Eurasian Academy of Sciences
Eurasian Business & Economics Journal
2017 Volume:11 S: 89 - 99
Published Online Otober2017 (http://busecon.eurasianacademy.org)
http://dx.doi.org/10.17740/eas.econ.2017-V11-06

THE SPIRAL OF GROWTH-FOREIGN TRADE-CAPITAL MOVEMENTS IN ISLAMIC ECONOMIES AND CULTURE OF JOINT-MOVEMENT

Ali O. BALKANLI **

* İstanbul University, Faculty of Political Sciences Economics

E-mail: aobalkan@yahoo.com

ABSTRACT

Our article is made up of three parts. In the first part, we focused on the theoretical basics of the economic dimensions of Islam and the concepts of Islamic economies/societies are examined. It should be noted that Islamic economy is essentially a set of normative values; Islamic belief and life is the existence in the practise of life that finds existence in the world of the individual. It can not be assumed aprioriely that people will live in perfect norms, that is, in a world where people love the world's goods and can not break the world's goods. Therefore, it would be unrealistic to expect to develop relationships by imposing norms on individuals and societies. Rather, it seems more realistic to try to develop economic relations between societies, based on the shared Islamic beliefs and belief-culture partnerships. Such an effort will mean an increase in social prosperity for these societies and develop future-connections of societies and states.

In the second part of the article, we focused on Turkey and headed for research to find to connection between the foreign trade and politic relations of Turkey with Islamic countries. The research shows that in the common religional belief-culture, the relations developed by Turkey with the Islamic economies reflect the influence rapidly from foreign trade to production of the country.

Some of the Islamic economies are oil exporters and have high funds, while others are on the path of industrialization, out of oil exporter. In fact, some of them (Malaysia and relatively Turkey) are not only industrialisating, but also live in remarkable developments in finance. In the third part of our article, in the context of country examples, we examined the problems and interconnections of Indonesia, Turkey and Malaysia and especially, to find common ways and possible answers for countries demanding funds and suplying funds of Islamic countries, within mutual benefits.

Keywords: Islamic Economy, Foreign Trade, Financial Movements, Economic Cooperation

1.Introduction

Islamic economy is essentially a set of normative values but Islamic belief and life are find existence in the world of the individual. In this context, by expressing in religious terms, "in a world where people love the world goods and can not break the world's goods. Normative looking will be perfectly normative and formal behave not realistic. Hence, it would be unrealistic to expect to develop relations by imposing norms on individuals and societies, based on norms, on individuals and inter-communal relationships. Rather, it seems more realistic to try to develop inter-societal economic relations, based on the common consciousness and cultural foundation created by faith and belief-culture partnerships.

In our article, we firstly want to emphasize this point in the first chapter. Later in tthis context, in the second part, we will examine the effects of the convergence of Turkey with the Islamic countries since 2000, in terms of foreign trade. Then, in the third part of our article, in the context of country examples, Indonesia, Turkey and Malaysia, where the majority of the population are muslims, examined the economic growth-foreign trade-finance problems of these countries and crises they experienced (1997 and 2001 Crises) and interconnections.

2. The Fundamentals of the Economic Dimension of Islam and the Islamic Economy Societies

The notion of Islamic economics meant economy side of Islam, and islam economies related directly with the Qur'an in the first place in the Islamic religion and with the orders, prohibitions and suggestions of the Prophet of Islam (Eskicioğlu, 1999: 13-15); Cünedoğlu, 2010: 1; Tabakoğlu, 1). In comparison, it can be said in the Islamic world that the Islamic economy (Haneef, 1997: 39 et al., Khan, 1994: 3), as it can be said from the Christian economy in the Christian world (North, 1973: 3) or the Jewish economy in the Jewish world (Lifshitz: etc.). However, when the three religious religions are involved, the economic-economic norms are more elaborated in the Islamic religion, along with the economic content of the three religions. But, these normative items can also vary according to the individual, from the individual to the target, to the extent to which they can be applied. If we look documents of Islam, here the rules and norms are clear and obvious. The problem is in the nature of human ego. (Maududi: 6; Khan, 1994: 3). This situation is also expressed by the words of the Prophet. For example, according to Bukhari is reference (Rikak, 10) and Muslim (Zkat, 116-119), the Prophet says: "If Adam's children have two golden valleys, they will not satisfied and they will want third. Their demands will finished when they die "(Www.2gold.com). And another expression of the Prophet says: "God does not look to your prayers, not your fasting, but look your money relations,". (www.sorularlaislamiyet.com). They show that the normative dimension can not be fully found for everybody. However, in a very large majority of Islamic countries, the "common values of Islamic belief" that exist and live in the cycle of life, brought about by Islamic religious belief, both on the level of the individual and on the level of society and we can see with great similarity in all Islamic geography and we can say these values that "Social-cultural common islamic values". These common elements among Islamic societies need to be common interests that can strengthen the interaction and communication between societies. Here, these common beliefs and cultural values, which are experienced in the development and development of economic relations between Islamic countries, will function more. Therefore, close societies in the field of belief can be expected to approach each other and increase their interactions and relations as a tendency, in the support of the common stakeholders formed by the cultural common values cultivated by religious beliefs and religious beliefs. When we look at world politics and the economy after the rise of globalization in 1990, these common values have played an important role and function in increasing the relations among Islamic countries. For example, as case study, Turkey's economic relations with Islamic countries in the 2000s are more noticable.

