

# Changing Impact of Human Capital on Socio-Economic Development: Inferences from a Spatial Econometric Regression for Provinces in Turkey / Beşeri Sermayenin Sosyo-Ekonomik Gelişmişlik Üzerindeki Değişen Etkisi: Türkiye İlleriyle Bir Mekansal Ekonometrik Analiz ve Sonuçları

Hüsnü Can Dural<sup>1</sup>, Selim Çağatay<sup>1</sup>

<sup>1</sup>Akdeniz University, Turkey

## ABSTRACT

Regional differences in terms of socio-economic indicators and development level is quite remarkable in Turkey and recent development plan in Turkey prioritize this problem to narrow the gap by focusing on region-based policies. The main objective of this study is to identify the spatial characteristics of regions -such as geographical closeness to various focus localization and to analyze their impact on regional differences. To carry out the analyses, geographically weighted regression is employed which covers the province based data in period from 2003 to 2011. The dependent variable is a composite index that measures socio-economic development. The explanatory variables are selected from various social and economic indicators which are not used in the construction of the composite index and which are aimed to show regional economic and social dynamics. Explanatory variables are chosen to proxy the regional variation in terms of physical capital, natural capital, technology and particularly human capital. We aim to find whether various factors' impact on regional socio-economic development varies by region and whether geographic distance to some focus localization affect the outcome. In this way we aim to suggest more to the point and geographically located policy advices to policy makers. Preliminary findings suggest that there are statistically significant region-based variations especially in terms of the effects of human capital factors on socio-economic development level. Particularly the educational attainment and labor qualification are noteworthy.

JEL

R12, O15, C21