

Is There Any Asymmetry in Causality between Economic Growth and Energy Consumption?*

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Abstract

The aim of this study is to investigate the causation linkage between economic growth and electricity consumption as an indicator of energy consumption in the Turkish economy between year 1967 and 2014. In this regard, we employ recently developed asymmetric causality analysis developed by Hatemi-J and Roca (2014) which allows testing asymmetric relations. Test results imply that there is a bi-directional causality between economic growth and electricity consumption. Moreover, an increase in electricity consumption does not affect economic growth positively and but a decrease in consumption of electricity induces a decrease in economic growth. On the other hand, economic growth affects electricity consumption in both positive and negative shocks. Results imply an asymmetric causation linkage between economic growth and energy consumption in the Turkish economy.

Keywords: Economic Growth, Energy Consumption, Asymmetric Causality, Turkey.

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