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Capital Fixity and Mobility in Response to the 2008-09 Crisis: Variegated Neoliberalism in Mexico and Turkey

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Abstract: The article examines the 2008-9 crisis responses in Mexico and Turkey as examples of variegated neoliberalism. The simultaneous interests of corporations and banks relative to the national fixing of capital and their mobility in the form of global investment heavily influenced each state authority's policy responses to the crisis at the expense of the interests of the poor, workers, and peasantry. Rather than pitching this as either evidence of persistent national differentiation or some Keynesian state resurgence, we argue from a historical materialist geographical framework that the responses of capital and state authorities in Mexico and Turkey actively constitute and reconstitute the global parameters of market regulatory design and neoliberal class rule through each state's distinct domestic policy formation and crisis management processes. While differing in specific content the form of Mexico and Turkey's state responses to the crisis ensured continuity in their foregoing neoliberal strategies of development and capital accumulation, most notably in the continued oppression of workers. That is, the prevailing strategy of accumulation continues to be variegated neoliberalism.

Keywords: variegated neoliberalism, state power, capital fixity, capital mobility, Mexico, Turkey.

Abbreviated article title: Capital Fixity and Mobility and the 2008-09 Crisis in Mexico and Turkey.

INTRODUCTION

The comparative study of Turkey and Mexico can provide unique insights into the dynamics of the 2008-9 crisis. Accounts of the global crisis that spread globally in late 2008 and early 2009 crisis often portray the BRICS as successful cases of economic growth based on a combination of state-led export and investment promotion with sound financial policies (*cf. The Economist*, 2012; Bremmer, 2009; IMF, 2010a; Keely and Love, 2010: 24). The advanced capitalisms, by contrast, are often depicted as examples of state failure, in terms of irresponsible financial policies and weak regulatory authority alongside some examples of market failure led by a few bad banking apples (*cf.* Canuto, Leipziger and Pinto, 2012; IMF, 2010a; World Bank, 2012). The study of Mexico and Turkey in this juncture has been somewhat overlooked – and even more so in comparative terms – since the crisis did not originate in these countries, due to the popularity of the core BRICS cases among commentators, and because of Mexico and Turkey's seemingly rapid pace of economic recovery. Yet these two societies are OECD members that uniquely border two of the world's most powerful political and economic regions, the US and EU. Both countries, moreover, experienced the first and last of the major neoliberal financial crises (Mexico 1994 and Turkey 2001) characteristic of the lost half decade of the 1990s. Since then authorities have restructured state-capital relations in ways that have allowed Mexico and Turkey to become members of major international forums like the 2009 Financial Stability Board – an international body intended to manage the current global crisis. Yet on most social indicators Mexico and Turkey perform abysmally with workers generally worse off today that before market reforms.

For our purposes, the comparative cases of Mexico and Turkey help to demonstrate the ways in which crisis-driven neoliberal strategies of accumulation have been implemented and reinvented according to each society's domestic political economy and its integration into the financial world market (*cf.* Muñoz Martinez, 2008; Marois, 2011). Both countries share histories of structural adjustment policies and export-led development strategies that swept globally since the 1980s. Yet as in most cases of neoliberal transformation their institutional landscapes and class structure characteristics continue to maintain specificities (*cf.* Albo, 2005; Brenner, Peck and Theodore, 2010). Our study fills a gap in the developmental and international political economy literature in three ways. First, state intervention during the 2008-9 crisis through stimulus packages, expansion of credit and access to liquidity towards national companies was premised on the idea that national capital was more loyal to the economy, resulting into more employment and economic growth (Andersen, 2009). This assumption ignores that domestic capitalist might have as much interest as foreign capitalists to move their money away from their home economy as seen in the case of Mexico and Turkey. Thus, this type of state intervention might end up strengthening existing domestic structures of power instead of improving the living conditions of the population in general. Second, our examination of the Mexican and Turkish cases seeks to locate the agents within the capitalist class and the state in both countries in order to understand the concrete social forces that influence economic policy-making. This is central to the questioning of the domestic structures of power in its articulation with unequal global economic and political structures in order to propose alternative policies to neoliberalism. Third, most institutional comparative studies tend to overemphasise domestic specificity at the expense of simultaneously constituted and modified universalising capitalist structures missing the opportunity to contribute to how national differences constitute a universal if malleable global neoliberalism (*e.g.*, Martinez-Diaz, 2009; Öniş and Burak Güven, 2011)

As our point of departure we examine Mexico and Turkey's official responses to the 2008-09 global financial crisis in their borders. In unique ways, the simultaneous interests of corporations and banks relative to the national fixing of capital and their mobility in the form of global investment heavily influenced each state authority's policy responses to the crisis. The interests of the poor, workers, and peasantry, by contrast, found little traction. Rather than pitching this as either evidence of persistent national differentiation or some Keynesian state resurgence, we argue from a historical materialist geographical framework that the responses of capital and state authorities in Mexico and Turkey actively constitute and reconstitute the global parameters of market regulatory design and neoliberal class rule through each state's distinct domestic policy formation and crisis management processes. The comparison analytically and concretely deepens the notion of variegated capitalism, and in doing so enables a critically informed and evidence-based approach to alternative development policy formation (*cf.* Peck and Theodore, 2007).

A HISTORICAL MATERIALIST ALTERNATIVE: FRAMING CAPITAL FIXITY AND MOBILITY IN CRISIS

Geographical political economy asks how social relations are territorially grounded and how space shapes and is simultaneously shaped by economic and political power and social struggle (*cf.* Swyingedouw 2000). Capital mobility and fixity are two internally dimensions of the same spatial processes of capital accumulation. This is shaped by the interaction of contentious social forces, which for our purposes involves class structures, capital, and state authorities. In this formulation, it is important to recall that from a historical materialist perspective, capital is an exploitative and unequal social relation that exists between capital and labour, is historically specific, and is the way in which value is preserved and multiplied through the appropriation of surplus labour (Marx, 1978, p. 40). Moreover, as capital does not move in the form of production money is necessary for the repositioning of productive processes. The credit system in general and fictitious capital in particular are historically specific ways owners of money can move money across borders and into different sectors of the economy in search of valorisation. Today private fictitious capital claims take the form of shares, bonds, credits, and financial derivatives based on expected future surplus labour, future tax revenues and value flows that do not yet exist and dispossession strategies that have not yet been implemented (Harvey, 1999, pp. 265-67).