3.Turkey-Islamic Countries Relations and External Trade Impact

The relations between Turkey and Islamic economies have expressed a very low level of engagement until the 1970s (Akbay, 2013: 87). Although there was a slight mobility after the 1970s, it was still a low-level relationship (Demir, 2009: 218/218). The first history of Turkey's remarkable rapprochement with other Islamic countries is the President Turgut Özal period after 1980's while Islamic policies are come forward according top ast ten years. Along with this date, a stir began in the relations. On February 11, 1986, Law no. 3259 was enacted and with this legislation, all kinds of taxes, duties and charges that the Islamic Development Bank was responsible for were exempted with this regulation. In 1984, Faisal finance, Al-Baraka Finance Institution was established.

The 1990s can be thought of as the period when Turkey's relations with Islamic countries began to become stagnant. This is also seen in the 1990s data. For example, Iran's share in total exports in 1990 was 3.82 percent, down from 0.85 in 2000. The share of Saudi Arabia in total exports fell from 2.61

per cent in 1990 to 1.39 per cent in 2000. Qatar, which is one of the countries with a share of exports in this period, has a share of exports in 1990, while it increased to 1.49 in 2000. The share of B.A.E. was 0.58% in 1990, but rose to 1.14% in 2000. Turkey's exports to the Middle East countries as a whole fell from 12.13 per cent in 1990 to 9.20 per cent in 2000. (Erlat and Erlat, 2004: 3).

It seems that in the 1990s there has been a stir in some countries, but in general it is a very weak trend and the period is a more or less stable period in terms of commercial relations. With the years 2000, change in foreign policy of Turkey has become a matter of concern, and the Islamic countries have begun to get closer to the foreign policy level. In the context of this rapprochement, it is seen that Turkey has carried out many activities to bring economic relations with the Gulf countries to a further level. Among these events, the Turkish-Arab economic summit should be emphasized. The aim of these activities is to introduce Arab and Gulf businessmen to investment opportunities in Turkey (Turk, 2009: 24). In addition, Turkey has made great efforts to attract the Gulf funds to Turkey.

Since the early 2000s, relations with Turkey and the Gulf countries (Saudi Arabia, Qatar and Kuwait) and other Islamic countries have been developing more. Increasing relations are expanding on two main axes. The first axis is for Turkish businessmen to make the most of their investment in these countries and withdraw Arab-Islamic capital to Turkey. The second axis is that Turkey is cooperating with the Arab-Islamic countries far beyond traditional areas such as the construction sector, and is also cooperating in energy, financial markets, funding and other fields (Türk, 2009: 21-22 / 30).

The Gulf countries invest their funds in each region of the world according to the profitability parameter (www.21yyte.org, 2013: 1). In fact, Turkey's foreign economic policies since the 2000s towards Islamic countries are also activities carried out by many Islamic countries such as Indonesia and Malaysia (www.21yyte.org:1). The support of common belief and belief culture, the increase of these activities means that the products (and capital) to be taken from other parts of the world are taken from these countries. This means that these countries, in support of their beliefs, mean an increase in economic co-operation, and these links, which bring economies closer to each other, mean an increase in economic activity from production to external commercialization and finance in order to increase the prosperity of the countries concerned.

Table 1: Development of Turkey's Exports towards Islamic Countries
(2000-2016, U.S.C., in accordance with Selected Countries).

Country	2007 16%	2002-16	2016	2015	2013	2010	2009	2008	2007	2004	2000
Total	33	413	142.545	143.838	151.802	113.883	102.142	132.027	107.271	63.167	27.775
Iraq	169	821	7.638	8.549	11.949	6.036	5.123	3.917	2.845	1.808	829*
U.A.E.	67	1.611	5.407	4.681	4.966	3.333	.897	7.975	3.241	1.129	316
İran	245	2.004	4.967	3.664	4.193	3.044	2.025	2.030	1.441	803	36
S.Arabia	114	720	3.174	3.473	3.192	2. 217	1.768	2. 202	1.487	767	387
Egypt	203	627	2.733	3.125	3. 200	2. 251	2.599	1.427	903	473	376
Algeria	41	353	1.737	1.825	2.003	1.505	1.777	1.614	1232	881	383
Indonesia	47	746	254	207	231	251	248	284	173	54	30
Malaysia	288	726	323	357	272	225	139	98	83	52	39

Data: :www.tuik.gov.tr (18.03.2016), T.C.Maliye Bakanlığı, Yıllık Rapor 2001, (Tablo X-6), (Ankara, 2002), p.171, 2003.

