Expert Journal of Economics, Volume 3, Issue 1, pp. 5-13, 2015

ISSN 2359-7704
Economics.ExpertJournals.com

Investment under Financial Liberalization: Post 1980 Turkey Case

Onur TUTULMAZ*, Burcu DOĞAN

Hitit University, Turkey

In the history of the modern state of Turkey many policies have been developed and applied in order to transform ineffective economy to a dynamic and steady one. The liberal policies have been effectively applied except for war periods. The main activity of liberal policies in Turkey's economy was conducted on January 24, 1980 with some important structural adjustment decisions. These decisions aimed to integrate the economy with the global system by applying global economic order that widely adopted all over the world. The decisions aimed also to activate a financial liberalization in the country. Financial liberalization generally includes the principles related to removing the pressure on the interest rate, currency control and investment mobility. More liberalization steps came in 1989 aiming to increase the investment and growth. Foreign Direct Investment (FDI) was seen important for those purposes. However, short term capital flows, having been more effective in real investments than FDI, have led to several negative effects in this period. In this study some of the drawbacks of that process of financial liberalization have been discussed. The relation between FDI and Gross Domestic Product in the financial liberalization process has been tested with econometric implementation. Econometric estimation has been applied for this purpose to test this relationship for post 1980 era for Turkey as a developing country.

Keywords: *financial liberalization, foreign direct investment, FDI, economic growth*

JEL Classification *E22, N24, F65*

1. Introduction

Although a lot of economic policies have been applied in Turkey's history since 1923, the interventionist policies had been always more dominant until 1980. Especially the war or crisis periods have been the times that were detached from the liberal policies.

State interventionism was started to be left gradually in the post 1980 period. By the effect of liberalization era in the world, economic liberalization transformation reforms were declared on January 24th, 1980. These decisions were primarily used to establish the stability in its domestic and international markets. Because the stability is the primary feature that foreign direct investment (FDI) looks for when entering a country. Therefore, the stimulus programs prepared in order to promote to domestic production are facilitated

---

* Corresponding Author:
Onur Tutulmaz, Hitit University, Department of Economics, Turkey

Article History:
Received 15 January 2015 | Accepted 26 January 2015 | Available Online 19 February 2015

Cite Reference:
Tutulmaz, O., and Doğan, B., 2015. Investment under Financial Liberalization: Post 1980 Turkey Case. *Expert Journal of Economics*, 3(1), pp.5-13

for also FDI. FDI was expected to bring technology, knowledge and know-how so that it was expected to help in growing economy. In this aspect FDI was given an important place in the macroeconomic policy of the country.

The reforms planed in 1980`s financial liberalization decisions were brought into the reality in a large extent in a decade. By the means of that policy the controls over the interest rates and currency exchange were removed and the capital flows were liberalized. However, this financial liberalization had not brought the expected positive effect on the growth or decrease in the dependence on foreign capital. This experience brings the questions on the effectiveness of liberalization policies in developing countries since the success of the liberalization in developed world has not been generally seen in the developing countries. The liberalized interest rates led an increase in incoming short term foreign capital instead of an increase in domestic savings. Liquidity of short term foreign capital leads to fast capital outflows in the crisis times. This liquidity, consequently, increases the economic instability of the system in the crisis. Accordingly, there have seen an increase in the number of crisis in the country; in contrast, the portion of FDI in developed economies has been higher before and after economic liberalization.

In this paper, first the concepts of liberalization and financial liberalization are investigated in the second section. In the third section, the process of the liberalization and financial liberalization in Turkey is taken into account. In the third section, an empirical model is applied for the relationship of FDI with economic growth.

2. Liberalization

Liberalization, literally means making free; applied in economics, it means to make the economy (in a large extent) free from the state and to let the market run the economy as much as possible.

As one of the important concepts that affected modern economies in the world, liberalization can be defined in general terms as ‘removal of uncompetitive factors and of the obstacles against the free circulation of goods, services, labors and capital’ (GEU, 2009).

Going through the definitions, we can see that liberalization aims to abolish the economic borders among the countries whether they are developed or developing countries; in this aspect of the meaning of the word, it closes to the ‘globalization’.

2.1. Financial Liberalization

In a narrow definition, financial liberalization means to remove the controls on bank account and credit interests; in a wider definition, it means to abolish the classifications of the activity of institutions, to decrease and abolish the controls on exchange, to remove the obstacles on the foreign accesses to domestic financial system, and the obstacles on the national access to international financial system (Williamson and Mahar, 1998:2).

