TİDSAD
Türk & İslam Dünyası Sosyal Araştırmalar Dergisi
The Journal of Turk & Islam World Social Studies

Yıl: 3, Sayı: 6, Mart 2016, s. 247-263

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KÜRESEL KRİZ SONRASI PARA POLİTİKASI UYGULAMALARI BAĞLAMINDA, GELİR DAĞILIMI - PARA POLİTİKASI İLİŞKİSİ

Özet

Gelir dağılımı ve adaleti, iktisat yazınının geçmişten bu yana en çok tartışılan konuları arasında yer almaktadır. Sanayileşme eğilimlerinin artmasıyla birlikte tersine dönen üretim teknolojisi beraberinde emek ile sermaye arasında gelirin bölüşülmesi sorunu, gelir dağılımı adaleti olgusunu daha da önemli hale getirmiştir. Sosyal boyutlarının yanı sıra finansal sistemin gelişmesi ve türev piyasaların gittikçe karmaşıklaşan boyutu da pek çok çalışmaya kaynaklık teşkil etmektedir.

Bu çalışmada ise gelir dağılımının iktisadi etkileri ve etki kanalları olarak para politikası uygulamalarının yansımaları üzerinde durulmaktadır. Bu bağlamda öncelikle, gelir dağılımı ve adalet boyutunu ortaya koymak üzere Dünya Bankası, Credit Suisse vb. kuruluşların resmi web ditesinden derlenen, kişi başına milli gelir, Gini katsayısı ve İnsani Gelişme Endeks verileri baz alınmıştır. Finansal piyasalarda yaşanan gelişmelerin, özellikle de 2007 küresel krizinin gelir dağılımı üzerine etkileri, tartışılmaktadır. Verilerden hareketle çerçevesi çizilen mevcut durum, para politikaları ile olan ilişkisi açısından ayrı biçimde ele alınmaktadır. Temel amaç olarak ise nihai aşamada, küresel kriz sonrası TCMB, ECB ve FED'in para politikalarına detaylı biçimde yer verilerek; para politikalarının ve seçilen araçların gelirin bölüşümü ile ilişkisi ortaya konulmaktadır.

Anahtar kelimeler: Gelir Dağılımı, Gini Katsayısı, İnsani Gelişme Endeksi, Para Politikası

Jel Kodları: E58

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IN THE CONTEXT OF APPLICATIONS OF GLOBAL CRISIS POLICY, THE RELATIONSHIP BETWEEN INCOME DISTRIBUTION AND MONETARY POLICY

Abstract

Income distribution and justice takes place among the most discussed subjects of literature of economics from past to now. Together with the increase of industrialization tendencies, the production technology that becomes reversed as well as problem to share the income between labor and capital made the phenomenon of income distribution more important. The development of financial system as well as its social dimensions and the dimension of derivative markets that increasingly becomes complex constitute a resource for many studies.

In this study, as the economic effects of income and, as action channels, the reflections of monetary policy are discussed. In this context, in order to present especially the dimension of income distribution and justice, the data of income per capita, Gini coefficient, and Human Development Index, compiled from official web sites of the agencies such as World Bank and Credit Suisse were based on. The effects of the developments experienced in financial markets, especially 2007 global crisis, on income distribution, are discussed. The existing situation, whose frame is drawn with moving from the data, is separately dealt with in terms of its relationship with monetary policies. As a main aim, at the final stage, giving place the monetary policies of TCMB, ECB and FED in detail, the relationship of monetary policies and instruments selected with sharing of income are presented.

Keywords: Income Distribution Gini Coefficient, Human Development Index, Monetary Policy

Jel Codes: E58.

1. INTRODUCTION

In economy of a country, the main variable showing the distribution of national product created as the outcome of production between social classes and economic actors is expressed as income distribution.

The first discussion of income distribution is based on François Quesnay, the pioneer of Physiocrats making important contribution to the literature of economics. The basis of this expression is that Quesnay divides the society into three groups as farmers, land owners, and merchants, and craftsmen, and is his approaches explaining the relationship between these classes. Especially, the role attributed to government, in classical school overlapped with Physiocrats from many aspects, David Ricardo, with his analyzes he carried out on income distribution - growth, dealt with the apportionment of income from a different aspect. Ricardo explains the relationship between growth and income distribution with law of diminishing returns. Ricardo, with moving from the view that decrease of profit rate cannot provide capital accumulation, emphasizes that depending on this, growth will become slower and that economy will face with a long termed recession process. Karl Marks, who takes place among pessimist economists, compared to Ricardo, highlights that as a result of that the capitalists weakening in the system pass to labor class, labor supply exploited will increase much more, and this state will end with an unavoidable collapse.

