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**ATTITUDES OF TURKISH STUDENTS TOWARDS MARKETS:
A COMPARISON**

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Summary

This study evaluates attitudes of Turkish university students towards markets and influence of taking a course in economics on these attitudes, and compares the results with students in other countries. The study results show that the opinions of university students in Turkey about the justice of market relations are negative compared to students from other countries; and, unlike other countries' students, taking a course in economics does not change this attitude.

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1. Introduction

How does living for many years within a state-controlled economic system affect attitudes to the market? This question has received a lot of attention among academics and policymakers in the wake of the political system changes that took place in socialist/communist countries from the end of the 1980s, and a number of studies addressing this issue have been conducted since the beginning of the 90s. As expected, some of these studies (Alesina and Fuchs-Schündeln, 2007, Mason, 1995) found citizens of former socialist countries to be more distant to market outcomes and have a greater tendency to support state intervention as compared to those who had never lived in such an economic system. However, some other studies (Shiller, Boycko and Korobov, 1991; Hemesath and Pomponio, 1995) showed countervailing results. Moreover, abovementioned studies¹ also indicate variations among citizens of the former socialist countries, capitalist countries and within countries, implying the influence of other variables, such as education, gender and age on people's attitudes towards markets.

Mason (1995) reports that education is a particularly important determinant of people's attitudes towards market mechanisms, with a positive correlation between support for the market and a higher level of education. A comparison of the results of two studies which used the same survey questions in the the same countries (USA and Russia), one on unspecified citizens (Shiller, Boycko and Korobov, 1991) the other on university students (Hemesath and Pomponio, 1995) showed the students to be more market friendly than the general public. More specifically, Whaples (1995) and, Breden and Lephardt (2005) show that taking a course in economics changes the belief of students about the justice of the market. After students take an economics course, they think that market solutions are fairer, irrespective of their teachers' differing ideologies.

¹ See also Breden and Lephardt, (2002, 2005).

The Turkish Republic has a strong state tradition in economics and politics. Throughout the 87-year history of the Republic, the state has always played a dominant role in the economy.² Even after the 1980s, when the first steps were taken for the transition to a market economy, the state continued to play an active role in the economy, although the methods of interventions changed.³ It may be expected that growing up within this tradition has impacted the attitudes of Turkish people to the role of the market and related issues of justice.

A recent survey⁴ conducted in 2010 by a polling firm, GlobeScan showed support for the free market in Turkey to be the lowest of the 25 countries polled. According to survey results, only 27 percent of Turks ‘strongly’ or ‘somewhat’ agree that the free market is the best system for the world’s future. This ratio is well below not only developed countries like Germany (68 percent) and the US (59 percent) but also developing countries like Kenya (61 percent) and Nigeria (58 percent).

The aim of this study is to evaluate the attitudes of Turkish university students towards the market and seek answers to two main questions:

- Are the attitudes of university students living in Turkey towards the operation of market mechanisms different from those of a) other countries and b) its general public?
- Does taking economics course influence the attitudes of Turkish students towards market mechanisms?

The method used in the study is examined in the following section. The third section gives the study results. The last section concludes the paper.

2. Method

In their pioneering work published in 1991, Shiller, Boycko and Korobov conducted a 36-question survey in order to examine the differences in perception between people living at the heart of the capitalist system (New Yorkers) and those living in the capital of socialist system (Muscovites) with regard to the operation of market mechanisms. Later, the same survey administered to Iranians by Habibi (1995), and to Chinese, American and Russian university

² See. Bugra (1994) and Heper (1991) for the dimensions of state intervention in the Turkish economy.

³ During the 1990s, even the prime minister of Turkey referred to it as the ‘last socialist country’, implying the predominance of the state in the economy and resistance against the efforts to change the *status quo*.

⁴ For a summary of the survey see www.globescan.com/news_archives/radar10w2_free_market/

students by Hemesath and Pomponio (1995). Whaples (1995) examined the impact of receiving economics education on attitudes towards the market by using six questions from the Shiller, Boycko and Korobov survey.

In this study, questionnaire surveys containing the same⁵ six questions used in the study by Whaples (Table 1) were administered to 571 students at four universities in Turkey, in the 2009-2010 academic year. Of the participating students, 422 had completed a two-term introductory course in economics, while the remaining 149 had taken no economics courses. Then, comparisons were made between the responses of (1) U.S.A, Russian and Chinese university students (in the study by Hemesath and Pomponio) and Turkish students, and (2) Turkish students who had taken an introductory course in economics and those who had not.

Table 1 is about here

The present study was compared with that of Hemesath and Pomponio rather than Shiller, Boycko and Korobov because while the latter reflected the opinions of the general public, the former study reflected just the opinions of university students. A review of the studies shows that attitudes of students and average citizens differ at least in two respects. First, as mentioned above, students in higher education are more positive towards markets compared to average citizens. The second difference is related to participants' capacity for systematic reasoning. The logic of the 1st, 2nd and 4th survey questions is the same (a rise in price as a result of an increase in demand). Nevertheless, the general public gives different answers, while the answers of the students were consistent (Whaples and Hemesath and Pomponio). In studies of students, most replied 'yes' to all three questions. Therefore, it was thought that it would be more meaningful to compare two student groups.

