

Increased Taxes and Price Hikes are an Oppression of the Capitalist System!

News:

According to the Presidential Decree published in the Official Gazette, the rate of general VAT, which was 18 percent, was determined as 20 percent, and the rate of VAT on goods and services subject to 8 percent was determined as 10 percent. Passport, notary and visa fees were increased by 50 percent.

Comment:

With the end of the election economy, the government continues to raise prices. Everything from soup to nuts has been increased. Fees were increased by 50 percent, the rates of VAT of 18 percent was increased to 20 percent, the rate of 8 percent to 10 percent, the Banking and Insurance Transaction tax of 10 percent in consumer loans was increased to 15 percent, and the fee on mobile phones brought from abroad was increased from 6 thousand TL to 20 thousand.

The devastating consequences of the wrong and improper economic policies of the government were once again – as it always has been – billed to the people. It came back as a rain of taxes and hikes on the shoulders of the people. The government had announced an increase in civil servant salaries and pensions according to unrealistic inflation figures. While this raise for civil servants and pensioners did not solve the problems of employees and pensioners, it melted even before it entered their pockets. The people, who were already miserable, struggling to meet even their basic needs and barely making both ends meet, were impoverished by twenty percent in one night with these latest increases. Even the most basic needs of people such as shelter, eating and drinking have become unaffordable. The government, as it always has been, has taken more than it has given.

On the other hand, in the 2023 budget announced by the government, expenditures were targeted as 4 trillion 470 billion TL and revenues as 3 trillion 810 billion TL. The 2023 year-end budget deficit was estimated to be 660 billion. However, it is currently estimated that the budget deficit will be 1 trillion 300 billion TL by the end of 2023. According to the data announced by the Ministry of Finance and Treasury, Türkiye will pay almost as much interest as the principal in 2023. It is planned to pay 564 billion liras for principal and 519 billion liras for interest. Accordingly, out of 100 liras to be paid, 52 liras will go to principal and 48 liras to interest.

Besides, every 1 cent increase in the dollar exchange rate increases the burden of foreign debts on the economy by approximately 4.8 billion liras. The 29.75 percent increase in the dollar exchange rate since the elections has increased the TL equivalent of Türkiye's total foreign debt by 2 trillion 816 billion liras. Of course, this is a huge cost and burden on the budget. Likewise, the government is taking high interest rate loans from banks and capital owners in order to close the budget deficit.

The cost to the treasury of the KKM (FX-Protected Deposit) account created by the government to curb the rise of the foreign currency is roughly 100 billion TL, considering the 30 percent depreciation of the TL since the beginning of May.

In order to cover these costs and the budget deficit, and to pay the interest-bearing domestic and foreign debts, the government raised the prices of goods and services substantially. Because the biggest revenue items of the capitalist system are taxes and hikes. According to the data of the Revenue Administration in Türkiye, there are approximately 450 items of taxes in various fields. A person living in Türkiye pays about sixty-two percent of his or her income to the state in the form of taxes. Under names such as value-added tax, special consumption tax, special communication tax, customs duty, corporate tax, revenue stamp duty, real estate tax, advertisement tax, environmental cleaning tax, a large portion of people's income is confiscated by the state under the name of tax.

Similarly, VAT (Value Added Tax) on goods and services has a place in the state budget. According to the Ministry of Treasury and Finance's December 2022 Central Government Budget Realizations Report, about one-third of budget revenues consist of VAT. This is the biggest item in the budget. The next two most important sources of revenue after VAT are special consumption tax and income tax.

Therefore, these hikes are just the beginning and more will follow. The government will dump on the people in order to close the budget deficit. The government has always expected savings and sacrifices from the poor and impoverished people by saying that no savings can be made on dignity. The people have always been asked to tighten their belts. If there are any belts left to tighten! For the government, the survival of the democratic capitalist system that exploits, pauperizes and impoverishes people comes first. The government has made a habit of taking from the poor and giving to the rich. It is also the immoral neo-liberal policies of the capitalist system implemented by the government that have turned people into modern slaves. Unless the capitalist system, which produces these un-Islamic, inhuman and immoral policies, is completely removed from life and the Islamic system of life, which guarantees human dignity, is implemented, societies will never be able to spend a dignified and honorable life.

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