

Impact of Social Transfers on Energy Poverty in Turkey

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Abstract : Even though there are many studies investigating the extent and determinants of poverty, there is paucity of research investigating the issue of energy poverty in Turkey. The aim of this paper is threefold: First to investigate the extend of energy poverty in Turkey by using Household Budget Survey datasets belonging to 2005 - 2016 period. Second, to examine the risk factors for energy poverty. Finally, to assess the impact of social assistance program participation on energy poverty. Existing literature employs alternative methods to measure energy poverty. In this study energy poverty is measured by employing expenditure approach, where people are considered as energy poor if they disburse more than 10 per cent of their income to meet their energy requirements. Empirical results indicate that energy poverty rate is around 20 per cent during the time period under consideration. Since Household Budget Survey panel data is not available for 2005 - 2016 period, a pseudo panel has been constructed. Panel logistic regression method is utilized to determine the risk factors for energy poverty. The empirical results demonstrate that there is a statistically significant impact of work status and education level on energy poverty likelihood. In the final part of the paper the impact of social transfers on energy poverty has been examined by utilizing panel biprobit model, where social transfer participation and energy poverty incidences are jointly modeled. The empirical findings indicate that social transfer program participation reduces energy poverty. The negative association between energy poverty and social transfer program participation is more pronounced in urban areas compared with the rural areas.

Keywords : energy poverty, social transfers, panel data models, Turkey

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