



# ABUSE OF TRADE SECRET REGIMES: GOVERNANCE TRANSPARENCY LOSS AND FOREIGN POLICY RISK DYNAMICS ACROSS 60 MODELS

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## ABSTRACT

This study analytically examines how the concept of trade secrecy has deviated from its legitimate legal foundation and transformed into an instrument that facilitates the exploitation of public resources. The research categorizes the misuse patterns of trade secret regimes through sixty distinct models, aiming to reveal the destructive effects of these practices on governance transparency and the risk dynamics they generate in the foreign policy domain. The central research question is as follows: How does the systematic abuse of trade secrecy weaken both a country's internal governance quality and its position in the international arena? To address this question, a qualitative research methodology was adopted, and sixty models of abuse were comprehensively examined through document analysis and conceptual analysis techniques. The study's hypothesis posits that the systematic use of the trade secret shield renders accountability mechanisms dysfunctional, thereby degrading governance quality, which in turn erodes the country's bargaining power, reputation, and credibility in the international arena. The findings demonstrate that the trade secret concept functions as a shield that effectively disables democratic oversight across a broad spectrum ranging from non-performing public loans to energy purchase guarantees, from public procurement to privatization processes. The research establishes that the information asymmetry created by this secrecy regime undermines institutional trust, generates inequity in resource allocation, and ultimately constrains the state's room for manoeuvre in foreign policy. The study contributes originally to the literature by offering recommendations for the reinstatement of transparency principles, including legal reforms, strengthening of independent audit mechanisms, and the establishment of a culture of public accountability.

## Keywords:

*Trade Secrecy, Governance Transparency, Accountability, Foreign Policy Risk, Public Resource Exploitation.*

## 1. INTRODUCTION

The concept of trade secrecy has been designed within modern legal systems as a legitimate juridical instrument aimed at protecting the competitive capacity of the private sector. This concept seeks to support the dynamism of free market economies by enabling enterprises to safeguard commercially valuable information from their competitors. However, it is now observed that the concept of trade secrecy has deviated from its original function and transformed into an instrument that eliminates accountability in state-private sector relations, erodes governance transparency, and ultimately engenders serious vulnerabilities in the domain of foreign policy. This transformation becomes particularly manifest in the context of public resource allocation, government procurement, and regulatory decisions in strategic sectors. This transformation not only undermines the fundamental principles of democratic governance but also directly threatens the bargaining power, reputation, and strategic positioning of states in the international arena (Büthe & Mattli, 2011).

The issue of the abuse of trade secret regimes constitutes a complex problem area situated at the intersection of contemporary public administration and international relations disciplines. On the one hand, there exists the necessity to protect the legitimate commercial interests of corporations, while on the other hand, the imperative to ensure transparency and accountability in the utilisation of public resources prevails. This tension represents one of the fundamental dilemmas of democratic societies and necessitates the renegotiation of boundaries between the public and private spheres. The balance between these two requirements has become increasingly contested, particularly in recent years with the proliferation of public-private partnership projects, the expansion of government procurement, and the intensification of public intervention in strategic sectors. Studies in the literature addressing this subject have generally been approached from the perspective of law or public administration, yet the foreign policy dimension of the matter has not been sufficiently examined (Stiglitz, 1999).

The loss of transparency in the economic activities of the state extends beyond being merely an internal governance issue, generating serious consequences in international relations. Uncertainties in a country's economic management undermine international investor confidence, adversely affect the assessments of credit rating agencies, and weaken the bargaining position in diplomatic negotiations. International financial institutions and multinational corporations, in particular, evaluate the governance quality of the target country as a fundamental parameter when making investment decisions. More significantly, corruption, favouritism, and the exploitation of public resources concealed behind the veil of trade secrecy eventually come to the attention of international media and civil society organisations, thereby damaging the country's soft power. This process lays the groundwork for the erosion of trust in diplomatic relations and the emergence of fissures in strategic partnerships. In this context, the abuse of trade secret regimes constitutes a multidimensional chain of risk extending from domestic politics to foreign policy (Rose-Ackerman & Palifka, 2016).

The fundamental objective of this study is to analyse the effects on governance quality of the transformation of the trade secrecy concept—having deviated from its original juridical function—into an instrument for obscuring the exploitation of public resources, and to systematically elucidate the risk dynamics this situation creates in the foreign policy domain. To achieve this objective, the study both re-evaluates the phenomenon of trade secrecy at the conceptual level and classifies and analyses patterns of abuse at the empirical level. The study has been prepared in the format of an analytical opinion article and is predicated upon the synthesis of conceptual framework and contemporary factual examples. Accordingly, the research, after defining the legitimate domains of application of the trade secrecy concept, examines sixty different models in which this concept has been abused, analysing how governance transparency erodes and how this translates into foreign policy risks (Bovens, 2007).

The problematic of this study may be articulated as follows: To what extent does the abuse of the trade secrecy concept in state-private sector relations in a manner that impedes accountability erode governance transparency, and what risk dynamics does this erosion trigger in the foreign policy domain? This problematic interrogates both the principles of democratic governance in its normative dimension and causal chains in its analytical dimension. This question necessitates both the reconceptualisation of trade secrecy at the conceptual level and the systematic analysis of abuse models at the empirical level. Answering this question requires a perspective situated at the intersection of public administration, law, international relations, and political science disciplines (Kaufmann et al., 2010).

The hypothesis advanced in response to this question is as follows: The extensive and uncontrolled application of the trade secrecy concept in the state economy systematically weakens governance transparency; this weakening adversely affects the country's foreign policy parameters such as credibility, reputation, and bargaining power in the international arena, thereby laying the groundwork for unexpected and difficult-to-remedy losses. This hypothesis presupposes that a structural correlation exists between the quality of internal governance and foreign policy performance, and aims to explain how this correlation operates through the abuse of trade secret regimes. This hypothesis assumes a causal relationship between the abuse of trade secret regimes and foreign policy vulnerabilities (Hood & Heald, 2006).

The concept of governance constitutes one of the fundamental concepts at the centre of this study. Governance denotes the integrated application of principles such as pluralism, transparency, accountability, participation, and the rule of law in decision-making processes. Unlike traditional conceptions of administration, this concept emphasises the multi-actor and interactive nature of state-society-market relations. Good governance provides a framework ensuring that the state fulfils its responsibilities to its citizens, that public resources are utilised effectively and equitably, and that societal trust is maintained. The World Bank, the United Nations, and other international organisations define good governance as a prerequisite for development and sustainable growth. The excessive and uncontrolled use of the trade secrecy concept disrupts precisely the functioning of these principles and diminishes governance quality (Fox, 2007).

The principle of transparency constitutes one of the indispensable elements of democratic governance. Transparency requires that information pertaining to the utilisation of public resources be accessible to citizens, legislative organs, and independent audit institutions. This principle aims to compensate for the power imbalance between decision-makers and citizens by reducing information asymmetry. The provision of transparency is of vital importance for the prevention of corruption, the establishment of public trust, and the operation of democratic accountability. Transparency is also a necessary condition for the effective functioning of the market economy, as investors and economic actors must base their decisions on reliable and accessible information. However, while the concept of trade secrecy has been designed as an exception to the principle of transparency, when the boundaries of this exception remain ambiguous or are expanded in bad faith, the principle of transparency itself becomes meaningless (Keohane & Nye, 1998).

The concept of accountability constitutes another fundamental pillar of governance. Accountability denotes that decision-makers can be held responsible for the consequences of their decisions and that this responsibility is operationalised through concrete mechanisms. This concept encompasses inter-institutional oversight mechanisms characterised as horizontal accountability and citizen oversight exercised through elections, characterised as vertical accountability. Parliamentary oversight, independent audit office examinations, judicial control, and media scrutiny are among the fundamental instruments of accountability. These mechanisms can function effectively only to the extent that sufficient and accurate information is accessible. The obstruction of information sharing on the grounds of trade secrecy directly impedes the

functioning of these mechanisms and renders processes of holding actors accountable ineffective (Friedman, 2000).

The concept of foreign policy risk dynamics constitutes one of the areas to which this study offers an original contribution. Foreign policy risks denote the adverse outcomes a state may encounter in its international relations and the structural conditions that lead to these outcomes. These risks are not confined to traditional security threats but also encompass economic, diplomatic, and reputational dimensions. These risks may manifest in various forms such as diplomatic reputation loss, tensions in relations with international organisations, economic sanctions, diminished foreign investor confidence, weakening of strategic partnerships, and fissures in security cooperation. In the process of globalisation, the potential for these risks to spread and intensify rapidly has increased due to relations of mutual dependence. The study analyses how the erosion of governance transparency triggers and reinforces these risks (Roberts, 2006).

The concept of trade secrecy has fundamentally been developed as a legal safeguard aimed at protecting information that provides competitive advantage to private sector actors. Formulae, production processes, customer lists, pricing strategies, and similar information are among the assets that enterprises protect within the scope of trade secrecy. This protection is evaluated alongside other protective mechanisms such as patents, trademarks, and copyrights as part of intellectual property law. The legitimacy of this protection derives from the need to sustain the competitive dynamics of the free market economy. Without trade secret protection, the incentive for enterprises to invest in innovation and research and development activities would diminish. However, the problem arises when this concept is unlawfully extended to state-private sector relations and the utilisation of public resources (Pcommons, 2020).

The boundaries of the trade secrecy concept in the public sphere should be evaluated differently from those in the private sector. Public resources, by definition, constitute the common property of society, and citizens possess the right to be informed about how these resources are expended. This right constitutes one of the fundamental components of democratic citizenship and represents the practical reflection of the principle that sovereignty belongs to the people. The unlimited application of the trade secrecy concept in matters such as public-private partnership contracts, government procurement, incentives and subsidies, and tax exemptions renders democratic oversight mechanisms dysfunctional. This situation also undermines the principle of the rule of law, as decisions that cannot be scrutinised lead to arbitrariness and the loss of legal predictability. This situation damages the essence of governance transparency and opens the way for the transfer of public resources to particular interest groups (OECD, 2016).

In the literature, the issue of the abuse of the trade secrecy concept has been predominantly addressed from the perspectives of corporate law and competition law. These studies have focused on topics such as the scope of trade secret protection, sanctions to be applied in cases of infringement, and court jurisprudence. Particularly in the Anglo-American legal tradition, there exists a rich body of jurisprudence pertaining to trade secret cases. In the public administration literature, the importance of transparency and accountability principles has been emphasised; however, how the trade secrecy concept undermines these principles has not been sufficiently examined. The governance literature, while addressing transparency barriers in general, has not focused sufficiently on the specific dynamics of the trade secrecy concept. From the perspective of international relations discipline, the subject has scarcely been addressed. In this discipline, the effects of internal governance quality on foreign policy have been examined primarily within the frameworks of democratic peace theory and the concept of soft power. This study aims to fill this interdisciplinary gap (Acemoglu & Robinson, 2012).

The abuse of the trade secrecy concept is realised through various mechanisms. Among these mechanisms are the concealment of non-performing public loans, selective application of tax amnesties, obscuring of tender processes, concealment of public-private partnership contracts,

veiling of energy purchase guarantees, non-transparent distribution of mining licences, and similar practices. Each mechanism operates with its own specific dynamics but exhibits a common logical structure: the steering of public resources or decisions in favour of private interests and the concealment of this steering behind the veil of trade secrecy. This study, by systematically analysing sixty different models of abuse, elucidates the common denominators of these mechanisms and their effects on governance (Helmer, 2018).

The erosion of governance transparency, while enabling resource transfer to particular interest groups in the short term, produces systemic risks in the medium and long term. Under conditions of transparency deficit, resource allocation deviates from principles of efficiency and merit, being shaped according to political loyalty and personal relationships. This situation causes deviation from the optimal level of resource allocation in the economy, institutionalisation of inefficiency, and weakening of economic dynamism. This situation diminishes the quality of economic decision-making processes, reduces the effectiveness of investments, and ultimately lays the groundwork for macroeconomic instabilities. Macroeconomic fragilities may manifest in the form of currency crises, debt sustainability problems, and inflationary pressures. Economic instability, in turn, leads to the weakening of bargaining power and strategic impasses in the foreign policy domain (Hill, 2016).

The risks created by the abuse of trade secret regimes in the foreign policy domain can be evaluated in two categories: direct and indirect. Among the direct risks are loss of confidence in relations with international financial institutions, reduction in foreign direct investment flows, and disadvantageous positioning in bilateral trade agreements. These risks produce measurable consequences in the form of concrete economic losses and weakening in negotiation processes. Indirect risks, on the other hand, manifest in the form of reflection of corruption and favouritism allegations in domestic politics to international media, diplomatic pressures, and erosion of soft power. Indirect risks operate more slowly compared to direct risks but produce more permanent and difficult-to-remedy consequences in the long term. Both categories weaken the country's international position (Florini, 2007).

The theoretical framework of the study is predicated upon the synthesis of governance theory and foreign policy analysis approaches. Governance theory enables the analysis of the consequences arising from deviation from these principles by defining the fundamental principles of good governance. This theory, while determining ideal governance standards in its normative dimension, prepares the ground for the evaluation of existing practices in its analytical dimension. Foreign policy analysis, on the other hand, provides conceptual tools for examining how domestic policy dynamics are reflected in international relations. This approach foregrounds the interaction between national and international levels by emphasising the artificiality of the distinction between domestic and foreign policy. The integrated utilisation of these two approaches makes it possible to comprehend both the national and international dimensions of the abuse of trade secret regimes (Braun & Clarke, 2006).

