POLICY STABILITY AND ECONOMIC GROWTH

Lessons from the Great Recession

JOHN B. TAYLOR

with commentaries by

PATRICK MINFORD

ANDREW G. HALDANE AND AMAR RADIA



CONTENTS

	The authors	νi
	Foreword	is
	Acknowledgement	xi
	Summary	XI
	List of tables and figures	xvii
1	Policy stability and economic growth:	
	lessons from the Great Recession	1
	Introduction]
	The Great Recession compared with earlier recessions	2
	The principles of good policy	ϵ
	Monetary policy: to the Taylor rule and back	10
	Very unruly policy	17
	A return to rules-based policy	22
	References	26
2	Questions and discussion	27
3	Was failure to follow the Taylor rule enough to cause the crisis?	37
	A commentary on John Taylor's lecture	
	Patrick Minford	
	Evaluating John Taylor's particular thesis about the	40

	Did the Taylor rule with inflation targeting fail during and before the crash?	42
	John Taylor's plea for a return to predictable rules of policy	46
	Conclusions	49
	References	50
4	The need for discretion and rules	52
	A commentary on John Taylor's lecture	
	Andrew G. Haldane and Amar Radia	
	Rules and discretion revisited	53
	Monetary policy rules in practice	63
	Concluding remarks	76
	References	77
5	A rejoinder	81
	John B. Taylor	
	Reference	85
	About the IEA	86