

## FINANCIALIZATION OF GLOBAL CAPITALISM AND STATE IN TURKEY<sup>1</sup>

*Hasan ACAR*<sup>2</sup>

### **Abstract**

With its historical background especially started in the middle of the 1960s, tendency to decline in profitability ratios among central capitalist countries, after the economic crisis in the 1970s, the countries which adopted more and more capitalism, reactions to falling profitability rates and an unprecedented momentum in the financial process after 1980, which was never seen before set forth index of events that shape today's World economy. Labor and capital movements gained much more freedom with the revolutions in transportation, technology and communication which started in the 1980s and continued in 1990s and 2000s. With the removal of the obstacles to the capital movement, financial markets have become a common, uninterrupted international market. Financialization, which has become increasingly important as a result of technological and economic developments, has emerged as an important concept in the world economy since the 1990s. This study aims to assess the impact on Turkey of the last twenty years the historical transformation of the main factors that make up the infrastructure of the capitalist system.

**Keywords:** Financialisation in Turkey, Government Incentives, Neoliberalism, Capitalism, State Debt

---

1 Makalenin Geliş Tarihi: 21.2.2019

Makalenin Kabul Tarihi: 10.6.2019

2 Dr., Jandarma ve Sahil Güvenlik Akademisi Başkanlığı, Bursa Işıklar JAMYO, e-mail: hasanacar.uludag@gmail.com.

**Atıf:** Hasan A. (2019). Financialization of global capitalism and state in turkey. *Tesam Akademi Dergisi*, Türkiye Ekonomisi Özel Sayısı, 129-150. <http://dx.doi.org/10.30626/tesamakademi.584287>

## **Türkiye’de Küreselleşen Kapitalizmin Finansallaşması ve Devlet**

### **Öz**

Tarihsel arka planı olmakla birlikte özellikle 1960’lı yılların ortalarında başlayan merkez kapitalist ülkelerde kârlılık oranlarındaki düşme eğilimi, 1970’li yıllardaki ekonomik kriz sonrası kapitalistleşen ülkelerde düşen kârlılık oranlarına karşı gösterilen reaksiyonlar ve 1980 sonrasında benzeri görülmemiş bir ivme kazanan finansallaşma süreci günümüz ekonomisine şekil veren olaylar dizisini oluşturmaktadır. 1980’li yıllarda başlayan, 1990’lı ve 2000’li yıllardan günümüzde de devam eden ulaşım, teknoloji ve iletişimde gerçekleşen devrimlerle beraber emek ve sermaye hareketleri çok daha serbestlik kazanmıştır. Sermaye hareketinin önündeki engellerin kaldırılmasıyla birlikte finansal piyasalar ortak, aralıksız çalışan uluslararası bir pazar haline gelmiştir. Teknolojik ve iktisadi gelişmeler sonucu giderek önem kazanan finansallaşma, 1990’lı yıllardan itibaren dünya ekonomisinde önemli bir kavram olarak karşımıza çıkmıştır. Bu çalışma, kapitalist sistemin alt yapısını oluşturan temel faktörlerin tarihsel dönüşümünün Türkiye’de son yirmi yıldaki etkilerini değerlendirmeyi amaçlamaktadır.

**Anahtar Kelimeler:** Türkiye’de Finansallaşma, Devlet Teşvikleri, Neoliberalizm, Kapitalizm, Devlet Borçlanması

## **Introduction**

Although the center of gravity of the world economy has shifted from the industrial accumulation to the financial accumulation in the mid-1960s, the financialization literature has a history of about twenty to thirty years. The concept of financialization was first used by Kevin Phillips and Giovanni Arrighi in the first half of the 1990s (Arrighi, 1994). It is seen that the transformation process of the world economy in the last few decades is often expressed by the notions of globalization and neoliberalism. Consequently, doing a specific history and space analysis while doing this review will lead us to ignore all the economic, political and sociological factors that constitute the historical background of financialization and the infrastructure of financialization. Therefore, it will be useful to refer to the historical transformation of financialization in order to make our work more satisfying and systematic.

Financialization is quite advanced in the period from the late nineteenth century to the 1914s. The lack of barriers to international trade, the free movement of actors in the international arena, the high level of integration movement in global markets can be counted among the reasons for this financialization. In the 1945s, global integration flows were interrupted by the 1929/30 crisis. However, the developments in the central capitalist countries, which started in the mid-1960s, started with the tendency to decrease and financial capital accumulation.

In the period after the economic crisis in the 1970s, the reaction against the declining profitability rates, the use of the US dollar in global shopping markets and the collapse of the Bretton-Woods system in the US hegemony, a system in which all national currencies were indexed relative to the US, continued this process. The reason for the collapse of the system in question is the increase in the dollar supply of the speculators and the extraordinary increase in the demand for gold simultaneously, despite the radical measures such as increasing the margins of the surge, the inability to prevent the collapse. The fact that the industrialized countries stopped indexing their national currencies to the dollar led the index system to pull the flag of bankruptcy and eventually the golden age of capitalism ended. After this period, financialization had gained unprecedented momentum in the 1980s, and Keynesian policies which served capital accumulation in the previous period were abandoned and a process under the leadership of Neoliberalism was started.

After the 1980s, fiscal policies in environmental capitalist countries were

shaped in the context of the neoliberalist policies, the pressure of foreign exchange pressure and the external debt crisis in the country to create public debt and to create a budget surplus. In the post-2000 period, the neoliberal fiscal policies were shaped by austerity policies (Gurkan & Karahanogullari, 2014, p. 1).

