

Central Banks as Fiscal Players

It is well known that the balance sheets of most major central banks significantly expanded in the aftermath of the financial crisis of 2007–2011, but the consequences of this expansion are not well understood. This book develops a unified framework to explain how and why central bank balance sheets have expanded and what this shift means for fiscal and monetary policy. Buiter addresses a number of key issues in monetary economics and public finance, including how helicopter money works, when modern monetary theory makes sense, why the Eurosystem has a potentially fatal design flaw, why the fiscal theory of the price level is a fallacy and how to escape from the zero lower bound.

WILLEM BUITER is Visiting Professor of International and Public Affairs at Columbia University. He was an academic economist for twenty-eight years. He was a founding external member of the Monetary Policy Committee of the Bank of England from 1997 to 2000 and has been an adviser to the IMF, the World Bank, the Inter-American Development Bank, the European Commission, central banks and finance ministries across the world.

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The Drivers of Fiscal and Monetary Policy Space

WILLEM BUITER
Columbia University



CAMBRIDGE
UNIVERSITY PRESS

Cambridge University Press
978-1-108-84282-2 — Central Banks as Fiscal Players
Willem Buiter
Frontmatter
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CAMBRIDGE UNIVERSITY PRESS

University Printing House, Cambridge CB2 8BS, United Kingdom

One Liberty Plaza, 20th Floor, New York, NY 10006, USA

477 Williamstown Road, Port Melbourne, VIC 3207, Australia

314–321, 3rd Floor, Plot 3, Splendor Forum, Jasola District Centre,
New Delhi – 110025, India

79 Anson Road, #06–04/06, Singapore 079906

Cambridge University Press is part of the University of Cambridge.

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www.cambridge.org

Information on this title: www.cambridge.org/9781108842822

DOI: 10.1017/9781108904292

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First published 2021

A catalogue record for this publication is available from the British Library.

ISBN 978-1-108-84282-2 Hardback

ISBN 978-1-108-82276-3 Paperback

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