External constraints on macroeconomic policy: the European experience

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2 Equilibrium unemployment in open economies
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Appendix: Listing of the model for the Group of Five Discussion
Charles R. Bean.

This book from the Centre for Economic Policy Research (CEPR) deals with the implications of the exchange rate regimes and capital flows of the 1990s for government macroeconomic policy-making and EC policy co-ordination. Under the fixed exchange rates of the 1950s, economists and policy-makers had a much clearer idea of the nature of the external constraints. The commitment to defending the exchange rate is stronger in the 1990s than in the 1970s and 1980s, but at the same time international capital flows are far greater and freer than in the 1950s and 1960s, with many countries able to bor...