A GENERAL APPROACH TO MACROECONOMIC POLICY

Also by J.O.N. Perkins

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A General Approach to Macroeconomic Policy

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*To all those econometricians who are asking, and trying to
answer, the right questions about the relative effects of different
instruments on the various macroeconomic objectives*

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Preface

This book complements earlier studies by the present author by extending the analysis of macroeconomic policy from the need to deal with two problems (inflation and unemployment) to include also either the state of the current account of the balance of payments, or a broader objective that includes the level of investment as well as the state of the balance of payments.

It draws upon the results of a number of macroeconometric models to throw light on the relative effects of a number of different macroeconomic policy instruments on each of these objectives; and suggests a framework that is broader than that usually adopted, in which to consider macroeconomic policy decisions to deal with these various objectives simultaneously.

The work was begun during a period spent in University College, London, whose hospitality is gratefully acknowledged. I benefited considerably from discussions with economists at the European Economic Community (EEC), the Organisation for Economic Cooperation and Development (OECD) and the University of Warwick; and also from the comments of participants in seminars and conferences at the University of Adelaide, the Australian National University, Helsinki University, the University of Oslo, the University of Stockholm and the University of Melbourne. My colleagues, especially Bob Jones and Ian McDonald, provided much helpful discussion and useful comments. The usual caveat of course applies.

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