

**INTERCONNECTEDNESS OF INFORMAL ECONOMY
AND POLITICAL Preferences In Turkey¹**

Omer Faruk Colak, Ph.D.

Professor of Economics and Dean

Mugla University

College of Economics and Administrative Sciences (I.I.B.F)

Department of Economics

Selahattin Bekmez, Ph.D.

Assistant Professor of Economics

Mugla University

College of Economics and Administrative Sciences (I.I.B.F)

Department of Economics

Abstract

Informal employment in developing countries creates an urban informal labor sector. Since amount of income earned is higher in big cities, informal laborers move to such areas. Governments in developing countries may not be successful in controlling this due to lack of political power and/or other political expectations. This study investigates how political rent seeking effects behavior of informal urban labor force and shows that political authorities in Turkey deepens the problem of informal labor force in urban areas. In order to test this phenomenon empirically, we discussed some statistical and demographic data and income distribution in Turkey at first. Then, we constructed a mathematical model with a political preference function to measure the rate of "rent seeking" policies of the governments. Finally, the relationship between informal urban labor force and political decision making process are discussed within the context of a general equilibrium modeling.

Key Words: Informal Labor Force, Political authority, Turkey

JEL Classification: E61, J0, H30

¹ Previous version of this paper has been presented at the International Conference on Policy Modeling (EcoMod), Paris, France, July 1, 2004.

1.Introduction

Turkish economy has been acquainted with positive externalities provided by bigger cities and negative externalities created by urban areas, which is a driving force for immigration to the metropolitan areas. These driving forces has been lessened in the meantime, but could not be exterminated completely. In the mid 1970's, the oil crises has been effected the Turkish economy as well as the whole world. With the stabilization programs resumed during these years, informal economy became a part national income of the Turkish economy (Patel and Srivastaya, 1996).

Informal labor force, as a part of informal economy, has come into attention with marginal definitions at the beginning. However, as value added created in big cities increased, informal labor force in urban areas become one of the main concerns in Turkey. These and related changes in Turkey have affected the cultural structure of the economy at the first, and then, political structure of the country. In other words, it created a political power and ability to determine distribution of political power in metropolitan areas.

Informal labor force is not a pop-up problem for Turkey (if it is considered as a problem), but it created its own texture within the developments of the Turkish economy. The new texture existed has made the informal sector to hold into the structure of the economy as if it is a formal sector. International Labor Organization's (ILO) definition of informal labor has focused on unrecorded economic activities (Ozar, 1996). According to this definition, an economic activity aiming to create income and employment, and producing goods and services without recording them can be considered informal sector. Under this definition, it may be concluded that creators of the informal sector in Turkey implicitly and/or explicitly support unrecorded features economic activities and related political decisions which are sheltering and encouraging the informal sector.

There are several studies for different countries showing that small-sized companies involve extensive informal labor use in the production. In addition, subcontract (middle-man) relations between relatively bigger companies and small-sized companies create an encouragement for informal sector.

Within this context, the common features of those who involve informal activities can be specified as follow:

- i) they don't have economies of scale
- ii) their capital requirement is low
- iii) they are regional and/or family based formations
- iv) they don't have social security protection
- v) they are irregular in terms of timing (i.e., seasonal or part time)

Within the context explained above, this study constructs a mathematical model analyzing the relationship between informal labor force and political decisions taken by political authority. In order to do that a political preference function with several variables has been developed and then, changes in the structure of the Turkish economy over time have been discussed.

2.Perspectives Explaining Informal Labor Force

International Labor Organization distinguishes urban economic activities as formal and informal economic activities. Formal economic activities usually require imported and/or capital intensive technologies, and involve more bureaucratic processes such as patents and licenses. These firms are also relatively bigger institutions. Informal economic activities, however, include any kind of unrecorded economic activities including informal labor force in the economy. The term "informal sector" has been first time used by Keith Hart, and has been added to literature in 1970's by Kenya Report conducted by International Labor Organization (Sisman, 1999).

