CULTURAL POLITICAL ECONOMY OF

FINANCIAL LITERACY

CULTURAL POLITICAL ECONOMY OF FINANCIAL LITERACY IN TURKEY

By

BERKAY AYHAN, B.A., M.S.

A Thesis Submitted to the School of Graduate Studies in Partial Fulfillment of the Requirements for the Degree Doctor of Philosophy

DOCTORATE OF PHILOSOPHY (Political Science)

McMaster University
Hamilton, Ontario

TITLE: Cultural Political Economy of Financial Literacy in Turkey

AUTHOR: Berkay Ayhan, B.A. (Gazi University), M.S. (Middle East Technical University)

SUPERVISOR: Dr. Stephen McBride

NUMBER OF PAGES: ix, 272

ABSTRACT

Financial literacy is commonly defined as the knowledge, skills, and ability to navigate the increasingly complex financial markets, and is considered to empower consumers to make responsible financial decisions. Financial literacy is increasingly promoted as a crucial life skill in the aftermath of global financial crisis by numerous global initiatives and became part and parcel of national strategies of financial inclusion. By utilizing theoretical insights from Michel Foucault's late work on governmentality, this dissertation analyzes financial literacy education initiatives in Turkey with ethnographic research. Cultural political economy perspective articulated in this dissertation underlines the importance of theorizing the financialized capital accumulation dynamics together with the reshaping of culture and the constitution of financialized subjectivities. It is argued that financial literacy is a "technique of the self" seeking to govern the everyday conduct of subjects in line with the long-term interests of financial capital. Financial literacy curricula provide not only the basic knowledge of finance but also instruct subjects ways to conduct oneself on financial planning, budgeting, debt management, creditworthiness, saving and investment. Financial literacy agenda deepens neo-liberal governmentality with the promotion of entrepreneurial subjectivity and responsibilization of individuals for social risks such as unemployment, economic downturn, and pensions. By problematizing the constitution of financially literate subjectivity and providing an everyday and cultural perspective on financialization, this dissertation contributes to the discipline of International Political Economy.

ACKNOWLEDGEMENTS

This project would not have been possible without the support, encouragement, and engagement of family, friends, and colleagues. First and foremost, I would like to thank my supervisor Professor Stephen McBride for his constant guidance, constructive feedback, and tremendous patience. I also would like to thank my thesis committee members Professor Tony Porter and Professor Robert O'Brien, and the external examiner Professor Susanne Soederberg for their comments and guidance. I am grateful to the financial support from McMaster University Department of Political Science. I want to sincerely thank my research participants for their time and insightful perspectives. I would like to acknowledge the feedback provided by Michelle Dion as well as scholars at *Mapping the Global Dimensions of Policy 4 Conference* at McMaster University and *TIPES 2nd Interdisciplinary Workshop* at Koç University.

Friends and colleagues in Canada and Turkey helped me navigate this difficult process. I would like to thank fellow graduate students and friends at McMaster; Jessica Foran, Malcolm Campbell-Verduyn, Scott Smith, Jessica Merolli, Claudia Diaz Rios, Stephanie Tombari, Armağan Teke and Koray Mutlu. I also would like to thank my dear friends Venu Kurella, Effrosyni Rantou, Aziz Güzel, Ali Rıza Güngen, Burcu Gündüz, Çiğdem Usta, and Faruk Uslu.

I owe a deep gratitude for the love, care, patience, and understanding of Seher Sağıroğlu. Last but certainly not the least; I am grateful to my mother Nazmiye Ayhan and my brother Berk Ayhan for their love and continuous support. This project is dedicated to my father H. Öztaş Ayhan, who has always been an outstanding source of inspiration and encouragement in my life.

TABLE OF CONTENTS

LIST OF TABLES, FIGURES, AND PHOTOGRAPHS

Tables

Figures

Photographs

LIST OF ABBREVIATIONS

BRSA	Banking Regulation and Supervision Agency
CBRT	Central Bank of the Republic of Turkey
CMB	Capital Markets Board
CSR	Corporate Social Responsibility
GDP	Gross Domestic Product
GFC	Global Financial Crisis
INFE	International Network on Financial Education
IPE	International Political Economy
MFSP	Ministry of Family and Social Policies
MNE	Ministry of National Education
MD	Ministry of Development
SDIF	Saving Deposit Insurance Fund
TSPAKB	The Association of Capital Market Intermediary Institutions of Turkey
UNDP	United Nations Development Programme

CHAPTER ONE:

INTRODUCTION

1.1. Introduction

Fieldwork Encounter: Empowering Women, 09/12/2014

We have been preparing the stage for financial literacy education of women, in a large municipality conference hall in Güngören, a rather poor district of Istanbul. The leading figure of financial literacy in Turkey will be delivering an hour-long education seminar. Two theater actors are ready in their place to perform their short sketches. Two musicians are already entertaining the audience as they are filling their financial knowledge questionnaires. The audience is composed of around 200 women who are attending to skills development courses of the municipality. The stage is full of instruction material; a budgeting board to analyze spending habits, a shopping corner to illustrate needs and wants, a wish tree to identify goals, and lots of pepper & chocolate for right/wrong answers. A projector is set up to deliver the education content, enriched with illustrations and videos. Today, I will be taking notes, instead of my previous roles as microphone holder and photographer.

Entering the stage dancing, cheerful and energetic, Burcu (Firm) *breaks the ice immediately. Her performance is more a social conversation amongst women on financial behavior than an academic explanation of financial terms. Throughout the seminar, she invites many women to the stage to talk about financial literacy themes through digging up personal experience of the audience. To identify what the seminar is about,* Burcu *jokingly notes that "if you are not using the money, you can leave the room right now!" She does not forget to deliver her usual messages: "Humanity, health, love comes first, only after them, there is money... You need to be determined to pursue your dreams. You need to turn your dreams into actual plans."* Burcu *invites a woman to the stage to break down her monthly budget so as to give advice on spending habits. "10-second rule" is the next theme. Waiting and asking oneself whether* *you actually "need" or "want" to buy something, which is illustrated by taking a tour to the shopping corner of the stage. Two short sketches entertain the audience and deliver messages of not hiding debt from spouses, the importance of setting goals, and educating one's self as the best "golden bracelet." The flow of the seminar spontaneously changes according to the needs of the audience and the time left, but the typical topics include; money, financial targets, budgeting, debt, saving, investment, and microcredit. Today, the discussion on things one need to know about credit cards is shorter, but there is a longer illustration of what micro-credit is, how it works, supported with the video screening of a successful micro-credit receiver.* Burcu *further contributes to the empowerment of women by teaching them "super girl pose"; standing up determinately and confidently* (see **Photograph 1: Empowering Women** below). *The seminar ends with a group photo taken with* Burcu *and the distribution of certificates of attendance. Now, there is lots of stuff to pack again and head back!*

Photograph 1: Empowering Women

(Source: Author's Fieldwork Photographs)

Purpose and Contents

This seminar is one example among many private financial literacy education initiatives conducted as the corporate social responsibility of financial capital. There are numerous other financial literacy activities that range from; the Financial Inclusion Strategy, informative websites, television shows, theater plays, financial literacy summits, surveys on financial literacy level in Turkey, and several new education projects in the stage of preparation. Moreover, Turkey constitutes a case among the 59 countries that prepared a national strategy to address financial literacy by 2015 (OECD, 2015: 11). This growing *significance* of financial literacy in the aftermath of the global financial crisis across the globe and in Turkey underpins the relevance and importance of this dissertation. The purpose of this introductory chapter is providing an overview of this study.

This chapter is organized as follows: The second section introduces the concept of financial literacy, reviews the relevant academic literature, and situates this study. The third section poses the research questions, states the main argument, and outlines the theoretical framework. The fourth section identifies the contributions of this dissertation to the discipline of International Relations. The fifth section elaborates on the research design and methodology. The sixth section provides the outline of the dissertation.

1.2. Context, Definitions, and Literature

Consumer financial education is not a new phenomenon. We can find its examples in the early 20th century United States with programs such as *Junior Achievement* (Hastings, et al. 2013: 350). However, financial education became an increasingly prominent policy issue by the 2000s, and especially after the 2008 global financial crisis. Before the crisis, the OECD (2005: 11-12) pointed to the factors that made financial education important as; availability of new and complex financial products within the context of deregulation, rising life expectancy, and changes in pensions where defined contributions replace defined benefits. Within the context of the crisis, the OECD placed some of the blame on the financially illiterate by arguing that "inappropriate decisions have played a key role in setting up the ground that led to the crisis" (OECD, 2009: 10). Hence, the structural underpinnings of the crisis are ignored, and the burden of adjustment is shifted onto the individual. Financial literacy is elevated to the status of an "essential life skill" with significant implications for financial market stability: "Financial education also contributes to more efficient, transparent and competitive practices by financial institutions. Better educated citizens can also implicitly help in monitoring markets through their own decisions, and thus complement prudential supervision" (2009: 8).

The G20 recognized the importance of financial literacy by endorsing 'Principles for Innovative Financial Inclusion' in its Toronto Summit in 2010, which locates financial literacy together with financial capability under the principle of "empowerment." The G20 links financial literacy to a financial inclusion agenda and notes that "limited financial capability is a major barrier that prevents poor people from accessing financial services, and once they have access, converting this into effective and appropriate use of financial services" (G20, 2010: 9). Hence, low financial literacy is considered as one of the problems regarding the "demand side" in financial inclusion. The third pillar that emerged as an important policy reform element is the financial consumer protection (Atkinson and Messy, 2013: 18). Overall, there emerged numerous global initiatives such as *Alliance for Financial Inclusion*, *Child and Youth Finance International*, *Global Financial Literacy Excellence Center* that are working on promoting, setting standards, coordinating, regulating, researching and measuring financial literacy education initiatives.

We can consider financial literacy as a constructed term; which can be defined, anchored and instrumentalized in various ways together with closely related terms such as financial capability and financial education.[1] A review of over a hundred sources since 2000 classified conceptual definitions of financial literacy into five categories:

> (1) knowledge of financial concepts, (2) ability to communicate about financial concepts, (3) aptitude in managing personal finances, (4) skill in making appropriate financial decisions and (5) confidence in planning effectively for future financial needs (Remund, 2010: 279).

Given this broad area covered by financial literacy, there are various ways to "operationalize" and "measure" financial literacy. In this regard, a widely used method is to measure financial literacy based on the knowledge of three financial concepts; compound interest, inflation, and risk diversification" (Lusardi and Mitchell, 2011: 499). Regarding the content, a review made of the studies seeking to measure financial literacy in the last decade arrived at the following contents commonly used; "money basics [...] borrowing [...] investing [...] and protecting resources" (Huston, 2010: 303).

These definitions and studies simultaneously point out the inclination of academic literature to "quantitatively" approach the issue of financial literacy. Bay et. al. (2014: 37) identifies three research traditions on financial literacy; "measure the level of financial literacy in different demographic areas [...] effects of financial literacy on financial decisions [...] the effects of financial education." It is more accurate to see these bodies of work as different aspects of an overarching research agenda of a group of scholars, and also to add a "critical" group of scholars as the fourth group.

---

[1] The OECD defines financial literacy as "a combination of financial awareness, skills, attitude and behaviors necessary to make sound financial decisions and ultimately achieve financial wellbeing" (Atkinson and Messy, 2012: 14). On the other hand, Child and Youth Finance International distinguishes financial literacy from financial capability and defines the latter quite broadly to address the inclusion dimension: "to be financially capable, people must be more than financially literate, confident and motivated; they must also have genuine access to quality financial products and services that allow them to act in their best financial interest" (CYFI, 2012: 12).

Regarding the first group, there are numerous national studies and international comparisons that measure the financial literacy, most of which find "financial illiteracy is widespread even when the financial markets are well developed" (Lusardi and Mitchell, 2011: 503). Furthermore, there is variation in the population in which particular groups are vulnerable. For instance, in "the United States, those facing most challenges are the young and the old, women, African-Americans, Hispanics, the least educated, and those living in rural areas" (Lusardi and Mitchell, 2014: 21). International comparisons are growing in through the application of the OECD's standardized questionnaire. These surveys capture not only *financial knowledge* aspect (division, time value of money, interest, risk and return, inflation, diversification), but also quantifies *financial behaviour* (timely bill payment, setting long term goals and trying to achieve them, active saving, responsible and has a household budget, borrowing to make ends meet) and *financial attitudes* on spending today or saving for tomorrow (Atkinson and Messy, 2012: 7-9).

The second group is exploring financial literacy with respect to financial outcomes. Some studies find that "financial literacy is positively correlated with planning for retirement, savings, and wealth accumulation" while "low financial literacy is associated with negative credit behaviors such as debt accumulation [...] high cost borrowing [...] poor mortgage choice [...] mortgage delinquency and home foreclosure" (Hastings, 2013: 358). However, there is a need to be cautious before drawing conclusions. Empirical *correlation* does not necessarily imply *causality* since there might be reverse causality or a third variable explaining both outcomes.

The third research group that explores the effectiveness of financial education on behavior is comprised of various approaches. A group of surveys tries to track the effectiveness of education activities, for which the "golden rule" is to have an experimental approach that exposes education to a treatment group and compares it with the control group (Lusardi and Mitchell, 2014: 31). After reviewing the research on the issue, *Child and Youth Finance International* came to a conclusion that "evidence concerning its effectiveness is very limited. Most studies indicate only short-term gains in knowledge and self-reported changes in financial behaviors" (CYFI, 2012: 32). Linked to this literature are discussions on different pedagogical ways and best-practice sharing on creating an effective education program. Furthermore, there is an important theoretical conversation arising from the perspective of *behavioral economics*, which addresses the constraints on economic decision making. It is argued that there are persistent errors and cognitive biases in decision making, such as "overconfidence, herding, loss-aversion, status quo bias, framing effect, anchoring" (Kahneman-Tversky approach) or individuals have bounded rationality (Simon-March approach) (Altman, 2012: 681). These approaches have different implications for the effectiveness of educating individuals and organizing the institutional environment in which choice takes place.

The fourth group of scholars, within which this dissertation is located, are critical of financial literacy in many ways. The most comprehensive critique is advanced by Willis (2008), who addresses the lack of evidence regarding the effectiveness of financial education, a point noted already. Willis reminds us the complexity and pace of innovation in the financial market, which makes the financial education efforts an impossible project trying to catch up with limited resources. Educating everyone to be financially literate is also argued to be inefficient regarding the division of labor amongst the population. Furthermore, drawing on the insights of behavioral economics, one can argue that financial education could be counter-productive; "financial education appears to increase confidence without improving ability, leading to worse decisions" (Willis, 2008: 197-8; Williams, 2007: 244-7).

Looking at the regulatory framework, Baumann and Hall (2012: 509) raise the issue that individuals, who are supposed to benefit from financial literacy, are not given a voice in this emerging agenda. Indeed, it is controlled according to the interests of financial institutions, regulators, and government. In this regard, Pinto (2013) provides a valuable analysis of how the dominant and counter-narratives frame the issue of financial literacy in the post-crisis context in Canada. Through a discussion of policy narratives on financial literacy education, Pinto (2013: 115) concludes that policy outcomes "will be shaped not by evidence, but rather by the values, self-interest, mobilization efforts and lobbying power of participants in the political arena." Critics further point out that blaming the individual and giving them the responsibility of regulating the market is potentially a way to avoid tougher regulation of the market in the aftermath of the global financial crisis (Willis, 2008: 198; Williams, 2007: 233).

Critics also point out that the content of financial education programs are not neutral or technical, but outline a particular vision of the world. Indeed, Pinto and Coulson (2011: 65) point out the fact that the very decision of forming curricula, including things "worth knowing" and excluding others is necessarily a "value-laden act". They explore the problems in financial literacy curricula regarding their insensitivity to gender inequalities. Furthermore, the prevalent "choice discourse" masks the operation of structural power dynamics and pathologizes the individual for financial failure, which may be beyond people's control (Pinto and Coulson, 2011: 63). Baumann and Hall (2012: 513) call to explore the underlying ideology and ask: "Do we train for consumption? Do we educate for life?" In response, they argue that rather than putting consumption at the heart of financial education, there is a need to put the individual at the center. Last but not the least, there are several Foucault-inspired critiques of financial literacy, Williams

(2007), Beggs, Bryan and Rafferty (2014) and Arthur (2012, 2014) on their elaboration of financial literacy initiatives in the Global North, including the US, the UK, and Canada.

Financial literacy has emerged as a subject of academic interest and research in Turkey with the advent of the global financial crisis. **Table 1: Theses Written on Financial Literacy in Turkey** below illustrates that 19 theses have been written on this subject matter. These studies are predominantly written from the perspectives of economics, business administration, and banking/finance disciplines, lacking a political science perspective. Most of this research mirrors the first group of financial literacy scholars who seek to measure the financial literacy level of selected populations. In Turkey, these studies have typically measured the financial literacy level of sub-populations such as university students or selected cities. Another significant tendency is the study of the relationship between financial literacy and economic outcomes such as savings, investment choices, risk preferences, and credit card arrears.

Academic publications on financial literacy similarly reproduce the uncritical attitude of measuring financial literacy in particular populations (Temizel and Bayram, 2011; Gerek and Kurt, 2011; Mercan, et al., 2012; Şantaş and Demirgil, 2015) and exploring implications of financial literacy on borrowing behaviour (Sevim, Temizel and Sayılır, 2012), credit card usage (Ünal, Düğer and Söylemez, 2015), financial outcomes (Bird, Şener and Coşkuner, 2014), and entrepreneurial intention (Kahya and Imamoğlu, 2015). Moreover, there are several personal finance books that explore various aspects of financial literacy (Denizmen, 2012), smart usage of credit cards (Denizmen, 2013), and savings (Denizmen, 2015) mostly in the form of practical tip-giving.

Table 1: Theses Written on Financial Literacy in Turkey

№	Thesis Title	Author	Major	Level	Year
1	Effects of financial awareness on investor choice: A research concerning financial awareness of private bank workers	Cumhur Akyol	Economics	MS	2010
2	Financial literacy and money management behaviours: Application on students of Anadolu University	Seliha Seçil Bayram	Business Admin.	MS	2010
3	Financial literacy and credit card arrears	Tülin Araz	Economics	MS	2012
4	The efficiency of the investor's behaviors and psychological illusions	Durmuş Sezer	Business Admin.	PhD	2013
5	Behavioral finance tendencies in individual retirement fund choices	Arzu Rahime Uçar	Business Admin.	MS	2014
6	Global practices in financial education being an instrument for the management of individual financial resources & the case of Turkey	İsmet Özgüler	Business Admin.	MS	2014
7	Behavioral factors that effects stock market participation preferences: A research on Business Administration Department students	Fırat Botan Şan	Business Admin.	MS	2014
8	Financial literacy and behavioral bias: an empirical study on individual stock investor	Sinem Ateş	Business Admin.	MS	2014
9	The importance of financial literacy with selected country samples and its effects over savings	Yasin Eskici	Business Admin.	MS	2014
10	Financial literacy and money management: An application on the Suleyman Demirel University academic staff	Elvan Öztürk	Business Admin.	MS	2014
11	Financial literacy and a study on measurement of financial literacy levels of Dumlupinar University students	Esra Saraç	Business Admin.	MS	2014
12	Financial literacy as a protection tool for individual investors and its application in Turkey	Serhad Satoğlu	Banking	PhD	2014
13	The effects of emotional intelligence, locus of control, risk averseness in general and financial literacy on risky investment intention	Sibel Dinç Aydemir	Business Admin.	PhD	2015
14	Household indebtedness and financial literacy in Turkey	Sezgim Daşdöğen	Economics	MS	2015
15	A research on determining financial literacy level of household: The case of city of Sakarya	Emine Güler	Business Admin.	MS	2015
16	Financial literacy research on the students of Erciyes University	Yunus Emre Kahraman	Business Admin.	MS	2015
17	A case study on financial literacy and segmentations of bank customers	Eray Baysa	Business Admin.	MS	2015
18	Study on the financial literacy of the people with higher education and living in big cities	Merve Sezen Akbaş	Business Admin.	MS	2015
19	A Research on college students financial literacy level: Hacettepe University sample	Nahid Barmaki	Family and Consumer Sciences	PhD	2015

(Source: The Council of Higher Education Thesis Database)

1.3. Research Questions, Theoretical Framework, and Main Argument

Having outlined the context and academic literature, now the attention is given to the research questions, theoretical framework, and arguments. Following are the four *research questions* explored in this dissertation:

- Why and how did financial literacy emerge as a significant issue globally as well as in Turkey in the aftermath of global financial crisis?
- Why and how financial literacy education activities are formed, legitimized, and conducted in Turkey?
- What kinds of subjectivities are constituted, legitimized, normalized, and excluded with financial literacy education in Turkey?
- What are the theoretical implications of financial literacy agenda for the study of financialization of everyday life and culture?

In order to address the stated research questions, the *theoretical framework* of this dissertation relies on primarily on Michel Foucault's late work on "governmentality," the series of lectures delivered in *Collège de France* between the years 1977-1979 (Foucault, 2007, 2008), and subsequent literature on governmentality (Burchell, Gordon, and Miller, 1991; Barry, Osborne and Rose, 1996; Miller and Rose, 1990, 2008; Lemke, 2001, 2002). Foucault defined government in general terms as "the conduct of conduct", referring to "more or less methodical and rationally reflected 'way of doing things', or 'art', for acting on the actions of individuals, taken either singly or collectively, so as to shape, guide, correct or modify the ways in which they conduct themselves" (Burchell, 1996: 19). Foucault develops a historical account of liberalism as a governmental reason and analyzes the two prominent schools of neo-liberalism; Ordoliberalism and Chicago School. For Foucault, the question of neo-liberalism is finding the conditions in which competition and entrepreneurship could flourish. This entrepreneurial principle simultaneously limits and rationalizes government activity (Burchell, 1996: 27).

Foucault points out that promoting this "enterprise form" entails a crucial transformation of subjectivity; "the individual's life itself -with his relationships to his private property, for example, with his family, household, insurance, and retirement- must make him into a sort of permanent and multiple enterprise" (Foucault, 2008: 241). In other words, the individual is now to become an *entrepreneur of the self*, attempting to conduct him/herself in particular ways. The individual is *responsibilized* for many risks that were previously publicly insured, including "insurance against the future possibilities of unemployment, ill health, old age and the like becomes a private obligation" (Rose, 1996: 58). Foucault conceptualizes these actions on one's own conduct as *techniques of the self* which "permit individuals to effect by their own means, or with the help of others, a certain number of operations on their own bodies and souls, thoughts, conduct, and way of being, so as to transform themselves" (Foucault, 2000: 225). In sum, government operates through the subjectivities of the governed by giving them tools to conduct themselves in certain ways.

This dissertation *argues* that financial literacy initiatives aim to construct a particular kind of subjectivity that legitimize and normalize entrepreneurial attitude and behavior towards conducting one's self. Financial literacy is a "technique of the self" that provide not only the basic knowledge of finance but also instruction on financial planning, budgeting, debt management, creditworthiness, saving and investment; seeking to govern the everyday conduct of subjects in ways that correspond to the long-term interests of financial capital. Financially literate subjects are expected to track daily expenses, hold a monthly budget, plan for the future, save money for an emergency fund, use financial products and services responsibly, invest in one's human capital through education, consider entrepreneurship options if available, and the like. Neo-liberal governmentality erodes the remaining social basis for welfare and collective action by responsibilization of subjects for economic downturns, unemployment, educational investments, and pensions. This tendency to judge economic success and failure through individual level decisions, in-capacities or ir-responsibilities effectively eliminates concern towards structural dynamics of political economy. In Turkey, financial literacy is utilized in numerous public policy contexts such as making Istanbul an international financial center, strengthening families, increasing domestic savings, and fostering financial inclusion. Moreover, financial capital launched financial education initiatives as their CSR.

1.4. Academic Contributions

Academic contributions of this dissertation to the study of International Relations (IR) are twofold. The first contribution of this thesis is to the discipline of International Political Economy (IPE). There is much confusion, debate, and disagreement among scholars of IPE. The "transatlantic divide" between American and British IPE reveals how deeply divided the discipline is (Cohen, 2007). Within this context, there are several promising emerging research agendas in IPE.

There is a remarkable *critical political economy* literature on financialization, the latter defined as the "increasing role of financial motives, financial markets, financial actors and financial institutions in the operation of domestic and international economies" (Epstein, 2005: 3). Financialization has been explored as the monopoly-finance capital phase of capitalism (Foster, 2007), neo-liberal phase of capitalism bringing finance to hegemony (Duménil and Lévy, 2001), declining phase of systemic cycles of accumulation and hegemonic power of the US (Arrighi, 1994), extraction of profits out of personal income (Lapavitsas, 2009), a new regime of accumulation (Boyer, 2000), prevalence of rentiers

(Erturk et al. 2008), and transformation of corporate governance (Lazonick and O'Sullivan, 2000). There is a tendency to over-emphasize the effects of structures over agency in this literature, thus falling into structuralism. Such large generalizations obscure the subtleties of how financialization process takes shape in different contexts. Moreover, this literature frequently produces economistic explanations that glosses over the changes in culture and everyday life, characterized by Sum and Jessop (2013: 175) as "hard political economy."

The attempts to constitute financially literate subject in the aftermath of global financial crisis entails the transformation of culture and everyday life of individuals in line with financialized calculation. This brings into light the importance of studying financialization from the perspective of everyday life and culture. Studying IPE from the perspective of the *everyday* provides an interesting approach by turning the focus away from the elites and "who governs?" and "who benefits?" questions (Hobson and Seabrooke, 2007: 6; Hobson, 2013). Instead, everyday IPE takes a bottom-up approach to focus on the everyday actors and asks the question of "who acts and with what consequences" (Hobson and Seabrooke, 2007: 12).

There are multiple bodies of scholarship influenced by the *cultural turn* and can be broadly labeled as the *cultural political economy* (Jessop and Sum, 2001; Sum and Jessop, 2013; Best and Paterson, 2010). These are scholars inspired by the work of Antonio Gramsci and Michel Foucault has brought various insights into Marxist political economy. Furthermore, there is also an emerging interdisciplinary literature called the *cultural economy of finance* that employs actor-network-theory and the concept of performativity. Cultural economy of finance explores "the (material) practices, orderings and discourses which produce economically relevant activity" through ethnographic research (Pryke and du Gay, 2007: 340; Amin and Thrift, 2004; MacKenzie, Muniesa and

Siu, 2007; Langley, 2007, 2008; Aitken 2007, 2015). This literature provides invaluable insight as to how calculative agency comes into being as "the result of a process of configuration" (Callon, 1998: 22). However, cultural economy fails to address political and structural aspects of capitalist accumulation and falls into "soft economic sociology" (Jessop and Oosterlynck, 2008: 1155). This dissertation seeks to generate a productive discussion between these literatures by articulating a *cultural political economy* perspective that entails the argument for the *cultural* constitution of subjectivities as well as the *political* economy emphasis on structural dynamics of financialization.

Secondly, this dissertation contributes to the academic literature on Financial Literacy by approaching the phenomenon from a critical perspective and exploring it in a Global South / developing country case with an extensive fieldwork. Within the financial literacy discussions, many of the critical scholars tend to develop their arguments from the "outside" by reviewing academic literature and project documents (Beggs, Bryan and Rafferty, 2014; Pinto and Coulson, 2011). Hence, the ethnographic knowledge about the preparation of these documents as well as the actual functioning of projects themselves is absent. On the other hand, as discussed above, the existing financial education literature on Turkey is predominantly oriented to quantify and measure financial literacy in a technical and uncritical manner. This dissertation contributes to filling both of these gaps; lack of critical studies in Turkey, as well as to enrichment of critical financial literacy studies across the globe with an ethnographic exploration of a Global South country case.

1.5. Research Design and Methodology

This dissertation is critical towards the mainstream *quantitative* interest in financial literacy that seeks to operationalize, measure and compare the concept, without critically questioning its implications for subjectivity, power, and political economy. Furthermore, dealing with people as aggregate numbers, such a research attitude gives little thought to the questions such as: Who are these people? Why are they interested (or not) in financial literacy? How do they feel about it? These overlooked *qualitative* dimensions are exactly the ones that this dissertation aims to capture and document. In other words, these criticisms inform the kinds of questions raised, the theoretical approach that was taken, as well as the *research design and methodology*.

The primary research method employed in this dissertation is *ethnography*. Broadly speaking, ethnography means "immersion in the place and lives of people under study," and more specifically includes; "learning a local language or dialect; participating in the daily life of the community through ordinary conversations and interaction; observing events (meetings, ceremonies, rituals, elections, protests); examining gossip, jokes, and other informal speech acts for their underlying assumptions; recording data in field notes" (Weeden, 2010: 257). These activities constitute "participant observation," which emphasizes the dual role of ethnographer as not only an observer but also a participant. Since the author "serve as a type of 'hub' through which the world becomes known," various insights emerge from reflecting upon the role of the author in the ethnographic knowledge creation process (Brigg and Bleiker, 2010: 780).

Recently, there have been debates about the usage of ethnography in the discipline of international relations and international political economy (Vrasti, 2008; Rancatore, 2010; Brigg and Bleiker, 2010). Vrasti (2008) warned about recklessly "importing" ethnography without dealing with the debates in its host discipline, that is, debates in anthropology about the problems of representation, and claims of scientific authority, power inequalities inherent in ethnography. Indeed, it was decades ago when Asad (1973) was openly critical of the implication of anthropology in colonial power relations and the methodological problems of voice and representation that follow from that relationship. Nevertheless, critical traditions of ethnography promise to provide precious knowledge from the field that could not be accessed otherwise. For this dissertation, the insight provided by employing ethnography to study the "everyday" of financial literacy (methodology-theory link) is pivotal.

The ethnographic fieldwork was conducted between September 2014 and January 2015 in Turkey. It was planned to take place predominantly in the city of Istanbul (Marmara Region), but the ethnographic journey took the author to other cities, including Ankara (Central Anatolia), Sinop (Black Sea Region), and Aydın (Aegean Region). To mitigate potential conflicts of interest; the author clearly explained his researcher identity in all settings and worked as a "volunteer" in 3 separate civil society associations, all of which are involved with financial literacy education projects. The author got immersed in the daily functioning of these projects in various capacities and tasks including; running office errands, attending numerous project meetings, talks, and conferences, receiving financial literacy educator training, observing as well as personally conducting financial education, working to create and update financial literacy curricula. Last but certainly not the least is building rapport, creating networks, establishing friendships, sharing long working hours and stressful times as well as laughter and joy with informants. The author recorded all of these interactions in daily field notes; including not only details of events but also analyses, feelings, self-criticism, and frustrations, amounting to 100.000 words.

The social interactions in the field provided avenues to access and recruit potential interviewees. Interviewees are provided with a letter of information outlining the purpose and scope of the study as well as confidentiality (See **Appendix One: Letter of Information**). *Semi-structured interviews* are chosen for it simultaneously allows the author to have control over basic themes of discussion as well as the respondents to put forward what they value as relevant (Bernard, 2006: 212). Indeed, opening spaces to informants to talk about whatever they deem necessary was carefully practiced during the interviews (See **Appendix Two: Interview Questions**). 64 semi-structured face-to-face (except one phone interview) interviews with 68 informants were conducted, all of them were voice-recorded (except one where hand notes were taken), and parts of which are selectively transcribed verbatim (See **Appendix Three: List of Interviews**).

Interviews were conducted with all the parties involved in conducting financial education to become familiar with various perspectives. The break-down of interviewee totals per organizations is as follows; individuals working in firms (33 participants), volunteers, professionals, and board members of civil society associations (17), bureaucrats (4), academics (4), international organization officials (3), professional association officials (3), business association officials (3), and a labor union official (1).[2] All of the interviewees are given pseudonyms, and they are identified only with the organization (firm, civil society, etc.) they are working for to provide anonymity to participants.[3] The recipients of financial education are not interviewed since the purpose of this research is not finding out whether financial education "works." Acquiring reliable data on the effectiveness of financial education requires a long-term experimental research design with a large number of participants. This qualitative case study focuses instead on the "workings" of financial education activities and captures the aspects overlooked by quantitative studies.

[2] Sector and firm details of private sector interviewees are not disclosed at **Appendix Three: List of Interviews** in order to secure participant anonymity. Nevertheless, to give a sense of the scope of this fieldwork, following breakdown is illustrative: These 33 private sector interviewee's work at: 2 public banks, 4 private banks established by domestic capital, 2 private banks established by foreign capital, 2 interest-free participation banks, 1 investment bank, 2 credit card companies, 2 credit bureaus, 2 social enterprises, 2 conglomerates, and 2 corporate communications firms. Multiple interviews are conducted in some of these firms so as to reach a better understanding of their operation at various levels.

[3] We need to note that there is a certain uncertainty and fluidity of "assigning" these labels to informants. These categories may not necessarily represent how people come to "identify" themselves. There are informants who carried multiple identities at the same time, as well as ones that changed their sector, or left their jobs within the duration of this study.

Document analysis constitutes another research method. There are numerous types of materials collected throughout the fieldwork. They range from; financial literacy education teaching contents, educator handbooks and promotional material; official reports and documents of the public sector as well as relevant international organizations, corporate social responsibility reports of financial institutions, and website contents that provide financial literacy education. These documents provide the empirical basis to which the following questions are directed: Are there patterns about what is said and which issues are excluded? How these education initiatives are rationalized, legitimized and promoted? By analyzing these documents regarding their content, framing, and rationalization, various facets of financial education curricula, as well as the overall state of the field, are outlined.[4]

Regarding *case selection*, Turkey is chosen as the case to study. There is a need to note that Turkey will not be taken in isolation, but will be situated within the global web of financial literacy initiatives. Indeed, in the context of growing integration with global capitalism through networks of finance, trade, production and international organizations, treating Turkey as a self-enclosed unit would be an unrealistic methodological nationalism. Hence, this thesis allows us to explore the case of Turkey as well as understand the conduct of financial literacy education in a typical middle-income, developing country context. Thus, this dissertation might become the basis for which future comparative studies and theory development could be made. Indeed, reflections from the case of Turkey provide implications for Global South/developing country contexts, namely the MINT countries (Mexico, Indonesia, Nigeria and Turkey) as well as the BRICS (Brazil, Russia, India, China and South Africa).

[4] All of the translations from Turkish sources (official documents, reports, websites, etc.) and interviews are done by the author. Certain Turkish words are preserved in the text with brackets "[]" to convey the original meaning to the Turkish-speaking audience.

1.6. Chapter Outline

The contributions of this dissertation are developed throughout the following six chapters and reviewed at the conclusion. The overall flow is from "theoretical" towards "empirical" as well as from "global" towards "national," "local" and to "individual."

Chapter Two: Focusing on the Everyday of Finance: Cultural Political Economy establishes the theoretical and methodological framework that will inform the discussions in subsequent chapters. The chapter begins with a review of financialization literature in an attempt to identify its virtues as well as shortcomings. For developing analytical tools, Michel Foucault's late work on neo-liberal governmentality will be reviewed. Next, the cultural turn and emerging research agendas of cultural economy of finance, as well as the "everyday" and "post-structural" IPE, will be explored. These will provide us critical insights into understanding how financialization operates within the everyday lives of subjects, how calculative agencies are constituted, and how governmental rationalities operate in the neo-liberal era. The material used in this chapter will be predominantly theoretical and methodological pieces of work.

Chapter Three: Financial Literacy in the Global Agenda explores financial literacy in the global level. We will first explore financial literacy at the global scale since this interest pre-date the initiatives in Turkey. The chapter tackles the questions of why and how financial literacy emerged as a significant policy issue in the aftermath of the global financial crisis. We will analyze global regulatory tools, initiatives, and networks of the G-20, OECD, and World Bank on financial literacy education along with financial inclusion and financial consumer protection. The materials used for this chapter are policy and research documents of international organizations and academic literature on financial literacy. This analysis of financial literacy at the global level provides the context for the subsequent exploration of financial literacy in the case of Turkey.

Chapter Four: Financialization in Turkey provides a cultural political economy account of financialization in Turkey from the 1980s onwards with the purpose of outlining the contextual background of the country. Financial motives, markets, actors, and institutions are taking increasing role in Turkey in line with the global political economy. The material used for this chapter is a blend of academic literatures on financialization and neo-liberalism in Turkey, official documents and reports, interviews, and statistical data on macroeconomic developments. This financialization context forms the basis of the subsequent detailed exploration of the entrance of financial literacy into public policy agenda in Chapter Five and emergence of private initiatives in Turkey in Chapter Six.

Chapter Five: Financial Literacy in Public Policy explores the entrance of financial literacy into the public policy agenda of Turkey. The chapter tackles the questions of why and how financial literacy emerged as a significant public policy issue in Turkey following the global financial crisis. Financialization process is further deepened in the everyday lives of the subjects through this emerging financial literacy agenda. Financial literacy is utilized in numerous policy contexts as a tool for; making Istanbul an international financial center, strengthening families through education, increasing domestic savings, and fostering financial inclusion. *Financial Inclusion Strategy* of 2014, prepared by the Financial Stability Committee, is the guiding financial education policy document. The material used in this chapter is predominantly official documents and reports, supplemented with interviews and fieldwork insights.

Chapter Six: Inside Financial Literacy Initiatives provides an inside perspective on the financial literacy education initiatives. The chapter tackles the following questions: Why and how financial literacy education activities are formed, legitimized, and conducted in Turkey? Respective positions of international organizations, state, financial capital, and civil society with regards to financial literacy initiatives will be outlined. The focus will be on the financial capital's corporate social responsibility projects on financial literacy, which constitutes the predominant form of financial education initiatives in Turkey. The material used for this chapter is a blend of corporate reports, project documents, websites, and primary fieldwork data from interviews and participant observation. This discussion of financial literacy education initiatives sets the stage for the analysis of the financially literate subjectivity itself.

Chapter Seven: Problematizing Financially Literate Subjectivity provides in-depth analysis into the financially literate subjectivity that is aimed to be created. This chapter tackles with the following research question: What kinds of subjectivities are constituted, legitimized, normalized, and excluded with financial literacy education in Turkey? The purpose of this chapter is to problematize the proclaimed qualities and practices of this subject on following themes: Basic knowledge of finance, financial planning, budgeting, conscious consumerism, managing debt, creditworthiness, savings, investment, and entrepreneurship. Financial literacy initiatives' promotion of knowledge as well as "right" attitudes and behavior to conduct oneself is crucial for the constitution of a particular subjectivity in the context of financialization. The material used for this chapter is predominantly the curricula of financial literacy initiatives and the critical academic literature on financial literacy, supplemented with interviews.

Chapter Eight: Conclusion provides a review of the main argument, the empirical and theoretical findings as well as contributions to the academic literature. This is followed by a discussion on the limitations of the dissertation as well as suggestions for further research on financial literacy.

CHAPTER TWO:

FOCUSING ON THE EVERYDAY OF FINANCE:

CULTURAL POLITICAL ECONOMY

2.1. Introduction

Fieldwork Encounter: Students and Bank Accounts, 18/12/2014

Today started early. I rushed to the introduction and first class of a six-week financial education program at a primary school, located at Şişli, a relatively wealthier neighborhood of Istanbul. Asena (Civil Society) *was present together with four private sector volunteers (three women and one man), and myself. There were 19 students in the classroom, all at the age of 10.* Asena *took the lead and briefly explained the project in adult terms.* Asena *asked students to organize the classroom into three groups of desks so that we could play board games eventually. Then, the pre-tests that aim to "measure" financial literacy level of students through questions are distributed.* Asena *states that the test will not be "graded." Some students had a hard time concentrating on the tests. Some apparently did not know the meaning of these terms such as interest.*

After the tests are collected, one of the keen volunteers started explaining the exercise sheet. On the front side of the sheet, there is a letter to the parents. Kids are asked to show this sheet to their parent tonight. There is a glossary of basic banking terms and their explanations, including money, bank account, depositing & withdrawing money, and interest. The volunteer explained them by giving basic definitions while also asking the students what they think. More than one kid defined money roughly as the "reward given to righteous, deserved labor." The sheet defined money is described as the basic tool of exchange. On the back side of this sheet, there is the "journey of money" is exhibited with fill in the blanks exercises and colorful illustrations. Accordingly, the journey of money starts when you work and earn money after school hours or you receive pocket money. You deposit money in the bank and record it *on the account sheet. You will be receiving interest as a return for your money, and other customers have to pay interest to borrow. You need to think carefully if you want to buy something, and you have to save money for it. When you save enough money to buy your dream bicycle, the time comes to withdraw your money and hand it to the bike shop. They will deposit these funds to their commercial account. Once the exercise sheet is finished, it was time for the "city game," akin to monopoly* (see **Photograph 2: Students and Bank Accounts** below).

Photograph 2: Students and Bank Accounts

(Source: Author's Fieldwork Photographs)

The game has various money-related missions in which the player; bakes and sells cookies, goes to movies, help neighbors, sell their bikes, etc. All of the moves entail a decision and action on the personal bank account sheets, either withdrawal or deposit. Students easily learned to keep their personal bank accounts on the sheet distributed to them. Overall, the game was incredibly fun for them. Some of the kids became really happy because they earned and saved a lot of money in the game! To be sure, there *are no statements on the goal of these games being saving money. The money itself is merely a symbolic amount that they add to their accounts at the beginning. Volunteers are there to help students navigate the game, and they refrain from deciding on behalf of students. While I was strictly observing and not interacting, volunteers already established a good relationship with the students. On the way out, I briefly chatted with the volunteers and observed their satisfaction of getting involved in the project. They all took a cab and headed to work.*

Purpose and Contents

As this fieldwork encounter reveals; we need to come to terms with the financial education projects that seek to teach 10-year-old students the basic knowledge of the banking system and appropriate calculative behavior to keep track of their finances. In other words, we need to explore the production of financially literate subjectivity. This chapter tackles the challenge of establishing the appropriate theoretical and methodological framework for the study of financialization of everyday life and culture. The exploration goes beyond the conventional IPE insights on financialization and seeks to develop a *cultural political economy* perspective through engaging with a number of emerging research agendas in IPE. This chapter will provide theoretical insights into how financialization permeates into the culture and everyday lives and shapes subjectivities in line with the predominant governmental rationalities of the neo-liberal era.

This chapter is organized as follows: The second section reviews the literature on financialization. The third section reviews Michel Foucault's lectures on neo-liberal governmentality. The fourth section reviews the cultural turn and emerging research agendas of "cultural economy of finance," as well as "everyday" and "post-structural" IPE. The conclusion provides an overview of the cultural political economy perspective.

2.2. Financialization

Definitions and Literature

Finance is an ambiguous term since it "refers to both institutions (the financial system: commercial and investment banks, pension funds, insurance...) and individuals, capitalists - or a fraction of capitalists" (Duménil & Lévy, 2001: 583). In regards to the financial institutions, there are problems with drawing the line that distinguishes non-financial institutions (involved in financial transactions) from financial institutions. Furthermore, the category of "financial system" itself combines a number of heterogeneous elements. In regards to identifying individuals, "financial capitalist," is challenging due to the multiple sources of wealth, multiple roles in ownership and management, as well as the size of assets (2001: 584). What is more, different analytical approaches operate with varying definitions of this term.

The term *financialization* became prevalent from the late 1990s onwards in several disciplines such as political economy, sociology, political science, economics, geography and anthropology (Lapavitsas, 2013: 13; van der Zwan, 2014: 99). It is used to denote a number of closely interrelated processes with varying emphases such as; "globalisation of financial markets, the shareholder value revolution and rise of incomes from financial investment" (Stockhammer, 2004: 720), "the shift in gravity of economic activity from production to finance" (Foster, 2008: 1), "increasing political and economic power of a particular class grouping: the rentier class" (Epstein, 2005: 3) and "intensive and extensive accumulation of fictitious capital" (Fine, 2013-14: 55). While there is no conclusive agreement in defining financialization, the most widely cited definition is provided by Gerald A. Epstein (2005: 3);

> financialization means the increasing role of financial motives, financial markets, financial actors and financial institutions in the operation of domestic and international economies.

This definition is valuable in its straightforward identification of what is relevant and what is not. However, it is also applicable to the pre-1914 period of laissez-faire liberalism when the role of finance was prominent (Erturk et al. 2008: 24-25). More importantly, the definition "provides the object of study and in itself does not specify the period or geographical space to which it applies; nor does it provide any analytical framework for its study" (Sawyer, 2013-14: 6). Our review is predominantly confined to theoretical perspectives on financialization that propose analytical frameworks, rather than empirical studies that explore cases of financialization. One can find numerous comprehensive literature reviews on financialization (Lapavitsas, 2013; van der Zwan, 2014; Bonizzi, 2013-14; Erturk et al., 2008). The earliest body of literature on financialization is rooted in Marxist political economy. Moreover, heterodox political economy traditions such as the Regulation School, Post-Keynesian approach, as well as cultural economy have made major contributions, along with mainstream Agency Theory.

The literature on financialization exhibits very useful insights to understand the rising prevalence of finance and the structural dynamics of financialized accumulation. What unites these political economy analyses is that they exhibit a particular understanding of the economy (i.e., ontology). They "conceive of the economy as a machine of quantities and relations between categories like profit and liquidity whose enduring logic is discovered and operates independently of analysis" (Erturk et al., 2008: 34). Regarding theorizing (i.e., epistemology), "political economy privileges abstraction, theoretical generalization, explanation, and system-wide dynamics" (Christophers, 2014: 12). There is a tendency to over-emphasize the effects of structures over agency (hence, falling into structuralism), as well as to produce an economistic explanation that glosses over culture. In Ngai-Ling Sum and Bob Jessop's (2013: 175) terms, this line of inquiry is labeled as the *hard political economy*. Such analyses;

> tend to establish a rigid demarcation between the economic and the cultural. This sort of fetishized approach thereby reifies the separation of the economic and political in capitalist social formations naturalizes the formal, market-rational, calculative activities of *homo economicus* and the *Realpolitik* of state power without regard to their discursively mediated and socially constructed character, and suggests the inevitability of rigid economic laws and the constraints associated with globalization (Sum and Jessop, 2013: 175, emphases original).

Indeed, there is a tendency to create rigid theoretical generalizations in arguments like monopoly-finance capital and successive systemic cycles of accumulation. Moreover, while some analyses acknowledge the penetration of finance into the social reproduction and economic decisions of households (for instance, Lapavitas, 2009; 2013), political economy fails to engage thoroughly with the financialization of everyday life and culture.

Marxist Political Economy

Marxist political economy insights on financialization go back to the early 20th-century work of Rudolf Hilferding's *Finance Capital*.[5] More recently, Harry Magdoff and Paul Sweezy, writing at *Monthly Review* Journal, provided their analysis of new phase of capitalism called *monopoly-finance capital* (Foster, 2007). From this perspective, stagnation is the normal condition of capitalist economies of the Global North. The capitalist system creates vast surpluses that are concentrated in the hands of monopoly capital. A capitalist economy "must constantly find new sources of demand for the growing surplus that it generates" to ensure economic growth (Foster, 2008: 10). However, various reasons limit the profitable investment opportunities such as maturation of economies, lack of stimulating technologies, inequality of wealth that reduces consumption and increasing monopolization that undermines competition (2008: 10-11). Magdoff and Sweezy consider financialization as a response to the crisis of surplus absorption of the 1970s. In

[5] In *Finance Capital*, Hilferding argues that; "as the size of capitalist production grows monopolies come to depend heavily on investment credit provided by banks. A close relationship thus ensues between banks and industry, eventually leading to the emergence of finance capital" (Lapavitsas, 2013: 45). Hence, banks got the upper hand over the industry in determining actions of the latter.

other words, "financialization is merely a way of compensating for the underlying disease affecting capital accumulation itself" (2008: 16). The economic surplus that was channeled to FIRE (finance, insurance, and real estate) provided stimulation directly by new employment and indirectly through appreciation of assets (2008: 13). The economic structure in which finance was modestly serving production gave way to "a greatly expanded financial sector had achieved a high degree of independence and sat on top of the underlying production system," leading to a symbiosis of stagnation and financial speculation (Foster, 2007: 6). From this perspective, the global financial crisis of 2008 is viewed "as symptomatic of a more general crisis of financialization" (Foster, 2008: 9).

Giovanni Arrighi's (1994) work is primarily concerned with tracing the *systemic cycles of accumulation* led by hegemonic powers, namely the Genoese, Dutch, British and US hegemonies. Building on Karl Marx's general formula of capital (MCM'), Arrighi argues that every systemic cycle has two distinct phases; "alternation of epochs of material expansion (MC phases of capital accumulation) with phases of financial rebirth and expansion (CM' phases)" (1994: 6). Arrighi emphasizes the flexibility of money capital (M) form as opposed to the rigidity of commodity capital (C). In phases of financialization, "an increasing mass of money capital 'sets itself free' from its commodity form, and accumulation proceeds through financial deals (as in Marx's abridged formula MM')" (1994: 6). Financialization signifies maturity of capitalist development; it is "*a sign of autumn*" (Braudel quoted by Arrighi, 1994: 6). The underlying reason for financial expansion is twofold: "[O]veraccumulation of capital and intense competition among states for mobile capital" (Orhangazi, 2008: 43). In contrast to Magdoff & Sweezy's stagnation tendency, over-accumulation of capital is due to enhanced competition. Overall, Arrighi's analysis is helpful in providing a historical perspective, emphasizing recurrence of financial expansion and its link with the decline of hegemonic power.

Costas Lapavitsas (2009, 2013) explores financialization as the structural transformation of capitalist accumulation from the late 1970s onwards. Several technological, institutional and political developments are noted: changes in the production methods due to the technological revolution, increasing the power of multinational enterprises, the shift of productive capacity from the Global North to the East, deregulation of markets, and prevalence of neo-liberalism over Keynesianism (2009: 124-126; 2013: 2). Financialization is rooted in three distinct transformations within the countries of the Global North:

> Firstly, non-financial enterprises have become increasingly involved in financial processes on an independent basis [...] Second, banks have focused on transacting in open financial markets with the aim of making profits through financial trading rather than through outright borrowing and lending. At the same time banks have turned toward individual and household income as a source of profit [...] Third, individuals and households have become increasingly to rely on the formal financial system to facilitate access to vital goods and services, including housing, education, health and transport. The savings of households and individuals have also been increasingly mobilized by the formal financial system (2013: 3-4).

Financialization represents an increasing "asymmetry" between the circulation sphere (of which finance is a part) and the production sphere (2013: 4). Lapavitsas argues that the shift in bank practices led to *financial expropriation*, which is "the extraction of financial profits directly out of personal income" (2009: 114). The earlier terminology used by Lapavitsas identified this mechanism as "financial exploitation" (2009: 131). However, exploitation arises in the sphere of production and finance resides in the sphere of circulation: "Circulation does not create value; it results in profits, but these derive mostly -though not exclusively- from redistributing surplus value" (Lapavitsas, 2013: 4, emphasis original). This dynamic of financial expropriation is exploitative in the following sense: "The more that individual workers have been forced to rely on financial institutions, the more the inherent advantages of the latter in information, power and motivation have allowed them to tilt transactions in their own benefit" (2009: 132).

Besides this transformation of banks' conduct, Lapavitsas also points out the role of the state in financialization. The retreat of social welfare functions as well as the deregulation of financial markets (2009: 145). Overall, Lapavitsas is insightful for pointing out the penetration of finance into the reproduction requirements of individuals and households.

The emergence of financialization is also related to *neo-liberalism*.[6] Gérard Duménil & Dominique Lévy argue that "[n]eoliberalism is the ideological expression of the return to the hegemony of the financial fraction of ruling classes" (2001: 578). The decisive moment in the US was the rise in interest rates, known as the Volcker Shock, which reoriented monetary policy towards the goal of price stability at the expense of Keynesian concern for full employment. It was followed by "deregulation, direct confrontation with the worker movement and unions, a policy favourable to large mergers, and a new corporate governance targeted to the interest of shareholders" (2001: 587). Hence, there is a significant rise in profit rates of financial corporations from the 1980s onwards, in comparison to the stagnant profit rates of non-financial corporations (NFC), in France and the US (2001: 599). Moreover, the conduct of NFC's is transforming within the context of financialization. There is a rise of NFC's "financial investments relative to their real investments" which leads to "earning a larger share of their profits from financial operations" (Orhangazi, 2008: 7; Duménil and Lévy, 2001: 600).

David Harvey points out that crisis of accumulation in the 1970s was indeed a political as well as an economic threat to the ruling elites and classes (2005: 13-15). In this context, neo-liberalism emerged, after a series of trials, as "a *political* project to re-establish the conditions for capital accumulation and to restore the power of economic elites"

[6] One of the most comprehensive definitions of neo-liberalism is provided by David Harvey (2005: 2): "Neoliberalism is in the first instance a theory of political economic practices that proposes that human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets and free trade. The role of the state is to create and preserve an institutional framework appropriate to such practices."

(2005: 19, emphasis original). Harvey acknowledges the geographical unevenness of neo-liberalization and identifies four aspects of the restoration of class power. Deregulation of financial markets, enhanced capital mobility, ability of "the Wall Street-IMF-Treasury complex to dominate economic policy" that paved the way for structural adjustment for Global South, and the ideological prevalence of "new monetarist and neoliberal economic orthodoxy" (Harvey, 2005: 92-93). These analyses are crucial for pointing out the political character of financialization and its distributional implications.

Regulation School

The Regulation School emerged in France as an offshoot of Marxist political economy and developed with the contributions of post-Keynesian and institutional approaches with the aim to understand the stabilization of capitalist relations of production despite its contradictions. From this perspective, "specific regimes of accumulation can be stabilized through a fitting set of structural forms of regulation (wage relation, competition relation, monetary restriction, ecological restriction)" (Becker et al., 2010: 225). With the crisis of Fordism, multiple alternative growth regimes emerged including; Toyotism, service led, knowledge-based economy, competition led, and last but not the least, finance-led (Boyer, 2000: 114-115). Among these alternatives, the finance-led accumulation regime is characterized by the combination of "labour-market flexibility, price stability, developing high tech sectors, booming stock market and credit to sustain the rapid growth of consumption, and permanent optimism of expectations in firms" (Boyer, 2000: 116). One crucial change within this context is in the behavior of households as a result of their integration into financial markets through pensions and equity. While wages are still the fundamental aspect of "reward," now "the prospect of gains on the financial markets has a direct influence on the decision to save or spend"

(2000: 120). This analysis is insightful in pointing out the growing importance of financial markets in basic household decisions.

The Regulation School further provides a distinction between two different forms of financialization; "financialization based on the take-off of a second circuit of 'fictitious capital' [...] and financialization based on interest-bearing capital and, thus, on high interest rates" (Becker et al., 2010: 228).[7] Regarding the former, which is prevalent in Anglo-American countries, the paper claims (securities) on the productive circuit of capital are relatively autonomous which leads to problems of "strong inflation of financial asset prices" and crisis propensity (2010: 229). Regarding the latter form, which is prevalent in peripheral countries, financialization depends on the capital inflows, hence giving rise to policies "geared towards attracting foreign capital" such as "rather rigid and overvalued exchange rate and high interest rates," discouraging productive investments (2010: 229). This analysis provides useful tools to explore modalities of financialization in Global North as well as Global South.

Post-Keynesian Approach

The Post-Keynesian approach explores the increasing power of *rentiers* within the context of financialization. Rentier appears in John Maynard Keynes' work as "a parasitical economic entity that extracts profits due to the scarcity of capital, and might thus depress investment and profitability for active capitalists," leading to his call for "the euthanasia of the rentier" (Lapavitsas, 2013: 30). Within the context of financialization, however, rentiers have increased their income within the GDP of the Global North

[7] This distinction refers to Karl Marx's theory of money. There is a difference between using money as credit and money as capital. Fine (2013-14: 49) reminds that the latter happens "when money is borrowed to expand accumulation for which a return with profit is anticipated." Money borrowed and used to expand capitalist accumulation is denoted as *interest bearing capital* for which lenders receive interest in return. As an obligation to pay interest emerges, this contract can be traded in market: "Marx termed this independent circulation of IBC in paper form as fictitious capital, not because it does not exist or has been made up, but because it is distinct from the circulation or performance of the capital it represents" (2013-14: 50).

(Epstein, 2005: 6); leading to what might be called *coupon pool capitalism* (Erturk et al., 2008: 26). Unlike "productionism," coupon pool capitalism is "constituted when capital markets leave their traditional role of intermediation and begin regulating the behavior of firms and households" (Orhangazi, 2008: 65). Coupon ownership has expanded massively to include not only "intermediary elite groups" (those working for financial intermediaries) but also "financialized masses" (Erturk et al., 2008: 27).[8]

Agency Theory

The key to understanding this new relationship between capital markets and firm strategy is the rising prominence of *maximizing shareholder value* in corporate governance (Lazonick and O'Sullivan, 2000). To understand this, we need to consider briefly *Agency Theory*, which emerged around the 1980s in the US with contributions of Michael Jensen and Eugene Fama. Situated in mainstream finance, this theory considers "the firm as a 'nexus of contracts' between shareholder/principals and manager/agents" (Erturk et al., 2008: 30). Without the market discipline, managers may act "opportunistically" and could pursue their own interests (Lazonick and O'Sullivan, 2000: 16). Indeed, besides profit maximization, there are various other goals that a firm might pursue including "growth of the firm, the expansion of its market share, exerting power over its workers or suppliers" (Stockhammer, 2004: 723). Agency theory explored the ways in which interests of the

[8] Stockhammer (2004) explores the respective roles of *workers*, *industrial capitalists* and *rentiers* within the firm. Categorized in terms of type of income, there are "three income classes: recipients of wages, recipients of profits and recipients of interest payments, dividents and rents" (2004: 722). Arguably, industrial capitalists and rentiers are located in a single class since the interest payments come out of profits. While Stockhammer acknowledges this, he nevertheless insists that the two have distinct interests. Lapavitsas is critical of these Post-Keynesian analyses that are "counter-posing idle *rentier* to functioning capitalist" (2009: 141, emphasis original). When we look at the contemporary form of financialization, especially the rise of institutional investors, the notion of "rentier" is at best ambiguous: "Pension-funds, insurance-companies, investment-funds, and so on, collect idle money leaked from income of broad layers of working people. They provide scope for financial intermediaries to generate profits through handling such funds. But they also generate returns for 'financialised' individuals across social classes" (2009: 143). That said, Post-Keynesian analysis recognizes that neither intermediary elites nor financialized masses "do not constitute any kind of homogenous group in terms of class, position, resources, or motives" (Erturk et al., 2008: 27).

shareholders, i.e. profits, could be secured by disciplining and incentivizing the management. Such mechanisms include; "development of new financial instruments that allowed hostile takeovers and changes in the pay structure of managers" (2004: 726). In this way, poorly managed corporations could be taken over by the financial markets and managers have clear incentives, such as stock options, to maximize shareholder value.

The outcome of shareholder value revolution was a widespread transformation of corporate strategy in the US from "retention of corporate earnings and reinvestment in corporate growth through the 1970s to one of downsizing corporate labor forces and distribution of corporate earnings to shareholders" (Lazonick and O'Sullivan, 2000: 13). As the management embraces maximizing shareholder value, *profits* are preferred over *growth*, leading the overall slowdown of accumulation in the context of financialization (Stockhammer, 2004: 720).

