SPECIFIC STUDIES IN MANAGEMENT, STRATEGY, ECONOMY AND SOCIAL SCIENCES

EDITED BY
Umut Tolga GÜMÜŞ

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PREFACE

Social economics is the social science that examines interrelation between economic activities and social behaviour. In addition, social economics analyzes how financial events affect society and how they are affected by new developments.

This discipline, also known as socioeconomics, analyzes how societies are affected by economic incidents, how the social economy develops, grows, stagnates and declines. In order to do this, socioeconomics uses many statistical and economic models.

Socio-economic structure is formed by the combination and interplay of many factors such as population, labor force, agriculture, tourism, industry, real estate and construction or income. In this respect, socio-economic development should be evaluated according to the results obtained by combining statistical and social dimensions of many variables.

Social economists sometimes apply the tools of other social sciences such as psychology or sociology. For examle, they may examine the factors that relate to a person's educational level or involvement in crime or violence.

Social change and economic development directly affect each other. In this respect, this book contains 5 valuable studies in the field of socio-economics.

I would like to thank the academicians who have worked in this field and contributed to the creation of this book, and I wish the continuation of their work in terms of the development of academic literature.

Dr. Umut Tolga GÜMÜŞ
October 2023, Ankara, (Aydın)

CHAPTER 1

COMPARISON MACHINE LEARNING CLASSIFICATION ALGORITHMS TO ANALYSIS THE BIG TEXT DATA

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INTRODUCTION

Recently, the field of marketing and customer relations has experienced significant transformations, largely driven by the widespread adoption of digital technologies and the ever-growing influence of social media platforms. The emergence of social media as a powerful communication channel has revolutionized the way businesses interact with their target audience. As a result, companies are now faced with an unprecedented influx of data, generated through online platforms and consumer interactions. This surge in data can be attributed to the widespread use of the internet and the integration of social media platforms into our daily lives. The advent of social media has resulted in an unprecedented influx of information, generating an overwhelming volume of data. There are 5.6 billion people using the internet, with 4.76 billion people actively using social media (We Are Social, 2023). The tremendous interest and engagement observed in social media platforms reflect the significant impact they have on society. Consequently, a vast amount of data is being collected and accumulated. Current estimates suggest that the amount of data being generated on a daily basis is reaching unprecedented levels. The projected global data creation is expected to witness a rapid increase, with the total amount of data created, captured, copied, and consumed estimated to reach 64.2 zettabytes in 2020. Furthermore, it is anticipated that over the next five years leading up to 2025, global data creation will experience significant growth, surpassing 180 zettabytes (Statista, 2023). Due to the exponential growth of data, often referred to as "big data” , Machine Learning (ML) has gained immense popularity.

The substantial increase in data volume has necessitated the development of new analytical methodologies. Data mining has emerged as a crucial process for analyzing big data (Wu, et.al., 2023; Sowmya and Suneetha, 2017). At the core of data mining lie sophisticated algorithms (Mughal, 2018) that enable the extraction of meaningful insights and patterns from vast datasets. Machine Learning algorithms, specifically designed for analyzing big data, play a pivotal role in this regard. The demand for advanced analytical techniques to effectively process and derive valuable insights from big data has driven the widespread adoption and application of machine learning methodologies (L'heureux, et. al., 2017; Depari, et.al. 2023; Seo, et. al., 2023).

Listening to the Voice of the Customer (VoC) holds paramount importance within the realm of marketing science, contributing indispensably to competitiveness, customer satisfaction, and the comprehensive comprehension of customer preferences (Aguwa, et. al., 2012). As the volume of feedback data increases, the analysis of this data becomes increasingly complex. Proper analysis of this data has been shown to have a positive impact on various aspects, such as improving sales (Chen et al., 2004), facilitating new product development (Diyadin-Lenger and Candemir, 2023), enhancing companies' marketing strategies (Rosário and Raimundo, 2021), and gaining insights into consumer behavior and lifetime value. In this context, this paper aims to provide a new and practical perspective on consumer insights and marketing methodology.

The primary objective of this study was to determine the most effective ML classification method for analyzing consumer feedback. Four widely used classification methods, namely Support Vector Machine (SVM), K-Nearest Neighbor (KNN), Naive Bayes, and Decision Tree, were compared against each other. These algorithms were selected due to their prevalence in existing literature and their suitability for text analysis tasks. The dataset comprised 72,500 customer comments obtained from various product categories on Amazon.com. To ensure data completeness, a dataset from Kaggle was utilized, thereby minimizing the presence of missing data. Additionally, the dataset was homogenized to reduce standard deviation and address potential issues associated with data discrepancies. By employing a prepared dataset with clear and consistent data, the study aimed to focus on discerning the variations and disparities among the selected algorithms.

Literature Review

Modern business organizations are progressively harnessing a diverse array of data sources, which encompass inputs procured from external entities such as partner companies, official records, and competitive counterparts. The quest for strategic advantages compels companies to delve into realms previously uncharted. Among these multifarious sources, the acuity of customer feedback surfaces as an indispensable asset, wielding a profound influence on the trajectory of a company's success (Obradović et al., 2022; Alexander et al., 1997). This significance is rooted in the intrinsic value of the Voice of the Customer (VoC), a potent conduit that furnishes substantive insights and targeted panaceas for specific conundrums. One such intricate issue pertains to the optimization of novel product processes (Gremyr et al., 2022; Birch-Jensen et al., 2020; Oja et al., 2010), wherein the pragmatic application of customer feedback can be transformative.

Noteworthy, in this context, is the symbiotic relationship between effective utilization of customer feedback and the refinement of ongoing product designs (Bleda et al., 2021). This dynamic extends to the avant-garde realm of pioneering products (Maddulapalli et al., 2012), a domain inextricably linked to technology-intensive sectors defined by their intricate research and development endeavors (Lenger-Diyadin and Candemir, 2023). The emergent correlation between the quantum of customer feedback and the resonance of innovative products is not to be understated. Evidentially, the research of Yao et al. (2009) underscores the premise that an augmented flow of feedback, coupled with a diminution in discordant feedback instances, augments the embrace of innovative offerings. This nuanced interplay is moderated by the level of feedback inconsistency, an intricate dimension adding layers of complexity to the understanding of customer acceptance dynamics. Intriguingly, it is demonstrated that excessively negative feedback wields a disproportionate influence when juxtaposed with moderately negative or exceptionally positive feedback counterparts (Yao et al., 2009).

Companies endowed with the proficiency to adeptly capture and lucidly visualize substantive volumes of VoC data are intrinsically empowered to undertake a proactive stance in addressing customer grievances and discontent (Seo et al., 2020). For illustrative purposes, a recent example culled from the Iranian automotive sector, as elucidated by Amoozad Mahdiraji et al. (2022), traverses the terrain of investigative analysis. The study's purview extends to an exhaustive scrutiny of 3,342 customer complaints, an exercise that offers granular insights into the nuanced tapestry of customer sentiments. Of these complaints, a substantial subset, numbering 1,027, emanates from diverse geographical zones and coalesces around a specific vehicle model manufactured by a distinct automotive company. Notably, this cross-section of complaints converges on service-related and financial domains, encapsulating issues such as delivery latency, computation of installment payments, price variances, procedural delays in registrations, and deviations from stipulated product provisions.

The contemporary framework underscores the symbiotic integration of Lean principles with customer feedback tools, imparting a transformative impetus to the realm of operational efficiency and performance augmentation (Di Pietro et al., 2013). This multifaceted relationship augments the conceptual landscape of customer-centric paradigms, galvanizing iterative refinement cycles by fusing customer insights with operational excellence frameworks. The efficacy of this synergy is underscored by the tangible outcomes evidenced within a cross-section of sectors.

The salience of VoC data extends beyond the sphere of product-oriented enterprises, encompassing the domain of service-producing entities. A standardized and automated conduit for information exchange, orchestrated between travelers and transportation service providers, serves as a crucible for the evaluation and subsequent enhancement of public transport service quality (Stelzer et al., 2016). Moreover, the enmeshment of VoC as an internal compass engenders a transformative paradigm shift. For roles within the customer-centric continuum, such as retail employees, the accrual of customer data furnishes a fertile ground for enriching customer-company interactions, optimizing service workflows, and amplifying delivery systems (Celuch et al., 2015; Hu et al., 2016). Furthermore, it has been posited that the inflow of positive customer feedback exerts a salubrious influence on the organizational climate, underpinning a positive organizational ethos. Conversely, negative feedback reverberates as a dissonant note, unsettling the harmony of organizational equilibrium (Kipfelsberger et al., 2016).

However, the operationalization of VoC data remains elusive for numerous companies, and this dichotomy can be attributed to the complexity underpinning data analysis processes. While the task of data collection has undergone a metamorphic evolution, accommodating not only traditional methodologies like surveys and focus groups, but also harnessing web-based feedback mechanisms (Sampson, 1998), the discernment of actionable insights within voluminous datasets remains a formidable endeavor. The advent of social media platforms, such as Twitter and Facebook, has proffered agile alternatives for the expeditious acquisition of customer feedback (Chung et al., 2022). This epoch heralds the dawn of digital Voice of Customers (dVoC), wherein patrons share their experiential narratives across virtual platforms, thus amplifying the resonance of customer voices within the digital landscape. Encompassing a spectrum of customer sentiments, dVoC manifests as a dynamic force of influence, shaping and steering organizational trajectories with its emotive resonance and empirical insights (Barravecchia et al., 2023). The potency of attentive listening to VoC augments an organization's capacity for customer loyalty cultivation, responsiveness amplification, and operational efficiency optimization (Rajendran, 2021).

Yet, the criticality of analyzing such sprawling volumes of data unveils a challenging panorama. This exigency is particularly pronounced when the context of customer feedback is broached, given that feedback data invariably assumes a textual guise. The intricacies embedded within the textual nature of this dataset warrant the adroit application of text mining methodologies. Consequently, an instrumental focus of contemporary research initiatives is the enhancement and refinement of text mining techniques (Ordenes et al., 2014). Within this paradigm, the fusion of machine learning classification techniques and text mining methodologies emerges as an empirically informed approach. However, the conundrum persists: selecting the most efficacious technique amidst the landscape of machine learning methods. While certain algorithms ascend to prominence within the academic discourse, their contextual efficacy remains subject to empirical scrutiny and validation, wherein an algorithm's performative merits are contingent on the idiosyncrasies of the dataset and the analytical lens applied. As corroborated by Clarivate data, a landscape of algorithmic preference emerges, as delineated within Table 1. In this labyrinth of algorithmic exploration, a caveat is in order: algorithmic efficacy does not uniformly traverse diverse datasets. This dynamism mandates an attuned approach to algorithmic selection, one that amalgamates theoretical purview with empirical validation, culminating in judicious algorithmic deployment and thus enriching the analytical tapestry of customer feedback exploration.

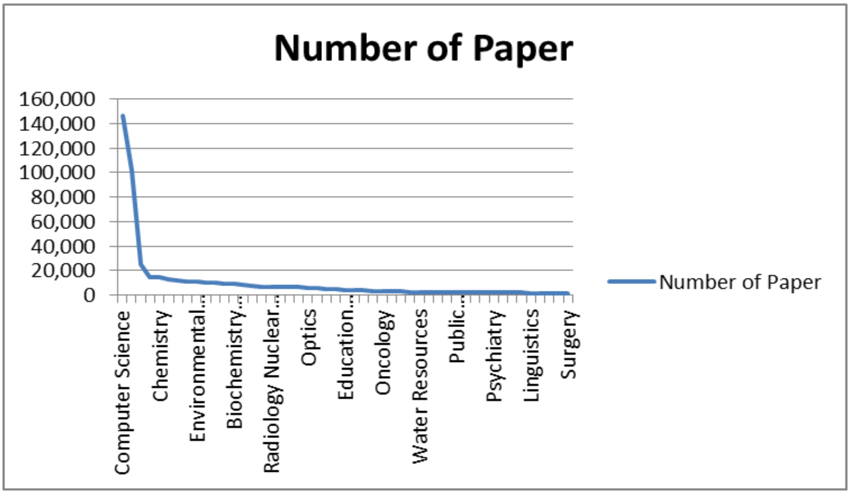
Table 1: Number of Papers According to the Algorithm

Algorithms	**Number of Paper**
SVM	119,561
Decision tree	63,445
kNN	17,142
Naive Bayes	14,746
Total	**214,894**

Edited by the author.*

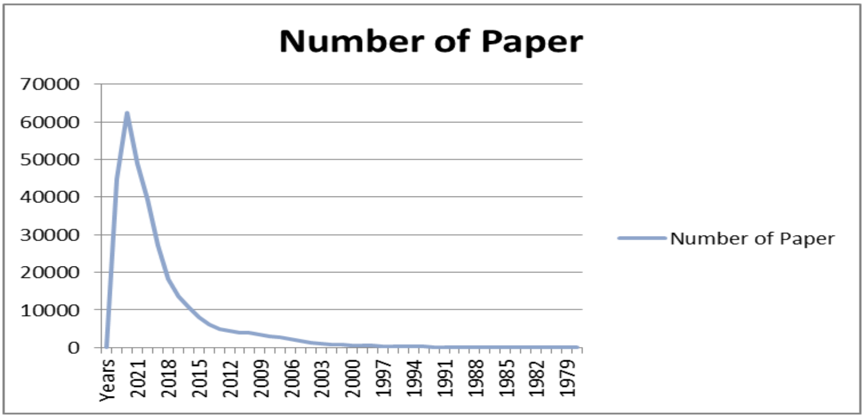
According to the data presented, the algorithm with the highest number of papers is Support Vector Machine (SVM), with a total of 119,561 papers. Following SVM, the Decision Tree algorithm has

63,445 papers associated with it. The k-Nearest Neighbor (kNN) algorithm is represented by 17,142 papers, while Naive Bayes has 14,746 papers. Overall, the total number of papers across all algorithms is 214,894. This data suggests that SVM is the most extensively studied and researched algorithm in the given context, followed by Decision Tree, kNN, and Naive Bayes.



Graph 1 (Edited by the author): Number of Paper According to the Research Area

It can be seen from Graph 1 that machine learning algorithms are being widely adopted across various fields for data analysis. As per the information from Clarivate, computer science stands out as the primary area utilizing these algorithms, which is not surprising given its close relationship with the development and advancement of machine learning. However, it is worth noting that the application of machine learning extends far beyond computer science. From government law to pathology, urology nephrology to cultural studies, a wide range of disciplines and industries are incorporating machine learning methods into their research and analysis processes. This widespread adoption and utilization of machine learning algorithms across diverse areas indicate its popularity and relevance in the current literature. The versatility and effectiveness of machine learning techniques make them attractive tools for extracting insights and patterns from complex datasets. The interdisciplinary nature of machine learning allows it to be applied across various domains, promoting innovation and advancing knowledge in different fields.



Graph 2 (Edited by the author): Number of Paper According to the Years

As evidenced by the data presented in Table 2 based on the Clarivate dataset, Machine Learning is not a recent topic but has a substantial historical presence. The first publication related to Machine Learning dates back to 1977, indicating that scholarly interest in this field extends several decades. Over time, the number of research papers addressing Machine Learning has experienced a notable increase. However, it is crucial to note that a significant surge in scholarly contributions occurred after 2003, marking a turning point in the academic discourse on Machine Learning. Subsequently, the volume of published papers reached the thousands, and starting from 2014, it escalated even further, reaching tens of thousands. The year 2021 stands out with the highest number of publications on record, totaling 62,359 papers dedicated to Machine Learning. This exponential growth in the number of publications signifies the heightened attention, interest, and significance assigned to Machine Learning across diverse academic domains. The substantial scholarly output underscores the recognition of Machine Learning's potential, and its application has permeated various research disciplines. Consequently, this dynamic landscape reflects the continuous evolution and widespread adoption of Machine Learning methodologies in academia and beyond.

Methodology

The primary objective of this research was to determine the most effective machine learning classification method among Support Vector Machine (SVM), K-Nearest Neighbor (KNN), Naive Bayes, and Decision Tree algorithms. The selection of these algorithms was based on their frequent utilization in existing literature. Hence, these four algorithms were chosen for comparative analysis.

The dataset used in this study was obtained from Amazon.com and comprised consumer reviews across various product categories, including shoes, perfumes, accessories, cosmetics, computers, laptop accessories, clothes, and more. The data, consisting of 72,500 instances, can be considered substantial and falls within the realm of big data. Prior to analysis, efforts were made to ensure data homogeneity, reducing the standard deviation resulting from heterogeneous data. Accessing and obtaining clean data for analysis presented challenges. Ethical considerations were addressed to obtain consumer consent and ensure compliance with privacy regulations. Additionally, purchasing data from companies for research purposes was not deemed suitable, underscoring the importance of utilizing open-access platforms like Kaggle to acquire ready-to-use data.

The dataset encompassed various attributes, including "reviewId," "reviewDate," "mainDepartment," "subDepartment," "productName," "reviewTitle," "reviewStar," "reviewText," and "inconsistentStatus." However, for the purposes of this analysis, only "inconsistentStatus" and "reviewText" were utilized. The textual data was analyzed in conjunction with the associated star ratings. The conversion of text data to numerical values was crucial, with stars serving as a representation of sentiment. Negative comments were indicated by ratings of "1" or "2," positive comments by ratings of "4" or "5," while reviews with a rating of "3" were considered neutral and excluded from the analysis. Python programming language was employed for the analysis of the textual data. Leveraging the software's capabilities, the researchers conducted the necessary preprocessing and implemented the chosen machine learning algorithms to evaluate their effectiveness in handling the given dataset.

Results

In the context of this empirical inquiry, the researchers undertook a meticulous and systematic comparative investigation into a selection of prominent machine learning (ML) classification algorithms, with the overarching aim of delineating the preeminent methodological avenue for the purpose of discerning patterns and insights within text data. The algorithms that were subjected to rigorous scrutiny encompassed the Support Vector Machine (SVM), Naive Bayes, Decision Tree, and K-Nearest Neighbor (KNN) frameworks, each representing distinctive paradigms within the broader ambit of ML. To fortify the analytical robustness and ascertain the optimal parameterization, a comprehensive spectrum of test-train split proportions was methodically explored.

This scholarly foray entailed the deployment of diverse training and testing data ratios, including but not limited to the configurations of 70% training - 30% testing, 90% training - 10% testing, 80% training - 20% testing, and 80% training - 20% testing. This constellation of training-testing stratagems was judiciously employed to orchestrate a rigorous evaluation of the algorithms' performance, with a particular focus on the ascendancy of accuracy as a cardinal performance metric. The accuracy rate, serving as a quintessential metric of efficacy, bespeaks the fidelity with which the model under consideration aligns with the ground truth. Ideally, this metric gravitates towards the pinnacle of the scale, approximating a value of 100% as an emblem of optimal congruence.

Nevertheless, in cognizance of the inherent complexity and noise intrinsic to real-world datasets, a pragmatic threshold of minimal acceptability is delineated, stipulating an accuracy rate not descending below 0.70. This threshold assumes significance as a critical demarcation that substantiates the model's capacity to engender insights of substantive utility. The culminated results of this meticulous analytical endeavor are judiciously collated and lucidly presented within the confines of Table 2, encapsulating the quintessence of the algorithms' performance across the diverse spectrums of training-testing configurations.

Table 2: Algorithms Accuracy Rates and the test-train split rates

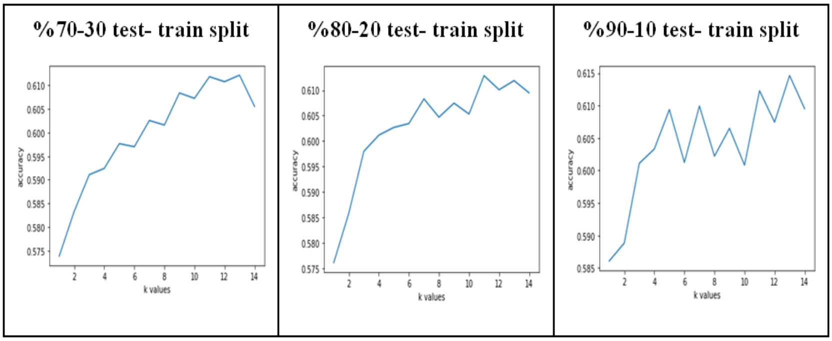
Test -Train Split rates	Algorithms	Accuracy Rates
70/30	SVM	0.655
	kNN	0.611
	Naive Bayes	0.585
	Decision Tree	0.594
80/20	SVM	0.654
	kNN	0.612
	Naive Bayes	0.588
	Decision Tree	0.599
90/10	SVM	0.658
	kNN	0.614
	Naive Bayes	0.588
	Decision Tree	0.602

The comprehensive analysis conducted on a substantial dataset comprising 72,500 instances of customer feedback has yielded congruent outcomes across the applied classification methodologies. Amongst the diverse algorithms under consideration, it becomes evident that the Support Vector Machine (SVM) algorithm showcases the highest performance, manifesting an accuracy rate that attains a value of 0.655. Notably, the algorithm manifesting the second-best performance is identified as the K-Nearest Neighbor (KNN) algorithm, followed sequentially by the Naive Bayes and Decision Tree algorithms.

However, it is incumbent upon us to underscore the recognized convention that optimal model effectiveness materializes when accuracy rates exceed or attain a threshold of 0.70. In light of this benchmark, an assessment of our obtained accuracy rates reveals their insufficiency in meeting the prescribed efficacy threshold. This culmination subsequently facilitates the inference that the model's operational performance falls short of the desirable standard.

Each algorithm instantiated within this investigatory framework operates within distinct and delineated methodological paradigms. However, it merits specific elucidation that the K-Nearest Neighbor (kNN) algorithm, in particular, is contingent upon the judicious selection of the parameter "k." The value of "k" assumes pivotal significance, as it plays a pivotal role in determining the efficacy of the algorithm. Through the discerning determination of an optimal "k" value, the accuracy rates of the models can be substantially enhanced, thus proffering the promise of augmented performance.

In the pursuit of elucidating the quintessence of the optimal "k" parameter, a comprehensive graphic representation was meticulously generated through the utilization of the Python programming language. This visual exposition serves as a medium for transparently conveying the intricate interplay between the values of "k" and the consequential accuracy rates engendered by the K-Nearest Neighbor algorithm. The following elucidation encapsulates the graphical manifestation of this crucial relationship, thereby enriching the analytical depth and interpretability of the results underpinning this scholarly endeavor.



Graph 3: k Values and Accuracy for Different Test Train Split

Within the extant corpus of scholarly discourse, a recurrent observation reverberates that the selection of the "k" value in the K-Nearest Neighbor (kNN) algorithm often gravitates towards the heuristic choice of 3. Building upon this established backdrop, the present study embarked on a methodical investigation, utilizing the furnished dataset, wherein the parameter "k" was initially instantiated at 3, yielding an accuracy rate of 0.593. However, cognizant of the multitudinous dimensions and complexities enveloping optimal parameter selection, a more expansive parameter exploration was undertaken, encompassing an exhaustive spectrum of "k" values ranging from 1 to 30. It is noteworthy to acknowledge that as the parameter "k" approached the vicinity of 15, a discernible repetition in outcomes was observed, fostering a pivotal juncture of analytical reflection.

Amid this contemplative backdrop, the interval of 1 to 15 was judiciously identified as the most germane range for scrutinizing and selecting the optimal "k" value. Deeper penetration into the experimental results discerned a salient pattern manifesting within the range of 15 to 17.5, where the apex of accuracy rates was consistently situated. Building upon this empirical foundation, a meticulous examination culminated in the determination of the optimal "k" value for the given dataset as 11, yielding an accuracy rate of 0.611 within the parameters of a 70% training - 30% testing split. Consequently, the valorization of the "k" value of 11 emerged as the quintessentially prudent course of action, crystallizing as the bedrock upon which subsequent analytical inquiries could be erected.

