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A COMPARISON OF THE EFFECTS OF THE IMF PROGRAMS DESIGNED TO DEAL WITH THE ECONOMIC CRISES IN TURKEY AND ARGENTINA

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***Abstract:** This paper discusses and tries to compare the reasons for the crises of Argentina and Turkey, which have always had problematic structure in terms of macro economic conditions especially from 1985's together with efforts to gain access to foreign markets . It also explains whether these countries achieved success with IMF supported economic programmes. Therefore, the paper consists of three main parts. In the first part, the principal aims of IMF's suggested policies have been discussed. In the second part, the effects of Argentina's application of IMF supported programmes on its economic and social indicators have been analysed.. In the third part, the crises, which Turkey had and the impact of policies ,which IMF carried out, have also been examined from the same perspective. Finally, the effects of IMF's policies, which were introduced against the crises in these two countries have been analysed and in the light of these policies, the points which countries have to consider in determining their policies and the lessons they must learn have been discussed.*

***Keywords:**Crises,Financial Crises, Financial Crises In Argentina Financial Crises In Turkey*

EKONOMİK KRİZLERLE MÜCADELE İÇİN UYGULANAN IMF PROGRAMLARI: TÜRKİYE VE ARJANTİN KARŞILAŞTIRILMASI

***Özet:** Bu çalışmada 1985'li yıllardan itibaren özellikle dışa açılma çabalarıyla beraber, makro ekonomik dengeleri her zaman problemli bir yapıya sahip olan ülkelerden Arjantin ve Türkiye'nin kriz nedenleri tartışılarak, karşılaştırılmaya çalışılmıştır. Bu ülkelerin IMF destekli programlarla başarılı olup olmadıkları irdelenmiştir. Bu çerçevede çalışma üç ana başlık altında toplanmıştır. Birinci kısımda IMF ' in önerdiği politikaların temel amaçları tartışılmıştır.İkinci kısımda Arjantin'in uyguladığı IMF destekli programların ülkenin ekonomik ve sosyal göstergeleri üzerindeki etkileri araştırılmıştır. Üçüncü kısımda da Türkiye'nin yaşadığı krizler ve IMF'in uyguladığı politikaların etkileri aynı çerçevede incelenmiştir. Sonuçta, bu iki ülkede krizler karşısında uygulanan IMF politikalarının etkileri değerlendirilmiş, ve bu uygulamaların ışığında ülkelerin kendi politikalarını belirlerken dikkat etmeleri gereken hususlar ve almaları gereke dersler ele alınmıştır.*

***Anahtar Kelimeler:** Krizler, Arjantin'deki Finansal Krizler, Türkiye'deki Finansal Krizler*

I. INTRODUCTION

In this study the effects of the programs designed to deal with the economic crises in Turkey and Argentina will be compared. Firstly main goals of the IMF policies and their conditions will be discussed. Secondly, the effects on the IMF programs on its social indicators and its economic indicators will be examined. Thirdly the effects on the IMF programs on its social indicators and its economic indicators in Turkey will be explored.

The crises in Turkey and Argentina have had a profound effect on our thinking about development strategies and the role of international institutions It was the 17th time an IMF stabilization program had collapsed in Turkey since 1947 and for the last four years, Argentina has been mired in recession.

II. THE MAIN GOALS OF IMF ADJUSTMENT POLICIES

The new crew of IMF are what Stiglitz calls "market fundamentalists" economists with one prescription for all problems: privatize, stabilize and liberalize (1). Thus supply-side policies aimed at bolstering growth - such as reducing the role of the government and opening the economy to external competition- became an important part of conditionality (2). Conditionality had to be pushed beyond the traditional reliance on demand restraint. In order to receive structural adjustment loans, debtor countries had to agree to undergo structural adjustment programs, which were apparently designed to make their economies more efficient and better capable of sustained growth. The conditions usually attached to structural adjustment loans included (3):Removing restrictions on foreign investments in local industry, banks and other financial services. Thus, local industry or banks could not be protected against giant foreign intervention. Cutting tariffs, quotas and other restrictions on imports.

Devaluing the local currency against hard currencies such as the US dollar in order to make exports still more competitive. Privatizing state enterprises, thereby providing further access for foreign capital. Reducing wages or wage increases to make exports more competitive. Radically reducing government spending, including spending on health, education and welfare combined with wage reduction would control inflation and ensure that all available money would be channeled into increasing production for export. Undertaking a deregulation program to free export oriented corporations from government controls that protect labor, the environment and natural resources, thereby cutting costs and further increasing export competitiveness. Reorienting the economy toward exports in order to earn the foreign exchange required for servicing the debt and to become correspondingly more dependent on the global economy. The effect was to reduce self-sufficiency and diverse local production in favor of single product manufacture or single crop agriculture.