With financialization, a new type of debt relationship has been integrated into the world economy, which makes it possible to obtain high speculative gains. International institutions have ceased to be a debt door and international capital markets have been one of the actors of the new borrowing relationship. The state undertook tasks such as guaranteeing the gain of speculators in the relationship of financial accumulation based on debt and minimizing the losses on the back of others.

The aim of our study of the financialization process that an analysis of the more satisfying aspects examines the effect of Turkey, the historical process of financialization, it will be possible by the illumination of the economic and social background. Therefore, the developmental stages of the financialization process, the formation of this process and the main factors that provide acceleration, the sociological, economic, cultural and political understanding of the analysis is important for the interpretation of our study from a wide perspective.

### **Concept of Financialization**

As a matter of fact, many books and writers have written about concepts such as financialization and neoliberalism. But these researchers have not fully reached agreement on the definition of the term financialization. One of the most important reasons leading to this situation is that the concept of financialization is actually a social and historical phenomenon. For this reason, many researchers in the different spheres of social sciences have defined the term *farklı* financialization *inda* from their perspectives. When we consider the historical dimension of financialization; it will be seen that researchers who lived in different times, worked in different social sciences, and who adopted different ideologies, commented on the concept of financialization. Therefore, when evaluated in the historical and social context, it can be assumed that there is no definition agreed on.

The shifting of the center of gravity of the world economy from the industrial accumulation to the financial accumulation has emerged as a manifestation towards the middle years of the 1960s. But the financialization literature has a history of about twenty to thirty years.

Globalization and neoliberalism have been used by researchers to describe the transformation of the world economy in the last thirty-fourty years. However, the use of these concepts in today's sense is quite new as the financialization literature. The concept of financialization was first used by Kevin Phillips and Giovanni Arrighi in the first half of the 1990s. Giovanni Arrighi described financialization as a "long distinction between different economies and real economies" (Arrighi, 1994).

Krippner analyzes financialization as a business, economic and political process that encompasses the entire economy, rather than merely the growth of the financial sector itself. He defines the concept of financialization as profit generation and accumulation of capital through financial channels rather than trade and commodity production (Krippner, 2005). Gerald Epstein, after introducing the financialization views of Duménil, Lévy, Baker, Pollin and Krippner in the introduction of "Financialization and the World Economy", has made a definition of financialization (Epstein, 2005): the role of incentives, financial markets, financial actors and financial institutions.

In this study, although none of the researchers mentioned above is considered as wrong, financialization will be defined as the process of capitalist capital accumulation, the belt process from the real (industry) field to the financial area, in other words, the process of breaking apart of the real and the financial field it will be subjected to analysis.

### **Financialization Process of Global Capitalism and Factors Forming the Infrastructure of Financialization**

It would not be wrong to accept the 1870 Industrial Revolution as a turning point in terms of world history and the world economy. With the Industrial Revolution of 1870, the system of moving from home to the production system was switched to the production system based on the division of labor in connection with mechanization in factories. The change in the production system has made technology and technological change one of the main factors of globalization important. With the increase of technological development, invention gained importance and monopolization and capital accumulation gained increasing importance in the economy. With the industrial revolution; railways, telegraph, railways developed from the colonial countries for the transfer of resources from the homeland, therefore, developed communication networks. With these developments, the removal of the barriers to international trade, the manifestation of the liberal economy, the increase of freedom of

movement of capital and labor factors and the decreasing labor cost due to factor mobility decreased the production costs. All these developments led to an increase in capital accumulation, profitability rates, enrichment of capitalists and the acceleration of globalization. The globalization of the world economy continued until World War I, which began in 1914.

The globalization and economic integration process, which started in 1914 with the First World War, continued until 1945-1950. After World War I, with the influence of Fordism and Taylorism, where the United States has become a superpower, capitalism has gained momentum; it is observed that the integration into machinery and technology-related production is at a very high level, real estate prices have become swollen and the companies and banks are growing. At the time when these developments were observed, real estate purchased through ballooning real estate prices started to be sold even below its value. The real estate owners were directed to the stock exchange and due to the high demand for their shares, the values of the stocks increased remarkably. Inevitably the stock market collapsed, banks and companies sank inevitably. The US hegemony, which adopted the liberal economy as a policy, provided freedom to companies and banks, disabling the entire control mechanism for credit ratios and capital accumulation, which led to the uncontrolled growth of the credit volume and thus the price bubble.

The 1929-1930 Great Depression, where these events took place, was one of the factors that cut off the increasing speed of economic integration until 1914. After that, the problem of sharing among countries entering the colonial race, conflict of interest and the power race on the use of oil reserves II. It led to the World War, and this war was the main factor in the process leading to the loss of economic integration and global integration, which lasted until 1945-1950. In 1944, the Great Depression and II. Bretton Woods was founded in the United States in order to eliminate the negative effects of the World War II economic downturn on growth and employment.

The US devalued the dollar by 5% for the second time on February 12, 1973, as a result of the inability to prevent the growth in the balance sheet deficit and increased speculation. In this devaluation of the dollar, the parity change was first made according to SDR. Despite the devaluation of the dollar for the second time, the dollar could not be avoided and gold and strong currency continued to move. The continuous increase in the price of gold in the free market, March 12, 1973, the Brussels Treaty and the EU countries have left their money fluctuating against the dollar. As a

result, the European money snake was cut from the dollar, and the snake came out of the tunnel. Thus, EU countries are separated from the fixed exchange rate system. The devaluation of the dollar for the second time shook the confidence in the fixed exchange rate system and the operation of the Bretton Woods system was terminated. In March 1973, the Bretton Woods system was completely destroyed and the fixed exchange system was abandoned (İyibozkurt, 2001, p. 389).

