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Türkiye's Economic and Monetary Policies: EU Reports Analysis (2018-2024)

Türkiye'nin Ekonomik ve Parasal Politikaları: AB Raporları Analizi (2018-2024)

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Abstract

This study evaluates Türkiye's performance in the fields of monetary and economic policy in the framework of the European Union (EU) Progress Reports for the period 2018–2024. The challenges and opportunities faced by Türkiye during its process of aligning with the Maastricht Criteria are analyzed. EU Türkiye Reports highlight troubles including the failure to maintain inflation rates below a specific level, currency rate fluctuations, shortcomings in fiscal subjects, and issues that concern the independence of the Central Bank. Furthermore, regional development disparities and the ineffective usage of the EU funds emerge become essential obstacles to the alignment procedure. The study finds that even as Türkiye has developed in certain aspects of its economic policies, it has yet to follow the Maastricht Criteria. In this context, the study recommends ensuring price stability, making fiscal discipline in action, strengthening the independence of the Central Bank, and handling the currency rate volatility. It also emphasizes the significance of Türkiye's current and reforms in the fields of economic and monetary policy for each public and international competitiveness inside the scope of the EU accession process. Considering these findings, the study concludes that the established order of a more sustainable and inclusive financial structure aligned with EU requirements is vital.

Keywords: EU, Türkiye, EU Progress Reports, Maastricht Criteria, Economic and Monetary Policies.

Türkiye’nin Ekonomik ve Parasal Politikaları: AB Raporları Analizi (2018-2024)

Öz

Bu çalışma, 2018-2024 dönemi Avrupa Birliği (AB) İlerleme Raporları çerçevesinde Türkiye'nin para ve ekonomi politikası alanındaki performansını değerlendirmektedir. Türkiye'nin Maastricht Kriterlerine uyum sürecinde karşılaştığı zorluklar ve fırsatlar analiz edilmektedir. AB Türkiye Raporları, enflasyon oranlarının belirli bir seviyenin altında tutulamaması, döviz kurundaki dalgalanmalar, mali konulardaki eksiklikler ve Merkez Bankası'nın bağımsızlığına ilişkin sorunlar gibi sıkıntılara dikkat çekiyor. Ayrıca, bölgesel kalkınma farklılıkları ve AB fonlarının etkin kullanılamaması da uyum sürecinin önündeki önemli engeller olarak ortaya çıkmaktadır. Çalışmada, Türkiye'nin ekonomi politikalarının belirli yönlerinde gelişme kaydetmiş olsa da Maastricht Kriterlerini henüz takip etmediğini tespit edilmiştir. Bu bağlamda çalışma, fiyat istikrarının sağlanmasını, mali disiplinin hayata geçirilmesini, Merkez Bankası'nın bağımsızlığının güçlendirilmesini ve döviz kuru oynaklığının ele alınmasını önermektedir. Ayrıca, AB'ye katılım süreci kapsamında Türkiye'nin ekonomi ve para politikası alanlarındaki mevcut ve reformlarının her bir kamu ve uluslararası rekabet gücü için önemi vurgulanmaktadır. Bu bulgular göz önünde bulundurulduğunda çalışmada, AB gereklilikleriyle uyumlu, daha sürdürülebilir ve kapsayıcı bir mali yapının kurulmasının hayati önem taşıdığı sonucuna varılmıştır..

Anahtar Kelimeler: AB, Türkiye, AB İlerleme Raporları, Maastricht Kriterleri, Ekonomik ve Parasal Politikalar

1.INTRODUCTION

Türkiye's accession process in the European Union (EU) started with Türkiye’s application to join the European Economic Community in 1959 and gained its official status with the Ankara Agreement that was signed in 1963 (Pamuk, 2020). In this prolonged procedure, Türkiye’s efforts to harmonize with the EU accession required comprehensive reforms in the fields of economic and monetary policies (European Commission, 2021). Economic and monetary policies are critical for EU membership and exchange rate stability economic stability, relatively low inflation, sustainable public finances and currency rate stability within the framework of the Maastricht Criteria.

Türkiye’s EU accession process is a multidimensional and long-term framework that began in the second half of the twentieth century and continues to shape the country’s political, economic, and institutional trajectory. Throughout this process, Türkiye, as a candidate country, has undertaken a wide range of reforms aimed at aligning its legal, political, economic, and administrative structures with the EU acquis and membership requirements (European Commission, 2020). Economic and monetary policies, as one of these discussed topics, are of critical importance, especially in terms of ensuring economic stability, regulating financial markets, and creating an economic structure in line with EU standards (European Commission, 2021).

The European Commission's annual Türkiye Reports have played a central role in assessing Türkiye's progress toward EU accession. The reports published between 2018 and 2024 provide a comprehensive evaluation of the country's economic and monetary policy performance, highlighting both achievements and persistent challenges in aligning with EU standards and the Maastricht Criteria. During this period, Türkiye's economy underwent significant transformations aimed at strengthening macroeconomic stability, enhancing institutional capacity, and facilitating gradual alignment with the EU acquis communautaire. These developments were closely monitored in the annual reports, which assessed the effectiveness of economic reforms and identified areas requiring further policy action. 2018-2024 period can be thought as a notable period in Türkiye-EU relations in terms of economic and monetary policy. During this period, factors such as Türkiye's economic performance, the need for structural reforms, and global economic conditions were significantly examined in the EU Türkiye Reports (European Commission, 2018). The 2018–2024 period represents a critical phase in Türkiye–EU relations, during which the country's economic and monetary policy performance was closely examined in the annual EU Türkiye Reports, particularly with regard to macroeconomic stability, inflation, fiscal discipline, and central bank independence. These reports addressed factors such as Türkiye's economic growth rates, inflation levels, fiscal discipline and the independence of the Central Bank of the Republic of Türkiye, showing the level of progress and, if there are, shortcomings in aligning with EU standards (European Commission, 2019). Particularly, the depreciation of the Turkish lira, persistently high inflation rates, challenges in maintaining fiscal discipline, unemployment, and concerns regarding the independence of the Central Bank were among the key issues highlighted in the economic and monetary policy chapters of the reports during this period (European Commission, 2023; OECD, 2022). These challenges are consistent with broader assessments of Türkiye's macroeconomic performance, which has been found to lag behind many EU member and candidate countries in comparative analyses of key economic indicators (Ela, Doğan, & Uçar, 2018).

By 2023, relations between Türkiye and the European Union had become increasingly complex, shaped by persistent disagreements over accession negotiations, democratic reforms, economic governance, and foreign policy priorities. In this context, President Recep Tayyip Erdoğan stated in September 2023 that Türkiye–EU relations had reached a critical juncture and that the two sides could ultimately diverge if the EU continued to exclude Türkiye from the membership process (Armutlu, 2024; Euronews, 2023).