In a different definition financial liberalization is defined as a result of the deregulation activities by which the controls and restrictions on the financial and banking system are abolished; therefore, it is defined as a process of opening to international capital flows.

The justification of the financial liberalization lies beneath the criticizing of the government intervention and control on the economy. According to that analysis, an intervention to economy means the external determination of interest rates to the market and the restriction of the capital flows. In this concept, a maximum level of interest rates would distort the consumption plans towards today, meaning inter-periodic changes. This kind of inter-periodic changes decrease today`s savings and therefore negatively affect the investments. Moreover, a maximum level of interest rate causes a negative real interest rates in inflation times, leading to a valuation of national money and damage in export sector. With this analysis, financial liberalization criticizes the government intervention and defends the efficiency of the liberal policies.

Another important issue with the financial liberalization is its different efficiency levels according to the development levels of countries. Developed financial infrastructure and financial tools of developed countries prepare an available base for liberalization policies. However, the liberalization situation in developing countries is not only related with the financial markets but it is related with the radical economic transformations coming up in their development path (Tuncel, 2010: 100).

There are different applications of financial liberalization in domestic and international markets. However, they should both be applied in order to be efficient. Domestic financial liberalization means the removal of controls and restrictions which causes financial shrinking and to obtain that the nominal interest rates should be determined by banks instead of the government and the interest rates should be determined in the market according to demand and supply. The foreign financial market liberalization, on the other hand, is defined as the removal of the controls on exchange rates in order to unification with the foreign financial markets and to maintain of that the exchange rates are determined in the market by exchange demand and supply. Moreover, the unlimited capital circulation of capital and the equalization of factor prices in long term consists the other expected results from the liberalization process (Williamson and Maher, 1998: 8-11).

At first the developing countries followed a negative attitude against the financial liberalization. After 1980, the maximum interest rates, obligatory reciprocal rates and the restrictions on the international capital flows were abolished. (Demirgulec and Detragiache, 1998: 2). Therefore, the domestic and international financial liberalization movements can be evaluated as that they brought a wider scale economic liberalization and preceded the financial globalization.

3. Post 1980 Turkish Economy

3.1. 1980-1989 Period

In this period of 1980-1989, Turkey had done important changes in economic policy and applied domestic financial liberalization. There were political openings aiming the real sector and trade liberalization in the first step; but the policies for financial liberalization were also added to them.

In 1980, the first step in liberalization of economy was taken by the January 24th decisions. The January 24th decisions are an important milestone showing that Turkey connects world markets. There are 2 opinions on this process. First opinion defends that this process is a revolutionary integration process by which the country opened itself to the world; second opinion proposes that the policies of detachment from national industry, national trade and promoting agriculture are actually the continuation of the harmonization policies used to open the country to the international capital (Öztürk, Nas and Içöz, 2008: 16). These two opinions show that there are positive and negative evaluations on the January 24th decisions. The main points of January 24th decisions are listed as below:

1. The macro level decisions instead of micro level decisions should be preferred in order to maintain integrity, consistency and compatibility in economy.
2. The potential and dynamism of the private sector should be maximally facilitated in production and export sectors.
3. The control of inflation should be maintained primarily. A healthy growth should be aimed after controlling inflation.
4. In order to control inflation the monetary and credit policies should be under control and the government financial deficit should be eliminated gradually; the central bank loans to the Treasury should be followed tightly.
5. The unutilized capacity should be first facilitate before initiating new investments
6. To increase the export rapidly, a realist and elastic exchange policy should be followed parallel to the other precautions.
7. A realistic interest policy should be followed in order to increase savings and channeling them by fiscal institutions.
8. The foreign private capital should be promoted in order to eliminate the domestic and foreign financial deficit and in order to increase the investments so as to increase employment (Parasız, 2003: 283-284).

After the January 24th decisions listed above, the main changes performed in this period can be given as below:

1. Lira (TL) was devaluated from 1 US Dolar = 1.47 TL to the exchange rate of 1 US Dolar = 70 TL.
2. Export Promotion Fund (EPF) was founded by the Central Bank and a certain amount from the Support and Price Stability Fund and from the export guarantee deposits were transferred to the EPF.
3. Efforts to eliminate the KİT deficits and governmental sector deficits were conducted (Cura, 1998: 134).

