Marmara Üniversitesi İktisadi ve İdari Bilimler Dergisi • Cilt: 44 • Sayı: 2 • Aralık 2022, ISSN: 2587-2672, ss/pp. 382-401
DOI: 10.14780/muiibd.1225234

ARAŞTIRMA MAKALESİ / RESEARCH ARTICLE

DEPENDENT FINANCIALISATION AND ROLE OF REAL ESTATE: THE CASE OF TÜRKİYE

BAĞIMLI FİNANSALLAŞMA VE GAYRİMENKULÜN ROLÜ: TÜRKİYE ÖRNEĞİ

Altan ALAYBEYOĞLU[*]
Kurtar TANYILMAZ[**]

Abstract

The growth of the construction and real estate sector in Türkiye, especially since the 2000s, is interesting. This growth has been accompanied by a deepening of the relationship between the financial sector and the construction sector, driven by short-term foreign capital flows. On the institutional side of this deepening, there are Real Estate Investment Trusts (REITs), whose number grew rapidly in Turkey after the 2000s, and Turkish Housing Development Administration (HDA), which plays a role in the privatization of public land. Another aspect of the process is the participation of non-financial companies (NFCs) in the real estate and construction industry in the form of REITs. The main objective of this study is to show how and why various capital groups and NFCs have turned to the real estate and construction sector in the form of Real Estate Investment Trusts (REITs) and to uncover the role of HDA that has enabled this process. The basic assumption of the study is that behind this orientation is the effort to cope with the exchange rate risk and rising financing costs due to the dependence of the increasing integration of the Turkish economy with the world market.

Keywords: Dependent financialisation, construction and real estate investments, REITs, Turkish economy
JEL Classification: F32, O10, E20.

Öz

Türkiye'de inşaat ve gayrimenkul sektörünün özellikle 2000'li yıllardan itibaren büyümesi dikkat çekicidir. İnşaat sektörü özelinde altını çizdiğimiz bu büyümeye, özellikle kısa vadeli yabancı sermaye yatırımlarının yönlendirdiği finansal derinleşme süreci eşlik etmiştir. Bu derinleşmenin kurumsal tarafında ise Türkiye'de 2000'li yıllardan sonra sayıları hızla artan Gayrimenkul Yatırım Ortaklıkları (GYO) ve kamu arazilerinin özelleştirilmesinde rol oynayan Türkiye Toplu Konut İdaresi (TOKİ) bulunmaktadır. Sürecin bir başka yönü, gayrimenkul ve inşaat sektöründeki finans dışı şirketlerin sürece sermaye piyasası kurumu olan GYO'lar

* Asst. Prof, Haliç University Banking and Insurance, Istanbul, Turkey, E-Mail: altanalaybeyoglu@halic.edu.tr, ORCID: https://orcid.org/0000-0001-6309-0697

** Prof. Dr., Marmara University Faculty of Business Administration, Istanbul, Turkey, E-Mail: ktanyilmaz@marmara.edu.tr, kurtartan1967@gmail.com, ORCID: https://orcid.org/0000-0003-2915-3521

Makale Gönderim Tarihi: 05.07.2022
Yayına Kabul Tarihi: 12.12.2022

şeklinde katılımıdır. Türkiye'de finans kapital şeklinde örgütlenmiş sermaye gruplarının bir kısmının temel faaliyet alanlarını terk ederek inşaat sektörüne yönelmeleri ve bu yönelimlerini sermaye piyasası kurumu olan GYO biçiminde tercih etmeleri; Türkiye özelinde finans-inşaat ilişkisini, Türkiye ekonomisinin yapısal unsurları bağlamında ele almayı gerekli kılmaktadır. Bu çerçevede çalışmanın temel amacı, çeşitli sermaye gruplarının ve finans dışı şirketlerin nasıl ve neden gayrimenkul ve inşaat sektörüne Gayrimenkul Yatırım Ortaklıkları (GYO) şeklinde yöneldiğini göstermek ve TOKİ'nin bu süreci mümkün kılan rolünü ortaya çıkarmaktır. Çalışmanın temel varsayımı, bu yönelimin arkasında, Türkiye ekonomisinin dünya piyasasına artan entegrasyonunun bağımlılığına bağlı olarak artan döviz kuru riski ve artan finansman maliyetleri ile baş etme çabasının yattığıdır.

Anahtar Kelimeler: Bağımlı finansallaşma, inşaat ve gayrimenkul yatırımları, GYO'lar, Türkiye ekonomisi
JEL Sınıflaması: F32, O10, E20.

1. Introduction

Turkey has turned into a big construction site, especially in the 2000s. Housing production carried out under the name of urban transformation; mega projects carried out for bridges, roads, etc. within the framework of Public-Private Partnership (PPP); construction and real estate projects led by Housing Development Administration (HDA) and Emlak REIT(Real Estate Investment Trust); the enrichment of some "pro government contractors" in these projects in favoritism, investment of "industrialist" large capital groups in the housing and real estate sectors; constitute various aspects of increasing weights of the mentioned sectors in the Turkish economy.

Indicators such as housing production volume, annual growth rate, annual building and occupancy permits, its place in the country's economy in terms of both total added value and the sector's share in national income, in total employment, within the sectors foreign capital flows are oriented; point out that the construction and real estate sectors have gained significant weight in the Turkish economy.

Another important dimension of this explosion in the construction and real estate sectors within the framework of the development tendencies of capitalism in Turkey is the deepening of relations between the construction sector and both financial capital and industrial capital. In the past 17 years, many banks have turned towards the construction sector both in the field of housing production and real estate projects and in the field of housing loans. But more importantly, behind the dynamism in the real estate sector, not only the financial capital, but also the orientation of the leading industrial companies and capital groups of Turkish capitalism which mostly produce export-oriented products. They entered to the sector either by selling their factory lands or buying public lands. Today, the share of construction and real estate investments in the portfolio of most of Turkey's leading corporations reached not to be underestimated dimensions. Although there are industrialists who state that "the industrialist should be kept away from appetite for ground rent" (Dünya The Newspaper, 2018), most executives of industrial enterprises turned their attention to this sector by claiming that property sales are more profitable than exporting.

In the construction sector, which was dominated by small-scale and local contractors in the past, currently, Real Estate Investment Trusts (REITs) associated with large capital groups have taken their place as major players.

