FINANCIALIZATION , INEQUALITY AND CRISIS

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Abstract: Financialization period is the most important crossroads of the neoliberal globalization policies. Neoliberal economic policies are created after the 1980 worldwide financial capital in the reorganization of the globalized world with the expansion of the leading and dominant opinion.After 2007-2008 global crisis began in the debate was re-opened old books as a natural. Because the world is now a different place. Historically, the analysis we do, we briefly as opposed to a dynamic. After the classic imperialism of the 19th century the location of the expansion in 1870 with the taking of horny finance capital expansion, before the 1st and 2nd World War battle of inter-imperialist sharing came up. Chronologically, according to I. Wallerstein, after 1945 it gave the world the three development direction Have hegemony in the world system, the first in the United States, the second political unrest and geopolitical centers become the third world countries and, finally, are creating a flourishing economic structure and screwing previous knowledge structure of the university system under the influence of the democratic forces questioning the science. We will examine here the observed natural relationship inequality third over the first two developments brought financialization mania. Of its share of the developing countries from the global crisis will propose the move, we will move our study arguing that it increases inequality in two ways. First, Inequality organized by the United Nations Inequality Adjusted HDI data are available starting at. Second, unit labor costs (the wages are considered to represent) the difference between the labor productivity . OECD and the UN 's latest report reveals that both data feed crisis.

Financialization period is the most important crossroads of the neoliberal globalization policies. Neoliberal economic policies are created after the 1980 worldwide financial capital in the reorganization of the globalized world with the expansion of the leading and dominant opinion (Şişman, 2011). After 2007-2008 global crisis began in the debate was re-opened old books as a natural. Because the world is now a different place. Historically, the analysis we do, we briefly as opposed to a dynamic. After the classic imperialism of the 19th century the location of the expansion in 1870 with the taking of horny finance capital expansion, before the 1st and 2nd World War battle of inter-imperialist sharing came up. Then after 1945 gave for the world economy the three development direction according to I. Wallerstein. The first is that the hegemony of the World System United States, the second creating political unrest and geopolitical demand centers has become a third world country and finally improving economic

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structure and a scientific questioning by upsetting previous knowledge structure of the university system under the influence of the democratic forces are (Wallerstein I., 2014; 28, 29). We will examine here the observed natural relationship inequality third over the first two developments brought financialization mania.

World Economy crisis trend that historically the early 2000s just added a major crisis stemming from the US. So that since the beginning of the 1980s Globalization process with reference to this crisis, "Global Crisis" was called. Because now is the speed of propagation and the effect of the crisis was to be much faster and more efficient. Just this crisis compared with the Great Depression of 1929. Considering the various data after the crisis, because it will last longer understood 1873-1896 "long recession" began to be made to compare such matters. Both post-1873 recession, which contains both 1929 Depression crisis were different dynamics. After the 1873 crisis, neoclassical economics was opened in front of the classical economics questioned. After the 1929 crisis, in 1936 he wrote "The General Theory of Employment, Interest and Money" has book J.M. Keynesian era that began Keynes began. Of course, the way after 1970 Keynes school also questioned Friedman's Monetarism version in Neoclassical economy also already been made into a different version of the economy, mainly Capitalism mainstream economics schools in the capital-based evaluation of the 1930 extending Neoliberalism current judge was political economics school.

Who uses the first neoliberalism as a concept? What was the purpose? A. Rustow pro-socialist thinkers of the German social market economy, the term neoliberalism is voiced by scientists for the first time to distinguish from classical liberalism. Alexander Rüstow In 1932 he made in Dresden criticized the market-based society fiction in a speech to a different critique of classical liberalism, the concept. Social market economy, more conservative, distance against parliamentary democracy and thus had predicted an authoritarian structure. Later F. Von Hayek and M. Friedman's thesis of neoliberalism problem developed with the social aspects of the state, is closed to the planning and development concepts. In 1947, Switzerland Mont Pelerin placed on the basis of neo-liberalism and neo-conservatism that started in the town of Mont Pelerin Society is set out differs from classical liberalism. According to them, Neoliberalism, essentially conservative, and to remove obstacles to market the state should refrain from interfering in the market should work with traditional authoritarian structures made compatible. Neoliberalism financial capital in terms of economic neoliberalism and its re-emphasized through the capital flows by combining internal and external markets in the

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globalization process has paved the way. Thus national markets has become a tool of the global market (Gür, 2016; 53,54). In fact, the economic foundations of neoliberalism were planted earlier in neoclassical economics. 1873 crisis has accelerated the discussion of classical capitalism, economics, and later classical economics is actually not the place where the micro-analysis tool developed by neoclassical economics has emerged at the end of the 19th century.

However, with 1929 crisis, especially a horror-induced deflation in the US, the idea of opening the discussion again intervene Classical Liberalism latest blow to sail dead Neoliberalism has been opened. In this sense, political and economic; How can we explain the political Keynesian interim? Keynes was actually enter into literature and life science itself as a neoclassical economist. Due to the ability to solve more pressing problems of Keynesian economics and the need to act fast to be said that the establishment of the macro-economic effects since the late 1930s. Already been no response to the crisis in the US between 1929-1933, the Central Bank has not even go to monetary expansion. Situation will improve actions in the US and they are able to reach famine, Keynesian policies would salve the wound began commissioning in anticipation. Already in 1933, Keynes wrote the letter to the US president Roosevelt (Doğru, 2015, 93). That letter extended by Keynes the becomes known as the first macro book of the 1936 "The General Theory of Employment, Interest and Money" (Keynes J.M., 2007).

In 1967, after falling profit rates in the Outsourcing of western capital and neoliberal ideas became a new factor in the resurrection, will pave the way to international capital through monetarism approach were exhibited. 1970- 1980 between unemployment and inflation problems can not be solved in the World Economy and found the figure to reach double digits again in the early 1980s, "globalization" of neo-liberalism has led to the different aspects of the thesis. In the first half of the 1990s rapidly commercialized world internet network has contributed to the literature the concept of financialization. Neoliberal globalization of capital flows to note that by creating an atmosphere more quickly and profitably over the Internet through financialization is effective all over the world from a different crisis and previous crises tend host is not wrong. Because the US stock exchange in 2000-2001 dot.com shares downfall and then the effect of rising interest rates in 2004, introduced the most important crisis of neo-liberalism that the 2007-2008 global crisis. Here we need to understand how that losing credibility with the 1873 crisis, neoclassical economics

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unreinforced micro schools that sailed to the political economy of the area in 1929 by carrying crisis with neo-liberalism in politics and economics into the political arena is a meat Classical Liberalism is destroyed after the crisis after 2008, the neo-liberalism loses widely reputation. Even the IMF's attitude in recent times is the most important evidence (imf.org).

World of the planet, especially in Africa, the Middle East and has accelerated as never migrated from South Asia to the West and Europe. and according to the UN's Human Development organized by the Istanbul Summit results it is migrating request to change the country of 60 million people in the world. There are 130 million people in need of help. The whole thing on approximately 250 billion dollars needs. When they think of the financial side of the business world and tax amounts of hot money going to heaven, so he can come over. Because, according to Financial Privacy indices, in 2015 financial asset or paid very low taxes of about 21-32 trillion dollars or in countries all over the world paid no taxes and are kept in shadow banks (cnnturk.com, 1April 2016; http://whsturkey.org/zirve/hakkinda).

It is now up to huge amounts of value to show as the world capital out of the money system is actually interesting in terms of showing the new size gains with financialization of inequality in the world economy. Before inequality in capitalism, capitalism, of course, there were other periods. On the other hand I believe we can not ignore the impact of neoliberal globalization, financialization suggested a structure of this size to come. Epstein, the financialization phenomenon is defined as follows: "In terms of the functioning of the domestic and international markets; financial motives, financial markets, the increase in the role of financial actors and financial institutions " (Epstein, 2005, 3). Social Structure of Accumulation Theory of literature and the Monthly Review school are critical to the neoliberal financialization of view. Theory of Social Structure of Accumulation (SSA) summarize; The spread of inequality, and changes in the basis of the asset bubble in financial administration is arguing that arise with the encouragement of neoliberalism. According to the theory of a missing consumer consumption crisis through debt financing while avoiding, the spread of fixed capital is also considered as a general crisis of overproduction crisis of capitalism occurs. The financialization; According to the theory, developed in the institutional context of neo-liberalism and capitalism it is an extension of the company today creates

antidote against its limitations. Although the structural crisis of neoliberalism to financialization postponing and does not have to be more usually associated with social democratic form of capitalism, so it was also destabilize capitalism. The Monthly Review school again indicates that the problem should be sought in the principal contradiction of capitalism in a similar manner to the SSA. Unlike the SSA Monthly Review school it argued that financialization is not presently led neoliberalism. According to the Monthly Review school with the financialization of monopoly finance capitalism's ideological partner of neoliberalism it is intended as a response to a recession-prone economy (Dünhaupt P., 2016; 17, 18).