The economic program of 24 January 1980 deemed the foreign capital as a must for economic growth, therefore, the private foreign capital has been regarded a privileged place in the program. First, a bylaw, called ‘Foreign Capital Frame Bylaw’ (Yabancı Sermaye Çerçeve Kararnamesi), was legislated in order to remove the bureaucratic obstacles in front of foreign capital inflow. With this bylaw, a condition that a part of production depends on foreign investment must be exported was legislated (Savrul, Ozekicioğlu and Ozel, 2013: 230). The purpose of this regulation was to decrease the government role in economy and stimulate the export.

3.2. 1989-2001 Period

The liberalization movement that started after 1980 first became effective in the trade and production areas. Between 1980 and 1989 all necessary financial regulations were made and the integration to market economy was completed.

By the decisions of 24 January 1980 various policies were applied to increase the investments and to establish the stability and eventually an improvement was observed. This improvement went into another phase with the introduction of Decree No. 32 in 1989 to continue the liberalization reforms by financial liberalization steps, which can be seen as advance level of liberalization (Unsal, 2003: 191). By Decree No.32, first, all exchange controls were established and consequently the international capital flows started to be effective in the domestic markets (Kar and Tatlısoz, 2008: 4).

In 1984, a regulation, Decree No.30 related to the law numbered 1567, launched a quasi-control regime for currency exchange and this regime lasted until 1989. By the Decree No.32 this transformation had been completed in 1989 and all hurdles against the liberalization of capital circulation in domestic markets were removed. Some of the important articles of the Bylaw are given below:

On the foreign capital to come to the country:

Article 12- (1) Foreign investments aiming Turkey will be evaluated according to the Law no. 4875, the Law on Foreign Direct Investments.

(2) The profit, sales revenue, license, compensation, interest and other expenses which are outcomes of the foreign investor`s activities in Turkey can be freely transferred to abroad.

(3) According to Petroleum Law no 6326 the activities in Turkey and transfer demands subject to this law.

On the domestic capital to leave the country:

Article 13- (1) Individual placed in Turkey can freely transfer capital abroad via banks to invest or to conduct trade activity, to establish incorporation, under the custom rules.

(2) Individual placed in Turkey can freely transfer the establishment or running expenses of their abroad brands, representatives or bureaus.

(3) Banks and custom authorities inform the Ministry Undersecretriat about the exporting capital to abroad in 30 days.

(4) Ministry is authorized on requesting the information and the documents from individuals related with applications of this law (TCMB, 1989).

Beginning from 1989, the governmental authorities launched a new economic policy that aims to keep the devaluation of Turkish Lira (TL) against Dolar and Mark under the inflation. TL started to evaluate against foreign exchanges especially in 1989 and 1990; and after 1991 the high interest policy to attract the foreign capital helped to expand the exchange supply (Uysal, Mucuk and Alptekin, 2008: 53).

The Decree No. 32 came into effect in 1989 was effective to change the country`s economic direction. However, it had been observed that the liberal policies could not be effective to increase the real investments, rather it helped that the short term capital had a major role in operating of the country`s economy.

3.3. Post 2001 Period

After the Decree No. 32 came into effect in 1989, Turkish economy experienced a several economic crises in 1994, 1997-1998, 2001 and consequently went under IMF stability programs.

A program to deal with the 2001 crisis was announced on 14 April and 15 May 2001 in two steps. The program was called as national program first, and afterwards as ‘Program for Transition to a Strong Economy’ (Ay and Karaçor, 2006: 71).

The Program for Transition to a Strong Economy (PTSE) was put into effect in three steps. It was announced that it had been planned to get financial sector under control in first step, the foreign deficit and inflation would be dealt in second step and the growth rate would be increased by the applications aiming the structural changes in the last step (Karacor and Kol, 2012: 387). The program generally focused on the opportunity to facilitate from the strong international economic resources; however, it didn’t take the negative parts of the short term foreign capital in account. Actually, the program can be seen as a continuum of the rule of the Decree No. 32 on the manner of capital mobilization. The program did not either consider on that an exchange expand could lead to an import surge and its consequences as capital outflow. With this arguments, the program has been criticized as the possible outcomes might be reverse of what was aimed; and it could have possibly leaded to a total dependence to international capital instead of facilitating from the foreign economic resources (for example see, BSB, 2001). Parallel to these critiques, after PTSE launched in 2001 the dependence on short term foreign capital and foreign currency financing deficit has increased.