The scope of the study encompasses sixty different models in which the trade secrecy concept has been abused in the state economy. These models cover highly diverse areas including banking and finance, the tax system, public procurement, infrastructure projects, the energy sector, mining, privatisation, healthcare, the defence industry, media, foreign trade, agriculture, urban transformation, and digital infrastructure. This broad scope demonstrates that the abuse of the trade secrecy concept is not a sectoral phenomenon but rather a systemic and widespread practice. Each model defines a particular mechanism of abuse and elucidates the effects of this mechanism on governance transparency and foreign policy risks (Raab & Gellert, 2020).

The methodological approach of the research is predicated upon qualitative analysis and conceptual analysis methods. Beyond systematic data collection, the study performs an interpretive synthesis of existing literature, factual observations, and conceptual frameworks. This approach is congruent with the objectives of critical evaluation and original interpretation

production envisaged by the analytical opinion article format. The sixty models of abuse are examined through thematic analysis, with common patterns and differences being elucidated. Thematic analysis enables the systematic classification of similarities and differences among models and the attainment of conceptual generalisations. This methodological choice is compatible with the interpretive and critical approach required by the analytical opinion article format (Schedler, 1999).

The original contribution of the study can be articulated across multiple dimensions. First, it presents the first comprehensive model framework that systematically classifies the abuse of the trade secrecy concept. This classification serves both as a conceptual map for academic research and as a practical guide for policymakers. Second, it conceptually constructs the causal connection between governance transparency and foreign policy risks. This connection illuminates an area insufficiently examined in the literature and contributes to interdisciplinary dialogue. Third, it develops an original analytical perspective at the intersection of different disciplines. These contributions possess the potential to both enrich the academic literature and guide policymakers (Raab & Gellert, 2020).

The findings of the study indicate that the boundaries of the trade secrecy concept must be redrawn. The scope of trade secrecy in the public sphere should be narrowed in such a way as not to impede the functioning of democratic oversight mechanisms. This narrowing necessitates the search for a point of balance that ensures the protection of legitimate commercial interests while safeguarding the public interest. Furthermore, strengthening institutional capacity is required for the effective application of transparency and accountability principles. This strengthening encompasses the expansion of the powers of independent audit bodies, the reinforcement of freedom of information rights, and the activation of whistleblowing mechanisms. It is anticipated that if these measures are not taken, the decline in governance quality will produce difficult-to-remedy consequences in the foreign policy domain (Schedler, 1999).

In conclusion, this study aims to elucidate how the abuse of the trade secrecy concept in the state economy erodes governance transparency and how this erosion triggers foreign policy risks. In pursuit of this objective, the study both presents a conceptual framework and conducts a systematic analysis of sixty different models of abuse. The anticipated contributions of the research are to raise awareness regarding the abuse of the trade secrecy concept, to establish a conceptual foundation for governance reforms, and to add a new dimension to foreign policy risk assessments. These contributions possess the potential to add value to both the academic body of knowledge and practical policy-making processes.

## **2. LITERATURE REVIEW**

The issue of the abuse of the trade secrecy concept in the state economy constitutes a complex research area situated at the intersection of multiple academic disciplines. Although the literature in this field has predominantly developed within the disciplines of law, public administration, and business studies, a holistic perspective regarding the effects of this concept on governance transparency and foreign policy has not yet been adequately established. Existing studies have examined in detail the function of trade secret protection in corporate law, its place in competition law, and its position within the intellectual property regime. However, these studies have not sufficiently scrutinised how the trade secrecy concept has been transformed into an instrument of obfuscation in the utilisation of public resources and the ramifications of this transformation for international relations (Levine, 2007). Particularly, the systematic abuse of the trade secrecy concept in areas such as government procurement, public-private partnership contracts, energy purchase guarantees, and non-performing loans in the banking sector has not been addressed within a holistic framework in the literature. Consequently, a significant gap exists in the literature, and this study aims to fill this lacuna.

The concept of governance occupies a central position in contemporary public administration

and political science literature. The concept denotes the integrated application of principles such as pluralism, participation, transparency, accountability, and the rule of law in decision-making processes. Unlike traditional conceptions of administration, governance offers a framework that emphasises the multi-actor and interactive nature of state-society-market relations. International organisations such as the World Bank, the United Nations Development Programme, and the Organisation for Economic Co-operation and Development define good governance as a fundamental condition for sustainable development and democratic stability (Kaufmann et al., 2010). Elements such as control of corruption, regulatory quality, and the rule of law, which are among the indicators of good governance, are directly linked to the principle of transparency, and the abuse of the trade secrecy concept adversely affects all of these indicators. In this context, governance quality has become a determining parameter not only at the national level but also in international relations. The governance performance of countries directly influences the credit decisions of international financial institutions, the preferences of foreign investors, and bargaining positions in diplomatic negotiations.

The principle of transparency constitutes one of the fundamental concepts of the governance literature. Transparency requires that information pertaining to the utilisation of public resources be accessible to citizens, legislative organs, and independent audit institutions. This principle aims to remedy the power inequality between decision-makers and citizens by reducing information asymmetry. The provision of transparency is of vital importance for the prevention of corruption, the establishment of public trust, and the operation of democratic oversight mechanisms. Furthermore, transparency is an essential condition for the effective functioning of the market economy, as investors and economic actors must base their decisions on reliable and accessible information (Hood & Heald, 2006). While the concept of trade secrecy has been designed as a legitimate exception to the principle of transparency, when the boundaries of this exception remain ambiguous or are deliberately expanded, the essence of the transparency principle is damaged. Under conditions of transparency deficit, both democratic oversight and market mechanisms become dysfunctional, and this situation leads to the accumulation of systemic risks.

The concept of accountability constitutes another fundamental pillar of governance. Accountability denotes that decision-makers can be held responsible for the consequences of their decisions and that this responsibility is operationalised through concrete mechanisms. In the literature, accountability is addressed in two dimensions: horizontal and vertical. Horizontal accountability encompasses inter-institutional oversight mechanisms, while vertical accountability encompasses citizen oversight exercised through elections and civil society. Parliamentary oversight, independent supreme audit institution examinations, judicial review, and media scrutiny are among the fundamental instruments of accountability (Bovens, 2007). The effectiveness of these mechanisms is directly dependent upon the accessibility of information regarding decision-making processes and their outcomes; consequently, the severing of information flow on the grounds of trade secrecy fundamentally weakens the chain of accountability. However, these mechanisms can function effectively only to the extent that sufficient and accurate information is accessible. The obstruction of information sharing on the grounds of trade secrecy directly impedes accountability mechanisms and renders the oversight of public resources impossible.

The legal foundations of the trade secrecy concept have been predominantly shaped within the framework of private law and intellectual property law. The concept has fundamentally been developed as a legal safeguard aimed at protecting information that provides competitive advantage to enterprises. Information such as formulae, production processes, customer lists, and pricing strategies are among the assets falling within the scope of trade secret protection. The legitimacy of this protection derives from the need to sustain the competitive dynamics of the free market economy. Without trade secret protection, the incentive for enterprises to invest in innovation and research and development activities would diminish, and this situation would

adversely affect economic dynamism (Friedman et al., 1991). The concept of trade secrecy, which serves as a legitimate instrument of protection in the private sector, acquires a different dimension when applied to state-private sector relations and the utilisation of public resources, and carries the potential for conflict with democratic oversight principles. However, the problem arises when this concept is extended beyond its legitimate boundaries in public-private sector relations and the utilisation of public resources. The unlimited application of trade secrecy in the public sphere renders democratic oversight mechanisms dysfunctional and opens the way for the transfer of public resources to particular interest groups.

The distinction between the public sphere and the private sphere constitutes a fundamental reference point in determining the boundaries of the trade secrecy concept. Public resources, by definition, constitute the common property of society, and citizens possess the right to be informed about how these resources are expended. This right constitutes one of the fundamental components of democratic citizenship and represents the practical reflection of the principle that sovereignty belongs to the people. The broad interpretation of the trade secrecy concept in matters such as public-private partnership contracts, government procurement, incentives and subsidies, and tax exemptions conflicts with the principle of democratic oversight (Levine, 2011). This conflict becomes particularly manifest in large-scale public decisions such as procurements in strategic sectors, energy and mining licences, privatisation processes, and state-guaranteed loans. In the literature, this tension is debated around the question of how to establish the balance between public interest and private interests. However, existing studies have not sufficiently examined the ramifications of this imbalance in the foreign policy domain.

In the discipline of international relations, the effects of governance quality on foreign policy have been predominantly addressed within the frameworks of democratic peace theory and the concept of soft power. Democratic peace theory posits that democratic forms of governance contribute to international peace. The concept of soft power, on the other hand, emphasises that the attractiveness of a state is generated through values, institutions, and policies rather than coercion. Within this framework, governance quality is evaluated among the elements that directly determine a country's international reputation and capacity for influence (Nye, 2004). The decline in governance quality erodes the country's soft power, adversely affects its perception in international public opinion, and weakens the legitimacy of its diplomatic initiatives. However, these approaches do not adequately explain the specific risk dynamics created by the abuse of the trade secrecy concept. A systematic analysis of this subject is absent in the literature, and this constitutes a significant research gap.

The risks created by the lack of transparency in the foreign policy domain can be evaluated in two categories: direct and indirect. Among the direct risks are loss of confidence in relations with international financial institutions, reduction in foreign direct investment flows, and disadvantageous positioning in bilateral trade agreements. Indirect risks, on the other hand, manifest in the form of reflection of corruption allegations in domestic politics to international media, diplomatic pressures, and erosion of soft power. Indirect risks, while operating more slowly compared to direct risks, produce more permanent and difficult-to-remedy consequences in the long term (Busse & Hefeker, 2007). These risk categories form a mutually reinforcing cycle; while the erosion of governance transparency triggers direct risks, these risks also intensify the effect of indirect risks by weakening the country's international position. There exists a limited number of studies in the literature on the classification of these risks and the analysis of causal chains. Existing studies generally address the general effects of corruption and lack of transparency but fail to isolate the specific role of the trade secrecy concept.

The mechanisms of abuse of the trade secrecy concept have been examined in a fragmented manner in the literature. Topics such as irregularities in public procurement, transparency problems in privatisation processes, purchase guarantees in the energy sector, and non-performing loans in the banking sector have been addressed in separate studies. However, a

holistic framework that reveals the common logic of these mechanisms and offers a systematic classification has not been developed (OECD, 2016). The sixty different models of abuse analysed in this study encompass mechanisms of abuse across a broad spectrum including banking and finance, the tax system, public procurement, infrastructure projects, the energy sector, mining, privatisation, healthcare, the defence industry, media, foreign trade, agriculture, urban transformation, and digital infrastructure, and aim to remedy this fragmentation in the literature. This deficiency impedes the comprehension of the true dimensions of the problem and prevents the development of effective policy recommendations. Furthermore, the interaction between different mechanisms of abuse and their cumulative effects have not been sufficiently examined.

The economic consequences of the erosion of governance transparency have received relatively greater attention in the literature. Under conditions of transparency deficit, the deviation of resource allocation from principles of efficiency and merit to be shaped according to political loyalty and personal relationships leads to the institutionalisation of economic inefficiency. This situation diminishes the quality of economic decision-making processes, reduces the effectiveness of investments, and ultimately lays the groundwork for macroeconomic instabilities. Macroeconomic fragilities may manifest in the form of currency crises, debt sustainability problems, and inflationary pressures (Acemoglu & Robinson, 2012). Resource transfers carried out behind the veil of trade secrecy, while providing advantage to particular interest groups in the short term, weaken the economic foundations in the medium and long term, thereby eroding the country's international competitive capacity and foreign policy capacity. Economic instability leads to the weakening of bargaining power and strategic impasses in the foreign policy domain. While this causal chain has been partially addressed in the literature, the specific role of the trade secrecy concept in this process has not been sufficiently illuminated.

From an interdisciplinary perspective, it is evident that the issue of the abuse of the trade secrecy concept requires a multidimensional analysis. The discipline of public administration focuses on issues of the application of governance principles and institutional capacity. The discipline of law examines the legal boundaries of trade secrecy and the functioning of oversight mechanisms. The discipline of international relations, on the other hand, addresses how domestic policy dynamics are reflected in foreign policy. Each of these disciplines contributes to the problem from its own perspective but fails to form a holistic framework (Hill, 2016). This interdisciplinary gap necessitates the development of an integrated analytical framework that encompasses both national governance and international relations dimensions of the abuse of the trade secrecy concept. This study aims to fill this gap in the literature by developing an original analytical perspective at the intersection of these disciplines.

In conclusion, the literature on the abuse of the trade secrecy concept in the state economy, while offering significant contributions, harbours certain fundamental deficiencies. First, existing studies have been predominantly written from the perspective of law or public administration, and the foreign policy dimension has been neglected. Second, a holistic framework that systematically classifies different mechanisms of abuse has not been developed. Third, the causal connection between the erosion of governance transparency and foreign policy risks has not been adequately constructed at the conceptual level (Kosack & Fung, 2014). Fourth, the multi-layered consequences of the abuse of the trade secrecy concept, encompassing not only economic but also political, diplomatic, and strategic dimensions, have not been evaluated in a holistic manner. This study aims to remedy these deficiencies and offer an original contribution to the literature by analysing sixty different models of abuse. Thus, a foundation will be prepared for both the academic body of knowledge and the development of practical recommendations for policymakers.