In addition, these two schools of the world system as mentioned previously lived in a way that would justify many rational reasons for the crisis and found that this period of crisis. Dumenil and Levy, 2008, as emphasized US-based blind eye to a very high increase in housing loans of the biggest triggers of the global crisis and that big dividend (bonus) that allows administrators are motivated in other words, greed for profit (Dumenil and Levy, 2011). Thus, companies from the early 1990s until the early 1960s, even though they were able to quickly capture the profit after tax growth rate. This increase in profitability led the way to a massive increase of 650% in 1983-1999 as CEO salaries (Panitch and Gindin, 2013, 184). However, the global financial crisis that triggered the housing loans was $ 16 trillion at a level close to the 2008 National Income in the US, has caused problems this amount subprime at $ 2 trillion and variable rate mortgage papers and approached the system crashes. We stayed for 6 million people homeless, a subject so empty so had taken a long time (Dumenil and Levy, 2011). Crisis of financialization era of digital technological possibilities available with more inequality, leads to impoverishment and dispossession trend. No doubt the crisis, the war also changed the format of the forms of inequality and differentiated creative effects. How in 2008 after the global crisis have caused a civil war 10 million people added to the current mass immigration in the Syrian suddenly, creating inequality formats that financialisation has also converts to a more open structure of the world crisis. Because financialization gave rise developments increase economic inequality in the following four categories (Stockhammer E., 2014, 8):

A-Profit rising or falling less than the fees.

b-Most by winning (1% of society and the world) horrendous increasing income inequality between the rest.

c-The sharp increase in wealth inequality.

d-Production of wealth is the property itself. So the world dispossession of the wealthy minority at the expense of increasing the property of the majority.

In summary financialization paved the rising inequality in the global economy.

Thomas Piketty draws attention to the difference between labor income and capital income. Before the crisis of 1929 required the US, as well as 2008 income inequality observed before the global crisis, the difference is very noticeable. In addition, the United States has no assets or wealth almost 50% of the population. On the other hand, 2% of the population in the US has 50% of the wealth (Piketty, 2013, 285).

Scientific analysis of inequality around the globe in our opinion, it may be possible in two ways. The first is actually made since 1993 by UNCTAD under the auspices of the UN Human Development Index (HDI) are the data. HDI represents a national average of progress related to human development in three different sizes. These three areas of health, education and income. As in all countries, the average indicator of human development also conceals the inequalities within the population. Development may have a different distribution of the two countries at the same average HDI value. Then the inequalities created Adapted from 2010. According to the Human Development Index (HDI); a country's health, education, and not only takes into account the average achievements in the areas of income, as well as the average inequality levels in each area "fall" through evaluates how it is distributed to the citizens of this success. Therefore, since 2010 these reasons, the index Inequality-adjusted HDI is added (IEHDI). Because HDI average education in the country, health and income levels were measured. The real problem starts here. The difference between the bottom 20% of the population of inequality held in order to understand what it means in terms of prepared slices of data through networks and surveys Inequality-adjusted Human Development Index and Human Development Index; training in community health and causes us to have a very important idea of the actual inequality in terms of income. Graphics section quoted as observed in the country after the 2010 base year, particularly from countries with very high human development index of South Korea, the United States, Greece, Europe, Israel, Spain, the difference between Italy and Poland in the Inequality-adjusted human development index HD is

quite high. This difference is watched starting from 10% -20%, respectively, above. Moreover, in countries with high human development rate it is observed that this difference was slightly opened. For example, the difference between the HDI with EUİG in Iran is 33%, Turkey also is 12%. This difference is increasing in the African countries. On the other hand, the Gini coefficient we say in the graphics department at a level that supports the inequality we also indicate. Known as the Gini coefficient varies between 0 and 1. The opposite is closer to a coefficient of 0 indicates the increase in inequality reduces inequality. Nowadays, the Gini coefficient of 0.3 and above are considered high. Because the population is examined by dividing the 20% slice of the total 5. Index 0 from farther away, the difference between the top 20% slice the lower zone is turned on and means of increasing inequality. US Gini coefficient in Mexico and Turkey after the crisis is over% 40 and this situation is aggravated.

On the other hand, the increase of wages from productivity where the organized working class, especially in OECD countries can be increased at a slower speed detection. Workers' wages and working conditions, taking into account prepared by the OECD accompanying figure1 by financialization period, ie from 1990 to 2013, workers remain on the increase in labor productivity, labor income showing the efficiency is not at all reflected to an OECD country being increased labor income. Already in the 1990s developing countries, Mexico, Turkey, Argentina, Brazil, Russia and the Far East (South Korea, Thailand, Indonesia) has been observed in many countries, including neoliberal financialization without resulting crisis arise. In 2000, as we said at the beginning of the paper, dot.com technology of the shares (Nasdaq) after the fall caused 2008 Global Crisis and the 2011 European nor much discussed Debt Crisis Greece crisis with specific and still has its place in history effects than the crisis.

Even if we assume that developed in order to prevent crises through financialisation manic neoliberalism, financialization is itself is the trigger of the crisis. Humanity of further increase in inequality and rising inequality that are important in terms of our issues is the question of the new crisis pregnancy leave. It's not just housing, industry and other sectors and even creating asset bubbles in the financial sector itself, they can be a harbinger of new crisis (Kindleberger and Aliber, 2012). The Central Bank is the monetary policy and fiscal policy have a common treasury in the world and

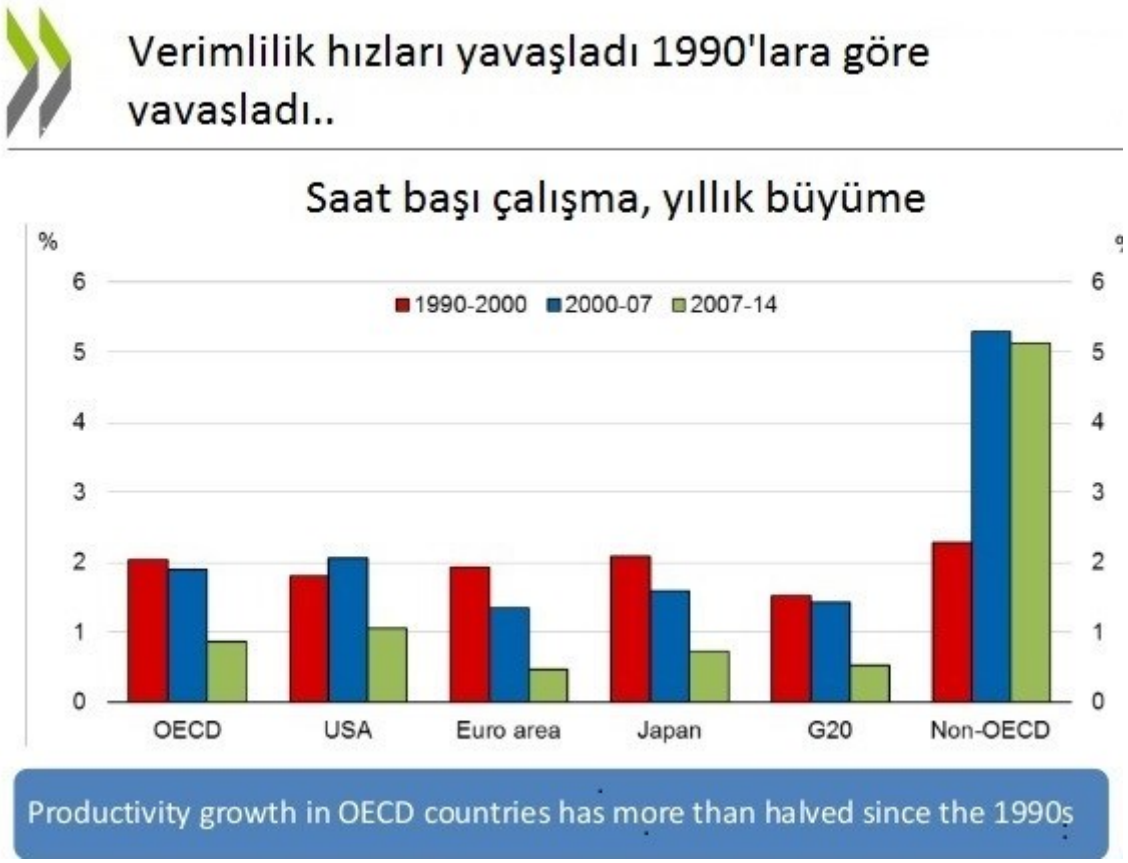
is also very different structure of the competition in question is not sufficiently effective. Aside from the fact that to be effective to increase the income of the top income group, but does not return to policies that negatively affect lower income groups. According to the IMF's latest report, Emerging and inequality of capital flows in 2008 after the global crisis is the fact that towards the higher country. As we say in the chart (below) in the period of accelerated capital flows, both the Gini coefficient of inequality-adjusted HDI, as well as with the HDI it has not been a significant change in inequality indicators arising from the difference. It indicates overall loss (%) that we prepare charts (below) from UN HDI reports. However, capital flows rather accelerated the financialization era (1990-2013), the difference between average incomes and labor productivity growth resulting from labor productivity is opened unfortunately. This phenomenon itself is even reversal of capital flows and defined through private sector debt, even in the official reserves (Akyüz, 2015) will cause a new crisis in emerging surrounding territories and inequalities resulting in the presumption that further increases.

