

REFERENCES

- Abedian I. and M. Biggs (eds.) 1998. *Economic Globalisation and Fiscal Policy*. Oxford University Press, United Kingdom.
- Abel A. B. 1990. 'Consumption and Investment.' in Friedman B. M. and F. H. Hahn (eds.) *Handbook of Monetary Economics, volume II*. Elsevier Science Publishers.
- Adam C. 1988. 'Macroeconomic Management: New Methods and Policy Issues, Time Series Econometrics for Developing Countries.' *Lecture Notes*, CSAE.
- _____. 1992. 'On the Dynamic Specification of Money Demand in Kenya.' *Journal of African Economies*, 1(2): 233 – 270.
- Adekunle J. O. 1968. 'The Demand for Money: Evidence from Developed and Less Developed Economies.' *IMF Staff Papers*, Vol. 15.
- Agenor P-R. 1990. 'Stabilization Policies in Developing Countries with a Parallel Market for Foreign Exchange: A Formal Framework.' *IMF Staff papers*, 37(3): 560 – 592.
- Agenor P-R and A. W. Hoffmaister 1997. 'Money, Wages and Inflation in Middle-Income Developing Countries.' *IMF Working Paper WP/97/174*, IMF.
- Agenor P-R. and P. J. Montiel 1999. *Development Macroeconomics*. Princeton University Press. New Jersey.
- Aghevli B. B. and M. S. Khan 1978. 'Government Deficits and the Inflationary Process in Developing Countries.' *IMF Staff Papers*, Vol. 25: 383 – 416.
- Aghevli B. B. and C. Sassanpour 1982. 'Prices, Output and the Trade Balance in Iran.' *World Development*, 10(9): 791 – 800.
- Akano O. S. 1998. 'A Macroeconomic Forecasting Model of Lesotho: Preliminary Estimates.' *Lesotho Social Science Review*. 4(1): 35-50.
- Alchian A. A. 1970. 'Information Costs, Pricing and Resource Unemployment.' in Phelps *et al*, (eds.) *Microeconomic Foundations of Employment and Inflation Theory*, 279 – 341.
- Allen C. B. 1997. 'A Survey of Flexible Functional Forms Applied to Production Analysis.' in Allen C. B. and S. G. Hall (eds). *Macroeconomic Modelling in a*

- Changing World: Towards a Common Approach.* John Wiley and Sons, Chichester.
- Allen C. and Hall S. (eds.) 1997. *Macroeconomic Modelling in a Changing World.* England: John Wiley and Sons.
- Almonacid R. D. 1971. 'Nominal Income, Output, and Prices in the Short Run.' PhD Dissertation, University of Chicago.
- Altig D. 1988. 'Econometric Analysis of Consumption Behaviour and Fiscal Policy: A Review Essay.' *Journal of Monetary Economics*, Vol. 22: 155 - 164
- Alexander S. 1952. 'Effects of a Devaluation on a Trade Balance.' *IMF Staff Papers*, 263 – 278.
- Amano R. A. and T. S. Wirjanto. 1994. 'An Empirical Investigation into Government Spending and Private Sector Behaviour.' *Working Paper 94-8.* Bank of Canada.
- Archibald G. C. 1969. 'Wage-Price Dynamics, Inflation and Unemployment: The Phillips Curve and the Distribution of Unemployment.' *American Economic Review*, 59(2): 125 – 134.
- Archibald G. C., Kemmis, Robyn and J. W. Perkins 1974. 'Excess Demand for Labour, Unemployment and the Phillips Curve: A Theoretical and Empirical Study.' In Laidler D. and D. L. Purdy (eds.) *Inflation and Labour Markets*, University of Toronto Press, Toronto, pp 110-163.
- Aron J., Elbadawi I. And B. Kahn 1997. 'Determinants of the Real Exchange Rate in South Africa.' *CSAE Working Paper WPS/97-16*, CSAE.
- Aschauer D. A. 1989. 'Does Public Capital Crowd Out Private Capital?' *Journal of Monetary Economics*, Vol. 24: 171 – 188.
- Ashenfelter O. and Johnson G. E. 1969. 'Bargaining Theory, Trade Unions and Industrial Strike Activity.' *American Economic Review*, 59(1): 35-49.
- Ashenfelter O. and Johnson G. E. 1972. 'Unionism, Relative Wages and Labour Quality in US Manufacturing Industries.' *International Economic Review*, 13(3): 488-508.
- Ashenfelter O., Johnson G. E. and J. H. Pencavel 1972. 'Trade Unions and the Rate of Change of Money Wages in United States Manufacturing Industry.' *Review of Economic Studies*, 39(1): 27-54.