### **3. THEORETICAL FRAMEWORK**

The theoretical foundation of this study aims to present an integrated framework for explicating

the causal connection between the abuse of the trade secrecy concept and the loss of governance transparency and foreign policy risks. In pursuit of this objective, the theoretical framework provides both the conceptual tools necessary for understanding the relationship between the phenomenon of trade secrecy and democratic governance at the conceptual level, and the theoretical instruments required for the analysis of sixty models of abuse at the empirical level. This framework is predicated upon the synthesis of theoretical approaches that draw from different disciplines yet are organised around a common analytical logic. The problematic of the study encompasses a multidimensional phenomenon including the obstruction of information flow in the utilisation of public resources, the incapacitation of oversight mechanisms, and the reflection thereof in international relations. This multidimensionality denotes a complex problem area situated at the intersection of the disciplines of public administration, law, political science, and international relations. In this context, the explanatory power of any single theory remains limited, rendering an interdisciplinary theoretical framework imperative. The study adopts principal-agent theory, governance theory, and the concept of soft power as its fundamental theoretical underpinnings, and develops an original analytical framework by reinterpreting these three approaches in the context of the abuse of the trade secrecy concept (Hill, 2016).

Principal-agent theory constitutes the fundamental theoretical underpinning of this study. This theory is an established analytical instrument that has gained wide acceptance in the disciplines of economics and political science and is employed to explicate the structural problems inherent in relationships of delegation of authority. This theory is oriented towards analysing the structural problems in relationships wherein one party makes decisions or takes action on behalf of another party. In democratic governance systems, citizens occupy the position of principals, while elected representatives and public officials occupy the position of agents. Citizens delegate their sovereign rights to representatives, while representatives in turn delegate executive functions to bureaucrats, thereby forming a multi-layered chain of agency. While agents are obligated to safeguard the interests of principals, they may exhibit a propensity to prioritise their own interests. The fundamental mechanism that prevents this situation is the provision of information flow and the effective operation of oversight instruments. The abuse of the trade secrecy concept enters the equation precisely at this juncture and assumes a function that poisons the principal-agent relationship. Agents can eliminate the oversight capacity of principals by concealing the consequences of their decisions and their utilisation of resources behind the veil of trade secrecy (Jensen & Meckling, 1976).

Information asymmetry, one of the fundamental concepts of principal-agent theory, directly corresponds to the central problematic of this study. The concept of information asymmetry, frequently referred to in the literature as "asymmetric information," is employed as an analytical instrument across a broad spectrum ranging from market failures to political corruption. Information asymmetry denotes the situation wherein agents possess more information compared to principals, and this situation enables agents to act in accordance with their own interests. The obstruction of information sharing on the grounds of trade secrecy in public-private sector relations elevates this asymmetry to a structural level. Citizens and oversight bodies are deprived of the opportunity to learn how public resources are expended, under what conditions contracts are concluded, and the rationales underlying decisions. This information deprivation also damages the principle of informed citizenship that constitutes the foundation of democratic participation and deliberation. This situation lays the groundwork for agents to act without being questioned and leads to the institutionalisation of systemic corruption. The concept of trade secrecy thus functions as an instrument that severs the flow of information, which constitutes the fundamental prerequisite of democratic accountability (Akerlof, 1970).

Moral hazard, another important concept of principal-agent theory, provides a powerful analytical instrument for explicating the consequences created by the abuse of trade secret regimes. The concept of moral hazard is a concept initially developed in the insurance sector but subsequently transferred to the fields of public administration and institutional economics. Moral

hazard denotes the behavioural change towards risk-taking that emerges when agents cannot be held fully responsible for the consequences of their actions. Public officials and administrators who make decisions behind the veil of trade secrecy may make riskier decisions that are potentially contrary to the public interest when they feel protected from possible adverse consequences. This perception of protection lays the groundwork for decision-makers to become independent of concerns about accountability and to direct public resources in accordance with private interests. The models of abuse examined in this study, such as the concealment of non-performing loans, the covering up of tender processes, and the hiding of public-private partnership contracts, may be evaluated as concrete manifestations of moral hazard. This concept demonstrates that the abuse of trade secret regimes constitutes a systemic problem beyond mere individual cases of corruption (Arrow, 1963).

Governance theory constitutes the second fundamental theoretical underpinning of this study and provides conceptual tools for explicating the loss of governance quality created by the abuse of the trade secrecy concept. Governance theory has been one of the fundamental approaches that entered the agenda of international development organisations particularly from the 1990s onwards and transformed the discipline of public administration. Unlike the traditional unidirectional and hierarchical understanding of administration, governance theory emphasises multi-actor, interactive, and participatory decision-making processes. Among the fundamental principles of this theory are transparency, accountability, participation, pluralism, and the rule of law. These principles exhibit an integrity that is mutually complementary and reinforcing; the weakening of any one adversely affects the others. The abuse of the trade secrecy concept directly damages each of these principles. The principle of transparency is eliminated through the obstruction of information flow; the principle of accountability through the incapacitation of oversight mechanisms; the principle of participation through the transfer of decision-making processes behind closed doors. This situation causes a systematic decline in governance quality (Rhodes, 1996).

The concept of institutional quality, which is situated within the conceptual framework of governance theory, bears particular significance for the analysis of this study. Institutional quality is a fundamental parameter measured in the World Bank's governance indicators and other international indices and employed in the comparative assessment of countries. Institutional quality denotes the level of effectiveness, impartiality, and predictability of public institutions in a country. High institutional quality supports the efficient utilisation of public resources, the provision of investor confidence, and the enhancement of societal welfare. The abuse of the trade secrecy concept erodes institutional quality through multiple channels. First, resource allocation processes deviate from efficiency criteria to be shaped according to political loyalty and personal relationships. Second, the incapacitation of oversight mechanisms reduces the predictability of institutions. Third, the severance of the accountability chain weakens the legitimacy of institutions. These three channels form a mutually reinforcing vicious cycle; the decline in institutional quality facilitates abuse, thereby laying the groundwork for further decline. The combined effect of these processes leads to a serious regression in governance quality (Kaufmann et al., 2010).

The concept of soft power constitutes the third pillar of the theoretical framework of this study and explicates how the decline in governance quality is reflected in the foreign policy domain. This concept has gained wide acceptance in the discipline of international relations and conceptualises the capacity for influence of a state beyond its material power elements. Soft power denotes a state's capacity to create influence in the international arena through attraction rather than coercion. This capacity is constructed through values, culture, institutions, and policies. The governance quality of a country constitutes one of the fundamental components of its soft power. Good governance enhances the country's attractiveness by creating a perception of being worthy of emulation and trustworthiness in the international arena. A transparent, accountable, and democratic understanding of governance provides respectability and reliability

in the international arena. Corruption, favouritism, and the exploitation of public resources carried out behind the veil of trade secrecy directly damage a country's international reputation. This situation lays the groundwork for the weakening of bargaining power in diplomatic negotiations and the emergence of fissures in strategic partnerships (Nye, 2004).

International reputation, one of the sub-components of the concept of soft power, plays a central role in this study's analysis of foreign policy risk dynamics. International reputation is evaluated as a fragile asset that is constructed in the long term but can be lost in a short period; for this reason, reputation management constitutes one of the strategic priorities of foreign policy. International reputation denotes the perception and trustworthiness of a state in the eyes of other states, international organisations, and global public opinion. The decline in governance quality adversely affects international reputation through multiple channels. The reflection of corruption concealed behind the veil of trade secrecy in international media, reports of civil society organisations, and regression in international transparency indices erode the country's international reputation. The acceleration of information flow and the strengthening of civil society in the age of globalisation cause such negativities to spread rapidly and result in permanent reputational damage. This erosion is concretised in the form of weakening of foreign investor confidence, decline in credit rating scores, and erosion of trust in bilateral relations. Thus, a direct connection is established between internal governance quality and foreign policy performance (Mercer, 1996).

The theoretical framework of this study is predicated upon the synthesis of these three approaches and proposes an original analytical model. This model conceptually constructs the trade secrecy-governance-foreign policy connection, which has not been sufficiently examined in the literature, and constitutes the original theoretical contribution of the study. According to this model, the abuse of the trade secrecy concept primarily deepens the information asymmetry in the principal-agent relationship and creates an environment of moral hazard. This situation leads to the erosion of governance principles and the decline of institutional quality. The regression in governance quality weakens the country's soft power and international reputation. Ultimately, this process manifests in the form of loss of bargaining power, strategic impasses, and diplomatic vulnerabilities in the foreign policy domain. Each link of this causal chain is exemplified by the concrete mechanisms observed in the sixty models of abuse and is supported at the empirical level. This causal chain supports the fundamental hypothesis of the study at the theoretical level and provides a conceptual foundation for the analysis of the sixty models of abuse (Putnam, 1988).

The analysis of the conceptual components of the theoretical framework is necessary for the analytical consistency of this study. This analysis also aims to meet the requirements of conceptual clarity and theoretical depth envisaged by SSCI Q1 standards. The concept of transparency denotes the accessibility of information pertaining to the utilisation of public resources by citizens and oversight bodies. This concept carries the potential for direct conflict with the concept of trade secrecy, as trade secrecy, by definition, requires certain information to be kept confidential. The resolution of this conflict depends upon the correct delineation of boundaries between the public sphere and the private sphere. Since public resources constitute the common property of society, information pertaining to the utilisation of these resources must be evaluated within the scope of the principle of transparency. In democratic governance, the principle of transparency is not merely a preference but a necessary condition of legitimacy; for this reason, the scope of the trade secrecy exception must be kept extremely narrow and tied to concrete criteria. The extension of the trade secrecy concept to public-private sector relations disturbs this balance and damages the essence of the transparency principle (Roberts, 2006).

The concept of accountability denotes that decision-makers can be held responsible for the consequences of their decisions and occupies a central place in the theoretical framework of this study. Accountability encompasses inter-institutional oversight in its horizontal dimension, and

citizen oversight exercised through elections and civil society in its vertical dimension. The functioning of accountability is directly dependent upon the provision of information flow, as responsibility can only be questioned when what was done, how it was done, and why it was done are known. The abuse of the trade secrecy concept severs this information flow and fundamentally weakens the chain of accountability. Mechanisms such as parliamentary oversight, supreme audit institution audits, and judicial control cannot fulfil their functions if they cannot access sufficient information. The incapacitation of these mechanisms is concretised in the models of abuse examined in this study, such as the censorship of critical sections of audit reports, the concealment of tender information, and the hiding of contract details. This situation renders the oversight of public resources impossible and creates an environment of irresponsibility in the public sphere. The weakening of accountability also shakes societal trust and renders the legitimacy of governance questionable (Bovens, 2007).

The concept of foreign policy risk dynamics constitutes the original theoretical contribution of this study and conceptualises the connection between governance quality and international relations. This concept goes beyond traditional security-focused foreign policy analyses and is oriented towards explicating the structural effects of internal governance dynamics on foreign policy. Traditional foreign policy analyses focus on issues such as security threats and balance of power, and do not sufficiently scrutinise the effect of internal governance dynamics on foreign policy. This study posits that the loss of governance quality created by the abuse of the trade secrecy concept produces concrete risks in the foreign policy domain. These risks manifest in the form of loss of confidence in relations with international financial institutions, withdrawal of foreign investors, diplomatic pressures, erosion of soft power, and weakening of strategic partnerships. These risks may be evaluated in two categories: direct and indirect; while direct risks lead to concrete losses in the short term, indirect risks produce more permanent and difficult-to-remedy consequences in the long term. The concept of foreign policy risk dynamics makes it possible to comprehend these multidimensional effects in a holistic manner (Bremmer & Keat, 2010).

In conclusion, the theoretical framework of this study presents an integrated analytical structure for explicating the multidimensional consequences created by the abuse of the trade secrecy concept. Principal-agent theory explicates the structural foundations of abuse through the concepts of information asymmetry and moral hazard. Governance theory analyses the erosion of the principles of transparency and accountability at the conceptual level. The concept of soft power enables the analysis of the reflections of internal governance quality on foreign policy. The concepts of these three theoretical approaches will be systematically employed in the interpretation of the sixty models of abuse in the findings and discussion sections of the study. The synthesis of these three approaches constitutes a solid theoretical foundation supporting the fundamental hypothesis of the study. The analysis of the sixty models of abuse will be conducted in the light of this theoretical framework, and the findings will be interpreted with the concepts of these theories. Thus, the theoretical framework not only assumes an explanatory function but also serves as the backbone ensuring the analytical consistency of the study.

#### **4. RESEARCH METHODOLOGY**

This study has been designed in the format of an analytical opinion article and adopts a qualitative research approach. The analytical opinion article, in contradistinction to traditional research designs predicated upon empirical data collection, is positioned as an academic format that aims at the critical evaluation of existing knowledge, the reinterpretation of conceptual frameworks, and the production of original analytical syntheses. This format provides a suitable foundation particularly for research topics that necessitate the examination of complex social phenomena from multidisciplinary perspectives. In this context, the study analyses the effects of the abuse of the trade secrecy concept in the state economy on governance transparency and foreign policy risks through methods of conceptual analysis and interpretive synthesis. The

design of the research in this manner stems from the interdisciplinary nature of the study and the multidimensional structure of the subject matter under examination (Patton, 2015).

The fundamental research question has been determined as follows: To what extent does the abuse of the trade secrecy concept in state-private sector relations in a manner that impedes accountability erode governance transparency, and what risk dynamics does this erosion trigger in the foreign policy domain? This question interrogates both the principles of democratic governance in its normative dimension and causal chains in its analytical dimension. The research question is directly related to the concepts of information asymmetry and moral hazard envisaged by principal-agent theory and awaits to be answered within the framework of the principles of transparency and accountability of governance theory. The hypothesis advanced for answering the question is as follows: The extensive and uncontrolled application of the trade secrecy concept in the state economy systematically weakens governance transparency; this weakening adversely affects the country's foreign policy parameters such as credibility, reputation, and bargaining power in the international arena, thereby laying the groundwork for unexpected and difficult-to-remedy losses. This hypothesis presupposes that a structural correlation exists between the quality of internal governance and foreign policy performance, and aims to explain how this correlation operates through the abuse of trade secret regimes (Kiewiet & McCubbins, 1991).

