UNDERSTANDING THE INDIVIDUAL PENSION SYSTEM IN TURKEY IN THE CONTEXT OF FINANCIALISATION

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In 2001, the Turkish government introduced an individual pension system (IPS) which is a voluntary, private, defined contribution scheme and a supplementary tier to state, pay-as-you-go pensions. Although; the policymakers claim that this is not a privatization of the pension system, it is if set against later developments, such as limits on the state system and tax incentives to the private system (Gokbayrak 2010). The IPS has been discussed from different perspectives, such as: the social policy implications of the new system (Guzel 2005); the impact of massive amounts of money accumulated in the private pension funds on the financial markets (Korkmaz and Uygunturk 2006); and in the context of transformation of the welfare state (Gokbayrak 2011). However, it has not been discussed on the basis of the new insights that the concept of financialisation offers.

In this light, firstly, the relationship between social policy and financialisation will be discussed and associated with as financialisation and taken as crucial and directly influential in the formulation and implementation of the social pension policy. As with privatisation more generally, the particularity of pensions will be emphasised (Fine 2012). Secondly, financialisation will be investigated as an inherent tendency of capital (Hoca 2012), emphasising the expanding function of capital as a commodity. It will be associated with the increasing role of money as capital in the phase of the capitalist accumulation where productivity increase falters. This process also includes the geographical differentiation of money functions which stem from distinct levels of capitalist development. Accordingly, private pension funds have significant importance in developing financial markets and preparing a suitable environment for capital flows to middle-income countries. Lastly, empirical data on the Turkish social security system, particularly pension provision, will be analysed on the grounds of the theoretical basis of the first two parts, with focus on the shifting levels, distribution and sources of the pension provision. In this way, financialisation will be linked to the reproduction of labour power, offering a Marxist reading that invalidate criticisms such (Langley 2004).

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