

THE ANALYSIS OF EFFICIENCY OF INFLATION TARGETING IN TURKEY

Bilgin BARI
Department of Economics,
Anadolu University,
Eskisehir, Turkey

Abstract

This study examines inflation targeting regime which has been implemented since 2002 in Turkey. After high inflation period in 90's and 2001 crisis, the paradigm for economic policy in Turkey was changed. On the monetary policy side, central bank independence and inflation targeting regime are some of these important changes.

In practice, Inflation targeting regime has been implemented in three sub-periods up to now. The period of implicit inflation targeting regime for 2002-2005, the period of explicit inflation targeting regime for 2006-2010 and the period of inflation targeting- macroprudential policy after-global financial crisis since 2011. This study focuses on monetary policy and examines efficiency of monetary policy in these sub-periods separately. For each period, effects of structural changes, economic developments and monetary policy actions are surveyed.

Main target in the study is to reveal pros and cons of this fourteen years macroeconomic policy experience of Turkey.