Bolstering this exploratory odyssey, the trajectory of investigation diverged to encompass the exploration of optimal "k" values across distinct test-train split configurations, namely 90% training - 10% testing and 80% training - 20% testing. Within the 90% training - 10% testing split, the optimization process revealed a peak performance emerging at a "k" value of 13, thus concretizing an accuracy rate of 0.614. Similarly, for the 80% training - 20% testing split, the pinnacled "k" value stood at 11, yielding an accuracy rate of 0.612. These rigorous explorations and parameter optimizations collectively underpin the meticulous endeavor undertaken in pursuit of elucidating the most efficacious "k" values for diverse test-train partitions, thereby solidifying the analytical underpinning of subsequent investigatory paradigms.

CONCLUSION

In the present scholarly inquiry, the primary objective of the researchers was to elucidate the inquiry in question, namely, "To what extent can various machine learning classification algorithms yield optimal outcomes when deployed for the comprehensive analysis of textual data?" The possession and judicious utilization of data have assumed paramount significance across a spectrum of industrial sectors, with a particular emphasis on data originating from the clientele, which assumes a pivotal role in the landscape of contemporary business operations. These reservoirs of data proffer an untapped potential to be harnessed for the augmentation of products and services, the refinement of multifaceted marketing strategies, the streamlining of intricate production processes, and an array of associated ventures. However, the profound analytical scrutiny that these voluminous datasets demand remains a formidable endeavor, primarily attributable to the intricacies emanating from their sheer volume and inherent complexity. The requisite methodologies for the meticulous dissection of such data necessitate alignment with the intrinsic ethos of the corporate entity in question.

Within the scope of the current empirical undertaking, a comprehensive evaluation encompassing an array of classification algorithms was meticulously orchestrated, and its cardinal aim was the discernment of the most efficacious modality for the systematic analysis of textual data. The empirical findings derived from these methodological pursuits substantiate that a quartet of discrete machine learning algorithms yielded results of a remarkably congruous nature when they were methodically operationalized within a meticulously curated framework of homogenous datasets. The assiduous curation of these datasets, grounded in the imperative of circumventing potential complications stemming from incongruities in data, stands as a noteworthy facet. It is noteworthy that the systematic analysis of the instantiated data corpus evinced a marginally discrepant range in the performance metrics characterizing the aforementioned classification algorithms. However, it is incumbent upon the discerning investigator to acknowledge the potential for a nuanced deviation in outcomes when confronted with datasets of a divergent ilk. To elucidate this further, it should be underscored that a dataset exhibiting a perceptible skew toward a positive valence in sentiments would inherently yield outcomes of a markedly divergent nature. Furthermore, a pivotal point of consideration arises in the event of the data volume exceeding or falling below the inflection point defined by a cardinal threshold of 72,500 records. The intricate dynamics engendered by shifts in data volume or homogeneity remain the subjects of profound complexity and exhibit a certain level of resistance to unequivocal categorization. It is germane to underscore that a substantial augmentation of the model's performance trajectory necessitates its concomitant enrichment through the assimilation of an expansive and comprehensive dataset.

The analytical exploration of textual data is juxtaposed against the backdrop of distinct challenges when contrasted with the domain of digital or numerical data. Textual data, by dint of its inherent nature, is imbued with a unique set of attributes that confer upon it a distinctive status. The selection of English language text data as the focus of analysis is underpinned by the preeminence accorded to lexicon-driven dynamics, which, in turn, renders it inherently amenable to superior efficacy vis-à-vis alternative linguistic paradigms. Accordingly, it is posited that the potential for substantial deviations in analytical outcomes assumes a heightened likelihood in scenarios where the ambit of analysis is extended to encapsulate alternative linguistic frameworks.

In the realm of academic inquiry, the domains of text mining and machine learning constitute seminal arenas of intellectual discourse and scholarly exploration. It is within the compass of this study that a foundational cornerstone is laid, serving as a conduit to orient aspiring researchers towards the efficacious and judicious deployment of machine learning methodologies in the service of textual data analysis. While the pursuit of a palpable divergence across various machine learning classification paradigms remains an elusive endeavor, practitioners and scholars alike stand to glean substantial utility from the tenets and insights that this research imparts, particularly with respect to the multifaceted realm of consumer feedback analysis.

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CHAPTER 2

INVESTIGATION OF INTO LEADERS' PERCEPTIONS OF POWER SOURCES IN ORGANIZATIONS: THE CASE OF MBA STUDENTS

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1. INTRODUCTION

With its many definitions, leadership is expressed as being able to make innovations in combating competition (Li, Bhutto, Nasiri, Shaikh and Samo, 2018: 35). Leadership behaviors have positive impacts on the groups in an organization and the work performance of its teams (Yukl, 2012: 66). Leadership is an important process for employees to identify with the organization in the Social Identity Approach (Van Knippenberg and Hogg, 2003: 250). Leaders who intend to manage organizations must empathize with their employees and understand their feelings (Humphrey, 2002: 494). It is also important for the leaders to be effective, in the framework of the competitive strategy of the organizations; the units in the organization operate consistently and in agreement with each other (Yukl, 2008b: 5). On the other hand, leaders ensure the sustainability of organizations by increasing organizational efficiency (Madanciian, Hussein, Noordin and Taherdoost, 2016: 115). Power is used in the execution and coordination of organizational activities with the motivation of the employees as the effect that the leaders have on the organizational resources (Rus, Van Knippenberg and Wisse, 2010: 923). On the other hand, in the Turkish culture, power for leaders has an authoritarian quality that protects their employees (Paşa, 2000: 415). Also, the first known classification of power sources was made by French and Raven (1959) as punishing and rewarding power, legal power, and charismatic power (Cho and Cameron, 2007: 176).

The present study aims to measure the leaders' perceptions about the power sources they have in an organization. The study findings are limited to the study group, the number of participants, and the answers of the participants. On the other hand, it can be considered that this study can contribute to the literature as an advisory guide for leaders regarding which power sources they can use in the organization.

2. LİTERATURE RESEARCH

2.1. Leadership and the Importance of Leadership

Today, the development of competencies associated with management and leadership has gained even more importance in organizations with the increasing competition in line with changing environmental conditions (Fiedler, 1996: 243). However, the speed of adaptation to changing environmental conditions has also become an important factor for organizations to provide long-term customer satisfaction and loyalty (Yukl, 2008a: 710). Also, managers showed leadership behaviors to motivate their employees to achieve organizational targets (Vigoda-Gadot and Beeri, 2011: 577). It requires leaders to have social skills and abilities, such as strong human relations and communication, and emotional intelligence, to be able to apply these behaviors to groups influenced by different cultural structures (Laurence, 2011: 491). Leadership is a relationship that emerges between people who are leaders and their employees who are followers (Mládková, 2012: 245). Leadership is also a process that emerges as a result of the leader’s effect on the members of his/her/her group (Lord, 1977: 115). Demonstrating leadership behaviors by leaders is important to increase managerial and organizational effectiveness (Erkutlu and Chafra, 2006: 286). The ultimate target of leadership is to achieve organizational efficiency (Yukl, 1999: 288). The degree to which leaders attach importance to organizational justice directly determines whether employees accept the authority of their leader (Pillai, Scandura and Williams, 1999: 766). Our present-day managers need to have leadership abilities and skills to solve organizational problems.

2.2. Differences between Leadership and Management

Among the main differences between a leader and a manager is that leaders can occur without being a manager, and managers can emerge without leadership (Yukl, 1989: 253). Leaders in an organization are effective in encouraging innovation and creativity behaviors in employees (Müceldilli, Turan and Erdil, 2013: 673).

Leaders also have important roles in forming the strategic thinking, vision, and organizational culture of organizations (Bass and Avolio, 1993: 112). It is natural for managers and leaders to think differently about their perspectives on organizational change (Schruijer and Vansina, 2002: 872). While the manager directs the employees to reach the organizational goals, the leader achieves the organizational goals with the power of influencing the employees (Uğur and Uğur, 2014: 133). Although management is a concept with basic functions, such as planning, decision-making, and organization, leadership is the art of persuading followers to achieve organizational targets (Răducan and Răducan, 2014: 809). In a way, leadership is a part of management that creates a vision in employees, and management is the task of planning, supervising, and coordinating (Liphadzi, Aigbavboa and Thwala, 2017: 479). Leadership and management are different concepts, and that the leader has a strategic thinking style and vision is the main reason for this difference.

2.3. Power Sources Employed in Leadership

According to a general definition, leadership is an indicator of power relations employed for achieving organizational targets and influencing followers (Braynion, 2004: 447). Power is the sum of efforts to transfer resources that motivate employees in the organization to work (Kanter, 1981: 221). Power emerges due to interpersonal relations (Lines, 2007: 145). Known and most accepted about power supplies, the classification based on rewarding, expertise, legal and charismatic power was made by French and Raven (1959), according to which power depends on how the reliability and other characteristics of the leader are perceived by followers (Yukl, 1989: 255). The issue of how the limited production resources will be distributed by the leaders in the organization is the main issue increasing the importance of power resources in leadership (Rus, Van Knippenberg and Wisse, 2012: 14). The first power source employed in leadership is rewarding power. The power source that increases the positive characteristics of the employees in the organization, and encourages them but reduces and eliminates the negative characteristics is called “the rewarding power”

(Warren, 1968: 953). On the other hand, the second source of power is the power of expertise. In this respect, leaders can influence employees through their consultants with different expertise in organizational management in this type of power (Elias, 2008: 270). On the other hand, the third source of power is legal power, which emphasizes that the power of the leader stems from authority and legal obligations in the organization (Erkutlu and Chafra, 2006: 286). Charismatic power, on the other hand, is the reflection of the sense of respect and appreciation of employees toward the leader, their identification with the leader and their taking the leader as an example (Braynion, 2004: 449). Power sources are among the tools that leaders employ to motivate their employees to achieve organizational targets.

3. METHOD

The qualitative research method and case study designs were preferred in the present study, and in this context, graduate students in Ağrı were contacted. In line with the qualitative study design, the data were obtained with detailed interviews as the data collection method. The interview method was employed in the interviews with the selected sample. Open and closed-ended question sets that were directed to the participants in the interviews were prepared by reviewing the relevant literature. Before this study, the ethics committee approval was obtained from the Scientific Research Ethics Committee of Ağrı Ibrahim Çeçen University with decision no. 119 on 27.04.2022. The participants included in this study were coded, such as MS1, MS2 and MS3.

3.1. Purpose and Significance of this Study

This study aims to investigate the perceptions of the students in the graduate program of business administration about the power resources that leaders have.

The fact that human needs are endless and resources to meet human needs are limited has caused people to make efforts toward this goal. Organizations are also established to produce goods and services to meet the needs of people. For organizations to achieve these goals, they need to be managed effectively and efficiently. At this point, organizational leaders have an important role in the success and management of organizations. In other words, management is not sufficient in the successful management of organizations; leadership has become an important value in today's organizations where continuous change is experienced, such as technology, economy and law. Leadership is the activity of the leader who directs his followers by influencing them in line with certain organizational goals. Leaders, on the other hand, are people who undertake and manage leadership activities by influencing their followers. Here, the existence of the organization and the leader depends on the effective use of the leadership behaviors of the leaders of the organization. The effectiveness of the leader's behavior is possible with the use of power, which is also defined as the ability to mobilize resources and followers, by leaders. In a way, power is the influence of the leader to make his followers achieve organizational goals. At this point, it is crucial to use the power resources of the leaders effectively and efficiently on their followers, assuming the environmental conditions where rapid change and fierce competition are experienced.

3.2. The Study Group

The study group consisted of 11 graduate students who were studying at Ağrı Ibrahim Çeçen University Graduate Education Institute, Department of Business Administration.

3.3. Reliability and Validity

In scientific research, reliability is specified in two categories as internal and external reliability (Baltacı, 2019: 381). The fact that all of the research findings were given directly by the researcher without any transparent interpretation provided the research's internal reliability (consistency). On the other hand, to increase the confirmability or external reliability of the research, the data obtained within the scope of this research were filed and kept to guide other researchers in the future.

In qualitative research, it is stated that for reliability and validity, the researcher should reflect the participant's views on the researched topic accurately and fairly to the reader and aim to convince the reader (Arastaman, Fidan and Fidan, 2018: 63). In other words, it is mentioned that the validity in qualitative research should be ensured by the researcher observing the phenomenon that is unbiased and within the scope of this research as it is during the data collection process (Yıldırım, 2010: 81). In addition, it was mentioned that the researcher's lack of bias is not a factor that jeopardizes the research (Çelik, Baykal and Memur, 2020: 401). Briefly, not to jeopardize this research, the researcher observed the research subjects in an impartial and objective manner during the data collection process and complied with the ethical rules.

4. FINDINGS

The findings obtained in this study, which included the perceptions of postgraduate students about power sources in leadership, are given in this section.

4.1. Qualitative Findings

The question, “What does power mean to you?” was asked to the graduate students, and the following answers were received.

When the answers of the participants were examined, the findings showed that the concept of “power” generally included the power of sanction and the application of the sanction. Also, the participants said that power was the ability to manage people by influencing employees, organizations, the organization’s mission and vision, talent, influence, image, knowledge, and intelligence. For example, “Power is a tool that shows the effectiveness of the leader.” (MS2); “Effect or impact on employees.” (MS5); “Authority, management, influence, the image left on another person” (MS6); “Science is intelligence and the ability to manage people based on knowledge.” (MS10); “Being able to reach the target, mission, and vision by using the resources correctly and effectively” (MS8); “A skill employed to influence employees around or under someone.” (MS1);

"The way and reason of influencing people and institutions is power." (MS11); "It is the potential for sanctions. It is the power of the leader to impose on the employees." (MS4); "In leadership, power is the sanction that a person exerts on employees or those under his/her influence for achieving a particular target." (MS3); "It means imposing sanctions against my subordinates in my position." (MS7).

The question, "Do you know about the main sources of power that leaders employ to influence their subordinates? If any, what are they?," was asked to graduate students and the following answers were received. The findings showed that the participants knew the charismatic power, rewarding power, legal power, and expert power (MS8, MS6, MS7, MS10, MS6, MS3, MS4, MS2) in influencing the subordinates of the leaders.

The question "What do you think the power sources employed by the leaders mean for leaders?" was asked to the participants, and the following answers were received. Nearly half of the participants found the power sources employed by the leaders to be associated with authority. For example, "While influencing subordinates by using their authority, they are the legal regulations on which their authority is based." (MS5); "They are the reflection of the authoritarian attitude toward employees." (MS8); "Leaders make their employees accept their authority by motivating them effectively according to their characteristics." (MS4); "They are effective tools that reinforce the authority of leaders over their employees." (MS11).

It was also found that the factors seen as the areas where they were effective while managing the employees were the power sources employed by the leaders of the participants, the power of sanction on the employees based on the authority of the leaders, the sense of pleasure achieved by having self-control, the powers employed to perform the activities in the workplace, an indication of the power, the influence of the subordinates while using the power, the activities of the organization and the words of the leader to the employees. For example, "They are an indication that they have those powers. Leaders apply their power and influence their subordinates." (MS1); "They are the forces that leaders use to perform their work." (MS2); "They are the protection of the existing hierarchy over employees (MS9); They are the power of sanction that leaders use based on the authority directly on Staff." (MS6); "The principles of management are the area where they direct people on which they can establish and be effective." (MS10); "They are the satisfaction of the leaders by using those power sources and the pleasure of the leaders due to having self-control." (MS3); "They are the factors employed to enable leaders to perform their activities more comfortably and to pass their words on to their employees." (MS7).

The question "What do you understand by the term leadership power?" was asked to the participants and the following answers were received. The participants' ideas were related to leadership power, the power to manage the people they lead, the knowledge of pressure, punishment, and reward, the effectiveness of the leader on the employees, the achievement of corporate targets without taking into account personal targets, a factor in motivating the leaders by directing the subordinates, the physical strength of the leaders. It was also understood that there were views, such as managing employees by using effective rhetoric and effective rhetoric characteristics, increasing the commitment of employees through influencing and interaction, the effect created by the personal characteristics of the managers who manage the organization on the employees, the power of sanction, the effectiveness of the leaders on the employees, the authority, management, and managerial ability, all the characteristics of the leader. For example, "Sanction is power. It is the effectiveness of the leader on Staff." (MS3); "It is the power to manage the people led." (MS5); "I understand authority, management ability, managerial ability." (MS6); "The element of pressure is the knowledge of the element of punishment and reward." (MS11); "It is the ability to reach the overall targets without the importance of individuals." (MS8); "It is the effectiveness of the leader on employees" (MS2); "It is a factor for me in motivating the people who are connected." (MS9); "Influencing, interaction and increasing the commitment to the person in line with these." (MS7); "It is the effect created by the personal characteristics of the person who manages an institution on employees." (MS10); "It is all the characteristics of a leader." (MS1); "Leaders manage their employees by using their charismatic, physical, and effective oratory characteristics." (MS4).

The question "Which of the power sources employed in leadership do you think are effective in directing and influencing followers/employees in line with organizational targets? Please, specify the reasons" was asked to the participants and the following answers were received. The participants had opinions that the power of rewarding in directing and influencing the followers/employees in line with organizational targets was most effective in motivating by assigning salaries, promotions, and responsibilities to the employees by leaders. For example, "Rewarding is power. It is knowing that the work is seen and rewarded. It is effective in providing work-related motivation. Remuneration, advancement, assigning new responsibilities, and the use of punishment when criminal conditions are necessary to increase the effectiveness of the leader." (MS9, MS2, MS5); On the other hand, some participants also said that expert power and charismatic power were effective in directing and influencing followers/employees in line with organizational targets, with the knowledge and experience of the leader, and the fact that the leaders are role models and influence the employees. For example, "It is more of a power of expertise. Because the better a person is at his/her/her job, the more s/he has done justice to the job, the greater the influence. A leader is someone who directs his/her/her subordinates no matter what. S/he is not the one who gives instructions to subordinates, but the person who directs subordinates and foresees what they will do." (MS7, MS8); "Expert power and charismatic power are effective. Charismatic power is the most effective method of influencing employees. The power of expertise occurs because of the perspective presented to the leaders with a command of the subject with the knowledge about his/her/her field of duty, and that s/he expresses himself/herself more comfortably in guiding. Expert power is more effective in managing people because it is based on science and knowledge. With charismatic power, leaders will be able to influence people and set an Example." (MS1, MS10).

The question "In your opinion, what are the impacts of the use of expert power by leaders, among the power sources in Turkish culture, on the followers/employees?" was asked to the participants and the following answers were received.

The use of the power of expertise in Turkish culture by the leaders to increase the trust in employees, to guide employees with the information they have, to provide the qualifications with professionalization in the management, to initiate reform and change, to increase the organizational awareness of the employees and the personal image of the leaders. It was also found that there were opinions that it would have positive impacts. For example, "It increases the commitment to the organization, the leader who does not dominate his/her work draws a negative image in the eyes of employees." (MS7); "Managing employees from a more professional aspect provides more trust and more benefits." (MS5); "Expert leaders have an impact on employees because they are equipped and guide their employees in knowledge and equipment" (MS3); "It can develop the determination and leadership to work in determination when all the relevant and non-related personnel are missing. In this way, it is ensured that they are productive (MS10); "Expert and strong leaders who have a lot of experience in the position of guiding employees with the importance they give to information." (MS11); "Leaders in the power of expertise transfer their knowledge, skills, and experience to employees in a way that will increase their organizational performance. In this way, employees operate as more conscious individuals under the guidance of such a leader" (MS4); "I think that it will have positive impacts on the employees in proportion to the leader's capacity, competence, knowledge, and skills about the job done." (MS2); "Leaders like Fatih Sultan Mehmet and Atatürk were able to initiate great change and reform movements with their expertise. Atatürk won with his expertise during the Dardanelles and the Balkan Wars." (MS8); "Such knowledge and experience create a sense of trust in subordinates, stemming from expertise in the field of leadership on subordinates." (MS9); "It helps the new staff in terms of knowledge in the framework of their equipment." (MS6); "On the other hand, a participant" said that the use of the power of expertise in Turkish culture by the leaders would not be effective on the employees. For example, "It can be effective in general terms, but I do not think it will be effective in our culture. I do not think that people will be affected much because they work with more stimulation rather than knowledge and equipment." (MS1).

The question "In your opinion, which of the power sources can make an organization leader successful effectively and efficiently? Which sources of power are most effective in a leader's success? Please, specify the reasons" were asked to the participants and the following answers were received. Some participants said that the charismatic power, some of the rewarding power, and some of the rewarding and punishing power were effective in the effective and efficient success of leaders. On the other hand, some participants also said that legal power, charismatic power, and expert power can be effective. The participants expressed that the power of expertise stems from the knowledge and equipment of the leader, the power of rewarding from the ability to motivate the employees, the legal power of the leader's ability to invest and use financial power, and the charismatic power of the leader to address and use communication. For example, "With the proportional use of expert power and legal power as average universal norms, legal legislation, and expertise become the main factors that are effective." (MS5); "The use of rewarding power is effective because the use of this power will have positive impacts on the employees, but the reward must be employed appropriately and on time. The balanced use of punishment and reward is effective. These power factors are among the power sources that increase the effectiveness of a leader. Rewarding is effective and rewarding power contributes as motivation, as the reward for the work-related work of the people is rewarding." (MS2, MS9); "Charismatic power is effective. Organization members are affected by the charismatic power of the leader and their commitment to the organization increases. The most important source of power is charismatic power because the charismatic leader can influence his/her followers with his/her strong oratory thanks to his/her effective communication power." (MS1, MS11); "The leader will be successful if s/he uses the charismatic power effectively. Legal power is charismatic power, expert power. Legal power is exercised by the sanctions. Charismatic power, on the other hand, is the power employed by the leader to endear himself/herself to his/her followers. The power of expertise is the power of influence that is competent." (MS7); "I believe that leaders can be more successful using the power of reward and the power of expertise. Employees with reward power will work more willingly if they believe that they have the right to receive rewards considering their performance in the organization. In the power of expertise, subordinates will benefit from the leader's knowledge and skills in all respects." (MS4); "Charismatic power, legal power, power to reward and punish are all related to each other. Since the personal characteristics of the employees are different, the impact power they will create on each of them will also be different. The legal and expert power means to use it along with personal equipment and to use sanction power on personnel." (MS3, MS6); "Effective use of financial resources has great importance for the success of the leader in the form of a supervisor with legal power. Expert power and charismatic power are also effective. Anyone can be an expert, but not everyone has the same charismatic nature. It is necessary to have the power to speak well and to address the audience." (MS8).

The questions "What are the main differences between a leader and a manager? What characteristics of a leader distinguish him/her from a manager?" were asked to the participants and the following answers were received.

