Inflation Policy And Unemployment Theory The Cost

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Productivity Growth, Inflation, and Unemployment Palgrave Macmillan
The debate about the impact of money on unemployment and inflation is both highly controversial and crucially important to economic management in a modern economy. This book presents a critical up-to-date evaluation of the debate concerning the role of money and monetary policy in a modern economy. The book is particularly useful in that it demonstrates the relevance of monetary theory to debates about economic policy in the U.K. and the U.S. Moreover, it makes some normally complex areas of monetary theory accessible in a non- technical manner.
Unemployment in Western Countries Springer Science & Business Media
Monograph on approaches to the problems of inflation in developed countries - discusses inflation phenomena, economic theories concerning its causes and effects and economic policy measures to control it. Bibliography pp. 129 to 130, graphs and references.
Inflation Theory and Anti-Inflation Policy Duke University Press
Controlling inflation is among the most important objectives of economic policy. By maintaining price stability, policy makers are able to reduce uncertainty, improve price-monitoring mechanisms, and facilitate more efficient planning and allocation of resources, thereby raising productivity. This volume focuses on understanding the causes of the Great Inflation of the 1970s and ’80s, which saw rising inflation in many nations, and which propelled interest rates across the developing world into the double digits. In the decades since, the immediate cause of the period’s rise in inflation has been the subject of considerable debate. Among the areas of contention are the role of monetary policy in driving inflation and the implications this had both for policy design and for evaluating the performance of those who set the policy. Here, contributors map monetary policy from the 1960s to the present, shedding light on the ways in which the lessons of the Great Inflation were absorbed and applied to today’s global and increasingly complex economic environment.
Money, Inflation and Unemployment Elsevier
Inflation Policy and Unemployment TheoryLondon : Macmillan
Understanding Inflation and the Implications for Monetary Policy Lanham, MD : University Press of America
Seminar paper from the year 2007 in the subject Economics - Economic Cycle and Growth, grade: 1,0, University of applied sciences Frankfurt a. M., course: Inflation and the Phillips Curve, 16 entries in the bibliography, language: English, abstract: In this paper the author will discuss the relation of inflation and the Phillips curve. First, the concept and the different forms of inflation and their economical reasons will be explained. Afterwards the three prevalent models of the Phillips curve in literature are introduced and explained. The author will look into the theory of the NRU and NAIRU and how they relate to the concept of the Phillips curve. In the last part of the paper, the applicability and validity of the Phillips curve for Germany is investigated more closely and the characteristics of the Phillips curve for Germany will be described. The Phillips curve originates of an empirical study of Arthur W. Phillips in 1958. There he describes the existence of a negative relationship between the rate of unemployment and the nominal wage growth in the UK between the years 1861-1957. The curve shows, that the higher the rate of unemployment, the lower the rate of wage inflation. His work represented a milestone in the development of macroeconomics. Especially in the sixties and seventies, politicians in the USA and Europe thought they can interpret the relation of inflation and unemployment as a menu card of fiscal and monetary policy. A well-known quote by Helmut Schmidt, former chancellor of Germany in the 1970s, supports this thinking, when he said that an inflation rate of five percent is better than a five percent rate of unemployment. In the following years, a lot of different economist (Keynes, Samuelson, Friedman, Phelps, Lipsey et al.) modified the original curve and supported it with their customized theories. In this paper the author will discuss the relation of inflation and the Phillips curve. First, the concept and the different forms of inflation and their economical reasons will be explained. Afterwards the three prevalent models of the Phillips curve in literature are introduced and explained. The author will look into the theory of the NRU and NAIRU and how they relate to the concept of the Phillips curve. In the last part of the paper, the applicability and validity of the Phillips curve for Germany is investigated more closely and the characteristics of the Phillips curve for Germany will be described.
Employment without Inflation Sussex : Wheatsheaf Books ; Totowa, N.J. : Barnes & Noble Books
Studies in Macroeconomic Theory, Volume 1: Employment and Inflation is a collection of scholarly papers that accounts the development of a microeconomic theory of wage and price decisions and commitments. The book presents some features of the modern inflationary process and makes sense of some still accepted elements in the postclassical macroeconomics of Keynes and Phillips. The papers in this volume are grouped into seven sections. Part I describes disequilibrium models of employment. Part II gives closer scrutiny to the idea of the "natural" rate of unemployment. Part III studies the welfare economics of inflation in an equilibrium context. The fourth part deals with inflation planning. The papers in Part V discuss hypotheses about the causes of the rise in the rate of inflation in two historical episodes: the American inflation between 1955 - 1957 and 1972 - 1974. Part VI addresses some questions in the theory of economic stabilization by monetary and fiscal policy. The final section of this volume attempts to apply to matters of stochastic social choice, stabilization policy being one instance of such a choice, the conception of justice advanced by Rawls. The compendium will be of value to economists and economic policy makers.