Neoclassic economists developing on the basis of classic school and providing important contributions to macroeconomics with their analyses dealt with income distribution. Neo-classics, considering the issue of income distribution in terms of technological conditions, put forward, under some assumptions, all of gross domestic product is shared between production factors without remaining any residual (Çetin, 2013: 208). According to John Maynard Keynes, who, with his analyses regarding Great Depression, acquires an important place for himself in the history of economics, income becomes effective on the consumption of workers, investment of entrepreneurs, liquidity preference of society, and decisions of monetary authorities on monetary policies. The most acceptable indicators regarding income distribution, which attract attention of all schools, and even partly, which all schools emphasize, are Gini Coefficient and Lorenz Curve. Gini Coefficient measuring injustice level of frequency distribution takes a value between 0 and 1 and, according to this, as it approaches to 1, income distribution injustice of country increases. Besides this approach, the views of Simon Kuznets explaining the relationship of income distribution –growth with inverted –U hypothesis have also important place in literature. According to Kuznets, together with the increase in income distribution, injustice of income distribution increases in the first stages of growth and decreases in the next stages.

Through financial markets, countries provide capital accumulation that is necessary for growth. Financial markets of the developed countries, whose macro and micro indicators are strong will draw capital from the markets of less developed countries. This also will lead to the increase of transnational income unjustness in the long term.

In a country that has a developed financial system, the savings of savings owners will accumulate in the system and will be easily allocated to the people not having the necessary resource for investment. Thus, that the poor people having ideas for investment meet the monetary demand from the system will become easier. In countries having a developed financial system will occur an increase in economic growth and labor demand and decrease in poverty.

In the study, it was aimed to see at what measure the income distribution in the world is fair. In this scope, the data of World Bank were utilized and the report of the agency of Credit Suisse. Inequality of income distribution in the world is one of the most important issue and, especially after 2008 global crisis, that the changes in monetary policies, applied by central banks, play effective role through the various channels makes the study important.

2. Conceptual Framework & Applied Monetary Policies After Global Crisis

Before passing to the relationship between applications of monetary policies and income distribution, briefly mentioning about some concept will be in place in terms of understandability of the subject.

2.1. Financial System and Financial Instruments

Involving those introducing fund to market with those demanding fund, the markets providing the transactions of exchange between them and making the exchange of goods and services easier are called financial system. In more general meaning, they are the markets directing the cyclical relationship materializing in fund market between those demanding asset and those supplying it by means of instruments and administrative and legal rules (Özer, 2007: 3-4).

The structure of financial system consists of 3 main groups as financial instruments, financial agents, and financial markets. Financial system has a free and less competitive feature compared to the real markets. The main reason for the features mentioned is that the practitioners do not see fit and oligopoly structure in financial system for stability (Emek, 2000: 68).

The level of economic developedness and development differences between regions are among the domains, on which the researchers often study. In this meaning, many models under the name of developedness economics are introduced but the direction of the studies mostly points out capital accumulation as the resource of growth. Financial system has an importance at the point of allocating resources. What is necessary for increase of production is emphasized to be liberalization and financial developments. Financial system leads saving owner to shift financial systems in the period of low interest rates and this also affects investments.

The increase of investments will enable the growth in economy to accelerate and production increase in the next periods. Investments, from the other aspect, can be developed in such a way that they include all functions of improving the human capital, research and development, total factor productivity, and management. These enable us to present how financial system affects economic growth. Financial system acting well, appropriately, and orderly provides the use of resources in the places being the most productive and having more return (Kargı, 1997: 23).

2.2. The effect of Financial System on Injustice of Income Distribution

For financial system to be able to provide the opportunity to create resource for the productive projects, it should perform well. Through financial system, with the transfer of the accumulated funds to the productive projects, an increase occurs in economic growth. As a result of such a run, it is expected that the income inequality and poverty go toward the tendency of decrease. The cause of this expectation is to make easier for the poor people to borrow from the system with the decrease of transactional costs, effective distribution of resources, and decrease of uncertainties as a result of well-functioning financial system . A poor having an idea of any project, in a measure that it is easy for him/her to borrow from financial system, can implement this idea of him/her. As a result, a developed financial system can reduce the difference the rich and poor (Seven, 2015: 87).

