



ISTANBUL ECONOMICS CONGRESS

Turkey and
Social Ethics Code
in the Future Economy





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“Turkey and Social Ethics Code in the Future Economy”

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ISTANBUL ECONOMICS TALKS

Istanbul Economics Talks meeting series, which bring together distinguished thinkers who have contributed to the economics literature and who are able to put their creative ideas into practice through innovative research efforts in pursuit of solutions to national and global problems, have been initiated due to a certain need. The participants came together under a platform to discuss theoretical developments in the economics, to analyze global and national economies in a novel approach. It has been discussed, in the scope of the four previous meetings of this platform, whether a national economic perspective emerges.

The economic theory has gained an interdisciplinary character, and other fields of social sciences have turned to a certain extent into auxiliary or supplementary sciences to the economics theory as a result of global social developments, which resulted in arguments against the universality of neo-classical economics. The importance of countries' individual experiences has increased in terms of their contribution to the economic theory, while the fluctuations in factor prices, due to globalization and “financialization”, have had impacts on individual countries, at various paces and to different extents.

At a moment when quantitative easing or “printing money” has ended and tax wars have emerged, country experiences and governance of these experiences are gained more importance. The underlying factors of the labor process as well as production and consumption parameters have undergone a radical change, especially in the context of “digitalization” phenomenon. Capital, accumulation, investment and economic growth curve is increasingly de-centralized or “de-globalized” or localized. The China's “Belt and Road Initiative” is of great importance in this context.

In the light of these developments, **Istanbul Economic Talks** meeting series have become a platform for debates about certain issues, including global economic developments and the impacts of the dynamics underlying the nature of “innovation and change” in production processes on the economic theory; the possible scope of an economics approach and practice for Turkey case, which is drafted in a scientific basis and making use of the interdisciplinary studies; the possible spectrum of national and international collaborations and the optimal level of Turkey-specific economic policies or initiatives along with the changing global dynamics; the possibility of an ideal economic doctrine and the adaptation of an appropriate development model for Turkey.

In 2021, which is a moment when the economics must evolve new strategies to cope with changing global dynamics, TASAM Business and Government Consultancy office has planned to organize an event titled **Istanbul Economics Congress**, driven by the efforts, knowledge and ambitions of the first **İzmir Economics Congress (1923)**, which took place before the proclamation of the Turkish Republic, **Turkey Economics Congress (1948)** and the second **İzmir Economics Congress (1981)**, which took place during the global/national shift to the new economic order (to commemorate the 100th anniversary of Atatürk's birth). The platform, which is driven by a historical responsibility, plans to bring together financial market experts and other actors of the economy with a network of around 400 distinguished economists, experts and academicians from Turkey and abroad.



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As the world changes so does the structure of social relations and vice versa. In the coming years, however, it appears that there will be "radical changes" in social relations. This situation requires that exhaustive analyzes to be conducted to understand the structure of the economic factors, which underlies the global changes and the actors of various sectors, who drives these changes. The analysis of underlying economic dynamics has been carried out based on the Western-centered approaches until today. Globalization and the positive or negative developments around it, however, make it necessary to use different units of analysis and reference points. It is also acknowledged that the same economic analyzes cannot be conducted for different country cases, which have different historical backgrounds and different social, cultural and economic dynamics, as if they were identical or similar economies.

The growing economies of China and India are among the most important factors that have changed the way of widespread assumptions or expectations. Certain countries' increasingly proactive role on the global stage, such as China, Brazil, Russia and India, especially in the global production-consumption chains will carry technological differences with the Western-countries into a statistical curve, which will gradually converge in quality. These economies, which have had no choice but to strengthen their domestic markets, and to adapt their own social realities, cultural traditions, consumption trends and tastes that determine the demand patterns to technological developments, will prepare themselves for decades when their competition in the global market, especially with Continental Europe, will intensify.

To immediately identify, at least, the existence of a series of conflicts and conflicts of interest for this end and to emphasize that this will increasingly be articulated in the coming years, is also important in terms of pointing the way forward to guide local economic reflexes. Given that certain countries, such as China and India, catching up with the rapid economic growth trends, there are also difficulties about how to apply the standard economic prescriptions "suitable for everyone". However, it is also difficult to assume China and India, for example, to catch up with the per capita income level of Spain based on the classical economic prescriptions. In addition, these economic prescriptions are not able to produce effective solutions to the recent crises.