When the answers of the participants were examined, it was found that the participants had differences regarding empathy between leaders and managers, being courageous, taking initiative and risk, having innate characteristics with talent and skill, participation of employees in decisions, the formation process of rules, source of authority, value given to employees, power to influence employees, emerging in extraordinary times and solving problems, crises, being able to think strategically, having vision and foresight. For example, “Leaders are trainers, managers are just managers. Leaders empathize, managers only look at the operation of the business.” (MS10); “A leader influences his/her territory and environment in direct proportion to his/her talent. If the manager is responsible for a unit.” (MS11); “A leader fulfills the requirements of the organization's interests independently by showing courage. The manager, on the other hand, fulfills the job descriptions in the framework of the laws and authorities given to him/her.” (MS9); “A manager acts in certain rules drawn to him. A leader acts in the rules created more specifically for himself. The number of audiences it has influenced, its ability to act freely, its authoritarian attitude.” (MS7); “A manager fulfills the given tasks, and a leader applies the existing rules. A leader consults his/her followers/employees in his/her decisions, and the manager directly makes his/her own decisions without consulting anyone.” (MS3); “Every leader can be a manager, but not every manager can be a leader. Because being a leader requires more talent and skill than being a manager.” (MS4); “A manager goes over the rules. Leaders, on the other hand, prioritize characteristics such as organizational culture, their personal experiences, and abilities distinguishing different characteristics such as talents, charisma, and experience.” (MS5); “Leaders produce quick solutions in times of crisis. Although managers gain power from the position they hold, leaders emerge from their unique characteristics. Leaders do the right thing, take risks, and managers do not take risks and are bound by the law.” (MS1); “A leader is someone who resolves problems or events when unexpected situations emerge. A manager, on the other hand, is a person who applies the existing laws and regulations to the extent of his/her responsibility. A leader is a person who can solve a problem by using his/her ability.” (MS2); “A leader must be sweet and tough, have a good command of the legislation, and be disciplined. The authority of a leader is in his/her own hands. S/he acts individually in his/her decisions. The manager acts in the framework of the powers given to him. A manager can also refer to the ideas of his/her staff in his/her decisions." (MS6); "A manager looks at the characteristics of the people, but does not care, does not choose the suitable people for the job, but a leader looks at the characteristics of people and cares about people, selects suitable people for the job. A manager gives the order and wants it to be fulfilled, and a leader analyzes which task will be done better by which individual, and performs the distribution of tasks. Leaders are people who can be foresighted and think strategically." (MS8).

The question "Is the power of punishment a deterrent for leaders to intimidate followers/employees and enforce discipline and rule enforcement in the workplace? If so, how deterrent is it? (too little, little, neither too little nor too much, much, too much)?" were asked to the participants and the following answers were received. The majority of the participants had the opinion that the power of punishment of the leaders in frightening employees was very effective. For example, "Yes, it is highly deterrent" (MS5, MS6, MS7, MS9, MS10, MS3, MS2); However, it was also understood that some participants had opinions that the power of punishment was moderately effective in scaring employees. For example, "I think moderate punishment or intimidation is necessary to a certain degree (no more or less). Otherwise, employees may be irresponsible. Excessive punishment can lead to toxic leadership behaviors. Yes, it is a deterrent, no more or less. However, its deterrence varies from person to person. In other words, it is relative." (MS4, MS1).

The question "In what situations do you think a leader must use the power to punish his/her/her followers/employees?" was asked to the participants and the following answers were received. When the answers of the participants were examined, it was also found that the leaders must not always use the power to punish their followers/employees. They must use this when responsibilities are not fulfilled, the leader's authority is lost, the negative situation continues despite warnings, legal regulations are not followed, depending on the organization's working order, rules, and behaviors exhibited by employees, which disrupt the peace of the organization. It was found that in case of situations that may lead to a crisis, indiscipline against the organizational culture, and in the case of committing a disgraceful crime, it is necessary to resort to the power of punishment. For example, “When employees do not respect the authority of the leader, they must resort to the power of punishment.” (MS11); “When the authority is lost, it is applied to ensure discipline.” (MS1); “If the existing legal regulations are violated and a disgraceful crime is committed, direct sanctions must be applied to the Staff.” (MS6); “It must be employed in violation of legal Powers. The employee's committing a disgraceful crime constitutes a reason for the leader to use legal power” (MS3); “If the leader does not see a benefit after a warning when there are contradictions to the situations, the power of punishment must be applied.” (MS2); “The power of punishment can be employed as a sanction if the employees do not fulfill their duties in the organization, and if they act in an act that disrupts the order or peace of the organization.” (MS4); “The leader must apply the power of punishment because of factors such as situations that affect the corporate culture adversely, situations that will lead the institution to a crisis, and indiscipline in the institution.” (MS5); “In case of postponement of responsibilities, he/she must apply this power.” (MS8); “If the situation does not change despite giving the necessary warning and information to his/her followers, the manager must resort to punishment.” (MS9).

The question “What do you think are the impacts of a leader’s use of rewarding power on his/her/her followers/employees?” was asked to the participants and the following answers were received. The participants’ opinions on the use of rewarding power on their followers/employees were positive in terms of doing the job enthusiastically, organizational commitment, job satisfaction, working motivation, working spirit, job performance and organizational productivity and organizational trust, and negative in terms of reducing organizational jealousy. For example, “It is high. It motivates employees, increases organizational commitment and job performance by affecting them positively.” (MS7); “It increases organizational commitment, positively affects individual productivity and job performance, and ensures the emergence of new manager candidates who are experts in their fields.” (MS8); “It increases the motivation and organizational commitment of the employees.” (MS9); “Higher performance, more ownership of the institution, and increased organizational commitment are expected among employees (MS5); It causes job satisfaction for employees. The fact that they love their job will be very effective in increasing performance.” (MS6); “When employed correctly, it increases employee motivation. It enables employees to be more productive in the organization.” (MS10); “Rewarding is a system that increases organizational performance and leaves a positive impact on employees, raising their spirit and motivation.” (MS4); “The power of reward enables employees to be more useful in their jobs and to do their jobs with enthusiasm and love.” (MS11); “Employees have expectations of rewards from leaders. For example, it has impacts such as promotion, prestige, wage, and value.” (MS2); “It motivates the employees, increases their willingness to work and come to work.” (MS3); “There are positive impacts. It even has a negative reflection. Like jealousy. Although it is positive for us, there is jealousy among colleagues. It will be encouraging work; it arouses pleasure in people by adopting and appreciating the work more. Like giving a certificate of appreciation to employees.” (MS1).

The question “What does charisma mean to you? Can the charismatic power of leaders be developed later with training? Please, explain” was asked to the participants, and the following answers were received. The participants said that charisma was the leader's physical appearance, stance, self-confidence, handsomeness, innate characteristic, intelligence, work ethic, language, way of speaking, being an example to his/her employees, and influencing them. For example, “Charisma requires a stance, self-confidence, and a sense of rhetoric.” (MS8); “Charisma expresses influence.” (MS7); “Charisma affects certain circles as an outward appearance. Posture and speech create charisma." (MS9); "Charismatic leadership depends not only on stance but also on many factors such as facial expressions and social point of view." (MS11); "The language used, the approach taken to the personnel, his/her work ethics." (MS6); "His eloquence, institutional knowledge." (MS3); "Charisma is a unique stance of the leader. It is a personal self-confidence and stance that affects its followers." (MS2); "For me, charisma is the combination of some physical characteristics with intelligence and success and influencing individuals or societies." (MS4); "It is a word that covers the whole of a person's main characteristics, from the clothes s/he wears to the way s/he addresses." (MS1); "Charisma requires the leader or manager to be an example for the behaviors s/he does to his/her followers, to be an example to the behaviors s/he does with his/her management style, to have good looks, stance and eloquence." (MS10); "Also, some participants said that the charismatic power of the leaders was not developed afterward. For example, "No, charismatic power cannot be developed later. Because charismatic power is a factor that must be in the person himself." (MS7); "It is very challenging to develop later." (MS11); "No, it cannot be improved. Because what a person is at seven is the same at seventy. When the soul does not come out, the temper does not come out. Charisma is an innate trait." (MS8); "Training has positive impacts on the success of the leader, but I do not think it will affect the physical characteristics." (MS4); "No, the effect of education on charismatic power will not be improved with training afterward. Because charisma is a naturally inherited talent. Leadership can be developed later with education and training, but charismatic power cannot be developed with later with education and training." (MS9); On the other hand, another part of the participants said that the charismatic power of the leaders could be developed later. For example, "It comes from birth, but it can be developed later with education, and environmental factors are also effective." (MS6); "Although not fully empowered by charismatic power, education, and training, it can contribute to development. You cannot give a person charisma from the beginning by training charismatic power. However, you can develop the innate charismatic power.” (MS5); “Charismatic power can be developed with education and training; you can develop the characteristic that must be innate later.” (MS1); “It can be improved. Training arising from the effect of the environment on people can also show a charismatic development on individuals.” (MS2); “It can be improved with equipment and training.” (MS3).

The question “In your opinion, which power source or resources are more effective for a leader to be successful in the organization and make the right decisions? Please, explain” was asked to the participants and the following answers were received. Some participants said that legal and expert power can be effective in a leader’s success in the organization and in making the right decisions. For example, “These are legal power and expert power. Legal power emerges from acting in the framework of the laws of the workplace. Expert power is having the expertise, knowledge, and experience associated with the decisions to be made in the workplace and involves technical knowledge about the activities to be performed in a business. This knowledge is formed over time and by gaining experience. Expertise brings power, and wisdom provides foresight. Legal power, on the other hand, enables the powerful use of authority.” (MS7, MS4, MS8); However, some participants said that only legal power could be effective in a leader’s success in the organization and in making the right decisions. For example, “The leader must be able to master his/her legal power. In other words, s/he must not be authoritative in the full sense, but must make this legal power speak in a ‘sweet harshness.’ S/he must have a strong ability to speak to his/her employees and must be in command of the law. It remains for a certain leader to direct the ready audience by using only his/her leadership qualities, which is the legal force that prepares this setting.” (MS3, MS9); Also, another participant said that “charismatic power, expert power, and legal power could be effective. For example, “Charismatic power is effective because it increases the commitment and performance of the employees to the leader.” (MS11); “Charismatic power and legal power are effective. Charismatic power is the leader's self-confidence, and the legal power is the common mind that supports him/her and the laws." (MS2); "Charismatic power and expert power. Expert power is necessary for followers to be directed and trained. Charismatic power enables one to be a role model for his/her followers with his/her behaviors." (MS10).

The question "Which power sources do you think are most effective in increasing the motivation, job performance, and job satisfaction of followers/employees? Please specify the reasons" was asked to the participants, and the following answers were received.

When the answers of the participants were examined, it was found that the participants generally considered that the power of reward was the most effective in increasing the motivation, job performance, and job satisfaction of the followers/employees. For example, "The rewarding power is effective. Because it brings out the feeling of satisfaction in employees, the happy, motivated and satisfied state of the rewards received. Rewarding makes the person happy and motivates the individual because it has the characteristic of meeting some of his/her needs. The rewarding power is effective. For this reason, a leader must treat the employees fairly and distribute assignments fairly. A leader must reward those with high performance. I think the rewarding power a leader uses is the most effective. Because this source of power is the source of power that increases the morale and motivation of the leader. If Paradise was not promised, would man bestow anything? Without the power to reward, there would be no human with enthusiasm, motivation, and job satisfaction. The power to reward positively influences people to act. The rewarding power is effective. The reason is that employees are motivated to think that they have gains in the work they do and focus on the work for achieving this. By sticking to the work, it increases both their performance and their commitment to the organization." (MS1, MS2, MS3, MS4, MS8, MS9, MS12); On the other hand, it was also found that some participants had the opinion that the power of punishment, together with the power of reward, and the other part of the opinion that charismatic power and legal power were effective in this regard. For example, "Charismatic power is effective because it is effective in that it conveys the affection, love, and respect that will keep the employees together and does not discriminate." (MS7); "Legal power and charismatic power are effective because they increase the love and commitment of employees. In this way, employees enable them to take on much more roles and responsibilities." (MS6); "It is the power to reward and punish because it closely concerns the working situation and future of the employees." (MS5, MS11); "Rewarding power and legal power are effective. Legal power is the ability of a person to take responsibility and do business with self-confidence. In the power of reward, employees work with enthusiasm by increasing spirit and motivation since people are appreciated for their work." (MS10).

The question "In your opinion, what role does authority play in leaders' legal power?" was asked to the participants and the following answers were received. The findings showed that the legal power of the leader had a significant effect on the authority of the leader. For example, "Legal power is effective because it has so much power over the leader and employees. The effect of the leader who provides the authority on the employees is important." (MS3); "Authority is primarily effective and is very important in legal power." (MS5); "The leader has a mandate and legal power is also important in influencing the employees with the authority that the leader has in the authority of the leader." (MS6); "Authority is exercised by legal force. The legal power given is important because it provides the leader's mobility in the framework of gains." (MS10); "Authority comes from a kind of legal power, but it is in the hands of the leader's charisma to carry it." (MS8); "The greater the legal power, the stronger the authority." (MS11); "It increases the authority. Because the sanctions in the hands of the manager always make the employee uneasy." (MS7); "Legal power is considered a step in influencing people, and the authority of the leader, as an indicator of the attitudes and behaviors that will be displayed, enables to go to further steps." (MS9); "Laws support the leader. The leader uses legal sanctions with his/her/her abilities, through his/her/her authority according to the personal characteristics of employees." (MS2); "The power that stems from organizational hierarchy and legal regulations has positive impacts on the leader's authority in the organization. It is important in this respect." (MS4); "By putting the law to the forefront, the leader further strengthens his/her/her authority. But while doing this, the leader also reduces organizational commitment. If you do not take risks, bringing the law to the forefront reduces organizational commitment." (MS1).

The question "For a leader to be adopted as a role model by his/her/her followers/employees to identify with the leader, what behaviors must the leader exhibit and what characteristics must s/he have?" was asked to the participants and the following answers were received. The participants were open to learning, prone to teamwork, honest, open-spoken, tolerant, empathetic, and had charismatic leadership behaviors along with effective communication skills and high eloquence, and were good models for the followers of the leaders to identify with the leader without discriminating against employees. It was also found that a leader must show characteristics that value, listen to ideas, give importance, encourage the participation o employers/participants in management decisions, meet their needs, be courageous, attach importance to organizational justice, and have moderate authority. For example, "Empathy must be established, be honest, act in line with laws, be associated with the personnel, be able to see the needs, act in this respect, and be brave." (MS10); "S/he must be able to communicate strongly, have a paternalistic, authoritative and rewarding attitude." (MS11); "S/he must be frank, have an honest personality, be a good listener, and receive ideas of others in decision-making." (MS9); "S/he must have charismatic leadership qualities. The employees of the organization need to see their leader as an idol." (MS1); "The leader must be charismatic, sincere, open-hearted with the employees, and reassuring. Employees must be able to see the leader as their role model." (MS2); "The work ethics must be in coordination with colleagues in an appropriate, honest manner and must be open to learning." (MS6); "The leader must be tolerant and empathetic toward employees and in agreement with them." (MS4); "S/he must be tolerant, fair, and able to establish a conversation among employees.

Employees must be remembered on their special days. The leader must ask his/her/her employees from time to time if they have any problems." (MS7); "The leader must give importance to organizational justice in the institution, must be fair in distributing justice and his/her/her human relations must be good." (MS5); "The leader has to be fair, must respect the personal rights of employees without making any discrimination among them, have a high rhetoric, and be firm about authority." (MS3).

4. CONLUSION

Management is defined as the job of having a certain job done through others, and people who have jobs done through others are called managers. Management and managers have significant roles in the success and effectiveness of many organizations, from small family businesses to corporate businesses. The concepts of management and manager are insufficient in the management of postmodern organizations; however, the importance of the concepts of leadership and leader is increasing with each passing day. Leadership is the skill and art of directing the employees in line with organizational targets by influencing employees; the person who has this skill and art is called the leader. There are some power sources that leaders employ to perform their activities in the organization, which are mentioned in the literature as legal power, charismatic power, expert power, and rewarding and punishing power. Expert power stems from the knowledge, equipment, and experience of the leader, charismatic power from the physical and character traits of the leader, legal power from the leading authority of the leader, and rewarding power stems from motivating actors to work in the organization and promotion and reward of employees; penal power stems from the penal sanctions imposed on employees who do not fulfill their duties and responsibilities, disrupt the order, and engage in undesirable behaviors. For leaders to be successful in their decisions in organizational management, it is important to use these power resources at the right time and in the right place. Being able to show leadership skills is the main factor in gaining the artistic quality of this characteristic.

When the answers of the participants were evaluated, the findings showed that the power sources employed by the leaders were generally associated with the leaders' authority; the leaders sanctioned their employees depending on their authority, affected them, and found the domain of management. On the other hand, leaders should not always use their power to punish their followers/employees. There are also opinions of the participants that punishment must be employed as a last resort in case of not following the rules in the organization, not fulfilling or disrupting the duties and responsibilities, performing activities contrary to the organizational culture, experiencing indiscipline, disrupting the organizational order and peace, and losing the managerial authority of the leader. On the other hand, the use of rewarding power by leaders has positive effects on their followers/employees, organizational commitment, job satisfaction, organizational efficiency, and work morale and motivation. In a way, for using the power of punishment and reward, it can be recommended that leaders act more measured, objective, consistent, and fair in making decisions about the employees associated with these power sources. It may also be a useful management practice for leaders to apply the rewarding power more frequently in the organizational justice framework to increase the organizational commitment, morale, motivation, and work performance of employees. The participants also said that charisma meant leaders' physical appearance, stance, oratory ability, intelligence, and self-confidence.

When the participants' answers were examined, it was found that the power of expertise in Turkish culture has positive impacts on the followers/employees of the leader, increases the trust in the leader, organizational commitment, efficiency, and effectiveness along with the leader's image, and the organizational awareness levels of the employees, accelerating the transition to professional management. It was also understood that it provides organizational learning. Based on this, it can be concluded that having the power of expertise is an important source of power for leaders, employees, and organizations in Turkish culture. The participants also said that the differences between the leader and the manager are being able to manage crises effectively and efficiently, taking the initiative in the management, establishing empathy and human relations with employees, ensuring the participation of employees in decisions, appearing in extraordinary times, being visionary and showing courage. Based on this point of view, it can be deduced that the participants are aware of the basic differences between a leader and a manager. On the other hand, it was also found that the participants had opinions that the giving of salaries, promotions, and responsibilities to the employees by leaders with the highest rewarding power in managing and influencing their followers/employees in line with organizational targets is effective in providing motivation. In this respect, it can be argued that the power of rewarding is an effective power source employed by leaders in directing and motivating employees to organizational targets. On the other hand, the participants had opinions that the leaders' power to punish their employees was highly effective in intimidating employees, and different power sources such as charismatic power, rewarding power, and legal power were effective in the leaders' success in the organization. It was seen that the participants did not agree on making decisions and being successful in the organization of a leader. It was also found that they said that charismatic power, power to reward and punish, and power of expertise were effective in this result.

It is considered that the present study may be useful in terms of guiding the literature and organizational managers who show leadership behaviors in the organization about the power resources they may use. Researchers who aim to conduct studies on this subject in the future may be advised to conduct mixed-method studies on power sources of leaders with different samples.

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CHAPTER 3

THE IMPACT OF MATERIAL EVOLUTION IN THE MANIFESTATION OF CHARACTER AND SOCIAL EROSIONS IN *SISTER CARRIE*

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INTRODUCTION

The socioeconomic life in America underwent significant changes during the 19th century due to developments in industry, urbanization, and increases in population. The charm of the cities caused an influx of people from rural areas. The increase in population triggered the growth and transformation of cities such as Chicago, Philadelphia, and New York into bustling metropolitan areas. The transformation presented an opportunity for capitalists, as it prompted the creation of a competitive social environment that compelled individuals to embrace capitalist values. The individuals were forced to abandon their customary norms and embrace contemporary capitalist standards. As a result, many authors in America's literary canon provide insight into the century's sweeping social and economic transformations. Theodore Dreiser is regarded to be one of the prominent authors of that century.

Theodore Dreiser gained significant recognition for his literary work, particularly his novel titled *Sister Carrie*. Dreiser's masterpiece depicts the impact of capitalist life on individuals, revealing a loss of spiritual and moral values. The protagonist brings Carrie, who comes from a rural background, into an urban setting. The book does not provide any information about her background or past. However, the author portrays her as an isolated individual amidst the dynamic and competitive nature of capitalist society. Dreiser's portrayal of the protagonist's journey highlights her struggle for survival and offers insights into the qualities necessary to navigate a capitalist society.

In the captivating narrative of *Sister Carrie*, one cannot help but be drawn into the intricate web of character and social erosions that unfold before our very eyes. At the heart of this enthralling tale lies the profound influence of material evolution, which serves as the catalyst for the gradual decay of both individual identities and the fabric of society itself. Through the lens of this literary masterpiece, we witness the transformative power of material possessions as they insidiously infiltrate the lives of the characters. Carrie, a captivating and enigmatic protagonist, embarks on a journey that begins with her entanglement in the irresistible allure of consumerism. However, as her narrative unfolds, she gradually finds herself traversing a path that ultimately leads her to a profound spiritual awakening, one that exposes the inherent emptiness and futility of the materialistic world she once embraced.

1. Consumerism and Commodity Fetishism of Capitalist America in *Sister Carrie*

Dreiser's detailed portrayals of various aspects of consumer culture, such as clothing, automobiles, entertainment, and showing up at operas and theaters, serve as clear manifestations of the consumerist culture prevalent during the latter part of the 19^{th} century. As can be observed by its members' clothes and interiors, bourgeois hegemony dominates these social and economic domains (Hobsbawm, 1995: 270). Eric Hobsbawm's (1995) emphasize that attire *"make the man"* suggests that one's clothes plays a significant role in shaping perceptions and judgments about an individual's character and social standing (p. 270). According to Hobsbawm (1995), the perception of the bourgeois interior during the mid-19th century was characterized by a multitude of objects; and these objects held intrinsic value as they served as manifestations of individuality and embodied the ideals and actualities of bourgeois existence, while also having the capacity to shape and influence individuals (p. 271). According to Hobsbawm (1995), the adoption of urban fashion by migrants led to a significant shift in their cultural practices, rendering their traditional rural or pre-industrial customs old-fashioned or impractical (p. 250). These outward attracted individuals from impoverished environments. In *Sister Carrie*, as Carrie explores the streets looking for work, she is affected by the attractive, well-off people in these streets. In this sense, she finds herself in a stream of change that sways her like a leaf falling from a tree.

People in a competitive capitalist society find pride in their appearance and material possessions because they receive positive feedback from others. They feel invincible and dignified because to their wealth. The way they dress, the size of their homes, and the class of the restaurants they frequent are all ways in which they flaunt their superiority. Dreiser frequently uses clothing as a visual metaphor for bourgeois materialism. His outfit in *Sister Carrie* provides Drouet with clues about his character and background. When describing Drouet, Dreiser (1965) says, *"[g]ood clothes, of course, were the first essential, the things without which he was nothing",* which implies that Drouet appears to be a man of importance and status (p. 4). In this sense, clothing helps me analyze characters, their cultures, and their positions in social life.

The dress of Drouet and Carrie in *Sister Carrie* immediately distinguishes him as a city dweller and her as a country girl; Drouet has a nice and impressive look, whereas Carrie's clothing is *"shabby"* (Dreiser, 1965: 5). Their clothing exposes their social status and cultural background. Carrie's need to make a good image in a capitalist society drives her to develop an unhealthy preoccupation with dress, as described by Dreiser (1965), she could conceive of things to do, outfits to wear, and places to see; her attention was on these things, and it was like encountering opposition at every step to find no one to express her feelings (p. 47). She undergoes a sensationally and culturally radical cultural transformation after moving to the city, and this is how she now envisions life in the metropolis. The street life kept Carrie interested for a long time. She never tired of wondering where the automobile passengers were going or what they were doing. Her narrow imagination focused on money, appearances, clothes, or fun (Dreiser, 1965: 48). Seeing Carrie in the streets of Chicago, Drouet takes her to warm places and good restaurants to dine; however, she feels *"a little out of place"* and the showy air of the restaurant affects her, and she wonders the meaning of having *"money"* which would make her able to buy fine clothes, train tickets, and eat in good places (Dreiser, 1965: 56). The moneyed Drouet is *"quite a figure of man"* that she wants in her life (Dreiser, 1965: 56). Later, Drouet gives Carrie money so that she can buy some clothes for herself. Carrie feels confident with *"two soft, green, handsome ten-dollar bills"* (Dreiser, 1965: 58). This is the money that has shaped her future; she takes the money and tastes the power of buying comfort, clothes, and safety, which she has longed for ever since she came to the city. And it is the money that brought her a warm home and a welcoming life among the people in luxury, cutting her from her traditional past and taking her into the modern life of city culture.