Studies in Macroeconomic Theory Taylor & Francis
Intellectual time lags exist in every field of science. So it is that even today one often hears the same old “common knowledge” nonsense and simplistic analysis from the early post-Keynesian era when students learned about some of the monetary and fiscal policies applicable to the U.K. and its institutions (Keynes) on the premise that they are also applicable to the U.S. Many are not. The result has all too often been inflation or massive unemployment that continues even though it could be quickly ended without fiscal changes or new laws. This is a re-presentation of Professor Lindauer’s early ground-breaking work from the 1960s. It explains why not all Keynesian and neo-classical theory and monetary and fiscal policies are applicable to the unique structure and institutions of the United States and how the current United States’ malaise can be quickly ended - via a new approach to monetary policy, long ago explained by Lindauer and adopted by other countries. It was while at Claremont as professor of economics that Lindauer first modeled the concept of aggregate supply and related it with the concept of aggregate demand to develop many of the macroeconomic theories presented herein and integrate them into the then-existing theories of inflation and unemployment. Importantly in these days of high unemployment, the unique and quickly effective monetary policies he suggested years ago to end recessions and depressions without causing inflation or exacerbating government deficits are today immediately available without requiring fiscal changes or the passage of new laws and regulations. Professor Lindauer’s other publications include “Land Taxation and Indian Economic Development” (with Sarjit Singh); various editions of his Macroeconomics series; and his early ground-breaking journal articles such as “Stabilization Inflation and the Inflation-Unemployment Trade-off.” A non-technical version of this work is available as Inflations, Unemployment, and Government Deficits: End Them. It is suitable for journalists, laymen, and lawyers serving as Federal Reserve governors. Lindauer’s books have been translated into Japanese, Spanish, Portugese, Korean, Hindi, and Chinese and the policies his theories suggest implemented by central banks around the world. He has additionally served as a visiting professor at Sussex University, the University of California (SD), and Punjab University. He lives in Scottsdale and Chicago. His teaching is limited to lectures and visiting professorships.
Inflation and Unemployment W. W. Norton
Originally published in 1985 and contributed to by internationally renowned economists, this volume

discusses theoretical issues and country-specific experiences to review the underlying causes of the stagflation of the 1970s and early 1980s, as well as summarizing the kinds of macro-policies that were adopted to deal with the stagflation.
Money, Inflation, and Unemployment Cheltenham, UK : E. Elgar Pub.
This book pulls together papers presented at a conference in honour of the 1981 Nobel Prize Winner for Economic Science, the late James Tobin. Among the contributors are Olivier Blanchard, Edmund Phelps, Charles Goodhart and Marco Buti. One of the main aims of the conference was to discuss what potential role monetary policy has on economic activity and unemployment reduction in three key currency zones - the United States, European Union and Japan.
Monetary Policy and Unemployment Inflation Policy and Unemployment Theory
Monograph on economic theory of inflation and unemployment - discusses foundations in microeconomics, economic analysis relating to consumption, labour supply and job searching behaviour of the unemployed in an intertemporal perspective, the price, wages and information policy of the enterprise in terms of economic models, Phillips curve, etc. Bibliography pp. 355 to 365.
The Fearsome Dilemma Harvard University Press
This book reconsiders the role of the Phillips curve in macroeconomic analysis in the first twenty years following the famous work by A. W. H. Phillips, after whom it is named. It argues that the story conventionally told is entirely misleading. In that story, Phillips made a great breakthrough but his work led to a view that inflationary policy could be used systematically to maintain low unemployment, and that it was only after the work of Milton Friedman and Edmund Phelps about a decade after Phillips' that this view was rejected. On the contrary, a detailed analysis of the literature of the times shows that the idea of a negative relation between wage change and unemployment - supposedly Phillips' discovery - was commonplace in the 1950s, as were the arguments attributed to Friedman and Phelps by the conventional story. And, perhaps most importantly, there is scarcely any sign of the idea of the inflation-unemployment tradeoff promoting inflationary policy, either in the theoretical literature or in actual policymaking. The book demonstrates and identifies a number of main strands of the actual thinking of the 1950s, 1960s, and 1970s on the question of the determination of inflation and its relation to other variables. The result is not only a rejection of the Phillips curve story as it has been told, and a reassessment of the understanding of the economists of those years of macroeconomics, but also the construction of an alternative, and historically more authentic account, of the economic theory of those times. A notable outcome is that the economic theory of the time was not nearly so naive as it has been portrayed.