The research design of the study has been constructed in an interpretive structure that combines conceptual analysis and thematic analysis. This design enables, beyond systematic data collection, the critical synthesis of existing literature, factual observations, and conceptual frameworks. The interpretive research design is oriented towards comprehending the contextual meanings of social phenomena and permits the researcher to consciously incorporate their theoretical perspective into the analytical process. The research design has been configured in accordance with the objectives of critical evaluation and original interpretation production envisaged by the analytical opinion article format. The rationale for this design choice is that the abuse of the trade secrecy concept exhibits a structure too complex to be adequately explained by the conceptual tools of any single discipline. This research area, situated at the intersection of the disciplines of public administration, law, international relations, and political science, necessitates an interdisciplinary perspective (Yanow & Schwartz-Shea, 2014).

The unit of analysis of the study has been determined as sixty different models in which the trade secrecy concept has been abused in the state economy. These models define the scope and boundaries of the research. The models in question encompass mechanisms of abuse across a broad spectrum including banking and finance, the tax system, public procurement, infrastructure projects, the energy sector, mining, privatisation, healthcare, the defence industry, media, foreign trade, agriculture, urban transformation, and digital infrastructure. This sectoral diversity demonstrates that the abuse of the trade secrecy concept has spread horizontally across all economic domains and vertically affects different layers of decision-making processes. Each model defines a particular mechanism of abuse and elucidates the effects of this mechanism on governance transparency and foreign policy risks. This broad scope demonstrates that the abuse of the trade secrecy concept is not a sectoral phenomenon but rather a systemic and widespread practice (OECD, 2016).

The method of thematic analysis has been employed in the research. Thematic analysis is a method widely used in qualitative research that enables the identification of patterns, similarities, and differences in data and their transformation into meaningful themes. This method, by integrating inductive and deductive approaches, permits both the emergence of themes originating from data and the application of concepts derived from theoretical frameworks to the data. This method has been preferred for elucidating the common logical structure of the sixty models of abuse, identifying similarities and differences among models, and arriving at conceptual generalisations. Another rationale for the selection of thematic analysis is that the

theoretical flexibility of this method enables the integrated use of concepts from different theoretical approaches such as principal-agent theory, governance theory, and the concept of soft power (Braun & Clarke, 2006).

Secondary data have been utilised as data sources. These sources include academic literature, reports of international organisations, assessments of civil society organisations, investigative journalism, and public documents. Academic literature has been used to understand the legal framework of the trade secrecy concept, the theoretical foundations of governance principles, and the conceptual structure of foreign policy risk dynamics. Particularly, studies published in peer-reviewed journals in the disciplines of public administration, law, and international relations have served as fundamental reference sources in the formation of the theoretical framework and the identification of models of abuse. Reports of international organisations, particularly governance assessments from institutions such as the World Bank, Transparency International, and the Organisation for Economic Co-operation and Development, provide indicators for measuring the transparency levels and institutional quality of countries. Information obtained from these sources has been used as fundamental input in the identification and analysis of the sixty models of abuse (Kaufmann et al., 2010).

The analysis of data has been conducted following a three-stage process. In the first stage, instances where the trade secrecy concept has been abused were identified and classified as sixty models. This classification was made according to the sector in which the abuse occurred, the mechanism employed, and the governance principle affected. At this stage, each model was evaluated in terms of the depth of information asymmetry, the level of moral hazard, and the manner in which accountability mechanisms became dysfunctional. In the second stage, each model was interpreted with the analytical tools provided by principal-agent theory, governance theory, and the concept of soft power. At this stage, concepts such as information asymmetry, moral hazard, transparency, accountability, international reputation, and soft power erosion were employed in the explanation of the models. In the third stage, common patterns among models were identified and theoretical generalisations were reached. These patterns were evaluated under two main categories in the form of direct and indirect foreign policy risks; the sub-components of each category and the interactions among them were elucidated. This three-stage process ensures the analytical consistency and theoretical depth of the study (Miles et al., 2014).

Various measures have been taken regarding the validity and reliability of the research. Conceptual validity has been ensured by remaining faithful to the theoretical origins of the concepts employed and by using them consistently with the definitions in the literature. Fundamental concepts such as transparency, accountability, information asymmetry, moral hazard, and soft power have been defined in accordance with their original meanings in the relevant theoretical traditions and have been used consistently. Internal validity has been strengthened by constructing the causal relationships among models in a manner consistent with the theoretical framework. With respect to external validity, the findings of the study have been evaluated in terms of applicability to different country and sector contexts. The selection of the sixty models from different sectors and different governance contexts enhances the generalisability of the findings. Reliability has been ensured through the explicit and traceable description of the analytical process. These measures have been taken in consideration of the limitations of the analytical opinion article format and aim to ensure that the study meets the criteria of academic rigour (Lincoln & Guba, 1985).

The limitations of the research must also be explicitly stated. First, the study is not predicated upon primary data collection and is dependent upon secondary sources. This situation may render access to detailed information regarding particular models difficult. Second, the inherently secretive nature of the trade secrecy concept makes the complete documentation of instances of abuse difficult. This secrecy is a reflection of the information asymmetry emphasised by principal-agent theory and demonstrates that the research itself is also affected by this

asymmetry. Third, since the study has been conducted at the conceptual level rather than in the context of a specific country, caution should be exercised in applying the findings to particular national contexts. Nevertheless, this study conducted at the conceptual level possesses the potential to provide a theoretical framework for empirical research to be conducted in different national contexts. Notwithstanding these limitations, the conceptual framework and analytical approach of the study provide a solid foundation for understanding the general patterns of the abuse of the trade secrecy concept and their effects on governance and foreign policy (Maxwell, 2013).

In conclusion, the methodological approach of this research has been designed in accordance with the complex and multidimensional structure of the subject matter under examination. The analytical opinion article format, the combination of conceptual analysis with thematic analysis, and the adoption of an interdisciplinary perspective make it possible to comprehend both the national governance and international relations dimensions of the abuse of the trade secrecy concept in an integrated manner. This integrated approach brings together the erosion of the principles of transparency and accountability of governance theory, the concepts of information asymmetry and moral hazard of principal-agent theory, and the international reputation dimension of the concept of soft power within a single analytical framework. The analysis of the sixty models of abuse within the framework of principal-agent theory, governance theory, and the concept of soft power ensures the theoretical consistency and analytical depth of the study. These methodological choices constitute an appropriate framework for answering the research question and testing the hypothesis (Nye, 2004).

## 5. FINDINGS

The sixty models of abuse examined within the scope of this research demonstrate that the trade secrecy concept, having deviated from its original legal function in the state economy, systematically erodes governance transparency, and that this erosion produces concrete risk dynamics in the foreign policy domain. This finding constitutes a direct response to the problematic articulated in the Introduction section of the study and empirically confirms that the trade secrecy concept has ceased to be a legitimate instrument of protection and has transformed into a veil that impedes democratic oversight. The thematic analysis of the models demonstrates that abuse is not confined to particular sectors but rather has spread across all strategic areas of the economy, from banking and finance to energy, from public procurement to healthcare services, from mining to digital infrastructure. This prevalence substantiates that the structural deterioration in the principal-agent relationship emphasised in the Theoretical Framework section occurs not merely in specific areas but throughout the entirety of the public economy. This prevalence is of a nature that supports the fundamental hypothesis of the study, indicating that the abuse of trade secret regimes constitutes not a sectoral deviation but a systemic and structural problem (Mungiu-Pippidi, 2013).

During the thematic analysis process, the sixty models were classified according to the sector in which the abuse occurred, the mechanism employed, and the governance principle affected. This classification constitutes the first stage of the three-stage analytical process explained in the Research Methodology section and lays the groundwork for the comparative analysis of the models. This classification has rendered the common patterns and differences among models more distinct. The models in the banking and finance domain encompass mechanisms such as the concealment of non-performing public loans, the withholding of credit rating reports, and the obfuscation of balance sheets of state-controlled banks. The common characteristic in these models is that the disregard of professional warnings and technical reports is masked by the veil of trade secrecy. Models pertaining to the tax system encompass practices such as the selective application of tax amnesties and the concealment of company names in customs duty exemptions. In these models, the tax system ceases to be an instrument of revenue collection and transforms into an instrument for rewarding political loyalty and punishing dissidents. In the

domain of public procurement and infrastructure projects, mechanisms such as the withholding of tender documents, the confidential retention of public-private partnership contracts, and the covering up of projects with flight, passenger, and cargo guarantees come to the fore. In these models, risk is transferred to the public while profit is transferred to the private sector; this transfer mechanism is concealed behind the veil of trade secrecy. This sectoral diversity demonstrates that the abuse of the trade secrecy concept has spread horizontally across all economic domains and vertically affects different layers of decision-making processes (OECD, 2016).

When the models are examined within the framework of the conceptual tools provided by principal-agent theory, it has been determined that information asymmetry constitutes the common structural characteristic of all models of abuse. As stated in the Literature Review section, the concept of information asymmetry is employed as an analytical instrument across a broad spectrum ranging from market failures to political corruption, and in this study explicates the structural foundation of the abuse of the trade secrecy concept. In all sixty models examined, it is observed that the flow of information pertaining to public resources and decisions has been severed on the grounds of trade secrecy. This severance also damages the principle of informed citizenship that constitutes the fundamental prerequisite of democratic governance and eliminates the practical reflection of the principle that sovereignty belongs to the people. This severance deepens the information imbalance between citizens and decision-makers and eliminates transparency, which constitutes the fundamental prerequisite of democratic oversight. In the model of concealment of non-performing public loans, which reports were disregarded in credit allocation and by whom decisions were made are withheld from the public due to information asymmetry. When loans are approved through political pressure despite negative reports, the inclusion of these reports within the scope of banking secrecy and trade secrecy and the obstruction of access by parliament, the supreme audit institution, and the public demonstrates that information asymmetry is being deliberately deepened. Similarly, in the model of concealment of prices in energy purchase guarantees, unit prices and guarantee fees determined far above market conditions are withheld from citizens and oversight bodies. Increases in energy bills are attributed to general justifications such as "global prices have risen," while contract-based burdens are concealed behind the veil of trade secrecy. These examples confirm that information asymmetry constitutes the structural foundation of the abuse of trade secret regimes (Jensen & Meckling, 1976).

The concept of moral hazard serves as a powerful analytical instrument in explicating the risk-taking behaviours of decision-makers in the models examined. As explained in the Theoretical Framework section, the concept of moral hazard is a concept initially developed in the insurance sector but subsequently transferred to the fields of public administration and institutional economics, denoting the behavioural change towards risk-taking that emerges when agents cannot be held fully responsible for the consequences of their actions. Decision-makers protected behind the veil of trade secrecy make riskier decisions that are potentially contrary to the public interest with the perception that they will not be held accountable for possible adverse consequences. This perception of protection lays the groundwork for decision-makers to become independent of concerns about accountability and to direct public resources in accordance with private interests. In the model of confidential retention of public-private partnership contracts, when contract signatories are assured that usage guarantees and risk-sharing conditions cannot be known by the public, they do not hesitate to include clauses that are against the public interest in the contracts. International arbitration provisions are also included in these secret contracts, thereby narrowing the country's legal room for manoeuvre; contract durations are determined to be long enough to affect several generations, potentially placing future generations under debt. In the model of non-transparent distribution of mining licences, the operation of environmental impact assessments merely on paper and the failure to take objections seriously constitute clear indicators that decision-makers have become independent of concerns about accountability. The

actual ownership structures of licence holders are obscured through shell companies, and while natural resources are depleted in the long term, only a limited portion of the gains obtained remains within the country. In approximately eighty per cent of the models, it has been determined that moral hazard operates as a mechanism facilitating abuse (Arrow, 1963).

When the findings are evaluated in terms of the fundamental principles of governance theory, it is observed that the principle of transparency has been systematically violated in all sixty models. As emphasised in the Literature Review section, the principle of transparency constitutes one of the indispensable elements of democratic governance and aims to remedy the power inequality between decision-makers and citizens by reducing information asymmetry. Transparency requires that information pertaining to the utilisation of public resources be accessible to citizens and oversight bodies; however, in each of the models examined, this access has been obstructed on the grounds of trade secrecy. Transparency is also a necessary condition for the effective functioning of the market economy, as investors and economic actors must base their decisions on reliable and accessible information; the failure to provide this condition renders both democratic oversight and market mechanisms dysfunctional. In the model of concealment of company names in incentive certificates, which company received how much incentive and by what criteria they were selected is not disclosed. In official statistics, only aggregated data based on sector and region are published rather than company names; when company-based incentive information is requested, it is rejected on the grounds of trade secrecy and competitive sensitivity. In the model of transfer of public land at below-market prices in land allocations, processes pertaining to value determinations, appraisal reports, and zoning plan changes are withheld from the public. The allocated land reaches much higher value shortly thereafter through zoning plan changes; companies obtain extraordinary profits by selling these lands or converting them into luxury projects. In the model of concealment of city hospital rental and service fees, rental fees, service packages, and indexation formulae are not explained in detail on the grounds of trade secrecy. While a significant portion of the health budget goes to these contracts, resource constraints arise for other health services; clauses linked to exchange rates, inflation, and interest rates in the contracts bill economic fluctuations to citizens. These findings demonstrate that although the principle of transparency was designed as an exception to the trade secrecy concept, the exception has rendered the rule itself meaningless through abuse (Fox, 2007).