In this way, Turkey's Islamic policies and the foreign political rapprochements it has carried out since the early 2000's have shown its reflection directly in foreign trade data, especially in exports. Only foreign trade data from the Gulf Arab-Islamic countries (Qatar, Saudi Arabia, BAE) has not been affected positively by the increasing foreign policy relations, and this positive effect also applies to financial fund inflows (http: //haber365.com.tr; www.fortuneturkey.com). As more faith-culture cooperation associations were developed, this was reflected in economic and commercial relations and economic relations and trade volumes had a growing trend over the years. This situation is obvious from foreign trade data. So, in this context, when examined from the year 2000 until 2016, the development of Islamic countries and Turkey's exports is remarkable. So much so that in 2000 Turkey's total exports amounted to 27,775 million U.S. dollars. while in 2016 it rose to 142.5445 million dolars and the increase rate was 413 percent.

Table 2: Development of Turkey's Imports from Islamic Countries
(2000-2016, U.S.C., in accordance with Selected Countries).

Ülke	2000-16%	2016	2010	2008	2007	2005	2003	2000
Toplam	264	198.616	185.544	201.963	170.063	116.774	69.340	54.503
Iraq	1.890	836	154	133	119	66	42	-
U.A.E.	. 9.152	3.701	698	691	470	205	114	40
Iran	476	4.700	7.645	8.200	6.615	3.470	1.861	816
S.Arabia	91	1.835	1.380	909	736	587	209	962
Egypt	923	1.443	927	653	650	267	189	141
Algeria	-61	464	1.068	944	944	862	501	1.192
Qatar	2.363	271	177	159	30	51	8	11
Indonesia	517	1.424	1.477	1.408	1.360	750	450	231
Malaysia	642	1.996	1.124	1.512	1.253	786	390	269

Data:www.tuik.gov.tr (18.03.2016), T.C.Maliye Bakanlığı, Yıllık Rapor 2002, (Ankara,2002),p.172.

Turkey’s export volüme is increased 413 percent from 2000 to 2016. Despite this increase in total exports, Turkey's exports to Iran grew by 2004 percent, exports to Saudi Arabia increased by 720 percent, and exports to Egypt increased by 627 percent, while exports to B.A.E. From 2003 to 2016, exports to Iraq increased by 821 percent. The increase in exports to Malaysia from 2000 to 2016 was 726 percent, while the increase in exports to Indonesia was 746 percent. When we relate to the increase in total exports, we are analyzing that exports to Islamic countries represent an extraordinary increase in the period under review. However, it is observed that this upward trend has shown especially a softening after 2007. Here, as a primary factor, it is necessary to see the effect of the crisis in the world economy in 2008 on Islamic countries. This is because, as will be seen on the tablature showing the following growth figures, the scale of growth in Islamic countries after the 2008 crisis has been remarkably narrowed. It is clear that foreign trade of these countries has also adversely affected.
Generally speaking, how the shrinking of economic growth brings shrinking in the foreign trade of the countries, the exports-related increase in foreign trade can also positively affect the economic growth of the countries. At this point, it can be said for Turkey that this export increase towards the Islamic countries in the 2000 years should have contributed to growth in the production and input sectors through feedback.

When Turkey's imports are compared with Islamic countries, it is seen that Turkey generally gives trade surplus, except for Indonesia and Malaysia. In the context of the fact that Indonesia and Malaysia are countries in the industrialization process, it is understandable. However, when compared to other Islamic countries, Turkey's exports to these two countries are also low as absolute figures. The export increases of Turkey together with the increase of the external relations with the Islamic countries in the 2000s are also seen to the imports from the Islamic countries. Another striking issue here is that Turkey's exports to Islamic countries seem to have increased its exports more than imports. So much so that while the import increase from 2000 to 2016 was 264 percent, the increase in exports was 413 percent. This increase is due to the increase in exports towards Islamic countries. Turkey’s import volume 2000-16 period increased from B.A.E. 9.15 percent, Qatar 363 Ppercent, Iraq 1890 percent, Egypt 93 percent.