The reason for the collapse of the Bretton Woods system is due to the fact that the increase in the dollar supply of the speculators and the extraordinary increase of the demand for gold simultaneously, despite the radical measures such as increasing the margins of the surge, cannot prevent the collapse. By Koç, 5 the central capitalist countries, on the one hand, the tendency to fall in the rates of profit starting in the mid-1960s, on the other hand, the collapse of the Bretton-Woods system with the 1970s, the end of the golden age of capitalism (Koç, 2015, p. 116). After the economic crisis in the 1970s, there have been radical changes in the world economy. Öztürk stated that the focus of these changes is to increase the decreases in company profitability in early capitalized countries (Yaman and Öztürk, 2008).

At the time of the collapse of the Bretton Woods system, the international mobility of capital gained more momentum than ever before, and the collapse of the Bretton Woods system and the emergence of the oil crisis also brought the deepening of the markets to a great extent. In the years following the oil crisis of 1973-1974, there have been tremendous changes in the world, particularly in the institutional and political context.

In the period under the leadership of neoliberalism, as in Keynesian policies, there are tendencies for the state to operate in an order where the economy is separated from the state, rather than the free economy, the private entrepreneurs are the main actors rather than the interventions such as direct employment and growth and social welfare expenditures. Hence, in this period, the state, the internationalization of capital, rather than the employment and growth-oriented budget policies, the increase in the accumulation of financial capital, interest, money and tax policies as complementary elements of the financial accumulation in this period of functions as a complementary function of the financialization cycle, as main flow pump.

## **Globalization of Financialization Process in Turkey Economy and State**

Thomas Friedman, in his book *The Lexus and the Olive Tree: Understanding Globalization* said: “Globalization is not a phenomenon. It is not a temporary trend either. Today it is an international inclusive system that shapes both the local and foreign policy of all countries, and therefore we need to understand it” (Friedman, 1999). With the globalization process, the world has witnessed an extraordinary transformation in the economic, political, financial and social spheres.

Keynesian policies, in which capital accumulation is based on investment and where the objectives are production, growth and employment, were started to be questioned and rejected in the 1970s, with the end of the Golden Age of Capitalism which we have mentioned above, and in connection with the world economy becoming a stagflationist tendency. Neoliberal policies began to leave. With the neoliberal policies, a process has started which is the guarantor of the state for the utmost of globalization. The capitalist states undertook a series of tasks to adapt to the financial accumulation regime.

Therefore, a new debt relationship has been established with the effect of the government’s regulatory procedures and guarantor, a large increase in the volume of financial transactions has been realized, and large budget deficits have been given not for employment and growth but for the accumulation of finance capital. In this process, which was handled by the state with financialization, private sector debts increased gradually and this increased debt caused the external debt in banks to increase. Banks have become organizations that derive speculative gains from intermediary activities established between an investor and an investor. Therefore, this integrated financial market system has made them fragile due to the foreign debts of the banks. As can be understood from these developments, the financial accumulation regime based on debt was introduced to the world economy with globalization. Investment incentives supported by the government’s incentives for the transfer of savings and investment resources in the financial system, incentives for taxation, exemptions and exemptions, subsidies and customs exemptions have also been important factors in the integration process.

The Washington Accord, which was designed by the Washington-based institutions for the Latin American countries, which was initially designed for the countries with high debt burdens in the first place, can be defined



as a series of policies expanding to the surrounding countries. As a means of interest, through the IMF and the World Bank, it offers a set of policies called structural adjustment programs. The main propositions of the content of the program are: privatization of public resources, reduction or abolition of regulations that reduce the decision area of the state, removal of obstacles to capital movements, liberalization of interest rates, expansion of the tax base, and reduction of budget deficits by ensuring fiscal discipline, protection of property.

Countries in the capital of the world market for more integration. On the other hand, centralization as a result of the monopoly tendencies, aimed at overcoming the economic and political barriers to the entry of the international financial capital and one of the objectives involved, especially the imposition of the neighboring countries in this program is the fastest way the country was Turkey. Turkey is accepted as the first step of the process of financialization January 24, 1980, Decisions, Turkey's economy was abandoned the policy of state, the transition to a free economy and the implementation of the floating exchange rate system, thus increasing the convertibility of the Turkish lira is intended to facilitate the exchange with other national currency, the closure of public deficits, the international capital mobility and the IMF-type neoliberal decisions which have targets such as the removal of barriers to international trade and increasing exports. Settlement of organization and understanding of neoliberal governmentality debt economy in Turkey, starting on January 24, 1980, Decisions based on legal and institutional arrangements which continued until the mid-1990s (Güler, 2017, p. 215).

The process that started with these decisions, the establishment of the Capital Market Board in 1982, the establishment of the Istanbul Stock Exchange, the easing and development of the techniques of the issuance of the government domestic debt securities, the works for the purchase and sale of these bonds in the secondary markets, the flow of money among themselves has established a corporate and legal basis with the creation of markets. In this period, tight fiscal and monetary policies were followed, inflation rates, which were followed in the first place, were followed up. Until the end of the 1980s, privatization could not be carried out due to the problem of constitutional arrangements and then it started.

One of the most important turning points of the financialization process in Turkey were well received by the government in August 1989 "Decree No. 32" is (Boratav, 1994, p. 12):

“Turkey’s economy has taken the step to financial freedom this decision, the financial capital has been liberalized in both the national and international arena. In 1990, he faced a development that could be summarized as the tendency of speculative capital movements to the developing countries that marked the global conjuncture. This speculative capital inflow has produced negative effects on economic balances and led to the shift of investments from the real sector to the financial sector.”