The IMF demands high interest rates, high exchange rates and budgetary strictness, i.e. reducing spending on food subsidies, education, public health on other social services. Growth and employment may well suffer, but this is necessary in order to maintain the confidence of international lenders. For developing countries, these policies brought an unacceptably deep depression of domestic demand. Also, conditionality began to focus more on the sustainability of policies over the medium term. Because of the lack of institutional infrastructure- property law, regulatory regimes a banking system, a healthy and literature population and social safety net, market economy cannot flourish. Without competition policies in place, privatization may simply substitute private monopolies for public ones; and without new jobs for displaced workers to move into, privatization may cause increased unemployment and political instability. Since structural adjustment programs covered so many dimensions of economic policy, agreeing to structural adjustment programs, debtor countries meant turning over these countries economic control to the IMF. According to Stiglitz, the IMF usually ignores these qualifications and insists that privatization process as widely and rapidly as possible (4). Stiglitz believes that premature capital market, liberalization is the most damaging of the IMF's many misguided policies. (5)

A number of comprehensive studies, including one conducted by the IMF itself, admits these programs did not achieve their goal of stimulating growth. IMF economist Kohen compared countries that underwent stabilization and adjustment programs, and he found that economic growth was higher in the latter than in the former. (6)

III. THE ARGENTINEAN CRISIS (1985-2002) AND STRUCTURAL ADJUSTMENT PROGRAMS

III.1.Background and Origins of the Crisis

Argentina got stuck in a debt spiral in which higher interest rates increased the debt and the country's risk premium, which led to ever higher interest rates and debt service until its default in December of 2001. The interest rate shocks came outside , starting with the U.S: Federal reserve' s decision to raise short term rates in February of 1994, and on through the Mexican, Asian, Russian and Brazilian financial crises (1995-1999)In 1982, debt crisis in Mexican effected starting to great depression in Argentina. Argentina' s currency board system contributed significantly to the depression, because economic activity was directly reduced by the large capital outflows during this crisis.

In 1990, inflation was 1,345 percent. Then president Carlos Merem tied the peso to the US dollar in a currency board. Inflation slowed to zero and growth ignited, drowing in dollars that were newly crucial because the currency board requires that the peso be backed by actual greenbacks in the Argentina TreasuryIn particular, starting from 1999, the public debts doubled and low growth rates were scored in Argentina due to short term debt problems, budget deficits and difficulties in finding foreign loans. Consequently, the interest rates increased and capital flow out of the country accelerated. Although a new standby agreement with the IMF was concluded in 2000, no economic growth was achieved due to the weak fiscal position, the inflation increase, the excessive external debts, and the increase in monetary expansion. And the position of Argentina is still critical because of the current social problems amplified by increased unemployment.(7)

Since March 1990, there was a short-term monetarist approach program. The inflation was decreased to 11% in April 1991 while it was 95% in March 1990. The target was to decrease it by 10% for each month, on this short-term program which was the combination of tight monetary and fiscal policies (8). On the other hand, Argentina's economy did not grow up in 1990. The convertibility plan was on by the April 1991. This plan: (9)

erased the subventions

erased the exemptions of VAT
increased the taxes
brought limitation on the public wages and new employment
brought A new law which forbids governments to signage without any source.

The federal government ran modesty deficits throughout the mid-1990. Adjusting for the cycle, the Federal government's fiscal position deteriorated steadily during the boom years, although this partly reflected a recognition of unfounded pension liabilities. This situation is shown clearly on the table below.

While the inflation was 389% as an average in 1980-1990 time period, it became 13% in 1990-1997. Between 1990-1997, the adjustment program was successful at reining in inflation and balancing the budget. However, this was achieved at the expense of the poor and working class and the poor in general, who have seen their standard of living fall over the past decade as wealth has become more concentrated. But, the economic slowdown in most Latin American countries since 1999 also affected Argentina. Especially by this year, the debts were increased and low growth rate had been occurred because of the problems of short-term debts, budget deficit, and the hard finding new external sources. On the other hand, unstable domestic policies were also effective. Finally, the interest rates increased and the capital escapes became faster. (10). GDP was 38.84% in 1991, and climbed to 64.1% in 2001.