2.3. Michel Foucault, Neo-liberal Governmentality, and Entrepreneur of the Self

Governmentality

Michel Foucault's (1926-1984) work on governmentality is the two series of lectures at *The Collège de France*; 1977-78 lectures *Security, Territory, Population* and 1978-79 lectures *The Birth of Biopolitics*. This work is initially disseminated through a partial publication of courses and secondary governmentality literature on these lectures (Miller and Rose, 1990, 2008; Burchell, Gordon, and Miller, 1991; Barry, Osborne and Rose, 1996; Lemke, 2001, 2002). Only later the complete English transcription of the lectures became available (Foucault, 2007, 2008). Our review is confined to the definition, aim, and scope of the concepts governmentality and technique of the self, analysis of two neo-liberal schools of thought (German Ordoliberalism and American Chicago School), and limitations of Foucault's contributions.

Foucault defines *government* broadly as "the conduct of conduct" (Gordon, 1991: 3). He notes that the word *conduct* refers to both "the activity of conducting" and "the way in which one conducts oneself" (Foucault, 2007: 193). Accordingly, government "refers to the control one may exercise over oneself and others, over someone's body, soul, and behavior" (Foucault, 2007: 122). Power here operates by "governing the forms of self-government, structuring and shaping the field of possible action of subjects" (Lemke, 2001: 52). Connecting all of these elements, we can define government as;

> more or less systematized, regulated and reflected modes of power (a "technology") that go beyond the spontaneous exercise of power over others, following a specific form of reasoning (a "rationality") which defines the telos of action or the adequate means to achieve it (2001: 53).

The notion of government was utilized on a broad range of areas of life, including "household, souls, children, a province, a convent, a religious order, and a family" (Foucault, 2007: 93). However, from the 16th and 17th centuries onwards, government took a strictly political meaning. This narrow sense is what Foucault primarily concerns himself in these lectures; "government in the political domain" (Gordon, 1991: 3). What is at stake in this inquiry is the following question: "Is it possible to place the modern state in a general technology of power that assured its mutations, development and functioning?" (Foucault, 2007: 120).

Foucault points out that he is interested in providing a history of *governmentality*. The type of power called "government" gains prominence on other types of power such as "sovereignty" and "discipline," leading to the creation of both particular knowledges and governmental apparatuses. Governmentality refers to the transformation of the "state of the justice" towards "administrative state" in 15th and 16th centuries, which then was "governmentalized" (Foucault, 2007: 108-109). The linkage of "governing" with "modes of thought" in the word governmentality underscores the need to "study the techniques of power" together with "an analysis of the political rationality underpinning them" (Lemke, 2001: 191). Indeed, Foucault frequently uses terms such as *rationality of government* and *art of government*. In Colin Gordon's (1991: 3) words, Foucault was interested in "government as an activity or practice, and in arts of government as ways of knowing what that activity consisted in, and how it might be carried on."

A similar interpretation is provided by Miller and Rose (1996), who identify Foucault's interest as the "problematics of rule" in the West. It means "the ways in which those who would exercise rule have posed themselves the questions of the reasons, justifications, means and ends of rule, and the problems, goals or ambitions that should animate it" (1996: 41-42). This approach conceives of problematization as a process and asks how things are made problematic in the first place (Miller and Rose, 2008: 14). Indeed, problems are not *a priori* but are "constructed and made visible" by various actors (2008: 14). The problematics of government should be analyzed in two different respects as *political rationalities* and *governmental technologies*. These two aspects are defined in the following way by Miller and Rose (2008: 55):

> *political rationalities*, [are] the changing discursive fields within which the exercise of power is conceptualized, the moral justifications for particular ways of exercising power by diverse authorities, notions of appropriate forms, objects and limits of politics, and conceptions of the proper distribution of such tasks among secular, spiritual, military and familial sectors [...] *governmental technologies*, [are] the complex of mundane programmes, calculations, techniques, apparatuses, documents and procedures through which authorities seek to embody and give effect to governmental ambitions.

From his point of view, Foucault analyzed *liberalism* not as "a theory, an ideology, a juridical philosophy of individual freedom, or any particular set of policies adopted by government" (Burchell, 1996: 21). Instead, he saw liberalism as a "new type of rationality in the art of government," one that calls for principle of "self-limitation of governmental reason" (Foucault, 2008: 20). Indeed, the question confronting classical liberalism is "how a necessary market freedom can be reconciled with the unlimited exercise of a political sovereignty" (Burchell, 1996: 21). The answer of classical liberalism is linking "the principle for rationalizing governmental activity to *the rationality of the free conduct of governed individuals themselves*" (1996: 23, emphases original). Government should respect and not override the conduct of homo economicus. As Foucault puts it; "the market must be a cleared space free from intervention" (Foucault, 2008: 118). The Classical liberal conception of the market is a "quasi-natural reality" defined by free exchange (Burchell, 1996: 23; Foucault, 2008: 118). The market becomes a "site of veridiction," and government has to work in accordance with the truth produced by the market (Foucault, 2008: 32). The state's role is at most to "supervise smooth running of the market" and ensure private property rights (2008: 118). Foucault explores neo-liberal rationality of government in comparison with classical liberal rationality in his 1978-79 lectures.

Neo-Liberal Governmentality and Entrepreneur of the Self

Foucault lectures on two distinct bodies of neo-liberal thought right around the triumph of neo-liberalism across the world. A group of German economists -Walter Eucken, Franz Böhm, and Alfred Müller-Armack- known as Freiburg School or Ordoliberals were influential in formulating post-WWII economic policies of West Germany. Their objective was finding "the legitimacy of the state on the basis of a space of freedom for its economic partners" (2008: 106). Ordoliberals overturn the classical liberal formula and conceive the "market economy itself to be the principle, not of the state's limitation, but of its internal regulation" (2008: 116). In other words, Ordoliberals envisage "a state under the supervision of the market rather than a market supervised by the state" (2008: 116). Ordoliberals define market not as a natural reality characterized by market exchange, but instead as something produced by the practice of government, characterized by competition (Lemke, 2001: 193). As Foucault puts it, competition is possible only "if it is produced by an active governmentality" (Foucault, 2008: 121).

Ordoliberals attempt to "multiply and expand entrepreneurial forms within the body social" (Lemke, 2001: 195). This point is crucial for it "is a matter of making the market, competition, and so the enterprise, into what could be called the formative power of society" (Foucault, 2008: 148). What is at stake for the individual in this generalization of enterprise form is the following: "the individual's life itself –with his relationships to his private property, for example, with his family, household, insurance, and retirement- must make him into a sort of permanent and multiple enterprise" (2008: 241). Foucault goes on to point out that the "function of this generalization of the 'enterprise' form";

> involves extending the economic model of supply and demand and of investment-costs-profit so as to make it a model of social relations and of existence itself, a form of relationship of the individual to himself, time, those around him, the group, and the family (2008: 242).

If generalizing the enterprise form is one side, legal interventionism is the other side of the coin. The liberal market does not arise spontaneously like the classical liberals envisaged, but rather requires state intervention. Consequently, this brings the question of establishing a "legal framework" for the market to function (2008: 161). In Foucault's words, a major reform of juridical institution is required for this permanent interventionism that is pursued as "the historical and social condition of possibility for a market economy" (2008: 160). Overall, in this Ordoliberal program of generalizing the enterprise form Foucault saw the birth of a new art of government (2008. 176).

The second body of neo-liberal thought in Foucault lectures is American Chicago School, principal figures of which are Gary Becker and Theodore W. Schultz. Their analyses entail generalizing the economic form across the society and into non-economic spheres of life. Economic analysis is utilized as "a principle of intelligibility and a principle of decipherment of social relationships and individual behavior" (Foucault, 2008: 243). Arguably, this involves "redescription of the social as a form of the economic" (Gordon, 1991: 43). Foucault explores *human capital theory* as it extends economic analysis into various non-economic domains such as criminality, marriage, etc.

Human capital theory claims that political economy locates labor as a factor of production but fails to provide a concrete account of it (Lemke, 2001: 198).[9] What is at stake here is a reorientation of the discipline of economics away from "the analysis of processes" towards "the analysis of the internal rationality, the strategic programming of individual's activity" (Foucault, 2008: 223). In other words, the transformation from *political economy* to *economics* in which the central concern is the allocation of scarce means to competing ends. According to neo-liberals, such an analysis brings labor back into the economics by adopting worker's point of view, by treating the worker not as "the object of supply and demand in the form of labour power" but instead "as an active economic subject" (2008: 223). Work from the perspective of the worker means earning wages, earning an income. We can conceive of income as "return on a capital" (Foucault, 2008: 224). The wage of the worker is a return on human capital.

Human capital is comprised of two parts; "an inborn-physical-genetic predisposition and the entirety of the skills that have been acquired as the result of 'investments' in the corresponding stimuli: nutrition, education, training, and also love, affection, etc." (Lemke, 2001: 199). This ability to work and skill can also be conceived of as a "machine that produces an earnings stream" (rather than income) that has a certain "lifespan" (Foucault, 2008: 224). We can see that human capital theory provides a

[9] Marx argues that "the logic of capital reduces labour to labour power and time" (Foucault, 2008: 221). While Marx holds capitalism responsible for this abstraction, neo-liberals argue that: "Abstraction is not the result of the real mechanics of economic processes; it derives from the way in which these processes have been reflected in classical economics" (2008: 221).

radically different conception of labor compared to the political economy approach of abstract labor-power. As Foucault (2008: 225) points out, for human capital theory:

> it is a conception of capital-ability which, according to diverse variables, receives a certain income that is a wage, an income-wage, so that the worker himself appears as a sort of enterprise for himself [...] An economy made up of enterprise units, a society made up of enterprise units, is at once the principle of decipherment linked to liberalism and its programming for the rationalization of a society and an economy.

Conceptualization of the worker as the entrepreneur of the self indicates a return to *homo economicus*. However, in this new conception, homo economicus is not the partner of exchange. Instead, "*Homo economicus* is an entrepreneur, an entrepreneur of himself" (2008: 226, emphasis original). Foucault explores the implications of extending this analysis of homo economicus from rational economic conduct to all rational conduct. The consequence of extending economics to all human behaviour is that economics now provides a "purely economic method of programming the totality of governmental action" (Gordon, 1991: 43). This neo-liberal conception is a paradoxical departure from the homo economicus of the classical liberalism. Originally, "*homo economicus* is the person who must be left alone" (Foucault, 2008: 270, emphasis original). For neo-liberals;

> Homo economicus is someone who is eminently governable. From being the intangible partner of *laissez-faire*, *homo economicus* now becomes the correlate of a governmentality which will act on the environment and systematically modify its variables (2008: 270-271, emphases original).

We identify the shift from a homo economicus who is the "external limit" of governmental action to a homo economicus who becomes "a behaviouristically manipulable being" (Lemke, 2001: 200). Moreover, there is another crucial transformation in regards to the relationship between market and government. In classical liberalism government was "called upon to respect the form of the market and *laissez faire*," meaning that the market is "a principle of government's self-limitation" (Foucault, 2007: 247). Chicago neo-liberals application of economic analysis provides a kind of "permanent economic tribunal confronting government" (2008: 247). In other words, neo-liberals envisage the market principle turned against the government, permanently confronting every government action (Lemke, 2001: 198).

Governing Neo-Liberal Subjects

Foucault's lectures provide us crucial insights for the government of neo-liberal subjects. To govern is to *conduct* conduct (Miller and Rose, 2008: 14). We can think of government as a "continuum" that "extends from political government right through to forms of self regulation" (Lemke, 2002: 59). Power here operates by "governing the forms of self-government, structuring and shaping the field of possible action of subjects" (Lemke, 2001: 52). Graham Burchell argues that "[g]overnment increasingly impinges upon individuals in their very individuality, in their practical relationship to themselves in the conduct of their lives" (1996: 30, emphases original). This brings us to the concept of technique of the self. Foucault's late work on problematization of ethics is concerned centrally with creating a history of the care and the techniques of the self:

> The history of the "care" and the "techniques" of the self would thus be a way of doing the history of subjectivity; no longer, however, through the divisions between the mad and the nonmad, the sick and the nonsick, delinquents and nondelinquents, nor through the constitution of fields of scientific objectivity giving a place to the living, speaking, labouring subject; but, rather, through the putting in place, and the transformations in our culture, of "relations with oneself", with their technical armature and their knowledge effects (Foucault, 2000: 88).

Techniques of the self is a central concept in this line of inquiry, defined by Foucault as; "the procedures [...] suggested or prescribed to individuals in order to determine their identity, maintain it, or transform it in terms of a certain number of ends, through relations of self-mastery or self-knowledge" (2000: 87).[10] Foucault situates

[10] At times, Foucault utilizes an almost identical term; *technology of the self*, defined as "reflection on modes of living, on choices of existence, on the way to regulate one's own behaviour, to attach oneself to ends and means" (2000: 89).

governmentality in the "contact point" between techniques of domination and techniques of the self (Lemke, 2001: 52-53).[11] Miller and Rose (1990: 18-19) illustrate in detail how the subjects are governed through techniques of the self:

> To the extent that authoritative norms, calculative technologies and forms of evaluation can be translated into the values, decisions and judgements of citizens in their professional and personal capacities, they can function as part of the 'self-steering' mechanisms of individuals. Hence, 'free' individuals and 'private' spaces can be 'ruled' without breaching their formal autonomy. To this end, many and varied programmes have placed a high value upon the capacities of subjects, and a range of technologies have sought to act on the personal capacities of subjects – as producers, consumers, parents and citizens, organizing and orienting them in the decisions and actions that seem most 'personal', and that confront them in the multitude of everyday tasks entailed in managing their own existence.

We argue that financial literacy is a technique of the self within the context of neo-liberal governmentality. Financial literacy curricula provide subjects with the aims, methods, targets and techniques to steer and control themselves in ways that correspond to the long-term interests of financial capital. As already discussed, government in the neo-liberal era is primarily characterized by "the generalization of an 'enterprise form' to all forms of conduct," that is, "the promotion of an enterprise culture" (Burchell, 1996: 29-30). Neo-liberal subjects are encouraged to become *entrepreneurs of the self* through appropriate techniques of the self (Burchell, 1996: 29). Within this context of neo-liberal governmentality, financial literacy education asks subjects to become entrepreneurs of the self.

Moreover, Miller and Rose point out that the subjects of government in advanced liberalism are reconfigured and responsibilized. They are now "active individuals seeking

[11] Foucault clarifies his conception of *power* as "a relationship in which one person tries to control the conduct of the other" and stresses that these relations are "mobile, reversible and unstable" and "possible only insofar as the subjects are free" (Foucault, 2000: 292). Relations of power pre-suppose the freedom of the subject. Otherwise, one is talking about a state of domination. Foucault thus introduces three levels in the analysis of the relations of power; strategic relations, techniques of government, and states of domination; "we must distinguish between power relations understood as strategic games between liberties – in which some try to control the conduct of others, who in turn try to avoid allowing their conduct to be controlled or try to control the conduct of the others – and the states of domination that people ordinarily call "power". And you have technologies of government –understood, of course, in a very broad sense that includes not only the way institutions are governed but also the way one governs one's wife and children (2000: 299).

to 'enterprise themselves,' to maximize their quality of life through acts of choice" (1996: 57). We witness "the birth of a new ethic of the active, choosing, responsible, autonomous individual" (2008: 18). This *responsibilization* of individuals entails shifts in the duties and obligations and goes hand in hand with the commodification of the welfare state. Miller and Rose (1996: 58) argue that;

> social insurance as a principle of social solidarity gives way to a kind of privatization of risk management. In this new prudentialism, insurance against the future possibilities of unemployment, ill health, old age and the like becomes a private obligation.

Responsibilization implies that questions of unemployment, health problems, pensions, and the like become problems of "self-care" (Lemke, 2001: 201). Financial literacy education likewise expects subjects to be responsibilized for social risks.

Limitations of Foucault's Contributions

Foucault's and scholars of governmentality are concerned with questions of "how" instead of questions of "why" in their inquiry, leading them to "lightening the weight of causality" (Miller and Rose, 2008: 6). In contrast, Marx's interest in explaining "why" instead of "how" opens up possibilities of synthesizing both of these accounts to come up with a fuller understanding of social reality (Sum and Jessop, 2013: 207). Following Sum and Jessop, we will seek to synthesize in cultural political economy both political economy accounts of the why and Foucauldian accounts of the how.

Foucault's lectures on neo-liberal governmentality have been a center of intense debate in regards to his position vis-a-vis neo-liberalism. Andrew Dilts (2011: 132) argues that there is a "striking parallel" between Foucault's lectures on neo-liberal human capital theory and his late work on the care of the self. Foucault's late turn to ethics can be seen as "a sympathetic but ultimately critical response to the emergence of neo-liberal subjectivity, governmentality and biopower" (2011: 132). In a roundtable at The

University of Chicago in 2012, Gary Becker reflected on Foucault's lectures in the following way: "I like most of it, and I do *not disagree* with much. I also cannot tell whether Foucault is disagreeing with me" (Becker et al. 2012: 3, emphasis original). In that exchange, François Ewald, who was Foucault's personal assistant at the Collège de France, argued that he provided "an apology for neoliberalism" (2012: 4). Accordingly, Foucault found in Becker's work on human capital the "possibility of thinking about power without discipline [...] to conduct the behaviour of the other without coercion, by incitation" (2012: 6). Again in that exchange, Bernard Harcourt pointed out several sharp critiques that arise from Foucault's treatment of human capital theory –such as implications for eugenics and disinvestment in certain populations. Furthermore, Harcourt reminded that Foucault wrote his books three times and his initial draft included things that "he did *not* want to say" (2012: 8, emphasis original). Thus, his lectures on governmentality should be seen merely as a first draft.

Mitchell Dean (2014) contributed to this debate by disagreeing to identify Foucault as an apologist of neo-liberalism. Nevertheless, Dean outlines three limitations of Foucault's lectures. First, while Foucault pointed out the market is a site of veridiction, he did not analyze the truth telling in regards to the state. In other words, Foucault fails to explore state rationality. Second, Foucault does not address the questions of economic inequality but stays around the questions of "politics of identity and difference" (2014: 7). Third, Foucault's analysis of the economy itself fails to account for the "functions of finance, debt and money" (2014: 8), all of which are very central to our analysis of financialization. Overall, for our purposes, this debate illustrates that Foucault's work needs to be situated in a broader critical account of financialization and neo-liberalism.

Last but not the least, there is a discussion over the limitations of governmentality studies. Michelle Brady (2014: 11) argues that many studies of neo-liberal governmentality produce "deterministic, homogenous and static accounts of social transformation." Against these "cookie cutter" explanations and generalizations whose major weakness is "lack of attention to multiplicity and context," Brady identifies the promises of *ethnographic turn* in the studies of governmentality (2014: 13). Ethnographic studies explore "the complex, often contested, social processes through which subjectivities (such as an enterprising self) are formed" through fieldwork (2014: 14). Against this critique, Mitchell Dean argues that Foucault's primary concern is *not* what ethnographic studies try to capture. Accordingly, "Foucault is not seeking to access the complexity of everyday life but the conditions under which we form knowledge of and seek to govern such domains as everyday life" (Dean, 2015: 359). Our study is located within these emerging ethnographic studies of governmentality.

2.4. Cultural Turn and Cultural Political Economy

Exploring Cultural (Re-)Turn(s)

We will now explore the "cultural turn" and subsequent literature of "cultural economy of finance," as well as "everyday" and "post-structural" IPE that promises to analyze precisely what is left out in financialization debates of the critical political economy literature as well as to overcome some of the limitations of Foucault's analysis of neo-liberal governmentality.

Cultural turn refers to the "elaboration of the intuition, hypothesis, or discovery that 'culture matters' in one or more theoretical, empirical, or practical contexts where its role and/or relevance was previously missed" (Jessop, 2010: 3). There is a growing "explanatory weight" given to culture in various disciplines of social sciences (du Gay and Pryke, 2002: 2). We find multiple approaches within cultural turn; depending on their context and discipline, scope and ambitions, and various ways in which culture is defined and utilized (Jessop, 2010: 3). Indeed, some of these turns had a "limited ambition to take up cultural aspects of the 'economy' (e.g., consumption as a cultural practice), or a more far reaching ambition to rework the economy as a cultural artefact" (Amin and Thrift, 2004: xii). Sum and Jessop (2013: 18-19) identify 13 distinct projects and bodies of literature that seek to undertake cultural turn that are closely associated with economics and political economy.

The cultural turn in political economy can be interpreted as a *cultural return*. The classical political economy tradition explored the production, accumulation, and distribution of wealth in a narrative that combined political economy with culture (Amin and Thrift, 2004: xii). This is evident in the work of authors like John Locke and Adam Smith, who were "polymaths" writing in a wide range of subjects including "economics, politics, civil society, language, morals and philosophy" (Jessop and Sum, 2001: 90; Sayer, 2001: 702). Political economy was separated into numerous disciplines of economics, politics, public administration, and sociology with the creation of specialized academic disciplines in the mid-19th century. This disciplinarity aimed to eliminate the "pre-modern, unscientific or overtly normative" elements (Sum and Jessop, 2013: 11-12). However, this came at the expense of deeply problematic division of disciplines, a leading example of which is mainstream economics:

> [Disciplinary approach] correspond to the naive, positivist belief that the market economy exists and can be studied in isolation from other spheres of social relations. This naturalization of the economy is linked to top-down pedagogic practices that reproduce an unreflecting and fetishistic approach to the laws of the market and the basic tendencies of the market economy. It also neglects the ethico-political dimensions of the economic field (Sum and Jessop, 2013: 12).

One of the major achievements of the cultural turn is the questioning of this artificial division of academic disciplines. Indeed, it is a "critique of the scientific impulse to divide and categorize the world (and knowledge about it) without sound ontological basis" (Gibson, 2012: 284). In this sense, we can interpret this movement as a cultural return in line with the classical political economy tradition. *The literature on the cultural turn and cultural economy provides precious insights into the role of culture and discourses in the construction of economy and subjectivity, crucially of the calculative agent.* However, cultural economy has also been the target of severe criticisms. Most of these criticisms target the distinct style of analysis employed in these accounts. Amin and Thrift (2007: 157) argue that cultural economy;

> is an approach that shares much with heterodox economics and political economy in terms of a common interest in historicity, multiplicity of input, social foundations, power, and institutional bearings and constraints. However, its emphasis on particular forms of agency, the inseparability of culture and economy, and immanence rather than structure, also marks its difference.

Given these characteristics, a key criticism is directed towards the collapse of the boundary between economy and culture. Ray and Sayer (1999: 5) label attempts to dissolve culture/economy distinction as "cultural or anthropological imperialism." They argue for the need to differentiate economic logic (instrumental) from cultural logic (concerned with ends). Another issue, as noted by its proponents (Pryke and du Gay, 2007: 346; Amin and Thrift, 2007: 145), is that cultural economy does not seek to generalize or come up overarching theories on the subject matter. This tendency "towards descriptive and isolated analysis as opposed to explanatory and integrated analysis" is a major limitation (Christophers, 2014: 18). This style of analysis is due in large part to the rejection of the coherent macro structures such as class and capitalism by cultural economists such as Michel Callon (Barry and Slater, 2002: 295).[12]

[12] Rejecting the usage of terms like society or social structure to explain phenomena is a key notion of actor-network-theory, which underpins many accounts of cultural economy. Originator of actor-network-theory Bruno Latour (2005) develops an interesting critique of conventional sociology: "When sociologists of the social pronounce the words 'society', 'power', 'structure', and 'context', they often jump straight ahead to connect vast arrays of life and history, to mobilize gigantic forces [...] to reveal behind the scenes some dark powers pulling the strings" (2005: 22). Instead of mobilizing social aggregates to account for phenomenon, one needs to trace the re-association and reassembling of the social; hence *sociology of*

There is now the recognition of the need for "a cultural economy that is (more) aware of politics of money and finance" among the cultural economy proponents (Pryke and du Gay, 2007: 348). To illustrate, Paul Langley criticizes the exclusive focus on the networks of the main financial centers without linking them to broader structures and notes that such an analysis "divorces" finance from society (Langley, 2008: 7). Alternatively, Langley argues that "[u]nderstanding finance in the current period requires that we explore the intersection between changes in capital markets, on the one hand, and transformations in everyday spaces, practices and identities, on the other" (2008: 7). In other words, merely focusing on the markets everyday life and subjectivity fail to capture the structural power relations in capitalism. A related point of criticism raised by Jessop and Sum (2001) is that the rejection of social structures and power relations arising from them leads to an unrealistic primacy accorded to the agency. They label this approach *soft cultural economics* (alternatively, *soft economic sociology*):

> [I]n taking the 'cultural turn,' political economy should continue to emphasize the materiality of social relations and constraints involved in processes that also operate 'behind the backs' of relevant agents. It can thereby escape the sociological imperialism of pure social constructionism and the voluntarist vacuity of certain lines of discourse analysis, which seem to imply that one can will anything into existence in and through appropriately articulated discourse (Jessop and Sum, 2001: 94).

Despite these criticisms, there have been some attempts to reconcile and combine cultural economy with political economy. Christophers (2014: 12) argues that "a richer critical understanding of capitalist markets requires the central insights of one to be blended with the other, thus enriching both." Likewise, we maintain that insights of the hard political economy as well as soft cultural economics, *on their own*, can not sufficiently

---

associations. Latour's perspective is radically against structuralism: "A structure is just a network on which you have only very sketchy information. It's useful when you are pressed for time, but don't tell me it's more scientific" (2005: 154, emphasis original). Moreover, Callon denies the existence of *capitalism* by arguing that "[c]apitalism is an invention of anti-capitalists" (Barry and Slater, 2002: 297). Fine (2003) criticizes this rejection since it implies that political economy analysis as the critique of capitalism is not needed.

grasp the complex process of financialization. Whereas the former focuses on structural aspects of the economy and imposes uniformity to the phenomenon, the latter emphasizes contingency, constitutive role of culture, and agency at the expense of structural dynamics of capital accumulation. Hence, following Sum and Jessop's (2013) call, *our task is navigating between the two with the attempt to articulate a perspective on the cultural political economy*.

Defining and Conceptualizing Culture

Defining and conceptualizing *culture* and relating it to economy is a challenging task and a matter of considerable controversy. To illustrate, cultural theorist Raymond Williams uses culture in three different ways as; "a general process of intellectual, spiritual and aesthetic development; a particular way of life; and the works and activities of intellectual and especially artistic life" (du Gay and Pryke, 2002: 16). Ray and Sayer (1999: 4-5) argue that while culture as a way of life is too broad for differentiation, culture as artistic and intellectual activities is confined too narrowly to high culture. Alternatively, we can refer to the various meanings of culture collected by Best and Paterson (2010). Culture can be considered as *identity and difference*; it is "a force for reinforcing relations of identity and for defining lines of difference" (2010: 7). Culture, referring to anthropologist Clifford Geertz, denotes *webs of significance*; "systems of meaning through which social life is both interpreted and organized" (2010: 8). Moreover, culture is not merely about language and interpretation. It is *material* in the sense that it is "sedimented in routines and rituals, and embodied in living practices" (2010: 9). Finally, culture is *ethical* for it entails "particular and sometimes conflicting values and conceptions of the good life" (2010: 11).

Disagreements in defining culture continue in discussing the ways in which culture is deployed in relation to the economy. Culture can be attributed a *constitutive* role where "cultural processes work to produce the basic actors and objects in the economy and to define their relationships with one another" (Best and Paterson, 2010: 12). Alternatively it can play a *contingent* role in "intersecting with other social, economic and political processes to help determine a particular economic outcome" (2010: 12). According to Amin and Thrift (2004, 2007), the cultural economy literature has gone through several phases that progressively accord greater significance to culture.

Recently, a *hybrid model* emerged through utilizing actor-network-theory, and the terms of culture and economy are not used anymore (2004: xiv). Instead, this approach seeks "recognize an entangled entity –the cultural economy- associated with the production and distribution of the means of survival and well-being, constituted at all levels and scales as a mix of hybrid inputs" (Amin and Thrift, 2007: 145). We can categorize this hybrid model as taking an ontological turn and giving culture a constitutive role together with material practices. *Cultural economy* refers to a particular "style of analysis," with a new "object of analysis," i.e., the culturalization of economic life and cultural & creative industries (du Gay and Pryke, 2002: 16).

Cultural Economy and Performativity

Cultural economy is a multi-disciplinary endeavor with a wide range of approaches such as economic sociology and anthropology, social studies of finance, and cultural studies. These studies employ several methods, among which detailed ethnographic explorations stand out (Amin and Thrift, 2004: xviii). Research agenda of cultural economy is a broad collection of themes including; "[f]inance and money and organisational identities, histories of consumption, branding and promotion, critical accounts of calculation in contemporary life, the role of varied knowledge ensembles in formatting and ordering the social, the analysis of socio-technical infrastructures"

(Bennett, McFall, and Pryke, 2008: 3).[13] Our review will be limited to insights derived from explorations of finance, knowledge, and calculation. Cultural economy has a distinct style of analysis focused "upon the (material) practices, orderings and discourses which produce economically relevant activity" (Pryke and du Gay, 2007: 340). Hence, cultural economy questions the common sense that academic disciplines merely represent the reality they study and explores the power of discourses in *constituting* the economy:

> Instead of viewing a market or firm as existing prior to and hence independently of descriptions of it, the turn to culture instigates a reversal of this perception, by indicating the ways in which objects are constituted through the discourses used to describe them and to act upon them [...] economic discourses –not simply or primarily academic 'economics', but those 'hybrid' disciplines such as accounting, marketing, finance, and so forth- format and frame markets and economic and organizational relations, 'making them up' rather than simply observing and describing them from a God's eye vantage point (du Gay and Pryke, 2002: 2).

As this quote illustrates, the key notion here is *performativity* (or *performation*) of the economy by economics, put forward by Michel Callon (1998). Origins of performativity go back to philosopher J. L. Austin, for whom "a performative utterance was a specific kind of statement or expression that establishes its referent through the very act of uttering" (MacKenzie et al., 2007: 2-3). Examples of performative utterances are "I apologize," "I promise," and "I marry you." These statements "cause the reality that they describe to exist" (Callon, 2007: 317). In the initial formulation, Callon (1998) looks at the relationship between economics and the economy from an anthropological perspective. The main argument is that economics "performs, shapes and formats the

[13] *Journal of Cultural Economy* is launched in 2008 to provide a space for cultural economy as a distinct style of analysis. Editorial introduction lists the intellectual sources of cultural economy as Georg Simmel, Max Weber, Karl Polanyi, Michel Foucault, Pierre Bourdieu and Michel Callon (Bennett, McFall and Pryke, 2008: 3). Moreover, the field of cultural economy is clarified by refuting three misconceptions. Accordingly, cultural economy is *not* concerned with something called "'*the* cultural economy' understood as a distinctive, seemingly newly invented, economic realm whose borders -conceptual and empirical- overlap with those of 'the knowledge economy', 'the cultural sector' or the 'creative industries'" (2008: 1, emphasis original). Secondly, cultural economy is *not* interested in arguing for the cultural construction of economy, but rather, exploring *how* economy works. Thirdly, it is *not* interested "solely with the relations between two separate but interacting realms: culture and the economy," since that distinction is not acceptable (2008: 2).

economy, rather than observing how it functions" (1998: 2). Callon emphasizes the emergence and formatting of *calculative agencies* for the functioning of markets. In other words, agents who engage in the calculation in the pursuit of their interests are essential elements of any market. This well-known *homo economicus* does exist and is "formatted, framed and equipped with prostheses which help him in his calculations and which are, for the most part, produced by economics" (Callon, 1998: 51).[14]

One of the tools used to format calculative agencies is accounting. Indeed, accounting tools not only "constitute spaces of calculability and define the way calculation is made up, but also, through the reactions they provoke new calculative strategies emerge which lead to the changing of goals" (1998: 24). To illustrate, Miller (1998) provides a convincing argument on the shifting boundaries of accounting. Certain calculative practices, such as "[c]ategories of fixed and variable costs, principles of discounting, and practices of standard costing" that were once in the margins of accounting are now central and taken-for-granted (Miller, 1998: 174). Furthermore, accounting tools are performative through contributing to "the shaping of a discourse through which [calculative] agencies account for their action" (Callon, 1998: 26).

The notion of performativity is further developed by Donald MacKenzie (2004, 2007) through a discussion of option theory and classification of various possible forms. Accordingly, the broadest category, *generic performativity*, refers to the cases in which "an aspect of economics (a theory, model, concept, procedure, data-set, etc.) is used by participants in economic processes, regulators" (MacKenzie, 2007: 55). Among those

---

[14] Callon recognizes the existence of homo economicus, hence the key question becomes explaining "how." Moreover, in an interview, Callon argued that: "What is very important is to abandon the critical position, and to stop denouncing economists and capitalists and so on. Instead, we need to engage with debates on specific markets" (Barry and Slater, 2002: 301). Callon's abandonment of criticism and overestimation of ability of economics to perform the economy is severely criticised (Christophers, 2014: 18). The whole performativity agenda is critically viewed as "an overture to a prospective alliance to be struck with neoclassical economists" (Mirowski and Nik-Khah, 2007: 191).

cases, there is only a subset of cases in which economics "makes a difference," hence becoming *effective performativity* (MacKenzie, 2007: 56). MacKenzie initially termed the latter as Austinian performativity (MacKenzie, 2004: 305), but this usage reduces the concept merely to a linguistic phenomenon. However, performativity requires more than a speech act to become effective: "[W]e must always inquire into the social, cultural, and political nature of the 'conditions of felicity' of the process" (MacKenzie, 2007: 78). In *Barnesian performativity*, use of economics "makes economic processes more like their depiction by economics" (2007: 55). Lastly, *counterperformativity* denotes the performative effects that make economic practices less like their description by economics. MacKenzie (2004, 2007) demonstrates that Black-Scholes-Merton option pricing theory exhibited some elements of Barnesian as well as counterperformativity in distinct periods of time. In sum, MacKenzie's work reveals that some versions of performativity are not always applicable, and there is a need for cautious and nuanced explorations.[15]

Cultural Economy of Finance

Ethnographic studies of finance and money constitute one of the most prominent bodies of cultural economy literature (Amin and Thrift, 2004: xxiii). We will limit our discussion to the contributions of three relevant figures of cultural economy of finance; Marieke de Goede (2003, 2005), Rob Aitken (2007, 2014) and Paul Langley (2007, 2008). The central concern and starting point for all of these authors is challenging the taken-

[15] Michel Callon (2007, 2008) further revised the notion of performativity. In the *material turn* and *materiality* discussions, it is argued that "social existence involves not only actors and social relations but also objects" (Pinch and Swedberg, 2008: 1). Accordingly, the material world should not be conceived as passive objects but as things that have agency, things that "bite back" (2008: 2). From this perspective, "agency" is reconceptualised "as a capacity to act and to give meaning to action", and it no longer denotes only humans but is made up by of a number of heterogenous elements (Pryke and du Gay, 2007: 342). This paves the way for Callon's introduction of the notion *socio-technical agencements*: "To describe the action, one has to be able to describe the strange assemblages that we could agree to call *socio-technical agencements*. The word *agencement* has the advantage of being close to the notion of agency; an *agencement* acts, that is, it transforms a situation by producing differences. The modifier 'socio-technical' underscores the fact that the entities which are included in the agencement and participate in actions undertaken are both humans and non-humans" (Callon, 2008: 38, emphases original). Enriched by the actor-network-theory insights, the discussion of performativity is now closely identified with socio-technical agencements.

for-granted assumptions and conventional representations of finance as a coherent, immutable, and rational structural force. Instead, by utilizing insights from the cultural economy and Foucauldian governmentality literature, finance is reconceptualised as a performative practice grounded in everyday life and culture. This perspective allows us to understand major transformations like financialization in relation to the constitution of subjectivities, culture and everyday financial practices.

The concept of capital in general, and finance in particular, is usually characterized in IPE –even in the critical strands of the literature- as "a kind of homogenous, centered, singular, or mystified kind of category somehow existing above or outside the spaces of everyday life" (Aitken, 2007: 4). Especially global financial markets are conceived as a phenomenon not constrained by limits of time & space; a "smooth, seamless, and genuinely integrated twenty-four-hour global marketplace for capital" (Langley, 2008: 6). Likewise, de Goede (2005: 3) traces the depiction of global finance "as a coherent, powerful, and clearly bounded system (or agent) –on which questions of discourse and representation have little bearing" by the scholars of IPE. Our review of "hard political economy" manifested in financialization literature also revealed similarly rigid and all-encompassing theoretical generalizations such as monopoly-finance capital and systemic cycles of accumulation.

These common-sense conceptualizations are problematic for various reasons: To begin with, they accord finance coherence and power that seems to be beyond the agency of actors (Aitken, 2007: 10). They give the impression that finance is "above and beyond and differentiated from society in general, and the 'real' economy in particular" (Langley, 2008: 6). What is more, such accounts reproduce a *depoliticized* image of finance by glossing over numerous struggles and controversial transformations "that have slowly constructed the domain of finance as legitimate, rational, and, above all, *natural* practice" (de Goede, 2005: x, emphasis original). Last but not the least; disregarding the questions of discourse and representation signifies the prevalence of *economism* of IPE (de Goede, 2003). Economism is defined as the belief in the existence of "prediscursive economic materiality" and sidelining of questions of representation as irrelevant relevant for that realm (2003: 80). Marieke de Goede argues that IPE is not welcoming the *poststructuralist* intervention partially due to its disciplinary politics. It is feared that poststructuralist analyses would "distract" IPE from focusing on the "the study of real material inequality" (2006: 1). As a response, de Goede argues that insights on "identity, cultural representation, discourse, everyday life, the ambiguity of political dissent" would allow a richer understanding of the very subject matter of IPE (2006: 2).

Cultural economy of finance seeks to overcome this prevalent economism in IPE with the *performative* conception of finance. In the words of Marieke de Goede:

> Understanding finance as a performative practice suggests that processes of knowledge and interpretation do not exist in addition to, or of secondary importance to, "real" material financial structures, but are precisely *the way in which "finance" materializes* [...] It is not just the case then that financial knowledge is socially constructed, but the very *material structures* of the financial markets – including prices, costs, and capital- are discursively constituted and historically contingent (2005: 7, emphases original).

The performative conception of finance emphasizes the constitutive role of discourse in the very material structures of finance. To illustrate this point, de Goede argues that "[f]inancial practices do not exist prior to, or independently from, ideas and beliefs about them, a point powerfully illustrated by the social and discursive nature of money and credit" (2003: 81). Indeed, money cannot function without the common belief in its value that we attach (MacKenzie, 2007: 66). Viewing finance through performativity provides key insights into the *everyday life* and *culture*.

Aitken deploys the concept of performativity to argue that capital is a "category made real in its everyday performance" (2007: 11). Aitken opposes the structuralist conception of capital and emphasizes "the ways in which capital is not an already-existing kind of category, but a category that itself needs to be constituted in forms of knowledge and practice" (2007: 11). In other words, capital is performed in the spaces of everyday life. Through the exploration of popular finance programs in the US, Aitken uses performativity to denote both "attempts to create and cultivate capital, often in places where it does not already exist" as well as "the ways in which 'capital' is literally performed or inhabited by everyday populations" (2007: 17-18).

Programs of popular finance attempted to integrate broad segments of the population into the financial markets. To achieve this, they called for a "cultural change" that entails "the way everyday populations understand and act upon the world" (2007: 40). Here, we can see that popular finance programs seek to transform the ways in which people understand and behave through cultural change. Moreover, popular finance programs utilized a conception of culture as the "practice of self" that directs attention to the "practices with which the self can better possess, govern, or regulate itself" (2007: 41). Here, culture relates to the practical ways in which the subjects cultivate and improve themselves. Personal finance programs promote the *enterprising subject*: "a highly individualized notion of self in which individuals are increasingly asked to treat their life as an enterprise and to assert personal control over various aspects of risk in a direct manner" (2007: 13). In sum, the performative conception of finance develops the crucial link between culture -both as ways of understanding the world and governing the self- with subjectivity.

Another critical analysis is Paul Langley's attempt to explore the links between everyday life and global finance, which is a contribution to the emerging literature that can be named *everyday IPE* (Hobson and Seabrooke, 2007; Hobson, 2013). While regulatory IPE focuses on the elites and questions of "who governs?" and "who benefits?", everyday IPE takes a bottom-up approach to concentrate on everyday actors and asks the question of "who acts and with what consequences?" (Hobson and Seabrooke, 2007: 11). In a similar manner, Langley (2008: viii) argues for an "ontological move that elevates the status of everyday life." This move challenges the neglect of everyday life and its conception as a residual category. The close relationship between the everyday savers & borrowers in the US and the UK and developments in global finance should be emphasized. In Langley's words, "while contemporary finance is undoubtedly produced in important ways in the 'specialized' activities of Wall Street and the City [...] it is nevertheless performed, experienced, lived, and given meaning in the routine practices of saving and borrowing" (2008: 12). Saving and borrowing are explored with respect to the "assembly of various everyday financial subject positions and the self-disciplines that they entail," specifically the constitution of the neo-liberal *entrepreneurial self* (2008: 16).

The performative conception of finance that operates within the everyday life and culture has profound implications for exploring *subjectivity*. According to de Goede, subjects "are regulated through historically constituted financial discourses but also acquire the authority to perform, affirm, and amend these discourses" (2005: 10). Likewise, Aitken argues that "'performativity' underscores the ways in which subjects come to constitute themselves, or become constituted through the repetition of norms and discourses that mark them out from other processes, categories, or subjects" (2007: 12). Hence, according to the performative conception of finance, subjectivity is shaped through the reiteration of financial discourses and norms. However, subjects do not fully perform these discourses, but also have the agency to modify them. Financial agents can be seen "as neither sovereign subjects nor reducible to the mechanics of financial power structures" (de Goede, 2005: 10). Rejection of "fundamental or prior source of identity other than the performances of discourses and norms" (Aitken, 2007: 12) is quite different than classical Marxist conception that ties identity (to use their terms; consciousness) primarily with positions occupied in capitalist production (Langley, 2008: 33). Another important point to note is that cultural economy of finance borrows insights from Michel Foucault's discussion of governmentality that reconceptualizes the problematics of rule in close relation to subjectivity.

2.5. Conclusion

This chapter began with an interesting fieldwork encounter: How can we explain the emergence of financial literacy initiatives that are teaching 10-year-old students the basic knowledge of the banking system and equipping them with calculative behaviour to keep track of their finances? The chapter constructed a cultural political economy theoretical framework that seeks to articulate both hard political economy emphasis on the structural dynamics of capitalist accumulation and the soft cultural economics insights into the constitutive role of the culture. Moreover, our review of Foucault's late work provides us tools to analyse the constitution of subjects as entrepreneurs of themselves. Responsibilization of subjects with neo-liberal governmentality means that the questions of unemployment, health, pensions, and the like have now become problems of self-care. In this framework, financial literacy initiatives can be seen as a "technique of the self" that provide the aims, targets and methods for individuals to govern and conduct themselves in particular ways. Having outlined the theoretical framework informing this dissertation, the next chapter will analyse the emergence of financial literacy as a significant policy issue in the aftermath of the global financial crisis.

CHAPTER THREE:

FINANCIAL LITERACY IN THE GLOBAL AGENDA

3.1. Introduction

Fieldwork Encounter: Preparing for the Global Money Week 2015, 16/12/2014

When I arrived at the office, Sema (Civil Society) *asked my help to join the webinar conducted by Child and Youth Finance International (CYFI) in preparation for Global Money Week 2015 (9-17 March). I downloaded an add-on, opened an account, and entered the webinar. The webinar had just started, and the person in charge was still trying to figure out how to upload the slides! We were one of the 14 participants of the webinar.*

One may wonder, what is the Global Money Week (GMW)? It is, according to the presentation in the webinar, "a worldwide celebration intended to empower the next generation of financial actors to be confident, responsible and skilled economic citizens." For the first time, they will be using a theme: "Save today, safe tomorrow." Accordingly, saving is critical for creating livelihood in the future, for creating children and youth who are responsible, who understand the value of money, and in the future will be able to be responsible consumers. Numerous reasons regarding why one should be celebrating GMW are listed as; encourage children and youth in your community, support education for children and youth, connect with partners, strengthen your corporate social responsibility, win a GMW Award, and be a part of the Movement. It is emphasized that GMW is a collaborative effort to have broad outreach. The objective is to increase awareness around this topic for as many children as possible. GMW seeks national authorities such as central banks or ministries of education that coordinate these initiatives so as to ensure alignment of the activities. CYFI Secretariat's role is providing support in coordination, expressed as "advice and assistance, showcasing, sharing and connecting the world." Global and national activities encouraged by the GMW 2015 are the following;

Global Activities

- *Prep talks*
- *Star talks*
- *Youth Talks*
- *Webinars*
- *Stock exchange "ring around the world"*

National Activities

- *Visits: Banks, stock exchange, money museums, local businesses.*
- *Art & Creativity: Exhibitions, theater, cartoons, folk stories and writing songs.*
- *Games, competitions, and fundraising: Contests and competitions, financial education games and charity fundraising.*
- *Media: Radio talk shows, social media, TV shows and video making.*
- *Education Projects: Dialogue with policy makers, peer debates, youth budget to parliament, workshops and lessons, publications, research and petition, policy pledge, book bank and ensuring inclusion.*

CYFI Europe regional advisor was the main presenter of the webinar. She went through what GMW is, reasons to join, what kind of events to hold, and how to publicize them. The webinar included some basic administrative skills like "how to plan your event in 6 steps" and "how to promote your GMW?" Furthermore, there were ready-made print packages for publicizing the events. Among them were printable speech bubbles that children can fill as they wish: "I save because..." and "The best thing about GMW is..." Overall, one could say that the webinar, which lasted a little over an hour, was very much about ensuring the publicity of events! We were told that this year, GMW is targeting to reach 3-4 million children below the age of 20, across the world in 100 countries. After a brief Q&A, some participants shared their event ideas and experiences.

Purpose and Contents

This fieldwork encounter reveals that financial literacy is *at once* a global and national phenomenon. Hence, analysis requires attention to both levels of analysis as well as the interactions between them. We will first explore financial literacy at the global scale since this interest pre-dates the initiatives in Turkey. This chapter tackles the questions of why and how financial literacy emerged as a significant policy issue in the aftermath of the global financial crisis. We will analyze global regulatory tools, initiatives, and networks of the G20, OECD, and World Bank on financial literacy education along with financial inclusion and financial consumer protection. The materials used for this chapter are policy and research documents of international organizations and academic literature on financial literacy. This analysis of financial literacy at the global level provides the context for the subsequent exploration of financial literacy in the case of Turkey.

This chapter is organized as follows: The second section explores the entrance of financial literacy into the global policy agenda following the global financial crisis. The third section analyzes the articulation of financial literacy with the financial inclusion and financial consumer protection agendas. The fourth section reviews global initiatives promoting financial literacy in regards to standard setting, policy-related work, surveys, and educational tools. The fifth section concludes with a summary.

3.2. Financial Literacy and the 2008 Global Financial Crisis

The origin of financial education can be identified in the United States back in the early 20th century. The idea of educating consumers in regards to "a person's competence for managing money" can be found there, though not referred to with the term financial literacy (Remund, 2010: 279). Whereas private initiatives such as *Junior Achievement* date back to the World War One, the beginnings of inclusion into the school curricula in the US was in the 1950s and 1960s (Hastings, et al., 2013: 349-350). The prevalence of financial literacy as a policy issue in the US and the UK corresponds to the late 1990s and early 2000s with the discourse of the democratization of finance (Erturk, et al., 2007: 559). The first national strategy on financial literacy education was launched by the US in

2006 (Remund, 2010: 276).[16] Financial literacy truly became a part of global policy agenda in the aftermath of the 2008 global financial crisis (OECD, 2009: 9). We argue that *the financialization of the accumulation regime* and *the rise of neo-liberalism* are the broad structural changes that paved the way for the financial literacy agenda across the world.

Financialization entails the "increasing role of financial motives, financial markets, financial actors and financial institutions" in the economy, as discussed in Chapter Two (Epstein, 2005: 3). Neo-liberal reforms are usually comprised of the liberalization of finance, trade, and foreign direct investment, deregulation of markets, privatization, fiscal discipline, protection of private property rights, and the re-ordering of public expenditure priorities (Williamson, 1990). We can view erosion of welfare state "as a reorganization or restructuring of government techniques, shifting the regulatory competence of the state onto 'responsible' and 'rational' individuals" in neo-liberal governmentality (Lemke, 2001: 202). The typical mainstream accounts of why financial literacy became prominent underline the changes in the pension systems, labor markets as well as financial markets that "increase individuals' responsibility for their financial well-being," asking individuals to become one's own chief financial officer (Lusardi, 2013: 2). According to the OECD, factors increasing the importance of financial literacy are the following:

> The importance of financial education has increased in recent years as a result of financial market developments and demographic, economic and policy changes. Financial markets are becoming more sophisticated and new products are continuously offered. Consumers now have greater access to a variety of credit and savings instruments provided by a range of entities from on-line banks and brokerage firms to community-based groups. As a result of changes in pension arrangements, an increasing number of workers will be assuming more responsibility for saving for their retirement. With the increase in life expectancy,

[16] Alan Greenspan, the Governor of FED, underlined the importance of financial education as an essential corollary of financialization in 2005 as follows: "The more credit availability expands, however, the more important financial education becomes. In this increasingly competitive and complex financial services market, it is essential that consumers acquire the knowledge that will enable them to evaluate products and services from competing providers and determine which best meet their long- and short- term needs" (Greenspan cited by Erturk, et al., 2007: 559).

> individuals will need to ensure that they have adequate savings for the longer period they can expect to spend in retirement (OECD, 2005: 10).

In OECD's account, the increasing number, as well as the complexity of financial products and the easing of access to credit and savings instruments, are the indications of financialization dynamics. The shift from defined-benefit to individual defined-contribution pension plans across the world is linked to neo-liberal reforms that undermine the welfare/developmental states. The OECD further points out that the overall result "is that risk is being shifted, at least in part, from governments and financial institutions to households" (2005: 28).[17] This entails the responsibilization of individuals and households for social risks in the framework of neo-liberal governmentality.

This responsibilization of individuals for financial risks in the context of neo-liberalism and financialization gave rise to the financial literacy agenda that attempts to empower individuals to manage their finances. Financial literacy, defined as "a combination of financial awareness, skills, attitude and behaviours necessary to make sound financial decision and ultimately achieve financial wellbeing" (Atkinson and Messy, 2012: 14), becomes the key *technique of the self* seeking to match this responsibilization with empowerment. As discussed in Chapter Two, power operates by "governing the forms of self-government" (Lemke, 2001: 52). Thus, techniques of the self entail the translation of calculative technologies into "values, decisions and judgments of citizens" so that "'free' individuals and 'private' spaces can be 'ruled' without breaching their formal autonomy" (Miller and Rose, 1990: 18-19). In this respect, financial literacy agenda seeks to foster personal financial capacities of subjects. In other words, the aim is creating a particular

[17] OECD points out a number of risks that individuals encounter in defined-contribution pension schemes such as "investment risk during the accumulation phase and longevity and inflation risk during the decumulation phase. Individuals also face a high risk of volatility with the adequacy of retirement income dependent upon financial conditions in the year of retirement" (OECD, 2005: 28). In sum, financialization of retirement ties individuals' future to the performance of the financial markets.

awareness, skills, attitude, and behaviors in individuals so as to increase their capacities in financial decision-making.

The 2008 global financial crisis that emerged from the US sub-prime mortgage market is the key event that made financial literacy a global public policy issue. Underlying this popularity is a particular interpretation of this crisis as resulting, in part, from American consumers' lack of financial literacy. Three examples are worth quoting at length:

> Our recent economic crisis was the result of both irresponsible actions on Wall Street, and everyday choices on Main Street. Large banks speculated recklessly... At the same time, many Americans took out loans they could not afford or signed contracts without fully understanding the terms (Obama cited by Beggs, Bryan, and Rafferty, 2014: 977).

> While the lack of consumer education and awareness cannot be identified as the main cause of the crisis, it is widely agreed that it played a major role in aggravating its effects. In the analysis of the scenario and factors that led to the crisis, policymakers have taken note of the importance of financial literacy, which is increasingly being considered as a pillar of financial stability, and an essential life skill of households. The crisis represents a "teachable moment" for policymakers and has triggered a multiplicity of policy actions in the field of financial education (OECD, 2009: 9).

> The global financial crisis has led to the insertion of financial literacy and financial capability onto the global policy agenda of financial regulators out of recognition that one of the contributing factors to the financial turmoil was the fact that vulnerable consumers (many of whom were termed subprime in the United States) had been marketed loans they often did not understand and were unable to service (World Bank, 2014: 74-75).

Against these crisis accounts that blame the financially illiterate consumers, we need to situate this crisis within the broader dynamics of financialized accumulation and neo-liberalism. Lapavitsas (2009: 114) considers the 2008 crisis as *the crisis of financialized capitalism* catalyzed by the investment banking activities and financial expropriation of banks. The latter entails banks' profiting out of the personal income of individuals, whose personal income is financialized in the context of "the retreat of public provision from housing, pensions, education" (2009: 114). Similarly, Soederberg (2013a: 499) utilizes the concept *debtfare state* to capture the "coercive and ideological processes aimed at naturalizing and normalizing the widespread reliance on, and discipline of, credit to augment and/or replace social wage" in the US. The democratization of finance discourse was already falling behind its promises prior to the 2008 crisis (Erturk, et al., 2007). Indeed, "the extension of credit and asset ownership as a major social innovation led by profit-seeking retail banks" in the US was a failure because "low income individuals and households accumulate debt but not assets" (Froud, et al., 2010: 147).[18]

In regards to the governance of finance, we identify the prevalence of neo-liberal ideas, "premised on the belief in markets as the most efficient mechanisms of resource allocation" (Nesvetailova and Palan, 2010: 798). The theoretical analyses of efficient markets led to the "'naturalization' of markets" (Froud, et al., 2012: 40), promoting an understanding that "markets are always self-equilibrating, that financial innovation is always beneficial, and that market discipline and incentives will lead bank management to make optimal decisions" (Baker, 2010 : 649). While some view neo-liberalism as a set of economic ideas, others perceive these free-market ideas as serving to mask the underlying political interests (Nesvetailova and Palan, 2010: 800). In this latter perspective, neo-liberalism entails "the strategy of the capitalist classes in alliance with upper management, specifically financial managers, intending to strengthen their hegemony and to expand it globally" (Duménil and Lévy, 2011: 1). Thus, the 2008 financial crisis can be seen as *the crisis of neoliberalism*, "an outcome of the contradictions inherent in that strategy" (2011: 1). In order to understand the processes that made financial interests prevail over the

[18] Erturk, et al. (2007: 555) identify three pre-conditions that were not met for the democratization of finance promise to be realized: "[F]irst, predictability of income and wealth effects over the life cycle of individuals and/or households; second, a basic level of consumer financial literacy and competence to select appropriate financial products and services; and, third, financial services products where risk and return are calculable." Froud, et al. (2010: 149) criticizes the optimism of this earlier work and propose to reformulate the question of access to credit and ownership of assets not as "individual emancipation," but as a social innovation of finance. Their analysis of the US illustrates the failure of this social innovation in releasing "wage and salary earners from the tyranny of earned income" (2010: 147).

interests of the public at large, Baker (2010: 647) utilizes "multilevel regulatory capture" concept. The concrete mechanisms of regulatory capture can be listed as; lobbying, revolving doors between public and private sectors, the shared world-view on the efficiency of markets, as well as the financial boom made politicians reluctant to act against finance (Baker, 2010). In sum, the 2008 crisis was "preceded and provoked by" the lengthy process of financial market deregulation (Porter, 2011: 175).

The immediate consequence of the 2008 crisis is the *legitimacy crisis* of neo-liberalism and financialization; hence a "strong political pressure within each country [US and UK] to tighten the regulation on financial markets, both at home and internationally" (Helleiner, 2010: 629). In this regard, the US established the *Consumer Financial Protection Bureau*, mandated to foster financial literacy of consumers, with the Dodd-Frank Act in 2010 (Hastings, et al., 2013: 348).[19] With respect to the global economic governance, the G7/G8 was replaced by the G20 in 2008, making the latter "the principal policy forum or 'steering committee' at the apex of global governance" (Baker, 2010: 647). The G20 was a forum for central bank governors and finance ministers since 1999. The extension of G20 membership to leaders is "symbolic in signalling the incorporation of emerging market countries into the core of global economic governance" (Helleiner, 2010: 630). Moreover, the Financial Stability Forum was transformed into a "more formalized" Financial Stability Board with extended membership in 2009 (Porter, 2011: 180). Post-crisis policy response can be seen as "incrementalist rather than radical," hence

[19] Beggs, Bryan, and Rafferty (2014: 977) argue that among the various possible responses to the financial crisis such as "to prosecute bankers and companies for their reckless speculation and predatory lending," the US has chosen to promote financial literacy agenda, which entails "an individualized solution to social concerns." Furthermore, Baker (2010: 655) argues that crisis response has failed to address the politics dimension that resulted in the financial regulatory capture. For instance, in regards to the "too big to fail" issue, "the privileged position of banks has actually been entrenched rather than diminished, because future losses now appear to be guaranteed by governments" (2010: 655). In this respect, Froud, et al. (2012: 56) underline that the "bankers' tale about the need to socialize losses in the interests of systemic survival has proved to be resilient."

disappointing those who expected a new "Bretton Woods moment" (Helleiner, 2010: 631). The fact that the G20, as well as the FSB, are modified forms of preceding regulatory arrangements reveal "the strength, autonomy and continuity" of transnational regulatory arrangements (Porter, 2011: 176; Helleiner, 2010: 631).

Macroprudential policies became popular in the post-crisis era, seeking to "address the stability of the financial system *as a whole rather than only its individual components*" so as to reduce the systemic risk (Lim, et al., 2011: 4, emphases original). Whereas macroprudential regulation such as building capital buffers entails the rejection of the efficient market theory, it is ultimately "a narrow technical fix, devoted to making the existing system less pro-cyclical" (Baker, 2010: 661). In other words, the focus has been "taming" globalization, rather than confronting it (Helleiner, 2010: 631).

The global financial crisis also called into question the sustainability of business models in finance. The United Nations Global Compact survey of bank CEO's in 2011 gives clear directions about the post-crisis shifts in business conduct (UNGC, 2011: 12):

> As the landscape becomes more competitive it is essential for banks to re-build trust and develop deeper, longer-lasting customer relationships, rather than taking a view focused only on short-term returns. Being more interactive is critical: educating customers about services and products in a more transparent and honest way. Looking to educate and protect customers will also be important—for example, seeking to ensure that customers have manageable debt levels instead of taking a credit sales approach. Banks will also need to build stronger ties to their communities, including efforts to ensure financial access to consumers and business. This interactive, community-oriented banking approach will ultimately lead to more sustainable banking operations and practices, and those banks who can adapt to a changing consumer environment have the potential for significant advantage in an increasingly competitive market.

