaret etmektedir. Bu açıdan, literatür yerel kurumlar üzerine ve bunlara bağlı olarak güvene dayalı karşılıklı dayanışma ilişkileri yaratan yerel sosyal etkileşime yoğunlaşmış görünmektedir. Yerel toplumsal yapı tarafından sosyal olarak üretilen yerel kurumlar, bir yandan, kalkınmanın yerel aktörleri arasındaki ilişki biçimleri üzerinde doğrudan etkili olan yerel kural, kaide ve örüntüleri, hatta yerele özgü bir zihniyeti ifade eder. Diğer yandan, geleneksel, hatta yazılı olmayan yerel bilginin nesiller arası sosyal kalıtımını gerçekleştiren hem de diğer yerel aktörlerin yerel üstü düzeyde değişen iktisadi ilişki ağlarına adaptasyonunu kolaylaştıran organizasyonel aktörler olarak

görülmektedir. Ancak güncel kalkınma literatürünün analizlerine konu olan bu başarılı yerel kalkınma deneyimlerini domine eden yaş grupları, günümüzde giderek aktif işgücü yaş sınırına, ya da emeklilik yaşına yaklaşmakta ve hatta bunu geçmektedir. Dolayısıyla önümüzdeki 10 yıl, bu başarılı kalkınma deneyimlerini yaşayan neslin, yerini kendinden sonraki nesile bırakma dönemine, ya da bu çalışmada kavramlaştırıldığı şekliyle, nesiller-arası geçiş dönemine işaret etmektedir.

Bu kavram, kalkınma literatürünün bugüne kadar üzerinde durmadığı yeni bir gerilim alanını ifade eder ve bu çalışma, nesiller arası geçiş döneminin yerel kalkınma eksenleri üzerindeki etkisini, birbirinden farklılaşmış nesiller arasındaki gerilimler üzerinden olduğu kadar; yeni nesillerin, kendinden öncekilerin ürettiği yerel kurumlarla ve yine bu yeni nesillerin ürettiği yeni kurumların eski kurumlarla olan gerilimleri üzerinden analiz eder ve kavramlaştırır. Bu çalışmada yukarıda tanımlanan gerilimler, 1980 sonrası dönemde başarılı bir yerel kalkınma performansı üreten Kayseri deneyimi üzerinde hem yerel kalkınma ekseninin hem de kentin sosyo-mekansal örüntülerinin nesiller arası değişimine odaklanarak analiz edilmiştir. Bu analiz üç önemli sonuca işaret eder. Birincisi, yerel sosyo-mekansal kurumların geleneksel yerel bilginin ve hatta yerele özgü zihniyetin sosyal kalıtımı açısından hayati öneme sahip olduğu ve bu kurumların nesiller arası geçişten etkilenecek değiştiğidir. İkinci sonuç, iktisadi organizasyonların da bu değişimle ilişkili olarak değiştiğini göstermektedir. Son olarak, nesiller arası geçiş bazı yerel kurumları yok ederken, yeni kurumları üretmekte ve bir bütün olarak yerel kalkınma eksenini üzerinde doğrudan etkili olmaktadır.

Anahtar Kelimeler: Nesiller-arası geçiş dönemi, yerel kurumlar, yerel kalkınma eksenini, Kayseri, aile şirketleri.

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ABBREVIATIONS

CBD	: Central Business District
EU	: European Union
GDP	: Gross Domestic Product
KAYSO	: Kayseri Chamber of Industry
KOSB	: Kayseri Organized Industry Zone
KTO	: Kayseri Chamber of Commerce
MRTM	: Mutual Role Transition Model
NGO	: Non-Governmental Organizations
R&D	: Research and Development
SMEs	: Small and medium sized enterprises
SPI	: State Planning Agency
TFR	: Total Fertility Rate
Turkstat	: Turkish Statistical Institute

CHAPTER 1

1. INTRODUCTION

1.1. Aim and Theoretical Context

The analyses of the local economic success in the last three decades have intensified upon non-economic components, more particularly, social, cultural and institutional influences as well as the economic ones. Many of the researches after the 1980s indicate that the local development is a far intricate field to be explained within sole economic terms (Aydalot, 1986; Stöhr, 1990; Stöhr, Edralin and Mani, 2001; Rutherford, 1996) and is influenced by various components which are mostly locally path-dependent. Apart from the conceptions assuming the local in a fairly passive position in comparison with the global effects, a great majority of the local development researches seem to consider the local development as a diversified and path-dependended entity molded by inherited cultural and socio-institutional influences (Amin, 1999a). More specifically, the explanatory weight seems to be given to the importance and influences of local dynamics, contingencies and features.

Granovetter (1985), for instance, puts that the economic action is embedded in interpersonal relation networks and in social action, and therefore the economic action is influenced by the outcomes of these networks and social structure. Two significant key points underline the importance of the influences of both these networks and social structure. In the first place, many researchers seem to agree that mutual and reciprocal cooperative trust relations and solidarity among the local actors have positive influences on the development efforts (Fukuyama, 1995; Misztal, 1996; Storper, 1997; Amin, 1999a; Amin and Thrift, 2001) and those regions wherein the trust relations and cooperation have been settled

seem to be more successful than the others. In the second place comes the idea that the economic action may vary from one society to another owing to the existence of different kinds of rational produced by the local networks of interpersonal relations. As Amin (1999a, p. 367) indicates, depending on the behavioral approaches in economics – following the conceptions of Simon (1955; 1979) and recently of Kahneman (2003) – different actor network rationalities produce different forms of economic behavior.

Therefore the economic action being embedded to the social action may vary from one local to another. Moreover, investigating the origins of how and why different actor networks produce different forms of economic behavior draws attention not only to the influences of local formal and informal and even tacit institutions – which are defined as the rules and routines, patterns and prescriptions (Reisman, 2002, p.1) – but also to the influences of the local knowledge and local social information processing. To put in a nutshell, local actor networks, local formal and informal institutions, local knowledge and, further, local values, cooperative and reciprocal trust relations and even solidarity, and therefore complementary – or interdependent – relations and finally embeddedness seem to be the mostly emphasized, non-economic and local social structure dependent local influences of the contemporary development conceptions.

Arguably the most seminal of these influences seem to be their direct and crucial impacts on the economic components of development. Many studies, for instance, indicate the importance of local mutual trust relations and the positive influences of local institutions among the spatially agglomerated – or clustered – small manufacturers for an economic development success in the period of economic restructuring and vertical disintegration (for instance Amin, 1999a; 1999b; Bianchi and Gualtieri, 1990; Brusco, 1992; Cooke and Morgan, 1991; 1998; Gordon and McCann, 2000; Scott and Storper, 1992). The specialized and spatially agglomerated flexible economic organizations, responding the changes of the economic environment rapidly and being connected to each other by mutual relations which are either established or influenced by the local

institutional environment, seem to have been one of the most pervasively researched and mentioned examples of local economic development success of recent times.

More specifically, the conceptual insight of the contemporary development literature is also drawn from the analyses of successful development experiences in the period after the 1980s. The people who actually have led these local development experiences, after a three-decade long dominance over these pathways, however, have either approached to or already entered in an age group which necessitates passing the leadership baton to the younger ones. In other words, the coming decade represents a transition of a particular generation, having been leading to particular development experiences of contemporary times, to a newly ascending generation. Therefore the coming decade represents a generational transition for many of these successful pathways of development. And further, this period seems to be open to generational conflicts.

The concept – and indeed the problem of – generation gap is one of the most researched and studied fields of generational conflicts in contemporary sociology. Many researchers and sociologists have begun to focus on this issue especially in the 1960s and 1970s owing particularly to the social tensions between the elderly age groups and the younger cohorts. In tune with the intensified attention of the literature on this problem, it is possible to identify various definitions of generation gap. While some sociologists, for instance, define the problem of generation gap in terms of weakening integration between the society and the younger age cohorts (Braungart and Braungart, 1986), some others tend to explain it as major tensions emanated from the indispensable diversification of the personality development and socialization processes and associate the problem with the changing norms and values of the society (Bengston, Furlong and Laufer, 1974).

Besides, some sociologists identify generation gap as a natural and ordinary stage – and component – of the cultural evolution (Güvenç, 1974). But in more

general terms, the conflict between generations is defined as generation gap and refers to the tensions between generations due to several divergent features of generations and miscommunication, differentiation of norms and values, differentiation of the personality development processes and socialization owing particularly to the education, and thus the differentiation of the lifestyles between the generations are identified to be the most apparent sources of these conflicts (Bengston, Furlong and Laufer, 1974; Bertman, 1976; Podgorecki and Los, 1979; Kurian, 1986; Mead, 1969; 2005).

Actually, the literature concerning the problem of generation gap seems to be intensified upon the relations and tensions between the diverse generations and draw attention to the generationally differentiating socialization and personality development processes. However, if the institutions – either formal or informal it matters not – are constructed socially, than there may be – are – considerable tensions between the institutional structure, which is socially constructed by a particular generation, and the younger generations. Therefore the problem of generation gap represents not only the tensions between diverse generations, but also the tensions between the already constructed institutions and the younger generations and among the differentiating institutions as well. This study focuses on the problem of generation gap in terms of local development experiences, and states that the increase of the dominating power or strength of the younger generations on the development path seems to trigger a change and even destruction of the old institutions having been socially constructed under the dominance of the predecessor generations, and a rise of the new institutions being socially constructed under the dominance of these younger generations. owing to the fact, this study also intensifies upon the generational tensions among the institutions and between the institutions and younger generations.

While the concept generation change represents the changing dominance of generations on these local pathways, the concept generational transition refers more specifically to a transition period in which certain generational conflicts, tensions and contradictions emerge. Three main generational contradiction

spheres influencing the local efforts of development are identified in this study. The first one refers to the conflicts between diverse generations being differentiated from each other owing particularly to the distinctions between their socialization and personality development processes. These tensions are identified as the generation gap in tune with the sociological conceptions.

The second sphere refers to the conflicts between the successor generations and the local institutions which are socially constructed by the predecessor generations. Following the idea that puts local development is a path-dependent entity molded by socio-institutional influences; this second sphere represents certain generational contradictions influencing the institutional structure of the local pathways of development. And finally, the last sphere also represents generational conflicts influencing, similarly, the institutional structures. These are the tensions amongst the socially constructed institutions of the successor and predecessor generations.

The influences of generation change and generational transition are analyzed upon the local development pathway of Kayseri which represents one of the significant examples of these successful development practices having been intensely influenced by the local institutions. A noticeable attention seems to have been attracted toward the economic success of the town of Kayseri in the period after the 1980s. In fact, the town has experienced a population increase of approximately 220 %, and an approximate increase in the number of industrial firms which employ more than 10 workers 245 % after the 1980s. Actually in the period between 1975 and 2007 the export rates increased 16.850 % while the number of exporter firms which are registered to the Kayseri Chamber of Industry increased 2.625 % in the same period. Moreover, the town seems to have one of the highest levels of livability particularly in terms of basic amenities in the Middle Anatolian Region. But more importantly, the economic success of the town appears to be an outcome of a strong local cooperation mostly underpinned by the powerful local institutions. It is found in the research that the economic success of the town has two crucial features. In the first place, it is found that the local dynamics easing the emergence of a successful

development experience after the 1980s seem to be – and mostly are – the generational extension of the peculiar development pathway of the town which has mostly been constructed by a certain generation – identified in this research as the first generations – in the mid 1940s that have dominated this path until the mid 1970s.

This research distinguishes between the existences of three generations throughout the local development path of Kayseri. Two of these generations have already dominated this path until recently and the new generation, nowadays, is taking the leadership baton from its predecessors. The second generations have begun to dominate the path after the mid 1970s; and the period until the mid 1980s represents a generational transition with its peculiar generational conflicts, tensions and contradictions, and certain conflict resolution ways as well. The most apparent quantitative economic achievements of the local pathway have emerged throughout the dominance period of these second generations in Kayseri. And, in fact, after an approximately three decade long period, this dominance has approached to the edge of succession. Actually the 2010s seem to represent another generational transition period and the path in Kayseri has already begun to experience the influences of the succeeding generations that are identified as the third generations.

The second feature, having regard to the first one, refers to the institutional and cooperative structure of this path and the social structures of accumulation and of knowledge inheritance as local institutional spheres. It is found in the research that the local development path of the town has begun to arise, under the dominance of the first generations, with the existence of strong local institutions, cooperative trust and reciprocal responsibility relations among the actors based upon these local institutions and strong entrepreneurial potentials.

The Kayseri experience shows that there is a complementary relation between the local institutions and the generations that dominate the local pathways of development. On the one hand, the local institutions and institutional spheres, such as local norms, values, and the family, influence the socialization and

personality development processes of the generations. On the other hand, the generations, when they begin to dominate the pathways, indispensably reorganize and reconstruct the local institutions. Therefore the relational assets, such as the local business culture and the cooperative trust and reciprocal responsibility relations, are reconstructed by the dominating generations. And thus the institutional structure influencing the local pathways of development is reconstructed generationally. Moreover, the Kayseri experience indicates that both the influences of local institutions and the influences of generations on these local institutions can be socio-spatially identified. From this point of view, this research aims at identifying and conceptualizing the influences of generational transition and generation change on the local pathways of development.

1.2. Case Study and Spatial Context

In order to identify these influences on the local pathways of development, it is necessary to analyze a certain experience. The rapid capital accumulation, industrialization, urbanization and growth experiences of the town of Kayseri after the 1980s have attracted a great level of attention as a successful development practice. The economic achievements of the local development pathway of the town and the entrepreneurial abilities of the entrepreneurs of Kayseri have mostly been emphasized in many studies. Actually the quantitative achievements of the town seem to be influential. The total export amounts in the town around 7 million dollars in the mid 1970s have reached the amounts measured in billions of dollars in the 2000s. There are now firms in Kayseri whose annual revenues have reached over a billion dollars and there are at least ten firms having been continuously classified for years within the 500 greatest firms of Turkey. The Organized Industrial Area of the town is one of the biggest in size and one of the fullest ones in Turkey. And the town is best known by its highly capable entrepreneurs.

But more importantly, these economic achievements of the town after the 1980s have been the generationally emerging consequences of a local pathway of

development having been dominated by the presence of traditionally inherited strong, powerful local institutions. It is found that the local dynamics easing the emergence of a successful development experience after the 1980s seem to be – and mostly is – the generational extension of the peculiar development pathway of the town which has mostly been constructed by a certain generation – identified in this research as the first generations – in the mid 1940s that have dominated this path until the mid 1970s. The town's past as an inter-civilization commercial center for approximately 4500 years seems to have created a strong commercial tradition, and the entrepreneurial potentials of the town seem to have mostly been fed by this tradition. Most remarkably, the historical researches show that the local institutions have always played significant roles in the commercial history of the town. Therefore the thickness of knowledge inheritance of these traditional local institutions is peculiar.

These traditional local institutions have become the key components of the establishment and emergence of a peculiar local business culture particularly after the 1950s. The beginning of the rise of this culture can be characterized by the reciprocal ways of establishing cooperative trust relations. More importantly, these cooperative trust relations within the local business culture have also been underpinned by the local relations of social interaction. It is found in the research that the local development path of the town has arisen, under the dominance of the first generations, with the existence of strong local institutions, cooperative trust and reciprocal responsibility relations among the actors based upon these local institutions and strong entrepreneurial capacities mostly underpinned by a specific traditional mentality that is identified as the traditional trade mentality.

Furthermore, the rise of this local business culture can also be characterized by fundamental changes within the spatial patterns of the town. The 1950s have represented the beginning of a modernity project of the town. This project had a quite different manner of application in comparison with the centrally driven fundamentalist modernization efforts since it depended on face-to-face relations based consensus among the mayor and the citizens. Tekeli (2001) identifies these types of modernization projects as populist modernization projects and the

one having been implemented in Kayseri was one of the first examples. This modernity project of the town has mainly intervened in the spatial patterns of the housing areas, central business district (CBD) and the industrial areas of the town. The spatial dimension of the local development pathway has directly been influenced by these interventions. Moreover, having regard to the beginning of the generational transition period, the spatial changes of the 1970s mostly seem to have been characterized the spatial features of the town especially in terms of the construction decision of an organized industrial area and the beginning of a spatial specialization of the housing areas.

The economic success of the town after the 1980s is the generational extension of this local pathway. Arguably, the most seminal of this success seems to be the generationally restructured local institutions, reciprocity, solidarity and firms. The dominance of the traditional extended family as an institution over the firms has been transformed to the family firms and the family firm dominance over the path has become one of the peculiar features of the town. In fact more than 95 % of the export amount of approximately 1,25 billion \$ in 2007 belong to the family firms.

Actually, the success of the development pathway of the town after the 1980s indicates that the second generations have successfully dealt with the certain tensions and contradictions emerged throughout the generational transition process. And further, it also indicates that the institutional structure and cooperative relations have successfully been reorganized and reconstructed by these second generations. However, this period after the 1980s also represents the fall of many traditional institutions. Although the generational transition has been a triggering factor of rapid growth and capital accumulation, the generational restructuring of the local traditional institutions caused remarkable destructions on many of them. Certain institutions, institutional spheres and functions have inevitably been eliminated during this reorganization and reconstruction process. Therefore, it also represents the destruction, and even annihilation of certain peculiar institutional features.

Besides, the period after the 1980s has represented an intensification of the centralization having started in the 1950s for the town. The period of reorganization and reconstruction of the local institutions has had direct spatial repercussions including the spatial separation of the traditional extended family and the social and income groups based spatial differentiation due particularly to the destruction of traditional production styles. These repercussions seem to become much more apparent especially in the industrial and housing areas and in the CBD. The housing areas have spatially specialized in terms of income groups and, more importantly, the livability gap between the higher and lower groups has vastly widened. The traditional spatial patterns of industrial areas have totally transformed to organized industrial areas and small industry districts. However, owing particularly to the perforation of the dual management structure of the family firms, the management of the capital has mostly tended to move Istanbul. Therefore the CBD of the town has mostly limited with retail businesses and some certain service usages although they all have spatially specialized.

The Kayseri experience apparently shows that the process of generational transition represents local institutional changes, which directly and intensely influence the local pathway of development. The Kayseri experience represents one of the most important examples of local development pathways in which the influences of local institutions, reciprocity, local relational assets, and generational transition are apparent. Owing to the fact, the influences of generational transition and generation change on the local pathway of development are analyzed through this experience.

1.3. Methodology of the Research

This project needs a historically and spatially convincing analyze combining a descriptive study about the dominating generations and the local institutions, and a casual study that investigates the relations amongst them. Therefore the research methodology of this study is constituted of two complementary parts. The first part is constituted of a two-dimensioned literature survey. The first dimension is composed of a comprehensive literature survey about the town of

Kayseri and of an in depth quantitative analysis of the recent development performance of the town. The second dimension is the literature survey about the institutional and socio-spatial structure of the local pathways of development. This step is composed of the in depth analyses of both qualitative and quantitative data. The second part is the three-dimensioned field research, designed by this study, in order to understand and conceptualize the local development experience, to analyze the local urbanization process, to investigate the generational context of both the development experience and the urbanization process, and to explain the effects of generational transition and generation change on them.

The first dimension is the in depth interviews with non-governmental organizations (NGOs), major institutions and opinion leaders. While Appendix A shows the interview control card of these 35 in depth interviews, Appendix B shows the list of them. The main focal point of this step is to understand the local development action and the influences of institutional structure on this action in the town of Kayseri. The urbanization process and the relation between the local institutions are investigated as parts of this main focal point. Above all, this part of the research unexpectedly achieves to access important information about traditional cultural heritage, traditional family relations, inherent features of local social network and the general tendencies of different generations. Besides, this part touches some certain local networks which “live” behind a thick mist and which are considered by the participants to be the preliminary decision environment of the city. In some parts of this study, some consequences of these sub-networks, living beyond a misty horizon, are stressed due to the vital importance of these consequences. Though they are sometimes explicitly pronounced by the participants, this research, however, does not intend to focus on them due to the failed attempts to clarify them by the interviews.

The second dimension includes 149 in depth interviews with 76 family firms of Kayseri. These 76 firms are selected in tune with the findings of the first dimension. The preliminary aim of this second dimension is to explain the direct effects of generation gap on individual capacities. Therefore, the succession

process of these 76 firms is investigated. This research, again in an unexpected manner, achieved to get in touch with some significant consequences. It is possible to list some of these consequences. The first one is the close affinity between the traditional family structure and the family firm structure in Kayseri. Secondly, there are those results which are concerned with the change path of the traditional relations. The inherent professionalization styles of the family firms, the features of local institutional thickness and the style of local cooperation are other consequences. Surprisingly the results related to the spatial tensions in Kayseri, and finally the roles of the traditional family within the process of the inheriting of local tacit knowledge are some of these main findings of this second dimension. Actually, the complementary relation between the first and the second dimensions become more powerful than it was expected at the beginning of the research. Appendix C presents the list of 26 family firms out of 76 who gave permission to mention their names. Appendix D presents the interview control card of these 149 in depth interviews.

The third dimension is composed of 103 in depth interviews with the neighborhood muhtars in order to explain the city, urbanization process and urban growth at neighborhood scales. This dimension of the research has also influential results. One significant consequence detected in this context is the effects of informal face to face relations on administrative institutional positions (Hovardaoğlu, 2007). Although these influences affect the relations in a positive manner, an augmentation of the relation liquidities or flows, they also result inequalities to those who do not have face to face relations in terms of administrative institutional positions. This research explicitly shows that the liquidity of the relations may increase among the people in administrative positions if they have closer positions in local social network. This third dimension also gets in touch with socio-spatial distinctions of the city of Kayseri. This result, when considered complementary to the first two dimensions sheds light on significant socio-spatial features. While Appendix E presents the interview control card of these 103 in depth interviews These three dimensions are directly focused on to the spatial context of this study. The results of them

are presented in the fourth and the fifth chapters. Next section explains the chapter contents.

1.4. Contents

This study has been organized around four broad chapters apart from Introduction and Conclusion chapters. Chapter 2 aims at providing a conceptual basis for the analysis of the influences of generational transition and generation change on local development pathways. Following the thought emphasizing that the local development is a path dependent entity molded by socio-institutional influences, this chapter puts that every local feature influencing the local development path seems to be influenced by the effects of generational transition since most of them have been socially constructed. And the most apparent influences can be identified in the local institutions and relational assets. This chapter in the first place identifies the concepts of generational transition and generation change. This identification is mainly constructed upon the concept generation gap. The literature concerning the problem of generation gap seems to be intensified upon the relations and tensions between the diverse generations and draw attention to the generationally emerging distinct features of lifestyles owing particularly to the generationally differentiating socialization and personality development processes.

However, in this study, the concept generational transition represents not only the generation gap between the predecessor and successor generations, but also the tensions between the successor generations who have increasingly been involved with the local development path and socially constructed institutions of the predecessor generations; and the transition from the predecessor generations to the successor generations. And the concept generation change represents the dominance of the successor generations on the local development path. From this point of view, the second part of this chapter attempts to conceptually indicate the roles, influences and importance of

local institutions. And finally, conceptual implications on the influences of generational transition and generation change on the local pathways of development are attempted to be clarified.

Chapter 3, Chapter 4 and Chapter 5 focus on the detailed analysis of the local development experience of Kayseri and the influences of generational transition and generation change on the local development pathway of the town. Each of these three chapters are constructed around three dominating generations and three complementary contexts including the economic development or capital accumulation processes, urban socio-spatial processes and the conflicts concerning the foregoing two contexts. Having regard to these three complementary contexts, these three chapters aim at conceptualizing and identifying the influences of generational transition and generation change on the local development pathway of the town of Kayseri. Chapter 3 represents the first stage of this analysis and focuses on the above mentioned contexts in the dominance period of a peculiar generation that have begun to rise after the mid 1940s; mainly dominated the path until the 1970s; and have passed the leadership baton to the succeeding generations after the mid 1970s. This generation is identified as the first generations in this study. And the chapter begins with a brief retrospective investigation seeking the socio-institutional origins of a peculiar local mentality that is the traditional trade mentality.

This mentality seems to be one of the main triggers of the local entrepreneurial potentials in the town. And it also seems to be one of the most precious inheritances of the town which possibly has a socio-institutional history of more than four millennia. Besides, the strong and powerful traditional institutional structure of the town is emphasized in this introductory part of the chapter. The second part is intensified upon the dominance period of the first generations by identifying not only the roles and importance of the local traditional institutions, but also the social construction of a peculiar and reciprocal responsibility and cooperative trust relations based local business culture.

The dominance period of the first generations in fact represents the rise of a dynamic local economy wherein this dynamism depends on the one hand to the rapid urbanization experiences of both urban and national levels; and on the other to the social-construction of an efficient social capital mainly dominated by the traditional family. The influences of the traditional family on the local economic context in this period were crucial and this family is identified as the welfare family due not only to its vital role in social capital creation, but also to its central position in terms of the capital accumulation. This period, moreover, represents a modernization project of the town which was led by the influential mayor of the town. This project refers to the genuine application of the master plan of the town and this application depended upon the negotiation between the local citizens and the municipality, which was carried out by the mayor himself. Furthermore, it represents not only a great turning point for the improvement of the urban living standards and the quality of life of the town, but also the beginning of a centralization period of Kayseri especially for its close distance settlements in terms of the spatial agglomeration of the traditional artisan production units. However, this period does not refer to mere economic success; it also represents the existence of peculiar contradictions.

Chapter 4, intensifying upon the dominance period of the second generations, begins with the identification of a generationally emerging major organizational restructuring which triggers booming production rates. The local economic success of the town have become much more apparent in this period and the analysis of this success of the second generations shows that it depends on the coexistence of three complementary contexts which are, in its most apparent terms, the highly efficient transformation of the economic roles of the traditional family to the family firms – that is identified as the organizational restructuring –; the increasing, further, booming production rates; and the highly efficient transfer of the trust relations of the local business culture to the newly ascending business climate which has been dominated by the family firms.

However, the economic success itself has become a matter of contradiction to almost all local inherent institutions and processes leading to the emergence of this economic success. The economic boom ruined not only the reciprocal responsibility relations between the production units wherein the local business culture has been established in the dominance period of the first generations, but also the traditional family. The diffusion of the relational assets of the traditional family represents the increasing alienation of the family members both from each other and from the extended family. Moreover, it also harmed the cooperative structure of the family businesses. And further, the perforation of the reciprocal responsibility relations resulted considerable levels of alienations between the local production and merchant units wherein the local business culture has created certain solidarities.

Therefore, this period also represents a major restructuring in the relational assets among the actors of local development pathway. But until recently, the influences and dominating powers of a new generation have become to be apparent in the town. In fact, after an approximately three decade long period, it is possible to put that the dominance of the generations leading to the emergence of successful development experiences in the 1980s has approached to the edge of succession. Actually the 2010s seem to represent a generational transition period for these development experiences on the town and the path in Kayseri has already begun to experience the influences of the succeeding generations that are identified as the third generations. And Chapter 5 focuses on the gradually increasing influences of these newly arising generations that are identified as the third generations.

Besides, this coming period is also crucial in terms of the continuity of previously achieved development success. The second generations were fairly successful in the transformation of the business culture established by their predecessors. They were able to create a peculiar business culture by reconstructing certain relational assets of their predecessors due particularly to their familiarity, emerging from the informal education process which was carried out by the local

production and merchant units as a social responsibility that depended upon reciprocity, to these assets. However, one of the mostly damaged institutional spheres of the town was this reciprocal responsibility relations based informal education process. Therefore almost none of the third generations have entered such a local informal education process and thus none of them have been equipped with the traditional relational assets within a social process being underpinned by reciprocity. Owing to the fact, these third generations have mostly been alienated from traditional relations based business culture of the second generations which seems to result a much more contradictory transformation process of this local business culture. In fact, this generational transition process can mostly be identified by its internal contradictions and tensions. And Chapter 5 attempts to identify them not only in institutional levels, but also in spatial levels.

CHAPTER 2

2. THE INFLUENCES OF GENERATIONAL TRANSITION ON THE LOCAL PATHWAYS OF DEVELOPMENT: A CONCEPTUAL FORMULATION

2.1. Introduction

Social, cultural and institutional influences as primary non-economic components of the local economic success have begun to be intensely analyzed in the last three decades. A great proportion of local researches having been focused on these influences seem to have been totally convinced that local pathways of development are far intricate to be explained within sole economic terms (Aydalot, 1986; Stöhr, 1990; Stöhr, Edralin and Mani, 2001; Rutherford, 1996). They more particularly indicate that the local development is influenced by various local path-dependent components. Apart from those conceptions assuming the local in a fairly passive position in comparison with the global effects, a great majority of the local development researches seem to consider the local development as a diversified and path-dependent entity molded by inherited cultural and socio-institutional influences (Amin, 1999a).

Since the economic action is influenced by the outcomes of interpersonal relation networks and social structure, Granovetter (1985), for instance, puts that the economic action is embedded to the social action. The significance of the influences of these networks and social structure can be underlined by two vital key points. Many researchers, in the first place, seem to agree that mutual and reciprocal cooperative trust relations and solidarity among the local actors have positive influences on the development efforts (Fukuyama, 1995; Miształ, 1996; Scott and Storper, 1992; Storper, 1997; Amin, 1999a; Amin and Thrift, 2001) and

those regions wherein the trust relations and cooperation have been settled seem to be more successful than the others. In the second place, as Amin (1999a, p. 367) indicates depending on the behavioral approaches in economics – on the conceptions of Simon (1955; 1979) and recently of Kahneman (2003) – different actor network rationalities produce different forms of economic behavior. Thus the economic action may vary from one society to another owing to the existence of different kinds of rational produced by the local networks of interpersonal relations.

Analyzing the origins of this variation of economic action being produced by different actor networks draws attention not only to the influences of local formal and informal and even tacit institutions – which are defined as the rules and routines, patterns and prescriptions (Reisman, 2002, p.1) – but also to the influences of the local knowledge and local social information processing. To put in a nutshell, local actor networks, local formal and informal institutions, local knowledge and, further, local values, cooperative and reciprocal trust relations and even solidarity, and therefore complementary – or interdependent – relations and finally embeddedness seem to be the mostly emphasized, non-economic and local social structure dependent local influences.

The crucial and direct impacts of these influences on the economic components of local development seem to be the most seminal of these influences. The importance of local mutual trust relations and the positive influences of local institutions among the spatially agglomerated – or clustered – small manufacturers for an economic development success in the period of economic restructuring and vertical disintegration are identified in many studies. The specialized and spatially agglomerated flexible economic organizations, responding the changes of the economic environment rapidly and being connected to each other by mutual relations which are either established or influenced by the local institutional environment, seem to have been one of the most pervasively researched and mentioned examples of local economic development success of contemporary local pathways. However, in the period after the 1980s, the people who actually have led these local development

experiences, after a three-decade long dominance over these paths, have either approached to or already entered in an age group which necessitates passing the leadership baton to the younger ones. In other words, the coming decade represents a transition of a particular generation, having been leading to particular development experiences of contemporary times, to a newly ascending generation.

This study states that every local feature influencing the local development path seems to be influenced by the effects of generational transition since most of them have been socially constructed. The most apparent influences can be identified in the local institutions and relational assets which are molded by the peculiar social interaction of the local society. The peculiar association of the economic influences, features and components of development with the local institutions and relational assets indicates the existence of a peculiar local business culture which, again, seems to be molded by the local social interaction. And since the generational change represents one of the most influential origins of cultural change, the peculiar local business culture also seems to be influenced by the generational transition. Therefore this study also states that not only the local development paths, but also the spatial patterns of towns will, to a large extent, be influenced by considerable local changes largely emanated from the generational transition.

Generational transition, on the other hand, represents a newly emerging contradiction field in the local development efforts. The tensions between capital and labor have already been known and discussed field of contradiction. In addition to those, the conflicts which have been emerged due to unequal growth experiences of firms within cooperative networks and the sector tensions have been identified although the stories of the successful development experiences have been told as if they were free from conflicts. And yet, this study identifies the contradictions between the predecessor and successor generations, namely the generation gap. From this point of view, this chapter aims at arriving conceptual implications on the influences of generational transition on local development efforts. To anticipate the direction, the following section in the first

place, identifies the main conceptual framework of the contemporary development literature by intensifying upon the local components of development, and more particularly, upon the inherited socio-institutional influences. And secondly, it suggests a rediscovery of some certain institutions and new functions of institutions.

2.2. Local Institutions, Local Path-Dependency and the Concept of Generational Transition

This section aims to identify, in the first place, the conceptualized local influences of local development. Numerous researches and studies draw attention to certain pathways and conceptions of local development, and indicate that development represents an intricate experience in which the success of it depends on the co-existence and complementariness of various influences. As mentioned above, there are economic influences and non-economic influences; local influences and supra local, national and even global influences affecting local development experiences and it is obviously impossible to deal adequately with more than a small proportion of them in a section of reasonable length. Owing to the fact, this section is focused only on local ones which seem to be the most open to the influences of generational transition.

This is not to claim that the supra local, national and global influences are not affected by the generational change. On the contrary, recent demographic structure changes especially in the developed world show that generational change may have crucial impacts on the total productivity more particularly when the demographic structure necessitates co-employing labor from different generations. However, the influences of the generational change seem to be contingent and may vary from one local to another due to the social and cultural differences between locals and it is necessary to analyze and understand these influences directly on local experiences. But in the first place, what is meant by generation change and generational transition in this study should be conceptually explained. The following section attempts to fulfill this task.

2.2.1. Generational Transition: Succession of Generations

The concept – and indeed the problem of – generation gap is one of the most researched and studied fields of contemporary sociology. Many researchers and sociologists have begun to focus on this issue especially in the 1960s and 1970s owing particularly to the social tensions between the elderly age groups and younger cohorts that were born after the World War II and whose population size has been increasing especially in the Western World. Just at the end of the 1960s, Margaret Mead – whose studies on generation gap still seem to be the most famous and influential – indicates the rapid societal and cultural changes and the gradually increasing social and cultural gap between the older and younger age cohorts.

“No generation has ever known, experienced and incorporated such rapid changes, watched the sources of power, the means of communication, the definition of humanity, the limits of their explorable universe, the certainties of a known and limited world, the fundamental imperatives of life and death – all change before their eyes. They know more about change than any generation has ever known and so stand, over, against, and vastly alienated from the young...” (Mead, 1969, p.1)

Generation gap has never lost its importance and it still represents an important problem in the contemporary sociological studies and the literature has an intensified attention on it. In tune with this intensification of the literature, it is possible to identify various definitions of generation gap. While some sociologists, for instance, define the problem of generation gap in terms of weakening integration between the society and the younger age cohorts (Braungart and Braungart, 1986), some others tend to explain it as major tensions emanated from the indispensable diversification of the personality development and associate the problem with the changing norms and values of the society (Bengston, Furlong and Laufer, 1974). Besides, some sociologists identify generation gap as a natural and ordinary stage – and component – of the cultural evolution (Güvenç, 1974). But in more general terms, the conflict between generations is defined as generation gap and refers to the tensions between generations due to several divergent features of generations and

miscommunication, differentiation of norms and values, differentiation of the personality development owing particularly to the education, and thus the differentiation of the lifestyles between the generations are identified to be the most apparent sources of these conflicts (Bengston, Furlong and Laufer, 1974; Bertman, 1976; Podgorecki and Los, 1979; Kurian, 1986; Mead, 2005).

There are several researches that seek to explain the impacts of generation gap on economic organizations. One influential work is Gravette and Throckmorton's (2007) research. According to them, generation gap highly influences the relation between the workers themselves and the relation between the employers and the workers. Although the problem of generation gap seems to be concerned with total productivity of organizations at first sight, it is also concerned to some extent with the general behavior of organizations. In fact, the main problem ascends due to the miscommunication between different generations. According to Gravette and Throckmorton, the main reason of this miscommunication is the distinct ways of lifestyles and they indicate that the problem of generation gap is responsible for considerable efficiency declines in many organizations.

Besides, they also put that the generational tensions are usually emanated from the generationally emerging transformation pressures on the operating structures of organizations. From such a view point, it is possible to put that the most apparent influences of this problem have been identified within the family firms. Family businesses are generally defined within the context of ownership, business and family components and they are more directly open to the influences of generation gap owing to the problem of succession in these firms. Succession transition is an inherent process of the life cycle of a family firm and identified as one of the main challenges that family firms face. There are distinct ways of defining the succession in literature. It is possible to distinguish between two approaches. While the first approach refers to the managerial role transition, the second way suggests stages for the definition of succession.

According to Barach and Ganitsky (1995), successful succession of the owner / manager, or leadership is a crucial goal for family firms: without the next –

generation's leadership and direct management, the firm cannot survive as a family firm, let alone maintain its character (p.131). The simplest and the clearest definition of succession is the transition of the leadership or management of the firm from one generation to the next as Beckhard and Burke (1983) put straightforward: "the passing of the leadership baton from the founder – owner to a successor" (p.3).

Some researchers develop relation models between the predecessor and the successor. One most influential work in this approach is Wendy Handler's (1989) Mutual Role Adjustment Process between predecessor and next – generation family member(s). In its simplest meaning, the Mutual Role Transition Model (MRTM) is a process of managerial role transition to the successor who has first no role in the business, and then becomes a manager who has limited power in the company and then finally becomes the new owner / manager of the whole business. This model is a useful one in order to understand the managerial evolution of the next-generation family member. But more importantly, this process is explicitly open to the influences of generational conflicts.

Kets de Vries (1988) describes a variety of conflicting interactions common in relationships between superiors and subordinates. Disruptive communication patterns can bind family members to one another to fulfill the dominance or dependency needs; however, negative sentiments can result in resistance to collaboration and avoidance of delegation (Kets de Vries, 1988). Arguably, one most seminal source of relational conflict in this context seems to be the generation gap. As mentioned above, it is possible to consider succession in terms of stages. Longnecker and Schoen (1978), for instance, have developed an approach with a seven-staged cycle as shown in Table 2.1.

Table 2. 1. The Seven-Staged Cycle of Succession in Family Businesses

(a) The pre – business stage: Where the successor may be only passively aware of some facets of the organization;
(b) The introductory stage: Where the successor may be exposed by family members to jargon and organization members although he or she has not worked even on a part time basis in the business;
(c) The introductory – functional stage: Where the successor work as a part time employee;
(d) The functional stage: Where the successor enters the organization as a full time member;
(e) The advanced functional stage: Where the successor assumes managerial responsibilities;
(f) The early succession stage: Where the successor assumes the presidency;
(g) The mature succession: Where the successor becomes the ‘de-facto’ leader of the organization

Source: Organized from Longnecker and Schoen, 1978.

Actually, the succession process refers on the one hand to the relationship between the predecessors and successors, and, on the other to the relationship between the business and its environment. Considering the generationally changing features of businesses shed light on the generationally changing relations of the businesses with their environments. To put it bluntly, family firms, which seem to be one of the most pervasive firm types – according for instance to the findings of Gersick, Davis, Mc Collom and Lansberg (1997), the proportion of firms worldwide whose ownership or management lies in family hands is between 65 % and 80 % - seem to be the most influenced economic organizations from the problem of generation gap.

These studies mainly focused on the problem of generation gap in the individual economic organizations. In addition to them, some studies show that

generational conflicts also convey the potential of economic tensions between different social groups and even between the ethnic groups (Mather, 2007). Actually noticeable attention is oriented toward the generation gap within the context of cultural differentiation and ethnicity. Besides, there occurs a generation gap between the generations of immigrant workers in context of cultural differentiation. Slack and Jansen (2007) identifies that immigration scholars have been keenly interested in the circumstances of second generation immigrants. According to them, the generation gap problem in the second generation immigrants is much deeper than the gap between the native generations. Additionally, they draw attention to the changing circumstances of second generation immigrants. According to these researches, the second generations can be viewed luckier than their formers due to the extraordinary efforts of their predecessor generations for being articulated to the native economic and social life. However, these second generations face the problem of generation gap two-sided. On the one hand, there are cultural distinctions between them and the natives owing to their diverse cultural inheritance. On the other hand, it is obvious that their cultural inheritance has changed from the cultural features of preceding generations exactly the same. Therefore there occurs a cultural gap between the same generations and immigrant ones face the generation gap problem duplicated to a large extent.

Actually, the literature concerning the problem of generation gap seems to be intensified upon the relations and tensions between the diverse generations and draw attention to the generationally differentiating personality development processes. However, if the institutions – either formal or informal it matters not – are constructed socially, than there may be – are – considerable tensions between the institutional structure, which is socially constructed by a particular generation, and the younger generations. Therefore the problem of generation gap represents not only the tensions between diverse generations, but also the tensions between the already constructed institutions and the younger generations. This study focuses on the problem of generation gap in terms of local development experiences, and states that the increase of the dominating power or strength of the younger generations on the development path seems to

trigger a change and even destruction of the old institutions having been socially constructed under the dominance of the predecessor generations, and a rise of the new institutions being socially constructed under the dominance of these younger generations.

In this study, the concept generational transition represents not only the generation gap between the predecessor and successor generations, but also the tensions between the successor generations who have increasingly been involved with the local development path and socially constructed institutions of the predecessor generations; and the transition from the predecessor generations to the successor generations. And the concept generation change represents the dominance of the successor generations on the local development path. Therefore this study, in addition to the pervasive sociological explanation of generation gap as the tensions between diverse generations owing to the temporal differentiations between the personality development processes and socialization styles of generations, focuses on the tensions between the generations and the socially constructed local institutions which directly influence the local development path. Owing to the fact, these institutions and their influences on the path should be identified. The following section attempts to fulfill this task.

2.2.2. Local Institutions as the Social Structures of Accumulation

The foregoing section identifies that generational transition represents the generational tensions influencing the local development path not only between age groups, but also between the age groups and local institutions; and between the local institutions themselves as well. Besides, the influences of generational transition on socially constructed local peculiarities of the development path have also been emphasized. Therefore, the identification of, first, the local institutions influencing the local development path, and, second, the functions and influences of these institutions has a vital importance in constructing a theoretical framework for the influences of generational transition and generation change on the local development experiences. To anticipate the direction, this identification

includes, on the one hand, the local institutions and their functions having been emphasized in the literature, and on the other, the attempt to draw attention to some certain local institutions and institutional functions.

In the first place, it may be better to point out some certain definitions of institutions and a pathway of institutional analysis. As previously emphasized, institutions are defined, in a broader sense, as “rules and routines, patterns and prescriptions” (Reisman, 2002, p.1). And a much focusing definition of institutions as “the durable relations embedded in collectivities of norms, mores, folkways, organizations, and effective laws which fundamentally condition and act as means toward social practices” is put by O’Hara (2000, p.2). Even these two definitions seem to have a great expressive power for guiding the analyses being focused on the influences of institutions on the local pathways of development in an era of conceptualizing and understanding the regional development having regard to the institutions. However, O’Hara (2000) indicates that the institutional analysis has three levels including not only the institutions, but also the institutional spheres and the social structures of accumulation and in addition to the above definition of the institutions, he identifies five main institutional spheres including the durable relations of production, finance, the state, the family, and the world economy (p. 2) and defines every of these spheres as a social structure of accumulation in a broader sense of abstraction.

Therefore it is possible to put in tune with the institutional economy thought that the economic action, being considered to be embedded to the social action, is mainly conceptualized in association with the dominating influences of not only the single autonomous institutions but a collectivity of institutional spheres or the social structures of accumulation. And the changes of this economic action seem to be associated with the institutional changes. Besides, even the most apparent economic entities such as firms have begun to be viewed in relation to the institutional spheres and have been situated within the context of broader social relations political economic processes, environmental change and institutional influences (Barnes, 1995; Schoenberger, 1997; Clark et al, 2000; Yeung, 2000).

However, the concepts of, the debates over and the critics on the institutional economy, in which a considerable proportion of them are inevitably excluded in this section even though it is possible to arrive at conceptual implications about the generationally changing institutions of capitalism, represents one of the most dense, as Rutherford (1996) puts, fields of economics. Since this chapter aims at constructing a conceptual framework for the influences of generational transition and generation change on local development, beyond any other debates, it is necessary to intensify upon the roles and influences of the local institutions on the local pathways of development having regard to the above institutional spheres and definitions of institutions.

In the first place, local institutions seem to be one of the most emphasized – and apparent to some extent – origins for the spatial differentiation of the successes of not only the local development pathways, but also the local accumulation processes. A main explanation for the unpredicted and unexpected local development experiences of the economic restructuring period after the 1980s is intensified particularly upon the influences of local institutions on local pathways. But spatial differentiation does not represent a new discussion field and the emergence of uneven development in relation to the spatial differentiation in capitalist societies in fact is one of the influential contributions of Marx. Neil Smith (1984), for instance, constructs a theoretical framework for uneven development having regard to the spatial differentiation, and more particularly, it is possible to find certain intensified and basic discussions about the emergence and consequences of spatial differentiation in some of David Harvey's works (see for instance, Harvey, 1973; 1975; 1977; 1982).

But this analysis focuses more specifically on the influences of local institutions on the pathways of local development and, thus, has a much narrower insight mainly following the ideas and conceptions of Amin and Thrift (1992; 1995; 2001), Amin and Wilkinson (1993) and Amin (1999a; 1999b) and also of Granovetter (1985), Grabher (1993; 2001), Hudson (2001), and Cooke and Morgan (1991; 1992; 2001) on the local institutional influences on local development. Therefore, the origins of the spatial differentiation of the success of

local development pathways and local accumulation processes are viewed to be associated mostly with the local institutions. Owing to the fact, it is necessary to analyze the local institutions, local institutional spheres and the functions of these local institutions as well.

The literature distinguishes between two types of institutions that are the formal and the informal – or tacit – institutions. While the formal institutions refer to the rules, laws and organization, the informal or tacit ones refers to the individual and group habits, social routines, norms and values (Rutherford, 1996; Asheim, 1997; Morgan, 1997; Amin, 1999a; 1999b; O’Hara, 2000; Amin and Thrift, 2001; Reisman, 2002). In its most general terms, these institutions, as Amin (1999a) puts, represent templates for, or constraints upon, future local development pathways by providing relative stability in the economic context of information asymmetry, market uncertainty and knowledge boundedness; and by guiding individual action; and more particularly, their framing influences result a path – or context – dependent nature of the local development.

Besides, Morgan (1997) and, more particularly, Reisman (2002), following Robert Putnam’s (1993; 1995) definition of social capital, stress that the institutions are the local keys of social capital creation. Putnam (1995) sees social capital as a vital ingredient in economic development by enhancing the benefits of investment in physical and human capital: “By analogy with notions of physical capital and human capital – tools and training that enhance individual productivity – social capital refers to features of social organization such as networks, norms and trust that facilitate coordination and cooperation for mutual benefit” (p. 67). Putnam (1995) also underlines the importance of trust relations in a mutual cooperation: “The greater the density of associational membership in a society, the more trusting its citizens. Trust and engagement are two facets of the same underlying factor: social capital” (p. 73).

In most cases, the vital importance of cooperative trust relations, being underpinned and, to some extent, constructed by local institutions, among the actors of local networks that dominate the local pathways of development are

intensely emphasized. The economic success of contemporary industrial districts is characterized in association with the mutual cooperative relations among them. Having regard to the vertical disintegration of centralized industries in the economic restructuring period after the 1980s, many researchers stress the efficiency, flexibility and success of local industrial districts generally being characterized by horizontally integrated small and medium sized enterprises (SMEs) and being underpinned by the certain collective foundations such as inter-dependence among economic agents, the presence of business support systems, conventions of dialogue and reciprocity, and, in some localized cases, a culture of social and civic solidarity (Amin, 1999b).

Mostly emphasized examples of these successful districts are the Emilia-Romagna Region in Italy (Brusco, 1992; Bianchi and Gualtieri, 1990; Amin, 1999a; 1999b; Cooke and Morgan, 1991; 2001), the Silicon Valley in the USA (Saxenian, 1994), and the Baden Württemberg Region in Germany (Herrigel, 1995; Cooke and Morgan, 1992; 2001). Michael Storper (1997), in his influential work on the territorial development in a global economy, characterizes this success of local industrial districts in terms of their distinctive feature wherein its strength is emanated from their relational assets or untraded interdependencies. According to him, since these relational assets draw on the social properties of networks, neither are they tradable, nor easily substitutable and they are constituted of face to face relations being based upon the local tacit knowledge, reciprocity, cooperative trust, local communication styles, and norms and values being embedded to the local social structure (Storper, 1997). Having regard to the conceptions of Storper, Amin (1999a) puts that the success of a local development pathway is strictly related to the untraded interdependencies:

“These relational assets are claimed to have a direct impact on a region’s competitive potential insofar as they constitute part of the learning environment for firms. They provide daily access to the relevant resources (information, knowledge, technology, ideas, training and skills) that are activated through the networks of interdependency and common understandings that surround individual firms” (p. 369).

To put it bluntly, both the framing influences of institutions that shape not only the individual action but also the collective economic action being embedded to the local society; and the social capital which is either created or underpinned by the local institutions seem to be identified as the main functions – and thus influences – of local institutions on the local pathways of development. In tune with these functions and influences, therefore, local institutions actually represent social structures of accumulation. However, the findings of this research, being represented in the following chapters, indicate that the social inheritance of local knowledge has been mostly carried out by local institutions as well.

A careful investigation on the connection between the institutions and information, knowledge, ideas, training and skills, actually indicates a social structure of local information processing in which local knowledge, more particularly tacit knowledge, is inherited throughout generations. In fact, Amin (1999a) draws attention to inherited cultural influences which is seen as one of the reasons of context dependency. Besides, the significance and influences of social norms and values are emphasized by many of the researchers. But, a direct and detailed implication on the inheritance ways of knowledge of these local social norms and values from predecessor generations to successor ones seems to be missing in the literature.

However, the vital significance of knowledge inheritance by the institutions becomes much more apparent when the local pathways of development are viewed to be influenced not only by the socially constructed institutions but also by local knowledge. Local knowledge can either be an institution itself such as social norms and values, or be an indispensable component of institutions such as a local mentality dominating the relational assets among the actors of local networks. In both circumstances, the social inheritance of the socially shared local knowledge seems to be an institutional function and these institutions can therefore be viewed as the social structures of local knowledge inheritance as well as of accumulation. But, since the institutions are socially constructed, if the generations of a local society differentiate from each other, the social structures

of local knowledge inheritance – that are the certain local institutions and they refer to the certain institutional spheres – will change. In other words, since the social construction of the institutions can be identified to be a function of dominant social interaction types of the dominant generations in the society, the institutional change seems to be the outcome of generational change. Furthermore, this institutional change may cumulatively influence every single local institution. To put it bluntly, the process of institutional change is identified to be the evolution of institutions. But under these circumstances, this evolution rather represents a generational manner.

The influences of evolutionary economics on the contemporary conceptions of institutional dimension of local development pathways have been stressed in the literature for decades. However, the institutional evolution seems to be viewed in terms of the adaptation of local production networks – or, in more general terms, of local markets – to the globally changing environment. In some certain conceptions, although they viewed to be indispensable components of local development success, institutions are seen to be certain constraints upon development. Amin (1999a), for instance, having regard to Hodgson (1988; 1998), indicates that institutions can be responsible for certain dead-locking situations in the local pathways of development, since they have framing influences on local economic action.

Granovetter (1985) identifies to what extent influential the power of framing character of institutions especially on networks is. According to him, a network of actors in which the inner relations among the actors are dominated by strong ties having been constructed by powerful institutions may face the threat of creating a strong resistance for change and a cycling reproduction of these inner relations. If the local institutions have such a restricting character, then, these institutions themselves may become a matter of contradiction in terms of the adaptation of local networks to the globally changing relations.

Therefore not only the institutions, but also the power of them significantly influences the success of local development pathways. Amin (1999a), following

Latour (1986) and Callon (1991), indicates the powers of institutions on local efforts of development. Owing to the fact, some strategies seem to intensify upon the indirect interventions on local institutions, such as improvement of the information processing abilities for learning (see for example Hudson, 1996; Amin and Hausner, 1997; Cooke and Morgan, 1998; Amin, 1999a; 1999b; Amin and Thrift, 2001; Amin and Wilkinson, 1993; Cooke and Morgan, 1992; 2001) in order to direct the local pathways.

At this stage of analysis, it is possible to associate two significant institutional dimensions with generations. In the first place, as mentioned above, institutional change is highly connected to and concerned with the generational change since the institutions are socially constructed – and reconstructed indeed – by the dominant generations of the society. This construction – and reconstruction – is related indispensably to the knowledge inheritance of the local society and therefore, every generational transition period represents reconstruction of old and construction of new institutions socially by the ascending generations. This process refers to the second dimension: the power of institutions and the strength of institutional spheres.

But before proceeding, it is necessary to identify that the adaptive capabilities of local institutions both to the locally and supra locally changing relations seem to be related to the strength of these local institutions. Following Granovetter (1985), it is possible to put that the more powerful the institutions, the harder the resistance to change and from this point of view, the traditions and traditional institutions seem to be the most apparent powerful institutions. As emphasized in the beginning of this section, O'Hara (2000) identifies five main institutional spheres including the durable relations of production, finance, the state, the family, and the world economy (p. 2) and defines every of these spheres as a social structure of accumulation and this study states that they are also the social structures of local knowledge inheritance. Apart from the state and the world economy, it is possible to identify certain traditional extensions both for production, finance and the family.

Obviously and apparently, production and finance are the most researched, conceptualized and emphasized components from the first economic conceptions to the contemporary economics. And the family has had an indispensable place in many of these studies. However, the family is more likely to be seen as one basic institutional spheres of capitalism or to be identified in emotional terms but in a capitalist society. Lash (1977), for instance, sees the family as a heaven in a heartless world. Therefore, especially in many of the contemporary sociology studies, the family is seen as the micro component of the society and its once existed basic economic institution function – more particularly its dominating influences both on production and consumption – has been receded in the past since the beginning of industrialization in modern societies (Esping-Andersen, 1999). But Esping-Andersen (1999) indicates that the family still remains as an institutional sphere and as an institution indeed and identifies its significance in creating welfare especially in welfare based social systems.

The roles, positions and the influences of the family as an institution on the local pathways of development, however, generally seem to be underestimated in many cases. On the contrary, the findings of this research being represented in the following chapters indicate that the family as an institution may have direct impacts not only on the local pathways of development, but also on other institutions and on the knowledge inheritance as well. Arguably the most seminal of the family seems to be its basic institutional function of knowledge inheritance. And more importantly, the family relations as an institution may establish a basement not only for local economic action, but also for economic organizations themselves. This connection becomes much more apparent in certain locals wherein the family firms dominate the development pathways. But still, the family is either seen to be a non-emphasized and underestimated or powerless – to a large extent – institution in many of the success analyses of local development pathways due arguably to the nuclear family tradition.

But either nuclear or traditional, the family seems to be the primary institution for local knowledge inheritance, and local knowledge is seen to be the key

component of an enhanced mutuality within the relationships of interdependence. In the first place, Storper (1997) emphasizes the significance role of local knowledge based face to face relations and familiarity based trust relations. As stressed previously in this section, local knowledge can either be institutions or be vital components of institutions. Therefore considering local institutions requires the consideration of local knowledge. And the literature again seems to distinguish between two forms of knowledge including tacit, non-codified or informal knowledge and codified or formal knowledge. Amin (1999a; 1999b) indicates that in a world wherein the codified knowledge has been becoming increasingly available, non-codified knowledge attains a higher premium in deriving competitive advantage owing to its uniqueness.

This study, following Sabri Ülgener (2006), attempts to create links between the local knowledge and local mentality particularly via local life styles. Mentality, since it refers to a particular way of thinking, establishing relations, acting or behavior or attitude, and, more specifically, to a particular way of living, in a broader sense; can be considered as a tacit institution being based upon non-codified knowledge. Mentality as an institution may have a vital role in and indispensable importance for the development success for certain locals wherein this mentality represents a traditionally inherited local key dynamic particularly for entrepreneurship potentials, for cooperative trust relation establishment among the local actors of development and for the social inheritance of its own knowledge. The findings of this research openly indicates that a traditionally inherited local mentality may be one of the most significant triggers of local entrepreneurship potentials and an indispensable component for the establishment of local cooperative trust relations. Moreover, it is found that the tacit or non-codified knowledge of such a mentality has been inherited through generations by other certain local institution.

Besides, the footprint of such a mentality can be detected within the certain socio-spatial processes and patterns of the locals. Therefore it is possible to put that not only the mentality but also the local institutions have had influences, not only on the success of local development pathways but also on the socio-spatial

patterns of locals. But more importantly, these influences seem to have been inherited through generations by certain local institutional functions that are the local informal education processes. As previously emphasized, the institutions can be seen as the social structures of local knowledge inheritance. To put it bluntly, this local knowledge inheritance function of institutions may sometimes create social structures of informal education. And, since this knowledge is seen as a key for creating competitive advantages as Amin (1999a; 1999b) puts, these social structures of informal education – or knowledge inheritance – become vital components of competitive advantages as well.

The literature has been drawing attention to the learning capabilities of the locals having regard to the competitive advantages for a long time and it seems that the improvement of learning capacities is one of the most emphasized policies for regional development. Actually, learning as a key factor in dynamic competitiveness is one mostly emphasized policies for local development. Cooke and Morgan (1998), for instance, claim that economically successful regions are learning or intelligent regions. Having regard to the institutional influences on the local pathways of development, Amin (1999a) lists a series of policy implications in order particularly to trigger the development dynamics in the less favored regions (LFRs).

More particularly, all these policy suggestions and strategies seem to be related directly to the local institutions and institutional functions. In the first place, having regard to the success of certain local development pathways, the policy strategies suggest to build clusters being supported not only by cooperative trust relations but also by firm-specific incentives. Amin (1999a) directly puts the importance local institutions in local cluster building processes:

“Firm-specific initiatives, such as small-firm development programs or incentives to attract inward investors, tend to be integrated within such cluster programs in order to build up a system of local interdependencies. Institutional support, in the form of technology transfer, training and education and access to producer services such as market intelligence, business innovation and finance, tends to

be sectorally specific so that help can be targeted to firms in specific clusters”
(p. 370).

However, clusters and cluster building should also be supported by improved dynamic competitiveness and local competitive advantages and, as previously emphasized; learning is seen to be one of the most important sources for creating competitive advantages. Moreover, it is also seen to be the key feature for dealing with the local stagnancies emanated from institutional lock-in (Cooke and Morgan, 1998; 2001; Amin, 1999a; 1999b). The strategies for the improvement of learning capacities generally aim at providing adaptive skills for local actors to globally changing relations.

In the third place come the strategies of broadening the local institutional base which is identified by Amin and Thrift (2001) as institutional thickness characterized by “a strong institutional presence, high levels of interaction amongst the institutions in a local area, the development of sharply defined structures of domination and / or patterns of coalition, and the development amongst participants in the set of institutions of a mutual awareness that they are involved in a common enterprise (p. 14):

“It is a thickness which both establishes legitimacy and nourishes norms and trust. It is a thickness which continues to stimulate entrepreneurship and consolidate the local embeddedness of industry. It is, in other words, a simultaneous collectivization and corporatization of economic life, fostered and facilitated by particular institutional and cultural traditions which appear to have been central to the generation of success within neo-Marshallian nodes in global networks” (p. 15).

But most importantly, institutional thickness represents the institutional abilities for social inclusion and improvement of urban life standards. It is also a catalyst for the transformation of, in a broader sense, the capital accumulation to increasing life standards. Besides, institutional thickness is seen to be the main facilitator of the maintenance of development success not only in terms of successful capital accumulation processes but also in terms of social inclusion

and social empowerment and, further, improvement of life standards. Therefore, the institutional thickness becomes a *sine qua non* component of the last one of the mostly emphasized regional policies: the mobilization of the social economy.

The policy, in its most apparent terms, represents the mobilization of social capital by the inclusion of almost all social groups of the local society. It is obvious that local social capital cannot be constructed only on the abilities and capabilities of the dominant social groups and, more particularly, the maintenance of the success of local development pathway seem to require the cooperation of local society without social exclusions. Further, social capital creation mostly depends on such a cooperation of a local society. And thus, the success – or the maintenance of the success – of a local development pathway mostly depends on the social cooperation of the local societies, and the institutional thickness seems to be most apparent reinforcement of this cooperation.

However, every single of these policies depends indispensably on certain social relations which are constructed by certain dominating age groups of a local society having been grown up with a certain personality development style. In other words, these certain social relations are constructed by certain generations. And while the generational change represents the unavoidable transformation of these relations, the process of generational transition represents certain tensions not only between the preceding and the succeeding generations but also between the formerly constructed social institutions and these newly ascending generations and also between the formerly and newly constructed institutions in which the contemporary literature of local development has not focused on yet until this study. The following section aims at arriving conceptual implications on these influences of generational transition and generation change on the local pathways of development.

2.3. The Difference that Generations Make: Toward a Conceptual Formulation

The preceding section apparently shows the crucial roles of the socially constructed institutions on the local pathways of development. This section, having regard to the conceptual framework emphasized in the foregoing section, attempts to indicate that generational transition and generation change may represent, on the one hand, major tendencies and lock-ins directly influencing the already achieved success of a local pathway; and, on the other, an accelerating trigger for the dynamics and potentials for a future development trajectory. In either way, they seem to represent a significant change – or turn points – in these local pathways of development.

In the first place, it is necessary to put that the more direct influences of generations seem to be more apparent on socially constructed local institutions. Following O'Hara's (2000) definition of institutions given in the beginning of the previous section, supra local level institutions such as laws or international trade agreements or national organizations and so on do not seem to be primarily influenced by certain generations. The local institutions, on the contrary, are under direct influences of the dominating generations, since they are socially constructed – and reconstructed of course – in local levels by these generations. Thus the main focus of analysis can be intensified upon these socially constructed local institutions and the influences of generations – and generational transitions and changes indeed – on them.

And these institutions primarily represent a great range of inherited socially shared rules, routines, norms and values and even traditions embedded to and framing the actual social and economic life of local societies. They, in association with these socially shared institutions, secondarily represent the local organizations and laws. And they generally seen as the main basis for the creation of a local development action mostly characterized by trust based relations and cooperation among the local actors of this pathway.

Apparently, such a local development action does not represent an everlasting process. But beyond the mostly emphasized supra local dynamics of change, the generations seem to represent a main transformation dynamic of local pathways of development. This statement becomes much more apparent when some certain implications on the possible influences of generational change and transition on institutions, institutional spheres and functions are considered. It is possible to begin by identifying certain influences on institutions. Traditions perhaps are the most fundamental institutions of societies. And obviously, many of the inherited traditions are no longer shared by younger members of many societies. However, traditions represent much durable social rules and routines etc. being inherited from several generations and thus the attitude of the younger generations toward those actually “old” institutions may be taken for granted. But even a “young” social habit contributing to the existence or construction of an efficiently operating local institution may be excluded by the younger generations.

In fact, it is impossible to assume that every single local institution has indispensable positive influence on a local pathway of development. On the contrary, some of them may create seriously durable stagnancies, and thus, the younger generations may eliminate some of those institutions by excluding them. And arguably the most seminal of such elimination is, following the rediscovery of the influences of evolutionary economics on contemporary conceptions of regional development as Amin (1999a; 1999b) indicates, the opportunity of institutional evolution. However, in some cases these evolutions may turn to certain obstructs for the maintenance of the success – or for a future success – of development pathways. In either case, the local institutional structure should be carefully analyzed.

Some implications on the possible influences of the generational transition and change on institutional spheres indicate this necessity in more clear terms. As previously emphasized, O’Hara (2000) identifies five main institutional spheres including production, finance, the state, the family and the world economy. Apart from the world economy and the state, the influences of generational transition

and change on local production, finance and the family seem to be identifiable to a large extent. The most apparent – and crucial – influences seem to have been emerged within the institutional sphere of the family.

A significant proportion of the sociology and social psychology literature have focused on the family researches for a long time. According to Brewer and Crano (1994), the family and other groups of a society transfer the norms and values of this society to the individuals through socialization. He also indicates that the family is the primary institution that transfers the information of the societal norms of social roles to the individuals. Therefore the family becomes not only an indispensable component of social knowledge inheritance through generations, but also a basic institution influencing the local social and thus the economic action. Besides, in many cases, family is seen to be the basic institution that influences not only the production, but also the finance. White (1996), for instance, identifies the family as one of the central elements of institutional continuity in rural China. But this family is characterized by its extended and traditional nature.

In his work being aimed at arriving at a neglected dimension on informal institutions, social capital and economic transition, Raiser (1997) indicates that White's study shows how Confucian family values interacted with changing rural institutions during pre-communist and Maoist times in a way that was more favorable to the development of rural entrepreneurship than in Russia. And according to him, the extended traditional family not only is one of the basic components of the institutional continuity, but also represents a basic institution that triggers both the entrepreneurial potentials and the establishment of cooperative relations among the actors.

Therefore the family seems – in some cases – to be one of the basic components of social capital creation. In fact, the findings of this research being represented in the following chapters indicate some certain similar functions of the family in social capital creation. Actually, it is found that, many of the face-to-face relations based mutual trust relations among the actors of the local

development pathway were established within the institutional sphere of the traditional family. But more importantly, the mostly emphasized generational tensions of the literature are directly associated with the family relations. On the one hand, the family may have a disguised but crucial role in social capital creation. But on the other, it is the most open institution to the influences of generational tensions. Perhaps in some cases the family itself may be one of the crucial reasons of stagnancy and the evolution of the family – in a sense of institutional evolution emphasized previously – may create certain opportunities for the local actors. In either case, the local institutional structure should be carefully analyzed.

But it may be necessary to indicate that the individual level generation gap is seen to be a problem which has significant influences on economic organizations. Gravette and Throckmorton (2007), for instance, found in their research that generation gap between the employees has been becoming a significant problem for many of the firms. According to them, miscommunication across the generations seems to be the most apparent result of this problem and they identify that increasingly differentiating life styles of the generations in contemporary times widens the gap between the generations.

Smith (2004), similarly, indicates that not only the technological changes but also the rapidly changing socialization styles and education differentiate the preceding and succeeding generations, and the distinction between them has explicitly been widening since the 1980s. According to the findings of Beck and Wade (2004), and also of Gravette and Throckmorton (2007), making such differentiated generations work together in a workplace requires institutionalized help for those organizations as well as professionalized management and the generation gap problems should not be underestimated since they may cause total efficiency decline, revenue losses, employee turnovers and so on.

Besides, the generational conflicts may influence the cooperative structures of local production networks. The alienation of the successor generations from the general rules and routines of the relational assets of local networks having been

constructed by their predecessors seems to be a major generational problem influencing the trust based cooperative structures of these networks. In most cases, the peculiar relational assets of the local production networks are inherited to the new members through informal learning processes being mostly carried out by the informal institutional structures. But when the new members begin to be alienated from the already established institutional learning processes of these networks due for instance to their distinct educational features, they increasingly may become to be alienated from the general rules and routines of the relational assets of these local networks. And arguably, this alienation may influence the cooperative structure.

However, identifying these circumstances as certain obstructions for the future success of local development pathways seems to be misleading to a large extent. Generational tensions influencing the general cooperative structure of local production networks may also refer to the restructuring processes of these networks which may create new opportunities for them. Therefore these tensions may trigger the networks to reestablish the trust based cooperation even in a more efficient manner. Besides, viewing the scene from the urban levels may indicate certain possibilities of opportunities especially in terms of the pressures to increase the variety of urban amenities underpinning the quality of life in local. Distinct features of life styles are seen to be the main characteristics of generational differentiation. And these distinct life styles possibly force the socio-spatial organization to find their spatial extensions. Therefore the generational tensions may also represent possible key dynamics of spatial changes as well as institutional changes.

A fulfilled understanding of the influences of generation change and generational transition, being conceptually constructed in the preceding sections, indispensably requires an in depth analysis of a local development experience. Therefore the following three chapters analyze in detail the institutional structure of the local development pathway of the town of Kayseri and the influences of generational transition and generation change on this pathway and on the local institutions as well.

CHAPTER 3

3. RECONCEPTUALIZING A LOCAL DEVELOPMENT EXPERIENCE IN A GENERATIONAL VIEW: THE RISE OF THE LOCAL DEVELOPMENT PATHWAY OF THE TOWN OF KAYSERI

3.1. Introduction

The rapid capital accumulation, industrialization, urbanization and growth experiences of the town of Kayseri after the 1980s have attracted supra national level attention as a successful development practice and identified as a “Middle Anatolian miracle” (European Stability Initiative (ESI) Report, 2005). The population increase of the town of approximately 220 %, the export amount increase of approximately 7250 % and the approximate increase in the number of industrial firms which employ more than 10 workers 245 % in the period between 1980 and 2008 in fact indicates a miraculous development experience. Alongside with these growth rates, the most remarkable features of Kayseri seem to be the dominance of the family firms over this experience, the existence of a peculiar cooperative structure, and the influences of powerful local traditional institutions on the local pathway of development. However, this influential development experience has not begun at the 1980s. The dynamics easing the development experience after the 1980s have been the generational extension of a peculiar development path and the local business culture dominated by a particular generation which is identified as the first generations in this research; and the process has begun in the 1950s.

Therefore the analysis of the town’s successful development experience after the 1980s requires a careful analysis of this local pathway having begun in the

1950s under the dominance of a particular generation. The most remarkable and peculiar features of this path seem nevertheless to be the institutional inheritances associated directly with the 4500-year-long settlement history as one of the most important inter-civilization trade centers. Having regard to these traditional inheritances of the town, it is possible to distinguish between two important components of the local development pathway of the town. The first is the modernity project of the town having begun with the strategic leadership of a “first generation” mayor; and the second is the local business culture which has been arisen alongside with this project. In the analysis of this local business culture, four main components are identified in the dominance period of the first generations: the traditional trade mentality which has triggered the entrepreneurial potentials of the Kayserians; the family as the main economic organization and the family dominated decision structures of businesses; the influences of powerful local traditional institutions; and local social solidarity.

On the other hand, the modernity project represents a turning point for the town after a long stagnancy period having lasted more than two centuries. This stagnancy was in fact unusual for a town which has been approximately a 4500-year-old inter-civilization trade center of Anatolia. In the 20th century, until the 1950s, Kayseri had to a large extent been spatially unable to keep its entrepreneur capacities inside the town due particularly to the low living standards. The local workforce have either chosen to migrate out, or decided to work in the big public investments after the declaration of the Republic; or to maintain their traditional occupations neither experiencing any growth apart from few casual exceptions nor creating an effective local business culture. Owing to the fact, the rise of the local business culture after the 1950s has directly been associated with the local efforts of improving the living standards of the town being identified as the modernity project of the town.

The analysis of the development path of Kayseri shows that the process has begun in the mid 1940s although every single peculiar feature is the inheritance of the town from its commercially bright historical past. This analysis also shows that every family firm having been dominating the path after the 1980s is the

extension of the family strategies applied by the first generations. Besides, the economic success that they experienced has been the generational outcome of this peculiar development path of Kayseri. Although this local development path of the town triggered a booming experience after the 1980s, it has not been a conflict free process; on the contrary, this success story can be investigated upon its conflicts and contradictions. At first sight, the modernity project destroyed almost all spatial extensions of the inherent socio-spatial processes including the traditional housing of the traditional extended family for the sake of modernization. But since the traditional family relations were the main components of the local traditional socio-spatial structures, they created their own spatial extensions for instance the peculiar housing design that dominates the inner architectural design of the newly ascending apartments. Secondly, considerable tensions appeared among the native capital and the immigrant labor due to the low wages. But, on the one hand, the continuity of the relation of urbanized labor between their rural familial extensions; and, on the other, the traditional nature of artisan production which paves the way for the labor to become the capital smoothed these tensions between the capital and the labor. Besides, the easing nature of the municipal tolerance for shanty settlements especially at the outskirts of the town for immigrant labor had an anti-depressant effect on this tension. In the third place, strict generational contradictions began to be identified throughout the dominance period of the first generations although they were usually kept under wraps by the traditional family relations. But most importantly, the path itself has become a matter of contradiction when it comes into the inheritance of the second generations.

The seeds of the development path were sown in the period after the 1950s by the generations who had the dominance over the period. This chapter intends to analyze in depth the rise of the local development path not only by investigating the effects of the first generations on this path, but also by examining the origins and the nature of the local business culture and the modernity project of the town having regard to the inherent conflicts, controversies and their peculiar solution ways. But in the first place, it seems to be necessary to point out the influences and existence of some certain traditional institutions and the footprints of a

traditional trade mentality which seems to be the most apparent trigger of the local entrepreneurial potentials.

3.2. Myths and Realities: Traditional Institutions and Mentalities

“The Kayserians are closely involved with the Turkish Economy not only by their investments but also their entrepreneurial spirits...” (Ekovitrin Magazine, December 2008, p. 19).

“...I have noticed that the entrepreneurial abilities create a certain tradition in Kayseri” (Abdurrahman Yıldırım, Sabah Newspaper, 25-12-2006).

“Kayserians undoubtedly are very proficient people especially in trade and industry...” (Abdurrahman Yıldırım, Sabah Newspaper, 26-05-2003).

It is possible to find hundreds of examples like the ones above which emphasize the entrepreneurial abilities of the entrepreneurs of Kayseri. Actually Kayseri is best known by its highly capable entrepreneurs and it seems that the source of this entrepreneurial capability attracts a great interest. It is not exactly possible to indicate the sources of entrepreneurial capabilities within an absolute certainty, but a general tendency claims that the entrepreneurship had arisen owing to the lack agricultural potentials and unfavorable climate of the town for agricultural activities (Hıfzı Nuri, 1922; Özaslan and Şeftalici, 2002; Boydak, 2006; 2008; Doğan, 2007, Bilgili, 2001; Uzay, 2002; Dönek, 1997) This tendency seems to have a great amount of supporters and almost all studies on Kayseri put these reasons as the main motives of the entrepreneurship in Kayseri.

However, neither the agricultural potentials, nor the climate is unfavorable. On the contrary, Kayseri is located on the yielding south eastern parts of the Middle Anatolian plate. More particularly, the town has settled in the Kayseri plain which is surrounded by a system of green belts and wetlands. The plain is watered by two main streams named Melas (or Karasu or Sarmısaklısu) and Delisu. Besides, according to the Provincial Environment Report again, the top level of

the aquifer under the Kayseri plain is fairly high. Above all, the two ancient settlements of Kayseri which have more than 4500 years of history according to Tahsin Özgüç (2005) who leads and manages the archeological researches in the Kültepe Archeological Site from 1948 to 2005 – Kaniš Karum and Caesarea Mazaca – were settled in this plain. Therefore, putting the lack agricultural potentials and unfavorable climate as the main motives of the entrepreneurship in Kayseri seems completely misleading. From this point of view, this section aims at shedding light on the influences of certain traditional institutions and the footprints of the local entrepreneurial potentials.

In the first place, the entrepreneurial abilities and capabilities of Kayserians should be much more concerned with the traditionally existing inherited commercial activities of the town than the unfavorable agricultural potentials. In fact, the town's past as an inter-civilization commercial center for approximately 4500 years seems to have created a strong commercial tradition, and the entrepreneurial potentials of the town seem to have mostly been fed by this tradition. The archeological surveys show that the commercial activities had been underpinned for more than four millennia by local institutions through the history from ancient Assyrians. Most remarkably, the historical researches show that the local institutions have always played significant roles in the commercial history of the town. While this section aims at shedding some light on these institutions, a more detailed retrospective analysis given in the Appendix G clarifies to a large extent the traditional and spatial footprints of the influences of these institutions.

In this section, it is rather attempted to draw attention to the existence of these institutions not only as main triggers for entrepreneurial potentials, but also as the main sources of local knowledge inheritance. It is found in this research that the traditional institutional structure and the inherited peculiar knowledge of commercial activities and relations seem to have been main sources for the rise of a peculiar local business culture after the 1950s. Therefore it is necessary to briefly investigate the footprints of the traditional institutional structure having regard to the settlement history of the town.

There were two ancient settlements which are thought to be the antecedents of contemporary Kayseri located in the Kayseri plain: Kaniš, in Kültepe archeological site which is located 20 km far in the north eastern part of Kayseri and Mazaca, which is located 5 km far in the south parts of the town. The archeological researches show that the human settlements had been located in this plain since the 3rd thousands B.C. (Landsberger, 1940; Veenhof, 1995; Darkot, 1955; Ramsay, 1961; Naumann, 1975; Kinal, 1987; Özgüç, 2005; Baydur, 1970; Arık, 1969). The geographic location of Middle Anatolia, which constitutes a close basin, provides a favorable area for the ancient settlements. The natural roads reach this basin maintain their commercial importance since ancient times (Kinal, 1987; Özgüç, 2005; Baydur, 1970).

There are fairly wide information possibilities about Kaniš settlement thanks to the systematical archeological researches. The surveys show that the settlement had been constituted of two parts named the Hill and the Lower City, and the latest phases of the Hill is dated up to the late times of the Roman Era (Özgüç, 2005). Tahsin Özgüç, who managed and led the archeological surveys in the period between 1948 and 2005, puts that the Lower City was the market settlement of the Assyrian merchants and more than 20.000 tablets which were written in cuneiform and mostly were concerned with commercial agreements were found in the Lower City surveys. According to these findings, the town had become one of the brightest centers of inter-civilization trade and arts at the beginning of the 3rd thousand BC between Mesopotamia, Anatolia and Syria (Özgüç, 2005).

According to these cuneiform tablets shows that the Assyrian merchants were not temporarily visit the city, but they actually settled in, and Kaniš was the capitol of ten other Karums – the Assyrian trade centers – and many “Wabartum”s – the Assyrian trade settlements – in Anatolia “which indicates that Kaniš may be the first ‘sui generis’ world trade center of ancient times” (Özgüç, 2005, p. 8). “This trade relation between civilizations in dominance of the Assyrian merchants was supported and maintained by a completely organized

socio-commercial system which was named “narruqqum”; and was constituted of merchant societies and families” (Landsberger, 1940 quoted from Özgüç, 2005, p. 14).

According to Landsberger (1940) and Özgüç (2005), Assyrians dominated the commercial activities in Anatolia through the agencies in Karums and Wabartums. These agencies were controlled by the family members of the merchants and both the relationship between these agencies and the business relations were organized by the narruqqum and it is possible to put that the narruqqum organization became a socio-spatial institution of Kaniš according to the statements of Veenhof (1995) who identifies that the narruqqum organization should be an ancient institution.

The influences of merchant and artisan institutions have always been emphasized through the history. The second ancient settlement in the plain, Mazaca, was also a trade center in ancient times and it had begun to rise during the fall of Kaniš. The period between the Assyrian trade colonies and the political dominance era of the Roman Empire has represented the political dominance of several civilizations over the Kayseri plain ranged from the Persians to the Macedonians and to the Cappadoccia Kingdom. There is lack of information about the commercial activities of neither Kaniš nor Mazaca throughout this period, but some researches and sources show that the commercial activities and the trade center feature of Kaniš had been maintained to a large extent since Mazaca started to rise (Kinal, 1987; Baydur, 1970; Özdoğan, 1948; Ramsay, 1961; Arık, 1969; Dewing and Downey, 1954 from the books of Procopius written in the 4th century AD; Naumann, 1975; Darkot, 1955; Erkiletlioglu, 2006; Strabon 2000; Texier, 2002).

One of the most significant outcomes of the archeological findings in Mazaca is the ascertainment of an ancient mint which coined more than 334 different coins in the Cappadoccian Kingdom period, approximately in 215 BC (Güler, 1988, p. 35). However, the main information sources about the commercial activities in the town in this period are rather the travel books of ancient travelers and

historians. Two important travelers and ancient historians visited Mazaca in the first centuries AD, Strabon in the 1st century AD (63 BC – 24 AD) and Procopius in the 4th century AD (or sometimes Procopius of Caesarea, 326 AD – 365 or 366 AD). Strabon, a Roman traveler historian and philosopher mentions in his notes about Caesarea Mazaca (Strabon 2000) with an approximate population of 400.000 (Arik, 1969; Aru, 1998).

According to Küçükerman and Mortan (2007), “bezestan”, which means a covered warehouse of the bazaar, corresponds to “Caesarea” in Byzantine. Therefore, Caesarea Mazaca may mean “Mazaca the trade center” – the Caesarea of Mazaca like the Karum of Kaniš – which is completely expressive for a city which has been settled in one of the most important intersection points of natural inter-civilization transportation linkages. Not only Strabon, but also Procopius stress the commercial activities of Caesarea Mazaca and emphasize some artisan production like carpentry, copper working, iron working and blacksmiths, textile production and tannery (Strabon, 2000; Dewing and Downey, 1954 from the books of Procopius written in the 4th century AD). And it is known that there were artisan and tradesman guilds in Roman trade system in Kayseri (Küçükerman and Mortan, 2007).

Alongside with Konya and Sivas, Kayseri is one of the most influenced towns of Anatolia from the Seljuk civilization. Most of the architectural inheritances of the town related to the commercial activities and the educational activities are from this civilization. Seljuks supported the commercial activities in all over the Anatolian geography, where they had the political dominance, and built many caravansaries on the caravan roads which were mostly the same natural roads also used in the Assyrian and Roman times. In this period, Kayseri not only maintained its commercial center features of inter-civilization trade, but also became a center of education, arts and science (Cahen, 2000; Yinanç, 1944; Akşit, 1996; 1998; Akok, 1976; Subaşı, 1986; Oral, 1953; Erkiletlioğlu, 2006; Özdoğan, 1948; Arik, 1969; İnbaşı, 1992).

In Roman times in Kayseri, or Caesarea Mazaca, Strabon and Procopius identified the existence of different artisan branches in the town. When Ahi Evran settled the Ahi organization in the city, these inherent artisan branches became the basis of this organization according to the known artisan branches of that era (Bayram, 2008). Ahi Evran states in his work *Letaf-i Hikmet* that “since there is a mutual relation between the production and the society, the artisan branches and the artisans should spatially be gathered and every artisan should have a specific art for the sake of to meet the needs of the society” (Ahi Evran, quoted from Bayram, 2008, p.62) and settles a tanners and a shoemakers shop in Kayseri (Akşit, 1998).

