

THE EFFECTS OF POLITICAL STABILITY ON ECONOMIC GROWTH OF THE PRESIDENTIAL GOVERNMENT SYSTEM

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INTRODUCTION

Stability is very important, especially for developing countries. Especially for the countries such as ours; where industrialization, political stability and economic development for the state is not fully completed; it is very important. Because economic development may be achieved through political stability. The lack of political stability and economic development, countries constitute negative effects. Countries may have the opportunity to carry out economic development faster and in a shorter period in case of political stability.

Political stability in the growth process being decisive and important in terms of Turkey's growth is huge. Back at recent history as we look at the world; due to the political instability; Turkey paid a heavy social and economic bill we all know. Turkey's political history of coups, memorandums or more generally speaking, to come to power by unconstitutional way, or move away from power adversely affect economic growth. Thus, uncertainty and foremost an investment in the economic policy of the government will implement, capital accumulation, have an impact on many economic variables such as economic growth and continues to create.

While the government remained in power in Turkey, the ability to execute programs that are not elected, can be determined by the level of economic development. These results also apply to other countries referred to Turkey. Especially; "the low level of economic development or management changes will reduce the growth rate" for Turkey, it is observed in the form of current thinking. While political corruption and the political instability that brought up economic corruption to increase, we observe in the world that reduces reliance on politics and political institutions.

One country, being able to capture the main condition for a stable economic growth has strong and stable

political structure. Powerful, safe environment and a political authority that knows what they are doing, will also eliminate the uncertainty of the future. However, the economy in support of such a strong political environment will ensure steady growth. unstable structures in politics, of course, is the most important factor affecting economic stability. Uncertainties about the politics, is one of the topics that mostly make the industrialists and businessmen complaint. That is because a businessman, who wants to invest, wants to predict the future, whether to minimize the uncertainty for the future.

Being able to come to power, elected to political office in Turkey consists of the ability to conduct their programs and results to provide economic growth. Political instability during coalition periods caused economic instability. Turkey is not specified for these results; they also apply to other countries.

When the relationship between political stability and economy is analysed; economic growth will be where there is stability. The states having strong economy with political stability, show a faster growth compared to the unstable economies; is the consensus of all economists. Political instability; in a democratic process, it has been defined as the failure to establish an effective and efficient political structure within the rule of law. In developing economies, we see political instability to emerge as the most important variable affecting the growth process.

The importance of economic growth, political instability, when viewed from a historical perspective to the countries' growth can be better understood. Japan and Argentine's economies are good examples of this situation. In the 1960s, per capita income in the Argentine economy was higher than the Japanese economy. But unlike in the beginning and Japan in the same year, Argentina's lacking of stability due to political violence in the political history and instability of the Argentine economy, the Japanese economy left them far behind.

1. Relationship Between Political Stability and Economic Growth

An indicator of political instability changes is government in Turkey since the presidential system of government in which will prevent the formation of a coalition government. Therefore, the change in growth indices due to growth and government changes will thus become stable. This stable system and the change of government take priority among the public's expectations.

In Turkey, between the elements that dominate the presidential system of government "participatory management approach" and aiming to ensure the satisfaction of all the people, "one country, one flag, one

motherland focused on citizen satisfaction" shows that integration of the target.

Political instability first narrows the horizons of policy makers and leads them to implement non-optimal macroeconomic policies. Secondly, political instability shortens the visibility of monetary and fiscal authorities, leading to decisions that do not have long-term effects (Aisen & Veiga, 2011: 3).

Turkey has achieved its highest economic freedom score ever in the 2018 Index. Deeper institutional reform to firmly establish the rule of law and improve regulatory efficiency will be developed to solidifying its transition to a more market-based economy.

Global Capital, one of the prominent publishers in the field with its evaluations on international capital markets, has rewarded the debt management success of the Ministry of Treasury and Finance despite the difficult processes (Global Capital 201:5).

The speculative attacks on Turkey and receiving such an award in a period of intensive study of the negative perception is very important, this development reinforces investor confidence. Thus, it is seen that market confidence in Turkey increased in a positive direction.