This account underscores the growing global concern on *sustainable banking*. Accordingly, banks are asked to focus on *long-term interests* by re-building trust instead of seeking *short-term returns*. In this regard, financial education, financial consumer protection, and financial inclusion are the key issues requiring banks attention. The UNGC survey further pointed out that "the imperative to act has shifted from a moral to a business case" in sustainability issues (UNGC, 2011: 2). The global financial crisis has made financial literacy a global public policy issue as well as a concern for financial capital.

3.3. Financial Inclusion, Financial Consumer Protection, and Financial Literacy

Financial literacy is articulated with financial consumer protection and financial inclusion to constitute a *trilogy* that became the common-sense policy response of the global financial governance to the global financial crisis. The G20 leaders endorsed *G20 Principles for Innovative Financial Inclusion* at the Toronto Summit in 2010, *G20 High-level Principles on Financial Consumer Protection* at the Cannes Summit in 2011, and *OECD/INFE High-level Principles on National Strategies for Financial Education* at the Los Cabos Summit in 2012. Taken together, these principles provide global policy instruments with the claim to foster "the financial empowerment of consumers" (OECD, 2015: 15). Financial inclusion, education, and consumer protection are viewed as crucial issues for "financial stability and inclusive development" (Atkinson and Messy, 2013: 7). We argue that this agenda is seeking to facilitate financialization dynamics in the Global South.

The origins of financial inclusion can be traced back to *microcredit* pioneered by Muhammad Yunus in rural Bangladesh in the 1970s. Microcredit soon became popular in the international development circles "as a mechanism whereby virtually all poor individuals could supposedly escape their poverty through self-help and individual entrepreneurship" (Bateman, 2012: 587). This promise of breaking poverty by launching micro enterprises with small loans was represented famously by the image of "Third World woman entrepreneur" (Schwittay, 2011: 385). Studies on microcredit revealed the failure of its promises for development as well as poverty alleviation (Bateman, 2012: 587). As Demirgüç-Kunt (2014: 353) points out, "[t]he initial narrative that micro credit is supposed to unleash the productive potential of the poor and thereby lead to significant growth, lifting the poor out of poverty, has not really materialized." The expectation from microfinance is reduced to risk management and consumption smoothing, signifying a "shift from poverty alleviation to poverty stabilization" (Taylor, 2012: 604).

Throughout the years, microfinance has grown from a "grassroots, NGO-driven" practice to a "multi-billion dollar industry" operating with a profit motive, paving the way for the popularization of the concept financial inclusion (Taylor, 2012: 601). We need to note that the term financial *inclusion* frames the process of incorporating the poor into the financial system very positively, thus concealing "the political sources of global poverty and thereby also sideline discussions about necessary structural changes" (Schwittay, 2011: 395-396). Financial inclusion discourse "constructs a new object of development - the 'financially excluded'" (Taylor, 2012: 602-603). World Bank points out that "half of the world's adult population –more than 2.5 billion people- do not have an account at a formal financial institution" (2014: 1). The G20 portrays this *unbanked* population, mostly the poor living in the Global South, as in need of financial products and services:

> Most people are already aware of how greater access to basic financial services through microfinance can transform lives and improve welfare. Awareness is growing that access to a wider set of financial tools, such as savings products, payment services (both domestic and through international remittances) and insurance (including micro-insurance directed at the needs of the poor), provides poor people with much greater capacity to increase or stabilize their income, build assets, and become more resilient to economic shocks (G20, 2010: 1).

Financial inclusion, defined as "the share of individuals and firms that use financial services," is promoted as development policy tool for with "a critical role in reducing extreme poverty, boosting shared prosperity, and supporting inclusive and sustainable development" (World Bank, 2014: xvii, 1). Similarly, the G20 views financial inclusion as contributing to poverty alleviation by two interrelated mechanisms labelled as *finance for growth* and *finance for all*: "[F]inancial sector development is a driver of economic growth which indirectly reduces poverty and inequality; and appropriate, affordable, financial services for poor people can improve their welfare" (G20, 2010: 4). **Table 2: G20 Principles for Innovative Financial Inclusion** below provides the roadmap of how the G20 seeks to promote the agenda of financial inclusion, given its perceived benefits.

Table 2: G20 Principles for Innovative Financial Inclusion

№	Principle and Explanation
1	**Leadership:** Cultivate a broad-based government commitment to financial inclusion to help alleviate poverty.
2	**Diversity:** Implement policy approaches that promote competition and provide market-based incentives for delivery of sustainable financial access and usage of a broad range of affordable services (savings, credit, payments and transfers, insurance) as well as a diversity of service providers.
3	**Innovation:** Promote technological and institutional innovation as a means to expand financial system access and usage, including by addressing infrastructure weaknesses.
4	**Protection:** Encourage a comprehensive approach to consumer protection that recognizes the roles of government, providers and consumers.
5	**Empowerment:** Develop financial literacy and financial capability.
6	**Cooperation:** Create an institutional environment with clear lines of accountability and coordination within government; and also encourage partnerships and direct consultation across government, business and other stakeholders.
7	**Knowledge:** Utilize improved data to make evidence based policy, measure progress, and consider an incremental "test and learn" approach acceptable to both regulator and service provider.
8	**Proportionality:** Build a policy and regulatory framework that is proportionate with the risks and benefits involved in such innovative products and services and is based on an understanding of the gaps and barriers in existing regulations.
9	**Framework:** Consider the following in the regulatory framework, reflecting international standards, national circumstances and support for a competitive landscape: an appropriate, flexible, risk-based Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) regime; conditions for the use of agents as a customer interface; a clear regulatory regime for electronically stored value; and market-based incentives to achieve the long-term goal of broad interoperability and interconnection.

(Source: G20, 2010: vii)

The Principles clearly depict innovative financial inclusion as a tool for poverty alleviation and call for the leadership of government as well as the cooperation of private and other stakeholders. The Principles underline the innovations in communication and information technologies, such as mobile banking, as carrying the potential to tackle financial exclusion. Moreover, financial literacy/capability (Principle 5: Empowerment) and financial consumer protection (Principle 4: Protection) are presented as elements of the broader innovative financial inclusion agenda.[20] In this context, the OECD's concern becomes tackling the supply-side as well as demand-side barriers to financial inclusion:

> There are several supply-side factors that contribute to financial exclusion: regulatory constraints, availability of competing financial services with no, or limited, financial consumer protection requirements, prohibitive market factors, as well as barriers stemming from geography and infrastructure/connectivity. In addition to these elements, demand-side factors can also contribute to financial exclusion, and in particular financial vulnerability caused by personal circumstances, low levels of financial literacy, reduced social and technological inclusion, and cultural and psychological barriers (OECD, 2015: 12).

This list of barriers to financial inclusion allows us to locate financial education as a measure to tackle the *demand-side barriers* (Atkinson and Messy, 2013: 17-18). Thus, financial education is expected to create demand for financial products and services. Mechanisms promoting financial inclusion through financial education are as follows:

> In this context, financial education policies are increasingly used as an important tool to help overcoming several of the above-mentioned barriers, and address the financial needs of both individuals and families. Financial education, by acting on low financial literacy as well as on psychological barriers and lack of awareness, can contribute to reduce the demand-side barriers to financial inclusion. Improved financial literacy can increase both awareness and understanding of financial products and services, and as such promote demand of financial products and their effective use (OECD, 2015: 12).

This account of financial education as a measure to promote demand for financial products illustrates the underlying interests of financial capital in the financial inclusion agenda. G20's financial inclusion principles are "ahistorical and apolitical" since the underlying links between financial inclusion agenda to neo-liberalism as well as financialization are missing (Soederberg, 2013b: 599). Moreover, the power relations embedded in indebtedness are glossed over (2013b: 599). Interestingly enough, right after the global financial crisis, the financial inclusion agenda propose the solution "to include

[20] The OECD's definition of financial inclusion clearly demonstrates the link with financial literacy: "Financial inclusion refers to the process of promoting affordable, timely and adequate access to a wide range of regulated financial products and services and broadening their use by all segments of society through the implementation of tailored existing and innovative approaches including financial awareness and education with a view to promote financial well-being as well as economic and social inclusion" (Atkinson and Messy, 2013: 11).

more poor people in a volatile, speculative and highly interconnected financial system" (2013b: 609). In other words, the financial inclusion agenda promotes financialization in the Global South in response to the crisis of financialization in the Global North.

Financial consumer protection emerged as a crucial pillar of financial inclusion after the global financial crisis. Corporate misconduct and limitations of the consumer protection framework are important aspects of the crisis. Indeed, the OECD (2009: 3) points out that this "exposed vulnerable consumers to unsuitable offers, unfair sales practices, and the purchase of credit products that were clearly inappropriate for them." Similarly, the risks faced by financial consumers are outlined in the rationale of the *G20 High-level Principles on Financial Consumer Protection* as follows:

> Rapid financial market development and innovation, unregulated or inadequately regulated and/or supervised financial services providers, and misaligned incentives for financial services providers can increase the risk that consumers face fraud, abuse and misconduct (G20, 2011: 4).

This account underlines the need for government regulation to protect financial consumers in the face of growing complexity of financial markets and corporate misconduct. **Table 3: G20 High-level Principles on Financial Consumer Protection** below provide us the key elements of the consumer protection agenda following the financial crisis.

Table 3: G20 High-level Principles on Financial Consumer Protection

№	Principle
1	Legal, Regulatory and Supervisory Framework
2	Role of Oversight Bodies
3	Equitable and Fair Treatment of Consumers
4	Disclosure and Transparency
5	Financial Education and Awareness
6	Responsible Business Conduct of Financial Services Providers and Authorized Agents
7	Protection of Consumer Assets against Fraud and Misuse
8	Protection of Consumer Data and Privacy
9	Complaints Handling and Redress
10	Competition

(Source: G20, 2011: 5-7)

These principles highlight the need for strengthened supervisory and regulatory framework, better transparency, effective complaint mechanisms, and data protection measures. Moreover, financial education plays a complementary role in protecting financial consumers by informing them about their rights and responsibilities. Thus, the elements of the trilogy are interrelated. Another issue worth mentioning is the emphasis on responsible business conduct. Indeed, the Principles for Innovative Financial Inclusion is similarly calling for stakeholder cooperation to "create a responsible finance framework" for consumer protection (G20, 2010: 17).[21] Interestingly enough, the G20 presents financial services providers are not as the problem but the "part of the solution as they have an incentive to build trust and long-term relationship with their clients" (G20, 2010: 17). Overall, as discussed above, we can identify the growing interest in sustainable and responsible banking and finance as a business case so as to rebuild the consumers' trust. In this context, the financial consumer protection agenda can be considered as the governments' role in ensuring sustainable and responsible financial markets. We will now analyze the third pillar of this trilogy, namely financial literacy.

3.4. Global Financial Literacy Initiatives

Financial literacy education can be viewed as a moving target conducted in numerous jurisdictions across the world with the partnerships of various international organizations, regional development banks, financial capital, civil society and academic stakeholders in the aftermath of the global financial crisis. This growing agenda evolves rapidly with the advancement of new policy tools, innovations in education delivery,

[21] The World Bank calls for "*responsible* financial inclusion" as "an attempt to balance opportunity and innovation in financial markets with safeguards to prevent abuse and to help consumers benefit from access, especially the most vulnerable" (2014: 85, emphasis original). Moreover, it is underlined that the "goal is not to promote inclusion for inclusion's sake," given the lessons derived from the 2008 financial crisis (Demirgüç-Kunt, 2014: 353).

feedback from implementations, and findings of academic research. **Table 4: Global Mapping of Financial Literacy Initiatives** below provides a selective review of the institutions involved and the nature of their work. Given the contribution of numerous institutions and the breadth of their efforts, our review of global financial literacy initiatives is necessarily limited. We will explore the initiatives of two prominent international organizations –OECD and World Bank– on four key areas: Standard-setting, policy-related work, financial literacy/capability surveys, and educational tools.

The OECD is the most prominent international organization working on financial literacy. The OECD launched *Financial Education Project* in 2003 and published the first international study of financial literacy in 2005 (OECD, 2005). *International Network on Financial Education* (INFE) is created to facilitate knowledge sharing among international experts in 2008 (OECD/INFE Website). Applied in 31 countries, the OECD/INFE financial literacy survey seeks "address the lack of internationally comparable data" to find out the gaps in financial literacy and guide policy-makers (Atkinson and Messy, 2012: 13; OECD, 2015: 23; OECD, 2013c). The OECD's work on national strategies for financial education began in 2009 and culminated in the endorsement of *OECD/INFE High-level Principles on National Strategies for Financial Education* by the G20 in 2012 (OECD, 2012; 2015). The OECD has also prepared core competencies frameworks on financial literacy for the youth and adults (OECD, 2016).

Table 4: Global Mapping of Financial Literacy Initiatives

Institution Name	Institution Type	Standard Setting	Member Networks, Task Forces	Policy Related Work	Technical Assistance, Capacity Building	Reports, Publications, Research	Surveys, Global Database	Funding	Educational Tools
ACCION's Center for Financial Inclusion	Support Network & Assoc.			X					
Asian Development Bank	Development Bank							X	
African Development Bank	Development Bank							X	
Alliance for Financial Inclusion	Support Network & Assoc.		X	X				X	
Association of Bank Supervisors of Americas	Support Network & Assoc.				X		X		X
Federal Ministry for Economic Cooperation and Development	Bilateral Donor			X					
Citi Foundation	Foundation				X			X	
Committee on Payments and Market Infrastructures	Support Network & Association	X				X			
Australian Department of Foreign Affairs and Trade	Bilateral Donor				X			X	
UK Department for International Development	Bilateral Donor							X	
Inter-American Development Bank	Development Bank				X				
International Finance Corporation	International Organization				X				X
International Labor Organization	International Organization					X			X
International Organization of Securities Commissions	Support Network & Association					X			
MasterCard Foundation	Foundation				X			X	X
Organization for Economic Cooperation and Development	International Organization	X	X	X	X	X	X		
Visa	Foundation								X
UN Capital Development Fund / UN Secretary-General's Special Advocate	International Organization				X				
World Bank Group	International Organization			X	X	X	X		

(Source: World Bank, 2015b: 16)

The World Bank is the most prominent international organization working on financial inclusion. The Bank also works on financial consumer protection and financial capability under the responsible finance framework. *The Russia Financial Literacy and Education Trust Fund* was established at the Bank with the support of Russia in 2008. The Trust Fund supported the work of the OECD on "the review and stocktaking of policy development and national strategies to facilitate the sharing of experience and formulate principles, guidelines and best practices" as well as the World Bank that "focused its efforts on developing diagnostic and measurement tools and undertaking research on the results achieved by a wide range of programs designed to improve financial capability" (World Bank, 2013b: ix; 2013a). The World Bank's financial capability survey has been applied in 16 low- and middle-income countries, including Turkey (CMB, 16/11/2012). The Bank is also providing assistance to several countries in preparing their national strategies for financial education (World Bank, 2015b: 7).

Regarding standard setting and policy-related work, international organizations seek to foster *national strategies for financial education* that "aim to enhance financial education efficiency through nationally co-ordinated and tailored efforts" (OECD, 2013a: 11). The OECD underlines that this growing interest in forming national strategies is sparked due to the economic crisis as well as with the work of various international organizations (2013a: 18). The emergence of numerous financial education initiatives paved the way for questions of long-term effectiveness and coordination. According to the OECD, the challenges before national financial education strategies are; "limited long-term commitment from concerned stakeholders, difficult co-operation between them, competing interests and mandates, lack of financial and in-kind resources and other implementation issues" (OECD, 2012: 3). *OECD/INFE High-level Principles on National Strategies for Financial Education* was created and endorsed by the G20 leaders in

2012 to tackle these challenges. These global principles provide detailed guidance to national policy-makers on every step of national strategy building including the preparation, governance, and implementation (OECD, 2012). The OECD defines national strategy for financial education as "a nationally co-ordinated approach to financial education that consists of an adapted framework or programme" which;

- Recognizes the importance of financial education –including possibly through legislation- and defines its meaning and scope at the national level in relation to identified national needs and gaps;
- Involves the cooperation of different stakeholders as well as the identification of a national leader or co-ordinating body/council;
- Establishes a roadmap to achieve specific and predetermined objectives within a set period of time and;
- Provides guidance to be applied by individual programmes in order to efficiently and appropriately contribute to the National Strategy (OECD, 2012: 7).

This definition outlines the main elements of a national strategy. Accordingly, the preparations for a national strategy involve the identification and assessment of current financial literacy activities, the survey of financial literacy level of the country so as to identify the gaps and priorities, engagement with relevant stakeholders, and awareness raising activities (OECD, 2012: 9-10). The OECD recognizes that promoting a "one-size-fits-all" solution is not feasible given the particular characteristics and priorities of countries (OECD, 2013a: 12). Nevertheless, the Principles underscore the need to craft national financial education strategy in conjunction with the efforts on financial inclusion and financial consumer protection (OECD, 2012: 8). The national strategy should clearly identify the governance mechanism and outline the stakeholders' roles as well as responsibilities to ensure coordination (OECD, 2012: 11).[22]

[22] The OECD encourages the involvement of financial capital into national strategies while calling the state to supervise this involvement: "Owing to the expertise and resources of market players and in particular financial institutions, their role in financial education and in the development of related NS [national strategy] should be promoted as a component of their social responsibility and good governance. The private sector contribution to financial education should at the same time be monitored and guided in order to manage potential conflicts of interests" (OECD, 2012: 12). In order to guide this involvement,

The Principles urge policy-makers to integrate financial education into the school curricula to facilitate financial literacy of all the population. Nevertheless, in accordance with financial literacy level within the population, vulnerable groups such as "elderly populations, youth, migrants, low income groups, women, workers, the unemployed as well as communities speaking a different language and ethnic groups" could be specifically targeted (OECD, 2012 15). Moreover, the policy priorities could differ across countries according to their national conditions. Financial education strategies can be utilized to tackle "specific policy priorities, such as credit, debt, and/or pensions/savings issues" (OECD, 2013a: 21).[23] Innovation and multiple channels are encouraged in financial education delivery that ranges from "school-based programmes to edutainment and games, from workshops and leaflets to the use of branding and social media" (OECD, 2015: 79).

This global interest in facilitating the formation of national financial education strategies appears to be successful. In 2015, 59 countries reported to create and implement a national strategy and 5 countries are at the stage of planning. This is a remarkable increase compared to 26 countries implementing a national strategy in 2011 (OECD, 2015: 11). What is more, financial education has entered into the school curricula of 27 countries so far (OECD, 2015: 9). Our review of national strategies for financial education illustrated the widespread diffusion of public policy standards and tools from the global level to the national level with the initiatives of international organizations. This is not a simple one-way causality from international to the national

OECD/INFE Guidelines for Private and Not-For-Profit Stakeholders in Financial Education is prepared in 2014 and presented to the G20 leaders at the Brisbane Summit (OECD, 2015: 145).

[23] OECD's broad list of policy priorities provides us the various ways in which financial education can be utilized: "Depending on national circumstances, policy priorities can include increased access to, and use of, appropriate financial services, more suitable saving and investment, reduced indebtedness and more responsible credit, improved level and quality of saving for retirement and related pension issues, as well as savvier decisions vis-à-vis risk and insurance" (OECD, 2012: 14-15).

level but entails collaboration of experts from several countries in the "dedicated expert subgroup on national strategies for financial education" at the INFE (OECD, 2012: 2).

Financial literacy/capability surveys are already identified as a crucial step in national strategy preparation for identifying gaps in literacy as well as forming evidence-based policy. Numerous international financial literacy surveys have been implemented using OECD/INFE tools (31 countries), World Bank financial capability surveys (12 countries), and PISA Financial Literacy (24 countries), along with many other national financial literacy surveys (24 countries) (OECD, 2015: 23). The measurement tools on financial capability, inclusion, and consumer protection have proliferated so widely that the World Bank (2013a: 3-5) provides a survey of the 20 distinct measurement instruments.

Financial literacy/capability concept needs to be defined, operationalized, made amenable to measurement so that the surveys would inform policy interventions; hence the operation of power. Widely-used definitions of the OECD and World Bank are:

> Financial literacy is a combination of awareness, knowledge, skill, attitude and behaviour necessary to make sound financial decisions and ultimately achieve individual financial wellbeing (OECD, 2013b: 24).
>
> Financial capability is the internal capacity to act in one's best financial interest, given socioeconomic environmental conditions. It therefore encompasses the knowledge, attitudes, skills, and behaviors of consumers with regard to managing their resources and understanding, selecting, and making use of financial services that fit their needs (World Bank, 2013a: 7).

The OECD's definition of financial literacy underlines equipment of individuals with certain awareness, knowledge, skill, attitude, and behaviors in regards to their financial decision making. Financial literacy is operationalized at the OECD/INFE questionnaire in three dimensions; *financial knowledge*, *financial behavior*, and *financial attitudes* (OECD, 2013c). The questions corresponding to these dimensions are illustrated in **Table 5: Measuring Financial Literacy with OECD Questionnaire** below. In this survey, higher financial literacy score is achieved by responding to financial knowledge questions correctly, exhibiting good financial behaviors, and disagreeing with the financial attitude statements (Atkinson and Messy, 2012). From the cultural political economy perspective, being financially literate entails not only the knowledge of finance but also conducting oneself in particular ways such as budgeting, saving, investing, financial planning, as well as having a mindset of saving and prioritizing the long-term.

Table 5: Measuring Financial Literacy with OECD Questionnaire

Financial Knowledge	Division
	Time-value of money
	Interest paid on a loan
	Calculation of interest plus principle
	Compound interest
	Risk and return
	Definition of inflation
	Diversification
Financial Behavior	Carefully considers purchases
	Pays bill on time
	Keeps close watch on personal financial affairs
	Sets long term goals and strives to achieve them
	Responsible and has a budget
	Has been actively saving or buying investments in the past year
	Financial product choice after gathering some info
	Financial product choice after shopping around and using independent info or advice
	Has not borrowed to make ends meet
Financial Attitudes	I find it more satisfying to spend than save it for the long term
	I tend to live for today and let tomorrow take care of itself
	Money is there to be spent

(Source: Atkinson and Messy, 2012: 7-9)

The OECD's broad overview of the financial literacy survey results across the world is worth quoting at length:

> On average, individuals and households display some basic financial knowledge. An understanding of important financial concepts such as compound interest and risk diversification is however lacking amongst sizeable proportions of the population in every country [...] Worldwide, individuals also tend to display limited financial skills. While sizeable shares of the population across different countries appear to be relatively good at short-term money management, other behavioural aspects are more problematic. These include the lack of active and long-term savings in formal financial products, excessive reliance on credit (including to make ends meet), and difficulties in choosing adequate financial products, as well as in taking informed financial decisions. These results also mask

wide variations between and within countries, especially across prominent socio-demographic characteristics, including gender (OECD, 2013a: 16-17).

These findings legitimize the need for financial literacy interventions all across the world. The development of *educational tools* that set the standards for financial literacy curricula is a crucial task in this regard. The G20 leaders asked the OECD/INFE to prepare these tools in 2013. *OECD/INFE Core Competencies Framework on Financial Literacy* is prepared for youth (ages 15-18) and adults (ages 18+) in 2015 and 2016 respectively. **Table 6: OECD Core Competencies Framework on Financial Literacy** below illustrates the adult financial literacy competencies.

Table 6: OECD Core Competencies Framework on Financial Literacy

A) Money and Transactions	B) Planning and Managing	C) Risk and Reward	D) Financial Landscape
• Money and Currencies • Income • Payments, Prices and Purchases • Financial Records and Contracts	• Budgeting • Managing income and expenditures • Saving • Investing • Longer-term planning and asset building • Retirement • Credit • Debt and debt management	• Identifying risk • Financial safety nets and insurance • Balancing risk and reward	• Regulation and consumer protection • Rights and responsibilities • Education, information and advice • Financial products and services • Scams and fraud • Taxes and public spending • External influences

(Source: OECD, 2016: 7)

This table provides a comprehensive guide to the issues related to constituting the financially literate subjectivity. Again, we need to underline that financial literacy is not merely acquiring financial knowledge. The OECD points out that all competencies have three aspects: Firstly, *awareness, knowledge, and understanding* refer to "information" learned by individuals. Secondly, s*kills and behavior* refer "actions" of individuals. Thirdly, *confidence, motivation, and attitudes* entail "the internal, psychological mechanisms that may support or hinder decisions, behaviours and well being" (OECD, 2016: 7). It is telling that OECD's most recent conceptualization of financial literacy extends the concept to include motivations to address the psychological mechanisms of individual decisions and behavior.

We will now explore the World Bank's financial capability definition to highlight the replacement of *literacy* with *capability*. Financial capability referred to the "internal capacity to act in one's best financial interest" (World Bank, 2013a: 7). By using the notion of capability, the capacity to behave beyond merely acquiring financial knowledge is underlined.[24] Accordingly, "[f]inancial knowledge does not necessarily translate into wise financial behavior, that is, financial capability" (World Bank, 2014: 75). Thus, the Bank has "broadened focus" from financial literacy to capability, as the latter entails "a range of financial issues around financial behavior" (World Bank, 2013b: 2). At this point, we need to note that the OECD's financial literacy definition already addresses the behavior dimension (Atkinson and Messy, 2012: 14). The insistence on replacing financial literacy with capability is due to the evaluation results of financial education programs. As discussed in the Chapter One, significant academic efforts are directed to measuring the effectiveness of financial education. International development community and global financial capital appear unimpressed by the effectiveness of financial literacy education:

> Although it remains the dominant approach, the fundamental critique of financial education, backed by extensive research, is that information transfer does not adequately engage people in active learning and practice that makes its way into behavior (Center for Financial Inclusion, 2016: 10).

[24] Financial capability is defined in the *G20 Principles for Innovative Financial Inclusion* report as follows: "A financially capable person can be defined as one who has the knowledge, skills, attitude and behaviors to be aware of financial opportunities, make informed choices to suit their circumstances, and take effective action to improve their financial well-being" (G20, 2010: 52). *The Center for Financial Inclusion at Accion* (CFI), JP Morgan's partner in *Financial Solutions Lab*, defines financial capability as "the combination of knowledge, skills, attitudes, and behaviours a person needs to make sound financial decisions that support well-being" (CFI, 2016: 7). Accordingly, this definition "contrasts financial literacy and financial education, which are concerned with knowledge, skills, and information, with capability, which encompasses attitudes and, most importantly, behavior" (2016: 7).

> Financial literacy is different from financial capability. Research indicates that standard, classroom-based financial education aimed at the general population does not have much of an impact on financial inclusion. It takes more than lectures and memorizing definitions to develop the capacity needed to benefit from financial services (World Bank, 2014: 11).

> At a time when most fields are successfully utilizing data mining and behavioral science to inform everything from product design to business offerings, the field of financial literacy too often remains reliant on outdated tools that fail to leverage advances in technology and behavioral economics (JP Morgan Website).

Given the disappointing results of financial education, financial capability is gaining traction. Global financial capital is moving forward to fund initiatives such as JP Morgan's *Financial Solutions Lab* and *MasterCard Labs for Financial Inclusion*, seeking to foster innovations so as to build financial capability (JP Morgan Website; MasterCard Website). Moving beyond the focus on teaching financial knowledge, financial capability captures attempts to foster the ability/capacity to behave wisely. In this regard, financial capability agenda juxtaposes behavioral economics insights with technology to overcome behavioral biases in financial decision-making and to foster financial inclusion. This interest in opening the black box of human decision-making is also apparent in *World Development Report 2015: Mind, Society, and Behavior*. Personal finance part of the report explores behavioral economics insights at length and "suggests ways that policy makers can make institutions more responsive to the behavioral factors driving people's financial decisions" (World Bank, 2015a: 112).

In sum, the emerging financial capability agenda attempts to address behavioral biases to modify the financial behavior of individuals. Thus, financial literacy in the global policy agenda appears to be surpassed by financial capability. This deepening interest in conducting the conduct of individuals in financial matters reaffirms the relevance of cultural political economy perspective for the years to come.

3.5. Conclusion

This chapter began with a fieldwork encounter that illustrated the close link between global and national financial literacy education initiatives. Financial literacy became a global policy issue through the interpretation of the global financial crisis as resulting –in part- from the decisions of financially illiterate consumers. The consequent promotion of financial education overlooks the manifest contradictions of neo-liberalism as well as financialization that paved the way for this crisis. Financial literacy is articulated with financial consumer protection and financial inclusion agendas. This trilogy approach, endorsed by the G20, corresponds to post-crisis business models in finance that highlight sustainable and responsible banking. International organizations, especially the OECD and the World Bank, undertook the work of creating policy tools and setting standards for national strategies of financial education, forming research instruments to measure financial literacy worldwide, and shaping financial educational tools. This policy, research, and educational tools are created to disseminate and cultivate certain knowledge, attitudes, and behaviors in individuals. Put differently, initiatives at the global level diffuse to national policy contexts to facilitate the constitution of financially literate subjects. Having reviewed financial literacy at the global level, we will begin analyzing the case of Turkey in the following chapter with the financialization context.

CHAPTER FOUR:

FINANCIALIZATION IN TURKEY

4.1. Introduction

Fieldwork Encounter: FX World Istanbul, 26/09/2014

I started the day early to attend a panel and a meeting at the Istanbul Convention Center at Harbiye in Istanbul. It is the second day of FX World Istanbul: Forex and Derivatives Conference and Expo *that is organized by The Association of Capital Markets Intermediary Institutions of Turkey and sponsored by leading brokerage firms. The conference is open to both professionals and investors. The program includes 50 speakers, 14 panels, and 20 courses on FOREX and derivatives. The official statement situated the conference as a contribution to the government's goal of making Istanbul a "financial center" after New York, London and Tokyo, as well as supporting the development of FX market in Turkey. This glimpse into the world of finance is a genuinely interesting observation chance for me. Let me begin with the ambiance. There is a Rolls Royce parked literally at the door of the convention center with FOREX written on the license plate. The car is probably there to instill a sense of hope of becoming rich in the traders! Numerous exhibition staff are all over the place, always ready to answer your questions. I picked up my name tag and lots of lunch & coffee chips. Inside the convention center, there are stands of FOREX firms that are full of swag, FX brochures, plasma televisions, leather chairs, and refreshments. Conference participants are mostly men in their fancy suits. I felt rather lousy in my blazer jacket. The large conference room was arranged really like a show arena: A giant poster of the event, leather chairs at the podium, live projections capturing the speaker and reflecting on two screens, a DJ booth playing club music before the speakers. My jottings indicate that I felt like I was watching a "show"* (see **Photograph 3: FX World Istanbul** below).

Photograph 3: FX World Istanbul

(Source: Author's Fieldwork Photographs)

The speakers of the panel were a combination of regulatory authorities -Capital Markets Board of Turkey, Istanbul Stock Exchange- and largest FOREX firms. They spoke from the perspective of the "sector": What is good for the further development of the sector? What kinds of complaints are raised by the consumers? What kinds of regulations are made? İbrahim Turhan, the chairperson of the Istanbul Stock Exchange, outlined the trend from de-regulation towards regulation of financial markets in the aftermath of the global financial crisis. Turhan said that while we should not prevent the development of financial markets, we also need to be cautious about making the same mistakes again. He also noted that behavioral economics is receiving more attention these days. According to such research, hormones circulating in the bodies of financial speculators are akin to the drug addicts! Another speaker made a critical speech about the unrealistic target of making Istanbul an international financial center due to the lack of competent professionals. The firms defended themselves and called for tax reductions. There were some technical terms in the panel about derivatives that I did not know much about. It seems like I need to improve my "financial literacy" about complex derivatives!

After the panel, I attended a meeting in a private room with two project writing experts on EU grants for formulating a financial literacy grant application. Several people from one of the civil society *associations that I volunteer for are also present in the meeting. Apparently, there are two available grants that we can fit financial literacy projects in: life-long learning and reducing corruption & ethical behavior. The project writing for EU grants is itself an industry in Turkey. The people we met said that they just needed the main idea of the project. They would take it from there and prepare a draft of the whole application! It was an interesting brainstorming session trying to formulate financial literacy education that fits the requirements of the EU grant. After an open buffet lunch at the convention center, we headed out to the office.*

Purpose and Contents

This fieldwork encounter illustrates that "financialization" has certainly become a prevalent phenomenon in Turkey. This chapter provides a cultural political economy account of financialization in Turkey from the 1980s onwards with the purpose of outlining the contextual background of the country. Financial motives, markets, actors, and institutions are taking an increasing role in Turkey in line with the global political economy. The financialization context provided in this chapter forms the basis of the subsequent detailed exploration of the entrance of financial literacy into public policy agenda in Chapter Five and emergence of private initiatives in Turkey in Chapter Six. The material used for this chapter is a blend of academic literatures on financialization and neo-liberalism in Turkey, official documents and reports, interviews, and statistical data on macroeconomic developments.

This chapter is organized as follows: The second section explores the neo-liberal transformation in the 1980s. The third section examines the 1990s. The fourth section explores the deepening of financialization and the institutionalization of the neo-liberal agenda in the aftermath of 2001 crisis. The fifth section explores the aftermath of the 2008 global financial crisis. The conclusion provides an overview.

4.2. Turkey's Neo-Liberal Transformation in the 1980s

Crisis and Neo-Liberal Transformation

The 1970s were a decade of crisis that paved the way for the subsequent neo-liberal transformation of the Keynesian welfare states of the Global North as well as developmental states of the Global South. Turkey was pursuing an import substitution industrialization strategy in the framework of national development plans from the 1960s onwards. Turkey's political economy was characterized by a protectionist trade regime, fixed exchange rate system, and the state's active involvement in accumulation through state economic enterprises. However, by 1976 the deepening of import substitution had reached its limits, and it became harder to keep investing and financing the balance of payments deficits. The country faced a severe foreign exchange crisis, an inability to service external debt, a shortage of essential commodities, and high inflation in 1977-1980 (Boratav and Yeldan, 2002: 418-421; Altınkemer and Ekinci, 1992: 1).

The crisis in the regime of accumulation reflected itself as the crisis of hegemony. Political representatives of the dominant class bourgeoisie failed to address its interests amidst the civil unrest and political chaos. Decisions taken by January 1980, and the three-year stand-by agreement with the IMF by June 1980, are beyond a simple stabilization package. They represent a *new regime of accumulation* that sought articulation with global capitalism through export-oriented industrialization and restructuring of the political economy in line with neo-liberal principles (Kaya, 2009: 236-237). The January 1980 decisions reflected the characteristics of not only IMF stabilization packages that were implemented in the Global South throughout the 1970s, but also of World Bank structural adjustment programs (Boratav, 2007: 148-149). This typical reform package was later labeled as the *Washington Consensus* for its reflection of the common-sense and interests of the US and international financial institutions (Williamson, 1990).

The right-wing military coup of September 1980 supported structural adjustment and paved the way for implementation of this radical transformation that was not achieved by civilian rule under the conditions of hegemonic crisis. Initiation of neo-liberal reforms was achieved under the military regime that suspended democratic rights and liberties and suppressed the labor movement (Kaya, 2009: 237; Sönmez, 2009: 25). The military coup of 1980 banned all political activities and parties until 1983. Even then, the military allowed only three parties to compete in general elections while several prominent political leaders were banned from politics, only to return after a referendum decision by 1987.

The 1980s can be evaluated as a failed attempt to construct an "expansive hegemony" of the new right, hence a legacy that can be interpreted as a "passive revolution" (Tünay, 1993; Yalman, 2002; Kaya, 2009).[25] Turgut Özal was the key political figure throughout the 1980s. He prepared January 1980 program as the Undersecretary to Prime Minister, oversaw its implementation as the Deputy Prime Minister in charge of Economic Affairs (1980-1982), became the Prime Minister as leader of Motherland Party (1983-1988), and served as the President until his death (1989-1993). Özal's early career in managerial positions in the private sector, the employer's association of metal industries, economic bureaucracy, and international organization secured the trust of the not only Turkish bourgeoisie but also the circles of the global finance and international financial institutions (Öniş, 2004: 116; Boratav, 2007: 146-147).

[25] Antonio Gramsci's concept hegemony can be identified with *consent* rather than *coercion*. Hegemony "refers to domination by the creation of a collective will, or general interest, which articulates the interests of all other classes and groups to that of the hegemonic class" (Tünay, 1993: 13). Moreover, in Gramsci's words, hegemony implies "not only a unison of economic and political aims, but also intellectual and moral unity" of the dominant class over subordinate classes (Gramsci, 2005: 191). Hegemony can take two forms. In *passive revolution*, "hegemony is founded upon the basis of the containment, or the neutralization, of the interests, political activities and ideological struggles of subordinate classes and groups" (Tünay, 1993: 13). *Expansive hegemony* "dissolves all class lines on a nationwide basis and manages to create almost a consensus in society" (1993: 14).

Founded and led by Turgut Özal, the Motherland Party was a coalition of conservative-fundamentalist, liberal, nationalist, and social-democrat groups. Regarding party politics, the aim of Motherland Party was "to dominate the center of the Turkish left-right spectrum, as broadly as possible" (Kalaycıoğlu, 2002: 47). The party presented itself as representing interests of middle-classes through the discourse of "main-pillar," along with neo-liberal clichés such as "there is no alternative," "free enterprise," and "broadening the base of property ownership" (2002: 45; Kaya, 2009: 238). Examples of Özal's populist policies were the legalization of squatter housing, tax rebates, and social assistance and solidarity fund. Whereas the expression of class-based demands was severely repressed, the same people were appealed to through their identities of being "urbanite, squatter, poor, and consumer" (Boratav, 2007: 153). Neo-liberal hegemonic strategy was aimed at "*putting an end to class-based politics*" (Bedirhanoğlu and Yalman, 2010: 119, emphases original).

With the advent of Motherland Party in power, we can identify a significant political and cultural shift taking place in Turkey throughout the 1980s. In contrast with the 1970s in which ideological conflicts prevailed, and labor movement was adamant in defending its class interests, 1980s was a decade of depoliticization and the break-down of the labor movement. The discourse of free market and the promotion of individualistic and consumerist values reigned. Citizens of Turkey met the modern shopping mall for the first time in Istanbul by 1988 (Bali, 2009: 132). As Rıfat Bali (2009) puts it, the luxurious consumption items that were once absent, proliferate across shop windows and entered into the dreams of ordinary people. The Turkish bourgeoisie, once refrained from putting themselves on the spot, renewed their images and started to become respectable public figures (2009: 20).

Sowing the Seeds of Financialization

Several reforms throughout the 1980s sowed the seeds of financialization that matured in the following decades. The pre-1980 financial system, organized in line with import substituting industrialization strategy, exhibited the following characteristics; the state determined deposit and credit interest rates, and cheap credits, as well as subsidies, were provided to support development. Residents were not allowed to hold foreign exchange deposits and bank foreign exchange operations were restricted. The market for securities was non-existent, and the financial system overall was far from institutionalized (Binay and Kunter, 1998: 9).

The removal of restrictions on deposit and credit interest rates in July 1980 marked the beginning of financial liberalization. This decision aimed to foster competition in the banking sector, increase domestic saving levels and hence a deepening of the financial sector. However, money lenders who were popularly known as bankers "flourished by offering very high real interest rates to savers via Ponzi financing schemes" in this context (Boratav and Yeldan, 2002: 421). By 1982, Turkey experienced the first financial crisis of neo-liberal era that led to the nationalization of 4 banks, and merger of a bank with a large public bank. The overall cost of this rescue operation amounted to 2.5% of the GDP and the Minister of Economic Affairs as well as several bureaucrats resigned. The Central Bank of the Republic of Turkey was given back the authority to regulate deposit interest rates in 1983, only to be returned to the market by 1988 (Binay and Kunter, 1998: 11).

Another important step towards financial liberalization was taken in 1984 when the foreign exchange regime was liberalized. This reform allowed "residents and non-residents to open foreign exchange deposits in domestic banks" (Altınkemer and Ekinci, 1992: 8). This freedom of buying, selling and owning foreign currencies led to a significant currency substitution (1992: 27). Together with the introduction of "consumer credits and credit cards, establishment of ATM's, and new services such as future, forward, swap and options by banks," we can state that "in 1980s, finance has step by step entered into the everyday life of Turkey" (Karaçimen, 2015: 146).

The constitution of markets and restructuring of the state in line with the requirements of financialization are key elements of the neo-liberal agenda throughout the 1980s. Following Marieke de Goede, to break the depoliticized nature of finance, we need to trace the transformations "that have slowly constructed the domain of finance as a legitimate, rational, and, above all, *natural* practice" (2005: x, emphasis original). Some of the taken-for-granted and seemingly natural elements of the current financialized everyday life in Turkey date back merely three decades.

To illustrate, the Capital Markets Law of 1981 allowed "foreign capital to buy TL securities and repatriate profits freely" and the regulatory institution the Capital Markets Board of Turkey became operational by 1987 (FESSUD, 2013: 183). A decree in 1983 replaced a dated law on the stock exchange, and the Istanbul Stock Exchange opened in 1986. Again in 1983, the Savings Deposit Insurance Fund was established with the function of guaranteeing the bank deposits in Turkey (FESSUD, 2013: 183). In 1985, the Undersecretariat of Treasury began issuing Treasury bills (short-term) and government bonds (long-term) through auctions in which market conditions determine the interest rate. Rather than resorting to the central bank to finance public deficits, the Treasury increasingly preferred issuing bills and borrowing from the market (Güngen, 2014: 7). The Central Bank of the Republic of Turkey established several markets to better manage funds; Interbank Money Market in 1986, Foreign Exchange Market in 1988, and Gold Market in 1989. The central bank thus started to engage in open market operations (Binay and Kunter, 1998: 15; Karaçimen, 2015: 146).

The neo-liberal stabilization program was based on Turkey's articulation with the world economy as a low-wage economy through both labor suppression and devaluation (Boratav, 2005: 42-43). By 1989, however, the labor movement began to revitalize through strikes & protests, and the ruling Motherland Party faced a major defeat in local elections. This signified the end of the export-led growth model. The government sought an exit from this exhaustion by liberalizing the capital account by August 1989 and ensuring convertibility of the Turkish Lira by February 1990 (Boratav and Yeldan, 2002: 422). This external financial liberalization decision marks a shift towards integration with the global financial markets and full-fledged financialization.

4.3. Neo-Liberal Transformation, Financialization, and Crises: 1989-2001

Politics and Cultural Transformation in the 1990s

Party politics throughout the 1990s exhibited a remarkable fragmentation and the emergence of new actors. The failure of Özal's Motherland Party to sustain a coalition of numerous ideological orientations within itself was apparent in the October 1991 general elections. There emerged "duplicate parties" in both the center-right; Motherland Party and True Path Party, and the center-left; Democratic Left Party and Social Democratic Populist Party (Kalaycıoğlu, 2002: 53). Interestingly enough, "apart from their leadership no major differences exist [...] regarding the basic program or ideological orientation" among the center-left and center-right parties (Öniş, 1997: 751). From the mid-1990s onwards, party politics became even more fragmented with the rising prominence of political Islam with Welfare Party and Turkish nationalism with Nationalist Action Party. From elections of October 1991 until November 2002, there were nine short-lived coalition governments in power.

With the end of *class-based politics* in the 1980s, *identity-based politics* replaced the former and "challenged the long-claimed unitary character of the Turkish Republic more than ever and led to deep legitimacy crises starting from the early 1990s" (Bedirhanoğlu and Yalman, 2010: 119). Cultural implications of globalization were *homogenizing*, seen in "increasing emphasis on individualism, material values and consumerism" as well as *fragmenting*, as seen in the proliferation of identity politics on the basis of religion and ethnicity (Öniş, 1997: 747). In this regard, we can observe the ethnically-based Kurdish political movement that became prominent with separatist demands and challenged the state with military revolt. On the other hand, the rise of political Islam with the electoral victories of Welfare Party created a tension between secularism and Islamism (Kaya, 2009: 245). Welfare Party was a "cross-class alliance" that united the emerging Islamic bourgeoisie as well as the losers of neo-liberal reforms and challenged both the centre-left and centre-right parties (Öniş, 1997: 748-9). What is more, in the context of neo-liberalism, social-democratic parties of the centre-left failed to appeal effectively to the needs of working class & poor and eventually became confined to the defense of laicism (Kaya, 2009: 246). The pace of neo-liberal reforms throughout the 1990s was slower, uneven, and ridden with contradictions.

Elements of Financialized Regime of Accumulation in the 1990s

Financialization is an uneven phenomenon that takes distinctive forms in the countries of the Global South. *Peripheral financialization* is based on "interest-bearing capital" and has an "extraverted" character (Becker, et al. 2010: 229). Financialization in the peripheral countries depends on capital inflows. Peripheral countries are thus forced to provide a favorable environment for capital, composed of high-interest rates and an overvalued exchange rate. Maintaining this financialized regime of accumulation has adverse consequences for many aspects of the political economy of peripheral countries.

The main characteristics of the financialized regime of accumulation in Turkey throughout the 1990s can be summarized as follows;

> (a) dependence of growth on short-term capital flows, (b) financial speculation and rents as the driver of economic activity, and related change in income distribution in favour of rentiers, (c) detachment of finance from the real sector, (d) chronic instability in public finances, (e) dependence of economic policies on short-term capital inflows (Sönmez, 2009: 42).

We will now explore the financialized regime of accumulation in detail. Boratav and Yeldan (2002: 426) argue that the liberalization of the capital account in 1989 led to "an increased dependence of the growth path of autonomous capital movements" as well as increased volatility of growth rate. There were four booms (1990, 1992-1993, 1995-1997, 2000) and four downturns (1991, 1994, 1998-1999, 2001) in financial cycles throughout this period. Slowing down or outflows of speculative capital movements coincide with financial crises of Turkey in 1994 and 2000-2001 as well as the recession in 1998-1999 (Boratav and Yeldan, 2002: 426).

Besides volatility in economic growth, the inflow of foreign capital paved the way for chronic instability in public finances. We can identify extraordinarily high interest rates that provided profitable arbitrage opportunities for hot speculative capital throughout the decade (Yenturk, 2005: 60). Looking at the public sector balance, we can diagnose the "collapse of public disposable income" (Boratav and Yeldan, 2002: 424). The share of interest payments in the gross national product rose from 3.52% in 1990 to 16.23% in 2000 (Yenturk, 2005: 60). In regards to tax revenues, "while interest payments on domestic debt absorbed less than 20% of tax revenues at the end of the 1980s, this proportion rose steadily throughout the 1990s exceeding 75% at the end of the decade" (Akyüz and Boratav, 2003: 1551-1552). Tax revenues, collected mostly from the working classes, were used to cover interest payments. Hence, there was a "transfer of wealth" towards a minority of financial capitalists (Marois, 2012: 161). This collapse of public disposable income was due to the financing of public deficits through debt at high interest rates from domestic banks, which in turn increase the deficits (Yentürk, 2005: 138). The government resorted to Ponzi financing in this decade, i.e., new debt was issued to meet interest payments of previous debt (Akyüz and Boratav, 2003: 1551).

In regards to the balance of payments, foreign capital flows resulted in the appreciation of domestic currency. This overvalued national currency deteriorated international competitiveness (Yentürk, 2005: 136). High interest rates that were given to attract foreign capital, combined with the appreciation of the domestic currency, discouraged "real sector" investments within the country (Yentürk, 2005: 137). To illustrate, car manufacturing companies within the 1994 crisis context acted as rentiers. These companies sent workers on unpaid leave and placed this saving from wage funds in treasury bills. At the end of the year, losses arising from production activities were compensated by incomes coming from interest payments, even allowing for a profit (Boratav, 2007: 201).

Financialization of non-financial corporations was not an isolated phenomenon. According to the data provided by the Istanbul Chamber of Industry, the ratio of non-operating incomes to total profits of Turkey's largest 500 manufacturing companies revolved around 30% in 1980s, and rose to a staggering 219% in 1999, and 547% in 2001 (Karaçimen, 2015: 153).[26] Whereas this ratio declined in the aftermath of the 2001 crisis, it is still "considerably high," becoming 39.0% in 2004 and 34.0% in 2010 (FESSUD, 2013: 221). Another way of capturing this process is by comparing the ratio of operating incomes/total incomes with non-operating incomes/total incomes. CBRT data between the years 1998-2010 reveal that non-operating incomes surpass operating incomes every

[26] Karaçimen (2015: 153) notes that "[n]on-operating incomes include; interest incomes, profits of foreign exchange operations, dividends, incomes from subsidiaries, real estate incomes, and others. Among these items, interest revenues of treasury bills and government bonds constitute a significant portion."

single year in sectors such as services and construction, and most of the years in the energy sector. As for the manufacturing sector, non-operating incomes rose to levels close to operating incomes but stayed below the latter (FESSUD, 2013: 223-225). In sum, as Boratav and Yeldan (2002: 424) attest, we can identify "dominance of finance over the real economy" from the 1990s onwards. This finding is in line with one of the key empirical facts of financialization in the Global South (Bonizzi, 2013-14: 89-94), that is, the engagement of firms in financial rather than productive investments.

Looking at the capitalist development in Turkey, we can identify a small number of family businesses organized as "conglomerate" [*holding*] with an increasing pace in the 1960s and 1970s. Holdings allow families to control various subsidiary firms in several sectors, hence integrating commercial, industrial, and bank capital.[27] Ownership of banks by holding companies gained pace throughout the 1970s with the recognition of advantages such as cheaper access to credit (Marois, 2012: 88; Gültekin-Karataş, 2009: 115-117). After capital account liberalization, private banks adapted to this environment of high interest rates by borrowing from the central bank as well as the international markets and located a significant portion of their assets in government debt instruments (Güngen, 2014: 7). Banks moved away from their conventional activities and functioned as "institutional rentiers" seeking arbitrage gains (Boratav and Yeldan, 2002: 424).

Turkey's Crises: 1994 and 2000-2001

Financialization is closely associated with crisis dynamics in Turkey. In the aftermath of capital account liberalization, Turkey faced devastating financial and

[27] From the perspective of *varieties of capitalism* (Hall and Soskice, 2001), Turkey can be characterized as having a bank-based financial system. Banks hold the lion's share of financial assets, close to 80% of the total in 2011 (FESSUD, 2013: 22). In this respect Turkey does *not* conform with one of the key empirical facts of financialization in developing countries, that is; transition to the more market-based financial system (Bonizzi, 2013-2014: 89-94). Marois (2012: 42) points out the limitations of analyzing financial systems through this narrow dichotomy between bank-based and market-based models. Accordingly, Turkey is a bank-based system in which competitive discipline and market orientation became prevalent within the neo-liberal era (2012: 42).

economic crises dependent on the volatility of capital movements in years 1994 and 2000-2001. We need to be careful to differentiate between the causes, contributing factors, and pretexts (trigger) of these crises. Boratav and Yeldan (2002) remind us of the common mistake of taking pretext or contributing factors as the cause. They argue that the impact of "large, uncontrolled capital movements with a large 'hot' component within a fragile financial system" constitute the underlying cause of Turkey's crises (2002: 430).

Macroeconomic imbalances were building up before 1994 crisis. Large inflows of capital appreciated the national currency, leading to an import boom, and deterioration in the current account balance. High growth rates were attained together with high inflation and an increasingly heavier domestic and foreign debt burden (Yentürk, 2005: 60). To this picture, we need to add open positions of banks that were seeking arbitrage gains from government debt instruments. The trigger of the 1994 crisis came from government's attempt to lower interest rates to decrease public sector borrowing cost (Sönmez, 2009: 49; Boratav, 2007: 183). The coalition government launched several stabilizing measures in April 1994 and initiated a three-year stand-by program with the IMF by July 1994 in response to the crisis. This stabilization program had a "temporary and limited impact" on stabilizing basic macroeconomic indicators (Yentürk, 2005: 145). Its implementation fell short of realizing structural reform promises like privatizations, and it eventually got "stalled" by September 1995 (Osman, 2000: 11).

The coalition government formed with the April 1999 general elections initiated a three-year stand-by agreement with $16.2 billion funding from the IMF by December 1999 (BRSA, 2010: 34). This disinflation program was based on three main pillars; "fiscal discipline, structural reforms, and pre-determined exchange-rate commitments" (Yentürk, 2005: 87). There was an interesting dilemma at the heart of the disinflation program; "much of the fiscal adjustment was predicated on declines in the very nominal and real interest rates on which many banks dependent on their viability" (Akyüz and Boratav, 2003: 1550).[28] Turkey's banking system before 2000-2001 crises was still carrying the fragilities present in 1994 crisis. Private banks were relying excessively on gains from government debt instruments, carrying foreign exchange open positions, lacking capital adequacy, and risk assessment capacity (Sönmez, 2009: 58).

The initial implementation of the disinflation program had resulted in "a surge in capital inflows, an upturn in economic activity, a significant appreciation of the currency, mounting trade deficits, worsening balance sheets and rising exchange rate risks" (Akyüz and Boratav, 2003: 1555). The coalition government seemed reluctant and unable to implement a structural reform agenda, especially privatizations and banking sector reforms (Yentürk, 2005: 95). Confidence in the disinflation program had eroded by November 2000 due to a combination of bad news coming from trade deficits, inflation, and expressions of IMF officials. The IMF provided additional funding of $7.5 billion by December 2000 to alleviate the liquidity crunch. What is more, deposit insurance was extended to cover credits opened by foreign banks to Turkish private banks in the quest for confidence (Akyüz and Boratav, 2003: 1555-1556; Sönmez, 2009: 59). The precarious stability in the aftermath of November 2000 lasted until the heated political exchange between the President and the Prime Minister by February 2001. The government had to end the crawling-peg foreign exchange regime and initiated a free-floating one. Turkish

[28] Numerous scholars have argued that design flaws of the 1999 IMF disinflation program may have contributed to the 2000-2001 crises. Typical problems of disinflation programs based on a crawling peg were materialized in Turkey; including appreciation of domestic currency, deteriorating current account, and booming domestic demand (Yentürk, 2005: 97; Öniş, 2009: 415). Given the structural problems of Turkey in banking as well as in public finances that were not addressed, implementation of the program created the above mentioned vulnerabilities, thus paving the way for devaluation expectations (Akyüz and Boratav, 2003: 1550). The IMF's response was the following: "It did not fail because of cavalier design. Failure was due to a combination of bad luck (rising oil prices and a general shift away from emerging market debt) and the authorities' failure to deal in a timely way with emerging problems (an aggregate demand boom and an irresponsible banking system). That said, the programme design was, with hindsight, probably too brittle for Turkish conditions" (Financial Times, 20/07/2001).

Lira lost “one third of its value against the dollar” in the span of a single day, the gross national product contracted by 9.5% in 2001, the rate of unemployment rose from 6.5% in 2000 to 10.3% in 2002, and real wages declined by 20% in 2001 (Akyüz and Boratav, 2003: 1556; Karaçimen, 2015: 156; Yeldan and Ünüvar, 2016: 12).

4.4. Institutionalizing Neo-Liberalism and Financialization in Turkey: 2001-2008

Post-2001 Crisis Reforms

The *post-Washington Consensus* formed in the late 1990s included elements such as the “rule of law, the establishment of legally independent regulatory agencies and good governance practices such as transparency and accountability” (Bakır and Öniş, 2010: 78). The full-scale implementation of the post-Washington Consensus in Turkey took place in the aftermath of 2001 crisis. It is interesting to see that financial capital itself was not called into question in Turkey and the prevalent neo-liberal discourse “placed all the blame for the crisis on the wrong domestic policies pursued by governments” (Bedirhanoğlu, 2007: 1249; Marois, 2012: 228-229). Explanation of the 2001 crisis due to corruption in the banking system was instrumental in gaining consent for far reaching reforms. The solution was proposed by Kemal Derviş, a technocrat who left the World Bank and appointed as Minister of Economy by March 2001, as the separation of economics from politics and the fight against corruption (Bedirhanoğlu, 2007: 1248).

The Transition to a Strong Economy Program (TSEP) was announced in April 2001 and consolidated with a stand-by agreement in February 2002 with $14.9 credit from the IMF. Continuous IMF and WB structural adjustment programs lasted until May 2008 (BRSA, 2010: 34). The main targets of the TSEP were; “ensuring transparency and accountability in resource allocation in the public sector, preventing irrational interventions in the running of the economy, and strengthening good governance and the fight against corruption" (TSEP 2001: 13). TSEP brought contractionary fiscal policy targeting a high primary surplus as well as a contractionary monetary policy aimed at achieving price stability (Yeldan and Ünüvar, 2016: 12). TSEP initiated following structural reforms (Öniş, 2009: 421);

- Fiscal discipline through improving the transparency and accountability of the budgetary process; improvement of tax administration.
- Strengthening the autonomy of the Central Bank through legal protection
- Enhancing the autonomy of the Bank Regulatory and Supervisory Agency (BRSA), much tighter regulation of the banking and financial system.
- Strengthening the position of autonomous regulatory agencies in several areas of the economy including energy and telecommunications.
- Greater transparency in the privatization process.
- Further liberalization in the economy such as the removal of state monopoly in electricity and tobacco production.
- Reduction of the corporate tax rate.
- Reducing administrative barriers to FDI.
- Reduction of agricultural subsidies.
- Revitalization of the privatization program.

Banking sector restructuring was another key aspect of the post-crisis reforms. *Banking Sector Restructuring Programme*, launched in May 2001, had four aims. Firstly, public banks are restructured to ensure that they would function just like private for-profit banks. Duty losses of public banks were met by issuing new government bonds and all activities that would create new duty losses were banned (Marois, 2012: 237-240). Secondly, the Savings Deposit Insurance Fund took over 22 banks between the years 1997-2004. These banks were "rationalized" through various mechanisms, including mergers, liquidations, and sales (Gültekin-Karataş, 2009: 306). The takeover and elimination of many private banks, as well as rehabilitation of remaining private banks, signaled the end of two prevalent accumulation strategies of the 1990s; firstly, many private banks owned by holdings were funneling credit to their subsidiary companies. Secondly, private banks were seeking arbitrage gains by borrowing from international markets and buying government debt instruments. The government changed "corporate and tax regulation so as to transform Turkish capital groups into separate financial and corporate conglomerates" (FESSUD, 2013; 188; Marois, 2012: 234-235). The final aim of the reform was strengthening the supervisory and regulatory framework in the banking sector. The total cost of this banking sector restructuring to the public was a staggering $47 billion, amounting to 30% of the GDP in 2002, and making it one of the costliest operations among countries of the Global South (Marois, 2012: 242).

Political Economy of the Justice and Development Party Era

The political consequence of the 2000-2001 crisis was the major defeat of all the existing parties in the parliament and the remarkable rise of newly established Justice and Development Party to a majority government with November 2002 elections. The party was founded with the understanding that conventional political Islam of Welfare Party could not succeed in Turkish politics. Leading cadres, who have Islamist origins, announced that they have "changed," and claimed ground in liberalism, conservatism and nationalism (Kaya, 2009: 253). Justice and Development Party represented a moderate stance and labeled itself as a "conservative democrat" party, akin to the Christian democrat parties of the West (Bedirhanoğlu and Yalman, 2010: 121; Öniş, 2009: 416). Throughout its first term in government, the party adhered to both the IMF economic program as well as the EU accession conditionalities (Öniş, 2009: 418). Justice and Development Party can be considered as an "Islamic/neo-liberal" party (Bahçe and Köse, 2016: 65) i.e., the articulation of political Islam with neo-liberalism (Bedirhanoğlu and Yalman, 2010: 120-122). **Table 7: Turkey Selected Economic Indicators 2002-2008** below illustrates the major economic indicators until the global financial crisis.