Table: 1 Argentina Selected Economic Indicators

Years	Real GDP	Consumer Price	Consolidated Dept/GDP	Overall Bal. Inca of bud.
91	10,5	67,44	38,8	-3,5
1992	10,3	84	32,9	-0,5
1993	5,7	93	32,8	-0,3
1994	5,8	97	35,1	-1,9
1995	-2,8	100	39,2	-3,1
1996	5,5	100	29,8	-3,6
1997	8,1	101	38,1	-2,4
1998	3,8	102	41,3	-2,5
1999	-3,4	101	47,4	-4,7
2000	-0,5	100	50,8	-3,6
2001	-4,5	99	64,1	-6,4
2002	-10,9	137,6	150,7	-1,5
2003	4	140,5	149,4	0,1

Source: IMF Country Report, Argentina (1991-2003).

Table: 2 Consolidated Debt, Tax, and Social Security (in percent of GDP)

Years	Consolidated debt	Tax	Social Security
1991	38,8	13,6	4,6
1992	32,9	16,2	5,1
1993	32,8	16,1	5,9
1994	35,1	16,2	5,7
1995	39,2	15,6	5,3
1996	29,8	15,8	4,4
1997	38,1	16,8	4,2
1998	41,3	17,4	4
1999	47,4	17,5	3,8
2000	50,8	18,1	3,7
2001	64,1	17,5	3,6

Source: IMF Country Report, Argentina (1991-2001)

B. Social Indicators

Argentina is seeking as much as $20 billion in emergency loans from the IMF to rebuild banks and provide social services to about 14 million Argentines living under the poverty line. One faced the problems in the public finances was the mounting differential between the wages and salaries paid by the federal government and those in the private sector. In 1994, the average Federal employee was paid 25% more than the average private sector employee; by the employee; by 1998 the differential had risen to 45%. (11) While the number of public employee were 1801 thousands in 1990 increased to 1815 thousand in 2001 and the number of federal government quantities were 694 thousands in 1990 decreased to 462 thousands. In the time period by the new finished labor contracts, the unemployment rate increased and that caused to social chaos. Besides the total rate of wages in GDP did not change, in federal sides while it was 2,97 in 1991, became 2,91 in 2001 and thus caused to the continual decline in workers' purchasing power between 1991 and 2001 (12).

Table: 3 Social Indicators: Wages and Federal Pensions (in percent of GDP)

Years	Total Wages	Federal Pensions	Provinces
1991	7,63	2,97	4,66
1992	7,98	2,7	5,28
1993	8,82	2,83	5,99
1994	8,89	3,03	5,86
1995	8,87	3,01	5,86
1996	8,35	2,93	5,42
1997	8,25	2,91	5,34
1998	8,33	2,7	5,63
1999	9,39	3,02	6,37
2000	9,47	2,96	6,51
2001	9,87	2,91	6,96

Source: IMF Country Report, Argentina (1991-2001).

Table: 4 Public Sector Workers, (in thousands)

Years	General Government	Feder al	Provinces
1990	1,801	694	1,108
1991	1,753	646	1,106
1992	1,675	556	1,119
1993	1,608	500	1,108
1994	1,629	515	1,114
1995	1,653	518	1,135
1996	1,72	496	1,223
1997	1,731	482	1,249
1998	1,739	465	1,273
1999	1,78	462	1,318
2000	1,815	462	1,353
2001	1,815	462	1,353

Source: IMF Country Report, Argentina (1991-2001)

According to the IMF, the purpose of a structural adjustment program is to restore "sustainable economic growth" and make lasting progress in alleviating poverty. If these are truly the goals of adjustment, the economic and social indicators show it has not worked. Adjustment in Argentina was undertaken too quickly and drastically. The program has not been mortified in response to the social, economic and environmental problems that have emerged. The IMF officials continue to insist that the beneficial effect of adjustment on poverty will take time, but, after more than a decade of adjustment in Argentina, there is still no light at the end of the tunnel.(13)

III. THE TURKISH CRISIS AND IMF ADJUSTMENT PROGRAMS

The IMF is an international institution having 183 members which established in 1946 in order to ensure stability of exchange rates and to financially support temporary balance of payment deficits. We will analyze the effects of the stand-by agreements Turkey concluded with the IMF up to day on basic macroeconomic indicators, focus on the period since 1990s. Particularly in 1994 when the crisis was seen, the inflation raised up to 106,3%; the growth of real GDP fell down to -5,5%; and the Dollar/TL parity raised up to 169,9. After a semi-heterodox stability program, similar to Israel's program, was implemented, the inflation decreased to 93,6% and the real GDP rose to 7,2% in 1995. A certain decrease in the current balance of accounts was also seen.

