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Economic Position of the Turkish Economy In The Face of the Third Crisis of Capitalism/ Kapitalizmin Üçüncü Krizi Karşısında Türk Ekonomisi

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ABSTRACT

Capitalism, stemming from its inherent dynamics, has been and is always prone to cyclical swings and at some breaking periods realizes hard downswings known as crisis which produces economic and social nuisances such as mass unemployment and internal and external economic imbalances. The crisis that hit the centrally located developed economies in 2008 has had surprisingly milder effect on Turkey's economy, yet due to some macro dynamics such as internal and external deficiencies the vulnerability of the economy to foreign shocks was quite high. Though it was expected that the economy would plunge down as the result of financial outflow from the economy the effect had not been so shocking as it was expected that the economy would plunge down as the result of financial outflow from the economy the effect had not been so shocking as it was expected. In the paper after having highlighted specific variables prevalent in the eve of the crisis in the economy the reasons will be explained which prevented the economy from being effected from the last World crisis so strongly as the economies in the peripheral position to European Community, namely Greece and Italy have realized. To serve the purpose the budgetary policy as well as policies implemented in Turkey on banking and financial operations will be laid down. In the meantime, the social and economic consequences of such risk-averse macro policies on micro economic units will be elaborated.

KEYWORDS Capitalist System; Financial Crisis; Financial Markets and Macroeconomy

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