Macroeconomic Theory IV. Imperfections and Macro

A star denotes required reading.

1. Labor markets
   * Shapiro, C. and J. Stiglitz, “Equilibrium Unemployment as a Worker Discipline Device”, AER 1984, 74, 259-293
   Blanchard, O., “The Wage Equation”, Notes, April 1998

2. Goods Markets
   Kiyotaki, N. “Multiple Expectational Equilibria Under Monopolistic Competition”, QJE, 1988, 103, 695-713

3. Credit/Financial Markets
   Townsend, R., “Optimal Contracts and Competitive Markets with Costly State Verification”, JET,
October 1979, 21, 265-293
* Kiyotaki, N. and J. Moore, “Credit Cycles”, JPE, April 1997, 105-2, 211-248


4. The Use of a Numeraire and Nominal rigidities
Shiller, R., “Public Resistance to Indexation: A Puzzle”, BPEA 1997-1, 159-228