

Abstract

This paper analyses how the institutional change in Turkey during AKP governance impacted the economic development of the country. It will first examine some of the main characteristics and positive impact of Turkey's institutional reforms toward democratization between 2002-2007. In the following section, the AKP's reversal from the implemented reforms and its authoritarian shift will be discussed to evaluate the deterioration of both political and economic institutions in the period between 2007-2017. Building on these discussions and through contrasting the institutional changes in these two periods, it will be examined whether the change in the institutions impacted the economic performance of Turkey between 2002-2017. To analyse the economic performance of Turkey and the quality of its economic growth in these years, the changes in Total Factor Productivity Growth, the export share of technologically advanced products, and FDI inflow to Turkey will be examined.