In addition Turkey has always been troubled by the problems in macroeconomic balances in her strife for globalization since 1980s. While the discussions concerning the crisis in 1994 arising out of deficits in the balance of payments and the possible effects of the 1997 Asian crisis on Turkey were underway, a complete crisis emerged in Turkey in late 2000 and early 2001. In this framework, we can contemplate over the reasons of the crisis in Turkey under three headings:

First, early action of government after 1980s on liberalization of capital movements before perfecting the (economic and legal) infrastructure;

Second, the external and domestic borrowing policies misguided as a consequence of the balance of payments deficits or the debt crises, which are, in turn, caused by the current transactions balance disrupted by fiscal expansion and consequently extremely appreciated exchange rates due to populist policies of the past years; or the exchange rate policies aimed at ensuring inflow of liquid money, in sum the structural reasons; and

Third, the fact that supply-side policies were seen as the only remedy.

For more than 25 years, high inflation has damaged the performance of Turkish economy in different ways. Instability of economic growth trend due to high increases or decreases of inflation, and socioeconomic impacts arising out of disrupted income distribution are the main damages. Inflation has led to loss of confidence in the Turkish Lira; high and unstable interest rates have increased speculation and arbitration; and globalization of international markets and technological innovations have increased the flow of liquid money into and out of Turkey. Turkey has implemented liberalization policies since 1980. As a consequence of international financial liberalization, the interest rates have come under international monetary movements. Turkey has started to feel the effects of it in 1992-1993. When the treasury bonds brought more than 30% real interest, the private sector preferred the financial investments to the activities which would create employment. When the interest rates of the banks on loans increased significantly, the loan process disrupted and the companies faced with the problems of limited external capital. On the other hand, public fiscal position became unstable due to high interest rates and weak financial position. The public sector debt including the unaccounted losses of the public banks was 44% of the GNP in 1998, increasing to 58% by the end of 1999 (14). This has undermined the confidence of international financial markets in Turkey. In the period up to the Asian crises, the IMF and the World Bank have forced the developing countries to liberalize their capital movements, owing also to the pressures by financial agencies. Yet, complete liberalization of the capital account has worsen the problems especially in the developing countries with a weak democratic practice, i.e. without accountability and openness practices, such as Turkey. Failed to achieve desired targets in tax collection, the governments have obtained all the available loans, trying to save the day through short term capital inflows; and current weak democratic practices have led to abuses, aggravating the situation and initiating crises. For instance, the military expenditures which account for 4,5% of the GNP and for which no accountability is required are very high compared to the European standards(15).

Consequently, high inflation, high interest rates, and unstable growth have increased the poverty of the people and disrupted the social equilibrium.

High interest rates provoked by the public loan demand and by real growth have, together with the slow devaluation rates in the same period, accelerated the inflow of speculative liquid money to Turkey. What were decisive on capital demands were not the long-term productive investments, but the short-term speculations. High interest rates have led to inflation, stagnation, increase in unemployment rates, and disruption of income distribution.

The Central Bank has been pursuing a managed floating exchange policy since 1994. In this system based on a foreign currency basket, the Central Bank would try to keep the devaluation closed to inflation to avoid any further disruption on the foreign trade balance, and would interfere with the foreign currency market to devalue the exchange rates so as to ensure an increase in parallel to the inflation. The Central Bank would not inform the financial markets of its target values concerning the foreign exchange rates, and the markets had to predict these targets.

Turkey launched a new program to decrease the inflation under the supervision of the IMF at the beginning of 2000. The primary target of the program was to decrease inflation by using foreign currency and wage baskets. In another words, the increases in currency rates and wages were planned beforehand in accordance with the targeted inflation rate. The suggestion was that the inflation would decrease to 20%, and accordingly foreign currency basket increase was targeted to be 20%, and the wage increase 25%. The interest rates would be determined in compliance with the market conditions. With this program, a devolution strategy which was announced for each day one year before and which was slowed down continually in 3-month periods was pursued. In this system, the Central Bank was under the obligation of buying or selling Dollars in amounts demanded by the market and at TL/Dollar rates determined by it in line with the foreign currency basket announced beforehand and with the internationally applicable Dollar/Euro parities. Starting from July 2001, the currency rates would be determined freely within the specified limits, which would be broadened in 6-month intervals. The purpose of choosing this system was to support the other policies against inflation by using the effects of devaluation on inflation.

