

Richard Cantillon and Covid-19 Measures: An Assessment from Turkish Case

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Abstract:

The Covid-19 pandemic had abrupt effects on economic and social life. As this health crisis quickly evolved into a humanitarian and economic crisis, we observed significant repercussions particularly for vulnerable groups. The public and economic policy response to this challenge have been rather strong and swift. Almost all countries implemented an array of support measures, ranging from monetary policy to fiscal policy, from regulatory measures to employment and so on. Nevertheless, since the outbreak of the pandemic, we have also observed a considerable deterioration in income and wealth distribution. This study analyzes the measures taken in Turkey during the initial phase of the Covid-19 outbreak and provides a basic comparative assessment. Additionally by focusing on Turkish policy choices, the possible outcome of these measures are discussed considering the Cantillon Effect, relative inflation and particularly from the perspective of the notion of the entry point of measures and the possible flow path that would have distributional consequences. The proximity to the decision making body and the choice of policy tools (entry point of measures) are of significant importance as the ability to utilize these measures and face the adverse effects and/or the costs. The policy set implemented in Turkey during the Covid-19 pandemic provides an interesting example to the outcome that was foreseen by one of the earliest contributors to the conventional history of economics: Richard Cantillon.

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