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Merkez Bankası Bağımsızlığı ve Enflasyon Arasındaki İlişki: Türkiye Ekonomisinin Zaman Serileriyle Analizi / The Nexus Between Central Bank Independancy And Inflation: A Time Series Analysis Of The Turkish Economy

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A B S T R A C T

The aim of this study is to discuss and analyse the relationship between central bank independency and inflation in the case of Turkey. In order to achieve this goal, Johansen's approach to cointegration analysis is employed and the vector error correction model of the same approach is applied by using the annual data of Turkey covering the period of 1980-2012. The estimation results show that there exist a strong negative relationship between central bank independency and inflation both in short run and long run. That is, increasing level of central bank independency decreases the inflation rate in Turkey. Kewwords: Central Bank Independency, Inflation, Johansen's Cointegration Analysis

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