Although she claims she will not accept money, her weakness forces her to take it (Dreiser, 1965: 59). Environment and invisible forces interact to influence life, as seen by her current financial situation. The same circumstances that have made her miserable are also providing her with options and potential escape routes from her current predicament. Although it is not moral behavior in the conventional sense, her desperate need for winter garments and the fact that she cannot afford to buy them drive her to accept the money. Carrie has a sense that money, which is worthless in and of itself but represents everything, is *"something everybody else has and I must get"* (Dreiser, 1965: 59). Although it is *"power in itself,"* it is of no service to a starving person in a desert (Dreiser, 1965: 59). When it satisfies human wants and provides safety and security, it becomes potent and valuable. Thus, Carrie's perspective on money evolves as she experiences the challenges of a competitive capitalist environment.

Carrie's first attraction to wealth and power was symbolized by a desire to dress and dine well. Therefore, garments convey a variety of meanings to Carrie, and she places a premium on their ability to convey an air of affluence in an otherwise cutthroat, capitalist society. According to Dreiser (1965), she is especially interested in fashion: *"Fine clothes to her were a vast persuasion; they spoke tenderly and Jesuitically for themselves."* (p. 94). However, her conscience disturbs her about whether to follow her traditional culture and not enter the capitalist world by accepting money. Because she has no choice, she must accept the moral compromises that come with making a living in that capitalist society. She dresses chicly in the clothes Drouet purchased her, transforming her into *"a girl of considerable taste"*

(Dreiser, 1965: 98). In addition to her natural qualities, she has the chance to reach the bourgeois class thanks to her elegant attire and charming demeanor. Her pleasure and desire for showy things raise her interest in the high life; she goes after her pleasures by disregarding social norms. She is impressed by Hurstwood’s appearance, including eyes, manners, and clothes, which victimizes her (Dreiser, 1965: 187).

Carrie makes friends with Mrs. Vance, her next-door neighbor, and joins her in exploring New York’s theater scene and social scene. Carrie discovers that her clothes are noticeably inferior compared to that of Mrs. Vance (Dreiser, 1965: 283). Seeing Mrs. Vance dressed so well “*pained*” Carrie, makes her long for the clothing and money to buy luxury that would help her blend in with New York’s elite (Dreiser, 1965: 284). Her perception of her own clothing as inferior to Mrs. Vance leads her to the conclusion that Mrs. Vance would be preferred solely based on her attire. (Dreiser, 1965: 284). Because of this, she feels depressed and wants to improve her financial situation so that she can buy the *“best hats, shoes, and gloves”* in addition to her jewels (Dreiser, 1965: 285). According to Dreiser (1965), walking along Broadway, then as now, was one of the striking qualities of the city (p. 284). On Broadway, one may find both *“women who love a showy parade”* and *“men who love to gaze upon and admire”* (Dreiser, 1965: 285). So she aspires to join the ranks of the women who walk the streets of New York, where the affluent elite culture serves as the motor that propels the consumer economy. She realizes that *“she was not of it”* and determines she will not go back *“until she looked better”* to the capitalist social circle (Dreiser, 1965: 286). She was fascinated with and envious of their lifestyles, and she wondered how they had amassed their fortune and what their mansions and furnishings looked like. The *“charming conditions”* there inspired a deep yearning in her, and she longed to be of that world which *“[s]he was soon lost in”* (Dreiser, 1965: 288). New York, which in *Sister Carrie* is *“one whirl of pleasure and delight,”* is a symbol for the entire consumer culture of American bourgeois society (Dreiser, 1965: 288). In New York, *“women were spending money like water,”* highlighting the city's consumption culture (Dreiser, 1965: 288). To put it another way, New York *"was the place where the matter of expense limited the patrons to the moneyed or pleasure-loving class"* (Dreiser, 1965: 293). Carrie's yearning and delight to be among New York's beautiful people was fueled in part by the fact that she now found herself living in such a metropolis. There, her pursuit of happiness shifted toward a preoccupation on worldly possessions like expensive clothing and a large home; these things ultimately brought her prominence as a result of her physical attractiveness on stage. Her physical and mental state shifted as a result of her yearning, as described by Dreiser (1965):

Her need of clothes—to say nothing of her desire for ornaments— grew rapidly as the fact developed that for all her work she was not to have them. The sympathy she felt for Hurstwood, at the time he asked her to tide him over, vanished with these newer urgings of decency. (p. 356)

The ballet instructor was so impressed with her New York City stage outfits and accessories that she offered her leadership of the company. The manager, impressed by Carrie's ambition, says, *"[t]hat girl knows how to carry herself"* when she replaces the *"heretofore leader"* in the theater group (Dreiser, 1965: 362). Her entire accomplishment can be attributed to her dress and abilities, both of which are highly valued in bourgeois society. It might be concluded that Carrie, despite her conventional moral ideals, fights for her life in the cutthroat commercial world in order to achieve her goal of becoming number one.

Immigrants to the United States in the 1910s faced a competitive lifestyle of bourgeois ideology that promised them consumerism, compelling them to abandon their native customs in favor of bourgeois values. Carrie Meeber, a newcomer to the city, is confronted by the urban culture and the driving force behind it, as evidenced by her amazement at the opulence of the stores, the beauty of the clothes, and the difficulty of acquiring them. Therefore, until she gains access to a higher social circle and a better-paying job, she will be unable to afford winter clothing. Because of the prevalence of consumer culture and its effect on individuals, *Sister Carrie*'s city and social circles, then, reflect the duplicity and mindset of the bourgeoisie.

According to Georg Lukács (1971), the impact of capitalism on societal change is observed through its *"relation to society as a whole"* (p. 50). This observation leads Lukács (1971) to assert that society can be understood as a *"concrete totality,"* encompassing the specific system of production at a particular historical moment and the resulting division of society into distinct classes (p. 50). As Lukács (1971) states, the emergence of men's consciousness in its essential characteristics is contingent upon the establishment of this relation (p. 50). This viewpoint lends support to the utilization of objects and their societal relations as a means to analyze Dreiser and his associated works within the framework of bourgeois materialism and Marxist theory. According to Allan Kulikoff (1989), a comprehensive understanding of the emergence of the American bourgeoisie necessitates the exploration of economic and social patterns exhibited by common rural individuals, as well as the examination of how their behavior is interconnected with the social relations of production and their social and political awareness (p. 122). Here, Dreiser *"condemns America for its lack of intellectual and artistic distinction and its excessive materialism,"* which is also a criticism of the American Dream and a focus of Dreiser's work (Culbertson, 2011: 81). The economic benefits of capitalism are presented to individuals who work hard for financial achievement, which causes Americans to be excessively materialistic. In other words, Carrie's lost thing proves that the bourgeois' excessive materialism is to blame for the lack of intellectuality in America. This is the driving cause behind the rise of capitalists and their immoral outlook in contemporary America. Carrie must take advantage of every possibility if she wants to make it in the world in which the such capitalists reside.

In the fifth part of his book *Sister Carrie*, Dreiser (1965) presents a picture and an atmosphere of bourgeois culture in which they consume too much and show their *"high life"* together with their material fetishism (p. 39). There are popular streets and places where capitalists come, eat, wear, spend time, consume, and show their material force. The air and the strength in it were very satisfying for Drouet to come here and to feel the luxury of high life. He is not *"a moneyed man"* to continue this kind of consumption, but as a successful man, he visits here to get the opportunity to see the best and the perfect actors and people (Dreiser, 1965: 39). Drouet has the characteristic that he *"loved fine clothes, good eating, and particularly the company and acquaintanceship of successful men"*; in fact, what he wanted was just satisfaction—the satisfaction of doing something that only the people of high life or the famous could do (Dreiser, 1965: 39). All of these and more constitute the culture of the bourgeoisie, which is centered in big cities like Chicago and New York. It can be said that cities are the stage for performing that kind of culture, and the money barons of the late 19th century, politicians, and bankers were all crowded in those cities, as Dreiser realistically depicts in his works. The places, centers, and resorts mentioned in *Sister Carrie* are the locations where barons, merchants, bankers, and politicians came to socialize and get opportunities to gain power in politics and to capitalize more while earning fame in such social centers. Therefore, Drouet and Hurstwood often came here to socialize, and this phenomenon would later take Carrie into that fame. However, this atmosphere would give people like Carrie the feeling of being strangers if they were not familiar with such a culture.

Another instance relevant to the consumerist bourgeoisie that Dreiser highlights in the novel is their social affairs, which tell about their vanity and economic strength. Mrs. Hurstwood prepares to get tickets for the races to open at Washington Park soon, intending to show up there for some reasons. There would be her neighbors, Mr. and Mrs. Ramsey, the *"possessors of money,"* and physician Dr. Beale (Dreiser, 1965: 130). Also, she wants her daughter Jessica to show up there to *"exhibit"* her, hoping she will *"marry to a man of means"* (Dreiser, 1965: 130). Those incentives are a daily part of the bourgeois culture of the time, which bears their material fetishism.

Dreiser presents an alternative perspective on the extravagant lifestyle in New York that surpasses conventional boundaries. New York City serves as a prominent social platform for the bourgeois, offering a multitude of opportunities for capitalists to pursue their insatiable desires. In their pursuit of success, individuals often spend without limits in order to showcase their achievements and gain a competitive edge. Dreiser (1965) offers a critique of the prevailing culture and consumption habits by drawing a comparison between their wasteful practices and those of the average consumer, as follows:

Once seated, there began that exhibition of showy, wasteful, and unwholesome gastronomy as practised by wealthy Americans, which is the wonder and astonishment of true culture and dignity the world over. The large bill of fare held an array of dishes sufficient to feed an army... (p.p. 294-295)

However, Dreiser (1965) sees the way people spend so much money as "*a shame*" through the eyes of Ames, the cousin of Mrs. Vance, which shows Dreiser's critical outlook on consumerist capitalism (p. 296). According Dreiser, a man does not require such material possessions in order to attain happiness. (Dreiser, 1965: 298). But Carrie does not take this opinion for granted, because even though she has such a life, she is still not happy.

Dreiser's depictions of consumer culture, encompassing various aspects such as attire, motor vehicles, amusement, and performing arts venues, serve as evident manifestations of the prevailing consumerist culture in the latter period of the 19^{th} century. The manifestation of bourgeois hegemony in present-day society is readily apparent through the sartorial choices of its constituents and the aesthetics of their surrounding environments. The influence of urban fashion resulted in a significant shift in the habits of migrants, rendering the traditional customs and practices they brought with them from rural areas or pre-industrial towns obsolete or unworkable. In *Sister Carrie*, the protagonist, Carrie, embarks on a quest for employment, during which she becomes influenced by the presence of affluent and aesthetically pleasing individuals she encounters while exploring the city streets. Individuals residing within a competitive capitalist society derive a sense of satisfaction and self-worth from their physical appearance and material possessions due to the favorable responses they receive from others.

The superiority can be demonstrated through their attire, the scale of their residences, and their choice of upscale dining establishments. Dreiser employs clothing as a visual metaphor to represent the manifestation of bourgeois materialism. Carrie's desire to cultivate a favorable public perception within a capitalist society leads her to develop an unwholesome fixation on attire. Upon relocating to the urban environment, she experiences a profound and transformative shift in her cultural and sensory perceptions, as she envisions a new way of life within the metropolis. She experiences a sense of mild discomfort due to a perceived lack of belongingness within the restaurant's ostentatious atmosphere. The financial assistance provided by Drouet has significantly influenced Carrie's future, affording her a comfortable residence and facilitating her integration into a privileged social circle. Despite her assertion of refusing money, she exhibits susceptibility by being inclined to accept the monetary offer. Carrie's viewpoint regarding money undergoes a transformation as she encounters the trials inherent in a fiercely competitive capitalist milieu.

Carrie Meeber exhibits an inclination towards affluence and influence, as evidenced by her aspiration to acquire fashionable attire and partake in luxurious dining experiences. She values clothing that exudes an aura of wealth in a fiercely competitive, capitalist society. She exhibits a notable inclination towards the field of fashion, as they perceive that exquisite garments possess the ability to eloquently and subtly convey messages. Nevertheless, she experiences a moral dilemma regarding whether to adhere to her customary cultural practices or embrace the capitalist society by accepting monetary compensation. She adorns herself stylishly in the garments acquired by Drouet, thereby undergoing a notable metamorphosis into a young woman possessing discerning fashion sensibilities.

Carrie is captivated by Hurstwood's outward demeanor and develops an intense fixation on acquiring opulent possessions in order to assimilate into the bourgeois social stratum. She experiences a state of depression and expresses a desire to enhance their financial circumstances in order to acquire high-quality hats, shoes, and gloves. Carrie experienced a notable alteration in her physical and mental condition as a result of her intense desire, leading to a rapid escalation in her craving for clothing and accessories that were beyond her reach. The ballet achievement she has attained can be ascribed to both her attire and her skills, which are greatly esteemed within the bourgeois community.

In summary, Carrie Meeber perseveres in the fiercely competitive realm of commerce to attain her goal of attaining the top position. The duplicity and mindset of the bourgeoisie in *Sister Carrie*'s city and social circles are indicative of the widespread influence of consumer culture. Dreiser's literary oeuvre offers a critical examination of America, highlighting its dearth of intellectual and artistic eminence, as well as its pervasive materialistic tendencies. This critique can be interpreted as a commentary on the shortcomings of the American Dream. The economic advantages of capitalism are bestowed upon individuals who diligently pursue financial success, thereby engendering a culture of excessive materialism among Americans. The misplacement of Carrie's possession serves as evidence supporting the notion that the prevailing culture of materialism among the bourgeoisie is responsible for the dearth of intellectual pursuits in American society.

In *Sister Carrie*, the author portrays a milieu characterized by bourgeois culture, wherein excessive consumption and the ostentatious display of a lavish lifestyle are prevalent, accompanied by a notable emphasis on material possessions. The culture of the bourgeoisie predominantly thrives within major urban centers such as Chicago and New York. These cities serve as hubs where individuals of high social standing, including barons, merchants, bankers, and politicians, convene to engage in social interactions, consolidate political influence, and further their economic pursuits, all while seeking to enhance their public recognition and reputation. Individuals such as Carrie, who lack familiarity with this particular cultural milieu, may experience a sense of alienation within this environment.

Dreiser offers a divergent viewpoint on the opulent way of life in New York City that transcends conventional limitations. New York City functions as a notable social arena for the bourgeoisie, providing a wide range of opportunities for capitalists to pursue their unquenchable aspirations. Dreiser provides a critical analysis of the dominant culture and patterns of consumption by juxtaposing their extravagant behaviors with those of the typical consumer. Carrie does not accept this opinion without critical examination, as despite possessing a seemingly fulfilling existence, she remains discontented.

2. Determinism and Capitalism as Social Determinants

The impact of deterministic entities on the formation of individuals within the context of capitalism, competition, and urban culture is evidently substantial, as it is influenced by environmental factors and conditions. Competition has the capacity to shape an individual's behavior in a manner that aligns with the norms and values of the prevailing society. The prevailing bourgeois and capitalist systems in this context necessitate that individuals must contend with the challenges of survival within a highly competitive cultural milieu. In this context, it can be posited that bourgeois norms exert influence on individuals in terms of their social, cultural, and moral development. The norms of bourgeois ideology dictate the prescribed characteristics and behaviors that an individual must adhere to in order to navigate and sustain themselves within a capitalist society. The philosophical concepts of determinism and free will are prominently explored in Theodore Dreiser’s novel *Sister Carrie*. In Dreiser, the act of capitalizing on opportunities for survival gives rise to both moral and amoral consequences, which are intricately intertwined with the prevailing conditions of the era and the specific needs of the individuals involved.

Discussing Zolaesque determinism in Dreiser, Donald Pizer (1999) says that:

What is necessary now is to accept the corollary premise that Dreiser is also not interested in confirming the conventional idea of the naturalist as determinist. The premises are corollary because in each case Dreiser wishes to reveal that life itself, as he perceives it, is far more complex (and thus perhaps ultimately less solvable) than the clear readings of the nature of existence present both in traditional and (in his own time) more recent systems of belief. (p.10)

In the works of Dreiser, the reflection of determinism is seen in the presence of opportunities and decisions that highlights the characters' ability to endure and persevere. In his analysis of the concept of self, Pizer asserts that Dreiser's characters either triumph or succumb based on particular facets of their personal resilience. Furthermore, these characters exhibit a profound sensitivity to the societal circumstances that shape their lives, existing within a realm where sexual desire permeates nearly all aspects of human behavior. They live or die based on certain parts of their own strength; they are also very sensitive to the social conditions of their lives, and they live in a world where sexual desire shapes almost everything people do (Pizer, 1999: 10). To clarify, the characters in Dreiser's works exhibit a notable sense of personal resilience and possess the capacity to adapt and integrate themselves within the framework of a capitalist society. Additionally, Thomas Pitonak (1994) examines the concept of the self as portrayed by Dreiser and asserts that Dreiser effectively portrays the influence of materialistic existence and human desires on the individual (p. 67). Georg Simmel (1969) presents the argument that the eighteenth century emphasized the necessity for individuals to liberate themselves from various historical constraints, encompassing the realms of the state, religion, morals, and economics, in other words, the inherent goodness of human nature, which is universally shared, ought to be allowed to flourish without any hindrance (p. 47). This viewpoint extols the individualistic tendencies prevalent in that era. The analyses conducted by Kwait, Pizer, Pitonak, and Simmel regarding determinism highlight that the characters in Dreiser's works not only grapple with the constraints of their circumstances but also strive to establish a meaningful existence within a society characterized by materialistic bourgeoisie values. This pursuit can be characterized as opportunism within the framework of Dreiser's reflections on the realities of life. Nevertheless, it should be noted that environmental factors do exert an influence on the characters in Dreiser's works. Conversely, it is the prevailing capitalist conditions that exert influence over individuals' decision-making processes.

In relation to the naturalist approach's motto of the survival of the fittest, it can be posited that a selective form of survival exists, namely the attainment of fitness. Survival necessitates engagement in competition, which serves as an inherent state of existence that prioritizes individualism. Moreover, the societal framework in America during the late 19th century was founded upon the principles of individualism and the economic structure of capitalism. The American Dream, which shares fundamental principles with capitalism, has been aligned with the trajectory of capitalist ideology. The American Dream places significant emphasis on the correlation between hard work and financial success, thereby fostering a competitive environment within its framework. Consequently, this has propelled Americans into the competitive realm of capitalism. In Dreiser's work, individuals engage in an economic competition that necessitates an examination of individual and moral decision-making.

In Theodore Dreiser's novel *Sister Carrie*, the characters of Drouet and Hurstwood symbolize the captivating allure and allure of urban life, as well as the subtle influence exerted by the middle class. Conversely, Carrie embodies an intense longing for the aforementioned allure. There exist various societal variations, each of which pursues distinct trajectories towards similar objectives, owing to the disparities in prevailing circumstances and social positions. These individuals exhibit a reliance on external circumstances and seize advantageous opportunities in their pursuit of personal contentment, recognizing that the attainment of independent happiness necessitates the fulfillment of material necessities. The extent of their helplessness is contingent upon the determining factors inherent in the interconnectedness of life. Consequently, it can be argued that their helplessness is not absolute. In the face of imminent extinction, individuals often encounter significant challenges in their quest for survival, yet they consistently devise strategies to overcome adversity. Dreiser (1965) presents an account of the character Carrie, who finds herself in a state of dependency and explores her decision-making process through a scientific lens:

The unintellectual are not so helpless. Nature has taught the beasts of the field to fly when some unheralded danger threatens. She has put into the small, unwise head of the chipmunk the untutored fear of poisons. 'He keepeth His creatures whole,' was not written of beasts alone. Carrie was unwise, and, therefore, like the sheep in its unwisdom, strong in feeling. The instinct of self-protection, strong in all such natures, was roused but feebly, if at all, by the overtures of Drouet. (p. 61)

Dreiser effectively combines the concepts of determinism and free will, as well as the interplay between instincts and reason, to provide an explanation for the intellectual capacity of individuals and the progress of civilization. He asserts that *"civilisation is still in a middle stage"* and man is *"aligned by nature with the forces of life"* (Dreiser, 1965: 70). He acknowledges the existence of deterministic forces in conjunction with the concept of free will. According to him, it is posited that as our civilization progresses, humanity will gradually emancipate itself from its primal instincts. This emancipation is described as follows: *"We see man far removed from the lairs of the jungles, his innate instincts dulled by too near an approach to free-will, his free-will not sufficiently developed to replace his instincts and afford him perfect guidance."* (Dreiser, 1965: 70). According to Dreiser's perspective on free will, it can be argued that rationality plays a crucial role in guiding individuals toward a moral and autonomous existence. Nevertheless, he discovers a resolution within the framework of evolution. He posits that humanity will strive to achieve an equilibrium between moral and immoral behavior. To substantiate his claim, he proceeds to elucidate the scientific process underlying the development of mankind:

He is becoming too wise to hearken always to instincts and desires; he is still too weak to always prevail against them. As a beast, the forces of life aligned him with them; as a man, he has not yet wholly learned to align himself with the forces. In this intermediate stage he wavers—neither drawn in harmony with nature by his instincts nor yet wisely putting himself into harmony by his own free-will. He is even as a wisp in the wind, moved by every breath of passion, acting now by his will and now by his instincts, erring with one, only to retrieve by the other, falling by one, only to rise by the other—a creature of incalculable variability. (Dreiser, 1965: 70-71)

Regarding Carrie, who is described as untutored, she experiences a state of indecisiveness characterized by a conflict between her instincts and reasoning, desires, and comprehension. These variables are depicted as engaged in a struggle for *"mastery"* (Dreiser, 1965: 71). She exhibits a strong sense of determination, although it should be noted that her decision-making process is primarily driven by instinct rather than intellectual reasoning. This is evident in her tendency to follow her cravings without considering alternative courses of action. She exhibited a greater inclination toward being attracted than towards attracting others.