Table 7: Turkey Selected Economic Indicators 2002-2008

№	Indicator and Unit	2002	2003	2004	2005	2006	2007	2008
1	GDP (US$ billions)	232.7	304.6	393.0	484.0	529.9	655.9	742.1
2	GDP per capita (US$)	3,403	4,393	5,595	6,801	7,351	8,984	10,745
3	GDP growth (%)	6.2	5.3	9.4	8.4	6.9	4.6	0.7
4	Investment (% GDP)	16.7	17.0	20.3	21.0	22.3	21.4	19.9
5	Savings (% GDP)	18.3	15.1	15.6	15.7	16.2	15.8	15.6
6	Imports (US$ billions)	51.5	69.3	97.5	116.8	139.6	170.1	201.0
7	Exports (US$ billions)	36.1	47.3	63.2	73.5	85.5	107.3	132.0
8	Current Account Balance (% GDP)	-0.27	-2.47	-3.67	-4.57	-6.02	-5.75	-5.25
9	FDI (US$ billions)	1.08	1.75	2.79	10.03	20.19	22.05	18.27
10	CBRT Reserves (US$ billions)	28.0	35.1	37.6	52.4	60.7	74.0	69.7
11	Fiscal Balance (% GDP)	-11.47	-8.84	-5.22	-1.06	-0.61	-1.62	-1.97
12	Primary Balance (% GDP)	3.29	4.03	4.89	5.98	5.45	4.07	3.48
13	Total Public Debt (% GDP)	61.4	55.1	49.0	41.6	34.0	29.5	28.2
14	External (% GDP)	25.2	17.2	13.4	6.5	4.0	1.3	2.1
15	Internal (% GDP)	36.2	37.9	35.7	35.2	30.0	28.1	26.1
16	Real Interest Rates (%)	25.22	27.35	10.43	13.86	5.96	11.75	n/a
17	Private Foreign Debt (US$ billions)	43.0	48.9	63.9	83.9	120.3	160.1	186.0
18	Financial Firms	10.2	13.6	21.7	33.3	49.2	58.6	63.0
19	Non-Financial Firms	32.8	35.2	42.2	50.06	71.1	101.5	123.0
20	Banks' assets (% GDP)	76.6	69.4	71.2	81.5	86.7	87.3	77.1
21	Banks' loans (% GDP)	14.0	14.6	17.8	24.1	28.9	33.9	38.7
22	Consumer loans (% GDP)	0.6	1.3	2.3	4.5	6.3	8.0	8.7
23	Household Debt Stock/Disposable Income	n/a	8.3	14.4	21.9	25.5	28.1	n/a
24	Household Interest Expenditure/Dis. Inc.	n/a	2.4	3.5	3.8	3.8	4.0	n/a
25	Consumer Inflation (%)	45.0	25.3	10.6	10.1	10.5	8.8	10.4
26	Unemployment (%)	10.3	10.5	10.3	10.3	9.9	9.9	11.0

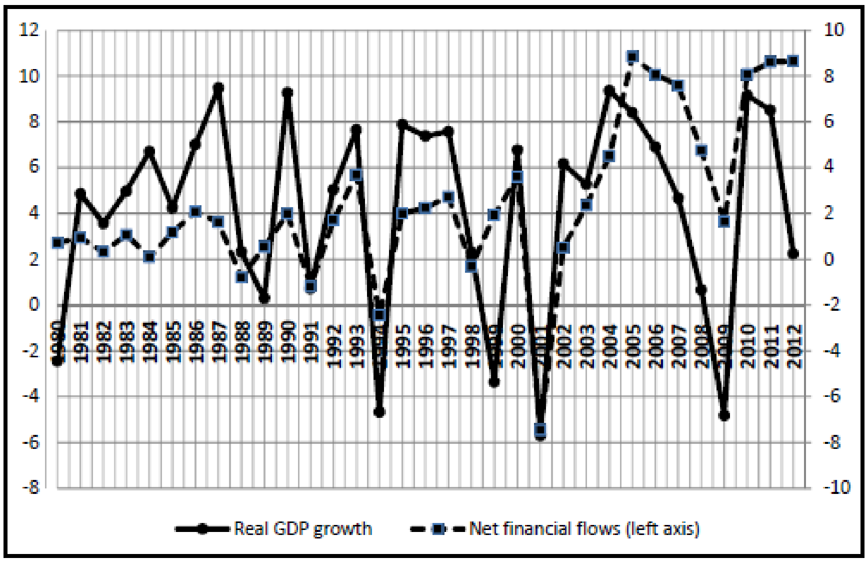
(Source: Öniş and Güven, 2011: 591; Bakır and Öniş, 2010; 95, 97)

The period under question corresponded to the boom phase (2002-2007) of the world economic cycle. This conjuncture of excess global liquidity and low interest rates in metropolitan countries brought inflows of capital towards peripheral countries and subsequent high growth rates, compared with the capital outflows and sluggish growth in preceding boost phase of the cycle (1998-2001). Turkey's integration into the world economy has been deepened through increased financial and trade flows in this context (Boratav, 2009: 12-14; Karaçimen, 2015: 159). Turkey's growth dynamic in this period is *speculative-led growth*;

> The main mechanism has been that the high rates of interest prevailing in the Turkish asset markets attracted short-term finance capital, and in return, the relative abundance of foreign exchange led to overvaluation of the Lira. Cheapened foreign exchange costs led to an import boom both in consumption and in investment goods (Yeldan and Ünüvar, 2016: 13).

Three items comprise foreign capital flows: foreign direct investment (FDI), portfolio flows, and other flows. We observe remarkable increase in FDI after 2001 but "much of the FDI has been in the form of mergers and acquisitions rather than green-field investment" (Öniş, 2009: 426). Sizeable privatizations of state economic enterprises were crucial in this figure (FESSUD, 2013: 154). The second item, portfolio investments comprise hot money that is seeking arbitrage gains. Despite the decline in interest rates in the context of disinflation, Turkey still provided very high real interest rates. Real interest rates averaged 15.76% for the period of 2002-2007, in comparison to "the US and the OECD interest rates [that] were at 2.5-4%" (FESSUD, 2013: 169). The third item in foreign capital flows is other flows that "consist of the international financial transactions of central banks, general government, banks and other sectors" (FESSUD, 2013: 154). In this regard, we can trace the remarkable increase in the borrowing, hence indebtedness, of financial and non-financial corporations from international markets. Availability of cheaper borrowing opportunities (lower interest rates combined with an appreciation of domestic currency) abroad compared to Turkey drove especially non-financial firms to borrow from international markets (Karaçimen, 2015: 207). Overall, as **Figure 1: Net Financial Flows and Real GDP Growth 1980-2012** below illustrates, there is an increasingly stronger correlation between capital inflows and growth in Turkey.

Figure 1: Net Financial Flows and Real GDP Growth 1980-2012



(Source: FESSUD, 2013: 158)

In contrast to rising private sector indebtedness, public sector balances had improved throughout the decade with adherence to the IMF program. Factors contributing to the improvement of the public sector budget were cuts in public social expenditures, revenues coming from privatizations, and an overall decline in the interest rates (Karaçimen, 2015: 200). In this context, the CBRT focused on achieving price stability and managed to reduce the inflation to single-digit numbers after three decades of high inflation. Moreover, the CBRT increased its foreign exchange reserves from $28 billion in 2002 to $69.7 in 2008. Accumulation of central bank reserves has become developing countries' signal of "credibility" to finance capital in the neo-liberal era (Marois, 2012: 248). However, we need to note the "social costs" of holding these reserves, which add up to "substantially higher than the share of government health, education and investment expenditures in GNP" (Bakır and Öniş, 2010: 99).

There was a remarkable transformation in the class structure as well as employment relations in Turkey throughout 2000s. Structural adjustment programs that envisaged cuts in agricultural subsidies and integration in the world markets brought a major break-down of the peasantry. The figures based on the household budget survey "indicate an extensive proletarianization with impoverishment" (Bahçe and Köse, 2016: 67). The erosion of peasant and petite bourgeoisie households meant that they joined the ranks of the proletariat. The labor productivity index in manufacturing reveals that despite significant increases in labor productivity in the aftermath of 2001 crisis, real wages stayed stagnant, reaching 1997 levels only by 2010 (Karaçimen, 2015: 167-168). Insecurity and marketization became prevalent in the labor market policies throughout the 2000s. Social policy in this context was equated with social assistance and services with a distinctive emphasis on preserving the family (ISS, 2015: 73-78).

Financialization, Banking, and Household Indebtedness

Deepening of financialization marks Turkey's political economy following the 2001 crisis. This context brought a significant shift in banks' accumulation strategies. Lower interest rates meant that profiting from government debt instruments was not as attractive as in the 1990s. Availability of corporate borrowing from abroad meant that banks needed to find other activities for profit (Karaçimen, 2015: 160-161; Marois, 2012: 255). Thus, "banks reoriented their business by allocating an increasing proportion of credit to households," a common sign of financialization in the Global South (Bonizzi, 2013-14: 91). An interviewee explained the transformation of bank conduct as follows:

> *Doğan (International Organization): Banks were not really doing banking prior to the 2001 crisis. They were instead financing the public sector, which constituted the biggest share in their profits. In the period following this, they began growing with retail customers, followed by*

> *corporate customers. Finally they grew in the area of small and medium-sized enterprises, and the competition increased in this process [...] Banks got consolidated. Bad banks got out of the system. Foreign partners arrived. Some of the systems are actually due to the integration of foreign banks' global systems into Turkey.*

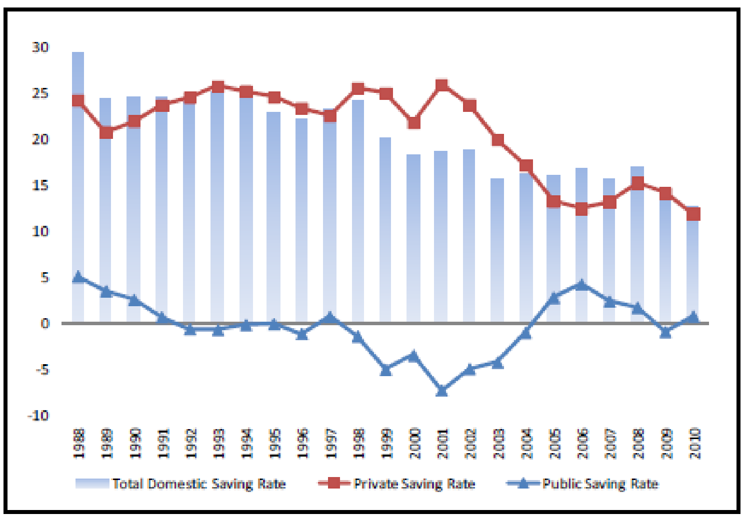
This shift towards households also brought the subsequent restructuring of the banks' internal organization. The banking sector has developed the capacity to cope with working with large numbers of individuals. With the advent of new technologies, the bank branches were reconfigured towards a more "advisory role":

> *Fatih (Professional Association): The operational burden is now on the customer. It used to be on the employee working at the counter of the branch. Now, we are all behaving as individual bank branches. We are managing our own account. I haven't been in the bank for months, but I am doing a banking transaction every day [...] The bank turned me into a branch through the internet and mobile banking opportunities. So, the employees working in the bank are moving away from the operational section. They are not needed much anymore. The employee there needs to be more educated, more directed towards the advisory role.*

The macroeconomic consequences of financial capital's new business model are clearly illustrated in **Table 7: Turkey Selected Economic Indicators 2002-2008** above. The rise of consumer loans to GDP ratio from 0.6% in 2002 to 8.7% in 2008 is remarkable. In this context, banks started to charge fees and commissions for many of the banking services that were once free. Banking fees and commissions that amounted to only $2.8 billion in 2002 rose to $10.8 billion in 2012 (Karaçimen, 2015: 186). The increasing share of household debt stock in disposable income from 8.3% in 2003 to 28.1% in 2007 clearly illustrates banks' orientation towards households. Growing indebtedness meant that households are allocating an increasing portion of their disposable incomes as interest payments to banks, which is another key indicator of financialization in the Global South (Bonizzi, 2013-14: 92). The shift of banking practices corresponds to Lapavitsas' (2009, 2013) concept *financial expropriation*; that is; "the extraction of financial profits directly out of personal income" (2009: 114).

We need to explore the underlying dynamics that resulted in increasing household indebtedness. The decline of private savings is the other side of the coin of household indebtedness. **Figure 2: Total, Private, and Public Savings Rates 1988-2010** below illustrates that whereas the savings rate averaged 23.5% of GNP in the 1990s, 2000-2008 average declined to 17% and the savings rate was 12.7% in 2010. According to the World Bank's study, private savings declined due to macroeconomic stabilization following the 2001 crisis. Factors such as "acceleration of private consumption stimulated by the increased availability of credit, fall in interest rates and previously postponed consumption" have fuelled consumption (World Bank, 2011: i).[29]

Figure 2: Total, Private, and Public Savings Rates 1988-2010



(Source: World Bank, 2011: i)

[29] ING Bank Turkey's quarterly *Survey of Saving Tendencies in Turkey* traces the trends in the savings habits of the "average individual" since 2011 (ING Bank Turkey, 2015: 5). The research for the first quarter of 2015 was conducted with randomly selected 2400 individuals in 26 cities via phone. Findings indicate that 13.2% of urban population above the age of 18 have savings. Among those who save money, the majority (69%) indicated that they are saving regularly, while the remaining does not save regularly (31%). The primary reasons behind saving are stated as "investment in the future" (41%), "for my children" (27%), and "security for unexpected circumstances" (17%) (2015: 15). Leading instruments used by savers are term deposit accounts in TL (35%) and gold & under the mattress cash (TL & FX) (28%), followed by individual pension system (17%), and FX term deposit accounts (8%) (2015: 16). Primary reasons stated for *not saving* are; "not enough income to save" (59%), "current debts" (19%), and "shopping habits" (5%) (2015: 8).

The BRSA similarly explains the reasons behind the post-2001 credit boom as; lower public sector borrowing requirement, increase in per capita income and its predictability, and the decrease of household borrowing costs (BRSA, 2011: 28). An interviewee explained this decline in private savings in following terms:

> *Sevilay (International Organization): The decline of savings in the last 13-14 years compared to 1990s is due to macroeconomic stabilization following 2001. Because interest rates are falling, inflation is falling. To begin with, real interest rate concept is not present in people, generally. They are looking more to the nominal interest rates. Since these are falling, they think that saving in the banks, in deposits, is not wise anymore. The exchange rate is relatively stable after 2001 until 2007-8. What is the alternative of savings? Consumption. Consumption is suppressed in 1990s. Due to macroeconomic instabilities and high inflation, people's precautionary motives rises and consumption decreases. After the 2001 stabilization, the postponed consumption came to the fore and savings declined.*

However, this picture is incomplete unless we add the structural dynamics of capitalism that makes labor both a "cost item" and a "source of demand" (ISS, 2009: 65). On the one hand, capital seeks to depress the labor costs through various mechanisms in the labor market including; rising insecurity of employment, pressure on real wages, and persistently high unemployment in Turkey (Karaçimen, 2015: 159-160). On the other hand, consumption of the commodities was secured by the widespread availability of consumer credit, hence financialization (ISS, 2009: 65). In other words,

> In the period of financialisation, the adverse effects of contraction of the wage share have been tried to overcome with the expansion of consumer credit. In this framework, the labouring masses, which are excluded from production process, are forced to finance their vital consumption with the borrowing. The incorporation of these masses to consumption euphoria has been a basic pillar of the so-called consumer society. This process has also constituted a new control mechanism over labour power (Bahçe and Köse, 2016: 64).

Breakdown of consumer credit statistics indeed reveals that borrowing is made predominantly by low-income groups and wage earners (ISS, 2015: 175).[30] Among the categories of consumer loans in Turkey, personal loans constitute the biggest share,

[30] We can observe the predominance of low income users by looking at all consumer credits classified by monthly income. Users below TL 2000 income constitute 48.3% in 2009, 50% in 2011, and 39.3% in 2014 (ISS, 2015: 176, due to rounding percentages may not add up to 100).

followed by house loans, car loans, and other loans.[31] Among those who use personal loans, individuals with low income (income below TL 2000=$ 666 per month) constitute the vast majority: 70.2% in 2009, 68.7% in 2011, and 54.6% in 2014 (ISS, 2015: 175).

Elif Karaçimen's (2015) detailed fieldwork with metal sector workers in Turkey complements this data with the rationales of consumer credit use as well as the dynamics that perpetuate the control and domination of capital over laborers in the context of high indebtedness. Accordingly, workers' perceptions towards use of credit have changed in the context of banks' turning towards households for profit that eased access to credit. Looking at the use of credit, as shown in official statistics, there is a significant use of individual loans, some of which is used to cover debt such as credit cards or other personal credits. We need to note that changing patterns of consumption increase the cost of reproduction of labor power. Moreover, increasing insecurity and precarious work in labor markets push workers to use consumer credit, specifically credit cards, as a substitute for wages in instances such late wage payments and periods of temporary unemployment. Indebted workers were willing to work longer hours, accept lower pay, and take on precarious work (2015: 317-322). Overall, we need to situate rising indebtedness in the broader dynamics of change of labor markets and financialization.

Deepening of financialization in the Global South is further manifested in penetration of finance into the field of social policy, specifically the privatization of pension system (Bonizzi, 2013-14: 93). Establishment of the individual pension system as a supplementary retirement scheme in Turkey by 2003 is parallel with this trend. In this defined contribution system, individuals can set, reset, and pause their contributions as well as decide the type of financial market investments they are making. They receive the

[31] Breakdown of bank credits according to type of loans in 2006, 2010, and 2014 respectively is as follows: Personal (48.0%, 58.8%, 55.1%), House (37.5%, 30.9%, 24.1%), Car (12.9%, 7.5%, 5.1%), and Other (1.5%, 2.8%, 15.6%) (ISS, 2015: 176, due to rounding percentages may not add up to 100).

chance to retire after being enrolled in the system for a decade and reaching the age of 56 (PMC Website). The magnitude of funds and number of individuals enrolled rose, especially with the introduction of a 25% state subsidy incentive from 2013 onwards: By the end of 2015, the number of individual pension system participants exceeded 6 million people and their total funds amount to $16.4 billion (PMC, 2016: 10).[32] As Sarıtaş-Oran (2015) argues, an individual pension system *financializes retirement*. Retirement is increasingly becoming a personal responsibility and a new profit-making opportunity for the financial sector. What is more, retirement income is indexed to the performance of the financial system (2015: 173-174).

Another aspect of financialization in the Global South has been the "expansion of foreign banks into the domestic market" (Bonizzi, 2013-14: 91). Turkey's experience in the aftermath of 2001 banking restructuring corresponds to this global trend. Leading firms in global finance, as well as influential regional banks, entered into Turkey through mergers and acquisitions. Examples include; HSBC, Unicredito, BNP Paribas, Fortis Bank, General Electric, National Bank of Greece, Dexia, Merrill Lynch, Citibank, EFG Eurobank, and ING Bank (BRSA, 2010: 55; Karaçimen, 2015: 219). Whereas foreign capital owned merely 5% of banks in Turkey before 2001, this ratio increased to 15% by 2007 (Marois, 2012: 252). Turkey's banking sector after the 2001 restructuring exhibited a higher level of concentration. To illustrate, the number of deposit banks declined from 55 in 2000 to 32 in 2010. Whereas the first five banks held 47.0% of the total assets in 2000, this ratio increased to 60.1% in 2010 (BRSA, 2011: 13, 18).

[32] Another key aspect of "mass-based financialization" in the Global South has been the "increasing participation of (especially middle-class) households into the active management of their financial and housing assets" (Bonizzi, 2013-14: 92). While still in its early stages, we can take the growing popularity of individual pension system as an indication of mass-based financialization in which households are given the chance to manage their financial assets. Magnitude of total funds and number of individuals enrolled in individual pension system gradually increased from $2 billion and 1.1 million individuals in 2006, to $6.1 billion and 1.9 million individuals in 2009, and to $11.4 billion and 3.1 million individuals in 2012 (PMC Website; CBRT Website).

Last but not the least, financialization exhibits itself in the Global South with the rise of housing and real estate (Bonizzi, 2013-14: 93). Turkey's remarkable construction boom in the aftermath of 2001 crisis fits this trend as well. The share of FIRE (finance, insurance, real estate and business services) in total employment increased from 3.24% in 2001 to 6.29% in 2009 (FESSUD, 2013: 61). The average growth of the construction industry (11.5%) nearly doubled the GDP growth (6.8%) of 2002-2007 (Karatepe, 2016: 48). Rents arising from land and buildings, specifically in major cities like Istanbul, as well as rising potential of returns in real estate in the context of declining interest rates, fuelled construction industry. The government utilized large-scale infrastructure and construction projects and subsidized housing via Housing Development Administration of Turkey for electoral purposes and for the creation of an organic bourgeoisie (ISS, 2015: 273-275; Karatepe, 2016: 46).

4.5. Turkey in the Context of the Global Financial Crisis: 2008-2016

Global Financial Crisis as an Economic Recession

The global financial crisis had "varied effects by country and region" (Mahon, Boychuk, and McBride, 2015: 4). Whereas the crisis emerged in the Global North in the financial system and followed in the real sector, its transmission to Turkey was mainly through the shrinking demand for its exports, hence an economic recession in the real sector (Oğuz, 2011: 2). Turkey's financial system had shown resilience in the midst of the financial storm mostly due to the banking sector restructuring reforms of the early 2000s. Turkey's banks did not need rescue operations. The GFC was manifested as "an economic depression that shrank production, capacity usage, GDP, employment and increased unemployment" (ISS, 2009: 108-109). **Table 8: Turkey Selected Economic Indicators 2008-2015** below illustrates the severity of economic depression.

Table 8: Turkey Selected Economic Indicators 2008-2015

№	Indicator and Unit	2008	2009	2010	2011	2012	2013	2014	2015
1	GDP (Annual Real % Change)	0,7	-4,8	9,2	8,8	2,1	4,2	3,0	4,0
2	GDP (Nominal Prices, Million TL)	950.534	952.559	1.098.799	1.297.713	1.416.798	1.567.289	1.748.168	1.953.561
3	GDP (Million $)	742.094	616.703	713.638	773.980	786.283	823.044	799.370	719.967
4	Labor Force Participation Rate	44,9	45,7	46,5	47,4	47,6	48,3	50,5	51,3
5	Unemployment Rate	10,0	13,1	11,1	9,1	8,4	9,0	9,9	10,3
6	Balance of Payments (Million $)	-39.425	-11.358	-44.616	-74.402	-47.961	-63.608	-43.552	-32.199
7	Balance of Payments/GDP	-5,3	-1,8	-6,1	-9,6	-6,1	-7,7	-5,4	-4,5
8	Trade Balance (Million $)	-52.917	-24.762	-56.325	-89.160	-65.367	-79.917	-63.597	-48.125
9	Exports (FOB, Million $)	132.028	102.143	113.883	134.906	152.462	151.803	157.610	143.846
10	Imports (CIF, Million $)	201.964	140.929	185.554	240.839	236.554	251.661	242.178	207.207
11	FDI (Million $)	17.302	7.032	7.617	13.812	9.179	8.757	5.476	11.731
12	Net Portfolio Investments (Million $)	-5.014	227	16.083	22.204	41.012	23.988	20.104	-15.498
13	CBRT Foreign Exchange Reserves(Million $)	70.075	70.689	80.696	78.330	100.320	112.003	106.315	92.923
14	Central Government Budget Balance/GDP	-1,8	-5,5	-3,6	-1,4	-2,1	-1,2	-1,3	-1,2
15	Primary Balance/GDP	3,5	0,0	0,7	1,9	1,3	2,0	1,6	1,6
16	Central Government Domestic Debt Stock /GDP	28,9	34,6	32,1	28,4	27,3	25,7	23,7	22,5
17	Central Government Foreign Debt Stock/GDP	11,1	11,7	11,0	11,5	10,3	11,7	11,3	12,2
18	Consumer Credit (Million TL)	83.124	93.319	129.041	168.429	194.034	248.008	281.084	306.145
19	Credit Card Spending (Million TL)	33.419	36.465	43.582	54.987	70.435	82.406	72.522	78.933
20	Consumer Credit + Credit Card Spending Annual % Change	24,0	11,4	33,0	29,4	18,4	24,9	7,0	8,9
21	Consumer Inflation Rate (Annual % Change, 2003=100)	10,06	6,53	6,40	10,45	6,16	7,40	8,17	8,81
22	Housing Price Index (2010=100)	-	n/a	100	110,2	123,1	138,7	158,8	188,0
23	Average $/TL Exchange Rate	1,29	1,55	1,50	1,67	1,79	1,90	2,19	2,72

(Source: The Undersecretariat of Treasury, 2016: 1)

Policy Responses to the Global Financial Crisis

Turkey's stand-by agreement with the IMF was over by May 2008. The Turkish government continued negotiations for over a year in the context of GFC, which was a strategy "meant to serve as a market-assuring pseudo-anchor" (Öniş and Güven, 2011: 599). IMF requests that led to the breakdown of the deal were instituting an autonomous tax administration agency and putting an end to allocation of resources from central government budget to municipalities. Both of these demands were against economic interests of the bourgeoisie that formed the basis of government, comprised of mostly small and medium-sized enterprises that called for fiscal stimulus as well as tax reductions and pardon of social security payments. On the other hand, the biggest business association called the government to strike a deal that would provide foreign financing for corporations and guarantee their debts (ISS, 2009: 141-144; Oğuz, 2011: 2-3).

Government's rejection of striking the IMF deal was framed in terms of "national sovereignty and pride" (Öniş and Güven, 2011: 600). Having rejected the external financing option, the government resorted to several gradual measures that do not amount to a comprehensive stimulus package. Turkey's policy responses to GFC in late 2008 and throughout 2009 are summarized by Öniş and Güven (2011: 595) as follows:

- **Liquidity Supports** *Interest rates*: CBRT reduces overnight policy rates, incrementally from 16.75% in November 2008 to 6.50% in November 2009. *Foreign exchange market*: CBRT resumes intermediation via revived FX Deposit Market; FX reserve ratios reduced; lending and maturity conditions for CBRT FX loans to banks eased. *Capital repatriation*: Asset Peace Law offers tax amnesties for previously undeclared foreign and domestic assets. *Various liquidity*: Interest rates on TL reserves raised; withholding tax on private bonds reduced
- **Banking Regulation** *Profit sharing*: BRSA places limits on banks' profit dividends to bolster paid-up capital. *Credit rules*: Tighter regulations for consumer and corporate FX loans; facility for restructuring nonperforming credit card loans.
- **Demand Stimulus** *Tax reductions*: Wide-ranging temporary tax cuts on autos, consumer durables, and real estate.
- **Industrial Supports** *Export measures*: Eximbank export rediscount credit pool widened, eligibility criteria eased. *SME supports*: Eligibility for SME status

widened; enhanced SME loan insurance via Credit Guarantee Fund; new public loan scheme for SMEs. *Investment supports*: New sectoral-regional investment subsidy regime, combining corporate tax reductions, social security premium reductions, and interest subsidies.

- **Employment Measures** *Employment promotion*: Temporary and part-time employment incentives; renewal of existing subsidies for female and youth unemployment, new scheme for temporary public employment, public internship, and vocational training.

Post-crisis policy responses can be interpreted in general as "turning crisis into opportunity" for the interests of capital (Oğuz, 2011: 11). The list is indicative of the support given to various fractions of capital: liquidity support for the financial sector, demand stimulus to foster commerce and industry, and a new investment subsidy regime aimed at promoting high technology large investments. Employment measures prioritized labor market flexibility through the promotion of temporary and short-term employment while handing over the costs, such as social security payments, to the state (2011: 11-14).

Turkey's economy recovered quickly from 2010 onwards with the help of foreign capital inflows and achieved successive high growth rates 9.2% and 8.8% that pulled back unemployment to pre-crisis levels. The revival of the credit boom paved the way for series of new measures on the macroprudential policy framework by late 2010 and 2011. The CBRT incorporated a financial stability objective alongside its original mandate of price stability and utilized several new policy tools (Yeldan and Ünüvar, 2016: 26). Macroprudential measures that came into effect are; "loan-to-value ceilings, implicit nominal credit growth target, high risk weights for consumer loans, increased provisions for consumer loans, limits to credit card payments, changes to minimum capital adequacy requirements, and changes to deposit insurance premiums" (IMF, 2012: 38).

The institutional manifestation of macroprudential policy framework has been the establishment of the Financial Stability Committee by June 2011 with a decree in the force of law. It includes the chairs of CBRT, BRSA, CMB, SDIF, The Undersecretariat of Treasury, and the Minister responsible from the Treasury. The mandate of the Committee is tackling with systemic risks in the financial system. It is tasked to determine policy proposals and ensure coordination within economic bureaucracy in regards to the management of systemic risks (*Official Gazette*, 08/06/2011). Overall, this institutional reform illustrates the rising need to coordinate further and consolidate the state apparatus that deals with the financial system. Enhancing financial literacy along with financial consumer protection and financial inclusion is one of the widely implemented policy responses to the global financial crisis across the world, as illustrated in Chapter Three. The Financial Stability Committee prepared the *Financial Inclusion Strategy* in 2014 to tackle this challenge in Turkey, which will be explored in the following chapter.

4.6. Conclusion

This chapter provided a cultural political economy account of financialization in Turkey in a chronological structure. Turkey's comprehensive transformation from 1980s onwards has made finance a matter of everyday life in the 2000s. Non-financial corporations engaged financial rather than productive investments. The banks have re-oriented their business strategies towards households and extracted profits out of personal income, hence financial expropriation. The declining private savings, rising household indebtedness, and growing individual responsibility in the pension system has been remarkable throughout the 2000s. This financialization process is further deepening in the everyday lives of the subjects through the emergence of financial literacy agenda in the aftermath of the global financial crisis. The financialization context provided in this chapter forms the basis of the subsequent detailed exploration of the entrance of financial literacy in Turkey's public policy in the following chapter, and the emergence of private financial literacy initiatives in Chapter Six.

CHAPTER FIVE:

FINANCIAL LITERACY IN PUBLIC POLICY

5.1. Introduction

Fieldwork Encounter: Meeting with the BRSA Officials, 02/01/2015

Two officials of the Banking Regulation and Supervision Agency (BRSA) warmly welcomed Ayşe (Civil Society), Sema (Civil Society)*, and me at their office in Istanbul. The meeting was about cooperation potentials between the BRSA and the civil society association that I volunteer for. The meeting started with the presentation of the projects that the civil society association is currently working on. BRSA officials offered some help in these projects and asked for further details to clarify their potential commitments. Following this, there was a conversation about the overall "role taking" within the state. BRSA officials acknowledged that there is a lack of coordination in the state about financial literacy. The conversation also shifted towards private projects, when one BRSA official raised critical remarks about a particular bank that has engaged with financial literacy agenda. Accordingly, this bank had promised to support a non-branded project a year and a half ago. Since then, no action was taken! BRSA official further commented that banks are looking at these issues on "commercial terms."*

The highlight of the meeting was the discussion BRSA's "financial consumer information" website (finansaltuketici.gov.tr/), which is currently under construction. One BRSA official said that they are trying to develop the website and they would appreciate feedback from the civil society association. We were allowed to review the website with username and password provided to us. The BRSA official said that they had provided the curricula in a very "basic" way. Indeed, the website is designed quite simply and decently. There are the following main headings: Savings & investment, credit, security tips, and tools. There are tons of tips as well as frequently asked questions and answers about each item. In terms of tools, one can find a glossary, a credit and interest rate calculator, informative videos, and *complaint tools. Plus there is an animation character which makes it sympathetic for the youth and not just a dull informative website.*

One BRSA official further noted their plans to establish a call-center platform that is not merely a complaint portal but will include questions and answers of around 2000 issues. They also explained a kind of regulation that they are working on, which they hope will become a financial literacy "best practice." Unfortunately, I could not write down the details of this. The conversation shifted to making public aware through public spots, the short informative commercials. One BRSA official said that there is a need to create the "demand" for financial literacy education. Overall, the meeting revealed that the BRSA is taking financial literacy seriously and is open to cooperation in this regard. Indeed, I managed to interview one of the officials immediately after this meeting.

Purpose and Contents

As this fieldwork encounter illustrates, the BRSA is increasingly engaging with financial literacy through various channels. These channels include developing regulations, launching a website, establishing a call center, and cooperating with a civil society association working in this area. This chapter explores the entrance of financial literacy into the public policy agenda of Turkey. The chapter tackles the questions of why and how financial literacy emerged as a significant public policy issue in Turkey following the global financial crisis. The financialization process is further deepened in the everyday lives of the subjects through this emerging financial literacy agenda. Financial literacy is utilized in numerous policy contexts as a tool for; making Istanbul an international financial center, strengthening families through education, increasing domestic savings, and fostering financial inclusion. The *Financial Inclusion Strategy* of 2014, prepared by the Financial Stability Committee, is the guiding financial education policy document. The material used in this chapter is predominantly official documents and reports, supplemented with interviews and fieldwork insights.

This chapter is organized as follows: The second section explores entrance of financial literacy into public policy with the *Istanbul International Financial Center Strategy and Action Plan* in 2009. The third section explores the Ministry of Family and Social Policies' *Family Training Program* launched in 2011. The fourth section focuses on the initiatives of the Capital Markets Board in regards to financial literacy. The fifth section explores various dimensions of the *Financial Inclusion Strategy,* prepared by the Financial Stability Committee in 2014. The Ministry of Development's attempt to increase domestic savings via the *Program for Increasing Domestic Savings and Avoiding Waste*, launched in 2015, is explored in the sixth section. The conclusion provides an overview.

5.2. Istanbul International Financial Center Strategy and Action Plan

The AKP's aim to make Istanbul an international financial center is mentioned firstly and briefly at *9th Development Plan (2007-2013)* under the aim of increasing competitiveness (State Planning Organization, 2006: 89). A comprehensive policy strategy document was prepared under the coordination of State Planning Organization and entered into force on October 2009 (*Official Gazette*, 02/10/2009). The *Istanbul International Financial Center Strategy and Action Plan* outlines major reforms on legal, physical, and technological infrastructure, taxation, regulatory and supervisory framework, and education while identifying 71 specific action items. The strategy document clearly recognizes financialized accumulation as the future of the economy and a growth potential for Turkey:

> The financial sector, which ensures accumulation and effective distribution of resources, incorporates various subsectors integrated with global markets and is capable of producing products/services of high added value, will be the driving force of economy in the coming years [...] Turkey has significant growth potential in all areas of the financial services sector (State Planning Organization, 2009: 3).

The very goal of making Istanbul an international financial center illustrates the prominence of financialization in the public policy vision of Turkey. We can find the goal of enhancing financial literacy under the "developing human resources" component:

> In the context of education policies in the field of finance, it shall be ensured that curricula shall be developed to enhance foreign language education and financial literacy at primary and secondary schooling, the current university programmes shall be updated in cooperation with the sector, the cooperation between the sector and universities shall be encouraged, trainers and academicians shall be educated in the field of finance with respect to the sector's needs (State Planning Organization, 2009: 20).

Relevant actions are listed below in **Table 9: IFC-Istanbul Action Items on Financial Literacy 2009-2011**. These action items clearly recognize the need to enhance financial literacy at all levels of education in the context of providing qualified individuals for the finance sector. In doing so, the strategy envisages extensive cooperation of the finance sector with Ministry of Education and Council of Higher Education as well as leading institutions of the economic bureaucracy such as CBRT, BRSA, and CMB.

Table 9: IFC-Istanbul Action Items on Financial Literacy 2009-2011

№	Action Name	Responsible Organization	Actions and Description
54	Adding basic finance courses to curricula at primary and secondary schooling	Ministry of National Education	In order to give basic finance and economics formation to students from primary schooling, some courses shall be added to the curricula and by the support of specialists from the sector, groundwork shall be established for finance and economics both theoretically and practically.
57	Revising the course contents of finance programs at higher education	Council of Higher Education	Course contents shall be enriched to respond to the specialty needs of the financial center and concentrated on mostly to applications.
58	Encouraging the cooperation between universities and the sector	Council of Higher Education	"Career planning centers" and finance focused centers shall be established for each university, sector employees not holding doctorate degrees shall be allowed to instruct in the universities, as well as academicians be allowed to work in the organizations in the sector.
59	Educating trainers and academicians in the field of finance based on the sector's needs	Ministry of National Education	Programs shall be implemented to meet trainer needs for many fields of finance based on updated university programs and general finance courses at primary and secondary schooling.

(Source: State Planning Organization, 2009: 41)

Revised action plans on IFC-Istanbul were released by the Ministry of Development as a primary transformation program of *10th Development Plan (2014-2018)*. Concrete targets of IFC-Istanbul were listed as follows; "Istanbul will rank among the first 25 global financial centers. Turkey will take place among the first 30 countries in terms of financial development. The share of financial services in GDP will increase to 6 percent at the end of the program" (Ministry of Development, 2015a: 2). There is a growing emphasis on fostering interest-free finance and a detailed action plan for building physical infrastructure in Istanbul (2015a: 4). Financial literacy continues to take part in "increasing qualified human resources" component, organized under two policies:

> Policy 1: Increasing the number of people with an internationally valid certificate in the field of finance and with advanced foreign language skills.
> Policy 2: Improving the undergraduate and graduate curricula in line with the needs of the financial sector (2015a: 26, 28).

Compared to the initial strategy, these actions are crafted more specifically to serve the human resource needs of the finance sector and IFC-Istanbul project with higher-level education goals.[33] It is a step forward to equip finance sector professionals, academics, undergraduate and graduate students with advanced financial literacy.

5.3. Ministry of Family and Social Policies' Family Training Program

The government's social policy vision has emphasized the strengthening of the family. Following the principle "education starts in the family," the Ministry of Family

[33] Revised action items include the following: "[Policy 1] National vocational standards and national qualifications in the financial sector required by businesses and education system will be put into effect. Awareness-raising activities will be conducted to increase the number of experts holding an internationally recognized certificate in capital markets. Post graduate education in the field of finance will be encouraged. [Policy 2] Istanbul will be a national and international post graduate education center in the field of finance. The qualifications of the existing academic personnel in the finance related faculties will be identified and academic personnel will be trained considering the needs of the financial sector. Universities will be encouraged to open and disseminate actuary, money and banking, capital markets and finance programs. A University-sector platform will be established with a view to strengthening the cooperation between universities and finance sector" (Ministry of Development, 2015a: 26-30).

and Social Policies' (MFSP) *Family Training Program* aims to equip individuals "with comprehensive knowledge, skills, and attitudes regarding basic family life skills necessitated by time" (MFSP, 2012: 38). The program development process took place in 2009-2011. The training is free of charge and can be provided by volunteers who received a facilitator training certificate, as well as by numerous public institutions, NGO's, and the private sector. The program covers five domains; family education & communication, law, economics, media, and health. Five modules comprise the economics domain;[34]

- Family Budget and Equity Management (for low-income families)
- Financial Literacy (for middle and high-income families)
- Energy Saving
- Family and Shopping
- Micro-entrepreneurship (MFSP Website)

The first two modules cover financial literacy themes including; basic knowledge of financial concepts and financial system, budgeting, financial planning, saving, investment, indebtedness, credit cards, and financial negotiation (Şarlak, 2012a; 2012b). The energy saving module draws attention to the importance of energy efficiency for the family budget and provides practical tips to ensure energy efficiency in the household and vehicles (Şarlak, 2012c). The family and shopping module provides strategies of conscious consumerism and informs about consumer protection (Şarlak, 2012d). The fifth module is an introduction to entrepreneurship: concepts such as business strategy, business plan, financing options, marketing, and growing the business are addressed together with a review of existing start-up support schemes in Turkey (Uluhan, 2012). Each module is covered with a book, averaging around 70 pages, that seeks to stimulate learning through colorful illustrations, proverbs, fun facts, practical learning activities, and links to further resources. Overall, the Family Training Program is Turkey's most

[34] It is interesting to note that whereas original Turkish website of the Family Training Program names this domain as "economics" [*iktisat*], the English version of this website uses the term "finance."

comprehensive public sector financial literacy curricula (See **Appendix Four: Family Training Program Attainments**). The goals of economics section are outlined as follows (MFSP Website);

- Equip families with an awareness about financial mechanisms,
- Enable families to use their current financial resources productively and effectively,
- Facilitate families obtaining information about small ventures,
- Assist in tracking expenses and spending in accordance with the family's needs,
- Foster a family lifestyle aware of its surroundings through practice of frugality.

From the cultural political economy perspective, these program goals illustrate the main qualities of financially literate subjectivity aimed to be constituted by the state. The aim is not only teaching the basics of finance, but also equipping individuals with a calculative agency that; uses financial resources productively and effectively, tracks expenses, spends consciously, and practices frugality.

5.4. Capital Markets Board and Financial Literacy

The Capital Markets Board (CMB) is the leading institution within Turkey's economic bureaucracy that engaged with international financial literacy initiatives and coordinated numerous national activities. Financial literacy entered into the CMB's agenda with the OECD's recommendation to the board to join the International Network on Financial Education (INFE) in 2010 (CMB, 2011: 102). As the national coordinator, the CMB participated in various expert subgroups of INFE; "'National Strategies for Financial Education,' 'The Role of Financial Education in Financial Inclusion' and 'Empowering Women Through Financial Awareness and Education'" (CMB, 2013: 106). We can observe a close interaction with international organizations in the national financial education policymaking of Turkey. The CMB's vision and rationale to promote financial literacy are stated in subsequent reports as follows;

> Institutional Communications Department of the CMB has been carrying out activities in order to steer the savings of individuals and institutions to capital markets at a greater extent, to create a capital market culture in society so as to provide supply of funds, and to increase the confidence and awareness in capital markets, in other words, the Department has been carrying out activities to increase "Financial Literacy" in society (CMB, 2014: 102).

Interestingly, creating a "capital market culture" is closely connected with the supply of funds that would be steered to financial markets (financial inclusion), within which confidence and awareness would be raised. Put differently, the financial literacy agenda is clearly associated with a particular *cultural change* to foster capital markets. In this regard, the CMB launched a financial education website (www.yatirimyapiyorum.gov.tr) named "I invest" in 2011. Moreover, an annual essay contest was initiated with the partnership of Ministry of Education in 2011 with the quest to "promote capital markets and foster consciousness for saving and investment issues" (CMB, 2012: 81).[35] Primary school 6-7-8th grade (ages 13-15) students write essays to respond to the following question: "Let's assume that your family is not sure to invest money in stock exchange, gold, or real estate. What would you recommend? Why?" (Peker, 2011: 14). This idea to engage students with essay contest project received an award at the Child and Youth Finance International 2012 Summit (CMB, 2013: 106).

Educational activities of the CMB further included training and information seminars delivered to women as well as university students, the latter reaching close to 6,000 students in 2011-2015 (CMB, 2016: 60). To execute the action plans assigned by IFC-Istanbul, CMB signed the *Cooperation Protocol on Investor Education Campaign* with capital market institutions, such as the Istanbul Stock Exchange and the Association of Capital Market Intermediary Institutions of Turkey, to coordinate "various capital markets-related training and promotion activities" in March 2012 (CMB, 2013: 105).

[35] Middle school students would respond to the following question: "If you had TL 100.000, how would you invest this money in financial markets (stock, mutual fund, gold, etc.)?" (Peker, 2011: 14).

The CMB and CBRT jointly organized a high-profile international conference named *Financial Education and Financial Awareness: Challenges, Opportunities and Strategies* in March 2011 as an initial step for a national strategy on financial education. The conference aimed at fostering cooperation and knowledge sharing between stakeholders in Turkey and international authorities. International experiences on financial education and on national strategy building of numerous countries were presented, including the UK, US, New Zealand, Germany, Italy, Brazil, Malaysia, Korea, and the Czech Republic (CBRT Website). We can observe the intention to learn from international experiences.

Speeches of Turkey's high-level economy bureaucrats reveal that they accord importance to financial literacy as an objective. In this regard, the Deputy Undersecretary of Treasury argued that given proliferation in the number and complexity of financial instruments, rising life expectancy of individuals, and increasing personal responsibility on issues such as credit, pensions, and insurance; limited financial literacy demonstrated the need for urgent actions. Accordingly, the goal should be increasing financial literacy and capability of individuals to make right financial decisions, protecting the financial consumer against fraud, increasing the transparency of the financial system, and ensuring the trust of the individuals to the system, all of which requires a national strategy (Aktaş, 2011: 4-6). The Governor of CBRT argued that the recent global financial crisis demonstrated the close relationship between financial education and financial stability, which should be used as an opportunity to bring financial education to the center stage. In this context, benefits of financial literacy will diffuse beyond the individual and ensure the effective functioning and transparency of the financial system as well as foster innovative and competitive products. What is more, financial education will ensure higher propensity to save, hence providing an effective social security system and contributing to investment and growth (Yılmaz, 2011: 1-2).

Another international event that the CMB hosted with the cooperation of a number of capital market institutions is the *2nd Child and Youth Finance International Summit and Award Ceremony* in May 2013 (CMB, 2014: 103). Three hundred five organizations across numerous sectors (government, NGO, financial sector, academia, etc.) from 102 countries were gathered in the Summit. Speaking at the inauguration ceremony, Deputy Prime Minister Ali Babacan promised to support CYFI during Turkey's G20 presidency in 2015 and noted that "It is very important for our children to be introduced to financial concepts at young ages... if a concept is well-learned at early ages, it helps throughout life" (CYFI, 2013: 18). Youngsters rang the Istanbul Stock Exchange bell to initiate the Youth Summit. Outcomes of the Summit are noted by the CYFI as; sharing of best-practices and innovations, recommendations of youngsters to policymakers "on increasing Economic Citizenship globally," and fostering a commitment to and further development of the CYFI movement (2013: 4-5). In sum, hosting this Summit illustrates close collaboration of Turkey with international stakeholders on financial education.[36]

The CMB also engaged in research activities to determine the financial literacy level in Turkey. *Capital Markets Awareness and Knowledge Research* was conducted by CMB with university students and women in early 2011 (CMB, 2012: 81). The university student component of the survey was conducted across 25 universities and 3625 students, most of whom were economics and business students voluntarily attending training seminars of the CMB. Hence, the sample is *not representative* of university students. Students were asked to self-declare their awareness and knowledge of capital market concepts with a questionnaire through 5-point scale ranging from "never heard of" to "totally knowledgeable." Whereas the results indicate that "level of awareness of basic concepts related to capital markets is high" (Işık, 2011: 33), we need to take this with a

[36] Furthermore, CMB hosted OECD-INFE meeting (May 20-23, 2014) in Istanbul (CMB, 2015: 53).

grain of salt due to the limitations of research methodology. The female component of the survey was comprised of 509 participants most of whom were homemakers voluntarily attending to seminars at women clubs located in Ankara and Istanbul. The sample is *not representative* of women in general. Women were given a different questionnaire focusing on determining everyday financial habits and some basic questions on the awareness of capital market instruments. The results indicate that; 80% of participants make a household budget, 37% regularly save money, 72% use credit cards, 40% direct savings into capital markets, and gold is the most trusted investment instrument followed by real estate (2011: 21-30).

The CMB collaborated with a research program of the World Bank, supported by the Russia Trust Fund, which seeks to measure financial capability in low and middle-income countries. The *Turkey Financial Capability Survey* was conducted with 3009 participants selected with a probability sampling method across 40 cities in April-July 2012 (CMB, 2013: 105). Preliminary results were discussed at the *Financial Literacy and Savings Awareness Conference* organized by TÜSİAD, Turkey's largest businessmen's association, in November 2012. Results indicate that frequency of correct responses to financial literacy questions increases in parallel to the rising socio-economic status. Correct response rates to *financial literacy* questions are as follows: simple division 84%, simple interest rate 36%, and compound interest rate 26.1% (CMB, 16/11/2012: 1). Regarding *budget management and borrowing*, more than half of the participants (55%) replied that they "use credit or borrow money to buy food or pay for other necessary items" and again half of the respondents (51%) said that they "borrow money to pay off debts" (Karakurum-Özdemir, 2012: 24-25). On *financial planning*, whereas 78% of the participants said that they plan how to spend their money, 52% of participants plan for less than 6 months ahead. Regarding the *choice of financial products*, if participants had more money, they would invest in gold and foreign currency. Concerning *information on money management*, participants firstly consult acquaintances and then financial professionals. For the question "would you like to receive more information on money management?," 59.8% of participants responded negatively (2012: 38; CMB, 16/11/2012: 2-3).

5.5. The Financial Inclusion Strategy

Preparation

Chapter Four analyzed the establishment of the Financial Stability Committee as a response to the global financial crisis to ensure policy coordination across the economic bureaucracy in Turkey. The Financial Stability Committee's agenda parallels global initiatives such as the G-20 and the Financial Stability Board (*Official Gazette*, 05/06/2014). The Committee officially tasked the CMB to prepare the *National Strategy on Financial Education* by 2012 (CMB, 2013: 105). Having received this task, CMB prepared a draft strategy together with CBRT, BRSA, SDIF and the Undersecretariat of Treasury and further consulted with relevant stakeholders. After the completion of consultations, the draft National Strategy on Financial Education was presented to the Committee by 2013 (CMB, 2014: 102). There is also the simultaneous preparation of the *National Strategy on Financial Consumer Protection* by the BRSA (OECD, 2013: 276).

During the preparation of the financial education strategy, the Turkey Financial Capability Survey results were utilized as "scientific reference point" (CMB, 2013: 105). Data acquired from this survey was used for the determination of action items and groups to be targeted (CMB, 2014: 103). Indeed, the survey "highlighted problem areas, such as indebtedness and very limited use of financial products" and contributed to shaping the financial education strategy's policy priorities; "savings, investments, and debt management" (OECD, 2013a: 277, 279). Moreover, the *G20's Principles for Innovative*

Financial Inclusion was taken into consideration along with previously prepared policy documents (IFC-Istanbul Strategy, Development Plans, etc.) and international literature (Financial Stability Committee, 2014: 1).

Besides the efforts of CMB, financial education had also entered into the strategic plans of the economic bureaucracy comprising the Financial Stability Committee by the early 2010s. CBRT's *Strategic Plan 2014-2018* outlines goals of the bank as price stability, followed by financial stability. Fostering financial literacy is noted as an element of financial stability (CBRT, 2013: 25). The BRSA's *Strategic Plan 2013-2015* aims to strengthen practices on financial access, financial education, and financial consumer protection with an emphasis on consumer protection aspect. In this regard, BRSA notes the importance of harmonization with the *OECD High-Level Principles on Financial Consumer Protection* (BRSA, 2012: 45-49). The Undersecretariat of Treasury's *Strategic Plan 2014-2018* lists the development of financial inclusion strategy as a strategic target towards the goal of strengthening the financial system and its stability. In this respect, the Treasury emphasizes coordination with global financial inclusion initiatives such as *Alliance for Financial Inclusion* and *Global Partnership for Financial Inclusion* (The Undersecretariat of Treasury, 2013: 9). The division of labor within economic bureaucracy indicates the central roles of CMB on financial education, BRSA on financial consumer protection, and the Undersecretariat of Treasury on financial inclusion.

Analysis of the Strategy

The *Financial Access, Financial Education, and Financial Consumer Protection Strategy and Action Plans* was released with a Prime Ministerial circular in June 2014 (Financial Stability Committee, 2014; *Official Gazette*, 05/06/2014). While the title of the document refers to access, education, and consumer protection, it is known as the *Financial Inclusion Strategy*. This is due to the illustration in the document cover page that depicts this trio as the branches of financial inclusion [*finansal tabana yayılma*].[37] The Financial Inclusion Strategy utilizes the following definitions of the terms:

- Access to financial products and services refers to the ability of households and firms to reach financial products and services such as loans, deposits, insurance and payment transactions at a sufficient level with appropriate conditions and to use of these financial products and services.
- Financial education refers to raising the awareness and capabilities of consumers and investors about financial products, concepts and risks by informing them.
- Financial consumer protection refers to arrangements to ensure a just and fair environment of trading for both parties on the supply and demand sides of financial products and services (Financial Stability Committee, 2014: 1).

The Financial Inclusion Strategy does not envisage an action plan on access to financial goods and services. It is noted that financial infrastructure and access in Turkey are sufficiently well developed.[38] Hence, there are two separate action plans on the "demand side"; financial education and financial consumer protection (Financial Stability Committee, 2014: 1). Looking at this "supply side," a study utilizing the World Bank FINDEX pointed out that "[i]n Turkey, bank account, debit card, and credit card ownership, which can serve as the main indicators of access to finance, are at a remarkably high level" (Azevedo et al., 2016: ii). Moreover, the study also found that there is a high level of informal lending as well as low savings rates (2016: 4). Break-down of the data further reveals that "gender disparity" is considerably high; hence women are

[37] The Government of Turkey's explanation of strategy formulation stage in a joint G-20/OECD publication uses a slightly different language: "The national strategy on financial education will be a part of a comprehensive strategy on *financial participation*. The main focus of this strategy will be the empowerment on individuals in financial matters, through coordinated policy actions on *financial education*, *consumer protection* and *inclusion*" (OECD, 2013a: 277, emphases mine).

[38] To put Turkey in comparative perspective, *bank account use* "in Turkey in 2011 is significantly higher than the rest of the ECA region [Europe and Central Asia] and slightly higher than the BRICS. However, usage rates are lower than the level in the developed world" (Azevedo et al., 2016: 6). The reasons for not having a bank account in Turkey are listed as follows; "lack of money" (50%), "too expensive" (27%), "lack trust" (27%), "lack documentation" (22%), "family member already has one" (21%), "too far away" (14%), and "religious reasons" (7%) (2016: 12). Compared to this high formal bank account use, *savings* are remarkably low in Turkey: "In the FINDEX database, Turkey also ranks the fifth lowest in the world among 145 countries, with 9.6 percent of individuals reporting that they save" (2016: 12). Moreover, the high *usage of credit card* signals indebtedness of individuals: "Debit and credit card usage in Turkey is notably higher than the BRICS economies and the rest of ECA countries in 2011 […] In fact, Turkey's overall credit card usage is higher than that of the developed world in 2011" (2016: 15).

less included in the financial system (2016: ii). CBRT (2011: 74) identifies the following barriers to access to financial services:

> Difficulties in SME's access to credit, general shortage of financial awareness in Turkey, tendency towards non-financial investment tools [gold, real estate, etc.], cultural barriers, disparities of income distribution across regions, differences in access to branches across regions due to geographic conditions and security, lack of credit tools to ensure access to the low age groups, such as student credit.

Given these barriers to access to financial services, an action plan to address these issues is curiously missing in the Strategy.[39]

The Prime Ministerial circular accompanying the Financial Inclusion Strategy clearly outlines its underlying rationale. Accordingly, consumers' access to financial goods and services, their conscious usage, and protection from wrong practices are crucial for *financial stability*. Indeed, the circular underlines the formation of the Financial Stability Committee to ensure financial stability. It is further stated that the agenda of this committee is in parallel with the global initiatives such as the *G-20* and *Financial Stability Board* (*Official Gazette*, 05/06/2014). The government of Turkey's submission to the joint G-20/OECD report also explains the rationale for a financial education strategy with reference to the importance of financial education for IFC-Istanbul Strategy and the global financial crisis:

> [F]ollowing the global financial crisis, the importance of financial education has become a noteworthy issue for governments worldwide. Given the momentum provided by the crisis, the necessity of a national strategy has become more apparent among many developed and developing countries and Turkey has been one of them. In fact many institutions in Turkey have already carried out projects to improve financial education, and a national strategy is expected to provide a more effective platform to coordinate these efforts (OECD, 2013a: 276).

---

[39] *Doğan (International Organization)* argued for the need to address access dimension: *"We observe that the access pillar is not present. The public sector maybe approaching like this: "Such number of adults already has access, so we are in a good standing." But this is not just access: How it is used, and how much it contributes to individual's wealth and firms' development. That is somewhat overlooked [...] Shortage of savings is a big issue. The quality of savings is another issue. The quality is very short-term. The maturity of deposits, financial instruments, credits, and savings in Turkey is very short. There is a big maturity mismatch in the system. Turkey wants to finance long term projects, such as PPP and infrastructure. In such a maturity structure, you are taking very big risks. Looking from the side of the public sector, from this strategy, if there was an access pillar, this should be addressed: How can we lengthen the maturity in this system?"*

Interviews with the key informants in economic bureaucracy and professional associations similarly point out the global drivers of Turkey's financial education strategy:

> *Sadık (Bureaucracy): This is the reflection of the general trend across the world. Indeed, Turkey is not isolated in terms of financial markets. We have a financial market working integrated with other markets. It does not take much time for topics that become a trend across the world, that spark intense academic interest, that become popular, to arrive at Turkey. So, I think this is coming to Turkey in line with global trends. This is not something that emerged out of Turkey's own dynamics. But it is an area that Turkey can benefit a lot, as our work with [International Organization] reveals, financial literacy in Turkey is very weak.*

> *Fatih (Professional Association): Trend. Where is this coming from? After the financial crisis, G-20 was formed, it was G7-G8 beforehand. Financial Stability Board was established with a more finance orientation. For capital markets there is IOSCO. Turkey has representation in these international institutions. Indeed, we are taking over the G-20 presidency [in 2015]. Our ministers attend to these meetings. The topics discussed there seek to reduce risks of the financial system [...] There are 10-12 major points, one of which is investor education. So, you are going to the G-20 as the Minister of the Economy. There, Koreans say "we have made financial education strategy." Indians say "we are working on it." As a Turk, you are remaining silent there. When you return back to the country you say "we need to build a financial education strategy" and task the bureaucracy [...] So, is this a need arising from below? No, it is not.*

> *Anıl (Professional Association): Global agenda and Turkey's agenda in finance are almost inseparable. Turkey conducts foreign trade amounting to almost half of her national income. There is a Turkish population living abroad, almost 10% of the country's population. There are financial movements due to these. Turkey's banking sector finances and mediates this economic activity to a large extent. There are thousands of correspondents of this sector across the world. Hence, whatever changes in global agenda have an identical reflection in Turkey. It reflects in the state, in supervisory authorities as well. Besides, Turkey's G20 Presidency, and the preparation stage that began a couple of years ago is a factor that fastens, strengthens, and triggers this.*

Overall, informants and policy documents underlined the influence of global dynamics in the shaping of Turkey's public policy agenda in regards to financial literacy. The goal of Financial Inclusion Strategy is "to increase both access to and use of financial products and services by increasing knowledge and awareness" (Financial Stability Committee, 2014: 2). The purpose is to foster financial inclusion through financial education. Turkey's objectives in preparing a national strategy on financial education are;

- Increasing awareness of the importance of financial education and financial issues.
- Enabling individuals to understand financial concepts and products and to manage their financial assets and obligations.