There is no consensus on the definition of the concept of political instability. However, two important points in the concept of political stability are outstanding. Changing the existing constitutional system in the first place is a popular vote and in the second, is the constitutional order. The political polarization to a minimum, the absence of coalition governments, and the fact that the speed of change of governments is long-lasting.

The effect of political stability on economic growth is important from two perspectives. The second is to remove the ambiguity about the future and to look at the future with confidence. The decrease of investments and the decrease of people's confidence in the prisoner. When there is political instability, there is a decrease in domestic and foreign investments and a decrease in public trust in the government. In this case, economic growth also decreases. (Asteriou and Price, 2001: 386).

1.1. Criteria for Investment in Preferred Countries

It is important to examine the relationship between instability and government policies and GDP growth per capita. We define political instability as a government's downward trend, and we predict which model of such a measure of politics is. Stability or instability is determined by economic growth. In countries with a tendency to collapse in political administration, growth is significantly lower than others in some

time periods. In cases of political instability, there is a decline in the public confidence in the political administration.

Three important features constitute the main subject of our study First, government changes emerge as an indicator of political instability. It can be looked at whether the governmental system is constitutional or whether it has made significant changes in the executive's ideological orientation. Second, it is obviously an analysis of the relationship between government changes and growth. Thirdly, the basis for a change in government is the tendency to realize according to the expectations of the people. (Alesina,1996:189-211

Compared to the last 12-month situation, the current economic situation, which includes consumer assessments of the index, which recorded an increase of 3.5 percent in July compared to June. The rise in the general economic situation expectation for the next 12 months was 4.6 percent.

Following the transition to the Presidential Government System, the "confidence indices" that moved downward in the uncertainty in the election process started to rise again with the new system. Compared to the last 12-month situation, the current economic situation, which includes consumer assessments of the index, which recorded an increase of 3.5 percent in July compared to June. The rise in the general economic situation expectation for the next 12 months was 4.6 percent.

If local and foreign investors do not trust these issues, why invest in it? Of course, political stability and trust come to the forefront.

1. political stability
2. profit

In this context, policy makers are developing and implementing policies that minimize the high risk of the country. In this way, policies that minimize the risk will reduce the economic, financial and political risk of the country and will increase the confidence of foreign investors with the economic structure, and more investors will prefer that country.

The presidential government system is not a simple political arbitrariness. The conditions of the present century necessitate efficiency in management, quick decision making and responsibility towards the people (Heywood,2007:482). At the point of administration, political democracy and management approach in the context of "serving the public" are put forward.

1.2. Confidence Increased in Turkish Economy

Central Bank of Turkey (CBT) for October survey by the Financial Services and Financial Services Confidence Index was announced (2019 October). The results of the Financial Services Survey for October were evaluated by weighting and aggregating the responses of 157 institutions operating in the financial sector. Accordingly, FHGE increased by 3.1 points to 142.5 in October compared to the previous month. Global Capital, one of the prominent publishers in the field with its evaluations on international capital markets, has rewarded the debt management success of the Ministry of Treasury and Finance despite the difficult processes.

The speculative attacks on Turkey and receiving such an award in a period of intensive study of the negative perception is very important, this development reinforces investor confidence. Thus, it is seen that market confidence in Turkey increased in a positive direction.

The service sector confidence index increased by 1.6 percent in October, the retail trade confidence index by 4.8 percent and the construction sector confidence index by 8.3 percent. Turkey Statistical Institute has released its industrial confidence index for October. Accordingly, the seasonally adjusted service sector confidence index was 89.7 in September, up 90 percent from 1.6 percent this month.

Seasonally adjusted construction confidence index increased by 8.3 percent to 65.1 from 60.1 in the previous month. The current level of registered orders received in the construction sector compared to the previous month and the total number of employees' expectation indices rose by 9.1 percent and 7.9 percent to 48.4 and 81.8, respectively (Bigmoney, 2019).

Increasing the welfare level of the people with the positive effect of political stability is of great importance in terms of being one of the many determinants of economic growth. There has been an increase in the perception of public confidence after the presidential government system (TUİK, 2019: 6).