Financial system can affect the person, who begins and does not begin a work, who pays for does not pay for education, who wants and does not want to realize his/her economic desire. Financial system determines the degree of effect filling the gap between the rich and poor. In addition, financial system can deeply affect the allocation of capital, economic growth rate, labor force demand, and potentially the poverty and income distribution (Demirgüç and Levine, 2009: 1).

A number of saving owner supplying fund are included in financial markets and system, accumulating these savings, in order to finance investment expenditures, involves them with the entrepreneurs demanding fund. Because a country, whose financial market is effective, whose macroeconomic data is strong, and which minimized its financial uncertainty, can attract worldwide savings to itself, financing investment becomes easier. The element determining the level of national product of a country, as known, is total expenditures, which create an important increase in national income as a requirement of mechanism of investment expenditure multiplier. This situation is the indicator of how much important financial system is in terms of economic development (Afşar, 2007: 190).

At an important point, through financial markets, countries provide capital accumulation that is necessary for growth. Financial markets of countries, whose macro and micro indicators are strong will draw capital from the markets of less developed countries. This, in long term, will cause the income injustice between countries to increase.

In Table 1, which I form, utilizing World Bank data of national income per capita of countries in 2013-2014, due to some missing in the data of some countries in 2014, the data belonging to the richest 10 countries of the world in terms of national income per capita regarding 2013 take place. When regarded to ranking, while the countries having national income per capita around US $ 100,000 are Luxemburg, Norway, and Qatar taking place in the three ranks, it is seen that Canada taking place in 10th rank, with national income per capita of US $ 52,305, has a national income per capita less than half of that of Luxemburg, in the first rank, having national income per capita of US $ 110,664.

Table 1. Ranking of the richest 10 countries on the basis of national income per capita (US$)

	2011	2012	2013	2014
LUXEMBURG	113.731	106.022	110.664	-
NORWAY	100.575	101.564	102.832	97.363
QATAR	89.115	94.236	96.719	97.518
SWITZERLAND	88.003	83.295	84.733	-
AUSTRALIA	62.134	67.512	67.473	61.887
SWEDEN	59.594	57.134	60.365	58.887
DENMARK	61.304	57.636	59.819	60.634
SINGAPORE	53.122	54.578	55.980	56.287
USA	49.781	51.457	52.980	54.629
CANADA	52.087	52.733	52.305	50.271

Resource: It was arranged according to the data of World Bank

In Table 2, which I form from the data of World Bank data belonging to the years 2011-2014, the poorest ten countries of the world is given place in terms of national income per capita. When regarded to Table 2, in ranking of the poorest countries, Malawi is the poorest country with its national income per capita of US $ 255, Ethiopia, with its national income per capita of US $ 565, takes places in the best position among the poorest ten countries. When the national income per capita of the richest 10 countries, given in Table 1, is compared to the national income per capita of the poorest 10 countries, it is clearly seen that a large part of total income in the world belongs to the rich countries.

Table 2. Ranking of the poorest 10 countries on the basis of national income per capita (US$)

	2011	2012	2013	2014
MALAWI	370	270	240	255
BURUNDI	241	244	259	286
CENTRAL AFRICAN REPUBLIC	484	469	327	371
GAMBIA	517	505	477	419
NIGER	378	394	418	427
DEMOCRATIC CONGO REPUBLIC	350	391	414	440
MADAGASCAR	456	445	463	449
LIBERIA	379	414	453	461
GUINEA	448	487	522	540
ETHIOPIA	356	470	503	565

Resource : It was arranged according to the data of World Bank

In Table 3, which I prepare with 2012 Gini Index data, 10 countries that are the fairest in income distribution are given place. Due to the fact that the data are given more perfectly compared to the forthcoming years, ranking belonging to the year 2012 was realized. According to the ranking, it is seen that Gini Index data of the fairest 10 countries follow a course between 25-28%. Ukraine, with Gini Index value of 24.7%, comes to our face as country, where income distribution is the fairest. Among the fairest countries, Romania taking place in the last rank has Gini Index value of 27.3%. When regarded to the shares the groups of the poorest 10% and richest 10% receive from the income, in Ukraine that becomes the first, while the share the slice of the richest 10% receive from the income is 4.4%, Romania has a lower share with 3.7%. While the share the slice of the richest 10% receive from income is 20.8% in Ukraine, it is 21.5 in Romania. It is seen that the data regarding the distribution of income to the groups reflects the accuracy of Gini Index values.