The Tanners, Shoemakers, K lahduz, Butchers, Copper workers, Goldsmiths and the Dyers Shop in Kayseri were settled in Seljuk era in tune with the rules of Ahi organization and some of them were settled by Ahi Evran himself (Bayram, 2008; Akşit, 1998). These shops were not only focused on the production and the trade activities, but also they were education institutions of the tacit traditional artisan production knowledge in terms of master and apprentice relations. In other words, they were informal small apprenticeship education units which can be considered as the inheritance units of the tacit traditional artisan knowledge from masters to apprentices or from predecessors to successors.

Kayseri joined to the Ottoman Empire in the 15th century. Two bedestens, which indicates that the trade activities began to settle down according to the changing commercial relations (Tekeli, 1981) and a covered market (Kapalı Çarşı), which is the third biggest covered market in Anatolia after the ones in İstanbul and Bursa; and which indicates the maintenance of the significant position of the town in inter-civilization trade, were built in Kayseri in the 15th century. According to the registration census (tahrir defteri) in the 16th century, there were at least nineteen artisan branches in the town including merchants, cloth makers, tailors, penmen, butchers, donkey sellers, ironsmiths, horseshoers, soap makers, town criers, tanners, shoemakers, coppersmiths, goldsmiths and dyers organized under guilds (İnbaşı, 1992; 1996; Akşit, 1996), and Kayseri was the second big

city of Anatolia with its 8.251 tax payers after Bursa in 1584 (Farouqhi, 2006, p. 20).

According to Farouqhi (1984) Kayseri was one of the big and developed trade centers of Anatolia with its various inns (han) and markets. Farouqhi (1987, p. 43) also states that Kayseri, with its 33.000 population except the immune population from taxation, was in the same urban size classification with Amsterdam, Utrecht and Barcelona in the 17th century. Similarly Evliya Çelebi (1967) identifies the centralized position of the town in the 17th century and gives detailed information about the craft guilds of the town. The Polish traveler Simeon who visited the town at the end of the 17th century also identifies the trade activities, inns, markets and covered market and bedesten of the city but also puts that some parts of the town were ruined (Simeon, quoted from Andreasyon, 2007). As from the 18th century, many of the travelers mentioned those ruined parts (Gabriel, 1954; Texier, 2002; Simeon, quoted from Andreasyon, 2007). A common explanation for those ruined parts indicates the two major earthquakes happened in the beginning of the 18th century (Gabriel, 1954; Texier, 2002). However, the changing trade relations and routes might have impacts on this desolation of some parts of the town.

In fact, Ahmet Nazif (1987, p. 10) identifies the population at the end of the 19th century approximately as 56.000. Besides, according to the 1927 population census, the population of the town is 39.134. This amount corresponds to the population at the beginning of the 16th century. The population decline indicates the dwindling importance of the inter-civilization trade routes intersecting at Kayseri. Besides, the social and political climate at the end of the 19th century also impacts the commercial activities of the town. Above all, the wars at the end of the 19th century and the First World War that broke out at the second decade of the 20th century affected negatively the commercial and artisan activities in the town apart from one exception which was the saltpeter (potassium nitrate) factory of the town. The production amounts boomed at the war times and the factory became the biggest industrial plant of the town which also had a great importance in the National Independence War times. Besides, there were three

important enterprises settled in the second decade of the 20th century. One was the “Islam Suhulet Company” (Erkiletliođlu, 2006; Satođlu, 2002; Özaslan and Şeftalici, 2002) – a textile trade company – established by the corporation of Turkish entrepreneurs in Kayseri in 1911, and the second one was “Kayseri Terakki Maarif Kitapçı Company” established by forty Turkish associates in Kayseri in 1911 (Erkiletliođlu, 2006; Satođlu, 2002; Özaslan and Şeftalici, 2002). And “Kayseri Economy Corporation” established by the notable families of Kayseri – Küçükzade Ömer, İmamzade Raşit, Rifat Çalıka, Nuh Naci Yazgan and Taşçızade Mehmet (Erkiletliođlu, 2006, p.689) – in 1916.

However, an inherent socio-spatial institution maintained itself despite all the unfavorable circumstances. It is known that the artisan production and merchant activities continued. According to the municipal registrations in 1910 (Özaslan and Şeftalici, 2002) traditional food and textile industries were most active sectors of the town with other traditional artisan branches like carpentry, merchants, cloth makers, tailors, penmen, butchers, handloom textile workers, donkey sellers, ironsmiths, horseshoers, soap makers, tanners, shoemakers, coppermiths, goldsmiths and dyers (Hıfzı Nuri, 1922; Özaslan and Şeftalici, 2002; Erkiletliođlu, 1993; 2006). It is important to understand the nature of this continuation. The maintenance of these activities indicates that the particular knowledge of them was inherited generationally. There were merchant and artisan traditions in Kayseri which were socially, economically and spatially institutionalized.

Baer (1970a; 1970b) stresses the institutional aspects of guilds in Ottoman and, Yıldırım (1999), for instance, identifies various views about the origins of guild organizations indicating the researches of İnalçık (1994) and Ergenç (1995). Despite the speculative nature of the discussion about the similarities and differences between the Assyrian *narruqqum* the Roman guild, the Seljuk Ahi and the Ottoman guild organizations, it is possible to put that both of them were socially and economically organized institutions, and most importantly, they both had their spatial extensions. It is possible to identify that these organizations were socio-spatial institutions which had their own “knowledge inheritance

systems” as Yıldırım (1999) indicates and they are inherent to Kayseri for at least four millennia.

Actually, the influences of these institutions particularly on the entrepreneurial potentials seem to become apparent in the analysis of the national level success of immigrant Kayserian entrepreneur families in the period between 1923 and 1950. Their successes indicate that there might be some common points between these entrepreneurs. There were government supports indeed. But most importantly, these entrepreneurs were also capable to establish successful business relations and investments both in terms of management and sectoral selection. Besides, they were successful not only in terms of investing but also in terms of trading. Three key common points between all these families are detected in the research. The generations who have leaded and managed the growth, inherited the traditional trade mentality in their childhood either from their families or from the masters when they were apprentices; and have obeyed and tried to enhance the familial economic strategies identified in the following sections.

But the town has experienced a stagnancy period between 1923 and 1950. After the declaration of the Republic in 1923, in tune with the national development strategies, two main military factories – the Airplane Factory and the Main Tank Repairing Facility in 1926 – have been established which supported the artisan production boom after the 1950s. In the first decade after the declaration of the Republic, the town had a population of approximately 40.000 within the municipal area in the 1927 census. Additional to the two big military facilities mentioned above, two other big public investments that were Sümerbank Bünyan Yarn Factory and Sümerbank Cloth factory were established in this first decade. Besides, Bünyan Hydro-Electric Power Plant – which was the first private power plant enterprise of Turkey; and the main electric source for Kayseri in the era – was established in 1929. Many of the researches put that the connection of the town to the national railway network in 1927 and the establishing of transportation linkages of the town to Black Sea in 1930 and to Mediterranean in 1933 accelerated the commercial and industrial activities and

relations of the town (Özaslan and Şeftalici, 2002; Özaslan, 2003; Bilgili, 2001; Uzay, 2002; Karatepe, 1999; Satoğlu, 2002; Somuncu, 1998; Şeftalici, 1994).

According to the 1927 industrial census, there were 1096 firms in Kayseri and 1064 of these firms employed less than 10 workers (Şeftalici, 1994; Somuncu, 1998). However, there were only three firms benefited from the incentives of the Industrial Incentive Law (Teşvik-i Sanayi Kanunu) enacted in 1927. Most of these firms were artisan production units located in the city center in the traditional artisan shops. Besides, there were home productions in the traditional sectors like handloom textile and carpet productions. According to Özaslan and Şeftalici (2002), there were more than 10.000 carpet handlooms in Kayseri traditionally agglomerated at Bünyan and Hacılar settlements. However, due, on the one hand, to the exhausted trade relations especially after the First World War and, on the other, to the economic impacts of the Great Depression of 1929, the private enterprises in Kayseri did not experience any significant growth rates in the first two decades after the declaration of the Republic. Table X.1. shows the number of private enterprises and the employment of those enterprises with their sectors.

Table 3. 1 The Number of Establishments and Employment in 1927.

Sectors	Number of Establishments	Employment
Mining	9	151
Agricultural Industry	598	1354
Textile Industry	108	4284
Wooden Products	90	161
Construction	23	85
Metal Furniture and Machinery	259	698
Paper and Printing	4	9
Chemical Industry	5	8
Total	1096	6750

Source: Şeftalici, H. Yatırım Teşviklerinin Kayseri Sanayisine Etkisi, Kayseri Chamber of Industry Publications, Kayseri, 1994

It is possible to mention about two important private sector investments in this period. The first one is the Bünyan Hydro-Electric Power Plant established by the members of notable families of Kayseri like Nuh Naci Yazgan, Cingillizade Ömer Fevzi, İmamzade Raşit, Taşçızade Ömer, Ahmet Hilmi Kalaç and Göncüzade Ahmet in 1928 (Satoğlu, 2002, p.47). The second one is Bünyan Yarn Factory which was established again by famous families of Kayseri under the leadership of Rifat Çalika – the Mayor of the town – and with the partnership of the Bank of Industry and Mine (Sanayi ve Maadin Bankası) in 1927. This factory was later reestablished under the management of Sümerbank in 1934 (Satoğlu, 2002; Erkiletlioğlu, 2006).

Besides “Kayseri Economy Corporation” established by the notable families of Kayseri – Küçükzade Ömer, İmamzade Raşit, Rifat Çalika, Nuh Naci Yazgan and Taşçızade Mehmet (Erkiletlioğlu, 2006, p.689) – in 1916, reestablished as a bank named Kayseri Economy Bank in 1933. Although there were great efforts to revitalize the economic life in Kayseri by the influential families of the town, Kayseri was still suffering from the low living standards and exhausted commercial importance. On the other hand, since the big public investments provide a full time job with regular payments to the local workforce, they to some extent obstructed this workforce, who already was suffering from commercial decline, to establish private enterprises.

Although the components of the national modernity project arrive fast to a large extent like Halkevi which was opened in 1932, and the urban amenities came along with Sümerbank Textile Factory which was established in 1935, the misery of the economic life left the general living standards of the town almost dead. The mayor changes of 16 times in 27 years between 1923 and 1950 hindered to realize a consistent urban physical development policy. The municipality failed to build an efficient technical infrastructure although the social amenities were provided mostly by the social infrastructures of the big public investments in tune with the national modernity project. The delayed establishment of the water network until the 1950s shows the misery of technical infrastructure of the town.

The contributions of the big public investments both in terms of social and technical infrastructure for the town are stressed by many researchers (see for instance Örik, 2000; Satoğlu, 2002; Özaslan and Şeftalici, 2002; Şeftalici, 1994; Somuncu, 1998; Doğan, 2007; Erkiletlioğlu, 2006). But in addition to these contributions, these big public investments greatly supported the entrepreneur potential of the town. The production knowledge taught in the apprenticeship schools of the public investments paves the way for new production opportunities to the local workforce who worked in these investments.

Besides, there was a newly ascending tendency in Kayseri which refers to an education strategy. Though it was not a pervasive tendency of all the citizens, some leading families who stays in Kayseri in this period supported their successors to have formal commercial education especially in the İstanbul Commercial School. Some of the leading actors of the period after the 1950s were educated in this school and returned to Kayseri after graduation. While some of them attempted to establish their own commercial businesses in Kayseri, others worked in the big public investments as professional account officers. Therefore it is possible to identify that these public investments not only contributed to the transfer of the capitalist production knowledge to the local, but also paved the way for the formal commercial education for the new generations.

Therefore the period between 1923 and 1950 can be considered as an incubation period for the rise of the development path of the town which was mostly fed by the apprenticeship schools of the big public investments but failed to realize the rise of this path due to unfavorable circumstances. Three important peculiar features of Kayseri became visible in this period. The first one is the maintenance of traditional tacit production knowledge inheritance. This feature is already visible indeed. The second feature is the dominance of the notable families of the town. And the last feature is the great effort of these families to fight with every misery in the town. The modernity project of the town which began to rise during the mayorship of Osman Kavuncu is one of these efforts. The following section sheds light on this modernity project and its influential application manner applied by the Mayor Osman Kavuncu.

3.3. The Rise of a New Generation Episode I: The Modernization Project of the Town

The forgoing section shows that the entrepreneurs of Kayseri have had considerable potentials and successes. Especially the successful consequences of the adaptation of the migrated Kayserian entrepreneurs to the national level capitalist production indicate the adaptive abilities of their entrepreneurial potentials. However, the adaptation of the socio-spatial processes of the town to the capitalist production was delayed particularly until the 1950s due not only to the transfer of the capitalist production by big public investments, but also to the unfavorable living standards and lack infrastructural potentials of the town. Since the gradually increasing decline of the commercial importance of the town after the 18th century has limited the self maintenance abilities of the town to a large extent, Kayseri seems to have been unable to improve its urban living standards. However, the town has been one of the first settlements wherein the spatial extensions of the modernity had emerged and the municipal organization was established in 1869 in tune with the modernization thought of the Ottoman Empire.

Nevertheless this modernization process had been unable to produce more than some individual spatial consequences until the end of the first half of the 20th century. Some researchers put the lack embracement and partial resistance of the local citizens to the modern life style as the main reason of the failure of this first modernization effort in town (Karatepe, 1999; Doğan, 2007). Karatepe (1999), for instance, states that there had been a gap between the local citizens and the modern life style, apart from some exceptions, until the 1950s and lists some of the individual spatial consequences of the partial modernization efforts as in the following: Ahmet Paşa School that was built in 1869, the Military Hospital that was built in 1892, the construction of the first floor of Kayseri High School in 1904, the construction of the clock tower in 1906 at the main square, the Memleket Hospital that was built in 1910, the broadenings of the Sivas Street, İstanbul Street and the main square in 1909 by the Mayor İmamzade Mehmet Bey, the moving of the graveyards located in the north of the main

square out of the town in 1909, the filling of the drains of the stronghold, the Airplane Factory established in 1926, the construction of the station premises in 1927, the opening of Halkevi in 1932, the establishment of the Sümerbank Textile Factory with its various urban activities in 1935, and the construction of the Station Street which was begun in 1928 but finished in 1939 (p. 119 – 122).

Those efforts have indeed begun to influence the local life style in the town. But the most comprehensive attempts of modernization have been led by Mayor Osman Kavuncu after the local elections in 1950. The following section begins with the analysis of the interventions of the mayor in this period and aims at indicating the significant consequences of this project in the dominance period of the first generations.

3.3.1. Socio-Spatial Consequences I: The Urban Dimension and the Local Efforts of Livability Improvements

In this section, how the unique application of a master plan has become the spatial extension of the modernity project of Kayseri is aimed to be discussed. This section also attempts to identify the adaptation process of the local traditional life style to the modern life style. The first seeds of this adaptation process were sown by the master plan of the town which was prepared by Kemal Ahmet Aru in 1945 under strategic advisory of the German city planner Gustav Oelsner during the administration period of Mayor Emin Molu. Furthermore, the spatial extensions of the modernity project have mostly been adopted by the new generations – that are identified as the first generations in this study – who have just begun to dominate the economic life in Kayseri. Besides, alongside with the analysis of this application, it should be stressed that the embracing attitude of the first generations toward the project have eased the applications and they, to a large extent, supported Mayor Osman Kavuncu in his mayorship.

Especially in the period between the second half of the 19th century and the first half of the 20th century, the effects of leading families on the town can be

detected. The analysis of the decision process of the participation of the town to the Sivas Congress in 1919, for instance, indicates the influences of some of the families in Kayseri (Satoğlu, 2002; Erkiletlioğlu, 2006; 1998; Kars, 1999; Somuncu, 1998; Subaşı, 1986; Kalaç, 1960; Nuri, 1995; Çalika, 1992; Tümer, 1944). Besides, it is possible to notice the members of these families throughout the period between 1923 and 1950. Emin Molu, for example, who was a member of these families and a professional advocate highly educated in Germany, and who was the mayor of the town of Kayseri, mostly influenced the modernity project of the town.

The town was suffering from the extraordinarily low living standards. The famine times in the Second World War influenced the town to a large extent. There were no asphalt roads and all the roads even the ones reached the main square crumbled into dust. Some parts, especially the outskirts at the south were desolate. The flat soil roofs of many of the buildings were unable to protect the dwellers from rain. There was no water network of the town. Besides the municipality was extremely poor to construct anything or pay the condemnation appraisal for instance for any road construction. Emin Molu tried to administer the town under these circumstances. But he was educated in Germany and an intimate supporter of the modern city administration. Owing to the fact he invited Gustav Oelsner to lead the master plan of the town (Informant 01).

Understanding the urban planning idea of Oelsner (1879 – 1956) is important in order to assess the spatial extensions of the modernity project. He became the chief designer of the Prussian Kingdom in 1904; he led the master plan of Southern Elbe region, and together with Fritz Schumacher – a well known German city planner and philosopher – he led the urban design applications of Hamburg and Altona (Nasır, 1997). His designs were focused on the dwelling problems of the labor class and the recreation areas in Hamburg (Nasır, 1997). Oelsner was invited by the Turkish Government in 1939 and Kemal Ahmet Aru prepared the master plan of Kayseri under his strategic advisory. This first master plan suggested the preservation of the old town and offered a new development area at north east throughout the Sivas Street. This new development area had a grid pattern design and increased the height of the buildings. Karatepe (1999), stresses that the municipal council rejected this

suggestion due to its high expenses. According to the later applications of Mayor Osman Kavuncu, it is known that this rejection was focused on the preservation decision.

Kavuncu was born in 1918 in Kayseri. He was also a member of a well known family of Kayseri (Satođlu, 1977; 2002). After his graduation from İstanbul Higher Commercial School (İstanbul Yüksek Ticaret Okulu) he returned to Kayseri and began to work as an accountant at the Airplane Factory (Satođlu, 1977; 2002; Kalkan, Birol and Yerlikhan, 2006; Barut, 1976). "He was completely unhappy about the extremely low living standards of the town and once, he asked in a quite unusual manner about the inadequate municipal services and the unhealthy water standards to İsmet İnönü in 1946" (Satođlu, 1977, p. 22) when Kavuncu had decided to publish a local newspaper called Doğruyol Newspaper in 1945 (Kalkan, Birol and Yerlikhan, 2006, Satođlu, 1977; 2002; Barut, 1976) after quitting his job in the Airplane Factory. He has highly been taking care of the local matters and has focused his efforts to inform the citizens about every local circumstance. Kavuncu joined the local organization of Cumhuriyet Halk Partisi (CHP) but later he joined to the local organization of Demokrat Parti (DP) in 1945 (Satođlu, 1977). Osman Kavuncu was elected mayor of the town in the 1950 local elections. He analyzed the legal application manners of the municipality in his first months, detected important income opportunities for the municipality (Tekeli and Ortaylı, 1978), and increased the municipal income from 1.3 million TL to 6.5 million TL in his first four year period (Çalışkan, 1995, p. 146).

Kavuncu has embraced the master plan of the town prepared in 1945. There were three new development area projects including a new dwelling zone, the renewal of the central business district (CBD) of the town and an industrial zone, and he began the application with the construction of the new dwelling areas (Tekeli and Ortaylı, 1978). According to the mayor, the first applications should be the most visible ones because the Kayserians tend to believe what they see (Satođlu, 1977), and he began with the road constructions for these new dwelling sites. The application process required greater condemnation

appraisals than the municipal budget. But he was aware that the price rates of the new dwelling sites would boom after road constructions and he convinced the property owners to resign at most half of their properties (Tekeli and Ortaylı, 1978). The municipality had stressed that if the owner did not want to resign, the municipality would not construct the road to the owners' property (Satoğlu, 1977). Thus he found an easing way to construct without paying any condemnation appraisal. However, since many of the property owners were dwellers of the traditional pattern, these areas were emptied after moving of these dwellers to the new dwelling areas. But these new dwelling areas were apartments, and the new tendency of local modernization thought became to dwell at this new apartment areas. Besides, these areas were constructed with infrastructure networks and these amenities were highly embraced by the local citizens. Appendix H shows the major renewal areas of this period.

The second stage of the plan was the renewal project of the central business district (CBD). The municipality found a new way to take on debt and bought the 75 % share of the local power plant firm in order to take on debt (Tekeli and Ortaylı, 1978) from Akbank (Satoğlu, 1977) which was established in Adana by formerly migrated Kayserian entrepreneurs. The municipality convinced the bank to issue bonds of the local power plant firm and gave these bonds to the property owners as condemnation appraisals. This finance manner eased the renovation project of the CBD of the town (Tekeli and Ortaylı, 1978). The CBD was designed in grid pattern and after the renewal; it became the financial heart of the town. The third stage included the removal of the artisan production units which were located in the city center for centuries. There were craft and merchant shops located in the city center and some of them were inherited from the Seljuk Era. However, there were some individual artisan shops located casually in the inner parts of the city center. Yıldırım (1999) states that this diffusion was due to the nature of the "Gedik" organization after the abrogation of guilds in the Ottoman period. Although this diffusion was partial in Kayseri, it generally obstructed close relations between the production units. The master plan suggested an industry area at the north eastern parts of the city center. The construction of the new industrial area was finished in 1957 and the production

units in the city center – diffused or not – were moved to this new industrial area which conveys 2185 building lots or shops.

Hanson (1955) indicates that the personal relations were the key factors of this application process. The mayor himself convinced almost all property owners and the mutual trust relations have been established between the mayor and the owners after the applications of new dwelling areas (Hanson, 1955 quoted from Tekeli and Ortaylı, 1978, p 161 – 162). Hanson, furthermore, identifies the efficiency of the verbal agreements between the citizens and the municipality. The importance of these verbal agreements indicates the existence of the traditional face to face relations among the citizens. Although the physical outlook and the infrastructural amenities of the town started to be rapidly modernized, the traditional social relations maintained to a large extent. It is important to point out that, this relation type was maintained until recent times. And the way to administer the town is mostly embraced by the successor mayors. If the mayorship of Osman Kavuncu represents a turning point for the spatial extensions of the modernity project during the dominance period of the first generations, the mayorship of Niyazi Bahçecioğlu, which is analyzed in the following sections, will represent the turning point for the second generations.

Eight significant consequences of the applications of Osman Kavuncu can be identified. In the first place, his applications dramatically increase the levels of basic amenities in the city. Not only did he improve every infrastructural service in the town including the construction of a water network, construction of new roads, improvement of the existing roads and organization of the public transportation, but also created new income opportunities for the construction of new facilities – like health and electricity facilities – for the municipality. A local newspaper in 1966 after the mayor's death identifies his contribution to the city as in the following:

“...The asphalt roads, squares, streets, apartments, shops, cooperatives, facilities, factories, the artisans – who began to work in a cooperative manner with the other artisans in a modern industry area after their individual ineffective production efforts – the electricity and water network... Everything which gives

the town of Kayseri a dignity of a modern city is due to his efforts which represent a pervasive development idea from Middle Anatolia to all over Turkey..." (From the article of Bahadır Dülger in 19 November 1966 in Son Havadis newspaper).

The second consequence is an indirect outcome of the first one. The increasing livability and the improving amenities of the town made the town more favorable not only for the local entrepreneurs but also for the workforce. Therefore the town has begun to be centralized for its own entrepreneurs and for the near settlements. This centralization represents the third consequence. The fourth consequence is the embracement of the real-estate venturing by the local citizens. After the mayor's applications, real-estate venturing became one of the most favorite investments for the local entrepreneurs. In the fifth place, these applications mostly defined the macro form of the town and influenced the localization decisions of further land uses. The current macro form of the town is mostly influenced by these applications.

The applications of the mayor most importantly provide a clustering opportunity for the artisan production units. As Yıldırım (1999) points out, the abolition of the "Gedik" organization and guilds caused a diffusion of artisan production units in the Ottoman period. The applications of Kavuncu, which created a clustering among the artisan production units whether consciously or not, re-established the cooperative relations among them. This clustering and cooperation, together with the traditional trade mentality, traditional face to face relations and with modern production knowledge, apparently became the origin of the local business culture.

Apart from these positive consequences, the implementations of the mayor create two important contradictory outcomes. The applications represent a grand renewal project for the town and destroy everything which was considered to be "old". Therefore not only did the mayor demolish many buildings probably including historical ones, he annihilated a considerable amount of the traditional neighborhood (mahalle) organization. This annihilation was carried out

simultaneously with the construction of new dwelling areas. As stressed above, these new dwelling areas were apartments, and the traditional spatial organizations were transformed to apartments by these applications. Although the master plan suggested decisions of spatial conservation for some certain areas, it also suggested new development areas in tune with the needs of a modern town. Therefore it is possible to put that the plan did not focus on to preserve the spatial extensions of traditional socio-spatial processes, on the contrary, by suggesting modern dwelling units, it only focused on the preservation of the buildings and some urban patterns which were considered as architecturally valuable by the plan. This preservation tendency, referring to the last consequence, seems to have been adopted by most of the succeeding mayors of the town.

The newly offered development style and the urban growth direction were highly supported by the administration of Osman Kavuncu. This new development style refers to the modern apartments and modern life style, and generally destroyed the traditional “mahalle” organization and its spatial pattern. The citizens also embraced the life style and moved rapidly to the apartments in the new development areas. However, the spatial patterns of the traditional “mahalle” organization were dominated by the traditional extended family. There were big independent houses shared by the members of an extended family with their own collective tenancy areas in these traditional spatial patterns. The annihilation of the traditional spatial organizations openly contradicts to the traditional nature of the extended family. But, the traditional social patterns were strong enough to create their own spatial extensions and they even dominate the internal designs of the modern apartments. This research detects unique socio-spatial extensions of the annihilated traditional patterns. However, these extensions continued to live rather inside the dwelling unit instead of creating a more visible spatial pattern like the traditional mahalle organization. The following section attempts to identify these unique socio-spatial extensions.

3.3.2. Socio-Spatial Consequences II: Traditional Kayseri House as a Local Public Realm and Its Transformation

One of the most important findings of the previous section is the annihilation of the spatial extensions of traditional mahalle organization thanks to efforts of the municipality run by Mayor Osman Kavuncu. This section states that the traditional socio-spatial process of Kayseri, whose spatial extensions were destroyed for the sake of modernization, created peculiar spatial extensions for itself in the modern pattern. An organic urban pattern with one or two floored buildings was dominant until the 1950s in Kayseri. Vacit İmamoğlu (1992) defines this urban pattern with the traditional mahalle organization which has narrow human sized roads (sokak) sometimes with dead ends and emphasizes the organic pattern by stressing the uniqueness of every street of the town.

The most significant components of this pattern are the mahalle organizations and the houses which are surrounded by the garden walls which sometimes reach 3 and 4 meters high (İmamoğlu, 1992). İmamoğlu (1992) stresses the close face to face relations between the dwellers of the mahalle. Besides, Hanson (1955) also emphasizes the importance of the face to face traditional relations especially in the municipal applications. Therefore it is possible to state that the traditional urban pattern of Kayseri can be the spatial extension of the traditional social structure.

The most important outcome of the applications of Mayor Osman Kavuncu was the spatial modernizing intervention to the traditional urban pattern. These applications were limited with the transformation of organic traditional urban patterns to modern grid patterns and the transformation of traditional houses to modern apartment dwellings. The general tendency of these applications assume that the low living standards were due to old patterns, and the improvement of the low living standards could only be realized when these old patterns were renewed. Owing to the fact, the spatial interventions coherently destroyed and annihilated many of the “old” patterns. The first destructed parts were the traditional houses and the spatial extensions of the traditional mahalle

organization. But mahalle is a socio-spatial organization and the social extensions of this organization were still alive when the spatial ones destroyed.

The new inner architectural designs of the new apartment dwelling units were the most significant indicator of the continuity of the traditional social relations. Although the traditional mahalle organization and the traditional house were destroyed spatially, the maintenance of the traditional social relations created their own designs within the new spatial patterns. This statement becomes more visible in the analysis of the traditional Kayseri house. There are three significant studies that researched these houses. The first one is Necibe Çakıroğlu's (1952) research; the second one is Suraiya Farouqi's (1987) research which investigates the owners of the houses, and social and economic structure of the towns of Kayseri and Ankara by researching the kadi registers and the last one is the research of Vacit İmamoğlu (1992) who investigates the traditional Kayseri houses most comprehensively.

All these three researches commonly emphasize that the traditional houses were the dwelling units of the traditional families; the asymmetrical growth of these houses were dominated by the needs of these traditional families; and all these houses had courtyards (avlu) and sofas (Çakıroğlu, 1952; Farouqi, 1987; İmamoğlu, 1992). Apart from the architectural details, two important features of these houses can be detected. In the first place, all these houses were the dwelling units of the traditional extended families and they asymmetrically grow in line with the familial growth. In the second place, and more importantly, all these houses had a wide sofa. Although Sedat Hakkı Eldem (1954; 1984) puts that the sofa, which is the main distribution part of the functions that dominate the house design, is the main characteristic of the traditional Turkish House plan, İmamoğlu (1992) points out other functions of the sofa of the traditional Kayseri house. İmamoğlu indicates the entrance, guest welcoming and guest room functions of the sofa as well as its function of common use area for the family members (p.48). Moreover, the sofa is the most influential part of the traditional house and has a special importance due its big size (Çakıroğlu, 1952; İmamoğlu, 1992).

These functions of the sofa and inner courts (avlu) indicate that they have meant more than just architectural units; they have rather been the main spatial parts of the traditional social relations and these peculiar functions also indicate the importance of guest relations. These relations represent more than just ordinary relations between two families; they rather are the main components of the traditional social relations which called home visitings (oturma) in Kayseri and located in the sofa of the traditional Kayseri house. These home visitings refer to the main decision process of traditional Kayseri. Not only the business relations, but also the partnerships, new venture decisions, many social decisions like marriage, but also the inner familial decisions like the main economic strategies are included by these home visitings. Therefore the sofa of the traditional Kayseri house is also a local unique semi public sphere.

It is possible to point out significant indicators of the public sphere function of the sofa. In the research of Zübeyir Kars (1999), for instance, who investigates the contribution of the town of Kayseri to the National Struggle, some of the main decision makers of the town in this period were identified to a large extent. These decision makers were also the members of the leading families of Kayseri. A careful analysis of the research of Kars (1999) identifies not only the leading families, thus the main decision structure of the town, but also the sofa as the semi public sphere of Kayseri wherein the decisions mostly made.

The spatial interventions annihilated these traditional patterns in the first place. However, they did not intend to destroy any social structure. What was annihilated is the spatial extension of a peculiar socio-spatial process. But the social component of this process still existed. Thus it created its own peculiar spatial extensions within the new modern patterns, in the apartments. Many researchers tend to explain this apartment style spatial modernization as the destruction of every spatial extension of the social processes. Actually they tended to identify the period after the 1950s as the destruction of civil architectural patterns and as an architectural identity loss process in Kayseri (Ateş, 1997; Kasap, 2004; Imamoglu, 1992). Moreover, the discourse of indicating the period after the 1950s as the process of architectural identity loss;

the destruction of the civil architectural features; and the process of denying the inherent values is one of the cult discourses of architectural literature.

Notwithstanding this discourse, Kayseri experienced a quite peculiar apartment practice in this period. It seems that the traditional extended family fell apart when they moved to apartments. However this separation did not mean an actual diffusion of the extended family. Many of the families who lived in a single dwelling unit in the traditional pattern, generally moved to one apartment. Therefore, sometimes three, or two, or even one family lived in the whole apartment. Besides, the members still have a common use area and the family gathers at evening times in the grand parents' apartment unit. This common use area in the modern apartment has another function as well which is the guest welcoming function. An important finding of this research states that the two main functions of the traditional sofa – and the inner court (avlu) sometimes – have been divided and shared into two main units in the dwelling unit of the apartment which are the entrance hall and the saloon. The traditional sofa and its semi public sphere function transformed to the entrance hall and the saloon in the modern apartments in Kayseri.

This statement emerged after three main stages. The first stage refers to the coincidental secondary findings during the interviews with the owner managers of the family firms. Almost all respondents in these interviews emphasize the importance of the traditional family relations, and they point out that the greater area sizes of the dwelling units are concerned with the traditional extended families. And every single of them put the importance of “home visitings” in terms of traditional relationships. According to the findings of the interviews, these home visitings are not only just guest relations, but they rather are the decision processes of sometimes the business matters, sometimes the new business agreements; sometimes the social decisions and sometimes even the urban administrative decisions. These findings were assessed during the interviews with Mr. Kasap, who was the president of the Kayseri Chamber of Architects, and with Mr. Ünalın, who still is the president of the Chamber of City Planners Kayseri Representative. They point out the above mentioned relation without any

doubt and they indicate that almost all apartment designs, apart from some casual exceptions, share this unique peculiarity (Informant 02; Informant 03). After these interviews, the nature of the home visitings was investigated with many opinion leaders including the former Mayor Mr. Bahçecioğlu (Informant 04). The opinion leader respondents, without any exception, identify the above mentioned nature of the home visitings. Besides, Mr. N.T. (Informant 05), a famous lawyer and the publisher of a traditional local journal mentions about a quite closed decision network of the urban administration, and these decisions were made during the special home visitings and he also joins these home visitings.

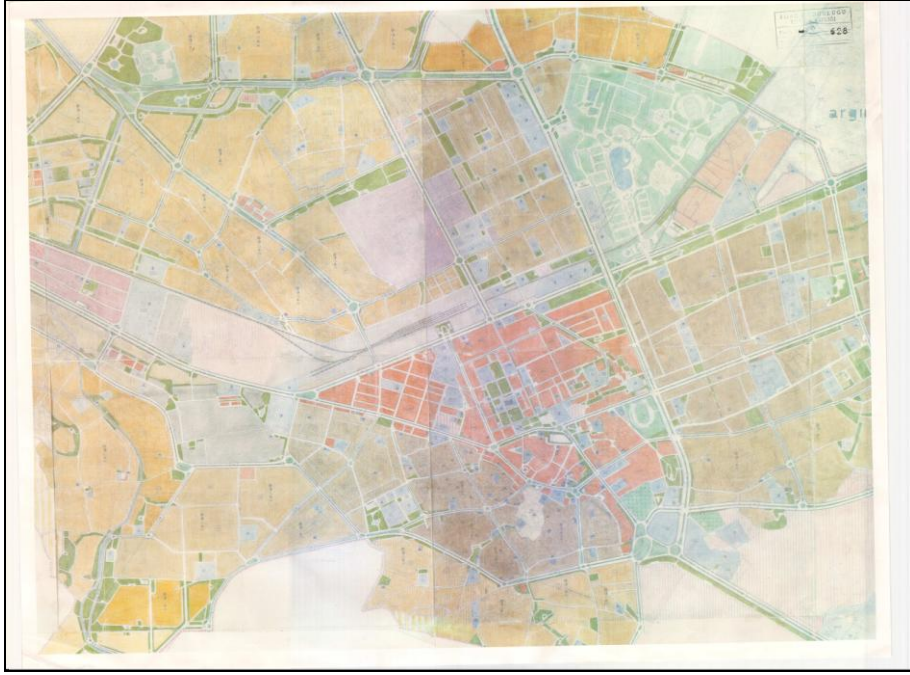
The third stage is constructed upon the findings of these interviews. In this stage 54 certified architectural designs which were built between 1950 and 1960 were investigated. It is found that, except in the two of them, the entrance hall is the second or third biggest part of the dwelling unit (in approximately 96 % of analyzed inner architectural designs of the apartments constructed between 1950 and 1960). These findings refer to three significant circumstances. In the first place it is found that the traditional functions of the sofa survived but were distributed into two main parts of the dwelling; the entrance hall and the saloon. Therefore, the apartment experience of Kayseri after the 1950s does not refer to an identity loss of civil architectural features; on the contrary, it is completely a peculiar experience which achieved to keep the traditional social processes alive within the modern spatial processes. Thus it is possible to state that the apartment experience of Kayseri creates a peculiar socio-spatial process. This experience, furthermore, achieved to keep the state of mind of the mahalle alive within newly ascending socio-spatial processes. The second refers to the existence of the strong and powerful traditional social relations which achieved to create its own spatial extensions within the modern urban patterns. And finally, the third one indicates that the transformation of the traditional family and the traditional relations can be investigated from the transformation of the architectural design of the apartments. Appendix I shows the functional scheme of the traditional Kayseri house, the functional scheme of the modern apartments

and the new spatial organization of remaining traditional relations in the modern apartments.

3.3.3. Socio-Spatial Consequences III: The Centralization of the Town

As mentioned above, the modernization project of the town began with the adaptation of the local life style to the modern life style. However, this adaptation was limited with a comprehensive growth project of the town which aimed and included the basic amenity improvements, renewal of the CBD, construction of an industrial zone and the construction of new dwelling units. But even if the project aimed the improvement of the livability of the town, it inevitably intervened in the local traditional life style by annihilating the traditional mahalle organization especially in the renovation area of the CBD although the traditional social relations have been able to create their peculiar spatial extensions. Besides, this comprehensive growth project should be identified as the spatial extension of a modernity project of a newly arising generation who experienced the amenities of the modern life style.

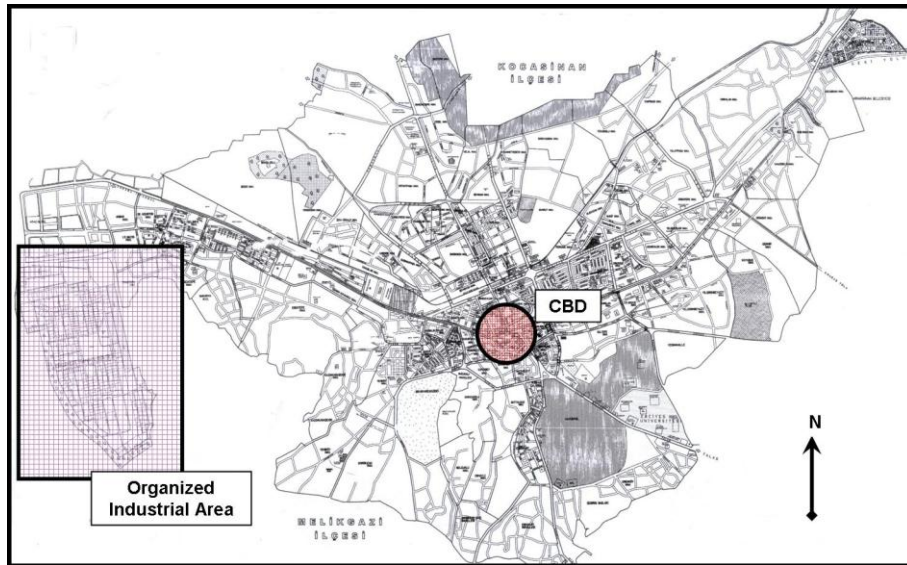
The period between 1950 and 1980 represents the dominance of two major spatial interventions. While the first intervention refers to the applications of Mayor Osman Kavuncu, the second refers to the applications of Mayor Niyazi Bahçecioğlu. And it is possible to put that while the first intervention represents the effects of the first generations, the second represents the effects of a newly ascending elderly second generations and they both served to a fundamental urban growth thought in the town. The second intervention has begun by the mayorship of Niyazi Bahçecioğlu as mentioned above in the period between 1973 and 1980; and corresponds to two administrative periods. The second master plan of the town was prepared in this period by Yavuz Taşçı in 1974.



(Source: The plan archives of the Greater Municipality of Kayseri)

Figure 3. 1. The CBD and the surrounding usages from the second Master Plan of the town prepared by Yavuz Taşçı in 1974

The mayorship period of Niyazi Bahçecioğlu, more importantly, has represented the beginning of the generational transition in the town. Therefore it has corresponded a period in which the influences of the second generations have started to become gradually apparent. These influences, more particularly in the beginning, have referred to the transtormation of the traditional production types to modern production. The establishment of the Kayseri Organized Industrial Area – though it has begun to be actively used after the 1980s – and the location decision of it together with the increasingly becoming income groups based spatial differentiation of the housing areas can be identified as the first spatial footprints of the influences of the second generation in this period.



(Source: The plan archives of the Greater Municipality of Kayseri)

Figure 3. 2. The location of the Organized Industrial Area and its influence on the linear macroform of the town

Besides, the location of the Organized Industrial Area, as shown in Figure 3.2, has been one of the most influential determinants of the linear macroform of the town. Moreover, it still represents the primary spatial component of the organizational restructuring of the second generations. In the period between 1970 and 1980, the town experienced the most rapid population growth in Turkey with an increase of 67.66 %. Figure 3.3. shows the population increase of the town in comparison with the population increase of the province in this period.

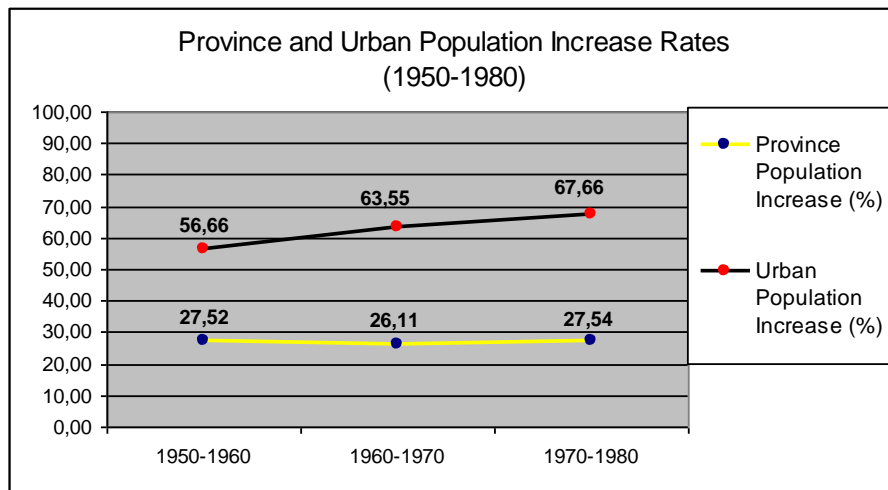


Figure 3. 3 Province and urban population increase rates in the period between 1950 and 1980.

The chart indicates the continuous rapid increase rates of the population of the town, while the province population rate of increase declines in the period between 1960 and 1970. The population of the town was 65.488 in 1950 and it increased to 281.320 in 1980. The total increase rate in this period is 329.58 %, while the total population increase rate is 105.12 %. These increase rates indicate that urban population rate in the total population boomed continuously in this period. Figure 3.4. shows the change of the urban population rate in the total population in the period between 1950 and 1980.

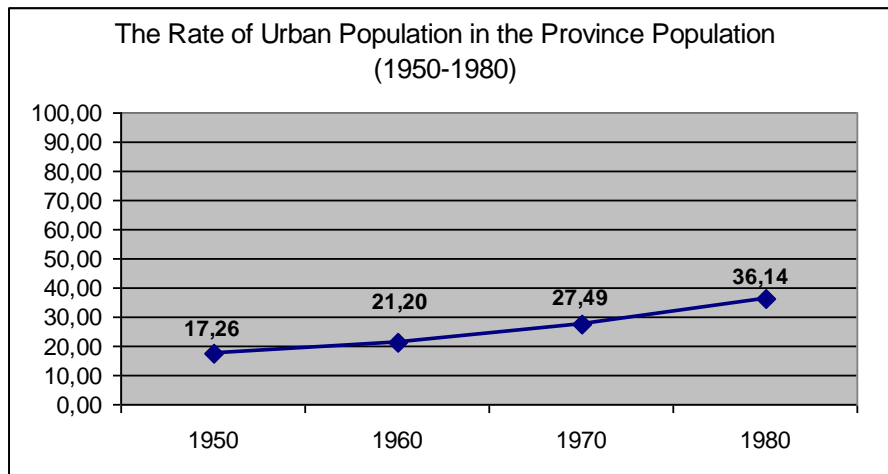


Figure 3. 4 The change of the urban population rate in the total population in the period between 1950 and 1980.

It is possible to state, according to these two charts, that the town has begun to be centralized in the period between 1950 and 1980. While the major urban growth projects created new dwelling areas, they also enabled the settling of immigrant workers in some former dwelling areas. While the general direction of the urban growth tended to pervade the north eastern and western parts of the town, some certain parts of the traditional pattern, especially the parts located in the southern parts of the city center mainly remained and these parts were the first dwelling areas of the immigrant workers. Since the land prices of this area, especially due to the conservation decisions of the first master plan, did not increase like the new dwelling areas, and these parts of the town enabled a relatively cheaper dwelling opportunities for the immigrant workers in the first decades of this centralization. Besides, many of these immigrant workers found the opportunity to move forward to the former new dwelling areas which were deserted after the moving of the former dwellers to the newly constructed “more modern” apartments. Therefore it is possible to notice an internal mobility in the town from the residual areas, which were located in the southern parts of the city center, especially to the north eastern parts of the city in the period between 1950 and 1980. Appendix H shows the major renewal areas which annihilated the traditional mahalle organization; the new development and growth direction

of the town in the 1950s; the first deserted residential areas by the native population which almost simultaneously became the first residential areas of the immigrant workers; and the internal mobility tendency of the population.

The first major effects to the macro form of the town emerged due to the location decision of the big public investments. The Airplane Factory to the south eastern periphery of the town, the Sümerbank Textile Factory and its facilities to the northern periphery of the town, and the Tank Repairing Facility to the western periphery of the town determines the main growth directions of the town. And, the direction of the new residential areas to the north eastern in the 1950s enabled a tendency to grow up to this direction. Besides, the Sugar Factory, established in 1955, was located in the western periphery of the town. The residential area of the workers of the Sugar Factory was located just in the north east of the facility and this residential area created a new neighborhood in the western parts of the town. The first growth areas of the town were directed in tune with these location choices. Owing to the fact, Kemal Ahmet Aru (1998), when he analyses the growth directions of the town, put that the town had a radial growth pattern. But this pattern does not represent a complete circle; it rather refers to the radial growth of the town toward the west, north, north east and the south east from the city center. Only the air plane factory, due to its big area and its military characteristic limited the growth of the town to the south east. But the other public investments, on the contrary, especially the Sümerbank Textile Factory and the Sugar Factory have supported the urban growth directions.

These growths were complete in nature and they filled all the unsettled areas. Besides the growth of the town in this period also represents major population density increases. The population mobility outwards the new dwelling areas triggered density increases both in the new and the renewed residential areas along with the great infrastructural improvement efforts of the municipality. Nevertheless, the municipality did not spend much to the infrastructure improvement efforts; on the contrary, this growth enabled new income opportunities for the municipality. Mr. Bahçecioğlu states in the interview that the

municipality took the 86.5 % of every cadastral parcel in order to transform the parcel to a dwelling site, and apart from some minor opposer land owners, who later agreed to give the amount, every land owner consented to the willing of the municipality, because the dwelling parcel was still extraordinarily profitable after the consent. He also admits that the seeds of this consensus were sown in the mayorship period of Osman Kavuncu (Informant 04).

With no doubt, the extraordinarily profitable values of the dwelling areas were a result of the rapid population increases of the town. These rapid increases, furthermore, triggered the real estate speculations, and the trade of dwelling units has become one of the most profitable – and favorable at the same time – investments in this period. However, these rapid population increases did not emanate from the great improvement of the livability of the town. The increase in the living standards supported the centralization of the town, but the most important component of this centralization was the rise of industrial activities in the town. The next section identifies the industrial boom of the first generations.

3.4. The Rise of a New Generation Episode II: Local Institutions, Reciprocity, Untraded Interdependencies and the Local Business Culture

The 1970s represent a period in which the urbanization, industrialization and underdevelopment issues were intensively discussed in terms of the modernization process of Turkey. Urbanization which has been associated with the immigration due to the rapid population growth experiences in Turkish towns became one of the most seminal fields of discussion in this period. These discussions sometimes focused on the contradictions and controversies between the capital and the labor; and sometimes focused on the internal industrial structures and the differentiations between the distinct modes of production. The conceptualization attempts of these differentiations caused intense debates and triggered many researches. These debates and researches sometimes stressed the quantitative classifications of production including the number of employment or the power of the production machines; and they sometimes emphasized the qualitative classification like the production styles. The statistical convenience of

the quantitative classifications always faced the representation abilities of the qualitative classifications. However, whatsoever might be the classification, these debates and researches attempted to distinguish three production styles including the modern production, traditional production and neither modern nor traditional production or in a sense of hybrid one styles.

Bademli (1978), for instance, identifies that it is possible to distinguish the production style in terms of the systematized machinery production and systematized human workforce (p.23). He distinguishes three different production styles: the first one is the modern factory production wherein the labor completely alienated to the production that depends on the systematized machinery; the second one is the artisan production wherein the employer participates to the production process not only with his capital but also with his own labor force that depends on the systematized human workforce; and the third one also depends on the systematized human workforce, that is the workshop production wherein the employer does not participate to the production process by his own labor force but organizes thus alienates the labor to the production (1978, p.22-25). These debates attracted a great attention in Turkey and many researchers focused on them not only from economics, but also from every discipline of the social sciences (for instance, Akat, 1976; 1978; Bademli, 1978; Ortaylı, 1978; Kiray 1978; 1998; Tekeli, 1977; 1978; 1982; 2008a; 2008b; Boratav, 1979; 1983; 1984; 2003; Kepenek, 1977; 1983; Keleş, 1978; Şenyapılı, 1978).

These debates found its local extensions in Kayseri with the influential research of Leo van Velzen (1978a; 1978b). According to this research, Kayseri was fairly an underdeveloped town wherein the traditional artisan and workshop mode of production was intensified apart from some casual exceptions. Mübeccel Kiray (1978) questions if there was a transformation from these traditional mode of production to modern production or not. The answer of van Velzen (1978a; 1978b) according to his research in Kayseri states that there was no such transformation detected although there were qualitative growth experiences were identified in these traditional production units. According to him, the artisan

production units would not be able to transform to modern production units although they grew. Van Velzen thought that he found a solid dependency of artisan production to trade bourgeois and he states that this transformation was almost impossible under these circumstances.

However, the most important feature of the economic boom experience of Kayseri after the 1980s seems to be the transformation of artisan production units to modern production units. But this transformation does not refer to an actual transformation of artisan production units to modern production units. It rather is a generational transformation of the capabilities, which were accumulated upon the traditional family throughout the dominance period of the first generations, to modern production units by the second generations.

The common point of the researches and discussions that seek to explain capitalization, urbanization, industrialization and modes of production is taking the industrial and organizational structure of the business, capital, capital accumulation processes, labor and labor processes into the focal point. Owing to the fact, the researches that seek to explain the transformation of the artisan production to the modern production always analyze the certain businesses, certain business organizations, certain capital or labor processes. However, the Kayseri experience indicates that this transformation may be the generational transformation of the capabilities, which were accumulated upon the traditional family throughout the dominance period of certain generations, to modern production units by the successor generations. The traditional family, which represents the main economic organization rather than businesses or individuals, and its economic strategies in the dominance period of the first generations, paved the way for this transformation. Owing to the fact, it is vitally important to analyze the traditional family and its economic strategies of the first generations. This research identifies the traditional family in Kayseri as the “welfare family” due to its economic functions.

The following section briefly and quantitatively analyzes the industrial development process of Kayseri in the period between 1950 and 1980. The

preliminary actor of this process is identified as the welfare family and its economic strategies. A detailed analysis of these strategies in the following sections identifies the nature of the welfare family and the local business culture as well.

3.4.1. The Development of Industry in the Period between 1950 and 1980: The Local Business Culture

This period between 1950 and 1980 represents a booming in the number of the private industrial enterprises. It is possible to identify two major industrial investment tendencies or styles in this period. The first tendency refers to the establishment of small artisan production units. The second refers to the establishment of multi-partnership big private enterprises. But both tendencies were highly influenced by two big public investments that were the Airplane Factory and the Sümerbank Textile Factory. At the end of the 1950s, after the construction of the industrial area in 1957 with its 2185 shop lots, many of the retired or former workers of these big public investments established small production units in this industrial area. Especially the apprenticeship schools of the Airplane Factory, and the two vocational schools, – the Arts Institute of Construction and the Boy's Arts Institute – which were found in 1942 mainly directed the general sectoral structure of these newly established private enterprises.

In the beginning of the 1960s, according to the General Industrial Census, the main sectors of Kayseri were the food, textile and metal furniture and machinery sectors. Although food and textile sectors were traditional sectors of Kayseri, the Sümerbank Textile Factory mainly influenced the transformation of the handloom production to machinery production. However, the metal furniture and machinery sector was arisen owing to the Airplane Factory. After the close down of the Airplane Factory in 1950, most of the qualified workers of the facility tended to establish small production units, and some of them achieved considerable economic success for instance in pressure cooker and heater production.

Besides, there were big private investments established in this period between 1950 and 1980. It is important to identify that the great majority of these enterprises were multi partnership organizations. The first of them is Birlik Mensucat Factory established in 1953. This factory was first established as the wholesale trade business that sells the products of the Sümerbank Textile Factory in 1949 by 11 shareholders from different firms with a 1.100.000 TL capital, and in 1953 the shareholders decided to establish a textile factory (Informant 06). The second one is Orta Anadolu Mensucat Factory which was established again in 1953 by the well-known families of Kayseri such as the Molu, Silahtar, Karahalil, Postaağası, Sağıroğlu, Haskınacı and Kibar families. In the third place comes the major food processing factory of Kayseri, Mey-Su. But the most remarkable multi partnership organization is HES Conductor and Cable Factory established by the entrepreneurs from the closest settlement Hacılar. There were 16 major multi partnership private investments established by the well-known families of Kayseri in the period between 1950 and 1980. It is important to put that the establishment of these big private investments were concerned with the main national level policies especially after the 1970s which supports and encourages the immigrant workers who work especially in Europe to invest their exchanges to industry. It is possible to identify the tendency to establish multi partnership big private investments from the new establishment registrations of the Kayseri Chamber of Commerce. Figure 3.5. shows the number of new incorporated company establishments in the period between 1960-1980.

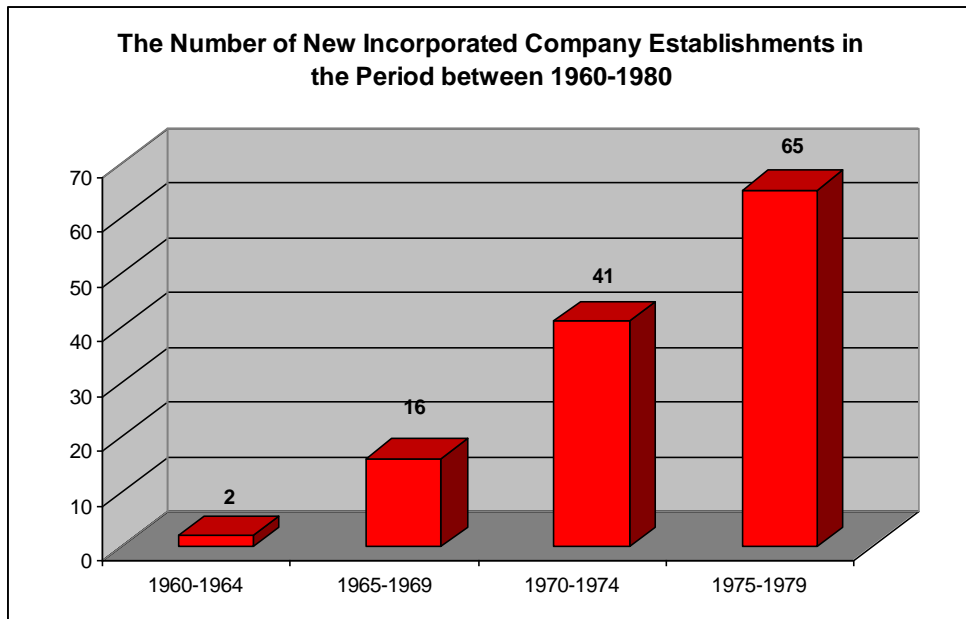


Figure 3. 5. The number of new incorporated company establishments in the period between 1960-1980 (Compiled from the firm registrations of the Kayseri Chamber of Commerce between 1960 and 2005).

Some of the researchers tend to identify these big private investments as the main locomotives for the local industrial development in Kayseri especially in the period between 1960 and 1980 (Doğan, 2007). However, due to the high inflation rates, inefficient management and the contradictions between the union labor and the managers of these enterprises, the multi partnership structures of all of these firms were fallen off and they passed into the hands of certain families after the 1980s. Besides, these enterprises were suffered most from the conflicts between the capital and the labor. Owing to their organized management structure, these conflicts mostly influenced these enterprises especially after the 1970s.

Still, the main triggers of the boom in the period after the 1980s were the small artisan production units intensified around the manufacturing industry. The local business culture was emanated from the relation between these small enterprises, and it is important to note that the basement of the above mentioned

big investments were these small enterprises generally as well as the immigrant workers migrated to Europe in the period between 1950 and 1980. Leo van Velzen in 1978 analyzed these small production units in Kayseri. He visited the town and analyzed the development of industry in the second half of the 1970s in order to understand the main circumstances in the towns where the immigrant workers in the Netherlands came from (van Velzen, 1978a p.9). His aim of analysis shows that Kayseri was one of the main home towns of immigrant workers in the Netherlands. Apart from the fact, his analyses became one of the main sources for researchers of Kayseri. At first sight, he emphasizes that the town was experiencing an influential urban growth in the 1970s, and stresses the gecekondu settlements located in the outskirts of the town. Besides, he puts that these gecekondu settlements were mostly taken for granted by the urban administration. He also identifies that the employment was generally intensified in the artisan production units although there were considerable big private investments. Table 3.2. shows the amount of the paid labor in the town of Kayseri in 1960 and 1970.

Table 3. 2. The Amount of the Paid Labor in the Town of Kayseri in the Period between 1960 and 1970, and the Change Rate in this Period.

Sectors	1960		1970		1960-1970
	Employment	Rate (%)	Employment	Rate (%)	Change Rate (%)
Agriculture and Forestry	2.572	8,38	2.967	7,27	15,36
Mining	49	0,16	326	0,80	565,31
Industry	10.620	34,59	12.000	29,39	12,99
Construction	3.011	9,81	3.551	8,70	17,93
Electricity, Water and Gas	158	0,51	104	0,26	-34,18
Commerce and Banking	4.108	13,38	6.405	15,69	55,92
Transportation	1.795	5,85	2.630	6,44	46,52
Services	4.262	13,88	10.306	25,24	141,81
Other	4.126	13,44	2.536	6,21	-38,54
Total	30.701	100,00	40.825	100,00	32,98

Source: Organized from van Velzen, L., Kayseri'de Çevresel Üretim, Ajans Türk Press, 1978a, p.31

Figure 3.6. shows the amount of the paid labor in 1960, Figure 3.7. shows the amount of the paid labor in 1970 and Figure 3.8. shows the change in the amount of the paid labor in the period between 1960 and 1970 by sectors.

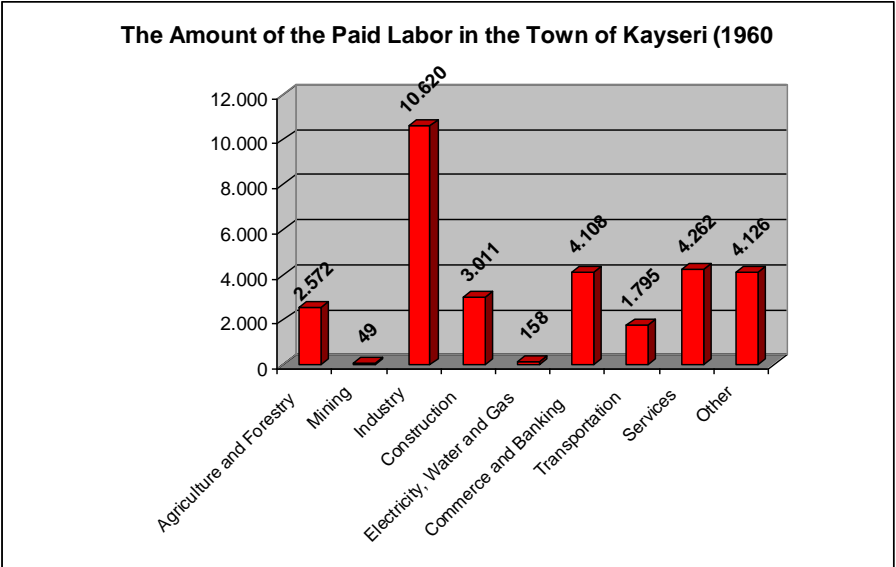


Figure 3. 6. The amount of the paid labor in 1960 (Organized from van Velzen, 1978a).

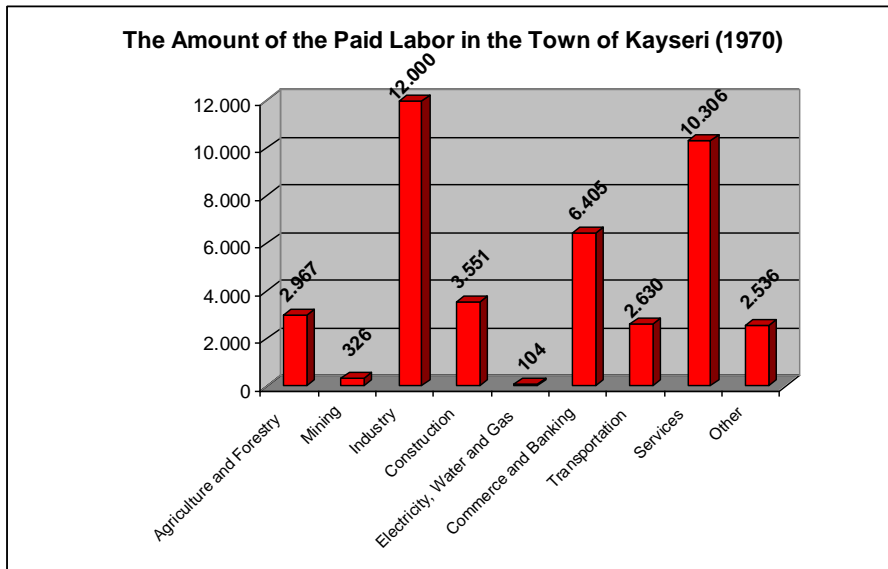


Figure 3. 7. The amount of the paid labor in 1970 (Organized from van Velzen, 1978a).

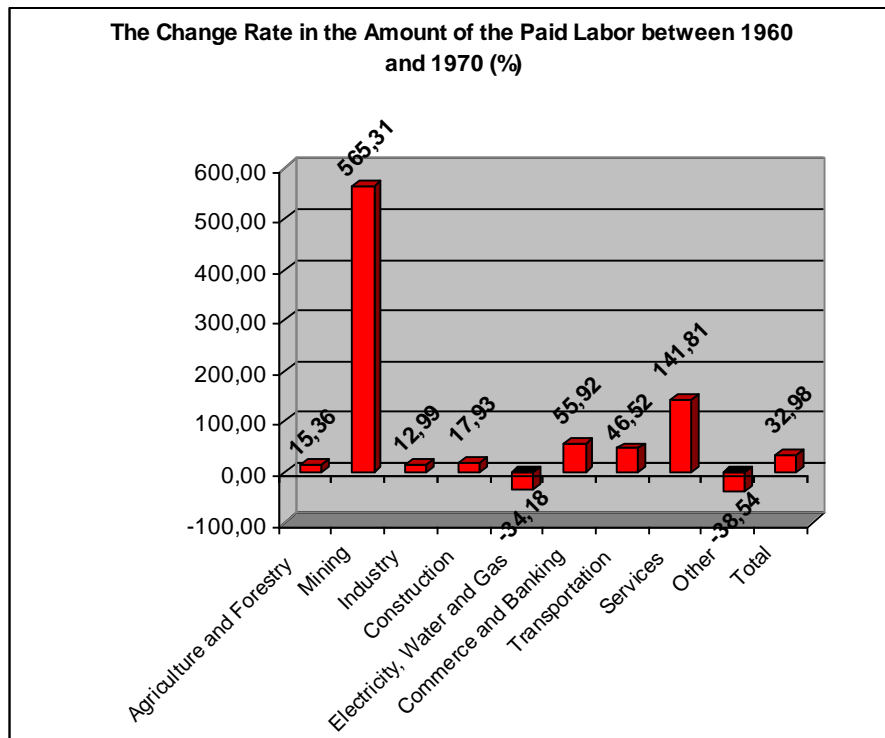


Figure 3. 8. The change in the amount of the paid labor in the period between 1960 and 1970 (Organized from van Velzen, 1978a).

According to his research, most of these units were artisan units with generally less than 25 workers (van Velzen, 1978a). In 1976, there were 224 firms which employed 15.222 workers and which were registered to the Kayseri Chamber of Industry which was established in 1966. According to van Velzen (1978a), these 224 firms were employing more than 5 workers and almost all of the producer firms which employed less than 5 workers were not registered to the Chamber of Industry. Figure 3.9. shows the number of registered establishments with more than 5 workers by sectors in 1976 and Figure 3.10. shows the number of employment in these registered establishments by sectors in 1976.

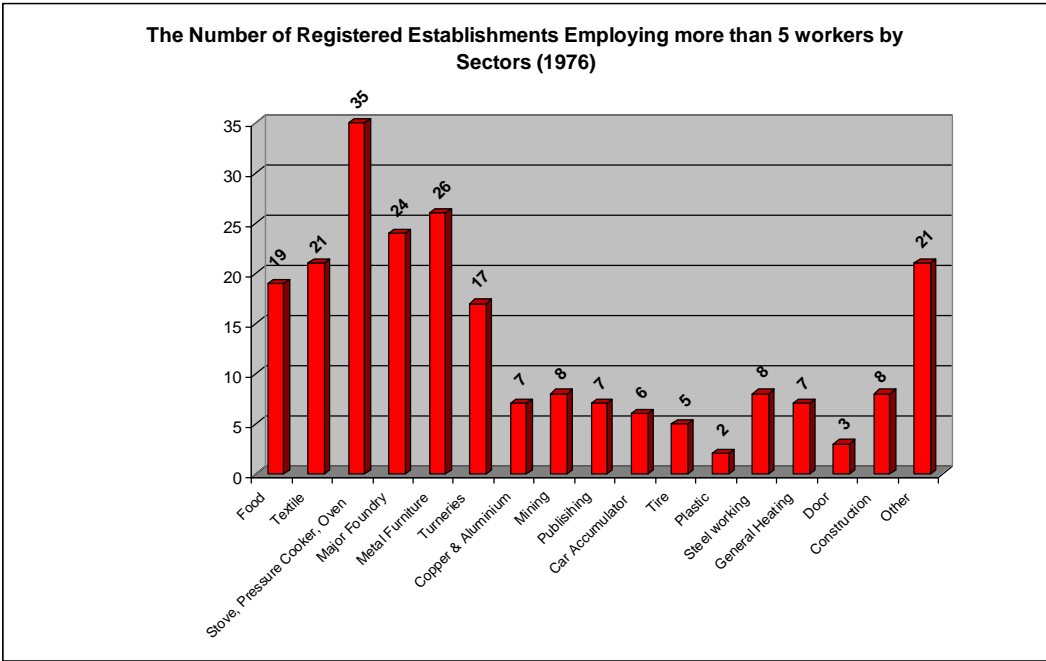


Figure 3. 9. The number of registered establishments with more than 5 workers by sectors in 1976 (Organized from van Velzen, 1978a).

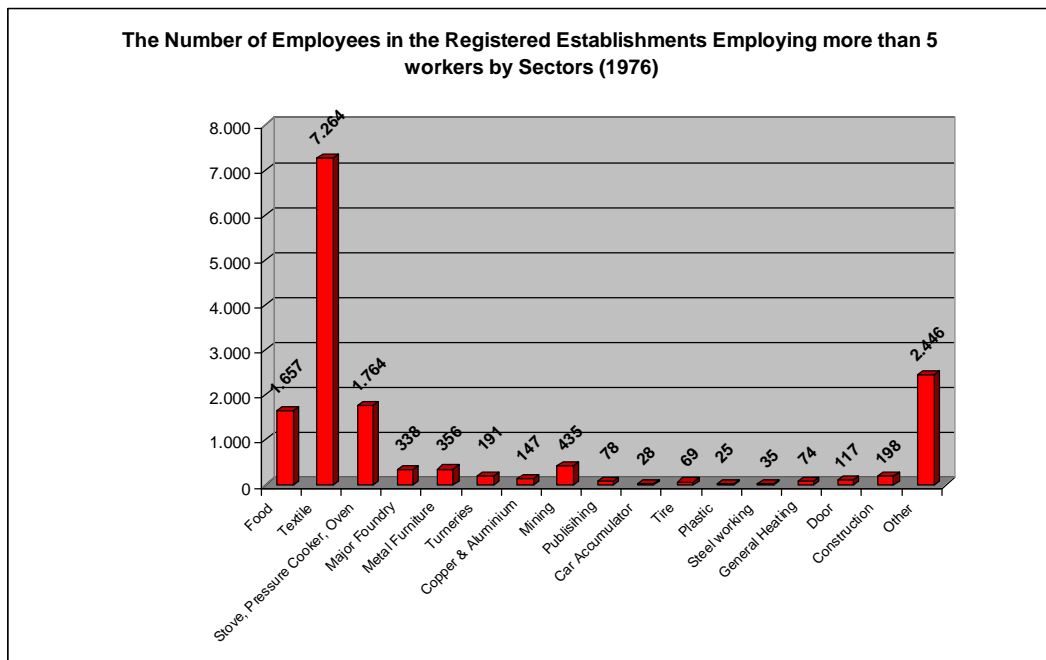


Figure 3. 10. The number of employment in these registered establishments by sectors in 1976 (Organized from van Velzen, 1978a).

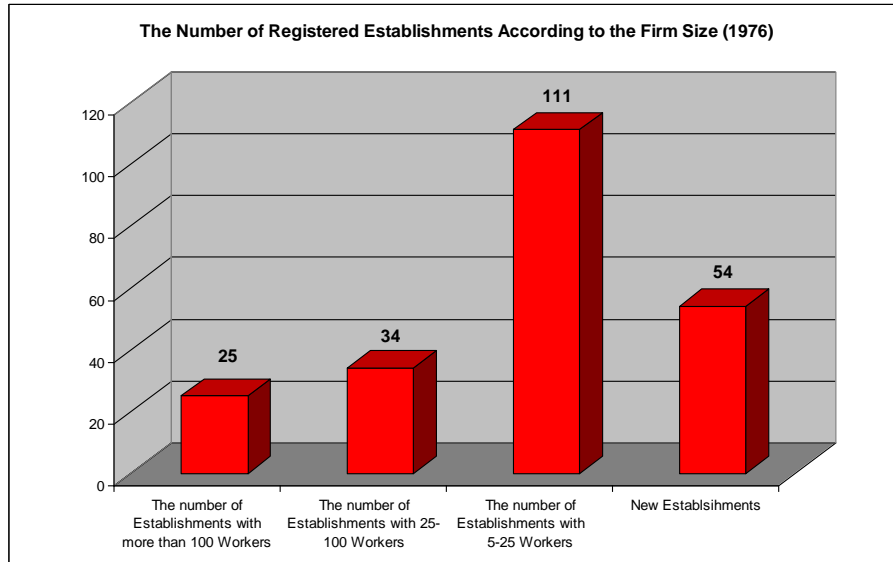


Figure 3. 11. The number of establishments according to the firm size in 1976 (Organized from van Velzen, 1978a).

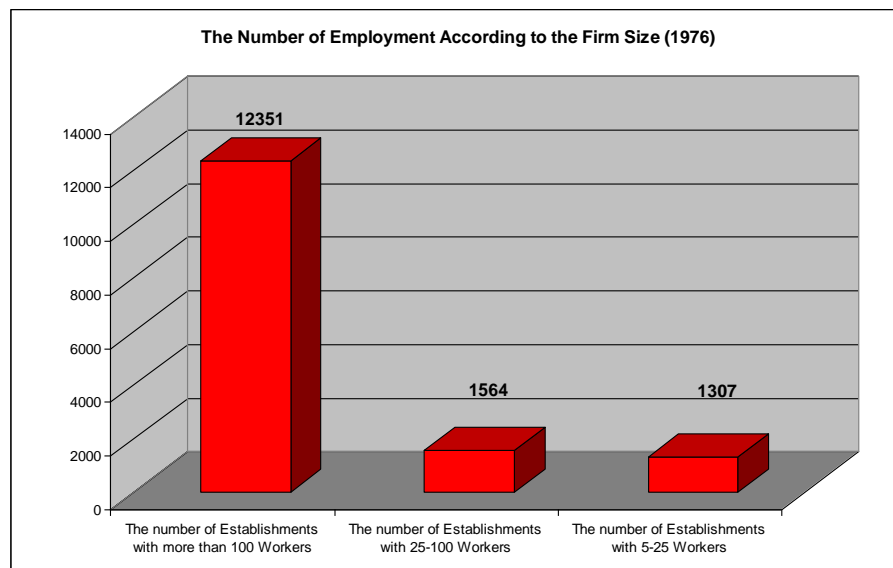


Figure 3. 12. The number of workers according to the firm size in 1976 (Organized from van Velzen, 1978a).

According to the graphs, it is obvious that the textile, food and metal furniture and machinery sectors were the leader sectors of Kayseri, not only due to the number of establishments intensified in this sector, but also due to the number of workers they employ. The multi partnership big private investments were also intensified in these three sectors. However, the artisan production units still were the main producer businesses. Van Velzen (1978a) also noticed the importance of these units and identifies three different entrepreneurship titles. The first one is the tradesmen, but this title is irrelevant to the production. The second one is the businessmen. Van Velzen (1978a; 1978b) puts that the businessmen were newly arising and they did not directly participate to the production by their own workforce, they rather were the managers of newly growing industrial enterprises. But more importantly, van Velzen (1978a) identifies the artisan entrepreneurs as the most common title in his triple classification. According to his classification, the most common entrepreneurs were tradesmen and artisans; and their small businesses. Actually, entrepreneurs in Kayseri tended to establish small enterprises with limited number of shareholders when they directly involved with the business. The multi shareholder structured firms were

not the ones they directly involve with and their relation between these firms was rather limited by their shares. However, when they actually involved with business, they tended to work either alone or with one or two participants. The analysis of the organization types of firms established between 1960 and 1980 openly represents this tendency. Figure 3.13. shows the number of newly established organizations registered to the Kayseri Chamber of Commerce between 1960 and 1980 by their organization types.

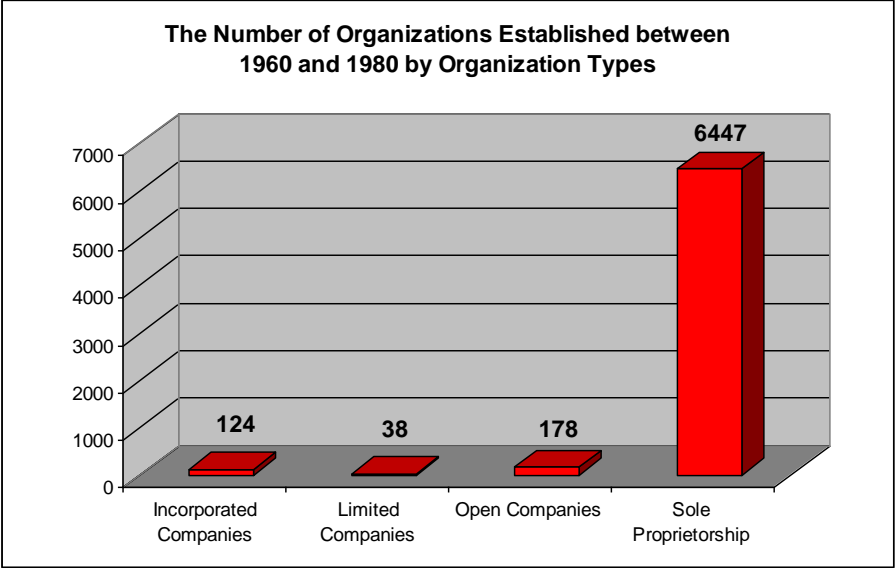


Figure 3. 13. The number of newly established organizations registered to the Kayseri Chamber of Commerce between 1960 and 1980 by their organization types (Compiled from the firm registrations of the Kayseri Chamber of Commerce between 1960 and 2005).

95 % of newly established organizations in the period between 1960 and 1980 were sole proprietorships either without participants or with one or two participants. The two titles of van Velzen's entrepreneur classification are included by these sole proprietorships. Besides, in the period when van Velzen analyzed the industrial structure of Kayseri was the booming times for new sole

proprietorship enterprises. Figure 3.14. shows the establishment of this kind of organizations by 5 year periods between 1960 and 1980.

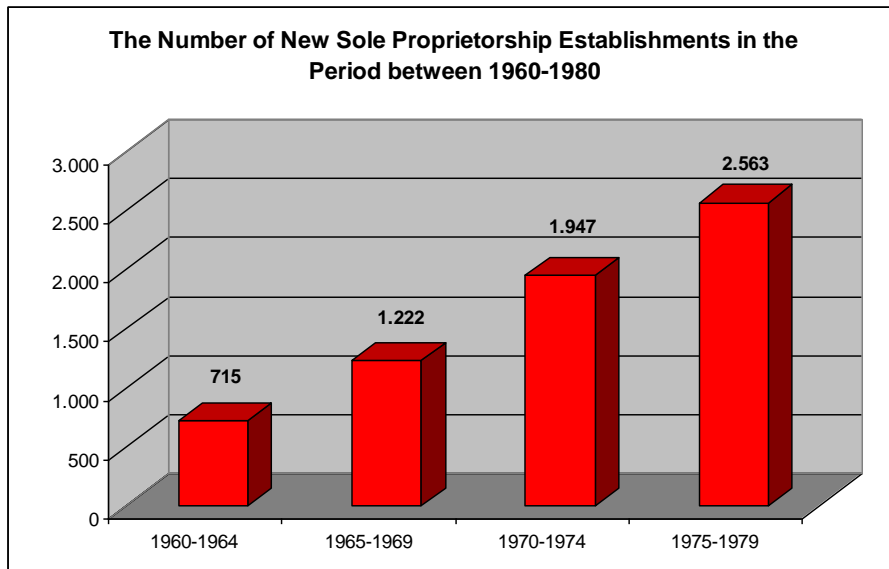


Figure 3. 14. The number of new sole proprietorship establishments by 5 year periods between 1960 and 1980 (Compiled from the firm registrations of the Kayseri Chamber of Commerce between 1960 and 2005).

Besides, van Velzen (1978a) emphasizes that the businessmen type entrepreneurs were newly arising especially in the newly growing enterprises. It is found in this research from the establishment registrations of the Kayseri Chamber of Commerce that these newly growing enterprises were generally limited companies. These were not the multi partnership enterprises but newly ascending family firms began to rise owing to the effects of elderly second generations. Figure 3.15. shows the number of new established limited companies by 5 year periods between 1960 and 1980.

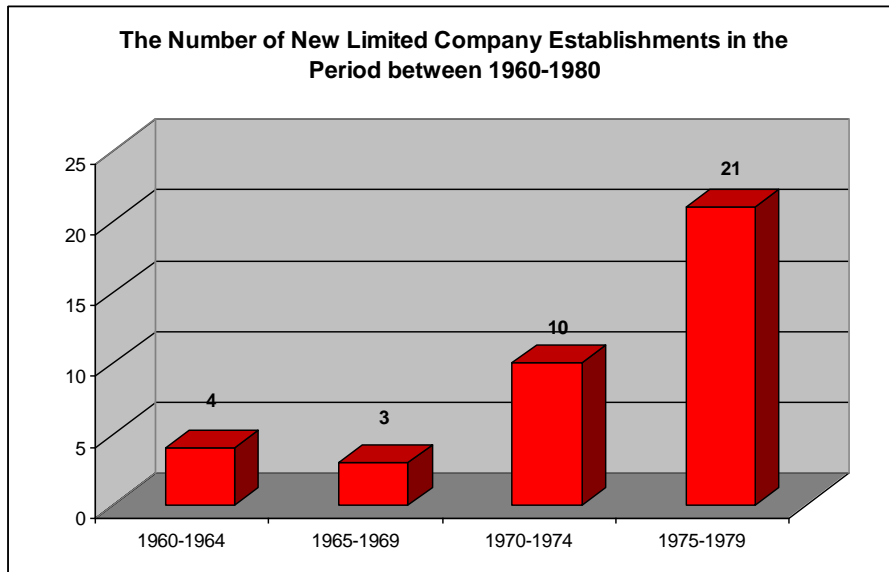


Figure 3. 15. The number of new limited company establishments by 5 year periods between 1960 and 1980 (Compiled from the firm registrations of the Kayseri Chamber of Commerce between 1960 and 2005).

Van Velzen (1978a; 1978b) mainly focuses on these entrepreneurs and their enterprises and puts that almost all of them were dependent upon the trade bourgeois. According to him, this dependence of the artisan type industrial enterprises mainly obstructs the development of these enterprises, and also it makes the artisan enterprises more vulnerable to the impacts of the consumption abilities of especially the middle class consumers due to the production choices of these artisan enterprises. He stresses that these enterprises were more vulnerable to the dominance of the trade bourgeois over them (van Velzen, 1978a; 1978b; Doğan, 2007). But he failed to notice the literal direct affinity between the artisan production units and the tradesmen.

It was almost impossible to realize this affinity without analyzing the family in Kayseri. One of the main strategies applied by the traditional family was the strategy to distribute the risk amongst the family members which enabled the family to have at least two firms. Generally, if one family member was occupied by the artisan production, the other member usually was the seller of the

production of the first member. Some researchers including van Velzen (1978a; 1978b), Bilgili (2001), Uzay (2002) and Doğan (2008) identify the cooperation among the production units, but since they analyze mainly the structural features of industry and the enterprises and they tend to identify these relations as “primeval production relations”, they generally do not notice the familial cooperation of the traditional family. This research identifies that the traditional family was the main economic organization in the dominance period of the first generations and every feature, especially van Velzen (1978a; 1978b) detected in his analysis was due to the strategic economic decisions of the traditional family in Kayseri. The next section analyzes in depth the traditional family as an economic organization and its economic strategies.