Table 3: Growth of GDP in Selected Islamic Countries and K. G.SYYH (% and U.S. $)

Economy	Growth/P.C.Income	2005	2006	2007	2008	2009	2010	2011
UAE	Growth %	4.9	9.9	3. 2	3.3	1.6	1.4	4.9
	P.Capita Income $	44.384	47.634	47.756	50.77	38.959	39.624	45.653
Iran	Growth %	4.6	5.8	7.8	2.3	1.8	-	-
	P.C.Income $	2.753	3.157	4.004	4.678	4.525	-	-
Iraq	Growth %	-0.7	6.2	1.5	9.5	4.2	0.8	9.9
	P.C.Income $	1.134	1.585	1.945	2.876	2.065	2.532	3.500
SArabia	Growth %	5.5	3.1	2.0	4. 2	0.1	4.6	6.8
	P.C.Income $	13.126	14.380	15.091	18.202	14.050	16.423	20.540
Egypt	Growth %	4.5	6.8	7.1	7.	4.7	5.1	1.8
	P.C.Income $	1. 208	1.422	1.695	2.078	2.370	2.698	2.780
Syria	Growth %	6. 2	5.0	5.7	4.5	6.0	3. 2	-
	P.C.Income $	1.561	1.767	. 2099	. 2677	2.691	2.89	-
Yemen	Growth %	5.6	3. 2	3.3	3.6	3.9	7.7	-10.5
	P.C.Income$	811	896	986	1.189	1.077	1. 290	1.361
Turkiye	Growth %	8.4	6.9	4.7	0.7	-4.8	9. 2	8.5
	P.C.Income	7.087	7.687	9. 246	10. 297	8.553	10.049	10.54

Data:Akbay,O.S.,"Türkiye'nin Ortadoğu ile Ekonomik İlişkileri",Akademik Sosyal Araştırmalar Dergisi, The Journal of Academic Social Science, Yıl: 1, Sayı: 1, Aralık 2013, (Tablo 1), p.90-91.

Particularly in 2008, U.S.A. The worsening crisis, as seen in the table, has slowed the growth of national income in many Islamic countries. As a way of avoiding this slowdown and / or accelerating recovery, have been made to increase cooperation between Islamic countries and to improve trade activities. With increased trade, the positive effects of foreign trade on economic growth should be expected to grow with time. When we look at Turkey in particular, it can easily be said that increasing export opportunities after 2008 have a positive effect on economic growth. This is due to Indonesia, Malaysia and other Islamic countries. Especially in the present day, when the regionalism in the world economy has been empowered, the business partnerships fed from the common culture can have a positive effect on the economic growth and trade of the countries.

4. Economic Growth-Foreign Trade-Crisis Spreading in Indonesia, Malaysia and Turkey

When we look at the societies where Islamic belief is most prevalent on the face of the earth, it is seen that these economies have a very large number and a very large population in the world. According to various calculations, nowadays 23% of the world's population (1.5 billion people) is of Islamic belief and there are 63 countries whose population is mostly Muslim or who writes official religious Islam. Because of their reserves of oil, oil producers are the high-income sectors of Arab countries, such as Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirate. Arap countries and Iran are rich countries of Islam World and they have surplus funds. But to say is diffucult that these countries are not affected by crises in the world economy. As a consequence of the drop in oil prices, there has also been a noticeable decline in the growth rate. This crisis has led to an increase in the search for non-oil income sources in these countries after the crisis.

With the beginning of the crisis in 2008, the Arab stock market has experienced declines of up to 9 percent. Moreover, in the Gulf region, which has the world's richest reserves of crude oil production, growth has been directly linked to oil revenues, and there has been a sharp decline in the rapid growth of regional economies as oil prices have fallen (Sacikalin, 2008: 1). So that, under the influence of the 2008 crisis, these countries exporting oil could provide stability in the financial sector by transferring high levels of money to their banking systems. For example, the United Arab Emirates transferred $ 32.7 billion to the financial sector after the crisis and secured all bank deposits. Saudi Arabia has reduced the required reserve ratios from 13 percent to 10 percent in order to ease the credit mechanism while assuring all deposits in the economy with the crisis.

Qatar reduced its financial system's increased tensions due to the crisis, purchasing $ 5.3 billion of local banks to be affected by the financial crisis to a lesser extent. Bahrain, on the other hand, provided funding opportunities for the banks that suffered liquidity difficulties due to the crisis. In the crisis process, while crisis continue, Kuwait is behaved differently from the others and declared that in a crisis environment, bank deposits will be guaranteed only when it is necessary. This situation has increased the anxiety during the market and caused the difficulties experienced by the rising dollar price and in result, government intervened into Gulf Bank, which is the second largest commercial bank in the country and have to give a guarantee. However, thanks to the funds they have generated due to the wealth created by the oil, these countries have survived the worst of the crisis in the world economy (Sacikalin, 2008: 1)

This comfortability that the Gulf economies experienced in the 2008 crisis was not the available in other Islamic countries that did not have a significant value for the oil production and exporting country economy and lack of funds (savings). At this point, in the context of being Islamic country, Indonesia, Turkey and Malaysia are similar to each other as a separate group. So, in fact, it is necessary to separate the Islamic countries in the form of (i) Islamic countries exporting petroleum, (ii) Islamic countries on the path of industrialization, and (iii) Islamic countries experiencing development problems (Ethiopia, Sudan etc).