Grafikler:

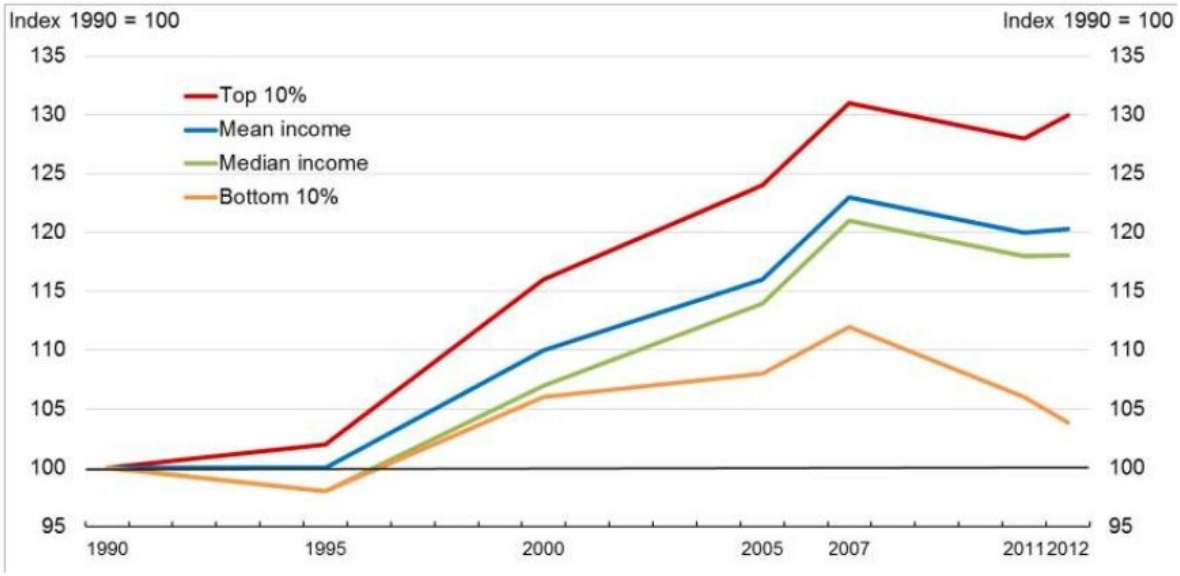


Grafik1. 1990-2013 arası saatlik ücretlerdeki medyan değerlerin emek üretkenliğindeki arışla karşılaştırılması, Economic Outlook, Promoting

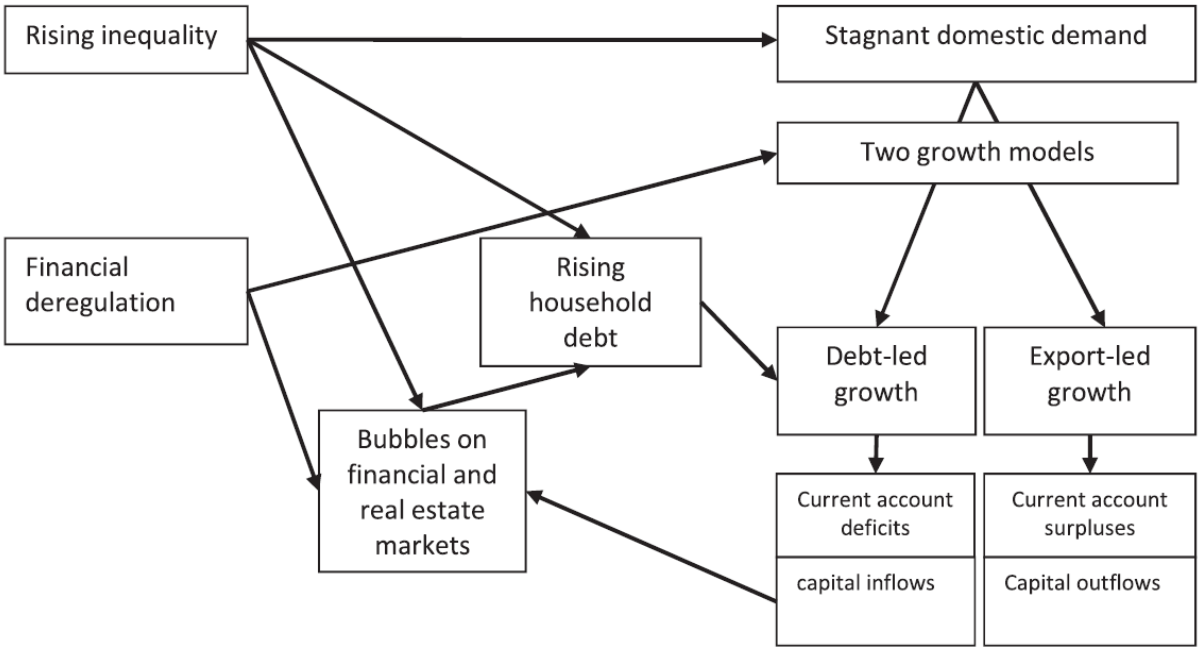
Productivity and Equality: A Twin Challenge, 1 June 2016, OECD.



Household disposable income, OECD average



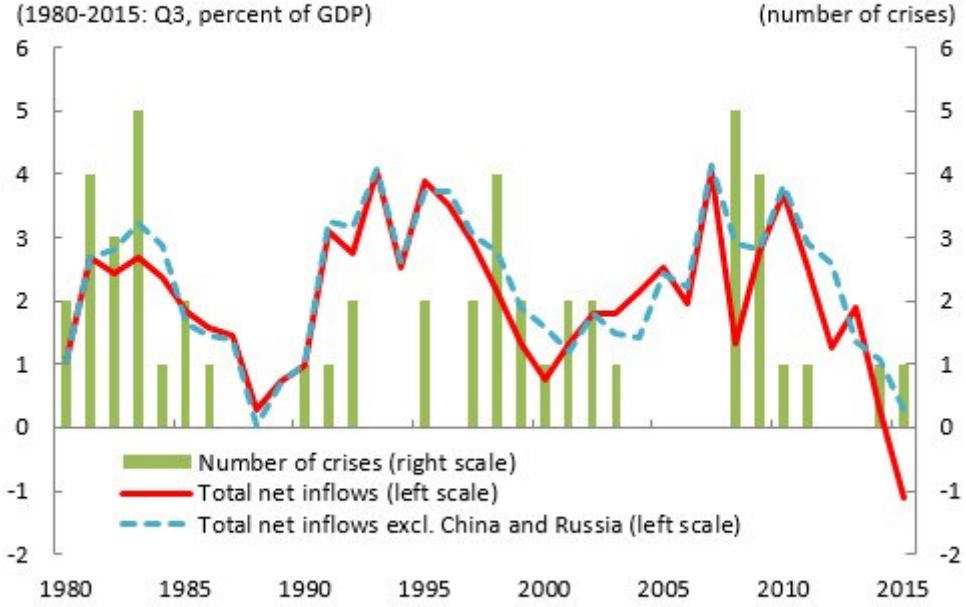
Average income growth per year – Top 10%: 1.2% ↔ Bottom 10%: 0.2%



Kaynak: Stockhammer E. (2013), Rising Inequality as a cause of the present crisis, Cambridge Journal of Economics, doi: 10.1093/cje/bet052.

Net capital flows and crises

Declining net capital flows to emerging markets during 2010-15 didn't bring a higher incidence of debt crises as similar slowdowns in the past.

