

## The Painful Prescription Was Put in Front of the Public Again

### News:

The Central Bank of the Republic of Turkey (CBRT) has increased its inflation forecast for the end of 2023 from 22.3 percent to 58 percent. The consumer inflation forecast for 2024 has been revised upwards to 33 percent.

In his statement about the third inflation report of the year, Central Bank Governor Hafize Gaye Erkan said that inflation will show a temporary rise in the short term and that they have created the basis for a decline in 2024, "Our main goal is price stability. We have started the monetary tightening process in order to permanently reduce inflation. We will gradually strengthen the monetary tightening until a significant improvement in inflation." (03.07. 2023 Agencies)

### Comment:

After the general elections, Hafize Gaye Erkan, who was brought to Turkey with great praise from the United States to reduce inflation and supposedly fix the economy, was appointed head of the Central Bank, and her first act was to put the painful recipe in front of the people like her predecessors. At the meeting, where only people with economic literacy will understand the complex terms of capitalist economics, the only thing that the public understood was that inflation will continue to rise for several more years, and that the bill will be paid by workers, civil servants, tradesmen, all low earners, especially pensioners and minimum wage earners who are sentenced to misery wages.

According to the decisions taken, it is promised that inflation will be gradually reduced by increasing interest rates with monetary tightening and making it difficult to reach the Turkish lira by reducing loans, thereby reducing demand and consumption. However, the upward revision of the inflation forecast means that the government will regularly implement new hikes and taxes.

In this vicious circle, on the one hand, due to the economic recession that will occur, the balance of payments of enterprises, many of which return their trade with credit debts, will deteriorate, bankruptcy and unemployment will multiply, and on the other hand, the purchasing power of the people will continue to decline as exorbitant tax hikes increase prices.

In this case, while it is possible for interest-bearing banks to protect their money by evaluating it to different products of the capitalist economy, the government will be able to reduce the budget deficit and finance its interest-bearing debts behind the backs of the people. Because, as a result of the emphasis on construction-based, dollar-guaranteed, crazy rent projects that win votes in elections instead of the production economy, the treasury's coffers have been emptied. Also, a budget deficit of TL 660 billion was calculated for the end of October 2023, but the central budget was not enough even in the middle of the year, and an additional budget of 1 trillion 71 billion was prepared. At the same time, due to corruption and waste in the public sector, interest-bearing debts have reached impossible levels to be paid. The amount of interest that Turkey will pay this year alone is 519 billion TL. This figure is almost the same as the main currency, which is 564 billion TL. The Erdogan administration, which deceived Muslims with the

phrases “we will look to the Nass, whatever Nass says is our path” about Ri'ba, is now only looking to save the day.

In any case, what is harmful in this whole crisis picture is the people who no longer have room to tighten their belts. This is the treatment that smart capitalist managers give to the public as a solution: a life in exploitation, poverty and crises.

The fact is that it is an invariable feature of capitalist immorality to put the bitter recipe in front of the people even though the people had no involvement in the high inflation and the country's economic bankruptcy coming to the brink. When it comes to growth, it is a betrayal of our capitalized managers to enrich only themselves and their partner companies by not reflecting on the public in any way.

The old and new steps already taken in the economy are not to increase the welfare level of the people, but to give confidence to foreign capital, to raise Turkey's credit rating, to reduce the debt risk premium, to please the interest rate lobbies, to extend the life of the capitalist economic system as a whole despite the public.

If the Erdogan government was sincere about improving the welfare of the people, it would say that the real cause of inflation and the economic crisis is the capitalist economic system itself, which feeds on interest-bearing banking and high taxes, especially the dollar-based paper currency system, and the solution is in the Islamic economic order; moreover, it would not only say it, but urgently begin to apply the Islamic order.

In the Islamic economic system, money is gold and silver. There is no loss of value in money due to the personal value of gold. Thus, the stability provided by maintaining the value of money ensures that there is also stability in prices. There is no place for interest in any way in the Islamic economic system. In non-permissible areas such as the stock market and cryptocurrency, people do not violate each other's goods unfairly. Money flows into the market with its natural cycle; trade revives, production increases, and thus inflation falls permanently. Most importantly, the dependence on the colonial infidels ends. Both the 670 tons of gold in Turkey's Central Bank and the estimated 5,000 tons of gold in the hands of the people, called ‘pillow bottom’, are enough to switch to the gold system ordered by Islam. What needs to be done is to launch a political struggle against America by demonstrating the Islamic will to get rid of the dependence on paper money and dollars. This is the responsibility of both managers and Muslims, who must account for managers. Apart from that, the steps to be taken will not bring solutions to the problems and will result in disappointment in the Hereafter.

﴿وَمَنْ أَعْرَضَ عَنْ ذِكْرِي فَإِنَّ لَهُ مَعِيشَةً ضَنْكًا وَنَحْشُرُهُ يَوْمَ الْقِيَامَةِ أَعْمَى﴾

**“And whoever turns away from my remembrance (of the Qur'an), he will certainly have a narrow livelihood. And we will gather him blind on the Day of Resurrection.” [Ta-Ha 124]**

**Written for the Central Media Office of Hizb ut Tahrir by  
Muhammad Emin Yildirim**