Table 4: Growth Rates of GNP per Capita by Countries

Country	P.C.GNP (1992, $)	Real GNP Growthi%						Xgr1	Xgr	Xm/TX	X/Y
		1960-70	1970-80	1980-90	92	93	94				
Indonesia	670	3.9	7.6	5.5	5.8	7.1	7.4	7.2	5.6	47	26.8
Malaysia	2.790	6.5	7.8	5.2	8.0	8.7	8.5	4.8	11.3	61	70.7
Türkiye	6.397	4.9	4.5	5.0	6.4	8.0	7.1				
Japan	28.190	10.9	5.0	4.1	0.9	0.6	0.7	9.0	4.6	98	9.2
S..Korea	6.790	8.6	9.5	9.7	4.8	5.7	8.3	23.5	11.9	93	25.8
Taiwan	10.215	9.2	9.7	7.1	6.6	6.2	6.5	28.5	16.0	93	42.8
China	470	5.2	5.8	9.5	13.0	13.4	11.8	8.7	11.9	89	16.8
HongKong	15.380	10.0	9.3	7.1	5.0	5.8	5.5	9.7	5.0	95	38.9
Singapure	15.750	8.8	8.5	6.4	5.8	9.8	10.1	4.2	9.9	78	137.7

Data:www.tuik.gov.tr, (20.02.2016); TUSİAD, "2000'li Yıllara Doğru Yeni Süper Güç: Çin, (İstanbul,1995), p.44 Xgr1= Export Growth, 1970-1980; Xgr2= Export Growth 1980-92; Xm/TX= Manufacturing industry export/Totoal Export %, X/Y: Export/GNP (1992) %

The 2000 years saw that there is a growing trend of relations between the oil exporting Islamic countries and the industrialized Islamic countries. This increase has been the subject of foreign trade as well as financial funds and investments. In the form of structured financial funds, especially suhuk et.al. there are remarkable developments in Malaysia and Indonesia. For example, according to a report by the Malaysian International Islamic Finance Center on February 26, it is expected that the global Islamic asset management industry will reach from $ 58 billion in 2015, to $ 77 billion in 2019 (www.fortuneturkey.com). It is thought that these fund inflows will grow even more with the spread of suhuks which are in the position of profit partnership document (Büyükakın ve Bilal, 2016: 44/47 et al.).

Indonesia and Malaysia, as emerging economies, faced a crisis in Southeast Asia in 1997, while Turkey faced a crisis in 2001. Crises experienced by all three countries have common features. In the 1997 Southeast Asian crisis, Malaysia and Indonesia entered a severe crisis environment in the spiral of economic growth, foreign trade and short-term capital movements (the spiral of hot Money). Looking at the process of entry into the Indonesia and Malaysia, the main problem is that they face short-term capital movements in the process of accelerating their economic growth. In this process they are faced with deterioration of foreign trade balances and entered the crisis environment with devaluation of exchange rate.

The Southeast Asian Crisis began in Thailand in July 1997 as the currency crisis and first spreading realized throughout Southeast Asia (Samur, 2010: 76, Warped: 276). Approximately one month after the devaluation decision, Thailand was faced with a speculative financial attack and a big financial institution bankrupted and after devaluation was followed. Peso in the Philippines, Ringgit in Malaysia, Rupiah in Indonesia and Singapore(Ege,2015: 83; Kishwan, 2006: 2; Garay, 2003: 1). These devaluation processes initiated a financial crisis in Southeast Asia. One step later, Indonesia and Malaysia entered to crisis. Indeed, it should be noted that national currencies in the region's economies have gained tremendous value against the currency since the 1990s, with 20, 22, 44, 20 and 22 percent, respectively, for Indonesia, Malaysia, Philippines, Thailand and Korea, respectively, In March 1997, it was observed that the same countries were devaluated ther currencies 25, 28, 47, 25, 21 percent respectively. It can be said that the degree of overvaluation in the real exchange rate in Asian economies increased steadily for each country after 1990 (Samur, 2010: 176). There is a remarkable development in the process of entering the crisis in Indonesia. It is also the existence of a very serious decline in the saving rate. The savings rate, which was 26.8 percent in 1991, rose to 29.8 percent in 1993, but then declined dramatically, to 22.2 percent in 1995 and 20.7 percent in 1997 (20.7 percent in 1997) It decreased. On the other hand, private investments decreased from 28.3 percent in 1991 to 26.3 percent in 1994, but increased in the following years especially to 27.6 percent in 1995, 28.4 percent in 1996, and 29.6 percent in 1997 Inan, www.tbb.org.tr). It can obviouslysay that in the environment where savings can not be increased or even dropped, Indonesia increasingly turned to foreign funds before the crisis and deficits of balance of current account was another source of negativity following the negatives in the economy.