- Atta J. K. 1979. *A Macroeconomic Model for Ghana: Simulation Experiments in Large-Scale Macroeconometric Model Building for a Developing Country*. PhD Thesis. University of Colorado.
- Atta J. K. 1983. 'Money in Macroeconomic Model of a Small Open Economy.' *West African Economic Journal*, Vol. 7: 31 – 50.
- Attfield C. L. F., Demery D. and Duck N.W. 1981. 'Unanticipated Monetary Growth, Output and the Price Level: U.K. 1946-77.' *European Economic Review*, Vol. 16: 367-385.
- Aukrust O. 1977. 'Inflation in the Open Economy: A Norwegian Model.' In Krause L. B. and W. S. Salant (eds.) *Worldwide Inflation*, The Brookings Institution, Washington DC.
- Azariadis C. 1975. 'Implicit Contracts and Unemployment Equilibria.' *Journal of Political Economy*, vol. 83: 1183-202.
- Bahmani-Oskooee M. 1991. 'Effects of Exchange Rate Variability on Inflation Variability.' *World Development*, 19(6): 729 – 733.
- Bairam E. I. 1993. 'Income Elasticities of Exports and Imports: A Re-Examination of the Empirical Evidence.' *Applied Economics*, Vol. 25: 71 – 74.
- Barro R. J. 1974. 'Are Government Bonds Net Wealth?' *Journal of Political Economy*, 84 (6): 1095-1117.
- _____. 1977. 'Long-term Contracting, Sticky Prices and Monetary Policy.' *Journal of Monetary Economics*, 3(3): 305-16.
- Barro R. and H. I. Grossman 1971. 'A General Disequilibrium Model of Income and Employment.' *American Economic Review*, 61(1): 82 – 93.
- _____. 1976. *Money, Employment and Inflation*. Cambridge University Press, Cambridge.
- _____. 1977. 'Unanticipated Money Growth and Unemployment in the United States.' *American Economic Review*, Vol. 67: 101-15.
- Barro R. J. and D. B. Gordon 1983. 'Rules, Discretion and Reputation in a Model of Monetary Policy.' *Journal of Monetary Economics*, Vol. 12 (101-121).
- Barth R. and Hemphill W. 2000. *Financial Programming and Policy: The Case of Turkey*. IMF Institute, Washington DC.