Given the mainstream economics impasse, as well as the shock to the global economy, national economies and social structures from the COVID-19 pandemic, it is an immediate imperative to revise and review the approaches to such economic problems, while the economy of the future is shaping itself. It is often overlooked or disregarded that fragmentary approaches have a very narrow or limited scope in dealing with or analyzing certain economic problems. Therefore, it appears that certain perspectives can provide reasonable solutions to the problems in question, such as being in pursuit of analytical economic approaches that include the formal and causal relations or correlations between integral parts, using holistic political economics methods, and to examining economic issues within the context of the dialectical social movement dynamics. In addition, it is clear that institutional differences and historical experiences must be taken into account in drafting economic policies. As the world is passing through a period of global-disintegration or "de-globalization", where standard or established economic prescriptions are ineffective against the backdrop of an "economic theory" in the midst of crises/changes, understanding the institutional structures and making use of the experiences or lessons learned from the historical facts are the factors that should always be taken into consideration in order to draft policies that fit the changes.

Given that the economics is evolving into a multi-polar structure, not only in terms of global economic relations, but also in the specific framework of the "economics science" itself, it will be no longer possible to reach a single economic model suitable for every case, as well as a single economic theory underpinned this model, in the context of the global economic realities in question.



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Localization or nationalization trends or de-globalization tendencies have gained more importance than globalization. This creates such an environment for economic theories that certain economic views, which have a tendency to diverge significantly from mainstream approaches, have increasingly been discussed in global analyzes. The dynamic that causes this situation is a result of the socio-economic characteristics of these changes. Today, the underlying factors of a universal economic model, which could be managed from a certain circles or power-elites over the previous decades, that meets or fits each country's requirements are no longer available. Furthermore, the gap between production-capital and financial-capital has so increasingly been widening that to accumulate these factors in a pool to support for mutual interests almost impossible. This leads the economists to seek alternatives beyond the mainstream economic models that cause such an impasse.

Today, there is a circulating value in financial-capital at 13 times the value put forward in or generated by production-capital. It is observed that this gap is increasingly widening due to the multiplier effect of the housing-market and other funds in the US. The search for a similar motivation, vision and model is also found in European Union member countries. Since there has not yet been a convincing discourse that can explain the globalization phenomenon, which is trying to be accepted not only in the economy, but also in all domains, the emphasis on localization or nationalization or de-globalization tendencies is important in this sense.

As is known, one of the most important developments that triggered the 2008 financial crisis was China's announcement of its "de-dollarization" plan in 2007. This development brought with it the perception of a potential change in the global hegemony or domination hierarchy. The possibility that China, whose dollar reserves were 4 trillion on the eve of the 2008 crisis, will put its own currency into international trade circulation has pushed the US to a protective tariff similar to that of today. Therefore, there has been an increase in customs tariffs on certain goods against China, which, in return, resulted in a depreciation in the dollar. Therefore, China has canceled or postponed the exchange rate policy, which it intends to follow, after realizing that the dollar's depreciation would have negative impacts on China's economy, even earlier than that on the US economy. It can be said that the assumption that the US dollar will always maintain its global foreign exchange value and the hypothesis that the international monetary system will continue depend on this currency forever are the underlying factors of the recent protectionist policies followed by the United States. It appears that the "trade wars", economic sanctions and threats continue to proliferate based on these assumptions. It also appears that all these developments give the countries no choice but to seek a new international monetary system that partially bypasses the US dollar in favor of their own currencies.

In fact, these factors have not only brought about the economic crisis, but also the search for new "rescue-sectors" as an economic "anchor" against the turbulences. They have affected, in particular, the breakthroughs, which boost their economic advancements, of the countries, which have different development level in terms of communication infrastructure, including artificial intelligence, information technologies, digitalization, robotics or autonomous systems and 5G technologies. Autonomous systems and the defense industry, for which the disruptive technologies are broadly available, are among such applications. The priority domain of the Industry 4.0 revolution factors is the "cyber security" tech.

Global conflicts, which have been suppressed until today, but now emerge as a geopolitical power struggle, are orchestrated through the information and communication technologies. The Western countries are concerned with China's presence in a broad spectrum of emerging technologies, ranging from semi-conductor production to artificial intelligence, as well as its dominance in some other domains. The level of development of the information technology infrastructure that dominates all of the elements, such as "fly drones", unmanned or autonomous weapons, robot soldiers, have increasingly become critical. The economic conflicts would end in triumph for the countries, who have such a technological infrastructure, in pursuit of initiating a disruptive economic model.



