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Classics

# 宏观经济学

(英文版)

# Macroeconomics

R·格伦·哈伯德 (R. Glenn Hubbard)

[美] 安东尼·P·奥布赖恩 (Anthony Patrick O'Brien) 著

马修·拉弗蒂 (Matthew Rafferty)

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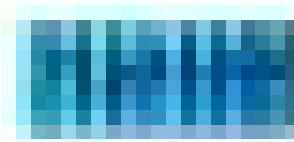


第 1 版

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## Macroeconomics

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# Preface

## Why a New Intermediate Macroeconomics Text?

The students enrolled in today's intermediate macroeconomics courses are either undergraduates or master's students who are likely to become entrepreneurs, managers, bankers, stock brokers, accountants, lawyers, or government officials. Very few students will pursue a Ph.D. in economics. Given this student profile, we believe it is important for the course to move from emphasizing models for their own sake to using theory to understand real-world, relevant examples and current policies that are in today's news headlines.

We believe that short-run macroeconomic policy plays too small a role in current texts. There was a time when it seemed self-evident that policy should be the focus of a course in intermediate macroeconomics. The extraordinary macroeconomic events surrounding the Great Depression, World War II, and the immediate postwar era naturally focused the attention of economists on short-run policy measures. But by the 1970s, the conventional Keynesian–neoclassical synthesis of Samuelson, Hansen, and Hicks had come to seem inadequate to many economists. To summarize briefly, the complicated evolution of macroeconomic theory during those years, conventional macroeconomics was seen as being inadequately grounded in microeconomic foundations and as being too neglectful of long-run considerations.

Although macroeconomic theory evolved rapidly during the 1970s and 1980s, intermediate macroeconomic textbooks largely remained unchanged. Only in the 1990s did the first generation of modern intermediate textbooks appear. These new texts dramatically refocused the intermediate course. The result was a welcome emphasis on the long run and on microfoundations. The Solow growth model, rather than the Keynesian  $IS-LM$  model, became the lynchpin of these texts.

While in many ways we agree with the focus on the long run and on microfoundations, we have found ourselves in our own courses increasingly obliged to supplement existing texts with additional material.

## Our Approach

It is important to note that our aim is certainly not to revolutionize the teaching of the intermediate macroeconomics course. Rather, we would like to shift its emphasis. We elaborate on our approach in the next sections.

## A Modern Short-Run Model That Is Appropriate for the Intermediate Course (Chapters 9–11)

*"After developing the theory (i.e., the  $IS-LM-MP$  model), they used the model to analyze the 2007–09 recession. . . . I really like this approach. And students? Well, they don't like it, they love it . . . when we apply theory to the checkerboard of real life."*

William Hart, Miami University

*" $IS-MP$  is a major innovation."*

James Butkiewicz, University of Delaware

*"I absolutely love the  $IS-MP$  model, I think it is more realistic and has been a long time coming. Morphs the theory in well with the graphs that are shown. Clear, and I love the tables like Table 9.2."*

Nate Perry, Mesa State College

*"The integration of current economic events with the theory in the chapter is a strength."*

Soma Ghosh, Albright College

In the texts of the 1980s and earlier, the  $IS-LM$  model held center stage. The  $IS-LM$  model provided a useful way for instructors to present the major points of the Keynesian model of how short-run GDP is determined. Investigating the slopes of the  $IS$  and  $LM$  curves gave students some insights into the policy debates of the 1960s and early 1970s. In 2011, the  $IS-LM$  model has two obvious pedagogical shortcomings:

- The Keynesians versus Monetarists debates, while substantively important, are now a part of the history of macroeconomics.
- The assumption of a constant money supply used in constructing the  $LM$  curve no longer correctly describes the policy approach of the Fed or the central banks of other developed countries. When central banks target interest rates rather than the money stock, the  $LM$  curve is no longer as useful as it once was in discussing monetary policy.

We do believe that the  $IS$  curve story provides a good account of the sources of fluctuations in real GDP in the short run when prices are fixed. But, because the Fed targets interest rates rather than the money stock, we substitute a monetary policy,  $MP$ , curve for the  $LM$  curve. The result is similar to the  $IS$ – $MP$  model first suggested by David Romer. We cover the  $IS$ – $MP$  model in Chapter 9, “ $IS$ – $MP$ : A Short-Run Macroeconomic Model.” We include a full appendix on the  $IS$ – $LM$  model at the end of this chapter for those who wish to cover that model. We use the  $IS$ – $MP$  model to analyze monetary policy in Chapter 10, “Monetary Policy in the Short Run,” and fiscal policy in the short run in Chapter 11, “Fiscal Policy in the Short Run.”