Informal economic activities in Turkey are usually labor intensive activities using domestic resources rather than foreign resources, and there are no barriers to entry in this sector. Thus, informal economic activities can be defined as work relations that exist without government knowledge or cannot be controlled by the government." Even though these activities are not illegal, most of the times they cannot be measured by statistically and/or controlled by government.

Immigration to the urban areas is one of the main concerns that needed to be dealt with. It is an important issue, because it creates dual, but contradictory appearances in which both “traditional urban” and “modern urban” exist together. Thus, modern urban areas lose some of its characteristics in terms of uniqueness and peculiarity. As Todaro (1969) stated, immigrants from rural to urban areas are employed in informal labor force at the beginning, and then they are employed in modern sectors such as manufacturing. According to Todaro, employment in informal sector is only a temporary process, which will end up in the formal labor market, and efficiency of informal sector in the urban area will increase in time. Unfortunately however, this argument has not been justified for developing countries such as Turkey. In other words, modern urban sector did not create effective employment opportunities for the marginals in informal sector.

People who work in the informal sector of urban areas of Turkey extended their activities in the course of time. They started expanding their scope and sometimes they even formed different kinds of underground economic activities. As a result, volume of transactions and revenue created by this sector reached to an amount that should be taken into account seriously.

Within the context of the issues discussed above, the main reason of increases in the weight of informal sector in urban areas of Turkey can be specified as follow:

- i) Entry to the market is very easy, and does not require any sunk cost
- ii) Competitive structure of the economy due to globalization
- iii) Use of domestic production factors
- iv) Intra-family economic activities
- v) Relatively small businesses
- vi) Labor intensive activities
- vii) Does not require specific education
- vii) Economic policies used may encourage such activities

As a result of these and other similar items that are not mentioned above, informal labor force settles down and stays in the urban areas, and later on creates a dual structure in these areas. In other words, they form their own underground castles and share the rant and positive externalities created by formal sector.

3.The Model

Our analysis in this study assumes that there exists an inter-relation between the actions of governments and informal sector. There are tremendous literature about how informal sector creates its own power in urban areas, however, there are not many literature concerning the relationship mentioned above. For instance Yamada (1996) discusses how and why informal sector looks for a place in urban areas. We constructed a model in which rent seeking activities of the government has also been included. Such a model is more suitable for the Turkish economy rather than those mentioned in the literature². We added a political preference function which describes the behavior of the government and its actions taken for informal activities. Such a model is more suitable for Turkey, because the size of informal economy is getting bigger and bigger in last a couple of decades.

The model consists of three sectors and a politically rational government. The sectors are agriculture (A), manufacturing (M), and informal sector that intensified in urban areas (IS). Goods produced in the first two sectors mentioned above are tradable goods, and thus, they use sector specific labor and capital as production factors in their activities. In informal sector, however, the Ricardian assumption has been used, which there exists only single production factor, labor, is used. Since entrepreneurship ability differs among people, our model distinguished the labor among people who enter into informal labor. It is a fact that people who have more entrepreneurship ability become more successful compared to the ones that have less of it.

² Harris and Todaro discussed migration, unemployment and development under a two-sector assumption; Brueckner and Kim reevaluated the Haris Todaro model under factor equilibrating rural-urban migration, Schneider and Enste constructed a model for the size of shadow economy.

The model states the sectors mentioned above as follow:

- i) there are land owners that cannot increase their lands in short time period,
- ii) capitalists that cannot increase their wealth in the short time period,
- iii) Laborers that have fixed amount of labor. Since entrepreneurship ability differs among people, we defined a term (a_j) that corresponds to this variation.