Tablo 3. The fairest 10 countries in income distribution and distribution of income according to countries

	2012				
	Gini Index	**Product share of the section of the poorest 10 % (%)**	**Product share of the section of the poorest 20 % (%)**	**Product share of the section of the richest 10 % (%)**	**Product share of the section of the richest 20 % (%)**
UKRAINE	24,7	4,4	10,2	20,8	35,0
SLOVENIA	25,6	3,7	9,4	21,1	35,2
NORWAY	25,9	3,6	9,3	20,9	35,3
BELARUS	26	4,1	9,7	21,5	35,8
CZECH REPUBLIC	26,1	3,9	9,6	22,2	36,1
SLOVAKIA	26,1	3,1	8,6	20,5	34,9
ISLAND	26,9	3,7	9,2	22,1	36,4
FINLAND	27,1	3,9	9,4	22,3	36,7
SWEDEN	27,3	3,2	8,7	21,5	36,2
ROMANIA	27,3	3,7	8,9	21,5	36,3

Resource: It was arranged according to the data of World Bank

In Table 4 we prepare with Gini Index data of World Bank, the most unfair 10 countries are given place. Due to the fact that the data are given more perfectly in the forthcoming years, the ranking belonging to the year 2012 was conducted. According to the ranking, it is seen that Gini Index values of the most unfair 10 countries range between 61-47%. Haiti, with its value of Gini Index of 60.8%, comes to our face as country, where income distribution is the most unfair. Among the most unfair 10 countries, Ecuador, with the value of Gini Index of 46.6%, has the best value. When the shares the groups of the poorest 10% and the richest 10% receive from income are regarded to, while the share the richest 10% of Haiti, which is the most unfair in income distribution, receive from income is 0.6%, Equator, which is in the most position among the most unfair 10 countries has a larger rate with 1.4%. While the share the slice of the richest 10% receive from income was 64.3 in Haiti, this value is 51.6% in Equator. It is seen that the data regarding distribution of income according to the groups reflect the accuracy of Gini Index values and, when it is compared to those in Table 4, the dimension of injustice in income distribution is clearly seen in terms of the countries.

Table 4. The most unfair 10 countries in income distribution and distribution of income according to the groups

	2012				
	Gini İndeksi	Product share of the section of the poorest 10 % (%)	Product share of the section of the poorest 20 % (%)	Product share of the section of the richest 10 % (%)	Product share of the section of the richest 20 % (%)
HAITI	60,8	0,6	2,0	48,2	64,3
HONDURAS	57,4	0,8	2,6	45,7	61,1
COLOMBIA	53,5	1,1	3,3	42,0	57,9
BRAZIL	52,7	1,0	3,4	41,7	57,2
PANAMA	51,9	1,0	3,2	39,9	56,3
COSTA RICA	48,6	1,5	4,2	37,1	53,9
PARAGUAY	48,2	1,4	4,0	37,4	52,9
MEXICO	48,1	1,9	4,9	38,9	54,1
BOLIVIA	46,7	0,8	3,3	33,6	50,5
EQUATOR	46,6	1,4	4,3	35,4	51,6

Resource: It was arranged according to the data of World Bank

In 1990, on the name of attracting attention to human oriented development, Human Development Report was published for the first time. United Nation Development Program (UNDP) on the name of seeing the contribution of growth to the development of growth rather than increase of growth in the development, developed Human Development Index (HDI) . The basis of Human Development Index enlarging the scope of development analysis consists of the elements of life expectation, education, and income per capita (Günsoy, 2005: 36). According to these elements constituting Human Development Index, the developedness level is evaluated. While making evaluation, income, which is directly connected with the achievement of humans, is not taken as the only criterion, the elements of lifetime and educational elements, which make richer the life of individual and lead to the other richness, are taken into account (Gürses, 2009: 343).