This study aims to examine the assessments presented in the European Union Türkiye Reports published between 2018 and 2024 regarding Türkiye's economic and monetary policies. It further evaluates the extent of Türkiye's alignment with EU economic governance principles and identifies the key challenges encountered during the accession process. Furthermore, considering recent sources in the literature, it seeks to discuss the necessary steps and developments that Türkiye must oversee in the economic and monetary policies context as it is part of the EU accession process. The Türkiye Reports play a significant role in assessing Türkiye's alignment with EU standards across a wide range of policy areas.

These mentioned Türkiye Reports have a significant role in assessing Türkiye's alignment with EU standards across various fields. These reports examine Türkiye's policies on gender equality (Bolat & Develi, 2020), economic indicators (Özeş Özgür & Zanbak, 2020), irregular migration management (Çavuş & Ünal, 2020), and their impacts on financial markets

(Hatipoğlu & Dilber, 2023). Although Türkiye has made considerable efforts to implement the reforms recommended by the EU, it continues to face challenges in areas such as gender equality and economic performance when compared with other EU member states.

Although quite number of studies have been conducted on Türkiye's alignment with EU economic and monetary policies during its accession process, most of these works predominantly focus on macroeconomic indicators and do not thoroughly examine the critiques and recommendations outlined in the EU Türkiye Reports. The 2018–2024 period represents a critical phase in Türkiye–EU relations, characterized by significant global economic and political challenges as well as substantial macroeconomic fluctuations within Türkiye. During this period, the EU Türkiye Reports have provided essential assessments of Türkiye's economic reforms and degree of monetary policy alignment. In this context, this study aims to provide insights and recommendations to guide future policy proposals. alignment in monetary policies. In this context, this study offers insights.

In addition, the inflationary pressures, exchange rate fluctuations, and debates surrounding the independence of the Central Bank of the Republic of Türkiye that the country has experienced during this period have not been comprehensively examined from an EU perspective. Analyses of the factors limiting the effectiveness of Türkiye's economic and monetary policy reforms within the framework of EU acquis harmonization, as well as the long-term implications of these reforms, remain relatively limited in the literature. Specifically, issues such as Türkiye's implementation of the economic recommendations highlighted in the EU Türkiye Reports and the impact of these recommendations on decision-making processes remain largely unexplored in the literature.

Türkiye's EU membership process and its efforts to align economic and monetary policies with EU standards have generated significant debate regarding the country's economic performance and monetary policy orientation. In this context, the EU Türkiye Reports published between 2018 and 2024 provide an important basis for assessing both progress and persistent challenges in the harmonization process. It also analyzes progress and challenges in macroeconomic stability, fiscal discipline, and inflation control that have been efforts for Türkiye. In addition, the 2024 Türkiye Report comprehensively assesses Türkiye's harmonization process in economic reforms and monetary policy. Process and Türkiye's efforts to harmonize with the EU acquis and the obstacles it has encountered are examined in details in this study. When the main studies on the subject are examined;

Tunçsiper & Yakut (1998) analyzed Türkiye's EU harmonization process within the framework of the Maastricht Criteria and revealed the main difficulties encountered. While Türkiye has generally met the public debt criterion, it continues to face challenges related to inflation, interest rates, and exchange rate stability. Financing public deficits with public debt could affect competitiveness in a negative way. The study emphasizes that increasing fiscal discipline, strengthening the independence of the Central Bank and accelerating structural reforms are critical. It was concluded that Türkiye's development of effective policies is important not only for EU membership but also for sustainable economic stability.

Çomaklı, Ayrangöl, and Tekdere (2014) note that the EU integration process involves significant challenges arising from the need to harmonize diverse economic and institutional structures, particularly in policy areas where national systems differ substantially. The study highlights the importance of harmonizing Türkiye's tax policies with the EU acquis in the membership process. It is also stated that although some progress has been made in the tax system, structural differences continue, and reforms should be continued for harmonization. It is also recommended that administrative capacity be strengthened for sustainable harmonization.

Temur et al. (2015) conducted an analysis of Türkiye's public debt within the framework of the Maastricht Criteria and emphasized the influence of macroeconomic factors on debt dynamics. Their findings indicated that budget deficits and exchange rate depreciation contributed to increases in public debt during the 2000–2011 period, whereas rising inflation and interest rates were associated with a reduction in public debt levels. After 2001, fiscal and monetary policies performed close to the criteria in budget deficit and public debt ratios; however, the criteria were not met in some indicators. It was concluded that Türkiye's compliance with these criteria offers an important economic stability and growth opportunity.

Çalışkan (2023) examined Türkiye’s EU membership process within the framework of economic criteria and found that the country achieved substantial alignment in foreign trade through Customs Union integration. However, Türkiye lagged behind EU standards with regard to inflation and interest rates. The study further argued that Türkiye could withstand competitive pressures within the EU by maintaining macroeconomic stability and continuing structural reform efforts. It was stated that although economic progress was made on the way to full membership, political and structural obstacles continued. The study concludes that strengthening political and economic relations between Türkiye and the European Union remains of strategic importance for both parties, particularly in the context of economic integration, regional stability, and long-term cooperation.

In a study posted in 2024 by Yeniyıldız stated Türkiye's fiscal and monetary policies inside the context of the Maastricht Criteria, highlighting each their strengths and weaknesses. It was found that although Türkiye demonstrated partial success in maintaining public debt sustainability and fiscal discipline, it lagged behind EU standards with respect to inflation, interest rates, and exchange rate stability. The lack of Central Bank independence and the challenges of domestic borrowing undermined economic competitiveness. Transparency, fiscal discipline, and structural reforms are essential for both Türkiye’s EU integration process and the achievement of long-term economic stability.

The study is organized into several sections addressing the historical background of Türkiye–EU relations, the role of economic and monetary policies in the accession process, Türkiye’s compliance with the Maastricht Criteria, the assessments presented in the EU Türkiye Reports, and the challenges and future prospects of economic reforms. The paper concludes with a discussion of the main findings and policy implications.

The significance of this study lies in its comprehensive examination of Türkiye’s economic and monetary policy performance not only through macroeconomic indicators but also within the framework of the European Union’s official Türkiye Reports covering the period 2018–2024. While the existing literature generally evaluates Türkiye’s compliance with the Maastricht Criteria through specific economic indicators or limited time periods, relatively little attention has been paid to a systematic analysis of the findings, criticisms, and policy recommendations presented in the EU Progress Reports over time. By addressing this gap, the study provides an EU-based assessment of Türkiye’s progress and shortcomings in the field of economic and monetary policy, analyzes the evolution of the reports’ evaluations across years, and offers a comprehensive perspective on Türkiye’s economic reform agenda within the context of the EU accession process. Furthermore, based on the findings, the study develops policy recommendations regarding price stability, fiscal discipline, central bank independence, and regional development policies, thereby contributing both to the academic literature and to policymakers.