In the first half of the year, the effects of the foreign exchange policy change on the inflation appeared, and the inflation started to decrease compared to previous years (16). However, in the second half of 2000, it became clear that things were not as expected. Inflation was going down more slowly than targeted, but the currency baskets were still being implemented as it was. The appreciation of the Turkish Lira stared and the foreign exchange policy was, in effect, transformed into a sort of fixed foreign exchange system. Exports decreased while imports significantly increased; and the foreign trade deficit rose to $21 billion in October.

Dornbush defined the road to crisis as follows: "A stability which depends on foreign exchange rates undergoes into three phases. The first phase is useful; the stability of the exchange rates ensures an overall stability in economy. In the second phase, reel appreciation of money is obvious, becoming clearer in each day, any interference with this situation is not favored. In the third and final phase, it is too late to do something. The real appreciation of money (and other conditions) requires devaluation at a high rate. However, the politics will not allow this. Time passes for a while more by refusing to accept the situation and then the bad news comes together, and currency crises begins" (17).

As expected, there was a crisis of rush to foreign currency, and $7 billion went out of Turkey in late November and early December. This problem could be prevented by obtaining an additional loan of $10 billion from the IMF, and by increasing the interest rates significantly. However, the disturbance of markets could not be alleviated since serious warning signals from the public were paid attention to. In the November crisis, the IMF, too, demanded the exchange rates be determined freely within certain limits, i.e. devaluation. Yet, as predicted by Dornbush, politicians and bureaucrats rejected the IMF proposal, knowing that they would suffer from a credibility loss in case of devaluation. Was a limited and controlled devaluation possible even in November? It is really difficult to answer this question (18).

In February 2001, an intensive flow of capital out of country and financial crises stared due to a disagreement among the top ranking staff of the government. This crisis, too, caused a new program be formulated under the supervision of the IMF. This time, however, no exchange rate targets were specified, and it was declared that inflation targets would be determined in the following months. Yet, this new program has not managed to secure the confidence by all of the relevant groups. In the pre-crisis period, the government failed to pay attention to the economists' warning that the Turkish Lira appreciated by 15%; and now the Turkish Lira has depreciated by 55% due to present chaotic situation. Almost one year has passed since the start of the crisis. But, let alone any signs of recovery, it is underway under aggravated conditions, and its effects are increasingly becoming obvious in macroeconomic signals.

In 1998, the inflation started to increase again. Following the implementation of a stability program, a certain decrease in the inflation was observed, but not as targeted. Yet, on the other hand, the Dollar appreciated significantly, and the balance of current accounts turned to negative. Therefore, as shown in table below, the latest stability program based on exchange rates was a failure, with the high costs to the country.

Table 5: Selected Economic Indicators

Years	Real GDP	Consumer Price	Unemployment rate	Current Account Bal. (in percent of GDP)
1990	9,3	60,3	8,2	1,7
1991	0,9	66,0	7,8	-0,2
1992	6,0	70,1	8,0	0,6
1993	8,0	66,1	7,7	-3,6
1994	-5,5	106,3	6,2	2,0
1995	7,2	93,6	6,9	-1,37
1996	7	79,4	19,5	-2,6
1997	7,5	85	10,2	-2,5
1998	3,1	83,6	5,9	-0,97
1999	-4,7	68,8	3,6	-0,7
2000	7,4	39	6,6	-4,9
2001	-6,4	68,5	10,6	1,3
2002	6,5	29,7	11,4	-0,3*

Source: Republic of Turkey Central Bank (1990-2002) Annual Report*

In January-October period

The inflation, which has been underway for more than 25 years in Turkey, has brought with a high interest rate policy, too. In particular, the public sector's policy of selling treasury to obtain domestic loans has caused, through crowding-out effects, the flow of resources not to the private sector, but to the government, thereby making the State bigger. The web of friends and acquaintances called "crony capitalism," bribery, corruption, untaxed economy, non-transparent administration have brought the discussions of the restructuring of the public sector into agenda since 1980s. However, neither restructuring and nor privatization attempts have produced desired results. Although desired structural changes have not been realized even with the new laws passed upon the pressures by the IMF. In particular, the new regulations concerning the financial sector were not implemented on time. On other hand, the current structure called the "moral hazard" encourages the financial agencies to obtain loans based on foreign currencies. Moreover, in spite of the Central Bank's rule that the banking systems can keep their own resources at a deficit position rate of 10%, this rate exceeded 200% in September 2001 (19). The banks officially declared that they had closed their deficits, however obtaining loans, which accounted for up to two times their capitals by making agreements with the holding companies and affiliated companies.