These flows of capital, money, and credit – and their underlying class relations – constitute the world market as we know it today. So while for Marx the mobility of capital is inherently global (1973, 408) – so too does money capital involve momentary fixity in order to appropriate and use labour power and nature to produce value and extract profit (Harvey, 2001, p. 312). This territorialised reproduction of capitalist social relations is structured by competitive imperatives to accumulate money capital, reproducing the tensions between capital mobility and fixity (Henwood, 1998, p. 231). Once value is produced, it can circulate and come to rest in another spatial fix. In the processes of competition, capital mobility and fixity are not detached from their contexts and from social agency. Rather, competitive processes are shaped by class (inter- and intra-) struggle. From a historical materialist approach, social class is not just the division of society according to one's income or market power but rather an understanding of how social relationships of production place historical beings into situations of antagonism: capitalists control the appropriation of surplus that workers produce with their labour power, which workers must sell in order to survive (Foster, 1990, 80-1).

This relationship between classes and capital fixity and mobility takes place under financialisation. Money, credit, and fictitious capital claims have grown quantitatively more significant in accumulation and qualitatively more powerful in how everyone's lives are articulated within global capitalism (*cf.* Glyn, 2006; Lapavitsas, 2009). The rise of financial imperatives has nonetheless caused differences within the capitalist class and capital mobility and fixity to become blurry. For instance, the securitisation of real estate and production can create fictitious capital out of fixed investment (Fox Gotham, 2009, pp. 355-71). Landed interests and real estate developers need to link their activities to financial assets for expansion (Harvey, 2010, 50). Global production firms that trade in stock exchanges and deal with financial derivatives need to fix their investments in low cost locations to produce profits. This interpretation offers an understanding of the ways in which the processes of fixity and mobility are internalised within capitalist firms. This provides an alternative understanding of capitalists, which are often analysed in terms of foreign vs. domestic capitalists and/or financial versus industrial fractions of capital, where the former seems more internationally financially oriented and the latter appears to be loyal to the national economy (Harvey, 1999, p. 316).

Social classes are also connected to and shape the institutionalised political and economic practices of the state (Poulantzas, 1974, p. 25; *cf.* Jessop, 2010). The results of social struggles can be conceived of as institutionalisations of power relations, which of course extend beyond class to institutionalised gendered, racialised, and imperial and colonial power relations. The state is central to both the reproduction of the relationship between capital fixity and mobility as well as to the mediation of underlying social and class conflict (Brenner and Elden, 2009, pp. 359, 364, 367). The state is imbricated in processes of capital fixity and mobility as capital takes the form of the relocation of production and investment via money across state borders and its re-territorialisation in specific political jurisdictions (Bryan, 2001, pp. 64-5). The way tensions between the fixity and mobility of capital are politically mediated and resolved (however fleeting) by state authorities depends on the historical specificity of the domestically situated class and power struggles (Poulantzas, 1974, p. 73). At the same time, state policy and practice influence the ways in which social classes relate to the fixity and mobility of capitalist social relations of production and exploitation. So too does such a framework leave open possibilities of change beyond capitalism through social struggle.

Our geographical historical materialist framework emphasises that the spread and intensification of market-rule and capital relations are not processes automatically and seamlessly activated by capitalists and corporations but are rather everywhere institutionally implemented, domestically mediated, and actively funded by capitalist state authorities. Since the 1970s the neoliberal policies institutionalizing the intensification of market, profit, and financial imperatives alongside labour discipline and the commodification of all realms of social life have necessitated the action of state authorities (*cf.* Duménil and Lévy 2011; Marois 2012). The theoretical, empirical, and political challenge is rather to investigate how neoliberalism as a class project is simultaneously patterned and interconnected as well as context-specific (Brenner et al. 2010a, p. 184). For this we draw on the concept of variegated neoliberalism to compare context-dependent and interconnected neoliberal policies in Mexico and Turkey during and in the aftermath of the 2008-09 crisis. The concept of variegated neoliberalism shows how regulatory restructuring is locally domesticated within the global parameters of neoliberalism. At the same time the success and the failures of local versions of neoliberalism lead to further rounds of policy experimentation that in turn re-shape global policy frameworks (*cf.* Peck, 2004; Brenner et al. 2010). Processes of domestication are not agentless but rather institutionally mediated and politically shaped by individual and collective social relations of struggle for economic and political power.

A BACKGROUND TO CAPITAL FIXITY AND MOBILITY IN MEXICO AND TURKEY

By the end of WWII, Mexico and Turkey's developmental strategies aimed at producing for the domestic market and at sequencing the expansion of manufacturing capacity to replace imports. Despite experimentations with early forms of liberalization the post-war institutionalization of ISI developmental strategies meant that large domestic firms in Mexico and Turkey were tightly linked to capital fixity. Consequently state authorities aimed to protect domestic markets, their core source of profit realization, with restrictions on imported goods and foreign-direct and portfolio investment in both cases. At the same time, these domestic corporations were linked to international capital mobility through their active involvement in nascent domestic bank-based financial groups and associated links to international bank syndicates largely in the US and Europe (White, 1992, p. 59; Gültekin-Karakaş, 2008). Still, the mobility of these groups' financial assets was constrained by domestic capital controls deemed necessary for national developmental processes (Solís, 1997, p. 19; Aydın, 2005, p. 35). The profits of financial groups remained closely tied to the fixity of their capital within Mexico and Turkey in the form of government protection, subsidies, domestic investment, and market expansion. Another way in which the process of capital mobility manifested itself in the ISI period, particular to the Mexican economy, was through export processing zones where foreign companies, mostly American, received the benefits of tax exemptions and used cheap labour to assemble manufactured products to be re-exported to the US. In both cases the very emergence of large domestic capital groups in these two national contexts was premised on supportive state policies that produced and reproduced exploitative productive, political, and social relations that disproportionately benefited domestic capital groups even as organised labour made some relative distributional gains (Marois, 2012, p. 68).

The 1979-82 US Volcker shock amidst mounting third world indebtedness led to the 1980s debt crisis that in turn triggered a phase of volatile and violent neoliberal transformations in peripheral capitalisms. Beginning in the 1980s both the Mexican and Turkish governments imposed increases in taxes and in the prices of public services on peasants, workers, and middle classes in order to help pay for foreign and public debts while making cuts to social programs and food subsidies (Correa, 2006, pp. 166-7; Yalman, 2002). These two OECD members (Turkey 1960, Mexico 1994) have since suffered recurrent crises, the most notable being Mexico’s 1994-95 and Turkey’s 2001 financial crises. Far from undermining neoliberalism subsequent state-authored rescues and financial reforms preserved, renewed, and intensified the structurally unequal social relations of power and class characteristics of neoliberal capitalism (*cf.* Marois, 2011). In both countries neoliberal policies led to further disempowerment of the working classes and peasants.