- Providing individuals with the information and tools they need to make well-informed financial decisions.
- Fostering a savings, investment, and insurance culture among the population (OECD, 2013a: 278).

From a cultural political economy perspective, these objectives clearly outline the creation of a financially literate subjectivity: Knowledgeable about financial concepts and products, competent to manage their assets and liabilities, able to make informed decisions. Moreover, financial literacy agenda entails fostering a particular culture in which savings, investment, and insurance are practiced.

The Strategy envisages a number of benefits that will flow from expanding financial education: "In the short run, increasing individual economic welfare, broadening of the investor base, supplying finance sector with the qualified labor force, the growth of financial markets and its more effective functioning. In the middle and long term, it is expected that the economy will become more stable and societal welfare will increase" (2014: 8). In regards to financial consumer protection, the Strategy recognizes that there is an underlying "information asymmetry and imbalance of power between unorganized individuals (financial consumers) with limited capacity to manage financial risks and large-scale, specialized and often organized producers and dealers (financial institutions)" (2014: 19). It is noted that in the aftermath of financial crises, a global awareness was formed to address financial consumer protection for financial stability (2014: 19). An interviewee from the economic bureaucracy provided a theoretically informed analysis of the relationship between banks and the financial consumer:

> *Orhan (Bureaucracy): Looking from behavioral finance, this relationship between the bank and the customer is problem-ridden. Banks are more rational. They are the side working under the rational expectations theory, making feasibility studies of everything, calculating the possibilities. On the other hand, the customer is more behavioral: More short-sighted, looking after to save the day and acting with emotions. As [State Institution], we think there are two sides to improving this relationship: One, taking measures to prevent the banks using the structural problems of this relationship. Two, strengthening one side [the customer] in this relationship [...] We are*

> *bringing regulations, creating rating parameters on issues such as transparency. On the other hand, there is this reality: There could be a very little educated crowd. So, the goal of the [Financial Literacy Website] is increasing their financial literacy level a little.*

This account illustrates that financial literacy agenda is taken together with financial consumer protection. Overall, it is clear that financial inclusion is given a high priority by policymakers and expected to produce positive economic outcomes in many respects. Given these motivations and rationale, the Financial Inclusion Strategy outlines comprehensive action plans for financial education (36 items) as well as for financial consumer protection (19 items). Action items are crafted to involve a number of stakeholders from public, private, self-regulatory, and civil society associations to ensure effectiveness. The strategy assigns coordination duties related to financial education actions to the CMB and financial consumer protection actions to BRSA. Both of these institutions shall report to the Financial Stability Committee every six months. The Committee is given authority to modify the action plans (2014: 4). **Table 10: Financial Education Action Plan 2014-2017** below illustrates the detailed action items, coordinator institution, and deadlines.

Principles to be followed in conducting financial education are the following: financial education shall be; inclusive to ensure that every section of society benefits, impartial to all financial institutions and products, continuous to cover all phases of life, based on constant measurement and review to track the progress, effective and result-oriented, catered in accordance with the needs of the audience, and delivered with accessible language and practical presentation (2014: 8-9). The action plan is comprehensive with its targeting of numerous groups (students, women, academia, finance sector, etc.) with multiple different types of activities.

Table 10: Financial Education Action Plan 2014-2017

Action Group	№	Action	Coordinator Agency	Deadline
Research	1	Develop a Communication Policy for the Financial Education Action Plan	Capital Markets Board	Sep 2014
	2	Identify activities being executed by agencies and organizations related with financial education, and incorporate these activities into the national Strategy	Capital Markets Board	Dec 2014
	3	Conduct surveys and evaluate existing surveys to monitor the level of financial literacy in Turkey	Capital Markets Board	Dec 2014
	4	Encourage establishment of education and research centers for financial services, and coordinate the financial education activities of existing centers	Undersecretariat of Treasury	Dec 2014
	5	Profile financial consumers in Turkey	Capital Markets Board	Jun 2015
	6	Identify the methods to be used for measuring the efficiency of financial education programs	Capital Markets Board	Jan 2015
	7	Organize a *Financial Education Summit* every year, with the participation of individuals and institutions involved in financial education activities	Capital Markets Board	Dec 2017
General Public	8	Creating a joint website for documents and studies regarding financial education and publicize financial education activities via social media	Capital Markets Board	Sep 2014
	9	Improve the investor web site (www.yatirimyapiyorum.gov.tr)	Capital Markets Board	Dec 2017
	10	Develop educational and promotional materials and educational visuals regarding financial education	Capital Markets Board	Dec 2014
	11	Promotional and awareness raising activities regarding the mechanisms for the protection of financial consumers	Banking Regulation and Supervision Agency	Dec 2017
	12	Awareness raising activities on public and private pension systems	Undersecretariat of Treasury	Dec 2017
	13	Raise interest in financial matters through conferences, seminars, TV and radio programs and contests	Capital Markets Board	Dec 2017
	14	Raise awareness and encourage the use of the Kuruş (Turkish lira coins)	Central Bank of the Republic of Turkey	Dec 2017
Family & Women	15	Provide financial education through communication channels accessible to families	Ministry of Family and Social Policies	Dec 2017
	16	Raise awareness among housewives about financial matters	Ministry of Family and Social Policies	Dec 2017
Primary & Secondary Education	17	Enhance basic financial subjects in primary and secondary education curricula and extensive education programs	Ministry of National Education	Dec 2017
	18	Execute projects to attract the attention of students to financial subjects	Ministry of National Education	Dec 2017
	19	Inform and train teachers and trainers on financial subjects	Ministry of National Education	Dec 2017

Table 10: Financial Education Action Plan 2014-2017 (continued)

Action Group	№	Action	Coordinator Agency	Deadline
Universities and Academia	20	Raise levels of knowledge and awareness among university students about financial subjects through conferences and seminars, TV and radio programs	Capital Markets Board	Dec 2017
	21	Incentivize internationally recognized post-graduate and doctorate programs in our country, and in line with the needs raise trainers and academicians	Council of Higher Education	Dec 2017
	22	Encourage cooperation between universities and the financial sector	Council of Higher Education	Dec 2017
	23	Review the contents of curricula on financial subjects at higher education level and include financial education in non-financial programs as well	Council of Higher Education	Jun 2015
	24	Encourage academic researches on financial subjects through prize competitions, scholarships, etc.	Council of Higher Education	Jun 2015
	25	Prepare financial markets glossary	Capital Markets Board	Jun 2015
Public & Private Sector Employees	26	Prepare promotional and training activities for chambers, associations, foundations and other NGOs	Capital Markets Board	Dec 2017
	27	Train newly recruited public and private sector employees on financial subjects	Ministry of Labor and Social Security	Dec 2017
	28	Provide necessary financial education to SMEs	Union of Chambers and Commodity Exchanges Turkey	Dec 2017
	29	Train media members on financial subjects	Central Bank of the Republic of Turkey	Dec 2017
	30	Ensure the specialization of consumer courts on financial issues	Justice Academy	Dec 2017
Finance Sector	31	Provide continuous training for the employees in the financial sector	Capital Markets Board	Dec 2017
	32	Improve opportunities for on the job training in the financial sector	Capital Markets Board	Dec 2017
Other	33	Educate unemployed youth on financial subjects	Ministry of Family and Social Policies	Dec 2017
	34	Educate the elderly on financial subjects	Ministry of Family and Social Policies	Dec 2017
	35	Educate the disabled, their families and guardians on financial subjects	Ministry of Family and Social Policies	Dec 2017
	36	Train individuals at teachable moments in life on financial subjects according to their needs	Ministry of Family and Social Policies	Dec 2017

(Source: Financial Stability Committee, 2014: 10-17)

Measuring Financial Literacy Level of Turkey

The financial literacy level in Turkey will be monitored with surveys to observe the developments, as envisaged in the action plan. The Capital Markets Board, in partnership with several capital market institutions, conducted the *2nd Financial Literacy Survey of Turkey* by using the OECD-INFE questionnaire to interview the representative sample of 3000 individuals in 2015 (CMB, 05/10/2015: 1). Findings indicate an increase in the level of *financial knowledge* in 2015, in comparison to 2012:

- Basic mathematical calculations in finance: 84% in 2012 to 93% in 2015
- Correct responses to time value of money question: 28.4% to 50%
- Calculating interest accrued on loan: 72.5% to 84%
- Correct answer to basic interest question: 35.5% to 54%
- Correct answer to compound interest question: 26.1% to 32% (05/10/2015: 1)

Overall, financial literacy level increases in parallel with the rise of individual's education level as well as with the increase in household income. The gender dimension indicates that women's financial literacy level is lower than men. With respect to the age dimension, financial literacy declines in the elderly (05/10/2015: 2-3). The survey also found increasing access to financial products and services, again outlined as the comparison of 2012 with 2015 (05/10/2015: 2):

- Owns gold: 11.8% in 2012 to 24.9% in 2015
- Owns foreign exchange: 4.3% to 10.5%
- Has a deposit account: 20.4% to 49.3%
- Uses bank credit: 11.8% to 33.1%
- Using informal credit & borrows from acquaintances: 14% to 22.6%
- Uses life/health insurance: 6.5% to 8.1%
- Engages in term contract and Forex transactions: 1.1% to 5.2%
- Enrolled in individual pension system: 2.2% to 5.4%

Besides access to financial products and services, the survey also reveals certain financial habits of individuals for 2015 such as; "having a household budget" (77%), "not having a retirement plan" (18%), "not having any savings" (44%). Last but not the least, the survey found out that 18% of participants is aware of the public and private financial literacy initiatives (05/10/2015: 2). Overall, survey results indicate a modest increase in financial literacy, most probably as the result of the private as well as public financial literacy initiatives.

Responses to the Strategy: Fieldwork Insights

My fieldwork (September 2014-January 2015) corresponded to the immediate aftermath of Financial Inclusion Strategy's release in June 2014. Fieldwork insights are mostly general comments of stakeholders on the Strategy document, the general state of affairs in financial education, and observations on the lack of implementation. Economic bureaucrats were aware of the coordination problems in the implementation of the strategy, illustrated in the fieldwork encounter described at the beginning of this chapter. Moreover, bureaucrats also acknowledged the delay in the Strategy implementations at the time of the fieldwork *(Sadık, Bureaucracy)*. Nevertheless, bureaucrats also expressed the importance of the publication of a circular addressing financial education as follows:

> *Samet (Bureaucracy): It is a Prime Ministerial circular directly concerning financial literacy. This is a very important document showing that our government is taking ownership, paying attention to this issue in Turkey [...] These types of documents in public sector forms the basis of all the activities that we do. Hence, this has formed the basis of financial literacy activities in Turkey.*

The Strategy's structure and effectiveness of implementation were a question mark for numerous civil society, firm and professional association informants. A key informant from civil society interpreted the Strategy as follows; *"The state only did it since they had to do [yasak savmak]" (Ayşe, Civil Society)*. Similarly, another informant noted that *"this is an easily marketable issue for politicians to the public, even if you don't do anything"* and further criticized the scattered structure and coordination problems compared to the global best practices *(Fatih, Professional Association)*. Regarding coordination problems, a key informant from civil society similarly argued that:

> *Gamze (Civil Society): We really wanted a platform in Turkey that included the state, private sector, the civil society where everyone would contribute but has a single authority leading, be it the Minister of Economy, or etc. That it should be a platform managed by the highest authority and a single authority. We called this national council. Good practices abroad generally work this way. Those that don't work are monsters with lots of heads: Everyone is pulling this to somewhere, doing something on their side, resulting in lots of overlap, and lots of inefficient work [...] As this becomes a very delicious, savoury, and sexy topic, the current course of events look like everyone is trying to make it a heading that they own, unfortunately.*

Indeed, the overlaps between financial literacy efforts of the economic bureaucracy are clearly observable in the launching of multiple websites: BRSA's *Financial Consumer*, CMB's *I Invest*, Ministry of Family and Social Policies' *Family Training Program*, ISE's *Conscious Investor*, and The Association of Capital Market Intermediary Institutions of Turkey's *My Money and I*. An informant working in this field pointed out the lack of coordination in private as well as public sector initiatives as follows:

> *Neslihan (Firm): This really needs to be coordinated from somewhere. And that place is not just the state, the policy makers. This should be developed holistically with those working in this field such as private sector representatives, civil society associations, academics, and representatives of consumer bodies [...] Naturally, everyone is working to have a project of their own, to be different, and to come forward. But the holistic working style should be more present in the public sector. I don't know why they have different websites [...] I am sure there will be overlapping contents.*

Overall, the fieldwork insights after the launch of the Strategy illustrate its failure to ensure an effective national coordination in financial education. We can identify many shortcomings of the Strategy in light of the *OECD/INFE High-level Principles on National Strategies for Financial Education*. Accordingly, the national financial education strategy's preparation phase should include the survey of the country's financial literacy level, identification of current financial literacy activities, and engagement with relevant stakeholders. While Turkey's 2012 financial capability survey is in line with this guidance, the engagement with stakeholders during the Strategy preparation was weak. Moreover, the Strategy should have identified and cooperated with current financial literacy initiatives during the preparation phase, instead of postponing this as an action item after the Strategy's release. A public institution (CMB) is made responsible for the national co-ordination of financial education, rather than a multi-stakeholder coordinating council. The Strategy does not identify a single quantifiable target, hence fails to provide clear objectives. The Strategy does not provide any guidance to financial education initiatives so as to effectively coordinate and integrate them into the vision of the national strategy. In sum, Turkey's financial education policy fails to conform to the global policy tools.

5.6. Program for Increasing Domestic Savings and Avoiding Waste

The domestic savings rate in Turkey fell quite dramatically throughout the 2000s, as explored in Chapter Four. The World Bank analysis of the decline in private savings points out that macroeconomic implications of low domestic savings are low levels of investment and growth as well as risks of sustainability of foreign financing of investments, given Turkey's high current account deficits (World Bank, 2011: ii). A "national financial literacy strategy" was on among the propositions of the Bank to improve private savings (2011: iv). The Ministry of Development seeks to tackle this decline of domestic savings with a priority transformation program that came into effect in February 2015. The *Program for Increasing Domestic Savings and Avoiding Waste* "aims at increasing domestic savings that are the most reliable and sustainable source in financing investments" (Ministry of Development, 2014: 154). Echoing the World Bank's assessment, the program objective notes both the positive relationship between savings, investments, and growth as well as the sustainability concerns arising out of external financing of investments (2014: 154). The program target is to lift domestic savings to 19% by 2018 through 74 action items. Proposed action items include; macro-prudential measures to curb consumer credit boom, financial inclusion measures to attract the savings outside of financial system, consumer protection measures, awareness raising campaigns for conscious consumerism as well as for cultivating the habit of savings in families and children, promotion of individual pension system, and increasing financial literacy (2014: 154-155). "Increasing financial literacy and expanding financial education" policy appears in this program as an aspect of "encouraging savings with financial market instruments" component (2014: 154). The 10th Development Plan views financial education as a factor that could contribute to increasing domestic savings rate (2014: 72).

Table 11: Savings Program Action Items on Financial Literacy 2015-2018

№	Action	Responsible Institution	Explanation
1	Developing periodic surveys to track financial literacy level of Turkey.	Capital Markets Board	Financial literacy surveys will be conducted in 3 year periods (2015, 2018) in order to trace the developments in financial literacy level.
2	Preparation of education and promotion materials and educational visuals on finance.	Capital Markets Board	Resources such as explanatory brochures, booklets, educational games on increasing awareness of financial products and services, understanding risks in financial markets, ensuring conscious decisions in these areas, and applying for assistance will be made widely available.
3	Raising interest on financial matters through conferences, seminars, television-radio programs, and contests.	Capital Markets Board	Educating various target populations according to their needs and raising financial awareness are aimed. In this framework, radio and television programs-contests will be held, and public commercials will be prepared.
4	Delivering financial education to family members and women.	Ministry of Family and Social Policies	Determining financial education needs of families and women, preparing appropriate educational material, training trainers, and organizing education activities such as seminars to provide women entrepreneurs' access to financing.
5	Development of basic finance topics in primary and middle school curricula as well as in extended education. Education of teachers and education executives.	Ministry of National Education	Education of teachers as well as education executives and development of supplementary education materials & resource books.
6	Financial education of the newly hired employees in public and private sector as well as raising awareness of public and private pension systems.	The Undersecretariat of Treasury	Various promotion activities will be held, and tools such as books, brochures, and seminars will be used.
7	Financial education of individuals in teachable moments of their life and other groups.	Ministry of Family and Social Policies	Financial education of youth for circumstances such as marriage, divorce, inheritance, entering the university, and birth. Delivering special educations for those who may have difficulties accessing these educations including persons with disabilities and the elderly. Ensuring educator's education.

(Source: Ministry of Development, 2015b: 41-42)

Table 11: Savings Program Action Items on Financial Literacy 2015-2018 above outlines detailed actions and responsible institutions. The vision here is a comprehensive financial education at all levels of the education system as well as for families and women, newly employed public and private sector employees, those in teachable moments in their lives, persons with disabilities, and the elderly. The vision of raising interest on financial matters through conferences, seminars, TV and radio programs and contests reflects how financialization disseminates into the everyday lives of people through the state initiatives. Moreover, raising awareness on individual pension system is viewed as an aspect of financial education directed to increase domestic savings. Periodic surveys of the financial literacy level of Turkey are envisaged. Overall, most of these action items are similar to the ones in the Financial Inclusion Strategy.

5.7. Conclusion

This chapter began with a fieldwork encounter that illustrated the engagement of the economy bureaucracy with the financial literacy agenda. Why and how did financial literacy emerge as a significant public policy issue in Turkey following the global financial crisis? To answer this question, this chapter explored the utilization of financial literacy in numerous policy contexts as a tool for; making Istanbul an international financial center, strengthening families through education, increasing domestic savings, and fostering financial inclusion. The Financial Inclusion Strategy underlines that financial education, financial consumer protection, and access to financial products and services are crucial for the stability and development of financial markets. The Strategy aims to equip individuals with the knowledge of financial concepts and financial products, enhance individual capacities for well-informed financial decisions, and promote a culture of savings, investment, and insurance. The state's involvement in furthering financial literacy agenda is not confined to these policy contexts. Numerous public institutions, including Ministry of National Education, Ministry of Development, and Ministry of Family and Social Policies, take part as stakeholders in various private financial literacy education initiatives. The rationale, formation, and day-to-day conduct of private financial literacy initiatives are explored in the following chapter.

CHAPTER SIX:

INSIDE FINANCIAL LITERACY INITIATIVES

6.1. Introduction

Fieldwork Encounter: Corporate Social Responsibility Marketplace, 10/12/2014

By noon, I was at the Corporate Social Responsibility Marketplace *event at Kadir Has University Cibali Campus, located at the Golden Horn in Istanbul. The giant hall was indeed a "marketplace" that allows attendee's to visit stands of 19 corporations and 7 civil society associations throughout the afternoon. The visiting crowd was mostly corporate officials. But there were also lots of university students. I was pleasantly surprised to see I Can Manage My Money stand at the event. A project staff and a master educator from Habitat were working at the stand. The stand was enriched by a laptop illustrating the education curricula, LCD display screening project video, lots of notebooks as swags, and project brochures. Unlike the usual project material that displays all stakeholders (Ministry of Development, UNDP, Habitat, and Visa) this brochure had only Visa's logo. Project staff from Habitat was frustrated about this publicity concern, but he couldn't do anything about it since these brochures arrived a day before.*

I stayed around the stand about a half-hour, observing project staff answering questions coming from the audience. The pitch was this: "I Can Manage My Money project operates in 73 cities across Turkey with more than 600 volunteer educators and reached 52.000 young people." Most of the students who approached knew nothing about financial literacy. They found the project valuable after receiving information. Most of the neighboring stands also visited, several of whom were interested in partnerships. They exchanged business cards. By the end of the day, I Can Manage My Money was awarded one the three "best of the best CSR project award," as well as an award in the theme of "stakeholder cooperation." I found this latter really ironic since Visa's brochure had none of its stakeholders' logo! I *took the photograph of the project staff with the awards and sent it to them, which was immediately circulated on social media* (see **Photograph 4: CSR Marketplace** below).

Photograph 4: CSR Marketplace

(Source: Author's Fieldwork Photographs)

Financial Literacy Education Initiatives in Turkey

This fieldwork encounter is an example of how financial capital's corporate social responsibility initiatives on financial education are valued as success stories in Turkey. **Table 12: Financial Literacy Education Initiatives in Turkey** below illustrates various aspects of the major financial literacy education initiatives in the chronological order of their launch. Characteristic features of financial literacy initiatives in Turkey are the following. Almost all of these initiatives have started with the advent of the global financial crisis. Leading corporations of global finance such as Visa, MasterCard, Citibank, JP Morgan, Experian, ING Bank, BNP Paribas (majority shareholder of Turkish Economy Bank), and HSBC, developed these financial literacy initiatives as part of their corporate social responsibility.

Table 12: Financial Literacy Education Initiatives in Turkey

№	Project Name	Stakeholders	Launch	Target Audience and Reach	Curricula
1	Savings Education [*Birikim Eğitimi*]	- Citibank (Corporate) - The Educational Volunteers Foundation of Turkey (CSA)	2005	- Children aged 11-16 - 30.000 participants (October 2009)	- Money, earning money, budgeting, conscious consumerism, savings & investment, needs & wants, compound interest, and basic banking services.
2	I Can Manage My Money [*Paramı Yönetebiliyorum*]	- Visa Europe (Corporate, on behalf of 23 member banks) - UNDP (International Organization) - Ministry of Development (State) - Habitat Center for Development and Governance (CSA)	2009	- High school students (ages 15-18), university students (19-23), young adults (24-30), and young entrepreneurs (15-30). - 1034 volunteer trainers, 224.000 participants (by September 2016)	- Individuals: Financial goals, budget, expenditures, savings, investments, and debt. - Entrepreneurs: Entrepreneurship process, SWOT analysis, budgeting, feasibility, income-expenses table, cash flow table, financing, and resources.
3	More Than Money [*Akıllı Para Yönetimi*]	- HSBC (Corporate) - Junior Achievement Turkey (CSA)	2010	- Primary school 4th-grade students. - 900 participants (end of 2013)	Managing money and bank accounts, occupations, business ethics, conscious consumerism, and starting a business.
4	Road Towards Istanbul Financial Center: Targeting 20 Thousand Woman [*İstanbul Finans Merkezi Yolunda: Hedef 20 Bin Kadın*]	- Doğuş Group (Corporate) - Para Durumu (Corporate) - Ministry of Family and Social Policies (State) - Istanbul Metropolitan Municipality Lifelong Learning Center (State)	2012	- Women attending Istanbul Metropolitan Municipality Lifelong Learning Center. - 20.000 participants (by 2015)	Money, financial planning, saving, budgeting, debt management, entrepreneurship, and micro-credit.
5	3 Moneybox [*3 Kumbara*]	- Doğuş Group (Corporate) - Para Durumu (Corporate) - Ministry of National Education (State) - Financial Literacy and Inclusion Association of Turkey (CSA)	2012	- Primary school 4th-grade students and their parents. - 333.235 in class education and 77.982 theater education (by September 2016)	Management of money, pocket money, and budget. Concepts of saving, sharing, and spending.
6	Family Academy [*Aile Akademisi*]	- Turkish Economy Bank (Corporate) - Ministry of Family and Social Policies (State) - Ministry of National Education (State)	October 2012	- Educations in bank branches, private firms, chambers, associations, universities, schools. - 200.000 participants (end of 2015)	Money, budgeting, debt management, saving, credit card, buying a house, children and money.

Table 12: Financial Literacy Education Initiatives in Turkey (continued)

№	Project Name	Stakeholders	Launch	Target Audience and Reach	Curricula
7	Manage Your Future Now [*Geleceğini Şimdi Yönet*]	- Experian (Corporate) - Kredi Kayıt Bürosu (Corporate) - UNDP (International Organization) - Ministry of Development (State) - Habitat Center for Development and Governance (CSA)	2012	- University students, fresh graduates, members of youth NGO's, unemployed youth, and working youth aged 18-30. - 32 volunteer trainers, 2.700 participants (by November 2016)	Conscious borrowing, credits, budget management, and creditworthiness.
8	Heroes of the Economy Children [*Ekonominin Kahramanı Çocuklar*]	- Akbank (Corporate) - Sabancı University (Academia) - Private Sector Volunteers Assoc(CSA) - Söz Consultancy (Corporate) - Ministry of National Education (State)	2012	- Primary school 3rd and 4th-grade students. - In-class education and theater reached total of 55.000 participants (end of 2015)	Money, banking, needs & wants, conscious consumerism, saving,
9	Orange Drops [*Turuncu Damla*]	- ING Bank (Corporate) - Koç University (Academia) - Ministry of National Education (State) - Regional Environmental Center Türkiye (CSA)	April 2013	- Primary school 3rd and 4th-grade students. - 23.500 participants (by August 2016)	Perception of limited resources and budgeting, smart shopping, self-control against temptation goods, patience, and saving for a target.
10	3X Company Programme [*3X Şirket Programı*]	- Junior Achievement Turkey (CSA) - Ministry of Development (State) - Istanbul Development Agency (State) - Ministry of National Education (State)	August 2014	- High school 2nd and 3rd-grade students. - 4.000 participants (end of 2016)	Effective inclusion to the labor market, financial literacy, and entrepreneurship.
11	Account Specialist of Home Women [*Evin Hesap Uzmanı Kadın*]	- MasterCard (Corporate) - Turkish Women's International Network (CSA) - Social Security Institution (State)	April 2015	- 18-35 aged working women with Social Security Institution registration. - 7.000 participants (end of 2015)	Benefits of being insured, budgeting, basic financial concepts, conscious use of banking and systems with card products, and savings.
12	Money Direction [*Parayön*]	- JP Morgan Foundation (CSA) - Financial Literacy and Inclusion Association of Turkey (CSA)	October 2015	- High school students, students aiming to attend university, and disadvantaged youth. - 9.000 participants (by Feb. 2016)	- Basic finance. - University money matters. - Living independently, budgeting, income, banking, benefits, borrowing, beyond today.

(Sources: Corporate and Project Websites)

The multi-stakeholder partnership structure of the initiatives signifies the division of labor: corporations provide the funding, public partners secure access to the target audience, academics or content creating firms prepare the curricula, civil society associations deliver the educations, research firms conduct impact analysis. Educations and curricula are targeted to a number of groups including students of primary, high school, and higher education, entrepreneurs, disadvantaged youth, and women. Common topics across financial literacy curricula are budgeting, saving, debt management, financial planning, and conscious consumerism. Mediums of instruction include in-class instructions, seminars, videos, books and worksheets, games, theaters, and websites. Significant resources are devoted to financial literacy initiatives. Indeed, close to a million individuals are reached in the span of few years.

Purpose and Contents

This chapter provides an inside perspective on these financial literacy education initiatives.[40] The following research questions will be answered: why, how, and through which mechanisms is financial literacy education rationalized, formed, and conducted in Turkey? The material used for this chapter is a blend of corporate reports, project documents, websites, and primary fieldwork data from interviews and participant observation. This chapter's narrative differs from the preceding ones due to the utilization of numerous data sources so as to illustrate a plurality of perspectives (corporate, state, international organization, civil society association, volunteer, academic, the author) on financial literacy education initiatives. This chapter's discussion of

[40] Besides providing financial education, financial capital engages in a number of different financial literacy initiatives. These initiatives include research partnerships with academics such as ING Bank's quarterly *Survey of Saving Tendencies in Turkey* that began in 2011, and TEB's *Financial Literacy and Inclusion Index* in 2013 and 2014. Visa Europe has organized several conferences on financial literacy since 2006. TEB and FODER's joint *Financial Literacy and Inclusion Summit* in 2013 and 2014 are also worth mentioning. Since this dissertation focuses primarily on financial literacy *education*, research and policy-making initiatives on financial literacy will be dealt with peripherally.

financial literacy initiatives sets the stage for the analysis of the financially literate subjectivity itself in the following chapter.

This chapter is organized as follows: the second section answers "why" financial capital initiates financial literacy initiatives as part of their corporate social responsibility (CSR). The rationales and aims these of projects are explored from CSR departments' perspective as well as from others stakeholders' perspectives. The third section answers "how" these financial literacy initiatives are formed and conducted. Various aspects of these projects such as partnership formation, curricula preparation, and the effectiveness of education are explored here. The author's participant observation in three financial literacy-related civil society associations brings the question of navigating reflexivity, explored in the fourth section. The conclusion provides an overview.

6.2. Financial Literacy as the Corporate Social Responsibility of Financial Capital

Business Models and Sustainable Banking

The deepening of financialization in Turkey following the 2001 crisis is explored in detail in Chapter Four. It is worth reminding that the banking system was consolidated and numerous global banks entered into Turkey's financial system through acquisitions. Macroeconomic stabilization paved the way for changes in the business strategy of financial capital. In the face of declining profit opportunities in government debt instruments, banks re-oriented their business strategies towards profiting out of households. Banks started to charge fees and commissions for customer transactions. The rise in credit card and consumer credit usage, as well as the consequent increase in the share of interest payments in household disposable income, can be considered as *financial expropriation*; "the extraction of financial profits directly out of personal income"

(Lapavitsas, 2009: 114). Characteristics of the banking conduct during this period are explained by an informant as follows:[41]

> *Kerim (Firm): There was this sales practice in banking. I am not talking about our own bank. I am telling this as a bank employee in this market: Trying to sell products to the customer without customer's knowledge, or selling the products according to our needs rather than the customer's was a prevalent understanding in the market. This was creating a serious dissatisfaction in the customers throughout the years. Indeed, the customer was reacting with prejudice even to the products they needed […] Something had to change. There is a prejudice in the market. In order to remove this, we need to change ourselves. There emerged a need to give this perception [financial literacy] to the young children to serve the coming generations a better service.*

The accounts of *Kerim (Firm)* as well as *Celal (Firm)* underline that business models profiting out of customers' lack of knowledge have faced the problem of sustainability. As discussed in Chapter Three, the global financial crisis brought the concern towards *sustainable banking* conduct.[42] Long-term customer loyalty is prioritized over short-term gains. Moreover, the United Nations Global Compact CEO survey pointed out that "the imperative to act has shifted from a moral to a business case" in sustainability issues (2011: 2). As an interviewee said, *"CSR has turned from 'nice to have' to really 'must have'"*

---

[41] The tendency to exploit customers' lack of knowledge can also be observed in the capital markets. *Celal (Firm)* explains this as follows: "*Istanbul Stock Exchange became operational in 1986. Throughout the first years, since we, the managers of intermediary institutions, did not know this business well, we put people into what is called "session rooms" [seans odaları] [...] It was a less conscious crowd. And we directed this less conscious crowd in our own will. I am talking about the sector in general. We made them all "buy-sell people" [al-satçı yaptık]. Since they were constantly doing transactions, we made commission income. But what happened? All of these people diminished in the short term because one can not make money with buy & sell. FOREX firms are doing the same thing now [...] Banks, capital markets intermediary institutions, and FOREX firms make money out of unconscious consumer in the short run. But this is not smart. This is not rational either. Because you are constantly loosing clients. The best example of this is the capital markets in Turkey. When I started this business in the 1990's, there were 1 million accounts. After 20 years, there are still 1 million accounts. Back then, 500.000 of these accounts did transactions, now 50.000 do."*

[42] There are two major initiatives formed to foster sustainable banking practices in Turkey. UNGC Turkey network created *Sustainable Banking and Finance Working Group* in 2013. Comprised of 15 banks, this working group aims *"to provide a benchmark environment on the newest global sustainability resources and to seek for signatories to Equator Principles" (Taner, Business Association)*. Accordingly, 7 banks have published a sustainability report and 5 banks became signatories of UNGC (UNGC Turkey, 2016: 23-24). The second sustainability initiative is *Role of Financial Sector in Sustainable Development Working Group* of the Banks Association of Turkey. This working group began preparing a sustainability guide on the best practices and rules that banks should follow in 2013. Their purpose is explained by *Anıl (Professional Association)* as follows: *"This means that banks would give credits by displaying sensitivity to especially to environmental issues, hence sustainability. This is a tendency that started to develop in Western European and North American economies before us. I don't want to say that it is unknown in Turkey. Rather, this is not something that came up in the agenda, drawn attention yet. We want to promote this understanding for the long term, and embed it into Turkey's banking sector."*

(Neslihan, Firm). This reflects the increasing interconnection between CSR/sustainability concerns with the profit purpose. Firms are conducting CSR activities and/or integrating environmental, social, and governance concerns into their business to serve their purpose of profit making. Financial literacy has become one of the tools of sustainable banking in the aftermath of the GFC across the globe. In Turkey, leading financial literacy initiatives are formed by the global financial capital through their Turkey operations and/or Turkish partners.[43] Numerous interviews with the executives, corporate communications, and CSR officials of firms revealed the rationales of financial capital to engage in financial literacy as follows:

> *Fulya (Firm): CSR needs to correspond to factors that will support financial inclusion, that is, inclusive financial growth in [Firm]. Accordingly, in developed countries, this is usually translated as supporting entrepreneurship. But for us in Turkey, it is forming the basis of financial education. We have the target to raise everyone's financial literacy level to certain level, and this is the basis of our CSR principle in the company.*

> *Neriman (Firm): The sustainability of the financial system is related to the sustainability of [Firm]. There is a win-win situation here. Savings are important for the financial system. This will have a long-term contribution for us too. We don't have a short-term sales and marketing concern, and we refrain from directing the children to any bank.*

> *Ali (Firm): We have supported this project from the heart [can-ı gönülden] because financial literacy is a matter of culture. This is a culture that everyone at the beginning of economic life should have and carry throughout their lives in their pockets. This is why, if we can create this awareness especially in university students, new graduates, those who meet the banks, we would be supporting them throughout their lives [...] The youth are the decision makers of the future, future bank clients, family heads of the future. So, it is important for us to put this culture into their pockets now, to increase their awareness about their credibility, and to bring them to the level of consciousness for managing their own credibility.*

> *Fatma (Firm): There are two understandings of CSR: One views these activities as philanthropy such as funding children's education or donating money. But from my perspective, CSR should have some more depth into it. In some firms, especially across the world, social responsibility becomes a part of the corporate culture. Especially when we look at Turkey, the MNC's internalize this through the practices coming from abroad and make it their own policies [...] We*

[43] *Doğuş Group* is the exception since this conglomerate is not exclusively a financial firm. The group operates in eight different sectors including automotive, construction, energy, tourism as well as banking and finance (*Garanti Bank*). Özlem Denizmen, an executive of this group, is also the founder of a social enterprise (*Para Durumu*) and a civil society association (*Financial Literacy and Inclusion Association*). Financial literacy initiatives such as *3 Moneybox* are sponsored by Doğuş Group and conducted by Para Durumu.

> *are a company working in the field of finance, and when we thought about what is the need in this field, we said that people need to become conscious. We are not talking about sophisticated knowledge such as stock markets, etc. Rather, it is providing a very basic awareness. If I say creating a financial consumer who is conscious, wise, and able to make healthy decisions, it will be very assertive. Rather, we started with raising awareness on this topic. Eventually, when we look at it, we are all parts of the same system. The more individuals in this system are strengthened; actually, the more financial system becomes stronger.*

> *Neslihan (Firm): First thing that comes to mind about social responsibility in Turkey is generally philanthropy. But we are taking this to the center of our business, and we want our employees to work with the principle of responsibility. So, for us, corporate responsibility is the most important: Acting with the understanding of responsible banking and making credit allocations accordingly. Indeed, [Firm] globally and here in Turkey does not enter into certain sectors, refrains from financing them. Alongside this, we actually determined a CSR strategy close to our reason for existence. That is, [Firm] is known throughout the world as a savings bank. It is a bank that grows with savings. Thus, financial awareness is very important for the bank. You need to be financially aware so that you can deposit your savings to the bank and save money. But in Turkey, as you know, the shortage of savings is on the agenda. When we were formulating our social responsibility program, and our main program is [Financial Literacy Initiative], we made financial awareness and savings educations its basis. Savings is actually the backbone of our program and strategy.*

> *Zuhal (Firm): Our first starting point is [Firm]. Due to a legal requirement, they have to provide detailed information before selling investment products. Instead of handing a booklet, they are informing by gathering weekly people in the branches. We liked this activity a lot. With the direction from our general manager at the time, we asked how we can implement it. We said: "The very basis of this issue is missing in Turkey, let alone investments or stocks" [...] We entered into this task as financial literacy and started from the basics: We informed people about what is money, budget, credit card, minimum card payment. How to pay your debt? How to use credit products? We informed people about products, rights, and responsibilities [...] We are not selling any products here. We are not putting forward any product. We are not mentioning the names of our products. We are genuinely raising awareness and see this as social responsibility, and we are doing responsible banking. At the global level, there is the responsible banking understanding in [Firm]. We are implementing responsible banking in Turkey too. We have programs raising awareness of our sales team to sell the right product to the right person.*

The following key insights arise from these accounts. Financial literacy initiatives are translated from the global level to Turkey in accordance with the firm strategy as well as country's needs. Indeed, *Fulya (Firm)* points out their purpose of supporting financial inclusion in line with the firm strategy, which is *"translated"* as financial education in Turkey, rather than entrepreneurship. *Neslihan (Firm)* states that they formed a financial literacy program in accordance with the firm's overarching *"savings"* strategy. *Zuhal (Firm)* notes that the basics of financial literacy are missing in Turkey, so their translation did not prioritize investment topics. While we can identify a couple of "best practice" financial literacy projects exported from Turkey,[44] global experiences and strategies of financial capital are the ultimate drivers and sources of inspiration for financial literacy initiatives.[45]

The CSR understanding of the financial capital differs from the prevalent form of CSR as philanthropic projects in Turkey. *Fatma (Firm)* and *Neslihan (Firm)* clearly pointed out that their vision of CSR is not philanthropic but strategic. From this perspective, CSR needs to correspond to the field/theme of the companies' operations, to finance in this case. Financial literacy as the CSR of financial capital serves the long-term sustainability of the financial system, hence is integral to the interests and the core strategies of the firms involved. *Neriman (Firm)* presented this as a *"win-win situation." Fatma (Firm)* similarly pointed out the strengthening of the financial system through empowering individuals. Moreover, another channel of strategic benefits to the firms, as *Neslihan (Firm)* pointed out, is through creating savings awareness that leads to the inclusion of individuals in the financial system. Indeed, *Fulya (Firm)* explains their purpose of engaging with financial education as fostering financial inclusion. Interviewees also added that they *"don't have a short-term sales and marketing concern"* in forming these projects *(Neriman, Firm; Zuhal, Firm)*.

Last but not the least; financial literacy education is identified with promoting a particular *"culture"* especially to the youth *(Ali, Firm)*. Accordingly, people who carry the

---

[44] Visa Europe's project *I Can Manage My Money* is considered as a "best practice" and exported to Romania, Israel, Croatia, and Greece (Junior Achievement Europe, 2016: 19). At the time of the fieldwork, another financial literacy project in Turkey was selected as the best project among similar projects within the firm that operates globally. The firm was seeking to adapt this project to South Africa and Russia *(Hacer, Firm)*.

[45] To illustrate, "financial education and entrepreneurship" is a pillar of ING Bank's global *Creating Chances for Children* programme, launched in 2005. The bank states that "[b]y establishing good financial habits early in life, children can build the foundation for a secure financial future" (ING Bank, 2012: 5). ING Bank Turkey's financial literacy programme *Orange Drops* is launched in April 2013. Şule Alan and Seda Ertaç, the academic stakeholders of this project, state the programme purpose as follows: "The programme aligns two important social and economic issues in Turkey: low personal rates of saving; and the lack of financial literacy that drives this situation" (ING Bank, 2014: 84).

financial literacy culture in their pockets would be able to manage their credibility. From the cultural political economy perspective, this can be interpreted as the *constitutive role of culture* in economic life. When we consider culture as "embodied in living practices" (Best and Paterson, 2010: 9), becoming financially literate implies materialization of particular practices in people's lives. *Fatma (Firm)* points out their purpose as raising awareness, if not *"creating a financial consumer who is conscious, wise, and able to make healthy decisions."* This points out to the attempt to constitute the financially literate subjectivity, whose qualities are further elaborated in Chapter Seven.

Corporate interviewees further presented a number of societal and economic benefits that they claim to arise from teaching financial literacy, besides the benefits to the individuals. The shortage of private savings in Turkey is frequently cited as something to be addressed by increasing financial literacy *(Durmuş, Firm; Celal, Firm; Hakkı, Firm)*. Addressing this shortage of savings is associated with further positive economic outcomes in investments, growth, as well as the balance of payments *(Hakkı, Firm)*. Moreover, interviewees argued that since financially literate individuals will be more knowledgeable about the financial system, they will have fewer complaints and high-level quality demands, which will *"increase the overall service quality"* in the financial system *(Osman, Firm)*. Given the goal of fostering financial inclusion through financial education, further benefits are noted as strengthening the formal economy, combating tax evasion as well as money laundering *(Osman, Firm; Aslı, Firm)*.[46]

Financial capital openly declared its purpose of embedding financial literacy within public policy and national school curricula. Specifically, these initiatives seek to

[46] Stakeholders from international organizations added "development" as a benefit arising from enhancing financial literacy. *Semih (International Organization)* argued that they *"approach financial literacy as a development matter and a very important tool to alleviate poverty"* since financially literate and financially included individuals would manage their budget as well as assets better. Furthermore, *Doğan (International Organization)* pointed out that there are scientific studies proving that financial inclusion helps people smooth their budgets, provides them chances to increase their incomes as well as to create jobs.

raise awareness on the issue, create "best practices" of financial education, and integrate their curricula into the Ministry of National Education school curricula.[47] Corporate interviewees underlined their purpose and actions in regards to public policy as follows:

> *Neslihan (Firm): There is the purpose of entering into national education curricula. Actually, we shared this with officials in [State Institution]. They already know what kinds of contributions this program provides. We shared the teacher guide with them. These are long term work, of course. You may have noticed; many financial literacy programs emerged [türedi] in Turkey. In fact, they are all aiming to enter into National Education's curricula somehow. But entering into the curricula does not mean placing the whole program as a stand-alone item. Programme attainments can be spread out under different topics.*

> *Zuhal (Firm): We cooperated with [State Institution] for the children [...] We worked closely for almost two years. We went there and taught a board composed of academicians banking and financial products. We held a two-week workshop and wrote the education content one-on-one, and they looked over it. And the courses are formed. We entered into art courses, which are now on implemented. Basic financial literacy is embedded into the content of art classes. What is this like? For instance, in painting course, the subject of one class is savings. There is teaching material for the teacher. What is savings? How to save? The teacher describes it. Following this, children are drawing the picture of what they understand from savings.*

> *Fatma (Firm): When we started this project, we had the public policy goal. We wanted to trigger something and create awareness. How did we achieve this? While holding our consulting board meetings, we tried to include our public sector stakeholders into this work. We had chances to inform them in these meetings. We asked their opinions and suggestions on our curricula. In one consulting board meeting, we said: "We created segments in our curricula, and we want to reach different crowds. How can we cooperate?" Besides this, we had regular visits to institutions that are interested in this issue. All of our stakeholders provided representatives to working groups that are formed and shared our project experiences there [...] There was already an awareness on this issue after the crisis, and this gained momentum in the last years, leading to bringing the [Financial Inclusion] Strategy document into life quickly [...] At the end of this work, we became a part of it somehow, we became a stakeholder.*

These accounts clearly illustrate that financial capital has successfully engaged with state institutions to trigger policy change and spread financial education across Turkey. Hence, the influence of the private financial literacy initiatives in policy-making complements our discussion of the entrance of financial literacy in Turkey's public policy agenda of Turkey in Chapter Five.

---

[47] Visa Europe's *I Can Manage My Money* stakeholders stated that "one of the main targets of the project is to come up with a policy proposal so that financial education is included in national schools' curricula" (Visa Europe, 2011: 6). ING Bank Turkey's *Orange Drops* "is helping to build the case for including financial education in the national school curricula –one student at a time" (ING Bank, 2014: 84).

Despite these perceived benefits of financial literacy education, many banks did not engage with this agenda. An interviewee explains why they have chosen not to enter:

> *Türkan (Firm): Actually, people find the projects in the firms' business area more appealing [...] So, a bank like [Firm] leading a financial literacy project looks very sensible. However, because banks are firms that are not liked by people at all, literacy project seems like it is actually a sponsorship as if the bank is trying to promote itself there. This creates the impression of going beyond the purpose of CSR. This is why we did not want to go to that direction.*

Türkan (Firm) also noted that the prevalence of a particular bank in financial literacy agenda was a factor pushing them away from *"signing on to projects that are already owned by others."* This account points out to the perception of self-promotion arising from financial literacy initiatives, a perception frequently shared by stakeholders.

Stakeholder Perspectives on Financial Literacy Initiatives

This section explores the perceptions of various stakeholders (employees of firms, state, civil society, professional associations, and academia) on why financial capital engages with financial literacy. So far, we explored perspectives of high-level executives and corporate communications & CSR departments. My fieldwork encounter at the *2nd Financial Literacy and Inclusion Summit* (27/10/2014), co-organized by Turkish Economy Bank (TEB) and Financial Literacy and Inclusion Association (FODER), reveals the existence of multiple perspectives within firms.

***

The Summit program began with the opening statements of the host Boğaziçi University and the co-organizers FODER and TEB. The mottos "manage your money, manage your life" and "economy starts with the family" were written on multiple stands around the conference hall. TEB's CEO pointed out their purpose of creating a "financial literacy ecosystem" in Turkey and elaborated on the launch of their new financial literacy education project. Accordingly, the partnership of TEB, UNICEF, and the Ministry of National Education embedded financial literacy in the curricula of the art classes; specifically *music and painting, which will spread to 12 million students in 45.000 schools* (see **Photograph 5: Financial Literacy and Inclusion Summit** below).

During the Summit's lunch break, I had an interesting conversation with a TEB branch manager. She clearly expressed having a hard time coming to terms with the social responsibility themed speeches delivered earlier today and the way things work in the branches. She noted the constant pressure to reach targets in the branches, which is in direct conflict with the effectiveness of CSR. She said that people higher up in the general management might be visionary and talk about the greater good, the way blood flows through the branches are different. She directed me to explore the actual conduct in the bank branches. While I was unable to recruit her as a participant in my study, the conversation clearly pointed out multiple perspectives within the firm.

Photograph 5: Financial Literacy and Inclusion Summit

(Source: Author's Fieldwork Photographs)

***

This mismatch between discourse and conduct of financial capital relates back to the question of integrating sustainable banking into the corporate culture. Notwithstanding sustainability initiatives, several interviewees pointed out the high pressure of sales targets in bank branches, and hence collaborated my fieldwork encounter.[48] Given that responsible banking did not diffuse into banking conduct, especially to *"making an effort to selling the right product to their customers,"* the ongoing financial literacy activities of banks are *"drawing suspicion" (Orhan, Bureaucracy)*. Furthermore, given that employees are the key internal stakeholders of the firms, poor labor relations in the banking sector draws criticism.[49] Moreover, several interviewees pointed out the need to begin financial education from the employees of the financial sector *(Gamze, Civil Society; Ayşe, Civil Society; Seda, Firm)*. Stakeholders expressed their perspectives on why financial literacy projects are formed:

> *Sırrı (Academia): Firms, especially the banks want this to be "win-win." Why? Because they are allocating certain resources to this and they need to see the profit purpose at the end of the day [...] When we first talked to [Firm], they said: "We want to hit the road to increase financial literacy all across Turkey, not just for our own clients. But we need to feel there is a certain return of this to us." This is not easy to identify, but there are two things: If you can increase the level of financial literacy of people, then you will increase their financial inclusion. Enhancing financial inclusion will broaden the customer base of banks. This increase of customer base can be in two ways: One, there can be an increase in the number of people included in the banking sector. Two, as the financial literacy level rises, there will be demand for financial products in different levels. While you only have a checking account today, tomorrow you may consider buying mutual funds. Of course, this will be the way that financial institutions win.*

> *Fatih (Professional Association): This is to their benefit. Let's say a bank has 200 financial products. If 90% of the costumers are not knowledgeable in financial matters, 5 of those 200 available products are used, such as deposit accounts, credit cards, consumer credit, and maybe insurance. But there are bonds, mutual funds, etc. too. Investors may avoid these due to lack of knowledge when a financial institution tries to sell them. They may be showing resistance. Hence, that product line is not sold enough; the bank is not earning enough money. That's why educating these people in that respect, making them conscious, is a move that will increase the profitability of the bank eventually. I view this as a business model, not as a social responsibility.*

---

[48] To illustrate, *Eda (Firm)* argues that: *"The primary purpose of the employee in the counter is meeting the target. You can talk about social responsibility all you want, if you do not remove the pressure of targets, you cannot manage that person." Seda (Firm)* underlined competition as the driver of these pressures: *"There is a severe competition. Because the entire banking sector is running for the same thing: Earning money. Targets are set towards places where money is coming from the most. This could be credit cards, consumer credit. So, this is exhausting us."*

[49] *Gülay (Labour Union)* succinctly summarised the poor working conditions of banks as follows: *"Being a bank employee means working in a fancy office, "plaza" as they call it. However, you are the biggest one in debt and you cannot take advantage of any of its benefits. You work overtime and not get paid for it. During the weekend, your branch manager or regional manager may call you to the branch with a bullshit e-mail. You leave work 9 or 10 pm at night. You have no social rights. They can fire you any day they want, even without severance."*

> *Orhan (Bureaucracy): Those projects are going hand in hand with marketing and sales. Financial literacy is actually a way to approach the customer. In the following phase, they may want to utilize the benefits of selling products to customers. This is not something to be criticized much. It is the eventually the reality of this business.*
>
> *Samet (Bureaucracy): It is very important to do this with heartfelt, genuine feelings. Now, I don't think that the focuses of some social responsibility projects are people, feelings, or teachings [öğretiler]. I think some social responsibility projects are advertisement oriented. But there are many firms that are really working for the society. May God approve them all.*
>
> *Kemal (Civil Society): Corporate social responsibility projects on financial literacy are very very valuable because they are both directed towards protecting the consumer and the banks themselves. Because I don't think there is a single dimension […] Banks want to reach the customer. I don't believe that these monies are spent just for social responsibility. If [Firm] is doing a project, they are making their own advertisement in a way. [Firm] is making a project about the usage of money: "Let's strengthen the society. The youth is empowered and learned using the money." Where will they use the money? Through [Firm].*
>
> *Halil (Civil Society): Companies are bringing this even to the children, and this provides them customers in the future, the right customer. We know this. Though this idea, at its core, is not really pleasant for me, this needs to be done on the other hand. Because there is such a system that with globalization, banks, credit cards, money, they are all in our lives. And we need to know how to use them [...] Whether we give this education or not, people will somehow enter into the financial system. They will learn from their attempts, mistakes, and experiences. We are trying to make a contribution beforehand so that they would make fewer mistakes.*

These accounts illustrate that financial literacy education initiatives are perceived primarily as self-interested activities by stakeholders, especially as a marketing tool. This perception mirrors the widespread criticism about CSR as merely a public relations and marketing tool in Turkey. Interviewees also pointed out the purpose of fostering financial inclusion through increasing financial literacy, which will provide long-term benefits to firms. Accordingly, financially literate individuals will tend to enter into financial system (i.e. the unbanked population) and use more sophisticated financial products (i.e. the under-banked population) *(Sırrı, Academia; Fatih, Professional Association)*. Interviewees acknowledged the contributions to the profit-making goal, to the extent that some view financial literacy as a business model rather than social responsibility *(Orhan, Bureaucracy; Fatih, Professional Association)*. Moreover, one interviewee pointed out the constitution of financially literate subjectivity through these educations; *"the right customer" (Halil, Civil*

Society). While *Halil (Civil Society)* acknowledges this purpose of creating financialized subjectivities, he considers financial literacy as empowering since there is the *"need to know how to use"* these financial products.

To conclude, this section explored "why" financial capital launches financial literacy initiatives as their corporate social responsibility. Firms clearly expressed that their strategic engagement with financial literacy within the framework of sustainable banking will create long-term benefits for numerous stakeholders; themselves, financially literate individuals, the financial system, and the economy at large. Moreover, firms added their goal of initiating public policy change and embedding financial literacy into the Ministry of National Education school curricula. It is striking to see that while banks underlined that they do not have short-term sales and marketing concern, various other stakeholders perceived just the opposite: They view the launching of financial literacy initiatives as a self-interested agenda primarily used for marketing purposes. We will continue exploring financial literacy initiatives through focusing on the question of "how" they are formed and conducted. Since there are divergences between discourse and conduct of firms, a better *"way to judge is to really look at what they do more than what they say" (Meryem, Academia)*.

6.3. Navigating Project Formation and Conduct

Overview

Project building involves navigating numerous strategic decisions. Realizing the firm's CSR strategy of fostering financial literacy as a concrete financial education project means addressing numerous questions such as: What is the project goal? Who are the partnering stakeholders? How is this project going contribute to goals of each stakeholder? Where does the funding come from? Who is the target audience? Who is preparing the curricula and what is included in it? Where, how, and by whom is the education delivered? How to conduct trainer's training? How the effectiveness of educations is monitored? What is the communication strategy? How is this project situated alongside others? What is the future prospect of the project? These closely interrelated questions illustrate the concerns of various stakeholders who join together to form, conduct, and contribute to financial literacy education initiatives. This section explores various aspects of financial literacy project formation and conducts through the following respective sub-sections; engaging with stakeholders and project building, preparing the curricula, conducting trainer's training and financial literacy education, measuring the effectiveness of education, engaging with the volunteers, and responding to critical voices.

Engaging with Stakeholders and Project Building

Financial literacy initiatives are essentially *education* projects formed with the collaboration of multiple stakeholders in line with their expertise.[50] The typical division of labor is the following: corporations provide the funding, public sector partners' secure official support and access to the target audience (students, women, etc.), academic partners prepare the financial education curricula, civil society associations deliver the educations by training and mobilizing their networks, and specialized research companies measure effectiveness of the education. Some financial literacy projects differ from this division of labor with respect to the curricula preparation, which is either translated from global initiatives or prepared by specialized firms. Moreover, rather than utilizing civil

[50] *Asena (Civil Society)* underlined the novelty of financial literacy projects as follows: *"This idea of empowering individual, equipping them with certain abilities to ensure their self-development is very new in Turkey. This is exactly what we are doing. We are not giving money to anyone. We are contributing to them through the soft-skills that they are equipped. We are beyond the understanding of "I am handing out money to the poor." Rather, "I am equipping them with ability, a way of behaviour, or create level of awareness so that they would empower themselves."* This account differentiates empowerment with prevalent aid and philanthropic orientation in Turkey. That said, financial literacy initiatives share many commonalities with other CSR projects on education in regards to project formation.

society associations' volunteers to deliver the educations, some projects mobilize their corporate volunteers, recruit school teachers as volunteers, or hire professional teachers. In some cases, project communication is contracted-out to communication and/or public relations firms. Lastly, international organizations provide expertise on international best practice sharing and public policy proposals in areas of development and education in some projects. The collaboration of multiple stakeholders in financial literacy projects is generally due to various reasons such as official necessities, utilizing expertise, securing wider reach, ensuring legitimacy and cost-effectiveness. The benefits of corporate engagement with civil society associations are explained by interviewees as follows:

> *Ahmet (Civil Society): Companies cannot do this alone. If they did it, due to the "for profit" understanding, it wouldn't be solid. We are embracing "not for profit" understanding in civil society.*
>
> *Halil (Civil Society): This requires human resource, knowledge, and experience. If they try to do this on their own, they will face much higher costs. We aren't putting any money in the project budget. But we have such a network in Turkey's cities that we are providing many things free.*
>
> *Aslı (Firm): I would question the underlying interest if [Firm] comes to me and says: "I will teach financial literacy to you." Because of this, this goes through institutions like [Civil Society] and [Firm]. Of course, the sponsor could be the bank. But those who execute and create content shouldn't be the bank. Because this creates a prejudice: What is the benefit of this to them?*

These accounts illustrate that civil society associations mobilize their know-how, human resources, and wide networks to provide a cost-effective solution to reach the target audience. What is more, the impartial image of civil society associations is crucial for overcoming potential resistance and prejudice against corporations.[51] Civil society associations receive funding from corporations in return, essential to their survival. My fieldwork encounter illustrates why civil society associations engage with CSR projects.

---

[51] What is more, this perception of impartiality is the very reason of the establishment of civil society associations by the firms themselves. As *Gamze (Civil Society)* pointed out: *"When we explained our aims before policy makers and regulators, we were welcomed with great enthusiasm. Yet, there were challenges because we are a private firm, representing the private sector. The only solution is becoming a civil society association. Thus, you will talk about the same purpose, but there will not be the perception of "who is your owner?" [senin sahibin kim?] and you will make your voice heard [...] This is the inevitable end in this process. Because, policy makers are not taking you seriously otherwise."*

***

Today, I attended a talk given by a prominent activist on the state of civil society at the Social Innovation Center (09/01/2015), located at Beyoğlu in Istanbul. The activist argued that the primary job of a civil society association president is "finding money"! This arises from the necessity to sustain the association itself. This constant search for CSR project funds have shaped the functioning of civil society associations in line with the corporate expectations. Accordingly, the corporate jargon and private sector working practices have become prevalent in civil society associations. This dependence, in turn, leads to the formulation of only the particular kinds of projects that one can "find money for." Hence, an acceptable version of volunteering arises out of these projects, labelled as "sterile volunteering." The talk resonated in some of the participants who came forward and reflected on their work in civil society in the Q&A section. One participant highlighted that the only thing companies are interested in is the outcome, that is; the numbers. Moreover, the work that is produced looks very much alike.

***

The partnership with state institutions, especially the Ministry of National Education and the Ministry of Family and Social Policies, provides official permission to access the target audience. As discussed in the previous section, financial literacy projects seek to embed their education programs into the Ministry of National Education curricula. Building good relationships with bureaucrats are instrumental in reaching the purposes of corporations. Interviewees expressed this relationship as follows:

> *Asena (Civil Society): The state is very strong in Turkey, both in our minds and on paper. It is confronting you in some way for sure. Rather than fighting it, if you want to do something today, at this moment, you have to work with the state in Turkey.*
>
> *Havva (Firm): Now, all of the banks are seeking to integrate their own educations into the national curricula, including us [...] [Firm] has very good relationships with [State Institution]. So, when they enter a school, teachers receive a memo notifying the necessity to conduct this education.*

These accounts underline that receiving official permission is necessary as well as crucial for widening the reach of projects. The parameters taken into account in granting permission to financial education projects are explained by a bureaucrat as follows:

> *Samet (Bureaucracy): When we receive these projects, we look for what is the target of this project? What is the focus of this project? How will this be beneficial? To whom will this be beneficial: To us, our students, Turkey, themselves? We are analyzing all of these layers with our research and development experts. If this is approved by them... Especially, providing benefits to the national education, the youth, and the children. If we really meet in that common denominator, then we want them to write a teaching program about how they will implement this project. At least we want them to write the project's implementation program about the steps of implementation. This needs to be approved by our commission, composed of multiple people. Following this, we are moving forward with pilot implementation fields. If we have to receive the permission of [State Officials], we will gather these approvals and move forward.*

This account reveals that benefits to students are taken into consideration while approving financial literacy initiatives.[52] As discussed in Chapter Five, the national Financial Education Action Plan envisages the inclusion of financial literacy at all levels of the national school curricula as well as into the higher education. Given the Turkish state's ownership of the financial literacy agenda, finding the common denominator with private financial education initiatives will arguably be easier.