During this period, due to the terror problem, military expenditures increased in the 1990s, due to the loss of public enterprises that were condemned to incur losses due to the privatization of the public and huge budget deficits were created due to the loss of public banks. Domestic borrowing for financing budget deficits led to an increase in interest rates in money markets. High real interest rates acted as a transfer of resources from the public to the finance capitals. In addition, the banking system that began to grow had become increasingly important by intermediating the government’s domestic debt securities which are free of tax (Koç, 2015, p. 127).

### **The Impact of Economic Crisis on Financialization Process**

One of the features that are an integral part of the financialization process is the financial crises. It is argued that economies, especially in terms of capital movements, are open to the outside and financial integration is the main reason for global crises since the 1990s. In addition to the increasing capital movements, one of the important aspects of financial globalization in terms of economic crises is the increase in total debts in the economy. The value of financial liabilities and assets began to rise above the country’s GDP. Meanwhile, with the firms, the debts and hence the risks of households have increased (Ganiev, 2014, p. 126) is the largest serious crisis faced by Turkey in the first place in this period was the 1994 crisis. One of the main factors in this crisis is the increasing budget deficits due to the interventions of the state in the process of capital accumulation in order to prevent falling profitability. This crisis, followed by Turkey with the IMF “Stand-By” has signed the agreement. The second biggest crisis for this period is the 2001 crisis (Yeldan, 2009, p. 22).

In the period leading up to the 2001 crisis, it is observed that the accumulation of speculative capital has created swelling in the banking sector, which is not swift and unhealthy. Also during this period external debt and current account deficits have increased in an unusual way, the impact of internal and external debt took place in Turkey’s economy.

While public banks gave big deficits, the market became uncontrollable, the capital outflow was accelerated in this process which also affected investors and thus budget deficits could not be financed and this situation caused the companies to sink rapidly. Due to the sinking of the companies, unemployment has reached its peak. Therefore, in such an environment, the crisis has become inevitable. This crisis has cost a lot of hefty bill from the 1994 crisis in Turkey.

Gross Domestic Product has shrunk by -5,7%, financial and banking sector has been paralyzed and foreign debt has increased significantly as the state undertakes the payment obligations of sinking banks. Total external debt also increased significantly. While the ratio of total external debt to GNP was 44.5% in 2000, it increased to 96.2% in 2001. While the public deficit / GDP ratio was 8% in 2000, it increased to 12% in 2001 (Koç, 2015, p. 128).

The main objective of the Transition to Strong Economy Program, which was put into practice after the crisis of 21 February 2001, was to eradicate the crisis of confidence and instability caused by the abandonment of the exchange rate regime and to form the infrastructure for the restructuring of the public administration and the economy so as not to return to this situation simultaneously. It is no longer possible to return to the old order. As can be seen from this statement, the neoliberal function of the state with this program will be rearranged on the basis of legal and administrative institutional structures in accordance with the conjuncture. As a matter of fact, the causes of the 2001 crisis in the Introduction to the Strong Economy Program are as follows: (i) The emergence of an indebted internal debt dynamics and (ii) the unhealthy structure and other structural problems in the financial system, particularly in public banks, has not been solved. Therefore, it was decided to follow policies in the first place in order to fully regulate the banking system and to ensure fiscal discipline, including public banks: The law adopted in 2001 determined the central purpose of the Central Bank of the Turkish Republic –CBTR- as price stability and declared independence of the central bank. The immediate removal of the law was an indication of the effort to rebuild “trust” in the financial circles. Banking Law No. 5411 of 2005 introduced the international principles and standards required to ensure that banks are fully integrated into the global financial system (Erdem, 2014, p. 149).

Law no. 4651 on the independence of the CBTR's policy instruments and the closure of the advance account between the CBTR and the Treasury: The Bank cannot give advance and credit to the Treasury and the public

institutions and establishments; it cannot buy from the primary market. Thus, following the 2001 crisis, the CBTR gained an independent status from the political power in order to implement monetary policy, which means a new monetary policy framework that will be the hallmark of the 2000s (Akçay, 2016, p. 64).

This monetary policy framework again accompanied by a Treasury application of the principle of strong fiscal discipline during the 2000s and has prepared the ground for significant changes in the debt structure of these two developments in Turkey (Akçay, 2016, p. 64). Therefore, the monetary policy, which was put into practice after the 2001 crisis, focused on fiscal discipline. Moreover, the policy to regulate this inflation led to a decrease in the domestic borrowing interest rate after the 2001 crisis.

On the other hand, the regulations on banks are important in terms of the expansion of capital with the increasing freedom of movement, as well as from financial to private, from companies to banks and households. Because in the process of financialization under the guarantee of the state, financial expansion depends on the fact that there are new areas where finance capital will spread. As a matter of fact, private sector debts increased compared to public debt.

The increase in private sector debts, which are of utmost importance for the penetration of financial expansion into society, has manifested itself especially in the debts of the housing markets. The increase in private sector borrowing led to a significant increase in the external loans and deposits given to banks and the fragility of the system stemmed from the short-term speculative flows of the significant portion of the funds that banks hold in-house (Erdem, 2014, p. 149).