2.Historical Background

2.1.Importance of Economic and Monetary Policy in Türkiye's EU Membership Process

In line with the globalization process, the changes that have been experienced in countries have transformed the needs and expectations of societies. This transformation has increased the need for societies to adapt to rapidly changing economic and institutional conditions and to promote continuous learning and innovation as essential components of sustainable development. The EU is recognized as a strong community that stands out in this global process (Sağlam, 2011:88). In this respect, the EU Türkiye Reports provide a comprehensive framework for evaluating Türkiye's progress in aligning with the EU acquis and identifying areas where further reforms are required to meet EU membership standards. These reports analyze the reforms carried out in the political, economic and legal fields and determine the progress and deficiencies (European Commission, 2023). Beyond their role in evaluating macroeconomic performance and policy alignment, EU Progress Reports have also influenced administrative reforms in Türkiye. In particular, the reports have encouraged improvements in tax administration through capacity-building initiatives, the digitalization of audit and monitoring procedures, and measures aimed at strengthening voluntary tax compliance. These developments illustrate the broader impact of the EU accession process on institutional modernization and public governance in Türkiye (Yavan, 2019). In this respect, the EU provides regular assessments of both the domestic and external policy developments of candidate countries through its annual progress reports. These reports evaluate reforms across political, economic, legal, and institutional domains and serve as an important mechanism for monitoring compliance with the EU acquis. Progress reports comprehensively address the external relations, economic conditions, and domestic challenges of candidate countries and guide the accession process by providing evaluations and policy recommendations aimed at addressing these challenges (Çomaklı, 2014:95–96).

Türkiye's relations with the EU have evolved through a long-term process that began in 1959. This process, formalized by the 1963 Ankara Agreement, requires Türkiye to undertake comprehensive reforms in preparation for EU membership. Also, it can be said that economic and monetary policy are prominent among the key issues of EU members. Within the framework of the Maastricht Criteria, conditions such as low inflation, limited budget deficits, sustainable public debt, and exchange rate stability constitute essential requirements for countries seeking membership in the European Union (Köse & Arı, 2023). Although Türkiye seeks to enhance fiscal discipline and economic stability in accordance with the Maastricht Criteria, EU assessments indicate that significant challenges persist in achieving full compliance with these requirements.

The establishment of the EU-Türkiye Customs Union in 1996 was a turning point. It removed tariffs on industrial products and aligned Türkiye's trade policy with the EU. EU Türkiye Reports have consistently highlighted the positive impact of the Customs Union, noting that it has successfully moved Türkiye's economy from a state-controlled regime to a market-based regime. It has also been noted that Turkish manufacturers of industrial goods have performed extremely well in this liberalized environment (Togan, 2014).

Türkiye's candidacy was announced at the Helsinki Summit in 1999 on equal terms with other candidate countries, and the European Commission began publishing annual Progress Reports on the harmonization of candidate countries with the EU acquis in 1998. These reports include detailed information on the necessary legal regulations and their implementation while evaluating the level of harmonization of candidate countries with the acquis (Ergin, 2006). Arslan (2009) states that progress reports evaluate the positive and negative aspects of a wide range of issues related to individual and social life in candidate countries. In this context, Türkiye prepared a National Program in 2001, which was a roadmap, and presented a calendar for harmonization with the EU acquis. In this context, the necessary reforms were listed for the effective, transparent and participatory provision of public services (Özer, 2007:68-69).

Although they are without legal binding, these reports are critical to Türkiye's EU accession process and influence policy-making processes. Interestingly, these reports also influence investor behavior in the Turkish stock market, and statistically significant abnormal returns were observed for 9 out of 17 reports analyzed between 2005 and 2022 (Hatipoğlu & Dilber, 2023). This shows that EU Türkiye Reports are taken into account in investment decisions and priced in Turkish capital markets.

Centel (2008) argues that, in addition to identifying shortcomings and areas of concern, progress reports also document the progress achieved by Türkiye. Therefore, these reports should be regarded not only as instruments of criticism but also as important guides for monitoring the country's reform process. In Türkiye's reports that have been published between 2018 and 2024, deficiencies in economic and monetary policy were frequently emphasized. Also considered, the independence of the Central Bank, inflation control and fiscal discipline were the main focal points of the reports during this period (European Commission, 2024). These reports could serve as a manual for policymakers as they decide the strengths and weaknesses of Türkiye's financial regulations. However, the problems which have been addressed all through the implementation of those criteria are taken into consideration as vital points of criticism in the literature (Çetinkaya, 2024). Türkiye's EU membership process with the EU acquis inside the subject of economic and monetary policy. This compliance process is shaped within the framework of the Maastricht criterias.

Maastricht Criteria consider the economic and monetary policy standards that candidate countries must meet for membership to the EU. These criteria include relatively low inflation rates, a public debt to GDP ratio of less than 60 percent, a budget deficit to GDP ratio of less than 3%, and a stable currency rate. In EU Türkiye Reports, it is underlined that Türkiye's compliance with these criteria is not adequate, and the need for structural reforms in these areas is frequently stated (European Commission, 2022).

2.2.Maastricht criteria and Türkiye's harmonization process

The Maastricht Criteria set out the economic conditions that EU member states must meet in order to join the Economic and Monetary Union. These criteria include certain limits on price stability, public finances, currency rate stability and long term interest rates. For example, the annual inflation rate must exceed the average of the three member states with the lowest inflation by no more than 1.5 percentage points. The Maastricht Criteria also require that the public debt-to-GDP ratio should not exceed 60%, while the annual budget deficit should remain below 3% of GDP.

Türkiye is making efforts to comply with the Maastricht Criteria in line with considered EU membership goal. However, going over the limits that are determined especially for the public debt and budget deficit issues creates challenges in the compliance process. After the 2008 global economic crisis, deviations occurred in Türkiye's macroeconomic indicators and difficulties were experienced in compliance with the Maastricht Criterias. Various studies have been conducted on Türkiye's compliance process with the Maastricht criterias. Concerning the process of fulfilling the Maastricht criteria, for instance, Eğin and Yeşiltepe (2009) analyze the impact of the global financial crisis by evaluating Türkiye's public debt within the framework of the Maastricht criteria, and Genç (2010) examines the performance of the economy. Türkiye in terms of meeting the Maastricht criteria, Türkiye's relations can It is a long process that began with the Ankara Treaty in 1963 and entered a new era in 1987 with the submission of the request. For the membership, it is also considered a candidate country for the 1999 Helsinki Summit. These developments demonstrate that economic and monetary policy reforms have played a decisive role in Türkiye's EU accession process. In this context, the EU's economic framework is based on key principles such as the functioning of a free market economy, sound public financial management, and the maintenance of economic stability. From Türkiye's attitude, compliance with these criteria is important now not simplest for the dreams of full membership and harmonization with the EU, but also for the country's own economic power.