Dreiser examines the inherent conflict between reason (logic) and desire (innate) in a scientific manner, observing their interactions within their respective natural contexts. This exploration forms the foundation of the philosophical framework known as Naturalism. Carrie's decision to remain in the company of Drouet stems from her belief in the potential opportunities it may offer, whereas Drouet's desire to have Carrie by his side is driven by an inherent inclination to derive pleasure from her presence, akin to his need for sustenance in the form of a hearty breakfast (Dreiser, 1965: 72). In Dreiser's novel, Carrie assumes the role of a symbol for rationality, contrasting with the characters of Drouet and Hurstwood who embody primal desires, pleasure, and sensuality. This clash between opposing forces serves to validate Dreiser's naturalist philosophy, ultimately determining the individuals who emerge as triumphant and those who suffer defeat. However, concurrently, she finds herself in a state of indecision amidst the dynamic nature of existence, and her aspirations compel her to actively seek the pleasures associated with the capitalist lifestyle in order to establish her agency (Dreiser, 1965: 75). Dreiser elucidates the means by which an individual can attain competitiveness within bourgeois society in order to ensure their survival. This is exemplified through a specific instance presented in the book, as follows: "*Have you ever heard of the Siberian wolves? When one of the pack falls through weakness, the others devour him. It is not an elegant comparison, but there is something wolfish in society."* (Dreiser, 1965:168). Hurstwood finds himself increasingly disadvantaged within the competitive capitalist framework and confronted with the inexorable forces of nature as he undergoes the process of aging and experiences the erosion of his social connections subsequent to appropriating funds from the enterprise he formerly managed. In his earnest endeavor to establish a life in New York, he finds himself increasingly confronted by the challenges of survival, ultimately succumbing to the forces of aging and adverse circumstances. These factors play a decisive role in his downfall, leading him to acknowledge that he is no longer able to exert control over his situation, as he confesses, *"now this thing's off my hands"* (Dreiser, 1965: 313). Moreover, he *"becomes a helpless creature in sickness,"* indicating the triumph of the natural world (Dreiser, 1965: 323). Hurstwood's gradual transformation, resulting from his inability to secure employment and the depletion of his financial resources, had a profound impact on Carrie. This deteriorating state of Hurstwood not only deeply affected her emotional well-being, but also cast a shadow over her daily experiences, causing distress and heartbreak. Carrie possesses a comprehensive knowledge of the prevailing circumstances, and in addition, she exhibits a profound comprehension of the situation surrounding Hurstwood. Nevertheless, she expresses dissatisfaction with his tenacity in the face of adversity, asserting that he did not exert sufficient effort.

The progressive deterioration of Hurstwood's condition transitions from a physical material failure to a psychological decline. As Dreiser (1965) stated, the realization of losing a substantial amount of money *"weakened him"* (p. 331). Additionally, he experiences a loss of the *"pride and interest"* of moneyed people like Mrs. Vance, which deeply affects Carrie and engenders a strong aversion towards him (Dreiser, 1965: 332). He initiates a form of resistance against Carrie and her social group, leading to a disagreement between them. Hurstwood's lack of regard for Mrs. Vance, a significant figure in Carrie's life, provokes Carrie's irritation, leading her to urge him to seek employment to avoid a destitute existence. However, Dreiser (1965) metaphorically compares Hurstwood's growing dependency on his comfortable lifestyle to that of a morphine addict (p. 335). Additionally, the financial loss incurred from poker had a significant impact on his mental state, as evidenced by his preoccupation with it. Furthermore, the ensuing argument with Carrie regarding employment and the visit from Mrs. Vanice to their residence further contributed to his mental deterioration. Consequently, a sense of *"desperation seized him"* (Dreiser, 1965: 337).

Carrie's decision-making process is significantly influenced by her apprehension towards poverty and her determination to overcome it. In the city of New York, as Hurstwood's financial resources dwindle, Carrie experiences a resurgence of the apprehension of destitution, a sentiment that had profoundly impacted her during her time in Chicago, where she encountered significant difficulties in securing employment and relied on the hospitality of her sister for accommodation. In that location, she encountered numerous challenges in securing employment and fulfilling her financial obligations to Hanson. Additionally, her financial constraints prevented her from acquiring adequate winter clothes. The apprehension regarding poverty aligns with the report on unemployment, which states that 80,000 people will be without employment in New York during the upcoming winter (Dreiser, 1965: 309). Upon discovering the impending return to a state of destitution, her thoughts retraced to her previous experience in Chicago, specifically recalling the Hansons and their modest dwelling, eliciting a strong emotional response. She holds the belief that the aforementioned event or experience was of poor quality or unsatisfactory. The entirety of poverty was characterized by severe adversity and hardship as *"terrible"* (Dreiser, 1965: 309). Nevertheless, her awareness of her current situation is somewhat limited, as her exposure to the affluent lifestyle of New York alongside Mrs. Vance has captivated her thoughts and is enticing her to become part of that elite social circle. As Dreiser (1965) stated, city's *"glamour"* captivated her totally (p. 309). Under her guidance, Carrie is exposed to the opulent lifestyle of New York City, allowing her to witness firsthand the sartorial and behavioral customs prevalent within the affluent echelons of capitalist society. Within this particular context, Mrs. Vance assumes the role of a helping hand, serving as a conduit for introducing Carrie to the affluent social network of New York City. Carrie's interpersonal connections can be characterized as transactional in nature, thereby positioning her as an individual who capitalizes on advantageous circumstances. The primary sources of satisfaction for her were ostentatious attire, opulent and expansive residences, and the indulgences afforded by her financial resources. She holds the belief that material possessions have the potential to bring about a state of contentment and fulfillment.

Consuming his financial resources, Hurstwood only looks for any place to work, expressing the difficulty he encountered in securing employment when she requested him to actively seek out work (Dreiser, 1965: 339). Nevertheless, Carrie is compelled to engage in employment due to her apprehension of experiencing poverty. Carrie experiences these occurrences when she is on the brink of defeat; nevertheless, her *"spirit awakens"* and she revitalizes herself (Dreiser, 1965: 338). She perseveres in their pursuit of a fulfilling existence, exhibiting resilience and resourcefulness in their endeavors to construct a desirable life for themselves, independent of mere luck or chance. She views stage as a *“door”* opens to the *“gilded state which she had so much craved”* (Dreiser, 1965: 339). She gains insights from her previous encounters on how to secure a position within a fiercely competitive capitalist society. Specifically, her time in Chicago has demonstrated that she had not yet explored the most effective strategies and opportunities (Dreiser, 1965: 339).

Deterministic entities significantly impact individuals’ formation in competitive capitalism, and urban culture, as they are influenced by environmental factors and conditions. Competition shapes an individual’s behavior in line with bourgeois norms and values, requiring them to navigate and sustain themselves within a capitalist society. In this sense, Theodore Dreiser’s novel *Sister Carrie* explores the philosophical concepts of determinism and free will, highlighting the characters’ ability to endure and persevere within a capitalist society. The characters in *Sister Carrie* exhibit personal resilience and sensitivity to societal circumstances, demonstrating the influence of materialistic existence and human desires on individuals.

In *Sister Carrie*, the characters Drouet and Hurstwood symbolize the allure of urban life and the influence of the middle class. However, their helplessness is not absolute, as they consistently devise strategies to overcome adversity. The protagonist, Carrie, is unintellectual and strong in feeling, demonstrating the resilience and self-protection that individuals possess in the face of adversity.

Dreiser explores the intellectual capacity of individuals and the progress of civilization by combining determinism, free will, and the interplay between instincts and reason. He posits that civilization is still in the middle stage, and as it progresses, humanity will gradually emancipate itself from its primal instincts. He believes that rationality plays a crucial role in guiding individuals toward a moral and autonomous existence, but he discovers a resolution within the framework of evolution. He elucidates the scientific process underlying mankind's development, stating that humans are becoming too wise to hearken always to instincts and desires, and are still too weak to always prevail against them.

Carrie, an untutored character, experiences a state of indecisiveness characterized by a conflict between instincts and reasoning, desires, and comprehension when she arrives in city culture. This conflict serves to validate Dreiser's naturalist philosophy, ultimately determining the individuals who emerge as triumphant and those who suffer defeat. Dreiser elucidates the means by which an individual can attain competitiveness within bourgeois society to ensure their survival.

Hurstwood faces societal challenges and the forces of nature as he ages and becomes a helpless creature in sickness. Carrie, a character with a profound understanding of the situation, expresses dissatisfaction with Hurstwood's tenacity in the face of adversity. Hurstwood's condition deteriorates from physical material failure to a psychological decline, causing a strong aversion towards him and a disagreement between him and his social group. Carrie's decision-making process is influenced by her apprehension towards poverty and her determination to overcome it. As Hurstwood's financial resources dwindle, Carrie experiences a resurgence of destitution, influenced by her time in Chicago. She recalls her experiences in Chicago and the affluent lifestyle of New York City. Carrie's interpersonal connections are transactional, focusing on material possessions and material possessions. Despite her challenges, Carrie perseveres and demonstrates resilience and resourcefulness in her pursuit of a fulfilling life.

3. City as the Material Drive of Characters' Change

The notion of the city or urbanization, as elucidated by Dreiser, serves to delineate the intricacies of social existence and cultural dynamics within a specific historical framework. The examination of a literary work through the lens of Marxist criticism involves a comprehensive analysis of its historical context, the author's background, and the societal milieu in which it was produced. In this regard, an exploration of the concept of the city in the writings of Dreiser becomes crucial for comprehending the central themes and ideas conveyed in his works. Consequently, inquiries regarding the impact of the urban environment on an individual's ethical principles and the significance thereof will shed light on the process through which Carrie assimilated into bourgeois society in order to contend with the American bourgeoisie. An illustration of this can be seen in *Sister Carrie*, Carrie's involvement with Hurstwood, which serves as a testament to her embrace of bourgeois principles as a means of navigating the urban setting. Similarly, her consumerist mindset serves as evidence of her preoccupation with wealth and material possessions.

Dreiser portrays the urban environment as a highly comprehensive and remarkable entity that encapsulates the vibrancy and transformative nature of capitalism. Three prominent cities where bourgeois materialism is commonly observed are Chicago, New York, and California. In *Sister Carrie,* the urban environment is portrayed as a symbol of bourgeois materialism. The city, along with various materialistic possessions, exerts a significant influence on the characters, who in turn adapt their lives to align with these objects in order to navigate the competitive nature of bourgeois society. They strategically capitalize on any available opportunity that aligns with their vested interests. In the *"historical context"* of his literary works and with regard to Dreiser's perspective on capitalism, the author directs the readers' focus towards cities and their impact on the characters, illustrating the evolution and transformation of their moral outlook as they engage with urban existence (Ndah, 2017: 7).

According to Savage and Warde (1993), *"cities represented the new and the modern, epitomes of the emergent economic and social order produced by industrial capitalism"* and they hold significant importance due to their embodiment of the *"evolutionary model of economic change"* (p. 35). This model encompasses the transformation of social life and family structures in response to the advantages and practices associated with capitalism and bourgeois ideology. In this context, urban centers underwent growth and gained prominence due to their association with economic pursuits such as trade, manufacturing, and industrial development. The view of the city, as explored by Dreiser and in a broader context, holds great significance due to its transformative influence on various aspects of society, particularly in terms of economic dynamics. It is widely acknowledged as a pivotal hub for societal progress, often referred to as *"the workshops of civilization"* (Harvey, as quoted in Savage and Warde, 1993: 36). It can be deduced that urban environments serve as the catalysts for societal change, influencing the development of individuals. In essence, individuals must conform to urban cultural norms in order to sustain their livelihoods. Urban areas embody a capitalist spirit that necessitates continuous production on a large scale, a robust workforce, thriving markets, and the accumulation of wealth. Therefore, individuals residing in urban areas, including migrants from rural regions and other countries, experience a rapid and significant transformation upon their transition to urban living. Georg Simmel's views regarding complicated relationships in urbanized places, and some typical cultural forms in cosmopolitan cities are *"intellectuality,"* and being *"calculative," "blase,"* and *"protective"* (as quoted in Savage and Warde,1993: 111). The above attributes of urban residents are readily apparent in the literary works of Dreiser, with particular emphasis on the city of Chicago as an exemplar for other urban centers during that era. In the context of Chicago, the attitudes portrayed by Dreiser's characters exhibit a notable alignment with bourgeois values in a manner that is grounded in realism. The characters in the narrative align their positions in accordance with the bourgeois ideologies that influence and shape their moral values. An illustration of the mentioned earlier four characteristics pertaining to urban residents can be discerned in the novel *Sister Carrie*. Carrie exhibits a sense of indifference due to her weariness in the pursuit of employment. Her behavior aligns with that of a calculating individual, as evidenced by her attitude upon becoming acquainted with Hurstwood and subsequently choosing to reside with him in New York. This decision is driven by her desire to capitalize on the opportunity to pursue a lucrative acting career and to gain entry into a prosperous bourgeois social sphere. In the fourth one, Carrie endeavors to achieve her objectives within a city that upholds bourgeois values. She demonstrates a discerning approach, carefully considering her responses before taking action. In *Sister Carrie*, the character's actions and decisions are influenced by the prevailing bourgeois ideology. Therefore, Dreiser endeavors to illustrate the moral behavior and actions of his characters within bourgeois society through their exposure to urban environments and conditions. In addition, he offers an examination of individual behaviors through a naturalistic lens.

Culbertson (2011) asserts that Chicago, being a city abundant in opportunities, *"offers endless possibilities for tearing down old "aggregates" (Spencer's term for local organizations) and building up the new"* (p. 73). In simple words, the preservation of rural traditions and norms within an urban setting, which is rooted in bourgeois values and ideologies, is exceedingly challenging if not practically unattainable. Therefore, it is of utmost importance to assess the perspectives of rural individuals residing in urban areas through two distinct cultural lenses, taking into account the historical imperatives of the relevant era: the urban (bourgeois) values and rural values. Dreiser's literary work explores the notion of the city as a manifestation of bourgeois culture. The author ascribes the qualities of flawlessness to the urban setting, employing descriptors such as *"Elf Land"* (Dreiser, 1965: 164), *"The Kingdom of Greatness"* (Dreiser, 1965: 269), and *"the Walled City"* (Dreiser, 1965: 300). Carrie's personality and manners in both Chicago and New York are influenced by the capitalist social milieu, necessitating her diligent endeavors to establish a livelihood in these urban centers. She exhibits opportunistic behavior, prioritizing personal desires over traditional moral values. Her motivations stem from her innate instincts, the gratifications associated with urban living, and the pursuit of material well-being.

Nevertheless, towards the conclusion of *Sister Carrie*, there appears to be a certain absence of a quality in Carrie that can be characterized as the lack of soulfulness found within the bustling metropolis, *"a cold place socially"* (Dreiser,1965: 404). Dreiser (1965) articulates this notion by stating that even though it is much smaller and more human, the city is not without its tricks; there are big forces that entice with all the soulfulness that even the most educated person can show (p. 1). She experiences a loss of her soul, which she had carried over from a previous life in a traditional cultural setting. Presently, she possesses a novel essence—one that embodies the spirit of competitive capitalist urban centers and unfulfilled aspirations. Carrie's attraction to the urban environment compels her to adopt a bourgeois lifestyle, resulting in a transformation of her moral and ideological perspectives. Whenever she encounters urban life, both in terms of physical surroundings and ethical considerations, her inclination towards the ostentatious and awe-inspiring ambiance intensifies. The concept of the *"weirdness of the city by night"* captivates her imagination as Hurstwood escorts her to New York (Dreiser, 1965: 246). In his analysis, Dreiser (1965) asserts that a comparative examination of the social and political divisions between Chicago and New York reveals certain noteworthy distinctions (p. 269). The city of Chicago presented significant challenges for Carrie in her search for suitable employment that would enable her to establish residency. In this context, it can be observed that New York bears a resemblance to Chicago for the moneyed Hurstwood, as he encounters comparable challenges in New York as Carrie did in Chicago. Similar to the vast expanse of the ocean teeming with majestic cetaceans, the city of New York presents an environment wherein Hurstwood must navigate with cunning and astuteness to safeguard himself from the formidable forces of capitalism prevalent in the region. Hurstwood, who achieved prominence in the city of Chicago, currently resides as an aquatic creature within the confines of New York. Due to the distinct environmental influences exerted by the atmospheres of Chicago and New York, he experiences a sudden sense of helplessness when confronted with the competitive circumstances prevalent in these renowned cities. Furthermore, it can be argued that due to his youthful age and lack of experience in securing employment that offers meager compensation, the protagonist finds himself in a state of being *"defeated"* within the bustling metropolis (Dreiser, 1965: 430).

Dreiser elucidates the portrayal of the metropolis and its consequential impacts on Hurstwood, encompassing both the corporeal and psychological realms. As above stated, the bourgeois culture's materialistic and appealing ambiance, along with the city's significant impact on Hurstwood, can be observed as *"paralleled in the case of Carrie, who accepted the things which fortune provided with the most genial good-nature"* (Dreiser, 1965: 277). In the context of New York, he is encountering a similar outcome to that which Carrie experienced upon her initial arrival in Chicago. Carrie is greatly impressed by the city of New York and its social environment, leading her to immerse herself in the bourgeois urban lifestyle. She becomes intrigued with the organization of New York residential units and wonders why ten families live in one building and are odd and indifferent to each other (Dreiser, 1965: 277). New York's *"pleasures"* provide Carrie with numerous opportunities and instill within her a strong desire to attain a similar lifestyle (Dreiser, 1965: 283). The differential impact of a certain force on Carrie and Hurstwood yields significant advantages for Carrie while proving to be devastating for individuals who are weaker, such as Hurstwood. This observation underscores the profound influence of this force on individuals.

Dreiser's concept of the city, or urbanization, is crucial in understanding the intricacies of social existence and cultural dynamics within a specific historical framework. The urban environment, including Chicago, New York, and California, is a symbol of bourgeois materialism and influences the characters' lives. In *Sister Carrie,* Carrie's involvement with Hurstwood demonstrates her embrace of bourgeois principles and her consumerist mindset, which aligns with her preoccupation with wealth and material possessions. Dreiser's works highlight the transformative influence of cities on societal change and the development of individuals. The characters in *Sister Carrie* exhibit a realism-based approach, aligning their positions with bourgeois ideologies that shape their moral values. The novel highlights the moral behavior and actions of characters within bourgeois society through their exposure to urban environments and conditions.

Carrie's personality and manners are influenced by the capitalist social milieu, necessitating her diligent endeavors to establish a livelihood in these urban centers. However, there appears to be a lack of soulfulness found within the bustling metropolis, as Carrie experiences a loss of her soul. The city presents significant challenges for Carrie in her search for suitable employment, and New York bears a resemblance to Chicago for the moneyed Hurstwood. The city's materialistic and appealing atmosphere, along with the city's significant impact on Hurstwood, can be observed in the case of Carrie, who accepted the things that fortune provided with the most genial good nature.

In New York, Carrie is greatly impressed by the city of New York and its social environment, leading her to immerse herself in the bourgeois urban lifestyle. The differential impact of a certain force on Carrie and Hurstwood yields significant advantages for Carrie while proving to be devastating for individuals who are weaker, such as Hurstwood.

4. The Reflections of Opportunism and Chance in *Sister Carrie*

Dreiser puts Carrie within a narrative context wherein she encounters a predicament involving the juxtaposition of urban and rural cultures. She exhibits an innate response to an unfamiliar environment characterized by a sense of caution and apprehension. Throughout the course of this expedition, she engages in opportunistic behaviors as an innate response.

At the young age of eighteen, Carrie Meeber embarks upon her urban existence, characterized by *"full of the illusions of ignorance and youth"* (Dreiser, 1965: 1). Having been raised in a rural environment, she exhibits a sense of *"timid"* regarding her transition into an urban lifestyle, driven by her aspirations for improved opportunities and quality of life (Dreiser, 1965: 1). In embarking upon her urban sojourn, she finds herself compelled to forsake her rural existence and embrace a novel milieu. It *"was not for advantages now being given up"*, but it was up to her to make a decision whether to leave for city life or stay in a rural environment (Dreiser, 1965: 1). *"[T]here was always the next station, where one might descend and return",* however, she demonstrated determination by persisting in her journey towards urban areas (Dreiser, 1965: 1). At the onset of her departure, Carrie is faced with a series of decisions and choices. However, following her resolve to leave her home, she is presented with two distinct paths: *"Either she falls into saving hands and becomes better, or she rapidly assumes the cosmopolitan standard of virtue and becomes worse"* (Dreiser, 1965: 1). Carrie is helpless and has no *"counselor"* who will *"whisper cautious interpretations"* on what to do under the new conditions (Dreiser, 1965: 2). The fortuitous encounter with Drouet during her train journey to Chicago proves to be a pivotal turning point for Carrie, as she finds herself in a state of vulnerability and difficulty in securing employment. The assistance and guidance provided by these supportive individuals facilitate her successful integration into urban environments. Additionally, for Carrie, these hands serve as the gateway to the fiercely competitive capitalist realm and represent the chance to secure a position within the esteemed echelons of bourgeois social recognition. Her urban life undoubtedly commences with the assistance of Drouet, who serves as a catalyst for her integration into the bourgeois social sphere. Subsequently, she embarks upon a new existence, replete with boundless prospects for attaining renown and securing a prominent standing within said society. During the era of the Industrial Revolution, significant advancements and societal transformations occurred in America, as was the case in many other regions. Consequently, Carrie found herself compelled to adapt to the changing cultural landscape, leaving behind her previous traditional values and embracing the tenets of modernity.

Sociologist Georg Simmel articulates a similar sentiment, which aligns with the societal and cultural transformation observed in the character of Carrie. Simmel (1969) asserts that the eighteenth century demanded individuals to liberate themselves from various historical constraints encompassing the realms of governance, religious beliefs, ethical principles, and economic systems*: "The eighteenth century called upon man to free himself of all the historical bonds in the state and in religion, in morals, and in economics. Man's nature, originally good and common to all, should develop unhampered."* (47). Carrie assimilates into urban culture, while still maintaining her connection to rural culture. She undergoes a process of social and cultural transformation, relinquishing her previous experiences and traditional heritage. According to the theoretical framework of Karl Marx's dialectical materialism, which posits that matter is in a constant state of motion, it can be inferred that Carrie will undergo significant transformations in the realms of society and culture due to the progressions in industrialization and technology. The change can be attributed to the deterministic nature of the environment. Dreiser establishes a specific milieu and set of circumstances with the purpose of elucidating Carrie's future actions and trajectory. In *Sister Carrie*, Dreiser situates the protagonist, Carrie, within a fiercely competitive capitalist setting, while also incorporating elements that align with the social and industrial advancements of the 19^{th} century. Furthermore, Dreiser adopts a scientific approach in observing Carrie, akin to the methodology advocated by Emile Zola for naturalistic studies. Dreiser endeavors to elucidate the influence of deterministic factors, such as competitive capitalists, monetary systems, social circumstances, the environment, and bourgeois culture, on the trajectory of Carrie's future, moral compass, and societal interactions. Nevertheless, she exhibits a resolute determination to persevere and grapples with the pursuit of fulfilling her aspiration for an improved existence. Upon embarking on the train bound for Chicago, she appears to exhibit a sense of vulnerability. However, it is Drouet who assumes the role of her savior, symbolizing the potential for personal growth and advancement that arises from the dynamics of competitive capitalism and the unrestricted market. However, with reference to the literature, it can be argued that the environment and conditions of competitive capitalism exhibit both optimistic and pessimistic aspects. Upon initial observation, Drouet can be perceived as a savior figure, creating an atmosphere of optimism. However, upon closer examination of Carrie's entire life, this initial optimism is revealed to be a pessimistic one, as her desires remain unfulfilled and she succumbs to amoral behaviors within the urban environment. However, in order for the subject to persist in its current state, advancements in the context of competitive urban environments offer prospects and favorable circumstances for individuals seeking to endure. This highlights the significance of Drouet as a pivotal figure and prime avenue for Carrie to fulfill her aspirations. Moreover, it can be posited that the surrounding milieu played a constructive role in Carrie's trajectory, rather than acting as a deterrent, with her resilience and fervent yearning for improved circumstances serving as key factors in her survival. Indeed, the deterministic force is the determining factor in identifying the individuals who will emerge as the most fit. In essence, the choices and actions of individuals are influenced by a combination of environmental factors, societal influences, and inherent personal traits and capabilities. For example, Drouet provides financial assistance to Carrie *"out of a good hearth,"* but the monetary value bestowed upon her would differ if it were given to *"a poor young man"* (Dreiser, 1965: 59-60). This observation underscores the influence of desires and instincts in shaping our behaviors and decisions. *"Femininity"* and masculinity determine his acts and choices; he was directed by inborn desires, and he *"loved to make advances to women, to have them succumb to his charms, not because he was a coldblooded, dark, scheming villain, but because his inborn desire urged him to that as a chief delight"* (Dreiser, 1965: 60). In the interim, Carrie remains steadfast in her aspirations and endeavors to fulfill them, capitalizing on the presence of an individual such as Drouet to aid in her pursuit.

