

## MACROECONOMICS

### I. THE LABOR MARKET AND UNEMPLOYMENT

Romer, Advanced Macroeconomics, Chapter 10.

Katz, Lawrence F., and Lawrence H. Summers. 1989. "Industry Rents: Evidence and Implications," Brookings Papers on Economic Activity: Microeconomics. Read pp. 209-247 of the paper, plus the comments by Hall and Topel (pp. 276-280, 283-288).

Campbell, Carl M., III, and Kunal S. Kamlani. 1997. "The Reasons for Wage Rigidity: Evidence from a Survey of Firms." Quarterly Journal of Economics 112 (August): 759-789.

Solon, Gary, Robert Barsky, and Jonathan A. Parker. 1994. "Measuring the Cyclicity of Real Wages: How Important Is Composition Bias?" Quarterly Journal of Economics 109 (February): 1-25.

Staiger, Douglas, James H. Stock, and Mark W. Watson. 1997. "How Precise Are Estimates of the Natural Rate of Unemployment." In Christina D. Romer and David H. Romer, eds., Reducing Inflation: Motivation and Strategy (Chicago: University of Chicago Press), 195-242.

### II. FISCAL POLICY AND BUDGET DEFICITS

Romer, Ch. 11 (manuscript).

Auerbach, Alan J. 1997. "Quantifying the Current U.S. Fiscal Imbalance." National Tax Journal 50 (November): 387-398.

Roubini, Nouriel, and Jeffrey D. Sachs. 1989. "Political and Economic Determinants of Budget Deficits in the Industrial Democracies." European Economic Review 33 (May): 903-933.

Grilli, Vittorio, Donato Masciandaro, and Guido Tabellini. 1991. "Political and Monetary Institutions and Public Financial Policies in the Industrial Countries." Economic Policy 13 (October): 341-392.

Bluestone, Barry, Alan S. Blinder, and Amity Shlaes. 1999. "What to Do with a \$2.9 Trillion Surplus?" New Republic (August 9): 23-29.

### **III. MONETARY POLICY AND INFLATION**

#### **A. The Conduct of Monetary Policy**

Romer, Chapter 9, Sections 9.4-9.8.

Taylor, John B. 1993. "Discretion versus Policy Rules in Practice." Carnegie-Rochester Conference Series on Public Policy 39 (December): 195-214.

Ball, Laurence M. 1999. "Policy Rules for Open Economies." In John B. Taylor, ed., Monetary Policy Rules (Chicago: University of Chicago Press), 127-144.

Orphanides, Athanasios. 1999. "The Quest for Prosperity without Inflation." Unpublished paper, Federal Reserve Board (May).

Clarida, Richard, Jordi Galí, and Mark Gertler. 1998. "Monetary Policy Rules and Macroeconomic Stability: Evidence and Some Theory." National Bureau of Economic Research Working Paper No. 6442 (March).

Bernanke, Ben S., and Frederic S. Mishkin. 1997. "Inflation Targeting: A New Framework for Monetary Policy?" Journal of Economic Perspectives 11 (Spring): 97-116.

Rudebusch, Glenn D., and Lars E. O. Svensson. 1999. "Policy Rules for Inflation Targeting." In John B. Taylor, ed., Monetary Policy Rules (Chicago: University of Chicago Press), 203-246.

#### **B. The Effects of Monetary Policy**

[Topics and readings to be determined by time availability.]