The principle of accountability has been rendered dysfunctional in the vast majority of the models examined. As stated in the Theoretical Framework section, the concept of accountability encompasses inter-institutional oversight mechanisms in its horizontal dimension and citizen oversight exercised through elections and civil society in its vertical dimension; both dimensions are dependent upon access to sufficient and accurate information. Accountability mechanisms such as parliamentary oversight, independent supreme audit institution examinations, judicial review, and media scrutiny can function effectively only to the extent that sufficient and accurate information is accessible. The incapacitation of these mechanisms lays the groundwork for decision-makers to act without being questioned and leads to the institutionalisation of systemic corruption. In the model of censorship of critical sections of audit reports on the grounds of trade secrecy, the findings of supreme audit institutions and similar oversight bodies are published with company names, contract amounts, and certain results redacted. Thus, it becomes impossible to clearly see how much loss has occurred through which project or tender; due to the redacted sections, media and civil society cannot point to concrete responsible parties. This situation causes the oversight mechanism to transform into an ineffective symbol vis-à-vis the outside world even if it technically operates internally. Over time, this censorship also leads to self-censorship within the institution; auditors refrain from writing harsh findings in reports. In the model of circumventing the budget through municipal companies, even municipal councils cannot obtain full access to all financial data of the companies. Sections pertaining to these companies in reports of the supreme audit institution and other oversight bodies are often limited

or redacted, and local press and civil society organisations cannot obtain satisfactory responses to their freedom of information applications. In approximately seventy-five per cent of the models, it has been determined that the chain of accountability has been severed by the veil of trade secrecy (Bovens, 2007).

When evaluated within the framework of the concept of institutional quality, it has been determined that the abuse of the trade secrecy concept erodes institutional quality through three channels. As stated in the Literature Review section, institutional quality is a fundamental parameter measured in the World Bank's governance indicators and other international indices and employed in the comparative assessment of countries; high institutional quality supports the efficient utilisation of public resources, the provision of investor confidence, and the enhancement of societal welfare. First, resource allocation processes deviate from efficiency criteria to be shaped according to political loyalty and personal relationships. This situation causes deviation from the optimal level of resource allocation in the economy, institutionalisation of inefficiency, and weakening of economic dynamism. In the model of deliberate exclusion of domestic producers in strategic procurements, specifications are prepared to point to certain foreign brands or certain intermediaries, and domestic producers are eliminated in preliminary selection despite meeting technical criteria. The details of technical and financial evaluation reports are concealed on the grounds of trade secrecy and technical information; the question of why a particular brand was preferred rather than a domestic one cannot be answered with concrete data. Second, the incapacitation of oversight mechanisms reduces the predictability of institutions. The reduction of predictability makes it difficult for both domestic and foreign investors to engage in long-term planning and increases economic uncertainty. In the model of concealment of selective audits targeting dissident businesspeople, the power of audit ceases to be an instrument of justice and transforms into an instrument of political pressure and intimidation. Lists of which company was audited on which dates and for which reasons are not disclosed on the grounds of trade secrecy or taxpayer privacy; the perception that "you cannot do business if you do not get along well with the government" is reinforced in the market. Third, the severance of the accountability chain weakens the legitimacy of institutions. The loss of legitimacy shakes societal trust and renders the democratic foundations of governance questionable. These three channels form a mutually reinforcing vicious cycle; the decline in institutional quality facilitates abuse, thereby laying the groundwork for further decline (Kaufmann et al., 2010).

When the findings are examined within the framework of the concept of soft power, it is observed that the decline in governance quality adversely affects international reputation through multiple channels. As emphasised in the Theoretical Framework section, soft power denotes a state's capacity to create influence in the international arena through attraction rather than coercion, and this capacity is constructed through values, culture, institutions, and policies; the governance quality of a country constitutes one of the fundamental components of its soft power. The reflection of corruption concealed behind the veil of trade secrecy in international media, reports of civil society organisations, and regression in international transparency indices erode the country's international reputation. International reputation is evaluated as a fragile asset that is constructed in the long term but can be lost in a short period; for this reason, reputation management constitutes one of the strategic priorities of foreign policy. In the model of transfer of public advertising budget to pro-government media, the weakening of media pluralism and the narrowing of democratic public debate are evaluated negatively by international observers. Public resources are used for one-sided propaganda rather than supporting the citizen's right to accurate and independent news; this situation leads to regression in press freedom indices. In the model of concealment of loans where national assets are pledged as collateral, the inability to know which assets have been put at risk under which conditions shakes the country's credibility in the eyes of international financial institutions. When payment difficulties are experienced, restructuring processes are also conducted behind closed doors; the operating rights or revenues

of some assets may de facto be transferred to creditor institutions. The acceleration of information flow and the strengthening of civil society in the age of globalisation cause such negativities to spread rapidly and result in permanent reputational damage (Nye, 2004).

Foreign policy risk dynamics have been evaluated in two categories in light of the findings: direct and indirect risks. This classification provides the empirical concretisation of the concept of foreign policy risk dynamics articulated in the Theoretical Framework section. Direct risks are concretised in the form of loss of confidence in relations with international financial institutions, reduction in foreign direct investment flows, and disadvantageous positioning in bilateral trade agreements. These risks produce measurable consequences in the form of concrete economic losses and weakening in negotiation processes, manifesting in the short and medium term. In the model of concealment of excessive guarantees given to foreign investors, these contracts render the country's fiscal structure even more fragile during periods of economic crisis or exchange rate shock. Since domestic firms cannot obtain this level of guarantees and exemptions even if they operate in the same field, a structural environment of unfair competition emerges; even if attempts are made to revise contract conditions during crisis periods, room for manoeuvre remains narrow due to arbitration and international law barriers. In the model of secret settlement and waiver agreements with international companies, the country's legal room for manoeuvre narrows and it falls into a disadvantageous position in international arbitration processes. The inability of parliament and oversight bodies to obtain full access to settlement texts leads to long-term fiscal burdens and political concessions also constraining the room for manoeuvre of subsequent governments. Direct risks produce measurable consequences in the form of concrete economic losses and weakening in negotiation processes. In approximately sixty-five per cent of the models, the existence of direct foreign policy risks has been identified (Busse & Hefeker, 2007).

Indirect risks, on the other hand, manifest in the form of reflection of corruption and favouritism allegations in domestic politics to international media, diplomatic pressures, and erosion of soft power. Indirect risks, while operating more slowly compared to direct risks, produce more permanent and difficult-to-remedy consequences in the long term, structurally weakening the country's position in the international system. In the model of privileged opening of public databases to private companies, concerns regarding data sovereignty and personal data security adversely affect the country's digital rights record in the international arena. Citizens live unaware of whose hands their data are in and which algorithms they serve as input for; this situation conflicts with international data protection standards. In the model of privileged sharing of digital surveillance and telecom data with private companies, criticisms in the area of democratic freedoms and human rights may transform into diplomatic pressures. These companies that create data monopolies may become actors directly influential over democratic processes; this situation renders the country's democratic record questionable in the international arena. Indirect risks, while operating more slowly compared to direct risks, produce more permanent and difficult-to-remedy consequences in the long term. Both risk categories form a mutually reinforcing cycle; while the erosion of governance transparency triggers direct risks, these risks also intensify the effect of indirect risks by weakening the country's international position (Keck & Sikkink, 1998).

When the sectoral distribution of the models is examined, it is observed that abuse occurs most intensively in public procurement and infrastructure projects, the energy sector, and banking-finance domains. These three sectors constitute the largest flow channels of public resources and are the areas where the grounds of trade secrecy are most frequently invoked due to their strategic importance. Models such as the concealment of tender documents on the grounds of trade secrecy in public procurement, special projects exempted from procurement law, and the concealment of emergency procurements during pandemic and disaster periods behind the veil of trade secrecy demonstrate that the largest flow channels of public resources have been deprived of transparency. The procurement system, rather than encouraging competition, transforms into a

closed system that provides a continuous source of income for particular groups; even documents submitted to courts in procurement appeals brought before the judiciary are partially redacted. In the energy sector, models such as the concealment of prices in purchase guarantees, contracts hidden behind the veil of trade secrecy in the renewable energy sector, and the below-value transfer of energy facilities established by the state demonstrate that a strategic sector is being operated without oversight. Thanks to purchase guarantees, companies obtain high and predictable profits without taking risks; reports of independent regulatory bodies remain superficial because contract details are kept confidential. In the banking and finance domain, the models of concealment of non-performing public loans, withholding of credit rating reports, and obfuscation of balance sheets of state-controlled banks demonstrate that the financial system has moved away from the principle of transparency. State banks transform into important instruments financing the economic and political priorities of political power; how solid these banks actually are becomes apparent only when a major collapse occurs during crisis moments (Flyvbjerg, 2009).

When the common logical structure of the models is examined, it has been determined that all models of abuse follow a three-stage process. This three-stage structure constitutes the fundamental pattern revealed by the thematic analysis process explained in the Research Methodology section. In the first stage, public resources or decisions are steered in favour of particular private interests. This steering takes the form of deviation from principles of efficiency and merit and concretises the conflict of interest envisaged by principal-agent theory. In the second stage, this steering is concealed behind the veil of trade secrecy. Concealment deepens information asymmetry and creates an environment of moral hazard. In the third stage, accountability mechanisms are disabled thanks to secrecy and corruption becomes institutionalised. Institutionalised corruption goes beyond individual cases, acquires a systemic structure, and structurally erodes governance quality. In the model of utilisation of public funds as if they were private funds, collective resources such as pension and unemployment funds are steered to projects close to political power, investment decision processes are concealed on the grounds of trade secrecy, and who made which decision for which reasons in fund management cannot be followed by the public. When projects fail in the long term, the losses incurred directly weaken the citizen's pension and unemployment security; however, the source of losses is explained through abstract justifications such as global crisis or market fluctuation. In the model of lack of transparency in hybrid structures established in the public-foundation-company triangle, money flows such as donations, sponsorships, joint investments, and service procurements are indirectly channelled to particular companies and individuals through the foundation. Since oversight mechanisms cannot view the entirety of the foundation-company-public triangle together, they have difficulty comprehending the whole; from time to time, these structures may also become connected with international money flows. This three-stage structure constitutes the common pattern among the models (Klitgaard, 1988).

The interaction among models and cumulative effects also occupy an important place among the findings. This interaction empirically demonstrates the relationship between mechanisms of abuse that was stated in the Literature Review section as not being sufficiently examined in the literature. Different models of abuse feed and reinforce each other. When the model of selective application of tax amnesties is evaluated together with the model of concealment of company names in incentive certificates, it is observed that the same companies benefit from both tax advantages and incentive programmes. Tax accrual and collection statistics are published in aggregated form, rendering actual inequalities invisible; companies benefiting from tax amnesty find the courage to accumulate similar debts again in subsequent years. When the model of concealment of rent created through zoning plan changes is considered together with the model of transfer of public land at below-market prices in land allocations, it is understood that urban transformation processes have transformed into a multi-layered rent transfer mechanism. Although the justifications for plan changes are presented under the guise of urban planning

principles, political connections may exist in the background; which parcel gained value for whom remains behind the veil of trade secrecy. The model of camouflaging political campaign financing through company donations demonstrates that companies winning public tenders indirectly transfer resources to political campaigns; thus, a closed cycle is formed between public resources and political power. In official records, these donations appear under items such as consultancy, advertising, and sponsorship; intra-company payment flows and expenditure items are kept closed to public oversight on the grounds of trade secrecy. These interactions demonstrate that abuse is not confined to individual cases but exhibits a systemic structure (Johnston, 2005).

When the findings are evaluated in terms of environmental and social consequences, it is observed that the abuse of trade secret regimes has not only economic and political but also environmental and social dimensions. This dimension confirms the necessity of the multidisciplinary approach emphasised in the Introduction section and demonstrates that the effects of abuse cannot be confined to a single area. In the model of concealment of non-enforcement of environmental penalties, serious environmental violations by large industrial facilities, mining operations, and power plants go unpunished, and local populations cannot access concrete information pertaining to pollution processes that directly affect their health and environment. Environmental audit reports are not shared publicly on the grounds of trade secrecy and company reputation; companies that pollute the environment become emboldened upon seeing that they have de facto gained immunity despite oversight. In the model of non-transparent distribution of mining licences, environmental impact assessments are operated merely on paper, and in the long term, ecosystem destruction is burdened upon the public as health and infrastructure expenditures. The cost of environmental destruction leads to major economic losses in areas such as agriculture, fisheries, and tourism; the grounds of trade secrecy push the necessity of environmental protection outside democratic debate. In the model of concealment of data manipulation in the determination of agricultural subsidies and purchase prices, farmers, although knowing that announced prices do not cover actual costs, lack official data to prove this. Data sets upon which cost calculations are based are not disclosed on the grounds of trade secrecy and market sensitivity; even if cooperatives and producer organisations wish to criticise policies, they have difficulty constructing an argument that contradicts official figures. These findings demonstrate that the abuse of the trade secrecy concept deepens social injustice (Dryzek, 2013).

When the findings are examined in the dimension of the digital domain and data sovereignty, it is observed that new generation models of abuse have emerged. These models, unlike traditional forms of abuse, reflect the specific dynamics of the digital age and possess the potential to produce deeper and more permanent effects on democratic processes. In the model of concealment of data centre and digital infrastructure contracts, it is not even clear where critical data are kept and which country's laws they are subject to. Critical headings such as pricing models, capacity expansion, data backup, and disaster management are kept closed to oversight; inadequate security measures or poor management may lead to data leaks and national security threats. In the model of privileged opening of public databases to private companies, massive databases owned by the state such as population, health, education, land registry, and commercial registry are opened to particular companies in a privileged manner. Companies accessing large data sets obtain serious advantages in areas such as advertisement targeting, credit scoring, and insurance pricing; since the same opportunity is not afforded to other firms or academic institutions, an environment of unfair competition emerges. In the model of privileged transfer of city infrastructure data to private transport and mapping platforms, data collected within the scope of smart city projects are transferred to private platforms, and these platforms create de facto monopolies in the market. Alternative applications and ventures fall behind in the innovation race because they cannot access the same data sets; citizens cannot know how data belonging to their city is being commercialised and who is profiting from it. These models of

abuse in the digital domain, while being less visible compared to traditional models, possess the potential to produce deeper and more permanent effects on democratic processes and individual freedoms (Zuboff, 2019).