Throughout the EU accession process, economic and monetary policy has been shaped by a comprehensive framework of standards, criteria, and institutional decisions. In particular, the Maastricht and Copenhagen Criteria, together with decisions adopted at EU summits, have provided the principal benchmarks guiding the harmonization process. The Justice and Development Party (Adalet ve Kalkınma Partisi / AK Parti) government has been a frontier force in accelerating Türkiye's efforts to align with the EU. It can be argued that the initiatives have resulted in a complex change process encompassing political, institutional, and social transformations. This process cannot be reduced to a single process and has aimed to reshape both Türkiye's economic and political structure and to align with EU norms.

Maastricht criteria that are the primary criteria for economic harmonization with the EU, require countries that want to gain EU membership status to implement various reforms and demonstrate strong performance in areas such as price stability, public debt, budget deficit, interest rate stability and currency rate stability. Türkiye has made significant progress in its economic situation in the process of complying with these criteria and has reorganized it, and has implemented and taken steps in this context. The economic reforms in Türkiye's EU membership process are also of significant importance for the Turkish economy. In this context, economic and monetary policy has emerged as one of the important chapters in Türkiye's EU membership process. Throughout the accession process, the EU Country Reports have served as an important evaluation mechanism by assessing Türkiye's economic performance, highlighting areas of progress and remaining challenges, and offering policy recommendations to facilitate further alignment with EU standards.

As it is known, in the date of early 2000s, Türkiye implemented comprehensive reforms to accelerate EU relations with the AK Party government (Akın, 2018). These reforms included important steps to ensure economic stability and increase compliance with EU standards. However, the EU Türkiye Reports for the period 2018-2024 indicated that Türkiye experienced various losses of momentum in this reform process and encountered various difficulties in the economic field. These difficulties include high inflation, currency rate instability, opinions on issues such as the independence of the Central Bank, and deficiencies in structural changes that represent an important process. Türkiye's Consumer Price Index (CPI) Annual Change Rates (2005-2024) are shown in Chart 1.

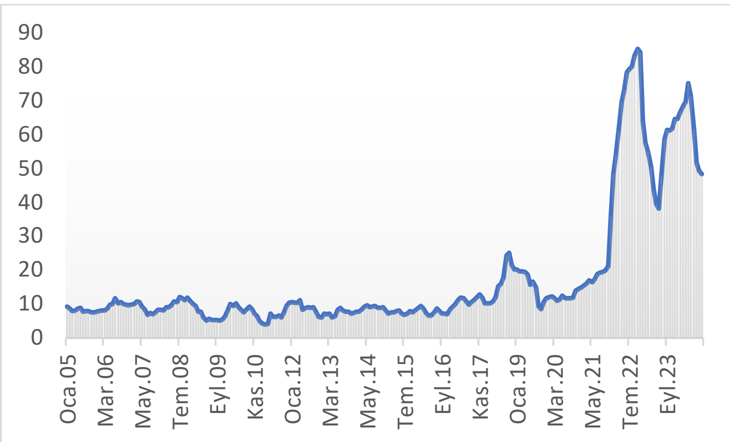

Chart 1. Consumer Price Index (CPI) Annual Change Rates (2005-2024) (2003=100)

(Central Bank of Republic of Türkiye)

The significance of economic and monetary policies in EU membership process is defined by the Maastricht Criteria, which provide a framework for guiding the country's economic reform efforts. However, the considerable progress made towards the objective of alignment with the EU, particularly during the early 2000s, the recent economic indicators have posed challenges to this process. According to the EU Türkiye Reports, the principal challenges requiring further policy action include persistent inflationary pressures, exchange-rate volatility, and ongoing concerns regarding the institutional independence of the Central Bank.

It is vital for both EU membership and the objective of increasing economic stability and global competitiveness that Türkiye could succeed in meeting the Maastricht Criteria. However, recent economic challenges and disruptions to the development process have further highlighted the need for comprehensive structural transformation.

2.3.Evaluation of Türkiye's economic and monetary policies within the context of Maastricht criteria

The EU has gained its status as a supranational institution that has cumulatively reached its establishment with the foundation of the European Coal and Steel Community (ECSC), and, as an another factor, with the introduction of the Euro currency in 2002. Harmonization with the EU in economic and monetary policy, which constitutes a fundamental component of Türkiye’s EU membership objective, is essential for participation in the economic integration framework provided by the Eurozone and the common market. While Türkiye continues its EU membership candidate status, which it obtained at the Helsinki Summit in December 1999, and in the economic studies carried out for full membership, it has taken into consideration the Maastricht Criteria determined in 1992 with the European Community member states and through the Maastricht Treaty.

Maastricht criteria mentioned were designed to ensure financial and monetary order in member countries, to eliminate differences between member countries and to achieve sustainable growth. Maastricht criteria consider the following (Aka and Gürsoy, 2014):

- Price stability criteria: According to this criterion, 12 month inflation in member states may deviate by 1.5 percent from the average of the three member countries that have best performance
- Budget balance criteria: This criterion aims to stabilize governments' financial situations. According to this criterion, the ratio of member countries' budget deficits to their gross domestic product should be at most 3 percent.
- Public debt criteria: This ensures that debts are sustainable. According to this criterion, the ratio of member countries' public debts to their gross national product should be at most 60 percent.
- Interest rate criterion: According to this criterion, interest rates may deviate by a maximum of 2 points from the average of the 3 countries with the lowest annual inflation among member countries.
- Currency criteria: This criterion ensures that the currency of a relative member country is close to being stable. According to this criterion, the currency of a member country should not have been devalued against the currency of another member state in the last 2 years.

In addition to domestic macroeconomic conditions, emerging economies are increasingly affected by external financial spillovers and global capital-flow dynamics. Changes in global liquidity conditions, international interest rates, and cross-border capital movements can constrain monetary policy autonomy and increase vulnerability to inflationary pressures and exchange-rate volatility. As a result, maintaining macroeconomic stability has become more challenging for developing and candidate countries seeking closer integration with international economic frameworks (Aizenman, Chinn, & Ito, 2017). Particularly during the high-inflation period between 2018 and 2023, Türkiye faced significant difficulties in meeting price stability benchmarks. Persistent inflationary pressures not only hindered compliance with EU economic convergence requirements but also constituted a major obstacle to achieving monetary stability and macroeconomic balance. It can be stated that the financial policy carried out by the critical financial institution and the fiscal policy of the authorities are not sufficient to hold price balance. High inflation also exerts significant pressure on the exchange rate, contributing to increased volatility and macroeconomic instability. And there had been a downward trend in the value of the Turkish lira. In terms of the norm to achieve a balanced budget, although Türkiye takes various measures. To control the budget deficit for a certain period of time. But it is still struggling to meet budget criteria due to high levels of public spending. The increase in the budget deficit to gross domestic product ratio has reached a correctable position, especially with the decrease in the currency rate protected deposit rate.

In terms of public debt, Türkiye has occasionally exceeded the 60 percent limit that is foreseen by the Maastricht criteria in terms of the ratio of public debt to gross national product and has steadily reduced this rate after 2002, with the exception of the last few years. This situation should be evaluated as an important positive component in terms of ensuring economic stability. Because the sustainability of public debt is critical in terms of future financial growth and signs.