### Significant Coverage of Financial Markets, Beginning with Chapter 3

*“Integrating finance, as opposed to having only a separate chapter, is a strength.”*

John Dalton, Wake Forest University

*“I’m really glad to see financial markets given more coverage in Chapter 3 and throughout the book—this is one of its best features.”*

David Gulley, Bentley College

*“VERY relevant material and also missing from many other books (or at least the one I use).”*

John Brock, University of Colorado

One of the most fundamental observations about conventional monetary policy is that, while the Fed has substantial influence over short-term nominal interest rates, long-term real interest rates have a much larger impact on the spending decisions of households and firms. To understand the link between nominal short-term rates and real long-term rates, students need to be introduced to the role of expectations and the term structure of interest rates. We provide a careful, but concise, discussion of the term structure in Chapter 3, “The Financial System,” and follow up this discussion in Chapter 9, “ $IS$ – $MP$ : A Short-Run Macroeconomic Model,” and Chapter 10, “Monetary Policy in the Short Run,” by analyzing why the Fed’s interest rate targeting may sometimes fail to attain its goals.

The conventional story of central bank targeting of interest rates or monetary aggregates is told in terms of the commercial banking system, so an overview of commercial banks is included in all texts. The explosion in securitization in the past 20 years has caused tremendous changes in the financial system and, recently, in Fed policy. Although securitization has been an important part of the financial system for years, its significance for Fed policy only became clear with the problems in the markets for mortgage-backed securities that developed during 2007. We provide an overview of securitization in Chapter 3, including a discussion of the increased importance of investment banks. Interest rate targeting is simply no longer the be all and end all of Fed policy. The events of 2008 have made it clear that an exclusive focus on commercial banks provides too narrow an overview of the financial system.

### Early Discussion of Long-Run Growth (Chapters 4 and 5)

*“Excellent discussions of potential GDP and aggregate production function [in Chapter 4].”*

Satyajit Ghosh, University of Scranton

*“The authors are very methodical in their presentation of the model and derivation of the equations [Chapter 5]. Also, I feel the material is well explained. Other books I’ve read don’t do a good job of contextualizing the importance of long-run growth and the relevance of the various determinants of growth. I think this chap-*



*ter does a pretty remarkable job of that. Especially good is the progression through the various components of the Solow model before it finally arrives at technology—a fine job.”*

Douglas Campbell, University of Memphis

Students need to be able to distinguish the macroeconomic forest—long-run growth—from the macroeconomic trees—short-run fluctuations in real GDP, employment, and the rate of inflation. Because many macroeconomic principles texts put a heavy emphasis on the short run, many students enter the intermediate macro course thinking that macroeconomics is *exclusively* concerned with short-run fluctuations. The extraordinary success of the market system in raising the standard of living of the average person in the United States and the other currently developed economies comes as surprising news to many students. Students know where we are today, but the economic explanation of how we got here is unfamiliar to many of them.

In addition, it makes sense to us for students to first understand both a basic model of long-run growth and the determination of GDP in a flexible-price model before moving on to the discussion of short-run fluctuations and short-run policy. In Chapter 4, “Determining Aggregate Production,” we show the determination of GDP in a classical model and also discuss the difference between flexible price models and fixed price models. We place this discussion in a broader context of the reallocation of resources. In other words, we emphasize that, for example, the decline in spending on residential construction during 2006–2009 affects short-run real GDP not just because prices are sticky but also because, in the short run, resources cannot be reallocated frictionlessly to new uses. Although economists think of this resource reallocation problem as being fundamentally a question of prices being inflexible in the short run and flexible in the long run, our experience is that students are confused if the dichotomy between the long run and the short run is told entirely in terms of price flexibility.

### **Modern Federal Reserve Policy and Its Broadened Emphasis Beyond Interest Rate Targeting**

The developments of 2007–2009 have demonstrated that the Fed has moved beyond the focus on interest rate targeting that had dominated policy since the early 1980s. To understand the broader reach of Fed policy, students need to be introduced to material, in particular the increased importance of investment banking and role of securitization in modern financial markets, that is largely missing from competing texts. In addition, recent Fed policy initiatives require extended discussion of issues of moral hazard. While these discussions are common in money and banking texts, they have been largely ignored in intermediate macro texts. We cover these topics in Chapter 6, “Money and Inflation,” Chapter 10, “Monetary Policy in the Short Run,” and Chapter 12, “Aggregate Demand, Aggregate Supply, and Monetary Policy.”