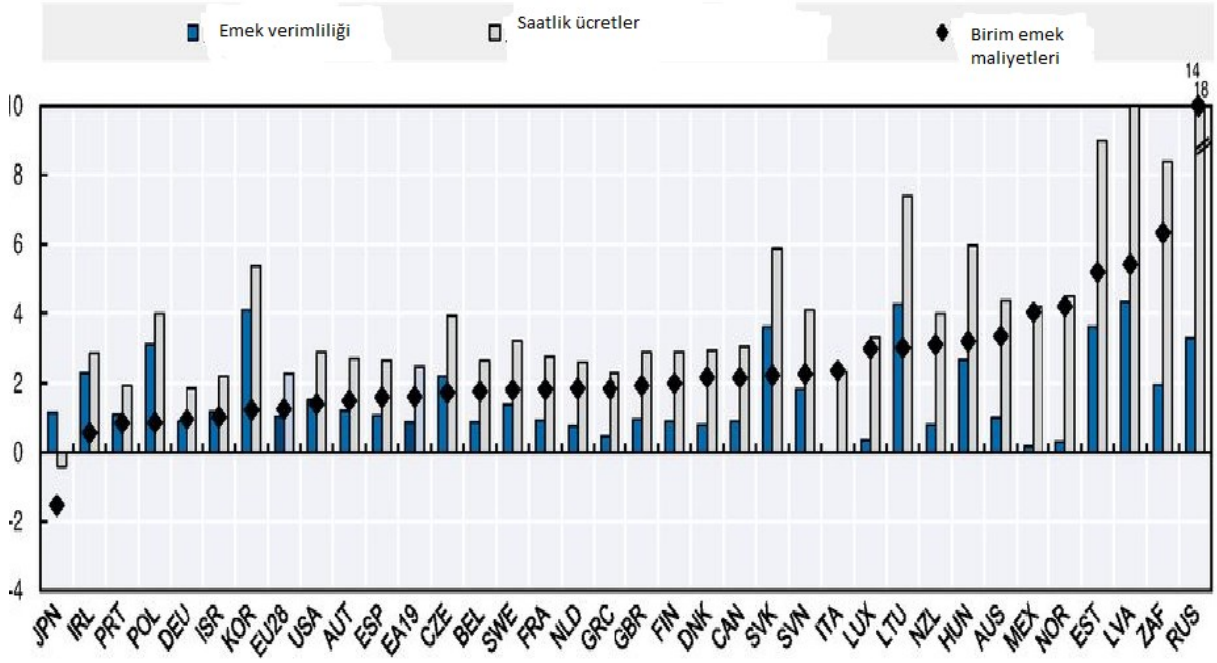


Source: IMF April 2016 *World Economic Outlook*.

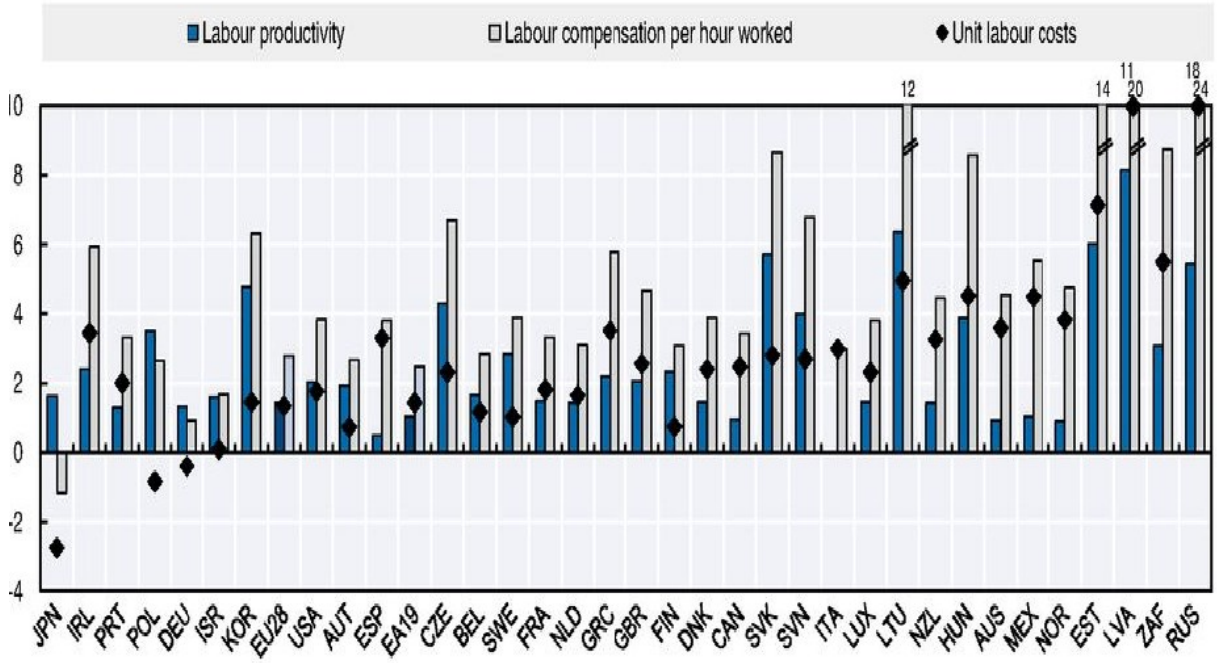
Birim emek maliyetleri, saatlik ücretler ve verimlilik , toplam ekonomi

Yıllık yüzde değişiklik

2001-2014



2001-2007



2009-2014

Figure 4.2. **Unit labour costs, hourly labour compensation and productivity, manufacturing**

