

Chapter 10

THE RELATIONSHIP FINANCIAL AND POLITICAL STABILITY WITH ECONOMIC GROWTH: IN THE CASE OF TURKEY

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Introduction

It is to ensure that the economic activities of the countries are the ultimate goal of economic growth. In this context, economic growth is one of the most researched issues in the economics literature. There are many factors that are effective in the economic growth of countries, and there is stability in the focus of this work.

Stability is used as an expression of order and continuity with the meaning of decision-making which goes on in regularity. Economic stability is expressed as ensuring the continuity of the economic order. Researchers describe economic stability with many macroeconomic and socioeconomic variables. Socioeconomic variables such as the general level of prices, employment rate, level of production and balance of payments, macroeconomic indicators and socioeconomic variables such as the continuity of political order, military power, corruption, accountability and transparency in politics, and income distribution justice are all affecting economic stability.

In the literature, researchers preferred to explain the contrary concept of political instability in order to understand political stability, which is one of the important factors affecting economic stability. Marisson and Stevenson (1972) describe the lack of a global definition of political instability as a description of the disintegration of the national political system, while Lipset (1960) describes the continuation of political stability, the absence of democracy and opposition as political instability. Ake (1975) refers to political behavior and political structure while defining political instability. Accordingly, political instability is used to denote periods in which certain rules and behaviors cannot be created in politics, laws and regimes are not regulated. In his study of political stability and what his subordinates convey, Ake (1975) focuses on the idea that stability affects the entire economy and social life through institutional channels and organizations. Mbaku (1988) describes political instability as the absence of similar policies and universal behavior in different countries. In sub-Saharan African countries, whose work does not provide political stability, it means that the development and growth processes have not taken place. Fosu (1992) defines political instability as a non-stable government, government,

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