Although this process, which is commonly called "construction-led growth" in Turkey, is part of the general tendency in the world economy, it also includes dynamics specific to Turkish capitalism. The fact that all these developments took place during the Justice and Development Party (JDP) years (2003-2020) inevitably leads to the characterization of the "construction boom" as an integral part of the economic policies pursued by the JDP. This is exactly the starting point of this article. We emphasize that in order to comprehend the dynamics behind this intensive orientation to the construction sector and the contradictions it creates, more accurate approach is to take into account the mode of integration of Turkish capitalism with the world market. To argue that the contradictions emerging from the increasing integration of capital accumulation in Turkey with the world economy via both goods and money flows play a **decisive** role in the rise of the construction and real estate sectors; of course, does not mean to underestimate the role of the policies pursued by JDP governments. These policies have dramatic effects on the development of the mentioned sectors in terms of affecting the allocation and distribution processes of resources. In this respect, we will touch on the crucial roles of HDA and Emlak REIT in terms of realizing these policies below. What we want to emphasize as an approach within the scope of this study is the speed, dimensions, and limits of the development of the mentioned sectors; in another sense, the main dynamic that determines the fate of the housing problem is that the process of capital accumulation in Turkey should be sought in the mode of integration with the world economy.

Within the framework of such an approach, our purpose in this article is to reveal that the privatization of public lands and the emergence of REIT as a form of financing in housing production in the mentioned period is the product of the contradictions inherent in the increasing integration of the capital accumulation process of Turkey with world capitalism. We argue that we can only better understand the specific policy of the JDP governments under the leadership of Erdoğan in this process if we place them within this framework.

The contribution of this study to the literature on this subject is to reveal the unique role of REIT in developing economies (DE), such as Turkey, in the financialisation of non-financial companies (NFC). The hypothesis that we will test within the scope of this study is that the dependent nature of the integration of Turkish capitalism with international production networks lies in the background of NFC's orientation to financial investments in the form of REITs.

In this direction, in the second part, we will first clarify our position in today's financialisation literature and summarize our own approach on the unique features of financialisation in DE. In the third part, we will summarize the financialisation trends and **distinctive** features of the Turkish economy in today's conditions. In this section, we will summarize the development of REIT in Turkey, its mechanisms, its function in terms of capital accumulation and the role of the state in this process. Because REIT plays a key role in the increasing integration of the construction and real estate sectors which will come to the forefront in the near future as an important "investment" area, finance sector. Finally, in the last section, we will discuss the social consequences in Turkey of solving the housing needs and housing problem within the market mechanism and within the body of REIT-based housing finance.

2. Financialisation in DE

2.1. Reasons for Financialisation

One of the main trends that has left its mark on world capitalism since the 1980s was the rise of finance. Tendencies such as significant increase in financial companies' profits when compared to NFC profits, acquisition of financial skills of large NFCs reducing their dependence on bank loans in this period and acquire financial skills, banks increasing intermediation activities in financial markets and lending to households; growth of bank lending much faster than production output, rise in overall indebtedness rates for governments, NFCs and consumers (Harman, 2012, p. 252) pointed out to the increasing weight of finance in the economy. In this period of financial hegemony, short-term investment, currency speculation, financial instability (Lapavitsas, 2019, pp. 99-100) and waves of economic crisis were seen all over the world (Brunhoff, 2007, p. 173).

In the last decades of contemporary capitalism; rapid growth of financial markets all over the world, increasing size and importance of financial markets, institutions, and activities in the economy, growing priority of financial transactions, services, actors, debt in daily life and derivation of NFCs' profits increasingly from the financial area; so, all these happenings started to be defined with the concept of financialisation in the literature

In our view, the key issue to grasp the fundamental points of distinction between theories of financialisation is how they approach the crisis of capitalism. In mainstream (mainly neoclassical) approaches, the main function of financial markets is assumed that individuals' savings transform into economic investments in a rational way. Since these approaches do not acknowledge the importance of the demand for money, they cannot explain how the financial markets work and as they limit themselves only to the financial sphere, they cannot explain the relationship between the prices of financial assets and economic "fundamentals" (Brunhoff, 2007 p. 177). On the other hand, heterodox (Keynesian, Institutionalist) and Marxist approaches take into consideration by the increasing dominance of finance in the economy in relation to the sphere of production, and discuss it around the concept of financialisation (Bonizzi, 2013).

According to heterodox/Keynesian theories of financialisation, the main cause of economic crises lies not in the internal dynamics and contradictions of capitalist production, but in its excessive financialisation, the unstable and speculative nature of finance. This tendency is basically a result of the wrong economic policies followed. Insufficiency in aggregate demand or under-consumption tendency in an economy is the main cause of the crisis and is the result of wrong policies. In such approaches, monetary policies, and credit mechanisms play an important role for reviving the demand through mobilizing investments especially in times when under-consumption leads to a crisis. But these polices also lead to the relative autonomy of finance from real capital accumulation (circulation and production processes of value and surplus value) resulting in having different interests of financial capital pursuing "rent" from industrial capital. According to these approaches, orientation to housing and real estate is seen as a mean of sustaining demand and neutralizing the consequences of the downward pressure on wages caused by "globalization". Emerging housing bubbles and crises are seen also as a product of incorrect monetary policies followed by central banks. Based on these considerations, heterodox and Keynesian approaches refer to the concept of financialisation in order to express that in contemporary capitalism exploitation takes the form of usury, that finance is the basis of social polarization, and that capitalism has entered a new stage with a qualitative transformation. Within this conceptual framework, they argue that monetary capital has become independent from industrial capital and that financial profit that emerges independent of surplus value is the new center of capital accumulation (Mavroudeas, 2018).

In a Marxist approach, however, the problem lies deeper. The instability and speculation waves caused by financial activities, such as distribution of loans beyond solvency, are only symptoms of the underlying cause of the crisis. Although the economic crises seem to have emerged in the financial sectors, the main reason lies in the production sphere, rooting within the problems experienced in the production of surplus value and in the dynamics of over-accumulation in this sphere. Similar to Keynesian economists, Marx also recognizes the role of credit and speculation in capitalism. However, according to him, financial investments are the expression of a counter-tendency that functions to prevent and delay the decline in profit rate, that occurs during capitalist accumulation.

Credit is necessary to lubricate the wheels of capitalist commerce, but when the returns from the exploitation of labor begin to drop off, credit turns into debt that cannot be repaid or at serviced. This is what the financialisation school cannot explain: why and when does credit turn into excessive debt? (Roberts, 2018).

From this perspective, the main reason behind the growth of finance, namely the credit bubble and its transformation into excessive debt, is the long slowdown in capital accumulation (Harman, 2012, p. 254). The world economy has been experiencing a long depression-prone stagnation since the 1970s. These conditions of the long depression, deepened with the 2008 global financial crisis, increased the competitive pressure to make large investments in industrial companies. Being able to profit from those investments involved greater uncertainty than before. In order to avoid getting caught without cash ("liquidity" in financial terms) in a new crisis, corporations, wealthy individuals, and investment funds chosen to be cautious when entering such investments. In other words, in advanced capitalist economies, the business world was "now saving in cash instead of spending past profits" (Harman, 2012, p. 255).