### **Integration of International Topics**

When the crisis in subprime mortgages began, Federal Reserve Chairman Ben Bernanke famously observed that it was unlikely to cause much damage to the U.S. housing market, much less the wider economy. (Of course, Bernanke was hardly alone in making such statements.) As it turned out, the subprime crisis devastated not only the U.S. housing market but the U.S. financial system, the U.S. economy, and the economies of most of the developed world. That a problem in one part of one sector of one economy could cause a worldwide crisis is an indication that a textbook on macroeconomics must take seriously the linkages between the U.S. and other economies. We cover these linkages throughout the text. In discussing each topic, we provide data not just for the United States, but for many other countries. We also explore such issues as the European sovereign debt crisis and the increased coordination of monetary policy among central banks.

## **12 Core Chapters**

*“I like the long-run-first arrangement. I appreciate the “Extensions” at the end; do*

*them as time permits in the term. The inclusion of IS–LM as an appendix alongside the more current IS–MP model is an excellent idea. I like the relatively limited number of chapters, it's less daunting to students."*

Christopher Burkart, University of West Florida

*"I like it. It is good to have the financial system early in the book. I always struggle teaching that section since I find it very important for the development of the course."*

Luisa Blanco, Pepperdine University

This text consists of 12 core chapters and 3 "extension" chapters. Many instructors subscribe to the idea that fewer topics covered well is better than many topics covered superficially. However, it can be difficult to find a concise text. We achieve brevity in two ways: First, we ignore almost entirely the "dueling schools of thought" approach. We do this for several reasons: Although this approach at one time provided a useful way of organizing textbooks, it no longer represents well the actual views of the profession. Emphasizing differences among economists obscures for students the broad areas of macroeconomics on which a professional consensus exists. Finally, most students find detailed discussions of disagreements among economists to be dull and unhelpful in understanding today's policy issues.

Our second key to achieving brevity in the core presentation is to push all nonessential topics to a separate Part 4, "Extensions," at the end of the text. While many of the topics covered in the three chapters in Part 4—long-run fiscal challenges (Chapter 13, "Fiscal Policy and the Government Budget in the Long Run"), the microfoundations of consumption and investment decisions (Chapter 14, "Consumption and Investment"), and the balance of payments (Chapter 15, "Balance of Payments, Exchange Rates, and Macroeconomic Policy")—are important (and we typically cover many of them in our own courses), they are not *essential* to the basic macroeconomic story. In our view, it is better for instructors to present students with the key ideas in a relatively brief way with minimum distractions and then consider additional material during the last few weeks of the course when students have mastered the key ideas.

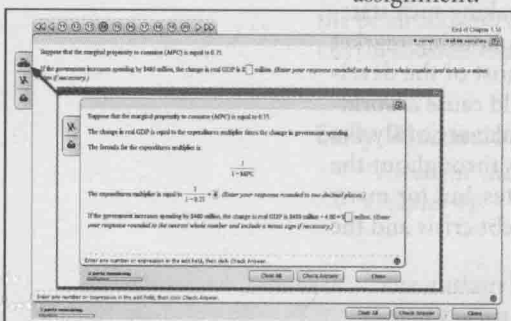
## Supplements

The authors and Pearson Education/Prentice Hall have worked together to integrate the text, print, and media resources to make teaching and learning easier.



MyEconLab is a powerful assessment and tutorial system that works hand-in-hand with *Macroeconomics*. MyEconLab includes comprehensive homework, quiz, test, and tutorial options, allowing instructors to manage all assessment needs in one program. Here are the key features of MyEconLab:

- Select end-of-chapter Questions and Problems, including algorithmic, graphing, and numerical questions and problems, are available for student practice or instructor assignment.



- Test Item File multiple-choice questions are available for assignment as homework.
- The Custom Exercise Builder allows instructors the flexibility of creating their own problems or modifying existing problems for assignment.
- The powerful Gradebook records each student's performance and time spent on the Tests and Study Plan and generates reports by student or chapter.

A more detailed walk-through of the student benefits and features of MyEconLab can be found at the beginning of this book.



Visit [www.myeconlab.com](http://www.myeconlab.com) for more information on and an online demonstration of instructor and student features.

MyEconLab content has been created through the efforts of Melissa Honig, executive media producer; and Noel Lotz and Courtney Kamauf, content leads.