There are several platforms that seek collaboration between the corporations that conduct financial literacy initiatives. In civil society, Financial Literacy and Inclusion Association provide knowledge-sharing opportunities for 38 institutional members. In regards to professional associations, The Association of Capital Market Intermediary Institutions of Turkey organized *Investor Education Conference* in 2012 and formed a team of volunteers (*Financial Education aXiyon Team*) (TSPAKB, 2013: 13). With respect to the collaboration between firms, Visa Europe's *I Can Manage My Money* project provides a

[52] *Kemal (Civil Society)* observed hesitation of civil servants in embedding these topics into the school curricula: *"While working with curricula developers of [State Institution], they were always pulling themselves back: "Why are we talking about money?" When we arrive at entrepreneurship, it is not talked at all. [State Institution] is tougher. It is understandable, because they are a national institution and it is hard to change things there. We, the civil society associations, can be more innovative because we can act more freely. But we have to work with the state to achieve effectiveness in our work."*

platform for 23 banks to pursue in financial education together. Despite all of these platforms, several interviewees have underlined the need to foster cooperation not only among private financial literacy initiatives but also with the state as follows:

> *Fatma (Firm): Really, everyone has to be educated on this issue. We are targeting [target audience] with [Financial Literacy Initiative]. There are those targeting primary school students, families. So, slowly, everyone is targeting a part of the population and creating something directed towards them. I find this really good since everyone is complementing others. The more work on this issue, the merrier.*
>
> *Neslihan (Firm): Many institutions now conduct financial literacy educations. There are those going to the youth, the adults, and to [target audience] like us [...] Everyone is holding this from one side. I feel like we are all working in fragmented pieces. Indeed, the cooperation between institutions is weak [...] This ad hoc and fragmented structure in financial literacy in Turkey is unfortunately in the public sector too.*
>
> *Fulya (Firm): We really appreciate the great work that they are doing. We are looking at where are the left-out spaces that we can fill. This is why we selected [target audience]. Of course, perhaps going to the youth with the principle of "tree bends during youth" [ağaç yaşken eğilir] is the right thing when you look at it from scratch. But these areas are covered for now.*
>
> *Semih (International Organization): There are also other projects. Rather than looking at who educated how many people, we need to look at how these projects contribute to the progress of Turkey on this topic. What kinds of responsibilities they take, and how are they meeting them? [...] We need every kind of contribution, but we also need to look at the bigger picture. I wish a collective task force could be formed under the guidance of public sector, rather than plenty of projects in bits and pieces. I personally prefer this. Otherwise, there is a waste of resources, stepping on others' shoes in the same field, or an uneven growth of certain aspects if there are not approaching strategically [...] If our purpose is solving a problem, then we need to put forward "how can we cooperate" rather than a competitive point of view. We should not enter into the fights like; let me get the resources first, my work is more successful, my curricula is the best.*

These accounts clearly illustrate the competitive and uncooperative behavior of corporations working towards the cause of financial literacy.[53] To illustrate, *Fulya (Firm)* explained their selection of a less-than-ideal target audience due to strategic positioning of the project. While targeting parts of the population are considered as complementary work by *Fatma (Firm)*, *Neslihan (Firm)* pointed out fragmentation and weakness of

---

[53] This competition did not lead to innovative projects. Indeed, interviewees expressed disappointment about the similarity of projects. As *Berk (Civil Society)* points out; *"I am expecting this sector to be more creative. Because once one of them conducts and succeeds, everyone does the same. They tweak the name, play with the content a little, target different groups, but eventually they are the same. I wish they introduced more social innovation into this work."* Likewise, *Taha (Firm)* argues that *"the work that we do should be more socially innovative. There is always the typical [basmakalıp] work. Always aid, always education."*

cooperation. Moreover, *Semih (International Organization)* underlined the prevalence of overlapping work, inefficiencies, and self-interested concerns to promote individual projects over cooperative approaches. Furthermore, ongoing competition to integrate curricula into the national education system is already discussed. We have also pointed out the lack of cooperation within economy bureaucracy despite the release of the Financial Inclusion Strategy in Chapter Five. Thus, stakeholders have called for the need to foster cooperation with the initiative of the state *(Semih, International Organization; Osman, Firm)*, together with civil society associations *(Sevilay, International Organization).*

My fieldwork encounters illustrate several interesting dynamics about stakeholder engagement and project building. Finding and engaging with stakeholders is a contingent process. A combination of numerous factors like personal networks, previous partnership experiences, third-party advice, brainstorming, research, and trial & error usually play out throughout project formation. Stakeholders negotiate each other's backgrounds, purposes, motivations, and concrete project ideas throughout introductory meetings. Despite this contingency, stakeholders are clearly seeking as well as expressing their gains while entering into cooperation. The benefits arising from engaging in these projects range from reputational gains, achievement of institutional and individual agendas, and very concrete material gains such as payroll and project appliances. Clarifying project gains for each stakeholder is crucial for project professionals since they will "frame and sell the project" accordingly to their superiors for approval, or foundations for funding. In most of the cases, financial literacy education is formed as a standalone project. Yet, financial education is also articulated to ongoing projects such as literacy education or lifelong learning schemes or combined with relatable topics like personal development.

Preparing the Curricula

Financial literacy curricula in Turkey typically include topics such as money, financial planning, budgeting, debt management, savings, investment, and conscious consumerism. According to project purpose and target audience, various additional topics such as creditworthiness, business ethics, entrepreneurship, and micro-credit are further addressed. Curricula are tailored to several target audiences including the students of primary schools, high schools, and higher education, disadvantaged youth, women, and entrepreneurs. Financial education is usually delivered with a combination of teaching mediums such as lectures, seminars, videos, books and worksheets, games, theaters, and websites. Curricula contents and financially literate subjectivity are analyzed in detail at Chapter Seven. This sub-section explores preparation and modification of curricula as an aspect of project formation and conduct.

Financial literacy curricula in Turkey originate from three sources in general: There are projects that translate and localize the curricula of global financial literacy initiatives. To illustrate, the *3X Company Programme*, *More Than Money*, and *Money Direction* curricula are the translations of Junior Achievement and MyBnk curricula.[54] Secondly, academics from several universities prepared the curricula of *Heroes of the Economy Children*, *Orange Drops* and the initial curricula of *I Can Manage My Money*. The third source is the professional content creating firms that provide the curricula of projects such as *3 Moneybox*, *Family Academy*, and *Road Towards Istanbul Financial Center: Targeting 20 Thousand Women*. We need to add that curricula preparation is a process that typically involves inputs of consultants from various backgrounds. We have pointed out the involvement

[54] *Elif (Civil Society)* underlined that their work is not simply translation: *"There could be small additions to the programmes, because you cannot directly translate them from abroad. You need to localize [yerelleştirmek] them. This is because some of those concepts are not used or directly applicable in Turkey."*

of the state in granting approval to the projects targeting schools. Interviewees reflected on how they navigate the curricula formation process as follows:

> *Esin (Firm): We really attach importance to working with experts. We have a consulting board comprised of educators, pedagogues, psychologists, representatives from [State Institution] and representatives from impact analysis firm. So, there is always an expert available to evaluate these various aspects. Besides this, we analyzed the primary school national education curricula thoroughly. Especially, there are some attainments in "Knowledge of Life" [Hayat Bilgisi] course on the basic concepts of financial literacy. These attainments were analyzed in regards to every grade and course. As such, is this curriculum enough? How can we introduce new attainments as [Financial Literacy Initiative]? How can we develop our own attainments? Summer months are periods of improving ourselves, research and development months for us.*

> *Kemal (Civil Society): One of the debates we had throughout the process with [State Institution] was this: A credit card picture will be drawn. Will there be [Firm Name] on it or not? For us, it shouldn't be because this crosses the line. If it is up to [State Institution], the answer is no. For the [Firm], the answer is yes. Indeed, we are there to provide the balance.*

These accounts illustrate that content creation is a process where inputs from various stakeholders are negotiated. It is also pointed out that curricula are constantly updated. Indeed, numerous interviewees underlined that the feedback arising from project implementation is the key reason of updating curricula:

> *Burcu (Firm): In Turkey, when I first started financial literacy, my first year I was just talking about bonds, stocks, and equity, all kinds of technical stuff. And I realized that my audience was so small. I said: "Hey, wait a minute! The country is not ready for this. The country first needs to understand some other stuff." What's that? The savings rate in Turkey is now 14%. It is very low. People don't have money to make investment, to talk about stock. The ecosystem is not ready. So, I shifted a gear and said: "Okay! I am only going to talk about savings and how you can save." But now, I am shifting further down. People have to make money. There is youth unemployment. There are people, many families, who just don't have that money to save and manage. And making a budget. That's where I stick now, that basics [...] Credit cards are just 20 years old. Mortgage is 10 years old. [Individual] Pension fund is 10 years old. So, in other words, these instruments are new. People are just getting to know them. You know when you first start using things, you make mistakes.*

> *Zuhal (Firm): At first, we had a curriculum telling things in an academic way, which appeared didactic to us. We wanted to develop this more to make financial literacy more understandable to the public, more fun. At that point, we started working with [Name], who took our curricula and combined with their own curricula, and made it more enjoyable and memorable module, in accordance with the messages we want to deliver [...] Our first education content had things like "why there are fees and commissions" and "how to securely use internet banking." These parts are reduced in the following curricula. We went towards a way with more emphasis on budgeting and financial planning.*

> *İlhan (Civil Society): We formed our first curricula with the academics. A year later, we gathered the demands at the coordination meetings: What were the challenges in implementation? What were the needs? What did we do wrong? What was missing? The curricula is constantly renewed and revised because societal demands and needs differentiate. We should have the concern to renew the curricula. Our first curriculum was eight hours long. It was too academic and very hard to understand for people. You are talking about credit cards, banking, etc. Yes, these should be present too. But, the curriculum is getting differentiated in time for educators and for the final user [...] We are buying the curriculum professionally from those who know this job. We are not writing ourselves [...] We are not raising experts here. Our concern here is changing consumption patterns with basic rules and raising awareness on the topic of financial literacy.*

Accordingly, these financial literacy curricula initially were academic, technical, and not accessible for the average individual. Subsequent modifications of curricula made them simpler, accessible, and enjoyable. *Burcu (Firm)* points out that since the country is not prepared for the knowledge of investment products, the curricula content shifted towards the basics of money management such as budgeting. Likewise, *Zuhal (Firm)* addressed the changing emphasis on budgeting and financial planning over issues like internet banking security. We also need to note that some projects decided to buy curricula from firms creating content after their collaboration with the academics. From our perspective, the account provided by *Burcu (Firm)* clearly illustrates the penetration of financialization into our everyday lives through various products such as credit cards, mortgages, and individual pension system. The emergence of financial literacy education in this context is presented as a technique of the self, to conduct oneself properly. Overall, these accounts illustrate that the financial literacy level of Turkey had an impact on the inclusion and weight of certain topics in financial literacy curricula.

We will now explore the dynamics of three interesting curricula formation and revision cases. The first case is narrated by a civil society informant as follows:

> *Ahmet (Civil Society): We added something to the curricula of [Financial Literacy Initiative] after receiving lots of demands. This is a joint decision, but it is coming primarily from the local educators. I am telling this for you to see the governance. The issue is how the bank and credit card fees can be reimbursed [...] This is an issue that [Firm] receives income from [...] Since we are a rights-based institution, and this was demanded by the educators, we took this and embedded it into the curricula. [Firm] did not oppose it.*

This account illustrates the mobilization of educators' agency by the civil society association at the expense of the firm's interest in collecting bank and credit card fees. The partnership with civil society associations in the day-to-day management and delivery of financial literacy initiatives provides these actors with the considerable agency over the projects. *Ahmet (Civil Society)* emphasized that educators are viewed as stakeholders and their civil society association provided *"the culture of looking all stakeholders as equal partners"* rather than a *"sponsorship culture."* Overall, this illustrates that the agency of civil society associations can be consequential.

Our second case also illustrates the agency of civil society, this time working to articulate entrepreneurship with financial literacy. As civil society and content creating interviewees have pointed out:

> *Kemal (Civil Society): We saw the need for an additional curriculum. The story is about SME's [small and medium-sized enterprises]. Too many SME's are opening up in Turkey, and 85% of them are closing down in the first two years. When the reasons for closing down are explored, the following is usually seen: These SME's usually start with few employees and no accountants. Whoever establishes the SME has to keep the books. Though these accounts are not very detailed, these people have no financial literacy. Hence, there emerged this need to teach them and prepare a new curriculum for entrepreneurs.*
>
> *Feride (Firm): When we talk about entrepreneurship, there are very small enterprises like convenience stores [bakkal], etc. Just like you manage your personal budget, you need to manage the budget of the store correctly. They are very much alike. So, we merged personal budgeting approach with cash flow management, commercial receivables, and commercial debt.*

These accounts reveal that civil society actors seek to expand the financial literacy agenda by deciding to launch additional curricula for entrepreneurs. Then, they contract out this task to firms that create curricula. The resulting curriculum takes the angle of budget management in financial literacy for entrepreneurs.

Lastly, my fieldwork encounter in a financial literacy project formation meeting in a firm provides interesting insights into what could be included in the curricula. The meeting agenda was the presentation of the proposed project outline; including goals and roles of project partners, program platform, program phases, priority places, and program content. There was a rather unstructured discussion in which people frequently jumped in to talk about their past experiences, dreams, and irrelevant ideas. I was involved in the conversation twice: Firstly, I was asked to comment on the existing financial literacy education projects and how I viewed this one. The concern here was strategically locating this project alongside others. The second time I was put on the spot was an interesting coincidence. I stood up to grab some water from the other end of the table, where the chalkboard happened to be located. One of the stakeholders immediately put me on the spot by saying: "Oh, we were waiting for you to talk about financial literacy curricula." Indeed, by the time, they were talking about what themes will be delivered in the project. I wrote down the typical financial literacy contents such as; budgeting, saving, debts, usage of credit products on the board. Another stakeholder intervened to add individual pension system to the agenda. Since I was on the board, I took the opportunity to test what can be included and what cannot. I tried to push even further by proposing; "If we are talking about rights, I think we would also discuss unions and their benefits." Stakeholder responses were all decisive and negative: "We do not want to be beaten!" "We want to conduct this education more than once!" "It is not possible!" This fieldwork encounter revealed the limits of my own agency as well as the kinds of topics not allowed in financial literacy curricula in Turkey.

Conducting Trainer's Training and Financial Literacy Education

Once the partnership is formed and the curricula is prepared, the next task of financial literacy initiatives is conducting "trainer's training"; which is the training of people who will subsequently teach financial literacy to the target audience. I participated in four trainer's training sessions of three distinct financial literacy programs, organized by two civil society associations. My fieldwork encounter in trainer's training of private financial literacy initiative at Sinop (09-12/10/2014) is illustrative in this respect.

***

Nineteen youth volunteers including myself, two project staff, and three master educators gathered in a four-star hotel by late afternoon on Thursday. After the dinner, we headed to a meeting room with u-shaped chairs and started off with ice-breaking games. The games were about learning each other's names, nicknames, and personal information. We anonymously wrote down our expectations as well as fears on post-its and shared with each other. A project staff gave a presentation about the civil society association as well as the project in detail; partners, aims, how many people were reached, and how. There was a short Q&A in which attendees were curious about the logistical details of delivering financial education.

Friday morning began with another ice-breaking game that we draw portraits of each other on envelopes. Everyone was assigned a "secret friend," with whom we will communicate by writing notes and putting little gifts in these envelopes. Following this, we filled a financial literacy pre-test. There were demographic questions as well as some basic financial literacy questions in this questionnaire. Then, one of the master educators (the educator of educators) started to present the first part of the financial literacy curricula on "spending." After the lunch break, we continued with "budgeting" part of the curricula. It was time for group work. We were expected to choose among different character profiles (rich, poor, middle-income, etc.), create stories about them, and present their budgeting through interactive role-playing. Following this, we played a game akin to musical chairs. After this game, we were expected to break-down in groups and present pieces of the curricula, this time not in role-playing format. Master educators gave constructive feedback to everyone to improve presentations.

Saturday morning began with two presentations about the history and the ongoing work of the civil society association (see **Photograph 6: Trainer's Training** below). *Following this, another master educator took the stage to go over "debt" part of the curricula. A third master educator followed with a presentation of "savings" part. There was a really interesting "3-minute test," distributed as sheets* *of paper. The first item in the paper says don't do anything until you read all of it. But the following items instructed you to do silly things like yell, stand up and turn around, do some math, sign the paper, etc. The whole point of the exercise is this: If you do read the whole thing carefully, you will avoid doing all these silly things, hence reading "contracts" before signing.*

Photograph 6: Trainer's Training

(Source: Author's Fieldwork Photographs)

After the lunch, a master educator started off by talking about four different presentation techniques; flip chart, PowerPoint, Q&A, and mathematical questions. We were again divided into groups and presented the curricula with different presentation techniques. Following this, a project staff delivered a presentation on communication strategies and learning methods. There were interactive exercises such as introducing ourselves to the stage. We did another interesting group work: We were asked to rank the best and the worst person in a "love story," distributed as sheets of paper. We were then asked to explain our rankings and convince fellow group members. By ranking individuals, we were actually ranking values like individual responsibility, family authority, love, devotion, friendship, and pacifism. We were also trying to navigate discussions where everyone was airing different opinions.

After the dinner, we all headed to the city center to enjoy some live music. Later that evening, we resumed with dictionary session in the hotel. We were assigned financial terms such as a central bank, the individual pension system, bonds, etc., to present briefly. This was followed by an information session about the logistics of delivering education: How the teaching will be done, communication with civil society association, experiences about delivering education, and incentives for teaching (tablet computers for educating 1000 people). Following this, our secret friends are finally revealed. I received a bookmark from my secret friend and gave a necklace to another! Finally, we were awarded our financial literacy educator certificates.Sunday morning after the breakfast, attendees said farewell to each other checked-out from the hotel. Phone numbers and photographs were exchanged, and a Facebook group was formed. All of the accommodation costs and meals were covered during our stay and our travel costs reimbursed.

***

This fieldwork encounter reveals the issues covered in a typical financial literacy "trainer's training": Financial literacy curricula, supplementary knowledge on specific terms, presentation techniques, effective communication strategies, experience sharing, logistics, and general knowledge about the project. The length of financial literacy "trainer's training" for corporate volunteers is much shorter (2-3 hours) due to time limitations. Comprehensive trainer manuals seek to make up for the shorter length of this trainer's training.

Once financial literacy projects build their networks of educators, it is time to deliver financial literacy education to the target audience. The curricula contents, education length, teaching mediums and educators' identity varies across financial literacy initiatives. Nevertheless, the conduct of this education carries common elements, especially those targeting primary school students. Each student receives a bag full of financial education material typically including; certificate of attendance, money box, financial literacy book, exercise sheets, posters, etc. These items typically carry names and/or logos of the project stakeholders. In one of the financial literacy projects, students also received a one-page insert about the firm itself.[55] In sum, financial education initiatives not only seek to create financial literate subjectivity but also introduce children to their brand. This subjectivity and curricula contents are analyzed at Chapter Seven.

Measuring the Effectiveness of Financial Education

Financial literacy initiatives typically trace the effectiveness of education through their partnerships with research companies. Pre-education tests are conducted by the educators' right before their delivery of financial education. These tests typically contain questions that record the demographic characteristics, contact information, financial habits and financial literacy of the participants. Post-education tests are usually conducted a while after the education by the independent research companies on a sample of education participants. The impact of financial education on knowledge and behavior is found either by comparing between pre- and post-education tests or by comparing treatment group with a control group carrying similar characteristics. Positive highlights of these impact analyses are publicized in project promotional materials and advertisements. *I Can Manage My Money* project impact analysis is presented as follows:

> This long-term impact analysis compares the budget habits of those who were trained with a control group with similar characteristics that did not follow the training sessions. Some key findings show that the people trained have better budgeting habits (81% of the trainees actually do their budget vs. 55% for control group); more regular saving habits (50 % of the trainees save regularly vs. 23% for the control group); and have a better understanding on fundamental concepts in decision-making, such as interest compounding and inflation (62% of the trainees correctly answer questions on compound interest rate vs. 31 % for control group and 66 % of the trainees correctly calculate the impact of inflation rate vs. 39% for control group) (Junior Education Europe, 2016: 17).

[55] *Adnan (Firm)* expressed his dissatisfaction with this marketing concern as follows: *"I don't find this genuine. This is completely based on advertisement. We are distributing the [Firm] brochures to the children. It shouldn't be this absurd. If they were really genuine, it is normal to have stakeholders name, logo on the work. I would understand that."* More interestingly, communication expectations of the firm were expressed by *Ece (Firm)* as follows: *"There are pictures and videos coming from children to us. We are sending these to our consulting board. Their response is: "Children should smile more.""* These examples illustrate that publicity concerns are at the forefront in some projects.

Hence, it is claimed that those who receive a financial literacy education have better budgeting habits, more regular savings, and a better understanding of financial concepts. What is more, the "multiplier effect" of 1/10 emphasizes that the 224,000 participants reached (by September 2016) have influenced their circles and consequently "more than 2.24 million people benefited from the project" (2016: 17).

My research design in this dissertation does not seek to analyze the statistical rigor of the methodologies employed by research companies in impact analyses. Nevertheless, I was involved in the conduct of pre-education tests in various capacities during my fieldwork. Three instances are worth mentioning: Firstly, observing the conduct of pre-education tests on 10-year-old children revealed that they had a hard time concentrating. Some students did not know how to answer the concepts like "interest," which were new to them. Secondly, the response rate of the women in the packed conference hall was really low, since I had to gather lots of half-filled or untouched forms. Thirdly, I had to fill the pre-education form myself together with fellow educator's right at the beginning of a "trainer's training." Several of us expressed objections to the questionnaire design, which could have been better. In sum, there were problems in preparing questionnaires appropriate to respondents' level, ensuring privacy, and securing an adequate response rate. Besides my direct involvements, there are obvious research design limitations such as self-reporting and the lack of long-term tracking of participants.

Interviewees were relatively modest in regards to the effectiveness of financial education compared to the success stories in their promotional materials. Indeed, most of the interviewees, private as well as public stakeholders, recognized that their initiatives are merely creating awareness on financial literacy rather than changing participants' behaviors:

Neriman (Firm): Our goal is creating awareness [farkındalık yaratmak]. We also know that behavior change will not happen immediately. Behaviour change happens in the long term.

Zuhal (Firm): What we see is this is not something that will happen with an hour-long seminar. There is a need for something different. You cannot force people into this either. We are now barely creating awareness. As the private sector, our power is enough only for this. We thought this should enter into the schools.

Fatma (Firm): Talking about behavioral change is too assertive [iddialı]. In measurements we had for our project, creating "attitude" change. So, we want to create awareness in people. We want to them to attain certain habits. Of course, the ideal is learning from the earlier ages. On the other hand, even though it may be late, it is important to learn and bring this to life [...] As I said, we didn't have the chance to observe behavior change in our project. We are observing attitude change and increase in the knowledge level. We care about this too. Because we need to enter somehow into people's head [kafasına girmemiz gerekiyor] so that they would first internalize this. Later, they say; "This is the right way." I think this will translate into behavior shape in time. Yes, two hours of education could be few [az]. But we want to give the gist of it to people.

Neslihan (Firm): Actually, the research being made reveals that especially in adulthood financial knowledge does not really translate into behavior much and does not create much change in people's savings. Currently, the scientific world is mixed about what is really effective or not. But I can tell this: If you want to create behavioral change, you really need to start at an early age [...] Let me share some preliminary results of our research. In our impact evaluation, at the baseline, boys are less patient than girls. The education is effective in both girls and the boys. But it is more effective in boys because they are less patient, to begin with. We also determined a positive relationship between saving and their success in schools.

Sadık (Bureaucracy): I think that creating a behavior change in people is not really easy, not really possible with a couple of hours of educations. Let's leave the finance part aside. Creating a behavioral change and raising people to a certain knowledge and consciousness level through education is a process that takes years. You achieve a certain level in the children who attend formal education, go to school every day, and do their homework in years. And there are many disciplinary elements such as fear from teachers and the principal as well as punishments for things like going late to school [...] So, we cannot say that the person who entered our website, completed all the educations successfully would make wise decisions, continue their life without any difficulty in financial matters, and could solve the problems when they encounter. I think saying this would be very naive [safça].

Overall, these accounts illustrate that financial literacy education initiatives in Turkey are creating awareness but falling short of behavioral change. They are aware of the limited impact of their programs but are optimistic about achieving more in the long-term. Specifically, they are seeking to be more effective by integrating financial literacy into the national curricula and by targeting earlier ages. Moreover, these initiatives attempt to increase their effectiveness and reach by utilizing various mediums of teaching such as lectures, seminars, videos, books and worksheets, games, theaters, and websites. Financial education is combined with technology to enhance financial capability with a mobile application launched by *I Can Manage My Money* project in 2015.[56]

Engaging with the Volunteers

The success of financial literacy education initiatives depends crucially on the volunteers' motivation and devotion to conducting the education. Most of these initiatives depend on various types of volunteer labor such as; school teachers, corporate and civil society association volunteers. Understanding how volunteers are recruited, trained, and motivated by financial literacy initiatives is the purpose of this sub-section. My fieldwork encounter in the annual coordination meeting of a private financial literacy initiative (21-23/10/2014) at a five-star hotel in Kuşadası is illustrative.

***

Around 100 youth volunteers from all across Turkey arrived at this hotel where accommodation, food, and travel expenses were covered. The first night was a go-around of introductions. The second day began with a panel that presented the highlights of the 5 years of this project. Success stories were shared first hand by the volunteers themselves. The stories included; reaching a record number of participants in a short time span, adjusting the curricula for people with hearing disabilities, delivering the training to prison inmates, etc. People were genuinely proud and happy to have contributed to this project, and this atmosphere was shared throughout the room and appreciated with lots of clapping. There was also the mention of corporate social responsibility prizes won by this project. The meeting continued with a panel

[56] At this point, we need to address certain trade-offs in the programme design. To illustrate with projects targeting primary school students, whereas *Heroes of the Economy Children* programme conducts one hour financial education for 3rd as well as 4th grade students, *3 Moneybox* training is two hours for 4th grade students, and an additional hour of parent education. *More than Money* programme is conducted an hour each week for six consecutive weeks with 4th grade students. *Orange Drops* programme offers an hour of financial education for 8 consecutive weeks for 3rd grade students as well as separate curricula for 4th grade students for 8 weeks. Except *More than Money*, all of these education programmes provide interactive websites. Arguably, there is a trade-off between reaching more students and educating students thoroughly.

composed of project stakeholders, who provided their perspectives on the project. A civil society representative emphasized the lifelong nature of learning and advised the attitude of being open to learning from everyone and investment in one's self. A corporate representative underlined that the success of the project actually depends on the work of the volunteers, the young people in the room.

Throughout the day, volunteers were organized into smaller groups and played several rounds of "financial football," a game that combines multiple-choice financial literacy questions and football. Moreover, there were sessions devoted to brainstorming on solutions to the problems encountered by volunteers in the project. After the dinner, there was a reception to celebrate the anniversary of the project. A big ballroom was prepared with balloons, lights, snacks, and live music. When everyone arrived, it was time for the final game of financial football. I was among the two teams that reached the finals. This time, the questions were about the lives of the project staff. Our team scored one short of our rivals, so we lost the match. The winners received medals from the representatives of project stakeholders. There was also the ceremony of giving awards (tablet computers) to the 6-7 of the volunteers who managed to reach 1000 participants in their educations. There were motivation messages all over the place. Educators were valued and thanked as creators of the success of the project by the representatives of stakeholders. The whole package is really successful in creating belonging and ownership in the volunteers. After this, there was a gathering at the stage and the fifth year cake came! People were really cheerful at this point. A group photo was taken at the stage.

The third and final day of the coordination meeting began with the presentation of all the volunteer feedbacks, organized as problems and solutions. Communication issues between volunteers and the office in terms of logistics, reporting, money transfers were raised. The solution was seen as transparency in job descriptions and giving more roles to master trainers as a liaison in communication and coordination. There were demands to increase the number of coordination meetings; which will be met by holding bi-annual coordination meetings. There were also strategies to have more presence in the social media. This was followed by the strategies to ease the permissions taken from local administrations *(schools, prisons, etc.) before delivering educations. Furthermore, some volunteers had confidence issues about the curricula: They said it was too long, not smooth in transitions from topic to topic, too old, not suitable for all the participants (needs to be specialized for some groups). What is more, some volunteers felt they are not confident in themselves with regards to the technical terms. They wanted a dictionary-like document to study on financial literacy. After wrapping up the feedback, project staff thanked all the volunteers, and a group photo was taken* (see **Photograph 7: Coordination Meeting** below).

Photograph 7: Coordination Meeting

(Source: Social Media Account of Civil Society Stakeholder)

***

This fieldwork encounter reveals several interesting insights about volunteer engagement in financial literacy projects with respect to initial involvement, commitment, and motivation tools, and agency. To begin with, my interactions with fellow volunteers throughout the meeting revealed that individuals are getting involved with youth organizing and civil society associations without much knowledge of specific projects. It is like a "package" of being a youth activist; getting involved in university clubs, youth civil society associations, volunteering in charity groups, in the national youth parliament, and eventually ending up being educators of multiple projects, one of which is a financial literacy project. My interviewees initially engaged through recommendations of family members *(Sevim, Civil Society; Halil, Civil Society)*, and friends *(Haydar, Civil Society)*, through their volunteering in other civil society associations *(Mehmet, Civil Society; Bengi, Civil Society)*, involvement in university clubs *(Mustafa, Civil Society)*, and social media announcements *(Tuncer, Civil Society)*. Typical rationales for involving are stated as follows:

> *Halil (Civil Society): I started to engage in the second year of university. My cousin was working in this association and asked me to join […] Actually, you don't really understand when you first start. It is like; "Let's go and volunteer somewhere. I will learn something and travel across Turkey and abroad. Have a good time." These are the feelings that I began with.*
>
> *Haydar (Civil Society): What attracts me in this project is; I am a person who likes to share the knowledge that I receive. Regardless of whether I know the people or not, I like to contribute to the people around me.*
>
> *Mehmet (Civil Society): I am doing all of these work with serious passion, love, and enthusiasm. Improving myself, that is my primary purpose. Besides this, both teaching something that I learn and while learning, going through these experiences and contributing things to my life that I could never find anywhere else.*
>
> *Tuncer (Civil Society): Money is a part of your life whether you are an expert or not. Since this project is on financial awareness, and I am interested, I wanted to apply. I wanted to enter into this project.*
>
> *Sevim (Civil Society): My favorite aspect of this project is learning something and conveying it to others […] I am studying banking and finance. Likewise, I am getting finance education in this project. They are related. Whereas we are getting academic knowledge in school, we are learning the knowledge useful in our everyday lives here. At the same time, I believe that this experience will be a reference in the future for the banks.*
>
> *Bengi (Civil Society): What impressed me was this: When we say financial awareness, we are not dealing with numbers much. We are raising the awareness of people. And I love delivering education, conveying knowledge to people about something that I got expertise in.*
>
> *Mustafa (Civil Society): We had established a club in the university. We heard about the [Civil Society Association] in club meetings […] One night, while we were browsing the internet, we came across the trainer's training application of the project. We did not know much about youth activities back then. We applied just in case.*

These accounts reveal that volunteers enjoy sharing knowledge and contributing to the society and utilize volunteering as an opportunity to invest in themselves. Indeed, a couple of interviewees noted that being involved in volunteering financial literacy projects improved their confidence and ability to speak before the crowds *(Mustafa, Civil Society; Haydar, Civil Society).*[57] It appears that most volunteers engaged without being knowledgeable about finance or specifically seeking to be volunteers of financial literacy.

Volunteers did not mention any of the material benefits of financial literacy projects while talking about their commitment to being a volunteer. As it is clear from the fieldwork encounter, various mechanisms are working in motivating volunteers and fostering belongingness such as; free travel opportunities, prizes for achievements, a modest honorarium and reimbursement of all education-related expenses, and the frequent praise of the work being done. Furthermore, I have also observed gift card promotions to those volunteers reaching certain numbers of participants in specific time frames, such as the Global Money Week. Interviews reveal their attachment to being a volunteer is beyond material gains. To illustrate, *Mustafa (Civil Society)* said that *"the joy and happiness of learning something from people and conveying to others are certainly incomparable to any material value in my heart."* What is more, *Mehmet (Civil Society)* argued that being a volunteer of financial literacy project was a *"serious a matter of devotion to the country, to the nation [vatan millet meselesi]."* Volunteers also expressed their attachment to the financial literacy curricula, which they find very useful in their lives. For instance, *Tuncer (Civil Society)* noted that receiving trainer's training led him to start saving money and eventually reaching his goal of buying a camera. An experienced volunteer expressed how the curricula worked for many people whom he educated including himself, as follows:

> *Mustafa (Civil Society): When I first received trainer's training, I did not trust the curriculum. I received the education but had no faith. Then, I started implementing myself. I saved all the 10*

[57] *Haydar (Civil Society)* expressed mutual gains in volunteering as follows: *"There are benefits for youth in joining projects at young ages. Firstly, they are supporting the project, making sure the project continues to live. Secondly, they are developing themselves. Taking a part in the social life. Indeed, it is hard to talk before people […] You are both developing yourself and contributing to the projects. You are touching people's lives and the project also touches your life."*

> *pennies [kuruş], and it made a huge impact on me […] When I delivered this education in prisons, the people who end up there because of credit card debts said; "We are here because we made these mistakes. It is great that you taught us." So, it makes an impact. When I delivered in big corporations, there are people with high income and status who appreciate the content. Actually, it looks very simple. That simplicity influences people. You can touch the heart of the people. And when you touch their heart, they try this once and see its effects. All of these trials eventually become a way of life [yaşam biçimi]. Indeed, this happened to me.*

This account not only points out to the effectiveness of education but more importantly underlines that volunteering contributes to the feeling of agency. Indeed, numerous accounts quoted above point out that educating and empowering people to change their lives is the reason why individuals become volunteers.[58] Volunteers' perspectives on financial education will not be complete without the reflections on my own experience as a volunteer, which will be explored in section 6.4.

Responding to the Critiques of Financial Education

This section explores the ways in which project stakeholders respond to criticisms of financial education. My fieldwork encounter at a financial literacy "trainer's training" conducted in a firm at Çağlayan, Istanbul (28/11/2014) is illustrative in this regard.

***

I joined twelve corporate volunteers to receive this training from two civil society association staff by the morning. Elif (Civil Society) *began the training with an introductory presentation about the ongoing programs of the civil society association.* Elif*'s presentation was really well-prepared, structured, informative, and full of helpful anecdotes and fun stories, conducted in interaction with the participants. At one point,* Elif *asked the following question: "Why do we need to teach financial literacy in schools?" A couple of responses pointed out to the application of mathematics and filling the gap of missing economics and finance knowledge in schools. One corporate volunteer responded by saying that we are associating our kids with innocence. But, we need to prepare them for life. There is no escape from it. She*

[58] *Kerim (Firm)*, a corporate volunteer, similarly explained the satisfaction of delivering education as follows: *"People won't be aware unless they are do this. But the added value you create in a person's life, when you first do it, gives you a beautiful pleasure. Once you get that feeling, it makes this job much more enjoyable."*

was questioning that "we are teaching kids capitalism," but came up with the answer of "we need to do this." Elif *responded by echoing this line of reasoning: We imagine our children as "above the clouds," but they will spend money, and they actually have a sense of how things work.*

***

In my interview with *Elif*, she reflected on this exchange as follows:

> *Elif (Civil Society): What we talked about that day was very important. We are viewing children as small beings who only need to eat, dress properly, and learn how to read. Eventually, we are giving them pocket money to spend at the canteen. Children are using the money somehow. They may be asking for debt from friends, from teachers. While these examples appear funny to us, the children are trying to manage their own economy there. If we do not teach the children how to use their resources properly…*

This fieldwork encounter and interview reflects the typical line of reasoning about responding to criticisms of financial education and seeking to legitimize its necessity. The criticisms of financial education are dismissed as the need to teach financial literacy as a basic, inescapable life skill. I received the following responses in my interviews when I shared this moment; "are we going to teach children capitalism with financial literacy?"

> *Burcu (Firm): I get that all the time. The answer is: "Yes, you will." This is the world that we live in unless your kids want to live up in the mountains.*

> *Zuhal (Firm): We never received that objection. But we talked about it amongst ourselves while working with [State Institution]. The approach of the [State Institution] is this: Capitalism is the reality of life. Children will meet with money and money will always be in their lives. They will either receive pocket money or will grow up and start working. Since children will meet with money, at least they should learn to use it correctly so that they won't be a slave of money [paranın kölesi olmasın].*

> *Neslihan (Firm): We are not teaching too much to the children at this age. We are only teaching the flow of money. There, we have to talk about banks. The central bank issues the money, your parents earn money, and afterward they spend it on certain places. We are talking about the cycle of money. But this is the only financial thing we are talking about. When you look at it, capitalism is the way the whole world works now. Children are exposed to lots of advertisements when they go home every day and watch television. But we are trying to teach them conscious consumerism, conscious money management, not being prodigal.*

> *Esin (Firm): Just like we are teaching certain basic habits and concepts in early ages like nutrition, health; there are certain facts in the world now. Let's think about the products and services in the financial sector that we face now. In a decade or two, the variety and the complexity of financial products and services these children face will be much much higher. Hence,*

> *the question we need to ask is this: Do we want to prepare the children for this world or not? Do we want them to make conscious decisions or not?*

These accounts characterize financial literacy as a fact and necessity of this world, akin to preparing children to life by teaching basic habits such as *"nutrition, health" (Esin, Firm)*. What is more, learning financial literacy at an early age is viewed to empower individuals so that they would be conscious consumers *(Neslihan, Firm)*, rather than *"a slave of money" (Zuhal, Firm)*. Indeed, empowering the disadvantaged groups through financial literacy education is one of the key responses to criticisms:

> *İlhan (Civil Society): The reason for starting this is the [2008] economic crisis across the world. The youth and the poor are the most affected from the crisis. How can we develop the financial literacy awareness so that these people won't lose their opportunities? This is the reason. We received serious criticisms at our first press meeting. They were questioning "What is the use of teaching financial literacy to the people who don't have money?" We started because of this very reason. Crises do not affect people with money too much. They are affected, but they do not completely lose their standards. But if the people who don't have money cannot use their money properly, it makes their life a nightmare. This is the story of how we began.*

This account rests on the belief that teaching the youth and the poor to *"use their money properly" (İlhan, Civil Society)* will ensure their resilience in the face of crises such as the global financial crisis. Interestingly, some of my interviewees responded not only to the question but also to my position as a researcher reiterating the criticism of financial literacy. *İlhan (Civil Society)* implied that I am a *"privileged [tuzu kuru]"* consumer raising criticism capitalism though not touching the lives of the poor. *Asena (Civil Society)* pointed out that many people who are critical of financial literacy merely criticize it without providing an alternative. These interactions led me to reflect on my relationship with the fieldwork, explored in the next section.

6.4. The Author and the Fieldwork

Ethnography is a research method in which the researcher typically gets immersed in the places and the people who are "studied" (Weeden, 2010: 257). The researcher has the dual role of observing as well as participating in the activities that take place around her/him. Moreover, since the author "serve as a type of 'hub' through which the world becomes known" (Brigg and Bleiker, 2010: 780), this role in the knowledge creation process needs to be explored, instead of erased. Indeed, as Carol Cohn (1987: 716) illustrates in her ethnography of defense intellectuals, "learning their language is a transformative, rather than additive, process," hence blurring the distinction between the subject and the object. Consequently, there is a need to tackle the question of how the researcher's own thinking was transformed throughout the research process.

My ethnography in three financial literacy-related civil society associations as a volunteer and numerous interviews with the informants brought the similar question of navigating my own position vis-a-vis the financial literacy agenda. As a volunteer, I got immersed in the daily functioning of financial literacy projects in various capacities and tasks including; running office errands, attending numerous project meetings, talks, and conferences, receiving financial literacy educator training, observing as well as personally conducting financial education, working to create and update financial literacy curricula. I have clearly noticed that working inside the problematic of financial literacy have brought new items as well as modes of thinking to my life, transformed my positions on certain issues, exposed my agency, and posed fresh research questions.

Volunteering at financial literacy-related civil society associations meant sustained social encounters with distinct groups of people such as; fellow volunteers and professionals of civil society associations, the corporate world, and the receivers of financial education whose profile vary according to the project at hand (students at different levels, women, etc.). These interactions brought new items into my life; the roll-ups, promotional, and information materials of financial literacy projects, member registry forms, PowerPoint documents of educations, membership into several new

Facebook groups, and piles of business cards. Alongside these items, I have documented my interactions in the form of jottings throughout the day; field notes every night, photographs at remarkable events, and voice recordings during the interviews. Field notes provide the facts as well as my analyses, feelings, and self-reflections.

My encounter with the financial literacy curricula in the field has been the most transformative one. I gave a promise to myself early in the fieldwork to conduct in ways taught by financial education curricula. I have decided to act as a "financially literate subject" so that I would see whether or not financial literacy "works" first hand. Due to the contingency and fluidity of the fieldwork activities, I failed to sustain financially literate behaviors. Indeed, towards the end of my fieldwork, I was worse-off financially! However, this does not mean that I failed to internalize financial literacy. Having received financial literacy trainer's training multiple times, delivered the financial education myself on several occasions, and tasked to update several project curricula, I learned it thoroughly. Learning financial literacy curricula had a transformative effect, just as Carol Cohn's (1987) learning of technostrategic language.[59]

First of all, the problematic of the financial literacy curricula prioritizes the kinds of issues and questions pertaining to personal empowerment above the structural and critical ones. The financial literacy agenda promises the subject success and security, given the circumstances. As such, this lacks insight into how these circumstances are formed in the first place (structural) and whether they are preferable or changeable

[59] I have anticipated a possible change of position and wrote the following field notes at the beginning of my fieldwork: *"For the sake of declaring where I stand now, I think that financial literacy education serves to expand, legitimize, and normalize the financialized accumulation regime by creating a particular subjectivity: One that is internalizing the underlying morale. Banks are not only promoting the instruments of financial sector and popularizing themselves as socially responsible actors, but more importantly, they are shaping and re-shaping subjectivities. With financial literacy education, people are learning to conduct practices such as setting targets, creating budgets, saving carefully, being truthful to their debts. Ultimately, they are learning to become entrepreneurs of themselves. Wow! This paragraph can easily be copied and pasted as the main argument of the dissertation, at least for now. I am stressing "for now" part, because my ideas can change and develop, in ways just like Carol Cohn's Sex and Death"* (09/09/2014).

(critical). As I learned this mode of thinking, I realized that my contributions as a critic of financial literacy is very limited, since the parameters of what can be said without being irrelevant are already set. I faced this challenge when I got tasked to update several project curricula. I quickly found that I could add very little within this problematic of empowering individuals to navigate the financialized world. This issue also exposed the boundaries of my "agency" in this field.[60]

What is more, I found myself appreciating the "empowering" aspects of the curricula. My responses to the following questions turned out to be affirmative: Shouldn't we teach people how to use credit card properly to avoid excessive interest payments? Isn't tracking everyday expenses a good way to achieve control over one's budget? Isn't saving money for an emergency fund a good idea? Indeed, these techniques of the self seem to promise the subject a potential to improve one's own conduct. Nevertheless, I still continue to think that these are remarkably status-quo-oriented concerns that contribute to the reproduction of the financialized regime of accumulation.

Learning the language of financial literacy and getting immersed in the functioning of these initiatives has shifted my reference point. I ceased to question the very existence of these projects and instead started spending my time to develop these projects further as a volunteer. The first month into the fieldwork, a close friend called out my habit of *identification with* and *speaking for* financial literacy-related civil society associations. My exposure to the everyday tasks of formulating and developing existing or new financial literacy projects have slowly taken over my critical stance. A factor in this change was my social interactions and rapport with volunteers and professionals of civil

[60] The only remarkable addition I managed to accomplish was on the subject of "money" in one financial literacy curricula. The typical message on this issue is the following: "Money is not an end in itself. It is a means to an end." I added that money is earned in exchange of the labour we spend. What I seek to introduce here is that labour is the source of value, and money is merely a measurement tool of this value. This formulation was welcomed and became a part of a curriculum and eventually got taught to the youth.

society. I found myself to share a surprisingly similar critical stance with some of these people about the motivations and misconducts of financial capital.

These reflections paved the way for fresh questions. Since my fieldwork, I am more interested in finding ways to create critical financial/economic literacy curricula and spread them through alternative teaching channels. Indeed, criticisms of the existing initiatives carry more weight if they are supplemented with an alternative.

6.5. Conclusion

This chapter began with a fieldwork encounter that illustrated the engagement of financial capital with financial literacy through corporate social responsibility initiatives. Why and how these private financial literacy initiatives are rationalized, formed, and conducted? The growing concern with sustainable banking in the aftermath of the global financial crisis brought financial education to the forefront. Leading corporations of the global finance launched financial literacy initiatives in Turkey to foster the long-term sustainability of the financial system. Conducted in the framework of corporate social responsibility, these projects are mutually beneficial for the partnering stakeholders. Specifically, financial capital receives short-term publicity gains as well as long-term financial inclusion benefits. Financial literacy initiatives target numerous groups such as students, youth, women, and entrepreneurs and teach topics such as budgeting, saving, managing debt, financial planning, and conscious consumerism. Evaluations of project implementation reveal that financial education merely raises awareness and falls short of a behavioural change. Hence, corporations seek to enhance their effectiveness by embedding financial literacy programs into the national school curricula. Our analysis of public as well as private financial literacy initiatives sets the stage for the exploration of financially literate subjectivity itself in the following chapter.

CHAPTER SEVEN:

PROBLEMATIZING FINANCIALLY LITERATE SUBJECTIVITY

7.1. Introduction

Fieldwork Encounter: My Friend Little Lion

My Friend Little Lion is a children's book, written by Yalvaç Ural (2013), that the 8-10-year-old students who receive financial literacy education of ING Bank's *Orange Drops* program encounter. ING Bank's preface to the book states that: "We wish that you learn to; wait for something that you wish, differentiate between your needs and wants, align your needs according to their priority, postpone your desire to spend money, and save money at early ages" (2013: 1). The little lion, the story's key character also happens to be ING Bank's brand logo. Besides promoting a friendly image for the bank, this story has crucial implications for conveying the knowledge on "the right way" of consuming goods, spending, saving, and managing debt to children. This story illustrates qualities of financially literate subjectivity that is aimed to be created by the financial capital. This introduction presents a shortened version of this children's book.

***

Arda *entered the home, grabbed a bite at the apple, and went to his room to do homework before dinner. Watching cartoons and playing with his little sister were his favorite things. Little sister just started the kindergarten this year. Preparing and clearing up the table was their duty, something they volunteered for. That day, the family talked about how their day passed at dinner as usual. Mother brought two gift packages from the bank: A money box and a book. Little sister took the money box and said: "Daddy! Let's start saving money with you! Then mommy and perhaps my brother will give me some money too?"* Arda *had spent all of his pocket money today in the canteen. Father asked; "Son,* *what have you done? It is the middle of the week. What happens if you need anything?"* Arda *assured him that he could borrow from a friend. Father clarified that* Arda *is not allowed to take any money besides parents. Parents underlined that all members of the family would avoid spending money unnecessarily, act thriftily, and save money moving forward. They ate their dinner with a great joy and played puzzle for a while until the bedtime.* Arda *prepared his school bag, wore his pajamas, and glossed over the book that her mother brought from the bank, reading the book's name out loud: "My Friend Little Lion." He put the book to the bedside and closed the light.*

Just as Arda *closed his eyes, he heard a rustling sound. Someone was trying to get out of the book. The little lion jumped on the bed and said: "Good night* Arda*!" Seeing that* Arda *was frightened, the lion came closer: "Please don't be afraid of me! I am your friend. I am here to meet and tell things about life, being thrifty, and saving." Lion talked about the journey to* Arda*'s room. Then, lion criticized several things in the room:* Arda *was not showing enough care to his pencils, notebook, and school equipment. There were pieces of paper wasted in the trash. Lion grabbed the half-eaten apple and asked: "Do you know how many birds and insects can be fed with this apple on a winter day?" Lion told that collecting food is the secret of surviving in the forest during the winter, and narrated the story of cricket and ant to make this point clearer. Lion emphasized that having foresight, being thrifty, using resources consciously, and saving is universally valid for all living beings.*

The little lion then took Arda *to the forest to show how animals prepare for the coming days. They talked with squirrel, turtle, rabbit, bear, crow, bees, mice, and ants. In the end, the lion said; "You saw that in nature every creature, big and small, is collecting their own food. But there is a division of labor among people. Some do the farming, others breed animals, and some clothe people. People are working at different kinds of jobs and buy the services with the money they earn. If we use our money wisely and save, we can buy our wants, our dreams and secure ourselves for our needs." Lion handed out a rhododendron to* Arda *and thanked him for trusting and coming to the forest before bringing him back to his room.* Arda *woke up in the morning, mumbling about the interesting dream. Then, he saw a* *rhododendron in his bedside along with a money box beside it. Was all of this real?* Arda *grabbed his book and noticed that the little lion was winking at him. He also winked. They both laughed.* Arda *said; "Have a good day Little Lion, I have so much to tell at school today!" and left his room.*

***

Purpose and Contents

This chapter tackles the following research question: What kinds of subjectivities are constituted, legitimized, normalized, and excluded with financial literacy education in Turkey? The purpose of this chapter is to problematize the proclaimed qualities and practices of this subjectivity in regards to the following themes: Basic knowledge of finance, financial planning, budgeting, conscious consumerism, managing debt, creditworthiness, savings, investment, and entrepreneurship. Financial literacy initiatives' promotion of knowledge, "right" attitudes and behavior as a technique of the self is crucial for the constitution of a particular subjectivity in the context of financialization. The material used for this chapter is predominantly the curricula of financial education initiatives and the critical academic literature on financial literacy, supplemented with interviews.[61]

This chapter is organized as follows: The second section reviews the curricula on introducing finance. The third section explores financial planning and budgeting. The fourth section focuses on conscious consumerism. The fifth section discusses managing debt and creditworthiness. The sixth section deals with savings and investment. The seventh section explores entrepreneurship. The eighth section concludes. **Appendix Four: Family Training Program Attainments** provides a comprehensive overview of the knowledge, abilities, and behaviors of the financially literate subjectivity.

[61] References given to the financial literacy curricula in this chapter cover numerous types of documents including websites, books, instructors' manuals, PowerPoint presentations, brochures, and handouts.

7.2. Introducing Finance

Introducing basic financial concepts and institutions is the core of constituting the financially literate subjectivity. As the term itself indicates, financial literacy is "*reading and writing finance [...] the management of money" (Gamze, Civil Society)* or *"the ABC of finance and money" (Meryem, Academia)*. Indeed, the knowledge aspect of financial literacy is usually measured through financial concepts such as inflation, interest compounding, and risk diversification (Lusardi and Mitchell, 2011: 499; OECD, 2013c). Hence, financial literacy curricula in Turkey typically teach basic financial terms such as: money (history, various forms, and purpose), bank, types of banks (deposit, participation, etc.), banking services (deposit and savings accounts, credit types, money transfers, etc.), financial system (various financial markets and regulatory authorities), economy, interest, income, and insurance (Şarlak, 2012b: 9-15; Heroes of the Economy Children Curricula).

From the cultural political economy perspective, introducing finance to individuals has crucial political as well as cultural implications. To begin with, the decision to include certain financial concepts and exclude others, defining financial institutions in particular ways, and locating them in individual's lives are not value-free choices. As Pinto and Coulson (2011: 65) underline, "deciding what is 'worth knowing' or 'most important' are value-laden acts." We should be cautious of the behaviors prescribed in financial literacy curricula as the right way to conduct oneself with the appearance that they are "universal, linear and inevitable" (2011: 65). Financial literacy curricula picture a benign conception of banks and the financial system. For instance, the *Savings Education* program "Basic Banking Services" curricula begins with an activity called: "Why do we need a bank?" This is an activity that aims to introduce the functions, purposes, and types of banks, as well as financial institutions' reliability and security. The instructor's manual notes that participants should be allowed to raise their concerns about the reliability of financial institutions since: "The real purpose of the financial education program is to ensure participants' trust to the banks" (Savings Education Curricula). This instruction clearly illustrates the purpose of constructing a reliable image of the financial system through financial education.

Definitions of key financial concepts and institutions by financial education curricula have crucial implications for how participants relate to them. To illustrate, the *3 Moneybox* defines money as "a means of payment issued by the state made of paper or metal, its value is written on" (3 Moneybox Curricula). Moreover, it is stated that money can be conceived of a vehicle like a bicycle or a bus that takes us from one point to another. Underlying this is the message that money is not an end in itself; it is a means towards reaching individuals' ends (Denizmen, 2012: 15). Likewise, the *I Can Manage My Money* program asks how to locate money in our lives and provides a similar response: "Money is a tool that carries us to our targets." This depiction of money as a tool is depoliticizes money in a capitalist economy and overlooks the underlying relations of power and inequality. Interestingly enough, the *I Can Manage My Money* curricula establishes an equation between management of money and life: "Money Management=Life Management" (I Can Manage My Money Curricula).

"Manage your money, manage your life" is indeed the key slogan of Özlem Denizmen (2012: 27), who is the most prominent financial literacy advocate in Turkey. Denizmen equates and underlines the individual responsibility for money management with life management as follows: "It is the time of action. No one will come and save you. There is only one saviour and manager of your life, your budget, your money; that is YOURSELF" (2012: 32). There is a contradiction between devaluing money as merely a tool and simultaneously equating its management to the management of life. Given the far-reaching implications of financially literate subjectivity, the tools of money management indeed guide the management of lives in particular ways. In other words, financial literacy can be seen as a *technique of the self*, defined by Foucault as "reflection on modes of living, on choices of existence, on the way to regulate one's behavior, to attach oneself to ends and means" (Foucault, 2000: 89).

Financial education programs equip individuals with not only the basic knowledge but also the calculative agency to engage with the financial system. For instance, the *Orange Drops* program website brings children inside of an interactive bank branch where they can learn what the roles and functions of customer representatives, clerks, and ATM's are. The bank gives the following message together with the joyful background music: "Welcome to the bank branch! Banks are institutions where we safely store the monies we earn. At the same time, banks ensure that we invest this money, meaning increase our money" (Orange Drops Curricula). Children are able to familiarize themselves to the banknotes circulated in Turkey with a game in the *Heroes of the Economy Children* website. Furthermore, the *More Than Money* program provides children with personal bank account sheets so that they can practice and learn how to keep their accounts of money withdrawal, money deposit, and remaining balance. Last but not the least, an activity of the *Savings Education* program is learning how to write a check.

Financial education programs propose particular ways to conduct oneself in relation to the financial system. The *I Can Manage My Money* adult curriculum ends with a discussion of four "Principles of Behaviour." The *rationality* principle is explained as follows: given that banks seek profit in exchange for providing services, you should know your purpose and calculations too. Hence, calculate costs and benefits of each transaction, monitor your accounts, analyze every bank statement, inquire if you don't understand statements, follow other banks and change banks if the need arises. The *transparency* and *honesty* principles underline the necessity to provide accurate information to banks. Moreover, individuals are encouraged to complain if they see wrongdoing of the banks. Finally, the *loyalty to debt* principle points to the "reciprocal trust" that the financial system is build upon. Participants are instructed to be loyal to their debt: "As long as you are loyal to your debt, your potentials expand" (I Can Manage My Money Curricula). *Financial literacy programs seek to constitute a subject who conducts oneself in a rational, honest, transparent manner and stays loyal to their debts.* As analyzed in Chapter Six, there is a growing interest of financial capital with sustainable banking in the aftermath of the GFC. Financially literate principles of behavior like rationality, honesty, transparency perfectly corresponds to this business model. *The financially literate subject is the subject of sustainable banking.*

7.3. Financial Planning and Budgeting

Introducing habits of budgeting and financial planning into one's everyday life is another central aspect of constituting the financially literate subjectivity. The importance of determining long and short-term goals, making financial plans accordingly, monthly budgeting, and tracking everyday spending is underlined in financial literacy curricula in Turkey. These activities entail establishing an entrepreneurial relationship to one's own life; hence, becoming an *entrepreneur of the self*. Foucault pointed out that generalizing the enterprise form within neo-liberal governmentality makes it "a model of social relations and of existence itself, a form of relationship of the individual to himself, time, those around him, the group, and the family" (Foucault, 2008: 242). Financially literacy curricula provide concrete technologies for the subject to conduct oneself in entrepreneurial ways in everyday life.

Personal development narratives prevail in Turkey's financial literacy curricula. Individuals are encouraged to dream first, and then turn their dreams into concrete goals.

Individuals are asked to list their short, medium, and long-term financial goals (Denizmen, 2012: 32-33). Types of goals differ in accordance with the target audience. Financial literacy programs directed towards children seek to establish basic concepts. The *Orange Drops* program begins with creating the awareness of "the future," through discussing the impact of today's decisions on tomorrow. Children are encouraged to think about their dream occupations and the steps they need to take from today (Orange Drops Curricula). Likewise, the *More Than Money* program drives children to think about their areas of interest, skills, and compare these to the occupations that they dream of (More Than Money Curricula). The *3 Moneybox* also has an exercise that directs children to list their short and long-term goals (3 Moneybox Curricula). All of these practices seek to constitute a particular mindset in children, reminding us Foucault's elaboration of neo-liberal human capital theory. *Children are encouraged to become entrepreneurs of the self by investing in personal skills and education to reach their life goals and dream occupations*.[62] Curricula for adults, such as the *I Can Manage My Money* further specify certain qualities for goal-setting. Goals should be clear, measurable, reachable, realistic, and specified for a time-period (I Can Manage My Money Curricula).