4. Foreign Direct Investment (FDI) and Growth in Financial Liberalization Process: An Application

4.1. The Literature Survey on the Relationship between FDI and Growth

There are quite a lot studies investigating the relation of financial liberalization with economic variables. These studies show different results according to the countries they were applied. A brief scan of literature is given below.

Mario Carcovic and Ross Levine (2002) tested the relationship between FDI and growth by using a data set including 72 countries. The application uses countries' data for the period 1960-1995 and. Ordinary least square (OLS) method is used in the first step of the application, a dynamic panel data is structured by using the 5 year averages in the second step. A negative relationship between FDI and growth is detected in the paper.

The relationship between FDI and economic growth has been tested by the paper of Fatma Turan Koyuncu (2011). The paper used the causality test for analyzing the relationship. 3 month data set for the period of 1990-2010 taken from Central Bank`s data base is used in the paper. The analysis resulted that the variables are stable and FDI affects the economic growth in positively.

De Mello (1997) used a data set consists of 32 non-OECD countries. The paper detected a positive relationship between FDI and economic growth.

Onur Sara (2005) tested the relationship between a set of variables consist of openness, financial development and financial liberalization with the economic growth by using Granger causality test. The paper detected a single direction relationship in 1 % significant level between openness and financial liberalization, growth and financial liberalization, growth and financial development. The paper detected a double direction relationship in 1 % significant level between growth and openness. It is also detected a single direction relationship in 5 % significant level between financial development and financial liberalization, financial liberalization and openness, financial liberalization and growth, financial development and growth.

Ayberk Nuri Berkman (2011) tested the relationship between FDI and economic growth using a data set consists of quarter data between the periods 1987: 01 and 2011: 02. Causality test detected a causality relationship from financial liberalization to growth.

Ağayev, Seymur (2010) tested the relationship between FDI and economic growth for 25 transition economies by panel data, panel cointegration and panel causality tests. The paper detected a positive effect of FDI on economic growth.

Okuyan and Erbaykal (2008) conducted an empirical research by using causality test on 9 developing countries. These 9 developing countries consists of Brazil, Mexico, Malaysia, South Korea, Thailand, Turkey, Singapore, Indonesia and India. For the period of 1970-2006; and tested the causality relationship of FDI with economic growth. Authors concluded that the economic growth cause an increase in FDI for the 6 of these countries including Brazil, Mexico, Malaysia, South Korea, Thailand and Turkey. Moreover, a reciprocal causality is detected for the data of Singapore and Indonesia, and a causality relationship from FDI to economic growth is determined for India.

Babajide Fowowe (2008) used Generalized Moments Method (GMM) to test the relationship of financial liberalization with economic growth for the data set of Sub-Sahara Africa for the 1978-2000 period. The research concluded a positive relationship between financial liberalization and economic growth.

Ben McLean and Sona Shrestha (2002) conducted a panel data analysis consists of 40 countries for the period of 1976-1995. The econometric model analyzed the effects of various capital flows to the economic growth and concluded that the FDI and portfolio investments affected growth positively; on the other hand, bank credits affected growth negatively.

Imran Sharif Chaudhry (2007) determined a positive relationship between financial liberalization and economic growth for Pakistan for the period of 1972-2006. Chaudhry concludes that the financial liberalization process pulled the growth rates upward.

David T. Tswamuno, Scott Pardee and Phanindra V. Wunnava (2007) tested the relationship between the financial liberalization and economic growth for South Africa for the time period of 1973:3 – 2005:1. Estimations showed that financial liberalization affected growth positively in the first years, yet the volatility experienced recent terms has not positively affected to South African economy.

As it can be seen here the biggest part of the financial liberalization literature consists of researches investigating the effects of FDI on economic growth. The role of economic crisis and the other macroeconomic variables in this relationship is also tested in literature.

4.2. Data and Method

The empirical model applied in this paper was first applied for Uganda by M.B. Obwana (2001) and then for Turkey by Onur Demirel (2006). Both papers used simultaneous models. Our paper, taking the model for a Turkey application, also estimates as single equations by using the Ordinary Least Square (OLS) method and compare the results with the ones from the estimations of simultaneous equations. Our paper tries to test the relationship of FDI with economic growth in Turkey after the financial liberalization takes start off in 1980 until 2013. On the other hand, because of encountered data problems for some of variables, the data set was restructured as 1984-2010.

