

Enflasyon ve Büyüme Arasındaki Doğrusal Olmayan İlişki: Geçiş Ekonomileri Örneği

Non-Linear Relationship Between Inflation and Growth: The Case of Transition Economies

Prof. Dr. Ebru Çağlayan Akay (Marmara University, Turkey)

Asst. Prof. Dr. Zamira Oskonbaeva (Kyrgyz-Turkish Manas University, Kyrgyzstan)

Abstract

This study examines the non-linear relationship between inflation and growth using a Panel Threshold Regression on a dataset over the period 1998 to 2019 for selected transition economies. The findings of the study show that there exists a threshold effect of inflation on economic growth. Furthermore, our findings provide evidence that the population growth, remittances, and domestic investments are statistically significant in explaining economic growth. Findings obtained from this study can be useful for policymakers of countries under consideration. Since inflation above the threshold negatively affects growth, central banks in the countries considered may contribute to the increase in economic growth by reducing the inflation rate to the estimated threshold value.

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