Long-term goals such as protection against risks, ensuring financial security, increasing life standards, retirement planning, and preparing a will are key elements of financial planning throughout individuals' life-cycle (Şarlak, 2012b: 18-20). According to the *Family Training Program*, "[f]inancial planning paves the way for increasing income and decreasing expenditures in the long term through right saving, investment, and debt management methods" (Şarlak, 2012a: 54). In this framework, individuals are encouraged to form an emergency fund enough to cover living expenses for 3 months as a protection

[62] *Aslı (Firm)* explained their attainments in children as follows: *"We are giving children very important psychological development in [Financial Literacy Initiative]. We tell them to dream, to determine targets. Everything starts with a dream. There is no place for dreams in our education system. For me, if there is no dream, there is no development."*

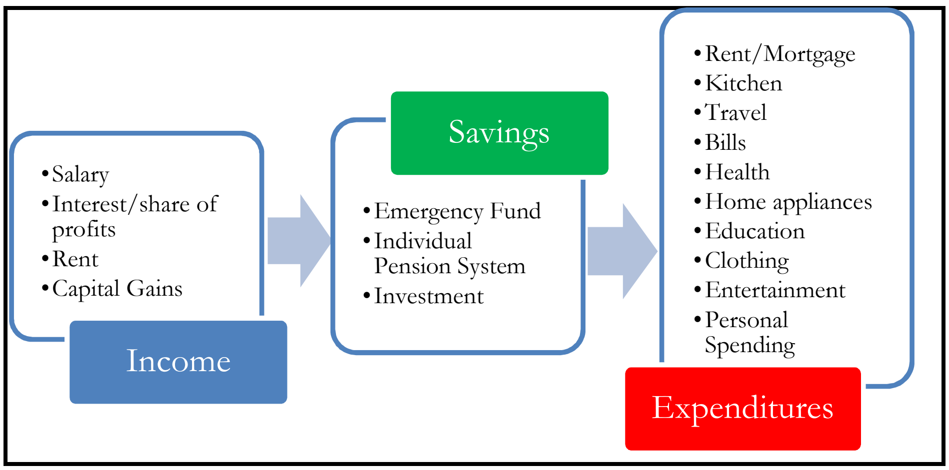
against risks such as "sickness, job loss, economic downturn, or other emergencies" (OECD, 2013c: 56). An informant explained rationale of the emergency fund as follows:

> *Ahmet (Civil Society): Money cannot bring happiness but it brings security. Hence, it brings happiness indirectly. If people can save, in cases of accidents, there is something we call "emergency fund." We tell them to have savings to cover their living expenses for three months, so as to survive the shock. Hopefully, you could find a solution in these three months without lowering your quality of life. This provides social security.*

Through this technology of government, financially literate subjects are responsibilized for "social risks such as illness, unemployment, poverty, etc." which are now construed as problems of "self-care" (Lemke, 2001: 201). As Chris Arthur (2012: 47) points out, "[i]nstead of state providing collective security for all through social programs the individual is expected to manage risk responsibly through knowledgeable consumption of financial products." Hence, responsibilization of individuals for social risks undermines the "demands for an activist state" (Beggs, Bryan, and Rafferty, 2014: 988). *The financial literacy agenda contributes to undermining social insurance further by responsibilizing individuals for social risks in the context of neo-liberalism*.

Budgeting is an essential topic of all financial literacy curricula. The *Family Training Program* view preparing a budget as "the first step of a healthy financial life" since it contributes to "ensuring discipline in expenditures and regulating the financial state of affairs" (Şarlak, 2012b: 21). The *I Can Manage My Money* program considers a budget as "the tool to reach one's dreams," underlining the link between budgeting and reaching long-term financial goals via one's savings. **Figure 3: I Can Manage My Money: My Budget** below illustrates the major items of an individual's budget. Financially literate subjects are asked to list their income, savings, and expenditure streams on a regular basis, categorize them according to these groups, determine targets for individual items, keep track of actual spending, and find out whether their targets were realized. The curricula advise to allocate a portion of savings (at least 10%) once we receive our income, and then plan our expenditures with the remainder. The key formula of budgeting is not spending more than income, hence balancing income and expenditures (I Can Manage My Money Curricula). The mobile phone application of *I Can Manage My Money* facilitates calculation by providing tools to prepare individual budgets, set bill payment alerts, and trace saving targets.

Figure 3: I Can Manage My Money: My Budget



(Source: I Can Manage My Money Curricula)

This habit of constantly monitoring an individual's life with an accounting scheme constitutes a calculative agency. Indeed, financial literacy initiatives promote establishing an entrepreneurial relationship to one's own life through this technology of calculation. Michel Callon (1998: 23) points out that accounting tools "do not merely record a reality independent of themselves; they contribute powerfully to shaping, simply by measuring it, the reality that they measure." Besides these accounting tools, the financial literacy curricula provide numerous tips for successful budgeting and changing spending habits (Şarlak, 2012b: 24-25). Denizmen (2012: 43) sums up the message on budgeting as follows: "There are two pillars of the budget: 'Income' and 'expenditure.' In short, you need to either increase your income or cut down your expenditures to reach the balance.

There is no other way!" This message illustrates how social-structural elements that constrain budgeting are erased in these individualized financial literacy tips.[63] As Pinto and Coulson (2011: 64) point out, the prevalent "choice discourses" of financial literacy curricula "ignore the role that power plays within systemic barriers that restrict individual agency to participate economically, socially and politically." In other words, individuals are responsibilized for their own finances with little regard to the broader dynamics beyond their control that result in unbalanced budgets.

A simpler version of this calculative agency is also established in the children. The *Orange Drops* program introduces the "perception of limited resources and budgeting" together so as to highlight the making choices and budgets under the constraints of limited resources. Expenditures and savings comprise children's budget (Orange Drops Curricula). The *3 Moneybox* program, on the other hand, divides children's budget into three aspects: saving, sharing, and spending (see **Photograph 8: 3 Moneybox** below). This emphasis on sharing is exceptional, given the individualistic ethos permeating financial literacy curricula across the world and in Turkey.[64] This division of money into three compartments in the moneybox shapes thought and conduct with the help of an object. An informant pointed out how the *3 Moneybox* introduced new concerns into the children's life as follows:

[63] The *Family Training Program* recognizes being low-income is a constraining factor but is optimistic that behavioural change through financial planning could improve the lives of low-income families: "Having low-income does not mean being unable to make ends meet. Individuals and families may not be able to increase income in the short-term. But by changing their some of their behaviours in financial affairs or by acquiring new habits; they can improve their life quality, gain their financial independence, and stand on their feet" (Şarlak, 2012a: 7). To illustrate, *Halil (Civil Society)* argues that keeping track of one's expenses makes a difference: *"We want everyone to write down their daily expenditures in the education. Everyone is surprised about how much money they spend or how many different items they spend. Especially, the small banknotes, the change in our pockets is spent really fast and we lose control completely [...] Hence, I think that by giving the advice to keep these under control, though we may not increase their income, we increase their command over their existing income."*

[64] The *Family Academy* program children's financial literacy book similarly underlines the message of sharing as follows: "Behaving prudently and saving makes us smart. But we become human by sharing [*Ama paylaşmakla insan oluruz*]" (Family Academy Curricula).

> *Aslı (Firm): We are telling them to divide their pocket money into three. Sharing is very important. Children at that age are not usually open to sharing. Indeed, my son is nine years old, exactly the target audience. Every day he is thinking about where to use the amount in the sharing money box. This was not present in his life before. Now, he is thinking about what to buy to the superintendent's child.*

Hence, the moneybox itself guides the children's conduct in allocating money for saving, sharing, and spending. Moreover, children's habit of budgeting is fostered through several practical activities: they are asked to write down how much the major items of the family budget are according to their guesses (such as rent, bills, and total household monthly spending) and ask their parents to find out the real numbers. Another activity invites children to plan the ingredients and prepare a budget for an omelet (3 Moneybox Curricula). *Engaging with these habits of everyday calculation of expenditures, budgeting, and financial planning does not merely function as "recording" the existing financial state of affairs but instead entail the modification of one's conduct in entrepreneurial ways.*

Photograph 8: 3 Moneybox

(Source: Author's Fieldwork Photographs)

7.4. Conscious Consumerism

Establishing financial control over one's expenses extends beyond financial planning and budgeting to everyday shopping decisions. Creating conscious consumers; that is, shaping the everyday manners in which subjects conduct themselves in shopping and consumption is a crucial aspect of financial literacy curricula in Turkey.[65] A key technology in this regard is questioning and categorizing whether a commodity/service is a "need" or a "want" of the individual before purchasing. The *3 Moneybox* promotes a practical method of implementing this by the "10-second-rule." Individuals are asked to question whether an item is a need or want, whether it is worth spending money for 10 seconds (3 Moneybox Curricula). The *Orange Drops* program defines needs as those required for our survival such as air, clothing, food, water, a shelter. On the other hand, wants are items that we think will make us happy but we can live without. The concepts of saving, being patient, postponing one's wants, and planning are underlined throughout this curriculum. Children are playing a game to reinforce the following habits: "Plan, Postpone, Increase your money, Purchase" (Orange Drops Curricula).

The *Heroes of the Economy Children* website provides an interactive game with a similar conscious consumerism message. The main goal of the game is explained as "working hard, earning money in return, and buying your needs." Players first experience earning money by distributing newspapers with their bicycle. Then, players go to shopping to buy stationery needs and try to avoid the temptation to buy items such as candies. If players manage to buy all of the needs on the shopping list, they become a

[65] *İlhan (Civil Society)* equates financial literacy with changing consumption habits: *"What I mean by financial literacy in general is actually changing our consumption habits. Because you cannot make budget management unless you change your consumption habits. Prioritizing needs in personal spending, planning ourselves, but most importantly changing our consumption patterns and habits. Besides the positive aspects of globalization such as strenghthening of communications, easing of access to knowledge, at the same time the world became a common marketplace. And in this marketplace the constant production of new commodities is accompanied with the creation of new perceptions for their consumption. This perception at the same time mobilizes us to buy things that we do not need. Creates a new consumption habit. Hence, I perceive the basics of financial literacy as changing consumption behaviour in a positive way."*

"hero." The messages throughout the game are prioritizing needs over wants, saving money to buy one's wants later, and being careful in shopping (Heroes of the Economy Children Curricula).

Another aspect of conscious consumerism is the efficient utilization of existing resources and commodities. In this regard, the *Family Training Program* devotes a separate module for energy saving. This curriculum highlights the importance of energy efficiency for the family budget and provides practical tips to implement in households and vehicles (Şarlak, 2012c). Likewise, Denizmen (2015) provides 175 practical tips for being thrifty and avoiding prodigality in all areas of consumption.[66]

Financial literacy curricula provide detailed strategies to make decisions as conscious consumers as well as to avoid advertisement deceptions. The *Family Training Program* defines the calculative rationality in shopping as "devoting the least amount of time, labor, and material resources to ensure the most utility and satisfaction" (Şarlak, 2012d: 8). Accordingly, individuals are directed to determine their need and wants correctly, allocate a budget for shopping, acquire knowledge regarding the quality, variety, price, specifications, and warranty of the product/service and compare them, prepare a shopping list beforehand (2012d: 8-9). Similarly, the *More Than Money* program encourages individuals to stop and think about whether their purchase is a good idea, make a plan to determine their purchasing options, ask questions to acquire knowledge and advice, evaluate this knowledge with others. Individuals are asked to keep the

[66] Similarly, Denizmen (2012) calls individuals to conduct wardrobe diet, gives practical tips to cut back spending on energy bills, and provides driving tips to ensure fuel efficiency. Denizmen (2015) frequently praises frugality, simplicity, modesty, and sharing. Accordingly, making space for wealth and blessing comes firstly with finding out one's fundamental values: "Real richness is finding oneself, earning and spending in accordance with one's own values and dreams" (2015: 10). Arguably, Özlem Denizmen's narrative makes certain critical interventions to consumer subjectivity and consumer society. Nevertheless, the goal is not criticising consumption per se, but instead seeking to constitute a conscious consumer. Indeed, Denizmen (2012: 79) argues that: "Spending is beautiful [*Harcamak güzeldir*]. We both contribute to the economy, and feel ourselves good, comfortable and strong. As long as we have spending discipline, there is no problem."

receipts of their purchases, since they can return or change the products later (More Than Money Curricula). The *Savings Education* program has a practical exercise of market research and comparative shopping to explore "the price of being cool." Students browse through shopping catalogs of products such as blue jeans and sneakers to compare, list, calculate an average price, and discuss the advantages/disadvantages of buying products with different prices. Students acquire a questioning attitude towards advertisements and learn their impact on purchasing habits (Savings Education Curricula).

Financial literacy curricula seek to constitute a consumer, who determines and prioritizes needs before wants, engages in detailed market research before purchasing, allocates a budget, and consumes with care for the environment. The subjectivity promoted by financial literacy curricula is ultimately a consumer, but a conscious consumer. These conscious consumerism practices can be perceived as a "regulatory project" in which "the work of the responsibilized consumer extends to regulating the behaviour of firms and the performance of markets" (Williams, 2007: 233). Accordingly, the financially literate individuals are "expected to search the market effectively, monitor firms attentively, switch providers efficiently, and exercise their consumer power to drive out of the market firms that are dishonest, incompetent, or indifferent to consumers' needs" (2007: 233). However, findings of behavioral research illustrate that "departures from the assumptions of rational decision-making are common, persistent, and difficult for education to correct" (Williams 2007: 246; Willis, 2008: 226). Thus, expecting a regulatory role from individuals is potentially unrealistic.

7.5. Managing Debt and Creditworthiness

Raising awareness on debt management strategies and creditworthiness are central elements of constituting the financially literate subjectivity. Financial literacy curricula for adults typically introduce various dimensions of debt instruments such as consumer credit (types of credit, credit contract, rights and responsibilities, calculating annual cost of credit) and credit card (annual interest rate, card limit, minimum payment ratio, payment due date, cash advance expenses, etc.), elaborate on conscious borrowing steps, provide debt management strategies, and discuss appropriate behaviours that foster credibility. Curricula targeting children generally don't discuss debt management. There are two exceptions in this regard. The *Orange Drops* program children's book *My Friend Little Lion* brings up the issue of borrowing only to give the message of avoiding indebtedness (Ural, 2013: 12). The *Family Academy* children's financial literacy book cautions children to avoid borrowing from friends unless it is really necessary. In cases of borrowing, the curricula advice is for children to clarify terms of repayment and to stay faithful to one's promise (Family Academy Curricula).

Financial literacy curricula promote the responsible usage of debt instruments. *I Can Manage My Money* divides debt into "good debt" and "bad debt" (in some versions, purposeful/purposeless).[67] A house loan is an example of good debt: it is purposeful, planned, and used to purchase an item that will increase in value. On the other hand, a consumer loan for buying a cell phone, unchecked credit card spending, and a wedding beyond one's means are examples of bad debt (I Can Manage My Money Curricula). The underlying logic is an entrepreneurial one: financially literate subjects are encouraged to borrow so as to invest in one's human capital (via education loans) or the items that will increase in value (via housing loans). Indeed, the curricula points out that "the real problem is not being indebted; it is the inability to manage our debts" (I Can Manage My Money Curricula). *Debt instruments and indebtedness are naturalized and normalized in financial*

[67] The *Family Training Program* is exceptional in presenting credit products with a certain critical distance. For instance, credit card is illustrated in place of the cheese in the mousetrap (Şarlak, 2012b: 41). In regards to credit, the chapter title reads "Writing Debt into the Future: Credit" (2012b: 47). The curriculum advises not to be in debt if possible, while also pointing out that sometimes indebtedness is unavoidable. (2012b: 51). Ultimately, *Family Training Program* resembles other curricula in providing strategies of "smart borrowing" as opposed to "wrong borrowing" (Şarlak, 2012a: 31; 2012b: 51-54).

literacy curricula by promoting the entrepreneurial engagement with good debt. The problem is presented as the individual's inability to manage debt rather than indebtedness. Thus, the need for financial literacy is justified. Denizmen (2013: 11) asks: "A red car that reaches 250 km/hour crashes. Who is guilty? Is it the car because it is fast, or the driver? Just as one needs driver's license to drive a car, there is a need to have a "license" to use a credit card."

Concrete steps for using debt instruments carefully are outlined in the curricula. According to the *Family Academy* program, taking on debt is inevitable [*kaçınılmaz*] today, hence the need for doing this consciously. The logic of borrowing for items which will increase in value is underlined. Individuals are asked to stop, think, and plan their income, monthly payment capacity, and collateral assets thoroughly before asking for a loan. Individuals are called to behave sincerely and accurately in explaining their purpose of borrowing to the bank. Moreover, individuals are instructed to ask and really understand various terms of the credit contract such as; interest rate, expenses, total debt, annual cost, and payment plan. After taking out the loan, individuals should pay their debt on time. In cases of delays and troubles in repayment, individuals are asked to call the bank immediately to work out a solution to prevent damaging their credit score (Family Academy Website). On the issue of debt, Maurizio Lazzarato (2012: 11) argues that "debt represents an economic relationship inseparable from the production of the debtor subject and his 'morality.'"*Detailed prescriptions of conscious indebtedness make it clear that financially literate subjectivity is constituted to ensure the sustainability of debt repayments. In other words, financial literacy programs seek to constitute the morality of the indebted subjectivity.*

The curricula also provide strategies for heavily indebted individuals to manage their debt. According to Denizmen (2012: 163), the first step towards solving indebtedness and preventing its recurrence is identifying what drove individuals there in the first place. It is emphasized that there are two types of debt; "good debt" and "bad debt." One should avoid purposeless, unplanned borrowing habit. Indebted individuals are asked to list their debts according to their interest rates and prioritize paying back from the one with the highest interest first (2012: 177). Strategies proposed to solve indebtedness include; creating additional income, cutting down expenditures, and selling assets (2012: 181). Moreover, Denizmen (2013: 94-96) provides motivational messages like "every debt can be paid off," and addresses the psychological aspect of debt management. Accordingly, individuals should have trust in themselves, repay a couple of small debts to feel good, focus on the solution plan rather than the debt itself, and limit but not totally give up the daily pleasures of life such as going to movies and dining out.

These personal debt management advice ignore the social and structural dynamics of financialization. Chapter Four illustrated the remarkable rise of the debt stock and interest payments within household disposable income in 2000s. Consumer credit statistics illustrate that borrowing is made predominantly by low-income groups and wage earners. Within the context of increasing insecurity and precarious work in the labor markets, workers in Turkey are driven to use consumer credit to substitute for late wage payments and periods of temporary unemployment (Karaçimen, 2015: 317-322). As Baumann and Hall (2012: 509) point out, over-indebtedness is a complex phenomenon resulting from not only individual factors but also institutional (financial and legal systems) and structural (labor markets) factors. Financial literacy "presents an individualized solution to social concerns" by overlooking factors beyond individuals control that lead to indebtedness in the first place (Beggs, et al., 2014: 977).

Financial literacy curricula typically raise awareness on credibility by presenting credit scores as individuals' "financial grade report" [*finansal karne*] (I Can Manage My Money Curricula). The *Manage Your Future Now* program specifically discusses credit, functioning of the credit system, credit scores, and credibility. Accordingly, the credibility of individuals is comprised of factors such as past payment performance, the length of credit history, outstanding credit usage, and current credit applications. Individuals are warned that the functioning of credibility can be disciplinary and punitive: low credibility may prevent individuals from finding jobs, taking out loans, renting houses, or purchasing items in installments.[68] Hence, individuals are called to display particular behaviors to ensure "sustainable credibility": paying all the bills and credit repayments on time, borrowing consciously, avoiding filling credit card limits, using the banking system, and regularly monitoring credit score (Manage Your Future Now Curricula). *Financial literacy curricula raise awareness on the constant monitoring of individual's credibility as well as the disciplinary effects of low credit scores. Thus, individuals are asked to conduct themselves appropriately to ensure sustainable credibility.*

7.6. Savings and Investment

Encouraging individuals to engage in savings and investment is a key element of constituting financially literate subjectivity. Financial literacy curricula for adults typically emphasize the importance of savings, provide concrete strategies to save money, and introduce various financial concepts (compound interest, risk, diversification, inflation, etc.) as well as investment products (individual pension system, treasury bills, gold, stocks, mutual funds, etc.) (I Can Manage My Money Curricula). The *Family Training Program* elaborates on the benefits of savings habit. These are listed as follows: "Financial security, protection against emergencies, chance to increase assets, cushion for life events like marriage, chance to expand one's business, good education opportunities for

---

[68] *Hacer (Firm)* underlines that credit and credibility are central to economy's functioning as follows: "*You will definitely encounter credit at some point in your life. We used to borrow from our friends and family, back in my mother's time. But now we are not in such a world […] We are telling that, look, you are now 18-20 years old. And when you enter 40, you will enter into this system to start a business, to buy something. The bank will look at you with the following perspective. They will ask you: Do you have an automatic payment order? Have you withdrawn credit before? Have you paid your card debt? Look, if you don't do these now, you will receive a rejection in 10 years.*"

children, prevents selling one's assets in emergencies, independence, and realizing one's dreams and targets" (Şarlak, 2012a: 32). *The financially literate subject perceives saving as the pre-condition of realizing one's dreams, one's freedom*. The following practical rules of thumb that foster the savings habit is provided in the curricula; individuals should begin saving early (not tomorrow, today!), save money for all financial targets separately and regularly, create an emergency fund, and avoid unnecessary spending (Şarlak, 2012a: 33-34; I Can Manage My Money Curricula).[69] Moreover, individuals are warned against investment fraud and provided with concepts to evaluate investments like safety, return, risk, liquidity, and diversification (Şarlak, 2012a: 36-37; Savings Education Curricula). [70]

A simpler version of savings and investment is provided in the curricula delivered to children, with an emphasis on the former. The *3 Moneybox* program underlines the importance of saving money with the money box to reach one's financial targets. Children are asked to cut and paste pictures of the items they target on the money box so as to facilitate remembering their goals. Moreover, children calculate the time required to purchase the items they want, given their weekly pocket monies and budgeting options saving, sharing, and spending, with "savings-meter" exercise (3 Moneybox Curricula).[71] The *Orange Drops* program likewise links savings with financial planning. The program

[69] Against the common response "there is no money to save," *Gamze (Civil Society)* argues that changing one's consumption habits and saving small amounts regularly makes a big difference: *"Using the magic of arithmetic with 1 lira, the accumulation of 1 lira in 365 days, together with some interest calculation, could become a down-payment of a house or a car. Buying a house, changing one's car, and education are common goals of saving among the Turkish people […] The math is very simple. There is no need for extra money either. If you have money for cigarette, for coca-cola, there is money for saving, hence, the logic of substitution."*

[70] Willis (2008) argues that the pace of innovations in the financial markets is far faster for regulators to keep up with, let alone educators. Thus, financial education can be seen as "chasing a moving target it will never reach" (2008: 219). Put differently, the information asymmetry in the financial markets will never be closed through financial education. In this respect, financial literacy curricula in Turkey provide a basic understanding of saving and investment products. Product-specific details are not discussed in detail and individuals are directed to consult with financial experts in most of the cases.

[71] The *3 Moneybox* programme further differentiates savings [*birikim*] with being thrifty [*tasarruf*] and provides examples of both. Accordingly, whereas the former is allocating money for saving before spending, the latter is related to habits of a conscious consumer such as avoiding waste of water, electricity and consuming items carefully (3 Moneybox Curricula).

seeks to foster patience, postponing one's wants, and planning through the game "Plan, Postpone, Increase your money, Purchase" (Orange Drops Curricula). The *Savings Education* program provides a detailed discussion of investment, unlike other curricula. To illustrate, 3rd-5th-grade students learn how to calculate compound interest and understand the difference between the return on savings in a deposit account at the bank compared to a money box with no interest income at the house. The curricula of 6th-8th-grade students provide the basic definitions of investment products such as deposit accounts, treasury bills, stocks, corporate bonds, and mutual funds (Savings Education Curricula).

Financial literacy education fosters financial inclusion through the praising of savings habit and introduction of investment products. We clearly find the shaping of subjectivities in line with the interests of financial capital. Indeed, Chapter Six revealed that private financial literacy initiatives perceive increasing savings as the key outcome of financial education; an outcome that corresponds to their business strategies as well as to financial system's long-term interests. Moreover, Chapter Five illustrated that an objective of the Financial Inclusion Strategy in Turkey is "[f]ostering a savings, investment, and insurance culture among the population" (OECD, 2013a: 278). This emphasis on fostering savings and investment culture through promoting financial literacy entails *the culturalization of economic problems*. Financial literacy can be considered as "a mode of governance that seeks to translate an economic problem (low and volatile incomes, and growing exposure to the financial markets) into a cultural one (an attitude of spending too much, saving too little and not being diligent enough)" (Beggs, Bryan and Rafferty, 2014: 988).[72] *Economic problems are proposed to be solved by initiating a cultural change. In other words, by fostering the culture of accounting, conscious consumerism, responsible debt management, saving, investing, and entrepreneurship.*

[72] In addition, Arthur (2012: 91) argues that growing interest in financial literacy entails "educationalization of a social problem." Indeed, by presenting economic crises as "individual educational problems rather than as systemic problems," neo-liberalism is reproduced as a common-sense (2012: 91).

There are crucial implications for creating this culture of saving and engaging with investment. Chris Arthur (2012) points out that the conscious consumer who is asked to distinguish between needs and wants before purchasing is now directed to purchase financial products that become one's new needs. Supporters of financial literacy "simply replace 'frivolous' or 'unnecessary' commodities with other commodities the financially literate consumer must now buy (stocks, bonds, savings accounts, low-interest credit cards, etc.)" (2012: 77). *The purpose of financial literacy curricula is not questioning consumerism itself, but promoting the consumption of financial goods and services.* In this regard, Paul Langley (2007:75) argues that investment is *a neo-liberal technology of self* that encourages subjects "to perceive practice of financial market investment and the returns that are assumed to follow as key to their freedom and security for both the medium term and in their retirement." However, this is an uncertain subject ridden with two contradictions: Firstly, due to financial market volatilities, individuals are unable to manage the risks of investments, resulting in "anxiety and uncertainty" (2007: 81). Secondly, given that "investors are also simultaneously workers and consumers," we need to emphasize the connections and contradictions between investor subjectivity and individuals' identification with other subject positions (2007: 82). Thus, we need to "repoliticize financialization" by exposing the contradictions in the promise of achieving freedom and security by engaging with the financial markets (2007. 85).

7.7. Entrepreneurship

Equipping individuals with the knowledge and abilities of entrepreneurship can also be considered as an aspect of constituting the financially literate subjectivity. Indeed, being financially literate is not only internalizing the entrepreneur of the self rationality but also learning the fundamentals of becoming an entrepreneur, establishing a business.

Curricula on entrepreneurship in Turkey typically teach; entrepreneurship (definition, entrepreneurship process), forming business strategy and business plan, SWOT analysis, feasibility and financing, budgeting, financial tables (income-expenses table, balance sheet, cash flow table), entrepreneurship resources (financing, education, consultancy, micro-credit, etc.) (I Can Manage My Money Curricula; Uluhan, 2012).

The *Family Academy* website teaches entrepreneurship to children with an interactive game in which children sell lemonade. Players decide on the location of sale (mall, park, or neighborhood), check the weather report, purchase lemonade ingredients (lemon, ice, sugar, and cups) and engage in advertisements (handouts or posters) with a given budget, and determine the price of lemonade. Players have to calibrate these factors really effectively to make a profit. An income-expenses table illustrates player's financial status at the end of the day in terms of profit-loss (Family Academy Curricula). By playing the game, children learn to determine appropriate amounts of the means of production, product price, advertisement, and sales location with the pursuit of profit. Another example that introduces children to entrepreneurial conduct is *More Than Money*. This program devotes one week to preparing a business plan. Students in groups are asked to decide on building a business collectively, identify a company name, logo, target customers, and calculate establishment costs (employee, inputs, and advertisement) as well as the product/service price (More Than Money Curricula).

The *3X Company Program* introduces entrepreneurial conduct under the conditions of competition for high school students. The goals of this program are an effective inclusion to the labor force, financial literacy education, and enhancing entrepreneurial capabilities, hence the 3X. Students in groups create and run start-ups in schools throughout the school term with the help of a mentor. Students learn by experiencing all the basic steps of building a business: Ideas (teaming up and brainstorming business ideas), bringing to life (choosing business field, personnel, administrative board, name, logo of the company), shaping and establishment (market research, business plan, stock sales and production preparation), action (operation, marketing and sales), competition and closure (national business fair competition, European competition, and liquidation) (3X Programme Curricula). Mentors help students in navigating these processes by attending the administrative board meetings of their companies. Overall, this program provides a comprehensive entrepreneurship experience for the youth in interaction with their mentors, who are corporate volunteers.

Financial literacy programs for adults include entrepreneurship in varying degrees. Whereas The *Road Towards Istanbul Financial Center: Targeting 20 Thousand Woman* curricula only gives information on micro-credit, *Family Training Program* and *I Can Manage My Money* deliver comprehensive modules. The components of entrepreneurship are listed as; "being innovative and creative, taking risks, being a pioneer, and thinking competitively" (Uluhan, 2012: 8-9). The reasons why people become entrepreneurs are listed as "the quest for independence, the feeling of success, gaining respectability, making a profit, and personal development" (2012: 9). Thus, the *Family Training Program* glorifies entrepreneurship by linking with positive qualities in life such as independence, success, and respectability. The *I Can Manage My Money* provides a detailed explanation of the entrepreneurship process: idea, preliminary research, business model, product development, financing, forming the business, releasing the product in the market. The curricula emphasizes building the calculative agency on budget management through introducing various tips, raising awareness on different types of risks, and providing the basic understanding of financial tables (I Can Manage My Money Curricula). *In sum, financial literacy curricula seek to constitute an entrepreneurial subjectivity.*

7.8. Conclusion

This chapter began with a fieldwork encounter illustrating that financial literacy is a technique of the self seeking to govern the everyday conduct of subjects in ways that correspond to the long-term interests of financial capital. Financial literacy curricula not only teach the basic knowledge of financial concepts and products but also encourage certain "right" habits and constitute the calculative agency to engage with the financial system. Financially literate subjectivity entails an entrepreneurial way of conducting oneself. Accordingly, individuals plan their life through the balance sheet that displays income, savings, and expenditures. Financially literate principles of behavior like rationality, honesty, transparency, and loyalty to debt are internalized by these subjects. Hence, they are asked to conduct in ways that ensure their credibility and sustainability of debt repayments. Moreover, they are responsibilized for social risks such as sickness, job loss, or economic downturn as well as for their retirement. Financial literacy curricula encourage individuals to save money and utilize investment products, hence fostering financial inclusion. Indeed, savings is presented as the pre-condition of realizing one's dreams, one's freedom. Likewise, entrepreneurship is praised as a path towards independence, success, and respectability. In sum, financial literacy curricula constitute subjectivities that normalize as well as legitimize the financial system, thus contribute to the deepening financialization through subjects' everyday conduct.

CHAPTER EIGHT:

CONCLUSION

8.1. Introduction

Fieldwork Encounter: The Youngest Project Coordinator, 05/11/2014

The highlight of today was the meeting at a private high school, located at a beautifully preserved hill overlooking the Bosporus in Istanbul. I was expecting a meeting on a large scale institutional corporate social responsibility project. I was pleasantly surprised that it was not the case! We had a meeting with the community involvement program coordinator, an English teacher, and probably the youngest financial literacy "project coordinator"; a grade 11 student! It turned out that the meeting was about a student project in the course Business English. With the lead of this student, a group of 9 other students wants to create curricula on financial literacy (earning, spending, saving, etc.) and teach it to women. It was really interesting to see a financial literacy education project idea coming from a youngster. It was told that every student is required to deliver a community involvement project before graduation. Our final touches in the meeting shaped this project. The civil society association that I volunteer for will provide the curricula and deliver trainer's training to students. Most of the meeting was spent thinking about the target audience that students would educate. Eventually, we decided that school's support workers (cleaning staff, drivers, security guards, etc.) will be the target audience.

Purpose and Contents

It is illuminating to observe that high school students, who constitute a common subpopulation targeted by financial literacy education initiatives, have themselves started to develop projects to spread financial education. This fieldwork encounter illustrates the widespread diffusion potential of financial literacy initiatives beyond those formed by the state and financial capital. This also underscores the significance of the subject matter explored in this dissertation. The purpose of this concluding chapter is reviewing the findings and the contributions of this dissertation to the study of international relations.

This chapter is organized as follows: The second section reviews the theoretical framework, main argument, and key findings of this dissertation. The third section identifies academic contributions. The fourth section addresses the limitations of this dissertation. The fifth section discusses the implications of findings and proposes avenues for further research. The sixth section concludes.

8.2. Theoretical Framework, Main Argument, and Key Findings

Cultural Political Economy of Financially Literate Subjects of Financialization

This dissertation formulated a *cultural political economy* theoretical framework to analyze constitution of financially literate subjectivity in the context of financialization in Chapter Two. The initial step was reviewing *financialization literature* to identify whether or not it could account for financial literacy initiatives. Financialization has been explored with respect to; long-term hegemonic struggles, the emergence of neo-liberalism, trends in capital accumulation dynamics, changing practices of financial as well as non-financial corporations, recurrent economic crises, rising prevalence of rentiers, and penetration & extraction of financial profits out of households. These inquiries shared the basic tendency to produce a structuralist and economistic conception of the financialization, hence labeled by Sum and Jessop (2013) as “hard political economy.” Despite their valuable insights about the operation of capitalist relations of production, this literature fails to capture the attempts to create financially literate subjectivities, hence the financialization of everyday life and culture.

We reviewed *cultural economy of finance literature* that promises to address the very gap that financialization studies leave out. Calling into question the compartmentalization of economics and culture, cultural economy seeks to explore the ways in which the economy is discursively and performatively constituted. Accordingly, economics does not merely describe the world, but it constitutes it. The markets require the construction of calculative agency to function. The performative conception of finance explores the shaping of subjectivities through the reiteration of financial discourses and norms. Indeed, we need to be attentive to how culture can be seen as ways of understanding the world and acting on it. Overall, cultural economy shares the tendency to emphasize the agency of actors and contingency of markets. They are frequently criticized for failing to account for the role of politics and structural factors, hence labeled as "soft economic sociology" by Sum and Jessop (2013).

Financialization and cultural economy of finance literatures complement each other's shortcomings. Thus, our task is utilizing the insights of both and navigating between hard political economy and soft economic sociology so as to formulate a cultural political economy perspective. Indeed, Ngai-Ling Sum (2013: 546) raises the following questions as central to the cultural political economy research agenda: "What governmental knowledging technologies are involved in constituting subjectivities and identities" and "how do these imaginaries, subjectivities and identities become normalized, translated and negotiated and, in particular, how do they change everyday financial practices or enter the policy field." Thus, for the purposes of developing this research agenda and acquiring analytical tools, we also reviewed *Foucauldian governmentality literature*.

Michel Foucault defines *government* as "the conduct of conduct" that "refers to the control one may exercise over oneself and others, over someone's body, soul, and behaviour" (Gordon, 1991: 3; Foucault, 2007: 122). *Governmentality* underscores the need to "study the techniques of power" together with "an analysis of the political rationality underpinning them" (Lemke, 2001: 191). Foucault's account of Ordoliberalism and Chicago School reveal that central concern of neo-liberalism is creating the conditions in which competition and entrepreneurship could flourish (Burchell, 1996: 27). In this context, enterprise form becomes "a model of social relations and of existence itself, a form of relationship of the individual to himself, time, those around him, the group, and the family" (Foucault, 2008: 242). Subjects are encouraged to become *entrepreneurs of the self* through appropriate techniques of the self (Burchell, 1996: 29). Foucault conceptualizes these actions on one's own conduct as *techniques of the self*, defined as the "reflection on modes of living, on choices of existence, on the way to regulate one's behavior, to attach oneself to ends and means" (Foucault, 2000: 89).

This dissertation argued that financial literacy initiatives aim to construct a particular kind of subjectivity that legitimize and normalize entrepreneurial attitude and behavior towards conducting one's self. Financial literacy is a "technique of the self" that provide not only the basic knowledge of finance but also instruction on financial planning, budgeting, debt management, creditworthiness, saving and investment; seeking to govern the everyday conduct of subjects in ways that correspond to the long-term interests of financial capital. Responsibilization of subjects in neo-liberal governmentality entails turning the questions of unemployment, ill-health, pensions, and the like into problems of self-care. To develop our argument, we analyzed financial literacy at several levels of analysis. We began by exploring financial literacy at the global level in the aftermath of the global financial crisis. At the national level, we analyzed financialization dynamics in Turkey, followed by the entrance of financial literacy into the public policy and to the agenda of financial capital. Finally, at the individual level, we problematized financial literacy curricula's guidance on the everyday conduct of subjects.

Financial Literacy in the Global Agenda

We explored the emergence of financial literacy in the global policy agenda in the aftermath of the global financial crisis in Chapter Three. In the context of neo-liberal reforms that entail the retreat of the welfare state and the financialization of everyday life, individuals are subjected to financial markets and responsibilized to manage their own finances. Financial literacy in this context emerged as a technique of the self to conduct the conduct of subjects by increasing their personal capacities to manage their finances.

The global financial crisis triggered worldwide interest on financial literacy since this crisis is frequently interpreted as resulting –in part- from the decisions of financially illiterate American consumers. Such an interpretation fails to notice the contradictions of neo-liberalism and financialization that paved the way for the crisis in the first place. Despite the legitimacy crisis of neo-liberal belief in the virtue of financial markets, the global crisis did not initiate a major overhaul of the global economic governance. Modest macroprudential reforms are put forward to tackle the systemic risk. The growing interest in sustainable banking and finance underscore the need to conduct business responsibly and establish long-term relations with the clients. This corresponds to the trilogy approach to consumer financial empowerment; the articulation of financial literacy with financial consumer protection and financial inclusion agendas. In this framework, financial education is considered as a measure to overcome demand-side barriers to financial inclusion. Put differently, financial education is a way to promote demand for financial products so as to foster financial inclusion.

Numerous global actors such as financial inclusion associations, international organizations, foundations established by financial capital, and regional development banks are working to promote financial education. Among these efforts, the OECD's work on creating policy tools and setting standards for national strategies of financial education, forming research instruments to measure financial literacy worldwide, and shaping financial educational tools stand out. These policy, research, and educational tools are created to efficiently disseminate and cultivate certain knowledge, attitudes, and behaviors in individuals. Specifically, the OECD's detailed instruction on the core competencies of financially literate youth and adults is crucial for national policy-makers who are seeking to create financial literacy curricula. Put differently, initiatives at the global level standardize certain best practices that eventually diffuse to national policy contexts to facilitate the constitution of financially literate subjects.

Studies that report the limited effectiveness of financial education in changing financial behavior sparked interest in a new catchphrase; *financial capability*. The term financial capability denotes the ability to demonstrate financially wise behavior beyond merely acquiring financial knowledge. We need to note that the concept financial literacy already entails the relevant skills, attitude, and behavior for making wise financial decisions. This emphasis on "capability" signals the search for distinct interventions to achieve behavioral change. This emerging agenda attempts to utilize technological innovations to correct the decision-making biases of individuals arising from the insights of behavioral economics. This growing interest can be traced in the recent establishment of "innovation labs" by global financial capital as well as in the attention of the development community to open the black-box of human decision-making. In sum, the financial literacy/capability agenda will continue to spark the attention of academics, experts, policy-makers, practitioners across the world.

Financialization in Turkey

We began the analysis of the case of Turkey with a cultural political economy account of the financialization process in Chapter Four. The regime of accumulation in Turkey in the late 1970s was an import substituting industrialization strategy in the conditions of a deep crisis. The neo-liberal reform process was initiated under the repressive conditions of the military coup of 1980. Initial steps in the way of financialization were taken such as liberalization of interest rates and foreign exchange as well as the formation of capital markets. This domestic financial liberalization is followed by the decision to open capital account by 1989.

External financial liberalization paved the way for a decade of unstable growth and financial crises of 1994 and 2000-2001. Financialization manifested itself in the non-financial firms' engagement with financial activities rather than productive ones throughout the 1990s. Indeed, in the context of high public sector indebtedness and high real interest rates, banks as well as non-financial firms acted as rentiers. Turkey's financial crises were utilized as opportunities to further the neo-liberal agenda. In this regard, 2000-2001 crises paved the way for major institutional reform of the state, the banking sector, and deepening of financialization.

Macroeconomic stabilization in the aftermath of the 2001 crisis led banks to shift their operations from financing government debt toward financing household debt. Indeed, financialization is manifest in the massive rise of the indebtedness and interest burden of the households, hence financial expropriation. Financialization can also be traced in the increasing penetration of the firms of global finance to Turkey via mergers and acquisitions. Moreover, the introduction of the individual pension system in 2003 financialized pensions and led to greater individual responsibility in retirement planning. Last but not the least, the housing and real estate boom in Turkey in this decade is unmistakable. Turkey's financial system weathered the 2008 global financial crisis relatively well while the real economy was hit hard due to the contraction of trade. Among the country's policy responses was the introduction of the macroprudential policy framework, manifested in the formation of the Financial Stability Committee.

In sum, our review of Turkey's comprehensive transformation from 1980s onwards illustrated that finance became a matter of everyday life in the 2000s. This financialization process is further deepening in the everyday lives of the subjects through the emergence of financial literacy agenda in the aftermath of the global financial crisis.

Financial Literacy in Turkey's Public Policy

The entrance of financial literacy into Turkey's public policy agenda is analyzed in Chapter Five. Our exploration revealed that financial literacy is utilized in numerous policy contexts as a tool for; making Istanbul an international financial center, strengthening families through education, increasing domestic savings, and fostering financial inclusion. Furthermore, various state institutions became key stakeholders in private financial literacy initiatives.

Initially, financial literacy appeared in the government's quest to make Istanbul an international financial center in 2009 via *Istanbul International Financial Center Strategy and Action Plan*. This vision of making Turkey's largest city a prominent financial center clearly illustrates the centrality of financialization as a public policy goal. In this context, financial literacy served as a component of developing human resources necessary for the financial center. The action plan outlines the addition of finance courses into the curricula of primary and secondary schooling as well as into the higher education.

From the early 2010s, key institutions of Turkey's economic bureaucracy; the Capital Markets Board, Banking Regulation and Supervision Agency, Central Bank of the Republic of Turkey, Ministry of Development, and Ministry of Family and Social Policies, have engaged with financial literacy by including this issue into their strategic plans, hosting high profile events, launching websites, conducting surveys to measure financial literacy level of the public, preparing financial education programs, and engaging in partnerships in private financial literacy initiatives. Among these activities, the *Family*

Training Program stands out with its comprehensive curricula covering; family budget and equity management, financial literacy, energy saving, conscious consumerism, and micro-entrepreneurship. The Capital Markets Board became the key institution promoting financial education through numerous activities and was tasked to prepare a national strategy on financial education in 2012.

These efforts culminated in the preparation of the *Financial Inclusion Strategy* in 2014 by the Financial Stability Committee. Financial education, financial consumer protection, and access to financial products and services together comprise financial inclusion. The Strategy underlines that financial inclusion is crucial for stability and development of the financial markets. The post-2008 crisis global agenda on financial inclusion underpins the rationale and considerations in the preparation of this Strategy, rather than Turkey's domestic dynamics. The Strategy aims to equip individuals with the knowledge of financial concepts and financial products, enhance individual capacities for well-informed financial decisions, and promote a culture of savings, investment, and insurance. From the cultural political economy perspective, the Financial Inclusion Strategy envisages the financialization of the everyday lives via financial literacy education. The Strategy sets the Capital Markets Board as the coordinating institution of financial education and outlines a wide range of actions on areas including the primary and middle schools, universities and academia, family and women, public and private sector employees, finance sector, and the general public. Nationwide financial literacy survey conducted by the Capital Markets Board in 2015 reveals rising financial literacy level as well as increasing access and usage of financial products and services compared with the 2012 survey. The financial education action plan fails to realize the *OECD/INFE High-level Principles on National Strategies for Financial Education*, resulting in the lack of clear objectives, limited stakeholder engagement, and coordination failure.

Last but not the least; financial literacy appeared in the context of the government's attempt to counteract the remarkable fall of the private savings rate in the 2000s. The Ministry of Development prepared the *Program for Increasing Domestic Savings and Avoiding Waste* in 2015 to increase the domestic savings rate to 19% by 2018. In this policy context, financial literacy is utilized as a measure to encourage savings. Action items include; delivering financial education in teachable moments, educating women and families, developing school curricula and educating teachers, and raising awareness of the individual pension system. The state's involvement in furthering financial literacy agenda is not confined to these policy contexts. Numerous public institutions, including the Ministry of National Education, Ministry of Development, and Ministry of Family and Social Policies, take part as stakeholders in numerous private financial literacy education initiatives.

Private Financial Literacy Initiatives in Turkey

We analyzed the rationales, formation, and conduct of private financial literacy education initiatives in Turkey in Chapter Six. The growing interest in *sustainable banking* in the aftermath of the global financial crisis brought the financial inclusion agenda to the forefront. The concern over CSR and sustainability has become a business case in this context. Leading corporations of the global finance such as Visa, MasterCard, Citibank, JP Morgan, Experian, ING Bank, BNP Paribas (majority shareholder of Turkish Economy Bank), and HSBC, developed financial literacy initiatives in Turkey as their corporate social responsibility. Financial capital has devoted significant resources to these initiatives and educated close to a million individuals in the span of few years. Financial education initiatives seek to foster financial inclusion by raising the knowledge and ability to use financial products and services. Moreover, financial education contributes to the long-term sustainability of the financial system by constituting responsible subjectivities.

Financial capital promotes financial literacy to initiate public policy change and attempts to embed their financial education programs into the national school curricula to further their effectiveness. Interestingly enough, financial literacy initiatives are merely raising awareness of the issue, rather than their frequent claims to change behavior.

Conducted in the framework of corporate social responsibility, these projects are mutually beneficial for the partnering stakeholders. This multi-stakeholder partnership structure signifies a particular division of labor: corporations provide the funding, public partners secure access to the target audience, academics or content creating firms prepare the curricula, civil society associations deliver the educations by mobilizing volunteers, and research firms conduct impact analysis. Educations and curricula are targeted to a number of groups including students of primary, high school, and higher education, the disadvantaged youth, entrepreneurs, and women. Common topics across financial literacy curricula are the basic knowledge of financial concepts and financial products, budgeting, financial planning, conscious consumerism, managing debt, creditworthiness, saving, investment and entrepreneurship. Mediums of instruction include lectures, seminars, videos, books and worksheets, theaters, and websites. Typically, primary school students receive a bag full of financial education material including; certificate of attendance, money box, financial literacy book, exercise sheets, posters, etc. These items carry names and/or logos of the project stakeholders in almost all of the projects. Hence, financial capital utilizes financial education as an advertisement opportunity alongside the constitution of subjectivities. Our interviews revealed that while there are several venues for cooperation, instead of unifying efforts to address the lack of financial literacy, corporations generally display uncooperative and competitive behavior to take the lead. This fragmentation is closely related to the failure of the national strategy to ensure stakeholder engagement and effective cooperation.

Project formation and conduct involves considerable contingency, constant revision, and agency of non-corporate stakeholders in some respects. The curricula formation process entails the negotiation of inputs from academics or content creating firms with experts such as educators, pedagogues, psychologists; as well as bureaucrats in projects that target schools. Interviews revealed that financial literacy curricula initially prepared in Turkey were too academic, technical, and not accessible for the average individual. Subsequent modifications of curricula made them simpler, accessible, and more enjoyable. Once the curricula is prepared, financial literacy initiatives seek to create a network of educators by conducting trainer's training. Indeed, most of these initiatives depend on the labor of youth and corporate volunteers. Youth volunteers receive material benefits such as free travel opportunities, prizes for achievements, and a modest honorarium for their work. However, their accounts reveal that volunteering fosters their personal development and contributes to the feeling of agency. Indeed, volunteers underlined that educating and empowering people to change their lives is the reason why they became volunteers.

Individuals working for financial literacy initiatives respond to criticisms by characterizing financialization as a fact of life and financial literacy as a basic life skill in this context. Moreover, they argue that financial literacy education contributes to the empowerment of the underprivileged through enhancing their money management skills. The author's ethnographic fieldwork within three financial literacy-related civil society associations and engagement with the curricula were transformative. While financial literacy curricula constitutes uncritical subjectivities that contribute to the furthering of the financialized regime of accumulation, the author began to appreciate the empowering aspects of the curricula that help individuals to conduct themselves more effectively within the existing state of affairs.

Problematizing the Financially Literate Subjectivity

The financially literate subjectivity that is aimed to be constituted by financial education programs in Turkey is problematized in Chapter Seven. Foucault's analysis illustrated that neo-liberal governmentality seeks to generalize the entrepreneurial conduct throughout society and responsibilizes individuals for social risks. Moreover, we argued that financial literacy is a technique of the self seeking to govern the everyday conduct of subjects in line with the long-term interests of financial capital. Financial literacy curricula promote knowledge, "right" attitudes, and behavior in regards to the basic knowledge of finance, financial planning, budgeting, conscious consumerism, debt management, creditworthiness, savings, investment, and entrepreneurship.

The financially literate subject knows basic financial terms, concepts, and institutions such as money, bank, interest, inflation, risk, insurance, and banking services. We argue that the decision to include certain financial concepts and exclude others, defining financial institutions in particular ways, and locating them in individual's lives are not value-free choices. Financial literacy curricula picture banks and the financial system as benign, useful and trustworthy institutions. Besides the basic knowledge of finance, financial literacy programs equip individuals the calculative agency to engage with the financial system. Children get accustomed to bank branches, familiarize themselves with banknotes, and learn the accounting skills to keep personal bank accounts and to write checks. Adults learn principles of behavior that correspond to the financial capital's concern with sustainable banking. Accordingly, financially literate subjects should conduct themselves in a rational, honest, transparent manner and stay loyal to their debts.

The financially literate subject engages in financial planning, prepares a monthly budget, and tracks everyday spending. Individuals are asked to dream about their future, turn these dreams into concrete goals, and use budgeting to save money to reach one's dreams. Practical tips are given to ensure discipline in expenditures through budgeting. The habit of planning one's life through the balance sheet that displays income, savings and expenditures do not merely function as "recording" the existing financial state of affairs. Rather, this entails establishing an entrepreneurial relationship to one's own life and changing behavior accordingly. Indeed, children are encouraged to become entrepreneurs of the self by investing in personal skills and education to reach their life goals and dream occupations. Within the confines of financial planning, financially literate subjects are asked to form an emergency fund enough to cover living expenses for three months as a protection against risks such as emergencies, ill-health, unemployment, and economic recession. Thus, the financial literacy agenda contributes to undermining social insurance further by responsibilizing individuals for social risks in the context of neo-liberalism. Moreover, financial literacy curricula perceive budgets as individual choices, hence overlooking the systemic barriers before unbalanced budgets.

The financially literate subject is a conscious consumer who differentiates between one's needs and wants, avoids impulsive shopping, conducts market research, plans and allocates a budget for purchases, realizes deceptive advertisements, avoids prodigality, and consumes with care for the environment. Financial literacy curricula seek to establish financial control over one's expenses by shaping the everyday manners in which subjects conduct themselves in shopping and consumption. To illustrate, the concepts of saving, being patient, postponing one's wants, and planning are emphasized in children's financial literacy curricula. We can see this as further responsibilization of individuals to regulate the firms and markets. However, given the limitations of rational decision-making capacities of individuals, we should also be cautious of such high expectations.

The financially literate subject is knowledgeable about debt instruments, understands rights and responsibilities in credit contracts, borrows consciously, stays loyal to debt repayments, and ensures sustainable credibility. Entrepreneurial logic is also prevalent in indebtedness: financially literate subjects are encouraged to borrow "good debt" so as to invest in one's human capital (via education loans) or assets that will increase in value (via housing loans). "Bad debt" is presented as purposeless, unplanned, unchecked indebtedness. Accordingly, the problem is not being indebted; it is the inability to manage one's debts. Thus, the curricula naturalize and normalize debt instruments and indebtedness. Moreover, individualistic debt management advice overlooks the structural as well as institutional factors beyond individuals' control. The effort to ensure the sustainability of debt repayment and credibility illustrates that debt is an economic and subjective relationship at once. Financial literacy curricula seek to constitute the morality of the indebted subjectivity.

The financially literate subject engages in saving regularly, understands investment product and related financial concepts, and purchases them. Indeed, savings and investment are presented as the pre-condition to realize one's dreams, freedom, and security. Thus, financial literacy promotes financial inclusion by shaping subjectivities in ways that are beneficial for financial capital. Whereas individuals are asked to differentiate between needs and wants, they are also summoned to purchase investment products as their needs. In other words, the curricula promote the consumption of financial goods and services as the path for subject's freedom. Policymakers and financial capital alike underlined that the savings habit is the key outcome of financial education. These arguments in favor of fostering a savings and investment culture through financial education entail the culturalization of economic problems. Indeed, problems like low income are translated as cultural problems to be solved through changing saving and spending habits. However, this investor subjectivity cannot be isolated from potentially contradictory consuming and laboring subjectivities present in individuals.

The financially literate subject is not only an entrepreneur of the self but also a knowledgeable subject regarding how to establish a business. Several financial literacy curricula equip individuals with the knowledge and calculative agency to create a business plan, engage in feasibility research and SWOT analysis, manage a business budget, and utilize financial tables. Curricula praise entrepreneurship by linking with positive qualities of life such as independence, success, and respectability. This entrepreneurial rationality is promoted with an interactive game that teaches children to calibrate appropriate amounts of the means of production, product price, advertisement, and sales location to sell lemonade with the pursuit of profit. Programs targeting high schools guide students with corporate mentors in establishing start-ups and competing nationally as well as internationally. Thus, students learn entrepreneurship by doing it.

8.3. Academic Contributions

The academic contributions of this dissertation can be outlined in three respects: *Theoretical*, *methodological*, and *empirical*. The theoretical contribution of this study is to the discipline of International Political Economy (IPE). Given the disciplinary divide and confusion in IPE regarding the proper ontology and epistemology (Cohen, 2007), this dissertation contributed to the emerging research agenda of the cultural political economy. We attempted to articulate an objectivist, structuralist, and economistic political economy perspective on (the hard political economy) with a social constructionist perspective that prioritizes agency and contingency while emphasizing the constitutive role of culture (soft economic sociology). The cultural political economy perspective allowed us to identify not only structural dynamics of financialized capital accumulation but also the constitutive role of culture and subjectivities in understanding the financialization of our everyday lives.[73] The financial literacy agenda attempts to shape the subjectivities and everyday conduct of individuals in ways that correspond to the long-term interests of financial capital. In this regard, our contributions illustrate the importance of exploring "who acts and with what consequences" questions alongside with the traditional IPE concerns like "who governs" and "who benefits." Within the context of neo-liberal governmentality, this technique of the self provides particular tools and guidance for governing the conduct of subjects. Hence, exploring the constitution of subjectivities and calculative agency are crucial to understanding the operation of power in the contemporary world.

There are closely related methodological implications of this theoretical contribution. Framed in terms of a question; what are the appropriate research methods to study the changes in the culture, subjectivity, and everyday conduct? Our research illustrated the promises of employing ethnography to collect information that could not be accessed otherwise. Ethnography allows the researcher to be immersed in the lives of people who are the concern of the study and unravel rich contextual detail, power relations, and "highlights the complex, often contested, social processes through with subjectivities (such as an enterprising self) are formed" (Brady, 2014: 14). Indeed, our ethnography of financial literacy provided an inside perspective into the rationales, day-to-day conduct, contingency, the spaces of agency as well as contestation in the private financial literacy initiatives. Despite these promises, there is a recent interest and debate

[73] The cultural political economy perspective can be seen as closer to the British IPE than the American IPE. Unlike the American IPE's search for causality in a problem-solving manner and attachment to positivist epistemology, cultural political economy shares the critical perspective of the British IPE that "embraces approaches that are more institutional and historical and more interpretive in tone" (Cohen, 2007: 200). Thus, our attempt is not one of bridging the transatlantic divide, but instead outlining a perspective that articulates objectivist concerns with capital accumulation and subjectivist concerns with culture. We also need to note that this study is not an attempt at creating *the ultimate* cultural political economy perspective, but a modest contribution to this emerging research agenda.

on "importing" ethnography into the discipline of International Relations. Ethnography itself is a contested and debated methodology within the host discipline of anthropology; hence there are various traditions (Vrasti, 2008; Rancatore, 2010; Brigg and Bleiker, 2010). The narrative of this dissertation deliberately avoided *speaking in place of* the informants by providing spaces for their voices. Moreover, the narrative is self-reflective so as to eliminate the subject/object dichotomy and illustrate how the fieldwork itself has re-shaped the author. In sum, our contribution underlined the theory and methodology link: studying the everyday of financial literacy in order to understand how financial literacy attempts to shape the everyday life.

The empirical contributions of this dissertation to the academic literature on Financial Literacy are twofold. Firstly, this study is located in and contributes to the critical studies of financial literacy inspired by governmentality perspective (Arthur, 2012, 2014; Beggs, Bryan, and Rafferty, 2014; Williams, 2007). While these authors provide reviews of academic literature, policy, and project documents in the Global North, their insights lack an ethnographic exploration into how financial literacy initiatives actually operate. By employing ethnography, we attempted to overcome the "lack of attention to multiplicity and context" prevalent in neo-liberal governmentality studies (Brady, 2014: 13). Secondly, this study contributes to the financial literacy literature in Turkey that lacks any critical insight. Indeed, the Turkish literature on financial literacy seeks to provide personal finance tips (Denizmen, 2012, 2013, 2015), measures financial literacy of particular sub-populations (Temizel and Bayram, 2011; Gerek and Kurt, 2011; Mercan, et al., 2012; Şantaş and Demirgil, 2015), or attempts to identify the impact of financial literacy on economic outcomes (Sevim, Temizel and Sayılır, 2012; Ünal, Düğer, and Söylemez, 2015; Bird, Şener, and Coşkuner, 2014; Kahya and İmamoğlu, 2015). In sum, our critical ethnographic analysis of financial literacy in the Global South provides original insights into the financial literacy literature.

8.4. Limitations of the Dissertation

This dissertation employed *qualitative research methods* -ethnography, semi-structured interviews, and document analysis- to analyze financial literacy in the case of Turkey in relation to the post-GFC international context. We have chosen qualitative research methods because of the limitations of studying financial literacy quantitatively. Indeed, the mainstream literature on the subject matter, usually the economics discipline, seeks to operationalize, measure, and compare financial literacy without any interest in its implications for subjectivity and power. Our qualitative research methods seek to capture and document precisely these aspects. Following the questions driving Taylor's (2012) analysis of microfinance, our perspective attempted to problematize "what are the workings of financial literacy?" in a particular historical and country context rather than answering "does financial literacy work?" In sum, our choice of qualitative research methods aligned with our research questions as well as theoretical framework.

Every research design entails prioritizing the exploration of certain aspects of the phenomenon at hand at the expense of others. Firstly, as discussed above, this dissertation is purposefully limited in regards to quantitative research methods and findings. A crucial implication of this limitation is in regards to *generalizability*. While there are implications for financial literacy in the Global South, ethnographies do not lend themselves easily to generalizability and cross-country comparisons. Thirdly, this dissertation did not explore the magnitude of financial resources mobilized for private financial literacy initiatives. Anticipating that informants would be reluctant to answer financial questions due to personal, professional, and cultural reasons, we have avoided asking any financial information in our interviews (See **Appendix Two: Interview Questions**). Fourthly, due to constraints of time and resources, the global dimension financial literacy is analyzed mostly through official reports and documents. The author was unable to extend interviews beyond the three informants affiliated with two distinct international organizations (See **Appendix Three: List of Interviews**).