Percentage change at annual rate

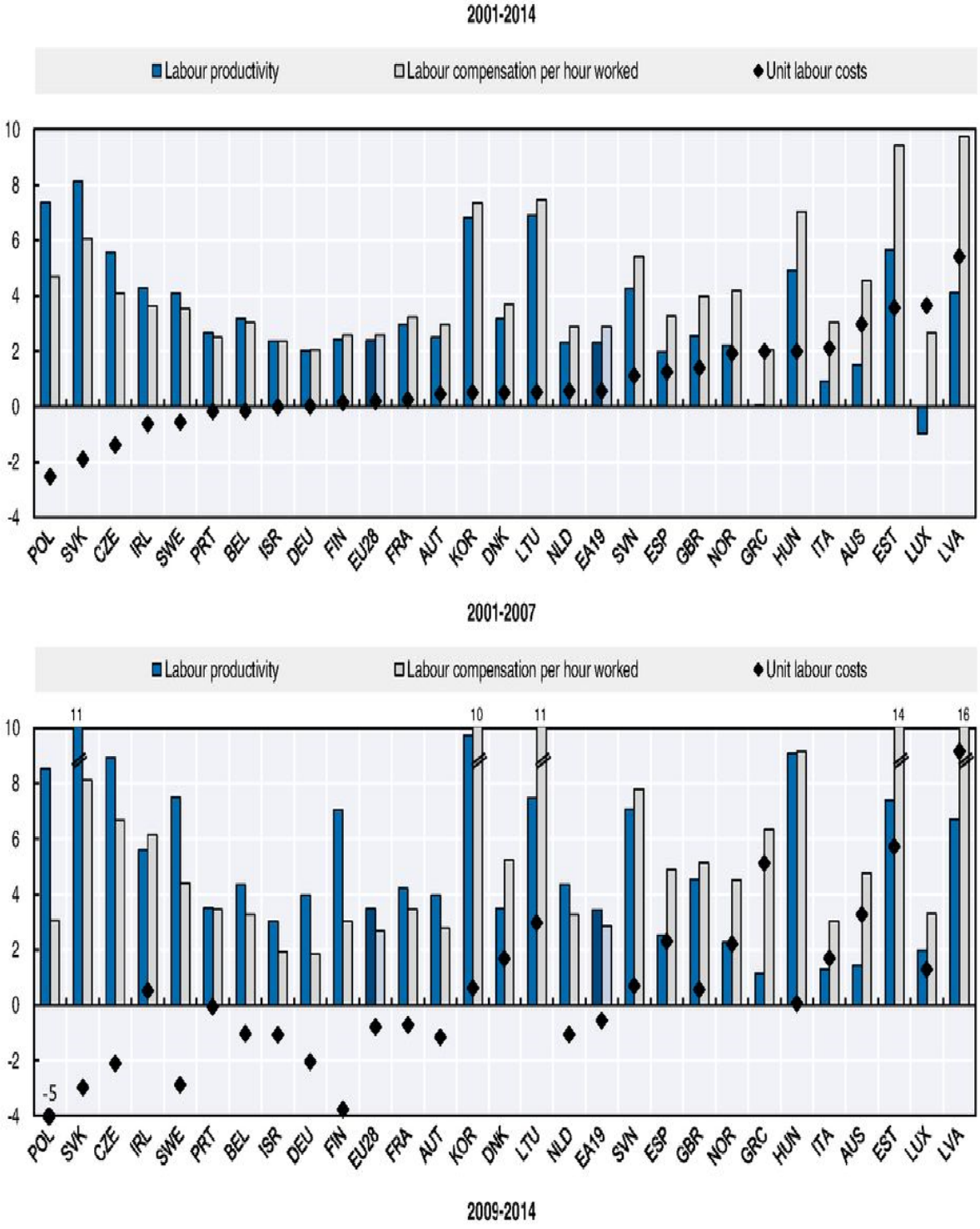
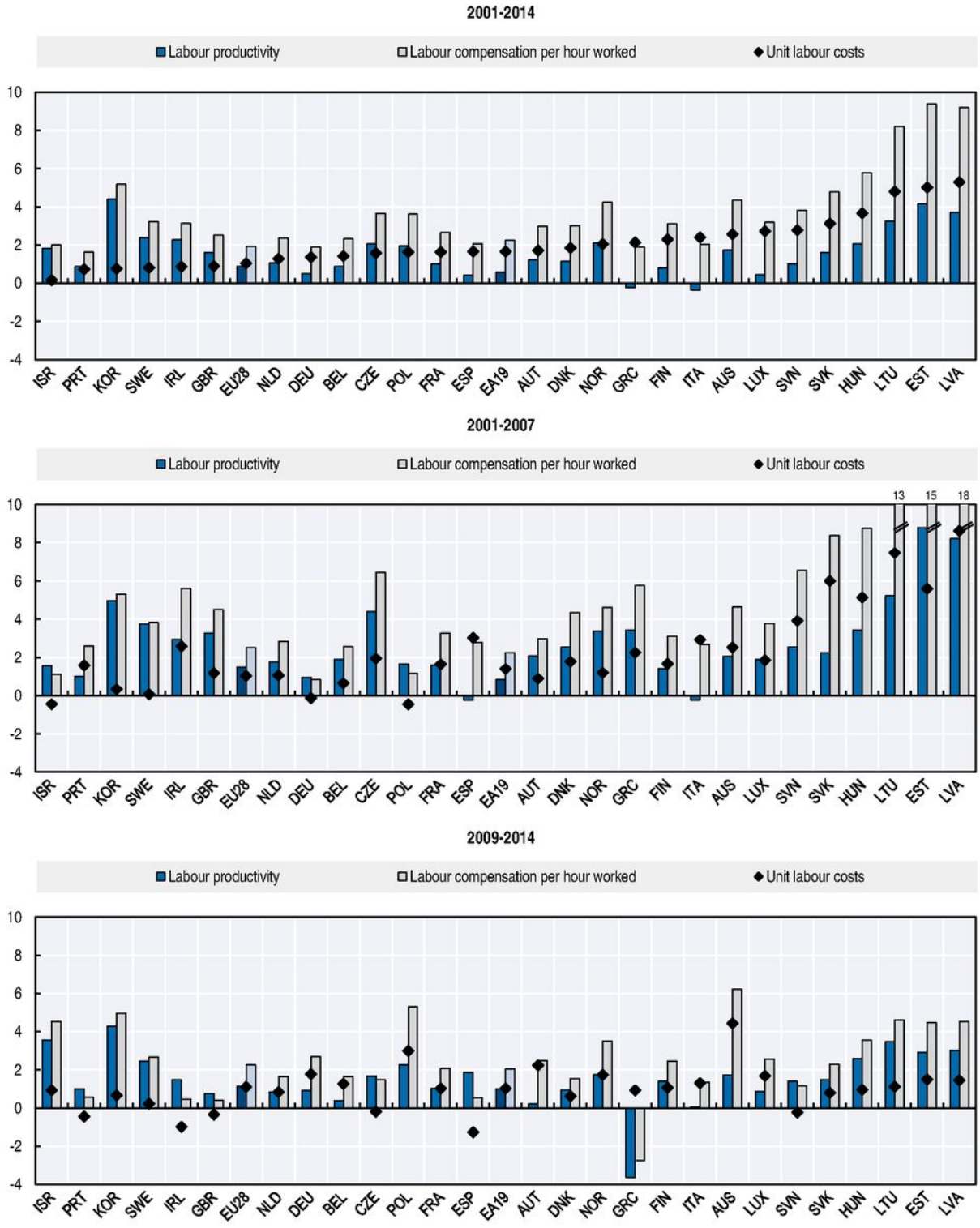
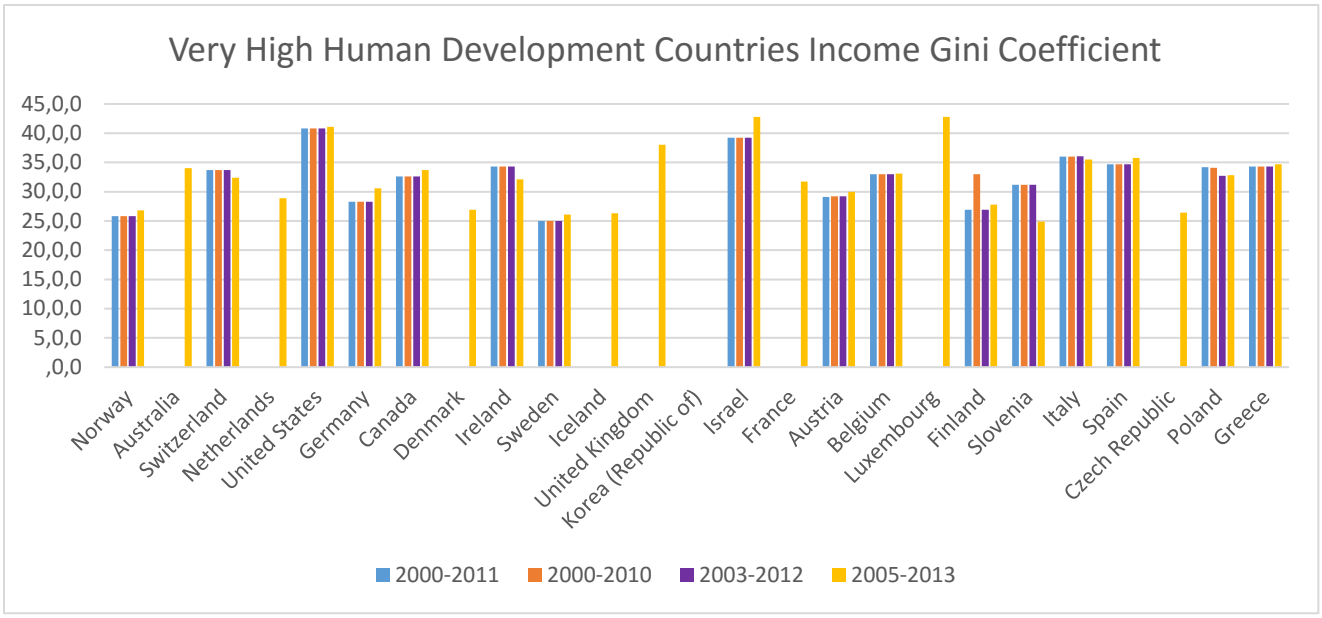
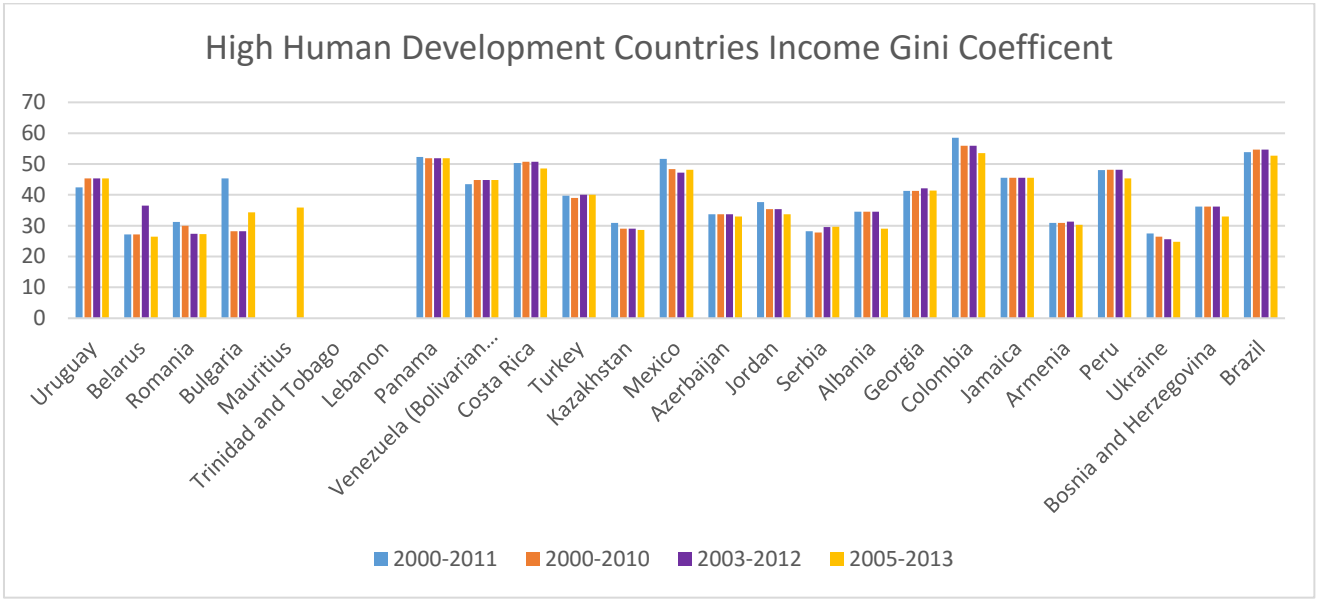


