

Growth, Inequality and Poverty in Turkey with Emphasis on Selected Countries in the Arab Region

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Paper Abstract: There exist little or no consensus on the relative effects of growth and distribution on poverty reduction. The present study examines the degree to which economic growth and income distribution affects poverty reduction, based on data starting 2005 for Turkey and available data for a sample of Arab countries. Estimations of panel data double log function, decomposition analyses and calculations of elasticity and pro-poor indices for Turkey show that, the poverty indices are more elastic to inequality changes than to changes in income in absolute terms. This suggests the important role of reducing inequality in reducing. It is also found that the link between growth and changes in poverty indices are highly sensitive to the choice of poverty lines. Reducing inequality is important in order to reduce poverty in the selected Arab countries as in Turkey. Based on the pooled data, the results also suggest that growth rates of the selected Arab countries have generally been pro-poor with different degrees.