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Nota di contenuto	Preface; Acknowledgments; Contents; 1 Introduction; 1.1 Motivation and aim of the study; 1.2 Preliminaries: defining the main concepts; 1.2.1 External imbalances; 1.2.2 Sustainability concepts; 1.3 Outline of the study; 2 Digression on balance of payments accounting identities; 2.1 Accounting identity based on trade balance and income balances; 2.2 Accounting identity based on income and absorption; 2.3 Accounting identity based on saving and investment; 2.4 Combining accounting identities; 3 Intertemporal budget constraint as a sustainability criterion 3.1 Long-run budget constraint in the intertemporal approach to the current account 3.1.1 Description of the model economy; 3.1.2 Single-period budget constraint; 3.1.3 Intertemporal budget constraint in the deterministic setting; 3.1.4 Specific intertemporal budget constraint in the stochastic setting; 3.2 Intertemporal budget constraint in a general-equilibrium model; 3.2.1 Characteristics of the model economy and the representative agent's maximization problem; 3.2.2 General intertemporal budget constraint

3.2.3 Comparison of the general intertemporal budget constraint to the specific intertemporal budget constraint
3.3 Discussion of the theoretical framework; 3.4 Conclusion; Appendix to Chapter 3; 3.A Appendix to subsection 3.1.3; 3.A.1 Recursive substitution method; 3.A.2 Telescoping Argument; 3.B Appendix to subsection 3.2.2; 4 Empirical implications of the intertemporal budget constraint; 4.1 Sufficient conditions for the strong notion of sustainability; 4.1.1 Stationarity of the NIIP and the trade balance; 4.1.2 First-difference-stationarity of the NIIP
4.1.3 Cointegration between current account components
4.1.4 Conclusion; 4.2 Sufficient conditions for the strong and weak notions of sustainability; 4.2.1 Difference-stationarity of the NIIP of any order; 4.2.2 Responsiveness of the trade account to the NIIP; 4.3 Conclusion; Appendix to Chapter 4; 4.A Appendix to subsection 4.2.2.1; 4.B Appendix to subsection 4.2.2.2; 5 Empirical studies on the validity of the intertemporal budget constraint; 5.1 Testing for stationarity of the NIIP and the current account; 5.1.1 Overview; 5.1.2 Linear univariate unit root tests
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5.1.4 Nonlinear unit root tests; 5.2 Testing for cointegration between the components of the current account; 5.2.1 Overview; 5.2.2 Two-step Engle-Granger methodology; 5.2.3 Error-correction model tests; 5.2.4 Autoregressive distributed lag bounds test; 5.2.5 Gregory-Hansen test with structural breaks; 5.2.6 Johansen methodology; 5.2.7 Panel cointegration tests; 5.3 Testing for the responsiveness of the trade account to the NIIP; 5.3.1 Wickens and Uctum's (1993) approach; 5.3.2 Multicointegration approach; 5.3.3 Bohn's (2007) approach; 5.4 Conclusion
Appendix to Chapter 5

Sommario/riassunto

Since the mid-1990s, sustainability of large and persistent current account positions have been attracting much attention from policy makers and economists alike. Alongside global imbalances, sustainability of imbalances within the euro area, which started widening shortly after the introduction of the euro, raised much concern. While there exists a large body of theoretical and empirical literature on sustainability of external imbalances, a systematic survey has been lacking so far. Angélique Herzberg fills this gap by examining a broad range of established sustainability measures concerning their applicability to the various global and intra-euro imbalances of the recent past. Furthermore, the author examines the existence of feedback effects from an economy's net international investment position to its trade balance.

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Empirical Studies on the Validity of the Intertemporal Budget Constraint
Dynamic Benchmarks of External Sustainability
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Teachers and Students of Economics and Business
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The Author
Angélique Herzberg obtained a PhD in Economics in 2013 from Heinrich-Heine-University, Düsseldorf. Her areas of specialization are international macroeconomics and finance.