In this period, where the debtors of the private sector cannot be repaid on the basis of the borrowing of the private sector, in the process of being the guarantor of the state, this means that the debtor as the payee is the state. The guarantee of the state to pay these debts also means socialization of debts. Therefore, if we need to analyze from a wide perspective around the subjects mentioned above; In addition to the expansion of the private sector borrowing in line with the expansion of the banking sector and the accumulation of financial capital, the fact that the government has taken on the role of regulatory and guarantor in this process rather than managing and managing this process reveals the correlation between government, borrowing and regulations for banks.

Through incentives to encourage investment in Turkey of an economic policy tool, it has always been prominent in the post-1980 period. The general feature of the practices in this period was not only to increase the level of investment in the country but also to give direct investment support to specific sectors. While tax reductions, credit subsidies and cash transfers were used as the main incentive methods, investments to increase exports were also given priority (Akduran and Temelli, 2015, p. 230).

In 2000 Turkey was the beginning of a neoliberal era with state regulatory components. The process of Transition to a Strong Economy Program, which began in 2001 with the introduction of Kemal Derviş into the economy, meant restructuring the economy for a sustainable environment of stability. As a matter of fact, the following regulations and new institutions have completed this process. In this process, macroeconomic policies in the 2000s focused on price stability and fiscal reliability (Akduran & Temelli, 2015, p. 244).

Therefore, in the post-crisis period, within the scope of Transition to Strong Economy Program, it was decided to pursue policies aimed at reducing the public debt, which is stable and more growth-oriented and which is resistant to economic shocks from external sources and has reached extraordinary levels. The purpose of the incentive policies introduced in this framework is to increase the export and reduce imports and to form a financial system in which the savings will be channeled to investment. Two major developments forming this context, the basic fundamental legal and institutional of the incentive system applies Turkey: in 1985, "Resource Utilization Support Fund" to switch to the incentive system through a grant by the method of application, in 1996, "World Trade Organization" (WTO) subscribed to and "Customs Union. Consequently, the targeted theoretical objectives have been turned into practice by means of administrative and institutional structures such as tax exemptions and exceptions, customs exemption and the tax deduction. In this context, a significant transformation has been observed in the post-crisis crisis. It has been observed that the indirect taxes, which are determined according to the solvency of individuals, decrease according to the direct taxes, the taxpayer is not certain and thus the payment power of the taxpayer cannot be adjusted. This has led to injustice in taxation and inequality in income distribution: the February 2000 crisis has led companies to impose lesser taxes on the state, while also accelerating non-taxation with unregistered production and employment. In 2001, the difference between the reported base and the financing of audits and the

redistribution of income is very high. In 1999, the auditors who examined the reports reported a difference of 81% between the actual and the reported. This rate was 55% in 2000. There is an increase in the number of companies that are wrong to compensate for the losses in the crisis. On the other hand, Turkey's unregistered effective in the low tax capacity has expanded its field with the crisis in the economy (Candan, 2012, p. 83).

When the calendars showed the spring months of 2007, the global crisis of 2007-2008, which erupted in the US, is considered to be the most important crisis of neoliberalism. Before the crisis of 2008, there was a situation in the US economy that there were not unusual movements in the prices of commercial goods and the situation in the labor market was close to the optimum. In this favorable economic environment in which the US is located, low housing prices have led to a high demand for the housing sector. In this mild economic conjuncture, due to the low loan rates, households and investors have intensely turned to housing. The crisis that erupted in 2008 was mainly a result of a general profit of 35 years in central countries and a downward trend in interest rates (Gürkan & Karahanoğulları, 2014, p. 9). On the other hand, since the risk-taking of banks is also high, every individual demanding has the opportunity to borrow. Even under the name of the subprime mortgage, significant amounts of loans were extended to the lowest income groups.

The banks, which have been more profitable in this period, generously distributed loans in this period and made their receivables arising from housing loans as bank derivative products red. In the same period, dollar subprime mortgages gage increased to more than 1,6 trillion dollars. However, due to serious borrowing and housing purchases, the credit bubble was formed after a while and the wheels that had circulated in the economy at the end of these developments started not to turn. Interest rates started to increase in response to excessively high credit volume and households, whose credibility had already been weak in the period, remained under a significant debt burden due to interest rate mortgages. Then, there were problems in repayment of loans to the banks and, as expected, problems also arose in the market of derivative products which contained mortgage loans.

The banking sector has entered a serious liquidity deadlock due to the decline in the reliability and the quality of the banks. Individuals under debt burdens wanted to close their loans by selling the houses they bought, but there was a serious decline in house price due to excessive housing supply and insecurity in the market. Therefore, they have become unable

to sell even the half-price of the houses they bought and the mortgaged houses have been seized by credit institutions. The deterioration in the asset quality of the banks, the problems in the loan collections and the extraordinary price fluctuation in the derivative market led to the bankruptcy of more than 160 banks. At the end of the 2008 crisis, the fact that securities linked to mortgage gage loans, which are considered as liquid assets in the current balance sheets of banks, were not liquid assets in the crisis periods. The real sector also suffered from a liquidity shortage due to the banking sector, which had real problems during the crisis and closed the credit taps, and thus firms were adversely affected by the crisis.

In the final analysis, the 2008 crisis has been remembered as a crisis, triggered by the extreme snow ambition that has arisen in the banking sector, and as a result, a globally felt crisis.

In this period, the share of private sector borrowing in the public sector is 55,3%. At the same time, economic stagnation and high levels of unemployment are observed in this period. The growth rate was 6,9% in 2006, while the growth rate in 2007 was 4,7%, while the growth rate in 2008 was 0,7%. The actual impact of the global crisis in Turkey in 2009 showed the economy shrank 4.8%. The downward trend in the stagnation and growth rate in the economies of this global crisis does not come from the banking system, unlike the previous economic crises. The real cost of this global crisis, unemployment in Turkey has been in production from non-financial companies. Thus, non-financial firms more financial markets with the entry into nested is in these markets finished developments are becoming very closely follows, the dependence on non-financial firms' financial markets has increased even more. In this case, one of the most important indicators of financialization phenomenon in Turkey should be counted (Koç, 2015, p. 138).