Carrie's encounter with Drouet and his proposition of financial assistance and accommodation presents her with prospects for maintaining her urban lifestyle in the city of Chicago. By capitalizing on the vulnerabilities exhibited by both Drouet and Hurstwood, namely their preoccupation with women, Carrie seizes the opportunity to improve her circumstances and pursue a career as a stage actress. Carrie's involvement in opportunistic behavior is driven by the circumstances of poverty and urban living. In order to secure the opportunity to reside in the urban environment, she found it necessary to transform her conventional attributes into self-interested ones. The actions of Carrie can be attributed to the pressures exerted by the competitive urban environment and natural forces. Survival within a competitive capitalist society necessitates adopting an opportunistic approach, whereby individuals strategically act in a manner that aligns with their personal interests. In this context, Carrie's behavior can be understood as a manifestation of her opportunistic tendencies.

In the XVI chapter, Dreiser introduces several characters alongside Drouet as a means of suggesting the actions required to enhance their societal standing. One of the drummers suggests that Drouet should have a supportive social network, exemplified by Hazenstap's success in improving his social status. Hazenstap's advantageous connections, symbolized by his *"good house,"* greatly contribute to his *"long way"* (Dreiser, 1965: 141). This particular circumstance serves as a source of inspiration for Drouet, prompting him to make the decision to visit "*his local lodge headquarters*" upon his return to Chicago (Dreiser, 1965: 141). In this scenario, Drouet encounters Mr. Harry Quincel, an individual affiliated with the Elks, a theatrical company. Mr. Quincel is actively seeking an individual capable of assuming a role in a theatrical production and seeks the assistance of Drouet. He expresses his willingness to assist Mr. Quincel in locating a suitable candidate for the role, while also reminding Carrie of her aptitude and disposition for acting, thereby inviting her to assume the role in the play. Henceforth, the term saving hands is replaced with helping hands in order to reflect the evolving circumstances of Drouet's life. Initially, Drouet was living in poverty and her situation was improved through the assistance provided by these helping hands. However, she has now attained a more average standard of living, and her current needs extend beyond mere rescue from destitution. Instead, she requires support to further enhance her existing living conditions. Consequently, the act of saving hands transforms into the act of assisting hands. Another example that supports Carrie's position is Hurstwood's utilization of his social connections to publicize and promote the theatrical production in which Carrie was cast. He communicates with Mr. Harry McGarren, who holds the position of managing editor at the Times, a newspaper where the notice of the play is published (Dreiser, 1965: 158). The aforementioned developments in Carrie's life serve to underscore the arduous nature of upward mobility within the fiercely competitive capitalist society of that era, highlighting the indispensable role played by influential individuals and a solid support system. This event, stemming from the competitive capitalist system, provides insights into the vulnerability of individuals and the impact of the natural environment on their growth and progress. In a capitalist environment, achieving the status of being the most fit necessitates external intervention. In a parallel manner, the environmental factors that previously exerted pressure on Carrie now play a role in shaping her destiny and impacting her existence. During her sojourn at her sister's residence, the prevailing atmosphere exerted a pessimistic influence on her. The current environment exerts a positive impact on her life by providing opportunities for her to secure a position in a highly competitive society. These opportunities include the chance to participate in theatrical productions and the presence of influential individuals who can facilitate her social progress. In addition to the environmental opportunities facilitated by Drouet and Hurstwood that influenced her life, Carrie's inherent nature and abilities played a significant role in shaping her destiny. These qualities, referred to as her *"sympathetic, impressive nature," "passivity of soul,"* and *"innate taste for imitation,"* were identified as hereditary factors that rendered her suitable for pursuing a career in the theatrical arts (Dreiser, 1965: 145-146). Her inherent and intrinsic talents and gifts facilitated her suitability for the urban milieu and affluent lifestyle of the bourgeoisie. Indeed, the inclinations of Drouet to seek support from influential individuals and Carrie's efforts to expand her social network by associating with individuals from the upper echelons of society classify them as social opportunists, as they exploit their social connections for personal gain. Carrie's self-perception is characterized by *"a touch of vanity,"* as she harbors a belief that *"she could do things if she only had a chance"* (Dreiser, 1965: 146). She endeavors to capitalize on all available opportunities in both Chicago and New York.

Carrie visits the Grand Opera House with the intention of securing a performance opportunity on its stage. The manager advises her to pursue her aspirations in New York, as it offers *"more chance"* (Dreiser, 1965: 230). This turn of events, however, can be interpreted as a fortuitous occurrence that aligns with the deterministic principles espoused by the philosophical framework of Naturalism. Subsequently, Hurstwood clandestinely escorts her to New York, unbeknownst to her and against her volition. During her journey to New York, she becomes aware that he intends to accompany her to the destination. Carrie, displaying hesitancy, expresses her objection to the action of being led beyond her realm of understanding. However, amidst their dispute concerning Hurstwood's conduct, the counsel offered by the manager of the Grand Opera House yields favorable outcomes by persuading Carrie to consent to the idea of relocating to New York. Another contributing factor that leads to Carrie's decision to go to New York is when Hurstwood discovers the unprotected money cases (Dreiser, 1965: 239). He is facing marital difficulties resulting from an extramarital relationship with a woman named Carrie. Additionally, his spouse is requesting financial compensation for a holiday and has threatened to expose his morally questionable affair to his employer if her demands are not met. Consequently, he opts to appropriate the funds contained within the aforementioned case and proceeds to transport Carrie against her will to the city of New York. These circumstances force Carrie to accompany Hurstwood to New York, thereby providing her with improved opportunities in that location.

Carrie possesses a remarkably potent faculty of precognition, which she consistently employs in her efforts to avoid a return to a state of destitution. Consequently, she departs from her sister's residence in pursuit of an improved existence and subsequently establishes a cohabitation arrangement with Drouet. Opting to depart from Drouet and aligning herself with Hurstwood also serves to advance her own interests. Finally, she departs from Hurstwood in order to make money *"to pay for clothes"* and indulge in the extravagant lifestyle she aspired to (Dreiser, 1965: 400). Nevertheless, the trajectory she was actively pursuing had a profound impact on her, resulting in notable transformations in both her physical appearance and moral compass. She found herself entangled within a highly competitive capitalist environment, akin to a dragon-like circle, over which she had little agency. Her actions were not driven by personal desires but rather compelled by external demands. Her profound emotional response was elicited by the interplay of the competitive capitalist system and the ostentatious and illustrious lifestyle. She succumbed to the allure of the bourgeois way of life. According to Dreiser (1965), there is an intriguing observation to be made regarding *"how quickly a profession absorbs one"* (p. 401). This phenomenon is exemplified by her decision to depart from her relationship with Hurstwood in favor of pursuing a career in theater, which offered both artistic fulfillment and a lucrative position. Moreover, she assimilates the bourgeois culture, wherein she develops a penchant for perusing her own name in the newspaper with the aspiration of being *"renowned like others,"* and having a *"showy world in which her interest lay completely absorbed her"* (Dreiser, 1965: 402). To clarify, the dragon swallowed her. Dreiser elucidates the realm of competitive capitalist ethics by establishing a connection between urban environments and the pursuit of gratification and longing, both of which form the foundation of bourgeois moral values. Dreiser (1965) asserts that Carrie *"was getting in the metropolitan whirl of pleasure"* (p. 404). Carrie's vulnerabilities were exploited by the allure of material wealth and its associated purchasing power, as evidenced by her inclination towards indulgence in pleasure. She assimilates into the capitalist consumer culture, assuming a social role within it. This is evidenced by her ability to partake in activities such as *"carriage riding,"* dining out, purchasing ostentatious and costly attire, as well as leisurely strolling along Broadway (Dreiser, 1965: 404). The society and culture that she aimed to integrate herself into are characterized by a pervasive system of exploitation and are primarily driven by financial motivations. This sentiment was eloquently articulated by Dreiser (1965) as follows: *“The world of wealth and distinction was quite as far away as ever. She could feel that there was no warm, sympathetic friendship back of the easy merriment with which many approached her.”* (p. 404).

In the context of a highly competitive capitalist society, Carrie, who previously experienced economic disadvantage and vulnerability, has emerged as a frontrunner among her social environment. Consequently, she is now being favored for roles traditionally reserved for highly skilled actors. Following Carrie’s highly praised performance on the stage, the actors are expressing dissatisfaction with their positions and engaging in a struggle to secure their roles in the subsequent acts:

"I'm not going to have my work cut up by some one else. Either she quits that when I do my turn or I quit."

"But she ruins my work."

"She killed my hand all right. I'm not going to stand that." (Dreiser, 1965: 407).

The statement alludes to the highly competitive and cutthroat nature of the capitalist environment, suggesting that *“she was in the walled city now! Its splendid gates had opened, admitting her from a cold, dreary outside”* (Dreiser, 1965: 409). The magnificent gates had been opened, allowing her entrance from a bleak and chilly exterior. She is currently experiencing a state of existence that was previously only an imagined scenario. The sources of her happiness and sense of relief encompass material possessions such as extravagant attire, a *“large and commodious chamber,”* and extravagant goods that can be acquired with money (Dreiser, 1965: 410). She exhibits a strong preoccupation with wealth and material possessions, indicating that her *“sensations were more physical than mental,”* in other words, the *“hearth and body were having their say”* (Dreiser, 1965: 410).

Her moral conscience appears to have dissipated, as her actions align more closely with her instincts, emotions, and personal desires. Her moral values and ethical principles have become compromised within the context of a materialistic society and a capitalist social environment. She has adopted a capitalist ideology akin to that of Hurstwood and Drouet, displaying a notable absence of moral considerations. The current preoccupation for her revolves around the sense of guilt, potentially stemming from feelings of *"unworthiness,"* in response to the applause she receives from the audience for her performance and achievements (Dreiser, 1965: 410).

Finally, Carrie Meeber, an eighteen-year-old girl, embarks on an urban journey driven by her aspirations for improved opportunities and quality of life. She faces two choices: forsake her rural life and embrace a new milieu, or assume the cosmopolitan standard of virtue and become worse. Her journey is marked by a pivotal encounter with Drouet during her train journey to Chicago, who provides her with the assistance and guidance she needs to integrate into the bourgeois social sphere. Carrie's journey is influenced by deterministic factors, such as competitive capitalists, monetary systems, social circumstances, the environment, and bourgeois culture. The surrounding milieu plays a constructive role in Carrie's trajectory, with her resilience and yearning for improved circumstances serving as key factors in her survival.

The deterministic force is the determining factor in identifying the most fit individuals. Carrie's resilience and yearning for improved circumstances serve as key factors in her survival, and her resilience and yearning for improved circumstances serve as key factors in her pursuit of her aspirations.

Carrie's opportunistic behavior is driven by poverty and urban living, as well as her preoccupation with women. She seeks financial assistance and accommodation from Drouet and Hurstwood, who offer her the opportunity to improve her circumstances and pursue a career as a stage actress. Carrie's actions are influenced by the competitive urban environment and natural forces, which force her to adopt an opportunistic approach. Drouet's supportive social network and the presence of influential individuals like Hurstwood support her in achieving her social status. Carrie's inherent qualities, such as sympathy, impressive nature, and passivity of soul, make her suitable for the urban milieu and affluent lifestyle of the bourgeoisie. Her self-perception is characterized by vanity, believing she could achieve anything if given the chance. Carrie's journey to New York is influenced by her relationship with Hurstwood, who discovers unprotected money cases and threatens to expose his affair if not met.

Carrie assimilates into the capitalist consumer culture, assuming a social role within it. The city is characterized by a pervasive system of exploitation and financial motivations, leading to her becoming a frontrunner among her peers. Her moral conscience appears to have dissipated, as her actions align more closely with her instincts, emotions, and personal desires. Her moral values and ethical principles have become compromised within the context of a materialistic society and a capitalist social environment. Her current preoccupation revolves around a sense of guilt, possibly stemming from feelings of unworthiness, in response to the applause she receives from the audience for her performance and achievements.

5. The Formation of Societal Attitudes in a Capitalist Culture: Moral Consciences of Carrie, Hurstwood and Drouet

This analysis focuses on the formation of societal attitudes within a capitalist culture, specifically examining the moral consciences of Carrie, Hurstwood, and Drouet. The moral attitudes exhibited by Carrie, Hurstwood, and Drouet have a notable impact on the development of the characters they represent.

Dreiser (1965) gives us the following information on Carrie's first day of work at the shoe factory regarding recent socialism developments that would significantly improve working conditions. This kind of labor would have been better under better material conditions, but industrial corporations had not adopted the new socialism that promotes pleasant working conditions (p. 36). For small manufacturers like the shoe company Carrie worked for, however, it would be a huge economic loss as capitalist power began to rise in prominence and reached its pinnacle in the 19th century. Making a general cleaning would therefore be expensive because it might involve moving to a new building, decorating the old building, or purchasing new equipment. The intention is to eliminate the odor of machine oil, stale odors in the building, and the cluttered floor surface in order to establish a more favorable and comfortable working environment. (Dreiser, 1965: 36-37). For the females, like Carrie in the shoe firm and others, there were cultural and social problems in addition to the unhealthy physical working circumstances. Carrie could not bear *"such a life,"* because men employees abused and mocked the women employees (Dreiser, 1965: 38). These businesses were opportunists in surviving in the capitalist industrial period, as evidenced by the moral principles of competitive culture and the mistreated employees. Carrie is forced to make a decision on whether to continue moving in that cultural circle or live a traditional life in poverty by the wheel of capitalist social existence.

Carrie, in her pursuit of establishing an identity in the urban environment, encounters a multitude of moral challenges that align with conventional societal norms. Experiencing a sense of solitude and melancholy within the confines of her sister's home, Carrie occasionally seeks solace by positioning herself near the entrance. The aforementioned behavior exhibited by her was deemed inappropriate within the context of traditional households such as the Hanson family, characterized by a subdued and uncomplicated lifestyle that adhered to established moral standards. Mr. Hanson advises his wife against allowing Carrie to sit in the doorway not to let her stand in the door for the reason it did not *"look good"* (Dreiser, 1965: 48). Subsequently, Carrie departs from her previous residence and opts to reside with Drouet in his apartment, despite the absence of a marital commitment. When juxtaposed with her presence at the entrance, she engages in a profoundly unethical action, albeit one that occasionally troubles her conscience. Commencing a fresh chapter in her life alongside Drouet, she acquaints herself with a plethora of individuals residing in the vicinity of Drouet's abode, as well as in the surrounding neighborhoods. Upon her arrival, she encounters Hurstwood, the manager of Fitzgerald and Moy's establishment. Despite leading a morally upright life, his strong attraction to women compels him to partake in unethical actions, ultimately leading to his moral deviation. The evident correlation between the portrayals of Dreiser and the immoral attitudes of Hurstwood and Carrie underscores the normalization of immoral behavior, leading to a decline in moral values within American society during the 19th century and beyond. Their *"moral defections"* and lack of integrity are indicative of their hypocrisy, while his spouse Julia demonstrates a *"desire to have her social integrity maintained"* (Dreiser, 1965: 104). The active involvement of Hurstwood in Carrie's life, coupled with his wife's growing awareness of his attraction towards other women, leads to a fracture in familial ties, resulting in the decline of the family unit and the erosion of moral values. Dreiser suggests that the bourgeoisie contributes to the moral decay and erosion of familial cohesion, while simultaneously fostering a consumerist and hypocritical social structure.

Nevertheless, Carrie finds herself torn and conflicted as she grapples with the clash between conventional moral principles and the contemporary realm of cutthroat societal norms. Carrie experiences a moral dilemma as she reflects on her actions of deceiving Drouet, who rescued her from despair and played a significant role in shaping her current circumstances. She holds the belief that she was *"doing wrong"* to Drouet (Dreiser, 1965: 202). However, in the context of a competitive capitalist society, it is not certain "what will come," as there are *"miserable things outside"* and *"[w]omen are wretched"* (Dreiser, 1965: 202). This implies a disregard for the existence of free will and emphasizes the influence of determinism in shaping the lives of individuals who lack agency over their circumstances. Consequently, she seizes every opportunity available to enhance her social standing, driven by her determination to achieve a higher standard of living than her previous circumstances. This pursuit is guided by her strong moral compass and the assistance she receives from Drouet. In essence, she behaves in accordance with the demands and circumstances of her surroundings. Despite Drouet's cautionary advice regarding Carrie's previous experiences of destitution and his reminder of her past hunger, he urges her to find contentment with her current circumstances. However, Carrie chooses a life without Drouet, thereby rendering herself vulnerable once more. Furthermore, she found herself *"in a most helpless plight"* (Dreiser, 1965: 210). She *"was ashamed"* in relation to her actions towards Drouet (Dreiser, 1965: 210). However, Drouet offers her his help to make a living on the grounds that it was not easy to go on her own *"hook"* there (Dreiser, 1965: 211). This shows the importance of social circle in a competitive, deterministic life for the helpless. The behavior exhibited by Drouet suggests the presence of a moral conscience. Carrie possesses a moral conscience that persistently causes her inner turmoil. However, Hurstwood's actions and thoughts are driven by instinct. He places significance on material possessions, including his managerial role, social status, and residential property. Furthermore, he is motivated by his personal desires. When contemplating his act of deceiving his spouse, he demonstrates a lack of moral concerns, instead prioritizing material and egotistical pursuits. He worries about *"his managerial position"* and if his wife was going to make it public, he would *"lose this thing"* (Dreiser, 1965: 213).

Carrie's rationale regarding her decision to deceive Drouet and subsequently experience feelings of solitude, shock, and fear in response to the manifestation of human depravity, clearly indicates her state of dependence rather than independence. This implies that she lacks the necessary strength to establish a livelihood or endure her personal challenges. In order to actualize her aspirations and achieve happiness, it is recommended that she seek additional support from her social network. Nevertheless, in the absence of Drouet and her social circle, she finds herself in a state of profound solitude and engages in minimal activity. She has gained an understanding of the extent of Drouet's influence and control over her personal, social, and economic circumstances. She has lost her happiness and joy of life as a result of Drouet's abandonment, and as she viewed the beautiful park, she could not help but believe that life was pleasant for those who did not have to worry, and she wished that anything would interfere to protect her comfortable position (Dreiser, 1965: 225). Indeed, she can be regarded as a victim of her surroundings, including her sister, her sister's spouse, Doruet, Hurstwood, and various entities such as the shoe company. Nevertheless, her ethical consciousness compels her to contemplate her behavior, whereas Hurstwood endeavors to discover a *"solution"* to *"all the entanglement"* of his life to find a way out (Dreiser, 1965: 240). In general, he engages in contemplation regarding the advantages and disadvantages of engaging in immoral behaviors as a potential resolution, whereas Carrie's moral compass prompts her to reflect upon her own unethical conduct. Hurstwood engages in reasoning when Carrie makes judgments. According to him, accepting the monetary sum would present numerous *"opportunities,"* including pursuing a relationship with Carrie and eliminating his spouse, thereby contributing to society's erosion of moral values (Dreiser, 1965: 241). The subsequent inference regarding Hurstwood substantiates his deficiency in moral consciousness and his propensity to be guided by his personal desires and instincts, as there exists no internalized moral compass dissuading him from appropriating funds that are not rightfully his:

To those who have never wavered in conscience, the predicament of the individual whose mind is less strongly constituted and who trembles in the balance between duty and desire is scarcely appreciable, unless graphically portrayed. Those who have never heard that solemn voice of the ghostly clock which ticks with awful distinctness, "thou shalt," "thou shalt not," "thou shalt," "thou shalt not," are in no position to judge. (Dreiser, 1965: 241)

Furthermore, Dreiser's (1965) examination of human behavior focuses on the differentiation between Carrie and Hurstwood, attributing their actions to the influence of knowledge and instinct, respectively:

The dullest specimen of humanity, when drawn by desire toward evil, is recalled by a sense of right, which is proportionate in power and strength to his evil tendency. We must remember that it may not be a knowledge of right, for no knowledge of right is predicated of the animal's instinctive recoil at evil. Men are still led by instinct before they are regulated by knowledge. It is instinct which recalls the criminal—it is instinct (where highly organised reasoning is absent) which gives the criminal his feeling of danger, his fear of wrong. (p.p. 241-242)

The preceding analysis suggests that Hurstwood may have experienced moral self-questioning rather than causal self-questioning. He possessed the opportunity to restore the funds as an expression of moral conduct. However, rather than being morally dissuaded from appropriating the money, he merely contemplates his managerial position and social connections. The allure of acquiring the money is not morally discouraged by these considerations. In fact, he envisions utilizing the funds to pursue a romantic relationship with Carrie and resolve his marital issues, which aligns with his personal inclinations driven by desire. He found himself in a state of perplexity that surpassed his ability to influence the situation, and lacked awareness of his actions. His circumstances, which compelled him to develop such a desire, rendered him oblivious to the consequences of his malevolent actions. Dreiser (1965) articulates the protagonist's inner conflict and inclination in the subsequent manner:

Hurstwood could not bring himself to act definitely. He wanted to think about it—to ponder over it, to decide whether it were best. He was drawn by such a keen desire for Carrie, driven by such a state of turmoil in his own affairs that he thought constantly it would be best, and yet he wavered. (p.p. 242-243)

Hurstwood experiences a state of indecisiveness, which subsequently leads to a sudden change in his emotions, referred to as *"a revulsion of feeling"* (Dreiser, 1965: 243). This shift occurs after he acquires the money, causing him to become preoccupied with the potential consequences of his actions, specifically the involvement of law enforcement and the resulting scandal. It is important to note that his concern primarily revolves around the public scandal rather than the moral implications associated with his actions. The individual's action can be characterized as a *"mistake"* rather than inherently *"wrong,"* as it aligns with their personal desires (which can be considered morally questionable) (Dreiser, 1965: 244). This assessment is supported by their ability to evaluate the consequences of their actions without passing moral judgment. During the train journey, Hurstwood contemplates the most effective approach to disclose his previous deception to Carrie regarding Drouet, as well as his acceptance of financial resources to facilitate their elopement. Although he is *"in his sober senses, he could scarcely realise that the thing had been done",* he thinks and just says *"what a fool I was to do that .... what a mistake!"* and still values the thing he had done as a *"mistake",* not *"wrong"* (Dreiser, 1965: 247). Nevertheless, his response to this moral quandary and inner conflict can be interpreted as an introspective inquiry into his own agency. This introspection can be analyzed through the lens of determinism and instinct, suggesting that external circumstances played a significant role in compelling him to engage in such malevolent behavior. In contrast, Carrie perceives her abduction by Hurstwood as a source of *"shame,"* deeming it morally *"wrong"* (Dreiser, 1965: 250). However, Hurstwood justifies his actions by asserting that he *"didn't do it willingly,"* but rather out of instinct and due to the circumstances that compelled him to do so (Dreiser, 1965: 251).

Dreiser (1965) perceives Hurstwood's inclination to appropriate the funds and elope with Carrie as a *"error,"* a term that is synonymous with *"mistake"* (p. 254). Moreover, Dreiser employs ridicule as a means to criticize Hurstwood, employing logical reasoning and judgment to evaluate the situation. The reason is that he had stolen a miserable amount of money, which cannot compensate for the situation of being a thief; he had lost his *"friends," "fame,"* and *"family,"* in other words, he *"had robbed himself of his dignity, his merry meetings, his pleasant evening"* (Dreiser, 1965: 254). On the other hand, Carrie experiences a shift in her consciousness and moral values upon choosing to accompany Hurstwood. She arrives at the conclusion that she should not be held accountable for her actions towards Drouet. However, she acknowledges and appreciates the assistance and influence he had in her life. She regretted serving Drouet *"so badly"* and *"was ashamed of her conduct"* when she learned he was ill (Dreiser, 1965: 398.)