In Table 5, the first 42 countries in the ranking of human development, which I arrange according to the report, published by Credit Suisse in July 2014, takes place. In the various regions of the world like Quebec, there are independence actions or they have been existent from the past to now. The agency of Credit Suisse, in order to realize a full comparison, also included Quebec, Catalonia, Flanders, Wallonia, and Scotland in the table taking place in the ranking of human development index. Quebec, among these regions, has the highest share in human development index. In addition, it is remarkable that it takes place in 13th rank that is two ranks below Canada that is in 11th rank with the score of human development index of 0.911. Besides this, according to the calculation made by the agency of Credit Suisse, Catalonia and

Scotland have higher score of human development index than Spain and United Kingdom (Credit Suisse, 2014: 7-8).

Table 5. According to the 2014 report of Credit Suisse, 42 countries in the ranking of Human Development Index

1	NORWAY	0,955
2	AUSTRALIA	0,938
3	USA	0,937
4	NETHERLAND	0,921
5	GERMANY	0,920
6	NEW ZEELAND	0,919
7	IRELAND	0,916
7	SWEDEN	0,916
9	SWITZERLAND	0,913
10	JAPAN	0,912
11	CANADA	0,911
12	SOUTH KOREA	0,909
13	QUEBEC	0,906
13	HONG KONG SAR	0,906
13	ISLAND	0,906
16	DENMARK	0,901
17	ISRAEL	0,900
18	BELGIUM	0,897
19	FLANDERS	0,895
19	AUSTRIA	0,895
19	SINGAPORE	0,895
22	CATALONIA	0,894
23	FRANCE	0,893
24	FINLAND	0,892
24	SLOVENIA	0,892
26	SCOTLAND	0,887
27	SPAIN	0,885
28	LICHTENSTEIN	0,883
29	ITALY	0,881
30	SPAIN (OLD CATALONIA)	0,880
31	LUXEMBURG	0,875
31	UNITED KINGDOM	0,875
33	CZECH REPUBLIC	0,873
34	UNITED KINGDOM (OLD SCOTLAN)	0,871
35	WALLONIA	0,869

36	GREECE	0,860
37	BRUNEI DARUSSALAM	0,855
38	CYPRUS	0,848
39	MALTA	0,847
40	ANDORRA	0,846
40	ESTONIA	0,846
42	SLOVAKIA	0,840

Resource: It was arranged according to the reports of "The Success of Small Countries" by Credit Suisse in July 2014.

2.3. Policy Stands of TCMB, ECB, and FED After Global Crisis

A cyclical changes occurring after global crisis caused central banks of countries to go toward the searches of new policy. Central Bank of Turkish Republic in the direction of alternative searches under consideration designed and implemented a set of monetary policies. One of the important lessons, drawn from global crisis, is that besides price stability is the main aim, the risks in financial system and asset prices have an importance. In the scope of these new policies implemented beginning from the late 2000s, introducing a new perspective to the regime of inflation targeting, it was decided that its general framework should be adopted as an aim supporting the target of financial stability. Equipping the new policy with the new instruments, in a new process entered, in which credit volume is increased; the effects of vulnerable structure, originated from capital inflows are lowered to as possible as minimum; and foreign balance is targeted. The balance of current accounts and direction of capital inflows that are important in terms of macroeconomic indicators are the important data in terms of the riskiness level of financial markets. Moving from away the equilibrium observed in the balance of current accounts and fluctuated course in financial streams make a current issue the risk of "sudden stop". This situation made obligatory traditional instruments as well as a set of instruments to be selected in the policies that will be implemented by TCMB. In this context, the monetary policies applied in Turkey have become aiming at both the policies of stable growth and foreign financing that is controllable and away from vulnerability.

In order to affect the credit supply, one of the important instruments of central bank is also the rate of required reserves. The periods, when capital inflow increases, lead to loosen in supply conditions and fall in the interest rates and, as a result of this, credit volume expands and this brings together the elements of financial risk. In such a situation, with going to increase in the rates of required reserve, it is possible to limit the credit volume banks can allocate. In the periods, when capital inflows decrease, lowering the rates of required reserve, method of increasing credit supply is adopted. Interaction between required reserves and credits actualizes through two channels. First of them, adjusting the rates of required reserves, is direct cost channel in terms of the effect created on the resource costs of banks. Second is liquidity channels, in which banks affect the variation occurring in the volumes of credit, reflecting it to interest rates. That is, the effect of the rates of required reserves on credit volume, in fact, actualizes in more effective through credit channel.

