

[Bårdsen, Gunnar](#); [Eitrheim, Øyvind](#); [Jansen, Eilev S.](#); [Nymoene, Ragnar](#)

**The econometrics of macroeconomic modelling.** (English) [Zbl 1089.91058](#)

*Advanced Texts in Econometrics*. Oxford: Oxford University Press (ISBN 0-19-924650-5/pbk; 0-19-924649-1/hbk). xxii, 338 p. (2005).

The book describes the approach to macroeconometric modelling. The authors had adopted at the Research Department of Norges Bank over the past 15 years. The distinguishing feature of the book is that it is about building models by testing hypotheses of macroeconomic theories — rather than by imposing theories untested. To a great extent, the book is based on published (and unpublished) joint papers of the authors. The subjects considered in the book can be viewed from its contents: Methodological issues of large-scale macromodels; Inflation in open economies: the main-course model; The Philips curve; Wage bargaining and price-setting; Wage-price dynamics; The new Keynesian Philips curve; Money and inflation; Transmission channels and model properties; Evaluation of monetary policy rules; Forecasting using econometric models.

The modelling of wages and prices takes a central part in the book as the authors interpret and evaluate the last forty years of international research to explain inflation in a small open economy. A dynamic incomplete competition model is evaluated and built into a small econometric model to analyse the transmission mechanism, to evaluate monetary policy rules, and to explore the main sources of forecast failure.

The main target group for the book is researchers and practitioners of macroeconomic model building in academia, private agencies and governmental services. As a textbook it can be used in general graduate courses on applied macroeconometrics and – more specifically – in courses focusing on wage and price formation in the open economy.

Beautifully written with reach statistics and vast bibliography, the book will be valuable to students and researches in econometrics and advanced macroeconomics and also to practitioners in governmental agencies and in central banks.

Reviewer: Georgy Osipenko (St. Peterburg)

**MSC:**

- [91B64](#) Macroeconomic theory (monetary models, models of taxation)
- [91-02](#) Research exposition (monographs, survey articles) pertaining to game theory, economics, and finance
- [91B24](#) Microeconomic theory (price theory and economic markets)
- [91B62](#) Economic growth models

Cited in **2** Documents

**Keywords:**

[econometric models](#); [wage-price dynamics](#); [money](#); [inflation](#); [market models](#)