

ROUTLEDGE FRONTIERS OF POLITICAL ECONOMY

Theoretical Foundations of Macroeconomic Policy

Growth, productivity and public finance

Edited by
Giovanni Di Bartolomeo and
Enrico Saltari



Theoretical Foundations of Macroeconomic Policy

The recent economic events driven by the great financial crisis of 2007–2008 have challenged some ‘dogma’, highlighting various limits and drawbacks of current paradigms. The crisis showed the limitations of monetary policy and led to a revaluation of what levels of public debt could be considered safe. This volume aims to refresh the debate on some important long-run macroeconomic issues from new and fresh perspectives.

Theoretical Foundations of Macroeconomic Policy raises a number of questions relating to the challenges faced by macroeconomic theory and policies. The common themes are the long-run and policy perspectives. The first part of the book is devoted to the theory of growth and productivity. The second part concentrates on the long-run effects of fiscal and monetary policy. Specifically, the topics investigated by the international range of authors are the theory of optimal growth, the productivity policies and production function estimations, demand- vs. supply-driven growth, optimal debt default and the incompleteness of financial markets, the long-run optimal inflation target and its relationship with public finance, the long-term effects of government budget constraints on growth, and the effect on optimal policies in the non-market clearing environment.

The book will be of interest to postgraduates, researchers, and academics studying macroeconomics and fiscal policies.

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