The activity of instruments used for liquidity management such as the rates of required reserve and interest corridor, in contrast to traditional monetary policy, leads the channels of credit volume and exchange rate to be affected in separate way. On the other hand, while the stand of monetary policies is determined, it monitors that the course of long termed inflation is to be compatible at the beginning of the period. By means of demand and cost channels, inflation control is carried out.

European Central Bank (ECB) having and independent status has a determinative role in terms of the decisions of common monetary policies of the countries that are the member of European Union. Therefore, although National central banks of the countries that are part to monetary union lost their independencies for this reason, as one of the branches of European Central Bank continue their duties. That monetary union system is begun to be questioned happened together with the 2008 financial crisis. The largest trouble global crisis creates in the EU countries is debt crisis and this crisis took place in the literature as Euro crisis (Erdem, 2014: 11). Before global crisis, with protecting of consumer price inflation, the function of European Central Bank in the form of keeping central banks was resulted in charging new meanings to the institute after crisis.

Especially Greece, Mortgage Crisis causing important shakes in the economies of many countries such as Portugal, Italy and Spain, for being passed over the financial bottle neck it causes, made necessary a set of monetary action. Toward this, the countries under ECB that are member of European Union referred to the expansionary monetary policies. However, in the countries that are at different economic structure and developedness level, the common policy applied of course engendered the different results. Therefore, ECB could not applied monetary expansion program over a long time. In addition, in order to indirectly provide monetary aid to the countries proceeding under the stress and uncertainty, ECB went toward buying government bond of countries. This global crisis experienced in financial markets made necessary to make discounts in the important rates in terms of interest rates and, ECB, in a period of 7 months, lowering the refinancing rate in the base point of 3.25, reduced them from 4.25% to 1.25%. In April and October 2011, although it goes to the increase of 25 base points in two pieces, in the process that follows, it again brought it to the level of 1%. Upon intensifying of the stress in financial markets in the late 2011, ECB, referring to additional precautions, provided fund for 523 banks being in active in Euro regions in the volume of Euro 489.2 billion in December 2011 and, on the date February 29, 2012, in the scope of a second operation, it provided fund around Euro 529.5 billion for 800 banks.

In 2014, in the meeting of board hold, enabling private banks to receive low interest credit from European Central Bank, it was planned to enlarge liquidity volume and raise the inflation rate falling to 0.5% to the level of 2% . ECB going toward adjustment in the reference interests and deposit interest realized the application of negative interest for the first time in its history. However, this interest discounts under consideration remained insufficient in creating the expected effect on economy. In October 2014, ECB announced that it would buy asset backed security and it was decided that the reference interest were lowered from 0.15% to 0.05% and deposit interests - 0.1% from to - 0.2 %. This extra actions taken could not meet inflation expectations of Eurozone countries and provide the recovery desired in their economies. For being protected from inflation risk negative inflation will bring with it, taking more serious actions became necessary. In this context, for increasing liquidity, the views that ECB should strengthen the actions of monetary expansion became dominant and ECB decided its relevant actions in the meeting held in Munich on the date of January 22, 2015.

However, as a result, although ECB cannot obtain the success it desires via the expansionary monetary policy it applies especially about domestic demand and inflation, it provided an achievement in financing the governments in crisis. In addition, it can be said that expansionary monetary policies increased the power to be able to compete in Eurozone (İşcan, 2015: 20).

The monetary policy that is implemented by the Federal Reserve are extremely important for the entire world economy and financial circles. Because American economy corresponds to approximately one-fifth of the world economy and Wall Street also corresponds to close to half of financial stability of the world. FED is an organization which is most followed by financial investors and constitute the main focus for the global financial system. After the 2008 crisis, the liquidity injection has created a large amount of quantitative easing in the financial system. Interest rates dropped to negative levels. If it is consider that the US dollar also has composed all the world's reserve currency from The Bretton Woods period to this time, the importance of the monetary policy implemented by the FED is clearly visible in terms of world economy.

On the other hand, after bankruptcy of Lehman Brothers, quantitative expansion packages implemented by FED led an effect in balance sheet of FED in the direction of expansion. As a result of these, monetary basis increased. But, in the same way as Central Bank, it is difficult to say that this expansion process positively reflect to economy in every meaning (Ertürk, 2013: 8). As a result of main aim of the various action packages, especially interest, developed by FED toward crisis, reducing the costs of credits, is to be able to end recession process in economy as rapidly as possible and to mobilize the growth process in economy. But, with this policy applied, it can be said that FED triggered the process of financial crisis and led this crisis to much more deepen.