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According to basic global trends, or the widespread opinions or estimations, it has become inevitable to comprehend "the economy of the future" and "artificial intelligence" and "synergistic intelligence" in the coming decades based on "IT-based products/projects", following the previous era of "territory and machinery". The forms of organization of the artificial intelligence will bring their own circumstances, just as the Industrial Revolution brought its own norms and relations by destroying the established values and norms in many areas of society.

The 19th century Industrial Revolution experience shows that the inability to manage the economic changes driven by new technologies increases the potential of the "disruptive characteristics" of these technologies, which deepens social crises. Today, it appears that the capabilities of artificial intelligence and their possible consequences will be much more rooted than those of the Industrial Revolution. It is also possible for AI-based systems to have a potential role to play as well as humans in management processes or decision mechanisms. This situation makes the studies on the relationship between economy and technology more critical, because, for the first time, a technology, "artificial intelligence", has a potential that surpasses the limits of itself as a means or a way of production.

On an economic point of view, the private sector is trying to achieve maximum profit with minimum cost, and artificial intelligence, which has the potential to reduce the number of employees and to maximize production, makes this possible. It is estimated that the country profiles of which Western countries such as the US, UK, Germany, France have been the highest level of economic development, as well as those of Asia like China and India, will change significantly in the period of 2030-2050. Today, most of the pioneering studies on artificial intelligence are conducted by China. It is unclear how successful Western countries, which continue to strengthen their national economic resources with their national industries, will be in the artificial intelligence domain, which is expected to contribute 14% to the global economy by 2030, in the coming years. The concerns arising from the decline in global growth rates will have an impact on all countries, specifically on the decision mechanisms of central banks. It is estimated that artificial intelligence will contribute to the increase in consumption through productivity, instead of reducing the growth in the next decade. The Industrial Revolution did not lead to unemployment, on the contrary, it increased the employment rates. It is therefore considered that the artificial intelligence would be an employment providing resource.

It is known that the global warming and climate change has been the biggest damage caused by the Industrial Revolution, even if it has had certain advantages. Artificial intelligence has a similar potential to cause such a problem. The immediate imperative is to define this problem by taking lessons from the past, as well to take the necessary precautions to avoid its negative consequences. There remain plenty of unknowns about what or who shapes artificial intelligence, while the development of artificial intelligence continues. It is considered that artificial intelligence would replace with many employees in the next two decades.

The international order brought by the capitalist-based economic system also plays a considerable role in "social codes" and in changes of "social ethics". States opt for their established societal dynamics in their governance practices. It is still a mystery whether a country is able to develop its economic system independent from globalized economic theory by drafting or establishing its national "moral-ethics codes". The economics must give necessary priority to the needs of the society, and analyze its socio-psychological structures, rather than being a discipline that develops only on the basis of monetary policy.

Protestant reformation movements, which took place in the "western church" in the 16th century, contributed to redressing the balance not only between society and economy, but also within populations and business sectors. Capitalism, which is a global phenomenon, is the economic consequences of the Euro-centered Western civilization. In fact, social behaviors encompass certain dominant characteristics which prevail and determine the economics and even consult to established norms and ethical values when the market tends to lose its functions.



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Economic sociology, in other words, social characteristics of economic relations, which are the parts of economic life, including social division of labor, social stratification, the concept of ownership, production and consumption factors, is shaped by social values. Economic sociology also defines the economy as an integral part of society and emphasizes that the society should be the reference point of economic policies.

Cultural norms and conventions are still affecting the dynamics of societies and leave economic theories with no choice but to develop, even if there is a relative international economic order or stability based on the balance of power. The Hitler regime, for example, dealt a final blow to the German culture that was about to collapse. The new Germany, however, reconstructed itself, in the aftermath of the World War II, which proves that a "cultural economics" is possible. In addition to this "potential domain", the economics seeks to incorporate the specific issues that are not included in its domain. One of the striking examples of these issues is "commodification" phenomenon. Given the commodification trend of almost everything in an increasingly globalized world, this trend has already had considerable social and cultural negative effects on the social stability of countries.