The 1980s debt and 1990s financial crises led Mexico and Turkey’s capitalist classes to restructure their articulation to capital mobility and fixity. With capital account liberalization measures being enacted in 1989 in both Mexico and Turkey large firms began concentrating more wealth and increasing their involvement in speculative, risky, but lucrative financial activities (Garrido, 2005, p. 100; Cizre-Sakallıoğlu and Yeldan, 2000, p. 487). Neoliberal transformation also entailed processes of capital centralisation and concentration among the large capital groups as these companies extended ownership and control over larger portions of their economies. Centralisation entailed these ever-larger groups tying together different stages of production and distribution by absorbing smaller firms and by diversifying assets to include everything from telecommunications, media broadcasting, construction, manufacturing, resource extraction, to of course banking and finance (Cokgezen, 2000). In both cases, albeit unevenly and amidst contestation, neoliberal state authorities supported and facilitated centralisation and concentration through policies that enabled everything from M&A barriers, to access to foreign capital, to new sources of dispossession (privatisation). Economic centralisation and concentration in a handful of companies at home facilitated the internationalisation of the largest Mexican and Turkish companies abroad via acquisitions, especially following Mexico's 1994 crisis and Turkey's 2001 crisis (UNCTAD, 2008; Kutlay 2011, p. 74). In this way large Mexican and Turkish capital groups internalised mobility and fixity within their firms as they required favourable political and economic conditions to accumulate via financial investment or direct investment abroad while relying on state policies to ensure these conditions of mobility and profits at home.

Varied forms of concentration in Mexico and Turkey's banking sectors reflect back on capital fixity and mobility. In Mexico the 1982 debt crisis led authorities to nationalise the entire banking sector. A change in government led to market-oriented bank restructuring processes intended to privatise the banks, which then occurred rapidly between 1991 and 1992. Privatisation resulted in the concentration banking ownership in the hands of Mexico's richest individuals, mostly national shareholders (Vidal, 2002, pp. 22-5). The 1995 pesos crisis, however, led to the eventual opening up to foreign bankers and over 80 per cent foreign control by 2002 (BIS, 2004, p. 9). The oligopolistic structure of Mexican banking remained intact with the domestic to foreign ownership swap. By contrast Turkey has experienced no such rapid and structural shifts in bank ownership despite also suffering from the 1980s debt crisis and a financial crisis in 1994. Still, private bank ownership was concentrated in the largest holding groups through the 1990s. Distinctively, however, Turkey retained large state-owned commercial banks that controlled upwards of 40 per cent of banking assets (*cf.* BAT, 2009). Turkey's 2001 banking crisis, like Mexico's 1994 crisis, led to stricter rules. State authorities had to bolster official supervision and regulation post crisis or risk the collapse of their domestic neoliberal projects. The reforms notably included tougher capital and liquidity requirements, yet the costs of such re-regulation were compensated by profitability returns nearly double that possible in the advanced capitalisms' banking sectors (OECD 2010). The foreign banks in Mexico, in particular, have internalised profitability strategies that involve skimming off the best domestic clients, shying away from risky infrastructure and productive loans, and dealing in lucrative Mexican state debt certificates (Avalos and Trillo, 2006, p. 79; Guillén Romo, 2005, p. 248; Stallings, 2006, p. 197). Turkey's large domestic banks have followed suit as have the restructured state banks, but to a lesser extent. In both cases an increasing chunk of all banks' returns comes from charging higher fixed fees and commissions alongside dealing in high interest rate consumer credit (Acosta Córdova, 2013; Bakir and Öniş, 2010).

The economic opening of the 1980s and 1990s also put export processing zones (EPZs) at the centre of economic policy (Middlebrook and Zepeda, 2003, p. 538). However, according to the ILO, while Mexico had 107 EPZs by 1997 Turkey had 11 (ILO 1998). While growing in significance in Turkey today, the Mexican case is more pronounced. In Mexico and Turkey (to a lesser magnitude) these zones rely on the investment of large global corporations, particularly from the United States and Europe. The assembly plants are connected to capital mobility through global production networks but also connected to capital fixity through their reliance on the closeness to American and European markets, production infrastructure, and most importantly to the legal and economic conditions provided by state authorities to access cheap labour. In Turkey, moreover, the ‘gap’ for cheap labour and export processing capacity has been filled in part by the so-called SMEs (small and medium sized enterprises). In Turkey, SMEs are often associated with eastern or ‘Anatolian’ capital (as opposed to the large capital groups known as ‘Istanbul’ capital). These small firms are very significant economically and politically and often linked to larger, export oriented conglomerates (Sarıaslan, 2004, p. 9). The SMEs internalise fixity and mobility in complex ways specific to Turkey but not unlike Mexico’s EPZs, insofar as their production is often tied to exports, if indirectly, but they are highly dependent on cheap and flexible labour in Turkey.

Locating Social Forces

Neoliberal transformations from the 1980s onwards distinctively strengthened particular economic actors in Mexico and Turkey. In Mexico, large Mexican companies, largely foreign-owned banks, firms in export processing zones, and investors in financial assets of large Mexican firms and public debt turned into influential forces within the capitalist class in Mexico. In Turkey, large Turkish companies and investors in firms and domestic debt became important influences within the capitalist class. However, the banks remain predominantly domestically-owned and tied to the large holding companies alongside three large state-owned banks and an only recently growing foreign bank presence. Additionally, SMEs and Anatolian-based capital have taken a place of almost parallel importance to the large Istanbul capital groups.