During constructing the data set for the econometric model we facilitated the online data from the official websites of Turkish Statistical Institute (TurkStat), Ministry of Development, Treasury Undersecretariat, Central Bank of the Republic of Turkey (CBRT/TCMB), Ministry of Economy and Ministry of Finance. Most of these data are in current terms. Real data series of the variables GDP, FDI and S (domestic savings) have been obtained from global data networks of IMF, WB, OECD and UNCTAD in real terms. IMF: International Money Fund (www.imf.org); WB: World Bank (www.worldbank.org); OECD: Organizations of economic Cooperation and Development (www.oecd.org); UNCTAD: United Nations Conference on Trade and Development (www.unctad.org). Explanations of the variables are given under the Eq. (2) and (3) of the model.

4.3. Econometric Application and the Results

The estimated econometric model aims to determine the direction of the relationship between GDP and FDI in post-1980 Turkey. The aim of our paper is to determine the effect of the liberalization on the country`s economy, therefore especially the after 1980 data are used for this purpose.

$$Y_i = \beta_1 + \beta_1 X_i + e_i \tag{1}$$

First, the single equations as represented in Eq. (1) are estimated separately by OLS method. In these estimations it is aimed to determine that the effect of FDI and other variables on economic growth (GDPG) in the first equation; similarly, the effect of economic growth and other variables on FDI in the second equation.

The open forms of the estimated equations are given in Eq. (2) and (3) below:

$$GDPG_t = \beta_0 + \beta_1 FDI + \beta_2 S + \beta_3 XG + \beta_4 FA + e_{1t} \tag{2}$$

β_0: Constant term
GDPG: GDP growth rate (%)
FDI: Foreign Direct Investment (Milyon $)
S: Domestic savings rate (%)
XG: Export growth rate (%)
FA: Foreign aid income
e_{1t}: Error term

$$FDI_t = \beta_0 + \beta_1 GDPG + \beta_2 GDP + \beta_3 INF + \beta_4 S + \beta_5 PI + \beta_6 Dummy + e_{1t} \tag{3}$$

β_0: Constant term
GDPG: GDP growth rate (%)
GDP: Gross Domestic Product (Milyon $)
INF: Inflation (TUFE) (%)
S: Domestic savings rate (%)
PI: Public investment as percentage of GDP (%)
DUMMY: Dummy for GDP
e_{1t}: Error term

Table 1. *Estimations of OLS Model*

Growth Equation		
Variable	**Coefficient**	**t-stat**
C	-4.60	-0.76
FDI	-6.89	-0.26
FA	-4.05	-1.01
S	8.02	1.24
XG	0.16	2.04**
$R^2 = 0.27$		

*10%, **5%, ***1% significance levels

FDI Equation		
Variable	**Coefficient**	**t-stat**
C	-2.63	-0.81
GDP	0.14	4.47***
GDPG	-84332831	-0.55
INF	-56113526	-1.96**
S	5.33	2.58***
DUMMY	1.5	0.82
PI	-3.27	-2.66***
$R^2 = 0.78$		

Table 1 shows the estimations results of econometric application. The coefficient of determination (R^2) shows to what extent dependent variable can be explained by the independent variables. In growth equation, R-square is determined 0.27. This explanation level of dependent variable by independent variables can be thought as a low value. R^2 is 0.78 in FDI equation, higher than the one in the growth equation, it can be deemed as good level for estimations.

In the estimations of growth equation, XG and S are determined positive; FA and FDI are determined negative. XG was estimated in 5% significance level. It is normal that increases in export increase the economic growth; however FDI was not estimated significant by the data of investigated period. The significant role of FDI in economic growth of developed countries could not be determined for Turkey. More importantly F statistics cannot confirm overall significance for first equation. This result puts the statistical inability of the model for Turkey data more clearly signaling insignificant role of FDI in recent growth experience of Turkey.

This study aiming to re-test the explaining power of the previously applied simultaneous equation by referencing Obwana (2009) finds an inability in this aspect. The estimations of the simultaneous model doesn't give meaningful results, and this is consistent with the growth equation insignificant estimation above and the Hausman test for simultaneity as well.

