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Is It Possible to Increase the Ratio of Production and Exportation of High-Tech Products in Turkey? Defining And Analysing The Problem By Institutional Approach

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ABSTRACT

Turkey's had trade deficit for years. One of the key reason for this situation is the proportion of high value added commodities in total merchandise exports composition which is relatively low. Although her merchandise export level has increased in years; high tech exports have had a declining trend, even it is expressed as absolute value instead of proportion of total exports. Main reasons for low rate high tech commodities production in a country are property rights, uncertainty of return of investments and lack of coordination between public and private sectors. In this work, the answers of this problem will be tried to find out through institutional approach. The institutions are simply defined as habit of thought or behavior rules in the case of increasing uncertainty in a community. According to Veblen, the main driver of evolution of economy is technology. Conventional institutions are slowing down the technological progress while productivity driving institutions accelerate it. In this work, Turkey's high tech production and exportation will be analysed by using tools of Traditional and New Institutional Approaches. First, Turkey's institutions related to technological progress will be sought. Second, the determinants of behavior rules for investing to high-tech sectors will be analysed. Third, applications and other countries data will be compared. And as a last, whether Turkey can increase the production and exports of high tech commodities will be discussed.

KEYWORDS Economic Development; High Tech Production; High Tech Exports; Institutional Economics; Turkey
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