The evaluation of Türkiye's economic and monetary policies in terms of the Maastricht Criteria is a reference factor in phrases of financial harmonization in Türkiye's EU club process. Türkiye has taken steps toward achieving monetary reform and stability; however, the reports emphasize that further efforts are needed to fully comply with the Maastricht Criteria.

Interest rate and currency rate criteria are also among the criteria that must be met. It is clear that Türkiye's interest rates are generally high due to the motivations of inflation pressure and eliminating currency rate fluctuations. Currency rates have been greatly affected by the country's foreign trade balance, capital movements and developments in international markets. The value of the Turkish Lira has fluctuated significantly, especially between 2018-2023. The Central Bank of the Republic of Türkiye policy interest rates (in %) (2002-2023) are shown in Chart 2.

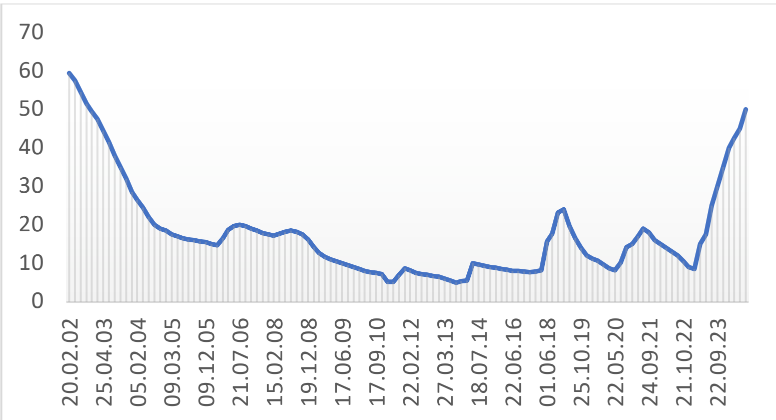

Chart 2. CBRT Policy Interest Rates (%) (2002-2023)

The examination of Türkiye's economic and economic guidelines within the context of the Maastricht Criteria is essential in terms of understanding the difficulties and harmonization efforts in the EU membership process. Criteria together with price stability, budget balance, public debt, interest rates and currency rates are the fundamental elements that compare economic overall performance and sustainable growth. Although Türkiye has implemented reforms to comply with these criteria, the economic negativities experienced in recent years have made it difficult to achieve the targets.

While high inflation and budget deficit negatively affect fiscal discipline, keeping public debts under control stands out as a positive element. However, the effect of interest rates and fluctuations in currency rates are considered as elements that increase the vulnerabilities of the economy. As a result, comprehensive reforms and decisive policies are needed for Türkiye to comply with the Maastricht Criteria to the full extent. These steps are considered necessary not only to comply with the criteria but also to increase economic stability and international competitiveness.

3.Evaluation of 2018-2024 EU Türkiye Reports

3.1.Economic and monetary policy developments highlighted in the reports

In general terms, since 2018, Türkiye has taken various steps in the economic and monetary policy field, but it has had difficulties in this process. According to the report, in 2018, Türkiye began to lose its independence due to political pressures on the Central Bank; there were deviations from the inflation target and increasing political pressures to reduce interest rates were observed. Türkiye has taken steps to develop its financial reporting system by presenting the Economic Reform Programme every year. It has been emphasized that full compliance with the EU acquis is necessary. According to the report, political interventions continued in 2019, which brought about some incompatibilities with EU rules; pressures on the Central Bank continued in 2020, the reduction of interest rates and deviation from the inflation target reduced the foresight in economic policies and it was stated that progress should be made in terms of reliability in estimates. The statement “On economic policy, good progress was made regarding the quality of public finance.” stated in the 2021 Report indicates that Türkiye was able to partially comply with EU economic and monetary policy rules in 2021. In 2022, high inflation and interest rate cuts caused some depreciation in the Turkish lira; however, improvements were observed in public finances. According to the 2023 EU Türkiye Report, the Central Bank’s monetary policy stance contributed to the deterioration of inflation expectations, which in turn negatively affected macroeconomic stability, exchange-rate dynamics, and overall economic confidence. As of 2024, Türkiye has initiated various processes to restore the independence of the Central Bank.

EU Türkiye Reports that have been published between 2018 and 2024 examined Türkiye's economic and monetary policy reforms. Although the report highlights the positive steps taken during this time, it also pointed out deficiencies, particularly in areas such as price stability, Central Bank independence and currency rate stability. They emphasized that changes should be implemented to address these deficiencies, and the importance of Türkiye making its economic policies more predictable and harmonious was emphasized. Türkiye’s Economic and Monetary Policy Determinations in the EU Türkiye Reports (2018-2023) are shown in Table 1.

Table 1. Türkiye’s Economic and Monetary Policy Determinations in the EU Türkiye Reports (2018-2023).

EU Country Report Year	**Evaluation on Economic Policy**	**Evaluations on Monetary Policy**
2018	A recommendation was made to increase the compatibility with the Directive on the Requirements of Budgetary Frameworks. The national accounts system was	Concerns about the Central Bank's independence have been expressed. However, it has been confirmed that the policy stance will not be eased even if the inflation target of 5% is exceeded.

	partially harmonized with Europe within the framework of ESA-2010.	
2019	A recommendation was made to align financial reporting and notification tables with ESA-2010. Progress was made on structural reform measures when it is compared to the previous year.	Concerns have been expressed regarding the independence of the Central Bank. In addition, the statements made for the Central Bank have been evaluated in terms of the identity of the institution and found negative.
2020	It was recommended that improvements be made to the accrual principle covering tax matters, together with the establishment of an independent fiscal board.	Concerns have been raised about the independence of the Central Bank. Dismissals and appointments have been described as opaque. To accelerate economic recovery, the RR has been lowered for banks that meet certain conditions.
2021	Good progress has been made in improving the quality of public finances and the Excessive Deficit Procedure tables. *Additional effort is recommended, and the view is positive if compared to previous years.*	Concerns have been expressed about the independence of the Central Bank. The transfer of 20 percent of the surplus to the Treasury has been criticized, with the bank being allocated as a reserve fund.
2022	There are improvements in public finance. An additional budget request was made due to macroeconomic conditions such as inflation. In addition, it was recommended that the reliability of macroeconomic forecasts be increased, and alternative scenarios be presented.	Concerns have been expressed about the independence of the Central Bank. The inflation target of 5% has been exceeded. The reduction of the policy rate has relaxed the monetary policy stance. The value of the Turkish Lira has been tried to be protected with tools such as the KKM. Monetary policy is inadequate for inflation expectations and has made the Turkish economy fragile.
2023	Similar to the previous year, an alternative scenario recommendation was presented. Although the economic plan has the characteristics of a plan that fully reflects fiscal measures, it was not presented before September 2023. The strengthening of green and digital transformation was discussed in the Economic Reform Program for 2023-2025, but more efforts are needed.	Concerns about the independence of the Central Bank have been expressed. There has been a significant improvement in inflation due to the base effect. Following the elections, a normalization path was taken in policy with the increase in policy interest rates and various regulations.

