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Türkiye’de Yurtiçi Özel Tasarrufların Makroekonomik Belirleyicileri/ Macroeconomic Determinants of Domestic Private Savings in Turkey

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ABSTRACT

Low levels of domestic savings rate is one of the most important obstacles to reach a high and sustainable growth rate. It is also known that economic growth is sustainable only if increases in savings are supported by efficiency gains. Turkey has achieved high growth rates with the liberalization of capital movements after 1989 but as this is achieved by using foreign savings, instead of domestic savings, she has confronted with the current account deficit problem. The use of foreign savings to finance the current account deficit lead to the appreciation of the domestic currency; make the current account deficit problem chronic by increasing the attraction of imports. This process which causes the deepening of investment savings gap, could drag the country to crises during low liquidity in the global markets if necessary measures to increase domestic savings are not taken. Therefore, as well as the measures to be taken by the public sector, determinants of the private savings must be analyzed well and necessary policies to increase the private savings should be implemented in time. For analyzing the determinants of private savings in Turkey the model by Loayza, Schmidt-Hebbel and Serven (2000) was used. The model which is used here is one of the most comprehensive studies about World saving rates. Four main variables that determine Turkey’s private savings are real interest rate, gross private disposable income, young dependency rate and macroeconomic stability which is represented by the inflation rate. Furthermore, export growth provided by the improvements in terms of trade is expected to increase income and savings with the high growth rates. The increase in women’s labor force participation rate is another factor which is expected to increase private savings.

KEYWORDS Private Savings; Current Account Deficit; Economic Growth

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