

The Role of Monetary Policy – A Presidential Address fylder 50 år

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Den berømte Presidential Address

Talen blev givet i december 1967 på AEA's årsmøde og efterfølgende offentliggjort i AER.

En af de mest berømte taler gennem tiderne

Friedmans mest citerede bidrag i et langt forfatterskab

Hovedformål: sæt fokus på PP og revitaliser denne!

Men i dag nok mest husket for anvendelsen af en forventningsforhøjet Phillipskurve analyse

En karakteristik af Friedman

Friedman har i sit forfatterskab bidraget til flere væsentlige makroteorier. Mest kendt er givet hans restatement af kvantitetsteorien og hans forbrugsteori.

Og så er han især kendt for at være monetarismens far. Som Palley (2014) argumenterer, mens perioden 1945-75 med rette kan benævnes "The Age of Keynes", så bør perioden 1975-2005 benævnes "The Age of Friedman".

En karakteristik af Friedman

”influenced both the economics profession and the general public, pushing all to adopt more pro-market, pro-business, anti-government view of the world ... [at han havde en sådan indflydelse] ... in part reflects the political and social forces that made neoliberalism the dominant global doctrine after 1980. It is also testament to Friedman’s rhetorical powers. Powerful political forces created the neoliberal wave, but Friedman both rode that wave and contributed to it ... [og indflydelsen havde den effekt, at] ... his triumph has taken economic understanding back in a pre-Keynesian direction”; Palley (2014:28 & 35).

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Fokus på, hvad PP kan og ikke kan:

- Egentlig kan PP godt påvirke AD på det kortere sigt, men det er ikke umagen værd – bidrager på lidt længere sigt til mindre stabilitet ($\Delta\pi\uparrow \rightarrow \Delta\pi^e\uparrow \rightarrow \Delta\pi\uparrow$)

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Fokus på, hvad PP kan og ikke kan:

- Derimod kan PP styre inflationsforventningerne, hvis den er troværdigt udformet, og derigennem den faktiske inflation \rightarrow øger markedsmekanismens effektivitet: Y_t automatisk tættere på Y_{FB} \rightarrow minimalt FP behov

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- Husk Friedman har i sit forfatterskab altid et fokus på inflationens skadelige virkninger. Og hos Friedman er inflation altid et monetært fænomen
 - Og PP er både potent og effektiv til at styre inflationstakten, hvis den udformes rigtigt
- ej 'stop-and-go' fokusering; gør den regelbaseret!

Netop derfor kan PP tre ting:

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PP1: *”monetary policy can prevent money itself from being a major source of economic disturbance”*; Friedman (1968:12)

PP2: *”monetary policy can ... provide a stable background for the economy ... Our economic system will work best when producers and consumers, employers and employees, can proceed with full confidence that the average level of prices will behave in a known way in the future – preferably that it will be highly stable”*; op. cit. p. 13.

PP3: *“monetary policy can contribute to offsetting major disturbances in the economy arising from other sources”*; op. cit. p. 14.

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”... the monetary authority ... [should] ... avoid sharp swings in policy ... My own prescription is still that the monetary authority go all the way in avoiding such swings by adopting publicly the policy of achieving a steady rate of growth in a specified monetary total ... the adoption of some stated and known rate ... [netop fordi] ... It is a matter of record that periods of relative stability in the rate of monetary growth have also been periods of relative stability in economic activity”; op. cit. pp. 15-16

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Og, hvorfor det nu en gang er sådan, er betinget af forholdene på arbejdsmarkedet – her hersker der intet stabilt trade-off mellem inflationstakt og arbejdsløshed på længere sigt:

”At any moment of time, there is some level of unemployment which has the property that it is consistent with equilibrium in the structure of real wages rates. At that level of unemployment, real wage rates are tending on the average to rise at a “normal” secular rate ... A lower level of unemployment is an indication that there is an excess demand for labor that will produce upward pressure on real wage rates. A higher level of unemployment is an indication that there is an excess supply of labor that will produce downward pressure on real wage rates”; op. cit. p. 8.

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Der findes altså et unikt stabilt ligevægtsniveau for arbejdsløsheden: ‘the natural rate of unemployment’

Og niveauet for dette er bestemt af mange bagved liggende kontekstuelle faktorer:

”the actual structural characteristics of the labor and commodity markets, including market imperfection, stochastic variability in demands and suppliers, the cost of gathering information about job vacancies and labor availabilities, the costs of mobility, and so on”;
op. cit. p. 8.