In the background of this "saving abundance" seen since the beginning of the 2000s, it lies the fact that, while the industrial capital has increased its profit by suppressing wages, it has not turned this profit into investments in the production sphere. The gap between savings and investments is not due to the state intervention to financial markets (money supply) as neoliberals claim, or neoliberal economic policies (low demand) as Keynesians argue. Its roots lie in the conflict between class-related interests (escape to the financial sphere because of reduction of surplus-value generating capacity). The way in which the mentioned conflict emerges is the over-accumulation of capital manifesting itself in the tendency of falling profit rates (Roberts, 2020). The phenomenon of over-accumulation leads to credit expansion and subsequently to search for speculative return relatively autonomous from production, which Marx termed as fictitious capital. In a sense, the credit (and accompanying housing) bubble is the result of an inability to cope with a chronic crisis of profitability and over-accumulation; it is a reaction to it.

In the light of all these determinations, it is possible to reach the following conclusions: As we mentioned above, financialisation is basically the product of a search for a solution to the crisis that capitalism has been in since the 1970s. With the long-term downward trend in the profit rates in the world economy, especially in the US economy as a reaction to this long crisis of capitalism, the "excess capital" gained the character of fictitious capital with its relative autonomy from the productive sphere, demanding a share from the surplus value to be created in the future in order to overcome the bottlenecks of capital accumulation in the production sphere. The credit expansion caused by the fictitious capital flowed into the real estate markets and increased the prices of financial assets such as land, housing, and real estate. During the process, the financing needs required for both the supply and demand side of construction activities have led to an increasing integration between the finance field and the construction and real estate sectors. The fusion between the construction and real estate sectors and the finance sector is based on the role played by credit in both the production and circulation/sales processes. The relatively slow rate of capital turnover in the real estate sector makes the existence of financial institutions that will accelerate this process with credit mechanisms essential for the sector (Karaçimen & Özlem, 2017, p. 88).

Nevertheless, this orientation involves some contradictions. As the production of real estate financed by credit gradually becomes fictitious capital and acquires a speculative character as a result of securitization, supply gradually becomes independent of demand. As a result, the fact that the exchange value of the house comes to the fore, not its use value (need for shelter) causes both the land rent to rise and the housing production process to become open to investment and speculation with growing expectations for higher prices. This situation on the one hand, brings about a bubble in the real estate sector, and on the other hand land rent based on fictitious capital demands a share from the existing mass of surplus value in an economy, the result of which is decreasing productive investments actually aimed at expanding capital accumulation.

2.2. Financialisation in DE

At the center of financialisation discussions in Turkey, as in many other DE, there is the view that industry has lost ground and construction business has come forward (so called "accumulation based on construction"), and construction sector as well as manufacturing industry has come under the dominance of financial capital. What are the factors underlying the financialisation tendency seen in DE, including Turkey, especially in the housing and real estate sectors? In order to answer this question, we think that it is necessary to focus on the specific dynamics in dependent semi-industrialized economies such as Turkey, in the context of development tendencies of contemporary capitalism. The following paragraphs explain them.

In the late 90s and early 2000s, after the crisis of the world economy, international capital returned to the DE in the form of both direct foreign investment (FDI) and other capital inflows. DE also opened up to international financial markets more than in the past with the target of increasing integration with the world economy and accompanied by neoliberal policies including liberalization of goods and money movements. The main purpose was to finance their increasing foreign debt during the process. The most important effect of the mentioned capital inflows on these countries was large-scale increases in their foreign exchange reserves and foreign debts.

There exist different interpretations of financialisation in DE in the literature. Mainstream, i.e., neoclassical, economists assume financial markets generally as efficient and individual agents as rational. Mainstream economists believed that deregulating restrictions on international capital flows would improve efficiency in local financial markets through, for example, increased competition of foreign banks in domestic financial markets of DE or foreign participants in domestic equity markets. They, therefore, emphasize external factors contribution (role of foreign capital inflows) that increased efficiency should result in better allocation of resources and higher growth (Karwowski & Stockhammer, 2016, p. 9).

On the other hand, there are heterodox (post-Keynesian and institutionalist) approaches which while debating the relative weight of external and domestic factors on financialisation in DE also concentrate on their negative effects, i.e., shifting away from productive towards short-term and speculative financial investment among domestic NFCs, exchange rate volatility, erosion of productive capacities etc. (Rodrigues et al., 2016). According to these critical approaches, mainly based on the tradition of political economy, DE's increasing dependency on capital inflows force them to offer high interest rates to attract foreign capital. Bu the growing weight of capital inflows leads as a counter effect to overvalued exchange rate and to deteriorating current account deficits, resulting in the erosion of productive capacities and the threat of capital flights (Becker et al., 2010). In order to avoid a currency crisis DE accumulate foreign reserves and NFC prefer to hold their assets in foreign currencies to be better preserved from foreign currency crisis in the future.

In order to explain this process, Lapavitsas puts forward the concept of "subordinated financialisation", according to which peripheral countries are compelled to join an increasingly financialised world economy, through formal and informal pressures, mainly by opening themselves up to financial flows and by accumulating reserves of quasi-world money (mostly dollars) needed to ensure their participation in international trade and financial transactions (Lapavitsas, 2013). The analytical framework underlying this analysis has been the concept of international currency hierarchies, which is central to International Political Economy (IPE), Post Keynesian and Marxist political economy. The more capitalist accumulation spreads across the world economy, the more countries need to have access to the world money's reserves (or international reserves as a proxy). Likewise, others call this kind of capital accumulation processes of DE as "dependent financialisation" in the literature (Becker, 2019). The main reason leading to dollarization or euroization according to this kind of explanation lies in the dependency of DE on capital inflows. This dependency is actually seen as the result of current account deficits based on the import dependency of the production structure of the country (Becker et al., 2010).

There are two fundamental dimensions of the "dependent" character of the financialisation tendency that condition each other. First, the fact that DE firms, which are rather in a dominated position in the hierarchical structure of global production chains, and have an import-dependent production structure, enforces them to integrate more with international financial markets for lower-cost financing of imports (Bonizzi et al., 2019). Their dominated position within the international production chains results in getting diminishing share of surplus value created in the labour process vis a vis lead firms and suffering relative higher financing costs in order to hedge themselves from macroeconomic risks due to the volatilities of exchange rates.

Secondly, trade business and increasing operations in global capital markets of DE firms strengthen this dependency because of the subordination of their local currencies to the US dollar with its hegemonic position in the world monetary system (Kaltenbrunner & Painceira, 2017).

3. Financialisation of Real Estate in Turkey and REITs

3.1. Financialisation in The Turkish Economy

Unlike many studies and approaches in Turkish academic environment, we believe that in order to understand the specific function of REIT in the financialisation of the construction and housing sectors; it is necessary to start with the relationship that Turkish economy has established with world capitalism and international capital. In other words, according to our view, it would be more explanatory to consider the rise of the construction and real estate sectors as a product of the contradictions inherent to the export-oriented **capital accumulation strategy** followed by the Turkish finance capital. The main factor causing the **distinctive** financialisation dynamics in dependent semi-industrialized countries such as Turkey is increasing integration of Turkish capitalism with the world market without any protection measure; although its production structure is highly dependent on imports and its technological development and productivity level is relatively low. This type of integration, as a result of the uneven functioning of the law of value in the world market, leads to a chronic foreign trade deficit, an increase in the necessity of external financing and an increase in its total foreign debt. While the resource structure of the Turkish economy was 46% debt and 54% equity in 2003; in 2018, it was 67% debt and 33% equity (EVDS, 2020).

