

EconWorld2017@Paris

The Regional Dynamics of Economic Growth: A Case Study on Nuts 2 Regions In Turkey

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ABSTRACT

Recently, a substantial body of literature has examined the interregional growth differences in the context of growth-oriented policies. Thus, it can be argued that such differences mostly arise from the regional characteristics related to economic sphere. This paper studies possible factors affecting regional economic growth in Turkey. In this respect, we examine the effects of human capital, R&D, exports, public investments, inflation, and unemployment on per capita regional income across the 26 NUTS 2 regions for the 2008-2014 period. The results of the difference and the system GMM estimations show that human capital, R&D, exports, public investments and inflation have a significant positive effect on regional economic growth. Also, empirical results indicate a significantly negative relationship between regional growth and unemployment.

KEYWORDS Regional Economic Growth; Human Capital; R&D; Public Investments; GMM

JEL R11, O47, C36