Abstract

The recent economic and financial turmoil has led central banks around the world to heavily utilize unconventional monetary policy measures. Unconventional in this sense means a deflection from traditional central bank policy measures, i.e. interest rate innovations. Although these measures were widely discussed, the uniformed, coherent and comprehensive framework of such measures is still missing. The aim of this thesis is to establish the framework for possible classification of such policies together with transmission channels to the real economy. The empirical part examines the impacts of unconventional policies on real data using vector autoregression and vector error correction models. This analysis is based on monthly data period between 1999 and 2013, which is strongly affected by implementation of the unconventional policies in its second half. The last section examines the possible future of these policies as a normal instrument of central banks and describes their main challenges and shortcomings.

JEL classification: C32, E40, E44, E50, E52, E58, E60

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