Depending on the credit expansion; it is a significant consequence of the speculative, short-term return-seeking nature of international capital inflows that, these inflows follow a volatile and frequently fluctuating course. It also contains a **currency risk** that may lead to an increase in exchange rates, depending on the increase in the possibility of capital flight despite the increasing external financing need of the country's economy. The most important result of this process, which makes the Turkish economy fragile and sensitive to external shocks (with a high probability of capital flight), is the increase in the credit costs of domestic NFCs within the country. Another significant result is that

NFCs have to constantly keep a certain amount of foreign currency (reserve accumulation) in face of or in order not to allow a potential financial crisis.

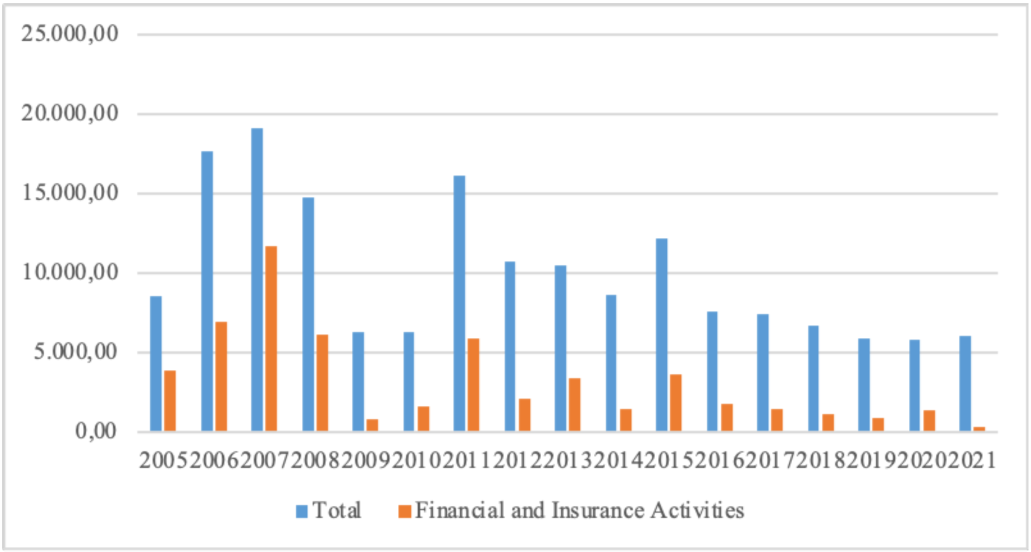
It is this vulnerable structure of the Turkish economy in the face of large-scale and sudden capital and exchange rate movements that compels Turkish NFCs to engage in an increasing relationship with international financial markets. On the one hand, the tendency to use foreign loans with low interest for the financing of import, and on the other hand, the increase in the financing costs of the companies due to the increase in the exchange rate risk and consequent increase of credit costs are the results of this structure.

For domestic capital groups the necessity of securing the foreign exchange requirement and managing the **exchange rate risk** required for industrial investments was always a priority. The dependent production structure and interrelated dependent financialisation were causing the financing problems of the manufacturing industry. Financing costs due to the rising interest rates, since 1990s are increasing and rapidly eroding company profits. As the research conducted by Istanbul Chamber of Industry (ISO) in 2015 revealed, making the necessary investments for industrial production with high value added is impossible for the industrial sector with this kind of financing model e.g. the main problem for the manufacturing industry was **the incapacity to reduce the financing costs** (Yalman, 2019). While the ratio of financial expenses to operating profits was 34.1% in 2012, this ratio reached 88.9% in 2019 (ISO, 2019).

In other words, the contradictions and uneven development dynamics of the Turkey's bourgeoisie's efforts to gain a place in the world market and to integrate with international capital segments increase financing burden for investments through the increasing foreign debt and exchange rate risk; this leads gradually to a decrease in the competitiveness of manufacturing industry and the erosion of productive capacity. In order to delay this **structural obstacle**, credit mechanisms established through public borrowing (government bonds) in the country during the 1990s had an important function. Since the 2000s, companies have started to apply more and more to sources of financing in the capital markets. Companies that borrowed both through banks and directly from abroad have had the opportunity to obtain cheaper financial resources under the influence of the monetary policy followed by the goverment (Akçay, 2017). In this process, due to the fact that it is a lower cost form of borrowing than TL loans, the funds that Turkish banks borrowed from foreign sources and transferred to the private sector increased from 50 billion dollars in 2007 to 175 billion dollars in 2014 (Yalman, 2019, p. 143). Despite the high exchange rate risk, it is stated that borrowing in foreign currency contributes to the growth of companies by easing the financial constraints of companies whose income in foreign currency is not low, especially in times when TL is valuable (Yalman, 2019, p. 144).

In such an environment, there were significant increases in the share of "financial intermediation", "construction and real estate" sectors within the foreign direct investment stock entering Turkey, as can be seen in Graph 1.

Graph 1: Distribution of Direct Investments in Turkey by Sectors (Million USD)



Source: World Bank (2021)

Increasing international capital flows to the country in pursuit of higher returns, increased the housing prices in one hand and the land rents in other hand in the big cities and strengthened the tendency to turn to liquid assets. Thanks to credit expansion based on foreign flows, housing loans increased and changes in urbanization policies, paved the way for a real estate and construction boom (Becker, 2019, p. 186).

In these credit boom conditions, with the investments made by borrowing from abroad with low-interest loans in order to reduce the financing expenses, which play a decisive role in their profitability, and to obtain assurance against the exchange rate risk; companies started to invest, besides the manufacturing industry, in non-operating areas, mainly the construction and real estate sectors promising high yield and open to speculation.

3.2. Role of the State Privatization of Public Lands and HAD

The demand for housing has been increasing in Turkey for many years due to reasons such as migration from rural to urban areas, slummization, and the young population structure of the country. However, the institutional structure of the sector, which supplies housing in order to meet this demand, has undergone significant transformations. For many years, the solution to the house and housing problem in Turkey has been carried out, especially since the 1980s, mainly by the private sector. With the decisions taken on the ownership of the land, which is the most important input of the construction sector, the transformation of public lands into a commodity that can be bought and sold in the market has been accelerated; thus, the emerging urban rent opportunities have also attracted the attention of international capital. Especially cities with very high ground rent returns, such as Istanbul, have become attraction points. The housing sector, which was organized by small-scale companies before 1980, started to come under the control of large-scale companies after 1980 (Rana & Tepecik, 2012). In this process, a corporate structure that evolved from the residences built by large and small contractors to "urban transformation projects", where REITs started to gain weight, today leaves its mark on the construction and real estate sectors.

