

Telecommunication and Economic Growth

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ABSTRACT

The study examines the evidence of the impact of the telecommunication infrastructure on economic growth. First, the paper investigates relationship between the mobile/land line phones and the economic growth by using Arellano-Bond difference generalized method of moments estimator. The result is that cell phones play an important role in economic development across 29 countries from 2002 to 2015. Then this study provides evidence on the short run and the long run relationship of economic growth and several macroeconomic indicators to the development in Kazakhstan using time-series data from 1990 to 2016. Using co-integrated test of Johansen, the next conclusion was made: there is a long run associationship between economic growth, capital, labour, real investment in telecommunications and electricity supply. Vector error-correction model (VECM) showed that variables don't have a significant relationship in the long run; however, on the other hand, in the short run there is significant impact from labour employed, real investment in telecommunications and electricity production to economic growth in Kazakhstan.

Keywords: telecommunications, growth, GMM estimator

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