

Economic Modelling
in the OECD
Countries

INTERNATIONAL STUDIES IN ECONOMIC MODELLING

Series Editor

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London

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Economic Modelling in the OECD Countries

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To my children
NICHOLAS *and* ANTONIA

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Introduction to the Series

There has been a growing dependence in the past two decades on modelling as a tool for better understanding of the behaviour of economic systems, and as an aid in policy and decision making. Given the current state of the art globally, the introduction of a series such as this can be seen as a timely development. This series will provide a forum for volumes on both the theoretical and applied aspects of the subject.

International Studies in Economic Modelling is designed to present comprehensive volumes on modelling work in various areas of the economic discipline. In this respect one of the fundamental objectives is to provide a medium for ongoing review of the progression of the field.

There is no doubt that economic modelling will figure prominently in the affairs of government and in the running of the private sector, in efforts to achieve a more rational and efficient handling of economic affairs. By formally structuring an economic system, it is possible to simulate and investigate the effect of changes on the system. This in turn leads to a growing appreciation of the relevance of modelling techniques. Our aim is to provide sufficient space for authors to write authoritative handbooks, giving basic facts with an overview of the current economic models in specific areas and publish a useful series which will be consulted and used as an accessible source of reference.

The question may arise in some readers' minds as to the role of this series *vis-à-vis* other existing publications. At present, no other book series possesses the characteristics of *International Studies in Economic Modelling* and as such cannot fill the gap that will be bridged by it. Those journals which focus in this area do not present an exhaustive and comprehensive overview of a particular subject and all the developments in the field. Other journals which may contain economic modelling papers are not sufficiently broad to publish volumes on all aspects of modelling in a specific area which this series is designed to cover.

A variety of topics will be included encompassing areas of both micro and macroeconomics, as well as the methodological aspects of model construction. Naturally, we are open to suggestions from all readers of, and contributors to, the series regarding its approach and content.

Finally, I would like to thank all those who have helped the launch of this series. The encouraging response received from authors who have contributed the forthcoming volumes and from the subscribers to the series has indicated the need for such a publication.

Homa Motamen
London, Dec 1987

Preface and Acknowledgements

This volume aims to bring together the work of those involved in the development and use of macroeconomic models in the OECD economies. The main areas covered in the book are: international policy co-ordination, risk, supply-side, exchange rates, equilibrium models, use of resources, the United States economy, wages and employment, international modelling, country models, modelling techniques and domestic economic management.

I am grateful to John Edmonston, Lyndon Driscoll, Sean Holly and Brian Scobie for their help and support in preparing this volume.

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