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Türkiye’de Mali Sürdürülebilirlik Analizi: 1975-2012 / An Analysis of Fiscal Sustainability in Turkey: 1975-2012

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A B S T R A C T

Sustainability of macroeconomic balances is became more important subject than providing balances for national economies. Sustainability of fiscal policies is a subject that frequently came to order. Fiscal policy aims economic stability, economic growth and equity in distribution of income to make with tax, expenditure and borrowing (indebtment). Taxes are mostly used to finance of government expenditure. In case tax revenues can't meet to government expenditure, it is financed by borrowing. It's clean that the increase of public domestic debt stock can not be met by tax revenues in Turkey. According to the budget constraint theory; fiscal policies are sustainable if the rise of public domestic debt stock could be answered by public sector primary surplus at the budget. The aim of this study is to make an analysis of fiscal sustainability in Turkey during 1975-2012. At this study, fiscal policies implemented in Turkey are evaluated in terms of public domestic debt stock and public sector primary surplus and the relationship between them is tested by unit root and cointegration tests which are used in the application part of the study performed for fiscal sustainability in Turkey. As a result, it can be said that fiscal policies are sustainable in our country with respect to the period and data selected.

KEYWORDS Fiscal Sustainability; Fiscal Policy; Fiscal Sustainability in Turkey; Budget Constraint

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