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Abstract of the doctoral dissertation

THE EFFECTIVENESS OF THE EUROPEAN CENTRAL BANK'S UNCONVENTIONAL MONETARY POLICY FROM 2008 TO 2021

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The subject of this dissertation is to evaluate the effectiveness of the European Central Bank's unconventional monetary policy tools for the period 2008-2021. The study was conducted in the context of the global financial and economic crisis that began in 2007 and affected the eurozone economy. The ECB, in response to the crisis, implemented unconventional monetary policy tools such as quantitative easing, forward guidance, negative interest rates and credit operations,

There are many theories in the literature on the ineffectiveness of monetary policy, but there is no clear consensus on the impact of unconventional tools on the economy and financial market. A research gap has been identified due to the vagueness of the reasons for the ineffectiveness of central banks' actions.

The purpose of this study is to examine whether the instruments used by the ECB were effective in achieving the main objective of keeping inflation close to, but below, 2%. Two research hypotheses are posed, the first of which is that the ECB's unconventional monetary policy was ineffective for achieving its main objective, since its instruments had a limited effect on inflation and GDP in the euro area during the period under study. The second hypothesis, on the other hand, is that the ECB's unconventional monetary policy was effective in reducing the magnitude and duration of financial and economic crises between 2008 and 2021. The study used literature analysis, statistical data analysis, a vector autoregressive (VAR) model, and a state-flow consistent (SFC) model.

The structure of the study includes six chapters. Chapter one presents the theoretical basis of monetary policy, its objectives, instruments and transmission mechanisms. Chapter two analyzes the ECB's monetary policy from 1999 to 2021, with a focus on the response to financial and economic crises. The third chapter discusses theoretical concepts of monetary policy inefficiency. The fourth chapter is a review of the empirical literature on the effectiveness of unconventional monetary policy tools. The fifth chapter presents an empirical analysis of the ECB's actions using the VAR model, and the sixth chapter evaluates the effectiveness of these actions in reducing the effects of the financial crisis using the SFC model. The paper concludes with a summary of the results, and includes appendices presenting detailed data on the analytical models used.

Both of the stated research hypotheses were positively verified. The conclusion also indicates the applicability of the analytical results to economic policy and the directions for further research.

Keywords: unconventional monetary policy, financial crisis, inflation, VAR model, SFC model, European Central Bank