These economic transformations did not occur in a political vacuum. A striking feature of the neoliberal era is that it has remained in place, however modified, despite changes in party politics and any associated left–right ideological shift. In Mexico the authoritarian regime based on one state party, the Institutionalised Revolutionary Party (PRI), ruled the country for more than 70 years. In the 1980s and the 1990s the PRI assisted in the implementation of neoliberalism. The trend of economic concentration and the financial orientation of firms intensified after Vicente Fox, candidate for the centre-right Action National Party (PAN), won the 2000 presidential election (Zepeda, 2011, p. 9). The switch from PRI to PAN did not create any ideological break but rather ensured neoliberal continuity and the continued power of capital over labour and the peasantry (*cf.* Álvarez Béjar and Ortega Breña, 2006). Cast in comparison, Turkey's party history has been far more fragmented and polarised characterised by unstable coalitions, military coups, party dissolutions, and struggles between westernised secularist and religious conservative camps (*cf.* Tachau, 2000). Turkey shares, nonetheless, a highly authoritarian party structure and form of political rule (Oğuz, forthcoming). Stable one party majority rule came after Turkey's 2001 financial crisis and with the dramatic rise of the Islamic- and market-oriented Justice and Development Party (AKP) under the leadership of Prime Minister Recep Tayyip Erdogan (*cf.* Sen, 2010). The AKP did not break with the rapid neoliberal restructuring initiated by the leftist-led coalition during the 2001 crisis, but instead intensified state and market restructuring over the next decade including aggressive financial reforms and privatisations. While large Istanbul capital has not lost out from AKP neoliberal transformation, certainly the AKP consolidated and promoted the fortunes of Islamic capital with its traditional Anatolian base.

Three decades of variegated neoliberal transformation in Mexico and Turkey, which led to processes of capital centralisation and concentration and financialisation, set the institutional and material conditions from which capital and state authorities responded to the global financial crisis' impact on their societies in 2008-09. It is out of the scope of this paper to analyse the origins of the global crisis. However, the crisis manifested itself in the form of mortgage foreclosures in the US, mainly subprime, collapsing mortgage lenders, investment banks and hedge funds collapsed in 2007 (Martin. 2011, pp.592-3). The financial crisis spread over global credit markets as returns on risk increased rapidly and liquidity diminished (Eichengreen et al., 2012, p. 1301). The initial impact of the crisis on Europe and the US had serious consequences on Mexico and Turkey, as these countries rely economically for export markets and incoming investments. This will be analysed in the following section through the lens of capital mobility and fixity.

Table 1: Comparative Indicators, Mexico and Turkey, 2007 to 2012

Indicator	Country	2007	2008	2009	2010	2011	2012
GDP Growth	Turkey	4.7	0.7	-4.8	9.0	7.5	2.0
	Mexico	3.4	1.2	-6.0	5.6	3.9	3.8
Public sector debt as per cent of GDP	Turkey	39.9	40.0	46.1	42.2	39.1	36.2
	Mexico	37.8	43.1	44.5	42.9	43.8	43.1
Unemployment rate	Turkey	10.3	11.0	14.0	11.9	-	-
	Mexico	3.7	4.0	5.5	5.4	5.2	4.8
Foreign direct investment (net, billions $)	Turkey	19.9	17.0	6.9	7.8	12.6	16.2
	Mexico	31.3	27.8	16.5	21.3	21.6	12.6
Portfolio investment assets (billions $) net acquisition financial assets	Turkey	1.9	1.2	2.7	3.5	-2.7	-2.7
	Mexico	14.7	-14.2	34.5	5.4	-6.0	8.3
Portfolio investment liabilities (net incurrence of liabilities)	Turkey	2.8	-3.8	2.9	19.6	19.3	38.1
	Mexico	13.3	4.8	15.3	37.7	40.6	81.3
Gross foreign reserves (CBT); (billions $)	Turkey	76.2	74.0	73.8	86.6	90.1	86.3
	Mexico	71.3	95.3	99.9	120.6	149.2	170.2
Real minimum wages (US dollars per hour)	Turkey	3.4	3.4	2.9	3	2.8	2.7
	Mexico	0.7	0.6	0.5	0.6	0.6	0.6
Consumer prices (index 2005=100)	Turkey	--	--	141.0	153.1	163.0	177.5
	Mexico	--	--	119.2	124.2	128.4	133.7
Inflation	Turkey	--	10.4	6.3	8.6	6.5	8.9
	Mexico	--	5.1	5.3	4.2	3.4	4.1

IMF 2012a, 47-55; BAT 2012, vi-vii; IMF 2012b (Mexico), 30; 33, 34; INEGI, 2013; IMF Data Mapper (http://www.imf.org/external/datamapper/); OECD Statistics (http://stats.oecd.org); UNCTAD Stat (http://unctadstat.unctad.org/ReportFolders/reportFolders.aspx).

THE VARIED REACTIONS OF CAPITAL TO CRISIS

Between 2008 and 2009 the specific competitive and accumulation strategies of different capitals to crisis in Mexico and Turkey varied according to their specific articulation to fixity and mobility, revealing the powerful agency of capital amidst crises. National variation, however, does not preclude some generalizing thrusts, three of which are apparent in Mexico and Turkey. These include each society's experiences with (1) capital flight; (2) reduced domestic production; and (3) an outperforming banking sector.

First, in Mexico capital flows in portfolio (liabilities) and foreign direct investment decreased between 2007 and 2008 (Table 1). Foreign direct investment experienced a fifty per cent reduction between 2007 and 2009. Mexican and foreign firms contributed to this capital mobility in different ways. Large Mexican corporations moved their money abroad in the form of FDI. Greenfield investment abroad by large Mexican firms increased from 842 million dollars in 2008 to 1.91 billion in 2009 and 2.57 in 2010 (UNCTAD, 2011, pp. 196, 207). Fearing losses and instability, financial investors and banks shifted their money capital away from the Mexican economy into other currencies, notably the US dollar. In turn, this caused Mexican stocks to decline as the Mexican peso depreciated by 4.2 per cent in 2008 (Froymovich, 2009, p. C8). In some instances, corporations like that of Banamex (Citigroup's Mexican subsidiary) paid 1.4 billion dollars to its American headquarters to re-capitalise its faltering core operations, resulting in cuts to new lending (Redacción, 2010). Large Mexican firms with investment in financial derivatives also contributed to this outflow when they paid their losses in derivatives in US dollars. These firms had used derivatives to obtain US dollars at low interest rates, paid these loans with yields from their investment in Mexican pesos, and obtained profits from the difference between lending rates in the US and investment rates in Mexican pesos. Several Mexican firms reported losses in derivatives operations that totalled 8 billion dollars (US) between 2008 and 2009 (Reyes, 2009).