To conclude, Carrie faces moral challenges and societal norms that align with traditional values. She moves to a new apartment with Drouet, despite her sister's advice, and engages in unethical behavior. This leads to a decline in moral values and a fracture in familial ties. Carrie's actions, driven by her strong moral compass and the assistance she receives from Drouet, are driven by her determination to achieve a higher standard of living. However, she is vulnerable and ashamed of her actions, as Drouet urges her to find contentment with her current circumstances. Hurstwood, a manager, prioritizes material possessions and personal desires, demonstrating a lack of moral concerns. Carrie's dilemma arises as she grapples with the clash between conventional moral principles and the contemporary realm of cutthroat societal norms.

Carrie's decision to deceive Drouet and experience feelings of solitude, shock, and fear indicates her dependence rather than independence. She lacks the strength to establish a livelihood or endure personal challenges. In the absence of Drouet and her social circle, she finds herself in profound solitude and engages in minimal activity. She can be regarded as a victim of her surroundings, including her sister, her sister's spouse, Doruet, Hurstwood, and various entities. Her ethical consciousness compels her to contemplate her behavior, while Hurstwood seeks a solution to the entanglement of his life.

Carrie's moral compass prompts her to reflect upon her own unethical conduct. Dreiser's examination of human behavior focuses on the differentiation between Carrie and Hurstwood, attributing their actions to the influence of knowledge and instinct. Hurstwood may have experienced moral self-questioning rather than causal self-questioning, but he merely contemplates his managerial position and social connections. Carrie perceives her abduction by Hurstwood as a source of shame, deeming it morally wrong.

Dreiser criticizes Hurstwood's decision to elope with Carrie as an error and a mistake. He uses ridicule to evaluate the situation, stating that he is bitter and unable to return his dignity and pleasures. Carrie, on the other hand, changes her moral values and acknowledges the assistance she received from Drouet. She believes she should not be held accountable for her actions, but acknowledges the influence he had on her life.

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CHAPTER 4

THE FOUNDATION OF THE FUTURE IN THE REAL ESTATE SECTOR: SUSTAINABLE FINANCING

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INTRODUCTION

Global climate change is precipitating adverse ramifications in both developed and developing nations. The proliferation of greenhouse gases in the atmosphere has led to a pervasive escalation in global temperatures, a concurrent rise in sea levels, and a heightened incidence of more frequent and severe extreme weather events. Notably, developed nations have emerged as principal contributors to climate change, attributable to their protracted history of elevated carbon emissions and energy consumption during their economic growth and industrialization processes. Conversely, developing nations grapple with environmental sustainability challenges as they navigate the imperatives of swift development in tandem with burgeoning populations and economic demands. Consequently, global climate change has engendered profound socio-economic and environmental exigencies for nations. Beyond the realm of environmental harm, it is anticipated that climate change will also precipitate financial repercussions in the near term. Consequently, countries have collaboratively undertaken efforts to combat climate change, with the seminal Kyoto Protocol being adopted in 1997 and subsequently entering into force in 2005. Replaced by the Paris Agreement, ratified in 2015, the latter is predicated on the UN Framework Convention on Climate Change (UNFCC) and seeks to administer the climate change regimen beyond 2020. In the post-2020 epoch, the Paris Agreement endeavors to bolster worldwide socioeconomic resilience against the looming threat of climate change. The primary goal of the Paris Agreement is to mitigate the rise in global temperatures, aiming to keep it significantly below a 2° C increase from pre-industrial levels. There is also an aspirational target to limit this increase to 1.5° C. Achieving these objectives requires a systematic decrease in the utilization of fossil fuels, particularly oil and coal, alongside a deliberate shift towards the adoption of renewable energy sources.

The United Nations Environment Programme (UN Environment) has engaged in collaborative efforts with nations, financial regulatory bodies, and the financial industry with the objective of realigning financial systems in accordance with the 2030 sustainable development agenda. This overarching aim is to direct financial resources towards advancing the attainment of the Sustainable Development Goals (SDGs). Central to the globalized economic framework are financial markets, serving as pivotal channels for the allocation of capital across various sectors. It is noteworthy that the current allocation of capital holds profound implications for ecosystems and the forthcoming dynamics of production and consumption. In the current context of initiatives relating to environmentally responsible financing, key focal points include the provision of assistance to the public sector in cultivating an enabling environment, the promotion of public-private collaborations to bolster financial instruments such as green bonds, and the facilitation of capacity enhancement for community-based enterprises through microcredit initiatives (UN, 2023).

In the policy landscape of the European Union (EU), the concept of sustainable finance denotes the provision of financial support for economic growth, while concurrently addressing environmental challenges in alignment with the objectives delineated in the European Green Deal. This conceptual framework encompasses a comprehensive evaluation of social and governance dimensions and places a particular emphasis on the transparent disclosure of risks linked to Environmental, Social, and Governance (ESG) factors that have the potential to impact the financial system. The management of these risks is achieved through effective governance mechanisms within financial and corporate entities (EU, 2023).

Sustainable finance involves the systematic integration of factors related to ESG into the decision-making processes within the financial sector. This approach places a heightened emphasis on directing investments towards long-term endeavors that support sustainable economic activities and projects. In the realm of environmental considerations, it extends beyond the scope of climate change mitigation and adaptation to encompass broader objectives such as the preservation of the environment, which includes the conservation of biodiversity, prevention of pollution, and the advancement of a circular economy. Social considerations encompass a range of issues, including issues of equality, inclusivity, labor relations, and the protection of human rights. Additionally, the governance of both private and public institutions, which encompasses executive compensation, employee relations and management structures plays a pivotal role in the integration of environmental and social considerations into the decision-making process (EU, 2023).

Despite variations in usage, sustainable finance approaches can generally be categorized into those with a broad focus on environmental, social, economic, and governance aspects and those with a narrower focus on “green finance” primarily concerned with environmental matters. Sustainable finance, as a comprehensive term, encompasses all financial activities that contribute to the advancement of sustainable development. In contrast, the term green finance is closely interrelated with climate finance and the broader notion of sustainable finance. Green finance encompasses climate finance but deliberately excludes considerations of social and economic facets (ISO, 2022). The primary objective of green financing is to enhance financial inflows from public, private, and nonprofit sectors towards priorities associated with sustainable development. This entails the enhanced management of environmental and social risks, the pursuit of opportunities that yield favorable financial returns alongside environmental benefits, and the assurance of heightened accountability (UN, 2023). “Climate finance” is closely associated with the UNFCCC and involves financing from diverse sources, including public, private, and alternative, to reduce emissions and help countries adapt to climate change impacts. In contrast, “green finance” typically has a broader scope than climate finance, addressing various environmental objectives and risks. It is often associated with promoting environmentally responsible private investments rather than predominantly relying on public or public-leveraged financial resources (Figure 1) (UNEP, 2016).

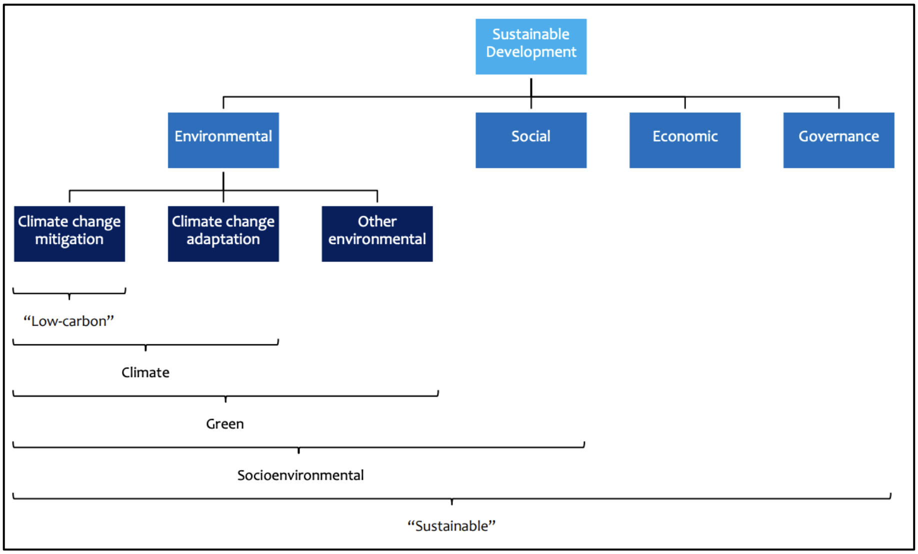

Figure 1: Differences of sustainable terms (UNEP, 2016)

For a comprehensive explanation of sustainable finance, it is curicial to elucidate the widely used concept of "socially responsible investment" in the literature. "The European Sustainable Investment Forum" provides a definition of sustainable and responsible investing (SRI), characterizing it as an investment methodology that harmonizes investors' financial goals with their considerations pertaining to environmental, social, and governance matters. Contemporary SRI is grounded in the diverse ethical convictions held by individual investors (Salzmann, 2013). The actors in investments made through SRI are illustrated in the Figure 2.

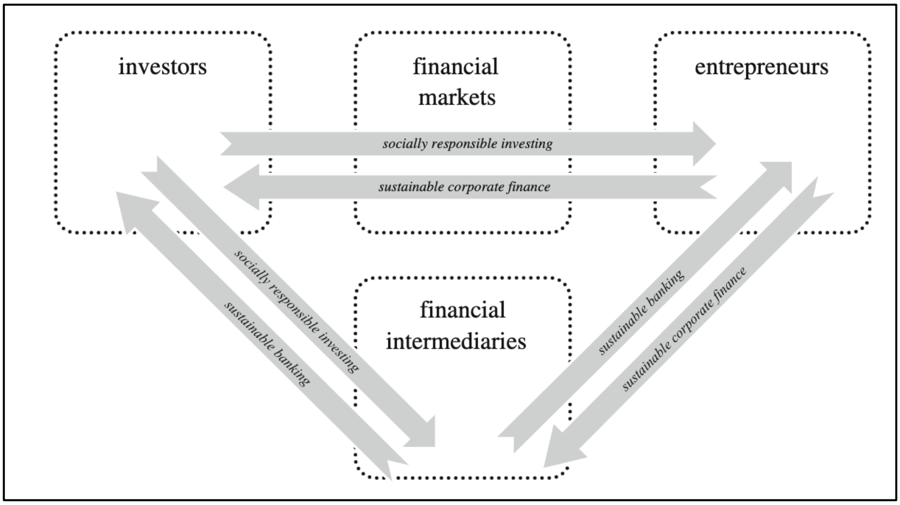

Figure 2: The actors in SRI (Salzmann, 2013)

1. GREEN FINANCING INSTRUMENTS AND PRACTICES

Green financial instruments and practices assume a pivotal role in the funding of sustainable ventures and the mitigation of climate change repercussions. These financial tools and mechanisms are deliberately structured to endorse environmentally responsible initiatives, including but not limited to renewable energy projects, energy-efficient infrastructure endeavors, and sustainable enterprises. Significantly, the global landscape experienced substantial challenges, particularly in the economic and health domains, amid the onset of the Covid-19 pandemic. During the year 2020, a notable upsurge was observed in the inclination of bond issuers to participate in the green and sustainable finance markets, a phenomenon that was substantially catalyzed by the impact of the pandemic. Consequently, there was a notable proliferation in the issuance of social and sustainable bonds (Simsek and Tunali, 2022).

Green bonds stand as a preeminent instrument within the realm of green finance, constituting fixed-income securities designed to procure capital for endeavors that align with environmental sustainability objectives (Maltais and Nykvist 2020). Furthermore, sustainable loans have surfaced as another noteworthy financial mechanism, extending support to enterprises dedicated to curtailing their carbon emissions and embracing environmentally responsible practices (APLMA, 2023).

Moreover, it is crucial to note that green finance principles encompass more than conventional debt instruments. As an illustrative example, green investment funds serve as mechanisms for aggregating capital from diverse investors with the purpose of funding initiatives consonant with environmental goals. This avenue offers individuals and institutional entities an avenue to invest in sustainable endeavors. Additionally, the concept of ESG integration has garnered substantial prominence as a framework for evaluating and assimilating considerations pertaining to environmental and social factors into the process of making investment decisions (UNEP FI, 2021).

In summation, green financial instruments and strategies assume a pivotal function in channeling financial resources towards ventures that prioritize environmental sustainability and social responsibility. With a growing acknowledgment of the significance of climate mitigation by governments, investors, and corporations, these financial mechanisms and methodologies are poised to persistently gain prominence as instrumental means in the battle against climate change and the endeavor for a more sustainable future.

1.1. Green and Social Bonds

Green bonds represent a category of bond instruments characterized by the stipulation that the proceeds, or an equivalent sum, are exclusively allocated for the financing or refinancing of eligible green projects, whether they are new initiatives or pre-existing ones (ICMA, 2021). These bonds, akin to conventional bonds in structure, are specifically tailored to fund endeavors with discernible positive environmental or climate-related impacts (ULI, 2021). Green projects encompass a spectrum of initiatives, including but not limited to renewable energy, energy efficiency enhancements, sustainable transportation, responsible water management, and projects in the domain of green buildings.

The domain of green bonds, with a particular emphasis on climate bonds, has undergone a remarkable expansion over the last half-decade. This expansion can be attributed to the heightened interest of investors in directing their investments towards projects that yield environmental benefits, underpinned by the issuance of green debt instruments. Encouraged by this enthusiasm for green bonds and loans, the cumulative value of issuances experienced a substantial surge, registering an approximately 50% growth in 2019 and surpassing the USD 250 billion mark by the year 2020 (ISO, 2022).

In the initial half of 2023, the total issuance of green bonds amounted to a substantial figure of US$267.1 billion, signifying an 18% augmentation in comparison to the levels observed one year prior. This magnitude of issuance marked the most robust performance in green bond issuance for a half-year period since the commencement of record-keeping in 2015. In the second quarter of 2023, green bond proceeds showed a 9% increase compared to the first quarter, marking the second consecutive quarter of reaching an all-time high in quarterly issuance. However, the number of distinct green bond issuances during the first half of 2023 decreased by 10% compared to the same period in the previous year, marking the lowest volume for a first-half period since 2020 (Refinitiv, 2023).

During the first half of 2023, there was significant issuance of Sustainable Finance bonds, totaling US$458.5 billion, which represented a 6% increase compared to 2022 levels and the strongest performance for Sustainable Finance bonds in a first half since the first half of 2021. Nevertheless, the number of individual Sustainable Finance bond issues saw a 16% reduction compared to the first half of 2022. In the same period, Social bond issuance reached US$58.6 billion, indicating a modest 3% increase compared to the first half of 2022. However, there was an 11% decrease in Social bond issuance during the second quarter of 2023 compared to the first quarter of the same year. Conversely, the number of Social bond issues increased by

11% compared to the previous year. Sustainability bond issuance amounted to US$78.8 billion in the first half of 2023, constituting a 6% decline relative to 2022 levels. Notably, the number of Sustainability bonds issued during this period saw a substantial drop of 42% compared to the first half of 2022, marking a three-year low in this regard (Figure 3-4).

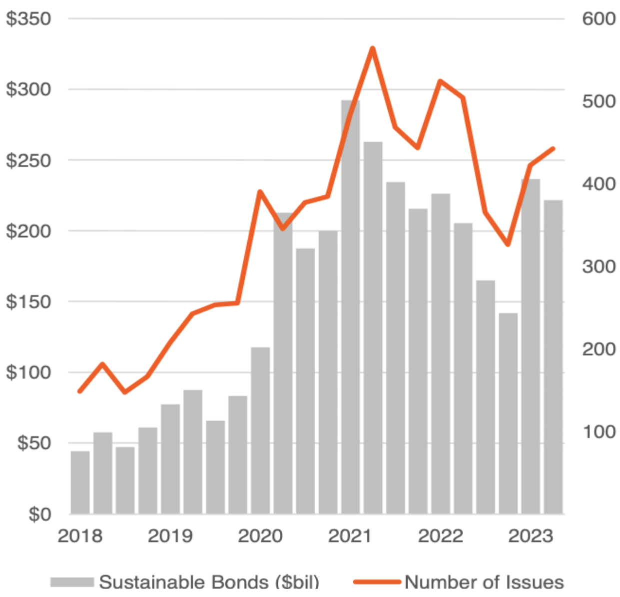

Figure 3: Sustainable bond volumes (Refinitiv, 2023)

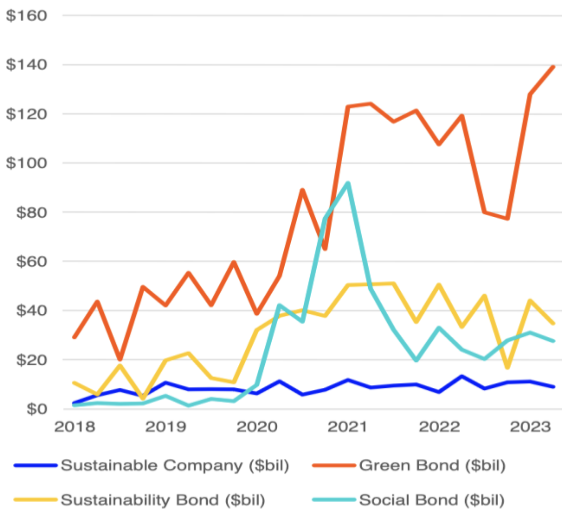

Figure 4: Sustainable bond types (Refinitiv, 2023)

1.2. Green Buildings

The concept of green building is comprehensive in nature and commences with the recognition that the constructed environment can exert significant impacts, both beneficial and adverse, on the natural surroundings and the individuals who regularly occupy these structures. Green building represents a deliberate endeavor to enhance the favorable outcomes while concurrently alleviating the unfavorable ones throughout the entirety of a building's lifecycle (Kriss, 2014). Viewed from the standpoint of society and the occupants, the advantages of environmentally sustainable buildings are indisputable. Such buildings offer clear advantages by virtue of their heightened energy efficiency and diminished ecological footprint. In some academic studies, it has been concluded that the rental and occupancy rates (Fuerst and McAllister 2011; Eichholtz et al. 2013) and, construction costs of green buildings are relatively high (Tanrivermis and Tanrivermis 2021) But the advantages of sustainable buildings extend beyond mere cost savings for users; they also contribute to the establishment of healthier and more conducive workspaces, fostering improved indoor environmental quality (Falkenbach, et al. 2010) and buildings with environmental certifications frequently demonstrate operational advantages and are characterized as investments with reduced risk profiles (Devine and McCollum 2022).

In the year 2021, the global investment in energy efficiency within the building sector experienced a notable uptick, registering an approximate 16 percent rise compared to the preceding year, amounting to a cumulative sum of roughly USD 237 billion (IEA 2022). This increase was predominantly observed in European Nations that had established preexisting public initiatives focused on enhancing energy efficiency, such as Germany, the United Kingdom, and Italy. Additionally, sustained investment efforts were also evident in the United States, Canada, and Japan. The expansion of construction endeavors concurrently led to heightened investments in the construction of new buildings featuring enhanced energy efficiency attributes and those falling under sustainability or “green” certification criteria. Notably, there was an estimated increase of 19 percent in the number of certified buildings in comparison to the year 2020 (UN, 2022).

In 2021, a total of 74 distinct certification frameworks for green buildings were identified globally, with a predominant share being under the stewardship of constituent bodies affiliated with the World Green Building Council (WorldGBC). Notably, a substantial presence of certified structures governed by these accreditation systems was documented across no fewer than 184 nations (UN, 2022).

Table 1: Green Building Rating Systems in Countries (UN, 2022)

REGION	COUNTRY	RATING
Africa	Egypt	“Green Pyramid Rating System”
	Kenya	“Green Mark”
	South Africa	“Green Star SA, Net Zero/ Net Positive”
	Tunisia	“EcoBat”
	Uganda	“Green Star Uganda”
Americas	Brazil	“GBC Brasil CASA, GBC Brasil Condomini, GBC Zero Energy”
	Colombia	“Casa (Colombia), ICONTEC”
	Guatemala	“Casa Guatemala”
	United States of America	“LEED, ILFI Zero Energy and Zero Carbon, Parksmart, PEER, RELi, SITES, TRUE, WELL”
Asia	China	“Assessment Standard for Green Building of China”
	Hong Kong	“BEAM Plus”
	India	“IGBC, GRIHA”
	Indonesia	“Greenship”
	Japan	“CASBEE”
	Lebanon	“ARZ rating system”
	Malaysia	“Green Building Index”
	Pakistan	“Pakistan Green Building Guideline (PGBG) BD+C”
	Philippines	“BERDE, Advancing Net Zero (ANZ/PH), PHILGBC Health and Well-being Tool for Buildings”
	Saudi Arabia	“saaf (Saudi Green Building Forum)”
	Singapore	“Green Mark, Singapore Green Building Product/Services Certification”
	South Korea	“Korea Green Building Certification”
	Sri Lanka	“GreenSL”
	Türkiye	“B.E.S.T – Residential and Commercial Buildings Certificate”
	United Arab Emirates	“PEARL (Abu Dhabi), TARSHEED”
	Vietnam	“LOTUS”
Europe	Austria	“DGNB Austria”
	Croatia	“DGNB Croatia”
	Denmark	“DGNB Denmark”
	France	“HQE”
	Germany	“DGNB”
	Ireland	“Home Performance Index”

	Italy	"GBC Home, Historic Building, Quartieri, Condomini"
	Latvia	"BREEAM-LV"
	Netherlands	"BREEAM-NL, DGBC Woonmerk"
	Norway	"BREEAM-NOR"
	Russia	"OMIR"
	Spain	"DGNB Spain, VERDE"
	Sweden	"BREEAM-SE, Miljöbyggnad, Miljöbyggnad iDrift, CEEQUAL, NollCO$_2$"
	Switzerland	"Minergie, SNBS, DGNB Switzerland"
	United Kingdom	"BREEAM, EDGE"
Oceania	Australia	"Green Star"
	New Zealand	"Homestar, NABERSNZ, Carbon zero"

2. SUSTAINABILITY IN REAL ESTATE SECTOR

To mitigate the impact of human activities on the Earth's resources and climate change, there is an imperative need for a more sustainable built environment. In order to comprehend sustainability within the realm of real estate, it is essential to examine the comprehensive expectations of global sustainability and explore how these principles can be practically applied in the real estate sector (Warren and Myers 2012). In the aftermath of the global economic crisis, real estate financing has gained increasing significance due to the integral role played by the real estate sector in the overall economy Borrero-Domínguez et al. 2020).

The year 2020 witnessed an extraordinary transformation in the global buildings and construction sector, primarily instigated by the unprecedented impacts of the COVID-19 pandemic. This transformation encompassed a substantial reduction in construction demand within leading economies, closures of workplaces due to lockdown measures, scarcities in labor and construction materials, evolving patterns of work, and ongoing challenges related to the affordability of energy. These challenges and disruptions continue to endure. As a direct consequence of these developments, the world experienced the most significant decrease in carbon dioxide (CO2) emissions over the past decade, a phenomenon documented in the latest Global Status Report for Buildings and Construction (IEA, 2022).

