

The Role of Monetary Policy in Stabilizing Inflation in Developed Economies

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Abstract. The paper investigates the effectiveness of monetary policy in controlling inflation within developed economies. By analyzing data from major central banks between 2000 and 2020, the research highlights the tools used to maintain price stability. The study finds that interest rate adjustments and quantitative easing are critical in managing inflation, although their impact varies across different economic contexts. The insights provide valuable guidance for policymakers.

Keywords: Monetary Policy, Inflation, Developed Economies, Central Banks, Quantitative Easing

Introduction

Monetary policy is a cornerstone of economic management, particularly in developed economies where inflation control is paramount. This research delves into the strategies employed by central banks to stabilize prices and ensure economic stability. By examining the period from 2000 to 2020, we assess the efficacy of interest rate adjustments and quantitative easing as tools for inflation management. The findings underscore the importance of context-specific approaches, as the impact of these tools can differ significantly across various economic environments.

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