One of the most important limitations of the present study, it should be noted, is that there was a 15-year gap between the studies being compared.

3. Results

⁵ With currencies switched from US dollars to Turkish Liras (TL)

In Table 2, the ratios of 'yes' answers given by Turkish students are compared with those of U.S.A, Russian and Chinese students from the study by Hemesath and Pomponio. In all the questions except for the sixth, there is a significant difference between Turkish students and the others in terms of attitude towards the market.

Table 2 is about here

In the first, second and fourth questions, Turkish students made contradictory evaluations, unlike their counterparts and as previously reported for the general public of other countries. While most Turkish students expressed the view that the 'increase in rents' and 'table prices' due to increase in demand was fair, they did not find the rise in flower prices due to an increase in demand fair. The ratio of 'yes' answers to each of three questions was significantly lower than the students of other countries.

Answers to Question 3 showed that 68% of Turkish students have positive attitudes towards the idea of state intervention in the economy. This percentage is higher than the students of other countries.

In the present study, 57% of Turkish students find it morally acceptable that enterprises purchase fruit and vegetables cheaply from rural producers and sell them more expensively in the city. However, this percentage is lower compared to the students of other countries.

Most Turkish students expressed positive towards 'money exchanges'. While the ratio of positive responses to this question was significantly higher than that of Chinese students, there was no significant difference between Turkish and American students.

Table 3 shows how taking a course in economics affects the attitude of students towards the market. The results show that, unlike the students in the U.S, taking an economics course does not lead to any change in attitudes towards the market among Turkish students. Even is the course tutor's positive view of the market does not influence student views (Table 4).

Tables 3 and 4 are about here

4. Conclusion

In conclusion, the study results show that the opinions of university students in Turkey about the justice of market relations are generally negative compared to students from other countries; furthermore, unlike in other countries, taking a course in economics does not change this attitude.

The motives behind this negative attitude and resistance to change are worthy of attention. However, this requires further research, and is beyond the scope of this paper.

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Table 1

Fairness Questionnaire

Answer Yes or No.

1. A new highway makes travel between a city and summer homes positioned along the highway substantially easier. Accordingly, summer homes along this highway become more desirable. Is it fair if rents are raised on summer homes there?

2. On a holiday, when there is a great demand for flowers, their prices usually go up. Is it fair for flower sellers to raise their prices like this?

3. Should the government introduce limits on the increase in prices of flowers, even if _____ it _____ might produce a shortage of flowers?

4. A small factory produces kitchen tables and sells them at 200 TL each. There is so much demand for the tables that it can not meet it fully. The factory decides to raise the prices of its tables by 20 TL, when there was no change in the cost of producing tables. Is this fair?

5. A small business buys vegetables from some rural people, bring the vegetables to the city, and sells them, making from this a large profit. The company honestly and openly tells the rural people what it is doing, and these people freely sell the company the vegetables at the agreed price. Is this behavior of the company, making large profits using the rural people, acceptable from moral point of view?

6. You are standing in a long line to buy something. You see that someone comes to the line and distressed that the line is so long, saying he is in a great hurry and absolutely must make this purchase. A person at the front of the line offers to let him take his place in line for 10 TL. Would you be annoyed at this deal though it won't cause you wait any longer?

Table 2 Percentage Responding ‘Yes’ to Each Question

Questions	Turkey	USA	China	Russia	Is the difference statistically significant? (1)
1. Is it fair to raise rents?	74	84	84	86	YES*
2. Is it fair to raise flower prices?	43	88	83	77	YES*
3. Should government limit the increase in flower prices?	68	10	44	13	YES*
4. Is it fair to raise table prices?	59	82	73	64	YES**
5. Is it fair that middleman make a large profit?	57	78	76	75	YES*
6. Would you be annoyed when someone sells/buys a place in line?	66	63	50	76	YES*
Sample size	571	251	231	361	

(1) For all questions, except the third, comparisons are made between Turkey and the country with lowest percentage. In question three, Turkey is compared with the country which has the highest ‘yes’ ratio.

* at 1 percent level

** at 10 percent level

Table 3 Percentage Responding 'Yes' to Each Question

Questions	Before the course	After the course	Is the difference statistically significant?
1. Is it fair to raise rents?	0.71	0.75	NO
2. Is it fair to raise flower prices?	0.40	0.45	NO
3. Should government limit the increase in flower prices?	0.64	0.69	NO
4. Is it fair to raise table prices?	0.47	0.64	YES*
5. Is it fair that middleman make a large profit?	0.60	0.56	NO
6. Would you be annoyed when someone sells/buys a place in line?	0.68	0.65	NO
Sample size	149	422	

* at 1 percent level

Table 4 Does teacher's economic worldview effect results?

Questions	Liberal	Others	Is the difference statistically significant?*
1. Is it fair to raise rents?	75	75	NO
2. Is it fair to raise flower prices?	44	45	NO
3. Should government limit the increase in flower prices?	70	68	NO
4. Is it fair to raise table prices?	64	63	NO
5. Is it fair that middleman make a large profit?	57	55	NO
6. Would you be annoyed when someone sells/buys a place in line?	62	67	NO
Sample size	174	248	

* at 1 percent level