3.4.2. The Welfare Family: Traditional Origins of Reciprocity and Untraded Interdependencies

Kayseri has experienced a peculiar adaptation process to the modern production. This process, at the same time, has been associated with the emergence of a peculiar local business culture. But the main trigger in this process was the existence of a local traditional trade mentality. In tune with this mentality, the local workers of the three big public investments of Kayseri, wherein they actually had the modern production knowledge, have achieved to transform this knowledge to artisan enterprises. Furthermore, in tune with this mentality, the local entrepreneurs have noticed new market and production opportunities which have been emanated from the urban growth experiences. However, composing a local causality that depends on this mentality seems to be misleading. The efficient realization of this mentality is more likely to be the function of the economic extensions of the traditional family and its economic strategies.

The relation between the emergence of the local traditional trade mentality and the inherent local socio-spatial institutions is identified in the previous sections. Since the traditional family has been one of the main components of these socio-spatial processes, it has become an important part of the local business culture.

The tacit local knowledge, which enabled the local business culture, has been concerned with the inherent knowledge of the local socio-spatial institutions; and the traditional family was one of the two detected components of the inheritance process of this peculiar knowledge. Thus the traditional family has become an important part of the local business culture not only due to the family strategies which have realized the local traditional trade mentality; but also owing to the traditional family's inheritance function of the knowledge of the inherent socio-spatial institutions.

The second component of the inheritance process of this peculiar knowledge was the local artisan production and merchant units which can be identified as the local institutions for entrepreneur education. The mutual dependency or untraded interdependency and the reciprocal responsibility relations between these units have been re-concentrated especially after the spatial reorganization of artisan production in the 1950s. This re-concentration of the reciprocal relations has triggered the creation of a cooperative structure between them. Therefore it is possible to identify the emergence of peculiar local institutionalization experiences in Kayseri.

Above all, the local institutional cooperation which has been supported by the strong local institutions like the municipality, the Chamber of Commerce and the Chamber of Industry has become one of the most important components of the local business culture. Therefore, the local business culture can be analyzed through the investigation of the traditional trade mentality which has triggered the entrepreneurial potentials of the Kayserians; the family dominated decision structures of businesses and the family strategies concerning with the traditional trade mentality; local institutions and local social solidarity concerning with the local institutions, family strategies and the traditional trade mentality; and the local institutional cooperation. Owing to the fact, this section analyzes and identifies the economic structure of the traditional family and its economic strategies.

The main economic organization has been the traditional family in the dominance period of the first generations. The detailed analysis of these family strategies identifies not only the local institutions, but also the nature of the local cooperative structure. This analysis furthermore indicates the origins of the economic success of the family firms in the period after the 1980s. Three main strategy titles, seven strategies and twelve strategy combinations that have been applied by the families are detected in the research.

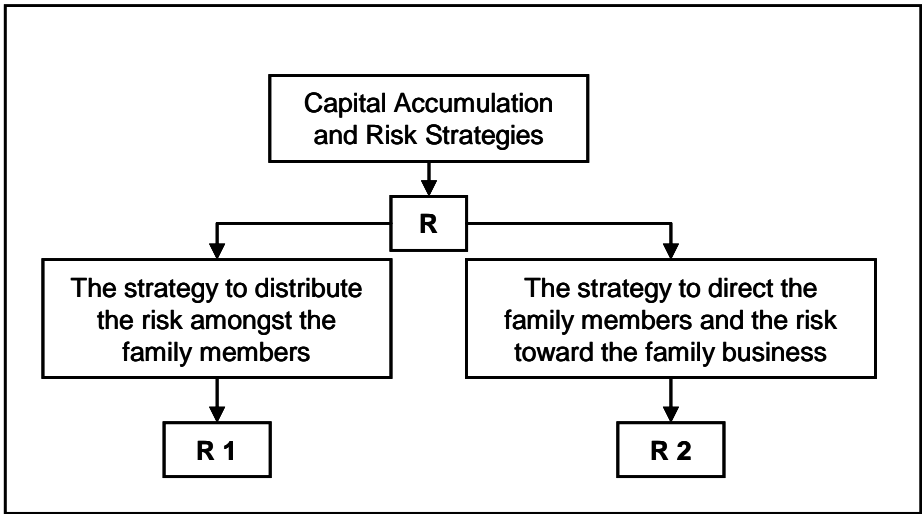


Figure 3. 16. The diagram of capital accumulation and risk (R) strategies

R – Capital Accumulation and Risk Strategies

R1 – The strategy to distribute the risk amongst the family members

Small amounts of familial capital accumulation with relatively low risk

R2 – The strategy to direct the family members and the risk toward the family business

Relatively fast capital accumulation both on family and the family business in case of success

The collapse of the family business and return to the R1 strategy in case of failure

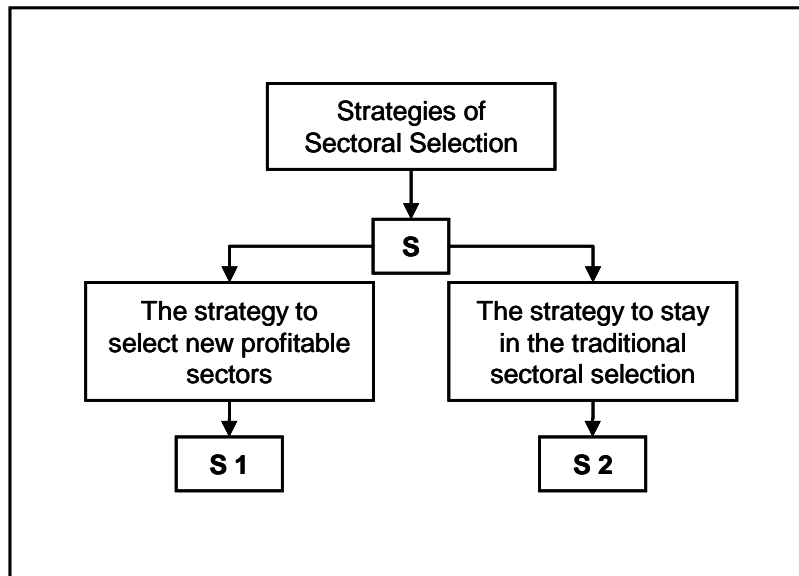


Figure 3. 17. The diagram of the strategies of sectoral selection (S)

S – Strategies of Sectoral Selection

S1 – The strategy to select new profitable sectors

S2 – The strategy to stay in the traditional sectoral selection (the strategy to maintain the sectoral selections of the elderly members of the family)

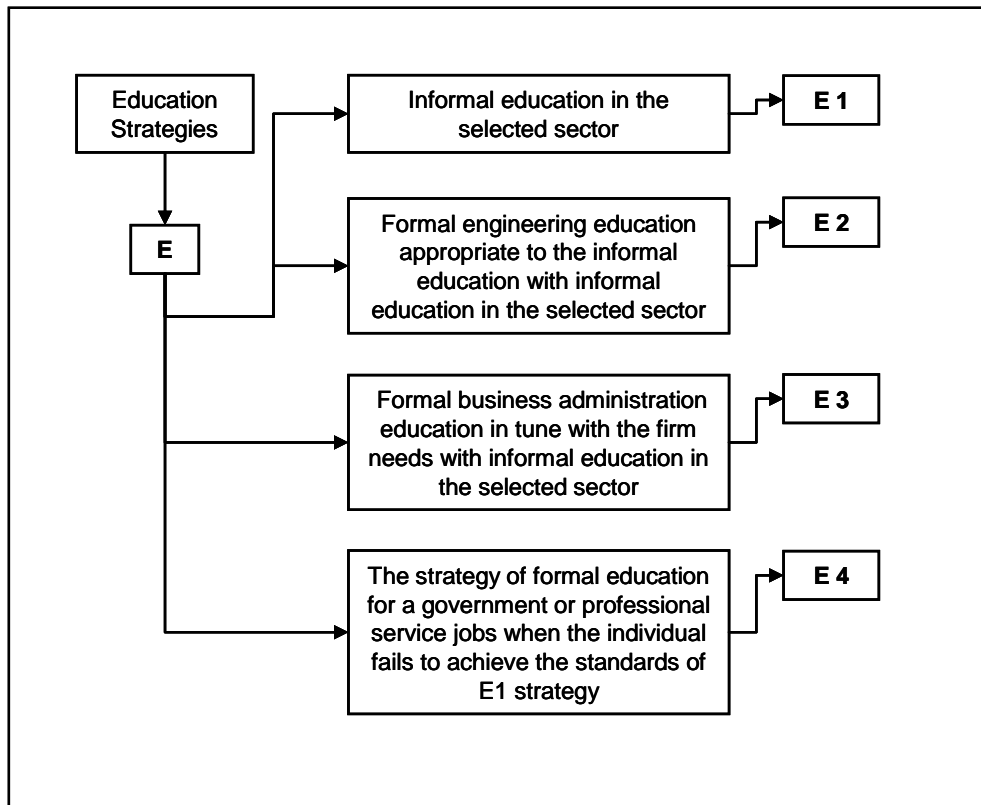


Figure 3. 18. The diagram of education (R) strategies

E – Education Strategies

E1 – Informal education in the selected sector

E2 – Formal engineering education appropriate to the informal education with informal education in the selected sector

E3 – Formal business administration education in tune with the firm needs with informal education in the selected sector

E4 – The strategy of formal education for a government or professional service jobs when the individual fails to achieve the standards of E1 strategy.

R1 – The strategy to distribute the risk amongst the family members

This strategy, which is one of the main indicators of the existence of the welfare family and is one of the main outcomes of the traditional trade mentality, has aimed to fulfill two tasks. In the first place, it focused on to decrease the

dependency levels of the family members to a single business and thus to prevent any wealth declines of the family when the business faces stagnations. Second, it aimed to provide faster growths in the total wealth levels of the family by distributing the members of the family to different businesses in various sectors. The successful applications of E (education) strategies have always increased the success levels of this strategy in the first generations. However, it is almost difficult to detect or observe the success of this strategy on business growths.

The traditional family refers to the extended family and the traditional relations among the family members. The number of family members in an average extended family is far more than the number of members in an average nuclear family. An average large Kayserian family seems to have had 5 to 15 family businesses if R1 strategy has been applied in the first generations and these first generations tended to direct the second generations to apply this strategy. In general, the individual capabilities of these businesses were low to a large extent. Owing to the fact, many researchers, like van Velzen (1978), misjudged the development capacities of Kayseri in the 1970s when they assessed the growth capacities of businesses individually. However, every single individual capacity of businesses has been united on the family and they created a family based regional transformation capacity. Approximately 60 % of the interviewed firms have experienced booming growth levels in the second generations by using the R1 strategy in the first generations. The only way to understand the success of these firms seems to be realizing the family component of them which actually was the main source of business capabilities.

Therefore, seeking the main capabilities only on businesses in Kayseri in the first generations seems to be misleading owing to its threat of underestimating the creation of the regional transformation capacities by the native welfare families. The capital, which has been accumulated in the hands of a family throughout the first and the elderly second generations, has been transformed to the family firms when the second generations started to dominate this capital. The R1 – S1

combination was the most favorable combinations in Kayseri and 46 % of the interviewed families have chosen this combination in the first generations.

However, the emergence of the relatively small and low capable firms seems to be the most important disadvantage of this strategy. When the second generations achieved to combine or unite these little businesses under a greater family firm, it was able to create a fast growing dynamic. Besides, it is found in the research that many of the great contemporary holdings of Kayseri have been such major family firms which have united the small firms of the first generations in the second generations. This strategy seems to have given the opportunity to have their own businesses to the members of the family and more importantly it did not intend to make the family member an employee in any business.

Table 3. 3. The Positive and Negative Outcomes of R1 Strategies

Positive outcomes of the strategy	Negative outcomes of the strategy
<p>a) Lowers the economic risk of the family members</p> <p>b) Therefore it provides certain levels of wealth when the business of any family member faces stagnancy</p> <p>c) The flexibility to change sector of the business in stagnancy when combines with S1 strategy.</p> <p>d) Protects the members of the family from positional controversies emerged from the conflicts between the familial positions and firm positions of the members</p> <p>e) Increases the intra-family economic cooperation and solidarity</p> <p>f) Provides the continuity of the traditional relations among the members of the traditional family</p> <p>g) Supports the informal education opportunities</p>	<p>a) Causes relatively limited capital accumulations on the family</p> <p>b) Creates small businesses with fairly low capabilities</p> <p>c) Highly limits the economic freedom of the individual members of the family</p> <p>d) Highly limits the individual decision processes due to its support of traditional family relations</p> <p>e) Relatively low education levels and sometimes obstructs the education strategies except E1</p> <p>f) Creates high sectoral dependency when combines with S2 strategy</p> <p>g) May cause the collapse of the family if the strong conflicts among the family members are not solved</p> <p>h) Obstructs the firm growth if the second generations do not unite their businesses under a greater family firm</p>

Table 3.3. The Positive and Negative Outcomes of R1 Strategies (Continued)

<p>h) Supports the inheritance of traditional local knowledge in context of the informal education and the continuity of the traditional family</p>	<p>j) May cause familial conflicts due to unequal growth rates of the firms of the family members</p>
<p>i) Paves the way for rapid growth rates if the second generations achieve to unite their businesses under a greater family firm</p>	<p>k) The collapse of the traditional family in the third generations if the second generations fail to unite at least two second generation members of the family</p>

R2 – The strategy to direct the family members and the risk toward the family business

This strategy was also one of the main outcomes of the traditional trade mentality and aimed to increase the wealth of the family by with family solidarity and cooperation that focused on the family business. 40 percent of the interviewed family businesses in Kayseri have apparently used this strategy in the first generations with different sectoral selection and education strategy combinations. The success of this strategy seems to have depended on the success of education strategies. The businesses which have used this strategy in the first generations have had wide sectoral and market opportunities in the first generations. The necessity for the business and its sectoral selection to both meet the general needs of the family members and the ability to increase the total wealth of the family have been the preconditions of this strategy. This strategy was therefore open to the effects of sectoral shrinking and the success of this strategy depended on the sectoral selections of the business.

In the field research, it is found that sometimes, the failures in R2 strategy have directed some of the families to re-select R1 strategy. Owing to the fact, the failures may have triggered a collapse of the family business and a major decline in the total wealth levels of the families. However, it is also found in the field research that the most successful family firms in Kayseri have used this strategy with successful combinations of it with education and sectoral selection

strategies. Similar with the R1 strategy, the main success in this strategy seems that it has depended on the success of the second generations. Besides, the traditional family relations have influenced to a large extent the success of this strategy. The traditional family relations created a family solidarity and resolved and prevented the positional controversies emerged from the conflicts between the familial positions and firm positions of the members. Under these circumstances the traditional family relations have generally impeded the managerial transition process from the first generations to the seconds.

This strategy was more open to the effects of generational controversies and tensions. It is found in the field research that, the firms which have been able to successfully manage these conflicts have grown faster and achieved considerable economic successes. However, it is also found that although the traditional family relations have created deeper generational tensions, the solutions of these conflicts within the traditional family relations have positively influenced the success of the family firms. In the greater firms of Kayseri, the second generations have been able to manage these conflicts successfully and they have also been able to combine their achievement with successful education strategies. But it seems that this success has emerged from the consensus between the elderly second generations and younger second generations. The generational tensions were preliminary reasons that have caused failures in this strategy. Owing to the fact, sometimes some second generations seem to have broken their relations both with the family and the firm. Therefore, the success of this strategy has depended on, first, the strong solidarity between the family members; and second, the good intentions of the first generations to let the second generations manage the firm.

Table 3. 4. The Positive and Negative Outcomes of R2 Strategies

Positive outcomes of the strategy	Negative outcomes of the strategy
<p>a) Eases to a more rapid capital accumulation on the family</p> <p>b) Provides a capital accumulation on the firm</p> <p>c) Gives the opportunity of rapid growth when the second generations with successful education strategies start to dominate</p> <p>d) Improves the solidarity levels of family by distributing the firm positions among the family members</p> <p>e) Increases the solidarity and cooperation levels of the family members for the sake of the family wealth</p> <p>f) Relatively higher education levels</p> <p>g) Contingent solutions for the positional controversies emerged from the conflicts between the familial positions and firm positions of the members if the family tends to maintain the traditional family relations</p> <p>h) Gives the opportunity to articulate the firm to the national and supra national production networks when the highly educated second generations start to dominate</p>	<p>a) Increases the total risk loads of the family members</p> <p>b) Causes high sectoral dependency when combines with the S2 strategy</p> <p>c) Decreases the flexibility rates of the traditional family relations</p> <p>d) Harms the professional decision making processes of the firm with the traditional family decision making processes</p> <p>e) Opens to intergenerational conflicts, tensions and controversies</p> <p>f) The risk of the positional controversies emerged from the conflicts between the familial positions and firm positions of the members if the traditional family relations are harmed</p> <p>g) Sometimes causes firm collapses due to deep familial conflicts</p> <p>h) Causes firm collapses when the traditional family relations are weakened</p> <p>i) Creates intra family conflicts due to institutionalization and professionalization needs of the firm</p> <p>j) Creates high needs of institutionalization and professionalization of the firm</p> <p>k) Causes shrinking firm size or sometimes collapses if the institutionalization experience is a failure</p> <p>l) Causes tensions and controversies in the process of intergenerational transitions</p>

S1 – The strategy to select new profitable sectors

The aim of this strategy was to find the most profitable sector in order to increase the wealth of the family. The strategy also included the business transformation from trading to artisan production, and to some extent, vice versa. The sectoral

selection emerged in two ways including the first movers and the followers. However, a meaningful first mover advantage has not been detected among the interviewed firms in the field research throughout the dominance period of the first generations due to their strong market sharing tendencies. First mover selections seem to have been the mere outcome of the traditional local trading mentality its innovative abilities. The local trading mentality have sought not only the market opportunities, but also new products. 5 important sectoral selection examples are detected in the field research:

- a) Pressure cooker and boiler or furnace production with the high quality scrap iron parts from the closed airplane factory in the 1950s.
- b) The transition from the wholesale or retail trading of the products of Sümerbank Cloth Factory to textile and garment production in the 1950s.
- c) The transition to the sectors that emerged from the rapid urban growth in Turkey; the transition and specialization from carpentry to door and window production in the 1950s and 1960s.
- d) The sectoral selections emerged from the increasing national level middle class consuming abilities; the transition and specialization from carpentry to furniture, metal furnishing industry in the 1950s and 1960s.
- e) The sectoral selections emerged from the increasing of textile and garment industry and artisan production in national levels; the transition and specialization from blacksmith and artisan stove production to the production of machinery for manufacturing industry.

The firms in these sectors experienced the most rapid growth levels in Kayseri after the 1980s. This strategy seems to have been more risky than the S2 strategy. However, many of the firms tended to combine this strategy with R1 strategy in order to decrease the risk levels. The second sectoral selection way was to follow and to apply of the successful selections. This way has also been an outcome of the traditional local trade mentality. It is important to put that the most successful firms in Kayseri have used the first sectoral selection way although any statistically meaningful difference in terms of growth and success is

not detected in the field research between the firms which used the first way and the firms which used the second way.

Table 3. 5. The Positive and Negative Outcomes of S1 Strategies

Positive outcomes of the strategy	Negative outcomes of the strategy
<p>a) Eases a total increase in the wealth of the family when combined with R1 successfully</p> <p>b) Provides flexibility</p> <p>c) Provides an openness to innovativeness</p> <p>d) Supports both the informal and formal education strategies</p> <p>e) Provides the transformation from trade capital to production</p> <p>f) Eases a rapid growth and capital accumulation when combined with R2 if the firm does not face sectoral stagnancy</p>	<p>a) Causes the threat of the destruction of local production styles and local knowledge</p> <p>b) Causes an increasing tendency of real estate speculations</p> <p>c) Causes an increasing tendency to use the capital in speculative manners instead of using the capital in investments</p> <p>d) Causes a high risk of firm collapse when combined with R2 if the firm faces sectoral stagnancy</p> <p>e) Does not support the traditional family structure when family conflicts appear; on the contrary supports the shrinking in the size of the family</p> <p>f) Causes relatively high risks</p>

S2 – The strategy to stay in the traditional sectoral selection (the strategy to maintain the sectoral selections of the elderly members of the family)

This strategy is highly concerned with the risk strategies and usually neutralized the outcomes of the R1 strategy. However, it is detected that this strategy was applied by the firms which already selected the profitable sectors. The aim of this strategy was to stay in the best known sectors without committing any risks. The economic success of the families which used this strategy highly depended on their success in other strategies. Particularly the education strategies have been

the first determinants of the success of this strategy. The number of interviewed firms combine this strategy with E1 is less than the number of firms combine this strategy with E2 and E3. Moreover, the combination of R1 S2 E1 seems to have been the less favorable strategy combination and only 4 of the interviewed firms used this strategy in the first generations. Besides, only 2 of them experienced growth. On the contrary, it is detected that the firms which combined this strategy with R2 and E2 or E3 experienced high growth rates particularly when the second generations started to dominate

Table 3. 6. The Positive and Negative Outcomes of S2 Strategies

Positive outcomes of the strategy	Negative outcomes of the strategy
<p>a) Increases the possibilities of the inheritance of the local traditional knowledge</p> <p>b) Supports the possibilities of the inheritance of the local traditional knowledge within the traditional family</p> <p>c) Provides a relatively low risky field for production</p> <p>d) Supports the outcomes of the R2 strategy</p>	<p>a) Causes the possibility to obstruct E2 and E3 strategy applications</p> <p>b) Causes a high sectoral dependency</p> <p>c) Weakens the outcomes of the R1 strategy</p> <p>d) Impedes the transformation of trade capital to production</p> <p>e) Constraints the institutional transformation of artisan business to family firm</p>

E1 – Informal education in the selected sector

This strategy represents the informal education process that the child begins at the age of 7 or 8. According to the interviews, this process has had two stages. The first stage begins at the age of 7 or 8 and continues until the age of 12 or 13 when the second stage begins and generally includes the informal trade education. This stage aimed to inform the child about the traditional trade mentality and its applications and to prepare the child to its point of view. This stage gave the opportunity to contact the first applications and the view points of

the traditional local trade mentality. The abilities of the child to adapt this mentality have also been tested throughout this stage which represented the ability test of the basic buying and selling relations

Almost all the first generation and elderly second generation respondents in the interviewed firms emphasize that this process helped the child to break his timidity and to become more enterprising; to show the pleasure of making profit; and to teach how hard to make profit and thus how hard to gain enough money for keeping him in a wealthy position. These first generation and elderly second generation respondents also stress the vital importance of this stage. This first stage has been applied in two different ways. In the first way, the child have tried to make some profit by selling matches, “simit”, cigarette holders, bead, sunflower seed or – more recently – handkerchief. The father of the child has given him some capital once. The children have used this starting amount to buy the above mentioned simple commodities from the near neighborhood grocery and have tried to make profit by selling these stuffs in the city center. The second way refers to the apprenticeship of the child in a local grocery.

Everyone has been aware that the child was in his education program when they saw a child trying to sell something, and they acted as tough buyers. But no one has crossed the limits and they acted carefully in order not to discourage the child in this process. Thanks to this process, children have become fully aware that gaining money and making profit have been too difficult tasks to achieve. This informal education process also represented the adaptation period of the child to the local trade values, virtues and relations. The child should have also learned the local virtues in this process. Saving, for instance, has been one of the most precious local virtues, the first and the elderly second generations stress.

“When I was 7, in a summer time, my dad gave me some money – I do not remember the actual amount now but let’s say 5 liras as capital and 1 lira for lunch – and told me to buy something from the neighborhood grocer and sell them in the market place in order to make some profit. In the first day, I hardly sold the matches for 5 liras which I already paid 5 liras for them. My dad gave

me only 1 lira for lunch the next day and I realize that if I fail to sell something for at least 5 liras, I absolutely would not make any profit; on the contrary, I might lose my capital. In order not to fail, I started to take some bread and olives at mornings and made them my lunch. At the end of two months, I achieved to make my 5 liras to 35 liras. However, I always failed to sell the matches for more than 5 liras. I was barely selling them with the same amount I bought; however, I saved my lunch money. My dad asked me the price of a box of matches. I told him that I sold them for 0.10 liras. But my father knew how much I paid for every box of matches and he surprised about my profit. He quite angrily asked me how I could achieve to make profit by selling a box of matches at the same price I paid for. When he learned that I saved my lunch money in order to raise my starting capital, he started to give me some speech about the importance of the lunch, but I saw his appreciation in his eyes.” (Informant 07).

This example indicates the vital importance of saving as a virtue in Kayseri. Moreover, it indicates the way and the age of learning the importance of saving. According to an interviewed native Kayserian, saving is a virtue that should be learned at childhood by experience, not by advice. Owing to the fact, the child should be pressed hard for learning the importance of it; and should be eased for not to get discouraged. The balance of this pressure and ease was very important and the local people have completely been aware of this balance. Another local virtue, which could not be learned by advice, was the ability to bargain.

According to the Kayserians, trade is the art of reconciliation and consensus; and it is fair to request any price for any commodity as long as the customer accepts. There are two vital things in this process: the consensus about the price between the seller and the buyer; and the need to prevent any wealth losses of the family. Owing to the fact, bargaining has been – and still is – one of the most important relation types – as a manner of social relations – for Kayserians. A local statement suggests that one should offer the half of the price of any commodity if s/he does not know the actual market price of it.

The second stage of the informal education was the complementary part of the first stage and referred to an articulation of, usually, an artisan skill to the learned trade mentality in the first stage. The selection of the skill – artisan or merchant – was related to the risk and sectoral selection strategies of the family. Therefore, this process has been an informal technical and occupational education process and the child should have been trained by a master. According to the R and S strategies of the family, the child began to work either in the family business or in another business whose owner and the family of the child has had face to face relations. There were two complementary responsibility fields in this process. The first one represented the responsibilities of the child. The child has been responsible for learning the artisan production in its most efficient way; for gaining self confidence in terms of this skill; for learning to collaborate with the other workers; for learning to respect the master and his skills; for understanding the relation between the business that the child works and the other businesses; for realizing how hard to make profit and gain money by working; and for realizing the virtue of working.

The second field was the responsibilities of the master. The master has been responsible for not to let anyone to be partial in favor of the child and for controlling and taking care of the child about fulfilling his responsibilities in its most efficient ways. If the business was owned by a master who was not a member of the family, then the master has also been responsible for preparing the child for the actual trading life. This responsibility of the master has created another complementary and mutual responsibility field among the masters and thus families, since many of them have sent their children to each other.

This complementary and mutual responsibility relations emerging from the informal education process have both become one of the main basements of the local business culture and have mostly fed the establishment and maintenance of local solidarity. Therefore, the local solidarity not only has been constructed upon local virtues, moral rules and social and cultural values, but also upon the local mutual and complementary responsibilities. This process has also prevented the alienation of the child, who would be an employer soon, from the

workforce. Besides, it provided a face to face relation with the workforce, thus included more than just preventing the alienation.

This second stage has been the final step of deciding whether the child would be a merchant or an artisan. The very feature of the welfare family seems to have been its effort to provide a favorable job for its members. The degree of favorableness is told to be measured by the opportunities to prevent wealth losses and to provide wealth gains by the informants. The selection of this favorable enough job for the child has been carried out in terms of the success of the child throughout this informal education process. If the child achieves a considerable success in this process, the family supports the child in tune with this success. If the child fails to achieve a considerable success, than the family supports him in formal education areas and uses the E4 – the strategy of formal education for a government or professional service jobs – strategy.

It is vitally important to consider this process in terms of the welfare family. Because the focal point of this process has been to provide a favorable job opportunity for the members of the family rather than satisfying a firm growth. This informal education process has been a traditional local process in Kayseri and it seems to have existed like the traditional local trade mentality. The informal education strategy was one of the main strategies that applied during the dominance of the first generations. And the most important changes have emerged within this process during the dominance of the second generations.

Table 3. 7. The Positive and Negative Outcomes of E1 Strategies

Positive outcomes of the strategy	Negative outcomes of the strategy
<p>a) Eases the transformation of workforce to employer and thus prevents deep conflicts between capital and labor</p> <p>b) Becomes a strong local institution and supports the inheritance of local knowledge</p>	<p>a) Possibility to hinder the E2 and E3 strategies when combined with S2</p> <p>b) Usually creates small and low capable firms when combined with S2</p> <p>c) Possibility to hinder the relations with the supra local network due to being a strong local institution</p>

Table 3.7. The Positive and Negative Outcomes of E1 Strategies (Continued)

<p>c) Supports the traditional extended family structure and the traditional relations among the family members</p> <p>d) Provides high skills for the local population in terms of local knowledge</p> <p>e) Supports the empathy between the capital and the labor</p> <p>f) Becomes one of the most important bases of the local business culture</p> <p>Supports the inheritance of local virtues and values</p>	<p>d) Supports the close socio-cultural structure</p> <p>e) Sometimes hinders the professional workforce demand</p>
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E2 – Formal engineering education appropriate to the informal education in the selected sector

In the E1 strategy, if the education is on production and the general strategy of the family tends to continue on production, a strategy to direct the child to formal engineering education is found in the field research as the second education strategy of the welfare family. This strategy was an outcome of a local pragmatism thought which considered the formal engineering education as the superior knowledge of production. This strategy indicates that the first generations have anticipated a production boom with the help of highly educated second generations. At the same time this strategy indicates what local pragmatism has anticipated from the formal education. The valuable knowledge in terms of this strategy has been the knowledge having been concerned either with the production process, or the product itself, or the knowledge which was convenient to be sold. This kind of a local pragmatism was the outcome of the local traditional trade mentality. The most innovative way to increase the amount of production applied by the first generations seems to have been this strategy, and it worked and achieved to a large extent.

This strategy has had a great importance in the production booming dominated by the second generations after the 1980s. It was applied at least one family member in the 65 % of all interviewed firms. The rate is even higher and approaches 98 % of all interviewed firms when this strategy is extended by the formal technical high school education. It is found that the combination of E1 with E2 has created high growth rates after the 1980s. In this context, it is important to emphasize that the informal and formal education strategy combinations together have facilitated peculiar skills for the second generations. The E2 strategy was the decision of the first generations and was applied to the elderly second generations. HES Conductor and Cable factory is one of the most important examples of this strategy.

Table 3. 8. The Positive and Negative Outcomes of E2 Strategies

Positive outcomes of the strategy	Negative outcomes of the strategy
<p>a) Enables to establish the modern ways of production from artisan production</p> <p>b) Gives the opportunity to transform the trade capital to industrial investment</p> <p>c) Increases the professional workforce demand</p> <p>d) Eases the ways of product innovation</p> <p>e) Production flexibility</p>	<p>a) Gradually increasing alienation to the local production knowledge</p> <p>b) Gradually increasing alienation to the local itself</p> <p>c) Gradually increasing alienation to the local solidarity emerging from the local institutional cooperation</p>

E3 – Formal business administration education in tune with the firm needs with the informal education in the selected sector

This strategy is emphasized to be influenced by the elderly second generations by the elderly second generation informants. It was applied to the younger second generations in order to meet the professional administration needs of the

growing family firm. The E1 and E2 strategies have directly been focused on the production processes of the firms. However, the growth experiences of the firms have forced the engineer second generations to be more concerned with the business administration problems of the firm. One most important consequences of the firm growth has been the alienation of the producer elderly second generations from the production process. Owing to the fact, the Kayserians seem to consider this circumstance as the first indicator of the need of firm professionalization.

This professionalization style, however, does not let the professionals manage the firm. It rather represents a professionalization of inter-firm production processes and a professionalized assistance to the family member owner manager. The management circle has been filled with the family members. Owing to the fact, the dominance period of the second generations represents the need of new strategies like institutionalization strategies. Therefore, this E3 strategy should be considered in terms of these institutionalization strategies also.

Table 3. 9. The Positive and Negative Outcomes of E3 Strategies

Positive outcomes of the strategy	Negative outcomes of the strategy
<p>a) The opportunity to create links between local and supra local production networks</p> <p>b) Supports high rates of growth when combined with the S1 strategy</p> <p>c) Increases the professional workforce demand</p>	<p>a) Gradually increasing alienation to the local production knowledge</p> <p>b) Gradually increasing alienation to the local itself</p> <p>c) Gradually increasing alienation to the local solidarity emerging from the local institutional cooperation</p> <p>d) Gradually increasing alienation to the workforce</p> <p>e) The transformation of the “captain of industry” to the “captain of business”</p>

It is important to note that the families have used the combinations of these strategies, instead of using them individually. There were 12 different strategy combinations detected in the research throughout the interviews with the owner managers of the family firms which are:

R1-S1 Strategy Combination: This combination combines the strategy to distribute the risk amongst the family members with the strategy to select new profitable sectors. The main differentiating components of the success of the R1-S1 strategies are the E strategies. In this combination, the family members have usually owned different businesses from different sectors. These sectoral selections have sometimes corresponded to each other. For instance, if one member has a business in production, the other member of the family sometimes sells the production of the other member. These kinds of cooperations among the members enabled a quicker capital accumulation on the family. The R1-S1 strategy combination was diversified into three with the E strategies. As mentioned above, the E strategies of the families were applied to the second generations. Therefore, the combination was diversified by the E strategies after the involvement of the educated second generations with the business. It is found in the research that the families who applied the E2 and E3 strategies to this combination have been able to establish successful family businesses after the 1980s. Nevertheless, it is also found that 46 % of interviewed families who applied E1 strategy to the elderly second generations. However, after the involvement of the younger second generations, the E1 strategy seems to disappear.

R1-S2 Strategy Combination: This strategy combination combines the strategy to distribute the risk amongst the family members with the strategy to stay in the traditional sectoral selection. It is important to understand the economic structure of the traditional extended family in order to understand this combination. There were always more than one first generation in the extended family, and usually, there were more than one antecedent of these first generations. Owing to the fact, two first generation entrepreneurs who were cousins might have the opportunity to select their father's traditional sectoral selection. The main

difference between this combination and the one above seems to be the opportunity to select a different sector from the predecessor's sector given by the R1-S1 strategy. However, the R1-S2 strategy combination usually improves the inter-family cooperation if there is a complementary relation between the sectors of different first generations. As mentioned above, there can be a complementary relation between family members' sectoral selections. Sometimes, one member has a business in production; the other member of the family sometimes sells the production of the other member. It is found in the research that these complementary relations between the family members were more common in this strategy combination. However, the main determinants of the success of this combination are the E strategies. It is found that with the E2 and E3 strategies appropriate to the complementary relation between the family members and when the second generations achieve to combine their individual businesses, they succeed to establish rapid growing family firms after the 1980s.

R2-S1 Strategy Combination: This strategy combination combines the strategy to direct the family members and the risk toward the family business with the strategy to select new profitable sectors. The aim of this combination is to intensify the inter-family cooperation on the business. This combination generally used by the families whose sectoral selection enabled a considerable growth of the business. Generally, the native Kayserian entrepreneurs do not count on people except family members. If the business of the family begins to experience considerable rates of growth, it will need more workers especially in the sales departments. The Kayserian entrepreneurs are aware of the profits of trading. If there is a successful business in production, they tend to keep the trade of this production within the family. And if the family does not tend to establish a new business for its members, it will direct the members to the business especially in tune with their educational skills. According to these skills, while some members are directed toward the production, the others are directed towards the sales of this production. Therefore, the E strategies determine the success of this combination most especially after the involvement of the second generations.

R2-S2 Strategy Combination: This strategy combination combines the strategy to direct the family members and the risk toward the family business with the strategy to stay in the traditional sectoral selection. This combination is the least used strategy combination that applied by the families. Only 10,53 % of the interviewed families used this strategy throughout the dominance of the first generations. It is found that only the families, whose traditional sectoral selection was already in profitable sectors, succeeded after the 1980s. Nevertheless, the greatest family firms of Kayseri used this strategy in the first generations. However, it is also found that the exact determinants of the success of these firms are the E strategies. The interviews show that only the firms, dominated by the highly educated second generations were able to grow after the 1980s.

There are 76 participant firms 74 of them used these 12 combinations throughout the dominance period of the first generations. The study is failed to detect the strategy combinations of 2 firms since the current owner managers either did not remember which combinations did their predecessors use or did not want to express. Figure 3.19. shows the rate of the families according to the strategy combinations applied by the first generations between 1950 and 1980. It is possible to assume that this distribution may also indicate the success of the combinations. The number of the families who used these strategy combinations may be equal to each other. Therefore the agglomerations on these strategies may indicate the favorable combinations as well as the success of them. Owing to the fact, it may be misleading to indicate a combination as the most favorable combination due to the agglomeration of families on this combination since this agglomeration may indicate the success of the combination itself.

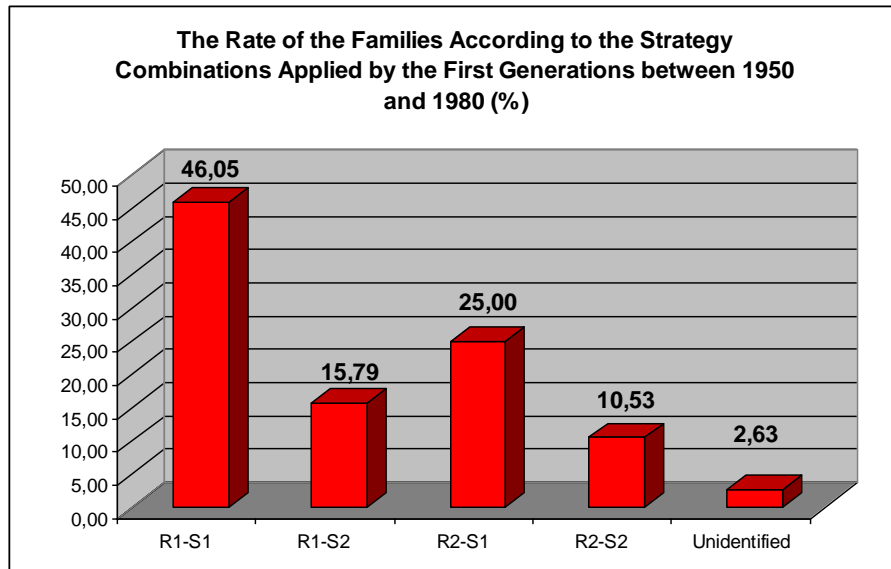


Figure 3. 19. The rate of the families according to the strategy combinations applied by the first generations between 1950 and 1980 (%) (Compiled from the interviews with the owner managers of the family firms).

As stressed above, the family strategies are important components of the local business culture and they also indicate the local inherent institutions. These local institutions and their functions were detected within the interviews. Besides, it is known that the town of Kayseri has inherent socio-spatial institutions. The functions of these institutions became more visible in the analysis of the family strategies. But, since these institutions are other main components of the local business culture, it may be useful to identify them individually. The following sections attempts to identify these inherent local institutions.

3.4.3. Local Institutions

David Reisman (2002, p1), in his study on the institutional economy, defines the institutions as rules and the routines, patterns and prescriptions. Furthermore, while indicating the definition of the social capital of Robert Putnam (1995, p.67) – “...the features of social organization such as networks, norms and trust...” – he underlines networks, norms and trust as sets of institutions (Reisman, 2002,

p.201). In other words, he emphasizes that the social capital is a totality of institutional components. Therefore the local business culture, which began to rise during the dominance of the first generations in Kayseri, can be identified as a social capital which is the totality of local institutional components. This section attempts to identify the local networks, local norms and the constitution of local trust as institutions.

Identifying the ways of establishing trust relations in local networks may ease to understand the nature of these networks. As emphasized above in the informal education strategies of the traditional family, the reciprocal responsibility relations between the traditional family networks and the local artisan and merchant ones have long been the main sources of the constitution of trust. It is found in the research that the trust circle in Kayseri is fairly narrow. In other words, these networks have tended to exclude the “strangers” until when they prove their trustworthiness. It constitutes a strong “we and others” conception, and requires the membership in the “we” conception. According to Kayserians, only those who belong to this “we” conception are considered to be trustworthy. This conception directly represents the membership of certain networks in Kayseri. The most remarkable network in this context represents the native traditional families.

However, it is possible to notice that many families from the close rural settlements had been successful in penetrating this network. According to the general director and the owner of a local media institution, this penetration had been successful owing to the similar traditional origins of the families (Informant 08). He, therefore, indicates the main norms for the membership in the family networks. Besides, the membership in the family networks represents a key factor for a strong position in the membership in the production networks. This membership requires the adaptation and obedience to the tacit rules of the local traditional social structure (Informant 08).

Although it is impossible to detect these tacit rules within an exact certainty, some of these rules especially the ones which are concerned with the reciprocal

responsibilities can be identified. The fulfillment of the responsibilities in the E1 strategy sheds light on some of these rules. Besides, it is clear that the traditional moral norms are such rules. But more importantly, these rules were mostly concerned with the traditional social structure in the dominance period of the first generations. But just being a member of the traditional family network does not meet the need to be the member of the production network. Any individual who applies for the membership in local business culture should prove his professional and technical qualification and skills. There were two most common ways to prove these professional and technical qualifications and skills in the dominance period of the first generations. The first way requires the membership to the artisan or trade foundations after the success in the informal education process. The second way to prove the technical and professional skills is the successful formal education after the success in the informal education process.

In 1976, there were 25 artisan and trade foundations in Kayseri (van Velzen, 1978a, p.44) which were the most effective business organizations after the Chamber of Industry and the Chamber of Commerce. The membership in these artisan and trade foundations was important indicator the technical and professional skills although it was not mandatory to be a member. Besides, there was considerable number of purchasing cooperatives established by artisans that aimed to provide with cheaper raw material for the production units. These cooperatives tried to benefit the utilities of the economies of scale by purchasing greater amounts of raw materials than the purchasing ability of an individual production unit. Therefore, the membership in these institutions not only provided with local business esteem, but also enabled economic benefits.

It is important to mention about the efforts of the municipality to create economic opportunities for the members of the local business culture. These efforts most generally began with the administration period of Mayor Osman Kavuncu. After the construction of the industrial area, the production units suffered to get credits and incentives from the public. Osman Kavuncu helped these production units to get credits even by requesting incentives from the ministry. This supportive

attitude of the municipality toward the producers maintains itself generally. However, this picture is not free from the conflicts. The following section attempts to identify these conflicts.

3.5. Tensions and Contradictions in the Local Pathway of Development

The first generations left a legacy which eased the economic boom after the 1980s to the second generations. As stated in the beginning of the chapter, it is important to analyze the local business culture which was emerged throughout the dominance period of the first generations in order to fully understand the successful rapid capital accumulation process after the 1980s. However, conceptualizing this path merely by its successes will be misleading since the internal conflicts are disguised in the conceptualization of the successes. The development path has had its own conflicts although it has resulted in an economic success. Therefore the analysis of the development path requires the analysis of the successful Kayseri as well as the investigation of the “other” Kayseri.

In fact, there generally lies an ordinary feature under the competitive capabilities of the firms which can be identified as the low cost labor. Although the local business culture was quite able to manage the conflicts between the labor and the capital, there were considerable tensions appeared especially between the multi partnership based big private enterprises and the labor. It is important to distinguish between the artisan production and these big private investments. The local business culture was much more effective among the artisan and merchant units and the trade unions were failed to penetrate into the relation between the artisans and their labor. Van Velzen (1978a) also emphasizes this failure of the trade unions. On the contrary, the trade unions were very effective in those big private investments. Therefore it is possible to put that the unorganized labor force was failed to defend their rights in the artisan production processes, but it was achieved to defend their rights when they organized. Furthermore, it is possible to put in tune with this statement that the local

business culture did not let the labor to organize. To what extent do these two statements represent the reality?

The answers of this question lie under the peculiar features of the local business culture and the labor. Let us begin with the analysis of the labor. It seems that it is possible to analyze the labor from two distinct view points. Some researchers tend to identify the labor force in Kayseri in the period between 1950 and 1980 as a labor that was unorganized and even far from the consciousness of organizing; and that was unable to become the proletariat since it did not lose its possessions owing to the primeval accumulation processes (Korat 1997; Doğan, 2007). This tendency openly states that the class consciousness has been failed to be appeared and Kayseri has grown by the primeval accumulation processes.

On the other hand, it is possible to read this story from a distinct point of view. The most important feature of these artisan production units, wherein the trade unions were failed to penetrate, is its functioning. Every employer is not a simple capitalist businessman and joins the production process not only with his capital, but also with his own workforce. The employer is the master and has an institutional position which makes him responsible to teach – whether inherited or not – the particular production knowledge to his apprentices. As mentioned in the previous sections, this is a local reciprocal responsibility relation. Therefore, this process has allowed the workers to become apprentice at first and then master at last. Every master, when he achieved to prove his professional and technical skills, has the chance to establish his own artisan enterprise. Furthermore, there are successful entrepreneurs in Kayseri even today who achieved to become a master and an entrepreneur when he started as a worker. And above all, some of these successful entrepreneurs today lead the greatest firms of Kayseri which classified within the 500 greatest firms of Turkey. Under these circumstances the trade unions were failed to penetrate into the relation between the master and the apprentice wherein the local business culture was dominant. Therefore, this failure of the trade unions was not only due to the power of the capital, but also due to the intention of the labor. So when the conceptual links are created from this point of view, it can be possible to state

that the labor was not unconscious and unorganized as deemed by the above mentioned view.

Obviously, the continuity of the relation of the workers between their rural homelands smoothed the tensions in this process. The traditional family again protected its members. Many labor families in Kayseri did not collapse their relations with their familial extension in their rural settlements. Owing to these relations, these families did not feel the poverty to a large extent although they worked for fewer wage rates than the minimum wage rates identified by the state. Therefore, the dominant traditional social structure, wherein the resignation and modesty are seen as main virtues, of both the capital and the labor should not be underestimated. Considerable tensions did not emerge between the capital and the labor that penetrated the processes which were under the dominance of the local business culture, whether this culture is identified as virtuous or primeval it matters not. The tensest conflicts between these two parties in Kayseri appeared in the multi partnership big private investments. Mr. MT, who was the general director of a big private investment in this period, blames the trade unions due to their pressures for higher labor wages. According to him, the collective labor agreements in this period lowered dramatically the profitability of the firm, and owing to the fact, many of these firms passed into the hands of certain families after the 1980s (Informant 09).

On the other hand, these tensions in Kayseri were not as strict as the ones appeared in many big towns. These tensions were smoothed by the strict rules of the traditional social structure which openly excludes anyone who does not obey or adapt to its rules. Therefore, many labor movements were suppressed by the dominance of the traditional social structure. This suppression appears as the exclusion not only from the economic life, but also from the social life. The interview with the member of the director board of a great firm, which has been classified continuously within the 500 greatest firms of Turkey for ten years, crystallizes the nature of this exclusion. He directly states that not only the labor but also the capital has been organized, and stresses that every employer knows even the names of the insistent workers (Informant 10). Therefore the closed

traditional social structure in Kayseri not only rejects but also excludes the people who do not obey its rules.

However, although this traditional social structure seems that it smoothes the tensions between the capital and the labor, it complicates the willingness of especially the qualified labor to work in Kayseri. Thus it creates another conflict between the needs of the capital and the willingness of the qualified labor. More importantly, there is another sharp conflict concerning with the traditional social structure. This conflict appeared due to the annihilation of the traditional mahalle organization. Although the traditional social relations were able to create its peculiar spatial extensions after the annihilation of the traditional mahalle organization, these extensions limits the local public realm into themselves. The public realm got caught within the houses of the members of the traditional social network. Therefore the newly created spatial extensions after the annihilation of the traditional mahalle organizations not only strengthen the close structure of the social network, but also hinder the public access to the decision mechanism of the town. It is difficult to access this decision mechanism of the town and the interviews indicate that a fairly close social structure dominates the decision mechanism even today.

The strengthening of the close social structure most generally keeps the generational conflicts under wraps. The traditional family relations are the main solutions of the conflicts between the family members. However, due to these relations, the generational conflicts become invisible. But according to the interviews, there were considerable tensions between the first and the second generations. The main tension between them appears owing to some economic decisions of the second generations which directly contradict to the family strategies. Mr. MB, a second generation entrepreneur who is the chairman of the board of directors of one of the greatest firms which is classified continuously within the 500 greatest firms of Turkey for more than ten years, states that their main success emerged after they broke the strict rules of his father and uncle. However, he emphasizes, this rule breaking was not the heart breaking. He and his brothers and cousins tried hard to convince their predecessors to break some

of the rules (Informant 11). Not only Mr. MB, but also the other participants commonly state that these generational conflicts are resolved within the traditional family relations by convincing the elders.

Consequently, it can be stated that the local business culture was an important factor in the resolution of the tensions between the capital and the labor. Many of these conflicts did not stick out apparently due to the traditional social structure, traditional family relations and the local business culture. However, this does not mean that every conflict was resolved. Many of them rather inherited to the second generations. Owing to the fact, it is important to analyze the inheritance of the second generations from the first generations. The following section identifies this inheritance.

3.6. Conclusion: The Legacy of the First Generations

The rapid capital accumulation, industrialization, urbanization and growth experience of the town of Kayseri after the 1980s attracts supra national level attentions as a successful development practice. This attention seems to be intensified upon the process after the 1980s. However, it is found in the research that the successful experience of Kayseri after the 1980s is the generational extension of a peculiar development path which begins to rise in the period after the 1950s. This path more particularly ascends upon the peculiar modernization project of the town and the peculiar local business culture which is concerned with this project.

The modernization project has had two main components. The first one is the adaptation of the traditional life style to the modern life style which, in the beginning, aims to improve the extremely low living standards of the town. This project, at the same time, is the outcome of a newly ascending generation. The modernization project, on the one hand, creates new urban areas and improves the living standards of the town, and on the other represents a major renovation project that annihilates the traditional mahalle organization. In spite of the fact,

the still existing traditional relations succeeded to create their own spatial extensions even in the modern spatial organizations.

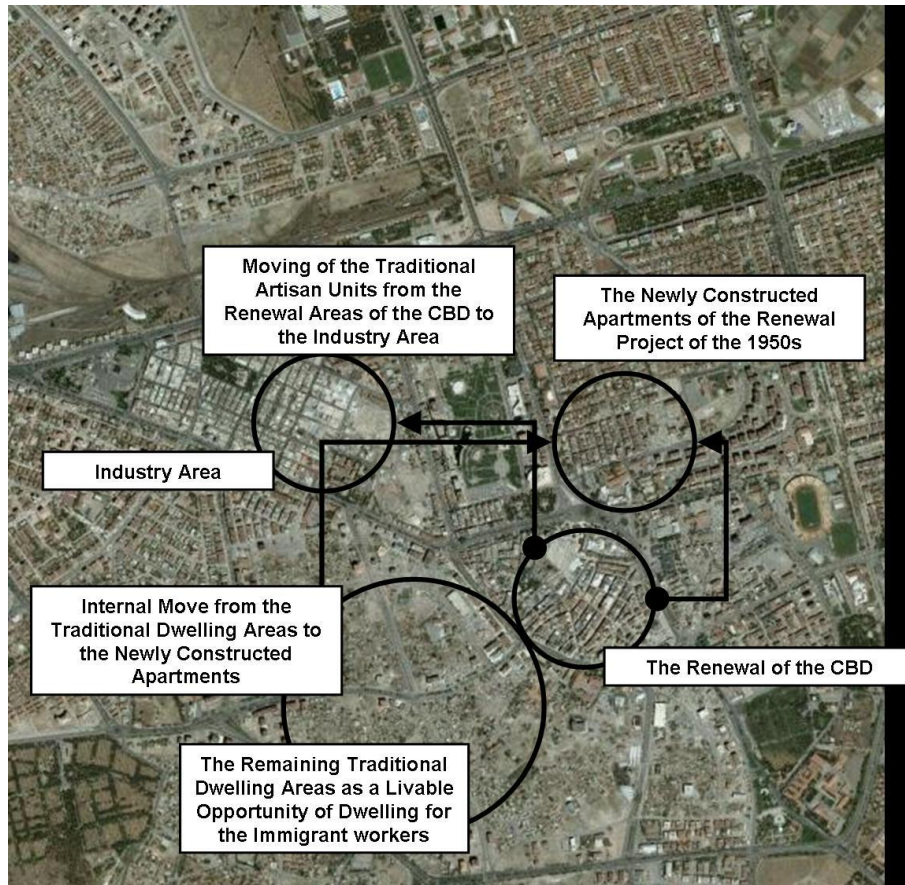


Figure 3. 20. The major renewal areas, the new housing and industrial area tendencies in the period between 1950 and 1980.

Besides, this modernization project spatially re-organizes the artisan production units in the town. This spatial re-organization supports and strengthens the cooperative relations between the artisan production units. In addition, these units were able to adapt the traditional production processes to the modern production knowledge whose main sources are the big public investments and their apprenticeship schools which were established in the town between 1923 and 1950. This adaptation has enabled both the production and production

variety increases. A peculiar local business culture has begun to rise along with these increasing cooperative relations and production rates. One of the most important components of this local business culture is identified to be the traditional trade mentality which has triggered the entrepreneurial potentials in the town. It is found in the research that this traditional trade mentality has emerged in tune with the existence of inherent socio-spatial institutions and produces a peculiar view point.

The national level success of the entrepreneurs who migrated out of Kayseri in the period between 1923 and 1950 seems to be good indicator of the influences of this mentality on the entrepreneurial potentials. Moreover, it seems to have been the key factor of the considerable success of the entrepreneurs in Kayseri in the period after the 1950s. This period has represented major increase rates of urbanization in Turkey and in Kayseri as well. The most important market for the Kayserian entrepreneurs in this period seems to have been the national market which has been growing in tune with this increasing urbanization. The metal furniture and machinery, food and textile sectors were the leader sectors in Kayseri in this period. However, significant developments emerged in two sectors that were furniture and construction supplier industry sectors. This rapidly increasing capital accumulation processes together with the increasing labor migrations to the European countries especially after the 1960s attracted supra local attention at the end of the 1970s. The Dutch economist, Leo van Velzen (1978a; 1978b) visited Kayseri at the second half of the 1970s and researched the industrial structure of the town.

This research of van Velzen (1978a) still seems to be a basic source for the researches which focus on the industrial history and structure of the town. One of the most important statements that van Velzen puts is the limited industrial development potentials of Kayseri owing to the high dependency of the industrial capital to the trade bourgeois. This statement seems to be embraced to a large extent in many of the following studies (Bilgili, 2001; Korat, 1997; Doğan, 2007). Actually, this one way dependency relation between the industrial capital and the trade bourgeois was fairly apparent. However, particularly having regard to the

economic strategies that the welfare family has implemented, it is found in this research that this relation between the industrial capital and the trade capital has not been a sole dependency relation between them; it has rather been a cooperation and solidarity between the family members who has been dominating different capital organizations. Above all, this dependency which was seen as the major obstacle for the industrial development has become one of the most important dynamics of the rapid capital accumulation experience as a familial cooperation which enabled the transformation of the production and trade profits to an efficient capital accumulation upon the traditional family. Moreover, this process seems to have been the most important competitive advantage of Kayseri. The traditional family in Kayseri dominated both the production and the trade activities and thus it gained both the profits of production and trade. Therefore when the family lowered one of the profit rates, the profit loss has become relatively lower than individual production and trade units. This capability of the family was due to the cooperation between the members of the family that owns both the production and the trade units.

To put it bluntly, the familial economic strategies having been implemented by the welfare family and having been supported by the local institutional structure have been the key components of establishing reciprocal responsibility and trust relations among the actors of this period. Since the industrial capital and the trade bourgeois were generally the members of the same family, the relation between the industrial capital and the trade bourgeois was a cooperative relation instead of a dependency although this seems, at first sight, to have been a one way dependency relation. This cooperative relation becomes much more apparent when the economic roles of the traditional family are recognized. Owing to these economic roles, the traditional family has become one of the most important components of the local business culture. Actually the traditional family was the main economic organization in this period and dominated the economic life in Kayseri not only by its economic strategies but also accumulating the capital upon itself. The detailed analysis of the family strategies enables to recognize the two other important components of the local business culture which were the local institutions and the institutional cooperation.

Two important local institutions which were the artisan production and merchant units become apparent within this analysis. The most important institutional responsibility of these units seems to have been the inheritance of both the traditional production knowledge and the tacit knowledge of the relation between the local economic relation types. This function of them, together with the knowledge inheritance function of the traditional family, has created strong solidarity relations which depended on the reciprocal responsibility relations. However, this local pathway of development was not a conflict free process. Many conflicts and controversies have emerged throughout this process and sometimes peculiar solutions for them have been found.

Some researchers tend to stress the capital – labor conflicts in this process (Korat, 1997; Doğan, 2007 for instance). It should be stressed that the capital – labor tensions did not trigger strict class struggles in this period. This feature is tended to be explained due to the absence of a conscious labor class since the labor was left disorganized within the primeval production processes by these researchers who also stress that this disorganization was due to the continuing traditional relations of the labor with their rural extensions. Nevertheless, considerable tensions emerged between the capital and the labor especially in the big multi partnership based private enterprises. And, these tensions are seen as individual exceptions being emerged within the modern production processes and it is stressed that the intensified primeval production processes obstructed the emergence of a conscious labor class and the labor was left disorganized within these primeval processes.

However, to what extent the labor was left disorganized and to what extent can these processes be identified as primeval are open questions. The local business culture has had a strong dominance over these processes and this culture gave the opportunity to the workforce to become the employer on the one hand, and strictly excludes everyone who did not intend to adapt to the traditional social relations wherein the resignation and modesty were seen as main virtues, on the other. These processes, wherein the local business culture was dominant, were constituted of complex traditional relations and have created

a strong cooperative structure that depends on the reciprocal responsibility relations. Owing to the fact, the tensions between the capital and the labor were smooth due to the attitudes of the capital toward labor, and vice versa. Actually, it is important to stress that there were many entrepreneurs who were apprentices at first and became the owner manager of great firms in Kayseri today. Even the Boydak Family, which currently owns biggest enterprises in the town, began the work with a small atelier after the apprenticeship within this process.

It is also important to stress that the labor did not experience strict poverty due to its remaining traditional relations with their rural extensions. This can be seen as a main reason of the smoothed capital – labor tensions. But a more important consequence becomes apparent from the generational view. The labor class in the period between 1950 and 1980 can be identified as the first generation labor. Throughout this period, since these first generation workers tended to continue the traditional relations with their rural familial extensions, they have achieved to deal with poverty and they also have found opportunities of individual savings. Many of the first generation labor invested these savings to the education of their successors. Therefore they created a significant human capital for the town. This transformation of these savings to the human capital has a great importance for the town.

The most apparent conflict in the town in this period was its gradually closing social structure. In tune with this process, the main decision mechanism of the town was limited with a close social network. After the annihilation of the traditional mahalle (neighborhood) organization, the traditional social relations have been able to create their own spatial extensions within the modern spatial organizations. However, these newly emerging spatial extensions not only strengthen the close structure of the social network, but also limit the decision processes within certain sub-social networks. This close structure obstructs the articulation of the qualified labor to the social process of the town. Therefore, the town becomes more unattractive for the qualified labor. However, the above mentioned second generation labor gave the town to opportunity to solve this

problem at least for a while. The rapid capital accumulation experienced in the period after the 1980s has been the generational extension of this development path.

CHAPTER 4

4. GENERATIONAL TRANSITION: CONSEQUENCES, APPARENT ECONOMIC SUCCESS AND DISGUISED CONTRADICTIONS

4.1. Introduction: The Inheritance of the Second Generations

The foregoing chapter shows that this success is the generational extension of a peculiar development path. This path was dominated by a certain generation – identified in this research as the first generations – that began to rise after the mid 1940s; mainly dominated the path until the 1970s; and began to pass the leadership baton to the succeeding generations after the mid 1970s. This dominance period of these first generations represents both the rise of a peculiar local business culture and the modernity project of the town. It is also found in the previous chapter that while the modernity project of the town refers on the one hand to the adaptation process of the traditional life styles to the modern life style, and on the other to the articulation of the modern production knowledge to the traditional production processes, the local business culture refers on the one hand to the social and economic solidarity that depends on the reciprocal responsibility relations, and on the other to the existence and vital role of the inherent socio-spatial institutions. Besides, the importance of the local traditional trade mentality which seems to be the main trigger of the entrepreneurial potentials of the town was emphasized in the foregoing chapter.

The economic success of the second generations, therefore, depends not only on their individual capabilities, but also on the positive impacts to those capabilities of what they inherited from their predecessor generations. Obviously, the individual capabilities of these second generations are concerned directly

with the family strategies applied by the first generations. An important inheritance of the second generations from their predecessors is the local business culture which is identified in this research as social capital which depends on the social and economic solidarity. Besides, the physical capital accumulated upon the family throughout the dominance period of the first generations was another legacy inherited from the first generations. The significance of the combination of the physical capital and social capital as potentials of the regional transformation capacity is stressed in the foregoing chapter. In this respect, the ability of the second generations to create a regional transformation capacity when their economic capabilities combined with the physical and social capital can be considered as a main success of them.

Actually, the local economic life witnessed booming times after the 1980s during the dominance period of the second generations. The organizational restructuring, which mainly represents the generational transfer of the economic roles and strategies of the welfare family to the family firms and refers to newly emerging cooperative relations between the family members for the sake of the family firm seems to be one of the most significant components of economic success. This period represents the high establishment of the family firm type of economic organizations. As emphasized in the foregoing chapter, the sole proprietorship type organizations represent the concentration of the cooperation of the family members upon the welfare family. However, this newly arising cooperation between the family members has transformed the organizations' ownership – and also the management – structures. Owing to this generational transformation of the cooperative relations of the family members, this period also represents the higher establishment rates of limited and incorporated type organizations than the sole proprietorships. Although in the period between 1980 and 2005, the firm establishment rates increased 153 % in comparison with the period between 1960 and 1980, the establishment of sole proprietorship type organizations increased only 26 % when the establishment of the incorporated company type organizations increased 1.250 % and the establishment of the limited company type organizations increased 19.250 % in the same temporal comparison.

Arguably, one of the most important indicators of the success of this organizational restructuring may be the booming export rates. Actually, the export rates increased 16.850 % in the period between 1975 and 2007, while the number of exporter firms which are registered to the Kayseri Chamber of Industry increased 2.625 % in the same period. Every single statistical indicator in fact indicates the economic success of the second generations in this period. However, this economic success of the second generations should be carefully analyzed in order to assess whether it is an actual Middle Anatolian miracle. Or is it a destructive process of capital accumulation gradually destroying local inherent peculiarities without creating a more livable urbanization. This investigation rather requires, on the one hand, the analysis of whether the economic success has been capable of giving the opportunity of a generational continuity as a development path for the successor generations, and, on the other, the careful analysis of urban outcomes of this success. Instead of the miraculous economic achievements, the findings of these analyses indicate the annihilation of many of the local inherent processes and institutions, and the deficiency of urban capabilities which were even left to be deficient on purpose by the close decision networks.

The economic success itself has become a matter of contradiction to almost all local inherent institutions and processes leading to the emergence of this economic success. The economic boom destroyed not only the reciprocal responsibility relations between the production units wherein the local business culture has been established, but also the traditional family. The diffusion of the traditional family represents the increasing alienation of the family members both from each other and from the extended family. And further, the perforation of the reciprocal responsibility relations resulted considerable alienations between the local production and merchant units wherein the local business culture has created certain solidarities. Therefore this peculiar culture itself has begun to recede into the misty horizon of the past and the new business relations mainly dominated by the Islamic networks have begun to rise.

Although the town has failed to preserve both the traditional inherent institutions and relations and even the inherent urban patterns lived more than thousands of years, many of the researches still seem to identify the town as conservative. It is found that this conservative appearance of the town is mainly forced by the recently ascending networks. However, the town has experienced the destruction of two inherent institutions, that were the traditional family and the reciprocal responsibility relations between the merchant and production units, which have been responsible mainly for the inheritance of the local peculiar knowledge – more particularly the traditional trade mentality – and the annihilation of the local trust relations. Further, apart from the most visible Seljuk period buildings, almost all inherent spatial footprints of the peculiar history of the town have been devoured. It seems that the second generations have mainly failed to preserve their local peculiar inheritances both the institutional and the spatial ones.

Moreover, they have failed to a large extent to help the improvements of the livability of the town although the town has maintained its centralized feature after the 1980s. Especially the institutional public urban services such as health and education supported its centralized position. However, neither the fake conservatism let, nor the local life style, which have been captured by the home oriented relations, have forced the improvement of the urban amenities which supports the creation of spatial extension of various spheres of interest in the town. On the other hand, the institutionalization strategies of the family firms which dominate the economic life of the town have obstructed the fluidity increase of the people flows that would be able to force this creation. From this point of view, the economic success of the second generations should be analyzed first in order to fully understand how this miraculous capital accumulation process turns to the generational fall of the town.

4.2. The Origins of the Economic Success: Restructurings and Transformations

The analysis of the economic success of the second generations shows that this success depends on the coexistence of three complementary contexts which are, in its most apparent terms, the highly efficient transformation of the economic roles of the traditional family to the family firms – that is identified as the organizational restructuring –; the increasing production rates; and the highly efficient transfer of the traditional trust based local business culture to the new business climate of the family firms. However, the deepest attention seems to have been intensified upon the production rate increases. Many of the local economic researches focused on the booming rates in the production and analyzed the development experience of Kayseri after the 1980s within this context. These researches show that the great proportion of the firms in Kayseri is intensified around manufacturing industry (see for instance van Velzen 1978a; 1978b; Bilgili, 2001; Doğan, 2007) and they sectorally dependent on consumption trajectories and trade bourgeois (according especially to Bilgili, 2001; Korat, 1997; Doğan, 2007).

Recently, some researchers (particularly Akdoğan, A., 2000; 2006; Akdoğan, Ş., 2006; Özdevecioğlu, 2001; 2007) have tended to focus on the organizational structure of the firms in Kayseri. These researchers noticed that almost all dominant producer firms in Kayseri are family firms. However, the generational views of these researches were merely limited by the succession process in the family firms without any generational consideration of the development path of the town. But the succession process represents a recent problem for the family firms, and the main suggestions of them seem to focus on the institutionalization and professionalization of the family firms in order to deal with the internal problems of them. More particularly many of them intensified on the problem of succession. This seems to be a result of a main view of these researches, which merely focuses on the firm structure. Therefore, they generally have failed first to analyze the development path, and second to consider the inheritance of the second generations from their predecessors in the peculiar context of this path.

Owing to the fact, the vital generational roles of the family firms within the development path of the town have not been scrutinized.

Besides, the direct and vital connections between the economic success of the second generations and the nature of the peculiar local business culture which has dominated the economic life in the period of the first generations have not been considered in this context. Apparently, the transfer of the cooperative trust relations from the local business culture of the first generations to the newly restructuring family firms of the second generations seem to have positively influenced the economic success after the 1980s. Although this transfer, along with the economic growth experience triggered the destruction of the certain inherent socio-spatial institutions of the local business culture especially after the 2000s, the vital contribution of these trust relations to the economic success cannot be underestimated. Therefore, the analysis of the economic success of the second generations should, in the first place, scrutinize this organizational restructuring dominated by the second generations.

4.2.1. Organizational Restructuring: From the Welfare Family of the First Generations to the Family Firms of the Second Generations

The current numerical weight and the importance of the family firms in the local economic life in Kayseri seem to have attracted an intensified attention of some local researches on them. Since almost all of the private enterprises in Kayseri currently represent the features of family firm type organizations, many of the strong local institutions such as the Chamber of Commerce, the Chamber of Industry and the Foundation for Research and the University and Industry Collaboration, supported the researches which focused on the organizational structures and problems of the family firms. However, this attention has intensified recently especially after the 2000s, when these family firms have begun to suffer from serious organizational problems especially related to their institutional structures and to the involvement of the successor generations to the firm.

But neither this gradually intensified attention to the organizational structure of the family firms, nor the local support for them, or the nature of these problems of the family firms is interesting. Rather, the recent time period in which the family firms have begun to suffer from organizational problems seems noticeable. This period after the 2000s indicates the involvement of the successor – third – generations. Actually most of the local researches seem to focus on this involvement problem of the third generations, or in its more formal terms, on the problem of succession. The emergence of these succession problems in the family firms in Kayseri can be taken for granted owing to the ordinary internal features of the family firms. Almost all of the second generations in Kayseri have approached to the transfer of the leadership baton to their succeeding generations. But the way to understand the origins of the peculiar problems of the family firms in Kayseri requires realizing that these family firms have emerged as a generational extension of the peculiar development path and peculiar local business culture. Therefore this generational continuity should be analyzed first.

The family firms in Kayseri do not represent the simple cooperation of the family members in order to establish an ordinary family enterprise. On the contrary, the emergence of them in this period represents the transformation of the economic roles of the traditional family – the welfare family – to the family firm type organizations. This transformation includes both the transfer of the capital having been accumulated on the welfare family to the family firms and the transformation of the family solidarity to the cooperation of the family members in the family firms. This transformation also indicates an organizational restructuring which has begun by the dominance of the second generations. The in depth interviews of this research with the family firms in Kayseri show that this organizational restructuring also refers to the generational restructuring of the local business culture. Therefore it is possible to put that the emergence of the family firms is not coincidental. On the contrary, they have begun to rise in tune with the organizational restructuring. Thus there are inherent relations between the family firms and the local development path of Kayseri. Owing to the fact, they should be considered in relation to this path.

Further, since the family firms are the generational extension of welfare families, the family component of them should be scrutinized carefully. This is not only a socio-economic analysis, but also refers to the investigation of both the decision mechanisms, behavioral patterns, ownership structures and even the individual institutionalization types of these firms. The 149 respondents from the 76 participant family firms, for instance, denoted without any exception that the rules of their firms have been constituted by the rules of their families especially in the first establishment years. In other words, it is found in the research that the first institutionalization patterns of the family firms in Kayseri corresponds to the transfer of the rules and the economic roles – more particularly the institutional structure - of the founder families. Moreover, the local business culture, which is a local institutional structure, has become the main basis of the relations between these firms throughout this organizational restructuring. Analyzing the peculiar inherent features of these family firms has vital importance not only in terms of identifying the recent organizational problems of them, but also realizing the current direction of the local development path.

It is possible to begin to identify the peculiarities of the family firms in Kayseri by investigating the family firm definitions of the literature. These definitions mainly distinguish the family firms by their family component and Davis (1986, p. 47), for instance, emphasizes that the family firm is the interaction between two sets of organizations; family and business, that establishes the basic character of the family business and defines its uniqueness. Actually the most intense emphasis of the literature stresses that a family firm is constituted of the coexistence of interdependent subsystems. One of the most comprehensive definitions in this context has been fulfilled by Beckhard and Dyer (1983). They emphasize that the subsystems in the family firms include first the business as an entity, second the family as an entity, third the founder as an entity and finally such linking organizations as the board of directors.

Additionally, the family component is directly concerned both with the ownership and management structures. Barry (1975, p. 42), for instance, while defining the family firm as an enterprise, which, in practice, is controlled by the members of a

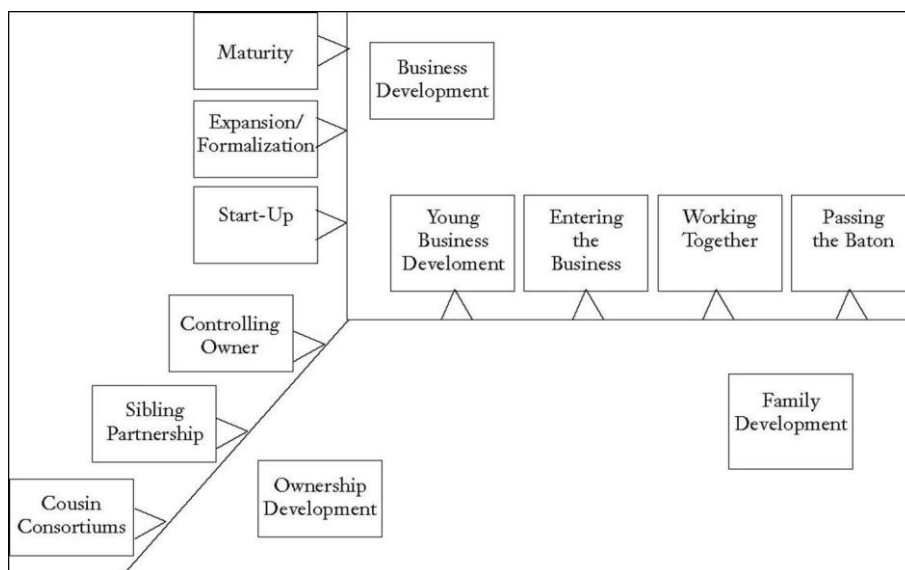
single family, stresses both the ownership and management components. Similarly, Barnes and Hershon (1976, p. 106) define the family firms in terms of the management and ownership structure and stress that the controlling ownership – of a family firm – is rested in the hands of an individual or of the members of a single family. Rosenblatt et al (1985, pp. 4-5) also stress the ownership and management structures and defines the family firm as a business in which the majority ownership or control lies within a single family and in which two or more family members are or at some time were directly involved in the business and Lansberg (1988, p. 2) emphasizes that a family firm is a business in which the members of a family have legal control over ownership.

There is a key point lies under all these definitions in addition to the ownership and management structures. All these researchers tend to identify the family firm within the dominance of a single family. However, there are firms whose ownership or management lies under the dominance of more than one family. Dyer (1986, p. xiv), for instance, defines the family firm as an organization in which decisions regarding its ownership or management are influenced by a relationship to a family (or families). Similarly Stern (1986, p. xxi) stresses that a family firm is a business owned and run by the members of one or two families. These definitions, arguably, consider the ownership structure within a quite different view point. Stressing the dominance of more than one family in a family firm refers to the cooperation of at least two families. Considering the family firm under the dominance of at least two families requires the examination of the involvement of these families to the firm.

It seems in the different surveys that different families have begun to involve with the firm after the succession process and some recent definitions of the family firms put the succession issue in their focal points. Churchill and Hatten (1987, p. 52), for instance, draw attention to the succession issue in the family firms and stress that what is usually meant by family business [...] is either the occurrence or the anticipation that a younger family member has or will assume control of the business from an elder. Besides, Ward (1987, p. 252) defines that the family firm is a business which will be passed on for the family's next generation to

manage the control. A more comprehensive definition puts that a accompany is considered a family business when it has been closely identified with at least two generations of a family and when this link has had a mutual influence on company policy and on the interests and objectives of the family (Donnelley, 1988, p. 94). These definitions highlight not only the ownership and management structures, but also the continuity problem of the firm.

Actually the problem of continuity in the family firms is seen as one of the most important challenges that family firms face and it represents one of the broadest research fields in the family firm literature. When the definitions were widened by the succession issue, the researches tend to consider the problem of the continuity of the subsystems. Gersick et al (1999), for instance, conceptualize a developmental model, which deals with the continuity problem of both the ownership, management and family components, for the family firms.. Figure 4.1. shows this developmental model.



Source: Gersick, K.E., Lansberg, I., Desjardins, M., Dunn, B., Stages and Transitions: Managing Change in the Family Business, Family Business Review, Vol. XII, No: 4, December, 1999, p.288.

Figure 4. 1. The developmental model for the family firms.

According to them, this model more efficiently represents the internal changes (or the transitions) of the subsystems of a family firm through a sequence of stages over time. The most important transitions in this context represent the succession transition process which is generally identified as the most important problem of the family firms since it influences every subsystem of the family firms. The statistical data of many researches show that the succession transition process is one of the most important challenges that a family firm face. According to these researches only 30 % of the family firms continue beyond the first generation, fewer still make it to the third and so on (Beckhard and Dyer, 1983a; 1983b; Ward, 1987; Drozdow, 1998; Gaedeke, 1994; Shanker and Astrachan, 1996; Churchill and Hatten, 1987; Friedman, 1991; Gordon and Rosen, 1981; Handler, 1990; 1994; Longnecker and Schoen, 1975; 1978; Vancil, 1987; Brockhaus, 2004; Gersick et al, 1999).

Apparently, the family firm literature seems to identify and analyze the family firms upon four basic titles including the structural analysis by considering the subsystems, ownership and management structures in relation to the structural analysis, the succession transition and the transitional processes of subsystems. However, it is possible to generalize them under two main titles which are the organizational structures of the family firms and the problem of succession. It is stressed in the literature that the most important changes of the organizational structure are triggered by the succession transition, thus these two main titles are seen closely related to each other. It should be identified that the literature has a generational view in order to analyze the internal transitions of the family firms. However, this generational view focuses only on the firms and does not consider the generational changes of the local development path. But the Kayseri experience indicates that the consideration of the family firms along both with the local development path and the local business culture is vitally important not only in terms of the connections of these firms with the path but also in order to more efficiently analyze the internal problems of these firms. It is found in the research that the organizational structure of the family firms in Kayseri was highly influenced by the traditional social relations. Moreover, in tune with Reisman's (2002) definition of institutions, one of the most important findings in

this context indicates that the origins of the institutional structure of the family firms in Kayseri especially in their first establishment years matched even directly the institutional structure of the traditional family. The most apparent feature of this transfer is the hierarchical structure of the family firms. But although the management structure of the firms was hierarchical, the ownership of it was shared equally. Therefore it is important to analyze the management and ownership structures individually.

The final decision maker in this management structure corresponded to the final decision maker of the family. The first generations, especially in the period between 1975 and 1985 managed these firms as the final decision makers. However, most of the family firms were established by the second generations. Under these circumstances, although the final decision maker of the firms did not correspond to the final decision maker of the family, the elderly second generation usually managed the firm. However, this hierarchical management of the family firms does not represent the mere dominance of the elderly manager. It is found in the research that, the decisions of the firm were usually the outcomes of a family consensus. Most of the respondents stressed the importance of the agreement of the family members about the decisions of the firm and the final decision maker represents the provider of this agreement in this respect.

Though I represent the general director position in the firm since I am the elderly brother, the decisions of the firm are made by all of us, I mean, by me and my brothers. Anyway, especially the business arrangement decision cannot be made solely by one of us because we first have to discuss we can match the requirements of this arrangement or not. Since every one of us is specialized upon certain parts of the firm, naturally, none of us can sign a contract by himself. Moreover, it would be a shame to underestimate any of us if I or my brothers tried to decide individually. We are not just partners; we are brothers more importantly (Informant 12).

Besides, it is also found that the collaboration of the family members was concerned with their specialties. The decisions were made in tune with this specialization and the manager – or the final decision maker – of the firm was

not only responsible for the application of the decisions but also for enabling the consensus between the members of the family. Moreover, this collaboration was not just the management cooperation and / or capital partnership; it was also the collaboration of the partners' own labor force.

When we first established the firm, my elder brother and the elderly son of my uncle were responsible for the production since they were engineers. Many of the workers and foremen learned to use the machines from them. And I was responsible for the accounting of the firm since I was educated in the commercial school. I was keeping all the bookings for marketing and the supplies, while my other cousin, the younger son of my uncle was responsible for marketing because he was educated in the faculty of economics in İstanbul. But when the firm has begun to grow, we have begun to employ professional employers (Informant 10).

One of the peculiar features of the family firms in this respect was the business structure of the family firms. The production and marketing of the products of the firm was concentrated upon the firm. Every respondent firm in the research stressed the importance of the marketing of the products. They emphasized that one member – usually the one who was considered to be the most talented or educated in trading – was responsible for marketing. The respondents stressed that the firms had – and still have – a dual business structure responsible for production and marketing. Therefore the management was – and still is to a large extent – divided into two. In fact, this was the result of the cooperation between the family members in the first generations. As emphasized in the foregoing chapter, many of the families directed their members toward different sectors ranged from production to trading. And many of the merchants sold the products of their family members. It was seen as the dependency of the industrial capital to the trade bourgeois by some researchers (van Velzen, 1978a; 1978b; Bilgili, 2001; Doğan, 2007) but it was actually a family cooperation. This cooperation transformed to the collaboration of the family members in the family firm in the dominance period of the second generations. This dual business structure seems to have been the inheritance of this family cooperation.

In the 1970s, our family had a shop in the city center and my elder brother was selling glazed saucepans with my father. He directed me toward my first apprenticeship in a glazed saucepan workshop when I was 14 or 15 because the trade of it was very profitable. After the 1980s, when I achieved to be a master in my job, I and my brother established this firm. I was producing the saucepan and he was selling them. Later I changed the product to glazed boilers after my brother's retirement due to his health conditions (Informant 13).

This collaboration is one of the most important features of the family firms in Kayseri. The family members' solidarity concentrated on the family in the first generations transformed to the collaboration of the family members concentrated on the family firm in the second generations. And this collaboration was mostly fed by the traditional family relations. Every single respondent mentioned about many conflicts between the family members especially in the first establishment years. But most of these conflicts were resolved within the family by the traditional family relations. Many of the first generations, although they did not have any managerial or partnership position in the firm, helped to resolve the conflicts between the members of the family since they were the housefather of the family. The influential position of the family on the firm indicates that the institutional structure of the family was dominating the institutional structure of the firm especially in the first establishment years.

...I most sincerely behaved respectfully to my father's choices and decisions when I first entered in the business. And now, I do expect exactly the same from my children... (Informant 14).

...Since I am the housefather of the family, I do rule the firm... (Informant 15).

...When we first established the firm, we behaved respectfully to our elders and this respect and trust of course have been main components of our business relations among us... (Informant 16).

...Since many of them (he stresses the owner managers of the family firms in Kayseri) transferred the traditional father and son relations to the firms, it is extremely difficult for me to make these firms institutionalized... (Informant 09).

The other feature of the family firms influenced by the traditional family relations was the ownership structure. Two noticeable ownership structures were identified in the first establishment years which were sibling partnerships and cousin consortiums. However, especially in the 1980s, these ownership structures did not represent distinct features; on the contrary, they almost referred to the same structure. Almost all respondents in the research stressed that the relation between the siblings and the cousins in the traditional extended family was nearly the same. Gersick et al (1999) identify the cousin consortiums as the most complex ownership structures of the family firms. However, their suggestion depends on the conception which assumes that the social distance between the cousins is greater in comparison with the siblings. But it appears that this distance was nearly the same in the traditional extended Kayserian family. Most of the second generation siblings and cousins grew in the extended family as though they were brothers and sisters. Owing to the fact, it is not easy to distinguish the cousin consortiums from the sibling partnerships especially in the 1980s and the ownership was equally shared to a large extent.