1.3. The Output: National Income 3.5 Times

Economists traditionally use Gross Domestic Product (GDP) to measure economic progress. If GDP is rising, the economy is good and the nation is moving forward. If GDP is falling, the economy is in trouble and the nation is losing ground. From a strictly numerical perspective, GDP provides an easy-to-follow indicator of economic health.

Turkey Statistical Institute (TSI) has announced the 2018 national income. Accordingly, Turkey's national income at current prices denominated in Turkish lira 1 trillion 561 billion 510 million pounds, denominated in US dollars amounted to \$ 820 billion.

When we look at some of the national income which is growing rapidly, in 2018 GDP grew by 4 percent. Yet in the final three months of 2018, 4.4 percent of national income multiplied showed the fastest growth in Europe. The fastest national income growth in Europe after Turkey took place in the last three months of 2018, 3.1 percent in Sweden. 2.7 percent in the same period the UK, Germany 1.4 percent, Poland 2.7 percent, France showed an increase of 0.8 percent.

Turkey's national income has increased significantly in the 11-year period. In 2002, 232 billion dollars in national income, the end of 2018 reached \$ 820 billion. In this period, per capita income rose from 3 thousand 492 dollars to 10 thousand 782 dollars. Total national income, obtained by dividing the population of the country per capita income is a measure of this distribution.

Income distribution is also given importance in the promotion of effective social policy as well as fiscal policy. Economic confidence index increased by 1.7 percent in November period was 91.3. Turkey Statistical Institute (TSI), in November 2019 announced that data period of economic confidence index.

1.4. 17th Place in the World Economy

Turkey, the IMF as of 2013, according to data from the world's 17th last, was also the 6th largest economy in Europe. Treasury borrowing rate averaged above 65 percent in 2002, Excursion Park focused events declined by up to 6 percent before, as of Augusts' level of 9 percent.

Turkey Statistical Institute (TSI), calculated by the method of production for 2018 gross domestic product (GDP) has announced the results. Accordingly, Turkey's economy grew 2.6 last year. According to the production method, GDP at current prices increased by 19.1 percent in 2018 compared to the previous year and became 3 trillion 700 billion 989 million TL.

According to the TSI explanation; January and 3.4 percent of total exports in 2019 compared to the same period last year replicates February. While imports decreased by 0.7 percent.

1.5. Debt to the IMF was reset

Turkey's first loan taken in 1961, 19 in stand-by agreement and a decision was made not to make his new stand-by agreement with the IMF has established a total of 56.5 billion dollars in debt relationship. Turkey has reset its debt to the fund by paying the last instalment of the loan in May last year. Despite the IMF will not stop giving it even arrived debt.

2. The Indicators of Political Instability

Contrary to the political stability in democracies, the indicators of political instability are mainly gathered in the following headings (Eren and Bildirici, 2001: 31). There are three main types of accountability mechanisms:

A. Political accountability: The realization and accountability of the promises and rhetoric of political parties and their representatives during the elections. Political accountability is the obligation of elected officials to be accountable to voters, to the constitution and rule of law, to the institution of their choice, to the election commission or similar entity, and to the entity they represent.

Indicators of political accountability include:

- reforms related to elections and elections,
- access to official information, and freedom of information,
- de-centralism - participation of people at the local level,
- Strong and energetic civil society,
- Sustainable political will.

B. Administrative accountability: It refers to the accountability of government agencies regarding the actions and duties carried out on the vertical and horizontal scale within and between organizations. Administrative accountability is to cooperate fully with the relevant accountability mechanisms within the community of authority holders and to ensure that information is freely available. Therefore, to ensure that the public is informed about the policies and practices of the government, it is imperative to highlight the practices and the reasons why these decisions are taken. Indicators of such accountability are the public's awareness of public programs and services (Treny & Friedenbergl,1991:186)

In a well-functioning state, the government is subject to accountability both by outside citizens and by public institutions within itself. This can also be done through internal audit and external audit.

In the meantime, this system is also called vertical accountability and horizontal accountability. Vertical accountability; electoral processes, or indirectly through non-governmental organizations or the media. Horizontal accountability is; governmental agencies established to prevent abuse and corruption of the state. This is horizontal accounting; judicial, legislative, general auditors, anti-corruption units, electoral boards and human rights commissions, ombudsmen, or public complaints commissions.