Entrepreneurship ability in informal sector determines the income earned and can be stated as follow:

$$IS_j = a_j L_j, \text{ where } j = 1, 2, 3, \dots, \dots, s \tag{1}$$

Another important specification of the model is that it assumes there are no binding agreements between informal sector and government. These binding agreements could be a license, a patent, a contract, and etc. Government either has no power to prevent it or willingly condones these informal economic activities for the sake of political rent seeking. We have to determine a variable α , which is between zero and one. There are two extreme points here. First, $\alpha = 1$, and the other is $\alpha = 0$. The former implies that government determines its all policies based on informal sector's favor, while the later implies that government determines its all policies against informal sector. However, in reality, governments choose their places somewhere between 0 and 1, rather than choosing these two extreme points.

Government has to choose a bundle of political decisions. All the political decisions taken by the government constitute a policy matrix. The policy matrix (G) determined by government can be expressed as follow:

$$G = [g_1, g_2, g_3, \dots, \dots, g_n] \tag{2}$$

If the rate of α chosen by the government is taken into account, our model has to include $\alpha.G$ matrix, which shows the places of all political actions in terms of rent seeking behavior of the government. The new matrix, then, can be written as:

$$\alpha.G = [\alpha_1 g_1, \alpha_2 g_2, \alpha_3 g_3, \dots, \alpha_n g_n] \quad (3)$$

Following the assumptions given above, a simple three sector (agriculture (A), manufacturing (M), and informal sector (IS)) general equilibrium model can be constructed. In order to construct this model we are required to distinguish production factors for each of these sectors. Even though almost all informal activities are not recorded and exists in urban areas, we aggregated these into one informal sector. Agriculture and manufacturing sectors also uses sector specific labors along with land and capital, respectively.

The production function in agricultural sector can be denoted as:

$$A = \phi(T, L_a) \quad (4)$$

,which T stands for the land used for agricultural purposes and L_a stands for the labor works in agricultural area. The function represented by equation (4) above is concave shaped and has a positive first derivative, and negative second derivative. In other words, it is a well-behaved function with $\partial A / \partial T > 0, \partial A / \partial L_a > 0,$ and $\partial^2 A / \partial T^2 < 0, \partial^2 A / \partial L_a^2 < 0.$

Similarly, production function of manufacturing sector can be expressed as:

$$M = \psi(K, L_m) \quad (5)$$

,which K stands for the capital used for manufacturing purposes and L_m stands for the labor works in manufacturing sector. Similarly, the function represented by equation (5) above is concave shaped and has a positive first derivative, and negative second derivative. In other words, it is a well-behaved production function which has $\partial M / \partial K > 0, \partial M / \partial L_m > 0,$ and $\partial^2 M / \partial K^2 < 0, \partial^2 M / \partial L_m^2 < 0.$

The production function in informal sector can be stated as:

$$IS = \gamma(a_j, L_{is}, G) = \int_0^s a_j \cdot L_j \cdot \alpha_j g_j \cdot d_j \quad (6)$$

If it is assumed that the same amount of effort has been used in every unit of informal sector, it is legible to write $L_j = 1$. Then, the equation (6) above can be re-written as:

$$IS = \int_0^s a_j \alpha_j g_j \cdot d_j \quad (7)$$

Todoro's model stops here, and there is no further definitions of the government activities, and political rent seeking in his model. With the inclusion of political rent seeking characteristics of government decisions, the political preference function of government can be stated as:

$$D = \eta(G, \tau IS) \quad (8)$$

Equation (8) assumes that the government participate the game as an active player rather than only a regulator. The equation emphasizes the relationship between political gains of the governments and informal sector. Informal labor force vote for political parties try to ensure the maximization of their economic welfare. Variable τ in equation (8) has been used to measure this effect. This variable is $0 \leq \tau \leq 1$, and called "*rate of faithfulness*."³ In other words, if τ is equal to one, this means that informal sector fully votes for their supporter party (people in this sector is faithful), and if τ is equal to zero, this means that informal sector does not vote for their supporter party at all (people in this sector are not faithful).

