

Towards a “Techno-Authoritarian” State?

Political Economy of Central Bank Independence Reforms*

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It can be observed that various central banks have obtained independent status all over the world in the last two decades. This change is mostly explained by the central bank independence (CBI) literature, which is highly dominated by the neoclassical economics and the new institutionalist approach, in the context of the term “time inconsistency”, and the positive correlation between the degree of central bank independence and lower inflation. On the other hand, this significant development is part of a deeper transformation which is not addressed by the CBI literature, namely the transformation of the nation state.

The crux of the question of this paper is to highlight the dynamics behind the transformation of the state and the changing power balance of state apparatuses (intra-state relations) in the process of internationalisation of capital.

For this aim this paper will argue that the process of central banks gaining independence should be understood as a part of the restructuring of the capitalist state in the era of the internationalisation of capital. In order to understand this restructuring process, relational epistemology will be used. In this framework, the state is characterised as an arena of power struggle, and the condensation of conflicts between and within classes. Therefore, the roots of the transformation of the state can be found in the ongoing struggle between different fractions of capital.

The main argument of this paper is that there are two main dynamics behind the independence of central banks: (i) the demands of the “interior bourgeoisie” - and different fractions within the interior bourgeoisie - in each individual country, (ii) suggestions made by international institutions such as the IMF, WB and WTO which represent the interests of capital at the world scale. Moreover, it can be said that the results of the transformations of the form of the nation state are deepening the separation between economy and politics, and this is leading to the emergence of a new kind of “techno-authoritarianism”.

The Turkish case will be used as an empirical point of reference for the substantiation of these arguments.

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Department of Development Economics and Economic Growth, Social Science Institute, Marmara University - Istanbul.

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Department of Development Economics and Economic Growth, Social Science Institute, Marmara University – Istanbul.

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PUBLICATIONS

Planning of Capitalism: Transformation of Planning and the State Planning Organization (SPO) in Turkey, İstanbul: SAV Press, 2007. (in Turkish)

Co- editor with Demet Yilmaz, Ferhat Akyuz, Fuat Ercan, Koray Y. Yilmaz, Tolga Toren. Development of Capitalism in Turkey, Ankara: Dipnot Press, 2006. (in Turkish)

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Co-authored with Gökhan İzgi and İbrahim Soysüren;, “Changing Role of Universities In Reconstruction Process and Higher Education Law Draft”. İktisat, Volume: 437, pp. 73-83, (2003), (in Turkish)

RELEVANT CONFERENCES / PUBLIC LECTURES

Postgraduate Conference of Turkish Political Science Association, İstanbul, (20 October 2005): “Globalisation and transformation of the internal reorganization of the state” (in Turkish).

Workshop on Political Economy-V, Oren, Balıkesir, Turkey (21-24 September 2007): “A conceptual framework for understanding of the transformation of the state” (in Turkish).

Association for Heterodox Economics 9th Annual Conference 2007, Pluralism in Action, University of the West of England, Bristol, (13 – 15 July, 2007): “Globalisation and the Changing Power Relations among Intra-State Institutions: How to Understand Central Bank Independence” (in English)

The Centre of Turkish Working Class Researches, Class Studies Symposium-III, Istanbul, (April, 2007): “Young, Cheap, Flexible and Un-unionized: The New Participants of Working Class, Call Centre Workers in Turkey” (in Turkish).

9th Turkish Social Scientist Congress, Ankara, (7-9 December 2005): “The Turkish Planning Experience in Retrospect (1960-1980) -in the light of Post-2001 Crisis’s Debate” (in Turkish).

Postgraduate Conference of Turkish Political Science Association, İstanbul, (15 October 2005): “The Origins of Developmentalist-Nationalist Approach in Turkey (1950-1970)”(in Turkish).

“Wednesday Seminars”, Mimar Sinan University, Faculty of Architecture, [Department of City and Regional Planning](#), İstanbul, (9 March 2005): “State Planning Organisation and the National Planning in Turkey” (in Turkish).

Workshop on Political Economy-III, Kerpe, Izmit, Turkey (17-21 September 2005): “Is National Planning Solution?” (in Turkish).

Workshop on Political Economy-II, Kucukkuyu, Canakkale, Turkey (20-25 September 2004): Master’s thesis presentation (in Turkish).

PARTICIPANTING IN WORKSHOPS and COURSES:

“IDEA’s (International Development Economics Associates) Workshop on Reclaiming Development in the Age of Financial Globalization”, Bilkent University, Ankara, Turkey, (31 August - 3 September 2005).

“12 week Pre-session English Course”, INTO, University of East Anglia, Norwich, UK, July-September 2006.

“12 week Academic English Course”, INTO, University of East Anglia, Norwich, UK, September-December 2006.