



By: Emre Alkin

Economic growth and low inflation are natural results, not the promises of an election campaign



Often, women living in countries where unfair economic conditions prevail, have difficulty participating in the workforce.

One of the most important factors causing women's inability to contribute to the economy is high inflation.

Let alone the fact that high inflation leads to moral decadence, it destroys everything that cherishes life and awareness while swelling prices yet not increasing the value of life. It creates political and social corruption.

For this reason, the US and the EU always prioritise the fight against inflation. A recent and tangible example is that, for the first time in history, inflation is described as a threat in the National Security Strategy of the United States of America.

The difference between developed and underdeveloped countries is this: developed countries care about creating value, whilst underdeveloped countries care about assets.

Interestingly, the aspects that increase the real value of assets are the right to own property, other civil rights and liberties, quality education for everyone, and the rule of law.

Therefore, achieving high economic growth does not always provide the welfare and development that people of a country deserve. The market actors who are upset by Federal Reserve Chair Powell's recent address should learn how to tell one from the other.

In order to turn short-term gains into long-term and lasting value, inflation, which creates value corruption, must be tamed

If inflation is allowed to go up unchecked, values would deteriorate and then so would the assets.

So, in order to turn short-term gains into long-term and lasting value, inflation, which creates value corruption, must be tamed.

As I have mentioned in my previous articles, German hyperinflation and depression in the 20th century resulted in the rise of Hitler, who drowned the world in blood under the pretext of "fighting the corrupt system".

Totalitarian regimes in Latin America persecuted their people for similar reasons. A country's state of constant turbulence and crisis often tends to provoke the desire to control and dominate everything.

Wise and rational leaders do not want lasting measures to control inflation and suspend the price mechanism because they know that once the balance is upset, it will be a long, difficult and costly process to restore it to normal.

They also avoid making any decision that might increase the effective demand before determining the causes of inflation.

Experienced decision makers know very well that wage and salary hikes put into effect to ensure that citizens do not crumble under high inflation do in fact make inflation even stickier.

The autonomy of central banks is therefore extremely important since they use interest rates as a weapon against the demand-increasing policies of the governments crafted out of political concerns.

Central banks and governments in countries where the rule of law exists are in agreement most of the time

Make no mistake: central banks and governments in countries where the rule of law exists are in agreement most of the time.

Economic growth and low inflation are natural results, not the promises of an election campaign.

Not only monetary policy but also fiscal policy comes into play in the combat against inflation. If one policy is too tight and the other too loose, this would lead to severe

disruptions over the medium term.

Since democracy requires reconciliation and understanding, in developed countries, the fight against economic troubles is carried out within the coordination of the relevant institutions.

The Fight Against Inflation Must Continue

When economic activity increases more than expected while combating inflation, wise leaders do not say, "That's great! We are killing two birds with one stone!"

On the contrary, they start having concerns about whether the implemented policies have been barely reducing the effective demand, and inflation will most likely continue to rise.

To prevent their concerns from becoming significant problems, they instantly introduce strong measures to keep inflation low and GDP growth at ideal levels, instead of a rapidly growing economy under high inflation.

Through experience, leaders can perfect their ability to devise and implement such effective measures.

For example, a goal scored by the weaker team early in a match is often not a good sign. Most of the time, this weaker team, intoxicated by early success, gets defeated by their opponents.

Another example would be relying too much on your skills as a driver and driving on snow and icy roads without using winter tyres.

Further examples may include passing a hot drink or soup over the heads of your children, leaving valuables near the sink, or trying to repair electrical or plumbing issues without proper knowledge.

Perhaps the perfect example was a slogan I read on a bumper sticker which said, "He loved to overtake, RIP!"

Macroeconomic decisions are taken by politicians, not by bureaucrats

People who love doing dangerous and risky things tend to believe that luck will always be on their side. For this reason, they ignore others' warnings. But often they endanger not only their own life, but also the lives of others.

Never forget: Macroeconomic decisions are taken by politicians, not by bureaucrats. Therefore, I must define the importance of this industry before the end of the article.

Politics is neither a social vocation and service that anyone can do, nor, as the well-intentioned think, is a super formula that will instantly put a country in a good condition, when implemented by well-educated people.

As every honest worker, a politician should also hold indispensable qualities such as selflessness, patriotism, love for people and nature, reasonable thinking, and obviously, awareness of moral principles and ability to act upon them.

Considering that all the evil doings throughout human history were also committed by well-educated people, we see that the problem is not about education in school, but rather about the education one receives from their parents, and their social environment.

The ideal personality traits and virtues in a politician take shape when education is combined with good teaching.

First, the parents must display honest and ethical behaviour so that their teaching can achieve its intended purpose.

However, a good educational background and strong virtues are not enough alone. Politics requires experience, especially practice in the field.

One has to have the strength and the courage to warn a leader when those who advise him or her do not do the right thing. Moreover, to

embrace politics not as a career, but as a service to people and nation is the key for fair practice.