

Macroeconomics in Emerging Markets

PETER J. MONTIEL

Williams College, Massachusetts

Contents

<i>Preface</i>	<i>page vii</i>
PART 1 OVERVIEW	
1 Macroeconomics and Development	3
PART 2 A BENCHMARK MACROECONOMIC MODEL FOR AN EMERGING ECONOMY	
2 Equilibrium in the Domestic Labor and Goods Markets	23
3 Equilibrium in Financial Markets	42
4 Short-Run Macroeconomic Equilibrium	70
5 Medium-Term Macroeconomic Equilibrium	88
PART 3 PUBLIC FINANCE AND MACROECONOMIC PERFORMANCE	
6 The Intertemporal Budget Constraint of the Public Sector	105
7 Consequences of Insolvency I: High Inflation	124
8 Consequences of Insolvency II: Public Sector Debt and Economic Growth	147
9 Measures for Achieving Fiscal Credibility I: Central Bank Independence	160
10 Measures for Achieving Fiscal Credibility II: Privatization	175
PART 4 THE FINANCIAL SECTOR AND MACROECONOMIC PERFORMANCE	
11 Finance, Welfare, and Growth	187
12 Financial Repression	214

13	Financial Reform, Public Policy, and Financial Crises	239
14	Financial Openness and the Sequencing of Financial Reform	261
15	Coping with Capital Inflows	282
PART 5 EXCHANGE RATE MANAGEMENT		
16	Equilibrium Real Exchange Rates	311
17	Exchange Rate Regimes	333
18	Managing an Officially Determined Exchange Rate	359
19	Banking Crises and Exchange Rate Crises in Emerging Economies	376
20	Domestic Macroeconomic Management in Emerging Economies: Lessons from the Crises of the Nineties	405
	<i>References</i>	429
	<i>Index</i>	435