Table 5: Macroeconomic Developments in Malaysia and Indonesia (1994-2001,%)

	Malaysia				Indonesia			
	CİB/Y	KKD/Y	Growth%	Inf.%	CİB/Y	KKD/Y	Growth%	Inf.%
1994	1	2	**9,2**	4,1	-1,8	0,0	7,5	8,5
1995	-6,3	3,3	**9,8**	3,5	**-3,2**	**0,8**	**8,2**	9,4
1996	**-8,5**	**2,2**	**10,0**	3,5	**-3,4**	**1,2**	**8,0**	7,9
1997	**-4,5**	**2,3**	7,3	2,6	**-1,8**	**-0,7**	4,5	6,2
1998	**-5,9**	**4,1**	-7,4	5,1	4,0	-1,9	-13,1	58,0
1999	9,5	-0,4	6,1	2,8	2,4	-1,5	0,8	20,7
2000	12,6	-3,8	8,3	1,6	0,7	-3,6	4,8	3,8
2001	9,4	-1,5	5,5	3,1	1,5		3,3	11,5
Ort.	1,2	-0,2	5,5	3,1	-0,2	-0,8	3,0	15,8

Data: Dilek,O.," IMF İstikrar Politikaları Uygulamaları: Asya Krizi Ve Malezya Örneği", http://Www.ilimvemedeniyet.com/İmf-İstikrar-Politikalari-Uygulamalari-Asya-Krizi-Ve-Malezya-Ornegi.html; KKD/Y: Equ,lbrium of Public Sector (GDP Rate;C.İ.B./Y: Current Account Balance,/GDP

The Indonesian economy entered the crisis in the same year and suffered severe injuries from the crisis. However, when we look the datas of Indonesia before the crisis, real GDP growth was 7.23 percent in 1991-1996, 7.6 percent in 1994, 8.2 percent in 1995, 8.2 percent in 1996, just before the crisis. In here, growth rate is noticable . In this process, foreign trade deficits have followed an increasing trend and while savings decreasing, investments have increased in this growth process. In the aftermath of 1991, especially in 1995 and afterwards, external trade deficits was increased while national money overvalued. The deterioration in the current account balance in Indonesia is clearly seen as -5% in 1996 and -4.9% in 1997, as can be seen in the above table. In Malaysia, the ratio of the current account deficit to GDP rose from 2.4 percent in the 1985-1989 period to 5.6 percent in the 1990-1995 period (Samur, 2010: 177). This foreign trade deficit is funded through short-term capital movements (İnan, www.tbb.org.tr). Since the 1990s, there has been a tremendous increase in international funds entering the Far East Asian economies and the total amount of international-foreign exchange-funded 5 Asian economies rose from $ 210 billion at the end of 1995 to $ 261 billion at the end of 1996 and to $ 274 billion at the end of 1997. The amount of foreign currency-denominated foreign currencies in Indonesia, Malaysia, Philippines, Thailand and Korea were respectively 56, 22, 13, 70, 100 billion dollars at the end of 1996, while it reached 45, 17, 63, in the middle of the year, 58, 29, 14, 69, 103 billion dollars. Considering the maturity structure of the international capital invested in the regional economies, it can be said that the share of short term international capital very high and continuously, rapidly increased (Samur, 2010: 179).

It can be said at this point that in the course of the acceleration of economic growth lived with the foreign trade deficits and short-term capital movements in the Indonesian and Malaysian economies, in the form of a spiral meant that these two economies's main problem was explote of short-term capital movements. Often there is public pressure behind this election to the point of accelerating economic growth. And in the context of this influence, many nations/government from the 1990s to nowadays, tend to accelerate their economic growth based on short-term capital movements. However, the continuity of such a policy is possible by overvaluing the national currency against foreign exchange (which requires a fixed exchange rate for a long time or a similar banding regime called anchorage regime (result:hot money policy). For example, this type of exchange rate regime has been implemented before the 1997 Indonesian Crisis and before the 2001 Crisis of Turkey. However, after a while, these policies caused the economy to crumble, resulting in a serious capital flight from Indonesia and Malaysia (and Turkey at 2001 crisis). According to calculations, during the 1997-1998 time period, the amount of capital invested by investors from Indonesia, Malaysia and Thailand, South Korea and the Philippines was 115 billion dollars (Göktaş.6). Following the crisis, some countries have shifted to the flexible exchange rate regime, while some have begun imposing tax on capital movements, while others have limited short-term capital flows (Garay, 2003: 1).

From the Southeast Asian crisis of 1997, Turkey was not much affected. However, Russia's crisis in 1998 affected to Turkey. But in this period, (1998) Russia is not alone an element of negativity. In 1998, while the shuttle trade declined under the influence of the Russian Crisis, domestic borrowing rates rose and capital inflows decreasedin Turkey (Balkan, 1997: 95). And in 1999, there was an earthquake. In this process, the economy shrank by 6.1% (Celasun, 2002: 9), although outsourcing and public interest rate.