In Turkey portfolio flows (liabilities) also reversed course between 2007 and 2008 and FDI steadily fell between 2007 and 2009 (Table 1). In contrast to Mexico, however, Turkey's largest corporations tended not to move their money abroad. Outward investment flows instead slowed from $2.6 billion in 2008 to $1.6 billion in 2009 (Kadir Has 2011). Some large corporations opted to halt investments in a 'wait and see' strategy while others took advantage of the state's recovery package and tax breaks to update operations at home. In a further divergence of note from Mexico the obscure balance sheet item 'net errors and omissions' registered capital inflows of nearly $15 billion US dollars from October 2008 to June 2009 – that is, unofficial and unrecorded repatriation Turkish corporate foreign savings – that presumably went to paying off foreign debts (Uygur, 2010, p. 27). This helped to mitigate the still-significant capital flight out of Turkey as investors turned to the security of the US dollar. This, like in Mexico, exerted downward pressure on the stock market indexes and affected the value of the currencies. Foreign investors shed stocks and bonds on the ISE as its value dropped by 35 per cent from mid-September 2008 to March 2009 (Özdabakoğlu, 2009). This put enormous pressure on the Turkish Lira as the US dollars soared by 40 per cent against the Lira. However, the derivatives so important to the specificity of Mexico's crisis were not significant in Turkey (Özdabakoğlu, 2009). Like Citibank Mexico, the profitable operations of foreign banks Fortis and Dexia in Turkey were used to bolster their failing operations in Europe. By and large, however, the enormous profit opportunities in Turkey meant bank capital stayed put, albeit in slightly modified form. The private banks generally rolled over existing loans but cut back on new loans in real terms. The three large state-owned banks, by contrast, increased lending across the board. Both the private and state banks shifted assets into government debt in efforts to preserve profits and decrease lending risks amidst crisis (Mihaljek, 2010).

Second, the crisis-generated lack of global effective demand, alongside capital flight, impacted domestic production in Mexico and Turkey. Both Mexican and Turkish capitals slowed their domestic investment and production. Industrial activity in Mexico decreased 12 per cent in 2009 over 2008 while fixed capital formation declined 10 per cent in the same period (INEGI, 2013). Capacity utilisation fell slightly from 79.7 per cent at the beginning of 2007 to 76.6 per cent at the end of 2009 (INEGI, 2013). At the same time, domestic aggregate demand declined in 2009 and wages remained stagnant while prices rose faster than wages (Table 1). This was partly the result of the strategies of global corporations in Mexican export processing zones. These companies slowed down production in Mexico and channelled the returns of their sales to the payment of financial obligations and boosting the price of their bonds and stocks (Morales, 2010). Still, the initial devaluation of the peso during the global crisis lowered the costs of production in Mexico, which made Mexico once again an attractive site for foreign direct investment, mostly American companies, particularly in export processing zones in the electronics and auto sectors because of rising wages in China and cheaper transportation costs from Mexico to American markets (Luhnow and Davis, 2012, p. A12).

Turkish industrial output likewise fell as private fixed capital investments dropped by 10 per cent in 2009 over 2008 (CBT, 2010, p. 33). Capacity utilisation sat near Mexico’s in 2007, at about 80 per cent, before collapsing to just over 60 per cent by early 2009 as manufacturers reduced existing stocks and overcapacity (CBT, 2011, p. 10). Turkey, too, suffered from lower levels of private domestic demand to GDP growth, which collapsed from 5 per cent in 2007 to -1.8 in 2008 to -8.3 in 2009 (IMF, 2012, p. 47). Like Mexico, Turkish exporters sought to reduce labour costs by holding down wages below inflation in addition to initiating work stoppages and staff layoffs (Table 1; Öztürk, 2012, p. 70). While some Turkish exporters cut production (by about half by early 2009) and employment (down by about 15 per cent) to protect profits, other exporters responded in a similar way but also tried to re-orient Turkish exports to other-than-Western markets (notably to the Middle East, especially the Gulf countries, and to Africa) (Uygur, 2010, p. 18). Turkey reduced dependence on Europe and the US whereas Mexico continued relying on American markets.

The crisis revealed capitalists' distinct ties to capital fixity and mobility in the context of financialisation. Their distinct linkages to international finance and fixed processes of national production, circulation, and realisation shaped their responses to the crisis and created new sources of frictions among large firms, both national and foreign. Large Mexican firms, including domestic and foreign banks, had more vested interests in capital fixity in Mexico than financial investors. The former relied more on their Mexican operations, domestic markets, and peso assets to realise an important share of their profits even though international capital mobility offered them the possibility to escape capital devaluation and find cheaper production sites outside of Mexico. Large Mexican firms also required a strong peso to reduce exchange rate risk in their foreign direct investment and financial operations in international financial markets. By contrast, exporting firms’ main interests were not only tax exemptions but also a relatively low exchange rate. A strong peso threatened the competitiveness of their exports and diminished their gains from using cheap Mexican labour despite the gains appreciation gave exporters when purchasing inputs from abroad. As such, the interests of the export sector on peso devaluation diverged from financial investors, banks, and Mexican oligopolies requirements of a strong peso.

In Turkey foreign investment capital likewise had a strong interest in securing their mobility of capital out of Turkey and back in once conditions proved more favourable. By contrast, Turkey's large domestic holding groups (Istanbul capital) aimed to secure profitability at home but to augment this by trying to access cheap foreign capital. Their interests are complex and sometimes contradictory, so not easily summarised. Since internationalizing after the 1980s much of their domestic production is for export, yet many intermediate inputs and energy are imported. This led the Turkish Exporters' Assembly (TIM) to demand that the Central Bank intervene to *moderate* the TL exchange rate (neither let it appreciate nor depreciate too much in any direction). However, these groups' assets also often include major domestic retail wings and media outlets (Yapı ve Kredi Bank, Akbank, and Garanti Bank respectively). As the crisis intensified by early 2009 calls from a representative arm of Istanbul capital, TÜSİAD (Turkish Industrialist Businessmen's Association), focused on Turkey securing a deal with the IMF to decrease foreign borrowing costs by having state authorities extend official guarantees on their debts. By contrast, a representative arm of Anatolian capital, MÜSİAD (Independent Industrialist Businessmen's Association), strongly resisted an IMF deal since it came with tax reform requirements that would impact them most directly (that is, by increasing tax enforcement thus threatening their implicit, if illicit, 'tax-breaks').

In different ways, capitalists in Mexico and Turkey were financially-oriented but territorially attached in different ways to their domestic economies in the form of production, dispossession, and credit. This suggests that the national or international legal origin of firms did not determine a particular commitment to the national fixity or global mobility of capital. In fact, the capitalist classes had different intra-class stakes in the global mobility and national fixity of capital, which varied by society and its productive and financial integration into the world market. So too would this diversity shape domestic policy responses to the onset of crisis in 2008-09.

