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The Relationship Between Short-Term Capital Inflows and Exchange Rate: Tobin Tax Discussion for Turkey / Kisa Vadeli Sermaye Hareketlerinin Döviz Kuru İlişkisi ve Türkiye için Tobin Vergisi Tartışması

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ABSTRACT

\$ Tobin's Tax is used to stop speculative capital inflows. In this study, effectiveness of Tobin Tax and suitability for Turkey are investigated. The study is based on the size of short term capital movements which have great impact on macroeconomic balance of developing countries. In this study, serious instabilities in exchange rates that one of the fundamental political instruments of macroeconomic stabilization and growth are grounded on. This study explains the relationship between short term capital inflows and exchange rate during 2005:M1-F2014:M12 period for Turkey. Effectiveness of Tobin Tax is discussing with impulse response functions via VAR Analysis. \$

KEYWORDS !ShortTermCapitalInflows; !ExchangeRate; !TobinTax; !StructuralBreak!Unit!Root; !VAR!