As the key actor of the recent institutional transformation in the sector, in the expansion of housing production as a commodity in the 2000s and in the privatization of public lands as an input in this direction; it is required to point out to the importance of the Turkish Housing Development Administration (HDA) which was put into a privileged institutional structure during the JDP governments. With the legal regulations that we will mention below, HDA has almost functioned as a connecting belt to transfer of public lands to the private sector.

Especially during the JDP governments, already know that privatizations reached the highest level in terms of both amount and income. In addition to the privatization of various public industry companies and infrastructure investments, another development that left its mark on a period of more than 10 years was the allocation of public lands to the private sector through HDA and Emlak-Konut (Yolculukhaber, 2020). This was actually a kind of privatization practice, too. The JDP government, in a sense, together with an institution like the HDA, created a giant State Owned Enterprise (SOE) in the construction sector by providing the land which is the most important input of this sector and it ran this institution like a second privatization administration. A left-wing Turkish economist below summarizes the situation very well:

> "Although it looks like a housing SOE, it actually works like a second privatization administration that sells public land and buildings. While the Privatization Agency (PA) sells the SOEs, HDA also sells the public lands and real estate left over from the SOEs and makes them available. It means, in a sense, HDA's "capital" is public lands that belong to all of us. (Sönmez, 2011)"

It was possible for HDA to play such a key role by the help of a series of legal and institutional arrangements. With all these changes on the law, 64.5 million square meters and 4030 pieces of land were transferred to HDA's portfolio by free of charge. Three hundred sixty pieces of land with a total area of 3 million 683 thousand 412 square meters belonging to Emlak Bank, which was decided to be liquidated, were transferred to HDA. HDA also had the privilege of transferring these lands to private companies through land sales and revenue sharing in return for the land. Thus, after 2003, with the help of approximately 30 laws and decree laws, HDA became the strongest land producer, contractor, and investor in Turkey (Doğru, 2016). According to HDA sources, as of 2017, 86 percent of the 811 thousand houses produced are social housing, and the remaining 14 percent consists of luxury houses (Gürakar, 2018, p. 162). However, it is highly controversial to what extent these houses can be characterized as "social buildings".

With HDA, the corporate/institutional structure was established in Turkey in which the land would be taken into the capital accumulation mechanisms. Another component of this structure is REITs, whose projects are concentrated on valuable city lands and which are an efficient financial-corporate structure in the consumption and production of the construction. The inclusion of valuable city lands owned by HDA into the accumulation process by the REIT mechanism is the subject of the following section.

3.3. REIT in Turkey

One of the originalities of real estate capital in the accumulation process is that, in large-scale projects, the volume of money-capital requirement is higher than other sectors. It is not possible for productive capital to sustain this burden with its equity capital, since the land, raw materials / means of production required for the commodity produced are high cost. Therefore, money-capital is involved in the process to financing the production. Interest-bearing capital rents its money to productive capital for the production process. It also earns profit in the form of interest from the surplus-value obtained at the end of the production process. For dependent semi-industrialized countries, this situation creates a need for money-capital, especially in the form of foreign currency, since the production inputs of real estate are imported. In that respect, money and capital markets have developed to meet the need for funds from international money markets to finance large-scale construction projects. This situation has led to the emergence of a series of financial institutions and instruments at the point of production and consumption of real estate. In this context, REITs are not only institutions that meet the money capital needs required for real estate production. They should also be evaluated as capital market institutions as a product of counter-tendencies against the contradictions of export-oriented production strategy of Turkish finance capital.

The supply-oriented expansion of the real estate sector in the world has facilitated the intense integration of dependent semi-industrialized countries into the process, especially in the 2000s. This situation has brought about particularly the increase in housing loans and the diversification in loan systems. In parallel with the process, the institutional structure of the financial sector has also transformed in accordance with the dynamics of accumulation. Besides to traditional banking activities or traditional credit relationships, so called Mortgage Housing Loan, which is formed by housing loans and repayments of loans and are given on condition that immobile properties are mortgaged, have been added to credit systems. Today, bank loans and sales with promissory notes have become important financial instruments in the housing sector, both on the demand and the supply side. At the point of financing of real estate, the emergence of the capital market alongside banks and credit institutions, in other words, the construction industry's turn to capital markets for money-capital needs is a phenomenon that has been clearly observed after the 2000s (Yazıcı & Yazıcı, 2018). In this framework, REITs come first among the prominent institutions after the 2000s.

The point where REITs differ from other financing instruments in meeting the money-capital needs of the real estate sector is that they are capital market institutions. In the stock market, the involvement of investors of all sizes in the process by purchasing the stocks of REITs enables contractors to organize large-scale projects without using equity capital or credit.

There are a number of situations where REITs have an advantage over their competitors in the sector in terms of capital accumulation at the corporate level. The first of these situations is the obligation of REITs that are traded on the stock exchange to distribute their profit as dividends. In Turkey, REITs, unlike the ones abroad, are not obliged to distribute a certain percentage of their income in the form of dividends. Secondly, REITs are exempted from corporate tax.

REITs whose capital is publicly traded – joint-stock partnerships – have the opportunity to invest in large-scale construction projects through the funds they collect from the market. This is one of the main function that distinguishes real estate investment trusts from other large and/or small-scale capital groups in the construction sector and makes them stand out in the competition within the sector. When the speed and capacity of REITs' access to funding sources while transferring their capital to the production process is evaluated in the context of their interaction with the banking, capital markets and insurance sector, it creates significant opportunities for competition within the sector.

It is the basic determination and expectation of many academic studies that, REITs will provide solutions to the money-capital need with the funds obtained from the capital market and will contribute to the city and urban architecture. This need appears as the main problem of the productive capital in the real estate sector. However, when REITs are evaluated in terms of the capital accumulation process, they have a number of functions that gain meaning within the capital accumulation process in Turkey, rather than being a solution to the housing need.

The access of REITs to the capital market is important in two aspects: First of all, it is possible for real estate capital to become an investment object in other sectors as well. The fact that REITs operate in the capital market also serves to transfer the money-capital in hand to the real estate sector by being revalued in other sectors. Secondly, the circulation of real estate capital in the form of money-capital in the capital markets means that the capital is now valued in the speculative field. However, when the portfolio distribution of REITs in Turkey is analyzed, it is seen that the real estate capital operating in the financial markets is concentrated in real estate investments. While real estate investments have a share of 78.13% within the portfolio distribution, the rate of appreciation of capital in money and capital market instruments is 6.59% (SPK, 2020).

