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WHAT ARE THE DETERMINANTS OF LABOUR PRODUCTIVITY IN TURKEY

Abstract:

Labour productivity is seen as a significant determinant of welfare level in the long run. In this perspective, in the study focus on evaluating determinants of labour productivity.

This study aims to reveal the determinants of Turkey's aggregate labour productivity using annual data for the 1970-2015 period. We use vector autoregressive (VAR) model. In the study labour productivity is determined by real net capital stock, wage, secondary education, and trade openness, Johansen cointegration test results show that there is no cointegration between variables in the long-run. Granger causality test results show that there is a causality from secondary education to labour productivity in the short-run. There is also a causality from wage to productivity in the short-run.

Keywords:

Labour Productivity, Turkey, VAR Analysis

JEL Classification: J24