THE VARIED REACTIONS OF STATE AUTHORITIES TO CRISIS

In 2008-09, the internalising and adaptation to fixity and mobility by state authorities facilitated the reconstitution of global capitalism and neoliberal class rule in Mexico and Turkey. The specific policy responses of course varied according to each society's specific problems of capital accumulation and neoliberal class rule generated by the 2008-09 crisis. Nonetheless, six general categories are evident and involved managing them in particular ways: (1) domestic interest rates; (2) international reserves; (3) loan guarantees and access to liquidity; (4) taxation; (5) public debt management; and (6) stimulus.

First, domestic interest rates became a focal point of policy formation. The Mexican central bank or Banxico under the PAN Presidential Administration increased interest rates in 2008 from 7.50 to 8.25 per cent in order to lower inflation (Banxico, 2009a, p.12). This was consistent with Mexico's monetary policy of inflation targeting since 2001. The Mexican central bank has raised the interbank overnight rate (*tasa de fondeo bancario)* when inflation increases beyond the inflation target and vice versa. The present target of a rate of inflation is three per cent with a band of one percentage point. This measure did not stop prices from increasing, and instead, had negative effects on economic growth as firms' credit costs rose. For that reason, Banxico cut interest rates from 8.25 per cent to 4.50 per cent in 2009. In Turkey, by contrast, the Central Bank's Monetary Policy Committee from the beginning of the crisis initiated sharp cuts to its policy rate. The widely regarded unorthodox measure saw interest rates slashed from 16.75 per cent in October 2008 to 6.75 per cent in October 2009 (CBT, 2010, p. 6). Contrary to conventional thought, inflation fell to 6.5 per cent, its lowest level since 1968, thus enabling the CBT to continue reducing interest rates within its inflation targeting mandate (BAT, 2010, pp 1-2; BAT, 2009).

Second, Banxico and the Central Bank of Turkey used international reserves to provide liquidity to large firms to cover liabilities in US dollars and maintain the value of the peso. For instance, in Mexico the initial depreciation of the peso during the 2008-09 crisis led to losses in derivatives held by large Mexican firms, which increased the demand for US dollars. This depreciated the peso by 25 per cent (Banxico, 2009b, p. 81). The central bank supplied from its international reserves to prevent further depreciation (Moreno, 2010, p. 74). The general strategy of the central bank was to increase foreign exchange liquidity through a rule that set the daily amount to be auctioned with a minimum price floor of two per cent above the previous working day exchange rate (Cuadra, Sidaoui and Ramos-Francia, 2010, p. 288). In 2008, this daily auction was set at 400 million, which was lowered to 250 million by May 2009. There were exceptions to this rule in 2009. To guarantee liquidity, a swap of 30 billion US dollars was established with the US Federal Reserve in 2008 and a Flexible Credit line was negotiated with the IMF in 2009 for 30 billion dollars (Banxico, 2009a, pp. 69-72). To defend the Mexican peso, Banxico also remunerated US dollar deposits kept in the central bank (Cuadra et al., 2010, p. 288). While Banxico injected liquidity into the economy, the National Commission of Banking and Securities set limits on the profits that foreign banking subsidiaries could transfer to their headquarters abroad (BBVA Research, 2012, p.3).

Turkish authorities, to a lesser extent, increased foreign exchange liquidity so domestic capital could service foreign commitments. The selling off of international reserves was also intended to smooth TL exchange rate volatility (down 40 per cent to the USD). It was not until March 2009 in a series of 18 auctions, however, the CBT auctioned

900 million US dollars in reserves (*cf.* BAT, 2010, pp. I-4). State authorities facilitated domestic liquidity early on by other creative ways. Notably, the AKP government enacted the ‘Law on Repatriation of Capital or Tax Peace and Asset Repatriation Programme’ in November 2008 (PDMR, 2009, p. 13). The voluntary scheme was pitched in terms of generating an economic boost while allowing individuals and corporations to repatriate previously unclaimed or illegally held foreign assets legally (the ‘Peace’ aspect) subject to a minimal two per cent tax, drawing in over 31 billion US dollars but generated a meagre 1 billion US dollars in tax revenue by the end of 2009. Amidst this the AKP government maintained a strategy of entertaining, if never completing, talks with the IMF from late 2008 until mid-2009 but without ever signing a formal deal (Aydın, 2013, p. 104).

Third, the PAN and AKP offered different types of loan guarantees and access to liquidity to the private sector. In Mexico, Banxico lent US dollars to commercial and development banks, drawing on a foreign currency swap line with the US Federal Reserve, totalling 3.22 billion dollars in the form of loans to private firms via commercial and development banks (Banxico, 2010, pp. 69-72). In 2009, the central bank also auctioned interest rate swaps for up to 50 million US dollars to enable credit institutions to exchange their exposure to financial assets with fixed rates and long term maturities for short-term instruments with variable rates, reducing their risk structure and the duration of the credit institutions’ assets (Cuadra et al. 2010, pp. 292-3). Change in regulations allowed commercial banks to use new eligible assets as collateral to access liquidity from Banxico at lower rates. Development banks such as NAFINSA and Bancomext provided short-term financing in the form of guarantees on securities issued by firms, insuring up to 50 per cent of the securities issued (Cuadra et al. 2010, pp. 291-2). In contrast to the PAN, the AKP directed loan guarantees and supports towards productive sectors like agriculture, SMEs, and large firms, mainly through two large Turkish state-owned banks, Ziraat and Halk, which drew on the government guarantee schemes. These banks increased loans from between 15 to 25 per cent in 2009 over 2008 levels (BAT, 2010, pp. I-3). State authorities also increased the credit and guarantee levels of the state-owned Export Credit bank of Turkey). At the same time, and to stem any possible gutting of the banks' capital, the Banking Regulation and Supervision Agency (BRSA) began authorizing the banks' distributions of earnings to shareholders in 2009. Official re-regulation by the BRSA in January 2009 allowed banks to restructure and reclassify weaker securities and loans in 2008 as performing to enhance the appearance of financial health, reduced FX lending terms and interest rates and reserve requirements for FX liabilities (*cf.* IMF, 2010b; CBT, 2010, p. 37).