3.4. Relationship between Finance-Capital and REIT

The real estate sector is one of the leading sectors in which finance capital has directed to within the scope of activity diversity in Turkey after the 2000s. In this framework, another important point to be emphasized for REITs in Turkey is that they are affiliates of holding companies (Alaybeyoğlu, 2021). Finance capital has found the opportunity of capital valorization in real estate, thanks to REITs. The money-capital that expands in the real estate production process within the REIT becomes the source of investments in other sectors for the holdings. For this reason, understanding the activities of REITs in the construction sector together with the diversity of finance capital activities is also important in terms of understanding the accumulation process of finance capital operating in the real estate sector. Financial capital, which operates simultaneously in finance, real estate, construction, and other industrial sectors, is organized in the form of REITs in the real estate sector and is directly involved in the construction production process in the form of money-capital or land investor. It takes its share of the surplus value generated at the end of production in construction, and this provides an advantage for finance capital to finance industrial investments or liquidity advantage in other sectors in which it operates.

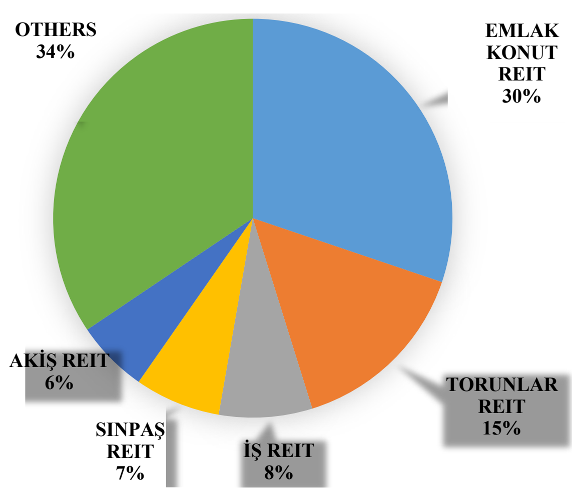
The emergence of REITs as an affiliate of finance capital has a number of reasons related to the originality of the capital accumulation process in Turkey:

i. Finance-capital has had the opportunity to meet the liquidity needs required to expand its investment opportunities in other sectors by participating in the construction sector in the form of REITs.
ii. For the finance capital with increasing shares of financing expenses within operating profits and increasing ratio of indebtedness, there has been a sphere to avoid exchange rate risk.
iii. Finance-capital used the opportunity of land rent in the construction sector for speculative purposes to raise the overall profitability in order to compensate for the decreasing profit rates in other sectors invested
iv. Finance-capital, by organizing in the form of REIT in construction production, found the opportunity to increase its capital turnover rate, using its money capital and commercial capital functions to exclude risks that may arise associated with real estate production.

According to the data of the first quarter of 2020, the number of REITs operating in Turkey is 33, with a total market value of 3.6 billion dollars. When analyzed on the basis of unconsolidated assets, the total assets of the first 16 REITs are 66,954,108,387 TL, constituting 92.29% of the total size (SPK, 2020). Among the first 16 companies, Emlak Konut REIT, Torunlar REIT, İŞ REIT, SİNPAŞ REIT, and AKİŞ REIT stand out.

The distribution in percentage of these five partnerships on the basis of the total size of REITs is given in Graph 2:

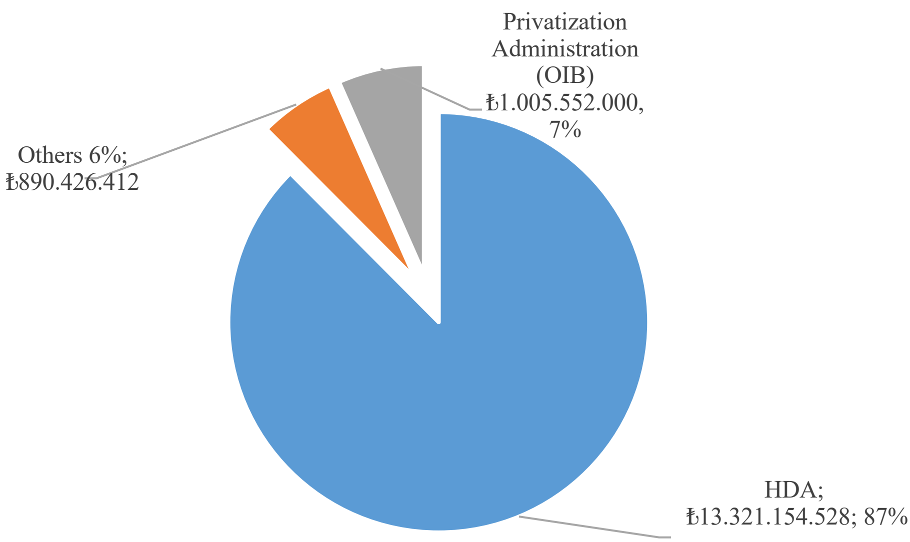
Graph 2: Size of REITs in Turkey (%)



Source: (SPK, 2020)

Emlak Konut REIT is important in terms of the state's active involvement in the real estate and construction industry. The most important effect of Emlak Konut in the construction accumulation process is to direct the lands to the construction production process by purchasing or taking over the lands held by the state from HDA. Graph 3 shows the distribution of land purchases by Emlak REIT between 2003 and 2018.

Graph 3: Distribution of Land Purchase by Emlak REIT 2003-2018



Source: (Emlak Konut, 2019).

According to Graph 3, 94% of the land purchases of Emlak REIT between 2003 and 2018 were from public resources. Emlak REIT had a significant impact by opening public lands to capital accumulation, giving individual capitals the possibility to make higher profits through construction and real estate activities and also leading to the expansion of the construction sector. According to the General Report for Public Enterprises of the Turkish Court of Accounts in 2015, 110 real estates with an area of 2.020.479 m^2 were transferred to Emlak REIT in 2015 alone. In the same year, HDA sold 118 real estates with the area of 1,660,573 m^2 for 86,895,711 TL. The values of these lands increased as soon as they included in the accumulation process (Sayıştay Başkanlığı, 2015).

4. Conclusion

In the framework of this article, we aimed to reveal the reasons behind the construction boom in Turkey that has left its mark on urban development today, and the role played by the state in this process. We stated that housing production, beyond being a commodity, has become an investment object, a financial asset that promises higher profit. We pointed out that the transformation of housing into a financing tool and reasons behind its appearance as if being independent from the field of production and industrial capital can only be possible by understanding the long stagnation conditions of world capitalism and the problems of capital accumulation on a global level.

As a reaction to the over-accumulation of capital, which expresses itself in the falling rate of profits, international finance capital sought new profitable investment opportunities, especially in the financial sphere. One of the important results of this search was the increased valuation of urban lands, the prominence of urban rent on a global scale, and the attraction of housing production to the field of capital accumulation and speculation. What was expected with the revival of the construction and real estate sectors was, in one hand, to overcome the difficulties faced by the industrial companies, which provide input to the construction sector by stimulating domestic demand, in the phase of realizing the surplus value; on the other hand, to generate income based on land rent and speculation, to turn to "liquid" assets and thus, to compensate the decreasing profitability. Besides banks, another important reason why financial institutions, especially in the form of REITs, turn their face to housing finance is to increase the profitability by increasing the already low capital turnover rate (long period of time on return on investment) in the construction and real estate sectors.