On the other hand, with the increase in financialization, non-financial companies began to manage their own financial management without intermediary institutions. This situation has shifted the fields of activity of financial institutions, especially banks, from corporate to the individual (Uslu & Gündoğdu, 2011, p. 155). This transformation in the banking sector will be useful in the context of our study to think about the relationship between the spread of financialization and borrowing. In this period, households' borrowing through consumer loans and credit cards in the housing sector has reached different levels. "Gross domestic product ratio of liabilities of households in Turkey, especially concerning



financial markets” necessary arrangements reached 16 percent when accompanied exhibited a rapid increase after 2005 and 2011 in the bride. Therefore, the banking sector plays an important role in financing the balloons emerging in the consumption and housing markets. Therefore, it is impossible to deny the importance of the banking sector and to think independently of the debt-based financial accumulation regime. (Erdem, 2014, p. 159).

According to the Banking Regulation and Supervision Board financial markets report prepared by the March 2011 period in Turkey is TL 23.4 billion in credit card debt with a nominal. Therefore, the data for the period in question shows us that consumption trends have increased with the increasing acceleration of financialization and that borrowing from households to banks and firms has increased more than ever before. In this period, various institutions have taken measures to reduce the effects of the crisis.

The first measures of the central bank were to reduce the reserve requirement ratios of banks, increase the export rediscount limit, and increase the deposit market transaction limits. Thus, the Central Bank aimed to narrow the demand for Turkish lira and to find a solution to the liquidity problem by solving the post-crisis liquidity problem. During the same period, the measures taken by the Banking Regulation and Supervisory Board. The present Government deposit guarantee scheme in which 50 Turkish Liras and the two-year increase from the Grand National Assembly of Turkey in determining the scope has authority. The legal regulation on the subject was adopted in the plan budget commission of the Parliament. With the arrangements made, it has been abolishing the environment of mistrust in the market and ensuring the financial allocation of the funds from the savings owners to the investors. Provided financial and price stability together will increase the interest of foreign investors in Turkey and domestic banks.

## **Conclusion**

Although globalization and neoliberalism are relatively older and subject to much research, the concept of financialization is relatively new in the literature. With the global financial crisis that started in the USA in 2007-2008 and brought the world under its influence, the concept of financialization started to be used increasingly in researches, with many concepts and phenomenon being discussed, especially capitalism. However, it is difficult to state that a complete consensus on the definition



of the concept of financialization has been reached.

With the collapse of Bretton-Woods in the 1970s, the golden age of capitalism ended. Keynesian policies started to be abandoned and neoliberal policies were replaced by this crisis in which the world economy entered this crisis. 24th January 1980 Decisions and its complementary with Turkey's economy with the 12 September 1980 have also made the transition to a stage that could be considered as a turning point in the context of neoliberal policies. Turkey thus, the IMF and the WB as forwarding the results of power in the global "Washington Consensus" and in accordance with the provisions contained in the "Structural Adjustment Programs" tossed step towards neoliberalism compliance under the name and has made legal and institutional changes in this direction.

When the process of globalization began to examine its effects on Turkey, first striking point, Turkey's globalization compared to many countries all over the world from said size is that it is affected in a pretty high level. This is a basic cause of the condition is evaluated that stems from Turkey's geostrategic position (Bayar, 2008, p. 32). In parallel with this process, since 1980, Turkish economic policies based on import substitution have been set aside and aimed to open up with the free market economy (Adıgüzel, 2013, p. 6).

Decree No. 32 in 1989 with Turkey have done literally through financial liberalization and financial capital both in the national territory gained independence in the international arena. Neoliberal policies in the banking sector have been restructured following the 2001 crisis in Turkey has an important place. As required by the state of neoliberal policies in Turkey in the socialization of financial sector losses has made this process a guarantor.

As we stated in the study, with the arrangements for the financing banks as capital for general government in Turkey in the direction of the expansion will increase the consumption trend has also made arrangements to expand the volume of credit. As a result of this borrowing trend, financial expansion has spread to banks. The government has also implemented incentives and tax policies to increase the level of investment in the context of financialization and sometimes to provide investment support to specific sectors.

Within the framework of neoliberal policies of the state, Turkey applied

for the role in the accumulation process of being integrated into the financial economy seems to be stable in incentive policies. Although the state began in the 1980s, in the last two decades of its influence, Keynesian has abandoned its intrusive policies and instead has led to the growth of financial capital through incentive-oriented arrangements.