Long-term borrowing increased under the adverse conditions of 1999, while the interest rate burden on the budget reached high levels. The rise in domestic borrowing, where dollarization in the economy accelerated and inflation expectations were high, made it difficult to extend the maturity of borrowing

and increased pressure on the financial sector. The large increase in the share of duty-free stocks in public banks increased the risk of liquidity in these banks, and accumulated foreign exchange and interest risks in the private banks' balances, which led to the financing and translation of cash domestic debts (Celasun, 2002: 12-13). As of 2000 years, there seemed to be no acute problem of foreign trade balance. However, the data clearly showed that Turkey is in a position to break down the chronic inflation process, to intensify public debt, and to make the banking sector fragile (Celasun, 2002: 13). For this reason, in December 1999, the IMF signed a stand-by agreement with Turkey. And in this context, an anchor regime has been put into practice foreseeing movement in a band in exchange rate.
However, this situation, after a while, led to an overvaluation of the national currency, while the effects of short-term capital inflows led to a serious deterioration in foreign trade. In view of this, Turkey has been subjected to short-term capital movements / condemnations while in need of funding, as in Indonesia and Malaysia, when implementing stabilization measures to stabilize the situation after 1999, and the "overheating" shown itself in foreign trade through demand increase and entered into an economic crisis environment in terms of foreign exchange in terms of foreign trade. In Turkey, in Indonesia and also in Malaysia, the basic need in this period was to find funds that could be long lasting persistence and that could participate in economic growth through production.

Here, all three countries were "condemned / exposed to hot money activity" and entered an economic crisis in the framework of "unable to find these funds" that could participate in production. However, some Islamic countries (Arab countries and Iran) were endowed with a surplus of funds in this period and those countries that lacked funds (and others) could have created an efficient fund market, the funds that would be formed in these markets could create a profitable environment for fund owners, as well as provide additional funding to countries that lack funds. When we look at Malaysia and Indonesia in the aftermath of the crisis, it seems that these countries are analyzed this condition and making intense efforts in this area (at the point of establishing and developing markets with suhuk etc.) more efficiency according to past.

5.Conclusions

To develope of countries that have common culture and beliefs their relations with each other and to induce to economic area will greatly increase the economic prosperity of the people of these countries. While increasing economic relations bring these countries closer to each other, they can also develop the cult of collective action towards common interests and benefits over time. The culture of collective action can also manifest itself at the point of common action in economic crises (such as fund-raising activities to establish funding deficits and establishing joint security institutions).
Thus, existing common values or cultures can serve to reduce the economic fragility of the societies and increase their well-being by strengthening economic relations. Example, in this context, in Turkey, with foreign policy activities towards the Islamic countries in the 2000s, appeared positive developments in growth of economy and financial system and balance of payments, and also in employment. This was also true for other countries with similar condition.

References

- Akbay,O.S.,(Aralık 2013.), "Türkiye'nin Ortadoğu ile Ekonomik İlişkileri", Akademik Sosyal Araştırmalar Dergisi The Journal of Academic Social Science Yıl: 1, Sayı: 1.
- Balkanlı,A.O.,(2017), "Dünya Ekonomisinde Üretimin Yer Değiştirmesi ve Sermaye Krizleri", (İstanbul),Filiz Kitapevi.
- Büyükakın, F. ve Bilal,E., (Ocak, 2016)"Finansal Krizlere Karşi Sukukun Uygulanabilirliği Üzerine Bir Değerlendirme", Finansal Araştırmalar ve Çalışmalar Dergisi, Cilt 8,14.