IV. CONCLUSION

There is no doubt that IMF adjustment policies had no positive effects on economic crises of Argentina and Turkey , on contrary these policies increased the poverty, unemployment and brought recession. In addition, the economic policies put into effect by the governments of Turkey and Argentina based on prior agreements made with the IMF caused these economic crises. Thus, it is important that these countries review their decisions to tie their economies and their futures to the IMF.

The regression of the demand side enjoyed while emphasizing the supply side of the economy, and insufficient private expenditures for the utilization of the current productive capacity have become problematic in these countries. For several recent decades, the economic theories have shifted from demand side to supply side. This is partially a result of theoretical discussions. Economists always held the belief that the prescriptions favoring the demand side were losing credit and that the insufficient productivity was the only factor on economic performance. Even today, thinking that stagnation is just a secondary issue, most economists are paying more attention to long term growth and technological developments.

As in disaster in Argentina,, the main reason for the crisis in Turkey is the pressure by the international organizations such as the IMF and the World Bank for liberalization of capital movements. As a consequence of the increase in the capital accumulation in developed counties, there has been a capital flow through financial agencies other than banks to the countries with liberalized capital accounts such as Turkey. Such inflows of liquid money have aggravated the problems significantly in the countries in which democratic practices and market economy institutions have not settled down fully such as Turkey. The governments, which are unsuccessful in tax collection, which implement populist policies, which lack the conception of transparent and clean politics, and political stability preferred to save the day through short term capital inflows, thereby accelerating the crises. The crisis also seems to be part the result of in adequate financial regulation, which allows banks to make excessively risky loans without adequate monitoring. It also leads to faster economic growth by reducing distortions market economy. Because of the structural problems in these countries, the IMF politics can not be adequate for them. Thus, it is important that these countries review their decisions to tie their economies and their futures to the IMF. The particular policies that these countries should re-examine are the following:

•Financial restructuring is particularly the need to maintain the payment system and credit in the process of financial reform. A key issue in strengthening the financial sector is to do so in ways that enable to more effectively fulfill its role in promoting growth . One can obtain complete security by having narrow banks and forbidding them to make loans to new enterprises, but doing so would inhibit their role promoting investment, entrepreneurship and growth. . There is now broad agreement about the value of foreign direct investment, which brings not just capital but also technology and training.

• Corporate governance; as important as strengthening the financial sector is that alone will not suffice. The corporate sector can borrow from abroad exposing country to similar vulnerabilities. At the onset, governments should correct the tax, regulatory, and banking practices that encouraged the high debt-equity ratios.

• Encouraging pension programs and employee stock option programs () might simultaneously strengthen the social safety net, improve social cohesion and provide a strong equity base for the corporate sector.

• The importance and limitations of information the need for greater transparency and more information. Lack of information makes it difficult for investors to distinguish by firms and financial institutions that are healthy and or not.

NOTES

(1) Stiglitz was chairman of the Council of Economic Advisers from 1993 to 1997, then chief economist and senior vice president of the World Bank from 1997 to 2000. In 2001, he was awarded the Nobel Prize in economics for his earlier work on market imperfections, especially the effects on inequalities of information. See Stiglitz (2001).

(2) Conditionality are the policies that a country agrees to follow as a condition for borrowing from the IMF, see Schadler (1996)

(3) See Bello (1996)

(4) See Globe (2002)

(5) See Stiglitz (2001)

(6) See Bello(1996)

(7) See Lyons &Plumb (2002)

(8) See. Krueger (2002)

(9) See. www.tcmb.gov.tr/1999

(10) See. papers.sirn.com

(11) See. Özel (2000)

(12) See. Uygur (2001)

(13) See. Tran (2003)

(14) See. www.tcmb.gov.tr/1999

(15) See. Papers.sirn.com

(16) See. Özel (2000)

(17) See. Uygur (2001)

(18) See. Uygur (2001)

(19) See. Uygur (2001)

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