3. Apportionment Effects Of Applications Of Monetary Policy On Income Distribution

The final goods and services created in one year in country economy, in other words, national income expressed in a total of production are shared between social classes and people. Social relationship determining the form to share national income is called as apportionment relationships. In the direction apportionment, the distribution of the shares obtained by the people and groups reveals the income distribution of the country. It identifies the apportionment relationships and income injustices between social and economic groups. In addition, income distribution presents the income differentiations between countries and the effects of variation in the fair distribution regarding the various macro variables, especially capital accumulation and growth. Briefly speaking, income distribution is a concept used to explain income differentiation.

In the direction of the subject of the study, the effects of monastery policy applications on income distributions are discussed in terms of their reflections on interest rates, inflation, economic growth, and payments balance.

When the case is considered in terms of the reflection of a monetary policy based on interest rates on income distribution, whether or not traditional or non-traditional, all monetary policies become effective on interest rates. The main reason for this is that the variations in interest rates have the heterogeneous effects on those demanding and supplying fund in economy and besides this, they become significantly affecting specific assets and liabilities.

From economic point of view, interest rates do not have much effect but its effect on income distribution actualizes in the direction disturbing income justice.

In a credit transaction with interest, while the share the capital factor will have is determined, the right of labor factor that will use the credit is left hanging. The uncertainty this case will bring with it will finally an unfair income distribution. It is possible to say that there is a opposite directional relationship between interest rates and justice. That is, income distribution, which is expected to worsen, as the interest rises, will show the tendency to be better as interest rates fall. However, low interest rates, seen in the relatively healthy economies, do not eliminate the unfair and unequal share existing in the essence of interest i.e. income injustice and only mitigates in some measure. This does not mean that those countries settle the problem with interest (Özsoy, 2013: 2). Contractionary monetary policy is a policy applied for getting slower the increase in monetary supply and raising interest rates. Thus, following such a policy will create an effect disturbing injustice in income distribution.

The direction of studies taking place in the literature is mostly toward the relationship of income distribution - growth. When the studies are examined, it is seen that the subject of the effects of growth on income distribution and justice is contradictive. Especially, the studies becoming widespread after Kuznets' hypothesis (1995), called "Reversed U" are mostly toward testing the validity of hypothesis. Although the studies reveal contradictive results, the point agreed on basically is that increasing inequality of income distribution negatively affect growth. In similar way, it is put forward that the effect decreasing poverty of the growth created in economies, where injustice of income distribution is existent ranges at lower level. Although the loose monetary policy to be applied i.e. applications such as lowering interest and reducing the required reserves is an effective policy instrument at the point of accelerating growth, it is possible to say that it will increase injustice of income distribution.

A possible continuous increase that will occur in the general level of prices (inflation) will lead the groups not being able their incomes against price increase to expose the lost. Those not being able their incomes against inflation are generally those in low income group and those having fixed income. With moving from this assumption, it is possible to say that the monetary policies to be applied cannot prevent inflation or that the applications of wrong monetary policies engender the results triggering inflation will lead the justice of income distribution to be worsened. On the other hand, the empirical studies carried out on the effect of inflation on income distribution could not reach the exact results about the effect that emerges. However, the evaluation made in general meaning point out that high rate inflation will disturb justice of income distribution. In summary, monetary policy to be applied in struggle with high inflation is tight monetary policy. That is, the applications such as increasing interests, raising the required reserves, and keeping the domestic money valuable will make an effect decreasing the disturbance in income distribution.

Balance of payments is expressed as the systematic loss of all economic and financial relationship of countries with rest of the world . The policies toward eliminating imbalances of payments also affect the justice of income distribution. As known, the equilibrium or lack of equilibrium in balance sheet reflects the improvements or disturbances in international ability to pay of country. The countries facing with the deficit of balance of payments have to use their official foreign exchange reserves in the direction of financing their deficits. However, the resources of country are not limitless and whatever foreign reserves possessed, they are all scarce resources. In addition, foreign borrowing has a heavy cost and limit. From this point of view, the focal point of policies to be followed, rather financing long termed deficits, should be the treatment of them. The method of treating deficit is the most difficult but the most reliable one. The treatment of deficits first of all requires reviewing the exchange rate policy applied. The important reason for foreign imbalances is mostly the foreign exchange policy applied. The interventions made by central bank to the market on the reason for providing the stability of exchange rate may have engendered the result of overvaluation of national money. Thus, if there is a such a evident situation, central bank should allow for exchange rate to be overvalued in such a way it will reach equilibrium in the market. The tight monetary policy to be applied at just this point will make an effect improving the deficits in balance of payment and thereby will play a role reducing injustices in income distribution.