Equations (6) and (8) are two simultaneous equations, and thus, equation (6) may be put into equation (8). Then we have:

$$D = \eta\{G, \tau(a_j, L_{is}, G) = \xi\{G, a_j, L_{is}\} \quad (9)$$

By doing so, we created a new political preference function including both government's political tendency towards informal sector and informal sector's faithfulness towards the parties in power. In other words, the new political preference

³ This term is created by the authors, however, in political science literature it is possible to find similar expressions such as "loyalty coefficient," "description rate," "rate of decision modification," etc.

function derived represents several simultaneous equations belong to both the government and informal sector.

The first derivative of equation (9) with respect to L_{is} and G will give us the opportunity to create a series of functions that indicate how and at which rate governments position themselves for rent seeking activities in their political decisions. This is very important in terms of measuring the magnitude of informal economic activities in any country. Without any doubt the first derivative of political preference function with respect to government' other decisions will be positive ($\partial D / \partial G > 0$). On the other hand, the first derivative of political preference function with respect to government's decisions regarding informal sector will change according to government's political structure. This structure can be formally stated as follow:

If $\partial D / \partial L_{is} \leq 0 \rightarrow$ Social government.

If $\partial D / \partial L_{is} \geq 0 \rightarrow$ Political rent seeking government.

We can interpret the derivatives above as: if any government implicitly and/or explicitly accepts an increase in its political preference function due to developments in the dimensions of informal sector, this government is considered politically rent seeker, while, on the other hand, if any government implicitly and/or explicitly does not tolerate an increase in its political preference function due to developments in the dimensions of informal sector, this government is considered "social" and "prosperous" government in the sense explained above.

4. Discussions and Results

Without going into too detailed explanations, our results can be discussed in two subtitles. The first summarizes the changes in demographic structure of Turkey, and the second gives relationship between the size of informal sector, unemployment rate, and governmental power.

Demographics of Turkey

Population and its demographic distribution is one of the main factors in determining informal labor force. Demographic composition of Turkey has been changing over time, but this change attracted attention in last decades. While the population of the country was 60 million in 1995, this number has reached to 66 million in 2000. Fertility rate, however, decreased from 2.69 to 2.46. These rates will be one of the determinants of Turkey's future.

One of the reasons that Turkey cannot reach desired education level qualitatively and quantitatively is the lack of resources canalize into this area. Education expenditure-GDP ratio fluctuates between 1.7% and 2.5%. Participation of women to labor force is only 31.1% in total. This rate is 16.9 in urban areas while 49.6% in rural areas (SPO, 2000).

Despite all the efforts spent, Turkish officials could neither make any progress nor create better policies in developing more equitable income distribution system. The Gini coefficient was 0.49 in 1994, but only 0.44 in 2002. As can be seen in Table 1, the share of the poorest 20% of households from national income in Turkey has increased from 4.9 in 1994 to 5.3 in 2002. However, the share of the richest 20% of households decreased from 54.9 in 1994 to 50.1 in 2002. 95% of the population who are in absolute poverty have only primary school education and/or have no education at all.

Table 1: Income Distribution in Turkey (1983-2002)

Household Percentages	1983	1986	1987	1994	2002
The Poorest 20%	2.7	3.9	5.2	4.9	5.3
Second 20%	7.0	8.4	9.6	8.6	9.8
Third 20%	12.6	12.6	14.1	12.6	14.0
Fourth 20%	21.9	19.2	21.2	19.0	20.8
The Richest 20%	55.8	55.9	49.9	54.9	50.1
Gini Coefficient	0.52	0.50	0.43	0.49	0.44

Source: Gursel et., al. (2000)

It is required to look participation rate in order to analyze labor market. According to 2003 statistics, labor market participation rate is 50.5% in males, and 28.8% in females. These rates show different characteristics in urban and rural areas. For instance, male participation to the labor market in urban areas is 70%, while 76.7% in rural areas. However, female participation to the labor market in urban areas is 18.9%, while this rate is 43.9% in rural areas. The big difference in participating to the labor market between urban and rural areas is due to higher portion of labor force works at home and/or in informal labor market. Especially in rural areas, women work in family businesses without any pay, but in urban areas, women do not have enough human capital to work in big companies, so that they stay at home as “house-wives” (Cinar, 1994).