Therefore the management and the ownership structures of the family firms in Kayseri had distinctive peculiarities especially in the first establishment years owing to their origins which were mostly fed by the traditional family, local business culture and the traditional social relations. However, the main peculiarities of these firms lie under their institutional structures. As stressed above, the first institutional structures of the family firms in Kayseri appeared to be the transfer of the economic roles of the welfare family and the rules of the traditional family. However, the institutionalization suggestions of the literature seem from this local institutional structure. It is possible to identify the management related suggestions and succession transition related ones. Besides there are some suggestions concerning with the ownership structure when this structure is defined as “the voting shares or voting power over a trust” (Ward and Dolan, 1998, p.305).

It seems that the general tendency of the researches focuses on the lowering of the family dominance over the management and the economic behavior of the

firm. Holland and Boulton (1984) for instance identifies that a family firm may fail to operate due not only to family related issues, but also to business-related problems like bad financial management. Besides, Leenders and Waarts (2003) point to the fact that the family seniority influences the firm to a large extent. Almost all researchers of family firms seem to have agreed that the family influence on the firm should be balanced. "Success, we came to recognize depends on being able to combine and balance businesslike thinking and familylike thinking" (Aronoff and Eckrich, 1999, p.63). Institutionalization is seen as one of the most efficient ways to balance the family influence on the economic behavior of the firm. Barth, Gulbrandsen and Schone (2003), for instance, found that family owned firms which are managed by the owner-managers are less productive than the family firms which are managed by non family professionals in their research that stresses the importance of the professional management. In this respect, the institutionalization suggestions for the family firms generally represent the professional management of the firm.

On the contrary, Maury (2006) finds that although the family control of the firm lowers the agency problem between the owners and managers, it gives rise to conflicts between the family and minority shareholders. His findings indicate that not only the management but the ownership structure may also influence the economic behavior of the firm like Ward and Dolan (1998) stress. Similarly, Westhead, Cowling and Howorth (2001) indicate that family member CEOs of the family firms had been in this position for much longer than the non family CEOs and the proportion of share owned by the family member CEOs made them more powerful than the outside directors. Apparently their more powerful situation may harm the above mentioned family-business balance. Furthermore, Craig and Moores (2002) emphasized the influential success of a family firm in professionalizing their business. It is possible to increase the number of these examples which stress the importance of institutionalization as lowering the family influence on the firm. Apparently it is assumed that when a family firm began to have more complex structure, the management of it should be held by the professionals in order not to lose the individual capability of the firm due to inefficient management of the family members.

But more importantly, the literature about the succession problem of the family firms suggests tougher solutions. Handler (1989) develops a Mutual Role Adjustment Process between predecessor and next generation family member(s) in order to model the succession transition. This model includes the role transition of the predecessor from sole operator to consultant in the end, and the role transition of the successor from no role position to the leader or the decision maker in the end of the process. The researchers seem to have agreed that the succession represents the most critical transition that the family firms face. Therefore, many of the researchers point the importance of the success of this transition. Barnes and Hershon (1976) indicate the importance of the success of the power transfer in family firms. Similarly Alcorn (1982) points out that the succession process is the struggle for survival of the firm. They both put that without the leadership of the next generation, the family firm cannot survive as a family firm. The vital importance of the successful succession in family firms is obvious.

But the most important problem is about the achievement of this success. Owing to the fact, many researchers tend to study on the ways to accomplish a successful succession. However, it is found that this accomplishment highly depends on the behaviors and characteristics of the predecessor. Sonnenfeld (1989), for instance, identifies three types of predecessor characteristics ranged from monarchs that do not leave until they are forced out or die, to generals that leave the power of the organization when they forced out but plan to return to the organization and to governors that rule for a term and then pursue other ventures. Besides some researchers suggest that succession is a process more than an event and every single stage is open to failures. Longenecker and Schoen (1978) identify a seven-stage process of succession. The first stage is the pre-business stage where the successor may be only passively aware of some facets of the organization; the second is the introductory stage where the successor may be exposed by family members to jargon and organization members although he or she has not worked even on a part time basis in the business; the third is the introductory-functional stage where the successor work as a part time employee; the fourth is the functional stage where the successor

enters the organization as a full time member; the fifth is the advanced functional stage where the successor assumes managerial responsibilities; the sixth is the early succession stage where the successor assumes the presidency; and finally the seventh is the mature succession where the successor becomes the 'de-facto' leader of the organization (Longenecker and Schoen, 1978).

Once this process is conceptualized, some researchers tend to develop succession planning models. According to most of these models and suggestions, the predecessor should be aware of the need of the next generation family members' leadership and should plan for the exit of the predecessor and the entering of the successor (Lansberg, 1988; Lansberg and Astrachan, 1994; Harveston, Davis and Lyden, 1997; Charma, Chua and Chrisman, 2000). Besides Handler and Kram (1998) develop a model of resistance in the family businesses in order to identify the origins and the possible emergence stage of the resistance. Every of these researches, whether apparently or disguised, stress the importance of the professional management, on the one hand; and suggest a non-emotional posture both for the successors and the predecessors, on the other.

But it seems that the local researches in Kayseri have not reached this thickness of the literature. On the one hand, many of the researches and studies offer professionalization for the family firms (for instance Akdoğan, 2000; 2006; 2007; Koçel, 2006; 2007; Özdevecioğlu, 2001; 2006; 2007; Kaldırımçı, 2006; Müftüoğlu, 2006; Boydak, 2006; Özhamurkar, 2006; Kayseri Chamber of Commerce, 2006; 2007) as the suggestion for lowering the family influence especially on the management structure; but on the other, the succession planning suggestions have not been pronounced loudly yet. Besides, it seems that some of the participants in this research were fully convinced that the professionalization type institutionalization in the management structure of their firms would save their companies. Apparently, the local suggestions are limited with lowering of the family influence on the management. However, not only the local suggestions, but also the suggestions of the literature seem to omit to consider these family firms within their own context ranging from the social

structure to the family structure and from the local development path to the local business culture.

As stressed in the foregoing chapter that one of the most important peculiarities of Kayseri is its inherent traditional trade mentality which has been arisen in tune with the traditional socio-spatial institutions for more than four millennia. To what extent it is meaningful to suggest alienation for the Kayserian entrepreneurs, even though they are mostly talented in trading their products owing to such an inherent trade mentality, from the management is an open question. Do the family firms really need a set of rules and routines, patterns and prescriptions for surviving? According to the local researches they do exactly need this kind of an institutionalization. Obviously, this need is also identified in this research. However, it is vitally important to analyze the origins of this need. As mentioned above, the first institutional structure of the family firms in Kayseri was the transfer of the economic roles of welfare family, and the transfer of the rules and routines of the traditional family. Why do these firms begin to suffer from lack of institutionalization? This question indicates that there may be a problem whether in the transfer of the roles and rules of the family or in the traditional family itself. And if there is a problem in the traditional family in Kayseri, there may be many problems concerning with the local business culture. The answers of these questions are discussed in the following main section. But it seems that the organizational successes of the second generations, that are the family firms, are suffering from various circumstances ranging from the traditional family changes to the changes of almost all local socio-spatial institutions. Before analyzing these changes, it is necessary to scrutinize the booming production rates which are considered according to many as the most apparent success of the second generations after the 1980s.

4.2.2. Generationally Transforming Knowledge Infrastructure

The foregoing section identifies the success of the second generations in terms of organizational restructuring which appeared as the transformation of the economic roles of the welfare family to family firms. In the dominance period of

the second generations this organizational structuring has been supported by the rapid capital accumulation. This rapid growth indeed was related to the organizational success and it is obvious that these two are complementary to each other. This section analyzes the rapid growth and capital accumulation of the family firms especially after the 1980s.

It is stressed in the foregoing chapter that the tradesmen members of the family were appeared to be the tradesmen of the products of the artisan members and this process was identified as the cooperation between the family members. The organizational restructuring transferred this cooperation to the family firms and the firms had – and still have – a dual management structure including the production and the trading as emphasized in the previous section. This transfer enabled the accumulation of the capital on the family firms instead of the welfare family which indicates that the economic roles of the welfare family also transferred to the family firms. The family firms enjoyed both the accumulation of the production capital and the trade capital thanks to this kind of dual structure. But to what extent this dual structure enables to the rapid capital accumulation experiences if the production rates remained still is an open question. The booming production increase, in tune with the dual management structure of the family firms, was the key for the rapid growth. Besides, the growing markets and the ability of the Kayserian entrepreneurs to notice these growing markets should not be underestimated. Therefore the analysis of the production increase can be two dimensioned including the analysis of the increase related to the combination of the formal knowledge with the local production and trade knowledge, and the analysis of the increase related to the market opportunities, sector selections and the influences of the local knowledge on them. It is important to put that these two dimensions are directly concerned both with the sectoral selection and the education strategies of the first generations.

As identified in the foregoing chapter, the education strategies were applied to the second generations when they were children. The education strategies, most importantly, eased the second generations to combine the formal production knowledge like engineering with the local knowledge which facilitated them to

improve the production speed and amount. Two most apparent façades of education strategies are identified in the research. The first one is focused on the production. The anticipation of the first generations that applied this strategy to their children was the facilitation of production rate increases. Owing to the fact, many of the elderly second generation entrepreneurs were oriented to engineering education. This strategy is applied at least one family member in the 65 % of all interviewed firms. The rate is even higher and approaches to approximately 98 % of all interviewed firms when this strategy is extended by the other family members and the formal technical high school education. This strategy – the strategy of engineering education – is not detected only in 2 of the 76 interviewed family firms. But with the second façade, every interviewed firm, with no exception, has managers or directors who had formal education before entering in the business. However, it is still possible to find some managers who did not have formal education. Therefore, every firm has also managers who did not have formal education, and the formally educated and formally non educated owner managers work together at the same time in the firm. But they both had the informal education.

It is found in the research that, the second generation managers who only had the informal education are responsible for marketing and trading in approximately 40 % of interviewed firms. This is a significant rate that indicates the trading abilities of the informally educated second generations although it is difficult to generalize a collaboration tendency between the educated and non educated members of the family. It also indicates that the traditional trade mentality facilitates the formally non educated second generations especially in trading. But the production boom was mostly influenced by the engineer or technician second generations.

The production boom, having regard to the trading abilities of the other family members, triggered a rapid growth of the firms. But the growth created the professional management needs of the firms and kept the production oriented second generations from production. This gradually increasing need to professionalize the management of the firm was supplied primarily by the

younger second generations who began to have formal management education. Besides, it is important to identify that the professionalization needs of the firms were secondarily supplied by the second generations of the labor. As stressed in the foregoing chapter that the first generation labor was able to create some saving opportunities since they did not destroy the traditional relations with their rural origins and many of them directed these savings for education of their children. These efforts of them helped the town to find a ready-to-employ human capital for the professionalization needs of the family firms.

Therefore in the period especially after the establishment of the Organized Industrial Area in 1986 and especially after the 1990s to the economic crisis of 2001, the town was highly capable of creating new job opportunities for the educated labor. But without the growing market opportunities, neither the production boom, nor the organizational success would be able to emerge. For that reason, the market opportunities in relation to the sectoral choices should be analyzed as the second dimension. The most apparent feature of industry in Kayseri is its manufacturing industry oriented industrial sector structure. Four leading manufacturing industry sectors can be identified after the 1980s which are generally the same leading sectors before the 1980s. The metal furniture and machinery, food and textile sectors were the leading sectors in the dominance period of the first generations. The leading character of them maintained itself generally and the furniture industry became one of the four leading sectors after the 1980s. Besides, the construction industry also maintained its leading character. In addition, the major firms of Kayseri classified within the 500 greatest firms in Turkey are also in these sectors. While Table 4.1. shows the sectoral distribution of the industrial firms which are registered in the Kayseri Chamber of Commerce in 2000, Table 4.2. shows the same distribution in 2007.

Table 4. 1. The Sectoral Distribution of the Industrial Firms which are registered in the Kayseri Chamber of Commerce in 2000

Sector	Number of Establishments
Durable Consumer Goods	75
Food	39
Textile	38
Mining	9
Building-Construction	51
Furnace	22
Automotive	12
Furniture	48
Electric - Electronics	11
Metal	24
Forestry	5
Other	51
Total	385
Source: Industry and Commerce Directorate of the Governorship of Kayseri, 2000, s.28-30	

The dominance of the manufacturing industry seems apparent in the table. The four manufacturing industry sectors constitute approximately 52 % of all industrial firms which are registered to the chamber of commerce. With the building and construction industries, this rate becomes approximately 65 %. Although this dominant rates declined in the period between 2000 and 2007, these sectors still are the leaders of industry in Kayseri. Table 4.2. shows the sectoral distribution of the industrial firms which are registered in the Kayseri Chamber of Commerce in 2007.

Table 4. 2. The Sectoral Distribution of the Industrial Firms which are registered in the Kayseri Chamber of Commerce in 2007

Sector	Number of Establishments
Durable Consumer Goods	87
Food	40
Textile	113

Table 4.2. The Sectoral Distribution of the Industrial Firms which are registered in the Kayseri Chamber of Commerce in 2007 (Continued)

Mining	25
Building-Construction	79
Furnace	69
Automotive	1
Furniture	67
Forestry	4
Electric - Electronics	14
Metal	56
Paper - Chemistry	29
Agricultural Machinery	8
Other	156
Total	748

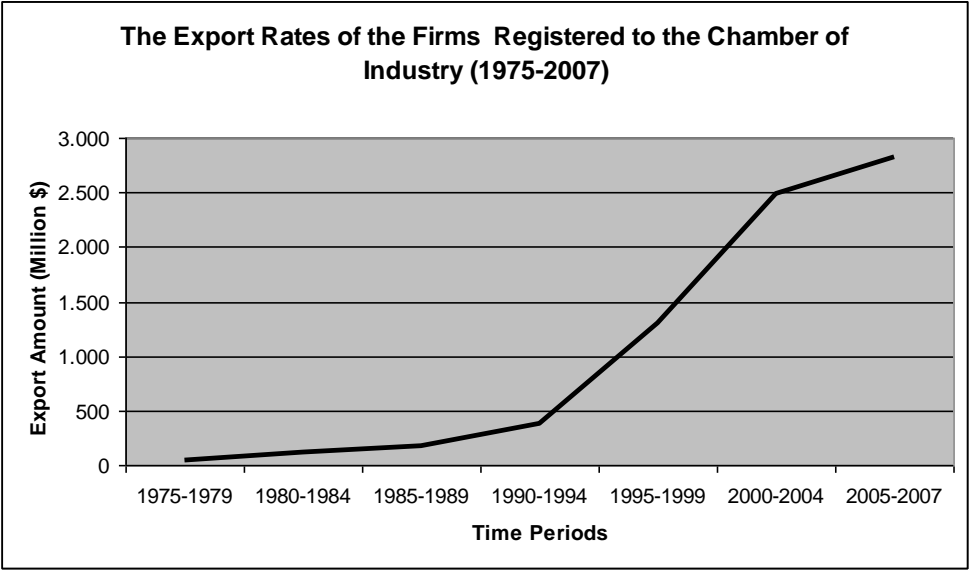
Source: Kayseri Chamber of Commerce (2007)

This dominance of the manufacturing industry is the sectoral inheritance of both the local development path and the family strategies. However, the manufacturing industry has experienced a fluctuating period especially in the period between 1980 and 1990. This period represents a harsh decline in the manufacturing industry income rates in Kayseri and the share of it from the total value added produced in Turkey has fallen from 1.45 % in 1980 to 1.05 % in 1985. The provincial comparisons similarly indicate the rapid decrease in the provincial sector share of the income rates of manufacturing industry. The number of industrial firms has also declined in this period. There were 3.759 industrial firms in Kayseri in 1980 and this number decreased to 3.145 in 1985 (Özaslan, 2003, p.170).

Many of the researchers identify this decrease tendency as the decline of industry in Kayseri. While some of them connect it with the national and moreover global economic trends as well as with the local trends to return to the trade, (for instance Özaslan and Şeftalici, 2002; Özaslan, 2003; Şeftalici, 1994; 1995; 2000; Bilgili, 2001) some other explain it in terms of the weak industrial entrepreneurship (see for instance Doğan, 2007) and decline in the

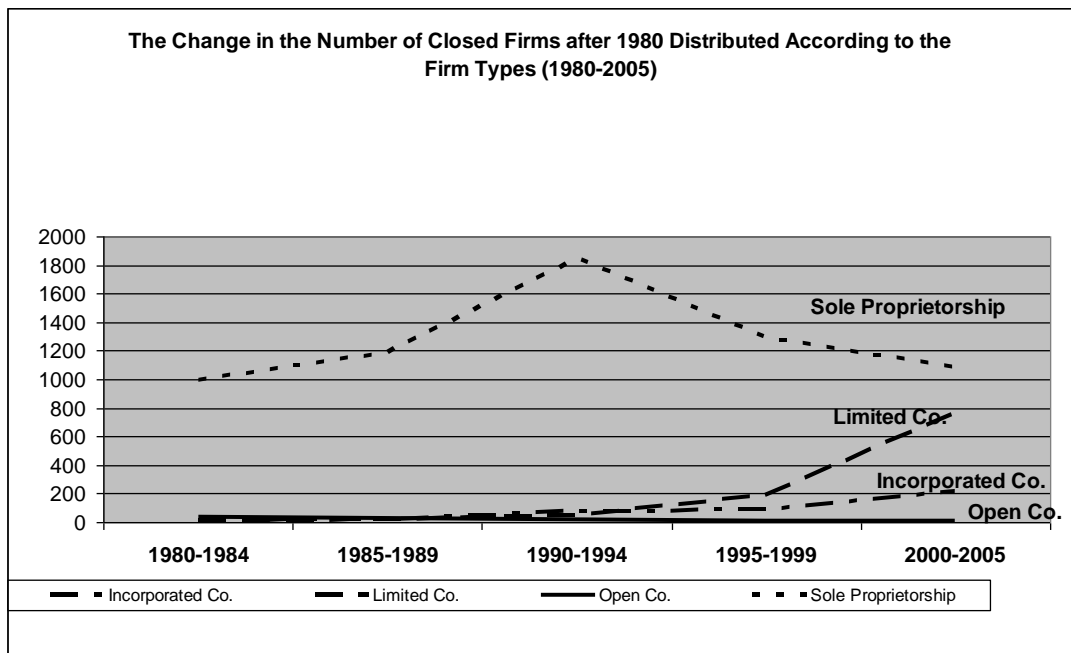
manufacturing industry (like Behar, 1999; Erdem, 2003; Yavuz, 2003; Dünya Newspaper, 2003; Özaslan, 2003, Şeftalici, 2000). Many of these studies, however, used extremely general indicators in order to identify the decline. The total electricity consumption rates and the number of firms were used mostly as indicators. According to these studies, the actual rise in the manufacturing industry began in 1993 when the total value added rates increased 30 % in comparison with the previous year (Behar, 1999; Yavuz, 2003; Özaslan and Şeftalici, 2002; Özaslan, 2003; Doğan, 2007).

To what extent this decline has represented a regression in the industrial performance of the Kayserian entrepreneurs is an open question. The export rates of the registered industrial firms in Kayseri have increased continuously in the five year periods after 1975, and have begun to peak after the 1990s. Figure 4.2. shows the export amounts of the registered industrial firms in Kayseri in the period between 1975 and 2005



Source: Organized from the export amount data of the Kayseri Chamber of Industry.
 Figure 4. 2. The export rate changes of the firms registered to the Chamber of Industry in the period between 1975 and 2007.

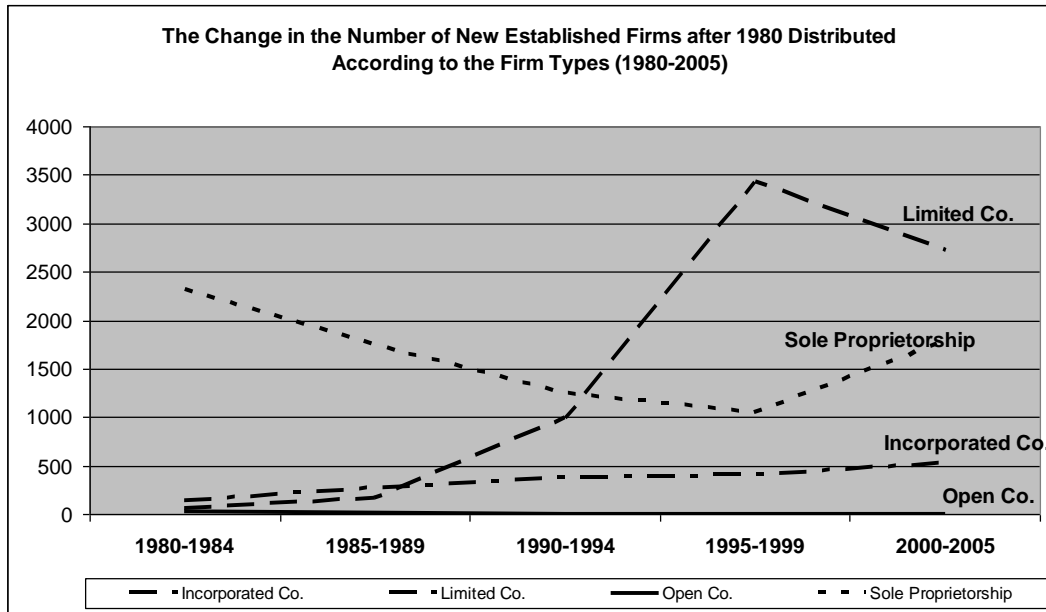
The export rates increase in the period between 1975 and 1990 represents a fairly low increase rate. But apparently it does not represent a regression. And after the 1990s, the rates refer to a boom in the export performance of the town. But why did the number of firms decline in the beginning of the 1980s? It seems that the answer is the organizational restructuring. When this decline in the number of firms is analyzed in context of firm types, it is found that only the number of sole proprietorship companies decreased to a large extent. However, the number of limited companies and the incorporated companies increased rapidly. Many of the sole proprietorship companies were closed in the period between 1980 and 1990. But on the contrary, the number of newly established limited and incorporated companies increased in this period. Moreover, especially the number of newly established limited companies has increased continuously. The period especially between 1980 and 1990 represents the organizational restructuring of firms in Kayseri. Individually working second generation family members who established sole proprietorships before the 1980s began to establish family firms, especially limited company type firms mostly owing to the ownership responsibilities. And this period also represents the high closing rates of sole proprietorship type firms. Figure 4.3. shows the distribution of the number of closed firms in 5-year time intervals in the period between 1980 and 2005.



Source: Compiled from the firm registration censuses between 1960 and 2005 of the Kayseri Chamber of Commerce.

Figure 4. 3. The change in the number of closed firms in the period between 1980 and 2005 distributed according to the firm types.

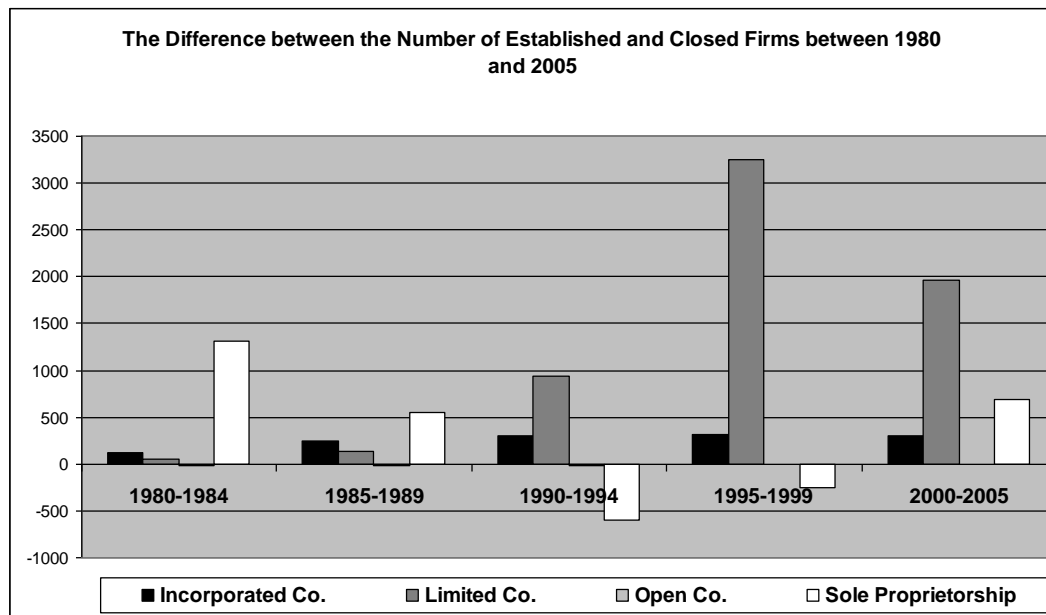
The number of closed sole proprietorship type of firms has increased continuously until the period between 1985 and 1989 and has begun to peak after this period. It is found in the in depth interviews with the opinion leaders in the Chamber of Commerce and in the Chamber of Industry that many of the sole proprietorship type firms transformed to the limited company type firms in this period. This transformation also represents the transfer of the economic roles of the welfare family to the family firms. Actually the number of new established firms indicates this transfer. Figure 4.4. shows the number of new establishments in the 5-year time intervals in the period between 1980 and 2005.



Source: Compiled from the firm registration censuses between 1960 and 2005 of the Kayseri Chamber of Commerce.

Figure 4. 4. The number of new establishments in the period between 1980 and 2005 distributed according to the firm types.

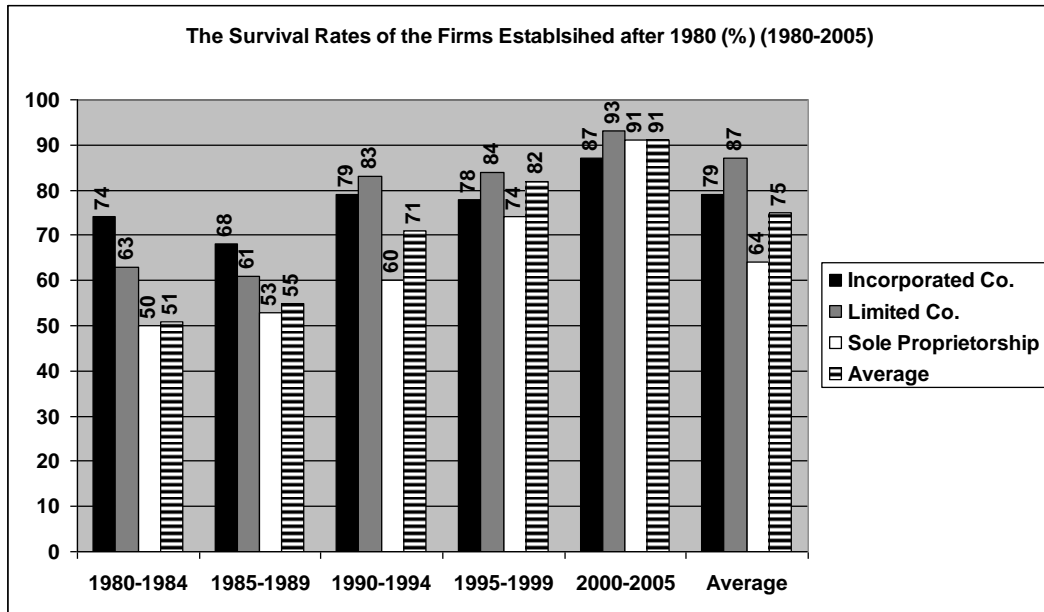
Within these time intervals, while the number of newly established limited and incorporated companies is more than the closed limited and incorporated companies, the number of newly established sole proprietorship and open companies is less than the closed sole proprietorship and open companies. Figure 4.5. shows the difference between the number of new establishments and closed establishments (new established firms – closed firms). After the 1990s, the number of newly established sole proprietorship type of firms does not correspond to the closed firms and the total number of this kind of companies decline. On the contrary, limited and incorporated company type firms increased noticeably.



Source: Compiled from the firm registration censuses between 1960 and 2005 of the Kayseri Chamber of Commerce.

Figure 4. 5. The difference between the number of established and closed firms between 1980 and 2005

The detailed information and temporal comparisons of the establishment and closing of the firms are shown in the Appendix C. The organizational restructuring is apparent to a large extent and this restructuring represents the transfer of the economic roles of the welfare family to the family firms as stressed in the foregoing section. But the organizational restructuring does not merely represent the economic success of the second generations. Although the booming increase in the export rates can be a good indicator of the economic success, the increasing survival rates of the firms in Kayseri after the 1980s also indicates the success of the local economic climate. Figure 4.6. shows the survival rates of the firms established in the period between 1980 and 2005.



Source: Compiled from the firm registration censuses between 1960 and 2005 of the Kayseri Chamber of Commerce.

Figure 4. 6. The survival rates of the firms established in the period between 1980 and 2005.

The survival rates of the firms in the graph above represent the rate of still active firms. For instance, 74 % of the incorporated company type firms established between 1980 and 1984 are still active. This rate declines to 68 % in the following period, but begins to increase after the 1990s. Similarly the survival rate of the limited company type firms declines in the period between 1980 and 1990, but begins to increase then. In the organizational restructuring period, almost all type firms' survival rates decline. Within this period, only the sole proprietorship type firms' survival rate has increased. However, Figure 4.5. can also be used as the indicator of survival rates that depends on the time intervals for the total number of different types of firms. Figure 4.6. shows the rates of still living companies established in the mentioned periods and distributed according to the firm types. But Figure 4.5. also shows the change in the total number of firms. Therefore these two graphs should be considered complementarily. For instance, although 60 % of sole proprietorship type firms established between 1990 and 1994, this time period represents the most noticeable decline in the

total number of this type of firms, while it represents the beginning of the booming increase in the number of limited company type firms. Therefore, these two graphs represent not only the survival rates in context of time intervals and company types, but also the changing organizational tendency in Kayseri. But the statistical data still either represent the general economic climate or the individual circumstances. The third important indicator of the economic success of the second generations is the transfer of the trust relations of the local business culture of the first generations to the newly ascending business climate after the 1980s.

4.2.3. The Transformation of the Local Business Culture

It is found in the research and stressed in the foregoing chapter that, a certain local business culture which depended on the reciprocal responsibility relations has arisen throughout the dominance period of the first generations. As previously emphasized, the informal education process in this period was directly concerned with these responsibility relations. When the cooperative trust relations between the second generations after the 1980s are analyzed carefully, it becomes apparent that this education process represents not only the inheritance of certain local knowledge and certain local mentality, but also the inheritance of the certain ways to establish relations with each other. Especially the elderly second generation respondents stress the importance of the face to face relations in business relations and many of them emphasize that the business relations are stronger trustworthy with whom they had face to face relations.

Two important sources for face to face relations which pave the way for cooperative trust relations are found in the research. While the informal education process is the first source, the second source is the inter-family relations. Both sources are directly concerned with the social relations of the first generations. Apparently the primary source is the inter-family relations. As stressed in the foregoing chapter, the inter-family relations constitute the most basic social relations in the town of Kayseri. It is found in the interviews that the

origins of these relations depend on the traditional relations and mostly on the traditional mahalle (neighborhood) organization. It is important to put that the cooperative trust relations among many of the second generation entrepreneurs were also the friendship relations among the people who lived in the same mahalle (neighborhood) when they were kids. Moreover, their antecedents that are the first generations had close inter-family relations which had spatial origins. Although the traditional mahalle (neighborhood) organization was destroyed during the urban modernity project, as stressed in the foregoing chapter, the social relations which had spatial origins created their own peculiar socio-spatial context and maintained itself. Therefore, the social relations of the traditional mahalle (neighborhood) organization that depended on the inter-family relations survived mostly.

This survival had a critical role in establishing face to face relations among the second generations. Owing to the inter-family relations, many of the second generations had childhood relations to each other. These childhood friends in the dominance period of the first generations recreate the cooperative trust relations when they began to dominate the local economic life. But the relations were not limited with the inter-family contact. Most of their parents were the nodes of the local business culture network wherein the reciprocal responsibility and cooperative trust relations were dominant. Almost all of the second generations were educated within the informal education system of the local business culture together. Therefore the relation between them was intensified during this education process.

As stressed in the foregoing chapter, the informal education process has represented the inheritance process of not only the local trading or production knowledge, but also the local relations between the artisan and the merchant units. Moreover, while the second generations were learning this knowledge, they also experienced the relations in a more direct manner. Thus they practically have had the peculiar ways to establish relations between their cohorts. Therefore, they were highly capable of transferring the already

established cooperative trust relations of the local business culture of the first generations to the newly arising business culture of them.

Besides, it seems that the organizational restructuring was emerged in tune with this transfer. The inter-family relations which were fed directly by the traditional family relations became one of the important origins of the cooperative – and competitive as well – trust relations. In addition, it seems that the informal education process has achieved more than once expected. As emphasized in the foregoing chapter that the aim of the informal education was to inherit the local knowledge which was concerned especially with the local traditional trade mentality and knowledge of certain production or trade. But it seems, the local ways to establish business relations were also inherited to the second generations when they entered in the process especially as apprentices. Therefore not only the practical local knowledge, but also the local values for business and cooperative trust relations were inherited from this process.

The recent statistical indicators of the economic success of the second generations which depends first on the organizational restructuring, second on the production boom and finally on the transfer of the cooperative trust relations of the local business culture which were mostly established by the first generations are presented in Appendix K. But a vitally important question comes into the scene. What is the cost of this economic success? Does it represent a never ending upward trajectory free from conflicts? Economic fluctuations indeed influence the local economic life. Therefore it is almost impossible to find any town whose economic success trajectory goes upwards without any fluctuation. However, these questions are not directed toward the economic fluctuations. On the contrary, they are mostly concerned with the local inherent features. The dominance period of the second generations represents a process of total transformation of almost all traditional inheritances. Moreover, the traditional socio-spatial institutions which are mostly responsible for the inheritance of local knowledge began to recede in the past in this period. The following section identifies how the economic success – the organizational restructuring, the production boom and the transfer of the cooperative trust relations of the local

business culture of the first generations – influences the local inherent dynamics which enabled this economic success.

4.3. Disguised Generational Challenges and Contradictions

The foregoing section identifies the main components of the economic success of the second generations after the 1980s. Apparently, almost all of the quantitative indicators represent certain economic success of Kayseri as shown in the Appendix K. But this economic success of the second generations also represents the beginning of the fall of almost all inherent traditional socio-spatial features of Kayseri although most of the researches and comments tend to identify the town in terms of its conservative social structure. This section not only points out how this economic success becomes a destructive trap for almost every traditional inheritance of the town, but also states that it has failed to a large extent to create even the self maintenance dynamics of the capital accumulation. The second generations, besides, have sown the seeds of deeper generational conflicts between them and the successor generations. Moreover, the traditional family began to resolve in this process, and the natural cooperative relations between the family members have started to recede in the past owing to the alienation of the family members not only from each other but also from the extended family. The other side of the economic success represents the fall of both the welfare family and the traditional merchant and artisan units. In other words, the socio-spatial institutions inheriting the local knowledge have begun to collapse during the dominance period of the second generations. The economic growth itself has become a matter of contradiction to most of the traditional peculiar features of the town which once enabled this growth. Moreover, most of the conflict-smoothing dynamics of the local business culture of the first generations were vanished.

Three main related contradiction contexts are detected in the research. The first and perhaps the crucial one is the destruction of the traditional socio-spatial institutions. This destruction, however, does not seem a direct conscious destroy, it rather seems that the traditional socio-spatial institutions are damaged

spontaneously owing to the economic growth. Three important socio-spatial processes are detected which were harmed throughout the economic growth including the traditional family; the traditional social relations and the traditional family relations; and the traditional artisan and merchant units. But most importantly, their knowledge inheritance functions were mostly destructed. Therefore the inheritance opportunities of the traditional trade mentality, which is considered to be the main trigger of the entrepreneurial potentials of the town as stressed in the foregoing chapter, have begun to disappear.

In the second place, directly concerned with the above mentioned damage, crucial alienations are detected in the research. The resolution of the traditional extended family caused the alienation of the family members not only from each other, but also from the family itself. Secondly, in relation to the ruined socio-spatial institutions, resolution of the traditional family and destruction of the reciprocal responsibility relations, the alienation of the families and the family firms from each other is found in the research. This alienation seems it mostly harms the cooperative trust relations between the family firms and the families as well. And finally, the alienation of both the labor and the entrepreneurs from the production and business is detected. This is the most apparent outcome of the ruined relations of the local business culture after the dominance of the second generations. In addition to the alienation of the family members to the family, the alienation of the entrepreneurs – those are the family members indeed – from production and trade; from the labor; and from the town are detected. The decline in the weight of informal education in addition to the increase in the weight of formal education, the industrialist features of the entrepreneurs has begun to transform to the businessmen features. And the institutionalization suggestions mentioned in the foregoing sections also supported this transformation and moreover, these suggestions caused the tendency for the entrepreneurs to become ownerships instead of managers. Owing to these two apparent transformations, the entrepreneurs have begun to alienate from not only the production, but also the trade. Besides, especially in the elderly third generations, the alienation from the town is found in the research. The annihilation of the informal education processes especially after

the mid 1990s, many of the third generation entrepreneurs have begun to suffer from the lack adaptation to the local business culture of the second generations.

On the other side of this problem lies the alienation of the labor not only from production, but also from the employer and, for most of them, from their rural origins. The alienation of the labor from the production in capitalist mode of production has been discussed for years by many researchers, writers and philosophers. The alienation of the native labor in Kayseri from production corresponds to the dominance period of the second generations mostly owing to the booming growth rates of the family firms throughout the organizational restructuring. The growth itself sent the ways and mostly the opportunities of the labor to become the master and owner manager of his own production or merchant unit to oblivion. Besides, because of the annihilation of the informal education process the possibility for the labor and the entrepreneurs of working together as apprentices has been disappeared. Therefore, both sides have begun to alienate from each other. But most importantly, especially the second generation labor seems to have been alienated from their rural origins. It is found in the research that their relations with the rural antecedents were weakened in comparison with their predecessors. The self help opportunities of the first generation labor seem to have disappeared to a large extent for their predecessors.

It therefore seems that the town was failed to preserve most of its traditional inheritances. But it still is identified a conservative town. This section also states that this conservativeness seems to be a fake outlook originating from the increasing influences of newly ascending Islamic Networks in the town especially after the 1990s. The rising period of these networks corresponds to the falling period of the local cooperative trust relations mainly established in the dominance period of the first generations. Therefore it is possible to assume that the weakening local cooperative trust relations were begun to be replaced by the second generations with the already established cooperative relations of the Islamic Networks. To what extent it is possible to identify a town which fails to maintain its both social and spatial traditional inheritances as conservative is an

open question. And it seems that most of the contradictions, including the fake conservatism, detected in the town are related to the destruction of the traditional socio-spatial institutions.

4.3.1. Institutional Challenges

This section identifies the fall of the traditional socio-spatial institutions including most apparently the traditional family; the traditional social and family relations; and the traditional artisan and merchant units in which the local business culture of the first generations has arisen. The fall of these institutions represents the fall of the inheritance ways and possibilities of the local traditional knowledge and therefore the local traditional trade mentality. Besides the reciprocal responsibility relations have begun to resolve during the fall of these institutions. However, this fall does not represent the total decline in the number of artisan or merchant firms. There still exist a great number of workshops and merchant units in the town. But the relation between them has totally changed throughout the economic growth.

It is necessary to identify that the growing family firms of Kayseri were the newly established organizations by the second generations during the organizational restructuring process. This process represented, as previously stressed, the transfer of the economic roles of the welfare family to the family firms. This transfer which was directed toward the family firm also represents the transfer of the ownerships of traditional units to the third persons mostly to whom they have newly entered in the local business culture. And, the formerly established relations between the traditional units also transferred to the local business culture which has been emerging between the family firms. Therefore, the remaining traditional units mostly lost the cooperative trust relations. This was the mobility of the entrepreneurs from traditional units to the family firms, and the mobility of the already established relations from these units to the family firms as well. Thus, this mobility mostly unloaded the relational conveyance of the traditional units.

This transfer is identified as the organizational restructuring, which was the first main success of the second generations. However, this success caused the destruction of reciprocal responsibility relations which were especially concerned with the informal education process that is identified as the second important socio-spatial institution for the inheritance of the local knowledge. The growth experience of these firms seems it did not produce an appropriate environment for reestablishing these reciprocal responsibility relations. When the firms began to grow, the owners of these firms who were expected to be the masters of the coming generations simultaneously began to alienate both from the production and the reciprocity thought of the first generations. The growth of the firms actually represented the complication of the management and the increasing work loads. Therefore, most of the owner managers did not have enough time for leaving the legacy of the certain knowledge to the coming generations. Thus the fall of the informal education process, which was a social reciprocal responsibility, seems to have been inevitable under these circumstances and this social responsibility transformed to the individual training of the successors of the family firms.

Besides, while the economic roles of the welfare family have been transferred to the family firms, the economic strategy production function of the welfare family has also been transferred to the family firms. Therefore the economic strategy production has become the function of the family firms. But two important problems are detected in this transfer. In the first place, the production rational of these strategies has gradually been alienated from the local knowledge. In the second place, directly related to the first one, these strategies have gradually been becoming individual strategies that are concerned with the mere economic needs of the firm. Therefore the reciprocity producing outcome of the family strategies that were applied by most of the families has been disappeared. The weakening reciprocal relations mostly triggered the resolution of the traditional social relations. Alongside with the rapid urban growth and the rapid increase in the urban population, receding social responsibilities eased an increase in the social distance between the native Kayserians. Moreover, the traditional family relations were influenced by the resolution of the traditional social relations. The

increasing wealth of the family members primarily influences the spatial extensions of the family. Most of the members began to move away from the apartments, where the first generations were located after the destruction of the traditional mahalle (neighborhood) organization after the 1950s, to the newly developing dwelling areas of the town and even to the other towns. This mobility mostly represents the spatial desertion of the traditional family by its younger members. According to Reisman's (2002) definition of the institutions, identified as the rules and routines, patterns and prescriptions, it is possible to put under these circumstances that the traditional local institutionalization of the family has begun to transform. The influence intensity of the traditional institutionalization of the family has gradually declined throughout this process. Therefore the traditionally driven institutionalization of the family firms has transformed. But indeed, this decline does not refer to a lack of institutionalization. It seems apparent that the traditional institutions were the effective origins of the cooperative trust relations.

As stressed in the previous sections that the reciprocal responsibility and cooperative trust relations were mostly fed by the traditional institutionalization – that is the traditional rules and routines, patterns and prescriptions – of the social structure. When the economic growth and the organizational restructuring have triggered a transformation in the traditional patterns of the local business culture of the first generations, the institutional power of these traditional patterns weakened. Therefore the social capital has been forced to be transformed. This period of weakening the traditional patterns – that are local institutions – corresponds to the organizational restructuring and at the same time the rise of another institutional pattern that can be identified as the Islamic networks. Therefore the cooperative trust and reciprocal responsibility relations of the traditional patterns have mostly been replaced by the already established cooperative trust relations of these networks. Thus the rise of the influences of these networks on the town especially after the 1990s is not surprising.

But some of the traditional features still maintain themselves. The “home meetings” (oturmalar) of the families still seem the dominant social interaction

between them. However, the “public sphere” character of them has been more apparent throughout the dominance period of the second generations and recently, the dominant character of these meetings as a public realm has become so noticeable that they have become a well known feature of the town not only for the native citizens but also for national level. In November 2005, the Aksiyon Magazine apparently identified the public realm character of the home meetings and put that they are the most apparent features of the local urban culture. However, it should be noticed that this apparent public realm character of these home meetings has begun to rise in tune with the rise of the second generations. The importance of these meetings has been known since the National Salvation years. But the integration of the urban administration with the home meetings corresponds to the dominance period of the second generations. Therefore, it is possible to put that the traditional social interaction character of them has been transformed since the second generations have begun to dominate. The Aksiyon Magazine identified the administrative and public realm character of the meetings in the interview with the current Mayor of the town, Mehmet Özhaseki.

Partnerships are established, people get married, study grants are collected and the problems of the town are discussed in our home meetings. Besides, people borrow and land money. Moreover, people are more loyal than usual in borrowing or landing money in the meetings because they may lose respect if they do not stick to their promises since everybody knows each other (From the interview with Mr. Özhaseki, the current Mayor of the town, in November 2005 by the Aksiyon Magazine, p. 67).

Therefore it should be identified that some of the traditional features are still remaining although their character has been transformed by the dominance of the second generations. But more importantly, neither the rise of these networks, nor the remaining traditional patterns have been able to prevent the fall of the two crucially important local socio-spatial institutions which are the traditional family and the traditional production or trade units which both were responsible for the inheritance of the traditional local knowledge. Therefore the inheritance possibilities of the local knowledge which is mostly tacit have been declining.

And one of the most important indicator and outcome of this fall is the increasing alienation in the town.

4.3.2. Conservatism and Alienation

It is found in the research that two closely related dimensions have been influenced by the alienation. While the first dimension refers mostly to the institutional structure, the second refers mostly to the individual levels. At first sight, the resolution of the traditional family, as stressed in the foregoing section, represents the increasing social and emotional distance of the family members to each other. In addition, the dominance of the traditional family over its members has been declining. Owing to the fact, the resolution of the traditional family represents not only the alienation of the family members from each other, but also from the family itself.

It is found in the research that this alienation mostly influences the ownership and management structures of the family firms. As stressed in the previous sections that two most apparent ownership structures are detected in the research including the sibling partnerships and the cousin consortiums. The alienation of the siblings and the cousins from each other not only harms the ownership structure but also the harmony in the management cooperation. Some certain respondents emphasized that their firm has been suffering from the deep conflicts both in the ownership structure and the management of the firm especially after the elderly third generations enter in the business.

The elder son of my elder cousin sued us owing to the ineffective management of the business. He is my nephew; he has a share in the business; and of course he has the rights to legally influence the business; he can and has a position in the board of directors; but he chose to sue the firm instead of discussing what is wrong. I, myself, cannot even imagine suing for example my father or uncle. This is extremely unusual for us and I think the younger generations do not behave respectfully to their elders. According to me, if we (pointing out the second generations including he and his brothers and cousins) fail to solve this problem, or if we fail to fully institutionalize the firm, I am afraid the firm will

collapse due to these kinds of behavior of the younger generations (Informant 10).

...Yes, the younger boss (pointing out the recently entered third generation owner of the firm) from the other family sued the firm owing to the ineffective management. But I do not think that there is an ineffective management. This is maybe due to the familial conflicts. Each family has its own private controller firms for the investigation of management efficiency. I think the trust between these two families of the firm has been vanished (Informant 17).

This conflict indeed is a generational tension, but it seems that this tension, more particularly the generation gap which is defined in terms of the tensions between generations due to several divergent features of generations (Bertman, 1976; Podgorecki and Los, 1979; Kurian, 1986; Mead and Textor, 2005), between the second and the third generations may influence both the ownership and management structures of the family firms. And a recent attention has been drawn in the literature to the issue of generation gap in organizations. According to Gravett and Throckmorton (2007), for instance, the problem of generation gap has direct influences on the total productivity and efficiency of an organization. It is found in this research that the generation gap between the second and the third generations may influence not only the total productivity, but also the management and more importantly the ownership structures of the family firms in Kayseri. Therefore the alienation in the traditional family directly influences the family firms.

It is found in this research that the problem of alienation is also concerned with the inter-family relations. Not only the family members, but also the families have begun to alienate from each other. As stressed in the previous sections that one of the most important sources which supports the cooperative trust relations is the face-to-face relations mostly fed by the inter-family relations. These relations also supported the reciprocal responsibility relations as emphasized in the foregoing chapter. While the alienation of the families from each other increases the influences of the decline in the cooperative trust and reciprocal responsibility

relations, this decline also deepens the alienation of the families from each other. It possibly is misleading to point out a causality direction from one to another in this context, but it is apparent that they both feed each other's consequences. But more importantly, this alienation triggers an increase in the distance between the family firms which had cooperative relations among them.

On the other side of the alienation problem stands the individual effects including the alienation of, first, the entrepreneurs from the production or trade, from the labor and from the town and, second, the labor from the production and trade, from the employers and, especially for the second generations of the labor that migrated from the rural in the first generations, from their rural origins. The alienation of the entrepreneurs from the production and the trade seems at first sight as an inevitable consequence of the growth of the firms and the formal education strategies as Torstein Veblen (2007) points out. But this, at the same time, is concerned with the recent firm institutionalization suggestions. As emphasized in the previous sections, these recent suggestions recommend decreasing the influences of the entrepreneurs especially in management structures. To what extent it is meaningful to suggest alienation for the Kayserian entrepreneurs from the management is an open question, even though they are mostly talented in trading their products owing to their inherent trade mentality. But it seems that this suggestion is embraced by some family firms.

Besides, the entrepreneurs have begun to alienate from the labor in this period. Owing especially to the fall of the informal education process, neither the entrepreneurs nor the labor have the opportunity of working together. But this also seems an inevitable consequence of the growth of the firms. While the informal education process which was a social responsibility in the dominance period of the first generations has gradually disappeared, the new ways of informal education, which are mostly seen as an individual responsibility for the successor training especially by the owner managers of the family firms, have begun to rise.

But more importantly, the entrepreneurs have begun to alienate from the town. Two important indicators of this alienation are detected in the research. The first one refers to the institutionalization strategies of the family firms. Apparently, the local institutional domain is limited generally by the local, and the local institutions are dominant within this domain. Therefore, every local firm has to adapt themselves to these local institutions – that are rules and routines, patterns and prescriptions as Reisman identifies – in order to survive in the local. However, embedding to the supra local networks refers to the adaptation of the firms to the institutional pattern of these networks. Therefore, the articulation to the supra local networks may indirectly require the adaptation of the local institutional patterns to the supra local ones. Although Islamic networks create some links to these supra local production networks, it is found from the in depth interviews with the family firms that, especially the great family firms in Kayseri have chosen to articulate these networks especially from Istanbul instead of forcing the local institutions for the adaptation to the supra local institutional patterns. And not only the great family firms, but also most of the other family firms tend to get articulated to the supra local networks from Istanbul. Therefore the harmony between the local and supra local institutional patterns depends mostly on the individual efforts of these firms.

These individual efforts caused in the first sight the detachment of the production and marketing. While the production is left in the town of Kayseri, almost all firms moved the marketing and research and development (R&D) functions to Istanbul. Therefore the dual management structure is also spatially divided. However, both sides of this structure are still crucially important for the survival of the firms and the production is still under the strategic management of the family members. But it is found in the research that, especially the third generation members, who were educated out of the town, of the family seem that they are not keen on to return to the town to commit the management of the production.

I did not want to come here back after graduation. But my father strongly insisted on and gave me two options: either to refuse a wealthy life in Kayseri and stay there without any economic help from my family or to return back to Kayseri to a

wealthy life I got used to and to consent to the ordinary life in here. Well actually you see I now live in Kayseri (Informant 18).

Why would I return back to Kayseri...? Fortunately my family does not force me to do so. I know some of my friends were forced by their families, returned back to the town and they are unhappy now... İzmir is where I want to live not Kayseri. I am sure if I go back I will not feel free... (Informant 19).

...I did not want to live in Kayseri at first but the economic conditions forced me to return back to the town... (Informant 20)

Besides, there is another important indicator of this alienation. Some of the families prepared family constitutions that are written contracts in which the members should sign if they are keen on to take managerial positions in the firms. A well known written contract was prepared by the Boydak Family which has begun operating in 1959 as an artisan production unit in the local business culture after the apprenticeship and currently owns and manages 29 firms and has approximately 2,5 billion \$ turn over amount in 2008. This written contract not only determines the rules of entering in the business especially for the coming generations, but also imposes the managerial and ownership positions of them. Therefore the signed contract has a binding effect on the coming generations. Actually, it is found in the research that the alienation of the entrepreneurs from the town is much more intense than their predecessor generations. It indeed is mostly concerned with the way of urban life style, the living standards and the urban amenities offered by the town. But actually the institutionalization strategies of the firms that choose to leave only the production mostly hinder the emergence of a social group which forces the dominant powers to improve the amenities of the town. According to the Turkstat Basic and Economic Indicators in 2002, the total industrial employment of the town is approximately 55.000. And the average household size is approximately 4,5 according to the 2000 population census data of the Turkstat. Therefore, it is possible to assume that nearly 250.000 people of the total population are concerned with industry. This is approximately one third of the whole population.

And more importantly, the general industrial structure of the town is constituted of low paid labor. Therefore so long as this institutionalization tendency that spatially divides the dual management structure of the family firms in Kayseri and leaves only the production in the town exists, it seems that the emergence of a social group which can force the town for better and improved amenities may be difficult and it seems that the alienation of especially the third generation entrepreneurs from the town may increase.

Besides, the alienation of the labor is detected in the research. The alienation of them from production and from the employer is not discussed in detail. The alienation from the production can be seen as an inevitable consequence of modern production. And it is stressed above that owing to the annihilation of the informal education process the possibility for the labor and the entrepreneurs of working together as apprentices has been disappeared and both sides have begun to alienate from each other. But most importantly, the alienation of especially the second and more apparently the third generation labor from their rural origins is found in the research. As stressed in the previous sections, especially the second generation labor was the most important source of professional workforce for the family firms in Kayseri. Due especially to the saving efforts of the first generations generally invested to the human capital, the second generation labor supplied the most important professionalization needs of these firms. However, they mostly lost familial contact with their rural extended families.

There are many people in Kayseri who have never met the villages where their father was born. My elder brother sold the village house and until recently, even I have not met our village. Fortunately I convinced my elder brother to buy some grounds from the village and especially in the summer times we spend our times there. If we did not buy the field my sons would not have the chance to experience the village life. But many of my friends have already lost contact with the village (Informant 21).

It can, to some extent, be put that the recently rising Islamic networks smoothes to a large extent the destructive consequences of the alienation. Besides, they successfully supply the lack of trust relations after the fall of the local traditional

socio-spatial institutions. In addition, according to some respondents, these networks not only provide certain institutional support for their members, but also they create links with certain supra local production networks. Therefore their efficiency has been increasing so long as they fulfill the local deficiencies emerged due to the fall of the local traditional socio-spatial institutions and to the extent that they create beneficial externalities.

However, the rise of these networks has crucial influences on the town. In the first place, the religious features have become the dominant components of the local identity. This dominance has become so powerful that certain researches such as the ESI report on Kayseri identify the economic success of the town as the success of a conservative social structure. Besides, many of the local studies opposed to the views of this ESI report do not oppose to the conservatism but to the style of the conservatism which identifies it as the Islamic Protestantism (Baktır, 2008; Cengiz, 2008; Dikeçligil, 2008a; 2008b; Erdem, 2008; Müezzinoğlu and Bayraktar, 2008). These researches seem that they all agree on the conservative social structure.

But to what extent is Kayseri conservative? And does conservatism only refer to the religious features? The literal meaning of conservative refers to the tendency to favor the traditional and to oppose the change. After the fall of two basic traditional socio-spatial institutions which were responsible for the inheritance of the traditional local knowledge, to what extent can Kayseri be identified as conservative? The traditional trade mentality, which is identified in this research as the basic trigger of the entrepreneurial potentials of the town, has approached the edge of extinction in parallel to the fall of the traditional institutions. The traditional family has begun to resolve. The traditional trade and production units have disappeared. The traditionally driven reciprocal responsibility relations have been on the edge of extinction. The traditional social relations between the families have begun to disappear. After the booming increases in the wealth of the individuals, the traditional values of resignation and modesty have receded in the past.

Moreover, the traditional spatial patterns have been destroyed. The traditional mahalle (neighborhood) organization has already been annihilated. Many of the ancient buildings lasted more than hundreds of years were ruined. To what extent it is possible to identify a town which fails to maintain its both social and spatial traditional inheritances as conservative is an open question. And is conservation the mentality which excludes everything contradictory to it even if most of them are traditional? Actually, every single respondent stresses the conservative look of the town and many of them seem to be proud of this feature. However, even the supporters of this conservative outlook emphasize that the conservativeness of the Kayserians ends at Boğazköprü where the actual settled area of the town ends.

Therefore it is possible to put that the conservative outlook may be the consequence of the dominance of recently raising certain Islamic networks. And this feature may be the new social control mechanism after the regression of the traditional social structure. Thus, these raising networks not only fulfill the deficiencies in the cooperative trust relations among the entrepreneurs, but also dominate the social life. They, more importantly, have begun to dominate the urban life style. Although most of the respondents generally identify the conservative outlook as a fake outlook, the local election results especially after the 1990s and more particularly the last two results indicate that the dominance of these networks are still beneficial for the town. However, the capability of the town for supporting the creation of various urban amenities that feed the various spheres of interest of the various urban life styles is hindered to a large extent by these networks. Therefore the capability of the town in this context seems fairly limited. The next section identifies the current urban amenities of the town and the actual capability of it for improving these amenities.

4.4. Socio-Spatial Consequences of the Generational Transition after the 1980s

As intensely emphasized in the previous sections, the town of Kayseri has had a noticeable economic success which has mostly triggered by local peculiar

features of the town in the period after the 1980s. However, in terms of the town's industrial competitiveness, this path represents a parallel direction with many other towns in Turkey to a large extent. The main feature of the industrial competitiveness of the town has mostly been the low paid labor. The economic success of the town, identified in the previous sections, also depends on the low labor wages. In fact, asking if this economic success experience has been able to create a successful urbanization experience or not is vitally important.

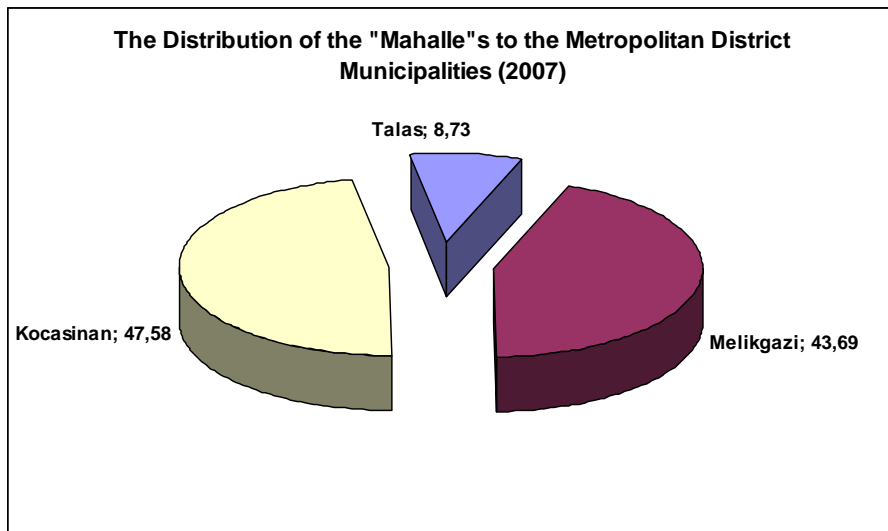
Previous chapter emphasizes that the economic success of the first generations were directly concerned with the improvement efforts of especially the urban amenities. Actually, the period after the 1950s represents a crucial turn point for the improvement of basic urban amenities, such as infrastructure, urban open areas and urban mass transportation systems and so on, and it should be identified that the urban administration after the 1950s has given full weight to the basic amenity improvements. But it is obvious that the assessment of an urbanization process only in terms of basic urban amenity improvements may be highly misleading. They indeed are crucially important components of urban life. However, especially in recent years a momentum has been growing to understand the towns as spatially open and cross-cut by many different kinds of mobilities from flows of people to commodities and information (Appadurai, 1996; Castells, 1996; Allen, Massey and Pryke, 1999; Massey, Allen and Pile, 1999; Urry, 2000; Amin and Thrift, 2002). This conception is identified as the new urbanism by Amin and Thrift and gives the opportunity to consider the towns in terms of the mobilities in which the towns are able to create and in which they are spatially open. In addition, all these mobilities seem to be concerned with the urban amenities which are provided by the town and which ease the town's ability to increase the fluidity of those mobilities and the total livability. This research suggests the concept of urban capabilities – in tune with the capability conception of Sen (1999) – which are constituted of the abilities of the towns to create or the openness of them to above mentioned mobilities and amenities. In this respect, the economic success of the town of Kayseri in the period after the 1980s has been able to improve the capabilities of the town for creating basic amenities.

But actually, the town has failed to create various urban amenities that support the existence of various urban life styles. The main point here refers to the problem of only creating certain amenities that support the existence of limited certain urban life styles although the town has been fully capable, in economic terms, of creating a real variety. Therefore it is possible to put that the capability of a town to create various urban amenities that support the existence of various urban life styles does not merely depend on its economic capabilities. Rather, it is concerned with the dominant mentality – that dominates the urban administration indeed – of the town. And the maintenance of the dominance of any mentality is possible only when it is reproduced in the local public realm. Indeed the dominance of the urban administration mentality is reproduced in the public realm in Kayseri. However, the representation ability of the local public realm in Kayseri seems very limited with a certain close sub-social network.

The limited representation ability of the local public realm is identified not only in the interviews of this research with the local opinion leaders, but also in some other certain interviews – such as the ones prepared by Aksiyon (November 2005), Forbes (February 2006), Ekovitrin (December 2008) magazines and Dünya newspaper (special local appendices especially no 19; 36; 51; 68) again with the local opinion leaders. And the dominance of this close network over the public realm is mostly responsible for lack creation of various urban amenities. It is possible to consider this dominance and the public realm in terms of the flow of information. Arguably, the urban administration process of the town still depends on the local communicative action in tune with the conception of Habermas (2001). However, the representation ability of the public sphere wherein this communicativeness emerges is, as emphasized, limited with certain sub-social networks. And if the communicativeness is concerned with the information flows, then the information flows that influence the administration may be under the dominance of these certain networks.

It is emphasized that the impacts of the Islamic networks on these certain local networks have gradually been increasing since the 1990s. But it is found in the research that, the individuals and the families that are able to enter in the

remaining traditional social interaction types – more particularly traditional face to face relations – still have noticeable influences on these sub-social networks. This influence is detected in the research which scrutinizes the communicativeness and the information fluidity between the “muhtar”s and municipalities in Kayseri including 103 muhtars in three metropolitan district municipalities in tune with their total urban population (Hovardaoğlu, 2007). Figure 4. 7 shows the distribution of the “mahalle (neighborhood)”s to the metropolitan municipalities.



Source: Hovardaoğlu, O., Yerel Yönetimler Bağlamında Yönetmel Pozisyonların Kurumsal Demokrasi Açısından Değerlendirilmesi: Belediyeler ve Muhtarlıklar, Erciyes University Journal of the Institute of Social Sciences, Vol: 22, No: 1, pp 313-326, 2007, p.320.

Figure 4. 7. The distribution of the “mahalle (neighborhood)”s to the metropolitan district municipalities.

The in depth interview method is used in order to detect the main urban problems of the mahalle (neighborhood)s and the communicativeness between the muhtars and district mayors. 95 % of the muhtars stressed the importance of face to face relations with the mayors. However, this rate does not represent the

actual face to face relations between them. Approximately 19 % of muhtars directly stressed that the inadequate municipal services in their mahalle (neighborhood)s were concerned with their lack communication with the mayor. And on the other side, three of them expressed that the high service quality of the municipality was due to their close relation with the mayor. In addition, 20 % of muhtars expressed their direct face to face relations with the mayors. Table 4. 3. shows the detected main problem titles and the number and rate of muhtars that expressed the problem.

Table 4. 3. The Main Problem Titles Detected in the Interviews with the Muhtars and the Number and Rate of Muhtars Expresses the Existence of these Problems.

Problem Titles	The Number of the Muhtars that expressed the Problem	Rate (%)
Inadequacy of open and green areas	68	66,02
Inadequacy of road networks	66	64,08
Urbanization and development problems	65	63,11
Inadequacy of Urban Social Equipment	59	57,28
Infrastructure inadequacies	58	56,31
Poverty	53	51,46
High crime rates	37	35,92
Inadequacy of municipal services	29	28,16
Inadequacy of urban mass transportation	26	25,24
Immigrants from outside of Kayseri	23	22,33
Municipality's lack of interest	19	18,45
Inadequacy of parking lots	13	12,62
Traffic density	10	9,71

Source: Hovardaoğlu, O., Yerel Yönetimler Bağlamında Yönetmelik Pozisyonlarının Kurumsal Demokrasi Açısından Değerlendirilmesi: Belediyeler ve Muhtarlıklar, Erciyes University Journal of the Institute of Social Sciences, Vol: 22, No: 1, pp 313-326, 2007, p.321.

In the first place, it is found in the research that the fluidity of the flows of information and the communicativeness, and the quality of communication increase when there is a face to face relation between the mayors and the

muhtars (Hovardaoğlu, 2007). Therefore, it is obvious that the remaining traditional face to face relations still have a direct influence in urban administration. In addition, it is possible to put that the relations between the individuals within the Islamic networks seem that they have importance in entering the certain local networks.

However, the outcomes of the table above indicate other significant problems that are spatial inequity of the distribution of basic amenities, the increasing poverty and the recently becoming apparent spatial tensions between the immigrant low waged workers and the urban administration and capital. Kayseri has mostly been seen and considered in terms of economic success and wealth. However, nearly the half of the town has recently been experiencing poverty that gradually becomes deeper.

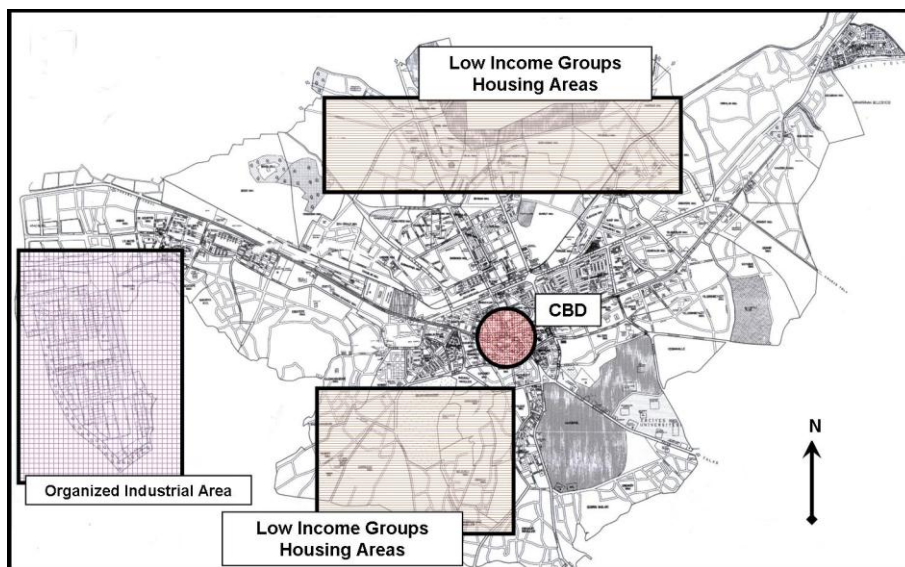


Figure 4. 8. The low income groups housing areas located in the northern and southern outskirts of the town

Especially in the outskirts of both the southern and northern parts of the town, the poverty rates are rapidly increasing. This increase is directly concerned both with the competitive industrial structure and the individual institutionalization

strategies of the family firms. But, more importantly, the town no more is able to represent an immigrant friendly feature especially in terms of livable dwelling areas. As emphasized in the foregoing chapter, the internal mobility in the town from traditional urban patterns to the newly developed urban dwelling areas generally gave the opportunity to immigrants to find livable dwelling areas. However, on the one hand the rapid population growth, and on the other the rapidly increasing land values and the annuity expectations of the land owners restrained the local opportunities of finding livable dwelling areas. The other face of the town of Kayseri has gradually been apparent especially since the 2000s.

The inefficient representation abilities of the local public realm also are concerned with the rapid population increase of the town. The population of 281.320 in 1980 increased to 496.477 in 1990 and to 632.354 in 2000 according to the Turkstat data. After the growth of the municipal area of the metropolitan municipality in 2005, the population increased to 895.253 in 2007 population census. This increase in the period between 1980 and 2007 corresponds to approximately 220 % of growth of the population. Therefore it has already been difficult to maintain the function of the traditional information flow systems throughout the rapid population increase. Owing to the fact, the representation ability of the public sphere seems that it was inevitably become inadequate. But it should be identified that a certain effort of improving the representation ability was not detected in the research. And this rapid growth, in addition to the lack representation abilities of the public sphere, increased the alienated population density in the town.

The rapid population increase also represents the rapid urban growth. And the urban growth has been seen by the landowners as one of the most important income sources. It is emphasized in the foregoing chapter that the land value speculation was – and has been – favored in Kayseri. But in the dominance period of the second generations, the land value speculations have become much more sophisticated. There are four organized industrial areas and one free zone in Kayseri with more than thousands of building lots. Only the 1st Organized Area is fully functioning currently and the Free Zone is functioning. There are

only a few firms located in the other organized industrial areas and most of them have numerous empty building lots. A member of the Board of Directors of Mimarsinan Organized Industrial Area expressed that many of the investors recently tend to invest in industrial building lots due to the rapidly increasing land values of them (Informant 02).

Besides, the General Director of the Free Zone, stressed that the speculation of the land values of industrial building lots recently hindered actual industrial investments and the land values rapidly peaked which also restrain the actual investors (Informant 22). And in addition, there are seven Small Industry Zones with 5.437 building lots. Figure 4.9. shows the locations of small industry zones.

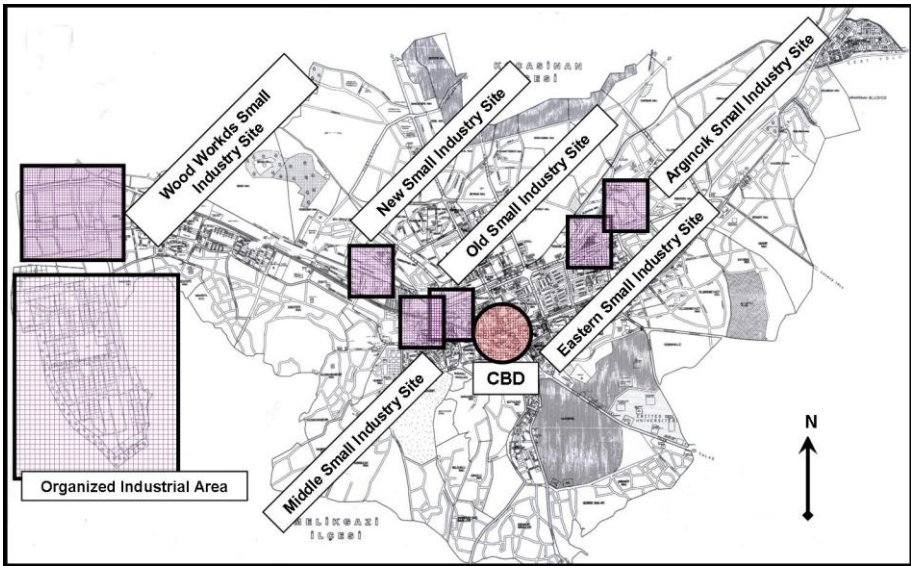


Figure 4. 9. The small industry areas of the town

In the interview with Mr. NM, one of the senior officers of the Kayseri Chamber of Industry, he put that the industrial building lot land value speculation is one of the most important obstructs for industrial investments, and in addition, the land value speculations are mostly favored by the Kayserians and many of them

recently chose to invest in housing or industrial building lots (Informant 01).
Table 4. 4. shows the Small Industry Zones in the town of Kayseri.

Table 4. 4. The Small Industry Zones in the Town of Kayseri

The Name of the Small Industry Zone	Total Size (m ²)	Number of building lots	Rate (%)	Average Building lot size (m ²)
Old Industrial Zone	317.000	2.178	40,06	145,55
New Industrial Zone	431.000	1.634	30,05	263,77
Middle Industrial Zone	62.000	55	1,01	1127,27
Eastern Industry Wood Works	83.400	280	5,15	297,86
Producers' Industry Zone	-	220	4,05	-
Wood Works Small Industrial Zone	587.000	850	15,63	690,59
Argincik Small Industry Zone	102.600	220	4,05	466,36
Total	1.583.000	5.437	100	291,15

Source: Organized from the Industry and Commerce Reports of the Provincial Directorate of Industry and Commerce of Kayseri.

But as emphasized, the land value speculations are neither new nor rare. In the Master Plan report of the Second Master Plan of the town prepared by Yavuz Taşçı in 1975, the increasing tendency of speculation was indicated. Taşçı (1975) identified this increase as regular and the plan supported the growth directions of this tendency to the north east and west. The general geographic decisions of the plan, therefore, maintained the linear macro form of the town and the main transportation links between the western and south eastern parts were strengthened. While the south eastern corridor, particularly along the southern parts of Sivas Street, represented the new high land valued dwelling development areas, the western corridor, particularly along Ankara Street, represented the new industrial and low land valued dwelling development areas according to the plan.

This second master plan of the town was prepared according to the classical predictions of physical planning. Both the population and building densities

gradually lowered from the city center to the outskirts especially supporting the linear directions. The dwelling zones and the working zones were strictly departed from each other and linked with strong road networks. The traditional patterns located in the southern parts of the city center were protected by conservation sites. The grid pattern of new development areas and high apartments became more apparent by this plan and the regular “organized” and “orderly” physical outlook of the town was created by this pattern.

Therefore the general urban “modernization” tendency of the town was exactly maintained and supported by this second master plan. In addition, the third master plan, prepared in 1986 by Bülent Berksan adopted every general tendency of the previous master plan. The dominance period of the second generations has produced three master plans for the town. The last one was prepared after 2005 when the municipal area of the town was grown by the recent municipal law. However, they both just focused on the basic amenity improvements and mainly they aimed to put the different land uses in order. The modernization thought of the town seems that it has not changed since the first applications. The town still represents the physically ordered outlook with “tidily” arranged buildings and road networks, with carefully distinguished zones and with a great effort to improve basic amenities; but with the same spatial patterns applied everywhere in town.

Though it is found in the research that certain spatial inequities have begun to be observed, the local administration has great efforts for the improvement and the maintenance of the basic amenities and the town still represents one of the most livable towns in the Middle Anatolian Region in terms of the high basic amenity standards. Besides the local administration seems that it uses its economic abilities efficiently in order to improve and maintain these amenities. In addition, there seems a strong solidarity for charities. Not only the great majority of the faculty or hospital buildings of Erciyes University, but also many of the education and social buildings of the town were built by charities of the leader entrepreneurs of Kayseri even some of them do not live in the town. But still, they represent either the support for the economic capabilities of the local

administration or local official institutions, or the improvement of the basic amenities.

The term basic amenity represents everything considered to be necessary to live comfortably like the infrastructure, the road networks and urban mass transportation systems as mentioned above; and it is possible to put that basic amenities are the necessary features of urban life for every town. However, the city amenities should be more than just basic amenities. They should be the improving factors of the quality of life and they can be considered to be the providers of the willingness and desire of people to live in a certain city. Arguably, they vary from one city to another. They mostly feed the existence and creation of various urban life styles, and are concerned with the dominant mentality as well as the economic capabilities of the local administration as mentioned above. From this point of view, the town seems that it failed to create urban amenities that support the creation and existence of different urban life styles more than the basic ones.

It is possible to identify two main indicators of this failure instead of some statistical indicators. In the first place, the dull and dreary outlook of the central business district (CBD) of the town represents that the user and land use profiles of the CBD do not differentiate from each other. A certain segregation of the specialized CBD land uses have not emerged yet. Besides, the CBD scarcely represents the existence of a successful and strong industrial capital (Hovardaoğlu, O. and Hovardaoğlu, S., 2004). Rather, it represents an undifferentiated land use without spatial specializations. It is mentioned in the previous sections that the dual structure of the family firms has begun to spatially segregate in tune with the institutionalization strategies of these firms. However, this segregation of the dual structure refers to the move of marketing management especially to İstanbul not to the CBD of the town of Kayseri. Therefore, the inability of the CBD to represent the industrial production seems that it is concerned with the institutionalization strategies of the family firms.

As mentioned above, the marketing management part of the dual management structure of the family firms is responsible for the articulation of the industrial production to the supra local networks and most of the firms have chosen to articulate these networks from Istanbul instead of Kayseri. This institutionalization tendency, on the one hand, results the inability of the CBD to represent the industrial production by spatial specializations. And on the other, owing to the basic competitiveness of the remaining part of the dual structure, that is the production, the general economic capabilities of the majority of the urban population is left undifferentiated from each other and quite inadequate to force the creation of any specialization in the CBD. Therefore the general outlook of the CBD represents the dreariness of the almost undifferentiated economic capabilities of the citizens.

In the second place, the peculiar structure and the functions of the housing unit indicates the failure of the creation of urban amenities that support the existence of different urban life styles more than the basic ones. The dwelling unit still represents the main spatial component of the social interaction in the town. The peculiar inner architectural design of the apartment housing units produced by the first generations after the annihilation of the traditional spatial patterns of the traditional social interaction still is the dominant architectural design. The existence and dominance of this peculiar design indicates that the spatial component of the social interaction has not extended through the out of the housing unit yet. Therefore the general structure of the social interaction styles mainly inherited from the first generations have been remaining and still dominate the social life in the town.

But some significant spatial examples which indicate that the social interaction especially between the third generations have begun to extend over the dwelling unit recently are detected in the research. Although the main users of them seem to be the successors of the second generation entrepreneurs, and they geographically located in the entrepreneur class neighborhoods, they indicate the gradually increasing influence of the succeeding generations in the town. On the one hand, this increasing influence of the third generations shows that the

town has begun to create urban amenities for various urban life styles. But on the other, it indicates that the power of the traditional social patterns is declining.

Although they still represent a small minority, different inner architectural design examples have begun to emerge especially after the mid 2000s. It is emphasized in the previous sections that the house, especially the wide entrance and the saloon parts are the spatial extensions of the traditional social relations. Besides, the house, more particularly the spatial component of the home meetings represents the local public realm. But the recent examples of different inner architectural designs indicate that these traditional functions of the housing unit have begun to change generationally. This generational change is analyzed in the following chapter. But more importantly, it indicates that the traditional social relations, the traditional social interaction styles and the traditional family structure have begun to transform. Only the vineyard houses are still in resistance to change.

These houses traditionally represent the gathering of traditional family together. Although the alienation of the family members both from each other and the family, the extended family still gathers together in summer times in these houses. Therefore they represent the last standing spatial stronghold of the traditional family. However, the influences of the succeeding generations have reached these houses recently. Some of the third generation entrepreneurs tend to buy their own vineyard houses since these houses have been seen as one of the indicators of wealth and social statute by them. The most important dilemma of the town seems to be the influence of the third generations which on the one hand forces the town to create various amenities but on the other accelerates the resolution of traditional social patterns. And more importantly, the current period represents the generational transition from the second generations to their successors. This transition is not only concerned with the family firms, but also with the town, with the social patterns and thus with the local development path as a whole.

4.5. Conclusion: The Legacy of the Second Generations

The town of Kayseri has experienced a significant economic success in the period after the 1980s under the dominance of the second generations. As stressed in the previous sections, this success has three main components including the organizational restructuring which represents the transfer of economic roles and strategies of the welfare family of the first generations to the family firms; the booming production rates and the transfer of the cooperative trust relations which has emerged within the local business culture of the first generations. However, this economic success has mostly influenced the traditional context of the town and many of the important traditional socio-spatial institutions were destroyed throughout the economic success period. And the destruction of these socio-spatial institutions represents the annihilation of the inheritance opportunities and possibilities of the traditional local knowledge. Moreover, it represents the extinction of a peculiar local mentality that is the traditional trade mentality which is identified in this research as the main trigger of the entrepreneurial potentials and the main component of the local business culture.

Although the cooperative trust relations of the local business culture has mostly transferred to the newly arising business culture of the second generations especially in the 1980s, the reciprocal responsibility relations, which have emerged within the local business culture, has mostly destroyed. Besides, the regression of two main socio-spatial institutions, that were the traditional family and the traditional production and merchant units, triggered a decline in the cooperative trust relations between the family firms. And the desolation of the local cooperative trust relations has been fulfilled by already established trust relations of especially the Islamic networks.

Therefore the generationally emerging organizational restructuring created more apparent systemic conflicts – that are the conflicts between the ways of dominating the local economic life of two generations – than the conflicts between the individuals. It is possible to identify two generational conflicts within

this context. The gradually increasing individual and social alienations can be considered in the first place. The second generational conflict identified in the research is the increasing influences of Islamic networks in the town. Although these networks create crucial benefits for the town, the misleading conservative outlook of the town indicates that these networks mostly seem to be in contradiction with the urban life styles.

The most important conflict within this context seems to be the failure of the town to support the existence of a variety in the urban life styles by creating various urban amenities although the town is economically capable of. In fact, the modernization project of the town which has begun in the period after the 1950s has been totally successful of improving the basic amenities of the town, and currently, in terms of these basic amenities, Kayseri seems to be one of the most livable towns in Turkey. However, both the institutionalization strategies of the family firms which have only left the commodity production in the town and thus have limited the economic capabilities of the population of the town; and the gradually increasing influences of the Islamic networks have hindered the town's capabilities of creating a variety of urban amenities. The crucial significance of this problem becomes more apparent when it is considered in terms of the new urbanization concept of Amin and Thrift (2002).

This conception, identified as the new urbanism by Amin and Thrift (2002) understands the towns as spatially open and cross-cut by many different kinds of mobilities from flows of people to commodities and information (Appadurai, 1996; Castells, 1996; Allen, Massey and Pryke, 1999; Massey, Allen and Pile, 1999; Urry, 2000; Amin and Thrift, 2002). From that point of view, the economic success of the town can also be considered in this context. The economic success of the town indicates the capability of the town to create commodity flows. And the increasing regional-central position of the town in relation to the increasing commodity flows seems to have triggered the capability of the town to create people flows. Besides, it is possible to put that the inheritance of the local knowledge indicates the capability of the town to create generational information

flows. And, in addition, the town seems to have been highly capable of creating basic amenities especially since the beginning of the modernization project.