The empirical simultaneous equations estimated in this paper are given in Eq. (4). The same variables as used in Eq (2) and (3) are used here, therefore they are not explained again here.

$$GDPG_t = \beta_{20} + \beta_{21}\,FDI + \beta_{22}\,S + \beta_{23}\,XG + \beta_{24}\,FA + e_{1t}$$

$$FDI_t = \beta_{10} + \beta_{11}\,GDPG + \beta_{12}\,GDP + \beta_{13}\,INF + \beta_{14}\,S + \beta_{15}\,PI + \beta_{16}\,DUMMY + e_{1t} \qquad (4)$$

In this sense our results contradict with the results of another Turkey application of the Obwana model (see, Demirel, 2006). This difference should be caused by the different data structure and source because the data sources and the lengths are different. However, this apparent differentiation also puts a question in terms of the reliability of the simultaneous model.

Despite the fails of the simultaneous model application of (4), single equation estimation of FDI equation gives reliable results. In FDI equation, GDP, DUMMY and S are determined as positive; INF, GDPG and PI are determined negative. In the estimations, PI, S and GDP are determined statistically significant at 1% level; INF is determined significant at 5% level. GDP level has been found significantly related with FDI. PI can be related with the consumption behavior; therefore it is included in the model. PI can be deemed as a way to affect the consumption behavior in a society; in this aspect, the increasing consumption behavior has affected GDP level in this period (despite the overall insignificance of the first equation). S and INF are also found significant for describing FDI. S and stable INF can be effective in determination of FDI via affecting the GDP levels.

5. Conclusion

Starting from 1980 the liberal policies brought a real unlimited freedom to Turkish economy. In this period of transformation the country has introduced many new regulations.

However, these regulations could not bring the intended success. Financial liberalization has worked for the profit realizing foreign capital at the high interest periods instead of intended stability and growth. The failure in achieving the stability and growth in the country also affected back in attracting FDI, in a vicious circle. The result of the econometric application in this paper showed signs in this way. Having been significant in FDI numbers, growth in GDP could not be stable enough to make FDI numbers effective and significant in describing the GDP itself.

As a result, the outcomes for Turkey remind us the differentiation of the successes of FDI in developing and developed countries. Not having stability in their economy, developing countries could not be successful in FDI applications. On the contrary, the liberal policies have led insatiability to escalate inside the countries. In this context, the escalated instability can be seen related with the high number of economic crises of modern economies in recent decades.

References

Ay, A. and Karaçor, Z., 2006. 2001 Sonrası Dönemde Türkiye Ekonomisinde Krizden Büyümeye Geçiş Üzerine bir Tartışma. *S.Ü. Sosyal Bilimler Enstitüsü Dergisi*, 16, pp.67-86.

BSB-Bağımsız Sosyal Bilimciler, 2001. Güçlü Ekonomiye Geçiş Programı Üzerine Değerlendirmeler. (http://www.bagimsizsosyalbilimciler.org/bsbmetin.html. (Accessed August 20, 2014).

Berkman, A.N., 2011. Finansal Liberalizasyonun Gelişmekte olanÜlkeler ve Türkiye Üzerindeki Etkileri, Adana: Çukurova Üniversitesi Sosyal Bilimler Enstitüsü, *Doktora Tezi*.

Carkovic, M. and Levine, R., 2002. Does Foreign Direct Investment Accelerate Economic Growth? University of Minnesota, Department of Finance, *Working Paper***,** June, pp.195-220. Available online at: http:// papers.ssrn.com/sol3/papers.cfm?abstract_id=314924 Paper Download. (Accessed May 10, 2014).

Chaudhry, I.S., 2007. Financial Liberalization and Macroeconomic Performance: Empirical Evidence from Pakistan. Available online at: http:// www.gredeg.cnrs.fr/ Colloques/NFI/ Papers/ PapierOnLine/ Chaudry.pdf. (Accessed August 27, 2014).

Cura, K., 1998. Türkiye'de 1980 Sonrası İzlenen Para politikası, *Selçuk Üniversitesi Sosyal Bilimler Meslek Yüksek Okulu Dergisi*, 1, pp.129-145.

De Mello. Jr. By Luiz Re., 1997). Foreign Investment in Developing Countries and Growth: A Selective Survey. *The Journal of Development Studies*, 34 (1), pp.133-151.

