Information and Communication Technologies and Economic Growth: Evidence from EU and Turkey
Ali Sen¹ & M. Ozan Saray²

Abstract
More and more information technology is considered as an indispensable dimension of the process of economic growth. The main aim of this paper is to explore the impact of ICT on economic growth in the European Union (EU) countries and Turkey, covering the 1997-2014 periods. The study contributes to the empirical literature by providing some evidence obtained by a cross-country panel data analysis. The results show that ICT investment appears to be quite important for explaining economic growth in the EU countries and Turkey. ICT which we use growth rate of fixed telephone, internet and mobile telephones subscriptions as proxy variables has a positive effect on economic growth. Through static and dynamic panel data analyses, we found that fixed telephone subscriptions and internet variables have a positive effect on economic growth, while we could not observe a statistically significant correlation with mobile telephone. As expected, there is a positive relationship of economic growth with physical capital growth but negative association with population growth. The effects of trade growth variable are controversial.

Keywords: Information technology, economic growth, panel data

JEL Classification: O33, O40, C23.

¹Professor Dr. Inonu University. Faculty of Economic and Administrative Sciences. Department of Economics. Malatya – Turkey. e-mail: a.sen@inonu.edu.tr (Corresponding Author)
Corresponding Address: Inonu University, IIBF, Iktisat Bolumu, P.K. 44280 Malatya-TURKEY
²Dr. Inonu University. Faculty of Economic and Administrative Sciences. Department of Economics. Malatya – Turkey. e-mail: ozan.saray@inonu.edu.tr