



By: **Emre Alkin**

How to Tackle Inflation and Economic Disorder: You can try this at home



Many countries are beginning to see changes in their governments. In some nations, there are preparations for shifts in economic management and Central Bank leadership.

Some countries are still engaging in dollarisation due to historical habits. Of course, nearly all of these are developing countries.

Previous administrations largely resorted to manipulating figures, presenting imbalances as normal, managing centrally by appointing inexperienced and often brilliant-diplomaed individuals, spending resources on mega-projects without social benefits, and implementing price ceiling or floor policies that never truly functioned.

During my travels to numerous countries and regions, regardless of cultural or approach differences, I noted mistakes one by one.

Therefore, I have prepared a universal prescription for those taking office anew. I also included reminders to avoid repeating the errors of previous administrations.

Below, I explain the details of a comprehensive reform package, its potential advantages, and whom it may benefit as we undertake these reforms.

Urgent Measures to Be Implemented

1. Ensuring Official Figures Reflect Reality: Accurately and transparently calculating indicators like inflation and growth provides a true picture of the economy. This facilitates informed decision-making by policymakers and citizens, increases confidence, and stabilises markets. First, authorities reporting official data must be monitored and cross-checked with international calculations and actual data to detect manipulations. This should be the immediate priority.

2. Realistic and Gradual Liberalisation of the Exchange Rate:

Controlling exchange rate fluctuations is an essential disease of economic management. A gradual and realistic free market environment allows markets to renew themselves and stabilise the dollar, reducing costs and contributing to price stability. As controls are eased, sharp fluctuations in exchange rates become inevitable, but the market will come down if the administration gains respect and confidence. Be aware that exchange rate controls artificially inflate national income in dollar terms, creating illusions—appearing prosperous while poverty persists.

3. Permanent and Serious Public Savings: Increasing fiscal discipline reduces budget deficits, cuts high interest payments, and is critical in combating inflation. This lowers interest rates and directs public resources to sectors like education, health, and infrastructure. However, as the public sector grows, savings become harder. Therefore, shrinking the public sector is always a political trade-off between people's wealth and absolute power.

4. Appointments Based on Experience, Not Diplomas: Hiring managers based on merit and experience increases efficiency in public administration. This ensures effective implementation of economic and structural reforms and boosts confidence in governance. Unfortunately, many appointments are driven by centralisation ambitions, preferring well-diplomaed but inexperienced persons who follow orders rather than knowledgeable individuals. Someone with genuine expertise, patriotism, courage, initiative, foresight, and proven success in previous roles should be preferred in the fight against inflation and economic problems.

5. Removing Mega Projects from the Agenda and Restructuring Support Mechanisms: Preventing bureaucracy and waste, reassessing or halting projects that have already been allocated resources, and using public funds more efficiently reduce costs in the fight against inflation while providing direct support to low-income and retired citizens. The well-being of citizens depends

more on their quality of life than on owning “the largest” or “most prestigious” buildings or facilities; historically, there is no example of increased well-being solely through ownership.

6. Strengthening Market Oversight:

Enhancing supervisory mechanisms ensures price stability and prevents unfair competition. This reduces inflationary expectations and controls price increases. Sadly, in developing countries, this oversight is often neglected, with periodic superficial efforts that are later sabotaged or deprioritised due to vested interests.

7. Reducing VAT on Essential or Vital Goods to 1%:

Develop a list of basic goods and services that simplify life for ordinary citizens using modern parameters, lowering indirect taxes to reduce living costs. Achieve effective price control to ensure success.

Medium-term measures

8. Achieving Self-Sufficiency in Agriculture and Food, Eliminating Monopolies and Oligopolies: Agriculture and food sectors frequently create problems in developing countries. Unfair profits and wealth accumulation start here and are fundamental causes of inflation and high living costs. If a brave government eliminates monopolised structures, food price volatility decreases, and the public gains access to affordable basic foods. This also reduces inflation and strengthens solidarity. Preventing inefficiencies and damages in transportation from farm to market is equally important.

9. Infrastructure and Trade Regulation to Lower Costs:

Investing in logistics and infrastructure accelerates the flow of goods and services, reducing costs. Optimising customs and tax policies prevents unfair gains, ensuring market order. The government must undertake infrastructure investments that reduce production costs and persuade citizens to sell at reasonable prices. The cycle of prioritising “welfare” then begins.

10. Reform of Property and Tax Policies:

Increasing market transparency in real estate and implementing fair taxation prevents speculation, aligning market prices with reality and stabilising inflation. Tax reforms for owners of multiple properties are essential for social justice.

11. Enhancing Energy and Technology Efficiency:

Ensuring energy supply security, investing in alternative energy sources to reduce costs, and improving energy efficiency can lower production expenses. Additionally, reducing taxes on technological products positively affects consumer prices and supports stable inflation.

12. Automotive and Transportation-Communication Systems:

Removing high tariffs and indirect taxes on vehicles and applying standardised VAT and Special Consumption Tax rates on regular goods and services reduces transportation costs. This provides relief to citizens' budgets and contributes to price stability. It also eases the burden on those taking loans to purchase vehicles. Reducing the government's share in communication and transport sectors or increasing private sector competition further helps lower prices.

13. Customs Policy:

Reducing import taxes and regulating lobbying within customs authorities promote greater market competition, helping maintain prices at reasonable levels.

14. Education:

Developing cost-effective alternatives in the education sector that maintain quality, along with effective oversight of pricing, enhances overall societal welfare.

No Programme Can Succeed Without Public Support

As you can see, I did not include long-term measures because fighting inflation and increasing welfare are issues that need short-

and medium-term solutions.



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Realism is essential for newcomers to government. Empathetic communication about the side effects of the implemented reforms with citizens and the business community, listening to problems during processes rather than lengthy presentations, is the most prudent approach.

No programme can succeed without public support. Those appointed to say “no” to power groups and governments must be experienced and trustworthy.

Politics tends to be suspicious; it rarely accepts dissenters without verification.

Those working solely to protect their seats never persuade the public for the right reasons.

Therefore, the greatest enemies of administrations are not critics but those who, despite having a voice, remain silent due to vested interests.

Note: Stakeholders will surely oppose some of the above measures. However, if public welfare is at stake, concessions should not be made. Both society and politics must support these efforts. Reconciliation with society is possible, but agreement with special interest groups is not; they will always seek more.