We have aimed to reveal that in many DEs in addition to the similar motives mentioned above, seeking assurance plays a decisive role, especially in the face of **exchange rate risk and increasing financing cost**. We stated that as a result of the relatively low competitiveness embodied in the import-dependent production structures of these economies, the increasing integration with the world economy makes them dependent on international financial flows. In order to pay the foreign exchange debt caused by the foreign trade deficit, the necessity of attracting capital to the country with high interest rates brought the dependency on international money flows searching for short-term, high speculative returns. Depending on the credit expansion caused by this dependency, together with the valuation of urban lands; in Turkey as well, after 2000s finance capital has also included the construction and real estate sectors within the scope of its fields of activity. Thanks to REITs which are mostly subsidiary of holdings, turning to the real estate production process functions as a compensatory mechanism, in terms of coping with the obstacles encountered in the capital accumulation process for Turkish finance capital.

These findings lead us to the conclusion that in order to understand the factors behind the compulsory choice of "escape to the financial sphere", it is necessary to look at the obstacles faced by Turkish industry and capital accumulation as a whole in the sphere of production rather than the requirements of financial capital. REIT is one of the attempted solutions of Turkish finance capital in order to cope with these obstacles.

Another finding of us within the framework of this article was about the role played by the state in this process. We stated that, the state allocates public lands to the private sector through HDA, which is actually another form of privatization of SOEs, its main function is in fact to stimulate capital accumulation through the construction sector and to distribute land rent and real estate speculation. On the other hand, we underlined that the power of disposition over public lands and buildings, Istanbul properties gaining more value day by day also serves the function of strengthening the JDP regime by producing a pool of privileged or ally circles of capitalist groups. Therefore, this power of disposition also provided a certain hegemony and consent over various social segments of the country.

However, based on these findings, it is not enough to see the privatization of public lands as a resource transfer mechanism to a certain capital group. This kind of approach would mean tackling the problem within the spheres of circulation and distribution. In order to understand the main role played by the state in the development of housing and real estate sectors, it is necessary to focus primarily on capital accumulation and on the sphere of surplus-value production. Only after that, it is important to look at the efforts to influence the distribution through resource transfer mechanisms and political purposes, in order to understand the nature of the process. The **real** meaning of commodification of public land and as its result transforming it into an important input for housing production lies rather in the contradictions of the mode of integration with world capitalism on a neoliberal basis in line with the needs of capital accumulation of Turkish finance capital than the JDP regime's effort to create "its own capitalists" during this period. These contradictions, embodied in exchange rate risk and increasing financing costs, in an economy with relatively limited competitiveness and production structure dependent on imports, constitute the main reason why finance and non-financial capital groups in Turkey turn to the construction and real estate sectors. The concrete development of rent and resource transfer mechanisms gains meaning only on and in relation to these accumulation dynamics. This means: If there had not been such a large inflow of capital to the country since the 2000s, it would not have been possible for the JDP governments to gain such momentum in the construction sector with the economic policies they would follow.

It is necessary to clearly discuss and understand the ways in which Turkish capitalism is articulated to the world economy and the economic limits it creates. The **limits of economic policies** that can be applied in an economy that is dependent to the world economy through certain financial, commercial, and production channels are quite narrow and sharp (Orhangazi, 2020).

As a matter of fact, as we have shown in this article, the allocation of resources of public lands to privileged constructing firms brings some allies and supporters to JDP and Erdoğan, and the JDP regime creates its own oligarchs. However, as we tried to demonstrate, Turkish finance capital (with its capital groups, holdings, banks and its organic ties with the industrial capital) as a whole is actively involved in the pursuit of land rent and speculation in the construction and real estate sectors and it is making money; whether through REITs or not.

It should also be noted that these circumstances had significant social consequences in terms of the housing problem. The most important contradiction caused by the housing problem, which emerged as an expression of the contrast between the need for housing (the use value of the house) and the real estate sector (the exchange value of the house); reveals itself between the gradual decrease in the rate of housing ownership (millions in need of a roof over their head) and the accumulated housing stock volume (empty houses waiting to be sold at speculative value). This result also shows us that, contrary to what is claimed, market forces are far from meeting the need for shelter. In terms of housing stock, there is a swelling in many countries, especially in China. There is 1.8 million housing stock in Turkey as of June 2019 (Purkis, 2016), as well. More importantly, though the real estate sector is growing rapidly, the housing required for 60 percent of the demand cannot be produced. On one hand, the number of people in need of housing and on the other hand, the number of luxury residences is increasing rapidly. Another social consequence is that the housing and real estate sector carry a high risk which may trigger a severe economic crisis in case of financial shocks, in which foreign capital flows are interrupted, due to the high external indebtedness and consequently dependent on foreign capital inflows.

In addition to all these outcomes, another important outcome that cannot be ignored is the following: In the construction sector, which is relatively more labor-intensive, heavy working conditions prevail in order to obtain more added value. REITs harbor subcontractor labor in order to both get a larger share of the surplus value from housing production and increase the capital turnover rate (return on investment) of the housing production process. As a result of all these factors, it also has a share in occupational murders that are frequently encountered in the sector.

Our considerations and the results we reached within the framework of this study show us that the **class** dimension of the housing problem is of crucial importance. The organization of finance capital, which has flooded into the construction and real estate sectors since the 2000s, in the form of REITs is not in itself a product of wrong policies and not only the preferences of their governments to maintain their hegemonic power. Of course, they have some significance. However, what is more decisive is that this orientation of domestic and international finance capital, in a period when the world economy is going through severe crisis conditions, is the search for a solution to cope with or postpone the obstacles faced by capital accumulation in general.

In this study, starting from REIT, (by referring the key role of the state in this process through HDA and Emlak Konut) we tried to show that; it is the social production relations, which is product of the accumulation needs of domestic and international finance capital, lies behind the capturing of public lands in form of land rent and also part of the surplus value created in the construction sector in form of profit. On the one hand, the international and domestic finance sector, which prefers to give loans to housing and real estate rather than industry because it is more "profitable", industrial capital that has turned to contracting and real estate business, by selling factory lands, state policies and municipal administrations that create the necessary environment for this; on the other hand, there is the urban poor who was driven from their homes and neighborhoods by means of "urban transformation", the workers who had to pay credit debts for years in order to be able to own a house, the workers who are mostly subcontracted and without security, and who fell victim to occupational murders almost every day.

It is clear to us that the housing problem, as it stands, is the subject of an ongoing class struggle between the workers constituting the majority of the society in big cities, and the domestic and foreign finance capital. The logical result of looking for the roots of the housing problem not in the relations of production, but in the sphere of reproduction (legal and institutional arrangements) and circulation (opening of public lands to the market, etc.); will be to focus on policies that lead to the unequal distribution of public lands. To focus only on the poor housing policies of the government and the bad regulation/management of the real estate sector; may lead us to ignore that it is the class struggles in the area of both production and politics that give color to the policies followed in the housing and real estate sectors. For this reason, not enough how much we emphasize the importance of the struggle for a housing policy in favor of labor, which opposes the logic of private property and profit in housing production, rather than the commodification of housing.