However, the capability of the town to create a variety of especially the commodity and people flows seems to be limited to a large extent. The dominant industrial sector of the town is – and have been since the 1950s – the manufacturing industry, and more particularly textile, food, metal furniture and machinery and furniture. These sectors have historically existed in the town and more importantly, their main competitive advantage depends on the low cost labor. This competitive advantage of the town has been an important component of the economic success until recently. Therefore the town has mainly been creating low cost labor related people flows.

But these are not the only components of the economic success of the town especially after the 1980s. The organizational restructuring, which is identified as the transfer of the economic roles and strategies of the welfare family to the family firms, seems to have been a booming impact on the increase of both the commodity and people flows. However, this booming impact has triggered two main problems related to the information flows. In the first place, the traditional socio-spatial institutions, which were responsible for the inheritance of the local traditional knowledge, have been destructed. And secondly, the institutionalization strategies of the family firms have chosen to spatially separate the dual management structure of these firms and have left the production in the town. Therefore, the capabilities of the town to create information flows different than the flows related to the production and to get articulated to various information flow networks seem to be hindered. Moreover, the influences of the information flows of recently arising networks have been increasing. Therefore the capabilities of the town to create a variety of people flows that may have positive impacts on both the information and commodity flows seem to be limited.

From this point of view, the Kayseri experience shows that the economic success of a local development path which depends on the traditional local

features itself may become a matter of contradiction to these traditional local features. The role of the traditional family in local economic structure has been crucially important in the traditional social structures which have kept the welfare of the family in the foreground. And the Kayseri experience also indicates that along with a rapid growth experience of the firms, the generational transfer of the economic roles of the family to the family firms may erode the economic weight of the family. Therefore the balance between the family and the firm may be destructed.

In addition, the spatial separation of the family members from the traditional family, especially owing to the increasing wealth and generationally changing individual needs, triggered the dissociation of the traditional extended family. Therefore the reproduction of the traditional family relations is mostly hindered which triggers an alienation of the family members both from the family and from each other. This alienation influences, in the first place, the institutional structure of the family. And in Kayseri experience, the first institutional structure of the family firms after the transfer of the economic roles of the family to the firm was mostly fed by the institutional structure of the family itself. Therefore, any damage in the traditional institutional structure of the family directly influences the institutional structure of the family firms.

The Kayseri experience has a special importance in this context. Most of the family firms in Kayseri have begun to suffer from institutional structure problems recently. And almost all of the institutional structure problem solutions suggested by many of the local researches tend to limit the familial influence with the ownership structure and to transfer the managerial responsibilities to the professional employees. However, it is found that, these suggestions, which did not carefully analyze the close relation between the institutional structures of the family and the firm, weakens the most necessary relation between the firm and the local traditional trade mentality. Moreover, these suggestions also hinder the certain conditions for the emergence of cooperative trust relations.

The exclusion of the Kayserian family members both from the management and business triggers the alienation of the individuals from the town. Especially most of the third generation entrepreneurs have mostly been educated in management out of the town and even abroad. The main reason of them to return back to the town seems mostly to be their business related expectations. However, many of the institutionalization suggestions seem to detach this relation. And thus supports the alienation of the individuals from the town.

But the alienation which has emerged owing to the generational transformation of the traditional family is not only in individual levels. The Kayseri experience indicates that this process refers to the alienation of the local socio-spatial institutions from each other and even the destruction of them, and therefore hinders the emergence of a local business culture which depends on the cooperative trust relations. Under these circumstances, the influences of certain networks which offers already established cooperative trust relations have begun to rise. It is found in the Kayseri experience that although these networks create crucial benefits especially in short term, they damage, to a large extent, the capabilities of the town to create a variety of mobilities. This limitation weakens the capabilities of the town to maintain the economic success. On the contrary, they mostly sharpen the generational conflicts. The following chapter analyzes the influences of the currently rising third generations on the local development path and begins with identifying these sharpened generational conflicts.

CHAPTER 5

5. GENERATIONAL TRANSITION: THE CHALLENGES IN THE PERIOD OF THE RISE OF A NEW GENERATION AFTER THE 2000s

5.1. Introduction

While Amin (1999a) indicates that “the economy emerges as a composition of collective influences which shape individual action and as a diversified and path-dependent entity molded by inherited cultural and socio-institutional influences” (pp. 367-368), he identifies the main conceptual framework of the understanding of recent local development studies. More specifically, insight is drawn by a set of concepts including, for instance, actor networks (e.g. Murdoch, 1998; 2000); spatial clusters and industrial districts (e.g. Krugman, 1995; Gordon and McCann, 2000); formal and informal institutions (e.g. Amin and Thrift, 2001; 1995; Amin, 1999a; 1999b; Hodgson, 1998); embeddedness (Granovetter, 1985); formal and informal – and/or tacit – knowledge (e.g. Amin and Thrift, 1995; Storper, 1997; Amin, 1999a; 1999b); cooperative – and competitive – trust relations (e.g. Grabher, 1993; Storper, 1997; Amin, 1999a; 1999b); untraded interdependencies (Storper, 1997); learning, proximity and learning regions (e.g. Cooke and Morgan, 1998; Amin and Wilkinson, 1993; Amin and Cohendet, 1999); capabilities (Sen, 1999); path-dependency (e.g. Amin, 1999a; 1999b; 2004); and entrepreneurship from not only the institutional and evolutionary economics but also from the new conceptions of cities and regions as spatially open to different kinds of mobilities (Appadurai, 1996; Castells, 1996; Allen, Massey and Pryke, 1999; Massey, Allen and Pile, 1999; Urry, 2000; Amin and Thrift, 2002). Presumably the most seminal of these concepts is that they mostly have been identified and conceptualized from and in tune with the analyses of

the local development experiences in the period after the 1980s. Beyond any other debates, the understanding of local development experiences being underpinned by these concepts stresses the dominating powers and roles of the local. And a considerable attention has been intensified upon the analyses of successful local development experiences.

However, the problem to maintain this development success should be analyzed carefully. In fact, the continuity of the success of a development experience has a vital importance and arguably, along with many other criteria, this success should be directly concerned with the ability of to maintain itself. Therefore the above mentioned concepts are also associated with the continuity of the local development experiences. It is possible to identify two apparent understanding and / or conception tendencies in the literature in this respect. While the one gives the weight to the global systems and processes – and therefore puts the local systems and processes in a somewhat passive position in comparison with the global ones – the other tends to understand the global as a network of locals articulated to each other. But both of them, whether directly or indirectly, tend to associate the development experiences with the local socio-spatial and socio-institutional contexts and actually the Kayseri experience represents that the generational change seems to be one of the most apparent and powerful origins for the socio-spatial and socio-institutional changes – as well as socio-cultural changes – in local. Therefore local development paths should be analyzed in a generational view. However, this is more than the analysis of the generation gap between different generations although the problem of generation gap seems to be an important one in terms of highly dynamic demographic structures and of the booming increases in the information flows in the global networks. The generational analysis of local development paths mostly represents the inquiry of the generational transition of socio-spatial and socio-institutional contexts of the different generations that dominate the local development paths.

The previous chapters identify two apparent successive periods being directly influenced by the dominating generations in the local development path of Kayseri and it is found that the major breaking points of this trajectory is

associated with the transition of the dominating generations. The 1950s and the 1980s, along with the already identified changes in the literature, represent the generational transition periods in the local path of Kayseri. And recently, the influences and dominating powers of a new generation have become to be apparent. In fact, after an approximately three decade long period, it is possible to put that the dominance of the generations leading to the emergence of successful development experiences in the 1980s has approached to the edge of succession. Actually, beginning from the 2000s, the 2010s seem to represent a generational transition period for these development practices and the path in Kayseri has already begun to experience the influences of the succeeding generations that are identified as the third generations.

This chapter aims to identify these influences emerging from the generational transition in Kayseri. It is found in the research that these impacts have two apparent dimensions. While the first one is the generational transition, the second refers to the problems associated with the rapid changes in the demographic structure of the town. Apparently the generational influences seem to be conflicting in nature and this chapter attempts to identify these influences both in terms of the capital accumulation capabilities and the socio-spatial and socio-institutional changes. To anticipate the direction, the following section analyzes the generational influences on the local development path of Kayseri.

5.2. Challenges and Opportunities Episode I: The Economic Dimension

It is emphasized in the foregoing chapter that the most intense attention upon the economic success of the town of Kayseri has been focused on the period after the 1980s dominated by the second generations, and it is also stressed that this economic success of the town has had three dimensions including the transformation of the economic roles of the traditional family of the first generations to the family firms – that is identified as the organizational restructuring –; the increasing, further, booming production rates; and the transfer of the trust relations of the local business culture to the newly ascending business climate which has been dominated by the family firms. This dominance

of the second generations has approached to the edge of succession recently and the dominating effects of the third generations have begun to be apparent. This section analyzes the growing influences of the coming generations on the local development path.

Two different but complementary generational influences have detected in this analysis. While the first one refers to the influences of generational transition, the second effect is mostly concerned with the changes of the demographic structure of both the town and Turkey. The influences of the generational transition can be identified under three main titles including the effects of the alienation of the succeeding generations from the local business culture of the second generations and from the local knowledge inheritance; the beginning of a collapse in the partnership structures, being fed by the traditional family structure, of the family firms; and the conflicts between the third generation family members owing to the institutionalization choices of the firms which spatially separates the dual management structure and leaves the management of the production in Kayseri.

In addition to the influences of the generational transition, two major effects of the demographic change are identified in this analysis. In the first place, it is found that the recent changes in the demographic structure of the town not only diversified the socio-cultural structure of the population with rapid increases, but also indicate a decline in the younger age cohorts and a mid-future threat of population aging. Therefore the sophistication of the local socio-cultural structure on the one hand, and the decline in the younger population and the problem of population aging may trigger and deepen the generational conflicts. And secondly, the population aging and the decline in younger age cohorts, more specifically the decline in the total fertility rate, refer to national level demographic changes which represent serious decreases in the urban population increase rates. As stressed in the foregoing chapters, the success in the major industrial sectors – that are the food, metal furniture and machinery and furniture industries – of the town of Kayseri mostly depend on the high increases of urban population. In other words, the primary national market for the

town is mostly fed by the rapid urban population increases. Besides, this problem does not only belong to Turkey. Most of the recent demographic reports from the developed world draw attention to the problem of population decline (see for instance Muenz, 2007 for the population decline problem in the European region and Australian G-20 Secretariat Background Note, 2006 for the population decline problems in the G-20 countries). Therefore the global markets of the developed world for the industrial sectors of Kayseri have been shrinking in terms of market opportunities.

From that point of view, owing to the possible organizational problems especially in the ownership structures of the family firms and the possible market decline problems, the third generations may face more difficult problems than their predecessors. As emphasized in the foregoing chapter the dominance period of the second generations has begun with an organizational restructuring which is identified in this research as the transformation of the economic roles of the welfare family to the family firms. It seems that the coming period of the third generations may witness other restructurings both in the organizational and sector structures. The following section analyzes the influences of the generational transition on the development path, more particularly on the economic capabilities and structure of the town.

5.2.1. The Influences of Generational Transition

Three major effects of the generational transition are identified in this analysis. In the first place there is the problem of alienation of the third generations from the local business culture of their predecessors including the alienation from not only the local business relations but also from the local traditional knowledge. In the foregoing chapter, the fall of the traditional local socio-spatial institutions throughout the dominance period of the second generations is emphasized. The destruction of them more particularly represents the destruction of the inheritance of the traditional local tacit knowledge. This problem seems to be more important than it is thought. It is found in the in depth interviews with the third generation successors that, depending on the age, most of them did not

enter into the socially constructed informal education processes, rather they were trained by their predecessors as individually constructed informal education and had formal education. Therefore the informal education process which has been established as a social responsibility has become an individual responsibility. One of the most important differences between these two generations – that are the second and the third generations – seems to be their ways of access to the local traditional knowledge.

The organizational restructuring represents not only the transformation of the cooperative trust relations between the traditional artisan production and merchant units to the family firms, but also the destruction of the reciprocal responsibility relations between these traditional units. Although this transformation is identified as one of the three main dimensions of the economic success of the town after the 1980s, it also sent a crucial socio-spatial institution, being identified as one of the traditional ways of access to the local tacit knowledge, into oblivion. Therefore many of the third generations have lost the socio-institutional opportunities of accessing the local knowledge owing to the destruction of the reciprocal responsibility relations. However, since some of the second generations have drawn attention to the importance of the “modern informal” education have seen the traditional informal education almost inappropriate for their modern wealthy lifestyle, they have mostly refused the traditional ways of the knowledge inheritance already. On the contrary, some of them still stress the importance of the informal education – or in local terms, the importance of learning the difficulties of gaining money, production and trading – and thus emphasize the vital importance of the inheritance of the local traditional trade mentality; but suffer from the destruction of the traditional socio-spatial institutions.

These two tendencies of the second generations triggered a diversification between the knowledge access ways of their successors. While some of them – although seems to be a little minority – have chosen the strategy of mere formal education for their successors, some of them still have tended to continue the informal education, which although seems to have been shrunk mostly from a

collective social action to individual attempts in the owned business structures as a local successor training, supported by the formal education. One way or another, it matters not, the inheritance of the local knowledge seems to have become an individual endeavor instead of a reciprocal responsibility relation producing collective social action throughout the dominance period of the second generations. Owing to the fact, most of the third generations were left to be deprived from the access opportunities to the local business culture of the second generations.

Therefore most of third generation successors actually suffer from the business miscommunication with the second generations and from the lack confidence of them. These newly ascending successor generations generally complain about being not to be accepted as a business respondent by the predecessor generations. This problem more specifically refers to a serious obstacle of establishing business relations between the second and the third generations. A 26-year-old third generation owner manager of a big textile factory, for instance, emphasized that he still needs the help of his father in order to establish business relations with the second generation owner managers of other firms. He stressed that these older owners of the other firms call his father whether he knew the details of the business contract which was attempted to be established by his son (Informant 23).

Similarly the 34-year-old third generation owner manager of a construction firm complained about this tendency of the second generations. He emphasized that almost all of the second generation owners of other firms require the last acceptance word from his father (Informant 18). Every third generation informant – even the elderly ones who are old enough to experience the last phases of the traditional informal education – seems to associate this tendency of the second generations to the lack confidence of their predecessors to them. It is found that both sides are suffering from this trust problem. Many of the second generation owners complained about being unsure whether their successors would be able to handle the management of the firm even if they are well-educated. This hesitation can be taken for granted under the recent, especially the familial,

circumstances. The traditional extended family has already started to dwindle away and many of the second generation members of the family tend to identify themselves as the last standing pivot for holding the family together.

The alienation of both the family members from the family, from each other and also the alienation of the families from each other are stressed in the foregoing chapter. The increasing alienation not only results the decline in the family size, but also triggers serious increases in the social distance between the family members. In fact, the third generations seemingly fail to establish cousin consortiums owing to the alienation and this problem is identified as the second major effect of the generational transition. More specifically, this is the destruction problem of the ownership structures of the family firms.

The beginning of the dominance period of the second generations was characterized by an organizational restructuring which is identified as the transfer of the economic roles and strategies – and also the capital accumulation processes – of the welfare family to the family firms. In addition, the new firm establishment rates being stressed in the foregoing chapter also indicate this organizational restructuring. More particularly, this restructuring represents the increasing number of incorporated and limited company type organizations instead of sole proprietorships. In the foregoing chapter, this increase is identified as one of the most important indicators of the family members' cooperation being intensified upon the family firm rather than the welfare family and thus it indicates that the family members' cooperation has transformed. However, it is obvious that this cooperation was mostly fed by the traditional family relations and when the family members have begun to alienate from each other, the continuity of the family cooperation has thus begun to be dwindled.

It is found in the research that this decline mostly affects the ownership structures of the family firms and importantly influences the whole organizational structure of the firms including the collapse of them. Actually the new firm establishment rates, the firm close rates and the firm survival rates indicate that there may be a growing tendency of separating from each other among the

cousin consortiums and sibling partnerships and of establishing individual firms especially sole proprietorship type organizations.

Figure 4.4 apparently shows that the number of new limited company type organizations declined in the period between 1995 and 1999, and on the contrary, the number of sole proprietorship type of organizations have begun to increase in the same period. However, the total number of sole proprietorship type of organizations has still tended to decline in this period owing to the fact that the close rates were still greater in amount. But after the 2000s, while the number of new establishments has continued to increase, the closing rates have begun to decline. Therefore the total number of sole proprietorship type of organizations has begun to increase again. Figure 4.5. shows the difference between the number of new establishments and closed establishments (new established firms – closed firms).

More specifically, the survival rates of the sole proprietorship type of organizations have increased dramatically in the period after the 2000s. The survival rate of approximately 50 % of them has increased above 90 % in the period after the 2000s. Figure 4.6. shows the survival rates of the firms established in the period between 1980 and 2005. The high establishment rates of the sole proprietorship type organizations have been identified as one of the most important indicators of the family strategies in which the family members' cooperation has intensified upon the welfare family in the dominance period of the first generations. However, the recent tendency of high establishment rates for this kind of organizations does not represent the family members' cooperation; on the contrary, it represents the destruction in the organizational structures of the family firms and the separations of the family members. It is found that the separations represent not only the detachment of the successors from the predecessors, but also the dissociation of third generation siblings and / or cousins from each other. The 33-year-old owner manager of a package production firm, for instance, stressed that not only the generational conflicts between him and his father but also the managerial conflicts between his

brothers necessitated breaking up the partnership in the family firm with his father and brothers and he established his own firm (Informant 24).

The establishment of sibling partnership or cousin consortium type of ownership structures seems to recede in the past in the dominance period of the third generations. The connective power of the traditional family which naturally lowered the social distance between the family members has already begun to lose its strength owing to the increasing alienation of the family members both from each other and from the family as stressed in the foregoing chapter. Two main dimensions of this problem have been distinguished from each other. In the first place, this problem affects the existing ownership and management structures. And in the second, it affects the future ownership and management structures of the family firms in the town. The importance of the family component of these firms seems to lose power, and therefore almost all of the family influences on the local path may be destroyed.

The son of my father's uncle – emphasizes the cousin of his father – has raised us with his own children after my father's death when I was a child. He always tells us the importance of the family bonds and the family and he has never treated us in a different way from his children. But after grown up, I and my brother decided not to enter in the business of my uncle – emphasizes the son his father's uncle – due to some familial conflicts, which I cannot tell about, with his sons. The cousins were as close as brothers in the past, but what I see today is we all are strangers (Informant 25).

This problem of destruction in the ownership structures of the family firms is not only fed by the familial alienation, but also duplicated by the recent institutionalization tendencies of these family firms which indicate the third major generational effect. As well as the generational conflicts between the predecessor and successor generations, this problem represents the conflicts between the third generations. As identified in the foregoing chapter, the recent institutionalization tendencies of the family firms spatially separate the dual organizational structure of the family firms in Kayseri. While especially the marketing and business relation management structures generally have been moved to Istanbul, the production component has been left in the town of

Kayseri. This spatial separation of the organizational structure requires a family collaboration for management among the third generations which necessitates the managerial commitment of at least one family member for the production. In other words, at least one family member should bear upon the management of production and thus should live in the town of Kayseri.

It is found from the in depth interviews with the third generations that this necessity of commitment of a family member represents one of the main conflicts amongst the third generations though it is mostly kept under wraps owing to the still continuing dominance of the second generations. The generational change, obviously, does not refer to a sudden change; on the contrary, it represents a process of transition from the predecessor generations to the successors. Therefore, the effects of this generational influence seem to be deepened by the alienation of the third generations from the local business culture of their predecessors.

However, some of the second generations seem to be aware of this conflict and it is possible to identify noticeable solution attempts. Apart from some casual ones, three major solution types are detected in the research. The first one is the most official solution and represents an official business contract. According to this solution, if any family member has an interest in entering the family business, s/he must sign an official business contract with the firm. Boydak family, for instance and as emphasized in the foregoing chapter, currently applies this solution for the possible conflicts.

The second solution appears to be the coercion, being applied by the second generations, of making the third generations either return back to or stay in the town by the threat of excluding from the wealth of the family. The coercive nature of this solution is reported only by some of the third generations and none of the second generations seems to accept its forcing character. The 48 year-old owner manager of a family firm from the furniture industry, for instance, openly holds his children responsible for committing to taking care of the needs of the firm; and emphasizes that if his children want to have a share from the wealth of

the family, they must be associated with the firm either as a co-manager or a professional employee until his – emphasizing himself – death (Informant 14).

The third solution seems to be the most frequent and the most effective one and sometimes is combined with the second solution. In its most apparent terms, this solution represents the marriage ties and the majority of the interviewed third generations are married in the town. According to the prevalent local opinion, one of the most effective ways to create consistent commitments to the town is the marriage relations and / or ties. Some of the second generations openly declared that if they fail to convince their children to return back to or stay in the town in order to take over some part of the managerial responsibilities, the marriage – or more particularly their wives – may be able to make them live in the town, owing to the more powerful patriarchal control of the families over women family members. And in general, many of the married third generations reported that after their consent of marriage – whether by being forced especially by the above mentioned threat of the second solution or not – they have begun to be more intended to live in the town since the marriage tied them more consistently.

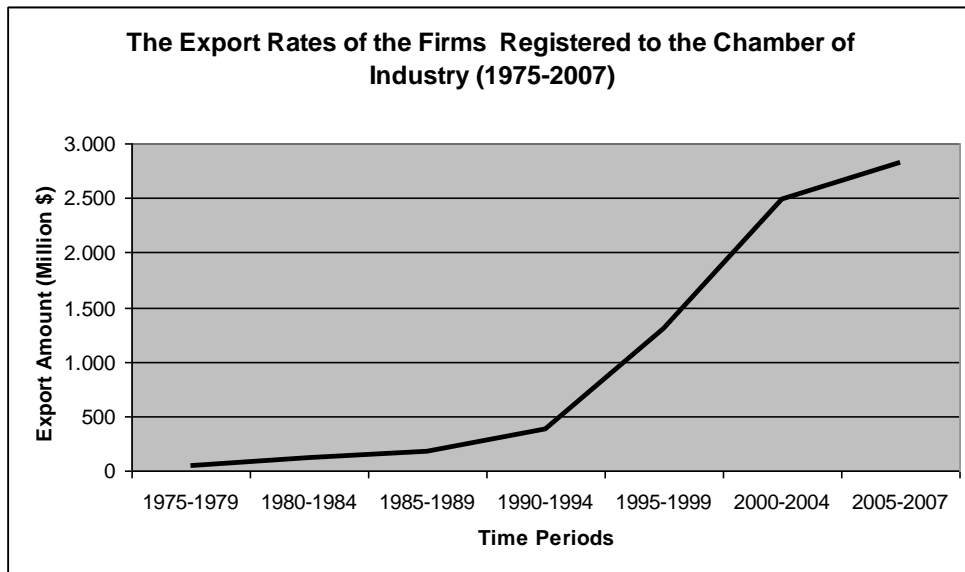
I was thinking of leaving the town when I was a student in Ankara, and I was still planning to live somewhere else like Ankara or Istanbul after my graduation. But, in the first place, my father highly insisted to me on returning back and taking the managerial responsibilities of the firm. Honestly, I was planning to leave the town after a temporary managerial help to my father but then my mother have begun to compel me to marry. Actually it was very difficult to challenge both to your mother and father and at last, I got married to the girl whom my mother liked most and a native Kayserian. Now, it is much more difficult to leave the town. I have to convince about moving not only my family but also the family of my wife and I am sure that they will not let her to go away from them... it is possible to say that I was badly trapped... (Later he emphasized that being trapped was a joke) (Informant 18).

However, the efficiency of this solution seems to decline gradually owing to the alienation of especially the third generation family members from the family. But the second generations still insist on taking the control of the family. And more

specifically, this desire of control seems to be one of the most apparent origins of generational conflicts especially in the family firms between the second generations and their successors. It is found in the research that most of the second generations still intend to transfer especially the family hierarchy to the firm. But since the traditional institutional structure of the traditional family has slightly collapsed and the alienation of the third generation family members from the family have begun to be more apparent, the transfer of the institutional structure of the family to the firm now seems to have a conflict creating nature instead of creating family members' cooperation.

The family firms, which have been one of the dominant actors of the local development path of the town, as well as the socio-spatial institutions, which have eased the inheritance of the traditional local knowledge, therefore seem to face the threat of being destructed. By the 2000s when the successor third generations have started to enter in the family businesses, the family firms in the town have been eroded and undermined by the generational conflicts between not only the predecessors and successors, but also the alienated family members. And recently a tendency of detachment of the third generations is detected, not only from the family, but also from the firm. It is found that while some of these detachments were the inevitable outcomes of the generational and familial tensions, some of them were on purpose due to the new sector selections of the third generations.

In other words, two main separation types are distinguished which are the separations on purpose without destroying the organizational structure of the firm and the contradictory separations which harms the organizational structure. Whichever type will be the characteristic of the dominance period of the third generations is an open question. But either ways have triggered a decline in the export rates of the town especially after the 2000s.



Source: Kayseri Chamber of Industry export records.

Figure 5. 1. The export rate changes of the firms registered to the Chamber of Industry in the period between 1975 and 2007.

Figure 5.1. shows the export amounts of the registered industrial firms in Kayseri in the period between 1975 and 2007 and the decline trajectory on the rates especially in the period between 2000 and 2004. This decline has emerged in association with the increase in the number of sole proprietorship type of organizations. It is found and emphasized above that this increase in the number of this specific type organizations mostly identifies the separations and detachments. In general, a certain tendency to establish trade organizations rather than industrial organizations is detected in the research.

But it is surprisingly found that there is a tendency of establishing business relations between the separated family members. Arguably the most seminal of the future development may be these business relations between the detached family members. And may be due to some still standing familial trust relations, the separated family members tend to establish business relations without partnerships, although there are real contradictory ones. Thus, there may be a familial vertical disintegration in the future of the local development path which

recreates a local business culture being bore upon by the familial business relations between the separated family members.

It is possible to identify some noticeable clues of this future organizational restructuring. For instance there is a family whose third generations have been separated and while two siblings are now managing the firm in the textile sector, the youngest sibling established an export consulting firm. It is reported by the informant cousin of a third generation manager of this textile firm that while their younger brother established his consulting firm, they settled a business relation with him which increased the little export rate of the textile firm by twice (Informant 01). Similarly, the 33-year-old owner manager of a package production firm reported that they have become the primary package supplier of his father's firm in the food sector, although they were separated due to some harsh generational conflicts (Informant 24). Another example comes from the information sector. After the collapse of the partnership of two siblings in a family firm in the textile sector, one of them have committed the management of the firm, while the other established an informatics firm and not only renewed the information processing infrastructure of the firm, but also supplies a service of maintenance and design (Informant 26).

These examples show that, after the separation, while one of the siblings or cousins continues the management of the family firm, the other generally establishes a firm either in contemporary service or industrial sectors. But most importantly, they succeed in establishing complementary business relations. However, the current local labor market seems to be inadequate to supply the labor needs of these newly emerging sectors. This problem has two dimensions. On the one hand, owing to the lack opportunities of being supplied by qualified labor, it is found that some of the newly emerging sectors tend to leave the town. And on the other, the problem of generational transition becomes to be concerned not only with the entrepreneur class, but also with the labor class.

It is possible to distinguish broadly between two main problems when the generational effects on the local development path are extended by the labor

class. As emphasized in the foregoing chapter, the second generations of the labor class had a vital role in the local development path. They were the most important sources of human capital for the professionalization needs of the family firms in this period. However, most of them have become more irrelevant to their rural origins especially in the third generations. Almost all of the interviewed second generation labor in the research openly declared the growing institutional needs of both the firms and many other growing institutions such as the Chamber of Commerce and the Chamber of Industry, the general directorate of the Free Zone and Organized Industrial Area and even the municipalities; and they seem that they put the formal education for their successors the primary goal. However, their economic capabilities seem to be much lower than the first generations since the destructed familial linkages with the rural. Therefore, they seem more vulnerable to the economic conditions. Besides, there is a great amount of newly migrated labor population. But here is a key difference between them and the former ones. This newly migrated population comes to a large extent from the eastern and south eastern parts of Turkey. This migration generally started in the 1990s and accelerated in the 2000s. This growing population of the town is openly concerned with the current competitive advantages of the town and therefore with the institutionalization strategies of the firms which generally leaves the production in the town. And now, it is possible to identify that the self help possibilities of the labor now have declined very much and poverty has been gradually becoming one of the most serious problems for the town according particularly to the in depth interviews with the neighborhood muhtars and with some of the local opinion leaders. In addition, this increase in the population indicates the second problem which can be identified as the demographic change problems. The following section identifies the effects of these changes in the town.

5.2.2. The Influences of Demographic Structure Changes

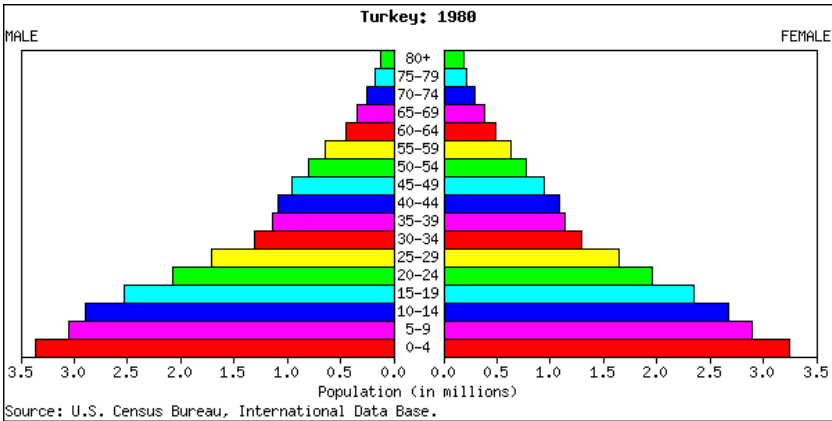
The problem of demographic change in this section is analyzed in a much narrower sense and the analysis mainly focuses on two major circumstances which are directly concerned with this problem. In the first place there are the

major influences of the national level demographic change on the producer firms – especially the ones in the leading food, furniture and machinery and metal furniture sectors – of the town. The rapidly increasing urban population has created the primary market for these sectors. However, the recent decline in the increase rates indicates the threat of market decline in national levels. In the second place, there are the problems emanated from the changes in the local demographic structure of the town. Two main problems can be identified within this context including the population ageing and the gradually increasing sophistication of the local social structure. The consequences of the last problem may be deepened by the necessity to co-employ labor from various generations due to the shrinking of labor market which seems to be an inevitable outcome of the population ageing. From that point of view, this section analyzes briefly the consequences of the demographic structure changes.

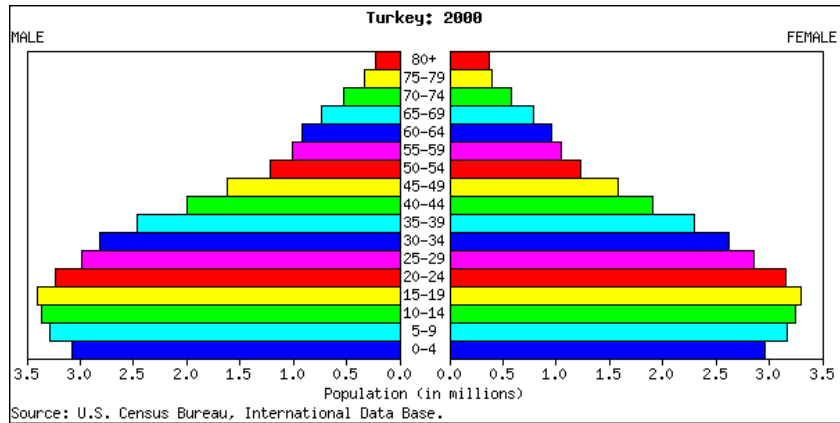
Explanations and projections of population trends in different parts of the world have been generally guided by the paradigm of demographic transition. This term was first used by the American demographer Warren Thompson in 1929 to label the changes — or transitions — he observed in birth and death rates in industrialized societies and the relation between demographic structure and local development can preliminarily anticipate creating links between workforce or labor force demographics and productivity. This is why the effect of demography on economic performance has been the subject of intense debate in economics for nearly two centuries. Actually, the demographic dynamics of nations, regions, and cities are thought to have vital importance in terms of general economic performance of them. However, the demographic structure is not unchangingly stable. It is easily possible to observe population fluctuations throughout the history in almost every scale, from settlements to regions, nations and even transnational levels.

The period after the 1950s represents the rapid demographic changes in Turkey which seems to be identified as the intensified flow of population from rural to urban areas, but more specifically, to particular urban areas. Due to this rapid demographic change, certain towns of Turkey have experienced extremely rapid

urbanization practices and the urban population increase rates of these towns have sometimes been twice or more by the national population increases. It was stressed in the previous chapters that these rapid urban population increases were the most important origins for the growing market opportunities of the town of Kayseri. However, according to the United Nations data, the national total fertility rate has gradually declined from 6,18 in the first half of the 1960s to 2,42 in the first half of the 2000s and so the national population growth rates. It is obvious that the future urbanization and urban population increase rates of Turkey will no longer reach the past rates. Actually the temporal changes in the national population pyramid openly indicate the decline in the population increase rates. Figure 5.2. shows the national population pyramid of Turkey in 1980, Figure 5.3. shows the same pyramid in 2000 and Figure 5.4. shows it in 2007.

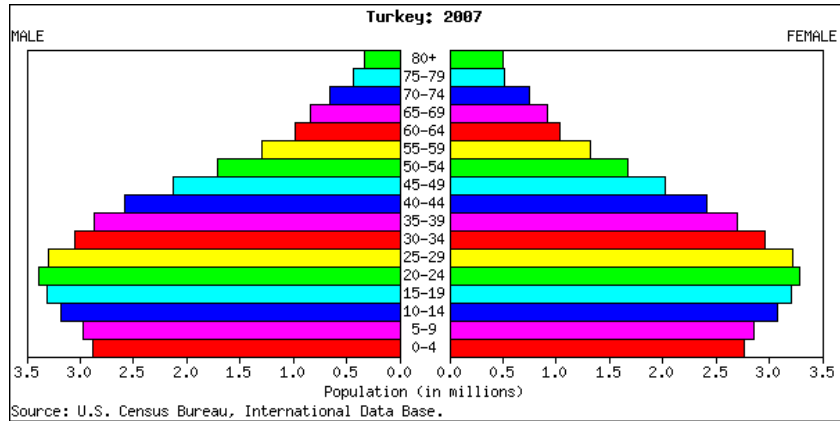


Source: US Census Bureau, International Database
 Figure 5. 2. The population pyramid of Turkey in 1980



Source: US Census Bureau, International Database

Figure 5. 3. The population pyramid of Turkey in 2000



Source: US Census Bureau, International Database

Figure 5. 4. The population pyramid of Turkey in 2007

Therefore many of the firms in the town which are highly dependent on the consumption trajectories being emanated from the rapid urbanization seem to face the decline in the national market. Three important current solutions of this problem are detected in the study. In the first place, some of the greater firms of the town have begun to label most of their products with a trademark. Secondly, many other firms – and even these greater firms – have entered in certain foreign markets wherein the urban population rate increases are fairly high such as some certain Muslim African countries. It is found in the research that

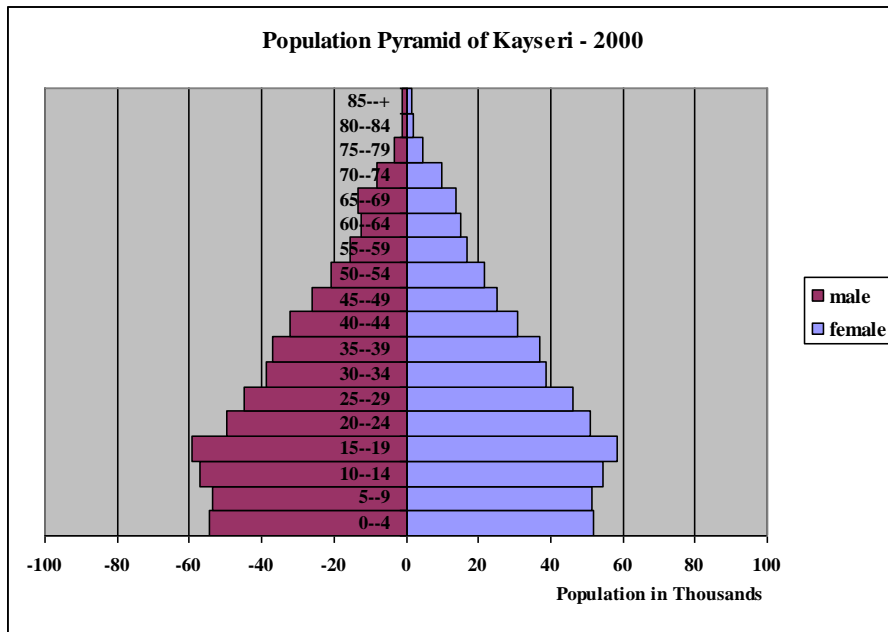
especially the furniture and construction industries mostly seem to enter in these countries. Besides, the entrance to these new markets has been supported by the local institutions, and not only some business relations but also considerable institutional relations have been established by the Kayseri Chamber of Commerce. The establishing impacts of the Islamic Networks on these relations has not been directly reported by the industrialist informants. But some opinion leader informants indirectly mention about the business relation establishing externalities of them. However, any speculation on this relation may be misleading.

And the third important solution appears to be the sector changes especially by the entrance of the third generations. As emphasized in the foregoing section, these changes represent, for now, the transition to the trading, professional industrial services and to informatics. But trading seems to be the most favorite perhaps owing to the leading effects of the second generations. However, most of the third generations have not had the chance to enter in the informal education of the traditional socio-spatial institutions, and, therefore, the knowledge inheritance of them from these institutions seems to have been missing. Some of them rather informally educated by their predecessors and by their family. However, this informal education cannot be identified as an institutional process being emerged from a collective social action. It rather seems to be, as emphasized in the foregoing section, an individual effort of knowledge inheritance.

In addition, the sectoral transformation especially to the ones requiring highly qualified labor force does not seem to be supported by the existing local labor market. As numerously emphasized previously, the institutionalization strategies of the firms in the town have impacted on the diversity of the local labor market, and generally the remaining competitive capabilities of the workforce does not seem to be supportive for the development of new industries. And the main institutional effort in the town has mainly focused on improving the existing competitive structure especially by seeking new markets instead of creating or supporting new competitive advantages for the firms. Therefore as far as this

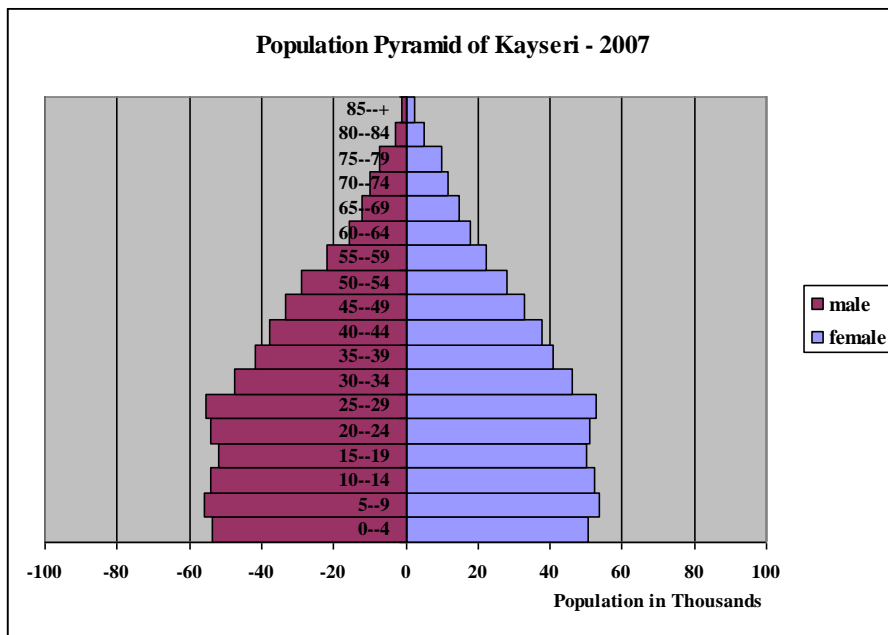
institutional effort achieves in finding new markets, the existing limited diversity of the local labor market seems to be indirectly supported, and the town may face the conflicts being concerned with the demographic change of the workforce in a more intensified manner.

Three significant consequences of the demographic change of the local workforce are detected in the research. In the first place, the temporal comparisons of the population pyramid of the town indicate that the town may face the problems emanated from the population ageing and labor market bottlenecks in the mid-future. More particularly, the elderly dependency ratio trajectories may tend to increase. In general, people who are aged between 15 and 64 are assumed to be the workforce and people older than 65 years old are assumed to be elderly aged people who do not participate to the workforce. Elderly dependency ratio refers to the dependency of older people who do not participate to the workforce to younger people who actually participate to the workforce. Increasing life expectancies result a growth in the size of the age groups of people older than 65 years old which also result an increase in the elderly dependency ratios. Figure 5.5. shows the population pyramid of the town of Kayseri in 2000, and Figure 5.6. shows it in 2007.



Source: 2000 population census data supplied by the Turkstat.

Figure 5. 5. The population pyramid of the Town of Kayseri in 2000.



Source: 2007 population census data supplied by the Turkstat.

Figure 5. 6. The population pyramid of the Town of Kayseri in 2007.

The shrinking size of below-15 cohorts and the gradually growing size of above-65 cohorts are apparent and, in tune with the national demographic change trajectories, it is possible to put that the town may face especially the labor market challenges in the near future. But more importantly, the socio-cultural structure of the town has increasingly been sophisticated owing to the recent population increases more specifically after the 1990s. In the period after the 1950s, the population of the town has increased rapidly; however, as stressed in the previous chapters, the immigrants were usually from the near settlements that seem to have been sharing the similar socio-cultural values with the native population mostly owing to the close social structure of the town. Therefore, apparent cultural challenges have not been experienced in the town. Besides, it is stressed in the previous chapters that the town has, to a large extent, had an immigrant-friendly structure which was identified as an indirect outcome of the internal dwelling mobility of the town especially from the inner traditional patterns to the outskirts. This mobility has given the opportunity to the immigrants of finding livable dwelling areas, and the poverty has not produced the outcome of spatial misery in the town yet.

However, especially in the period after the 1990s, increasing numbers of immigrants from eastern and south eastern parts of Turkey have been experienced in the town. Although the considerable majority of this population has settled in the southern parts of the city center, in the traditional urban patterns, and in spite of the local efforts of smoothing the impacts of poverty especially by the municipal victual houses maintained generally by donations, some considerable complaints have begun to be apparent from both sides. On the one hand, some certain members of the society declared their oppositions to these immigrants within a fairly disguised manner. According to them, although the traditional trade mentality of the town is capable of finding a mainstream policy to settle a consensus, especially the employers should prepare themselves for a more challenging relationship owing more particularly to the changing socio-cultural origins of consensus.

The general director and the owner-manager of a local media station, for instance, seems to be convinced that there could be no threat of facing certain social tensions like many other towns – he specifically indicates İskenderun, Mersin and Adana – face, due first to the still standing strict social relations between many of the native employers; second to the municipal efforts of improving the basic amenities all over the town; third to the traditional trade mentality which always finds the mainstream policies for consensus; and, finally, fourth to the still fairly close social structure that assimilates or directly excludes the oppositions (Informant 08). Similarly, Mr. Niyazi Bahçeciöđlu, the former mayor of the town, stresses that there has always been a traditional labor-employer peace in the town, apart from some exceptions especially in the 1970s, and thus the town does not seem to face any social tensions in the future (Informant 04). Besides, the General Secretary of the Kayseri Chamber of Industry, Mr. Nihat Molu and the Media Director of the Melikgazi Municipality, Mr. Faruk Yaman also emphasize the existence of the traditional labor-employee peace in the town and they all seem to be positive about the continuity of this consensus (Informant 27).

However, some considerable openly declared contradictions from the other side are detected in the research. Especially in the in depth interviews with the muhtars, it is found that these immigrants are spatially intensified on certain neighborhoods wherein the urban life standards are relatively low. Most of the muhtars of these neighborhoods are from immigrants and they commonly complain about the low serving speed of the municipality as well as about the poverty. However, it seems that these complaints have not been directed toward the urban administration level yet. But it is apparent that the socio-cultural structure of the town has increasingly been sophisticated, which indicates that fairly different people from fairly different socio-cultural inheritances may have to work together in the future. Therefore the consequences of a generation gap between these people may be more hurtful in the future.

Therefore it becomes apparent that the problem of generational transition is concerned not only with the generational tensions between the predecessor and

successor owner-manager generations of family firms, but also with the generational tensions between the labor generations and between the labor and employer generations. Every single organization in the town may face the problem of co-employing labor from diverse generations. Some recent researches being intensified upon the consequences of generation gap on organizations can be found in the literature. Gravette and Throckmorton (2007), for instance, draw attention to this problem. According to them, generation gap seems to be one of the most influential problems that the organizations have begun to face and they found that this problem may cause serious losses in the total efficiency of organizations.

To put in a nutshell, almost all of the organizations in Kayseri may have to co-employ labor not only from diverse generations but also from distinct socio-cultural heritages. Therefore the third generations in Kayseri may have to deal not only with organizational and sectoral challenges as stressed in the foregoing section, but also with certain generational tensions in the organizations. It is possible to detect some certain solution suggestions in the literature for this latter problem. They, however, are mostly concerned with the institutional structures of both the town and the firms. Thus, the problem of institutional reorganization seems to be an important future challenge since the institutional thickness of the town especially in terms of professional assistance and services both for industry and commerce seems to be inadequate to a large extent. In the period after the 2000s, the establishments of some professional service organizations have been witnessed more particularly in professional guidance for export relations.

The accessibility options of especially the industrial firms to professional assistance and service organizations are also analyzed in the in depth interviews. According to the findings, apart from the services of official local and national institutions, and apart from the trading assistance served by some newly established private export trading organizations, none of the interviewed firms indicates a local institution being specialized to solve the non-economic organizational problems of the firms. It is reported by the informants that almost all non-economic organizational problems – for instance the personal tensions

between the employees, or the education programs for informing the employees about the firms' own institutional and behavioral standards – are solved within the firms either by firms' own professional staff or by the owner manager. However, there are only 10 firms which have professional personnel departments. Therefore, the solution of these problems seems to be one of the most important responsibilities of the owner managers of the firms. Actually, the traditional institutions – traditional rules and routines – were the primary source for the solution of such problems especially in the dominance period of the first generations. But especially due to the diffusion or disintegration of the traditional family, thus due to the loss of opportunities for the transfer of familial rules to the firms and due to the power loss of traditional institutions for producing socially shared common values, the solution of these intra-firm non-economic organizational problems seem to become more concerned with the personal abilities of the owner-manager. However, the above-mentioned problems, such as the problem of generation gap between the employees is identified in certain researches in the literature as professional help needed problems (see for instance Gravette and Throckmorton, 2007; Beck and Wade, 2006; Deal, 2007). Therefore it is possible to identify that the power loss and / or destruction of the traditional institutions trigger a significant institutional absence for the solution of non-economic organizational problems of the firms.

In addition to all, the establishments of the Technology Development Area and the Foundation for University and Industry Collaboration are indeed significant institutional efforts. But, they do not seem to fit the absence of the lost traditional institutions. Actually, this absence rather seems to be fitted by certain networks, more particularly, by the Islamic networks. However, the main question is if the newly ascending third generations can adapt themselves to the institutionalization styles of these networks or not.

At first sight, the contradiction between these networks and the third generations seems to be fairly apparent especially in the local business relations and life style. More specifically, the alienation of the third generations from the local business culture of the second generations seems to trigger indirect association

of them with the current business relations. However, it should be pointed out that, this indirect association of the third generations most likely to be a result of the dominance of the second generations. Currently, only 6 of 76 interviewed family firms have succeeded to the third generations and the other 70 are still in the process of succession under the dominance of the second generations. Therefore the third generations seem to find a mutual life opportunity when they begin to dominate the path. It is scarcely possible to identify the life style virtues of the first generations – resignation and modesty, for instance – among the newly ascending generations. However, it is possible to identify the increasing influences of the efforts of third generations to settle a common point between their life style and the existing values. Although the current consequences of this effort seem to be contradictory to many of the dominant relations, virtues and life style of the second generations; the coming decade most likely to witness a new restructuring dominated by the third generations. And it is possible to link this coming restructuring with the current debates on the rise of Islamic bourgeois or liberalism in Turkey. Moreover, the footprints of this restructuring can be identified within the generational change of the spatial organization of the town. Owing to the fact, the following section analyzes the spatial effects of the generation change.

5.3. Challenges and Opportunities Episode II: Socio-Spatial Dimension

The analyses in the previous chapters indicate that one of the most important current problems of the town seems to be the generationally emerging power loss of the traditional institutions on urban processes. And this power loss seems to be replaced by the increasing efficacy of Islamic networks or by the rise of Islamic liberalism as are identified in some researches especially in Yavuz, (2003a; 2003b), European Stability Initiative (ESI) in 2005 and also in national media such as Newsweek Turkey (16.03.2009) and HaberTürk Newspaper (17.03.2009). In the period after the 1990s, the impacts of these networks seem to have become more apparent in the town of Kayseri. It is possible to identify the growing efficacy of them particularly by the local political tendencies on the one hand. And on the other, the urban administration in this period is identified

as an Islamic municipal act by certain researchers, more specifically by Doğan (2008). This research also identifies the growing efficacy of these networks especially due to the power loss of the traditional institutions as stressed in the foregoing chapter. Besides, it is also emphasized in this study that this growing activity of these networks seems to be an important outcome of the generational change in the town.

Although the recent attention seems to be intensified upon the growing efficacy of these networks, and the effects of them both on urban life styles and urban spatial organization, it should be pointed out that the effects of the generation change are far more comprehensive than the effects of these networks. Owing to the fact, this section aims to analyze the effects of generation change on the urban socio-spatial patterns as a whole also including the effects of recent demographic structure changes. In other words, this section analyzes the footprints of the effects of generational transition both on the urban spatial patterns and urban growth dynamics in the town of Kayseri in relation to the above emphasized influences of the generation change on local development path.

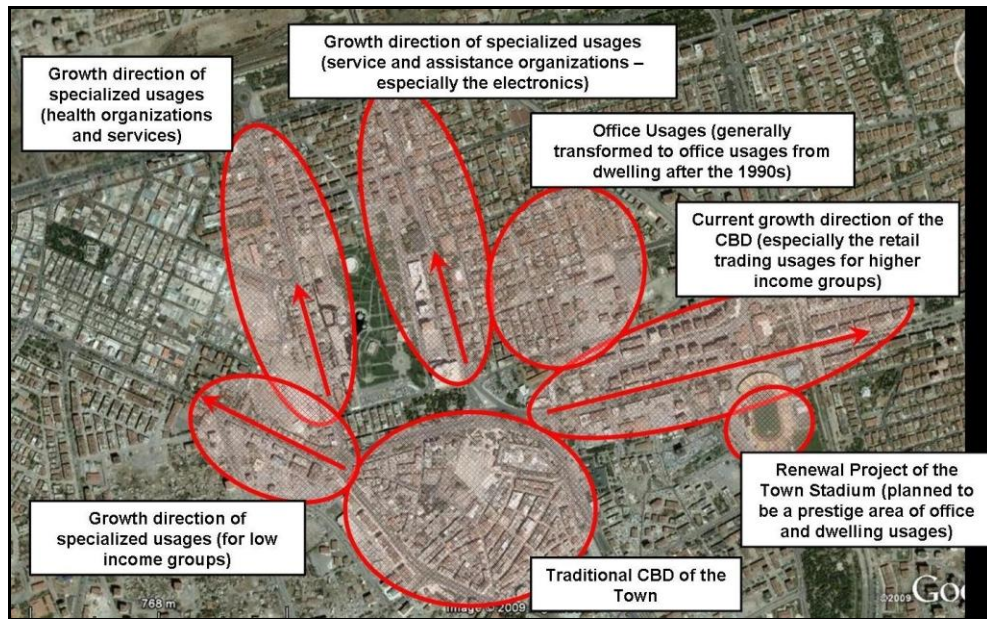
In addition, the dwelling units, dwelling areas and the orchard houses wherein the most apparent footprints of the generational transition have been identified in this research are analyzed. Therefore this section represents the last phase of the spatial analysis of a transition from a generation that have represented the modern urban life as new buildings, broad ways and construction of basic amenities to a generation that have begun to produce the spatial outcomes of its own peculiar urban life style. The following section analyzes the effects of generational transition on urban spatial patterns and urban growth.

5.3.1. Changing Urban Spatial Patterns

As strongly emphasized in the previous sections, three most apparent influences of the generational transition on the local development path are identified including the effects of the alienation of the succeeding generations from the

local business culture of the second generations and from the local knowledge inheritance; the beginning of a collapse in the partnership structures, being fed by the traditional family structure, of the family firms; and the conflicts between the third generation family members owing to the institutionalization choices of the firms which spatially separates the dual management structure and leaves the management of the production in Kayseri. And it is also stressed that, the third generations have begun to seek certain solutions for these influences including, in the first place and the most common, returning back to establishing trade organizations, in the second place, establishing service and assistance organizations especially for industrial firms, and in the third place and the least common, establishing new industrial sectors such as enhanced packaging and simple informatics.

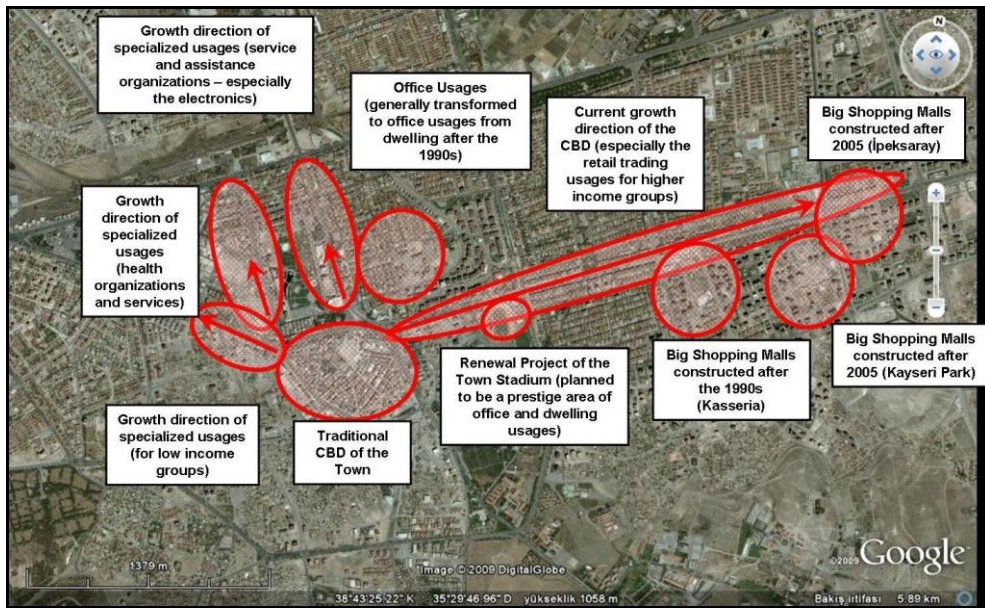
It is found in the research that all these generational efforts not only have begun to influence the spatial patterns of the town, but also are related to the generational change of the urban life style. The most apparent influences on spatial patterns can be identified in the transformation of the Central Business District (CBD). In the first place, there are the spatial footprints of the tendency to return back to the establishment of trade organizations. Two complementary influences of this tendency are detected. The first one is the growing diversity of the trade activities in the CBD which triggers not only apparent urban transformation projects, but also certain spatial specializations. While the CBD has gained a more pedestrian friendly pattern by some certain urban design projects, the intensity of the office usages has increased to a large extent. Besides, the diversity of the retail trade units has been increasing since the 2000s. It is important to point out that the growing diversity of the retail trade is more specifically characterized by the business relations between the local entrepreneurs and the big national and even global big and trade marked companies.



(Source: Google Earth)

Figure 5. 7. The close growth fringes of the CBD and the spatial specialization

The second influence is identified as the spatially specialized growth fringes of the CBD. These fringes are characterized first by the big shopping centers especially specialized in the retail trade for higher income groups; and second by big service and assistance organizations, more particularly, by private health institutions. The most apparent and biggest fringe of the CBD has been growing throughout the Sivas Boulevard especially on the south eastern parts. These parts of the town are not only the most prestigious neighborhoods, but also characterized by three major shopping centers. Two of these centers have already been built and opened, and one of them is still under construction. This last one, which rises on the building lot of the former town stadium, is not only a shopping center but also includes a residence which is characterized by a mix of studio type and big traditional dwelling units with certain office usages.



(Source: Google Earth)

Figure 5. 8. The growth fringes and direction of the CBD

The spatial specialization of the CBD becomes much more apparent in the spatial analysis of newly establishing service and assistance organizations. The increasing informatics usage of almost all institutions obviously needs the establishment and existence of the maintenance services for informatics. The northern parts of the CBD, more particularly, throughout the İstasyon Street, are the specialized parts of the CBD in the informatics maintenance services. But more importantly, the private health institutions, which are specifically located in the certain outskirts of the CBD, seem to have been the most apparent specialized usages.

According to the health statistics data of the Governorship of Kayseri, there are 11 private hospitals with 428 bed capacities, 11 private health institutions and 15 medical analysis institutions in the town of Kayseri and they both are located in the specialized outskirts parts of the CBD. Besides, there are 13 public hospitals with 1.587 bed capacities and the Gevher Nesibe Health complex of Erciyes University with 1.124 bed capacities in the town. Therefore the town has increasingly been regionally centralized in terms health services, and this

regional importance has found its spatial repercussions especially on the CBD not only by the specialized places for health services but also by specialized office usages which are directly associated with these health services. Thus the town has increasingly been a regional health center of Middle Anatolia especially since the 2000s.

The increasing specialization in the CBD has another dimension in addition to the ones stressed above. Especially the southern parts of the CBD, and more particularly the Düvenönü Square, have growingly been specialized on the retail trade for lower income groups which can be identified as an outcome of the increasing cultural and economic diversity of the local society owing specifically to the recent demographic structure changes. Therefore not only the higher income groups, but also the lower income groups have forced and triggered an income based specialization of the CBD.

The recent increasing usage diversity of the CBD is also supported by the local administration both with the urban design projects for the image renewal of the town and land use decisions. Certain several image renewal projects of the municipality can be detected. In the first place, there is a major tourism project aims not only to direct the tourist mobility of the Cappadocia Region toward the town by specialized accommodation amenities for them, but also to increase this mobility especially by alternative tourism types such as winter tourism in the Mount Erciyes. Two related dimensions of this tourism project can be identified.

The first one is the Winter Tourism Master Plan in Erciyes Mountain although the mountain is not in the official municipal borders of the town. This plan, in short, aims to intensify the winter tourism on the mountain not only by creating specialized accommodation, but also by improving the winter sports services. The second dimension is constituted of two complementary policies including the improvement of specialized accommodation in the CBD, and directing especially the air transportation to the town. These projects indicate that the local administration has great efforts to increase the town's local shares from the

national tourism mobility. And more importantly, it is possible to detect certain new trade establishments specialized in winter tourism services.

In the second place, and complementary to the first one, the local administration and certain local institutions such as the Kayseri Chamber of Industry and Kayseri Chamber of Commerce have considerable efforts to establish a regional level specialized health complex and a local private university. In the last master plan of the town, which is prepared in 2005, these two decisions seem to be the most significant projects of the local administration. The current regional centralized position of the town in terms of the health services directly supports the specialized health complex project. Besides, the existence of Erciyes University, with its more than 2000 academicians and more than 25.000 students, seems to be a significant opportunity for the establishment of a private university. Furthermore, the institutional cooperation for the establishment of these projects has already been settled.

In the third place, there are significant urban renewal projects of the local administration that aim especially an image renewal of the town. Until recently, and perhaps still, this image of the town can be identified in terms of industrial investments. In other words, the town of Kayseri is generally identified, both in local and national and even in some certain global levels, as a town of industry. However, it seems that the recent local institutional efforts aim to extend this identification by certain specialized regional urban services more particularly by health, education and tourism services.

But in addition to the major land use decisions and projects, there are significant urban design projects that intervene in the spatial patterns in tune with the “modern regional town of Middle Anatolia” image of the local administration. The Renewal Project of the Citadel of Kayseri is one of the most apparent examples of these urban design projects. Currently, the citadel represents a shopping district which is generally constituted of small retail trade units and the project aims to transform the citadel to an arts and culture center. The renewal project of the former town stadium represents another example. Although this project

includes a mix of commercial and residential activities, instead of cultural usages, it represents a changing local dwelling unit tendency particularly due to the residence type dwelling unit architectural design.

Besides, the renewal project of the former bus terminal is declared to be an indicator of modern regional town of Middle Anatolia although the details are mostly kept under wraps. In addition to all, it is possible to identify the footprints of spatial specialization in all over the town. And the majority of the urban renewal projects are intensified on the renewal of dwelling areas. Appendix M shows the current growth tendencies of the CBD and the spatial specializations of both the CBD and the dwelling areas. The following section identifies the effects of generation change and demographic change on the dwelling units, dwelling areas and the orchard houses.

5.3.2. The Transformation of the Housing Units, Housing Areas and the Orchard Houses

As emphasized in the previous chapters, the dwelling unit also represents the public realm in Kayseri. Besides, it has been the primary spatial organization of the social interaction, and the architectural designs of the dwelling units represent peculiar spatial organizations of both of these functions in the Kayserian house. Moreover, it is stressed that this spatial organization has been transformed generationally in tune with the modernization tendencies of the dominant generations from the traditional Kayseri houses with sofas to modern Kayseri apartments with large saloons and entrance halls. Therefore not only the spatial organization, but also the transformation of the dwelling unit in Kayseri has peculiar features.

In the first place, it should be emphasized that the public realm or public sphere function of the dwelling unit still exists currently. However, owing particularly to the generationally weakening relations between the families and to the power loss of traditional socio spatial institutions, the public realm, having already been traditionally captured into the dwelling unit, has increasingly been dominated by

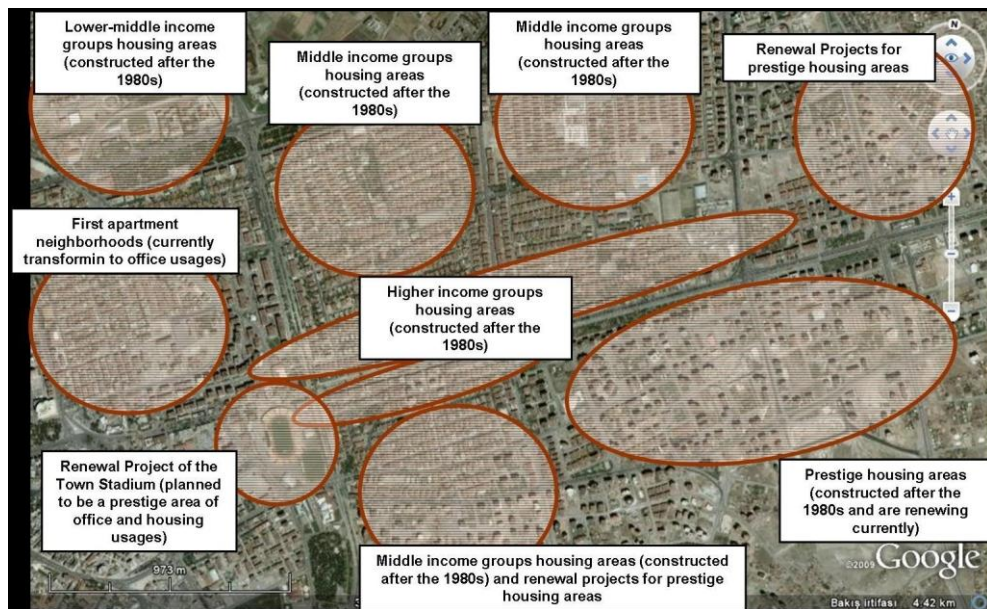
certain particular groups wherein the representation ability of the local society has been gradually shrinking. The decline in the ability of being represented in the local public realm refers to a new field of contradiction in the local society wherein the local social structure has increasingly been sophisticated owing particularly to the recent demographic structure changes.

However, only some of the mahalle (neighborhood) muhtars, more specifically the ones from the outskirts of the town, seem to complain about this problem currently. According to them, they are, to a large extent, left unable to intervene in the spatial decisions of the local administration and they stress that it is almost impossible to enter in this decision process due to the inherited familial and / or personal relations between the dominant groups. But more importantly, it is found in the research that this problem does not only belong to these neighborhoods. Some of the third generations openly declared in the interviews that the dominance of the second generations on the local public realm still continues although some of them retired from being the ultimate decision maker of the firms. But these third generations seem to be convinced that their time to dominate the local public realm is near.

However, the main question here is if the public realm function of the dwelling unit will continue or not. This in fact seems to be an open question due specifically to the spatial transformation of not only the dwelling units, but also the dwelling areas. In Kayseri, three important generational transformation tendencies of both the dwelling units and the dwelling areas are identified in the research. In the first place, there is a growing tendency to create new dwelling areas which is explicitly distinct from the urban patterns of the 1950s. Secondly, the tendency of transformation in the inner architectural designs of the apartments is identified. And in the last place, there is an increasing diversity in the dwelling areas.

The growing tendency of creating new dwelling areas particularly in the period after the 2000s can be characterized by, first, the gated housing estates, and, second, the transformation of the urban pattern in the dwelling areas. The urban

pattern of the dwelling areas being constructed in the period between the 1950s and the 1990s can be characterized by five main features. The dwelling areas until the 1990s have generally been constructed within a formation of building lot design. Therefore they have created street (sokak) patterns with grid formations. These dwelling units in such urban patterns have had direct interaction with the streets and thus they have not been constructed as if they were excluded from the urban pattern. Besides, the garden walls have been constructed in order generally to limit the building lot borders, and, therefore, the height of them was generally low.



(Source: Google Earth)

Figure 5. 9. The spatial specialization of the housing areas

However, the height and the separation function of the garden walls of the apartments have almost been duplicated since the 1950s by the newly emerging tendency to transform the individual apartments to the gated housing estates. These housing estates seem to be the most favorite dwelling tendency of the recent times in Kayseri. Most of the new dwelling areas, and furthermore most of the renewal dwelling areas have been designed in tune with this tendency

especially since the 2000s. The most apparent difference of this new tendency is its urban pattern. The land properties are still identified by building lots in all over the town. However, the Building Development Regulation of the municipality (Belediye Tip İmar Yönetmeliği) allows to combine some (or all) of the building lots in a building block as if they were a single property. Therefore, on the hand the building sizes become greater, and on the other, the new dwelling areas have been constructed within a formation of building block design which explicitly limits the relation between the dwelling units and the street. Thus, this newly emerging urban pattern seems to fail to create a street pattern based dwelling areas. Owing to the fact, the traditional street patterns of the town have increasingly been destructed and the streets have gradually become an ordinary component of the urban transportation system instead of being a spatial organization of the social interaction.



Figure 5. 10. A view from the newly built gated housing estates

Some parts of these new dwelling areas can be characterized by new inner architectural designs which indicate the second major generational transformation. But more importantly, the change in the inner architectural designs of the dwelling units represents not only the generational transformation of the familial and inter-family relations, but also the generational transformation of the spatial organization of the local public realm which has traditionally been captured by the dwelling unit. It should be stressed that there is a growing tendency to build dwelling units whose inner architectural organizations have explicitly begun to differentiate from the general spatial organization of the houses of the first and the second generations. It is possible to identify three major characteristics of this transformation. In the first place, the size of the houses tends to get smaller. In its most extreme cases, the studio type dwelling units have begun to be constructed although they are casual and individual to a large extent for now.

The second major transformation tendency seems to be concerned with the size and the function of the entrance hall of the dwelling units. As it was emphasized in the previous chapters, the main functions of the sofa in the traditional Kayserian house were distributed among the entrance hall and the saloon in the modern apartments. Therefore, the function and the size of the entrance hall in the modern Kayserian apartment represent a peculiar feature. However, in some current cases, though they are still casual for now, the entrance hall is built much smaller and sometimes, it is even built combined with the living room. The last cases still represent extreme examples for now. But they do exist now and were constructed after the 2000s. Therefore they cannot be underestimated under the circumstances of the influences of generational transformation.

In the third place, the size and the function of the saloon has been changing. The saloon seems to have been the most important part of the dwelling unit in terms of social interaction since the traditional functions of the sofa have been transferred to the entrance hall and the saloon. This part of the dwelling unit has represented the main spatial organization of the local social interaction and the local public realm. However, in some recent cases, although they also seem to

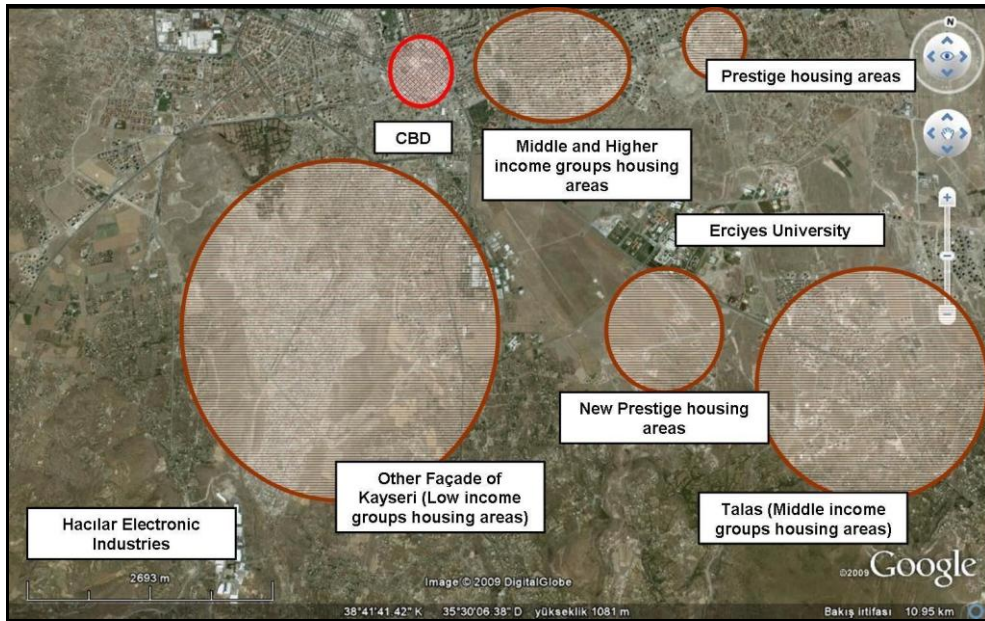
be individual examples, the saloon does not seem to be designed in tune with the traditional social relations. The size, for instance, is much smaller in some cases. And in some others, the saloon is designed in combination with the kitchen. But in general, the corridor still seems to remain owing particularly to its function of separating the private usages from the daily usages.

This generational transformation of the dwelling units' inner architectural design, shown in the Appendix I, apparently indicates the generational transformation of the social interaction. As emphasized, the generational transformation of the relations between the family members and the families triggered a transformation not only in the organizational structures of the family firms, but also in the ownership structures of them. Besides, the influences of this transformation on the urban growth and urban patterns are emphasized. At this point, the impacts of the generational transformation both on the dwelling areas and the dwelling units become much more apparent. In addition to all, the diversity of the dwelling areas is increasing generationally which represents the third major generational transformation.

This increasing diversity of the dwelling areas is also concerned with the increasing sophistication of the local society, especially in terms of income groups. The generational transformation of the dwelling areas and the dwelling unit, being stressed above, are mostly concerned with the higher income groups and indirectly related to the lower income groups due particularly to the renewal areas. In addition to all, a growing diversity, especially related to the lower income groups, is found in the research. As emphasized in the previous chapters, the town has generally represented an immigrant-friendly feature in terms of dwelling opportunities for the immigrants. The internal dwelling mobility in the town directed toward the new building development areas have mostly created livable opportunities especially for the immigrant labor class. The dwelling areas which were deserted by the native Kayserians were the primary dwelling areas for these immigrant labor classes, and as stressed before, the general livability conditions of these areas were relatively high in particular comparison with the slum settlements of bigger towns.

However, the rapid population increase, especially in the period between 1980 and 2000, has mostly limited this opportunity. The emptied areas have become inadequate to meet the rapid increase in the population of immigrants. Therefore certain new dwelling areas have emerged. These areas are generally located in the southern parts of the CBD, the current renewal areas throughout the Sivas Boulevard, the northern parts of the town, more particularly throughout the Erkilet Street and mostly the north western parts of small industry areas which are located throughout the Ankara Street to the western parts of the town. Almost all of these parts now are either the official renewal areas or the future renewal areas. After the decline trajectory of the population increase, the town does not seem to face rapid population growths in the future and these parts are planned to be the renewal areas for lower and mid-lower income groups.

But, these parts seem to be the poorest neighborhoods of the town and currently, although most of them are served by municipal urban services such as mass transportation, sewerage systems and drinking water networks, they mostly are the slum settlements of the town and generally suffer from poverty. Therefore the town has begun to face certain spatial contradictions although they have not created socio-spatial tensions between the citizens. The efforts of certain local institutions – such as the donations of the local administration, the Chamber of Commerce and the Chamber of Industry, and even some beneficent individuals – seem to smooth the impacts of poverty in these parts of the town. These efforts, however, have explicitly failed to bridge the income gap, and the spatial segregation of poverty and wealth in terms of dwelling areas has increasingly been apparent particularly after the 2000s.



(Source: Google Earth)

Figure 5. 11. The housing areas of very low income groups



Figure 5. 12. A view from the poorest housing areas of the town

In addition to these dwelling areas, the period after the 1980s has witnessed rapidly increasing number of dwelling cooperatives and there are three important dwelling areas which have been constructed by these cooperatives located both in the north eastern and western outskirts of the town. Besides, certain neighborhoods located in the northern parts of the CBD especially the ones between the small industry areas and the Erkilet Street, are the lower middle and middle class dwelling areas. In addition, certain parts of Talas District are the dwelling areas in which the university students live mostly.

Therefore, the diversity of the dwelling areas increases apparently in tune with the increasing sophistication of the local society. But most surprisingly, the dwelling unit still represents one of the most favorable investments according to the local citizens in spite of the considerable decline in the population growth rates after the 2000s. For instance, the net population density of the dwelling areas has already exceeded 2000 people per hectare in many parts of the town. But in many of the new and even renewal dwelling areas, the net population density corresponds to greater amounts, and the construction industry is still one of the most active sectors in the town. Besides, the dwelling unit construction rate in the town, according to the latest building permit data of the local administration, seems to exceed the population growth rates.

It is found in the interviews – especially the ones with the opinion leaders – that the high construction rates represent not only the speculative tendencies, but also the increasing diffusion rates of the extended family. Many of the opinion leaders stress that the number of extended families that live in a single dwelling unit extremely declined especially in the last decade; and the brides and the grooms now tend to live in separate dwelling units instead of living with the family or family in laws. Therefore the last decade represents the final phase for the spatial separation of the extended family in the dwelling units. In the foregoing chapter, this tendency of separation is emphasized in the second generations and the attention is drawn upon the orchard houses which are identified as the last standing spatial stronghold of the traditional family.

However, after the recent fall of the dwelling unit as the main spatial organization of the traditional family, the function of the orchard houses of gathering the traditional family together spatially seems to recede in the past. In the first place, it is found that some of the third generation family members tend to buy their own orchards and separate from the traditional orchard of the family. Secondly, some of the newly constructed orchard houses represent a villa-like urban pattern instead of being constructed in tune with the traditional functions. Therefore their function has increasingly been becoming a primary indicator of wealth particularly among the third generations. Although the orchard houses still represent the last remaining spatial organization of the traditional extended family especially among the second generations, generationally changing social structure and social relations seem to influence the traditional functions of them. Thus the traditional relations seem to lose every single spatial extension of them. The most important impact of this loss can be identified in terms of the loss of local traditional tacit knowledge inheritance opportunities.



Figure 5. 13. A view from the newly built villas of the third generation high income groups

The most important remaining function of the dwelling units seems to be the local public realm function. However, this function, as stressed above, does not seem to be in safe owing particularly to the generational destruction of the primary spatial organization – that is the dwelling units' main socio-spatial function – of the local social interaction. In the last decade, the social interaction has increasingly been located in the spatial patterns of the town. However, this generational transformation of the spatial organization of social interaction is mostly limited by the increasing dominance of the conservativeness thought of the Islamic networks. As previously emphasized, the town generally fails to create a variety of urban amenities that support the existence of various urban life styles. And the general outlook of the town in this context mostly represents a fairly monotonous urban life in the town.

However, the recent times represent increasing diversities although they have just begun to be identified within the spatial patterns of the town. And the conservative structure seems to limit the emergence and existence of variety located in the geography of the town. But a fairly innovative way seems to be found in order to substitute the emergence and existence of various spatial patterns of social interaction in the town. The town of Ürgüp has increasingly begun to be an alternative place of social interaction for many of the third generation Kayserians. In fact, the transportation accessibility between Ürgüp and Kayseri is much greater than the accessibility between almost all districts of Kayseri province and the town of Kayseri. Therefore many of the tourism amenities of the town of Ürgüp seem to smooth the possibility of spatial contradiction between generations in the town of Kayseri. However it seems to be a temporary solution for the above-mentioned limitations and actually it may become a serious obstruct in front of the local abilities to support the existence of various urban life styles in the town of Kayseri.

To put in a nutshell, the influences of the generational transition from the second generations to the third generations can apparently be identified not only on the economic organizations, but also on the spatial patterns of the town. The dominance period of the third generations seems to witness the power loss and

perhaps the destruction of almost all traditional socio-spatial institutions on the one hand, and on the other, not only the growing need to restructure the economic organizations but also the growing need to reorganize the spatial patterns in tune with the newly emerging social interaction and urban life styles.

5.4. Conclusion: Implications on the Consequences of Generational Transition in the Town of Kayseri

As emphasized, this chapter analyzes the influences of the last phase of generational transition both on the local development path and the spatial patterns of the town. In its most apparent terms, the newly ascending generations that are identified as the third generations seem to directly influence the local business culture of the second generations which was evolved from their predecessors' culture. In other words, the beginning of the dominance of the second generations was identified by an organizational restructuring which has represented the transfer of the family cooperation and the capital having been intensified upon the family in the dominance period of the first generations to the family firms of the second generations. And as previously emphasized, this organizational restructuring can be characterized by the rapid increase both in the total number and in the number of new establishments of limited and incorporated type organizations; and, simultaneously, by the decline both in the total number and in the number of new establishments of sole proprietorship type of organizations.

However, the decline both in the total number and in the number of new establishments of limited and incorporated type organizations; and on the contrary to this, the gradually increasing number of new establishments of sole proprietorship type of organizations especially in the period after the 2000s, when the third generations have begun to enter in the businesses indicate that the local business culture of the second generations, which is characterized by the above-mentioned restructuring has begun to be influenced by the generational transition. Therefore, the organizational structure of the economic organizations, more specifically, of the family firms seems to be influenced by

the generational transition. Moreover, this change in the organizational structure apparently represents the change in the ownership structure of these firms. And actually, all these consequences are directly concerned with the generationally changing structure of the traditional family. The diffusion of the traditional family seems to have begun long before the emergence of the influences of the third generations. However, this process seems to be accelerated recently after they have begun to be more influential. Together with the destruction of the traditional socio-spatial institutions, the diffusion of the traditional family result an actual failure in the inheritance of the local traditional tacit knowledge, more particularly, the traditional trade mentality.

The traditional trade mentality, as previously mentioned, is identified as one of the main triggers of the local entrepreneurship in Kayseri and thus it represents one of the main local characteristics of the town. Besides, it is found in the research that this mentality is inherited from the previous generations particularly by the knowledge inheritance function of the traditional socio-spatial institutions. However, many of these institutions were disappeared or destructed during the dominance period of the second generations as stressed before. This destruction most importantly represents an actual deprivation of the traditional tacit knowledge of this mentality for the third generations. In other words, most of the third generations were inevitably alienated from the traditional trade mentality owing to the destruction of its inheritance ways as a collective action. Almost all of the third generations were informed about this mentality only by their families, and generally, most of them have not had the chance to actually experience the traditional trade mentality within the traditional socio-spatial institutions.

A main consequence of the power loss of these traditional institutions can therefore be identified as an actual alienation of the third generations from the traditional tacit knowledge. Owing to the fact, it is possible to put that the knowledge infrastructure of the third generations has increasingly been dragged away from the local peculiarities towards the ordinariness. The apparent generational conflicts between the second and third generations within the family firms, and further, the partial exclusion of them from the business relations

particularly by the second generations indicate not only the mistrust of the second generations but also the third generations' inconvenience of being alienated from the local business relations and in general from the local business culture.

This consequence, however, is not only concerned with the detachment of the third generations from the local tacit knowledge owing in general to the power loss and the destruction of the traditional socio-spatial institutions, and, in particular, to the fall of the social inheritance of the traditional tacit knowledge. It is also related on the one hand to the inevitable consequences of the globally increasing information flows and on the other to the generationally changing local urban culture and urban life styles as well.

The influences of the generational transition on the urban life styles seem to be much more apparent than the influences on the economic organizations though they are strictly concerned with each other. Almost all of the spatial patterns of the town have begun to be influenced by the increasing dominance of the third generations. In the first place, the effects of the generational transition seem to be fairly apparent on the growth patterns of the CBD. In the period especially after the 2000s the spatial specializations in the CBD, which are directly related to the generationally changing organizational and ownership structures of the economic organizations, can be identified. Moreover, these specializations represent the current sector selection tendencies of many of the third generations who are highly educated but also are mostly deprived of traditional tacit knowledge.