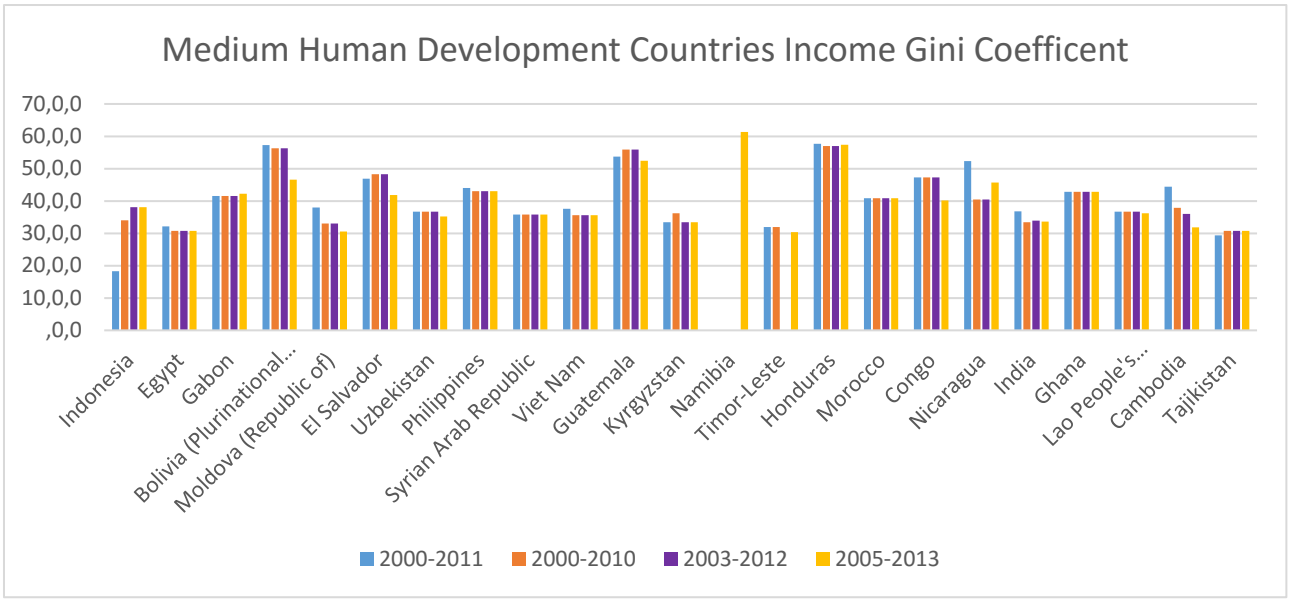
Figure 4.3. **Unit labour costs, hourly labour compensation and productivity, business sector services**