Another important specification of labor force in Turkey is that it differs from the other European countries. According to 2003 statistics, the rate of people who work with salary, wage, and daily payment in total employment is 48.1% in Turkey, while this rate is around 70% in OECD countries. On the contrary, self employed people in Turkey are twice more than that of other countries. This rate has reached to 29.3% in 2003 (SPO, 2001; and SIS, 2003).

Political Preferences versus Political Power

The main reason for the current corrupted situation in labor market in Turkey is the populist economic policies implemented for more than 50 years. Serious problems have arisen in terms of domestic migration and urbanization due to this corrupted and opportunist economic and social policies. Import substitution industrialization has created an immigration movement from rural to urban areas. These people with no specific talent who settled down in urban areas created a new sector which is called informal labor sector. Most of the times, the politicians tolerate this movement due to political reasons.

Internal immigration in Turkey preserved its velocity within last 20 years as well. For instance, 65 of every 1000 people between 1980 and 1985 migrated, while 81 of every 1000 people migrated between 1985 and 1990 for different reasons. The most important reason for immigration is for economic reasons. When this is the case, people moved to relatively richer metropolitan areas with the expectations of a place to work and of course, more earnings. As in some of the Latin American countries, political parties in

power have also played a role in increase of informal labor sector in Turkey, because people in this sector were a source of vote, rather than a source of corruption for them.

This migrated marginal portion of labor market was expected to integrate with the modern and industrialized production facilities in metropolitan areas, but this has not happened for several reasons. First, informal labor force could not be absorbed by these areas. Second, this sector created its own regions instead of integrating with the area. Third, immigration continued regardless of the employment opportunities. In other words, immigration becomes independent variable, and structure of labor force becomes dependent variable, which is against the nature of economic logic (Tekelli, 1974).

Sometimes, if not always, this marginal sector started controlling illegal and underground economic activities and created regions for them in outsider areas of big cities. These sectors, then, created a pressure on political parties in last 20 years, since they became big enough to affect the destiny of elections in some areas. The efforts spent by the formal labor sector to prevent illegal incubation of the informal labor force in cities did not become effective. Moreover, sometimes, these efforts of formals sector have been penalized by the governments. In other words, political power externalized city bourgeoisie for the sake of political rent seeking. Efforts of labor unions also have not been considered seriously by the governments. These favoring treatments by the politicians strengthen informal labor and informal economic activities in metropolitan areas of Turkey.

Table 2: Political Parties and Size of Informal Sector Relationship

Government	Years Ruled	Av. Size of Informal Economy (%)	Change in Unemployment (%)
Ozal	1984 – 1986	21.44	0.70
Ozal	1987 – 1989	20.51	-1.90
Akbulut	1990	20.90	-5.76
Yilmaz	1991	23.62	3.24
Demirel	1992 – 1993	23.51	3.60
Ciller	1994 – 1996	27.53	-21.8
Erbakan	1997	26.13	3.32
Yilmaz	1998 – 1999	28.33	17.46
Ecevit	2000 – 2002	25.73	26.64

Source: Authors' calculations from SIS data book, and Çetintaş and Vergil (2003).

Table 2 shows a relationship between political power and informal economic activities. Changes in unemployment rate compared to previous government also give hints regarding this relationship. Change in unemployment and informal economy does not show a stable relationship though. Governments formed in last decade seemed to have encouraging policies for informal sector. Another important result can be deducted from this table that the structure of governments (single party or coalitions) makes no differences in terms of the policies implemented.

