

Monetary Policy, Fiscal Policies and Labour Markets

Macroeconomic Policymaking in the EMU

Edited by

R. Beetsma, C. Favero, A. Missale, V. A. Muscatelli,
P. Natale and P. Tirelli

CAMBRIDGE
UNIVERSITY PRESS

Contents

<i>List of figures</i>	<i>page</i>
<i>List of tables</i>	x
<i>List of contributors</i>	xi
<i>Acknowledgements</i>	xvi

Editors' introduction	1
-----------------------	---

Part I Monetary policy

1 The European Central Bank: a view from across the ocean STEPHEN G. CECCHETTI	9
2 Which measure of inflation should the ECB target? C. A. FAVERO	20
3 An evaluation of alternative targeting rules for the ECB PIERPAOLO BENIGNO AND J. DAVID LOPEZ-SALIDO	31
4 Inflation modelling in the euro area FABIO C. BAGLIANO, ROBERTO GOLINELLI AND CLAUDIO MORANA	59

Part II Fiscal policies

5 The interaction between monetary and fiscal policies in a monetary union: a review of recent literature ROEL BEETSMA AND XAVIER DEBRUN	91
6 Independent or coordinated? Monetary and fiscal policy in EMU LUCA LAMBERTINI AND RICCARDO ROVELLI	134

7	Interaction of fiscal policies in the euro area: how much pressure on the ECB? LUCA ONORANTE	157
8	The macroeconomic impact of different speeds of debt stabilisation in EMU CAMPBELL LEITH AND SIMON WREN-LEWIS	191
9	Fiscal shocks and policy regimes in some OECD countries GIUSEPPE DE ARCANGELIS AND SERENA LAMARTINA	224
10	Monetary and fiscal policy interactions over the cycle: some empirical evidence V. ANTON MUSCATELLI, PATRIZIO TIRELLI AND CARMINE TRECROCI	256

Part III Labour markets

11	Monetary institutions, monetary union and unionised labour markets: some recent developments ALEX CUKIERMAN	299
12	Inflationary performance in a monetary union with large wage setters LILIA CAVALLARI	327
13	On the enlargement of currency unions: incentives to join and incentives to reform ANDREW HUGHES HALLETT AND SVEND E. HOUGAARD JENSEN	344
	<i>Index</i>	367