

Cambridge University Press

978-0-521-57215-6 - Positive Political Economy: Theory and Evidence

Edited by Sylvester Eijffinger and Harry Huizinga

[Table of Contents](#)[More information](#)

Contents

<i>List of figures</i>	<i>page ix</i>
<i>List of tables</i>	<i>x</i>
<i>List of contributors</i>	<i>xiii</i>
<i>Foreword by Arie Kapteyn</i>	<i>xv</i>
Introduction	1
<i>Sylvester Eijffinger and Harry Huizinga</i>	
I Monetary institutions and policy	
1 Reputational versus institutional solutions to the time-consistency problem in monetary policy	9
<i>Susanne Lohmann</i>	
<i>Comment Manfred J.M. Neumann</i>	
2 Reciprocity and political business cycles in federal monetary unions	29
<i>Jürgen von Hagen</i>	
<i>Comment Kees Koedijk</i>	
3 The ultimate determinants of central bank independence	47
<i>Sylvester Eijffinger and Eric Schaling</i>	
<i>Comment Lex Hoogduin</i>	
4 Central bank autonomy and exchange rate regimes – their effects on monetary accommodation and activism	78
<i>Alex Cukierman, Pedro Rodriguez, and Steven B. Webb</i>	
<i>Comment Jakob de Haan</i>	
5 Uncertainty, instrument choice, and the uniqueness of Nash equilibrium: microeconomic and macroeconomic examples	120
<i>Dale W. Henderson and Ning S. Zhu</i>	
<i>Comment Harald Uhlig</i>	

vii

Cambridge University Press

978-0-521-57215-6 - Positive Political Economy: Theory and Evidence

Edited by Sylvester Eijffinger and Harry Huizinga

Table of Contents

[More information](#)viii **Contents**

6	New empirical evidence on the costs of European Monetary Union <i>Hélène Erkel-Rousse and Jacques Métilz</i> Comment <i>Daniel Gros</i>	162
II Exchange rate policy and redistribution		
7	Exchange rate anchors and inflation: a political economy approach <i>Sebastian Edwards</i> Comment <i>Casper de Vries</i>	187
8	Why capital controls? Theory and evidence <i>Gian Maria Milesi-Ferretti</i> Comment <i>Lans Bovenberg</i>	217
9	The political economy of the Exchange Rate Mechanism <i>Patrick Minford</i> Comment <i>Jacques Sijben</i>	253
10	Unemployment benefits and redistributive taxation in the presence of labor quality externalities <i>Harry Huizinga</i> Comment <i>Casper van Ewijk</i>	269
	<i>Index</i>	294