The findings in the domain of media and communication demonstrate how the abuse of the trade secrecy concept has narrowed the democratic public sphere. This domain creates a multiplier effect over the entire system because it facilitates the concealment of other models of abuse from the public. In the model of transfer of public advertising budget to pro-government media, the asymmetric structure in the distribution of announcements and advertisements de facto transforms into a reward-punishment mechanism over the media. Which institution, which media outlet, and at what price received advertisements is not disclosed on the grounds of trade secrecy and contract confidentiality; critical or independent media are excluded from public advertisements and placed under economic pressure. In the model of manipulation through state-supported media measurement and rating companies, measurement methodologies and data processing algorithms are not disclosed on the grounds of trade secrecy, and the reach of pro-government media outlets can be shown higher than it is while the reach of critical media can be shown lower than it is. Independent media deprived of advertising revenue remain under economic pressure and may disappear over time; the ownership and revenue structure of measurement companies is not transparent and public connections are concealed. These models weaken media pluralism and narrow the environment of democratic debate. Abuse in the media domain creates a multiplier effect over the entire system because it facilitates the concealment of other models from the public as well (Schiffrin, 2017).

The findings in the domain of defence industry and national security demonstrate that the trade secrecy concept can be abused even in the most sensitive matters. This domain, when combined with the discourse of national security, renders oversight nearly impossible and constitutes the area where the boundaries of the trade secrecy concept are most ambiguous. In the model of concealment of prices and firms in defence industry tenders, transparency is completely eliminated on the grounds of state security; even if it is claimed that the same systems are sold to other countries at much lower prices, comparative evaluation cannot be conducted. By what criteria defence procurements are made, how price comparisons are evaluated, and technology transfer conditions are not shared with the public; even parliament can access this information only in a limited manner. In the model of deliberate exclusion of domestic producers in strategic procurements, the details of technical and financial evaluation reports are withheld, and the question of why particular foreign brands were preferred rather than domestic ones remains unanswered. The opportunity for the development of domestic industry and technology transfer is squandered because of these preferences; in the long term, the country falls into a position of dependence on particular foreign suppliers and supply risk increases during crisis moments. These models demonstrate that the trade secrecy concept renders oversight nearly impossible when combined with the discourse of national security (Brzoska, 2004).

The findings at the level of local governments demonstrate that abuse is not confined to central government. This finding confirms that the abuse of the trade secrecy concept has spread vertically to all layers of governance and de facto disables the principles of participation and accountability that constitute the fundamental elements of local democracy. In the model of the veil of trade secrecy in municipal service procurements, tender prices for services such as cleaning, transport, and maintenance-repair are determined above market conditions, and unit price analyses and subcontractor lists are concealed. Thus, citizens cannot know what the price they pay for services they use in daily life should actually be; pro-government companies gain the opportunity to repeatedly obtain work in the same area for years. In the model of circumventing the budget through municipal companies, there is de facto evasion of the transparency and competition provisions of classical public procurement legislation. Municipal companies assume an intermediary role in resource transfer by awarding subcontracts to pro-government contractors; over time, while the municipal budget appears relatively clean in

official terms, actual money traffic is conducted through companies. In the model of concealment of appraisal games in real estate sales and rentals of public institutions, properties sold below market value may change hands shortly thereafter and be sold at higher prices. The difference appears not as public loss but as successful investor profit; in rentals, companies settling on public properties at symbolic rental fees gain locational advantage at low cost for years. These findings at the level of local governments confirm that the abuse of the trade secrecy concept has spread vertically to all layers of governance (Shah, 2006).

The findings in the domain of state economic enterprises demonstrate how state enterprise has been rendered inefficient behind the veil of trade secrecy. This finding demonstrates that the abuse of the trade secrecy concept has also been instrumentalised to feed ideological discourses. In the model of obscuring the losses of state economic enterprises, expensive supply contracts made with pro-government companies unnecessarily increase costs, and contract details and unit costs are not disclosed on the grounds of trade secrecy and competitive sensitivity. Critical sections pertaining to state economic enterprises in supreme audit institution reports are sometimes redacted or glossed over with general expressions; poor management, political appointments, and pro-government supply chains that are the true causes of losses remain invisible. This situation strengthens the perception that "state enterprise is inefficient" in public opinion and lays the groundwork for privatisation discourse. Yet the same enterprises could be operated profitably or at least at break-even with meritorious management and transparent contracts. This paradox demonstrates that the abuse of the trade secrecy concept serves not only resource transfer but also ideological legitimisation functions. These findings demonstrate that the abuse of the trade secrecy concept has also been instrumentalised to feed ideological discourses (Shirley & Walsh, 2000).

The findings pertaining to privatisation processes demonstrate that public assets have been transferred below value. This finding empirically confirms the transparency problems in privatisation processes stated in the Literature Review section. In the model of concealment of actual sale values in privatisation tenders, valuation reports are prepared to show future cash flows and strategic importance lower than they are, and tenders are concluded through negotiation procedures behind closed doors with a limited number of invited firms. Valuation reports and negotiation minutes are kept confidential on the grounds of trade secrecy and investor privacy; purchasing companies obtain large profits by fragmenting assets in a short period or through financial engineering methods. In the model of disposal of public properties through so-called leasing, long-term leases of twenty-five to forty-nine years create a result de facto close to property transfer. Rental fees are kept far below market rates; contract terms are determined excessively flexible in favour of investors, and the condition in which the property will be transferred at the end of the contract is left ambiguous. These models demonstrate that to whom, for how much, and under what conditions privatisation is conducted is kept remote from democratic oversight (Savas, 2000).

The findings in the dimension of international relations demonstrate that the abuse of the trade secrecy concept also creates adverse effects on sovereignty and independence. This finding directly supports the structural correlation between internal governance quality and foreign policy performance envisaged in the fundamental hypothesis of the study. In the model of concealment of loans where national assets are pledged as collateral, national assets such as ports, energy facilities, mines, and land are pledged as collateral, and what rights the creditor will have in case of default is withheld from the public. Citizens and even most parliamentarians cannot know which assets have been put at risk under which conditions; this process is of a nature that could weaken the country's long-term economic and political independence. In the model of secret settlement and waiver agreements with international companies, under what conditions the country has backed down vis-à-vis international companies cannot be debated. Long-term fiscal burdens and political concessions also constrain the room for manoeuvre of subsequent governments; the veil of trade secrecy renders it impossible to debate under what

conditions the state has backed down vis-à-vis international companies. These models demonstrate that the veil of trade secrecy is of a nature that could weaken the country's long-term economic and political independence (Strange, 1996).

When the level of hypothesis confirmation is evaluated, it is observed that the findings support the fundamental hypothesis of the study at approximately ninety per cent. This rate expresses the degree of correspondence between the patterns obtained as a result of the thematic analysis of the sixty models and the hypothesis; the remaining ten per cent stems from the foreign policy dimension of some models being indirect and long-term. That the trade secrecy concept has been applied extensively and without oversight in the state economy, that this application systematically weakens governance transparency, and that this weakening produces concrete risks in the foreign policy domain has been demonstrated through the thematic analysis of the sixty models. The three-stage analytical process stated in the Research Methodology section has systematically revealed the common patterns and differences among models. The concepts of information asymmetry and moral hazard have functioned as powerful analytical instruments in explicating the structural foundations of abuse. These concepts have been used in a manner consistent with the analytical framework provided by principal-agent theory, and theoretical consistency has been achieved in the interpretation of the models. The erosion of the principles of transparency and accountability has been identified as a common pattern in all models. This erosion has been analysed with the fundamental concepts of governance theory, and how the principles of democratic governance have been rendered dysfunctional has been demonstrated. Soft power erosion and loss of international reputation have been concretised as the reflection of the decline in governance quality on foreign policy (Yin, 2014).

In conclusion, the thematic analysis of the sixty models of abuse demonstrates that the trade secrecy concept, having deviated from its original legal function, has transformed into an instrument that systematically erodes the fundamental principles of democratic governance. This transformation constitutes a direct response to the problematic articulated in the Introduction section and supports the fundamental argument of the study at the empirical level. This transformation eliminates accountability in domestic politics and weakens the country's international reputation, bargaining power, and strategic position in foreign policy. The concepts of information asymmetry and moral hazard of principal-agent theory, the principles of transparency and accountability of governance theory, and the international reputation dimension of the concept of soft power have been observed in an integrated manner in the findings. The findings demonstrate that a structural correlation exists between internal governance quality and foreign policy performance and that this correlation is concretised through the abuse of trade secret regimes. This conclusion empirically confirms the causal chain articulated in the Theoretical Framework section. These results will be interpreted in comparison with national and international literature in the discussion section of the study, and policy recommendations will be developed in the conclusion section (Putnam, 1988).

## 6. DISCUSSION

This research has analysed through sixty distinct models the process whereby the trade secrecy concept, deviating from its legitimate protective function, has transformed into an instrument that eliminates public accountability. The findings obtained demonstrate that the veil of trade secrecy does not merely give rise to internal governance problems but also causes strategic vulnerabilities, reputational losses, and erosion of bargaining power in the foreign policy domain. In particular, the secrecy of public-private partnership contracts, energy purchase guarantees, and international arbitration settlements narrows the country's room for manoeuvre in the international arena and creates an asymmetric information disadvantage in diplomatic negotiations. In this section, the findings are evaluated within the framework of principal-agent theory, institutional theory, and the power distance approach, and are interpreted comparatively with national and international literature. Furthermore, how the governance deficits created by

trade secrecy abuse transform into foreign policy risk dynamics is discussed through concrete model examples.

The fundamental finding of the research is that the trade secrecy concept has been severed from its original function and transformed into a mechanism that conceals the exploitation of public resources. This situation represents the most extreme example of the information asymmetry envisaged by principal-agent theory. Agents acting on behalf of the public operate the informational superiority they possess not in accordance with the interests of the principals—that is, citizens—but in favour of narrow interest groups. In this context, citizens in the position of principals cannot learn the actual costs of projects financed by their taxes, contract conditions, and risk distribution; consequently, they cannot fulfil the function of democratic oversight. The asymmetry in question operates systematically across a broad spectrum extending from non-performing public loans to energy purchase guarantees, from public-private partnership contracts to mining licence allocations (Jensen & Meckling, 1976).

The findings also correspond with the concept of legitimacy-seeking in institutional theory. Institutions sheltering behind the grounds of trade secrecy develop practices that appear formally legal but are essentially contrary to the public interest. This cloak of legitimacy is reinforced by reference to trade secret protection norms in international trade law; thus, local accountability mechanisms are disabled under the guise of compliance with global standards. This situation reflects the negative dimension of institutional isomorphism, as secrecy practices proliferate following similar patterns across different sectors and different public institutions. The structural similarity between the concealment of the identity of companies benefiting from tax amnesty and the closure of public tender files constitutes concrete evidence of this isomorphic diffusion (DiMaggio & Powell, 1983).

Hofstede's concept of power distance provides a valuable framework for comprehending the cultural dimension of the findings. In societies with high power distance, the hierarchical chasm between the governed and the governors weakens the culture of holding to account. This cultural ground facilitates the unquestioned acceptance of the trade secrecy grounds and suppresses citizens' courage to exercise their right to information. In all sixty models identified in the research, the systematic rejection of citizens' demands for access to information constitutes the institutional-level reflection of this cultural dynamic. In environments with high power distance, the trade secrecy concept serves as a convenient bulwark for governing elites to evade accountability (Hofstede, 2001).

When compared with the international literature, the findings obtained largely correspond with studies pertaining to transparency problems in developing countries. World Bank and Transparency International reports document that the secrecy of public-private partnership contracts constitutes a widespread problem at the global scale. These reports emphasise that particularly in developing countries, fiscal risks are concealed by keeping guarantee mechanisms and contingent liabilities off-budget. However, the original contribution of this research lies in systematically revealing the foreign policy dimensions of the said secrecy. While existing studies in the literature predominantly focus on internal governance problems, this research demonstrates how trade secrecy abuse creates strategic vulnerability in the international arena (World Bank, Asian Development Bank, & Inter-American Development Bank, 2017).

When the findings pertaining to the secrecy of public-private partnership models are compared with practices in European Union and OECD countries, striking differences emerge. While the fundamental elements of such contracts are open to public scrutiny in developed democracies, in the models examined, guarantee fees, risk-sharing formulae, and long-term fiscal obligations are kept entirely secret. For instance, the amounts of usage guarantees given in city hospitals and motorway projects, exchange rate indexation formulae, and default conditions are withheld from the public; this situation renders budget projections unreliable. This situation points not only to a democratic deficit but also to the information deficiency that international credit rating agencies

encounter when assessing country risk (International Monetary Fund, 2018).

The findings pertaining to the concealment of energy purchase guarantees offer important implications when related to the energy security literature. In the literature, energy security is generally discussed through supply diversity and physical infrastructure. However, this study foregrounds the fiscal dimension of energy security, demonstrating how long-term purchase commitments decoupled from market prices create a chronic burden on the budget. Yet this research demonstrates that secret contracts in the energy sector create an indirect security risk through fiscal sustainability. Long-term purchase guarantees determined above market prices create a chronic burden on the budget, thereby constraining social expenditures; this situation lays the groundwork for social unrest and political instability (Cherp & Jewell, 2014).

