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Diş Borçlanmanın Etkileri Türkiye Örneği/The Effect of External Debt: Turkish Example

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ABSTRACT

Lack of national savings has increased the dependence of foreign funds. It is expected that these funds will have real effect on the economy. The sign of the relationship between foreign debt and economic growth could be positive or negative. This study analysis the relationship between foreign debt and economic growth employing time series analysis. Reinhart and Rogoff (2010), They have analysis the relationship between growth and foreign debt for 44 emerging markets. They show that when debt/gdp ratio is about 60%, economic growth drops 2%. When this ratio exceeds this percent economic growth halves. Furthermore as debt increase, inflation increases as well. UYSAL, et al. (2009) studied foreign debt and economic growth for Turkish Economy for 19652007, using VAR technique. They show that there is a negative relationship in the short run and the long run. They argue that the foreign capital was not used in productive investment.

KEYWORDS Foreign Debt; Economic Growth; Johansen Cointegration; VEC; VAR

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