Demirel, O., 2006. *Doğrudan yabancı yatırımlar, ekonomik büyümeye etkileri ve Türkiye uygulaması.* Master thesis, Suleyman Demirel University

Demirgüleç, A. and Detragiache Kunt E., 1998. Financial Liberalization and Financial Fragility. *Policy Research Working Paper 1917,* Available at http://wwwwds.worldbank.org/ servlet/WDSContentServer/ WDSP/ IB/1998/05/01/ 000009265_3980630181025/ Rendered/PDF/multi_page.pdf. (Accessed May 22, 2015).

Fowowe, B., 2008. Financial Liberalization Policies and Economic Growth: Panel Data Evidence from Sub-Saharan Africa. *African Development Review*, 20(3), pp.549-574.

GEU, 2009. *Glossary for the European Union*. Economic Development Foundation. Available at http: // www.ikv.org.tr/sozluk.asp?bas_harf=L&anahtar=&sayfa=&id=1193#kancasosluk1193. Accessed May 2, 2014.

Kar, M. and Tatlısöz, F., 2008. Türkiye'de Doğrudan Yabancı Sermaye Hareketlerini Belirleyen Faktörlerin Ekonometrik Analizi. *KMU İİBF Dergisi,* 14(10), pp.1-23.

Kol, E. N. and Karaçor, Z., 2012), "2001 Güçlü Ekonomiye Geçiş Programı ve İstihdam Üzerine Etkileri", *Maliye Dergisi*, 162, pp.379-395.

Obwona, M.B., 2001. Determinants of FDI and their Impact on Economic Growth in Uganda. *African Development Bank*, 13(1), pp.46-81.

Okuyan, A. and Erbaykal E., 2008. Gelişmekte Olan Ülkelerde Doğrudan Yabancı Yatırımlar ve Büyüme İlişkisi. *Ekonomik Yaklaşım Dergisi*, 19(67), pp.47-58.

Öztürk, Ş., Nas F. and İçöz, E., 2008. 24th January Decisions Neo-Liberal Policies and Agriculture of Turkey. *PAU J Soc Sci Ins*, 1 (2), pp.15-32.

Parasız, I., 2003. *Türkiye Ekonomisi*, Bursa: Ezgi Kitabevi Yayınları.

Sara, O., 2005. Finansal Liberalizasyon ve GSMH arasındaki İlişki. *ZKÜ Sosyal Bilimler Dergisi*, 1(1), pp.127-151.

Savrul Kılıc, B., Özal, H.A. and Kılıç, C., 2013. Osmanlı'nın Son Döneminden Günümüze Türkiye'de Dış Ticaretin Gelişimi. *Girişimcilik ve Kalkınma Dergisi,* 1(8), pp.55-78.

Seyidoğlu, H., 2002. *Ekonomik Terimler Ansiklopedik Sözlük*, İstanbul: Güzem Can Yayınları.

TCMB, 1989). Türk Parası Kıymetini Koruma Hakkında 32 Sayılı Karar, Available at http://www.tcmb.gov.tr/ yeni/mevzuat/ DISILISKILER/32sayilikarar.htm. Accessed May 13, 2014.

Tswamuno, D. T., Pardee, S., and Wunnava, P.V., 2007. Financial Liberalization and Economic Growth: Lessons from the South African Experience. *International Journal of Applied Economics*, 4(2), pp.75-

89.
Tuncel, C.O., 2010. Finansal Liberalizasyon ve Küresel Krizin Yapısal Nedenleri: Gelişmekte Olan Ülkeler İçin Dersler. *Finans Politik & Ekonomik Yorumlar Dergisi*, 47 (545), pp.93-105.
Unsal, H., 2003. Türkiye'de Finansal Serbestleşme Sürecinde İç Borçlanma ve Sermaye Piyasası Üzerindeki Etkileri. *G.Ü. İ.İ.B.F. Dergisi*, 3, pp.191-205.
Uysal, D., Mucuk, M., Volkan, A., 2008. Finansal Serbestleşme Sürecinde Türkiye Ekonomisinde Faiz Kur İlişkisi. *KMU IIBF Dergisi*, 15(10), pp.48-64.
Williamson, J. and Mahar, M., 1998. *A Survey of Financial Liberalization, Issue 211*. Princeton University, New Jersey