Furthermore, the traditional features of the dwelling units and areas have begun to be influenced by the third generations. Although the local public realm still seems to be captured by the dwelling unit, the spatial organizations have begun to change dramatically. The dwelling unit has started to lose its primary importance in terms of local social interaction. Besides, many of the streets have already lost their traditional meaning in social interaction. Most of them now mean nothing more than an ordinary component of the urban road network.

Although the local social interaction seems to spill over into the spatial patterns of the town, the dominance of the conservativeness thought of certain networks on the one hand and the destruction – and even the annihilation – of the traditional spatial patterns on the other seem to obstruct the emergence of spatial diversity in terms of social interaction in the town. But the growing push of the third generations can be identified.

Therefore, it is possible to put that the recent generational transition have triggered not only a new organizational restructuring of the local economic organizations, but also a major spatial reorganization in the town. And it seems that this process has a vital importance in terms of the continuity of the local development path's success. The following chapter assesses the influences of the generational transition beginning from the first generations to the thirds and identifies conceptual implications on the influences of the generational transition on local development experiences.

CHAPTER 6

6. CONCLUSION: A GENERATIONAL VIEW OF LOCAL DEVELOPMENT AND THE INFLUENCES OF GENERATIONAL TRANSITION ON THE LOCAL PATHWAYS OF DEVELOPMENT

As emphasized previously, this research aims to analyze and identify the influences of generational transition and generation change on the local pathways of development. While the concept generation change represents the changing dominance of generations on these local pathways, the concept generational transition refers more specifically to a transition period in which certain generational conflicts, tensions and contradictions emerge. Three main generational contradiction spheres influencing the local efforts of development are identified in this study. The first one refers to the conflicts between diverse generations being differentiated from each other owing particularly to the distinctions between their socialization and personality development processes. These tensions are identified as the generation gap.

The second sphere refers to the conflicts between the successor generations and the local institutions which are socially constructed by the predecessor generations. Following the idea that puts local development is a path-dependent entity molded by socio-institutional influences; this second sphere represents certain generational contradictions influencing the institutional structure of the local pathways of development. And finally, the last sphere also represents generational conflicts influencing, similarly, the institutional structures. These are the tensions amongst the socially constructed institutions of the successor and predecessor generations.

The idea of analyzing the influences of generational transition and generation change comes from the fact that the actors of many of the successful local development experiences in the period after the 1980s have come to the edge of retirement or already exceeded the age limits of active workforce cohorts currently. The coming decade, beginning from the present one, therefore, indicates a succession process from these generations leading to the emergence of successful development experiences to their successors, or as conceptualized in this study, the process of generational transition. In the local development pathway of the town of Kayseri, being one of the significant examples of such successful experiences, the influences of generational transition have begun to be apparent.

In fact, the town has experienced the population increase of approximately 220 %, and the approximate increase in the number of industrial firms which employ more than 10 workers 245 % after the 1980s. Actually in the period between 1975 and 2007 the export rates increased 16.850 % while the number of exporter firms which are registered to the Kayseri Chamber of Industry increased 2.625 % in the same period. Moreover, the town seems to have one of the highest levels of livability particularly in terms of basic amenities in the Middle Anatolian Region. And it is found in the research that this success of the town has two crucial features. In the first place, it is found that the local dynamics easing the emergence of a successful development experience after the 1980s seem to be – and mostly is – the generational extension of the peculiar development pathway of the town which has mostly been constructed by a certain generation – identified in this research as the first generations – in the mid 1940s that have dominated this path until the mid 1970s.

Actually, this research distinguishes between the existence of three generations throughout the local development path of Kayseri. Two of these generations have already dominated this path until recently and the new generation nowadays is taking the leadership baton from its predecessors. The second generations have begun to dominate the path after the mid 1970s; and the period until the mid 1980s represents a generational transition with its peculiar

generational conflicts, tensions and contradictions, and certain conflict resolution ways as well. The most apparent success of the local pathway has emerged throughout the dominance period of these second generations in Kayseri. And, in fact, after an approximately three decade long period, this dominance has approached to the edge of succession. Actually the 2010s seem to represent another generational transition period and the path in Kayseri has already begun to experience the influences of the succeeding generations that are identified as the third generations. Therefore the first feature represents the success of a generation change by dealing successfully with the tensions emerged during the generational transition period.

The second feature, having regard to the first one, refers to the institutional and cooperative structure of this path and the social structures of accumulation and knowledge inheritance as local institutional spheres. It is found in the research that the local development path of the town has arisen, under the dominance of the first generations, with the existence of strong local institutions, cooperative trust and reciprocal responsibility relations among the actors based upon these local institutions and strong entrepreneurial capacities mostly underpinned by a specific traditional mentality that is identified as the traditional trade mentality.

Actually, the success of the development pathway of the town after the 1980s indicates that the second generations have successfully dealt with the certain tensions and contradictions emerged throughout the generational transition process. And further, it also indicates that the institutional structure and cooperative relations have successfully been reorganized and reconstructed by these second generations. However, certain institutions, institutional spheres and functions have inevitably been eliminated during this reorganization and reconstruction process. Therefore, it also represents the destruction, and even annihilation of certain peculiar institutional features. The Kayseri experience apparently shows that the process of generational transition represents local institutional changes, which directly and intensely influence the local pathway of development. And this experience also shows that while generation change may

represent a key trigger for a future success, it may refer to considerable lock-in situations especially in the institutional structure.

In fact, generation change has boomed the economic performance of the town twice. The first generations have experienced the first upward trajectory. Three major characteristics of this trajectory are identified. Two of them seem to have been the most apparent ones and they were mostly complementary to each other. The first one is the highly capable entrepreneurial potentials of the entrepreneurs mostly underpinned by the traditional trade mentality. These abilities of the entrepreneurs have become much more apparent when many of the retired workers of public investments and the former workers of closed public factories have begun to establish small businesses in the town after the 1950s. Together with the great efforts of the urban administration to improve the living conditions of the town and the newly established industrial area in the 1950s, these small businesses have been the basis of the economic success of Kayseri.

Actually, the town has witnessed a rapid economic growth and the rise of a highly dynamic local economy after the 1950s. The entrepreneurial capacities, the establishment of an industrial area triggering an industrial agglomeration in the town, and the influential efforts of the urban administration to improve the living conditions of the town have indeed been the significant components of the development pathway of the town. But most importantly, they have been underpinned by the powerful local institutions. It is found in the research that together with the strong local informal education process which had aimed to train the younger actors with the inherited traditional skills of both production and trade, the traditional family based relations among the actors have been one of the key frameworks of the establishment of cooperative trust relations and reciprocity.

In other words, the families have trusted each other to train their children with the inherited traditional skills. The informal education process has been constructed upon the master – apprentice relations, and both sides had open responsibilities. They were responsible not only for each other's necessities, but also for the

families. For instance, the master was responsible for training the apprentices and informing them about the traditional artisan or merchant skills. But at the same time, he was responsible for the apprentices' achievement to be skillful artisans or merchants since they were seen to be the inheritors of their familial legacies. In this process, the families trusted to each other to train each other's children. Therefore every traditional family had educational responsibilities which are identified in this study as the key basements of reciprocal responsibility relations among the actors of local pathway.

The establishment of cooperative trust relations had similar familial origins. But in order to identify these origins, it is necessary to point out the economic roles of the traditional family in the dominance period of the first generations. It is found that the traditional family has produced various economic strategies in order to maintain or improve a certain level of welfare of the family. Therefore, these strategies have depended on a cooperation and solidarity between the family members who dominate various economic organizations. One most apparent economic strategy of the traditional families was to direct the family members toward different economic sectors in order to reduce the economic risks of the family. For instance, while a family member was directed toward production activities, another was directed toward the commercial activities and in most cases the key suppliers of the merchant members were the artisan members of the family. Therefore, the profits of both the production and trade have been accumulated upon the family.

But such an accumulation process required the cooperation of the family members. Since the traditional family was also an extended family, and there were close kinship relations among many of these families, the cooperation of the family members have mostly become mutual cooperative relations among the local entrepreneurs. Moreover, with the underpinning influences of reciprocal responsibility relations on these mutual cooperative relations, the first generations have achieved to establish a solidarity-based local business culture.

However, this local business culture and the local institutional origins of these relations were the local relational assets having intensely been influenced by the generational transition from the first generations to the second ones. This transition period has been specifically contradictory to almost every traditional institution influencing and underpinning the local business culture of the first generations although the generation change after this transition has triggered an influential economic success. It is found that the local development path of the town has been dominated by the family firms after the 1980s. And this dominance of these family firms was not coincidental. The analysis of the path after the 1980s shows that the economic success depends on the coexistence of three complementary contexts which are, in its most apparent terms, the highly efficient transformation of the economic roles of the traditional family to the family firms – that is identified as the organizational restructuring –; the increasing, further, booming production rates; and the highly efficient transfer of the trust relations of the local business culture to the newly ascending business climate which has been dominated by the family firms.

The family firms in Kayseri do not represent the simple cooperation of the family members in order to establish an ordinary family enterprise. On the contrary, the emergence of them in this period represents the transformation of the economic roles of the traditional family – it is identified as the welfare family in this study owing particularly to its economic strategies favoring the family – to the family firm type organizations. This transformation includes both the transfer of the capital having been accumulated on the welfare family to the family firms and the transformation of the family solidarity to the cooperation of the family members in the family firms. Owing to the fact, the family firms of the second generations represent the generational extension of the welfare family of the first generations and the transfer of the economic strategies of the families to the family firms.

The cooperation of the family members, which has intensified upon the family, has been transformed to the cooperation of the family members for the sake of the family firm in the second generations. This transformation also indicates an organizational restructuring which has begun by the dominance of the second

generations. This restructuring can apparently be identified by the establishment rates of different firm types. Many of the sole proprietorship type organizations of the first generations have been replaced with limited and incorporated type organizations by the second generations. The in depth interviews of this research with the family firms in Kayseri show that this organizational restructuring also refers to the generational restructuring of the local business culture. Therefore it is possible to put that the emergence of the family firms is not coincidental. On the contrary, they have begun to rise in tune with the organizational restructuring.

However, the economic success itself has become a matter of contradiction to almost all local inherent institutions and processes leading to the emergence of this economic success. The economic boom destroyed not only the reciprocal responsibility relations between the production and merchant units wherein the local business culture has been established, but also the traditional family. The fall of the traditional family represents the increasing alienation of the family members both from each other and from the extended family which, more specifically, harms the cooperation of the family members. Besides, the local informal education process which has once been a social responsibility has collapsed. Therefore the reciprocity has destructed. Owing to the fact, the perforation of the reciprocal responsibility relations resulted considerable alienations between the local production and merchant units wherein the local business culture has created certain solidarities.

And more importantly, all these changes in the institutional structure influencing the local pathway of development can be identified by the analysis of the socio-spatial organizations' changes. As previously emphasized, the emergence of an upward trajectory of the development path of the town has been associated with the urban modernization project which has aimed at improving the living standards of the town. However, this project, at the same time, has represented a major urban renewal which annihilated certain parts of the traditional spatial patterns mostly constituted of traditional dwelling units. This renewal has, in the first place, transformed certain parts of the traditional dwelling areas to the

central business district of the town. And the construction of modern dwelling buildings – the apartments – has been the key component of this renewal.

However, the traditional dwelling unit seems to have been one of the primary spatial organizations of the traditional family based social interaction which has been one of the key origins of local business culture, reciprocal responsibility relations and the cooperative trust relations. Therefore, after the destruction of the traditional spatial organization of the dwelling units, the remaining familial relational assets of the town have created a peculiar spatial organization within the newly constructed apartments. Although the extended family has been living together in a traditional house, the dwelling units were separated in the apartments. This spatial separation of the members of the extended family has been the first apparent spatial consequence of the generation change in the 1950s. Therefore, it is possible to put that the rise of the first generations has also started after a generational transition. However, this spatial separation did not represent a diffusion of the traditional family.

Many of the families who lived in a single dwelling unit in the traditional pattern, generally moved to single apartments. Therefore, sometimes three, or two, or even one family lived in the whole apartment. Besides, the members still have a common use area and the family gathers at evening times in the grand parents' dwelling unit. This common use area in the modern apartment has another function as well which is the guest welcoming function. An important finding of this research states that the two main functions of the traditional sofa are divided and shared into two main units in the dwelling unit of the apartment which are the entrance hall and the saloon or the guestroom. The traditional sofa and its semi public sphere function transformed to the entrance hall and the saloon in the modern apartments in Kayseri.

But the actual spatial separation of the traditional family has started since the 1980s throughout the generational transition process. Many of the second generation family members have moved to different dwelling units being completely separated from the apartments of their parents. However, the

dwelling unit still represents the main spatial component of the social interaction in the town. The peculiar inner architectural design of the apartment housing units produced by the first generations after the annihilation of the traditional spatial patterns of the traditional social interaction still is the dominant architectural design. The existence and dominance of this peculiar design indicates that the spatial component of the social interaction has not extended through the out of the housing unit yet. Therefore the general structure of the social interaction styles mainly inherited from the first generations have been remaining and still dominate the social life in the town.

However, the generational transition from the second generations to the thirds, which has started to arise recently, represents much deeper contradictions and much more apparent changes. In the first place, the decline both in the total number and in the number of new establishments of limited and incorporated type organizations; and on the contrary to this, the gradually increasing number of new establishments of sole proprietorship type of organizations especially in the period after the 2000s, when the third generations have begun to enter in the businesses indicate that the local business culture of the second generations, which is characterized by the above mentioned restructuring has begun to be influenced by the generational transition. Therefore, the organizational structure of the family firms seems to be influenced by the generational transition. Moreover, this change in the organizational structure apparently represents the change in the ownership structure of these firms. And actually, all these consequences are directly concerned with the generationally changing structure of the traditional family.

Besides, many of the local traditional institutions were disappeared or destructed during the dominance period of the second generations. This destruction most importantly represents an actual deprivation of the traditional tacit knowledge of this mentality for the third generations. In other words, most of the third generations were inevitably alienated from the traditional trade mentality owing to the destruction of its inheritance ways as a social responsibility or collective action. Almost all of the third generations were informed about this mentality only

by their families, and generally, most of them have not had the chance to actually experience the traditional trade mentality within the traditional socio-spatial institutions.

A main consequence of the power loss of these traditional institutions can therefore be identified as an actual alienation of the third generations from the traditional tacit knowledge. Owing to the fact, it is possible to put that the knowledge infrastructure of the third generations has increasingly been dragged away from the local peculiarities towards the ordinariness. The influences of the generational transition on the urban life styles seem to be much more apparent than the influences on the economic organizations though they are strictly concerned with each other. Almost all of the spatial patterns of the town have begun to be influenced by the increasing dominance of the third generations. In the first place, the effects of the generational transition seem to be fairly apparent on the growth patterns of the CBD. In the period especially after the 2000s the spatial specializations in the CBD, which are directly related to the generationally changing organizational and ownership structures of the economic organizations, can be identified. Moreover, these specializations represent the current sector selection tendencies of many of the third generations who are highly educated but also are mostly deprived of traditional tacit knowledge.

Furthermore, the traditional features of the dwelling units and areas have begun to be influenced by the recent generational transition. Although the local public realm still seems to be captured by the dwelling unit, the spatial organizations have begun to change dramatically. The dwelling unit has started to lose its primary importance in terms of local social interaction. Besides, many of the streets have already lost their traditional meaning in social interaction. Most of them now mean nothing more than an ordinary component of the urban road network. Although the local social interaction seems to spill over into the spatial patterns of the town, the dominance of the conservativeness thought of certain networks on the one hand and the destruction – and even the annihilation – of

the traditional spatial patterns on the other seem to obstruct the emergence of spatial diversity in terms of social interaction in the town.

To put it bluntly, the Kayseri experience most apparently indicates five significant consequences which are:

1. The influences of local institutions on the local pathways of development and the roles of them in these pathways.
2. New contradictions within the local development pathways and the institutional evolution.
3. The shrinking size of the time periods between generational transitions and the increasing intensity of the tensions in the transition processes in relation to the increasing speed and intensity of change in contemporary times.
4. The possible rise of a new field of competitiveness depending on the creation of more livable and attractive urban amenities between the towns owing particularly to the increasing fluidity of people flows and the changes in the demographic structure.
5. The presence of socio-spatial consequences.

1. The influences of local institutions on the local pathways of development and the roles of them in these pathways.

This consequence has two significant dimensions including the influences of local institutions and the functions of them. In the first place, the Kayseri experience shows that since many of the local institutions – that can be identified as the rules, routines, norms and values – seem to be the local inheritances, local development pathways inevitably have historical dimensions. This is not to simply state that the local traditions may influence these pathways. This more importantly necessitates recognition of the influences of these local institutions within their own historical contexts. They sometimes refer to spontaneously established relational assets, and sometimes to a peculiar local mentality inherited from a long historical past. Moreover, it is important to draw attention to the presence of tacit institutions influencing – and being influenced by – the

social interaction. Therefore the influences of these institutions may be irreplaceable and non-transferable.

The positive influences of the local institutions on the local pathways of development have been one of the most researched and conceptualized fields of contemporary development experiences. Some studies tend to suggest development strategies depending upon the transfer or creation of certain institutions from the successful experiences to the somehow locked locals. However, it is found in the research that it is scarcely possible to transfer certain institutions to other local experiences. Furthermore, it is found that even some of them cannot be transferred from one generation to another in the same local. Owing to the fact, the Kayseri experience indicates that not only the local institutions are peculiar, but also the influences of them on the local pathways of development seem to be peculiar as well.

The second dimension sheds light on a vitally significant function of the local institutions which is the knowledge inheritance. In the literature, the institutional sphere is identified as the social structures of accumulation. The Kayseri experience, in addition, indicates that the institutional sphere can be identified as the social structures of local knowledge inheritance. It is found in the research that especially the tacit knowledge is inherited by certain local institutions. Therefore the destruction or recreation of these institutions within the generational transition period results not only certain changes in the social inheritance of the local knowledge, but also a possible annihilation of it.

2. New contradictions within the local development pathways and the institutional evolution.

In the second place, it is necessary to draw attention to a newly emerging field of contradiction within the local pathways of development. These are the generational based contradictions. It is found in the research that, the differentiation of the generations from each other owing particularly to the changing socialization and personality development processes influences the

relations between predecessor and successor generations and their relations with the local institutions as well. Within this context, generational transition represents the period of either renewal of the older institutions or the creation of new ones. Generational transition, therefore, refers not only to the possible tensions between predecessor and successor generations, but also to the possible institutional contradictions. Three related contradiction fields are identified in the research. These are:

- a. Influences of generation gap.
- b. Influences of the tensions between the generations and the local institutions.
- c. Influences of the tensions among the local institutions.

The problem of generation gap most apparently emerges during the organizational restructuring period in the generational transition from the first generations to the seconds in terms of the transformation of traditional family based relational assets of the first generations to the family firms of the second generations. Moreover, the influences of this problem become apparent in the current transition process in terms of the disintegration of the third generations from the family firms.

Secondly, the influences of the tensions between the generations and the local institutions most apparently emerges during the transformation of the local business culture of the first generations in the generational transition from the first generations to the seconds. This process represented the destruction of the relational assets of the first generations and the establishment of a new local business culture being influenced by the Islamic networks. Moreover, the influences of this problem become apparent in the alienation of the third generations from the above mentioned local business culture of their predecessors.

In the third place come the influences of the inter-institutional tensions. The evolution of the reciprocal responsibility relations and social interaction based informal education process to an individual responsibility based informal

education and the destruction of the knowledge inheritance possibilities of the local traditional trade mentality seem to be the most apparent contradiction between the first and second generations throughout the generational transition period. The growing tensions between the conservative structure of the second generations and the life standard expectations of the third generations which have not been apparently institutionalized yet seem to be the most visible contradiction of the current generational transition.

3. The shrinking size of the time periods between generational transitions and the increasing intensity of the tensions in the transition processes in relation to the increasing speed and intensity of change in contemporary times.

It will not be new to state that the rate of social change after the 1980s is faster than it was before. The dramatic increase in the global information flows and its influences on social change have been taken into consideration by numerous researches and studies. But more particularly, this dramatic increase of the rate of changes in almost all fields represents faster rates of differentiations between the socialization and personality development processes of generations. So the age gap between the generations seems to be declining owing specifically to these change rate increases. Owing to the fact, the following periods of generational transition seemingly represent the transition of the dominance of one generation to two or more generations. Therefore every single field of contradiction emphasized above may have much deeper consequences.

4. The possible rise of a new field of competitiveness depending on the creation of more livable and attractive urban amenities between the towns owing particularly to the increasing fluidity of people flows and the changes in the demographic structure.

The problem of population ageing is one of the most recently pronounced demographic change problems particularly in the developed countries. Population ageing can be characterized by two main consequences which are a

relatively increase of people in older aged cohorts in comparison with the younger aged ones, and the increasing elderly dependency ratios. It is possible to distinguish two main reasons for this problem. First reason is increasing life expectancies. In general, people who are aged between 15 and 64 are assumed to be the workforce and people older than 65 years old are assumed to be elderly aged people who do not participate to the workforce. Elderly dependency ratio refers to the dependency of older people who do not participate to the workforce to younger people who actually participate to the workforce. Increasing life expectancies result a growth in the size of the age groups of people older than 65 years old which also result an increase in the elderly dependency ratios.

The second reason is the fertility decline. The most common indicator for fertility is the Total Fertility Rate (TFR). It gives the average number of children per woman. It is vitally important to distinguish the TFR for a population. The researches show that TFR below 2 means a low fertility and decline in the total population. However, it is important to underline that, little fluctuations in this rate result big influences. McDonald (2000), for instance, stresses that in a population with a fertility rate of 1.3 births per women, the population falls at the rate of 1.5 % per annum and such a population, in 100 years would fall to less than a quarter of its original size if all other things remaining unchanged. He also shows that with a fertility rate of 1.9, the rate of decline in this population is only 0.2 % per annum which at the end of 100 yeas would result a population that is 82 % of its original size, and fertility can fall to 1.3 from 1.9 just through 60 % of all women having one fewer child (McDonald, 2000). It is significant to see that the decline of TFR from 1.9 to 1.3 represents approximately 55 % decline in the total population after 100 years. It is therefore clear that every TFR below 2.1 represents a decline in the total population.

Many of the towns in the developed world may have the possibility of suffering from the problem of population decline in the near future. But there are serious policies that many of these towns have already started to imply. One of them is the policy of encouraging immigrant workers. These are the policies of not only

encouraging workers from abroad, but also from the same country or even from the same region. Therefore if the workforce wages remain in certain limits, the towns may have to offer more livable conditions for the workforce in order to become more attractive for workforce immigration. The presence of the national boundaries seems to limit the fluidity of workforce flows. However, the permeability of these boundaries is increasing especially in the supra national level regions such as the European Region. Therefore the improvements in the livability conditions or more particularly, the improvements of urban amenities seem to have a vital role in the near future.

5. The presence of socio-spatial consequences.

This last title aims at drawing attention to the spatial dimension of the influences of generational transition. The Kayseri experience apparently indicates certain spatial consequences. From individual levels to urban levels, generational transition has spatial dimensions. But more importantly, the detailed analysis of these spatial consequences seems to be efficient indicators of the degree and direction of generational transition.

Some points in which this thesis has not intensely focused on and some certain remarks for future researches can be identified while concluding. In the first place this study highly focuses on generationally transforming socio-spatial structures of housing units and areas although the influences of generational transition on the urban spatial patterns are also attempted to be analyzed in a comprehensive manner. Possibly, a much more balanced explanatory weight will be able to identify various façades of the influences of generational transition on the urban spatial patterns of towns. Therefore it is possible to indicate such an analysis as a further remark. Secondly, since this research intensely focuses on the socially constructed local institution, some of the certain influences of both the organizational local institutions and the supra local institutions seem to be left untouched in the study. However, it seems to be vitally important to investigate the balance between the local and supra local level institutions. Therefore it is possible to indicate such an analysis as a second further remark. Besides, there

can – and probably should – be a gender dimension of these above mentioned analysis. In Kayseri, all of the first and second generation entrepreneurs were men. Moreover, all of the interviewed third generation entrepreneurs were men as well. However, in many of the towns and countries, the dominating power of the women entrepreneurs cannot be underestimated. Therefore the gender dimension of this study can be identified as a third remark for future studies.

The generational contradictions not only between generations but also between genders from different generations have already been discussed in the literature. However, almost all of these researches seem to be intensified upon individual level generational contradictions. And most of the solution suggestions of these researches for these conflicts seem to count on the local organizational and institutional structures. This thesis indicates that analyzing the influences of particularly the tacit local institutional structures in these above mentioned contradictions may shed light on finding a solution thickness for them. And finally it is possible to point out the influences of generational transition on much more sophisticated social structures. A comparison of the findings of this thesis with the findings of a research of a much more socially sophisticated town will definitely be able to indicate disguised dimensions of the influences of generational transition.

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APPENDIX A

A. INTERVIEW CONTROL CARDS FOR THE IN DEPTH INTERVIEWS WITH THE NGOs, LOCAL INSTITUTIONS, MUNICIPALITIES AND THE OPINION LEADERS

Table A. 1. Interview Control Card for the Interviews with the NGOs and Local Institutions

How did Kayseri achieve the current development success
Does this NGO (or institution) have any role relevant to it
What are the relations between industrial or commercial businesses and this NGO (or institution)
What is the official assessment of this NGO (or institution) about the local development process
What is the unofficial assessment of you about the local development process
The general opinions about native Kayserians
The general opinions about social structure of Kayseri
The general opinions about traditions in general
The general opinions about traditions in Kayseri
The general opinions about the importance of traditions in general
The general opinions about the importance of traditions in Kayseri
The general opinions about the social relations in Kayseri
The general opinions about the urbanization process of Kayseri

Table A. 1. Interview Control Card for the Interviews with the NGOs and Local Institutions (Continued)

The general opinions about the generational relations in general
The general opinions about the generational relations in Kayseri
The general opinions about the competitive structure of Kayseri
Which services do you offer
The participation levels of the NGO (or institution) to the local problems
The participation levels of the NGO (or institution) to the local decision making processes

Table A. 2. Interview Control Card for the Interviews with the Municipalities

How did Kayseri achieve the current development success
What is the role of this municipality within this success
How do you define urbanization
What are / may be the roles of urbanization in development process
Is it possible to define a geography of migration for the immigrant workers in Kayseri
The relation fluidity between municipalities
The relation fluidity between municipalities and central government
Brief urbanization history of Kayseri

Table A. 3. Interview Control Card for the Interviews with the Opinion Leaders

How did Kayseri achieve the current development success
What are the roles of traditions within this process
What are the roles of family relations within this process
What is the importance of being a native Kayserian
The general opinions about the competitive structure of Kayseri
Is it possible to define a geography of migration for the immigrant workers in Kayseri
What is the relationship between you and Kayseri
What is the relationship between the local and central level administrative bodies
The Kayserian family
What is the importance of family in Kayseri
The inheritance ways of the familial knowledge
The change in the family
How can we understand that changes emerge within the family relations
The general opinions about social structure of Kayseri
The general opinions about traditions in general
The general opinions about traditions in Kayseri
The general opinions about the importance of traditions in general
The general opinions about the importance of traditions in Kayseri
The general opinions about the social relations in Kayseri
The general opinions about the urbanization process of Kayseri
The general opinions about the generational relations in general
The general opinions about the generational relations in Kayseri
The general opinions about the competitive structure of Kayseri

APPENDIX B

B. THE LIST OF THE INTERVIEWED NGOs, INSTITUTIONS, MUNICIPALITIES AND THE OPINION LEADERS

1. The province representative of the Chamber of City Planners in Kayseri
2. Kayseri Chamber of Architecture
3. Kayseri Chamber of Industry
4. Kayseri Chamber of Commerce
5. The Foundation of Young Businessmen of Kayseri
6. Directorate of Kayseri Free Zone
7. Directorate of Kayseri Organized Industry Zone
8. Directorate of Kayseri Erciyes Techno park
9. Erciyes University
10. Municipality of Melikgazi
11. Municipality of Kocasinan
12. Municipality of Talas
13. Municipality of Hacilar
14. Metropolitan Municipality of Kayseri
15. Special Provincial Administration of Kayseri
16. Governorship of Kayseri
17. Kayseri Regional Committee of the Protection of Cultural and National Heritage of Ministry of Culture
18. Kayseri Regional Directorate of General Directorate of Highways
19. Kayseri Regional Directorate of General Directorate of State Hydraulic Works
20. Kayseri Provincial Directorate of the Ministry of Public Works and Settlement

21. Kayseri Provincial Directorate of the Ministry of Environment and Forestry
22. The Protection and Embellishment Association of Kayseri Covered Market
23. Kayseri Provincial Directorate of Small and Medium Sized Industry Development and Support of the Ministry of Industry and Commerce
24. The Directorate of Kayseri Television (Kay TV)
25. The Directorate of Kayseri Newspaper
26. The Erciyes Journal
27. Murathan Türkten – Native Kayserian and Former Directorate of Atlas Halı AŞ.
28. Murat Yerlikhan – Native Kayserian and Secretariat General of Kayseri Chamber of Commerce
29. Halit Erkiletlioğlu – Native Kayserian and Dentist, Author and Researcher of Kayserian History
30. Mehmet Kasap – Native Kayserian and Former Directorate of Development of Municipality of Kocasinan, Former Directorate of Kayseri Chamber of Architecture, General Committee Member of Mimarsinan Organized Industry Zone
31. Faruk Yaman – Native Kayserian and Directorate of Media of Municipality of Melikgazi, Author and Researcher of Kayserian History and Collector of Rare Historical Documents of Kayseri
32. Niyazi Bahçecioğlu – Native Kayserian and Former Mayor of the Metropolitan Municipality of Kayseri
33. Tamer Cinel – City Planner, Former representative of the Chamber of City Planners in Kayseri
34. Hasan Basri Üstünbaş – Native Kayserian and Former Member of Parliament
35. Mehmet Çayırdağ – Native Kayserian and Researcher of Kayserian History
36. Recep Bulut – Native Kayserian and Journalist and the Director of Kayseri Television (Kay TV)
37. Mehmet Özkantar – Native Kayserian and the Directorate of Kayseri Free Zone

APPENDIX C

C. THE LIST OF INTERVIEWED INFORMANTS FROM THE FAMILY FIRMS

Family Firm Informant 001: Mr. MNÖ – An Elder Second Generation Native Kayserian Businessman and a member of the director board of a great textile firm which is classified continuously within the 500 greatest firms of Turkey for more than ten years (Also appears as Informant 06 within the text).

Family Firm Informant 002: Mr. Osman Altop – An Elder Second Generation Native Kayserian Businessman, the member of director board of Yataş AŞ. (Also appears as Informant 10 within the text).

Family Firm Informant 003: Mr. Koray Tanrıseven – An Elder Third Generation Native Kayserian, the vice director of accounting in Yataş AŞ.

Family Firm Informant 004: Mrs. GBT – An Elder Third Generation Native Kayserian, professional employee in Yataş AŞ.

Family Firm Informant 005: Mr. MÖ – An Elder Second Generation Native Kayserian Businessman and the member of the director board of a family firm.

Family Firm Informant 006: Mr. ŞÖ – An Elder Second Generation Native Kayserian Businessman and the member of the director board of the same family firm with Mr. MÖ.

Family Firm Informant 007: Mr. ŞK – An Elder Second Generation Native Kayserian Businessman and the member of the director board of a family firm in construction industry.

Family Firm Informant 008: Mr MG – An Elder Second Generation Native Kayserian Businessman and the member of the director board of a family firm in food industry.

- Family Firm Informant 009:** Mr. BG – An Elder Second Generation Native Kayserian Businessman and the member of the director board of the same family firm in food industry with Mr. MG.
- Family Firm Informant 010:** Mr. MK – A Younger Second Generation Native Kayserian Businessman and owner manager of a family firm in metal furniture and machinery industry.
- Family Firm Informant 011:** Mr. TK – A Younger Second Generation Native Kayserian Businessman and owner manager of the same family firm in metal furniture and machinery industry with Mr. MK.
- Family Firm Informant 012:** Mr. NB – A Younger Second Generation Native Kayserian Businessman and the vice president of the director board of a famous market chain. (Also appears as Informant 07 within the text).
- Family Firm Informant 013:** Mr. MB – An Elder Second Generation Native Kayserian Businessman and the member of the director board of a family firm.
- Family Firm Informant 014:** Mr. YB – An Elder Second Generation Native Kayserian Businessman and the member of the director board of a family firm in food industry.
- Family Firm Informant 015:** Mr. ÖFB – A Younger Third Generation Native Kayserian Businessman and the successor member of the director board of the same family firm in food industry with Mr. YB.
- Family Firm Informant 016:** Mr. MSY – An Elder Second Generation Native Kayserian Businessman and the owner manager of a family firm in textile industry.
- Family Firm Informant 017:** Mr. MAY – An Elder Third Generation Native Kayserian Businessman and the successor owner manager of the same family firm in textile industry with Mr. MSY.
- Family Firm Informant 018:** Mr. HE – An Elder Third Generation Native Kayserian Businessman and the president of the board of directors of a family firm.
- Family Firm Informant 019:** Mr. AOY – A Younger Second Generation Native Kayserian Businessman and the owner manager of a family firm.

- Family Firm Informant 020:** Mr. MB – A Younger Second Generation Native Kayserian Businessman and the member of director board of a famous textile and furniture firm. (Also appears as Informant 11 within the text).
- Family Firm Informant 021:** Mr. MN – A Younger Second Generation Native Kayserian Businessman and the owner manager of a family firm.
- Family Firm Informant 022:** Mr. HHG – A Younger First Generation Native Kayserian Businessman and the vice president of the board of directors of a family firm.
- Family Firm Informant 023:** Mr. AE – A Younger Second Generation Native Kayserian Businessman and the member of the director board of a family firm.
- Family Firm Informant 024:** Mr. HK – A Younger Second Generation Native Kayserian Businessman and the member of the director board of a family firm in construction industry.
- Family Firm Informant 025:** Mr. HB – A Younger First Generation Native Kayserian Businessman and a retired general director a family firm.
- Family Firm Informant 026:** Mr. YÖ – A Younger Second Generation Native Kayserian Businessman and the member of the director board of a family firm in construction industry.
- Family Firm Informant 027:** Mr. MK – A Younger First Generation Native Kayserian Businessman and the president of the board of directors of a family firm in construction industry.
- Family Firm Informant 028:** Mr. MY – A Younger Second Generation Native Kayserian Businessman and the owner manager of a family firm in construction industry.
- Family Firm Informant 029:** Mr. MB – A Younger Second Generation Native Kayserian Businessman and the owner manager of a family firm in metal furniture and machinery industry.
- Family Firm Informant 030:** Mr. Ali Kuş – A Younger Second Generation Native Kayserian Businessman and the general director of a furniture firm. (Also appears as Informant 12 within the text).
- Family Firm Informant 031:** Mr. MK – A Younger Second Generation Native Kayserian Businessman and the general director of a furniture firm.

- Family Firm Informant 032:** Mr. FK – A Younger Second Generation Native Kayserian Businessman and the general director of the same firm with Mr MK.
- Family Firm Informant 033:** Mr. NÖ – A Younger Second Generation Native Kayserian Businessman and the owner manager of a family firm in metal furniture and machinery industry.
- Family Firm Informant 034:** Mr. SU – An Elder Third Generation Native Kayserian Businessman and the owner manager of a family firm in advisory firm for commercial relations.
- Family Firm Informant 035:** Mr. MÖ – A Younger Second Generation Native Kayserian Businessman and the owner manager of a family firm in metal furniture and machinery industry.
- Family Firm Informant 036:** Mr. HK – An Elder Third Generation Native Kayserian Businessman and the owner manager of a family firm in construction industry.
- Family Firm Informant 037:** Mr. YK – An Elder Third Generation Native Kayserian Businessman and the owner manager of the same family firm in construction industry with Mr. HK.
- Family Firm Informant 038:** Mr. AB – A Younger Second Generation Native Kayserian Businessman and the owner manager of a family firm in metal furniture and machinery industry.
- Family Firm Informant 039:** Mr. MG – An Elder Second Generation Native Kayserian Businessman and the owner manager of a family firm in metal furniture and machinery industry.
- Family Firm Informant 040:** Mr. Mehmet Erkahyaoğlu – A Younger Second Generation Native Kayserian Businessman and the general director of a furniture firm. (Also appears as Informant 13 within the text).
- Family Firm Informant 041:** Mr. MAE – An Elder Second Generation Native Kayserian Businessman and the general director of a furniture firm.
- Family Firm Informant 042:** Mr. MY – An Elder Third Generation Native Kayserian Businessman and the owner manager of a family firm in metal furniture and machinery industry.

- Family Firm Informant 043:** Mr. CA – An Elder Third Generation Native Kayserian Businessman and the owner manager of the same family firm in metal furniture and machinery industry with Mr. MY.
- Family Firm Informant 044:** Mr. İK – A Younger Second Generation Native Kayserian Businessman and the member of director board of a famous textile firm.
- Family Firm Informant 045:** Mr. TK – A Younger Second Generation Native Kayserian Businessman and the owner manager of a family firm in metal furniture and machinery industry.
- Family Firm Informant 046:** Mr. ET – A Younger Second Generation professional employee in a famous family firm in food industry.
- Family Firm Informant 047:** Mr. MÖ – A Younger Second Generation Native Kayserian Businessman and the general director of a famous textile firm.
- Family Firm Informant 048:** Mr. EU – A Younger Second Generation Native Kayserian Businessman and the owner manager of a family firm.
- Family Firm Informant 049:** Mr. NU – A Younger Second Generation Native Kayserian Businessman and the owner manager of the same family firm with Mr. EU.
- Family Firm Informant 050:** Mr. Mahmut Alak – A Younger Second Generation Native Kayserian Businessman and the general director of a furniture firm (Also appears as Informant 14 within the text).
- Family Firm Informant 051:** Mr. MAA – An Elder Third Generation Native Kayserian Businessman and the director of accounting in a furniture firm.
- Family Firm Informant 052:** Mr. ÖFA – An Elder Third Generation Native Kayserian Businessman and the director of production in the same furniture firm with Mr. MAA.
- Family Firm Informant 053:** Mr. MOA – An Elder Third Generation Native Kayserian Businessman and the director of production in the same furniture firm with Mr. MAA.
- Family Firm Informant 054:** Mr. DÇ – A Younger Second Generation Native Kayserian Businessman and the owner manager of a family firm.

- Family Firm Informant 055:** Mr. NY – A Younger Second Generation professional employee and the production manager in a famous family firm in textile industry.
- Family Firm Informant 056:** Mr. ŞH – A Younger Second Generation Native Kayserian Businessman and the owner manager of a family firm.
- Family Firm Informant 057:** Mr. YÖ – An Elder Second Generation Native Kayserian Businessman, the member of director board of a famous textile and furniture firm.
- Family Firm Informant 058:** Mr. MÖ – An Elder Second Generation Native Kayserian Businessman, the member of director board of the same firm with Mr YÖ.
- Family Firm Informant 059:** Mr. YA – An Elder Third Generation Native Kayserian Businessman, the member of director board of the same firm with Mr YÖ.
- Family Firm Informant 060:** Mr. MÖ – An Elder Third Generation Native Kayserian Businessman, the member of director board of the same firm with Mr YÖ.
- Family Firm Informant 061:** Mr. DYK – A Younger Second Generation Native Kayserian Businessman and the owner manager of a family firm.
- Family Firm Informant 062:** Mr. İbrahim Şahin Fazlıoğlu – An Elder Second Generation Native Kayserian Businessman and the general director of a famous firm in food industry. (Also appears as Informant 15 within the text).
- Family Firm Informant 063:** Mr. AS – A Younger Second Generation Native Kayserian Businessman and the owner manager of a family firm.
- Family Firm Informant 064:** Mr. EA – An Elder Second Generation Native Kayserian Businessman and the owner manager of the same firm with Mr AS.
- Family Firm Informant 065:** Mr. TS – An Elder Third Generation Native Kayserian Businessman and the successor owner manager of the same firm with Mr AS.
- Family Firm Informant 066:** Mr. Mİ – A Younger Second Generation Native Kayserian Businessman and the owner manager of a family firm in metal furniture and machinery industry.

- Family Firm Informant 067:** Mr. MD – An Elder Second Generation Native Kayserian Businessman and the owner manager of a family firm.
- Family Firm Informant 068:** Mr. NB – An Elder Second Generation Native Kayserian Businessman and the owner manager of the same firm with Mr MD.
- Family Firm Informant 069:** Mr. ED – An Elder Third Generation Native Kayserian Businessman and the owner manager of the same firm with Mr MD.
- Family Firm Informant 070:** Mr. MA – A Younger Second Generation Native Kayserian Businessman and the owner manager of a family firm in construction industry.
- Family Firm Informant 071:** Mr. ÖD – A Younger Second Generation Native Kayserian Businessman and the owner manager of a family firm in metal furniture and machinery industry.
- Family Firm Informant 072:** Mr. MS – A Younger Second Generation Native Kayserian Businessman and the owner manager of a family firm in metal furniture and machinery industry.
- Family Firm Informant 073:** Mr. MK – A Younger First Generation Native Kayserian Businessman and the retired owner manager of a family firm in metal furniture and machinery industry.
- Family Firm Informant 074:** Mr. Mehmet Eskicioğlu – A Younger First Generation Native Kayserian Businessman and the general director of a family firm. (Also appears as Informant 16 within the text).
- Family Firm Informant 075:** Mr. Ali Eskicioğlu – A Younger First Generation Native Kayserian Businessman and the general director of the same family firm with Mr. Mehmet Eskicioğlu.
- Family Firm Informant 076:** Mr. MY – A Younger Second Generation Native Kayserian Businessman, the director of a famous family firm in textile industry.
- Family Firm Informant 077:** Mr. ŞY – A Younger Second Generation Native Kayserian Businessman, the director of export in the same firm in textile industry with Mr. MY.

- Family Firm Informant 078:** Mr. MY – A Younger Second Generation Native Kayserian Businessman, the director of marketing in the same firm in textile industry with Mr. MY.
- Family Firm Informant 079:** Mr. ÖY – A Younger Second Generation Native Kayserian Businessman, the financial coordinator in the same firm in textile industry with Mr. MY.
- Family Firm Informant 080:** Mr. EY – A Younger Second Generation Native Kayserian Businessman, the director of accounting in the same firm in textile industry with Mr. MY.
- Family Firm Informant 081:** Mr. AEK – A Younger Second Generation Native Kayserian Businessman, the director of production in the same firm in textile industry with Mr. MY.
- Family Firm Informant 082:** Mr. AE – A Younger Second Generation Native Kayserian Businessman and the owner manager of a family firm in metal furniture and machinery industry.
- Family Firm Informant 083:** Mr. İE – A Younger Second Generation Native Kayserian Businessman and the owner manager of the same family firm in metal furniture and machinery industry with Mr. AE.
- Family Firm Informant 084:** Mr. HİK – A Younger Second Generation Native Kayserian Businessman and the owner manager of a family firm in metal furniture and machinery industry.
- Family Firm Informant 085:** Mr. HHC – An Elder Second Generation Native Kayserian Businessman and the owner manager of a family firm in metal furniture and machinery industry.
- Family Firm Informant 086:** Mr. SSB – A Younger Second Generation Native Kayserian Businessman and the owner manager of a famous family firm in food industry.
- Family Firm Informant 087:** Mr. CH – An Elder Second Generation Native Kayserian Businessman and the owner manager of a famous family firm in textile industry.
- Family Firm Informant 088:** Mr. TH – A Younger Second Generation Native Kayserian Businessman and the owner manager of the same family firm in textile industry with Mr. CH.

- Family Firm Informant 089:** Mr. OK – A Younger Second Generation Native Kayserian Businessman and the owner manager of a famous family firm in metal furniture and machinery industry.
- Family Firm Informant 090:** Mr. AG – A Younger Second Generation Native Kayserian Businessman and the owner manager of a family firm in textile industry.
- Family Firm Informant 091:** Mr. Kadir Orhan Arı – An Elder Third Generation Native Kayserian Businessman, the successor director of a family firm. (Also appears as Informant 24 within the text).
- Family Firm Informant 092:** Mr. MA – An Elder Third Generation Native Kayserian Businessman, the successor director of a family firm.
- Family Firm Informant 093:** Mr. NM – A Younger Second Generation Native Kayserian Businessman and the owner manager of a family firm in textile industry.
- Family Firm Informant 094:** Mr. NO – An Elder Second Generation Native Kayserian Businessman and the owner manager of a family firm in glass industry.
- Family Firm Informant 095:** Mr. AMÖ – A Younger Second Generation professional employee and the general director of a family firm in construction industry.
- Family Firm Informant 096:** Mr. ME – A Younger Second Generation Native Kayserian Businessman and the owner manager of a family firm in construction industry.
- Family Firm Informant 097:** Mr. EE – An Elder Third Generation Native Kayserian Businessman and the successor owner manager of the same family firm in construction industry with Mr. ME.
- Family Firm Informant 098:** Mr. NED – A Younger Second Generation professional employee and the export director of a family firm in textile industry.
- Family Firm Informant 099:** Mr. AK – A Younger Second Generation Native Kayserian Businessman and the owner manager of a family firm in metal furniture and machinery industry.

- Family Firm Informant 100:** Mr. NED – An Elder Third Generation professional employee and the vice director of a family firm in textile industry.
- Family Firm Informant 101:** Mr. CT – An Elder Third Generation professional employee and the vice director of a family firm in construction industry.
- Family Firm Informant 102:** Mr. Nihat Molu – The Secretary General of the Kayseri Chamber of Industry, a Second Generation Businessman and a member of a famous native Kayserian family.
- Family Firm Informant 103:** Mr. RG – A Younger Second Generation professional employee and the vice director of a family firm in construction industry.
- Family Firm Informant 104:** Mr. RG – An Elder Second Generation professional employee and the general director of a family firm in metal furniture and machinery industry.
- Family Firm Informant 105:** Mr. SH – An Elder Second Generation Native Kayserian Businessman and the owner manager of a family firm in construction industry.
- Family Firm Informant 106:** Mr. RH – An Elder Third Generation Native Kayserian Businessman and the general director of the same family firm in construction industry with Mr. SH.
- Family Firm Informant 107:** Mr. Burak Özbal – An Elder Third Generation Native Kayserian Businessman. (Also appears as Informant 20 within the text).
- Family Firm Informant 108:** Mr. RP – A Younger Second Generation Native Kayserian Businessman and the owner manager of a family firm in construction industry.
- Family Firm Informant 109:** Mr. RG – A Younger Second Generation professional employee and the general director of a family firm in construction industry.
- Family Firm Informant 110:** Mr. Mİ – A Younger Second Generation Native Kayserian Businessman and the owner manager of a family firm in metal furniture and machinery industry.

- Family Firm Informant 111:** Mr. Sİ – An Elder Third Generation Native Kayserian Businessman and the successor owner manager of the same family firm in construction industry with Mr. Mİ.
- Family Firm Informant 112:** Mr. FM – A Younger First Generation Native Kayserian Businessman and the retired general director of a family firm.
- Family Firm Informant 113:** Mr. HBÖ – A Younger First Generation Native Kayserian Businessman and the retired owner manager of a family firm.
- Family Firm Informant 114:** Mr. ŞB – An Elder Second Generation Native Kayserian Businessman and the retired owner manager of a family firm.
- Family Firm Informant 115:** Mr. ST – A Younger Second Generation Native Kayserian Businessman and the owner manager of a commercial family firm.
- Family Firm Informant 116:** Mr. HK – A Younger Second Generation professional employee and the director of finance of the same commercial family firm with Mr. ST.
- Family Firm Informant 117:** Mr. Mehmet Akif Erten – An Elder Third Generation Native Kayserian Businessman, the successor director of a textile and furniture firm. (Also appears as Informant 23 within the text).
- Family Firm Informant 118:** Mr. SE – A Younger Second Generation Native Kayserian Businessman, the director of a textile and furniture firm.
- Family Firm Informant 119:** Mr. ÖT – A Younger Second Generation Native Kayserian Businessman, the owner manager of a family firm.
- Family Firm Informant 120:** Mr. BT – An Elder Third Generation Native Kayserian Businessman, the successor owner manager of the same family firm with Mr. ÖT.
- Family Firm Informant 121:** Mr. FK – An Elder Third Generation Native Kayserian Businessman, the owner manager of a family firm.
- Family Firm Informant 122:** Mr. YT – An Elder Second Generation Native Kayserian Businessman, the owner manager of a family firm in advertisement sector.
- Family Firm Informant 123:** Mr. Mustafa Özkarakaya – An Elder Third Generation Native Kayserian Businessman, the successor director of a textile and furniture firm. (Also appears as Informant 26 within the text).

- Family Firm Informant 124:** Mr. RÖ – A Younger Second Generation Native Kayserian Businessman, the former owner manager of a textile and furniture firm.
- Family Firm Informant 125:** Mr. MK – A Younger Second Generation Native Kayserian Businessman, the owner manager of a family firm in advertisement sector.
- Family Firm Informant 126:** Mr. BK – A Younger Second Generation Native Kayserian Businessman, the owner manager of a family firm in advertisement sector.
- Family Firm Informant 127:** Mr. OÖ – A Younger Second Generation Native Kayserian Businessman, the former owner manager of a textile and furniture firm.
- Family Firm Informant 128:** Mr. ÇÖ – An Elder Third Generation Native Kayserian Businessman, the successor owner manager of the same textile and furniture firm with Mr. OÖ.
- Family Firm Informant 129:** Mr. NÖ – A Younger Second Generation Native Kayserian Businessman, the owner manager of a metal furniture and machinery firm.
- Family Firm Informant 130:** Mr. HA – A Younger Second Generation Native Kayserian Businessman, the owner manager of a metal furniture and machinery firm.
- Family Firm Informant 131:** Mr. ÖB – A Younger Second Generation Native Kayserian Businessman, the owner manager of a metal furniture and machinery firm.
- Family Firm Informant 132:** Mr. İY – A Younger First Generation Native Kayserian Businessman, the retired owner manager of a famous firm in food industry.
- Family Firm Informant 133:** Mr. HY – A Younger Second Generation Native Kayserian Businessman, the owner manager of the same firm in food industry with Mr. İY.
- Family Firm Informant 134:** Mr. Uğur Uluhan – An Elder Third Generation Native Kayserian Businessman, the successor director of a famous firm in construction industry. (Also appears as Informant 18 within the text).

- Family Firm Informant 135:** Mr. SU – An Elder Second Generation Native Kayserian Businessman, the successor director of a famous firm in construction industry.
- Family Firm Informant 136:** Mr. HK – An Elder Third Generation Native Kayserian Businessman, the successor owner manager of a famous firm in food industry (Also appears as Informant 25 within the text).
- Family Firm Informant 137:** Mr. AK – A Younger Second Generation Native Kayserian Businessman, the former owner manager of the same firm with Mr. HK.
- Family Firm Informant 138:** Mr. MK – An Elder Third Generation Native Kayserian Businessman, the successor owner manager of the same firm with Mr. HK.
- Family Firm Informant 139:** Mr. EK – An Elder Third Generation Native Kayserian Businessman, the successor owner manager of the same firm with Mr. HK.
- Family Firm Informant 140:** Mr. İK – An Elder Third Generation Native Kayserian Businessman, the successor owner manager of the same firm with Mr. HK.
- Family Firm Informant 141:** Mr. MAK – An Elder Third Generation Native Kayserian Businessman, the separated successor owner manager of the same firm with Mr. HK.
- Family Firm Informant 142:** Mr. ÖFK – An Elder Third Generation Native Kayserian Businessman, the separated successor owner manager of the same firm with Mr. HK.
- Family Firm Informant 143:** Mr. OA – An Elder Third Generation Native Kayserian Businessman who moved his firm to İzmir. (Also appears as Informant 19 within the text).
- Family Firm Informant 144:** Mr. ŞŞ – An Elder Third Generation Native Kayserian but currently has no position in the firm.
- Family Firm Informant 145:** Mr. HAK – An Elder Third Generation Native Kayserian but currently has no position in the firm.
- Family Firm Informant 146:** Mr. AD – An Elder Third Generation Native Kayserian but currently has no position in the firm.

Family Firm Informant 147: Mr. ÜD – An Elder Third Generation Native Kayserian but currently has no position in the firm.

Family Firm Informant 148: Mr. HB – An Elder Third Generation Native Kayserian but currently has no position in the firm.

Family Firm Informant 149: Mr. ÖYA – An Elder Third Generation Native Kayserian but currently has no position in the firm.

APPENDIX D

D. INTERVIEW CONTROL CARD FOR THE IN DEPTH INTERVIEWS WITH THE FAMILY FIRMS IN KAYSERI

Table D. 1. Interview Control Card for the Interviews with the Family Firms in Kayseri

Name, surname
Place of birth
Date of birth
Education / occupation
Place of education
Occupation of parents
First startup age of working
First startup firm of working
The relation of parents with the boss of the first startup firm of working
The name of the current firm
The foundation year of the current firm
Parents positions in the current firm
The number of trading partners in the current firm
Trading partners degree of affinity
The brief historical account for the firm foundation
General ideas about the family relations in Kayseri
General ideas about the inter-family relations in Kayseri
General ideas about the family firms in Kayseri

Table D.1. Interview Control Card for the Interviews with the Family Firms in Kayseri (Continued)

General ideas about the relation between families and family firms in Kayseri
The date of management
What kind of conflicts did you have between you and your parents
What kind of conflicts did you have between you and your parents in the business
Do you still have conflicts between your parents even if they are not engaged in the business
The brief historical account for the succession process of the current generation
You manage the firm after how many generations
The professionalization level of the firm
The professionalization needs of the firm
General ideas about institutionalization
How many children do you have
The current positions of the children in the business
The planned future position of the next generations in the business
Future plans for next generations
Do you plan to retire
General ideas about retirement
The level of commitment to the firm
A brief assessment about the preceding generations
A brief assessment about the succeeding generations
The desire to share the management of the business with next generations
The desire of next generations to share the management of the business
Education of the next generation
The place of education of the next generation
How do the children decide to the field of education

Table D.1. Interview Control Card for the Interviews with the Family Firms in Kayseri (Continued)

The desire to stay in Kayseri
The desire of the next generations to stay in Kayseri
A general assessment about the basic amenities in Kayseri
A general assessment about the social life in Kayseri
A general assessment about the relationship between the families and the social life in Kayseri
A general assessment about the institutional thickness of Kayseri

APPENDIX E

E. INTERVIEW CONTROL CARD FOR THE IN DEPTH INTERVIEWS WITH THE NEIGHBORHOOD MUHTARS

Table E. 1. Interview Control Card for the Interviews with the Neighborhood Muhtars

How old are you
Where were you born
What is your occupation
When and how did you decide to join the elections
The main problems of the neighborhood
How do you solve these problems and what are the ways of solution
How do the citizens inform you about the problems of neighborhood
How do you inform the municipality about these problems
Have you ever met any other muhtars before
With how many of them do you have close relationships
Is there any muhtar in your family currently in Kayseri
Do you think close relations are important in official relations
Do you think being a native Kayserian matters
The general information (if known) about the demographic structure of the neighborhood
The general affinity levels between people in the neighborhood
The general information about the place of birth of the citizens in neighborhood
The unofficial opinions about Kayserian families

Table E. 1. Interview Control Card for the Interviews with the Neighborhood Muhtars (Continued)

The unofficial opinions about the social relations in Kayseri
The unofficial opinions about native Kayserians
The unofficial opinions about the municipal services
The unofficial opinions about the urbanization process of Kayseri
The unofficial opinions about the generational relations

APPENDIX F

F. THE LIST OF INFORMANTS

- Informant 01: Mr. Nihat Molu – The Secretary General of the Kayseri Chamber of Industry, a Second Generation Businessman and a member of a famous native Kayserian family.
- Informant 02: Mr. Mehmet Kasap – The former Director of Urban Development Department of Kocasinan Municipality, Former President of Kayseri Chamber of Architecture, and a member of General Committee of Mimarsinan Organized Industry Zone.
- Informant 03: Mr. Murat Suzi Unalan – The President of the Chamber of City Planners Kayseri Representative.
- Informant 04: Mr. Niyazi Bahçecioğlu – A Younger First Generation Native Kayserian and Former Mayor of the Metropolitan Municipality of Kayseri.
- Informant 05: Mr. NT – A Younger First Generation Native Kayserian, a famous local lawyer and the current publisher of a traditional local journal.
- Informant 06: Mr. MNÖ – An Elder Second Generation Native Kayserian Businessman and a member of the director board of a great textile firm which is classified continuously within the 500 greatest firms of Turkey for more than ten years ,
- Informant 07: Mr. NB – A Younger Second Generation Native Kayserian Businessman and the vice president of the director board of a famous market chain
- Informant 08: Mr. Recep Bulut – A Younger Second Generation Native Kayserian and Journalist and the Director of Kayseri Television (Kay TV)
- Informant 09: Mr. Murathan Türkten – A Younger Second Generation Native Kayserian, the director of an advisor firm which establishes import and export relations and the former marketing director of Atlas Halı AŞ

- Informant 10: Mr. Osman Altop – An Elder Second Generation Native Kayserian Businessman, the member of director board of Yataş AŞ.
- Informant 11: Mr. MB – A Younger Second Generation Native Kayserian Businessman and the member of director board of a famous textile and furniture firm.
- Informant 12: Mr. Ali Kuş – A Younger Second Generation Native Kayserian Businessman and the general director of a famous furniture firm.
- Informant 13: Mr. Mehmet Erkahyaoğlu – A Younger Second Generation Native Kayserian Businessman and the general director of a furniture firm
- Informant 14: Mr. Mahmut Alak – A Younger Second Generation Native Kayserian Businessman and the general director of a furniture firm
- Informant 15: Mr. İbrahim Şahin Fazlıoğlu – An Elder Second Generation Native Kayserian Businessman and the general director of a famous firm in food industry.
- Informant 16: Mr. Mehmet Eskicioğlu – A Younger First Generation Native Kayserian Businessman and the general director of a family firm.
- Informant 17: Mr. Koray Tanrıseven – An Elder Third Generation Native Kayserian, the vice director of accounting in Yataş AŞ.
- Informant 18: Mr. Uğur Uluhan – An Elder Third Generation Native Kayserian Businessman, the successor director of a famous firm in construction industry.
- Informant 19: Mr. OA – An Elder Third Generation Native Kayserian Businessman who moved his firm to İzmir.
- Informant 20: Mr. Burak Özbal – An Elder Third Generation Native Kayserian Businessman
- Informant 21: Mr. Mustafa Bayrakdar – An Elder Second Generation whose predecessors were from the First Generation Employees of the town.
- Informant 22: Mr. Mehmet Özkantar – An Elder Second Generation Native Kayserian and the General Director of the Kayseri Free Zone
- Informant 23: Mr. Mehmet Akif Erten – An Elder Third Generation Native Kayserian Businessman, the successor director of a textile and furniture firm

Informant 24: Mr. Kadir Orhan Arı – An Elder Third Generation Native Kayserian Businessman, the successor director of a family firm

Informant 25: Mr. HK – An Elder Third Generation Native Kayserian Businessman, the successor director of a famous firm in food industry.

Informant 26: Mr. Mustafa Özkarakaya – An Elder Third Generation Native Kayserian Businessman, the successor director of a textile and furniture firm

Informant 27: Mr. Faruk Yaman – A Younger Second Generation Native Kayserian, the Director of Media of Municipality of Melikgazi, Author and Researcher of Kayseri History and a Collector of Rare Historical Documents of the town of Kayseri.

APPENDIX G

G. A BRIEF RETROSPECTIVE ANALYSIS OF THE HISTORY OF COMMERCIAL ACTIVITIES IN THE TOWN AND THE INFLUENCES OF CERTAIN TRADITIONAL SOCIO-SPATIAL INSTITUTIONS

G.1. Kayseri – A 4500-year-old inter-civilization trade center of Anatolia: the spatial and traditional footprints of the local institutions.

This appendix aims at indicating the influences of the spatial and traditional footprints of the local institutions particularly on the entrepreneurial talents of Kayserians. It is possible to find hundreds of examples which emphasize the entrepreneurial abilities of the entrepreneurs of Kayseri. Actually Kayseri is best known by its highly capable entrepreneurs and it seems that the source of this entrepreneurial capability attracts a great interest. It is not exactly possible to indicate the sources of entrepreneurial capabilities within an absolute certainty, but a general tendency claims that the entrepreneurship had arisen owing to the lack agricultural potentials and unfavorable climate of the town (Hıfzı Nuri, 1922; Özaslan and Şeftalici, 2002; Boydak, 2006; 2008; Doğan, 2007, Bilgili, 2001; Uzay, 2002; Dönek, 1997) This tendency has a great amount of supporters and almost all studies on Kayseri put the lack agricultural potentials and unfavorable climate as the main motives of the entrepreneurship in Kayseri. However, neither the agricultural potentials, nor the climate is unfavorable. On the contrary, Kayseri is located on the yielding south eastern parts of the Middle Anatolian plate. Figure G.1. shows the geographic position of the Kayseri Plain



(Source: Google Earth)

Figure G. 1. The geographic position of the Kayseri Plain

More particularly, the town settled in the Kayseri plain which is surrounded by a system of green belts and wetlands. This system covers an area within a corridor from Aladağlar National Park at the south of the province, reaches to Tuzla Lake – a Ramsar Site – at the northern parts of the province, turns south again at Bünyan district, passes across the eastern parts of the town of Kayseri within a corridor covering Derevenk Valley and loops at the southern skirts of Mount Erciyes to Sultan Wetland which is another Ramsar Site. Furthermore the Provincial Environment Report prepared by the Ministry of Environment and Forestry identifies the yielding nature of the plain even part by part. Figure G.2. shows the Green Belt surrounding the Kayseri Plain.

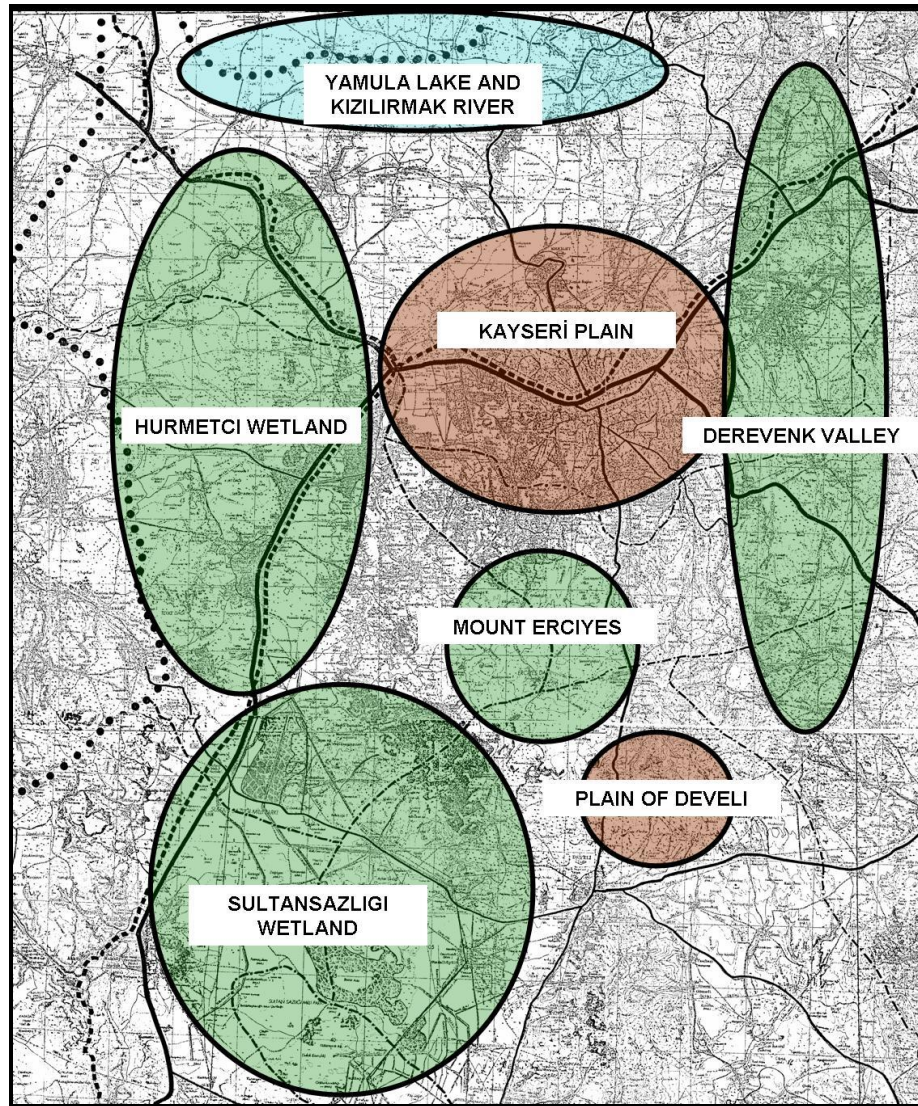


Figure G. 2. The Green Belt surrounding the Kayseri Plain

The Kayseri plain, wherein the town of Kayseri is settled, watered by two main streams named Melas (or Karasu or Sarmısaklısu) and Delisu. Besides, according to the Provincial Environment Report again, the top level of the aquifer under the Kayseri plain is fairly high. Above all, the two ancient settlements of Kayseri – Kaniş Karum and Caesarea Mazaca – were settled in this plain which have more than 4500 years of past according to Tahsin Özgüç (2005) who leads and manages the archeological researches in the Kültepe Archeological Site from 1948 to 2005. Therefore, putting the lack agricultural potentials and

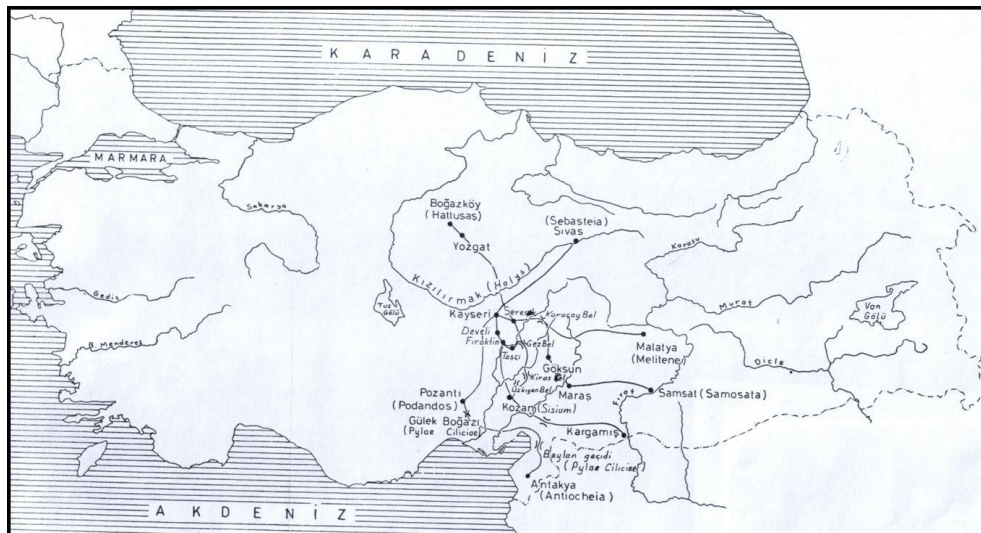
unfavorable climate as the main motives of the entrepreneurship in Kayseri seems completely misleading.

The entrepreneurial abilities and capabilities of Kayserians should be concerned with the commercial activities of the town. This study suggests that there is a traditional trade mentality which triggers local entrepreneurship and which leads to the emergence of a local business culture especially in the dominance period of the first generations. The statements which suggest that the inherent commercial activities of Kayseri emanating from the town's inter-civilization commercial center past for approximately 4500 years creates a strong commercial tradition, and the entrepreneurial potentials of the town are mostly fed by this tradition are two important statements of this chapter. These statements are arisen in the retrospective analysis that seeks the spatial footprints of the inherent trade mentality. This investigation inevitably begins with the two ancient settlements of Kayseri: the Karum of Kaniš and the Caesarea of Mazaca.

G.1.1. The Karum of Kaniš and The Caesarea of Mazaca

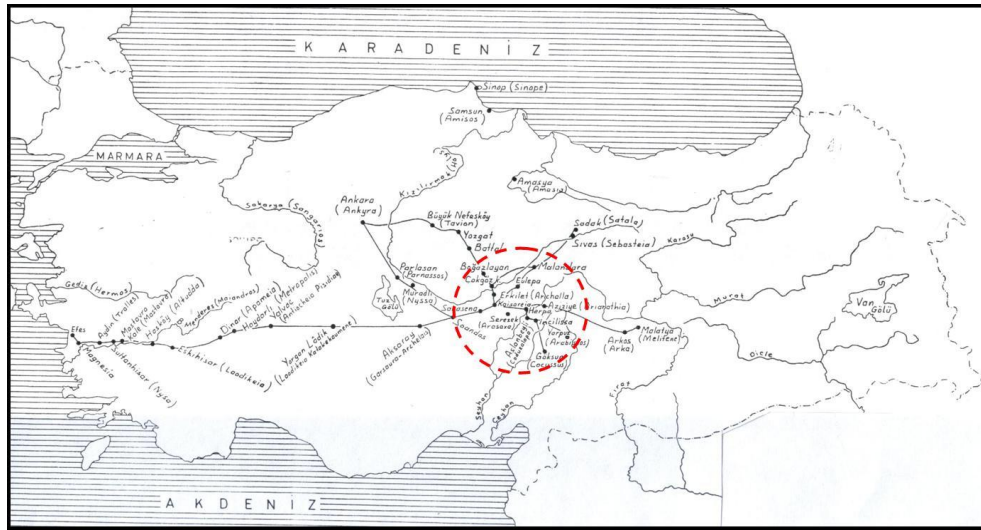
There are two ancient settlements which are thought to be the antecedents of contemporary Kayseri located in the Kayseri plain: Kaniš, in Kültepe archeological site which is located 20 km far in the north eastern part of Kayseri and Mazaca, which is located 5 km far in the south parts of the town. The archeological researches show that the human settlements had been located in this plain since the 3rd thousands B.C. (Landsberger, 1940; Veenhof, 1995; Darkot, 1955; Ramsay, 1961; Naumann, 1975; Kinal, 1987; Özgüç, 2005; Baydur, 1970; Arık, 1969). The geographic location of Middle Anatolia, which constitutes a close basin, provides a favorable area for the ancient settlements. The natural roads reach this basin maintain their commercial importance since ancient times (Kinal, 1987; Özgüç, 2005; Baydur, 1970). The Kayseri plain is located in one of the main intersection points of these roads. Nezahat Baydur (1970) distinguishes between 7 natural roads intersect at the Kayseri plain which are;

- a) The transportation link between the Kayseri plain and Upper Mesopotamia
- b) The transportation link between the Kayseri plain and Hattuša
- c) The transportation link between the Kayseri plain and Cilicia and Mediterranean Sea
- d) The transportation link between the Kayseri plain and Ionia and Aegean Sea
- e) The transportation link between the Kayseri plain and Ankyra
- f) The transportation link between the Kayseri plain and the Black Sea
- g) The transportation link between the Kayseri plain and the Caucasus



(Source: Baydur, 1970)

Figure G. 3. The ancient transportation linkages in Anatolia in the Hittite era



(Source: Baydur, 1970)

Figure G. 4. The ancient transportation linkages in Anatolia in the Roman era

Although there is not exact information about the first settlement in this plain, the archeological surveys indicate two cities: Kaniš (or Neša in Hittite) and Mazaca (Kinal, 1987; Özgüç, 2005; Baydur, 1970; Özdoğan, 1948; Landsberger, 1940; Veenhof, 1995; Ramsay, 1961; Dewing and Downey, 1954 from the books of Procopius written in the 4th century AD; Naumann, 1975). There are fairly wide information possibilities about Kaniš settlement thanks to the systematical archeological researches. The surveys show that the settlement is constituted of two parts named the Hill and the Lower City, and the latest phases of the Hill dated up to the late times of the Roman Era (Özgüç, 2005). Tahsin Özgüç, who managed and led the archeological surveys in the period between 1948 and 2005, puts that the Lower City is the market settlement of the Assyrian merchants and more than 20.000 tablets which were written in cuneiform and mostly were concerned with commercial agreements were found in the Lower City surveys. According to these findings, the town became one of the brightest centers of inter-civilization trade and arts at the beginning of the 3rd thousand BC between Mesopotamia, Anatolia and Syria (Özgüç, 2005).

Although Özgüç has not stated any amount of the population of the city, the inventory of these cuneiform tablets shows that the Assyrian merchants were not temporarily visit the city, but they actually settled in, and Kaniš was the capitol of ten other Karums – the Assyrian trade centers – and many “Wabartum”s – the Assyrian trade settlements – in Anatolia “which indicates that Kaniš may be the first ‘sui generis’ world trade center of ancient times” (Özgüç, 2005, p. 8). “This trade relation between civilizations in dominance of the Assyrian merchants was supported and maintained by a completely organized socio-commercial system which was named “narruqqum”; and was constituted of merchant societies and families” (Landsberger, 1940 quoted from Özgüç, 2005, p. 14).

According to Landsberger (1940) and Özgüç (2005), Assyrians dominated the commercial activities in Anatolia through the agencies in Karums and Wabartums. These agencies were controlled by the family members of the merchants and both the relationship between these agencies and the business relations were organized by the narruqqum. Therefore it should be emphasized that a narruqqum was a social organization of merchants, this organization was dominating the commercial activities and it was spatially settled in all Karums. This statement is one of the most important findings of the archeological surveys and it is possible to put that the narruqqum organization became a socio-spatial institution of Kaniš according to the statements of Veenhof (1995) who identifies that the narruqqum organization should be an ancient institution. However, there is a lack of information about the knowledge inheritance function of the narruqqum. If narruqqum was a social and commercial organization which had spatial repercussions, and which had lasted for at least few centuries, there should be a knowledge inheritance among the members of the organization. And if there was a family dominance over the narruqqum as Landsberger (1940) emphasizes, then the knowledge inheritance function might be a tacit responsibility of these merchant families. Whatsoever might be the manner of this inheritance, it is obvious that there should be a way to inherit – whether formal or informal it matters not – the knowledge from the predecessors, and it is possible to put that the merchant families might have a tacit responsibility in terms of this inheritance.

The findings at the latest layer show that Kaniš settlement is dated to the Roman era (Özgüç, 2005). The time gap between the Assyrian trade colonies and the political dominance era of the Roman Empire represents the political dominance of several civilizations over the Kayseri plain ranged from the Persians to the Macedonians and to the Cappadocia Kingdom. There is lack of information about the commercial activities of neither Kaniš nor Mazaca throughout this process, but some researches and sources show that the commercial activities and the trade center feature of Kaniš were maintained to a large extent since Mazaca started to rise (Kinal, 1987; Baydur, 1970; Özdoğan, 1948; Ramsay, 1961; Arık, 1969; Dewing and Downey, 1954 from the books of Procopius written in the 4th century AD; Naumann, 1975; Darkot, 1955; Erkiletlioglu, 2006; Strabon 2000; Texier, 2002). But the information sources of Mazaca are unfortunately very limited and are constituted of a few archeological surveys and the notes of a few ancient travelers and researchers. A systematical archeological survey has not been begun yet and the main sources of Caesarea Mazaca are mostly literal except some non systematical archeological findings.

One of the most significant outcomes of the archeological findings in Mazaca is the ascertainment of an ancient mint which coined more than 334 different coins in the Cappadocian Kingdom period, approximately in 215 BC (Güler, 1988, p. 35). However, the main information sources about the commercial activities in the town in this period are rather the travel books of ancient travelers and historians. Two important travelers and ancient historians visited Mazaca in the first centuries AD, Strabon in the 1st century AD (63 BC – 24 AD) and Procopius in the 4th century AD (or sometimes Procopius of Caesarea, 326 AD – 365 or 366 AD). Strabon, a Roman traveler historian and philosopher mentions in his notes about Caesarea Mazaca (Strabon 2000) with an approximate population of 400.000 (Arık, 1969; Aru, 1998). Although this population size has not ascertained yet by the archeological findings, it is possible to consider according to the writings of Strabon, who stresses Caesarea Mazaca as the Roman Metropolis and the capitol of Cappadocia Province, that this population may represent an actual size in comparison with other contemporary Roman

Metropolis cities. Whatsoever might be the population; Strabon considers the city as a Roman metropolis and according to the Museum Annuals of the Kayseri Archeological Museum, the name Caesarea was used since the 1st century BC for Mazaca (the Museum Annuals of the Kayseri Archeological Museum, 1987; 1988).

According to Küçükerman and Mortan (2007), “bezestan”, which means a covered warehouse of the bazaar, corresponds to “Caesarea” in Byzantine. Therefore, Caesarea Mazaca may mean “Mazaca the trade center” which is completely expressive for a city which was settled in one of the most important intersection points of natural inter-civilization transportation linkages. Not only Strabon, but also Procopius stress the commercial activities of Caesarea Mazaca and emphasize some artisan production like carpentry, copper working, iron working and blacksmiths, textile production and tannery (Strabon, 2000; Dewing and Downey, 1954 from the books of Procopius written in the 4th century AD). And it is known that there were artisan and tradesman guilds in Roman trade system in Kayseri (Küçükerman and Mortan, 2007).

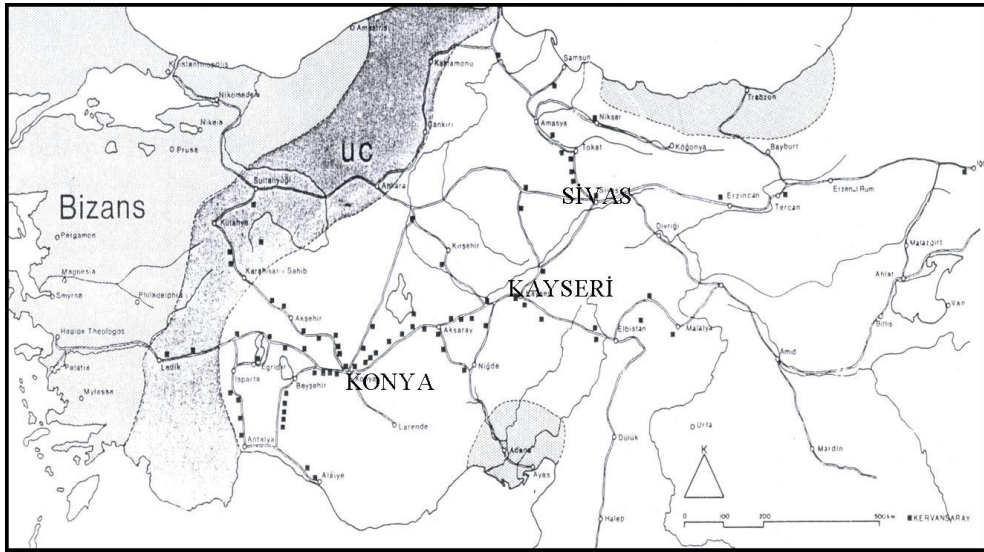
Therefore the city maintained its commercial center feature for inter-civilization trade although the centralization of the activity re-settled in approximately 30 km south of the Assyrian Karum. The Assyrian Karum was transformed to a Roman Caesarea in the Roman and Byzantine era. And it seems that the Roman guild system had socio-spatial repercussions like the Assyrian *narruqqum*. Is it possible to speculate any affinities between the guild systems of the Roman Empire with *narruqqums* of the Assyrians? Although this will be an unascertained speculation, it indicates an important socio-spatial institution for the town. The important point here is not this speculation but the existence of the particular socio-spatial organizations which were organized in terms of trade and artisan production. Another socio-spatial institution – that is Ahi organization – could be identified in Seljuk Era which follows the Byzantine Era temporally.

G.1.2. The Seljuk Era and the Ottoman Empire Era

Alongside with Konya and Sivas, Kayseri is one of the most influenced towns of Anatolia from the Seljuk civilization. Most of the architectural inheritances of the town related to the commercial activities and the educational activities are from this civilization. Seljuks supported the commercial activities in all over the Anatolian geography, where they had the political dominance, and built many caravansaries on the caravan roads which were mostly the same natural roads also used in the Assyrian and Roman times. In this period, Kayseri not only maintained its commercial center features of inter-civilization trade, but also became a center of education, arts and science (Cahen, 2000; Yinanç, 1944; Akşit, 1996; 1998; Akok, 1976; Bektaş, 1999; Subaşı, 1986; Oral, 1953; Erkiletlioğlu, 2006; Özdoğan, 1948; Arık, 1969; İnbaşı, 1992).

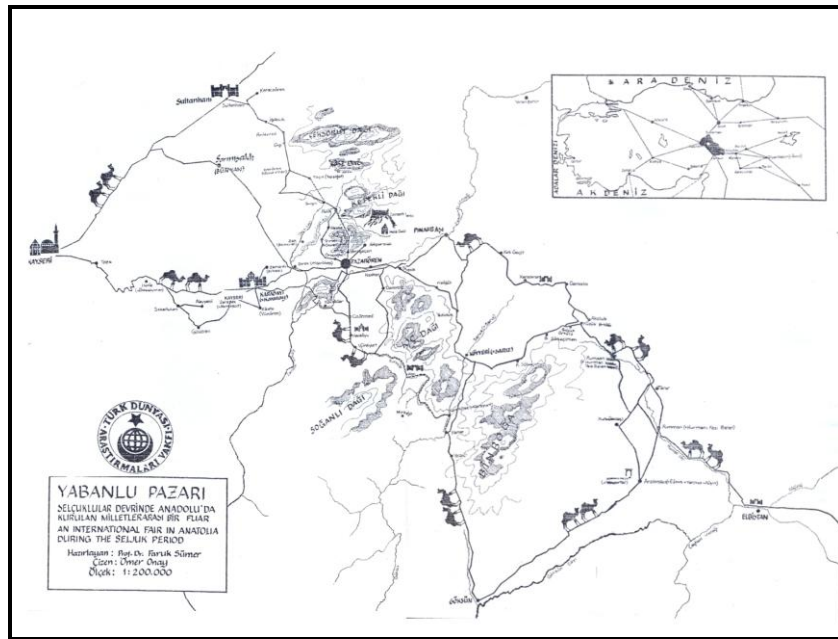
Two important indicators of this support to commercial activities of Seljuks which were directly concerned with the inter-civilization trade center character of Kayseri can be identified in this period: the existence of an inter-civilization fair called Yabanlu Pazarı (Sümer, 1985; Küçükerman and Mortan, 2007) in Pazarören settlement in Pınarbaşı District which is located approximately 70 km far in the south east of Kayseri; and the Ahi organization which was settled by Ahi Evran himself in Kayseri (Bayram, 2008) and which was a socially driven tradesmen and craftsmen organization.