Inflation Princeton University Press
Current perspectives on the Phillips curve, a core macroeconomic concept that treats the relationship between inflation and unemployment. In 1958, economist A. W. Phillips published an article describing what he observed to be the inverse relationship between inflation and unemployment; subsequently, the “Phillips curve” became a central concept in macroeconomic analysis and policymaking. But today's Phillips curve is not the same as the original one from fifty years ago; the economy, our understanding of price setting behavior, the determinants of inflation, and the role of monetary policy have evolved significantly since then. In this book, some of the top economists working today reexamine the theoretical and empirical validity of the Phillips curve in its more recent specifications. The contributors consider such questions as what economists have learned about price and wage setting and inflation expectations that would improve the way we use and formulate the Phillips curve, what the Phillips curve approach can teach us about inflation dynamics, and how these lessons can be applied to improving the conduct of monetary policy. Contributors Lawrence Ball, Ben Bernanke, Oliver Blanchard, V. V. Chari, William T. Dickens, Stanley Fischer, Jeff Fuhrer, Jordi Gali, Michael T. Kiley, Robert G. King, Donald L. Kohn, Yolanda K. Kodrzycki, Jane Sneddon Little, Bartisz Mackowiak, N. Gregory Mankiw, Virgiliu Midrigan, Giovanni P. Olivei, Athanasios Orphanides, Adrian R. Pagan, Christopher A. Pissarides, Lucrezia Reichlin, Paul A. Samuelson, Christopher A. Sims, Frank R. Smets, Robert M. Solow, Jürgen Stark, James H. Stock, Lars E. O. Svensson, John B. Taylor, Mark W. Watson
Rewarding Work MIT Press
The world economy has undergone a fundamental transformation in recent decades and theoretical structures inherited from the 1930s through the 1950s, while retaining large elements of truth, are inadequate to deal with current problems. Benjamin Higgins feels that for a society such as the United States a fiscal policy needs to be adopted that can deal simultaneously with existing unemployment and inflation. He suggests three possible governmental policies: stimulating a high rate of long-run growth, by use of reward innovations and by maintaining the highest possible level of scientific and technical activity; isolating regions that are generators of inflation and others that are pools for unemployment; and establishing a system of direct controls similar to those used in wartime. Higgins describes the transformation of the cogent prewar business cycle, with its alternations of inflation or unemployment, then a transitional period of underemployment equilibrium and secular stagnation, and finally, the strange new world of today, one with economic fluctuations in the form of shifting trade-off curves and loops. He then applies his new paradigm to current problems, showing why they cannot be managed through macroeconomic monetary and fiscal policy. Higgins offers case studies of efforts to fight inflation and unemployment, and to reduce regional gaps, to show their strengths and weaknesses. It can be said that unemployment always results from too many people chasing too few jobs, and inflation is always caused by too much money chasing too few goods and services. Beyond such banal generalizations, Higgins maintains there is no single cause for either unemployment or inflation, and thus no single cure can be prescribed for either, let alone for both at once. Nor is it to be expected that the appropriate cure will prove to be the same in all countries at all times. He suggests that an optimal blend of monetary and fiscal policy that will produce the "minimum discomfort" is a good start. Employment Without Inflation will be of direct policy interest to economists, sociologists, and national planners.

Full Employment Abandoned Routledge
Publisher Description
The Great Inflation Routledge
Edited and with an introduction by Benjamin M. Friedman The connection between price inflation and real economic activity has been a focus of macroeconomic research--and debate--for much of the past century. Although this connection is crucial to our understanding of what monetary policy can and cannot accomplish, opinions about its basic properties have swung widely over the years. Today, virtually everyone studying monetary policy acknowledges that, contrary to what many modern macroeconomic models suggest, central bank actions often affect both inflation and measures of real economic activity, such as output, unemployment, and incomes. But the nature and magnitude of these effects are not yet understood. In this volume, Robert M. Solow and John B. Taylor present their views on the dilemmas facing U.S. monetary policymakers. The discussants are Benjamin M. Friedman, James K. Galbraith, N. Gregory Mankiw, and William Poole. The aim of this lively exchange of views is to make both an intellectual contribution to macroeconmics and a practical contribution to the solution of a public policy question of central importance.