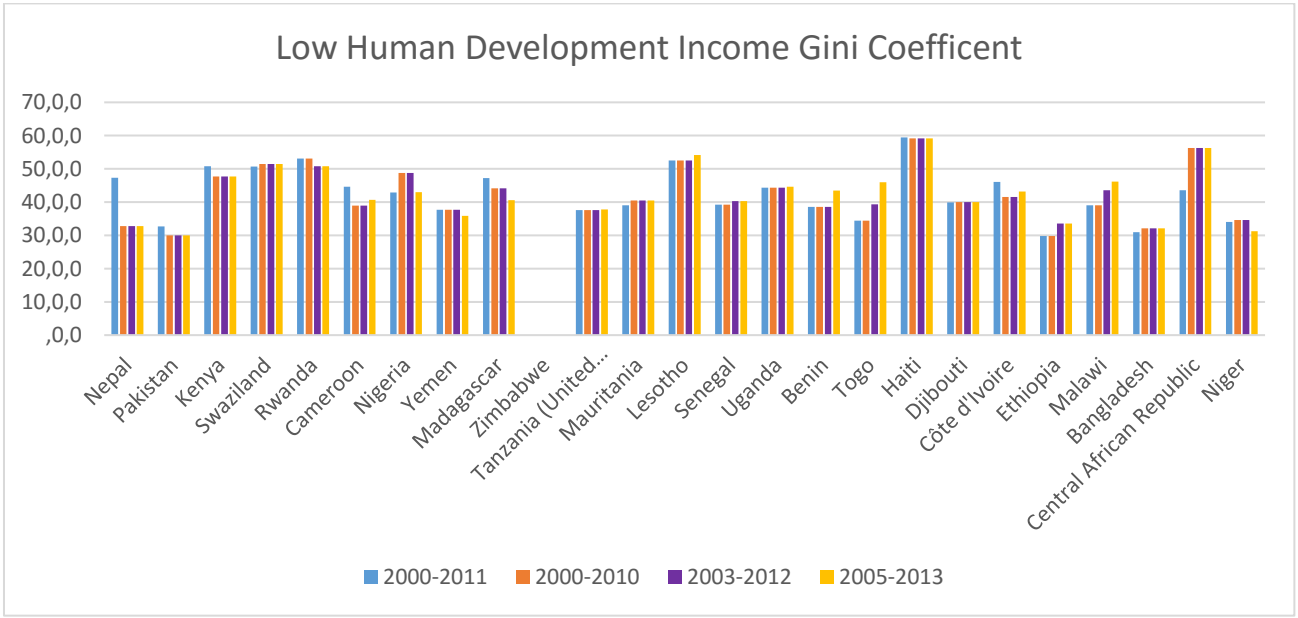
Percentage change at annual rate

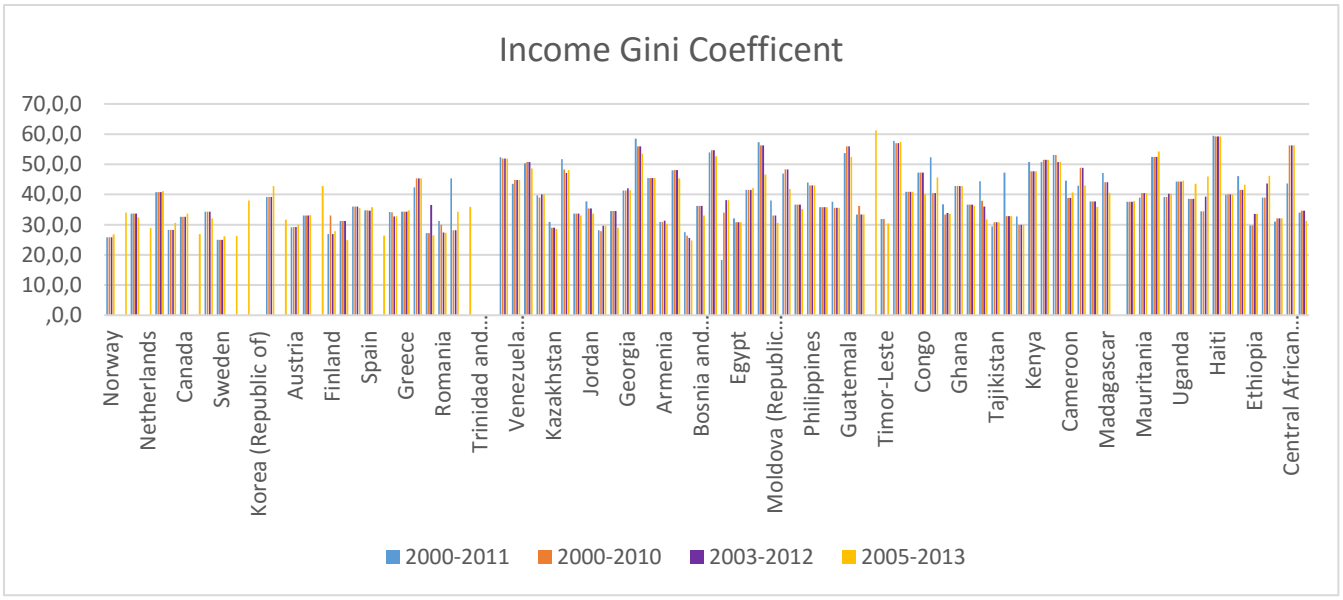


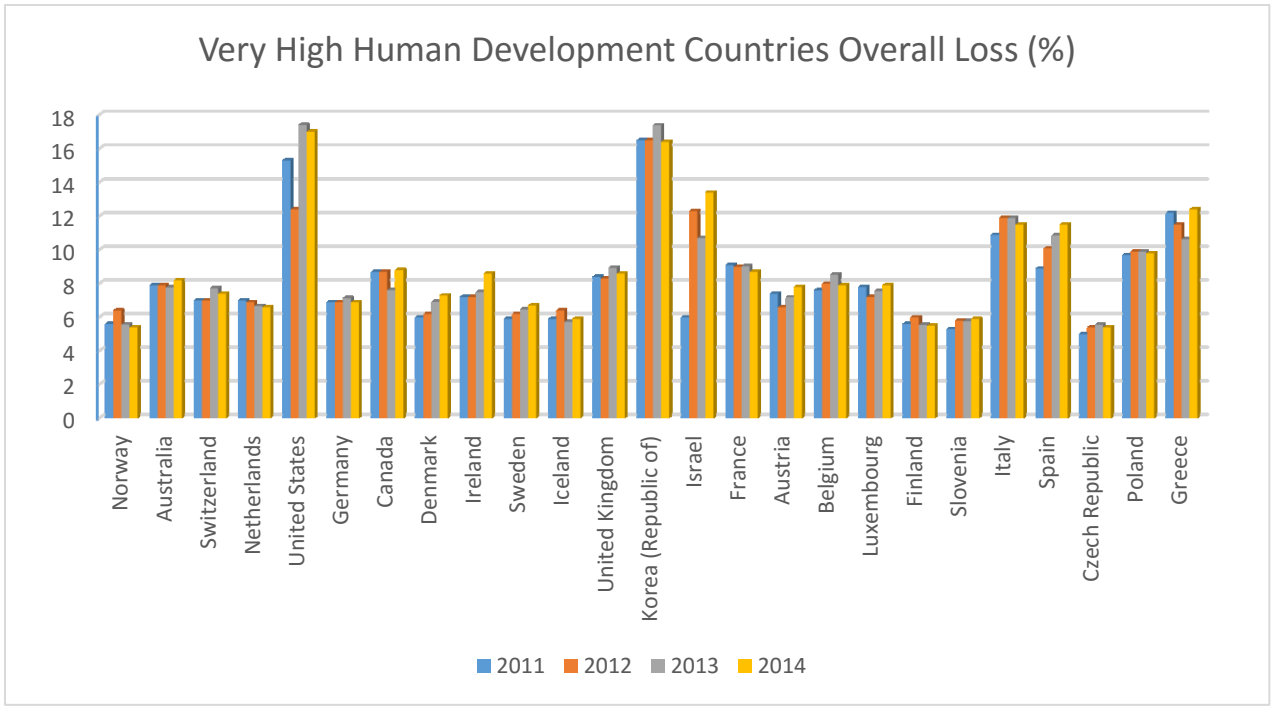

Very High Human Development Countries Income Gini Coefficient
45,0,0
40,0,0
35,0,0
30,0,0
25,0,0
20,0,0
15,0,0
10,0,0
5,0,0
,0,0
Norway
Australia
Switzerland
Netherlands
United States
Germany
Canada
Denmark
Ireland
Sweden
Iceland
United Kingdom
Korea (Republic of)
Israel
France
Austria
Belgium
Luxembourg
Finland
Slovenia
Italy
Spain
Czech Republic
Poland
Greece
2000-2011
2000-2010
2003-2012
2005-2013

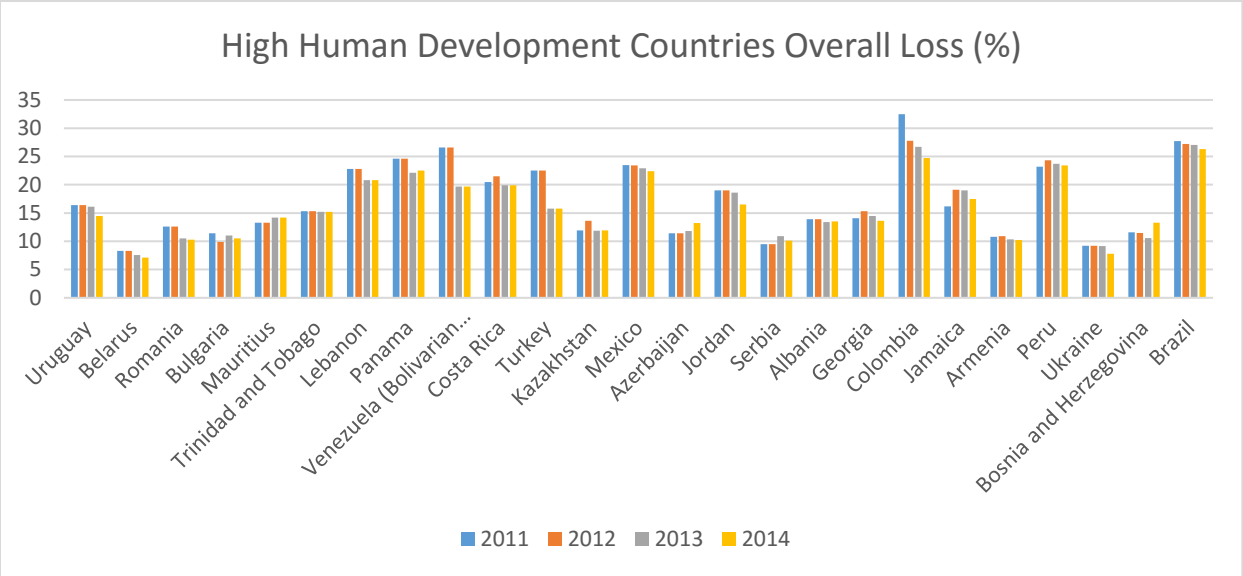

High Human Development Countries Income Gini Coefficent
70
60
50
40
30
20
10
0
Uruguay
Belarus
Romania
Bulgaria
Mauritius
Trinidad and Tobago
Lebanon
Panama
Venezuela (Bolivarian...
Costa Rica
Turkey
Kazakhstan
Mexico
Azerbaijan
Jordan
Serbia
Albania
Georgia
Colombia
Jamaica
Armenia
Peru
Ukraine
Bosnia and Herzegovina
Brazil
2000-2011
2000-2010
2003-2012
2005-2013

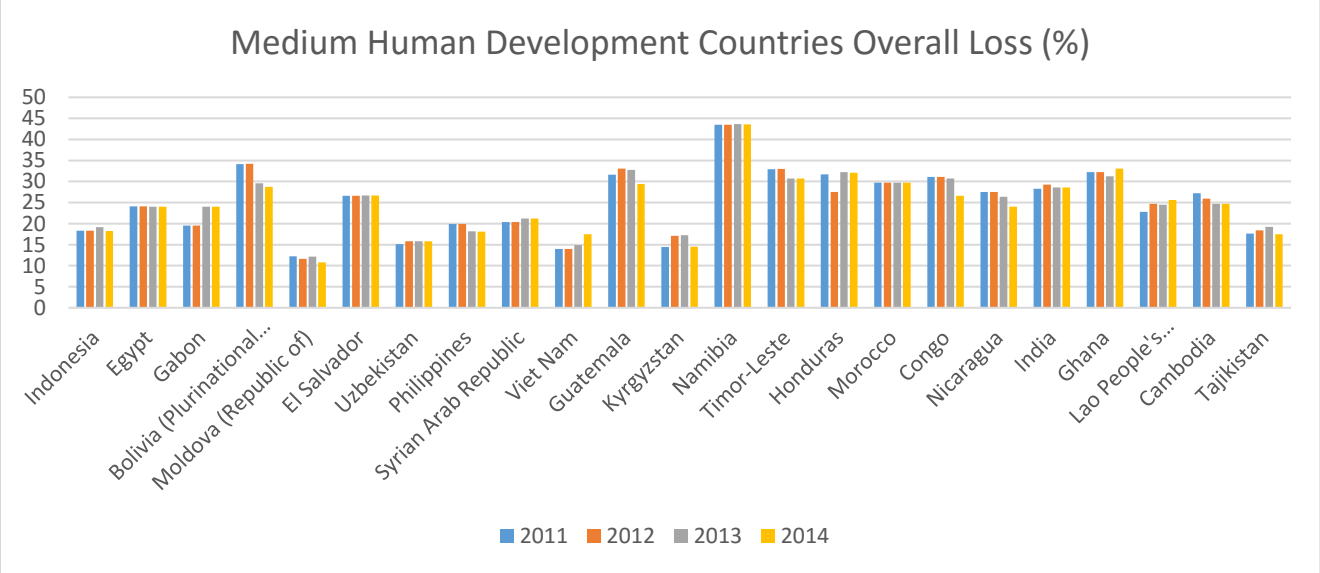

Medium Human Development Countries Income Gini Coefficent
70,0,0
60,0,0
50,0,0
40,0,0
30,0,0
20,0,0
10,0,0
,0,0
Indonesia
Egypt
Gabon
Bolivia (Plurinational...
Moldova (Republic of)
El Salvador
Uzbekistan
Philippines
Syrian Arab Republic
Viet Nam
Guatemala
Kyrgyzstan
Namibia
Timor-Leste
Honduras
Morocco
Congo
Nicaragua
India
Ghana
Lao People's...
Cambodia
Tajikistan
2000-2011
2000-2010
2003-2012
2005-2013