2024	The excessive deficit procedure has made progress in terms of data and data timing. The policy recommendations in the Economic and Financial Dialogue Meeting outcomes have been further implemented this year.	Concerns about the independence of the Central Bank have been expressed. Monetary tightening has provided room to lift measures previously implemented to maintain a low real interest rate environment.

Source: Compiled by the author from Türkiye reports prepared by the European Commission.

In the EU reports between 2018-2024, partial improvements were observed in Türkiye's economic policy, and it was stated that progress was made in areas such as ESA-2010 compliance, quality of public finances and structural reforms. However, continuous improvement recommendations were made in areas such as fiscal transparency, reliability of macroeconomic forecasts and alternative scenario production, and it was emphasized that more efforts were needed in these areas. Although the expansion of economic reform programs with modern focuses such as green and digital transformation in 2023-2024 was seen as positive, it was stated that these steps needed more efforts at the implementation level. It was also frequently mentioned in the reports that problems such as inflation and additional budget requests increased economic fragility.

4.The Position of Economic and Monetary Policies in the EU Acquis

4.1.Maastricht criteria and Türkiye's situation

The Maastricht criteria play an important role in the EU economic integration process. These criteria determine the economic conditions that countries that are or may become members of the European Union must meet in order to achieve economic and monetary union. Türkiye has taken important steps to comply with the Maastricht criteria. and has taken steps to improve economic indicators The comprehensive measures taken after the 2001 economic crisis aimed to achieve economic stability. To support Türkiye’s efforts to comply with the Maastricht Criteria and strengthen public financial management, inflation has been brought under control since 2002.

When evaluating the price stability index, it can be seen that Türkiye made progress in dealing with high inflation in the early 2000s; however, it resumed its upward trend in 2017 and beyond, and price stability returned after the 2024 elections. In particular, the economic difficulties caused by the pandemic and the Russo-Ukrainian war in 2020-2021 resulted in high levels of inflation (Caldara et al., 2022) in terms of currency rate stability. This is despite the fact that Türkiye has adopted a flexible currency rate system. difficult to standardize In terms of budget, Türkiye has displayed a more positive performance in terms of compliance with the Maastricht Criteria. The fiscal policies implemented after the 2001 crisis contributed to the decrease in the ratio of public debt to national income and to keeping the budget deficit at a certain level. However, as mentioned, there was an increase in budget deficits in 2020 due to the effects of the pandemic on the economy (Auerbach & Gale, 2022).

As a result, Türkiye's compliance with the Maastricht criteria has ended for some time. This is primarily due to persistent challenges in achieving both price stability and exchange rate stability. However, the structural reforms implemented during 2018-2024 are intended to support economic growth and ensure financial stability. To maintain sustainable economic growth and a stable financial structure for Türkiye in line with the Maastricht criteria. It is extremely important that Türkiye resolutely continues its reforms and continues to pursue an economic policy consistent with EU standards. This process will also support Türkiye's progress towards EU membership. Türkiye's Compliance with the Maastricht Criteria is shown in Table 2.

Table 2. Türkiye's Compliance with the Maastricht criterias

Criteria	Standards	Türkiye's Situation
Price Stability	Inflation should not deviate above 1.5 percent in the top 3 best performing countries.	Türkiye's inflation rate remains above Maastricht standards.
Budge Balance	The ratio of the budget deficit to gross domestic product should not exceed 3 percent.	The budget deficit in Türkiye is above the Maastricht criteria, but efforts to reduce the budget deficit and achieve savings are seen in 2023 and 2024.
Public Debt	The ratio of public debt to gross domestic product should not exceed 60 percent.	Türkiye has performed well on this criterion, with its public debt ratio generally remaining below 60%.
Interest Rate	Long-term interest rates should not deviate above 2% in the 3 low-inflation countries.	Interest rates in Türkiye are at high levels due to inflation pressure and have failed to meet the Maastricht criterias.
Currency	The currency rate must remain constant for two years, and there must be no devaluation.	The currency rates have increased since 2018 and the TL has experienced depreciation.

Source: Compiled by the author.

Within the scope of the Maastricht criteria, Türkiye has shown a successful performance, especially in terms of the ratio of public debt to GDP, and has remained below the 60% limit. However, it has difficulty in complying with the criteria in the areas of inflation, interest rates, budget balance and currency rate stability. While high inflation and currency rate fluctuations negatively affect economic stability, the budget deficit and interest rates are above Maastricht standards. This situation shows that Türkiye needs to continue its compliance process with economic reforms and structural adjustments.

Structural problems that Türkiye faced in monetary policy

The main challenges facing Türkiye's monetary policy include high inflation, exchange-rate fluctuations, and concerns regarding central bank independence. Inflation is one of the chronic problems of the Turkish economy (Tunalı & Şıklar, 2015) and remains on the agenda as a factor that complicates efforts to achieve economic stability. High inflation has led to unpredictable prices and increased uncertainty in economic decision-making. Fluctuations in exchange rates have increased import costs, contributed to inflationary pressures, and further widened the foreign trade deficit. Türkiye's growth-oriented policies and foreign trade performance can be considered as positive factors supporting EU harmonization efforts.

It can be stated that the discussions on the independence of the Central Bank were included in the report with the idea that they could negatively affect the effectiveness and predictability of monetary policies. The independence of the Central Bank from political pressures is a key prerequisite for the effective formulation and implementation of long-term monetary and economic policies. The uncertainties experienced regarding the independence of the Central Bank and the criticisms made on the subject have caused nominal declines in investors' investments in Türkiye in some periods. In 2023, Türkiye decided to raise interest rates in order to restore price stability and create a rational relationship. Türkiye's foreign trade volume has increased significantly in recent years. The income from exports contributes to economic growth. It is critical to overcome the structural challenges Türkiye faces in monetary policy and implement reforms that pursue macroeconomic balance and enhance sustainability. Türkiye's foreign trade volume from 2013 to 2023 is shown in Chart 3.