Fourth, authorities manipulated taxation, but in different ways. The PAN Administration in Mexico increased taxes in order to finance previous policy responses to the crisis. While taxes did not increase in 2008 and 2009, the value-added tax (VAT) was increased one per cent and income taxes rose three per cent in 2010. As a result non-oil revenues increased 12.1 and 2.4 per cent in 2010 and 2011 respectively. Yet, there was a 45.4 per cent increase in VAT returns during 2011 in comparison to the previous year because large firms and investors can claim credits on this tax, whereas individuals, particularly workers, cannot (Secretaria de Hacienda, 2011, p. 27). Also, operations in stock and other financial markets remained tax exempted. Turkey did not increase taxes (in fact, resisted this by resisting an IMF package). Instead, authorities relied on increasing public debt to finance its stimulus package, which the domestic banks eagerly bought up. In fact VATs decreased to boost consumption on automobiles, consumer durables, and heavy-duty machines and equipment from 18 per cent to 8 per cent. This VAT cut also applied to computers, IT, office technologies, and office furniture as well as for SME purchases of industrial machines.

Fifth, Mexico and Turkey's Ministries of Finance focused on public debt management. In 2008 the Mexican Treasury reduced long-term bond issuance during the fourth quarter of 2008. The goal was to prevent further closing of investors' positions in long-term government bonds. Later, the Mexican Treasury issued and swapped short-term instruments in pesos for long-term government debt (Secretaria de Hacienda, 2011, pp. 21, 68). As a result, public sector debt increased (Table 1). While the Turkish Treasury entered into the crisis period in a relatively favourable position of having a 1.8 per cent budget surplus, it nonetheless had to contend with shortening debt maturities by the end of 2008, which fell from 34 to 32 months due to global instabilities and capital flight (PDMR, 2009, pp. 15, 18). Authorities maintained Turkey's preceding trend of internalizing public debt (Table 1).

Sixth, both countries unrolled rather limited, albeit distinct, stimulus packages. The Mexican government's stimulus packages launched in 2008 mostly promoted investment in infrastructure and expanded access to credit for the construction sector as well as private and public mortgage institutions (Secretaria de Hacienda, 2011; FMI, 2011, p. 40). Subsidies for exporting companies producing vehicles, auto parts, electronics and machinery were also part of the stimulus package. The Ministry of the Economy allowed companies to have production stoppages while absorbing some of the labour costs. In exchange, planned job cuts had to be limited to a third of the decline of sales (Galhardi, 2010, pp. 1-2) Resources were channelled to an expansion of social security coverage to workers forced into early retirement, workers' training and scrapping schemes and government, private sector (ILO, 2010.) Also, the budget for the poverty alleviation program *Oportunidades* increased 60 per cent (Feliz Herrera, 2011).However, the importance of programs related to workers and anti-poverty projects in the stimulus package was not as significant as infrastructure spending and production subsidies. This stimulus package represented 1.6 per cent of Mexico's 2009 GDP.

Turkey's stimulus package, unlike in Mexico, was not unveiled until just ahead of local elections in March 2009 (OECD, 2012, p. 14). It also focused primarily on raising domestic consumption through VAT to help capital reduce domestic capitals' overproduction stocks (Öniş and Güven, 2011, p. 5). Some infrastructure expenditures were increased for the Southeastern Anatolia Project and corporate tax breaks provided to help relocate production to the East especially (PDMR, 2009, p. 13). This complimented the AKP regional strategy of locating labour intensive but globally competitive production to the east of Turkey where the Kurdish population seemingly offers a cheaper source of labour (Öztürk, 2012, p. 72). By contrast, the AKP extendied unemployment benefits, temporary and part-time employment and, a new program for temporary public employment, public internship, and vocational training. The overall stimulus package represented 3.4 per cent of 2009 GDP.

VARIEGATED FIXITY AND MOBILITY, BUT NO LESS NEOLIBERAL MEXICO AND TURKEY

The variegated and sometimes contrasting results show how Mexico and Turkey represent two different but nonetheless neoliberal projects shaped by relatively mobile capital and relatively fixed internal class and accumulation structures. In Mexico the internalisation of the dynamics of mobility and fixity within large Mexican firms and financial investors shaped authorities' policy responses to the crisis. The authorities' initial increase in interest rates in the crisis period intended to keep portfolio investment in Mexico to prevent devaluation of the peso and inflation. When inflation increased and domestic and foreign investors took their money out of Mexico, Banxico lowered interest rates to ease liquidity for firms that still had investment in the country, especially large firms. The authorities' policy preferences for large firms can be seen in the form of loans and liquidity facilities because such measures were directed towards improving Mexican firms' and banks' balance sheets and their risk structure. The latter was done through the use of derivatives by the central bank while loans were directed to guarantee private sectors' securities. As a result, only a handful of firms received the benefits of these programs due to the concentration of the Mexican stock exchange in a handful of firms (BMV, 2010, p. 36). It is worth noting that the Mexican central bank and the Ministry of Finance did not react mechanically to the foreign exchange needs of capital, but rather devised mechanisms to favour private sector's access to funds while protecting the value of the peso. For that reason, loan and liquidity government mechanisms for large firms and banks were denominated in pesos and limits on foreign liabilities in banks remained in place. Overall, economic and financial policy targeted the value of the peso, favouring large Mexican firms, banks and investors in public debt. Stimulus packages were also directed to subsidise production of large firms instead of overall general consumption. These policy responses show how state policy tried to reconcile the internalised tensions of capital fixity and mobility within firms. The deep integration of large Mexican firms to global financial markets through FDI and derivatives and the close connections of both domestic and international financial investors to the Mexican economy through public debt, which is a reference in several global indexes including the World Government Bond Index, influenced policies that focused mainly on the worthiness of the peso, low inflation, access to foreign exchange and guarantees on private securities. This in turn hints at the close nexus of the capitalist class in Mexico to capital mobility. At the same time, regressive taxation and the stimulus package also tried to deal with capitalists' interests in fixity within Mexico in order to increase yields in their investment in public debt and facilitate profitable investment in production and construction.

So too in Turkey has the internalisation of mobility and fixity within Turkish firms, larger and smaller, and financial investors shaped authorities' policy responses to the crisis. Authorities' policies initially reflected the needs of large corporations to shed existing stocks, especially in consumer durables and autos, and to increase domestic liquidity for smaller firms. In response the Central Bank systematically reduced its policy rate and eased domestic liquidity requirements while the government, much later, provided VAT cuts for these goods as part of it delayed stimulus. As inflation continued to fall so too could the Central Bank's policy rate continue its decline. This led to a falling lira, which was thought to be nonetheless overvalued by as much as 25 to 60 per cent to the US dollar pre-crisis (Uygur, 2010, p. 56). While this increased the repayment costs of foreign currency borrowings for large holding groups, a moderated fall increased Turkey's export competitiveness, benefiting both Istanbul and Anatolian capital. But while the government aimed to increased domestic liquidity via eased reserve requirements the private banks in fact reduced lending. State banks did increase credit dramatically to help compensate. As Turkey's stimulus response was delayed until early 2009, by this time large holding groups had regained access to international markets freeing up authorities to respond to SME demands for credit support. While piecemeal and delayed, authorities crafted policy around their most organised and powerful domestic capital constituents.