References

Akçay, Ü. (2017). Finansallaşma, merkez bankası politikaları ve borcun "özelleştirilmesi". In P. Bedirhanoğlu (Ed.), Finansallaşma kıskacında Türkiye'de devlet (pp. 45-83) İstanbul: NotaBene Yayınları.

Alaybeyoğlu, A. (2021). G*ayrimenkul yatırım ortaklıkları kapitalizm ve Türkiye.* İstanbul: SAV Yayınları.

Becker, J. (2019). B*irikim stratejileri ve finansallaşma: Türkiye ve Macaristan*. İstanbul: SAV Yayınları.

Becker, J., Jäger, J., Leubolt, B., & Weissenbacher, R. (2010, December 1). Peripheral financialisation and vulnerability to crisis: a regulationist perspective. *Competition & Change*, *26*(8), pp. 225 – 247. doi:https://doi.org/10.1179/102452910X128.377.0361.

Bonizzi, B. (2013). Financialisation in developing and emerging countries: a survey. *International Journal of Political Economy*,*42*(4), pp. 83-107.

Bonizzi, B., Kaltenbrunner, A., & Powell, J. (2019). Subordinate financialisation in emerging capitalist economies. *Greenwich Papers in Political Economy*. https://core.ac.uk/download/pdf/189394133.pdf.

Brunhoff, S. d. (2007). Finans sermayesi ve sanayi sermayesi: yeni bir sınıf koalisyonu. In A. Saad-Filho (Ed.), Kapitalizme reddiye-marksist bir giriş. İstanbul: Yordam Yayınları.

Doğru, E. (2016). Devletin konut meselesine müdahalesini kavramsallaştırmak: bu gürültüler neden TOKİ?. In T. Tören (Ed.), "Yeni" Türkiye (pp. 206-245). İstanbul: SAV Yayınları.

Dünya The Newspaper. (2018, Ocak 19). *Sanayici rant şehvetinden uzak tutulsun!* https://www.dunya.com/ekonomi/sanayici-rant-sehvetinden-uzak-tutulsun-haberi-399230 adresinden alındı

Emlak Konut. (2019). *Emlak Konut yatırımcı sunumu.* İstanbul. http://www.emlakkonut.com.tr/_Assets/Upload/Images/file/YatirimciSunumu/turkceSunum.pdf.

EVDS. (2020, September). Electronic data distribution system. https://evds2.tcmb.gov.tr/index.php.

Gürakar, E. Ç. (2018). *Kayırma ekonomisi.* İstanbul: İletişim Yayınları.

Harman, C. (2012). *Zombi kapitalizm-küresel kriz ve Marx'ın yaklaşımı.* İstanbul: Marx-21 Yayınları.

ISO. (2019, 05 28). İSO, "Türkiye'nin 500 büyük sanayi kuruluşu 2018". İstanbul.

Kaltenbrunner, A., & Painceira, J. P. (2017, Temmuz 13). Subordinated financial integration and financialisation in emerging capitalist economies: the Brasilian experience. *New Political Economy*, pp. 290-313.

Karaçimen, E., & Özlem, Ç. (2017). *Türkiye'de gayrimenkul ve finansın derinleşen ve yeniden yapılanan ilişkisi*. İstanbul: Notabene Yayınları.

Karwowski, E., & Stockhammer, E. (2016). Financialisation in emerging economies: a systematic overview and comparison with Anglo-Saxon economies. *Kingston University Economic Discussion Papers, 5*(1), (pp. 5-9). London: Kingston University.

Lapavitsas, C. (2013). *Profiting without producing how finance exploits us all.* London: Verso.

Lapavitsas, C. (2019). *Finansallaşayı teorileştirmek*. SAV Yayınları.

Mavroudeas, S. (2018). The financialisation hypothesis and marxism: a positive contribution or a trojan horse? *Second World congress on marxism 'marxism and the current World and China.* Beijing China.

Orhangazi, Ö. (2020). *Türkiye ekonomisinin yapısı.* Ankara: İmge Yayınevi.

Purkis, S. (2016). İstanbul'da inşaat odaklı birikimin durdurulamayan yükselişi: konut fazlasına karşın artan konut açığı. *Mülkiye Dergisi*, *40*(4), pp. 91-111.

Rana, E., & Tepecik, F. (2012). İnşaat sektörüne küresel bakış. *AKÜ İİBF Dergisi*, *14*(1), pp. 25-41.

Roberts, M. (2018, Kasım 27). *Financialisation or profitability?* thenextrecession: https://thenextrecession.wordpress.com/2018/11/27/financialisation-or-profitability.

Roberts, M. (2020, 7 25). *A World rate of profit: a new approach.* thenextrecession: https://thenextrecession.wordpress.com/2020/07/25/a-world-rate-of-profit-a-new-approach.

Rodrigues, J., Santos, A. C., & Teles, N. (2016). Semi-peripheral financialisation: the case of Portugal. *Review of International Political Economy*, *23*(3), pp. 480-510. doi:https://doi.org/10.1080/09692.290.2016.1143381

Sayıştay Başkanlığı. (2015). *Kamu işletmeleri 2015 yılı genel raporu.* Sayıştay Başkanlığı. https://www.sayistay.gov.tr/tr/Upload/62643830/files/raporlar/genel_raporlar/kit_genel/2015_Ki2.pdf.

Sönmez, M. (2011 , Eylül 19). *Cumhuriyet*. İkinci özelleştirme idaresi: TOKİ: https://www.cumhuriyet.com.tr/yazarlar/mustafa-sonmez/ikinci-ozellestirme-idaresi-toki-283248.

SPK. (2020, Eylül 12). *SPK aylık istatistik bültenleri.* Sermaye Piyasası Kurulu: http://www.spk.gov.tr/SiteApps/Yayin/AylikIstatistikBulteniDosya/149.

World Bank. (2021, 02 10). Foreign direct investment, net inflows (BoP, current US$) – Turkey. https://data.worldbank.org/indicator/BX.KLT.DINV.CD.WD?locations=TR

Yalman, G. (2019). *Finansal krizler ve sermaye grupları*. İstanbul: SAV Yayınları.

Yazıcı, R., & Yazıcı, A. (2018, 01 06). Gayrimenkul Sektörünün gelişiminde sermaye piyasalarının önemi. *The Journal of Academic Social Science Studies*, *4*(68) pp. 391-411.

Yolculukhaber (2020, 07 07). *AKP, 17 yılda 3.7 milyar metrekarelik kamu arazisi özelleştirmiş*. yolculukhaber: https://www.yolculukhaber.net/AKP-17-yilda-3-7-milyar-metrekarelik-kamu-arazisi-ozellestirmis.