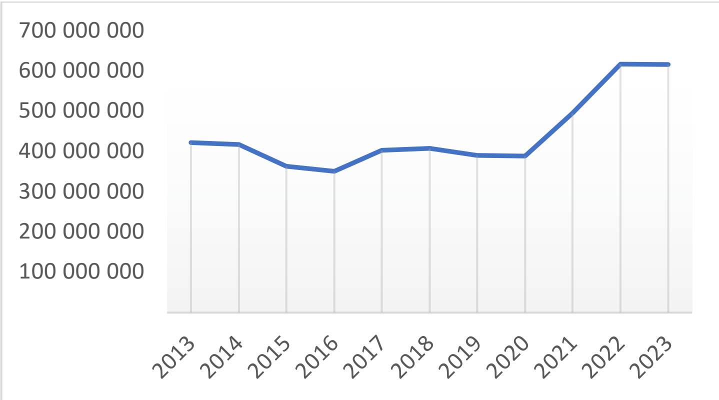

Chart 3. Türkiye's Foreign Trade Volume Between 2013-2023 (Thousand USD) TURKSTAT, 2024)

Reforms aimed at enhancing the sustainability of Türkiye’s economic structure represent a critical phase of the EU membership process, and concrete steps are required to ensure long-term economic sustainability. Furthermore, greater predictability in monetary policy, a sustained commitment to inflation control, and a stronger degree of central bank independence are essential for achieving long-term macroeconomic stability. In addition, increasing transparency in financial markets Improving the investment climate and effective implementation of structural reforms. It is considered an important element in ensuring Türkiye's economic stability, and achieving economic growth goals. It can be said that Türkiye’s efforts to increase economic stability as of the 2023 elections will be an important stage in the EU harmonization process, and this situation is stated in the 2024 Türkiye Report as follows:

“After the presidential and parliamentary elections in May 2023, the central bank significantly tightened its monetary policy stance to rein in the very high inflation and anchor inflation expectations. It reinstated the policy rate as the primary instrument of monetary policy and raised it gradually from 8.5% to 50% between June 2023 and March 2024. The monetary tightening and strengthening of monetary transmission created space for the gradual unwinding of some of the distortive macroprudential measures that were introduced to sustain the previous policy regime of extremely low real interest rates. However, certain macroprudential regulations that limit and direct credit, constrain market-based risk pricing and capital allocation remain in place.” (Türkiye 2024 Report, 2024).

High inflation and currency rate fluctuations are factors that may prevent Türkiye to achieve its economic growth targets in full performance. Criticisms regarding the independence of the Central Bank and the predictability of monetary policies may guide the steps that need to be taken to make Türkiye’s monetary policies more sustainable. Strengthening the institutional independence of the Central Bank and enhancing the predictability of monetary policy are fundamental prerequisites for the development of well-structured, credible, and sustainable economic policies that support long-term macroeconomic stability and economic growth in Türkiye. Türkiye’s efforts to solve the problems it faces in its economic policy are positive and open to development in terms of ensuring economic stability and achieving sustainable growth targets.

The structural problems Türkiye faces in monetary policy revolve around high inflation, currency rate fluctuations, and uncertainties regarding the independence of the Central Bank. These problems make economic stability and sustainable growth targets difficult. Although tools such as interest rate increases have recently been used to address inflation, structural reforms are still needed to ensure macroeconomic stability and enhance the predictability of monetary policy.

Strengthening the independence central bank and implementing transparency principles will play an important role in increasing investor confidence. In addition, important steps toward exchange rate stability and inflation control are essential for ensuring sustainable economic conditions. While Türkiye’s efforts to strengthen its economic policies in the EU harmonization process are making positive progress, it is clear that more holistic and long term reforms need to be implemented in this accession process. It is assessed that these reforms will not only increase compliance with EU standards but also increase Türkiye’s global economic competitiveness.

5.Discussion

Türkiye's alignment with the Maastricht Criteria is critical to its EU accession process but has faced significant challenges, particularly in price and currency rate stability.

Scholars like Eğin and Yeşiltepe (2009) and Genç (2010) note that inflation volatility and fiscal imbalances have hindered compliance, worsened by the 2008 financial crisis. From 2018 to 2024, weakened Central Bank independence and increased political intervention exacerbated economic uncertainty and inflationary pressures (European Commission, 2023). Structural inflation issues demand comprehensive monetary policy reforms (Tunalı & Şıklar, 2015). While Türkiye's reform efforts have shown some progress, they remain insufficient. Compared to other candidate countries, Türkiye struggles more with inflation control, currency rate stability, and fiscal discipline. Reports highlight the need for transparent and systematic reforms, stronger Central Bank independence, and improved fiscal management to align with EU standards (Backé et al., 2004; European Commission, 2023). Although Türkiye has achieved compliance with certain public debt criteria, persistent macroeconomic imbalances, irregular public expenditure patterns, and currency depreciation remain significant challenges. These factors highlight the need for further progress in economic integration and policy harmonization. The EU reports emphasize the importance of addressing these gaps to ensure sustainable growth and closer integration with the EU. When it is compared, the Western Balkan and Eastern European candidates performed better than Türkiye in meeting the Maastricht criteria, emphasizing the need for Türkiye to overcome structural weaknesses and adopt more effective economic policies.

5.1.Türkiye's Regional Economic Harmonization in EU Türkiye Reports

Türkiye's regional economic cohesion is a frequently discussed topic in EU Türkiye Reports. Although Türkiye has taken steps to reduce differences in regional developments, its performance in this area is lower than EU standards (European Commission, 2022). Also, the Southeastern Anatolia (Güneydoğu Anadolu) and Eastern Black Sea (Doğu Karadeniz) regions have fallen behind Western Anatolia in terms of economic development. EU Türkiye Reports emphasize that Türkiye needs to allocate more resources for regional economic development.

Türkiye’s incapacity to apply EU regional finances correctly stands out as a factor slowing down the economic integration manner. This situation requires Türkiye to restructure its regional development policies and make better use of EU financial support (Köse & Arı, 2023).

In addition, reducing regional development disparities is also considered as critical importance in terms of strengthening social cohesion in Türkiye's EU membership process. EU reports emphasize that unemployment rates should be reduced at the regional level, infrastructure projects should be accelerated, and the capacity of local administrations should be increased (European Commission, 2024). The EU Türkiye Reports show that although Türkiye has made progress in the process of regional economic integration, it is still insufficient in its ability to address development inequalities.

Another difficulty is that the inefficient use of EU price range is a key factor that negatively influences the implementation and sustainability of nearby improvement guidelines. In this context, Türkiye seeks to improve the efficiency of public resource allocation, prioritize strategic infrastructure investments, and enhance the institutional capacity of local authorities in order to achieve its long-term development objectives and strengthen regional competitiveness. It is also considered an important requirement for the country's economic and social stability.

5.2.Roadmap for Economic and Monetary Policies in Türkiye's EU Membership Process

In Türkiye's EU membership process, the establishment of a roadmap in terms of economic and monetary policies requires the determination of concrete targets within the framework of the Maastricht criterias. One of the primary focal points in this process is to reduce inflation rates to the levels predicted by the Maastricht criterias. In terms of ensuring long term price stability, controlling inflation is seen as a critical step. The EU Türkiye report and related studies emphasize that the independence of the Central Bank of the Republic of Türkiye should be strengthened in order to achieve this goal. (European Commission, 2023; Öztürk & Şimşek, 2018) It is estimated that effective monetary policy based on inflation targeting can be implemented by increasing central bank independence. Another important focus is ensuring discipline in public finances. Keeping the budget deficit and public debt at a sustainable level is among the basic requirements in the EU membership process. Türkiye needs to have comprehensive fiscal reforms in this field and increase transparency on budget (Köse & Arı, 2023). The transparent management of public expenditures and the broadening of the tax base are essential for meeting the Maastricht Criteria and fostering an environment that supports sustainable fiscal policies (Çetinkaya, 2021).