The varied reactions of capital and state authorities to the 2008-09 crisis have seemingly yielded positive ends as many economic indicators in Mexico and Turkey since indicate. In Mexico GDP bounced back in 2010 and 2011 while Turkey's GDP bump was even more significant in the same period (Table 1). The Mexican Stock Exchange rose 12.4 per cent from the beginning to the end of 2010. The Istanbul Stock Exchange 100 Index reached an all-time high with returns jumping 21 per cent in US dollar terms (BAT, 2012, viii). Mexican and Turkish bank profits (as return on equity) ranked near the top of the G-20 with Mexico's banks hitting 16.8 per cent in 2010 and 15.5 in 2011 and Turkey's banks outperforming at 23.9 in 2010 and 18.9 in 2011 (BAT, 2012a, p. 63). The accumulation of international reserves reached historical records in both countries, although Mexico far outpaced Turkey (Table 1). The IMF reports exports in Mexico and Turkey and inflation decreased in both countries (Table 1). While not without reservations, capital in Mexico and Turkey – especially given the overarching context of the Great Recession in the advanced capitalisms – were doing phenomenally well.

The seemingly positive outcomes of the 2008-09 crisis have not been distributed to the benefit of workers and the majority in these societies. So is it in Mexico and Turkey. According to the OECD (2011) Mexico and Turkey are still among the worst off in the OECD despite impressive post-crisis GDP growth indicators. These two societies remain the second and third most unequal within the OECD by the Gini coefficient. Mexico ranks the worst in poverty protection while Turkey sits at fifth worst. In terms of the enigmatic OECD 'social justice' indicator, Turkey ranks the worst followed immediately by Mexico. Aside from perhaps maintaining a job for which they are effectively making less doing, your average worker has come out poorer from the 2008-09 crisis. The stimulus packages have not reduced unemployment rates significantly since 2009 and real minimum wages have decreased while prices have increased faster than wages (Table 1).

Still, the way financialisation and neoliberalism worsen social inequality does not takes place is automatic and homogeneous ways but are rather shaped by the internal class structures and the political conditions of a country. In Mexico, targeting wages temporarily solved the global exporting firms' concerns over export competitiveness and left the strong peso policy intact. Thus the interests the exporting industries connected to global production companies through low wages became compatible with the interests of large Mexican companies' goal of low production costs in their Mexican operations in order to increase the margins between profits and direct investment, and therefore the value of their stocks and bonds. Profitable yields in public debt, which sustained reserve accumulation and a strong peso, required debt repayment, and, therefore, an increase in non-oil revenues. In Mexico, this was accompanied by regressive taxation, which allowed the accumulation of new resources to sustain debt management and reserve accumulation strategies. This strategy was central to the mediation of internalised tensions of capital fixity and mobility as financially oriented large Mexican companies and financial investors received the benefits of these strategies while imposing the costs of the crisis on middle and working classes. The weakening of middle and working classes in the aftermath of the 2008-09 crisis set the conditions for the labour reform in 2012, which led to the further flexibilisation of labour conditions under the PAN administration with the support of the PRI. This reform allows outsourcing, the use of private firms to hire temporary workers and increases part-time work in the country. In Turkey, too, targeting wages and labour flexibility temporarily eased international competitiveness problems (in addition to the benefits of a weakening lira). Wage and flexible employment measures alongside inducements for capital to move to low wages regions likewise emphasised the need to keep capital fixed within Turkey's borders. This was goal shared by both Istanbul and

Anatolian capital, albeit in different parts of Turkey. In mid-2009 with the AKP unveiled the Temporary Labour Law (Number 592) which facilitated employers' access to cheaper and more flexible workers by allowing companies to hire temporary staff through private offices. The government then increased public debt to pay for the stimulus package that unabashedly benefited domestic capital, large and small alike. Unlike Mexico, the costs were not immediately socialised by VAT increases, though the AKP refusal to undertake tax reforms meant the average worker would pay disproportionately for it in the future anyway. Rather VAT reductions sought to induce greater individual consumption. While stimulus packages varied in both Mexico and Turkey, the targeting of labour through state policy was central to mediating the contradictions between fixity and mobility within its capitalist class during the 2009-9 crisis.

CONCLUSION

With the world's advanced capitalisms continuing to stagnate long after 2009, mobile capital had to seek out peripheral locations to invest and valorise capital. This led to a seemingly strong recovery in Mexico and Turkey. This bounce-back recovery enabled state authorities, pushed and supported by domestic capital in different ways, to actively reconstitute the global policy framework of neoliberalism through domestic policy formation and crisis management. This occurred through variegated processes of trial-and-error domestically vis-à-vis world market-based regulatory parameters negotiated and set at larger international scales. While differing in specific content the form of Mexico and Turkey's state responses to the crisis ensured continuity in their foregoing neoliberal strategies of development and capital accumulation, most notably in the continued oppression of workers. That is, the prevailing strategy of accumulation continues to be variegated neoliberalism. This is defined not by any specific matrix of policies alone but by the shared defeat of organised labour and popular classes' capacity to resist market-oriented restructuring and austerity that disproportionately benefits capital. It should be reiterated that policy formation does not exclusively respond to the general interests of capitalists, but rather involves a process of negotiation among capitalist classes and state authorities influenced by the resistance and demands of subordinated classes. This explains why workers in Mexico and Turkey have disproportionately born the costs of state policy responses through regressive taxation, lower wages, and the socialisation of accumulation risks.

A critical assessment of fixity and mobility can help inform progressive alternative policies and institutions. Further research needs to target and assess actually existing policy alternatives and practices. However, for our purposes, we can signal two fruitful directions for such research building on the foregoing historical materialist geographical analysis. The first direction is the need to locate power relations along the lines of capital mobility and fixity in order to critically analyse the limits of domestic stimulus packages. Without doing so, domestic stimulus packages might end up reinforcing existing structures of capitalist power within a country. The second direction is the importance of understanding emerging capitalisms as central spaces in the constitution of global frameworks of neoliberalism rather than peripheral ones. Such a view emphasises the importance of progressive social change in those economies in order to encourage alternative policy formation globally.

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