## References

- Adıgüzel, M. (2013). Ekonomik küreselleşmenin Türkiye ekonomisine etkileri. *Akademik Bakış*, 35, 1-20.
- Akçay, Ü. (2016). Finansallaşma, Merkez Bankası politikaları ve borcun özelleştirilmesi. (Ed. Pınar Bedirhanoglu, Özlem Çelik, Hakan Mıhçı), *Finansallaşma Kışkırcısında Türkiye’de Devlet Sermaye Birikimi ve Emek*, İstanbul: NotaBene, 45-80.
- Akduran, Ö. and Temelli, S. (2015). Politik iktisadın yeni gözdesi olarak teşvik politikaları: Son dönem içerisinde Türkiye’ye bakış. H. Mıhçı (Ed.), *Finansallaşma devlet ve politik iktisat* kitabı içinde (221-250). İstanbul: NotaBene.
- Arrighi, G. (1994). *The Long Twentieth Century: Money, Power and the Origins of Our Times*. New York: Verso.
- Bayar, F (2008). Küreselleşme kavramı ve küreselleşme sürecinde Türkiye. *Uluslararası Ekonomik Sorunlar Dergisi*, 32, 25-34.
- Boratav, K. (1994). Türkiye büyük bir borsaya dönüştü. *İktisat Dergisi*, 343, 12-18.
- Candan, N.(2012). Türkiye’de 1990 yılından sonra uygulanan vergi politikaları ve kriz etkisi. *Turkish Journal of Agricultural Economics*, 18-2, 79-86.
- Erdem, N.(2014). Finansal birikim rejimi altında Türkiye’de bankacılık. H. Mıhçı (Ed.), *Finansallaşma devlet ve politik iktisat* kitabı içinde (147-172). İstanbul: NotaBene.
- Epstein, G.(2005). *Introduction: Financialization and the World Economy*. Northampton: Edward Elgar Press.
- Friedman, T.(1999). *The Lexus and the Olive Tree: Understanding Globalization*. New York: Farrar Straus.
- Ganiev, J. (2014). Küreselleşme, finansal piyasalar ve kriz. *İktisat Politikası Araştırmaları Dergisi*, 1-2, 117-129.
- Güler, M. A. (2017). Borçla yönetmek: 2000’li yıllarda Türkiye’de borçlanma ve

borçluluk. *İktisadi ve İdari Bilimler Fakültesi Dergisi*, Özel Sayı, 192-219.

Gürkan, C. ve Karahanoğulları, Y. (2014). Neoliberalizmin krizi ve kamu maliyesi. *Kocaeli Üniversitesi Sosyal Bilimler Dergisi*, 27, 1-19.

Iyibozkurt, E. (2001). *Uluslararası İktisat Teori Politika Uygulama*, Bursa: Ezgi Yayınevi.

Koç, A. (2015). Küresel kapitalizmin finansallaşmasına Türkiye ekonomisinin eklenme süreci. H. Mıhçı (Ed.), *Finansallaşma devlet ve politik iktisat kitabı* içinde (115-145). İstanbul: NotaBene.

Krippner, G. (2005). *The Financialization of the American economy*. Oxford: Oxford University Press.

Uslu, K. ve Gündoğdu, A. (2011). Küresel finansallaşmanın Türkiyedeki bankaların finansal faaliyetlerine ve bireyler üzerine etkileri. *İktisadi ve İdari Bilimler Dergisi*, 31-2, 145-164.

Yaman Öztürk, M. (2008). *Geç kapitalistleşme sürecinde kriz*, İstanbul: Sosyal Araştırmalar Vakfı Yayınları.

Yeldan, E. (2009). Kapitalizmin yeniden finansallaşması ve 2007/2008 krizi: Türkiye krizin neresinde?. *Çalışma ve Toplum Dergisi*, 1, 11-28.

## Özet

1970'li yıllardaki ekonomik kriz sonrası kapitalistleşen ülkelerde düşen kârlılık oranlarına karşı gösterilen reaksiyonlar, ABD dolarının global alışveriş pazarlarında kullanılması ve tüm ulusal paraların ABD dolarına görece endekslendiği bir sistem olarak kurgulanan ABD hegemonyasındaki Bretton-Woods sisteminin çökmesi ile sonuçlanmıştır.

Bretton Woods sisteminin yıkıldığı dönemde sermayenin uluslararası hareketliliği hiç olmadığı kadar ivme kazandımış ve bu dönemde Bretton Woods sisteminin çökmesi ile aynı zamanda petrol krizi (oil crisis)nin ortaya çıkması, piyasalardaki derinleşmeyi had safhaya çıkarmıştır. 1973-1974 petrol krizini takip eden yıllarda dünyada özellikle kurumsal ve siyasi bağlamda muazzam değişimler yaşanmıştır.

1980'li yıllardan sonra çevre kapitalist ülkelerde maliye politikaları artık neoliberalist politikalar gereğince döviz baskısı ve dış borç krizinin ülkede oluşturduğu gerilim altında kamu borcunun ödenmesi ile bütçe

fazlası oluşturmak bağlamında şekillenmiştir.

Finansallaşmayla beraber dünya ekonomisine, yüksek spekülâtif kazançlar elde etmeyi mümkün kılan yeni türden bir borç ilişkisi entegre olmuştur. Uluslararası kurumlar bir borç kapısı olmaktan çıkmış ve uluslararası sermaye piyasaları yeni borçlanma ilişkisinin aktörlerinden biri olmuştur. Devlet bu borca dayalı finansal birikim ilişkisinde spekülâtörlerin kazancını garanti etmek ve kayıplarını bir başkalarının sırtına yüklemek koşuluyla en aza indirmek gibi görevler üstlenmiştir.

Neoliberalizmin öncülüğünde geçen dönem, Keynesyen politikalarda olduğu gibi devletin ekonomiye doğrudan istihdam, büyüme ve sosyal refah harcamaları gibi müdahaleleri yerine ekonomi işleyişinin devletten ayrıldığı, piyasanın serbest ekonomisinin daha ötesinde özel müteşebbislerin ana aktör olarak yer aldığı bir düzende işlemesi yönünde gelişmiştir. Dolayısıyla bu dönemde devlet bütçe politikalarının istihdam ve büyüme odaklı olmasından daha çok finansal sermaye birikiminin artışına yönelik faiz, para ve vergi politikalarının bu finansal alandaki sermaye birikiminin tamamlayıcı unsurları olması yönündeki politikaları işlevsel hale getirmiştir.

