

Does Spatial Income Structure Have an Influence on Spatial Consumption: *Evidences from Rural and Urban Aspects in Turkey?*

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Abstract

Analyzing the consumption theories is important for policy makers to correctly implicate their policies toward controlling AD and thus, controlling macroeconomic equilibrium and the benefit of the society. Economists generally draw upon a common theoretical framework by assuming that consumers base their expenditures on a rational and informed assessment of their current and future economic circumstances—especially current income as Keynesian stated. This “rational optimization” assumption can be testable in line of “spatial aspect” with the inclusion of distance factor in to the model.

This study deals with how income level of teachers working in Turkish education sector have determined their consumption patterns in line of different consumption theories such as Modigliani, Keynesian, Monetarist etc.. For this reason, to collect raw data we used 1392 questionnaires in the metropolitan cities such as Mersin and Adana in the south part of Turkey. With these questionnaires, we reached the composite data for teachers working at private and state schools (including gender differences as well) and hence, we aimed to analyze the differentiation in consumption patterns in regard of private and state distinction. We also want to analyze that living in urban and rural areas (measured with distance variables) creates any differentiation in consumption patterns. In the line of Least Square

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Method, double logitmic function analyze type and linear function analyze type are used to measure income-consumption elasticity. Besides, to measure the influence of distance in consumption pattern changes we also employed gravity equation method. Therefore, we want to answer a question that spatial income distribution has had any affect on consumption pattern changes and thus, to test validity of the different theories. Initial test results indicate that distance matters for consumption patterns.