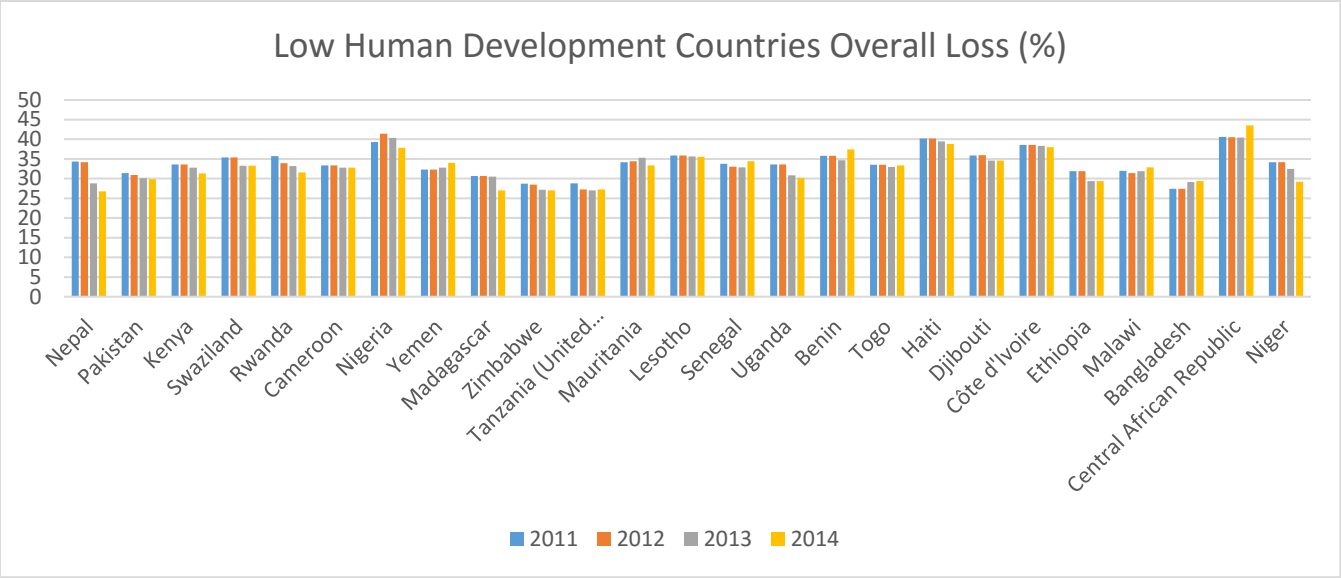

Low Human Development Income Gini Coefficent
70,0,0
60,0,0
50,0,0
40,0,0
30,0,0
20,0,0
10,0,0
,0,0
Nepal
Pakistan
Kenya
Swaziland
Rwanda
Cameroon
Nigeria
Yemen
Madagascar
Zimbabwe
Tanzania (United...
Mauritania
Lesotho
Senegal
Uganda
Benin
Togo
Haiti
Djibouti
Côte d'Ivoire
Ethiopia
Malawi
Bangladesh
Central African Republic
Niger
2000-2011
2000-2010
2003-2012
2005-2013

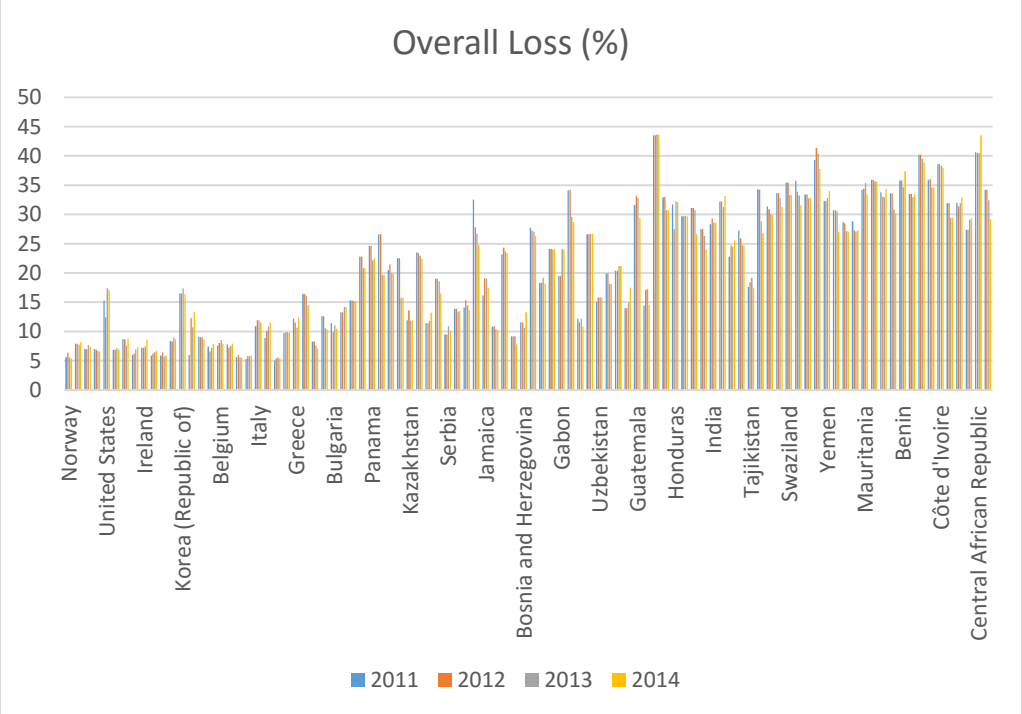

Income Gini Coefficent
70,0,0
60,0,0
50,0,0
40,0,0
30,0,0
20,0,0
10,0,0
,0,0
Norway
Netherlands
Canada
Sweden
Korea (Republic of)
Austria
Finland
Spain
Greece
Romania
Trinidad and...
Venezuela...
Kazakhstan
Jordan
Georgia
Armenia
Bosnia and...
Egypt
Moldova (Republic...
Philippines
Guatemala
Timor-Leste
Congo
Ghana
Tajikistan
Kenya
Cameroon
Madagascar
Mauritania
Uganda
Haiti
Ethiopia
Central African...
2000-2011
2000-2010
2003-2012
2005-2013


Very High Human Development Countries Overall Loss (%)
18
16
14
12
10
8
6
4
2
0
Norway
Australia
Switzerland
Netherlands
United States
Germany
Canada
Denmark
Ireland
Sweden
Iceland
United Kingdom
Korea (Republic of)
Israel
France
Austria
Belgium
Luxembourg
Finland
Slovenia
Italy
Spain
Czech Republic
Poland
Greece
2011
2012
2013
2014


High Human Development Countries Overall Loss (%)
35
30
25
20
15
10
5
0
Uruguay
Belarus
Romania
Bulgaria
Mauritius
Trinidad and Tobago
Lebanon
Panama
Venezuela (Bolivarian...
Costa Rica
Turkey
Kazakhstan
Mexico
Azerbaijan
Jordan
Serbia
Albania
Georgia
Colombia
Jamaica
Armenia
Peru
Ukraine
Bosnia and Herzegovina
Brazil
2011
2012
2013
2014


Medium Human Development Countries Overall Loss (%)
50
45
40
35
30
25
20
15
10
5
0
Indonesia
Egypt
Gabon
Bolivia (Plurinational...
Moldova (Republic of)
El Salvador
Uzbekistan
Philippines
Syrian Arab Republic
Viet Nam
Guatemala
Kyrgyzstan
Namibia
Timor-Leste
Honduras
Morocco
Congo
Nicaragua
India
Ghana
Lao People's...
Cambodia
Tajikistan
2011
2012
2013
2014





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