C. Legal accountability: The judiciary is open to all decisions and actions of the state, including judicial organs. Governments are legally accountable through legislation involving the requirements and obligations of how they should conduct their business. Legal accountability means that the road to judicial action against the decisions and actions of all the units of the state, including judicial organs, is open

Public officials who implement the law can also be judged on how well they are performing their activities. In addition, the more precise and clear the legislation underlying the work of an administrative body, the easier it will be to use it as a guide. As legislation becomes obsolete, it will be more difficult to use it as an accountability mechanism.

In the presidential system of government in Turkey does not go beyond the framework set by the constitution and laws (Acar,2019:198):

1. Polarization of the parliament
2. Coalition governments
3. Uncertainty of voters
4. Management and timing of elections
5. The frequency of government changes

Depending on the factors that stand out within the scope of political instability, (Eren and Bildirici, 2001: 31). Instability indicators can be examined in two categories (Brunetti, 2006:122-123):

1. Measuring of the polar intensity
2. Measuring government changes

Political instability and alliances created by the parties before and after the elections decreases in the indicators of instability began to be seen (republic, the nation alliance). Therefore, in the process of political instability (Acar,2019:156):

1. It is seen that after the Presidency of the government, the polarization of the parties declined and the

integration of all parties occurred after the fountain of peace.

2. The presidential government system minimizes governmental changes that lead to political instability.

2.1 Turkey's Potential

Following the transition to the Presidential Government System, the "confidence indices" that moved downward in the uncertainty in the election process started to rise again with the new system. Compared to the last 12-month situation, the current economic situation, which includes consumer assessments of the index, which recorded an increase of 3.5 percent in July compared to June. The rise in the general economic situation expectation for the next 12 months was 4.6 percent.

Turkey grew by 4.8% on average in the 15-years period. Turkey's average growth rate is 5.6% per year during recent 16 years. In short, at full employment levels, we can say that our potential growth rate is around 6-7%. To see what it means, let's take an account of this: if we grow at 7% for the next 10 years, our national income per capita will reach twice the level of 20,000 dollars in 2018; If we can continue this, it will reach 40 thousand dollars in 2035. However, if our growth rate stays at 3% as it has been in recent years, our national income would be 20 thousand dollars only in 2040. (Economic growth data of our country was published by the Ministry of Development since 1923)

US News has announced the world's most powerful countries. Countries have been determined to be economically dependent on their ownership of the word in the world. Turkey also joined the list, leaving behind many countries (2018):

14- Turkey

13- Iran

12- Canada

As a matter of fact, the effect of economic stability in recent years on the economic stability of the political stability in society is not to break down among the social sectors, social integration is provided, income distribution is improved. Global Capital, one of the prominent publishers in the field with its evaluations on international capital markets, has rewarded the debt management success of the Ministry of Treasury and Finance despite the difficult processes.

The speculative attacks on Turkey and receiving such an award in a period of intensive study of the negative perception is very important, this development reinforces investor confidence. Thus, it is seen that

market confidence in Turkey increased in a positive direction.

The sense of insecurity created by the differences in the perception of hooding in the concept of "state and nation" (Şanlısoy, 2010:105). A potential instability episode emerged. In sum, political stability depends on a functioning democracy culture. Working democracy is the harmony and balance between civil and institutional (official) authorities. The harmony between the institutions is that of cultural values political culture and mentality with the awareness of being a nation has been further reinforced by the transformation of its structure into a contemporary system of thinking.

2.2. Turkey is the Second OECD Country in Growth"

More employment growth, further investment and indicating that the means to increase the welfare of Light, "in particular 2017 growth figures in terms of we country second in the OECD. Ireland 7.8 percent, Turkey 7.4 percent. In 2017 we created employment for more than 1.5 million. employment generated in a country with a young population like Turkey very, very important.

The economy appears to be the first factor influencing the change of political power and the political system. Coalition governments or short-lived governments are leading to political instability. This situation illustrates several times both in Turkey and in world history itself.

