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Energy Consumption-Economic growth accessing the evidence from Turkey

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ABSTRACT

The core objective of the study is to investigate the relationship of the energy consumption and economic growth in the context of the Turkey and used the data period from 1986 to 2018 and data source is World Bank. To achieve the objective of the study different estimation techniques such as Descriptive Statistics, Augmented Dickey fuller Test (ADF) used to test the unit root and Johansson co-integration test (JCT) used to test the long run relationship among the variables and to check the causation between the variable Pairwise Granger Causality Test are applied. Bi-Variate Co-integration Results indicate that EC and TO are co-integrated in the long run. The results of the Pairwise Granger Causality Test show TO does Granger Cause GDP, INF does Granger Cause GDP, GDP does Granger Cause LF, LF does Granger Cause EC, INF does Granger Cause DI, DI does Granger Cause LF, all these show the existence of the unidirectional relation. TO does Granger Cause EC and EC does Granger Cause TO. Bidirectional relationship exists between TO and EC in the economy of the Turkey. Study suggests that policy makers would adopt those policies in which exports of goods and services should increase and also give the boost to the domestic investment in the country.

KEYWORDS Gross Domestic Product; Energy Consumption; Domestic Investment; Trade Openness; Inflation; Employed Labour Force; Turkey

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