

INTERTEMPORAL BUDGET POLICIES
IN AN ENDOGENOUS GROWTH MODEL WITH NOMINAL ASSETS

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Abstract

Intertemporal budget policies are assessed in an endogenous growth model with nominal assets. The paper provides relative rankings of policies and policy instruments in terms of the tax liabilities of the private sector necessary to guarantee intertemporal government budget solvency and in terms of the welfare of the representative agent. The role of nominal assets is shown to be of relative importance.

JELit Classification Codes: E50, E60, O42.

Keywords: Intertemporal government budget constraint, monetary policy, tax policy, government debt, endogenous growth.

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Final Version, August 1998

* *I am grateful to an anonymous referee for this journal for helpful comments, to S. Turnovsky and P. Pecorino for helpful comments on a previous draft, and especially to Walter Fisher for several useful comments and careful reading. Any remaining errors are my own.*