

EconWorld2017@Paris

Macroeconomic Stability and Energy Costs / Makro Ekonomik İstikrar ve Enerji Maliyetleri

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ABSTRACT

The sole purpose of governments is to increase the level of well being (i.e., standards of living) of its citizens. To reach this purpose it is necessary to maintain a sustainable income increase that promotes higher purchasing power for the society, lower unemployment down to minimum level by increasing the volume of employment, obtain price stability by decreasing inflation rate, keep financial markets like banking, interest rates, exchange rates and credit issues at an anticipated level (maintaining financial markets), manage the balance of payments steadily, and finally maintain a just resource allocation and income distribution in the society. To reach these macroeconomic purposes, the country has to maintain energy supply security that it needs, and keep energy prices (costs) at an anticipated level as soon as possible. In fact, almost all the prosperous developing countries have ensured their energy supply. Therefore, for the developing countries like Turkey it is inevitable to control energy costs as much as possible to make economic stability sustainable and to implement the purpose of welfare society. The purpose of study is to analyse the relationship between energy costs/prices and the mentioned everyone of macroeconomic performances for Turkey and the global economy overall.

KEYWORDS Macroeconomic stability; Energy costs; Energy and economic welfare

JEL Q48, Q40, E61