Last but not the least; the original research design entailed the discussion of theory as well as the practice of CSR in Turkey. While our analysis of private financial literacy initiatives provides us with certain crucial insights into the workings of CSR in Turkey, a comprehensive discussion of CSR is not pursued due to two reasons: Firstly, our findings are rather specific to the financial literacy initiatives. Hence, they neither speak to the theory of CSR, nor to the very broad field of CSR in Turkey. Secondly, corporate initiatives are only one modality among various ways of delivering financial literacy, thus not a *sine qua non* for financial literacy education itself.

8.5. Implications and Avenues for Further Research

The implications of our study indicate several fruitful avenues for further research. Given the failure of financial literacy to meet the promise of behavioral change, there has been a growing interest in financial capability recently. Researching the effectiveness of behavioral interventions that seek to address decision-making biases is the immediate concern. The findings will have crucial implications for further behavioral research, development policymaking, financial inclusion agenda, and financial innovation. Michel Foucault's insights on governing individuals by acting on and modifying their environment in neo-liberal governmentality; hence making them "a behaviouristically manipulable being" (Lemke, 2001: 200) will be a useful theoretical reference point for this research. Researching the juxtaposition of technological devices with humans to correct the decision-making biases of the latter will also be an upcoming area of research. There will be interesting implications for how devices are utilized to constitute calculative agencies. Studies of the "material turn" (Pinch and Swedberg, 2008), Michel Callon's (2008) notion of *socio-technical agencements* will be helpful in problematizing "the agency" in such assamblages comprised of human as well as non-human elements.

The attempts to develop the financial capability agenda imply the failure of financial literacy as a technique of the self. Our research revealed that financial literacy initiatives in Turkey are merely raising awareness on the subject matter, hence falling short of behavioral change. The interviews on curricula formation identified the simplification of financial education in order to ensure larger appeal. Whereas Turkey's macroeconomic indicators reveal declining private savings rate and rising household indebtedness, there seems to be little interest from the society to take up financial education as a remedy for these economic outcomes. Indeed, as a volunteer of financial literacy, my fieldwork encounters almost always entailed explaining what financial literacy is. In other words, the public interest in financial literacy is not a given. It has to be constructed through the everyday encounters by the agents of public and private initiatives. Our research revealed that volunteers of financial literacy in civil society associations do not necessarily enrol into volunteering due to their interest in financial literacy. Volunteers typically value teaching, connecting with peers, and developing their personal skills. Financial literacy curricula are generally viewed as empowering the youth in managing their finances while its implications for furthering financial interests are rarely questioned.

Broadly speaking, financial literacy can be seen as a technique of the self attempting to overcome the crisis of financialized regime of accumulation as well as neo-liberalism by responsibilizing individuals for their finances. Hence, the potential success or failure of financial literacy/capability agenda has also broader implications for the financial system as well as for the future of capitalism. With respect to global financial governance, post-GFC reforms did not entail a major return to tougher financial regulations. Rather than making global financial capital accountable, individuals were held responsible. Thus, the failure of financial literacy as a strategy of government could potentially trigger crucial changes in the global financial governance. We can observe the close collaboration of financial literacy and inclusion support networks as well as international organizations with global financial capital in research partnerships. This close collaboration in the quest of furthering the financial literacy/capability agenda in the global level provides an interesting avenue for further research.

The key question in this regard is whether financial literacy/capability will be able to foster the *resilience* of individuals against economic and financial shocks so as to ensure the sustainability of the financial system. By turning social problems such as unemployment, economic downturn, and pensions into problems of *individual self-care*, the advancement of financial literacy as a technique of the self contributes to deepening of neo-liberal governmentality. Thus, negative implications of financial literacy on *collective* imaginaries, social mobilization, resistance, and political demands are issues worth exploring in the framework of neo-liberal governmentality. Our research reveals that a widespread resistance against the promotion of financial literacy as an essential life skill is non-existent in Turkey. Foreseeing the widespread critique of CSR as a public relations affair, financial capital in Turkey collaborates with civil society associations to guard themselves with the latter's image of neutrality. What is more, financial capital builds collaborations with the state, seeking to embed financial literacy into the national school curricula. Given this lack of resistance, the true test for the viability of financial literacy agenda will be the next financial crisis.

8.6. Conclusion

This chapter concluding began with an interesting fieldwork encounter illustrating the advancement of financial literacy agenda by high school students. This underscores the significance and relevance of this dissertation's subject matter. We analyzed the constitution of financially literate subjectivity in Turkey in relation to financialization dynamics and the post-global financial crisis international context. The cultural political economy perspective articulated in this dissertation underlined the importance of theorizing the financialized capital accumulation dynamics together with the reshaping of culture and the constitution of financialized subjectivities. Financial literacy is a technique of the self seeking to govern the everyday conduct of subjects in line with the long-term interests of financial capital. Financial literacy curricula provide not only the basic knowledge of finance but also instruct subjects ways to conduct oneself on financial planning, budgeting, debt management, creditworthiness, saving and investment. This agenda deepens neo-liberal governmentality with the promotion of entrepreneurial subjectivity and responsibilization of individuals for social risks such as unemployment, economic downturn, and pensions. In this framework, we provided an inside perspective into the private financial literacy initiatives in Turkey that are conducted as the CSR of financial capital. Moreover, we analyzed the entrance of financial literacy into several public policy contexts, most notably through the Financial Inclusion Strategy. Popularized in the post-GFC period, whether or not financial literacy agenda achieves its promises will have crucial implications for the future of the global financial governance.

REFERENCES

Books and Scholarly Articles

Akyüz, Y., and Boratav, K. (2003). The Making of the Turkish Financial Crisis. *World Development, 31*(9), 1549-1566.

Amin, A. and Thrift, N. (2004). Introduction. In A. Amin and N. Thrift (Eds.), *The Blackwell Cultural Economy Reader* (pp. x-xxx). Malden, MA: Blackwell Publishing.

Amin, A. and Thrift, N. (2007). Cultural-economy and cities. *Progress in Human Geography, 31*(2), 143-161.

Arrighi, G. (1994). *The Long Twentieth Century: Money, Power, and the Origins of Our Times*. London: Verso.

Aitken, R. (2007). *Performing Capital: Toward a Cultural Economy of Popular and Global Finance*. New York: Palgrave Macmillan.

Aitken, R. (2015). *Fringe Finance: Crossing and contesting the borders of global capital*. London: Routledge.

Altman, M. (2012). Implications of behavioral economics for financial literacy and public policy. *The Journal of Socio-Economics, 41*, 677-690.

Amin, A., and Thrift, N. (eds.) (2004). *The Blackwell Cultural Economy Reader*. Malden: Blackwell Publishing.

Arthur, C. (2012). *Financial Literacy Education: Neoliberalism, the Consumer and the Citizen*. Rotterdam: Sense Publishers.

Arthur, C. (2014). Financial Literacy Education as Public Pedagogy for the Capitalist Debt Economy. *TOPIA: Canadian Journal of Cultural Studies, 30-31*, 147-163.

Asad, T. (1973). Introduction. In T. Asad (Ed.), *Anthropology & the Colonial Encounter* (pp. 9-19). Amherst, NY: Humanity Books.

Bahçe, S., and Köse, A. H. (2016). Financialisation/Borrowing Circle as a Solution to an Unpleasant Conundrum: Observations from the Mature Neoliberalism in Turkey. *Research and Policy on Turkey, 1*(1), 63-74.

Baker, A. (2010). Restraining regulatory capture? Anglo-America, crisis politics and trajectories of change in global financial governance. *International Affairs, 86*(3), 647-663.

Bakır, C., and Öniş, Z. (2010). The Regulatory State and Turkish Banking Reforms in the Age of Post-Washington Consensus. *Development and Change, 41*(1), 77-106.

Bali, R. (2009). *From Tarz-ı Hayat to Life Style: New Elites, New Spaces, New Lives*. Istanbul: İletişim Yayınları. [Turkish]

Barry, A. and Slater, D. (2002). Technology, politics and the market: an interview with Michel Callon. *Economy and Society, 31*(2), 285-306.

Barry, A., Osborne, T., and Rose, N. (eds.) (1996). *Foucault and Political Reason: Liberalism, neo-liberalism and rationalities of government*. Chicago: The University of Chicago Press.

Baumann, C., and Hall, T. (2012). Getting Cinderella to the ball: putting education at the heart of financial education. *International Journal of Consumer Studies, 36*, 508-514.

Bateman, M. (2012). The Role of Microfinance in Contemporary Rural Development Finance Policy and Practice: Imposing Neoliberalism as 'Best Practice.' *Journal of Agrarian Change, 12*(4), 587-600.

Bay, C., Catasús, B., and Johed, G. (2014). Situating Financial Literacy. *Critical Perspectives on Accounting, 25*, 36-45.

Becker, J., Jäger, J., Leubolt, B., and Weissenbacher, R. (2010). Peripheral Financialization and Vulnerability to Crisis: A Regulationist Perspective. *Competition and Change, 14*(3-4), 225-247.

Bedirhanoğlu, P. (2007). The Neoliberal Discourse on Corruption as a Means of Consent Building: reflections from post-crisis Turkey. *Third World Quarterly, 28*(7), 1239-1254.

Bedirhanoğlu, P., and Yalman, G. L. (2010). State, class and the discourse: Reflections on the neoliberal transformation in Turkey. In A. Saad-Filho and G. Yalman (Eds.), *Economic Transitions to Neoliberalism in Middle Income Countries* (pp. 107-127). London: Routledge.

Beggs, M., Bryan, D., and Rafferty, M. (2014). Shoplifters of the world unite! Law and culture in financialized times. *Cultural Studies, 28*(5-6), 976-996.

Bennett, T., McFall, L., and Pryke, M. (2008). Editorial: Culture/economy/social. *Journal of Cultural Economy, 1*(1), 1-7.

Bernard, R. (2006). *Research Methods in Anthropology: Qualitative and Quantitative Approaches*. Lanham: AltaMira Press.

Best, J., and Paterson, M. (2010). Introduction: Understanding cultural political economy. In J. Best and M. Paterson (Eds.), *Cultural Political Economy* (pp. 1-25). London: Routledge.

Bird, C. L., Şener, A., and Coşkuner, S. (2014). Visualizing financial success: planning is key. *International Journal of Consumer Studies, 38*, 684-691.

Bonizzi, B. (2013-14). Financialization in Developing and Emerging Countries. *International Journal of Political Economy*, *42*(4), 83-107.

Boratav, K. (2005). *Social Classes and Income Distribution in Turkey in 1980s.* Ankara: İmge Kitabevi. [Turkish]

Boratav, K. (2007). *Turkey Economic History: 1908-2005*. Ankara: İmge Kitabevi. [Turkish]

Boratav, K., and Yeldan, E. (2002). Turkey, 1980-2000: Financial Liberalization, Macroeconomic (In)Stability, and Patterns of Distribution. In L. Taylor (Ed.), *External Liberalization in Asia, Post-Socialist Europe, and Brazil* (pp. 417-455). Oxford: Oxford University Press.

Boratav, K. (2009). Turkey's Economy in the Booming Phase of a Cycle. In N. Mütevellioğlu and S. Sönmez (Eds.), *Globalization, Crisis, and Neo-Liberal Transformation in Turkey* (pp. 1-24). Istanbul: Istanbul Bilgi Üniversitesi Yayınları. [Turkish]

Boyer, R. (2000). Is a finance-led growth regime a viable alternative to Fordism? A preliminary analysis. *Economy and Society, 29*(1), 111-145.

Brigg, M., and Bleiker, R. (2010). Autoethnographic International Relations: exploring the self as a source of knowledge. *Review of International Studies, 36*, 779-798.

Burchell, G., Gordon, C., and Miller, P. (eds.) (1991). *The Foucault Effect: Studies in Governmentality*. Chicago: The University of Chicago Press.

Burchell, G. (1996). Liberal government and techniques of the self. In A. Barry, T. Osborne, and N. Rose (Eds.), *Foucault and Political Reason: Liberalism, neo-liberalism and rationalities of government* (pp. 19-36). Chicago: The University of Chicago Press.

Callon, M. (1998). Introduction: the embeddedness of economic markets in economics. In M. Callon (ed.) *The Laws of the Markets* (pp. 1-57). Oxford: Blackwell Publishers.

Callon, M. (2007). What Does It Mean to Say That Economics Is Performative?. In D. MacKenzie, F. Muniesa, and L. Siu (Eds.), *Do Economists Make Markets? On the Performativity of Economics* (pp. 311-357). Princeton: Princeton University Press.

Callon, M. (2008). Economic Markets and the Rise of Interactive *Agencements*: From Prosthetic Agencies to Habilitated Agencies. In T. Pinch and R. Swedberg (Eds.), *Living in a Material World: Economic Sociology Meets Science and Technology Studies* (pp. 29-56). Cambridge, MA: The MIT Press.

Christophers, B. (2014). From Marx to market and back again: Performing the economy. *Geoforum, 57*, 12-20.

Cohen, B. J. (2007). The transatlantic divide: Why are American and British IPE so different. *Review of International Political Economy, 14*(2), 197-219.

Cohn, C. (1987). Sex and Death in the Rational World of Defense Intellectuals. *Signs, 12*(4), 687-718.

Çalışkan, K., and Callon, M. (2009). Economization, part 1: shifting attention from the economy towards processes of economization. *Economy and Society, 38*(3), 369-398.

Davidson, A. I. (2005). Ethics as Ascetics: Foucault, The History of Ethics, and Ancient Thought. In G. Gutting (Ed.), *The Cambridge Companion to Foucault* (pp. 123-148). Cambridge: Cambridge University Press.

De Goede, M. (2003). Beyond Economism in International Political Economy. *Review of International Studies, 29*(1), 79-97.

De Goede, M. (2005). *Virtue, Fortune, and Faith: A Genealogy of Finance*. Minneapolis: University of Minnesota Press.

De Goede, M. (2006). Introduction: International Political Economy and the Promises of Poststructuralism. In M. de Goede (Ed.), *International Political Economy and Poststructural Politics* (pp.1-20). New York: Palgrave Macmillan.

Dean, M. (2014). Michel Foucault's 'apology' for neoliberalism. *Journal of Political Power, 7*(3), 1-10.

Dean, M. (2015). Neoliberalism, Governmentality, Ethnography: A Response to Michelle Brady. *Foucault Studies, 20*, 356-366.

Demirgüç-Kunt, A. (2014). Presidential Address: Financial Inclusion. *Atlantic Economic Journal, 42*(4), 349-356.

Denizmen, Ö. (2012). *Create Miracle in Your Pocket*. Istanbul: Destek Yayınevi. [Turkish]

Denizmen, Ö. (2013). *Create Miracle with Your Cards*. Istanbul: Destek Yayınevi. [Turkish]

Denizmen, Ö. (2015). *Make Space for Wealth and Blessing*. Istanbul: Destek Yayınevi. [Turkish]

Dilts, A. (2011). From 'Entrepreneur of the Self' to 'Care of the Self': Neo-liberal Governmentality and Foucault's Ethics. *Foucault Studies, 12*, 130-146.

Du Gay, P. and Pryke, M. (2002). Cultural economy: an introduction. In P. du Gay and M. Pryke (Eds.), *Cultural Economy: Cultural Analysis and Commercial Life* (pp. 1-19). London: Sage Publications.

Duménil, G., and Lévy, D. (2001). Costs and benefits of neoliberalism. A class analysis. *Review of International Political Economy, 8*(4), 578-607.

Duménil, G., and Lévy, D. (2011). *The Crisis of Neoliberalism*. Cambridge: Harvard University Press.

Epstein, G. A. (2005). Introduction: Financialization and the World Economy. In G. Epstein (Ed.), *Financialization and the World Economy* (pp. 3-16). Cheltenham: Edward Elgar.

Erturk, I., Froud, J., Johal, S., Leaver, A., and Williams, K. (2007). The democratization of finance? Promises, outcomes and conditions. *Review of International Political Economy, 14*(4), 553-575.

Erturk, I., Froud, J., Johal, S., Leaver, A., and Williams, K. (2008). *Financialization at Work: Key Texts and Commentary*. London: Routledge.

Fine, B. (2003). Callonistics: a disentanglement. *Economy and Society, 32*(3), 478-484.

Fine, B. (2013-14). Financialization from a Marxist Perspective. *International Journal of Political Economy*, *42*(4), 47-66.

Foster, J. B. (2007). The Financialization of Capitalism. *Monthly Review, 58*(11), 1-12.

Foster, J. B. (2008). The Financialization of Capital and the Crisis. *Monthly Review, 59*(11), 1-19.

Foucault, M. (1990). *The Use of Pleasure: Volume 2 of the History of Sexuality*. New York: Vintage Books.

Foucault, M. (2000). *Ethics, Subjectivity and Truth: Essential Works of Foucault 1954-1984, Volume 1*. London: Penguin Books.

Foucault, M. (2007). *Security, Territory, Population: Lectures at the Collège de France 1977-1978*. New York: Palgrave Macmillan.

Foucault, M. (2008). *The Birth of Biopolitics: Lectures at the Collège de France 1978-1979*. New York: Palgrave Macmillan.

Froud. J., Johal, S., Montgomerie, J., and Willams, K. (2010). Escaping the Tyranny of Earned Income? The Failure of Finance as Social Innovation. *New Political Economy, 15*(1), 147-164.

Froud, J., Nilsson, A., Moran, M., and Williams, K. (2012). Stories and Interests in Finance: Agendas of Governance before and after the Financial Crisis. *Governance: An International Journal of Policy, Administration, and Institutions, 25*(1), 35-59.

Gerek, S., and Kurt, A. A. (2011). Economic Literacy Scale: Validity-Reliability Study. *Uludag Journal of Economy and Society, 30*(1), 59-73. [Turkish]

Gordon, C. (1991). Governmental rationality: an introduction. In G. Burchell, C. Gordon, and P. Miller (Eds.), *The Foucault Effect: Studies in Governmentality* (pp. 1-51). Chicago: The University of Chicago Press.

Gramsci, A. (2005). *Selections from the Prison Notebooks of Antonio Gramsci*. Q. Hoare and G. N. Smith (Eds.) London: Lawrence and Wishart.

Gültekin-Karataş, D. (2009). *Both Enemies and Relatives: Transformation of Finance Capital in Turkey and Banking Reform*. Istanbul: İletişim Yayınları. [Turkish]

Güngen, A. R. (2014). The Undersecretariat of Treasury and Debt Management: Transformation of an Institution in the Process of Financialization. *Amme İdaresi Dergisi, 47*(1), 1-21. [Turkish]

Hall, P. A., and D. Soskice (2001). An Introduction to Varieties of Capitalism. In P. A. Hall and D. Soskice (Eds.), *Varieties of Capitalism: The Institutional Foundations of Comparative Advantage* (pp. 1-68). Oxford: Oxford University Press.

Harvey, D. (2005). *A Brief History of Neoliberalism*. Oxford: Oxford University Press.

Hastings, J. S., Madrian, B. C., and Skimmyhorn, W. L. (2013). Financial Literacy, Financial Education, and Economic Outcomes. *Annual Review of Economics, 5*, 347-373.

Helleiner, E. (2010). A Bretton Woods moment? The 2007-2008 crisis and the future of global finance. *International Affairs, 86*(3), 619-636.

Hobson, J. M. and Seabrooke, L. (2007). Everyday IPE: revealing everyday forms of change in the world economy. In J. M. Hobson and L. Seabrooke (Eds.), *Everyday Politics of the World Economy* (pp. 1-23). Cambridge: Cambridge University Press.

Hobson, J. M. (2013). Part 1 - Revealing the Eurocentric foundations of IPE: A critical historiography of the discipline from the classical to modern era. *Review of International Political Economy, 20*(5), 1024-1054.

Huston, S. J. (2010). Measuring Financial Literacy. *The Journal of Consumer Affairs, 44*(2), 296-316.

Independent Social Scientists (ISS) (2009). *Economic Depression in Turkey and the World: 2008-2009*. Istanbul: Yordam Kitap. [Turkish]

Independent Social Scientists (ISS) (2015). *The State of Labour in AKP Years*. Istanbul: Yordam Kitap. [Turkish]

Jessop, B., and Sum, N. (2001). Pre-disciplinary and Post-disciplinary Perspectives. *New Political Economy, 6*(1), 89-101.

Jessop, B., and Oosterlynck, S. (2008). Cultural political economy: On making the cultural turn without falling into soft economic sociology. *Geoforum, 39*, 1155-1169.

Kahya, C., and İmamoğlu, İ. K. (2015). The Role of Economic Literacy on Entrepreneurial Intention. *The Journal of Academic Social Science Studies, 39*, 139-156. [Turkish]

Kalaycıoğlu, E. (2002). The Motherland Party: The Challenge of Institutionalization in a Charismatic Leader Party. In B. Rubin and M. Heper (Eds.), *Political Parties in Turkey* (pp. 41-61). London: Routledge.

Karaçimen, E. (2015). *Financialization in Turkey: Labour Squeezed by Debt*. Istanbul: Sosyal Araştırmalar Vakfı. [Turkish]

Karatepe, İ. D. (2016). The State, Islamists, Discourses, and Bourgeoisie: The Construction Industry in Turkey. *Research and Policy on Turkey, 1*(1), 46-62.

Kaya, R. (2009). Considerations on Political Effects of Neo-Liberalism in Turkey. In N. Mütevellioğlu and S. Sönmez (Eds.), *Globalization, Crisis, and Neo-Liberal Transformation in Turkey* (pp. 235-260). Istanbul: Istanbul Bilgi Üniversitesi Yayınları. [Turkish]

Langley, P. (2007). Uncertain Subjects of Anglo-American Financialization. *Cultural Critique, 65*, 67-91.

Langley, P. (2008). *The Everyday Life of Global Finance: Saving and Borrowing in Anglo-America.* Oxford: Oxford University Press.

Lapavitsas, C. (2009). Financialised Capitalism: Crisis and Financial Expropriation. *Historical Materialism, 17*, 114-148.

Lapavitsas, C. (2013). *Profiting Without Producing: How Finance Exploits Us All.* London: Verso.

Lazonick, W., and O'Sullivan, M. (2000). Maximizing shareholder value: a new ideology for corporate governance. *Economy and Society, 29*(1), 13-35.

Lazzarato, M. (2012). *The Making of the Indebted Man: An Essay on the Neoliberal Condition.* Los Angeles: Semiotext(e).

Lemke, T. (2001). 'The birth of bio-politics': Michel Foucault's lecture at the Collège de France on neo-liberal governmentality. *Economy and Society, 30*(2), 190-207.

Lemke, T. (2002). Foucault, Governmentality, and Critique. *Rethinking Marxism, 14*(3), 49-64.

Lusardi, A., and Mitchell, O. S. (2011). Financial literacy around the world: an overview. *Journal of Pension Economics and Finance, 10*(4), 497-508.

Lusardi, A., and Mitchell, O. S. (2014). The Economic Importance of Financial Literacy: Theory and Evidence. *Journal of Economic Literature, 52*(1), 5-44.

Latour, B. (2005). *Reassembling the Social: An Introduction to Actor-Network-Theory.* Oxford: Oxford University Press.

Mackenzie, D. (2004). The big, bad wolf and the rational market: portfolio insurance, the 1987 crash and the performativity of economics. *Economy and Society, 33*(3): 303-334.

MacKenzie, D. (2007). Is Economics Performative? Option Theory and The Construction of Derivatives Markets. In D. MacKenzie, F. Muniesa, and L. Siu

(Eds.), *Do Economists Make Markets? On the Performativity of Economics* (pp. 54-86). Princeton: Princeton University Press

MacKenzie, D., Muniesa, F., and Siu, L. (2007). Introduction. In D. MacKenzie, F. Muniesa, and L. Siu (Eds.), *Do Economists Make Markets? On the Performativity of Economics* (pp. 1-19). Princeton: Princeton University Press.

Mahon, R., Boychuk, G. W., and McBride, S. (2015). Introduction. In S. McBride, R. Mahon and G. W. Boychuk (Eds.) *After 08' Social Policy and the Global Financial Crisis*. Vancouver: UBC Press.

Marois, T. (2012). *States, Banks, and Crisis: Rising Financial Capitalism in Mexico and Turkey.* Ankara: NotaBene Yayınları. [Turkish]

Mercan, N., Oyur, E., Altınay, A., and Aksanyar, Y. (2012). An Empirical Resource on Economic Literacy. *Ekonomi Bilimleri Dergisi, 4*(2), 109-118. [Turkish]

Miller, P. (1998). The Margins of Accounting. In M. Callon (Ed.), *The Laws of the Markets* (pp. 174-193). Oxford: Blackwell.

Miller, P., and Rose, N. (1990). Governing economic life. *Economy and Society, 19*(1), 1-31

Miller, P., and Rose, N. (2008). *Governing the Present: Administering Economic, Social and Personal Life*. Cambridge: Polity Press.

Mirowski, P., and Nik-Khah, E. (2007). Markets Made Flesh: Performativity, and a Problem in Science Studies, Augmented with Considerations of the FCC Auctions. In D. MacKenzie, F. Muniesa, and L. Siu (Eds.), *Do Economists Make Markets? On the Performativity of Economics* (pp. 190-224). Princeton: Princeton University Press.

Nesvetailova, A., and Palan, R. (2010). The End of Liberal Finance? The Changing Paradigm of Global Financial Governance. *Millennium: Journal of International Studies, 38*(3), 797-825.

Oğuz, Ş. (2011). Turning the Crisis into an Opportunity: The Response of Turkish State to the 2008 Crisis. *Amme İdaresi Dergisi, 44*(1), 1-23. [Turkish]

Orhangazi, Ö. (2008). *Financialization and the US Economy*. Cheltenham: Edward Elgar.

Osman, A. (2000). Planning and Implementing Monetary Policy in Turkey: An Exercise. *Journal of Economic Cooperation, 21*(3), 1-25.

Öniş, Z. (1997). The political economy of Islamic resurgence in Turkey: the rise of the Welfare Party in perspective. *Third World Quarterly, 18*(4), 743-766.

Öniş, Z. (2004). Turgut Özal and his Economic Legacy: Turkish Neo-Liberalism in Critical Perspective. *Middle Eastern Studies, 40*(4), 113-134.

Öniş, Z. (2009). Beyond the 2001 financial crisis: The political economy of the new phase of neo-liberal restructuring in Turkey. *Review of International Political Economy, 16*(3), 409-432.

Öniş, Z., and Güven, A. B. (2011). Global Crisis, National Responses: The Political Economy of Turkish Exceptionalism. *New Political Economy, 16*(5), 585-608.

Pinch, T., and Swedberg, R. (2008). Introduction. In T. Pinch and R. Swedberg (Eds.), *Living in a Material World: Economic Sociology Meets Science and Technology Studies* (pp. 1-26). Cambridge, MA: The MIT Press.

Pinto, L. (2013). When politics trump evidence: financial literacy education narratives following the global financial crisis. *Journal of Education Policy, 28*(1), 95-120.

Pinto, L., and Coulson, E. (2011). Social Justice and the Gender Politics of Financial Literacy Education. *Journal of the Canadian Association for Curricula Studies, 9*(2), 54-85.

Porter, T. (2011). Public and private authority in the transnational response to the 2008 financial crisis. *Policy and Society, 30*, 175-184.

Pryke, M., and Du Gay, P. (2007). Take an issue: cultural economy and finance. *Economy and Society, 36*(3), 339-354.

Rancatore, J. P. (2010). It *is* Strange: A Reply to Vrasti, *Millennium: Journal of International Studies, 39*(1), 65-77.

Ray, L., and Sayer, A. (1999). Introduction. In L. Ray and A. Sayer (Eds.), *Culture and Economy After the Cultural Turn* (pp. 1-24). London: Sage.

Remund, D. L. (2010). Financial Literacy Explicated: The Case for a Clearer Definition in an Increasingly Complex Economy. *The Journal of Consumer Affairs, 44*(2), 276-295.

Rose, N. (1996). Governing "advanced" liberal democracies. In A. Barry, T. Osborne, and N. Rose (Eds.), *Foucault and Political Reason: Liberalism, neo-liberalism and rationalities of government* (pp. 37-64). Chicago: The University of Chicago Press.

Sarıtaş-Oran, S. (2015). Exploration of Individual Pension System in the Context of Financialization and Value of Labour-Power. In H. Mıhcı (Ed.) *Financialization, State, and Political Economy* (pp. 173-194). Ankara: NotaBene Yayınları. [Turkish]

Sawyer, M. (2013-14). What is Financialization? *International Journal of Political Economy, 42*(4), 5-18.

Sayer, A. (2001). For a Critical Cultural Political Economy. *Antipode, 33*(4), 687-708.

Schwittay, A. F. (2011). The financial inclusion assemblage: Subjects, technics, rationalities. *Critique of Anthropology, 31*(4), 381-401.

Sevim, N., Temizel, F., and Sayılır, Ö. (2012). The effects of financial literacy on the borrowing behaviour of Turkish financial consumers. *International Journal of Consumer Studies, 36*, 573-579.

Sezen, S. (2007). Independent Regulatory Agencies in Turkey: Are They Really Autonomous? *Public Administration and Development, 27*, 319-332.

Soederberg, S (2013a). The US Debtfare State and the Credit Card Industry: Forging Spaces of Dispossession. *Antipode, 45*(2), 493-512.

Soederberg, S. (2013b). Universalising Financial Inclusion and the Securitisation of Development. *Third World Quarterly, 34*(4), 593-612.

Sönmez, S. (2009). Neoliberal Transformation Policies in Turkish Economy. In N. Mütevellioğlu and S. Sönmez (Eds.), *Globalization, Crisis, and Neo-Liberal Transformation in Turkey* (pp. 25-75). Istanbul: Istanbul Bilgi Üniversitesi Yayınları. [Turkish]

Stockhammer, E. (2004). Financialisation and the slowdown of accumulation. *Cambridge Journal of Economics, 28*, 719-741.

Sum, N. (2013). A cultural political economy of crisis recovery: (trans-)national imaginaries of 'BRIC' and subaltern groups in China. *Economy and Society, 42*(4), 543-570.

Sum, N., and Jessop, B. (2013). *Towards a Cultural Political Economy: Putting Culture in its Place in Political Economy*. Cheltenham, UK: Edward Elgar.

Şantaş, F., and Demirgil, B. (2015). A Research on Determination of Economic Literacy Level. *Akademik Bakış Dergisi, 48*, 46-60. [Turkish]

Taylor, M. (2012). The Antinomies of 'Financial Inclusion': Debt, Distress and the Workings of Indian Microfinance. *Journal of Agrarian Change, 12*(4), 601-610.

Temizel, F., and Bayram, F. (2011). Financial Literacy: An Examination of Anadolu University Faculty of Economics and Administrative Sciences Students. *C.Ü. İktisadi ve İdari Bilimler Dergisi, 12*(1), 73-86. [Turkish]

Tünay, M. (1993). The Turkish New Right's Attempt at Hegemony. In A. Eralp, M. Tünay and B. Yeşilada (Eds.), *The Political and Socioeconomic Transformation of Turkey*. West Port: Praeger.

Ünal, S., Düğer, Y. S., and Söylemez, C. (2015). The Impact of Economic Literacy and Attitude Toward Credit Card Usage on Rational Use of Credit Cards: The Case of Dumlupınar University Tavşanlı Vocational College. *Eskişehir Osmangazi Üniversitesi İİBF Dergisi, 10*(1), 31-52. [Turkish]

van der Zwan, N. (2014). Making sense of financialization. *Socio-Economic Review, 12*, 99-129.

Vrasti, W. (2008). The Strange Case of Ethnography and International Relations. Millennium*: Journal of International Studies, 37*(2), 279-301.

Weeden, L. (2010). Reflections on Ethnographic Work in Political Science. *Annual Review of Political Science, 13*, 255-272.

Williams, T. (2007). Empowerment of Whom and for What? Financial Literacy Education and the New Regulation of Consumer Financial Services. *Law & Policy, 29*(2), 226-256.

Williamson, J. (1990). What Washington Means by Policy Reform. In J. Williamson (Ed.), *Latin American Adjustment: How Much Has Happened?* Washington: Institute for International Economics.

Willis, L. E. (2008). Against Financial-Literacy Education. *Iowa Law Review, 94*, 197-285.

Yalman, G. L. (2002). Turkish State and the Bourgeoisie in Historical Perspective: A Relativist Paradigm or A Panoply of Hegemonic Strategies?. *Praksis, 5*, 7-23. [Turkish]

Yeldan, E., and Ünüvar, B. (2016). An Assessment of the Turkish Economy in the AKP Era. *Research and Policy on Turkey, 1*(1), 11-28.

Yentürk, N. (2005). *Walk of the Blind: Turkish Economy and Post-1990 Crises*. Istanbul: Istanbul Bilgi Üniversitesi Yayınları. [Turkish]

Official Documents and Reports

Alpaydın, Y. (2012). *Trainer Material Guide for Economics*. Ministry of Family and Social Policies: Family Education Program. Istanbul. [Turkish]

BRSA (2010). *Turkey's Experience from Crisis to Stability*. Working Paper. [Turkish]

BRSA (2011). *Structural Developments in Banking*. [Turkish]

BRSA (2012). *Strategic Plan 2013-2015*. [Turkish]

CBRT (2011). *Financial Access and Financial Education across the World and Turkey*. [Turkish]

CBRT (2013). *Strategic Plan 2014-2018*. Ankara. [Turkish]

Center for Financial Inclusion at Accion (2016). *A Change in Behavior: Innovations in Financial Capability*. Washington.

CMB (2011). *Capital Markets Board of Turkey 2010 Annual Report*. Ankara.

CMB (2012). *Capital Markets Board of Turkey 2011 Annual Report*. Ankara.

CMB (2013). *Capital Markets Board of Turkey 2012 Annual Report*. Ankara.

CMB (2014). *Capital Markets Board of Turkey 2013 Annual Report*. Ankara.

CMB (2015). *Capital Markets Board of Turkey 2014 Annual Report*. Ankara.

CMB (2016). *Capital Markets Board of Turkey 2015 Annual Report*. Ankara.

CYFI (2012). Children & Youth as Economic Citizens: Review of Research on Financial Capability, Financial Inclusion, and Financial Education. *Child and Youth Finance International Research Working Group Report*. Amsterdam: CYFI.

CYFI (2013). *Summit Report 2013: The Second Child and Youth Finance International Summit and Awards Ceremony*.

Financial Stability Committee (2014). *Financial Inclusion Strategy*.

Financialisation, Economy, Society and Sustainable Development (FESSUD) (2013). *Comparative Perspective on Financial System in the EU: Country Report on Turkey*.

G20 (2010). *Innovative Financial Inclusion*. G20 Financial Inclusion Experts Group-ATISG Report.

G20 (2011). *High-level Principles on Financial Consumer Protection*.

IMF (2012). Turkey: Selected Issues. *IMF Country Report No. 12/339*.

ING Bank (2012). *Creating Chances for Children*. Amsterdam.

ING Bank (2014). *ING Group Sustainability Report 2013*. Amsterdam.

ING Bank Turkey (2015). *Survey of Saving Tendencies in Turkey: 2015 1st Quarter Report*.

Işık, Ç. (2011). *Capital Markets Awareness and Knowledge Survey Research Report*. Capital Markets Board.

Junior Achievement Europe (2016). *Sharpening Financial Education*. Brussels.

Ministry of Development (2014). *10th Development Plan 2014-2018*. Ankara.

Ministry of Development (2015a). *Istanbul International Financial Centre Program Action Plan (2015-2018)*. Ankara.

Ministry of Development (2015b). *10th Development Plan 2014-2018 Primary Transformation Programs*. Ankara. [Turkish]

Ministry of Family and Social Policies (2012). *Ministry of Family and Social Policies Activity Report 2011*. Ankara. [Turkish]

OECD (2005). *Improving Financial Literacy: Analysis of Issues and Policies*. Paris: OECD Publishing.

OECD (2009). *Financial Literacy and Consumer Protection: Overlooked Aspects of the Crisis*. Paris: OECD Publishing.

OECD (2012). *OECD/INFE High-level Principles on National Strategies for Financial Education*. Paris: OECD Publishing.

OECD (2013a). *Advancing National Strategies for Financial Education: A Joint Publication by Russia's G20 Presidency and the OECD*. Paris: OECD Publishing.

OECD (2013b). *Financial Literacy and Inclusion: Results of OECD/INFE Survey Across Countries and by Gender*. Paris: OECD Publishing.

OECD (2013c). *OECD/INFE Toolkit to Measure Financial Literacy and Financial Inclusion: Guidance, Core Questionnaire and Supplementary Questions*. Paris: OECD Publishing.

OECD (2015). *National Strategies for Financial Education: OECD/INFE Policy Handbook*. Paris: OECD Publishing.

OECD (2016). *G20/OECD INFE Core competencies framework on financial literacy for adults*. Paris: OECD Publishing.

Official Gazette (02/10/2009, No: 27364). Istanbul International Financial Center Strategy Document. [Turkish]

Official Gazette (08/06/2011, No: 27958). Decree in the Force of Law on Organisation and Duties of Ministry of Economy. [Turkish]

Official Gazette (05/06/2014, No: 29021). Financial Access, Financial Education, and Protection of Financial Consumer Strategy and Action Plans. [Turkish]

Pension Monitoring Center (2016). *Individual Pension System Progress Report*.

State Planning Organization (2006). *9th Development Plan: 2007-2013*. [Turkish]

State Planning Organization (2009). *Strategy and Action Plan for Istanbul International Financial Center (IFC-Istanbul)*. Ankara.

Şarlak, Z. (2012a). *Family Budget and Equity Management*. Ministry of Family and Social Policies: Family Education Program. Istanbul. [Turkish]

Şarlak, Z. (2012b). *Financial Literacy*. Ministry of Family and Social Policies: Family Education Program. Istanbul. [Turkish]

Şarlak, Z. (2012c). *Energy Saving*. Ministry of Family and Social Policies: Family Education Program. Istanbul. [Turkish]

Şarlak, Z. (2012d). *Family and Shopping*. Ministry of Family and Social Policies: Family Education Program. Istanbul. [Turkish]

The Association of Capital Market Intermediary Institutions of Turkey (2013). *Annual Report 2012*. Istanbul.

The Undersecretariat of Treasury (2013). *Undersecretariat of Treasury Strategic Plan 2014-2018*. [Turkish]

The Undersecretariat of Treasury (2016). *Monthly Economic Indicators: June 2016*. [Turkish]

Transition to a Strong Economy Program (TSEP) (2001).

Uluhan, R. (2012). *Enterpreneurship Guideline for Establishing Your Own Business*. Ministry of Family and Social Policies: Family Education Program. Istanbul. [Turkish]

UNGC (2011). *Towards a New Era of Sustainability in the Banking Industry: UNGC-Accenture CEO Study*.

UNGC Turkey (2016). *2015 Activity Report*.

Visa Europe (2011). *Visa Turkey Financial Literacy Conference 2011 Whitepaper*.

World Bank (2011). *Turkey Country Economic Memorandum: Sustaining High Growth: The Role of Domestic Savings Synthesis Report*. Report No: 66301.

World Bank (2013a). *Making Sense of Financial Capability Surveys around the World: A Review of Existing Financial Capability and Literacy Measurement Instruments*. Washington: World Bank.

World Bank (2013b). *Financial Capability in Low- and Middle-Income Countries: Measurement and Evaluation*. Washington: World Bank.

World Bank (2014). *Global Financial Development Report 2014: Financial Inclusion*. Washington: World Bank.

World Bank (2015a). *World Development Report 2015: Mind, Society, and Behavior*. Washington: World Bank.

World Bank (2015b). *Global Mapping of Financial Consumer Protection & Financial Literacy Initiatives.*

Other Documents (Media, Speeches, Working Papers)

Aktaş, B. (2011). Financial Awareness and Financial Education: Treasury Perspective. *Presentation at Financial Education and Financial Awareness: Challenges, Opportunities and Strategies International Conference*. Istanbul. [Turkish]

Altınkemer, M., and Ekinci, N. K. (1992). Capital Account Liberalization: The Case of Turkey. *The Central Bank of the Republic of Turkey Research Department Discussion Papers*. No: 9210.

Atkinson, A., and Messy, F. (2012). Measuring Financial Literacy: Results of the OECD / International Network on Financial Education (INFE) Pilot Study. *OECD Working Papers on Finance, Insurance and Private Pensions*. No: 15, OECD Publishing.

Atkinson, A., and Messy, F. (2013). Promoting Financial Inclusion through Financial Education: OECD/INFE Evidence, Policies and Practice. *OECD Working Papers on Finance, Insurance and Private Pensions*. No: 34, OECD Publishing.

Azevedo, J. P., Inan, O. K., and Yang, J. S. (2016). How Equitable Is Access to Finance in Turkey? Evidence from the Latest Global FINDEX. *World Bank Policy Research Working Paper*. No: 7541.

Becker, G., Ewald, F., and Harcourt. (2012). Becker on Ewald on Foucault on Becker: American neoliberalism and Michel Foucault's 1979 'Birth of Biopolitics' lectures. *Institute for Law and Economics Working Paper*. No: 614. Chicago: University of Chicago.

Binay, Ş., and Kunter, K. (1998). Role of Central Bank in Financial Liberalization 1980-1997. *The Central Bank of the Republic of Turkey Research Department Discussion Papers*. No: 9803. [Turkish]

CMB (16/11/2012). Turkey Financial Capability Survey Results Report Prepared. *Press Announcements*. [Turkish]

CMB (05/10/2015). 2015 2nd Financial Literacy Research of Turkey Completed. *Press Announcements*. [Turkish]

Financial Times (20/07/2001). IMF Programmes with Turkey have Changed Over Time.

Fine, B. (2009). Neo-Liberalism in Retrospect? – It's Financialisation, Stupid. *Presentation at Developmental Politics in the Neo-Liberal Era and Beyond Conference*. Seoul.

Jessop, B. (2010). Cultural (Re-)Turns in Critical (International) Political Economy. *Presentation at European International Studies Association Conference*. Stockholm.

Karakurum-Özdemir, K. (2012). Turkey Financial Capability Survey: Preliminary Findings. *Presentation at TÜSİAD Conference on Financial Literacy and Savings Awareness*. Istanbul. [Turkish]

Lim, C., Columba, F., Costa, A., Kongsamut, P., Otani, A., Saiyid, M. Wezel, T., Wu, X. (2011). Macroprudential Policy: What Instruments and How to Use Them? Lessons from Country Experiences. *IMF Working Paper*. No: 11/238.

Lusardi, A. (2013). Stepping Up the Effort for Financial Education: Empowering the Youth and Promoting Retirement Security. *Presentation at Global Financial Literacy Summit 2013*. Amsterdam.

Ural, Y. (2013). *My Friend Little Lion*. Istanbul: Marsık Yayıncılık. [Turkish]

Yılmaz, D. (2011). Financial Education and Financial Awareness: Challenges, Opportunities and Strategies. *Presentation at Financial Education and Financial Awareness: Challenges, Opportunities and Strategies International Conference*. Istanbul. [Turkish]

Websites

Akbank, *Heroes of the Economy Children*: www.ekonomininkahramanicocuklar.com/

Banking Regulation and Supervision Agency, *Financial Consumer*: finansaltuketici.gov.tr/

Capital Markets Board, *I Invest*: www.yatirimyapiyorum.gov.tr/

Central Bank of the Republic of Turkey: www.tcmb.gov.tr/

Citibank, *Savings Education*: www.citibank.com.tr/gcb/turkish/Hakkimizda/Faaliyet-Alanlari.htm

Doğuş Group, *3 Moneybox*: 3kumbara.org/

Experian, *Manage Your Future Now*: habitatdernegi.org/en/projeler/gyp/

Financial Literacy and Inclusion Association: www.fo-der.org

HSBC, *More Than Money*: gencbasari.org/programlar

ING Bank, *Orange Drops*: www.turuncudamla.com/

Istanbul Stock Exchange, *Conscious Investor*: www.bilincliyatirimci.org/

JP Morgan, *Financial Solutions Lab*: www.jpmorganchase.com/corporate/Corporate-Responsibility/financial-solutions-lab.htm

JP Morgan Foundation, *Money Direction*: parayon.com/

Junior Achievement, *3X Company Program*: www.3xgencbasari.com/

MasterCard, *MasterCard Labs for Financial Inclusion*: www.mastercard.us/en-us/about-mastercard/corp-responsibility/social-sustainability/the-mastercard-labs-for-financial-inclusion.html

MasterCard, *Account Specialist of Home Women*: evinhesapuzmanikadin.org/

Ministry of Family and Social Policies, *Family Training Program*: www.aep.gov.tr/

OECD, *International Network on Financial Education*: www.oecd.org/finance/financial-education/

Para Durumu, *Road Towards Istanbul Financial Center: Targeting 20 Thousand Woman*: www.paradurumu.com.tr/

Pension Monitoring Center: www.egm.org.tr/

The Council of Higher Education Thesis Database: tez.yok.gov.tr/

Turkish Economy Bank, *Family Academy*: www.teb.com.tr/aileakademisi/

Turkish Economy Bank, *TEB Junior*: www.tebcocuk.com/

The Association of Capital Market Intermediary Institutions of Turkey, *My Money and I*: paramveben.org/

Visa Europe, *I Can Manage My Money*: www.paramiyonetebiliyorum.net/

APPENDIX ONE: LETTER OF INFORMATION

Corporate Social Responsibility of Finance:
The Case of Financial Literacy Education in Turkey

Student Investigator
Berkay Ayhan
Department of Political Science
McMaster University
Hamilton, Ontario, Canada
Phone: **+90 555 411 88 08**
E-mail: ayhanb@mcmaster.ca

Faculty Supervisor
Stephen McBride
Department of Political Science
McMaster University
Hamilton, Ontario, Canada
Phone: **+1(905)525-9140 ext.23707**
E-mail: mcbride@mcmaster.ca

Purpose of the Study

I am conducting interviews and participant observation about financial literacy education within the framework of corporate social responsibility since the global financial crisis in Turkey. The purpose of the study is to understand why and how the financial sector is increasingly interested in financial literacy education as a part of their responsibility to society. I'm conducting this as part of research PhD studies at McMaster University's Political Science Department in Hamilton, Ontario, Canada. I'm working under the direction Dr. Stephen McBride of McMaster's Department of Political Science.

I found your name by visiting the websites of corporate social responsibility in the search for persons working in the area of corporate social responsibility and financial literacy education.

What will happen during the Study?

I am inviting you to do a one-on-one interview face-to-face that will take about 60-90 minutes. I will ask you questions about financial literacy education within the framework of corporate social responsibility such as:

- What are the essential elements in your understanding of corporate social responsibility?
- What can you say about the emergence and significance of financial literacy education as the corporate social responsibility of financial sector?
- Do you think average individual`s economic situation could be improved if he/she can take better informed decisions about his/her financial well-being?

Interviews will follow a general guideline, but will be open-ended in order to follow discussion topics as they arise during the interview. I will take handwritten notes to record your answers as well as use an audio recorder, with your permission, to make sure I don't miss what you say. We can set up a time and place that works for us both.

Are there any risks to doing this Study?

The risks involved in participating in this study are minimal. You might experience psychological or social risks due to the information you are disclosing about your peers and their work. In order to manage these risks, I will take specific measures to make sure that your confidentiality and anonymity is secured. This study will remove the names, titles, work related information of the respondents. As for the source of quotes, pseudonyms and broad sector-related affiliation (such as public sector, private sector, or civil society) will be used. In order to ensure anonymity of participants' identity, the quotes will be selected from comments that are as broad and contextual as possible. Details of the stories participants tell, such as; time, place/venue, names and institutions of people mentioned) will be eliminated while reporting. I should note that the aim of this study is not to interrogate or expose the successes or failures of particular social responsibility projects or particular participants` ideas. Instead, I am interested in drawing the overall picture of the conduct of corporate social responsibility in Turkey with the case of financial literacy education projects. You do not need to answer questions that make you feel uncomfortable or that you do not want to answer. You can withdraw (stop taking part) at any time.

Potential Benefits

It is unlikely that there will be direct benefits to you. However, financial sector occupies a huge place in our everyday lives with their services such as loans, bank accounts and credit cards. And financial sector now considers the education of financial literacy a crucial aspect of their social responsibility. This potential benefit of this research is assessing the positive as well as negative aspects of this emerging agenda. This, in turn, opens possibilities of remedying the problems and developing the agenda of responsible corporate conduct of financial sector.

Confidentiality

You are participating in this study confidentially. Every effort will be made to protect your confidentiality and privacy. All records of my observations, tapes of individual interviews and conversations will be kept private and will only be available to my supervisor. Records of participants will be used only for research purposes and will be kept in secure storage. I will use pseudonyms in all publications, and no one will be identified by name in this study. Any direct quotations from you will have pseudonyms and will indicate whether you are from public, private or civil society sector. The specific financial literacy projects will not be identified. Any data from this research which will be shared or published will be the combined data of all participants. That means it will be reported for the whole group not for individual persons.

Participation and Withdrawal

Your participation in this study is voluntary. It is your choice to be part of the study or not. You can decide to stop at any time, after giving oral consent, even part-way through the interview for whatever reason up until approximately June 2015, when I expect to be submitting my manuscript. If you decide to stop participating, there will be no consequences to you. If you decide to stop we will ask you how you would like us to handle the data collected up to that point. This could include returning it to you, destroying it or using the data collected up to that point. If you do not want to answer some of the questions you do not have to, but you can still be in the study.

Information about the Study Results

I expect to have this study completed by approximately August 2015. If you would like a brief summary of the results, please let me know how you would like me to send it to you.

Questions about the Study

If you have questions or need more information about the study itself, you can call or email Berkay Ayhan at +90 555 411 8808 or ayhanb@mcmaster.ca

This study has been reviewed by the McMaster University Research Ethics Board and received ethics clearance. If you have concerns or questions about your rights as a participant or about the way the study is conducted, please contact:

McMaster Research Ethics Board Secretariat
Telephone: (905) 525-9140 ext. 23142
c/o Research Office for Administration, Development & Support (ROADS)
E-mail: ethicsoffice@mcmaster.ca

CONSENT

- I have read the information presented in the information letter about a study being conducted by Berkay Ayhan, of McMaster University.
- I have had the opportunity to ask questions about my involvement in this study and to receive additional details I requested.
- I understand that if I agree to participate in this study, I may withdraw from the study at any time or up until approximately June 2015.
- I have been given a copy of this form.
- I have given oral consent to participate in the study.

APPENDIX TWO: INTERVIEW QUESTIONS

A. Background Information

Question 1: The organization you work for is in which of the following:

[ ] Firm [ ] Civil Society [ ] Bureaucracy [ ] International Organization [ ] Academia

[ ] Business Association [ ] Others (Specify).....

B. Corporate Social Responsibility

Q2: What is your understanding of corporate social responsibility and responsible business practices? (Alternate wording: When you hear the word corporate social responsibility, what comes to your mind?)

Q3: What activities do you consider as corporate social responsibility?

Q4: Why did you choose to work in the field of corporate social responsibility?

(Alternate wording for Bureaucrats, Trade Unionists, and Journalists: Why are you engaging with the field of corporate social responsibility?)

Q5: What is the ultimate goal of corporate social responsibility according to you?

Q6: Is corporate social responsibility integrated into the core business strategy of corporations? (Potential follow-up question: What are the obstacles to integrating it into business operations?)

Q7: What would be the everyday impact of corporate social responsibility on the corporation you work? (Question only for Corporate Social Responsibility Officials of Finance Sector)

Q8: Critics argue that corporate social responsibility is merely a public relations strategy. What do you think about that interpretation? (Potential probe to fuel conversation: Why do you think that perception emerged?)

Q9: Do you think that corporate social responsibility in Turkey corresponds to the global practice of corporate social responsibility? (Potential follow-up question: Can you elaborate on finance sector in particular?)

Q10: What could you say about the driving factors of corporate social responsibility in Turkey? (Potential follow-up question: Can you rank these factors?)

Q11: How would you consider the role of business associations, trade unions and civil society associations in the development of corporate social responsibility in Turkey?

C. Financial Literacy Education

Q12: What is your understanding of financial literacy? (Alternate wording: When you hear the word financial literacy, what comes to your mind?)

Q13: Can you elaborate on the qualities of a financially literate individual and benefits of a financially literate society?

Q14: Do you think average individual`s economic situation could be improved if he/she can take better-informed decisions about his/her financial well-being?

Q15: Can you explain how a typical financial literacy education is planned, conducted and concluded? (Question only for Corporate Social Responsibility Officials of Finance Sector)

Q16: What could you say about the driving factors underlying the recent interest in financial literacy education, globally as well as in Turkey? (Potential follow-up question: Can you rank these factors?)

Q17: What do you think about the National Strategy for Financial Education in Turkey and the public sector role in financial literacy education? (Potential follow-up question: Do you think that financial literacy should better stay as corporate social responsibility projects or should it be part of public school curricula?)

Q18: What are the driving actors, interests, and processes behind the government`s strategy? (Probe only for Bureaucrats and Journalists: Please tell me more about the formulation process of this strategy)

Q19: How would you evaluate the current state of corporate social responsibility projects directed towards financial literacy education? (Potential follow-up question: What about the future of this field?)

Q20: Critics argue that since we don't become doctors or lawyers of themselves, there is also no need for becoming financially literate. What do you think about that argument?

Q21: Critics argue that financial literacy education normalizes and expands the financialization of everyday life. How would you respond to that?

Q22: In the academic literature on financial literacy, there are some concerns about the effectiveness of education. In your opinion, what are the obstacles on the road of effectiveness?

Q23: Are there any tensions between the profit-making goal of the corporations and the social responsibility ideals such as financial literacy? (Potential follow-question: If these tensions arise, how are they navigated? To fuel the conversation: Isn`t it more profitable for banks to have less enlightened customers with taking decisions?)

Q24: So far, I asked questions about my agenda and as a researcher "from the outside." Building on your experience of working in this position, is there anything else that you deem important? (Question to allow the independent contributions of the participant and to wrap-up the interview)

APPENDIX THREE: LIST OF INTERVIEWS

Interview №	Interviewee Pseudonym	Organization
1	Havva	Firm
2	Hakkı	Firm
3	Ahmet	Civil Society
4	Eda	Firm
5	Osman	Firm
6	Sevim	Civil Society
7	Mustafa	Civil Society
8	Muhsin	Firm
9	Durmuş	Firm
10	Selim	Firm
11	Haydar	Civil Society
12	Fatma	Firm
13	Mehmet	Civil Society
14	Tuncer	Civil Society
15	Bengi	Civil Society
16	Meryem	Academia
17	Hatice	Firm
18	Aslı	Firm
19	Feride	Firm
20	Gamze	Civil Society
21	Recep	Academia
22	Ece	Firm
23	Gönül	Firm
24	Halil	Civil Society
25	Emel	Civil Society
26	Sırrı	Academia
27	Hacer	Firm
28	Ömür	Firm
29	Asena	Civil Society
30	Semih	International Organization
31	Celal	Firm
32	Seda	Firm
33	Sema	Civil Society
34	Esin	Firm
35	İlhan	Civil Society
36	Kerim	Firm
37	Adnan	Firm
38	Fatih	Professional Association
39	Sibel	Firm
40	Neslihan	Firm
41	Taner	Business Association
42	Rıfat	Firm
43	Burcu	Firm
44	Ender	Firm
45	Elif	Civil Society
46	Sevilay	International Organization
	Doğan	International Organization
47	Nazmiye	Business Association
	Leyla	Business Association
48	Müslüm	Academia
49	İnci	Firm
50	Kemal	Civil Society
51	Berk	Civil Society
52	Ali	Firm
53	Fulya	Firm

54	Gülay	Labor Union
55	Orhan	Bureaucracy
56	Ayşe	Civil Society
57	Samet	Bureaucracy
	Tekin	Bureaucracy
58	Taha	Firm
59	Anıl	Professional Association
	Necati	Professional Association
60	Türkan	Firm
61	Neriman	Firm
62	Sadık	Bureaucracy
63	Zuhal	Firm
64	Merve	Firm

APPENDIX FOUR: FAMILY TRAINING PROGRAM ATTAINMENTS

The Ministry of Family and Social Policies' *Family Training Program* "Economics" section learning attainments are the following (Alpaydın, 2012: 22-23):

1. Emphasizes the importance and necessity of financial planning.
2. States the elements of financial planning.
3. Tells the difference between needs and wants.
4. Determines seasonal needs.
5. Determines life-cycle needs.
6. Predicts emergency needs.
7. Analyses daily expenditures.
8. States the need to spend within the perimeters of income.
9. Acts with savings awareness.
10. Differentiates between necessary and not really necessary needs.
11. Shows self-confidence in shopping.
12. Conducts market research for the product/service that will be purchased.
13. Analyses the product/service that will be purchased.
14. Compares the product/services that will be purchased with each other.
15. States the major shopping methods (store, online, phone order, door sale, etc.).
16. States the basic rights and responsibilities as a consumer.
17. Predicts steps to be taken in case of dissatisfaction with a purchased good or service.
18. Prepares family budget.
19. Explains the working of the financial system.

20. States the actors in the financial system.
21. Explains the products and services of the financial system.
22. States the options to increase income.
23. Compares different saving and investment options.
24. Makes a savings plan in accordance with periodic goals and needs.
25. Determines the savings tools in accordance with periodic goals and needs.
26. Gives examples of "smart borrowing."
27. Calculates debt-income ratio.
28. Asks the right questions before taking out loans.
29. Questions the ability to negotiate with financial institutions.
30. Outlines the content of credit agreement.
31. Calculates the direct and indirect costs of credit.
32. Questions the capacity to pay back.
33. Makes a credit payback plan.
34. States the prevalent credit traps and investment frauds.
35. Gives examples of the correct use of credit card.
36. Lists the major issues about credit card usage.
37. Compares qualities of different credit cards.
38. Foresees protection against identity theft.
39. States the renewable energy sources.
40. Determines the usage of renewable energy sources in housing and vehicles.
41. States the characteristics of non-renewable energy sources.
42. Gives examples of the environmental damages of non-renewable energy sources.
43. Gives examples of the real cost of energy in Turkey's economy.
44. Explains the contributions of energy saving to economic development.

45. Explains the elements of energy bills.
46. Explains the energy saving methods in housing.
47. Compares existing technologies with respect to energy efficiency.
48. Gives examples of energy efficient products.
49. States the energy efficiency and carbon emission features of vehicles.
50. Gives examples of energy saving methods in vehicles.
51. States the basic concepts of entrepreneurship.
52. Gives recent examples of entrepreneurship practices across the world and in Turkey.
53. Explains methods and processes of establishing a business.
54. Emphasizes the legal structures of businesses.
55. Gives examples of business models.
56. Gives examples of methods to form business strategy.
57. Determines the parts and details of the business plan.
58. Forms marketing plan.
59. Forms financing plan.
60. Gives examples of the major challenges that an entrepreneur faces.
61. Offers solutions to the major challenges that an entrepreneur faces.
62. States the sources of financing.
63. Points out institutions that support entrepreneurship.
64. Emphasizes the support conditions of institutions that support entrepreneurship.
65. Explains the strategies necessary for sustainable growth.