

A Kaldorian Interpretation of the Turkish Economic Growth Performance

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Abstract

As a complex socio-economic phenomenon, economic growth has always been a compelling issue for both policy-makers and economists. Considering its dynamics and extensions in emerging economies, economic growth requires manufacturing-based approaches as they are much more suitable for factor endowments available in developing countries. This study aims to investigate the growth performance of the Turkish economy for the period 1980-2015 in the light of Kaldor's three propositions, also known as Kaldor's Laws. In an effort to test the validity of Kaldor's three laws for the Turkish economy's recent economic growth patterns, this study employs an integrated way of analysis as suggested by Kaldor. To that end, contemporary econometric methods used on the basis of time-series data. ADF, Lumsdaine-Papell and Gregory-Hansen tests are conducted. The results we obtain confirm the validity of Kaldor's growth laws for the Turkish economy.

Keywords: Kaldor's Laws, economic growth, Turkish Economy

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