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2.3. Presidential Government System Strengthens Stability

The main condition for a country to achieve stable economic growth is a strong and stable political structure. The presidential government system is a Turkish-style presidential system that forms the basis of political stability. A strong political authority that knows what it is doing and reassures its environment will eliminate many uncertainties for the future. However, with the support of such a strong policy, the economy will ensure stable growth. The unstable structure in politics is undoubtedly the most important factor affecting economic stability.

In Turkey, among the factors that has dominated the presidential system of government "participatory management approach" and as a result to ensure the satisfaction of all the people, "one country, one flag, one motherland focused on citizen satisfaction" shows that the integration of the target (Acar, 2019: 54). Experts that some of Turkey's problems, but certainly in a row and the bottom of the Greece 'investments can not be made' as he did not deserve note. As a matter of fact, the fact that the investments do not stop despite the problems experienced in recent years is considered as the best proof that the ratings of the organizations are not realistic. Turkey's economy dramatically entered the rebalancing process. Foundations are still extremely strong; public balance sheet, public debt. We expect inflation to decline further by the end of the year. We expect growth to be 3 percent next year. The first thing to do in this case is to change the look of the note (Bigmoney, milliyet com. 2.11.2019).

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2.4. Same with Turkey's Note Namibia

When the note deserved the credit rating agencies look at Turkey indicator not get any kind of believed should share the same notes with Spain power but name even maybe you heard the first time in Barbados and Costa Rica, which also includes countries such as Namibia, Colombia, Indonesia, Romania, share the same notes with Tunisia and Uruguay .But Central Bank of Turkey (CBT) for October survey by the Financial Services and Financial Services Confidence Index was announced.

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the Ministry of Treasury and Finance despite the difficult processes.

Turkey, the world periodically published by the Bank Ease of Doing Business Index rose more than 190 places in 10 countries this year as output 33. Turkey, Israel along with the progress on the business environment, Switzerland, outpacing countries like the Netherlands and Italy. Turkey, during the past year had climbed more than 17 places in the index.

The EU promised 5 billion euros for Syrian refugees, but they did not. Peace Spring Operation is aimed to bring peace to the region. So; stopping violence in Syria and in wider regions, preventing the killing of Syrian people, we share the goal of resisting terrorism and ensuring stability. Purging YPG, a terrorist organization nestled north of Syria, from the region, under agreement with Russia after the USA for the Safe Zone in the north of Syria. It's 3.6 million lives in more than 4 million immigrants from different countries, including Turkey Syrians. EU countries do not want Syrian migrants. Where democracy is where people have the right to live. EU promises 5 billion aid to Syrian refugees but they do not. Turkey, diplomatic traffic after the execution of these agreements has repercussions around the world. Peace Operation Spring, which Turkey won at the table, was recognized with the label Turkey won in social media.

We are the second OECD in growth, more employment growth, further investment and indicating that the means to increase the welfare of Light, "in particular 2017 growth figures in terms of we country second in the OECD. Ireland 7.8 percent, Turkey 7.4 percent. In 2017 we created employment for more than 1.5 million. employment generated in a country with a young population like Turkey very, very important.

The economy appears to be the first factor influencing the change of political power and the political system. Coalition governments or short-lived governments are leading to political instability. This situation illustrates several times both in Turkey and in world history itself.

CONCLUSION

The main condition for a country to achieve stable economic growth is a strong and stable political structure. The presidential government system is a Turkish-style presidential system that forms the basis of political stability. A strong political authority that knows what it is doing and reassures its environment will eliminate many uncertainties for the future. However, with the support of such a strong policy, the economy will ensure stable growth. The unstable structure in politics is undoubtedly the most important factor affecting economic stability.

Uncertainties about politics are one of the issues that the industrialists and businessmen complain about the most. Because to see the front of the businessman who wants to invest is the main condition for a country to achieve a stable economic growth is a strong and stable political structure. A strong political authority that knows what it is doing and reassures its environment will eliminate many uncertainties for the future. However, with the support of such a strong policy, the economy will ensure stable growth. The unstable structure in politics is undoubtedly the most important factor affecting economic stability. Uncertainties about politics are one of the issues that the industrialists and businessmen complain about the most. Because the businessman who wants to invest wants to see the way, wants to minimize the uncertainties for the future, wants to minimize the uncertainties for the future. Turkey is progressing well on the way the economy and stability.

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