

Income Mobility, Income Distribution and Economic Growth in Turkey

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Even though several aspects of income mobility have been examined, mobility studies for developing countries are still in their infancy. This study uses dynamic pseudo-panel approach which is deemed to provide consistent estimations of the degree of absolute and conditional mobility even in the presence of measurement errors. This methodology is applied on disposable household income data of Turkey for the period 2002-2009 to see whether or not income mobility equalizes longer term earnings and to analyze the determinants of directional income movement. This study is novel in this area in a way that an income mobility of Turkey will be firstly studied and data of it will be firstly compiled in the literature to study income mobility. In addition, it is interesting to know why incomes change by investigating the experience of such a permanently fast growing economy.