## Instructor's Manual

Edward Scahill of the University of Scranton prepared the *Instructor's Manual*, which includes chapter-by-chapter summaries, key term definitions, teaching outlines with teaching tips, and solutions to all review questions and problems in the book. The solutions were prepared by Leonie Stone of State University of New York at Geneseo. The *Instructor's Manual* is available for download from the Instructor's Resource Center ([www.pearsonhighered.com/hubbard](http://www.pearsonhighered.com/hubbard)).

## Test Item File

Randy Methenitis of Richland College prepared the Test Item File, which includes more than 1,500 multiple-choice, short-answer, and essay questions. Test questions are annotated with the following information:

- **Difficulty:** 1 for straight recall, 2 for some analysis, 3 for complex analysis
- **Type:** Multiple-choice, short-answer, essay
- **Topic:** The term or concept the question supports
- **Learning objective:** The major sections of the main text and its end-of-chapter questions and problems are organized by learning objective. The test item file questions continue with this organization to make it easy for instructors to assign questions based on the objective they wish to emphasize.
- **Advanced Collegiate Schools of Business (AACSB) Assurance of Learning Standards:** Communication; Ethical Reasoning; Analytic Skills; Use of Information Technology; Multicultural and Diversity; and Reflective Thinking
- **Page number:** The page in the main text where the answer appears allows instructors to direct students to where supporting content appears.
- **Special feature in the main book:** Chapter-opening story, the *Key Issue and Question*, *Solved Problem*, *Making the Connection*, *Macro Data*, and *An Inside Look*.

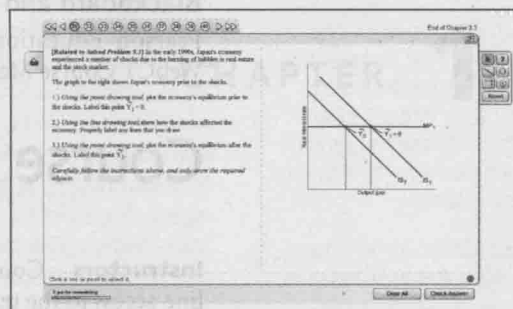
The Test Item File is available for download from the Instructor's Resource Center ([www.pearsonhighered.com/hubbard](http://www.pearsonhighered.com/hubbard)).

The multiple-choice questions in the Test Item File are also available in TestGen software for both Windows and Mac computers, and questions can be assigned via MyEconLab. The computerized TestGen package allows instructors to customize, save, and generate classroom tests. The TestGen program permits instructors to edit, add, or delete questions from the Test Item Files; analyze test results; and organize a database of tests and student results. This software allows for extensive flexibility and ease of use. It provides many options for organizing and displaying tests, along with search and sort features. The software and the Test Item Files can be downloaded from the Instructor's Resource Center ([www.pearsonhighered.com/hubbard](http://www.pearsonhighered.com/hubbard)).

## PowerPoint Lecture Presentation

The PowerPoint slides were prepared by Andre Neveu of James Madison University. Instructors can use the slides for class presentations, and students can use them for lecture preview or review. These slides include all the graphs, tables, and equations in the textbook.

Student versions of the PowerPoint slides are available as PDF files. These files allow students to print the slides and bring them to class for note taking. Instructors can download these PowerPoint presentations from the Instructor's Resource Center ([www.pearsonhighered.com/hubbard](http://www.pearsonhighered.com/hubbard)).



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## Class Testers, Reviewers, and Other Contributors

The guidance and recommendations of the following instructors helped us to craft the content, organization, and features of this text. While we could not incorporate every suggestion from every reviewer, we carefully considered each piece of advice we received. We are grateful for the hard work that went into their reviews and truly believe that their feedback was indispensable in developing this text. We appreciate their assistance in making this the best text it could be; they have helped teach a new generation of students about the exciting world of macroeconomics.

Special thanks to Edward Scahill of the University of Scranton for preparing many of the *Making the Connection* features, Randy Methenitis for preparing the *An Inside Look* news feature that ends each chapter, and Leonie Stone of State University of New York at Geneseo for preparing many of the end-of-chapter questions and problems.

### Class Testers

We extend special thanks to both the instructors who class tested manuscript chapters and their nearly 200 students for providing recommendations on how to make the chapters engaging and relevant.

Gilad Aharonovitz, Washington State  
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Andre Neveu, James Madison  
University

Walter Park, American University

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