

1. Record Nr.	UNINA9910788230903321
Autore	Adler Gustavo
Titolo	Original Sin and Procylical Fiscal Policy : : Two Sides of the Same Coin? / / Gustavo Adler
Pubbl/distr/stampa	Washington, D.C. : , : International Monetary Fund, , 2008
ISBN	1-4623-2653-6 1-4527-5210-9 1-4518-7067-1 1-282-84160-2 9786612841606
Descrizione fisica	1 online resource (29 p.)
Collana	IMF Working Papers IMF working paper ; ; WP/08/209
Disciplina	336.3015195
Soggetti	Fiscal policy - Econometric models Business cycles - Econometric models Financial crises - Econometric models Macroeconomics Money and Monetary Policy Public Finance National Government Expenditures and Related Policies: General Debt Debt Management Sovereign Debt Fiscal Policy Monetary Systems Standards Regimes Government and the Monetary System Payment Systems Macroeconomics: Consumption Saving Wealth Public finance & taxation Monetary economics Expenditure Public debt Fiscal policy Currencies

Private consumption
Expenditures, Public
Debts, Public
Money
Consumption
Economics

Lingua di pubblicazione	Inglese
Formato	Materiale a stampa
Livello bibliografico	Monografia
Note generali	Description based upon print version of record.
Nota di bibliografia	Includes bibliographical references.
Nota di contenuto	Contents; 1. Introduction; 2. Model; 2.1 Households; 2.2 Firms; 2.3 Government; 2.4 Equilibrium Path; 3. The Ramsey Problem; 3.1 The Commitment Case; 3.2 No Commitment; 4. A Stationary Economy; 5. A Temporary Shock; 6. Concluding Remarks; Table; 1; Appendix; A; References
Sommario/riassunto	The paper develops a simple model of sovereign debt where default both through direct repudiation and through inflation are possible and give rise to (endogenous) constraints on the currency composition and the level of public debt. This set up allows to show that procyclicality of fiscal policy in EMEs can arise as a by-product of the "original sin" and both can be explained by the presence of weak monetary institutions which cannot commit to price stability. The paper suggests that, as monetary institutions in EMEs strengthen, the "original sin" would fade away and the cyclical properties of fiscal policy would improve.