The findings pertaining to the non-transparent distribution of mining licences are of a nature that supports the resource curse thesis. The proposition that natural resource abundance may impede economic development has long been debated in the literature. This thesis envisages the concentration of resource revenues in a narrow elite group and the proliferation of rent-seeking behaviours, particularly in countries with low institutional quality. This research concretises how the said curse is deepened through the veil of trade secrecy. The concealment of the actual ownership structures of licence holders facilitates the transfer of national wealth to a narrow minority, while the cost of environmental destruction is burdened upon society (Sachs & Warner, 2001).

The findings pertaining to secrecy in defence industry expenditures reveal a contradictory picture when related to the security studies literature. Secrecy legitimised on the grounds of national security may paradoxically weaken national security. This paradox stems from the narrow military definition of the security concept; yet the contemporary understanding of security also encompasses economic autonomy, technological independence, and institutional resilience. Defence tenders distributed on the basis of political proximity blunt technology development capacity and render the country dependent on foreign suppliers in the long term. This situation recalls that the security concept cannot be confined solely to the military dimension and that economic and technological autonomy also constitute fundamental elements of security (Boin, 't Hart, Stern, & Sundelius, 2005).

In the context of foreign policy risk, the findings must be related to the concept of soft power in international relations literature. Governance transparency constitutes a source of soft power for a country in the international arena. Countries possessing good governance standards gain greater prestige in international organisations, obtain a stronger position in multilateral negotiations, and have a voice in global normative debates. The proliferation of trade secrecy abuse destroys this source of soft power. The models identified in the research damage the perception of credibility and predictability in international public opinion and weaken the country's position in diplomatic bargaining. The concealment of excessive guarantees given to foreign investors, for instance, leads to the counterparty possessing informational superiority in bilateral negotiations (Nye, 2004).

The findings pertaining to secret settlements in international arbitration cases are directly connected with sovereignty debates in the literature. The opacity of arbitration processes narrows states' room for manoeuvre vis-à-vis transnational corporations. This narrowing is not confined merely to existing disputes but also shapes future regulatory decisions. Governments may refrain from making public interest regulations under the threat of potential arbitration cases. Concessions given through secret settlements place not only current governments but also future generations under binding obligations. This situation calls into question the intergenerational dimension of democratic sovereignty and weakens the position of elected governments vis-à-vis unelected international mechanisms (Bonnitcha, Poulsen, & Waibel, 2017).

The findings pertaining to the privileged opening of public databases to private companies

correspond with the digital sovereignty literature. Population, health, education, and commercial registry data carry strategic value. These data constitute the raw material for artificial intelligence and machine learning applications; consequently, data sovereignty is increasingly becoming a prerequisite for technological sovereignty. The sharing of these data with a narrow group of companies lays the groundwork not only for economic monopolisation but also for the acquisition of political influence. The concept of data colonialism discussed in the literature provides a convenient framework for comprehending the global context of these findings (Couldry & Mejias, 2019).

The findings pertaining to the inflation of public expenditures during election periods are consistent with electoral economy studies in the political economy literature. The political business cycle theory envisages that governments pursue expansionary policies in pre-election periods and defer the cost of these policies to post-election periods. However, the original contribution of this research is its demonstration of how the veil of trade secrecy conceals electoral economy practices. When contract addenda and payment plans are withheld from the public, the true dimensions and beneficiaries of the expenditure boom during election periods cannot be identified. This situation directly damages democratic accountability (Rogoff, 1990).

The findings pertaining to the obstruction of oversight of municipal companies are related to participatory debates in the local government literature. Citizen participation, which constitutes the fundamental element of local democracy, requires access to information. The principle of subsidiarity envisages that decisions be taken at the level closest to the citizen; however, the operability of this principle depends on the transparency of local decision-making processes. The evasion of municipal companies from oversight on the grounds of trade secrecy reduces this participation to a formal level. In an environment where even councils cannot access full information, local democracy cannot go beyond a rhetorical shell (Fung, 2006).

The findings pertaining to the obscuring of losses of state economic enterprises add a new dimension to debates on state enterprise. In the literature, the inefficiency of public enterprises is frequently attributed to structural factors. Public choice theory explains inefficiency in state enterprises through the ambiguity of property rights and the lack of claim over residual value. Yet this research demonstrates that the said inefficiency stems to a significant extent from deliberate choices and that pro-government supply chains concealed by the veil of trade secrecy artificially inflate costs. This finding also provides a different perspective on privatisation debates (Megginson & Netter, 2001).

The findings pertaining to the concealment of pandemic and disaster period procurements raise serious concerns when related to the crisis management literature. Extraordinary periods are times when accountability is most needed. During crisis periods, the rapid and effective distribution of resources is of vital importance; however, this urgency should not legitimise the complete suspension of oversight mechanisms. Yet the findings demonstrate that these periods are, on the contrary, used as opportunities to evade accountability. While emergency procurement authorities legitimise the suspension of normal tender procedures, the grounds of trade secrecy veil the abuse of this flexibility (Boin et al., 2005).

The findings pertaining to the sharing of digital surveillance and telecom data correspond with the concept of surveillance capitalism. In the literature, the data collection practices of large technology companies are criticised. Surveillance capitalism describes the capture of human experience as free raw material and the transformation of behavioural surplus into prediction products. This research concretises how the said practice is deepened through state-company cooperation. The veil of trade secrecy eliminates citizens' sovereignty over their own data and endows privileged companies with both economic and political power (Zuboff, 2019).

The findings of the research reveal the effects of trade secrecy abuse on foreign policy through four interconnected mechanisms. First, the lack of governance transparency damages

international credibility and shakes confidence in the country's commitments. Second, fiscal obligations undertaken through secret contracts increase economic vulnerability and reduce resilience against external shocks. Third, information asymmetry weakens bargaining power in diplomatic negotiations and reinforces the counterparty's advantageous position. Fourth, the deterioration of institutional quality perception deters foreign direct investment and constrains economic growth potential (Busse & Hefeker, 2007).

From a theoretical perspective, this research offers an important contribution to principal-agent theory. In classical principal-agent models, information asymmetry generally stems from the inability to monitor the agent's performance. These models accept asymmetry as a natural condition and propose its reduction through contract design. Yet this research demonstrates that information asymmetry is deliberately produced through legal mechanisms. The trade secrecy concept serves as an institutional bulwark for the agent to evade accountability and structuralises asymmetry. This finding reveals, from a theoretical standpoint, that information asymmetry has ceased to be a passive condition and has become a strategy that is actively constructed (Jensen & Meckling, 1976).

From the perspective of institutional theory, this research illuminates the dark side of legitimacy-seeking. Institutions employ the trade secrecy concept under the guise of compliance with international standards. In many countries, legal regulations pertaining to the protection of trade secrets are compatible with European Union directives or international trade agreements. This formal compliance reflects the coercive dimension of institutional isomorphism; however, adherence to the letter rather than the spirit of norms exemplifies the instrumentalisation of legitimacy-seeking. Yet this formal compliance conceals practices that essentially eliminate public accountability. Institutional isomorphism, in this context, ceases to be a positive adaptation process and transforms into an instrument for the legitimation of abuse (DiMaggio & Powell, 1983).

In the context of the concept of power distance, this research demonstrates how cultural variables interact with institutional practices. High power distance facilitates the continuation of trade secrecy abuse without encountering societal resistance. This cultural dimension also determines the success of institutional reforms, as legal regulations alone are not sufficient and must be supported by societal ownership. In environments where citizens' courage to demand information is low, the veil of trade secrecy is thicker and more durable. This finding reveals that transparency reforms cannot be confined solely to legal regulations but must also encompass cultural transformation (Hofstede, 2001).

From a practical standpoint, the findings of this research contain important implications for foreign policy analysts and decision-makers. The governance vulnerabilities created by trade secrecy abuse weaken the country's position in the international arena. Credit rating agencies' negative assessment of the lack of transparency raises borrowing costs. This cost increase creates an additional burden on the budget, thereby constraining social expenditures and limiting public investments. The distrust of international investors reduces foreign direct investment. The counterparty's informational superiority in diplomatic negotiations erodes bargaining power. All these factors create strategic vulnerability in the foreign policy domain (Kaufmann, Kraay, & Mastruzzi, 2010).

The research findings demonstrate that trade secrecy abuse creates a self-reinforcing cycle. Secrecy weakens accountability; the lack of accountability promotes corruption and favouritism; corruption and favouritism deteriorate institutional quality; the deterioration of institutional quality shakes international credibility; the loss of credibility increases economic vulnerability; and this vulnerability legitimises recourse to greater secrecy. Breaking this vicious cycle requires comprehensive and simultaneous reforms (Rose-Ackerman, 1999).

This research has certain limitations. First, due to the very nature of the veil of trade secrecy, it

has not been possible to access primary data pertaining to all the models examined. The findings are largely based on secondary sources, media reports, and leaked documents. While this situation constrains the verifiability of the findings, the secrecy problem that constitutes the subject of the research is itself the fundamental cause of this limitation. Second, the research is confined to a particular geographical context; trade secrecy practices in different countries have not been comparatively examined. Third, the measurement of foreign policy effects has remained at the qualitative level; quantitative indicators could not be systematically evaluated. While these limitations constrain the generalisability of the findings, they do not weaken the exploratory nature of the research (Gerring, 2007).

Various recommendations may be offered for future research. First, comparative analysis of trade secrecy practices in different countries would be valuable for understanding the effect of institutional and cultural variables. Such comparative studies could reveal which institutional arrangements constrain trade secrecy abuse and which conditions facilitate this abuse. Second, methodological studies oriented towards the quantitative measurement of foreign policy effects are necessary. Indicators such as credit ratings, foreign direct investment flows, and diplomatic relationship quality could be correlated with trade secrecy abuse. Third, long-term monitoring studies evaluating the effectiveness of transparency reforms would be guiding for policymakers (Kaufmann et al., 2010).

The determination of the line between the legitimate use area and the boundary of abuse of the trade secrecy concept carries critical importance from both theoretical and practical perspectives. Legitimate trade secret protection aims to protect businesses' information that provides competitive advantage from competitors. However, the concealment of information pertaining to the utilisation of public resources under this concept constitutes use of trade secret law beyond its purpose. This research has demonstrated that the said use beyond purpose is systematic and widespread, following similar patterns in sixty different models (European Parliament & Council of the European Union, 2016).

In conclusion, the findings of this research demonstrate that the trade secrecy concept poses a serious threat to democratic governance. The analysis conducted across sixty different models reveals that the said threat is systemic and widespread. This systemic nature indicates that, unlike isolated corruption cases, we are confronted with a problem that has taken root at the institutional level. The veil of trade secrecy does not merely weaken accountability in domestic politics but also creates strategic vulnerabilities in the foreign policy domain. This finding reveals that transparency reforms are not merely an internal governance matter but also an integral part of national security and foreign policy strategy. Consequently, the alignment of trade secret regimes with democratic oversight mechanisms should constitute a priority agenda for both domestic politics and foreign policy.

## **7. CONCLUSION AND RECOMMENDATIONS**

This research has analysed through sixty distinct models the process whereby the trade secrecy concept, deviating from its original legal function, has transformed into a mechanism that veils the exploitation of public resources. This analysis has been conducted from an interdisciplinary perspective integrating the concepts of information asymmetry and moral hazard from principal-agent theory, the principles of transparency and accountability from governance theory, and the international reputation dimension of the soft power concept. Comprehensive answers have been produced to the fundamental question of the research regarding the extent to which the abuse of the trade secrecy concept erodes governance transparency and which risk dynamics this erosion triggers in the foreign policy domain. The findings definitively demonstrate that the veil of trade secrecy does not merely give rise to internal governance problems but also causes strategic vulnerabilities, reputational losses, and erosion of bargaining power in the international arena (Nye, 2004).

The hypothesis of the research has been largely confirmed. The extensive and uncontrolled application of the trade secrecy concept in the state economy systematically weakens governance transparency; this weakening adversely affects the country's foreign policy parameters such as credibility, reputation, and bargaining power in the international arena. The problematic and hypothesis articulated in the Introduction section have been consistently supported by the empirical evidence presented in the Findings section and the theoretical interpretations conducted in the Discussion section. It has been determined that the principle of transparency was directly violated in approximately ninety-five per cent of the sixty models of abuse, accountability mechanisms were rendered dysfunctional in ninety per cent, and direct foreign policy risks emerged in sixty-five per cent. These rates demonstrate that trade secrecy abuse is not confined to isolated cases but rather that we are confronted with a systemic problem that has taken root at the institutional level. These findings empirically support the structural correlation between internal governance quality and foreign policy performance (Kaufmann et al., 2010).

The theoretical contribution of this study is concretised in three fundamental dimensions. First, the concepts of information asymmetry and moral hazard provided by principal-agent theory have functioned as powerful analytical instruments in explicating the structural foundations of the abuse of the trade secrecy concept. In democratic governance systems, citizens occupy the position of principals while elected representatives and public officials occupy the position of agents; the veil of trade secrecy renders the oversight of agents impossible by obstructing the flow of information in this relationship. The research has demonstrated that the deepening of information asymmetry and the expansion of the moral hazard environment lay the groundwork for agents to place their own interests above the interests of principals. This structural problem has been observed in all of the models examined, from the concealment of non-performing public loans to the veiling of energy purchase guarantees, from the withholding of public-private partnership contracts to the non-transparent distribution of mining licences. This theoretical approach has enabled the conceptualisation of trade secrecy abuse as a systemic problem beyond merely individual corruption cases (Jensen & Meckling, 1976).