Economic Policy and the Great Stagflation Springer
Monograph on economic theory and economic policies relevant to unemployment and inflation, proposing a cost benefit analysis approach to optimal monetary policy for the USA - includes economic models. References and statistical tables.
Monetary Policy, Inflation, and the Business Cycle Penguin Group
"Several areas in economics today have unprecedented significance and vitality. Most people would agree that stabilization policy ranks with the highest of these. Continuing inflation and periodic serious acceleration of inflation combined with high and secularly rising unemployment combine to give the area high priority. This book brings us up to date on an extremely lively discussion involving the role of expectations, and more particularly rational expectations, in the conduct of stabilization policy. . . . Anyone interested in the role of government in economics should read this important book."—C. Glyn Williams, The Wall Street Review of Books "This is a most timely and valuable contribution. . . . The contributors and commentators are highly distinguished and the editor has usefully collated comments and the ensuing discussion. Unusually for a conference proceedings the book is well indexed and it is also replete with numerous and up-to-date references. . . . This is the first serious book to examine the rational expectations thesis in any depth, and it will prove invaluable to anyone involved with macroeconomic policy generally and with monetary economics in particular."—G. K. Shaw, The Economic Journal
Keynes and Economic Policy MIT Press
This book by William Mitchell and Joan Muysken is both important and timely. It deals with the issue of the abandonment of full employment as an objective of economic policy in the OECD countries. It argues persuasively that macroeconomic policy has been restrictive over the recent, and not so recent past, and has produced substantial open and disguised unemployment. But the authors show how a job guarantee policy can enable workers, who would otherwise be unemployed, to earn a wage and not depend on welfare support. If such a policy is fully supported by appropriate fiscal and monetary programmes, it can create full employment with price stability, which the authors label as a Non-Accelerating-Inflation-Buffer Employment Ratio (NAIBER). This book is essential reading for any one wishing to understand how we can return to full employment as the normal state of affairs. Philip Arestis, University of Cambridge, UK This book dismantles the arguments used by policy makers to justify the abandonment of full employment as a valid goal of national governments. Bill Mitchell and Joan Muysken trace the theoretical analysis of the nature and causes of unemployment over the last 150 years and argue that the shift from involuntary to natural rate conceptions of unemployment since the 1960s has driven an ideological backlash against Keynesian policy interventions. The authors contend that neo-liberal governments now consider unemployment to be an individual problem rather than a reflection of systemic policy failure and that they are content to use unemployment as a policy instrument to control inflation and coerce the unemployed with work tests and compliance programmes rather than provide sufficient employment. They present a comprehensive theoretical and empirical critique of this policy approach, with a refreshing new framework for understanding modern monetary economies. The authors show that the reinstatement of full employment with price stability is a viable policy goal that can be achieved by activist fiscal policy through the introduction of a Job Guarantee. Full Employment Abandoned will appeal to graduate and postgraduate students and researchers of economics and politics with an interest in macroeconomic policy and the labour market, particularly unemployment and neo-liberal policy frameworks.
Springer
A collection of papers on the relevance of Keynes' economic theory after 50 years. It covers a diversity of topics relating the theory to subjects varying from the effect of fiscal reflation upon employment, and the significance of public sector borrowing to the international dimension.
Inflation, Unemployment, and Monetary Policy Princeton University Press
On the basis of theoretical considerations and on the evidence of real-world economies, Frank Hahn demonstrates in unequivocal terms that Monetarism offers an implausible solution to the most pervasive economic problems. He confronts the central issue of current economic theory by making the case that the growth of the money supply is not a necessary cause of inflation, as the Monetarists have assumed. And he contends that inflation is in any case not the overwhelming satanic force disrupting society and the economy that the strict Monetarists think it to be on theoretical grounds and so many others feel it to be in terms of practical economic realities. It is the tax systems, he points out, that are the real influence at work against the economies of the industrialized nations. Frank Hahn, one of Britain's most eminent economists, is Professor of Economics at Cambridge University and author of Equilibrium and Macroeconomics (MIT Press 1985).