As per the findings of the International Energy Agency (IEA), the emissions of carbon dioxide (CO2) associated with the complete lifespan of buildings, encompassing both direct and indirect sources, constituted 37% of the overall global energy-related CO2 emissions in the year 2020. Of this, more than half emanated from construction activities, transportation and non-residential properties (IEA, 2021). Given this substantial contribution, the real estate sector holds a pivotal responsibility in striving towards net-zero emission objectives. Henceforth, green debt instruments present a plausible alternative means for securing funding to bolster the development of novel environmentally sustainable edifices and the refurbishment of extant structures. These endeavors are geared toward augmenting energy and water conservation efforts, alongside fostering the adoption and, conceivably, the production of renewable and decarbonized energy resources (OECD, 2022). Notably, investments directed toward enhancing energy efficiency within the global construction sector escalated to surpass USD 237 billion in 2021, marking a 16 percent upswing when juxtaposed with the preceding year (UN, 2022). This growth can be attributed to significant government investments in efficiency initiatives and an increasing number of newly constructed, energy-efficient buildings. It’s important to note that this amount constitutes a relatively small fraction of the estimated total global real estate value, which is approximately USD 310 trillion (Savills, 2021).

There are various tools developed for the financing of sustainable real estate. When it comes to the environmental impact of real estate, financial instruments aligned with ESG principles are growing in number. There is a growing encouragement for investors to engage in ESG investments, and consequently, there are incentives in place to promote the use of these instruments. Leading the forefront of sustainable real estate financing tools or companies are entities such as real estate investment funds, real estate investment trusts, and green housing finance. Brief discussions of these methods are provided.

2.1. Sustainable Real Estate Investment Funds

ESG or sustainable real estate funds represent investment opportunities aimed at generating positive social and environmental effects. ESG commercial Real Estate Funds, as another avenue, allocate their investments into real estate properties that not only yield economic advantages for the community but also safeguard the environment, thereby contributing positively to societal returns (Esgthereport, 2023).

Research findings indicate that private real estate managers who have incorporated an ESG policy may be witnessing initial signs of success, as the median net internal rate of return (IRR) for recent vintages of such funds is on an upward trajectory (Figure 5). For the first time in nine years, real estate funds that incorporate ESG considerations within their investment policy have marginally outperformed those that do not. This development serves as preliminary evidence of a diminishing disparity in performance between funds that integrate ESG principles and those that do not. It suggests that sentiment surrounding the potential benefits of sustainable investing for both investment performance and its positive impact on the environment may be undergoing a transformation.

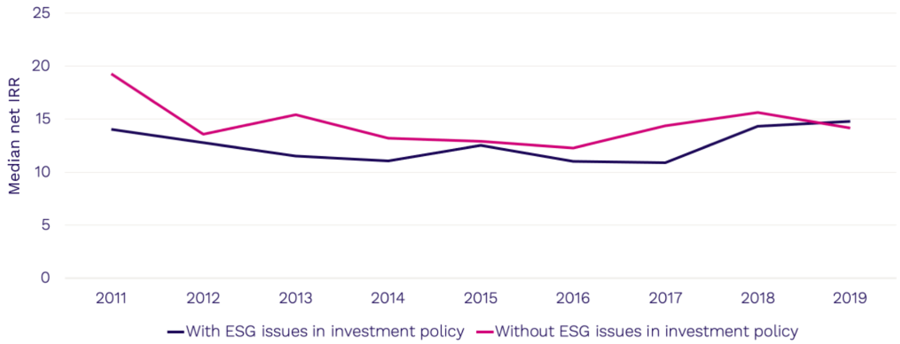

Figure 5: Fund’s IRR according to the ESG (Rolle, 2023)

2.2 Sustainable Real Estate Investment Trusts

Real Estate Investment Trusts (REITs) can play a significant role in advancing decarbonization efforts through the enhancement of their operational efficiency regarding energy and water utilization and the establishment of environmental management systems. This involves actions like pursuing eco-friendly certifications for their properties, adopting practices that promote biodiversity and land preservation, employing sustainable design techniques in construction, issuing green bonds to finance sustainability initiatives, reducing emissions from their buildings, and promoting sustainable commuting options (IEA, 2019).

The global issuance of green bonds by REITs has witnessed a significant upswing in recent years. Given the inherently long-term nature of green building investments, such endeavors align particularly well with the investment horizon of REITs, which tend to focus on long-term real estate investments. Furthermore, the incorporation of alternative green investments within their portfolios could serve as a means for REITs to diversify their investment holdings and potentially draw in new clients by providing opportunities for sustainable investments. This phenomenon can be attributed to the growing prominence of ESG considerations among investors during the past decade. These ESG considerations have progressively exerted an influence on forthcoming financial returns. Consequently, in alignment with stakeholder expectations, it is probable that corporations will engage in a heightened and enhanced level of socially responsible investment activities designed to enhance their ESG performance metrics (Erol vd. 2023).

2.3. Green Mortgages

Within the framework of a green mortgage, a financial institution or mortgage lender extends preferential terms to prospective homebuyers' contingent upon their ability to substantiate that the property for which financing is sought aligns with specified environmental criteria. This pertains to scenarios such as newly constructed homes possessing established sustainability ratings or instances where the borrower commits to enhancing the ecological performance of an existing structure through renovations. Essentially, a green mortgage is a specialized mortgage product tailored to properties adhering to green building principles. As an incentive to encourage the acquisition of environmentally conscious properties or the eco-friendly renovation of existing ones, the lending institution may offer either a reduced interest rate or an augmented loan amount (World Green Building Council, 2023).

The Federal National Mortgage Association or Fannie Mae, played a pioneering role in the issuance of green agency mortgage-backed securities (MBS) and continues to maintain its position as the predominant global entity in this domain. The primary objective of their green bond policy is to enhance energy and water efficiency within the rental housing inventory in the United States, consequently leading to heightened affordability in housing (Devine and McCollum 2022). Fannie Mae initiated the issuance of green multifamily MBS in 2012, followed by Freddie Mac in 2019. It is worth noting that Fannie Mae has a dominant presence in the US green MBS market, accounting for 95% of the total green MBS issuance in the United States (OECD, 2022).

There are many advantages of green (MBS)'s. According to the literature loans extended to buildings that possessed green credentials at the time of loan origination exhibit marginally more favorable terms compared to loans associated with non-green buildings (An and Pivo 2020). However, it is important to note that the scope of green MBS markets remains relatively limited in prominent MBS markets, which includes countries such as Japan, China, Australia, and Europe (OECD, 2021). Within Europe, substantial growth in green MBS markets has primarily been observed in France and the Netherlands, with a predominant focus on residential MBS (RMBS) issuance. A noteworthy development is the introduction of Europe's inaugural green Commercial Mortgage-Backed Security (CMBS) in the year

2020. Similarly, in the Asia-Pacific region, green MBS markets exhibit relatively modest shares (S&P Global Ratings, 2020).

3. RESULTS

Real estate has emerged as a notable source of global carbon emissions due to its involvement in construction, energy consumption, and ongoing operations, resulting in substantial greenhouse gas outputs. Roughly 40% of the world's energy use is linked to the construction industry, and this impact is exacerbated by rapid urbanization. Consequently, addressing the environmental ramifications of real estate and integrating sustainability considerations has become a pivotal facet of global initiatives to combat climate change and advance environmental sustainability. Sustainable real estate practices align with environmental sustainability objectives. Aspects such as enhanced building energy efficiency, reduced water consumption, and minimized waste generation contribute to the conservation of natural resources. Furthermore, such properties often rely on renewable energy sources, which mitigate carbon emissions, marking a significant stride in the fight against global climate change. Additionally, sustainable real estate confers economic benefits, including reduced energy usage and operational costs, resulting in long-term savings for property owners. Moreover, these properties tend to yield higher rental returns as tenants increasingly prioritize sustainability.

The role of financing is pivotal in facilitating access to sustainable real estate. Sustainable real estate financing stands as an investment strategy offering substantial advantages in both financial and sustainability dimensions. Firstly, it foregrounds environmental and social responsibilities, bolstering eco-friendly construction practices. Furthermore, with the growing interest in socially impactful investments, these projects garner funding with the intent of delivering societal benefits. Various financing instruments are available for sustainable real estate projects, such as equities, bonds, green mortgages, Real Estate Investment Trusts (REITs), and green funds, designed to attract investments in sustainable real estate. Academic research indicates a mounting interest in these financing mechanisms, although they still remain relatively underrepresented compared to conventional investment vehicles. Studies suggest that sustainable real estate financing instruments may offer enhanced efficiency relative to traditional counterparts. As such research proliferates and similar endeavors gain traction, it is increasingly likely that investors will gravitate toward such investments. In conclusion, sustainable real estate financing strategies are poised to exert a significant influence on the future of the investment landscape. The synergy between sustainability and financial viability holds substantial promise for both the real estate sector and global sustainability initiatives.

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CHAPTER 5

THE ECONOMIC COST OF SOCIAL ISOLATION AND LONELINESS

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INTRODUCTION

This chapter provides an overview on the economic costs of social isolation and loneliness. Both social isolation and loneliness are growing concerns. Loneliness has been called an "epidemic"[i], and there are loneliness ministries being founded in various countries such as the UK. As traditional family structures dissolve and leave their place to more self-centered life styles, along with low-birth rates and aging populations, the number of socially isolated and lonely people is expected to increase even more.

There is a rich literature that studies the negative health effects of social isolation and loneliness. A meta-analytic review by Holt-Lunstad (2015) finds that social isolation, loneliness, and living alone are associated with 29%, 26%, and 32% percent increased likelihood of early mortality. These risks are greater than the risks of well-known issues such as obesity and physical inactivity. However, this chapter will not focus on how social isolation and loneliness negatively affect our health. Instead, it will focus on the economic costs of these two conditions. As such, I will investigate the subject in two different parts. The first part will focus on the healthcare costs of social isolation and loneliness, while the second part will focus on the productivity costs. The rest of this chapter is organized as follows: in Section 1, I will define the terms "social isolation" and "loneliness"; in Section 2, I will explain how "social isolation" and "loneliness" are measured, in Section 3, I will explain the economic costs of social isolation and loneliness in two parts as mentioned above; the Section 4 will conclude this chapter.

1. Definitions

It is important to define the terms "social isolation" and "loneliness", because careless use of these terms in the earlier works in the literature has caused some confusion and made it difficult if not impossible to compare studies. The most important distinction between these two terms can be derived by the fact that loneliness is sometimes called “subjective” isolation. So the main difference that separates these two terms is subjectivity vs. objectivity. Social isolation is objectively measurable, while loneliness is a subjective feeling. Social isolation refers to things like having few social relationships or infrequent social contacts, while loneliness is a perception of being isolated irrespective of the number, frequency, or the quality of relationships that one has. It follows that one could be socially isolated but not feel lonely or be surrounded by family and friends but feel extremely lonely. Loneliness is also defined as *“the discrepancy between a person’s desired and actual social relationships.”*[ii]

2. Measurements

An important part of defining the terms “social isolation” and “loneliness” is explaining how they are measured.

2.1 Social Isolation

Social isolation is multi-faceted and refers to many aspects of our lives. Therefore, its measurement requires the combination of various measures. For this reason, the researches generally prefer to use a scale measure that combines the following aspects, such as, number of children/friends, the frequency of contact with children/friends, whether the person is married or single, whether the person is living alone or with friends/family, whether the person attends religious/social activities, whether the person has hobbies that he does with other people etc. Although, I should note that there are also studies that just use a single one of the aspect that I just mentioned above as a measure for social isolation, such as living alone. The main reason for this is when creating a scale, even if one variable required for constructing that scale is missing, the scale cannot be constructed. This created two issues. On the one hand, the information that is required for constructing these scales are taken from surveys, so this might dramatically reduce the available data to be used. On the other hand, these scales requires us to add additional questions to the surveys which increase their costs and makes it less likely for respondents to answer. So this is a balancing act. Using just a single variable as a measure for social isolation provides ease of data collection, however it might not capture all the aspects of isolation.

The following are the main scales that are proposed for measuring social isolation.

Social Support Questionnaire (6-item)

Proposed by Sarason et al. (1987), it combines the answers to the following questions to construct the scale:

1. "Who can you count on when you need help?"

2. "Whom can you really count on to help you feel more relaxed when you are under pressure or tense?"

3. "Who accepts you totally, including both your worse and best points?"

4. "Who can you really count on to care about you, regardless of what is happening to you?"

5. "Who can you really count on to help you feel better when you are feeling generally down in the dumps?"

6. "Who can you count on to console you when you are very upset?"

Lubben Social Network Scale (6-item)

Proposed by Lubben et al. (2006), it combines the answers to the following questions to construct the scale:

1. "How many relatives do you see or hear from at least once a month?"

2.“How many relatives do you feel at ease with that you can talk about private matters?”

3.“How many relatives do you feel close to such that you could call on them for help?”

4.“How many of your friends do you see or hear from at least once a month?”

5.“How many friends do you feel at ease with that you can talk about private matters?”

6.“How many friends do you feel close to such that you could call on them for help?”

Social Disconnectedness Scale (8-item)

Proposed by Cornwell and Waite (2009a), it combines the following aspects to construct the scale:

1.Social network size

2.Social network range

3.Frequency of interaction

4.Proportion of alters in the home

5.Number of friends

6.Attending group meetings

7.Socializing with family and friends

8. Volunteering

2.2 Loneliness

Compared to social isolation, loneliness is usually easier to measure. However, asking people “are you lonely” might not be the best way to measure loneliness, because the words “lonely” and “loneliness” have likely a negative stigma attached to them. The existence of this stigma likely depend on the culture. Therefore, some researchers have carefully selected their words and tried to asked around the issue. That said, many surveys plainly ask “are you lonely?” and this is used as a measure for loneliness.

De Jong Gierveld Loneliness Scale (6-item)

Proposed by De Jong Gierveld and Tilburg (2006), this is a shortened version of the original 11-item De Jong Gierveld Loneliness Scale. The authors have shortened the scale because of data collection issues I mentioned earlier and showed that this new 6-item scale gives consistent results compared with the longer 11-item scale. They construct their scale from the following statements:

1. “I experience a general sense of loneliness”

2. “I miss having people around”

3. “I often feel rejected”

4. “There are plenty of people I can rely on when I have problems”

5. “There are many people I can trust completely”

6. “There are enough people I feel close to”

<u>UCLA Loneliness Scale (20-item)</u>

Proposed by Russel et al. (1978) as a tool to reliably measure feelings of loneliness. The scale was revised by Russel et al. (1980), and then again by Russel (1996). The 3rd version of the scale is constructed using the following questions:

1.“How often do you feel that you are “in tune” with the people around you?”

2.“How often do you feel that you lack companionship?”

3.“How often do you feel that there is no one you can turn to?”

4.“How often do you feel alone?”

5.“How often do you feel part of a group of friends?”

6.“How often do you feel that you have a lot in common with the people around you?”

7.“How often do you feel that you are no longer close to anyone?”

8.“How often do you feel that your interests and ideas are not shared by those around you?”

9.“How often do you feel outgoing and friendly?”

10.“How often do you feel close to people?”

11.“How often do you feel left out?”

12.“How often do you feel that your relationships with others are not meaningful?”

13.“How often do you feel that no one really knows you well?”

14.“How often do you feel isolated from others?”

15.“How often do you feel that you can find companionship when you want it?”

16.“How often do you feel that there are people who really understand you?”

17.“How often do you feel shy?”

18.“How often do you feel that people are around you but not with you?”

19.“How often do you feel that there are people you can talk to?”

20.“How often do you feel that there are people you can turn to?”

Hughes Loneliness Scale (3-item)

Proposed by Hughes et al. (2004) as a shorter, more practical measure for loneliness. This scale is derived from the UCLA loneliness scale and is therefore also known as UCLA 3-item loneliness scale. It is constructed using the following questions:

1.“How often do you feel that you lack companionship?”

2.“How often do you feel left out?”

3.“How often do you feel isolated from others?”

3. Economic Costs

I will examine the economic costs of social isolation and loneliness in two main categories: productivity costs and healthcare costs.

3.1 Productivity Costs

There are only a handful of studies that focus on the productivity costs of social isolation and loneliness, which is not surprising when considering these two conditions have only recently come under public spotlight. Interestingly, living alone which is usually used as part of social isolation scales or as a standalone measure for social isolation, turns out to have important consequences for economic productivity. However, let us start with loneliness. Loneliness is associated with poor job performance most likely because of a lack of affiliation with the company.[iii] The resulting poor job performance and low productivity likely cause an economic loss. Loneliness is also associated with increased likelihood of being unemployed by 17.5 percentage points.[iv] This effect is weaker if the feelings of loneliness are transitory, but stronger if the feelings of loneliness are sustained. Living alone, on the other hand, is associated with increased economic performance.[v] The reasoning behind this is, in order to be able to live alone, one needs to be able to earn enough income to afford all the necessary living costs such as rent by himself/herself. Compared to a couple who lives together and only one of them is working, two people who live alone and both are working means more productivity and an economic gain. Another reason why living alone is associated with increased productivity is people who live alone basically have more time to work compared to couples with kids.[vi] However, we should consider the inflationary effects of more people living alone, which means more demand for housing, automobiles, and many other consumer goods. This would increase the prices of consumer goods in the short run, because the supply of these goods cannot be increased much in the short run. This higher demand would be beneficial for businesses, but it would hurt the consumers, which might have negative consequences on the economic activity due to stress, low-productivity, and lower entrepreneurial activity. In the long-run, this increased demand would cause the businesses to increase production which might help return the inflated prices back to their original states. Lastly, social isolation has a negative effect on productivity.[vii] This is because social interactions help the exchange of ideas[viii] and help create trust and social capital[ix], all of which are important ingredients for productivity and economic growth. And social isolation prevents these important ingredients to take place. However, too much social interaction is also detrimental to productivity because it prevents people to work.[x]

3.2 Healthcare Costs

There are various ways social isolation and loneliness might affect healthcare costs. First, both social isolation and loneliness are shown to negatively affect our health.[xi] In general, negative health outcomes are expected to increase healthcare spending. Second, social isolation and loneliness might indirectly affect our health by causing us to engage in unhealthy behaviors such as smoking, drinking, sedentary lifestyle etc. The resulting negative health outcomes are again expected to increase healthcare spending. Third, both social isolation and loneliness might affect healthcare spending through their effects on healthcare utilization. Let us consider their effects separately. Social isolation can both increase and decrease healthcare utilization. It might increase utilization[xii] because socially isolated people might feel more anxious about even minor health issues and feel the need to see a doctor. For people who are not socially isolated, someone in the social circle would give advice or calm the agitated person down, eliminating the need to use healthcare. Another consideration is long-term or nursing care. The elderly and people with certain illnesses need nursing care in their houses or in a healthcare facility if they are socially isolated, especially if they live alone, so there is no-one that could take care of them. An example would be people who have difficulty with their activities of daily living (ADL) such as dressing, using the toilet etc. Their care would increase healthcare spending. However, social isolation might also reduce utilization[xiii] for some people, especially for minor health issues, due to the difficulty for some people to go to a healthcare facility by themselves. For people who are not socially isolated, someone in the social circle would accompany the person (or drive the car for people who cannot drive). Therefore, socially isolated people might use less healthcare for minor health issues.[xiv] This would not be the case for major health issues, because then the person would either call a taxi or an ambulance. Fourth, loneliness might increase healthcare utilization, especially for the elderly, because they might use outpatient services just to have someone to talk to.[xv] Loneliness might also increase mental health expenditures and mental health related healthcare utilization especially in younger adults.[xvi]

Let us now look at the empirical evidence. Although there is a rich literature on the health costs of social isolation and loneliness, the same cannot be said for the economic costs of these two conditions. To make the matter worse, Mihalopoulos et al. (2020) point to the difficulty of comparing articles that study economic cost of social isolation and loneliness due to different measures being used for these terms. The small number of studies on the subject combined with the difficulty of comparing them, makes it hard to come to a conclusion about the economic costs of social isolation and loneliness. It also means that the findings of the following articles do not necessarily mean conflicting evidence even if they seemingly report different findings. Taking these points into account, let us look at the existing empirical findings. Landerio (2015) finds for Portugal that social isolation is associated with €532 increased healthcare spending per person (€905 for highly isolated people). This is due to delayed discharge from hospitals. Shaw et al. (2017) find a higher effect for the US ($1,643 per person annually). They also find that loneliness is associated with reduced healthcare spending in the US ($764 per person annually). However, Fulton and Jupp (2015) and McDaid (2016) find the opposite for the UK; loneliness is associated with increased healthcare spending by £800 (Fulton and Jupp, 2015) and by £600 (McDaid, 2016) per person annually. They do not consider social isolation. Lastly, Mitsutake et al. (2018) find that social isolation is associated with reduced healthcare spending in Japan, though they do not mention the exact amount. Overall, most of the empirical evidence points that social isolation and loneliness are associated with increased healthcare spending. Importantly, we should not interpret the results of studies that find either social isolation or loneliness to reduce healthcare spending as a good things. The main reason for this reduced spending is most likely that social isolation and loneliness act as a barrier from getting the required healthcare.

4. Discussion & Conclusion

Social isolation and loneliness are growing concerns for many individuals and countries alike. Both of these conditions have various negative effects. However, this study only focuses on the economic costs. Two of the main ways that social isolation and loneliness are thought to have economic costs are through more healthcare spending and less productivity. Both social isolation and loneliness can negatively affect health and thus increase the burden on the healthcare system. Similarly, both of these conditions can cause productivity losses by, for example, preventing the exchange of ideas. For these reasons, there is a growing literature on the prevention measures. Although these prevention studies are beyond the scope of this chapter, they should consider the following important aspect of the issue when designing prevention measures and interpreting their results. At the expense of sounding morbid, I will say that, the interventions that reduce social isolation and loneliness and thus prevent early mortalities due to these two conditions will likely increase healthcare spending. We know that healthcare spending is disproportionately concentrated in the older ages, the older a person gets, the more things go wrong in the body which creates a need for medical intervention which in turn increases healthcare spending. Therefore, interventions that reduce social isolation and loneliness which in turn reduce early deaths, might actually increase healthcare spending, because these people will now live through older ages where there is a higher possibility of needing healthcare. This is something return on investment studies on this topic fail to consider. However, there is another aspect to this issue, which is the value of life. Each extra year gained due to prevention of early mortalities has an economic value. We should compare this gain with the increased healthcare spending that would occur because of our interventions. However, even if the economic value of the extra years that were gained is less than the extra healthcare spending that occurred, we should still try to eliminate human suffering and extend life. The economic value we assign to an extra year of life could easily be doubled or tripled. Therefore, the return on investment studies can have more leeway. Lastly, even though social isolation and loneliness are mostly problems for developed countries, they will most likely start becoming a problem for many developing countries in the future. This is not a contentious issue, ageing populations, low-birth rates, culture changes, and dissolution of traditional family structures all lead to more isolated and lonelier lives for many. Similarly, just because these conditions are not country-wide issues yet, does not mean they are critical issues for a certain part of the population. Developing countries such as Turkey should start making the necessary preparations such as data collection about these two conditions before they start having a large economic costs. An intervention that would prevent a young person from starting substance abuse due to loneliness is much more preferable and much less costly compared to cure him/her after addiction; and that young person could make serious mistakes about his/her future in the meantime.

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[xi] Cacioppo et al. (2006), Cornwell and Waite (2009b), Holt-Lunstad et al. (2010, 2015), Holwerda et al. (2011), Valtorta et al. (2016)

[xii] Mistry et al. (2001)

[xiii] Cantarero-Prieto et al. (2019)

[xiv] Valtorta et al. (2018) conclude in their review article that weak social ties likely increase the probability of hospital readmissions and lengthens hospital stays.

[xv] A survey conducted by Campaign to End Loneliness (2013) reports that around 10% of all consultations were due to loneliness. See also Ellaway et al. (1999), Molloy et al. (2010), Cantarero-Prieto et al. (2019), Mosen et al. (2021), Barnes et al. (2022)

[xvi] Meisters et al. (2021).

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