5. Concluding Remarks

This paper analyzed implicit relationship between informal sector and political power in Turkey. We constructed a model adopted from Todaro (1969) and extended this model with the inclusion of political rent seeking activities of governments.

Even though there are many reasons for informal labor to settle down and stay in the big cities, we focused on only political side of the issue. Economic policies implemented by Turkish governments in last decades focused only on short term political gains and could not produce solutions for informal economic activities. With the implementation of these flexible policies, governments played very important role in the development of informal sector in Turkey.

Nowadays, government and formal sector work together in preventing, at least controlling, any more increases in informal sector (TISK, 1996). This effort spent by both sides made this issue vulnerable to many researchers. Unfortunately, most of the studies conducted in this area show technical characteristics such as measuring the tax revenue of the government. Our study found important results in determining the reasons of informal labor rather than the results of it. Within this context, political responsibilities of the governments have also been analyzed by constructing a political preference function for the political parties in power.

We claim that informal sector existed due to economical hardships rather than ideological reasons. In other words, political parties did not have any role in origination of informal sector at the beginning. Nowadays, however, people who are in informal

sector and their extensions found a place for themselves to strengthen their positions with the political authorities. They formed their own agenda and organized informal sector accordingly. Political authorities have chosen not to intervene the activities of this sector due to political concerns. In other words, the sector later had an ideological identity with the targets of expending its power outside of its region that it came into existence.

As it is the case for every study, our analysis also has its own limitations. The term “political rent” is an abstract statement, and thus, the measurement of such an abstract statement was not an easy task for us. We needed more concrete data in our analysis rather than only income distribution, number of votes for certain parties, unemployment rate, and immigration rate. Even though data for these variables were seemed to be enough for this study, we are aware that data for additional variables required in exploring such a topic. In sort, our variables used in our model are necessary, but not sufficient for this analysis.

References

Brueckner, Jan K ve Kim, Hyun-A, 2001, “Land Market sın the Haris-Todaro Model: A New Factor Equilibrating Rural-Urban Migration” *Journal of Regional Science*, V: 41, No:3, pp: 507-520

Celestin, J.-B, 1989, *Urban Informal Sector Information: Needs and Methods*, Geneva:ILO.

Cınar, Mine E., 1994, “Unskilled Urban Migrant Women and Disguished Employment:Home-Working Women in İstanbul, Turkey”, *World Development*, Vol:22

DİE, 2000, *Haber Bülteni – 2000-2001 Household Labor Force Survey Results*, Ankara.

DİE, *Household Labor Force Survey Results, 1994-2000*, Ankara.

DİE, 2001, *Household Labor Force Survey Results* , Ankara: State Planning Organization

DPT, 2000, *Labor Force Private Professional Committee Report*: DPT Press

DPT, 2001, *Yearly Report*, Ankara.