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Og samtidig er niveauet for den naturlige ledighed derfor heller ikke uforanderligt over tid:

”let me emphasize that by using the term ”natural” rate of unemployment, I do not mean to suggest that it is immutable and unchangeable. On the contrary, many of the market characteristics that determine its level are man-made and policy-made”; op. cit. p. 9.

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Og hos Friedman er forventningsdannelsen adaptivt bestemt fordi:

”It’s costly to change prices and so on, but I think the most important single thing is the tendency for expectations to be backward looking and to be adjusted slowly so that it takes time before any expectation is altered by the impact of an event”; Taylor (2001:125).

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Og Friedman er derfor også sent i sit liv forbeholden overfor validiteten af rationelle forventninger:

”I have no basic disagreement with rational expectations. The question is, “how do you form your rational expectations” ... If the idea is that people try to predict what is going to happen tomorrow, then rational expectations, in that sense, certainly makes sense, but on what do they base their rational expectations? They base it on past experiences; there is always going to be a lag in expectations catching up”; Taylor (2001:125 & 126).

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Men var det egentlig revolutionerende i december 1967, at Friedman anvendte en forventningsforhøjet Phillipskurve analyse? Næh – og det synes han heller ikke selv. Tankegangen var kendt – tidligere bidrag havde beskrevet denne:

Samuelson, Paul & Solow, Robert (1960): “Analytical Aspects of Anti-Inflation Policy”, *American Economic Review*, 50(2), pp. 177-94.

Og især:

Phelps, Edmund (1967): “Phillips Curves, Expectations of Inflation and Optimal Unemployment over Time”, *Economica*, 34(135), pp. 254-81.

Phelps, Edmund (1968): “Money-Wage Dynamics and Labor-Market Equilibrium”, *Journal of Political Economy*, 76(4 – Part 2), pp. 678-711.

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Men alligevel var Friedmans bidrag fra december betydningsfuldt;
jf. Pally (2018:475-76):

”Friedman developed the persuasive rhetorical language of the ‘natural rate’ of unemployment. He also introduced his ideas in a presidential address to the AEA, giving them rapid and extensive dissemination. That process was accompanied by Phelps’s ... formal modeling of the money-wage dynamics contained in Friedman’s NRU hypothesis. Together, the two approaches complemented each other, multiplying their persuasiveness”.

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- Og så banede Friedman med sit bidrag vejen frem mod den moderne makroøkonomiske mainstream.
 - Med Lucas blev forventningerne gjort rationelle
- Med ny-keynesianerne blev der sæt fokus på kortsigtede trægheder og imperfektioner
- Tilsammen gav den ny-klassiske tænkning og den ny-keynesianske tænkning med deres fælles metodologiske forståelse baggrunden for endnu en syntese i den makroteoretiske udviklingshistorie: NNS og deres DSGE-modeller

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- Og så fik Friedman cementeret PP's betydningsfulde rolle; hans bidrag initierede en:

”educational process that led most of the central banks of the world to abandon high-inflation policies and commit to successful inflation-stabilization policies that provided effective nominal anchors”; Hall & Sargent (2018:133).

Om end der i dag snarere skal styres på renten – Taylor-reglen – end på pengemængdeudviklingen

Var udviklingen henimod den moderne makroøkonomiske mainstream hensigtsmæssig?

... tja ... ja og nej

På sin vis bragte Friedman (1968) forventningsdannelsen i centrum (igen: Keynes var der først); huskede økonomer på, at en relevant økonomisk analyse altid bør indeholde en forståelse af såvel efterspørgsels- som udbudseffekter (igen: det ved vi godt med Marshall) og at SR skal ses i sammenhæng med LR (igen: det har vi fra Marshall)

Men lever den moderne makroøkonomiske mainstream op til dette?

Et citat:

”What is taught shapes the minds of the next generation of policymakers, and therefore shapes the societies we live in ... what is wrong is a lack of alternative perspectives, lack of history or context, lack of critical thinking and lack of real world application in economics degrees”

Sådan ser moderne kloge og kritiske økonomistuderende på deres fag ... (the post-crash economics society – ispe.net)

Eller med Keynes:

”... it is ideas, not vested interests, which are dangerous for good or evil”

GT, p. 384