Several sources mention the existence of Yabanlu Pazarı in the Seljuk era including the Mesnevi of Mevlana Celaleddin-i Rumi. The most comprehensive research that investigates the location and the features of this market is composed by Faruk Sümer (1985) who identifies this market as an inter-civilization fair for trade. Sümer (1985) indicates that the most detailed description of the Yabanlu Pazarı is given by Al-Qazvini who states that this market was held in Anatolia and lasts forty days wherein numerous merchants came and traded their goods from distance civilizations of the eastern countries which were purchased by the westerns and vice versa (Sümer, 1985, p.27).



(Source: Tanyeli, 1987)

Figure G. 5. The ancient transportation linkages in Anatolia in the Seljuk era



(Source: Sümer, 1985)

Figure G. 6. Yabanlu Pazarı in the Seljuk Period

The second indicator as remarkable as the existence of Yabanlu Pazarı in the Seljuk time is the Ahi Organization. In the Roman times in Kayseri, or Caesarea Mazaca, Strabon and Procopius identified the existence of different artisan branches in the town. When Ahi Evran settled the Ahi organization in the city, these inherent artisan branches became the basis of this organization according to the known artisan branches of that era (Bayram, 2008). Ahi Evran states in his work *Letaf-i Hikmet* that “since there is a mutual relation between the production and the society, the artisan branches and the artisans should spatially be gathered and every artisan should have a specific art for the sake of to meet the needs of the society” (Ahi Evran, quoted from Bayram, 2008, p.62) and settles a tanners and a shoemakers shop in Kayseri (Akşit, 1998).

The Tanners, Shoemakers, Kūlahduz, Butchers, Copper workers, Goldsmiths and the Dyers Shop in Kayseri were settled in Seljuk era in tune with the rules of Ahi organization and some of them were settled by Ahi Evran himself (Bayram, 2008; Akşit, 1998). These shops were not only focused on the production and the trade activities, but also they were education institutions of the tacit traditional artisan production knowledge in terms of master and apprentice relations. In other words, they were informal small apprenticeship education units which can be considered as the inheritance units of the tacit traditional artisan knowledge from masters to apprentices or from predecessors to successors.

The Mongol invasion in the 14th century damaged almost all trade relations of Middle Anatolia to eastern and south eastern civilizations. However, İbn-i Batuta, who visited Kayseri in the 14th century after the Mongol invasion states in his travel book (*seyahatname*) that the town of Kayseri was one of the biggest commercial cities in Middle Anatolia (İbn-i Batuta quoted from Erkiletlioğlu, 2006, p.248-249). He also mentions the existence of the Ahi organization which indicates that the organization maintained itself after the Mongol invasion. This maintenance is important. According to Bayram (2008), the organization was annihilated by the Mongols during the invasion and was able to reorganize itself after this invasion. This reorganization indicates that the Mongols were unable to destroy its social extensions, and also indicates that these social extensions

were strong enough to find their spatial existence after the invasion. Therefore, although the invasion destroyed many Ahis and the artisan shops as Bayram (2008) points out, it was unable to destroy the socio-spatial institution.

The post invasion period represents the political dominance of small sultanates until Kayseri joined to the Ottoman Empire in the 15th century. Two bedestens, which indicates that the trade activities began to settle down according to the changing commercial relations (Tekeli, 1981) and a covered market (Kapalı Çarşı), which is the third biggest covered market in Anatolia after the ones in İstanbul and Bursa; and which indicates the maintenance of the significant position of the town in inter-civilization trade, were built in Kayseri in the 15th century. According to the registration census (tahrir defteri) in the 16th century, there were at least nineteen artisan branches in the town including merchants, cloth makers, tailors, penmen, butchers, donkey sellers, ironsmiths, horseshoers, soap makers, town criers, tanners, shoemakers, coppersmiths, goldsmiths and dyers organized under guilds (İnbaşı, 1992; 1996; Akşit, 1996), and Kayseri was the second big city of Anatolia with its 8.251 tax payers after Bursa in 1584 (Farouqhi, 2006, p. 20).

According to Farouqhi (1984) Kayseri was one of the big and developed trade centers of Anatolia with its various inns (han) and markets. Farouqhi (1987, p. 43) also states that Kayseri, with its 33.000 population except the immune population from taxation, was in the same urban size classification with Amsterdam, Utrecht and Barcelona in the 17th century. Similarly Evliya Çelebi (1967) identifies the centralized position of the town in the 17th century and gives detailed information about the craft guilds of the town. The Polish traveler Simeon who visited the town at the end of the 17th century also identifies the trade activities, inns, markets and covered market and bedesten of the city but also puts that some parts of the town were ruined (Simeon, quoted from Andreasyon, 2007). As from the 18th century, many of the travelers mentioned those ruined parts (Gabriel, 1954; Texier, 2002; Simeon, quoted from Andreasyon, 2007). A common explanation for those ruined parts indicates the two major earthquakes happened in the beginning of the 18th century (Gabriel,

1954; Texier, 2002). However, the changing trade relations and routes might have impacts on this desolation of some parts of the town.

The most important components that supported the inter-civilization trade center characteristic of the town were natural land roads that intersect at the town of Kayseri. As emphasized above, these natural land roads were the main transportation routes of inter-civilization trade especially between the eastern countries, and the western ones. When the trade relations and routes between the east and the west had changed, Kayseri was one of the most influenced trade centers of Anatolia affected by this change. Therefore, the period between the end of the 18th century and the declaration of the Republic represents the decline in the trade activities for the town, and its inter-civilization trade center feature was gradually disappeared during this period. In other words, the centralization degree of Kayseri decreased gradually parallel to the decline in the mobility creating ability of the natural commercial roads.

It is possible to identify the decline in this period from the approximate population amounts from registration censuses of the Ottoman Empire. The researches which translate these registration censuses sometimes contradict to each other. Ahmet Nazif (1987, p. 10), for instance, identifies the population at the end of the 19th century as 56.178, when Yurt Encyclopedia (1983) puts a population amount of 208.732. This gap results from the difference between the population of the town and the population of the province (Sancak). Some registration census researches give the population of the town, but some of them give the population of the province. Owing to the fact, big population contradictions appear in many researches. This study gives the population amounts of the town from these researches. İnbaşı (1992) puts that the population of the town at the beginning of the 16th century is approximately 40.000 (p.132). This population declines in the middle of the 17th century to 22.500 according to Oğuzoğlu (1987, p.32). Polish Simeon (2007), states in his travel book that the population of the town was 47.500 at the end of the 18th century with the populations of the close rural settlements. Ahmet Nazif (1987, p. 10) identifies the population at the end of the 19th century approximately as 56.000. Besides, according to the 1927

population census, the population of the town is 39.134. This amount corresponds to the population at the beginning of the 16th century.

The population decline indicates the dwindling importance of the inter-civilization trade routes intersecting at Kayseri. Besides, the social and political climate at the end of the 19th century also impacts the commercial activities of the town. Above all, the wars at the end of the 19th century and the First World War that broke out at the second decade of the 20th century affected negatively the commercial and artisan activities in the town apart from one exception which was the saltpeter (potassium nitrate) factory of the town. The production amounts boomed at the war times and the factory became the biggest industrial plant of the town which also had a great importance in the National Independence War times. Besides, there were three important enterprises settled in the second decade of the 20th century. One was the “Islam Suhulet Company” (Erkiletliođlu, 2006; Satođlu, 2002; Özaslan and Şeftalici, 2002) – a textile trade company – established by the corporation of Turkish entrepreneurs in Kayseri in 1911, and the second one was “Kayseri Terakki Maarif Kitapçı Company” established by forty Turkish associates in Kayseri in 1911 (Erkiletliođlu, 2006; Satođlu, 2002; Özaslan and Şeftalici, 2002). And “Kayseri Economy Corporation” established by the notable families of Kayseri – Küçükzade Ömer, İmamzade Raşit, Rifat Çalıka, Nuh Naci Yazgan and Taşçızade Mehmet (Erkiletliođlu, 2006, p.689) – in 1916.

However, an inherent socio-spatial institution maintained itself despite all the unfavorable circumstances. It is known that the artisan production and merchant activities continued. According to the municipal registrations in 1910 (Özaslan and Şeftalici, 2002) traditional food and textile industries were most active sectors of the town with other traditional artisan branches like carpentry, merchants, cloth makers, tailors, penmen, butchers, handloom textile workers, donkey sellers, ironsmiths, horseshoers, soap makers, tanners, shoemakers, coppersmiths, goldsmiths and dyers (Hıfzı Nuri, 1922; Özaslan and Şeftalici, 2002; Erkiletliođlu, 1993; 2006). It is important to understand the nature of this continuation. The maintenance of these activities indicates that the particular

knowledge of them was inherited generationally. There were merchant and artisan traditions in Kayseri which were socially, economically and spatially institutionalized.

Baer (1970a; 1970b) stresses the institutional aspects of guilds in Ottoman and, Yıldırım (1999), for instance, identifies various views about the origins of guild organizations indicating the researches of İnalçık (1994) and Ergenç (1995). Despite the speculative nature of the discussion about the similarities and differences between the Assyrian *narruqqum* the Roman guild, the Seljuk Ahi and the Ottoman guild organizations, it is possible to put that both of them were socially and economically organized institutions, and most importantly, they both had their spatial extensions. In tune with the institutional approach to these organizations, it is possible to identify that these organizations were socio-spatial institutions which had their own “knowledge inheritance systems” as Yıldırım (1999) indicates and they are inherent to Kayseri for at least four millennia.

The registration censuses of Kayseri in the Ottoman period always indicate the organized artisan and merchant guilds. It is possible to state to a large extent that these kinds of institutions which have spatial extensions are inherent to the town for more than 4500 years. The Assyrian *narruqqum*, the Roman guild, the Seljuk Ahi organization and the Ottoman guild both were institutions with their own spatial extensions and lived more than centuries in the town of Kayseri. These institutions had their own knowledge and own knowledge inheritance systems. The relation which holds the master responsible for training the apprentice and teaching him – or leaving the knowledge legacy to him – the particular knowledge between the master and the apprentice can be considered as one of the most effective knowledge inheritance systems of these organizations. According to this relationship, the artisan or the merchant becomes a significant part of a particular socio-spatial institution with its own knowledge inheritance system. There should be a close relation between these socio-spatial institutions, and the traditional trade mentality of Kayseri which is identified by this study and which is considered by this research to be the main motive of the entrepreneurial potentials of Kayseri. This statement does not seek

any direction of causality between the trade mentality and these institutions, it rather points out the close affinity between them.

One of the most important indicators of the existence of this mentality is the successful integration of the immigrant Kayserian entrepreneurs to the national entrepreneur class emergence during the period between the declaration of the Republic and the 1950s. The next section identifies the success of these immigrant entrepreneurs on the one hand and the local circumstances in this period on the other.

G.2. Kayseri after the declaration of the republic

The forgoing section attempts to shed light on the main motives and / or triggers of the local entrepreneurial potentials of Kayseri since the town is best known with its entrepreneurial potentials. As emphasized above, a main tendency prefers to relate the entrepreneurial potentials to the lack agricultural opportunities and unfavorable climate. However, the town of Kayseri has a peculiar feature that is the traditional trade mentality which can be considered as the origin of the entrepreneurial potentials. This mentality has arisen in tune with the bright commercial past of the town in relation to the particular socio-spatial institutions.

The declaration of the Turkish Republic in 1923 represents the first actual touch of the town to the capitalist production. However, the effects of the period between 1923 and 1950 should be analyzed under two circumstances. While the first one refers to the immigration of the local entrepreneurs to the traditional industrial centers like İstanbul, Ankara and Adana, the second one refers to the unfavorable urban amenities, and the existence, obstructs and the contributions of the big public investments in Kayseri. In this period, the local workforce either chose to migrate out, or to work in the big public investments or to maintain their traditional occupations neither experiencing any growth apart from some casual exceptions nor creating an effective local business culture.

However, it is important to state that the peculiar knowledge of the traditional trade mentality which is the main trigger of the local entrepreneurship potentials was inherited from generations to generations by traditional merchant and production units and by the traditional extended families. This section attempt to indicate that the traditional trade mentality paves the way for growth for the entrepreneurs migrated out, maintained itself in the local socio-spatial processes, and was supported by the specific production knowledge taught in the apprenticeship schools of the big public investments, especially the schools of the Sümerbank Textile Factory and the Airplane Factory.

G.2.1. The national level success of the immigrant entrepreneurs of Kayseri.

This section attempts to shed light on the answers of two important questions: why did some of the entrepreneurs choose to migrate out and how did they become successful? This study indicates that the answers of these two questions are complementary to each other and they also represent that the entrepreneurs of Kayseri had the tendency to establish financial institutions like banks. On the other hand, it is found in the research that every single of these immigrant workers was trained – which indicates that they all inherited the skills of the traditional trade mentality – by the local traditional production or merchant units. Besides, it is found in the research that the sectoral selections of this training were mostly decided by the families in tune with their familial economic strategies.

The great entrepreneurial potentials and capabilities that triggered by the local traditional trade mentality can be identified within the entrepreneurially rise process of eight Kayserian families who chose to migrate out to three big cities in the period between 1923 and 1950; and whose successors contemporarily manage, lead and dominate some of the greatest holdings and firms of Turkey. These big cities are İstanbul, Ankara, and Adana. Adana and İstanbul have a particular importance in the rise of the Kayserian entrepreneurs. Adana, a traditional industry center of Anatolia, was the first destination point not only for

the three of these eight families, but also for many of the Kayserian families. Two of these three families migrated to İstanbul after they grow in Adana. These eight families are; Yazgan family (Nuh Naci Yazgan), Has family (Nuri Has, Kadir Has), Sabancı family (Hacı Ömer Sabancı), Bayraktar family (Mehmet Bayraktar), Dedeman family (Mehmet Kemal Dedeman), Cingilloğlu family (Nuri Cingilloğlu), Özilhan family (İzzet Özilhan, Tuncay Özilhan) and Kuşçulu family (Nuh Kuşçulu).

The Yazgan, Has and Sabancı families migrated to Adana in this period and they took over a textile factory established by an Armenian entrepreneur in 1907 and reestablish the factory under the name of Milli Mensucat Factory in 1927 with another Kayserian family. This factory was the main growth dynamic for the Has and Sabancı families, and later they established Akbank in Adana in order to provide credits for the Kayserian entrepreneurs who suffered to get credits from local banks in 1948. Both families migrated to İstanbul in the following years and the Sabancı family established the Sabancı Holding, while the Has family established various firms including Coca-Cola Turkey and Otomarsan, the Mercedes bus and truck factory.

The Bayraktar family went to Ankara at first but return to Kayseri and then migrated to İstanbul. The family started with spare part trading in İstanbul and experienced a fast growth after the establishment of a steel factory in İstanbul after the second generations' contracting business. The partnership with the Sabancı family in İstanbul boomed the economic success of the family, and the family now owns and leads one of the wealthiest holdings of Turkey.

The Dedeman family similarly migrated to Ankara when they closed the small grocery business in Kayseri. The first important business act of the family was the contract of the construction of the platform which Mustafa Kemal Atatürk read Onuncu Yıl Nutku. In the following years, the family managed a sand quarry in Ankara and began to grow. The peaking point of this growth is the Dedeman Holding now which leads not only one of the most important hotel chains of

Turkey but also mine firms which become the second most profitable organization of Kayseri in 2007.

The Cingilloğlu, Özilhan and Kuşçulu families migrated to İstanbul and had major growth experiences. Nuri Cingilloğlu, who was the founder of Demirbank in 1953, was the successor of a famous merchant family in Kayseri. Father Ömer Cingilloğlu established a trade company which already had two agencies in İstanbul and Ankara in 1919 and exported carpets especially to England. In 1923, they established the agency of this export firm in London and migrated to İstanbul after they participated to the establishment of the first private hydro-electric power plant of Turkey in Kayseri. After the migration to İstanbul, the family established a trade business and provided their son Nuri Cingilloğlu the opportunity to have high education in Banking. With a small capital in 1953, Nuri Cingilloğlu established Demirbank in İstanbul. The family contemporarily leads and manages the Cingilloğlu Holding. The Özilhan family also migrated to İstanbul after operating a small trade business in Kayseri. Their first establishment was a grocery in İstanbul. The family now leads and manages one of the greatest firm groups – that is Anadolu Grubu including Efes Pilsen Corp. – of Turkey. The Kuşçulu family migrated to İstanbul as well, and they established a big glass factory named Anadolu Cam Industry.

The economic success of these families can be seen obviously. But why did they migrate? The interviews with these families indicate two main reasons for this decision. Except Nuh Naci Yazgan, who was invited to reestablish the textile factory in Adana by the government (Satoğlu, 2002), all other families migrated out due to the decline in the trade activities and poverty which mainly was due to this decline in Kayseri, especially after the First World War, and due to the low living standards of the town. For instance, Nuri Has migrated to Adana in 1926 by moving his carpet trade business because of the commercial stagnancy in Kayseri (from the interview with Kadir Has, Nuri Has's son, quoted from Kalkan, Birol and Yerlikhan, 2006, p. 227). Kadir Has indicates the unfavorable commercial climate of the town in the first years of the 1920s (from the interview with Kadir Has in Sabah Newspaper in 31-03-2007). İzzet Özilhan also states

the unfavorable commercial circumstances in Kayseri, and stresses that their business in its first years were suffering from sales on account since everyone was suffering from poverty (from the interview with Tuncay Özilhan, İzzet Özilhan's son, quoted from Kalkan, Birol and Yerlikhan, 2006, p. 173). Not only these entrepreneurs but also travelers stress the low living standards of the town. Örik (2000), for instance, emphasizes the ruined and poor outlook of the town and the people suffering from extremely low living standards. The importance of the urban living standards and furthermore the urban amenities in terms of keeping the entrepreneur potential becomes more identifiable under these circumstances.

But it is generally not possible to settle an exact causality of the success of these entrepreneurs. However, their success indicates that there might be some common points between these entrepreneurs. There were government supports indeed. But most importantly, these entrepreneurs were also capable to establish successful investments both in terms of management and sectoral selection. Besides, they were successful not only in terms of investing but also in terms of trading. Three key common points between all these families are detected in the research. The generations who lead and manage the growth, inherited the traditional trade mentality in their childhood either from their families or from the masters when they were apprentices; and obeyed and tried to upgrade the familial economic strategies. And all of these families had good relations with the national government. There indeed are other successful entrepreneur families of Kayseri who migrated out in this period. But these eight families are the best known in national levels.

APPENDIX H

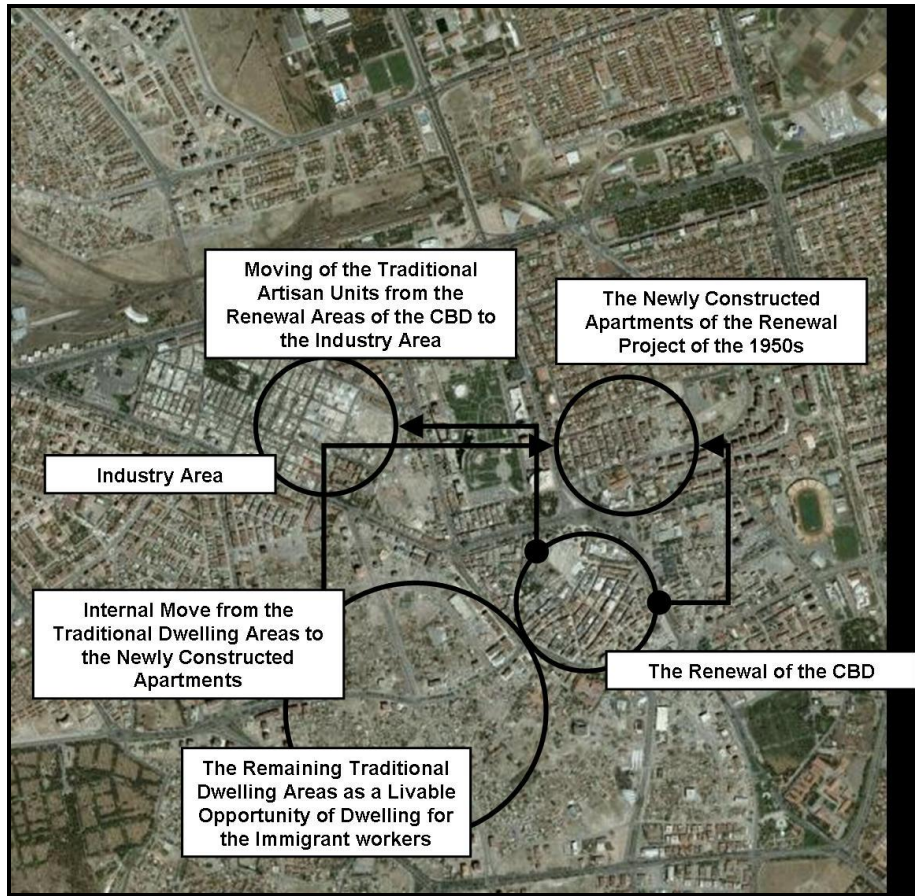
H. THE MAJOR RENEWAL AREAS OF THE URBAN MODERNIZATION PROJECT OF THE 1950s AND THE DESTROYED TRADITIONAL SPATIAL PATTERNS OF THE TOWN

This appendix aims at showing the major urban renewal project areas of the 1950s. As previously emphasized, there were three new development area projects including a new dwelling zone, the renewal of the central business district (CBD) of the town and an industrial zone. In the first place, new roads were constructed. The second stage of the plan was the renewal project of the central business district (CBD). The third stage included the removal of the artisan production units which were located in the city center for centuries. There were craft and merchant shops located in the city center and some of them were inherited from the Seljuk Era. The master plan suggested an industry area at the north eastern parts of the city center. The construction of the new industrial area was finished in 1957 and the production units in the city center were moved to this new industrial area. The following maps and photos show the destroyed traditional patterns, the 1945 plan of the town, traditional spatial patterns and the current spatial pattern of the CBD.



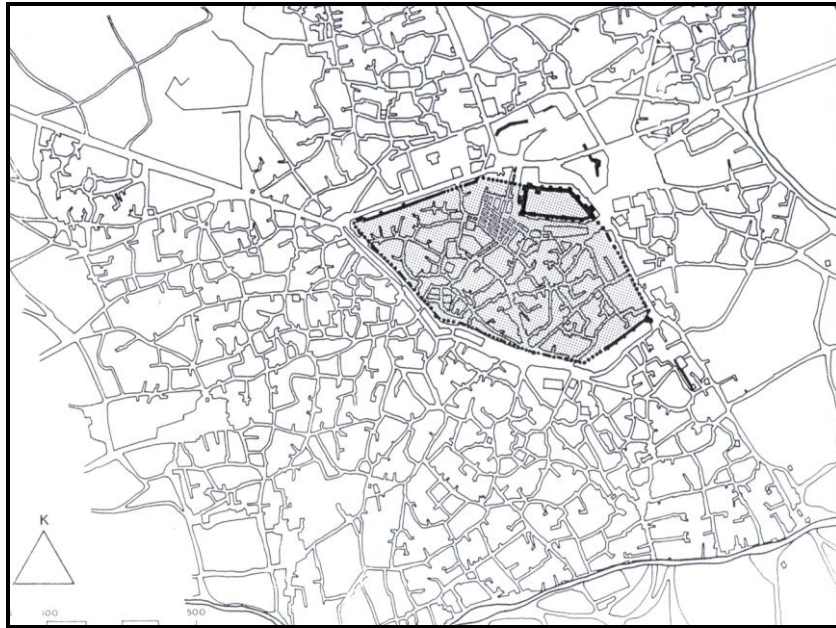
(Source: The plan archives of the Greater Municipality of Kayseri)

Figure H. 1. The 1945 Zonning Development Plan of the town prepared by Kemal Ahmet Aru under the strategic advisory of the German city planner Gustav Oelsner



(Source: Greater Municipality of Kayseri)

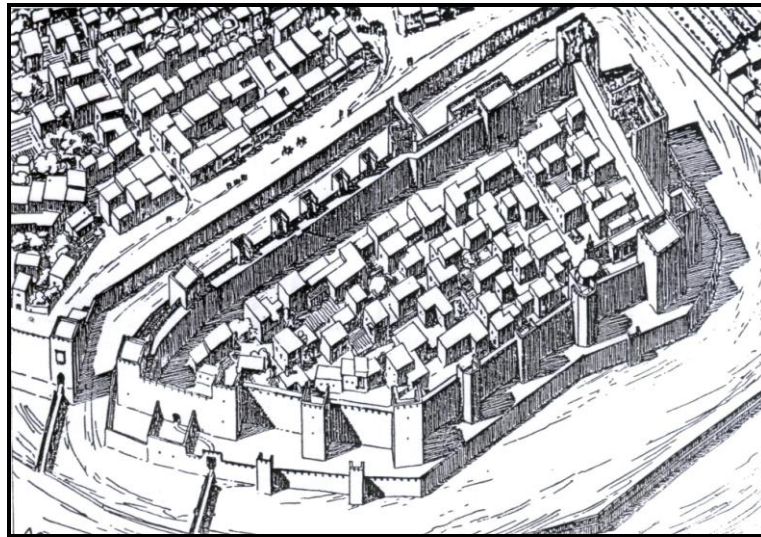
Figure H. 2 A comprehensive spatial view of the renewal projects of the 1950s.



(Source:
Figure H. 3. The traditional spatial patterns of the CBD and dwelling areas at the beginning of the 20th century.

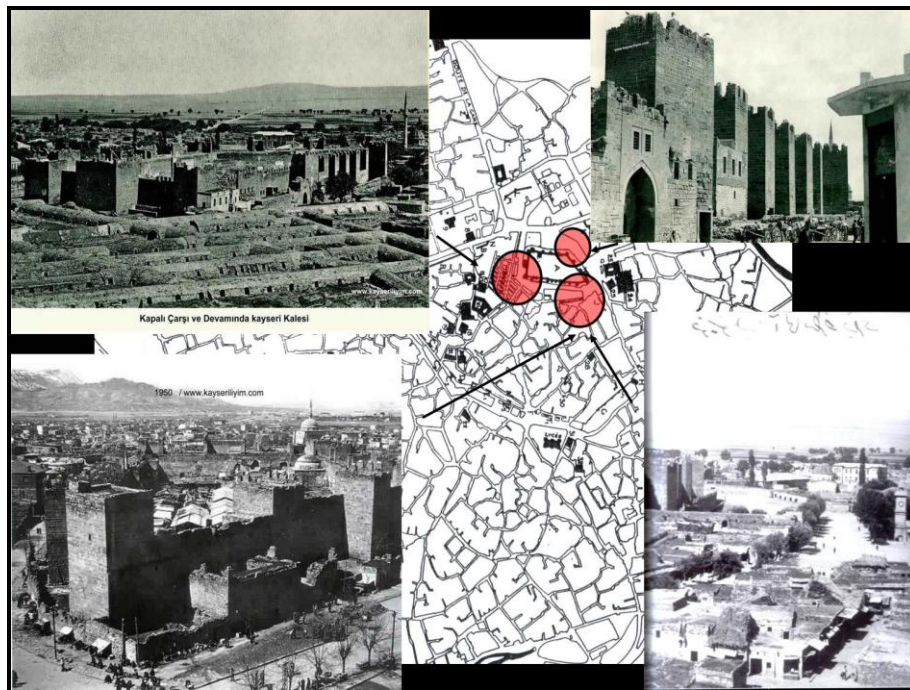


(Source: Gabriel, 1954)
Figure H. 4. The traditional spatial patterns of the CBD at the beginning of the 20th century.



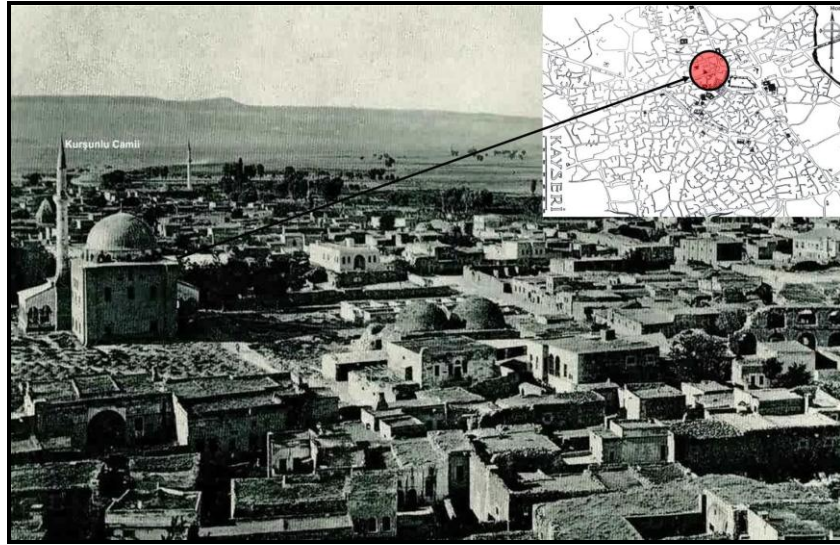
(Source: Gabriel, 1954)

Figure H. 5. The axonometric view of the inner parts of the Kayseri Castle in the 19th century



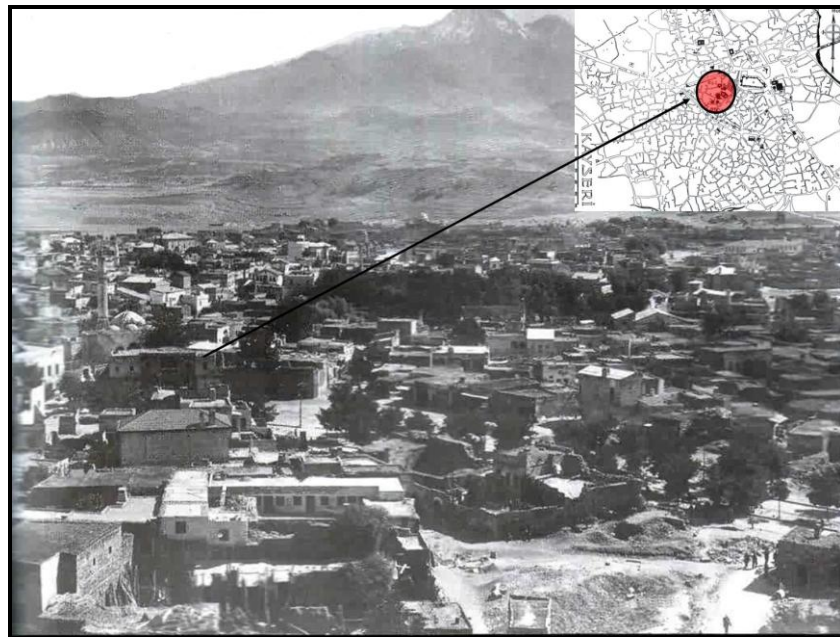
(Source: The Photograph Archives of the Greater Municipality of Kayseri)

Figure H. 6. Certain photographic views from the traditional spatial patterns of the CBD in the 1940s.



(Source: The Photograph Archives of the Greater Municipality of Kayseri)

Figure H. 7. Certain photographic views from the traditional spatial patterns of the CBD in the 1940s.



(Source: The Photograph Archives of the Greater Municipality of Kayseri)

Figure H. 8. Certain photographic views from the traditional spatial patterns of the CBD in the 1940s.



(Source The Photograph Archives of the Greater Municipality of Kayseri)

Figure H. 11. Current air photo of the CBD and the major renewal areas of the 1950s (2008).



(Source: www.efendizade.com/gayseri-agzi-hasibe last visited on 20-08-2009)

Figure H. 12. A photographic view of the town square, the Castle and the CBD (at the back of the Castle) (2009).

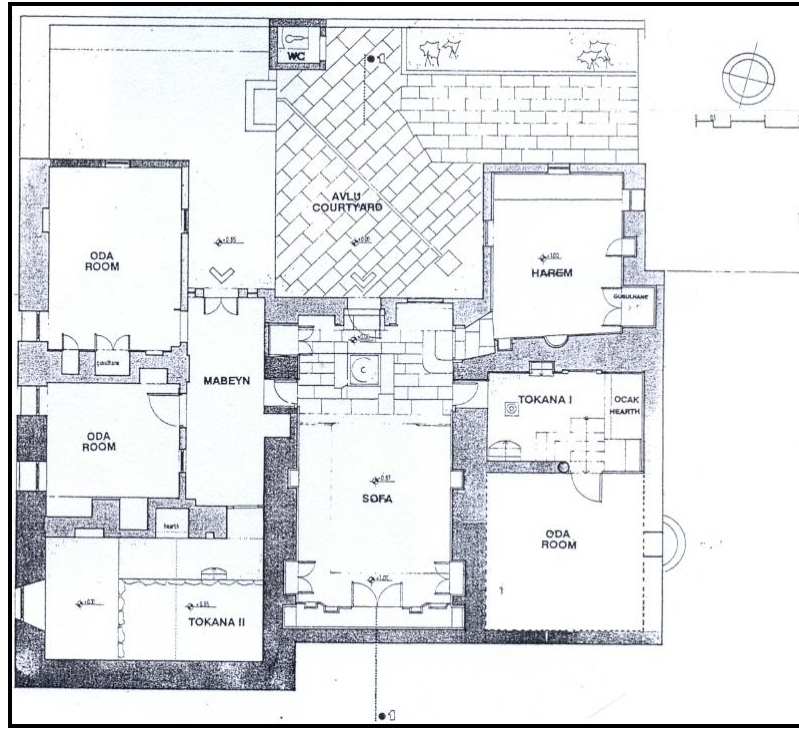
APPENDIX I

I. THE FUNCTIONAL SCHEME AND THE PECULIAR INNER ARCHITECTURAL DESIGN OF THE DWELLING UNITS OF KAYSERI CONSTRUCTED AFTER THE 1950s

This appendix aims at indicating the peculiarity of the inner architectural design of dwelling units in Kayseri constructed in the period after the 1950s. As emphasized before, the traditional social interaction has mainly been based upon the social relations amongst the families. Moreover, the dwelling unit is identified as the main spatial extension of the public realm. İmamoğlu (1992) draws attention to the entrance, guest welcoming and guest room functions of the sofa as well as its function of common use area for the family members (p.48). These functions of the sofa and inner courts (avlu) indicate that they have meant more than just architectural units; they have rather been the main spatial parts of the traditional social relations and these peculiar functions also indicate the importance of guest relations. These relations represent more than just ordinary relations between two families; they rather are the main components of the traditional social relations which called home visitings in Kayseri and located in the sofa or the inner court of the traditional Kayseri house. After the major renewal projects having been carried out after the 1950s, most of the traditional spatial patterns of the town including many of the traditional houses have been destructed. And new patterns of spatial organization have been constructed. Although the traditional mahalle organization and the traditional house were destroyed spatially, the maintenance of the traditional social relations created their own designs within the new spatial patterns.

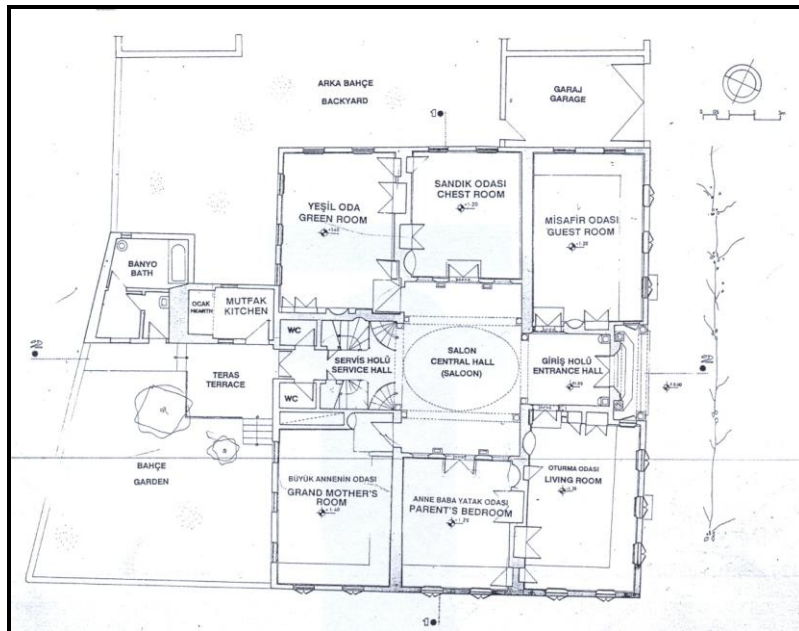
In this appendix, it is aimed to draw attention to the inner architectural design of the dwelling units constructed after the 1950s as spatial extensions of remaining patterns of the traditional social interaction. 12 examples of this peculiar inner architectural design are shown in this appendix. These examples are selected from 254 examples of municipally certified architectural plans of apartments constructed in the period between 1950 and 2000. These 254 examples are randomly selected from the architectural plan archives of Kocasinan and Melikgazi municipalities.

Five main functions representing the spatial repercussions of the traditional social interaction are identified in these plans: entrance, guestroom, daily usages, private usages and a corridor that separates the private usages from the daily usages. These functions have also been the main features of the traditional Kayseri house and they have been reconstructed within the modern apartments appropriate to the existing traditional ways of social interaction. This research states that the change of the traditional social interaction can be spatially identified within the change of the spatial organization of the dwelling unit in Kayseri. The next 2 figures are the architectural plan examples of the traditional Kayseri house and the following 12 examples of architectural plans of apartments represent the continuing traditional social interaction in the dominance period of the first and second generations.



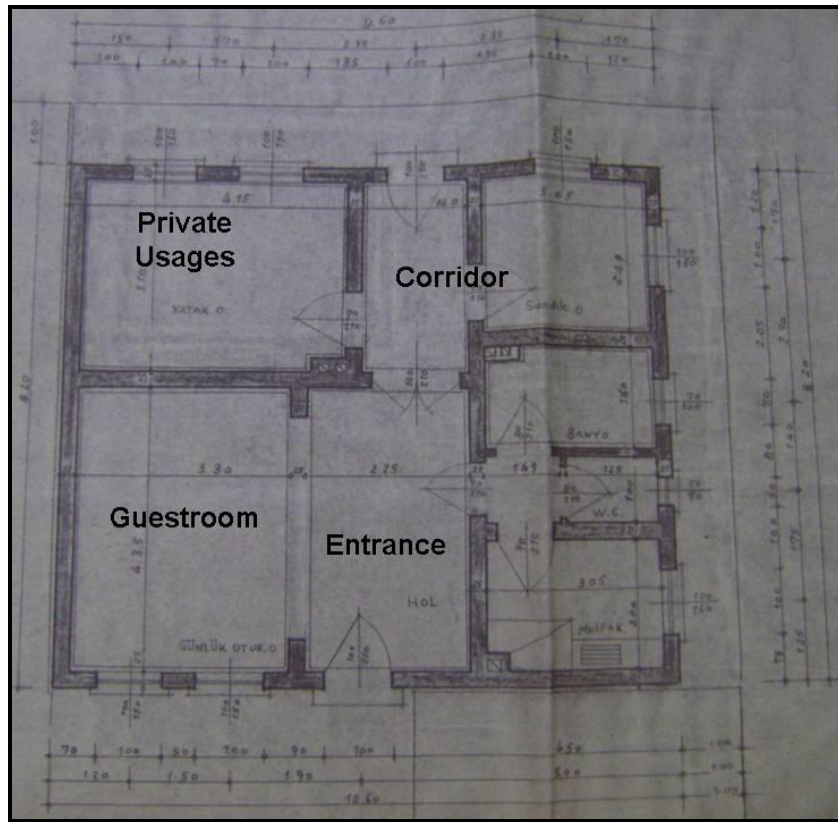
(Source: İmamoğlu, 1992)

Figure I. 1. Ground floor plan of Gavremoglu House

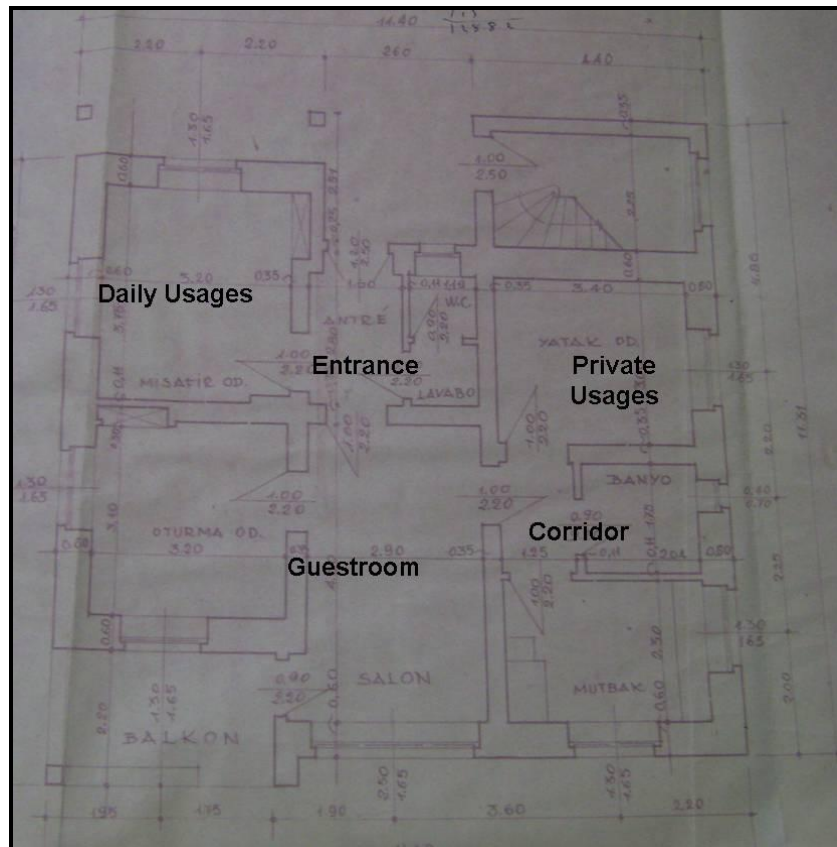


(Source İmamoğlu, 1992)

Figure I. 2. Ground floor plan of Imamoglu House

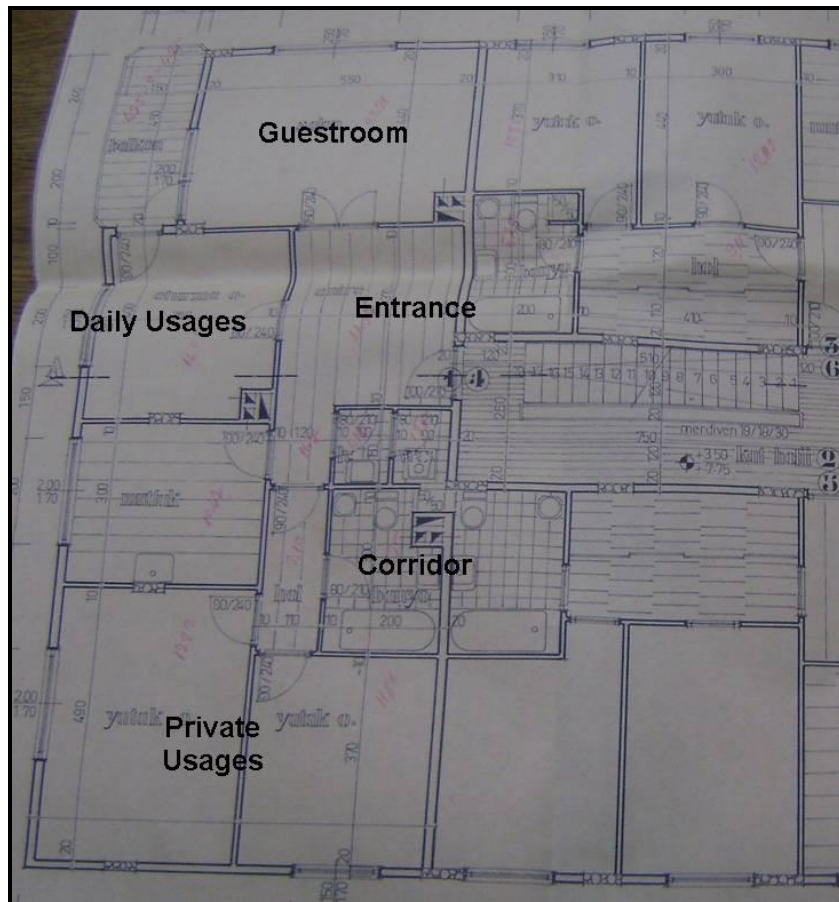


(Source: Architectural plan archives of the Municipality of Kocasinan)
 Figure I. 3. An architectural plan of a dwelling unit constructed in the 1950s.



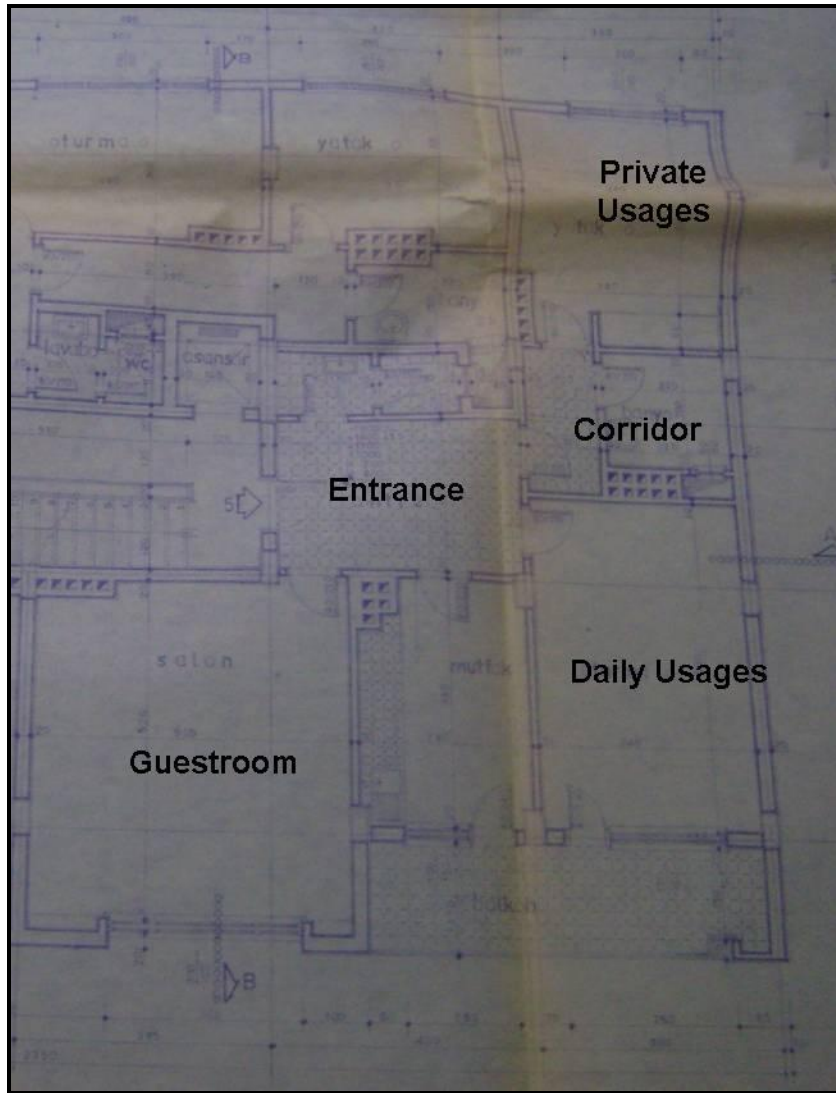
(Source: Architectural plan archives of the Municipality of Melikgazi)

Figure I. 4. An architectural plan of a dwelling unit constructed in the 1950s.



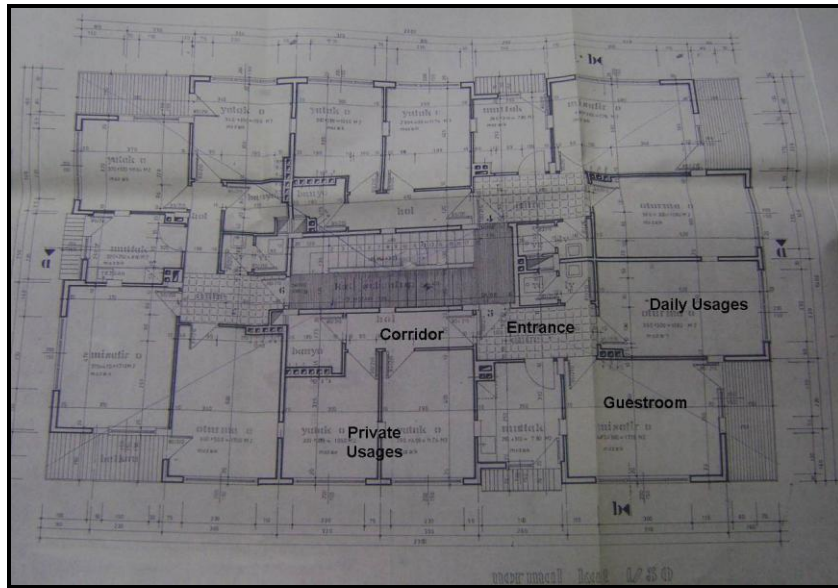
(Source: Architectural plan archives of the Municipality of Melikgazi)

Figure I. 6. An architectural plan of a dwelling unit constructed in the 1960s.

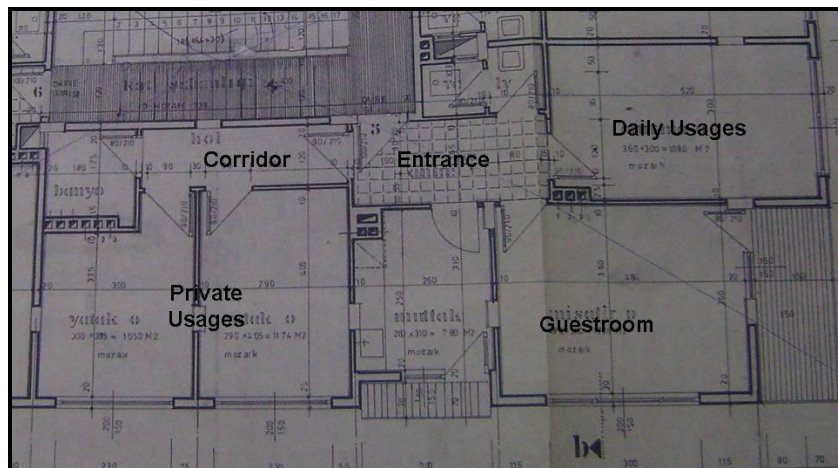


(Source: Architectural plan archives of the Municipality of Kocasinan)

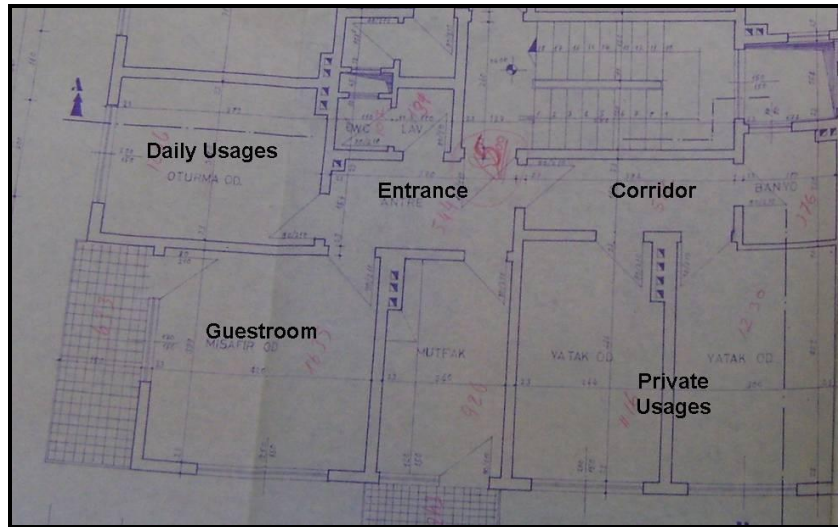
Figure I. 7. An architectural plan of a dwelling unit constructed in the 1970s.



(Source: Architectural plan archives of the Municipality of Melikgazi)
 Figure I. 8. An architectural plan of a dwelling unit constructed in the 1980s.

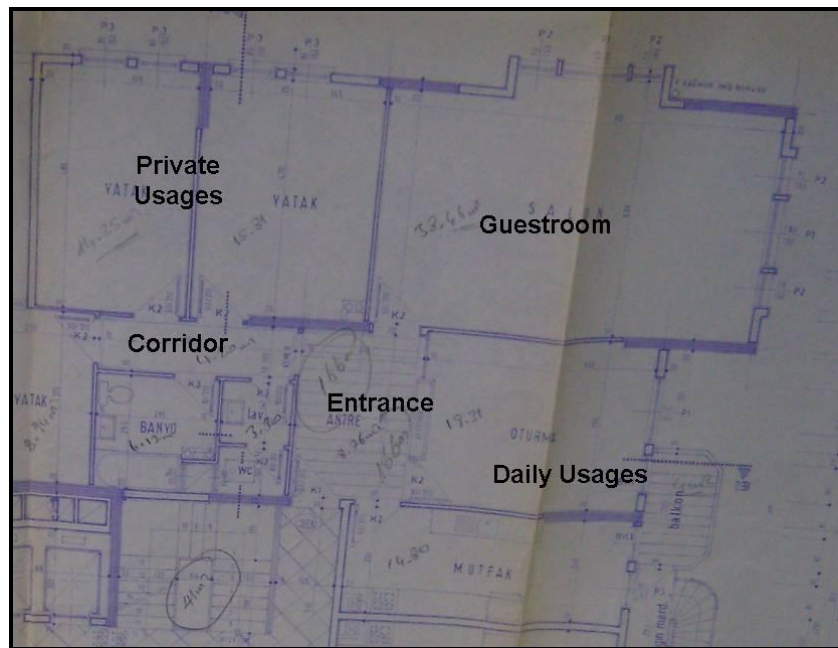


(Source: Architectural plan archives of the Municipality of Melikgazi)
 Figure I. 9. An architectural plan of a dwelling unit constructed in the 1980s.



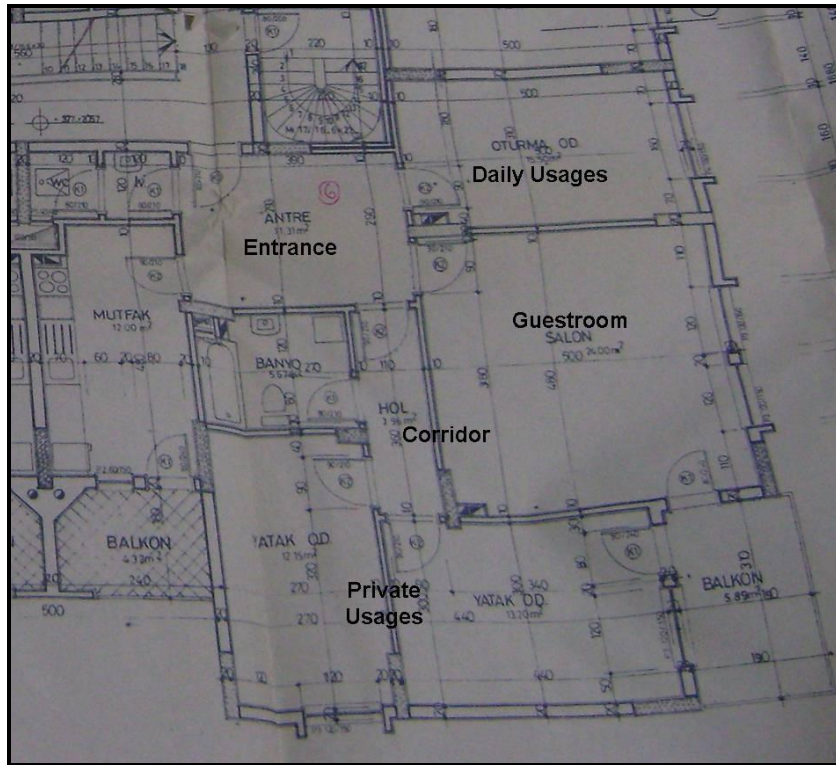
(Source: Architectural plan archives of the Municipality of Kocasinan)

Figure I. 10. An architectural plan of a dwelling unit constructed in the 1980s.

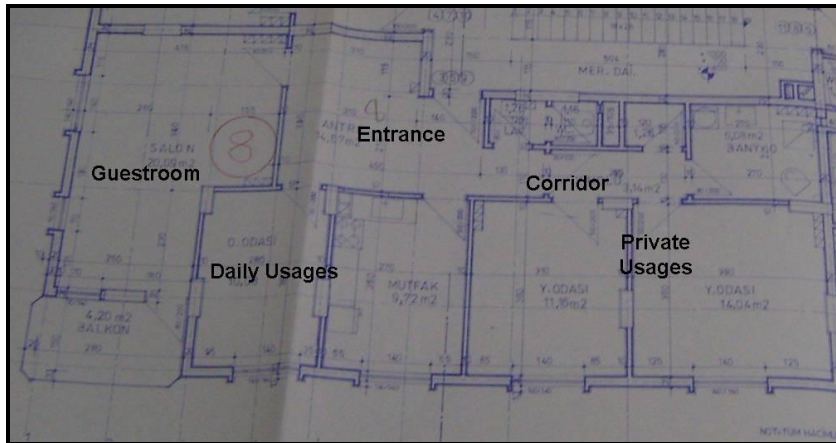


(Source: Architectural plan archives of the Municipality of Melikgazi)

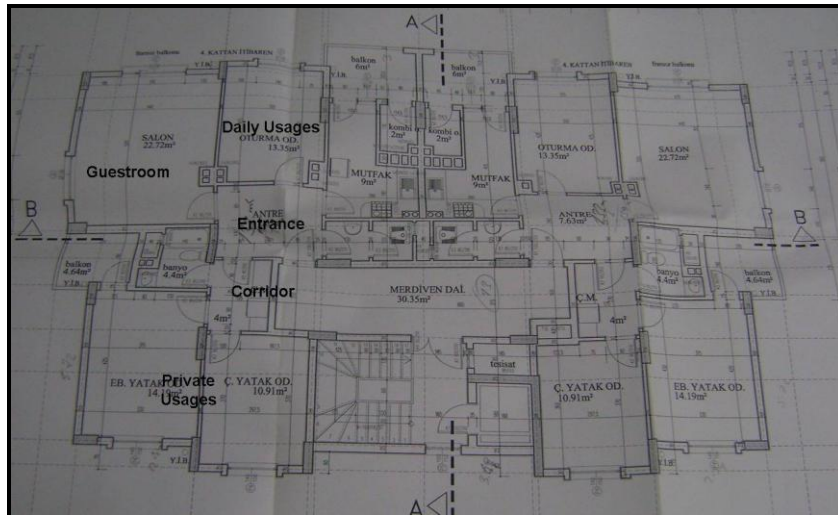
Figure I. 11. An architectural plan of a dwelling unit constructed in the 1980s.



(Source: Architectural plan archives of the Municipality of Kocasinan)
 Figure I. 12. An architectural plan of a dwelling unit constructed in the 1990s.



(Source: Architectural plan archives of the Municipality of Melikgazi)
 Figure I. 13. An architectural plan of a dwelling unit constructed in the 1990s.

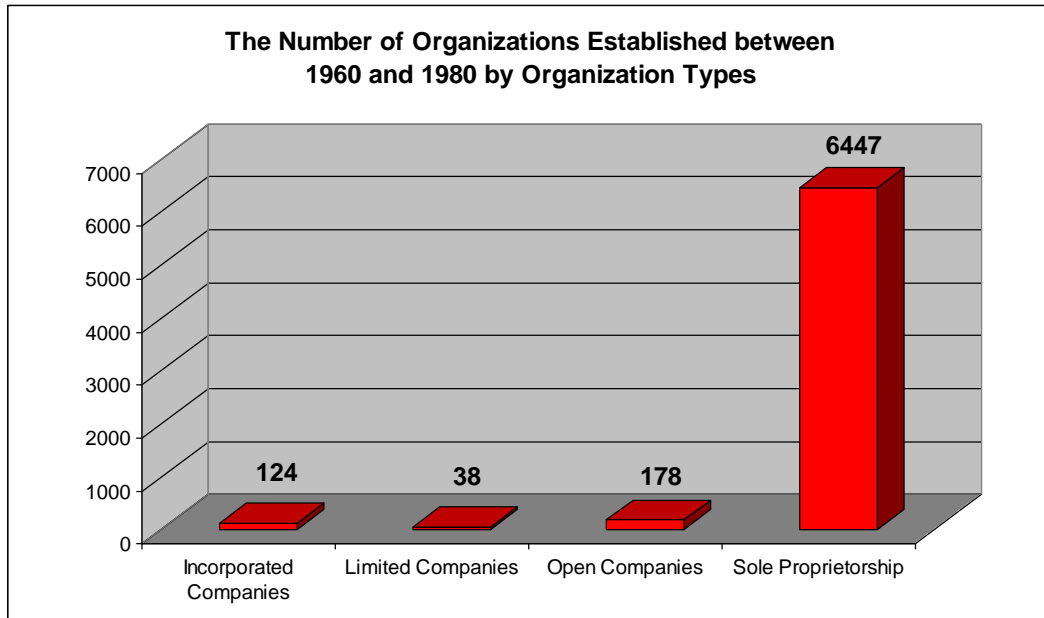


(Source: Architectural plan archives of the Municipality of Kocasinan)

Figure I. 14. An architectural plan of a dwelling unit constructed in the 2000s.

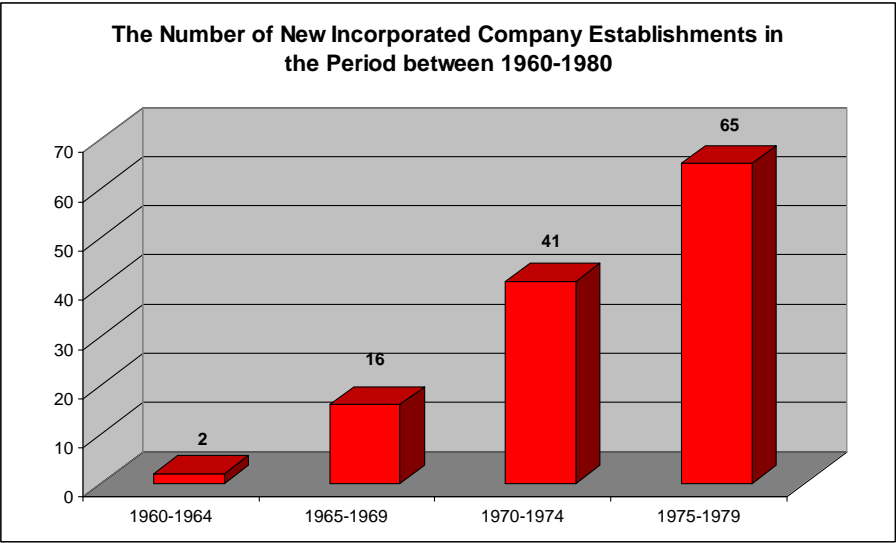
APPENDIX J

J. TEMPORAL COMPARISONS OF FIRM ESTABLISHMENT RATES OF DIFFERENT FIRM TYPES



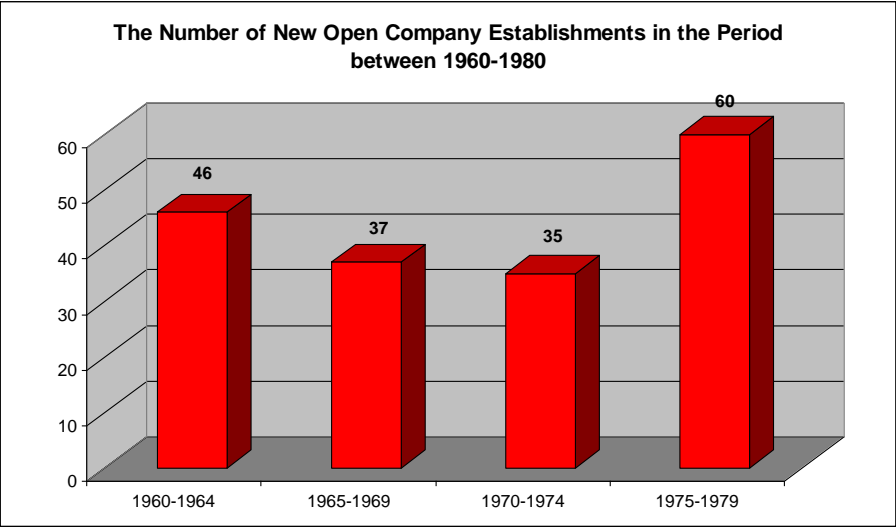
Source: Compiled from the firm registration censuses between 1960 and 2005 of the Kayseri Chamber of Commerce.

Figure J. 1. The number of organizations established between 1960 and 1980 by organization types.



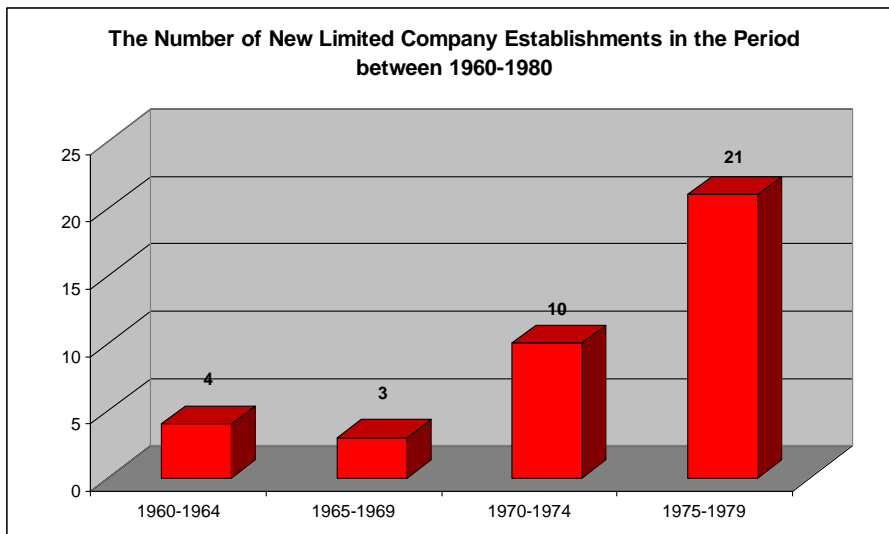
Source: Compiled from the firm registration censuses between 1960 and 2005 of the Kayseri Chamber of Commerce.

Figure J. 2. The number of new incorporated company establishments in the period between 1960 and 1980.



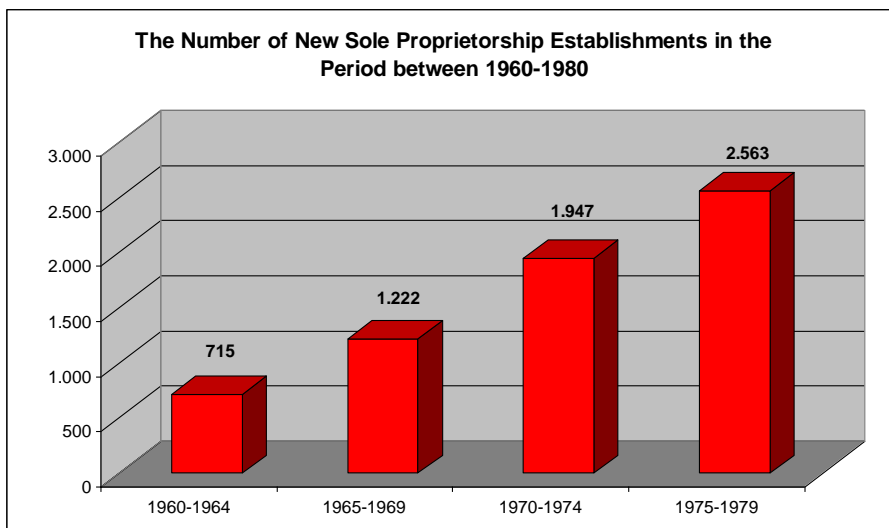
Source: Compiled from the firm registration censuses between 1960 and 2005 of the Kayseri Chamber of Commerce.

Figure J. 3. The number of new open company establishments in the period between 1960 and 1980.



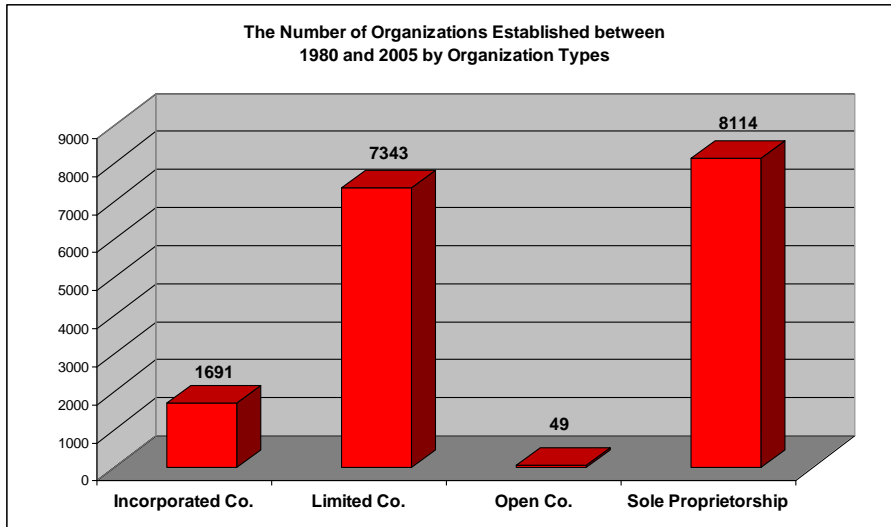
Source: Compiled from the firm registration censuses between 1960 and 2005 of the Kayseri Chamber of Commerce.

Figure J. 4. The number of new limited company establishments in the period between 1960 and 1980.



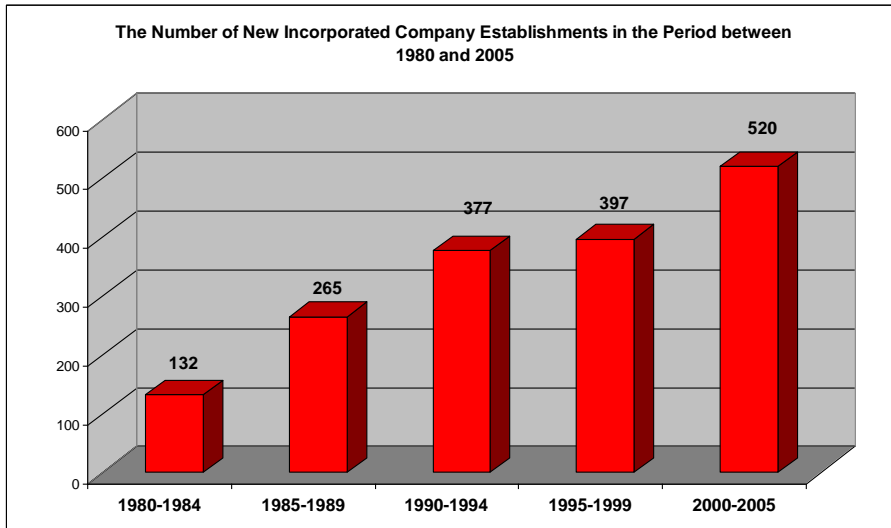
Source: Compiled from the firm registration censuses between 1960 and 2005 of the Kayseri Chamber of Commerce.

Figure J. 5. The number of sole proprietorship establishments in the period between 1960 and 1980.



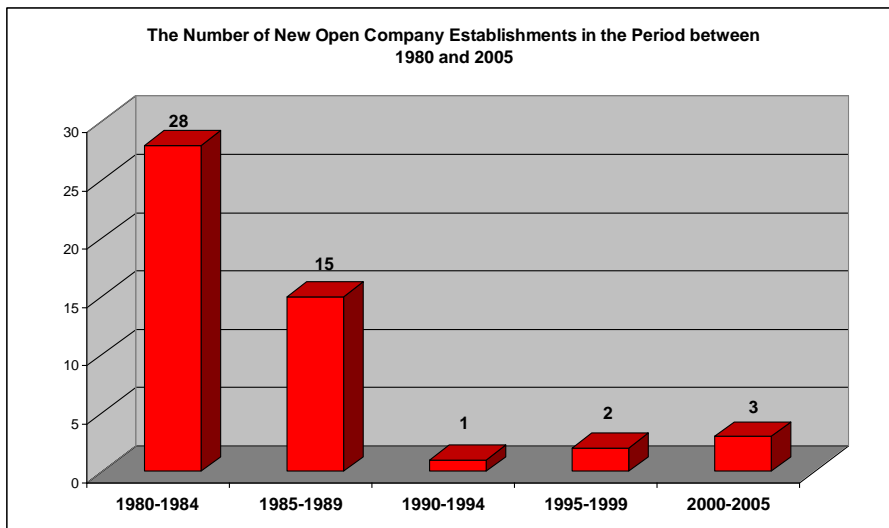
Source: Compiled from the firm registration censuses between 1960 and 2005 of the Kayseri Chamber of Commerce.

Figure J. 6. The number of organizations established between 1980 and 2005 by organization types.



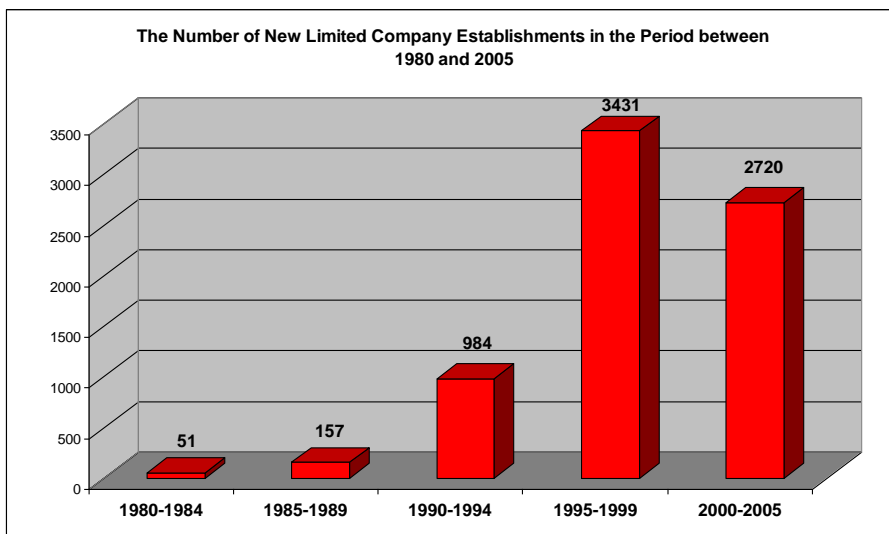
Source: Compiled from the firm registration censuses between 1960 and 2005 of the Kayseri Chamber of Commerce.

Figure J. 7. The number of new incorporated company establishments in the period between 1980 and 2005.



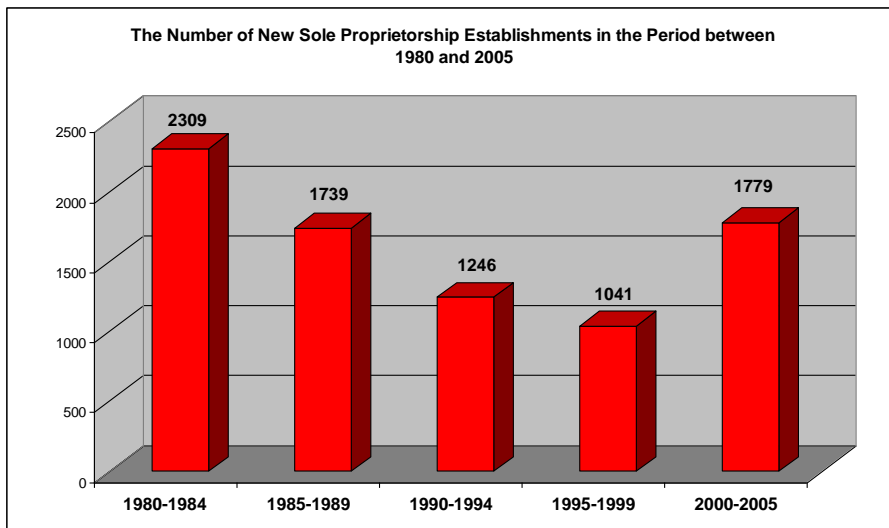
Source: Compiled from the firm registration censuses between 1960 and 2005 of the Kayseri Chamber of Commerce.

Figure J. 8. The number of new open company establishments in the period between 1980 and 2005.



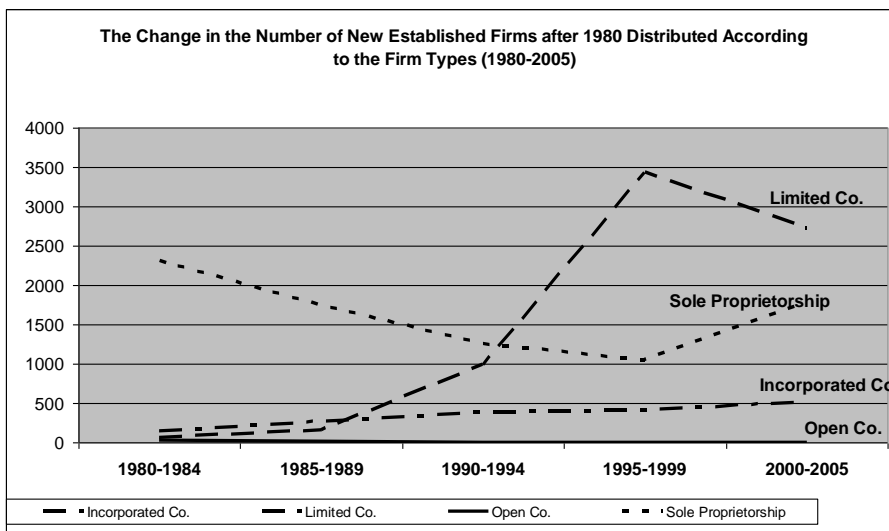
Source: Compiled from the firm registration censuses between 1960 and 2005 of the Kayseri Chamber of Commerce.

Figure J. 9. The number of new limited company establishments in the period between 1980 and 2005.



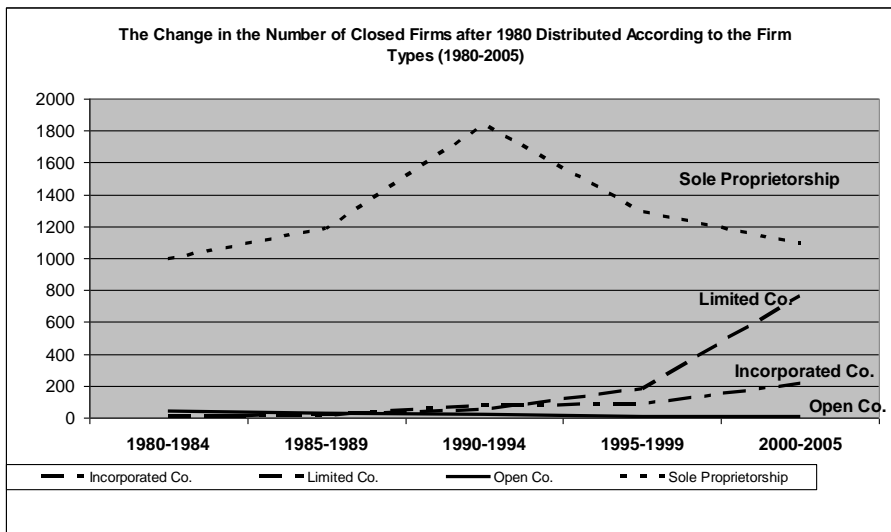
Source: Compiled from the firm registration censuses between 1960 and 2005 of the Kayseri Chamber of Commerce.

Figure J. 10. The number of new sole proprietorship establishments in the period between 1980 and 2005.



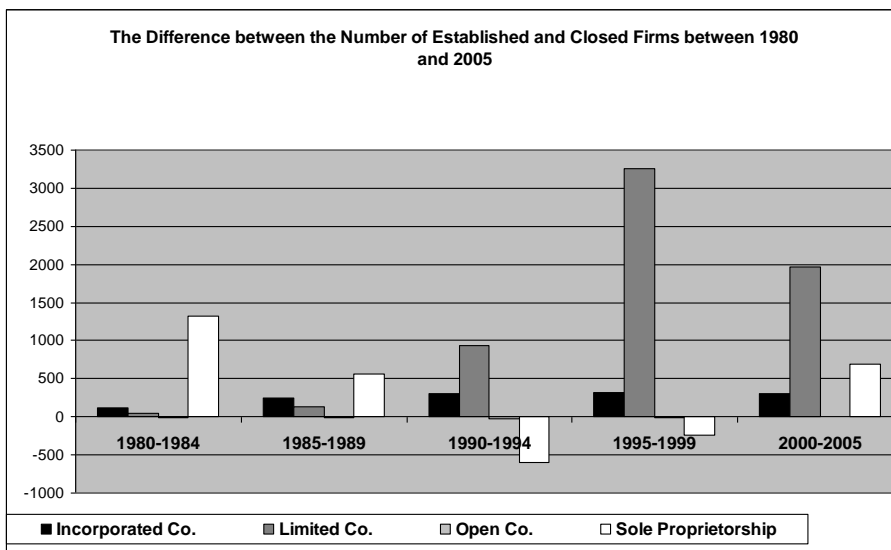
Source: Compiled from the firm registration censuses between 1960 and 2005 of the Kayseri Chamber of Commerce.

