

**Türkiye Cumhuriyet Merkez Bankası'nın COVID-19  
Pandemisine Karşı Para Politikasının Bir Değerlendirmesi**  
**An Assessment of the Monetary Policy Response of the Turkish  
Central Bank to the COVID-19 Pandemic**

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**Abstract**

The COVID-19 Pandemic has affected all the economies globally. In order to reduce the adverse effects of the pandemic on the economy, governments have resorted to fiscal policies and monetary policies as they did in the 2008 Global Financial Crisis. In this framework, the most common policy that is conducted by the central banks has been quantitative easing again. The adverse effects of the monetary policies have been relatively low in developed economies since the monetary expansion was accompanied with fiscal policies such as transfer payments. However, in Turkey, the monetary authority cut the policy interest rates and banks were encouraged to extend loans in order to boost the economy. The negative effects on inflation and exchange rates arose due to the huge expansion in money supply and credits as the fiscal policies were limited. There have been concerns that the policies conducted through financial markets may cause serious damage to the economy, such as persistent high inflation and excessive depreciation of the domestic currency. Thus, the economy administration and the monetary policies have been changed by the government. However, concerns about returning to the expansionary monetary policies were raised later on. This study assesses the effectiveness of the Central Bank policies and the financial measures taken in Turkey after the emergence of the pandemic crisis. The paper presents the policies of the Central Bank of Turkey and their results with international comparisons.

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