Moreover, maintaining currency rate stability is an important part of economic reform, so that a more predictable currency rate policy should be implemented to reduce the negative impact of exchange rate fluctuations that can make economic stability no longer operated. EU reports recommend the implementation of more robust macroeconomic policies in this area and point out that instability in currency rates negatively affects economic growth and foreign trade performance (Eğin & Yeşiltepe, 2009; Güler and Yıldırım, 2020). Transparency and predictability in currency rate policy have an important role in ensuring economic stability and increasing sustainability.

Finally, reducing inequality in regional development is an important goal in the process of economic integration. Türkiye and the EU In this context, it is important to increase investment in infrastructure and improve local government capacity, accelerating labor market reform especially in underprivileged areas. It will affect Türkiye's efforts to strengthen regional economic coordination (European Commission, 2022). In this context, infrastructure projects and local development initiatives will contribute to the development of a more sustainable economic structure of Türkiye that is in line with EU standards.

5.3.The Future of Economic Reforms in Türkiye-EU Relations: Opportunities and Challenges

The economic reforms that Türkiye has implemented in the process of integration with the EU have brought with them important opportunities and challenges. In this process, opportunities such as effectively benefiting from EU funds, accelerating regional development, and increasing foreign investments come to the fore. For example, the financial support mechanisms and foreign investments provided in the EU harmonization process can increase the growth potential of the Turkish economy (Aydın and Tekin, 2019; Backé et al., 2004). The use of these funds, especially in the field of infrastructure projects and regional development, can support Türkiye's economic development. In addition, the implementation of reforms in line with EU standards can increase Türkiye's global competitiveness by providing a more attractive investment environment in the international arena (Karaca, 2020). The increase in trade volume and foreign direct investments are also among the important opportunities in this process.

However, the difficulties that Türkiye encountered in the process of implementing economic reforms should be considered as noteworthy. This is because the political and economic pressures encountered during the EU accession process are the main factors that make implementing reforms difficult. Chronic inflation problems and currency rate fluctuations can negatively affect the success of reforms (Arslan, 2019; Tunalı & Şıklar, 2015). In addition, deficiencies in ensuring the independence of the Central Bank make it difficult to implement effective monetary policies and prevent long term economic goals from being achieved (European Commission, 2023; Kurt & Yılmaz, 2021). The impact of political interference in the Central Bank complicates Türkiye's economic reforms in the EU reconciliation process and somehow threatens economic stability and in this context, the effectiveness of Türkiye's economic reforms depends on existing opportunities and overcoming the challenges effectively that are encountered.

A successful process of economic reforms implementation of Türkiye would strengthen cooperation and relations with the EU and positively contribute to the accession process. However, strong political will and a comprehensive reform policies are required to overcome the difficulties encountered in this process. In this context, in order to successfully implement economic reforms in the EU harmonization process, Türkiye needs to improve principles in terms of transparency, accountability. Also, setting policies in line with international standards would be thought as an improvement.

CONCLUSION

Türkiye's economic and financial outlook between 2018 and 2024 highlights both the opportunities and the challenges arising from its EU membership aspirations. Türkiye's economic relations with the EU, through continuous negotiations and process, play an important role in clearly aligning the country's economic policy with international standards. While evaluations of this period suggest progress, significant work is still required to fully meet these standards. But there are still important problems that can be fixed. In this context, Türkiye needs to continue its process in the economic and monetary policies.

Türkiye largely meets EU standards in terms of public debt ratio in many areas but shows significant shortcomings in areas such as inflation, fiscal discipline and currency rate stability. Decreased independence of the Central Bank and expanded in political interventions have seriously negatively affected the effectiveness of monetary policies and economic stability. Regional economic development differences have emerged as another crucial factor slowing down Türkiye's efforts to comply with EU standards. The reforms identified in the EU–Türkiye Reports are of great importance not only for advancing Türkiye's EU accession process but also for strengthening the country's economic stability. To improve economic performance and advance EU harmonization, it is essential to accelerate structural reforms grounded in principles of transparency and accountability. Additionally, supporting regional development and reinforcing the independence of the Central Bank are key steps toward achieving these goals.

However, the economic and monetary policies challenges that Türkiye faces during EU membership process also present a transformation opportunity for Türkiye. Efforts to comply with the Maastricht criteria are a critical necessity not only for Türkiye’s EU membership goal but also for increasing its own economic sustainability. Reducing currency rate fluctuations and controlling inflation rates are important steps that will create confidence both in the domestic and international markets. It is also assessed that eliminating regional economic and development differences will improve Türkiye's social cohesion and help it be more compatible with EU regional policies. The economic and monetary policies of Türkiye have been subjected to comprehensive examination in the European Union's Progress Reports for the 2018-2024 period. Following the Maastricht criteria, advancements have been made in line with public finance and fiscal discipline. Nevertheless, obstacles have been faced in price and currency rate stability. This, actually, illustrates the necessity for accelerated structural reforms. The intensification of political interventions, particularly about the autonomy of the Central Bank, has had a markedly detrimental impact on inflation control and monetary policy predictability. The reports have emphasized the importance of reforms for achieving economic stability. This situation shows how accelerate structural reforms are needed. Increasing political interventions, especially about the independence of the Central Bank, have negatively affected inflation control and monetary policy predictability. The reports emphasized the importance of reforms in this area for economic stability. To look at regional development policies, the infrastructure and economic support needs of underdeveloped regions such as Southeastern Anatolia were indicated. It was stated that regional economic harmony is an element that strengthens social harmony. It was emphasized that Türkiye should create a roadmap for its economic and monetary policies, and it was stated that combating inflation, fiscal discipline, currency rate stability, and Central Bank independence should be the priority issues in this roadmap.

In order to strengthen the independence of the Central Bank of Türkiye, first of all, legal arrangements should be made to protect monetary policies from political interventions and articles that guarantee independence should be added to the Law on the Central Bank of the Republic of Türkiye. Management and appointment procedures should be based on merit, and the terms of office of bank governors should be fixed to ensure their independence from political pressure. Regular reporting and public accountability mechanisms should be established to focus monetary policy decisions on long term objectives and to enhance the predictability of policy instruments. Within the framework of compliance with the international standards, practice examples of other central banks should be taken as references when implementing reforms in line with the recommendations of organizations such as the International Money Fund (IMF) and Organisation for Economic Co-operation and Development (OECD). Also, awareness-raising campaigns and educational programs should be implemented to ensure that the people can comprehend and acquire the context and critical importance of the Central Bank for economic stability. However, in order to ensure the sustainability of the independence of the Central Bank, it is great importance to establish a strong management framework that limits political interventions and provides autonomy in decision-making processes.

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