Analysis of the Impact of Public Investments on Regional Imbalance at the Regional Level in Turkey

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ABSTRACT

Regional imbalances are seen as an important economic problem in both developed and developing countries. Public policies also play an important role in the emergence of regional imbalances as well as different geographical and economic conditions. Public investment is the policy that comes to the fore in ensuring regional development and reducing regional differences. Public investment expenditures such as infrastructure, education, health and transportation have an important role in reducing regional imbalances and ensuring sustainable development. In this context, the effect of public investment expenditures on regional imbalances in Turkey is tested by the fixed effect model at level I based on 2008-2015. Findings indicate that public investment expenditures reduce regional imbalances in Turkey.

Keywords: Public investments, regional public investment expenditures, regional imbalance, regional inequality