- Gürsel, S. Vd., 2000, Türkiye’de Bireysel Gelir Dağılımı ve Yoksulluk, İstanbul: TÜSİAD Press.
- Haan, H., Sethuraman, S.V., (Ed by), The Urban Informal Sector in Developing Countries, Geneva:ILO.
- HÜNEE, 1999, Türkiye Nüfus ve Sağlık Araştırması 1999, Ankara: Hacettepe University, Nüfus Etütleri Enstitüsü.
- Karpat, S. K. (1992), Ekonomik ve Sosyal Yönleriyle Türkiye’de Kentleşme, Ankara:Adım Press.
- Keleş, R. (1997), Kentleşme Politikası, Ankara: İmge Press
- Kendie, S. B. 1998, “Employment Structure and the Environment in Cape Coast, Ghana” Singapore Journal of Tropical Geography, Cilt:19, No:1, Sayfa: 26-38
- Kıray, Mübeccel, 1970, “Gecekondu”, Toplumbilim Yazıları, Ankara:Gazi University Press.
- Kıray, Mübeccel, 1970, “Gecekondu:Az Gelişmiş ÜlkelerdeHızla Topraktan Kopma ve Kentle Bütünleşme”, Toplumbilim Yazıları, Ankara:Gazi University Press
- Kıray, Mübeccel, 1970, “Toplumsal değişme ve Kentleşmede Düşük Gelirliler”, Toplumbilim Yazıları, Ankara:Gazi University Press.
- Mead, donaldC., Christian Morrison, 1996, The Informal sector Elephant, World Development, Vol:24.
- OECD, 1982, The Hidden Economy, Occasional Studies, Paris:OECD.
- Özar, Şemsa, 1996, “Kentsel Kayıtdışı Kesimde İstihdam Sorununa Yaklaşımlar ve Bir Ön Saha Çalışması”, METU Studies in Development, Vol: 23.
- Patel, Urjit R., Pradeep Srivastaya, 1996, “Macroeconomic Policy and Output Comovement: The Formal and Informal Sectors in India”, World Development, Vol:24
- Şişman, Yener, 1999, Ekonomik Faaliyetlerde Enformelleşme ve Türkiye’de Enformel Ekonomik Faaliyetlerde Çalışanlara Yönelik Sosyal Politikalar, Eskişehir: Anadolu University Press.

- Todaro, Michael P., 1969, “A Model of Labor Migration and Urban Unemployment in Less Developed Countries”, The American Economic Review, Vol:59
- Tekeli, İlhan, 1974, Kalkınma Sürecinde Marjinal Kesim ve Türkiye Üzerine Bir Deneme, Kentleşme Üzerine Yazılar, 1982, Ankara: Turhan Publishing, Turkey.
- Tekeli, İlhan, 1976, Marjinal sektörün Dinamiğinde Bir Başka Yön, Kentleşme Üzerine Yazılar, 1982, Ankara: Turhan Publishing, Turkey.
- TİSK, 1996, “TİSK’in Kentleşme Sorunlarına İlişkin Görüş ve Çözüm Önerileri”, İşveren Dergisi, Vol:34, No:7.
- Tokman, Victor E., “Policies for Heterogeneous Informal sector in Latin America”, World Development, Vol:17
- UNDP, 1998, Turkish Human Development Report, Ankara: UNDP.
- Yamada, Gustova, 1996 , “Urban Informal Employment and Self-Employment in Developing Countries: Theory and Evidence” *Economic Development and Cultural Change* pp: 289-308
- Yamak, R. ve Yamak, N., 1999, “Türkiye’de Gelir Dağılımı ve İç Göç”, Dokuz Eylül Üniversitesi, Journal of Social Sciences Institute, Oct-1999

Özet

Türkiye’de Para İkamesinin Sürekliliğinin Modellenmesi

Bu çalışmanın amacı, Türkiye’deki para ikamesinin sürekliliğini ve para ikamesinin Türkiye’de geri dönülmez bir noktada olup olmadığını, modele ratchet değişken eklemek yolu ile analiz etmektir. Bu açıdan makale, 20 yıldan fazladır Türkiye’de enflasyonun yüksek ve sürekli oluşu nedeniyle, enflasyon oranının geçmiş uç değeri ratchet değişken gibi kullanılarak, para ikamesinin sürekli olup olmadığını analiz etmektedir. Alternatif olarak, Türk Lirasının geçmişteki değer kaybının uç değeri ratchet değişken gibi kullanılmıştır. Hata düzeltim modelinin (ARDL) sonuçları, para ikamesinin sürekliliğinin nedeni olarak başlangıçtaki yüksek enflasyonu göstermektedir. Analiz sonuçları enflasyon oranının para ikamesinin sürekliliğinde belirleyici bir rol oynadığını göstermektedir. Bununla birlikte ulusal paradaki değer kaybı para ikamesi sürecini açıklamada önemsiz hale gelmektedir.