

## **Validity Of Jobless Growth In Turkish Economy**

**Ahmet Tayfur AKCAN**  
Necmettin Erbakan University  
Academy of Applied Sciences  
Konya, Turkey  
[orcid.org/0000-0001-8210-7327](https://orcid.org/0000-0001-8210-7327)  
[tayfurakcan@hotmail.com](mailto:tayfurakcan@hotmail.com)

### **Extensive Summary**

The subjects of economic growth and unemployment are the most frequent studied subjects in the field of economics. The main reason of the popularity of these subjects is the fact that they are present among the applied macroeconomic policies. In the globalizing World, while the two of the most important variables among the macroeconomic performance criterion are economic growth and unemployment; the third variable is generally accepted to be the inflation.

One of the focal points is the analysis of the presence of the growth which does not lead to employment. The Turkish economy was wounded with the economical crisis of 1999 and the Marmara earthquake and the economy policies have began to lose their functionality since then especially with the effect of the economical crisis of November 2000 and February 2001 which occurred in 3 months intervals; economic growth target have not been realized, inflation and unemployment rates have been on the rise trend. The role of the economy policies and legal regulations are high in this situation. Turkish economy has gone into recession in the last quarter of 2003 and the growth trend which began in 2009 left its place to economic shrinkage. Although a continues growth has occurred for that 7 years. There are no decrease in unemployment rates related to the economic growth. While the unemployment rate was %10,3 in 2002 and 2007 and increased to %11 in 2008.

Economic growth and unemployment rates are the most important macroeconomic performance criteria for countries. Economic growth is ineffective on unemployment and growth that does not create employment is considered to be valid between 2002 and 2008 in Turkey. In this study The Granger causality test was applied to the unemployment and economic growth data for the period 2000Q1 - 2017Q3. Two-way causality relation between two variables was determined. According to the results

of the study; The concept of growth to create employment in the said period of time was denied validity for Turkey's economy.

In the scope of this study; the unemployment and growth rates between the first quarter of 2000 and 3rd quarter of 2017 were investigated so as to depict the relationship between unemployment and growth. To do this variables were stabilized primarily and than causality analysis was done. In this causality test; a two way relationship between the variables in the %95 trust intervals.

The relation between the variable of unemployment and growth are among the most frequently studied subjects in terms of the validity of the Okun's Law. The first result acquired from the study is the fact that the variable of unemployment leads to the growth. The fact that the unemployment is the cause of growth; confirms the Okun's Law; which was suggested by Arthur Okun and stated that unemployment impacts the growth. In this context; it is thought that the Okun's Law is valid in Turkish economy in the choosen time period.

Two results concluded from this study is that economic growth is the reason of the unemployment. Especially in the countries where the crises are often experienced, the subject of undiminishing of unemployment and not increasing of employment after economic growth is analysed. This condition is seen in the literature search made for Turkey in certain time intervals.

In this study, the inputs between the first quarter of 2000 and third quarter of 2007 are collectively investigated and in the mentioned time period it is confirmed that the growth effects unemployment. In this context, when the input of growth that not lead to employment between the years of 2000-2017 are investigated uninterruptedly, that is thought to be invalid in Turkey.

The basic result concluded from this study is that the policy on the economic growth and the policy decreasing of the unemployment affect one another and they have extensive impact area. In this context, it was thoght that while determining the economic policy to be applied, to determine it considering the interact between policy effects will cause on increasement in the fertility and efficient of the policies.