

The Dynamics of Inflation Targeting in Advanced Economies

Pat Thomas
PhD
University of Oslo
Problemveien 7, 0315 Oslo, Norway

Rowan Hernandez
Dr.
Seoul National University
1 Gwanak-ro, Gwanak-gu, Seoul 08826, South Korea

Kim Adams
Prof.
Universidad Complutense de Madrid
Av. Séneca, 2, 28040 Madrid, Spain

Abstract. This article investigates the effectiveness of inflation targeting as a monetary policy framework in advanced economies. It examines the historical background, implementation, and outcomes of inflation targeting regimes. The study assesses the role of central banks in maintaining price stability and promoting economic growth through this approach. The findings provide insights into the challenges and successes of inflation targeting as a tool for economic management.

Keywords: Inflation Targeting, Monetary Policy, Advanced Economies, Central Banks, Price Stability

Introduction

Inflation targeting has become a widely adopted monetary policy framework in advanced economies, aimed at maintaining price stability and fostering economic growth. This article explores the dynamics of inflation targeting, analyzing its historical development, implementation strategies, and outcomes. By examining case studies from various countries, the study assesses the effectiveness of this approach in achieving its intended economic objectives. The insights offered are crucial for central banks and policymakers in refining inflation targeting practices.

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