Türkiye'nin finansallaşma sürecinin ilk ayağı olarak kabul edilen 24 Ocak 1980 kararları, Türkiye ekonomisinde devletçilik politikasının terk edildiği, serbest ekonomiye geçişin ve serbest kur sisteminin uygulanmasının dolayısıyla Türk lirasının konvertibilitesini artırarak diğer ulusal paralarla değişiminin kolaylaşmasının amaçlandığı, kamu açıklarının kapatılmasının, uluslararası sermaye hareketliliğinin ve uluslararası ticaretin önündeki engellerin kaldırılması ile ihracatın artırılması gibi hedefleri olan IMF tipi neoliberal kararlardır. Türkiye'de borç ekonomisinin örgütlenmesi ve neoliberal yönetimsellik anlayışının yerleşmesi 24 Ocak 1980 kararlarıyla başlayıp 1990'lı yılların ortasına kadar devam eden yasal ve kurumsal düzenlemelere dayanır.

Bu kararlarla başlayan süreç, 1982 yılında SPK'nın kurulması, 1986 yılında İMKB'nin kurulması, Devlet iç borçlanma senetlerinin ihracının tekniklerinin kolaylaşması ve gelişmesine yönelik düzenlemeler, bu senetlerin ikincil piyasalarda alınıp satılmasına yönelik çalışmalar, bankaların kendi aralarında para akışı sağlayacağı piyasaların oluşturulmasıyla kurumsal ve yasal bir temele oturtulmuştur. Bu dönemde sıkı bir şekilde izlenen maliye ve para politikaları ile enflasyon oranları ilk etapta düşmesine rağmen tekrar yükselmiş ve ekonomi büyümeye geçmiştir. Bunun yanında düşük reel ücret ve reel kur politikası ile

ihracata yönelik birikim odaklı teşvik politikaları izlenmiştir. Özelleştirme 1980'li yılların sonuna kadar anayasal düzenlemeler sorunu nedeniyle yapılamamış daha sonrasında başlamıştır.

Türkiye'de 2000'ler düzenleyici devlet bileşenine sahip bir neoliberal dönemin başlangıcı olmuştur. 2001'de Kemal Derviş'in ekonomi yönetimine getirilmesi ile başlayan "Güçlü Ekonomiye Geçiş" süreci, sürdürülebilir bir istikrar ortamı için ekonominin yeniden yapılandırılması anlamına geliyordu. Nitekim devamında gelen yasal düzenlemeler ve ortaya çıkan yeni kurumlar da bu süreci tamamlamıştır. Bu süreçte, 2000'li yıllarda izlenen makroekonomik politikalar yoğunlukla fiyat istikrarı ve mali güvenlik üzerine odaklanmıştır.

Dolayısıyla kriz sonrası dönemde, "Güçlü Ekonomiye Geçiş Programı" kapsamında istikrarlı, daha fazla büyüme odaklı ve dış kaynaklardan gelebilecek ekonomik şoklara karşı dayanıklılığı olan, olağandışı seviyelere ulaşan kamu borcunu azaltmaya yönelik politikalar izlenmeye karar verilmiştir. Bu çerçeveye ilişkin uygulamaya konulan teşvik politikalarının amacı da ihracı artırıp ithalatı azaltmak, tasarrufların yatırıma kanalize edileceği bir finansal sistem oluşturmak yönünde şekillenmiştir.

2001 krizi sonrası Türkiye ekonomisi açısından, uluslararası piyasalar kaynaklı olmak üzere ciddi seviyede finansal yayılmaya sahne olmuştur. Aynı zamanda uygun kredi olanağı doğmuştur. Özellikle bahse konu olan dönemde dış borç stoku muazzam derecede artmıştır.

32 Sayılı Karar ile 1989 yılında Türkiye tam anlamıyla finansal serbestliğe geçiş yapmış, mali sermaye hem ulusal alanda hem de uluslararası alanda serbestlik kazanmıştır. 2001 krizi sonrasında neoliberal politikalar ile Türkiye'de yeniden yapılandırılmış bankacılık sektörü önemli bir yer edinmiştir. Türkiye'de devlet, neoliberal politikaların gerektirdiği gibi finansal sektörün kayıplarının toplumsallaşması konusundaki bu sürece garantörlük yapmıştır.

Türkiye'de devlet, genel itibarıyla bankalara yönelik yaptığı düzenlemelerle birlikte finans kapitalin genişlemesi için tüketim eğilimini artıracak ve aynı zamanda kredi hacmini genişletecek şekilde düzenlemeler yapmıştır. Bu borçlanma eğilimi sonucunda finansal genişleme bankalara da sirayet etmiştir. Devlet finansallaşma bağlamında yatırım düzeyini artırmak ve spesifik bazı sektörlerle yatırım desteği sağlamak amaçlı da teşvik ve vergi politikaları uygulamıştır. Devletin bu süreçte, neoliberal politikalar

çerçevesinde, Türkiye ekonomisinin finansal birikim sürecine entegre olmasındaki rolüne ilişkin uyguladığı teşvik politikalarında kararlı olduğu görülmektedir. Devlet 1980'lerde başlamakla beraber esasen etkisini gösterdiği son yirmi yıllık süreçte, Keynesyen müdahaleci politikaları terk ederek, yerine getirdiği teşvik odaklı düzenlemelerle finans kapitalinin büyümesini sağlamıştır.