- Celasun,M.,(2002), " 2001 Krizi, Öncesi Ve Sonrasi : Makroekonomik ve Mali Bir Değerlendirme", (Erişim Tarihi: 20.04.2016).http://content.csbs.utah.edu /~ehrbar/ erc 2002/pdf/i053.pdf
- Cünedoğlu, E., "Bir İktisadi Sistem Olarak İslam", (Erişim Tarihi:20.Nisan.2016)http://www.iktisadiyat.com/2010/09/12/bir-iktisadi-sistem-olarak-İslam
- Demir,Y.,(2009/Bahar-Güz), "1960-1980 Dönemi Türk-Arap Ekonomik İlişkileri", ÇTTAD, (Çağdaş türkiye Tarihi Araştırmaları Dergisi), VIII/18-19,
- Ege, İ. ,"1997 Güney Asya Finansal Krizi Ve Güney Asya Ülkelerinde Emeklilik Sistemi Reformlari: Türkiye Ve Güney Asya Ülkeleri Bireysel Emeklilik Sistemlerinin Karşilaştirilmasi", (15.Nisan.2016),http://www.ayk. gov.tr
- Erlat,G. ve Erlat H, (2004),"Türkiye'nin Orta Doğu Ülkeleri Ile Olan Ticareti, 1990-2002", ,(Ankara), T.E.K.
- Eskicioğlu, H., (1999,"İslam ve Ekonomi", (İzmir), Çağlayan Matbaası.
- Garay, Urbi, "The Asian Financial Crisis of 1997 - 1998 and the Behavior of Asian Stock Markets", Journal of Applied Topics in Business and Economics, http://www.westga.edu/~bquest/2003/asian.htm,s1 (1804.2016).
- Gedikli,A.,"Gelişmekte Olan Ülkelerde Küreselleşme, Uluslararası Sermaye Hareketleri ve Finansal Krizler Arasındaki İlişki" (Erişim .20.04.2017), http://avekon.org/papers/122.pdf
- ISEFE 2017 | International Congress of Islamic Economy, Finance and Ethics | Proceedings Book 367
- Göktaş,A.,"Güneydoğu Aya Krizinin Maliye ve Para Politikaları Açısından Sonuçları", (Erişm Tarihi 20.04.2016).https://dergiler.sgb.gov.tr/calismalar/maliye_ dergisi/yayinlar/md/133/Abd%C3%BCl kadirG%C3%96KTA%C5% 9E.pdf.
- Haneef, Mohamed Aslam (1997), "İslam, the İslamic worldview and İslamic economics", IIUM Journal of Economics & Management, 5 (1).
- İnan, E.A., "Finansal Krizler, Serbest Kur ve Ekonomik Büyüme", (Erişim Tarihi: 18.04.2016).https://www.tbb.org.tr/Dosyalar/ Arastirma_ve_Raporlar/kur_buyume.doc,
- Khan,M.E., (1994),"An Intorduction to İslamic Economics","International Institue of İslamic and Institue of Policy Studies", (İslamabad).
- Kishwan, K,M., (2006), "The 1997-98 Korean Financial Crisis: Causes, Policy Response, and Lessons" (Erişim Tarihi: 18.04.2016), https://www.imf.org/ external/np/seminars/eng/2006/cpem/pdf/kihwan.pdf -Lifshitz,Y.Y.,"Foundations of a Jewish Economic Theory", .,(Erişim Tarihi: 13.Nisan.2017), http://azure.org.il/download/magazine/154AZ18_ Y.Y._Lifshitz.pdf
- Maududi, Syed A.A., (1973), "Economic System of İslam", Langre:Islamic Publication ltd. http://www.2g1d.com/?p=6549
- North,G., (1973),"An Introduction to Christian Economics", (NewYork),The Craig Press.
- Salem, P.(2010), "Orta Doğu'nun Doğusunda İşbirliği Tesisi", (İstanbul), Carnegie/TESEV Yay.
- Samur,C., (2010), "Uluslararası Finansal Panik Yaklaşımı ve 1997-98 Krizi", Selçuk Üniversitesi Sosyal Bilimler Enstitüsü Dergisi,23
- Siddiqui, S.A.,(2014), "Defining Economics and İslamic Economics", ., Review of Islamic Economics,"İslam Ekonomisi", (Ed.), S.Karadoğan;(Çev.)Sercan Karadoğan, İstanbul:İslam Ekonomi Enstitüsü.
- Tabakoğlu,A., „İslam Ekonomisinin Özellikleri", (Erişim Tarihi: 05.Nisan.2017) http://İslamekonomisi.org/İslam-ekonomisinin-ozellikleri
- Taqiuddin an-Nabhani ,"The Economic System of İslam", (Erişim Tarihi:22.Nisan.2016)http://www.htbangladesh.info/sites/default/files/books/Economic%20system.pdf

- Türk,F.,” Adalet Ve Kalkinma Partisi İktidarinda Türkiye Körfez Ülkeleri (Suudi Arabistan, Katar Ve Kuveyt) İlişkileri“, Sosyal Ve Beşeri Bilimler Dergisi Cilt 1, Sayı 2, 2009.
- http://www.21yyte.org/tr/arastirma/sirbistan/2013/10/08/7243/sirbistanin-arap-yatirimcilari (22.04.2017).
- www.sorularlaİslamiyet.com/mal-edinme-ve-para-hirsi-konusunda-bilgi-verir-misiniz-mal-hirsindannasil-sakinmak-gerekir-dinimiz (Erişim Tarihi: 10.Nisan.2016).
- www.haber365.com.tr/ekonomi/darbe-sonrasi-turkiye-ekonomisi-250-milyar-dolar-iddiasih18396.html (Erişim Tarihi:10.04.2017).
- ISEFE 2017 | International Congress of Islamic Economy, Finance and Ethics | Proceedings Book 368
- www.fortuneturkey.com/11-trilyon-dolarlik-İslami-servet-fonlari-bekliyor-37422#popup (20.04.2017).
- www.sozcu.com.tr/2016/ekonomi/suudi-arabistanda-krizin-ayak-sesleri-1223619/(Erişim Tarihi:17.04.2017).
- www.sacikalin.blogspot.com.tr/2008/10/son-finansal-krizin-arap-lkelerine.html (Erişim Tarihi:17.04.2016)
- www.fortuneturkey.com/11-trilyon-dolarlik-İslami-servet-fonlari-bekliyor-37422#popup (Erişim Tarihi:20.04.2017).
- www.tuik.gov.tr (Erişim Tarihi:18.04.2017)