Figure J. 11. The change in the total number of new established firms by firm types in the period between 1980 and 2005.



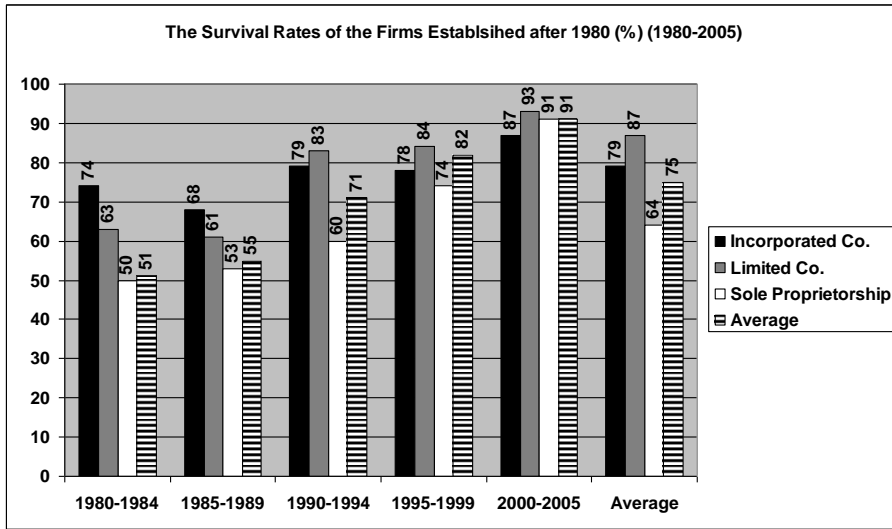
Source: Compiled from the firm registration censuses between 1960 and 2005 of the Kayseri Chamber of Commerce.

Figure J. 12. The change in the number of closed firms by firm types in the period between 1980 and 2005.



Source: Compiled from the firm registration censuses between 1960 and 2005 of the Kayseri Chamber of Commerce.

Figure J. 13. The difference between the numbers of established and closed firms in the period between 1980 and 2005.



Source: Compiled from the firm registration censuses between 1960 and 2005 of the Kayseri Chamber of Commerce.

Figure J. 14. The survival rates of the firms established in the period between 1980 and 2005.

APPENDIX K

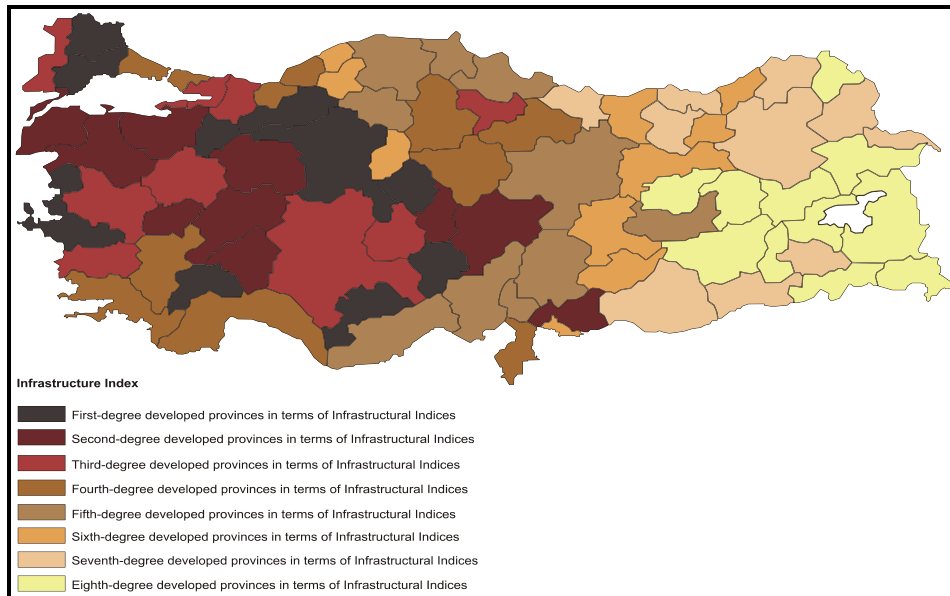
K. A BRIEF QUANTITATIVE ANALYSIS OF THE RECENT ECONOMIC SUCCESS OF THE TOWN OF KAYSERI

A set of indicators is prepared in this section in order to quantitatively understand the regional development performances in Turkey by its distinctions and determine where Kayseri stands within them. The indicators and the distinctions are examined geographically. By such an examination and investigation it is attempted to accomplish a main task which is to seek the current quantitative achievements of the development pathway of Kayseri in comparison particularly with two other “Anatolian Tigers” of Turkey, Denizli and Gaziantep.

There are thirty five indicators classified within six indicator sets mainly being constructed around the indexes of regional performance examinations of Pınarcıođlu and Işık (2004). This investigation begins with the assessment of the performances of the infrastructural features and the basic amenities of the provinces which can be thought as indicators of the living standards. Secondly, the demographic distinctions of the provinces are investigated. The third step attempts to draw attention to the financial structures and the institutional density of the provinces. At the fourth step, indicators of the health services, the educational amenities and structure, and the social security indexes are taken into consideration. It is intended to assess the entrepreneurial performances of the provinces in terms of entrepreneurship in the fifth step. The investigation is arrived at the last stage consequently by the socio-economic development performance rankings of the provinces. To put in a nutshell, the investigation of the development performance of Kayseri by these indicators may ease an adequate assessment of the recent development performance of the town.

K.1. Indicators of Infrastructure and Basic Amenities

The first indicator concerns with the infrastructural performances. The outcomes of this index are adopted from the study of Pınarcıoğlu and Işık (2004) which are the calculation of various data including a range from asphalt coated road rate in rural areas to organized industrial area parcel number per capita. The calculation gives a value between 0 and 1 which is assumed to allow comparisons by similar values. In other words, it is a reductive calculation of various data to a comparable single value. There are 81 provinces in Turkey and every province has its own calculated value.



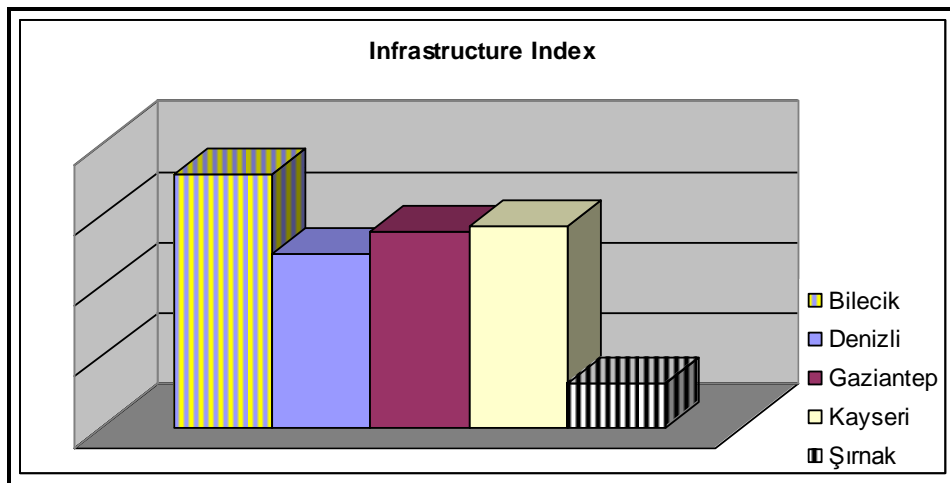
(Source: Pınarcıoğlu and Işık, 2004).

Figure K. 1. The Infrastructure Index

While Pınarcıoğlu and Işık (2004) stress that the index of infrastructure is capable of indicating the infrastructural amenities of any provinces, they draw attention that the high index values sometimes do not directly indicate high amenities in any provinces. For instance, a high value sometimes corresponds to inadequate capacity usages of infrastructure and idleness which shows that the

existing development efforts do not match the existing infrastructure investments. They also draw attention that the low index values sometimes do not directly indicate low amenities in provinces. For instance, a low value sometimes corresponds to over usages of capacity which shows that the existing efforts match more than the existing infrastructure investments. Since infrastructure index gives enough idea about the infrastructural features which can be thought as one of the most important aspects for development efforts, it has a significant importance.

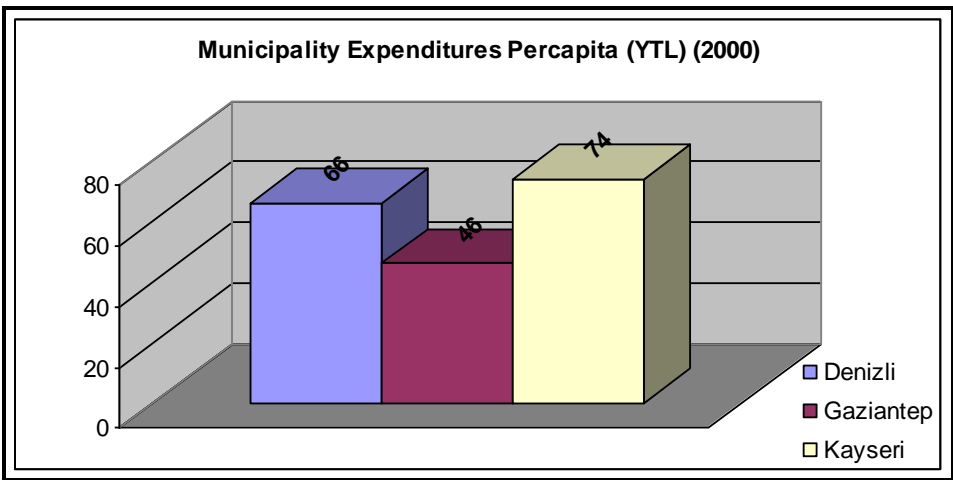
Figure K-1 shows the provincial comparisons in Turkey. Although Bilecik province has the highest index values, this does not indicate that the province is the most developed one in terms of infrastructure. It is possible to express that there is an idle capacity existing in the province. Kayseri province is classified in the second degree developed provinces. Gaziantep province is similarly classified in the second degree developed ones. Figure K-2 shows a comparison between Denizli, Gaziantep and Kayseri provinces by taking the highest and lowest values into consideration.



(Source: Pınarcıoğlu and Işık, 2004)

Figure K. 2. A comparison of infrastructure index values between Denizli, Gaziantep and Kayseri with the highest and lowest values

This graph shows that Kayseri province has a higher value than Denizli and Gaziantep provinces. However, it is important to assess if this high value corresponds to a success or it shows idleness. A general way to decide if it is a success or not may be an investigation of some other indicators particularly concerned with amenities. For instance, the municipal expenditures per capita can be an indicator of municipal efforts to provide amenities and it is possible to use this index as an indicator of basic amenities in addition to the infrastructure index. Figure K-3 shows a comparison between Denizli, Gaziantep and Kayseri.



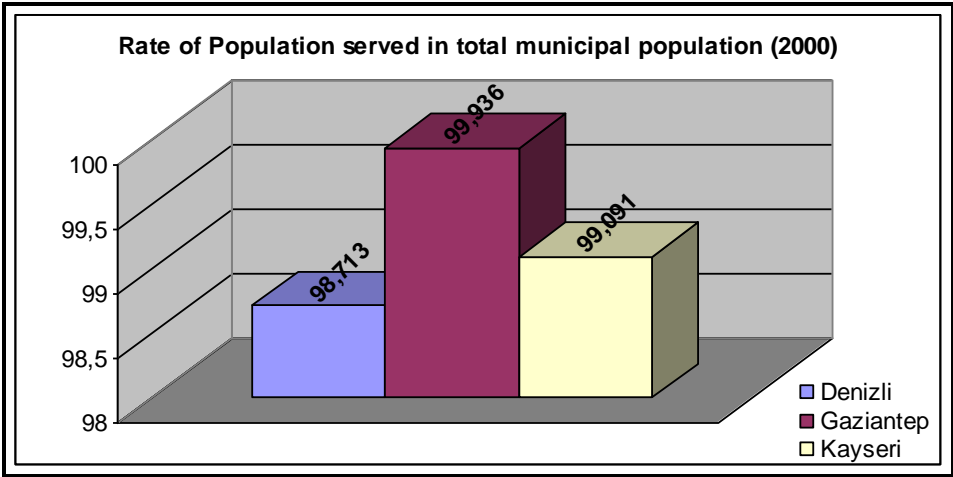
(Source: Arranged from the Socio-Economic Development Index of State Planning Agency (SPA)).

Figure K. 3. A comparison of municipal expenditures per capita between Denizli, Gaziantep and Kayseri.

Since one of the main responsibilities of the municipalities is to develop the basic amenities in their responsibility areas, including the infrastructural features, the municipal expenditure rates can be an indicator of the local municipal effort. However this assessment of municipal expenditures is not merely adequate to decide if the infrastructural features of Kayseri show a success or a failure. The municipal expenditure rate index is needed to be supported by other related

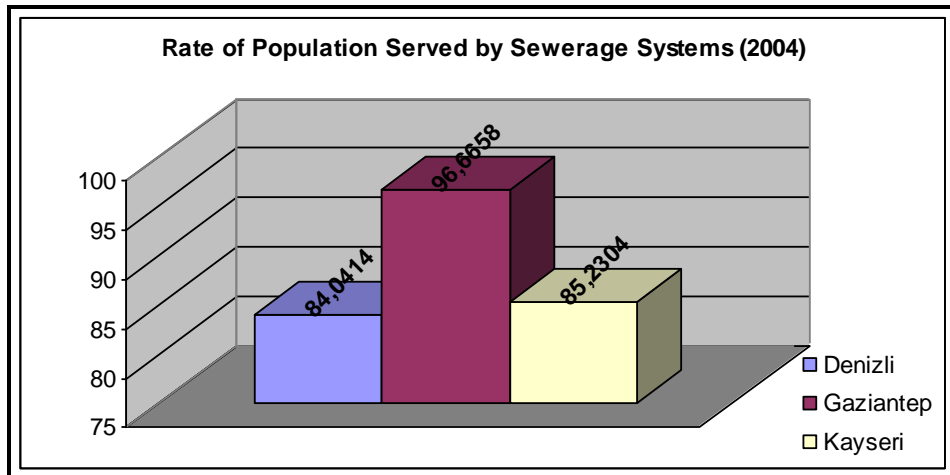
indicators. Figure K-4 and Figure K-5 shows the population coverage rates of municipal areas in terms of drinking water networks and sewerage systems.

The rate of population within the coverage of drinking water networks and sewerage systems can be assessed as a good indicator of local efforts to develop the basic amenities. Although it is impossible to find an absolute value for the general happiness of the people in municipal areas, these two basic amenity indicators are important to evaluate a general understanding about the living standards.



(Source: Turkish Statistical Institute).

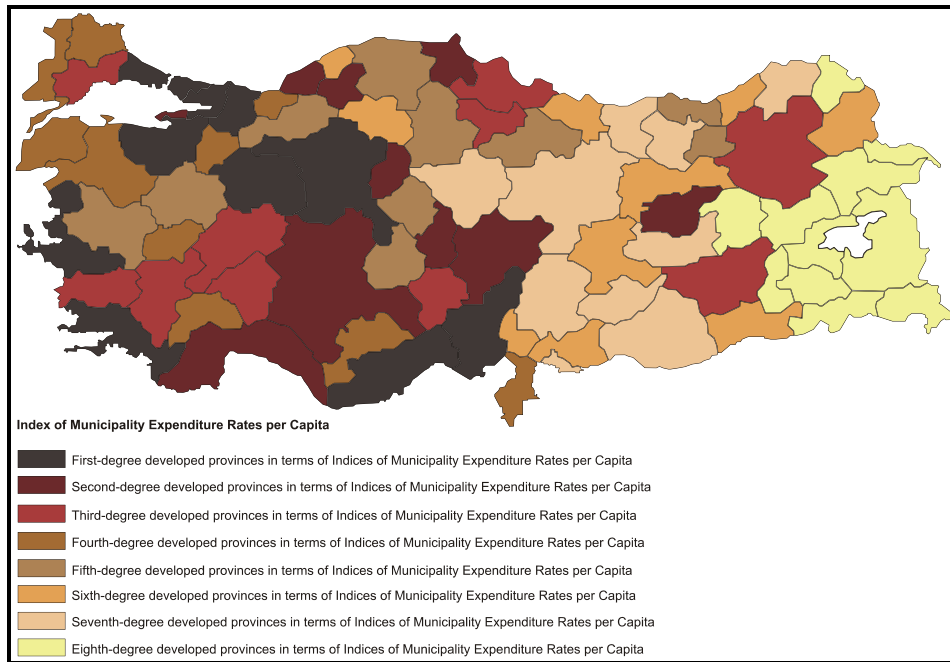
Figure K. 4. A comparison of the rate of population served by water network in total municipal population between Denizli, Gaziantep and Kayseri.



(Source: Turkish Statistical Institute)

Figure K. 5. A comparison of the rate of population served by sewerage systems in total municipal population between Denizli, Gaziantep and Kayseri.

The values of these provinces are actually close to each other. However, the sewerage system coverage rates are higher in Gaziantep province. Although it is possible to assume that the general features of infrastructure in these three provinces are similar to each other, it is useful to put their positions in general manner in Turkey. The municipal expenditures per capita can be an adequate indicator these two basic amenities above as well as for the local efforts to develop and provide basic amenities. Figure K-6 shows the municipal expenditure rates in Turkey.



(Source: Arranged from the Socio-Economic Development Index of State Planning Agency (SPA))

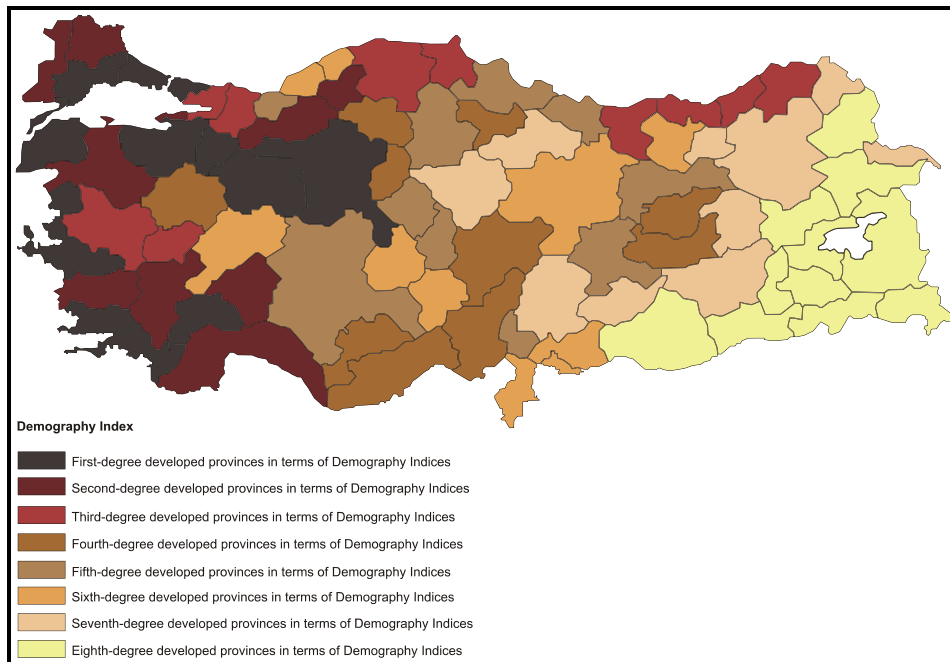
Figure K. 6. Municipal expenditures per capita – Turkey in general in 2004

In this map, while Kayseri is classified within second degree developed provinces, Denizli is within third degree and Gaziantep is classified within sixth degree provinces. Note that, the population size is directly concerned with the rate of municipal expenditures. By this map, and the indicators above, it is possible to put that Denizli and Gaziantep can be thought as mid-level developed provinces in terms of infrastructure and basic amenities. And Kayseri, by having similar values in the indices, can be thought as a mid-level developed province too. Kayseri generally has higher values and it shows a success rather than a failure.

K.2. Indicators of Demography

One of the main indicators of regional disparity is the demographic structure. The variables which are gathered under the demographic index are mainly concerned with the demographic structure and the composition of the population.

The demographic structure is highly concerned with the degree of development. For instance, Pınarcıoğlu and Işık (2004) underline that birth rates and average household numbers are dwindled parallel to the degree of development, and the rate of old age population is increased. Besides it is possible to say that the urbanization rates are thought to be the indicators of development. According to them, the picture of demographic structure is highly capable of representing the development rates of provinces in Turkey. Figure K-7 shows the demographic structure distinctions.

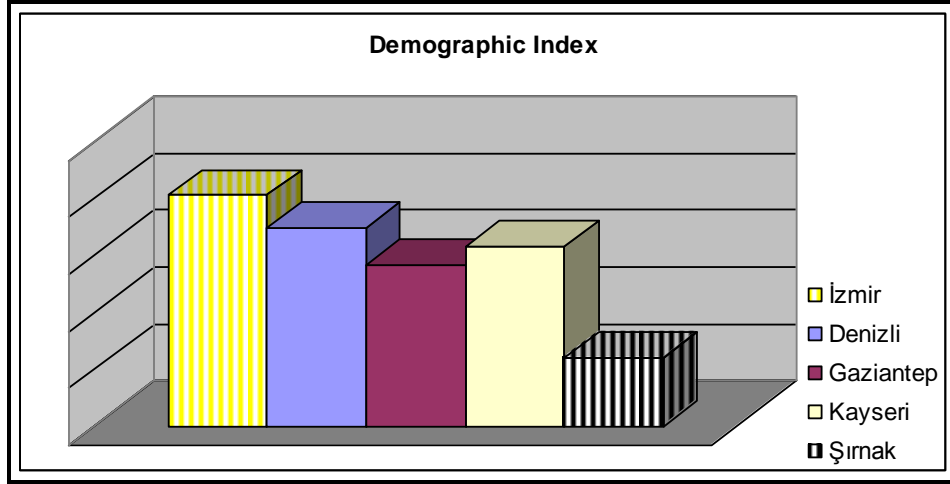


(Source: Pınarcıoğlu and Işık, 2004).

Figure K. 7. Index of Demographic Structure

According to the map, Kayseri is classified within the fourth degree developed provinces while Denizli is within the second degree, and Gaziantep is classified within the sixth degree. The provinces classified in the first two titles are, at the same time, the most developed provinces in Turkey in terms of economics. It is possible to read a considerable amount of regional disparities from the map. When the attention is focused upon to the three provinces, it is possible to see

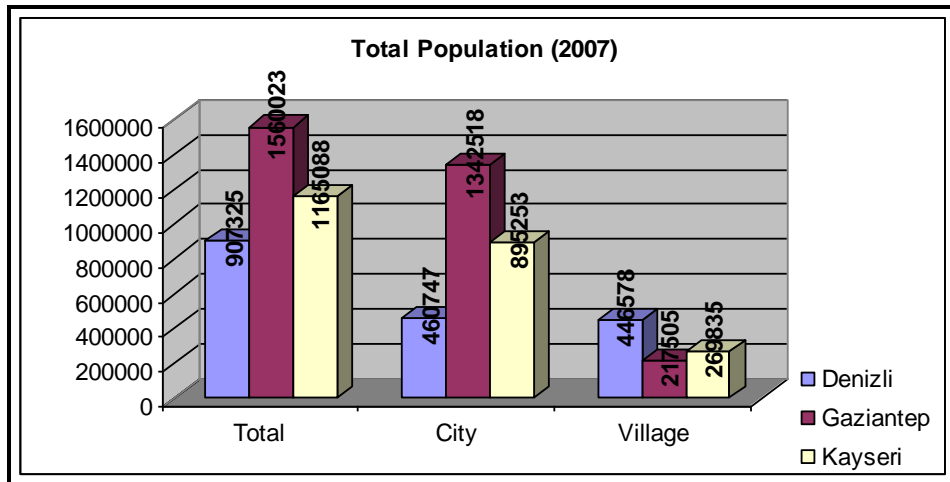
some distinctions between them. Figure K-8 shows a comparison of these three provinces by taking the highest and the lowest values into consideration.



(Source: Pınarcıoğlu and Işık, 2004).

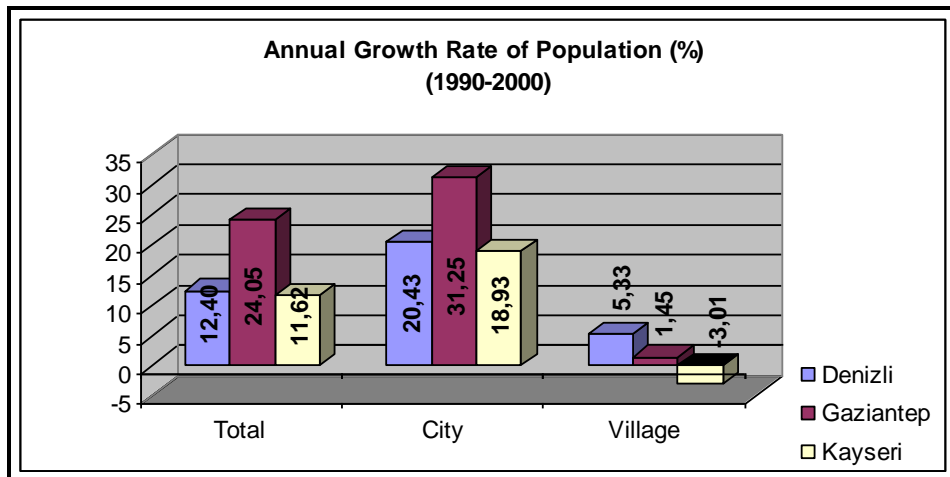
Figure K. 8. A comparison of Infrastructure Index Values between Denizli, Gaziantep and Kayseri with the highest and lowest values

It is possible to see that the distinctions between these three provinces are relatively low when these distinctions are compared to the disparity between the highest value and the lowest one. So a close look into these distinctions becomes important. Figure K-9 shows the total, city and village populations, Figure K-10 shows the annual growth rates of the population in 1990 – 2000 period, Figure K-11 shows the annual growth rates of the population in 2000 – 2007 period and Figure K-12 shows the annual growth rates of the population in 1990 – 2007 period of these three provinces.



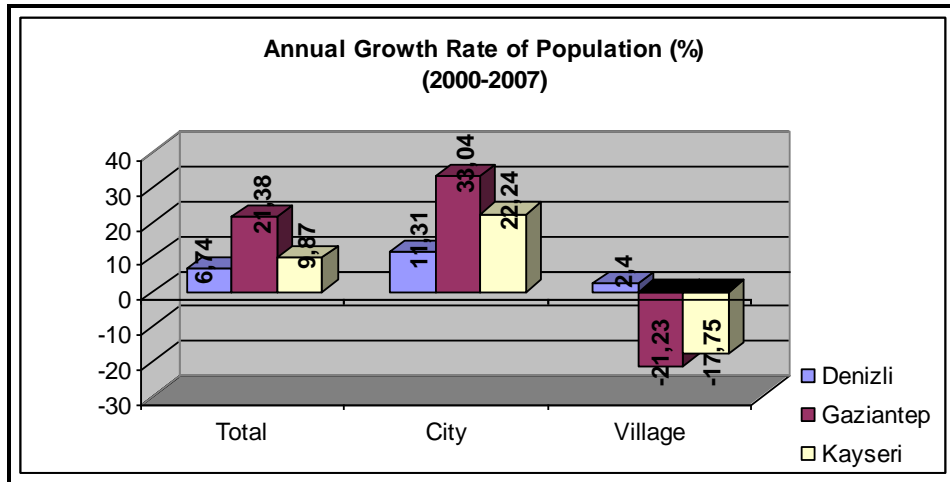
(Source: Turkish Statistical Institute).

Figure K. 9. The Total, City and Village Populations of Denizli, Gaziantep and Kayseri.



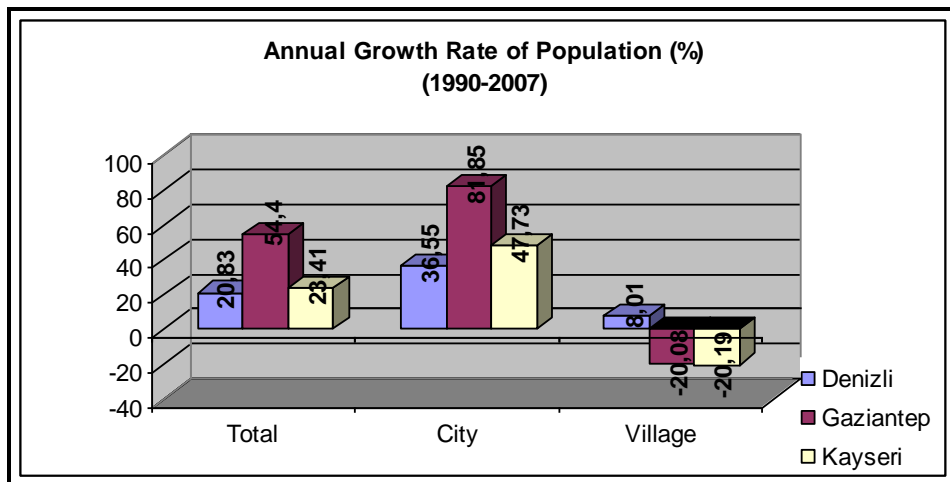
(Source: Turkish Statistical Institute).

Figure K. 10. The annual growth rates of the population in 1990 – 2000 period



(Source: Turkish Statistical Institute).

Figure K. 11. The annual growth rates of the population in 2000 – 2007 period



(Source: Turkish Statistical Institute).

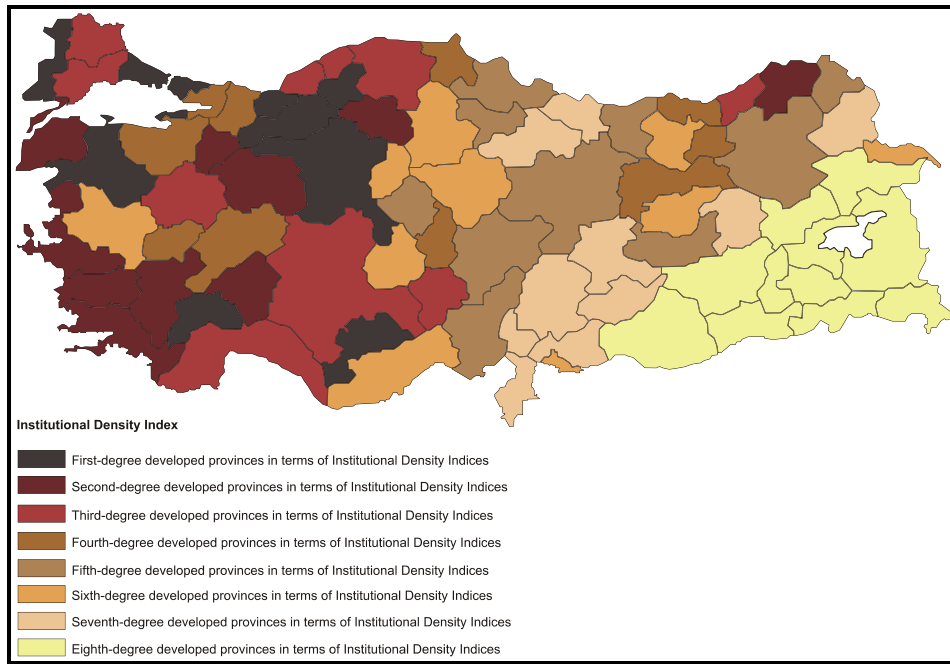
Figure K. 12. The annual growth rates of the population in 1990 – 2007 period

Two of the most significant features of these three provinces from the four graphics above are the constant increase both in total and urban populations of the three provinces and the constant dwindling of rural populations in Kayseri and Gaziantep. It is possible to claim that this feature shows a tendency of migration. Pınarcıoğlu and Işık (2004) stress that in some cases, like in some

Eastern Black Sea provinces and some Eastern Anatolia provinces, the high values of demographic index is an indicator of their migration giving structure. According to them, although these provinces are less developed, they have high values in demographic index and this feature shows their migration giving structure rather than their degree of development. However, it seems to be apparent that this feature is not valid for Denizli, Gaziantep and Kayseri. Their high level of population growth rates show that they are migration taking provinces rather than migration giving. Kayseri has a different feature. The constant tendency of decrease in the rural population and the tendency of increase in the urban population show that the migration from its rural to urban areas in Kayseri seems to be an important reason of urban population increase. Actually, the urban population in Kayseri particularly is fed from the rural settlements.

K.3. Indicators of Institutional Thickness and Financial Structure

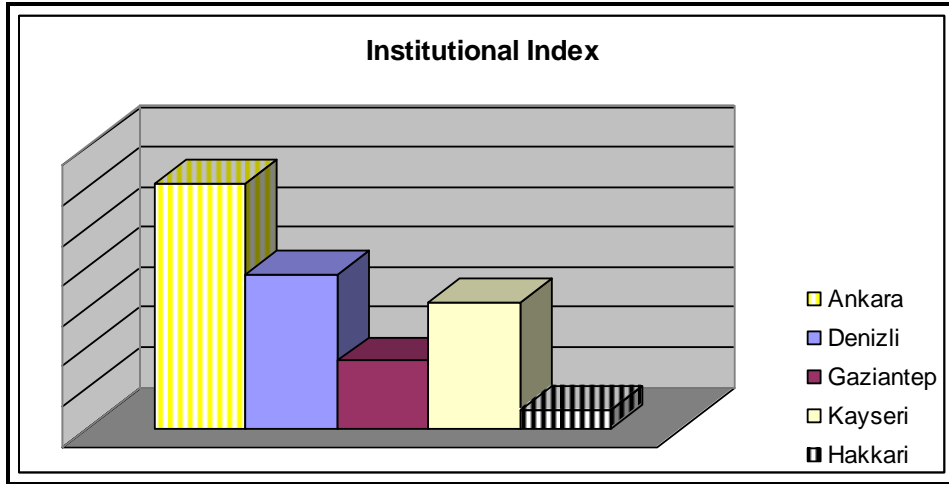
It is possible to emphasize that, one of the most important features of recent regional development strategies are their distinct views about the individual from the past ones. The universally valid recipes and conceptions of past about the individual, which are highly capable of theoretical forecasting and give the opportunity to scholars to predict strictly, in terms of development are generally abandoned. One can easily notice that the prevalent recent strategies tend to understand the individual, who is the main actor of economic act, in terms of entrepreneurship, and they tend to understand the relation between individuals not only in terms of competition, but also cooperation. The institutional thickness index, according to Pınarcıoğlu and Işık (2004) do help to understand the cooperative action capabilities of local actors. What taken into consideration in this investigation is to what extent the particular local actors, who may have a particular role or who may have particular responsibilities within the process of development, have the cooperative action capability. Figure K-13 shows the institutional thickness index in Turkey.



(Source: Pınarcıoğlu and Işık, 2004).

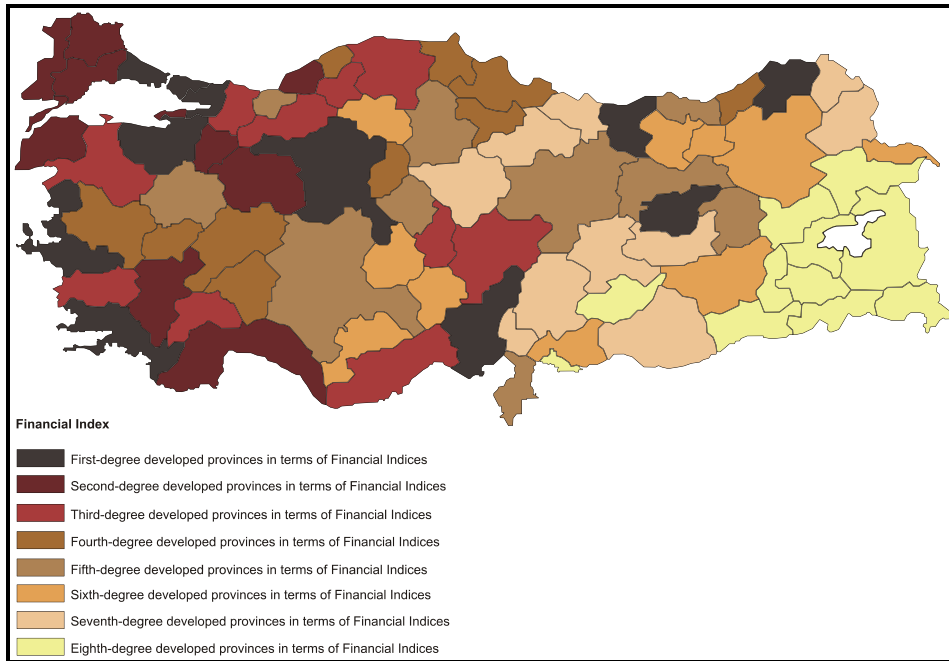
Figure K. 13. Index of Institutional Thickness

It can be noticed by the Figure K-13 that there is a prevalent disparity between the eastern and western parts of Turkey. A close look into Kayseri shows that the province has an approximately similar structure with many other central Anatolian provinces. Figure K-14 shows a comparison between Denizli, Gaziantep and Kayseri by taking the highest and lowest index values into consideration. The index is prepared from eight variables that include highly educated work force which has a basic importance in development and the rates of financial institutions in total GDP. The proceeding chapters show that the highly trained work force has just recently gained a significant importance in Kayseri. One of the main reasons for classifying Kayseri within fifth degree developed provinces is its educational structure which is investigated in detail in the proceeding chapters. In spite of this educational handicap, Kayseri has a considerable index value which basically shows its capability of creating cooperative action. The second part is the financial structure. Figure K-15 shows the recent situation in Turkey.



(Source: Pınarcıoğlu and Işık, 2004).

Figure K. 14. A comparison between Denizli, Gaziantep and Kayseri



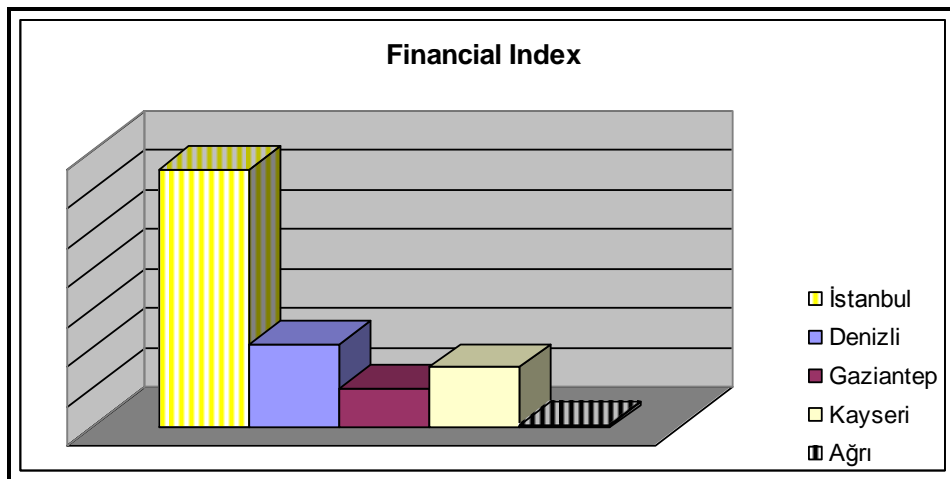
(Source, Pınarcıoğlu and Işık, 2004).

Figure K. 15. Financial Index.

According to Pınarcıoğlu and Işık (2004), this index measures the durability and the capability of the financial structure which is the main source to finance their

development efforts of the provinces. This index is prepared from eight variables, including the public investment per capita which makes some provinces surprisingly developed. It is important to notice that, extremely great values of public investment, particularly in low population areas, results a high value in the index. In order to draw attention to the financial performance of Kayseri, in this context, some variables in this index are investigated individually.

Figure K-15 shows a usual disparity in Turkey between the provinces. It is better to look closely to Denizli, Gaziantep and Kayseri in order to assess their positions. Figure K-16 shows a comparison between Denizli, Gaziantep and Kayseri by taking the highest and lowest index values into consideration.

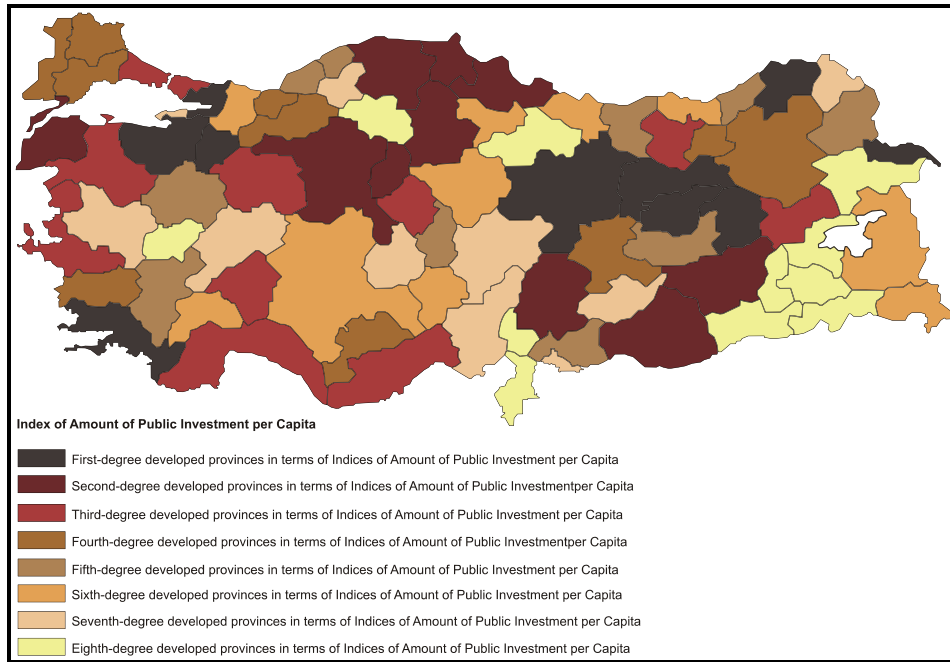


(Source, Pınarcıoğlu and Işık, 2004).

Figure K. 16. A comparison between Denizli, Gaziantep and Kayseri

Since, İstanbul, as expected, has way great values than the other provinces, Denizli, Gaziantep and Kayseri seem they have too small values. However, a comparison between İstanbul and Kayseri will be nothing more than a misleading. It is important to notice that while Denizli and Kayseri have approximately similar values, Gaziantep has a considerable lower value. This lower value may be a result of its high population as well as its financial

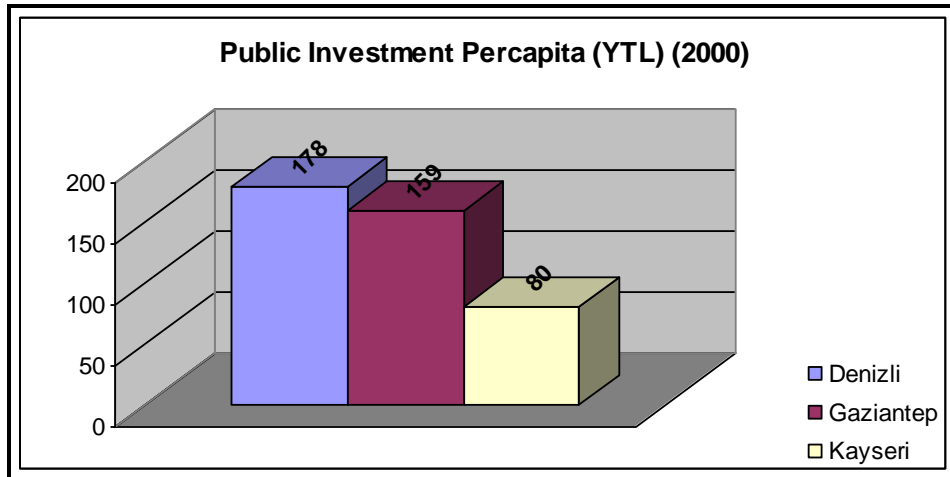
structure. Whatever might be the case, Kayseri seems it has a significant value. It may be better to start with the public investment per capita. Figure K-17 shows the public investment per capita.



(Source: Arranged from the Socio-Economic Development Index of State Planning Agency (SPA)).

Figure K. 17. Public Investment per Capita 2000

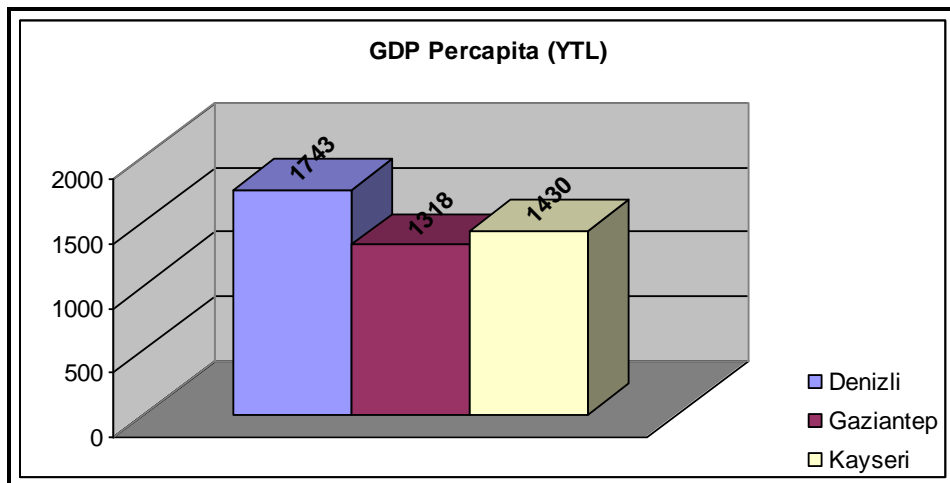
Kayseri is classified within the seventh degree developed provinces in terms of public investment per capita. It is strictly possible to say according to the figure that, if the recent situations will be deemed as a success, in terms of development, in Kayseri, this success is not a result of public investments. The success of any development effort in Kayseri should be because of its particular features instead of public investments. Actually, Kayseri has a way low public investment per capita value in comparison with Denizli and Gaziantep. Figure K-18 shows the public investment per capita in comparison with Denizli and Gaziantep and Kayseri.



(Source: Arranged from the Socio-Economic Development Index of State Planning Agency (SPA)).

Figure K. 18. Public investment per capita – Denizli, Gaziantep and Kayseri comparison.

For a deeper comparison, Figure K-19 shows the GDP per capita. The local effort of Kayseri without direct public investment creates a considerable amount of GDP per capita.



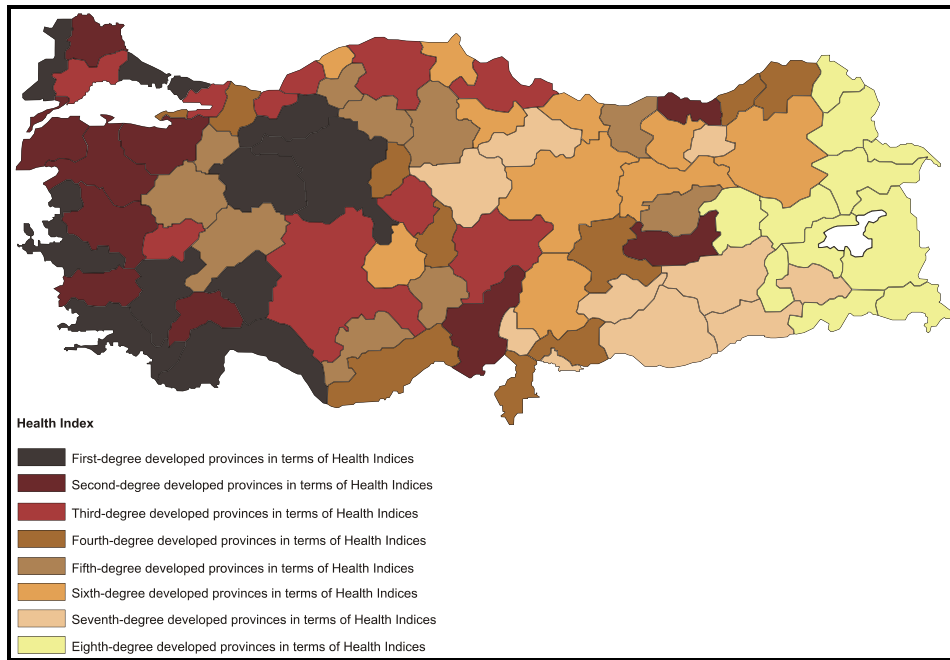
(Source: Arranged from the Socio-Economic Development Index of State Planning Agency (SPA)).

Figure K. 19. GDP per capita 2000

The financial structure of the province Kayseri seems as strong as to be mentioned. There are several provinces that are taken into consideration as second degree developed provinces after Istanbul, Ankara and Izmir. It is possible to say that, Kayseri pushes its limits to be a member of this second degree developed provinces in terms of financial structure and without any direct public investments. Whatsoever might be the case, Kayseri can be – and should be – assessed successful in terms of financial structure and institutional thickness. The features of the institutional thickness, particularly, are taken into consideration in the proceeding chapters.

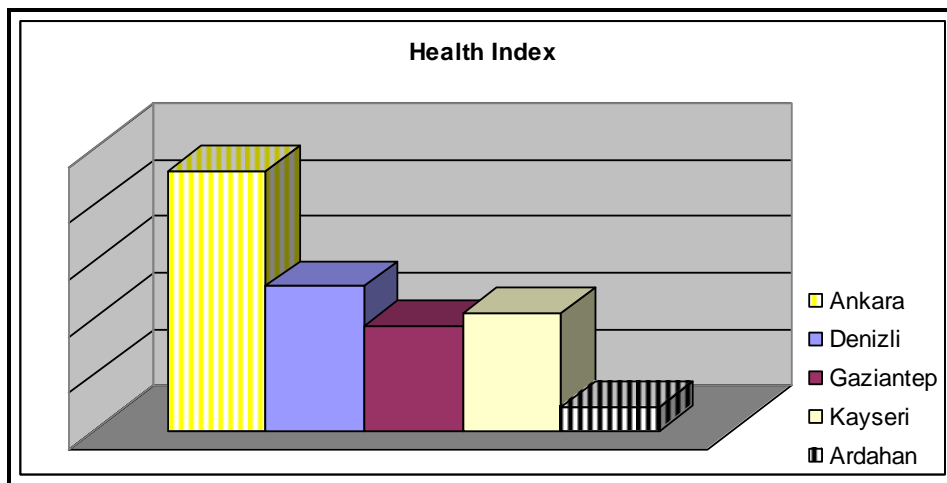
K.4. Indicators of Health, Social Security and Education

In this title, there are three different but complementary indexes presented. Undoubtedly, these three indicators have a significant importance in order to represent the transformation of capital accumulation to the quality of life. These indicators do not only show to what extent these features are diffused among provinces, but also they indicate their usage and accessibility. Figure K-20 shows the health index in Turkey. It is easy to notice the density in western parts of Turkey. Kayseri is classified within the third degree developed provinces although it is considered to be one of the main regional health centers of central Anatolia because of its existing health and medicare capabilities. This relatively low value may indicate a centralization of the health and medicare amenities which also can be the indicator of a local spatial disparity.



(Source, Pınarcıoğlu and Işık, 2004).

Figure K. 20. Health Index

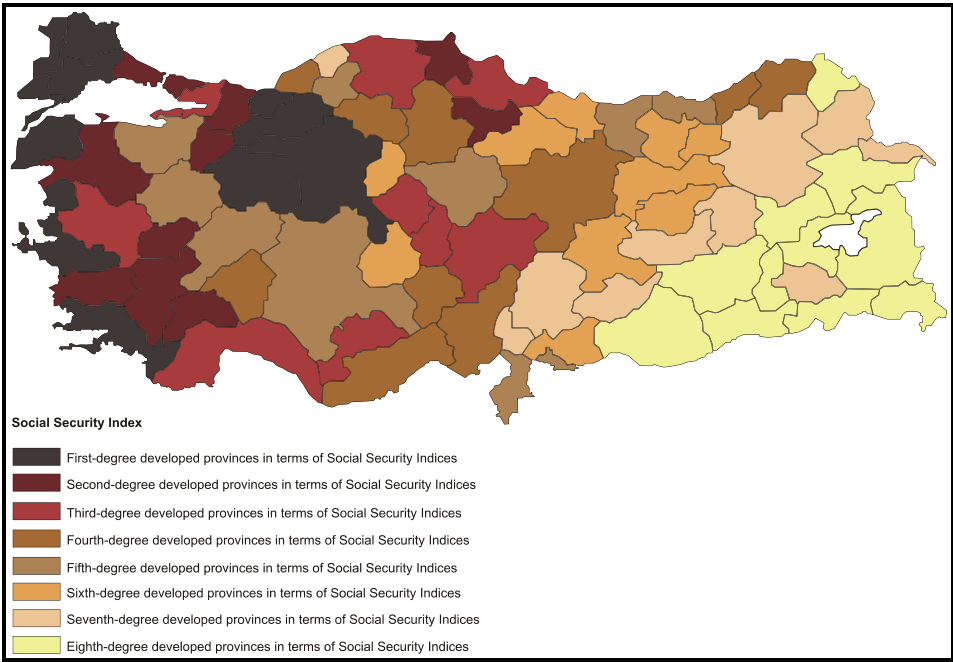


(Source, Pınarcıoğlu and Işık, 2004)

Figure K. 21. A comparison between Denizli, Gaziantep and Kayseri

Kayseri has approximately similar values with Denizli and Gaziantep. It is important to put that the universities with faculty of medicine have a considerable

influence on the index. Owing to the fact, a comparison between Ankara and Kayseri will be nothing more than a misleading in terms of health and Medicare. Another indicator is the social security index. This index shows the rate of employment with social security to the total population. The social security amenities are indispensable features of development. They, on the one hand, indicate to what extent the work force is being cared, and on the other, they indicate an opportunity to access a considerable level of living standards. However, they also may form a general idea about the amount of employment in informal sectors when it is taken into consideration with dependency rates. Figure K-22 shows the recent situation in Turkey in terms of social security.

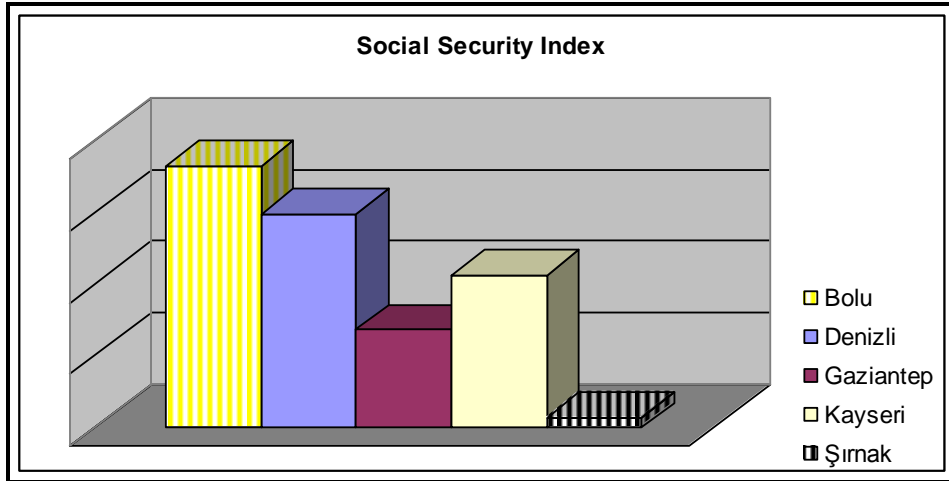


(Source, Pınarcıoğlu and Işık, 2004)

Figure K. 22. The Social Security Index

This pattern in the figure almost becomes a general province picture of the state of being developed in Turkey. There are considerable disparities between the eastern and the western parts. In this pattern, while Gaziantep draws a picture of less developed provinces, Denizli and Kayseri have approximately similar values

which make them classified within developed provinces. Figure K-23 shows a comparison between them

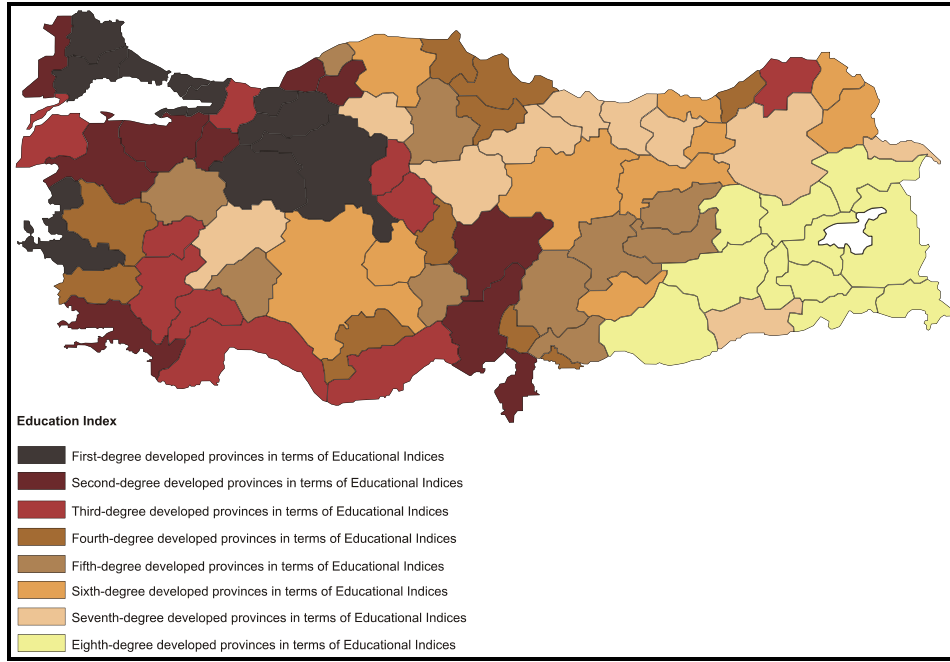


(Source, Pınarcıoğlu and Işık, 2004)

Figure K. 23. The Social Security Index: a comparison between Denizli, Gaziantep and Kayseri

There is a significant point lies under the fact. Gaziantep produces 1.36 % of total GDP in Turkey, while Denizli produces 1.19 % and Kayseri produces 1.22 % of the total. Besides, the values of GDP per capita are approximately similar: 1395 \$ in Denizli, 1054 \$ in Gaziantep and 1144 \$ in Kayseri. However, there is a significant gap between Gaziantep and other two provinces in terms of social security index. The reason of this gap is an open question, and may indicate an intention of comparative advantage which depends on low-paid employment. Whatsoever might be the case; Kayseri has significant values and can be thought as successful.

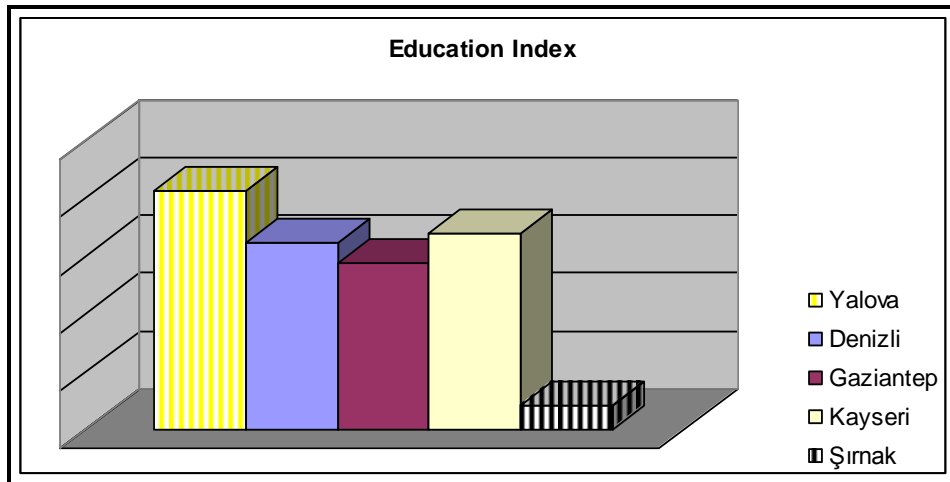
The last indicator under this title is the education index. Education, no doubt, has great influences on development efforts. Education is thought to be one of the most influential amenities that create human capital. Figure K-24 shows the Education Index.



(Source, Pınarcıoğlu and Işık, 2004)

Figure K. 24. The Education Index.

Kayseri, again, has an influential value in terms of education. There are seven variables in education index, and every single of them is concerning with primary and secondary education. In context of this index, Kayseri is classified within second degree developed provinces. This value of Kayseri indicates that a considerable amount of attention is paid to education, particularly to primary and secondary education. It is possible for now to stress that the social action in Kayseri is one of the main reasons for this high level of education index. Figure K-25 shows a comparison between Denizli, Gaziantep and Kayseri.



(Source, Pınarcıoğlu and Işık, 2004)

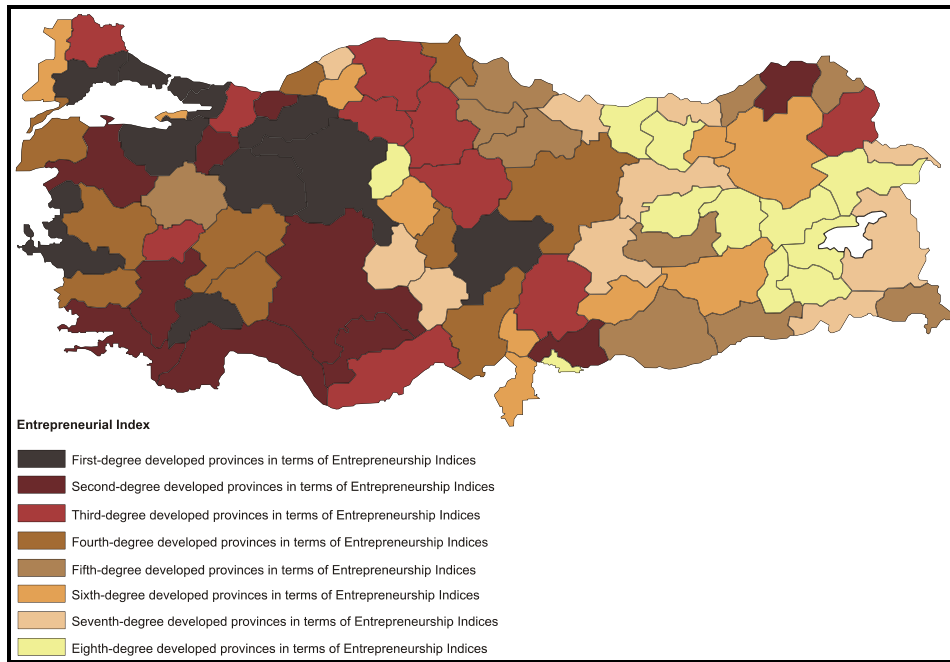
Figure K. 25. Education Index – a comparison between Denizli, Gaziantep and Kayseri

The education index values of three provinces are approximately similar. The most important point here is that there is not an influential gap between the highest level and these three provinces. Kayseri, again, can be assessed successful in terms of education index.

K.5. Indicators of Entrepreneurship

This index is developed by Pınarcıoğlu and Işık (2004). There are fifteen variables and a couple of data sets calculated within this index. The first data set concerns with export variables. The values such as the export rates per capita, and the sector diversification and dependencies in export are calculated in the first data set. The second data set is concerned with the innovative abilities of provinces. Within this set, an index value of innovative ability is calculated by the rate of useful model and patent applications to the total population. Another set is concerned with the firms in provinces. By this variable set, it is aimed to have an idea about the firm creation abilities, firm survival rates and about the firm life expectancies of provinces. The rates of opened and closed firms, the rate of firms to the total population, and new firm formation tendencies are investigated.

Firm types are also considered to be important. According to Pınarcıoğlu and Işık, incorporated firms represent a higher level of institutionalization. Therefore the rate of incorporated firms in new firm formation is calculated by taking the sectoral diversification into consideration. The last data set is incentives. Incentives have a significant importance both in terms of development and in terms of entrepreneurship. Figure K-26 shows the entrepreneurship index.

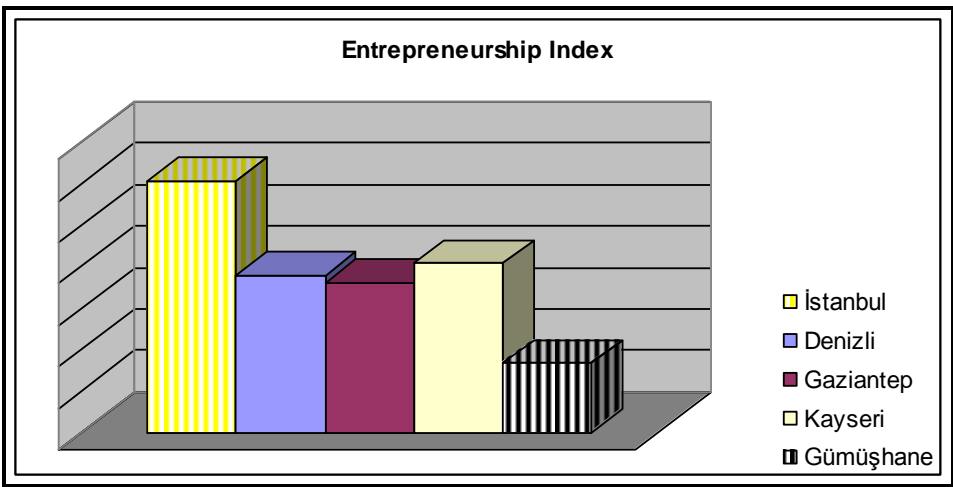


(Source, Pınarcıoğlu and Işık, 2004)

Figure K. 26. Entrepreneurship Index

Because of the wide range data classified within this index, it is possible to put that the figure above represents a general picture of the development abilities of the provinces. Actually Pınarcıoğlu and Işık (2004) stress that entrepreneurial index is capable of summarizing the results of the forgoing ones. It can easily be noticed from the map that, Istanbul, Ankara and Izmir have, as expected, high entrepreneurial abilities. Besides, Kocaeli and Bursa provinces, owing to their developed industrial structure, and Tekirdağ also seem capable to create entrepreneurship. There are two significant provinces classified within the first

degree developed provinces in terms of entrepreneurship: Burdur and Kayseri. It is better to focus on Kayseri. The forgoing indexes show that, Kayseri has a significant success in terms of development in Turkey, and it is definitely usual to expect that it may have a high entrepreneurial index value. However, being classified within the first degree developed provinces indicates that there should be a noticeable success which depends on its particular inherent abilities. Figure K-27 shows a comparison between Denizli, Gaziantep and Kayseri in context of this index.



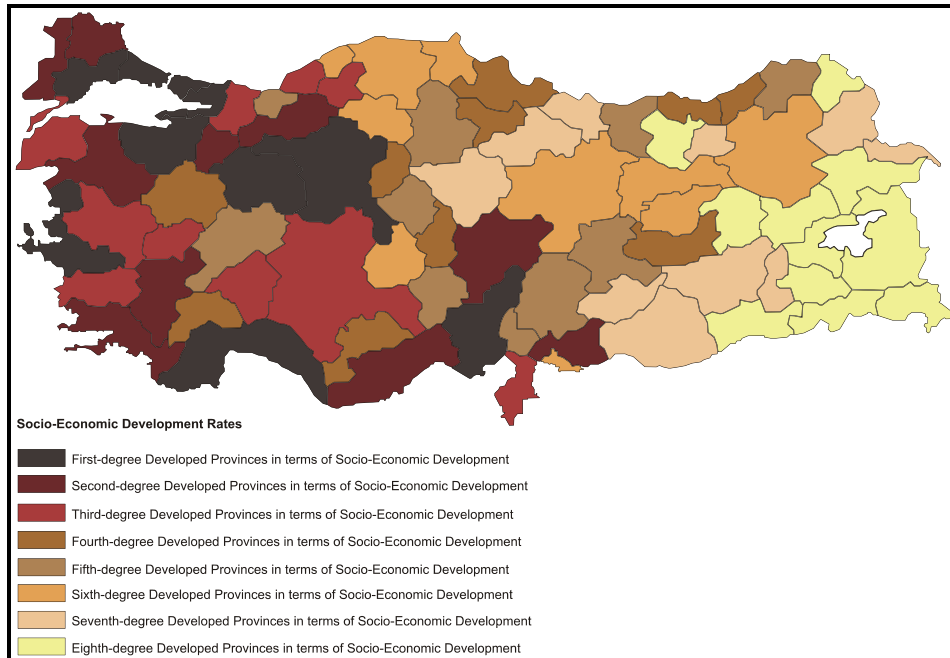
(Source, Pınarcıoğlu and Işık, 2004)

Figure K. 27. Entrepreneurship Index: a comparison between Denizli, Gaziantep and Kayseri

From the index values, Kayseri seems more capable to create entrepreneurship than Denizli and Gaziantep. There is a significant mass of studies in order to understand the inherent development efforts of Denizli and Gaziantep. These two provinces, no doubt, have great importance in the local development efforts in Turkey. In addition to them, it seems Kayseri has a significant importance that should not be underestimated.

K.6. General Indicators

The last index is named general indicators. This index is arranged from the socio-economic development ranking research of the State Planning Institute (SPA). There is a wide range of variables calculated within this research, and this ranking is officially used in order to evaluate the recent development situation of provinces in Turkey. It is possible to notice that, almost all indexes draw approximately similar pictures of regional development and regional disparities in Turkey. Figure K-28 shows the results of this index.



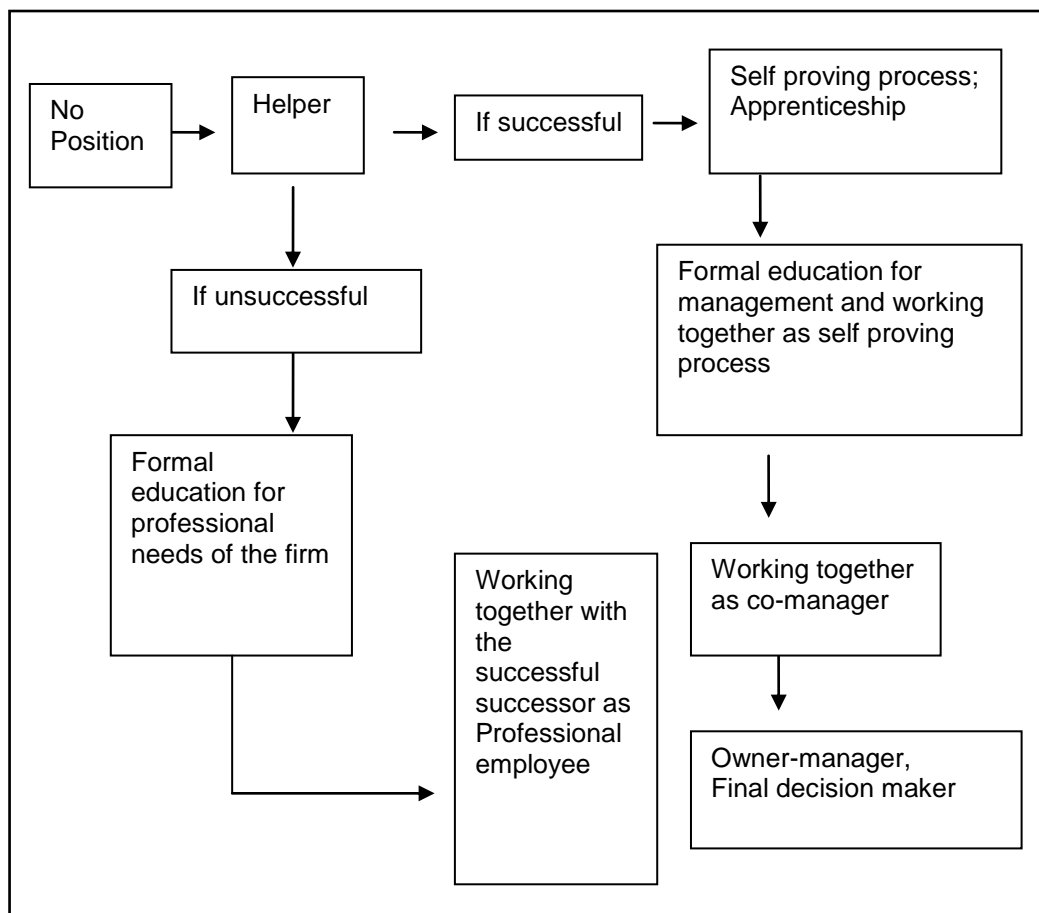
(Source: Arranged from the socio-economic ranking research of the SPA)

Figure K. 28. The Socio-Economic Development rankings of the SPA 2000

It is actually possible to assess this picture as the general development view of Turkey. Kayseri, above all, shows noticeable values that indicates its existing potentials and inherent capabilities.

APPENDIX L

L. THE MODEL OF LOCAL SUCCESSOR TRAINING IMPLIED WITHIN THE FAMILY FIRMS IN KAYSERI



(Source: Compiled by this research from the in-depth interviews with the family firm informants.)

Figure L. 1. The flow chart of the local successor training model of the family firms in Kayseri.

Table L. 1. Local Successor Training Model of the Family Firms in Kayseri

No Position	Step 0 First meeting with trade Step I First meeting with earning money	
Helper	Step II The first responsibilities If successful then step III _A	Step II_A If unsuccessful then formal education for professional needs of the company, then Step IV _A
Self proving and working together -formal education for management.	Step III_A The first positions in the firm Step III_B Self proving in the firm and in the local economic environment as helping co-manager with formal education for management	Approximately at Step III _B the beginning of the successor training of the successors' children
Working together as co-manager	Step IV Co-manager	Step IV_A Professional employee Working together with the successful successor as professional employee
Owner-manager -in the shadow of the predecessor until the death of the predecessor	Step V Owner-manager Sibling partnership. Successful successor as decision maker, unsuccessful successor as professional employee.	Increasingly becoming the predecessor

(Source: Compiled by this research from the in-depth interviews with the family firm informants.)

Step 0: The First Commercial Practices.

This step is composed of working in simple trade jobs, sometimes in marginal sectors like selling handkerchief and similar stuff and sometimes working with

the community grocery as a helper kid generally at the ages of 7 to 10. The main aim of this step is to provide a first meeting of the child successor with some simple trade practices. This meeting is hoped to be the first learning process of the flow of commodities from services to goods. This step is the first introduction to the master – apprentice relationship. This is step “0” because although some of the predecessors think this step is vitally important, some of them do not use this step and start directly from step I.

Step 1: The First Business Practices.

This step is composed of working part time with a relative or companion in terms of master – apprentice relationship, generally at the ages of 10 to 12, usually at summer times. At this step, the successor does not have a responsible position, is working in simple duties but has the responsibility to observe and learn the process of selling and buying in terms of the flow of commodities. The teaching process is a passive one and depends upon the successors’ abilities of learning by observing. The in depth interviews with the owners of the family firms in Kayseri show that the main aim of this step is to teach passively the successor what working is. It is hoped that this learning process of the successor will provide an understanding of the relationship between working and economic abilities. Most of the successors were born in an existing economic wealth. According to the owners of the family firms in Kayseri, the successor should learn that this existing wealth depends on working and trade. Besides, the successor should be aware of the difficulties of providing wealth by working. Because of this, the owners believe that the successor should be pressed under hard conditions in order to understand these difficulties by the relatives or the companions. According to them, this press will improve the eagerness of the successor to trade.

Step 2: The First Actual Responsibilities.

After the first step, especially at the ages of 13 to 15, the successor starts to work in a more responsible position. This step represents the first introduction of

the successor to the family firm. But sometimes the predecessor decides to make the successor stay in the companions' or relatives' firm. This step is still the main indicator of the successors' abilities. If the successor accomplishes this step, s/he will be considered to be able to begin the next step. But contrary to the former model, the successful successor will be directed to the formal management education. Similarly, the unsuccessful successor will also be directed to the formal education. However, this formal education is now directed to the professional fields which are required by the professionalization process of the firm. In this model, both successful and unsuccessful successors are directed to formal education but now the unsuccessful successor is not excluded from the firm.

The in depth interviews with the owners of the family firms in Kayseri show that the main purposes of this step are to assess and to test the abilities and the skills of the successor whether s/he can surmount the difficulties of the job. Contrary to the former model, the achievement of this step now opens up a new prospect to the successor; the formal education for management and leadership. Again, contrary to the former model, the failure of this step paves the way for a professional employee position to the unsuccessful successor after formal education. As the predecessors tend to deem that the management of the firm requires formal professional management education and the firm itself requires professionalization and institutionalization, both the successful and the unsuccessful successors should have formal education. However, the formal education of the unsuccessful one is for professional needs of the firm, not for management. The predecessors tend to deem that there should be collaboration between the successful and unsuccessful successors as successful one(s) responsible for management of the firm and unsuccessful one(s) as professional employees.

Step 2A: Formal Education for the Professionalization Needs of the Firm.

If the successor fails to achieve the step II, the recent model suggests a formal education relevant to the professional needs of the firm. This suggestion does

not pave the way for a management position to the unsuccessful successor, but eases a helping manager position like an accounting manager. This step, most importantly but partly, resolves the professionalization problems of the firm. The in depth interviews with the owner-managers of the family firm in Kayseri show that one of the most important obstacles to professionalization of the firm is the lack of trust. Almost all the firms in Kayseri primarily prefer a professional employee who was born in Kayseri and a member of a Kayserian family. However, the trust levels become higher when this professional employee is a member of their own family. Yet, it may be an inefficient way to the successful one in such positions, because it is expected that the successful one will take the management of the firm right after the succession transition process. So, many of the current managers deem that the unsuccessful successors can be and should be employed in such positions. The next step of this step is the step IV_A: The professional employee.

Step 3A: First Positions in the Firm.

At this step, the successor has a more responsible position as a helping manager. Besides, this step is the starting point of formal education for management. The successor now starts to have formal education and continues the informal education by part-time working in the family firm. This step has a greater importance than the same step in the former model, because the failures of the successor in this step in the former model were more tolerated by the predecessor, but in recent model, the failures may cause a turn-back to step II_A. Therefore the successor has a more responsible position which requires a meaningful flow of information from formal education to the firm. The part-time helper position of the successor continues in context of informal education.

This step still represents a self proving and starting of working together stages. According to the in depth interviews with the owner managers of the family firms in Kayseri, the main purpose of this step is to assess the existing and gaining qualifications of the successor whether s/he can surmount the job. Currently emerging needs to professionalize and to institutionalize require new solutions.

One of the most important solutions of this step is the assessment of the qualifications of the successor gained in the formal education. These qualifications are thought to be the most important indicator of the successors' ability to be the next manager of the firm. The achievement of the step III_A is a must for the next step. The failure results a turn-back to step II_A

Step 3B: Self Proving in the Firm, in the Local Economic Environment and in Formal Education:

This step is the indicator of the achievement of the step III_A. Though it is difficult to determine a specific point at a specific stage of the step III_A, it is expected that the successor has completed his / her formal education before starting this step., which is the first real full time working together step. The successor should be ready to carry more complicated responsibilities as an assistant manager. The most important difference between the two models at this step is the responsibility and knowledge qualification of the successor. The main responsibility of the successor becomes being a decision maker who decides the future of the firm about the subjects which the predecessor has limited knowledge. His / her decisions are started to be considered and the successor increasingly introduces the main decision making process as an important part of the firm. The successor is no longer considered to be an apprentice and becomes a master of some decisions due to his / her formal information gained in formal education.

At this step, the successor should prove himself / herself in terms of managerial abilities, which should be a sum of formal and informal education. Like the former model, the main purpose of this step is to assess the managerial qualifications of the successor. Also s/he should be prepared to be the owner-manager of the firm, which means the informal education still continues. Although the predecessor is the ultimate decision maker of the firm, s/he needs the information of the successor which was gained by the formal education process. This need carries the successor in a more responsible position, and the expectation from him / her increased in comparison to the former model. Some

trade agreements especially with the firms which are not in the traditional network of the firm are left to the successor. It is expected that s/he is able to provide new relations with different networks.

Step 4: The Co-Manager.

This is the partial transition process of the decision making from predecessor to successor. The equilibrium of working together gains weight of the successor side. The predecessor increasingly becomes a final check point of the decisions made by the successor. The successor becomes the co-manager of the firm. The most important thing at this step is the starting of the children of the successor to successor training. The main purpose of this step is to prepare the successor to complete the succession transition process.

Step 4A: Professional Employee: Working together with the other Successors

This step is completed at the same time with the step III_B. The unsuccessful successors now enter the firm as professional employees. This step is an interface of working together process of the successors. The successful one is the manager but, the unsuccessful ones are now professional employees and they should work together for the sake of the family and the firm.

Step 5: The Owner Manager.

The successor becomes the final decision maker of the company and the predecessor increasingly loses her/his decision maker position. But due to the traditional respect relations the final decisions are still advised to the predecessor. The predecessor has a symbolic position in the firm and the final decision maker position is passed to successor. Usually this step represents the step II for the children of the successor, which means the successor becomes the predecessor.

CURRICULUM VITAE

PERSONAL INFORMATION

Surname, Name: HOVARDAOĞLU, Ozan
Nationality: Turkish (TC)
Date and Place of Birth: 16 May 1977, Ankara
Marital Status: Married
Phone: +90 532 673 74 65
Email: ozanhovardaoglu@gmail.com

EDUCATION

Degree	Institution	Year of Graduation
MSc	Dokuz Eylül University City Planning	2002
BS	Dokuz Eylül University City and Regional Planning	2000
High School	Kocatepe Mimar Kemal Highschool, Ankara	1995

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