

Abstract

The thesis applies panel data analyses supported by vast stream of empirical literature with aim to capture and quantify effects of the monetary and fiscal stabilization policies on the macroeconomic indicators during COVID-19 pandemic, while also comparing effects of UMP and CMP monetary regimes. The results show that both the monetary and fiscal stabilization policies had positive and statistically significant impact on the real GDP growth. On the other hand, the effect of the stabilization policies did not have significant effect on the inflation during 2020-2021. The thesis also presents a small subsample of forecasting utilizing properties of VECM and comparing recovery paths of 3 European countries with different monetary regimes. We also conclude that there is no significant difference between monetary regimes utilizing UMP or CMP in terms of effectivity of the GDP growth stimulus and recovery paths of the macroeconomic indicators. Furthermore, we have concluded that the GDP sectoral composition played an important role in the economic impact on the country as countries with larger share of services suffered larger decrease of the real GDP and countries with large industrial sector faced higher inflation due to supply chain disturbance.

JEL Classification	E52, E31, E470, H51, H68, H61
Keywords	Covid-19, economic lockdowns, monetary policy, fiscal expansion
Title	Macroeconomic consequences of Covid-19 and the role of stabilization policies