4. CONCLUSION

One of the approaches regarding injustices of income distribution is based on income per capita. In 2013, among the richest ten countries of the world in terms of national income per capita, Luxemburg, Norway, and Qatar take place in the first three ranks.. The income per capita of the first three countries is about US$ 100,000. Canada taking place in the ten rank, with income per capita of US$ 52,305, has considerably lees income per capita than the countries taking place in the first ranks. In terms of income per capita in 2014, in the ranking of the poorest ten countries of the world, while Malawi, with its income of US$ 255, is the poorest country, with national income of US $ 565, Ethiopia is in the best position among the poorest 10 countries.

In the income distribution in 2012, Gini data of the fairest ten countries ranged between about 25-28%. While Ukraine having a Gini values of 24.7% is the fairest country, Romania having a Gini value of 27.3% takes place in on the last rank among the fairest ten counties. In Ukraine that is the fairest, while the share the slice of the poorest 10% receives from income is 4.4% in Ukraine, Romania, with 3.7%, has the lower share. While the share the slice of the richest 10% receive from the income is 20.8 in Ukraine, this value is 21.5% in Romania.

In the income distribution in 2012, Gini data of the most unfair 10 countries followed a course between about 61-47%. While Haiti with its Gini index value of 60.8%, is the country, where income distribution in the world is the most unfair, among the most unfair ten countries, Equator, has the best value with its index value of 46.6%. While the share the slice of the richest 10 % receive from the income is 64.3% in Haiti, this value is 51.6 in Equator. It was determined that the data regarding the distribution of income according to the groups reflected the accuracy of the values of Gini index.

In the various regions of the world like Quebec, there are independence actions or they have been existent from the past to now. The agency of Credit Suisse, in order to realize a full comparison, also included Quebec, Catalonia, Flanders, Wallonia, and Scotland in the table taking place in the ranking of human development index. Quebec, among these regions, has the highest share in human development index. In addition, it is remarkable that it takes place in 13^{th} rank that is two ranks below Canada that is in 11^{th} rank with the score of human development index of 0.911. Besides this, according to the calculation made by the agency of

Credit Suisse, Catalonia and Scotland have higher score of human development index than Spain and United Kingdom (Credit Suisse, 2014: 7-8).

In the fact that countries provide capital accumulation that is necessary to grow, the role of financial markets is quite important. Financial markets of the developed countries, whose macro and micro indicators are strong provide capital inflows from less developed countries. This also leads the income injustice between countries to increase in the long term.

For being able to implement the investments of the people having necessary knowledge for investment but being poor, financial system functions well. The better a financial system in a country runs, more economic growth and labor income will increase and income inequality and poverty will decrease.

There are a number of elements determining the income distribution in time Those being the important among these are the factors such as growth, economic policies, openness, inflation, interest rate, population, structure of labor force, unrecorded economy, wealth distribution and educational status However, it is put forward that there are some factors besides these. When evaluated in terms of monetary policies, the instruments of interest rate, inflation, foreign balance of payments, and growth become effective on income distribution. When considered in terms of interest rate, contractionary monetary policy to be applied i.e. raising interest rates by reducing monetary supply make an effect disturbing interpersonal income distribution. On the other hand, contractionary monetary policy to be applied in the inflationist periods, in contrast to this, provides justice in income distribution. When regarded in terms of balance of payment, the more deficit balance of payment of a country has, more injustice of income distribution in that country will continue to increase. Here, the duty of practitioners of monetary policy will be to review exchange rate policy. The tight monetary policy to be applied at this point will make an effect improving the deficits in balance of payments and this plays a role reducing injustices in income distribution.

As a conclusion, while examining the effect of monetary policy on income distribution, even though knowing better the existing conjuncture of the country and applying the accurate policy toward this do not eliminate the injustice of income distribution, they will reduce it.

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