Turkey needs to focus on how to evolve its economic system within this context. The migration phenomenon is one of the other important factors that has had an impact on the moral structure of society in Turkey. Especially rural-urban migration patterns have also had impacts on people's sense of responsibility. "Social anonymity" has negatively affected the moral structure of the society. It has led to the spread of "self-centered" ethics understandings and mindsets as well as "egoistic" behavioral patterns.

The concepts of "social morality" and "social ethics" can also be analyzed through the concept of "anarchistic individualism", given the example of the Germany's case. In this example case, the "moral codes" of the individuals, who migrated from Turkey to Germany as migrants/workers, had undergone considerable changes, if we compare their current "moral codes" with when they were in their homeland. This finding brings certain questions along with it: "Are moral codes of these individuals, who often share the same environment and similar backgrounds, had already changed when they were in their homeland?" or "Are they not capable of establishing such a code or a system in the host country, which results in adapting themselves into the host country's culture or moral system?". A profound analyze concerning this issue will contribute to shaping the Turkish "economics" system.

The "Social Ethics Code" has thematic elements or roles, in terms of its content, that constitute the philosophical cornerstones of the Turkish economic system. There remains an essential question about whether there is an alternative solution that fits with the Turkish social ethics code by analyzing the effects of the traumas experienced within the capitalist economic system, which is faced with the degeneration of the Protestant ethics, on populations and more specifically on social behaviors of individuals.

Traditional or conventional social behavior patterns established in the structures of states and societies are essential in building a political and an economic capacity. Globally effective capitalist economic system, however, puts pressure on the dynamics of states and societies. New societal models, which inspire the fundamental ethics codes underpinned by the cultural and traditional backgrounds of countries, should be drafted as alternatives to this prevailing global system. In this context, the availability of social ethics code in building alternative perspectives based on Turkey's cultural and traditional backgrounds and the ways and means to deal with the moral degradation of the Turkish system should also be examined.

Certain issues such as how can Turkey rapidly solve his economic problems and develop new approaches that will prevent it from wasting decades; how it will make its inspiring social ethics revolution; and its possible contributions to the global economy in a transformation process; as well as the ways and means of reaching the capabilities that meet the requirements to become a "financial center", will be discussed in detail in the Istanbul Economic Congress platform with the participation and contribution of economists, academics, experts in financial markets, policy makers and decision makers.



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Main Theme

Turkey and Social Ethics Code in the Future Economy

Sub Themes

Economics Perspectives of Turkish Experts, Social Behaviors and Alternative Models

Future of Capitalist System and Capital-Technology Relationship

Possible Impacts of Local Economics Approach on Tendency of Authoritarianism

Macro Economics Policy: Integrity of Political-Economic-Sectoral Objectives

Instruments of Turkish Economy: Labor-Product-Service Markets and Reflex Mechanisms

Laborforce, Power and Capital Dynamics of the Future

Projections for Key Sectors (Education, Security, Defense, Health, Food etc.)

Future and Vision of the "Istanbul Financial Center"

Recommendations on Growth Strategy, Finance, Industrialization, Social State and Market

Macroeconomic Studies on Global and Regional Economies

Changing Global Dynamics and Turkey's Policies of Economics

Turkey's Economic Immune System and Global Economic Perspective/Policy Threats

Scientific Fundamentals of a Turkey-Specific Interdisciplinary Economics Approach/Practice

A Turkey-Specific Development Model with State-Market Relations and Industrialization Experience

Roles of Emerging Technologies in a Sustainable Economic Development

AI and Autonomous Systems as Productivity Boosters in Production-Decision Makers in Management

Potential Risks of AI and Autonomous Systems and Possible Socioeconomic Crises and Suggestions

Finance Circles-Producer Capital Circles Tensions in Efficient Use of Energy

Renewable Energy-Fossil Energy Tensions: Geopolitical Risks and Economy

Top Areas in Need for New Technologies; Short and Medium Term Projections

Role of "Social Ethics" and Economy in Global and Regional Development

Role of Social Ethics Code as Cure for Crises

Modern Western Civilization and Economic Codes of Turkish Civilization

Cultural Foundations of Japan Business Organization Model

Role of Social Ethics and Taoism in China's Economic Development

Social Ethics Code Perspectives in Turkish Economic System

Global Technology Threats and Potential Responsiveness of Local/National Ethics Code

Impacts of Cultural Heritage on Economics by Continuity/Change Perspective

Global Health Crises and Responsiveness of National Moral Solidarity-Global Cooperation Ethics