

河北大学 2008 年博士研究生入学考试试题

(套别: B __)

学科、专业	研究方向	考试科目	备注
世界经济	四个方向	专业外语	

Read and Understand the Following , Write an Essay in Chinese in Not Less Than 800 Words.

(细读下列文字, 用中文写一段不少于 800 字的综述)

MACROECONOMIC POLICY IN THE OPEN ECONOMY

It is obvious that the pursuit of domestic targets such as price stability, high employment, and economic growth through the use of monetary and fiscal policy is more complex in the open economy than in the closed economy. This is due in part to the fact that, macro policy now has to concern itself with external objectives as well as internal objectives. In addition, the fact that international transactions not only affect the impact of macro policy but are in turn affected by those policy actions means that the impacts of policy go beyond a country's borders, thus complicating the problem.

Here, we expand our analysis of the problems associated with pursuing internal and external targets using monetary and fiscal policy in the open economy. The nature of the policy problem varies with the type of exchange rate arrangement in place and also with the ease with which financial capital moves between countries. Hence, we approach the problem by examining in detail the effects of policy under different institutional settings.

1. "Economic Policy in the Open Economy: Fixed Exchange Rates" analyzes

The effects of macro policy in the situation where a fixed exchange rate system is being used, taking note of how the degree to which capital moves between countries influences the results. With prices and exchange rates fixed, it became evident very early that there was no guarantee that

internal balance targets and external balance targets would necessarily be reached simultaneously. We then introduced abroad, general equilibrium model incorporating the monetary sector, real sector, and the balance of payments (the IS/LM/BP model). The effectiveness of domestic monetary and fiscal policy under fixed exchange rates was then analyzed under different international capital mobility assumptions. Monetary policy was generally ineffective in influencing income, whereas fiscal policy had varying degrees of effectiveness depending on the degree of capital mobility. Only when capital was perfectly immobile was fiscal policy totally ineffective in stimulating output and employment. Official changes in the exchange rate (to the extent permitted) were also effective in stimulating economic activity. However, since changing the exchange rate is often difficult under a pegged-rate system, countries may find themselves with an incorrectly valued exchange rate and therefore unable to meet their internal and external balance targets.

2. "Economic Policy in the Open Economy: Flexible Exchange Rates" analyzes

By an analysis of policy effects under a flexible exchange rate system, again focusing largely on the influence of different degrees of capital mobility. It would be examined that the automatic adjustment process under flexible exchange rates and the effects of discretionary economic policy under different capital mobility assumptions. It was found that monetary policy is effective in influencing income under flexible exchange rates, whereas it was ineffective under fixed rates. Further, the degree of effectiveness under flexible rates increases with the degree of capital mobility. Fiscal policy, on the other hand, was found to be much less effective under flexible rates than under fixed rates as capital becomes very mobile internationally, since expenditure switching effects dampen initial expansionary effects. The impacts of fiscal policy on national income are the strongest when capital is immobile. The flexible-rate system does, however, give the country more policy options than a fixed-rate system since the external sector is always in balance. If a country wishes to attain several domestic targets, the coordinated use of monetary and fiscal policies can be helpful. The chapter concluded with a discussion of automatic adjustment to exogenous shocks under a flexible-rate system. The realization that a number of these shocks are often taking place simultaneously makes one keenly aware of the difficulties surrounding effective policymaking in a system of flexible rates.

3. "Prices and Output in the Open Economy: Aggregate Supply and Demand," analyzes

Then the examination of the effects of macroeconomic policy in the open economy when prices are allowed to change and looks as well at the effects of international shocks. We have focused on the open economy when prices are flexible. This was accomplished by deriving an aggregate demand curve for the open economy and combining it with aggregate supply curves. Both a short-run aggregate supply curve and a long-run aggregate supply curve were employed in the analysis. The aggregate demand-aggregate supply framework was then used to examine the effects of changes in policy variables and in exogenous variables. This was done for both a flexible-rate system and a fixed-rate system. The analysis demonstrated the automatic adjustment mechanism present when prices and wages are flexible. In addition, it pointed out the difference in the adjustment mechanism under fixed rates compared to that under flexible rates. Attempts to increase income and employment beyond the natural level by increasing aggregate demand ultimately lead only to increases in prices under either exchange rate regime. In the case when the economy was operating at a level below the natural level of employment, discretionary policy was seen to be effective in moving the economy back to the natural level, but only by increasing prices. Given sufficient time with actual employment below the natural level, the economy automatically would move back to the natural level through a fall in prices. The uncertainty surrounding the downward flexibility in prices and wages and the time required for such an adjustment underlie the view by many that the preferable adjustment mechanism is discretionary monetary policy under flexible-rate regimes and discretionary fiscal policy under fixed-rate regimes. The chapter concluded with a discussion of the impact of several exogenous shocks to the open economy operating under a flexible-rate system.