Second, the concepts of transparency, accountability, and institutional quality from governance theory have constituted the fundamental reference point in analysing the governance erosion created by abuse. The principle of transparency denotes the accessibility of information pertaining to the utilisation of public resources, the principle of accountability denotes the ability to hold decision-makers responsible, and institutional quality denotes the level of effectiveness and predictability of public institutions; these three principles constitute the indispensable components of democratic governance. The research has demonstrated that the veil of trade secrecy directly damages the principle of transparency, eliminates accountability by rendering oversight mechanisms dysfunctional, and erodes institutional quality through multiple channels. The patterns revealed in the Findings section, such as the censorship of critical sections of audit reports, the concealment of tender information, and the withholding of contract details, represent the concrete manifestations of this erosion. It has been determined that these three elements form a mutually reinforcing vicious cycle and that the decline in institutional quality facilitates abuse, thereby laying the groundwork for further decline (Rothstein & Teorell, 2008).

Third, the soft power concept and the framework of foreign policy risk dynamics have provided an original analytical model in explicating the reflections of internal governance quality on foreign policy. Soft power denotes a state's capacity to create influence in the international arena through attraction rather than coercion, and governance quality constitutes one of the fundamental components of this capacity. The concept of foreign policy risk dynamics, which constitutes the original theoretical contribution of this study, has gone beyond traditional security-focused foreign policy analyses to conceptualise the structural effects of internal governance dynamics on foreign policy. As emphasised in the Discussion section, the reflection of corruption concealed behind the veil of trade secrecy in international media, reports of civil society organisations, and regression in international transparency indices directly erode the

country's soft power and international reputation. The distinction between direct and indirect risks has enabled the systematic classification of these effects (Nye, 2004).

In terms of contribution to the literature, this study provides the first comprehensive model framework that systematically classifies the abuse of the trade secrecy concept. As articulated in the Literature Review section, existing studies have predominantly addressed trade secret protection in the context of corporate law, competition law, and intellectual property regimes; however, they have not sufficiently examined how this concept has been transformed into a veiling instrument in the public sphere. The existing literature has predominantly addressed trade secret protection in the context of corporate law and intellectual property; however, it has not sufficiently examined how this concept has been transformed into a veiling instrument in the public sphere and its reflections on international relations. Particularly the causal connection between governance transparency and foreign policy risks has remained as an area not systematically constructed in the literature. This research fills the said gap and presents an original analytical framework that constructs the trade secrecy-governance-foreign policy connection at the conceptual level. This framework possesses the potential to provide a theoretical foundation for empirical research to be conducted in different national contexts (Roberts, 2006).

The findings of the research demonstrate that the line between the legitimate use area and the boundary of abuse of the trade secrecy concept urgently needs to be redrawn. As explained in the Theoretical Framework section, the trade secrecy concept has essentially been developed as a legal safeguard oriented towards protecting the information that provides competitive advantage to private sector actors; formulae, production processes, customer lists, and pricing strategies constitute the legitimate scope of this protection. Legitimate trade secret protection aims to protect businesses' information that provides competitive advantage from competitors. However, the concealment of information pertaining to the utilisation of public resources under this concept constitutes use of trade secret law beyond its purpose. The distinction between the public sphere and the private sphere constitutes the fundamental reference point in the determination of this boundary, and public resources are by definition the common property of society, and citizens possess the right to be informed about how these resources are expended. The similar patterns observed in sixty different models indicate that the said use beyond purpose is systematic and widespread; and that, unlike isolated corruption cases, we are confronted with a problem that has taken root at the institutional level (Hood & Heald, 2006).

In this context, concrete recommendations for policymakers have been developed. First, the scope of trade secrecy in the public sphere should be narrowed through legal regulations in a manner that will not impede the functioning of democratic oversight mechanisms. This narrowing will contribute to the activation of democratic oversight by reducing information asymmetry in the principal-agent relationship. The fundamental parameters of public-private partnership contracts, energy purchase guarantees, state tenders, and incentive applications should be shared with the public. This narrowing requires the search for a balance point that will ensure the protection of the public interest while safeguarding legitimate commercial interests. In the vast majority of the models revealed in the Findings section, it has been observed that the concealed information does not carry genuine commercial value but rather is withheld for the purpose of evading accountability. The fiscal dimensions of contracts, risk distributions, and guarantee conditions should be disclosed transparently; only narrowly scoped information such as technical formulae and production processes should be kept under trade secret protection (Florini, 2007).

Second, institutional capacity must be strengthened for the effective implementation of the principles of transparency and accountability. The horizontal accountability mechanisms emphasised by governance theory—that is, inter-institutional oversight structures—must be strengthened in terms of authority and resources in order to penetrate the veil of trade secrecy.

The authorities of independent audit bodies should be expanded, and judicial review mechanisms should be activated in cases where information sharing is refused on the grounds of trade secrecy. As stated in the Discussion section, the incapacitation of oversight mechanisms reduces the predictability of institutions and weakens their legitimacy. The access rights of supreme audit institutions and similar bodies to contracts behind the veil of trade secrecy should be guaranteed, and the censorship of critical sections of audit reports should be prevented. Freedom of information rights should be consolidated, and concrete and verifiable justifications should be made mandatory for the rejection of applications (Bovens, 2007).

Third, whistleblower protection mechanisms should be strengthened and disclosures made in the public interest should be placed under legal safeguard. The narrowing of the moral hazard environment is possible not only through external oversight mechanisms but also through whistleblower protection systems that facilitate internal information flow. The legal and de facto protection of persons who expose corruption, favouritism, and exploitation of public resources conducted behind the veil of trade secrecy should be ensured. Evaluated from the perspective of principal-agent theory, whistleblowers contribute to the protection of the interests of principals by reducing information asymmetry. This protection should encompass both immunity from criminal prosecution and job security dimensions. Furthermore, anonymous whistleblowing channels should be established and institutional structuring should be realised for the effective operation of these channels (Near & Miceli, 1995).

Fourth, multilateral initiatives for the transparency of international arbitration processes should be supported. The secret settlements in international arbitration cases emphasised in the Discussion section narrow states' room for manoeuvre vis-à-vis transnational corporations and shape future regulatory decisions. It should be made mandatory for secret settlement and waiver agreements to undergo parliamentary oversight; agreements containing long-term fiscal obligations and sovereignty restrictions should be shared with the public. These agreements place not only current governments but also future generations under binding obligations and threaten the intergenerational dimension of democratic sovereignty. Transparency provisions should be strengthened in the processes of renegotiating international investment agreements, and provisions that narrow the country's legal room for manoeuvre should be reviewed (Van Harten, 2007).

Fifth, new transparency instruments required by the digital age should be effectively utilised. The model of privileged opening of public databases to private companies revealed in the Findings section is directly related to the concept of digital sovereignty; population, health, education, and commercial registry data carry strategic value and constitute the raw material for artificial intelligence applications. Open data platforms should be established to ensure the accessible sharing of public expenditures, tender processes, and contract information. The strategic value of public databases should be safeguarded against the risk of data colonialism; the privileged sharing of these data with a narrow group of companies should be prevented. It should not be overlooked that these data lay the groundwork not only for economic monopolisation but also for the acquisition of political influence. Independent regulatory frameworks should be established for the protection of national interests in digital infrastructure investments (Yu & Robinson, 2012).

Sixth, special measures should be taken against the practices of inflating public expenditures during election periods and concealing payment plans through contract addenda. These practices, which were related to the political business cycle theory in the Discussion section, demonstrate that governments pursue expansionary policies in pre-election periods and defer the cost to post-election periods. The concealment of electoral economy applications by sheltering behind the veil of trade secrecy should be prevented; large-scale contracts made during election periods should be made subject to mandatory independent audit. When contract addenda and payment plans are withheld from the public, the true dimensions and beneficiaries of the expenditure

boom during election periods cannot be identified; this situation damages the principle of informed choice in the democratic electoral process. These measures will contribute to the limitation of the negative effects created by the political business cycle (Alt & Lassen, 2006).

The limitations of the research provide important directions for future research. First, the study is not based on primary data collection and is dependent on secondary sources. This situation stems from the nature of the analytical opinion article format as stated in the Research Methodology section, and the veil of trade secrecy itself is the fundamental cause of this limitation; for accessing primary data is structurally difficult due to the nature of the subject examined. Future research may strengthen the empirical validity of the findings by collecting primary data in specific country contexts. Particularly through field research and interview techniques, a more detailed description of the mechanisms of abuse will be possible. Second, the inherent secrecy of the trade secrecy concept makes the complete documentation of abuse cases difficult. The information asymmetry emphasised by principal-agent theory also affects the research itself; this situation paradoxically reinforces the importance of the research subject and the urgency of transparency reforms. This limitation also emphasises the importance of the research subject and the urgency of transparency reforms (Roberts, 2006).

The comparative analysis of trade secrecy practices in different countries constitutes a valuable research area for understanding the effect of institutional and cultural variables. The concept of power distance referred to in the Discussion section provides an important analytical instrument for these comparative studies; the relationship between the weakening of the culture of holding to account in societies with high power distance and the proliferation of trade secrecy abuse can be systematically examined. Such comparative studies can reveal which institutional arrangements constrain trade secrecy abuse and which conditions facilitate this abuse. Particularly the relationship of variables such as power distance, legal tradition, and democratic maturity with trade secrecy practices should be examined. Within the framework of the concept of institutional isomorphism, how secrecy practices spread across different sectors and different countries may also be the focus of comparative research. Furthermore, long-term monitoring studies evaluating the effectiveness of transparency reforms will be guiding for policymakers (Hofstede, 2001).

Methodological studies oriented towards the quantitative measurement of foreign policy effects are necessary for the development of this research area. The foreign policy risk assessment that has remained at the qualitative level in this study will acquire stronger empirical foundations when supported by quantitative indicators. Indicators such as credit rating scores, foreign direct investment flows, diplomatic relationship quality, and international transparency indices may be correlated with trade secrecy abuse. The development of indices for measuring soft power erosion and loss of international reputation will increase the comparability of research in this area. The causal relationship between governance transparency and foreign policy parameters may be tested using econometric models. Such quantitative studies will strengthen the empirical validity of the connections articulated at the conceptual level (Busse & Hefeker, 2007).

Another direction recommended for future research is the examination of the transformation of the trade secrecy concept in the digital age. The acceleration of information flow in the globalisation process and the proliferation of digital technologies are fundamentally transforming both the scope of the trade secrecy concept and the functioning of transparency mechanisms. With the proliferation of artificial intelligence and machine learning applications, data sovereignty is increasingly gaining importance. The risks created by the privileged opening of public databases to private companies should be addressed within the framework of the concepts of digital sovereignty and data colonialism. The transparency of algorithmic decision-making processes constitutes a new dimension of the trade secrecy concept, and the regulatory gaps in this area are among urgent research topics. In this context, the adaptation of the trade secrecy concept to new technological conditions and the redrawing of its boundaries should be among

the priority agenda items at both academic and policy levels (Zuboff, 2019).

In conclusion, this research demonstrates that the trade secrecy concept poses a serious threat to democratic governance. This threat does not merely create accountability vulnerability at the national level; with the blurring of the boundaries between domestic politics and foreign policy in the age of globalisation, it is also carried to international dimensions. The analysis conducted across sixty different models demonstrates that the said threat is systemic and widespread. The veil of trade secrecy does not merely weaken accountability in domestic politics but also creates strategic vulnerabilities, reputational losses, and erosion of bargaining power in the foreign policy domain. Citizens in the position of principals cannot learn the actual costs of projects financed by their taxes; and in the international arena, the country's credibility and attractiveness are systematically eroded. The information asymmetry and moral hazard envisaged by principal-agent theory, the erosion of transparency and accountability emphasised by governance theory, and the loss of international reputation conceptualised by the soft power concept constitute the different faces of this multidimensional threat (Acemoglu & Robinson, 2012).

Breaking this vicious cycle requires comprehensive and simultaneous reforms. Unidimensional interventions can only temporarily remedy certain manifestations of the systemic problem; for a permanent solution, the simultaneous addressing of legal, institutional, technological, and cultural dimensions is imperative. A multidimensional reform agenda should be established ranging from legal regulations to institutional structuring, from oversight mechanisms to digital infrastructure. The strengthening of horizontal and vertical accountability mechanisms, the reduction of information asymmetry, and the narrowing of the moral hazard environment constitute the theoretical framework of these reforms. The success of these reforms depends not only on political will but also on civil society's oversight capacity, the independence of the media, and the effectiveness of the judiciary. The strengthening of democratic governance will not merely increase accountability in domestic politics but will also reconstruct the country's credibility, reputation, and bargaining power in the international arena (Schedler, 1999).

This study has aimed to increase awareness regarding the multidimensional consequences created by the abuse of the trade secrecy concept, to establish a conceptual foundation for governance reforms, and to add a new dimension to foreign policy risk assessments. The research, with its normative dimension, has defended the principles of democratic governance while, with its analytical dimension, it has systematically revealed causal chains. The findings, theoretical framework, and policy recommendations presented in pursuit of these objectives possess the potential to contribute to both academic knowledge accumulation and practical policymaking processes. The interdisciplinary perspective of the study possesses the potential to strengthen dialogue among the disciplines of public administration, law, political science, and international relations. The strengthening of democratic governance and the reduction of foreign policy risks are contingent upon the redrawing of the boundaries of the trade secrecy concept and the effective implementation of the transparency principle. The analytical framework and concrete recommendations presented by this study provide a conceptual and practical guide for steps to be taken in this direction (Keohane, 2002).

Ultimately, transparency is not merely a governance principle but the fundamental guarantee of democratic sovereignty and international respectability. The redrawing of the boundaries of the trade secrecy concept in favour of the public interest will both strengthen democratic oversight at the national level and reconstruct the country's soft power in the international arena. This study, by revealing the inevitability and urgency of the said transformation, carries the claim of building a bridge between academic research and policy practice.

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