- Basdevant O. 2000. 'An Econometric Model of the Russian Federation.' *Economic Modelling*, Vol. 17: 305-336.
- Bayoumi T. and J. Gagnon. 1996. 'Taxation and Inflation: A New Explanation for Capital Flows.' *Journal of Monetary Economics*, Vol. 38 (303-330).
- Bean C. R. 1994. 'European Unemployment: A survey.' *Journal of Economic Literature*, Vol. XXXII: 573-619.
- Beenstock M. 1995. 'An Econometric Model of the Oil Importing Developing Countries.' *Economic Modelling*, 12(1), 3-14.
- Benassy J-P. 1984. 'A Non-Walrasian Model of the Business Cycle.' *Journal of Economic Behaviour and Organization*, Vol. 5: 77-89.
- _____. 1990. 'Non-Walrasian Equilibria, Money and Macroeconomics.' in Friedman B. M. and F. H. Hahn (eds.) *Handbook of Monetary Economics, volume I*, Elsevier Science Publishers.
- Bernanke B. S. and M. Gertler 1995. 'Inside the Black Box: The Credit Channel of Monetary Policy Transmission.' *Journal of Economic Perspectives*. 9(4): 27-48.
- Bernanke B. S and F. S. Mishkin 1995. 'Inflation Targeting: A New Framework for Monetary Policy.' *Journal of Economic Perspectives*, 11(2): 97-116.
- Beveridge W. H. 1945. *Full Employment in a Free Society* Norton, New York.
- Bhatia R. J. 1962. 'Profits and the Rate of Change of Money Earnings in the United States, 1935-1959.' *Economica*, Vol. 29: 255-262.
- Biggs M. 1998. 'Deficits and Economic Growth: Lessons from Developing Countries.' In Abedian I. and M. Biggs (eds.) *Economic Globalization and Fiscal Policy*. Oxford University Press, Cape Town.
- Bikker *et al.* 1993. 'Rational Expectation Variables in Macroeconomic Models: Empirical Evidence of the Netherlands and Other Countries.' *Economic Modelling*, 10(3): 301-314.
- Biorn E., Jensen M. and M. Reymert 1987. 'KVARTS: A Quarterly Model of the Norwegian Economy.' *Economic Modelling*, 4(1): 77-109.
- Blackburn K. and M. Christensen 1989. 'Monetary Policy and Policy Credibility.' *Journal of Economic Literature*. XXVII (1): 1 – 45.

- Blanchard O. J. 1986. 'The Wage Price Spiral.' *Quarterly Journal of Economics*, Vol. 101: 543 – 565.
- Blanchard O. J. and S. Fischer 1989. *Lectures in Macroeconomics*. The MIT Press, USA
- Blanchard O. J. 1990. 'Why Does Money Affect Output.' in Friedman B. M. and F. H. Hahn (eds.) *Handbook of Monetary Economics, Volume II*. Elsevier Science Publishers.
- Blanchard O. and L. F. Katz 1997. 'What We Know and Do Not Know About the Natural Rate of Unemployment.' *Journal of Economic Perspectives*, 11(1): 51 – 72.
- Blejer M. I. and A. Cheasty 1988. 'High Inflation, Heterodox Stabilisation and Fiscal Policy.' *World Development*, 16(8): 867 – 881.
- Blinder A. S. and S. Fischer 1981. 'Inventories, Rational Expectations and the Business Cycle.' *Journal of Monetary Economics*, Vol. 8 (277-304).
- Blundell R., Bond S., Devereux M. and F. Shiantarelli 1992. 'Investment and Tobin's Q.' *Journal of Econometrics*, Vol. 51: 233 – 257.
- Bodkin R. G., Klein L. R., and K. Marwah 1991. *A History of Macroeconometric Model Building*. Edward Elgar Publishing, Aldershot.
- Bogaert H. de Biolley T. and J. Verlinden. 1990. 'A Disequilibrium Macroeconomic Model of the Belgian Economy.' *Economic Modelling*, 7(4): 310-375.
- Boskin M. 1982. 'An Empirical Evaluation of Supply-Side Economics.' in *Supply-side economics in the 1980s: Conference Proceedings*. Wesport: Quorum Books: 15-25.
- Branson W. H. and J. Myhrman 1976. 'Inflation in Open Economies: Supply Determined Versus Demand Determined Models.' in Frisch H. (ed.) *Inflation in small countries*. Springer, Berlin.
- Brink S. and R. Koekmoer 2000. 'The Economics of Exchange Rates: A South African Model.' *South African Journal of Economics and Management*, 3(1): 1-33.
- Brooks R. and D. Gibbs 1994. 'A Model of the New Zealand Economy: Reserve Bank Model XII.' *Economic Modelling*, 11(1): 5-86.
- Browning M. and Grossley T. F. 2001. 'The Life-Cycle Model of Consumption and Saving.' *Journal of Economic Perspectives*, 15(3): 3 – 22.

- Brunner K. and A. H. Meltzer 1993. *Money and the Economy: Issues in Monetary Analysis*. Cambridge University Press, Cambridge.
- Brunner K. and Meltzer A. H. 1976. 'An Aggregate Theory of a Closed Economy.' in Stein J. (ed). *Monetarism*, North-Holland, Amsterdam.
- Buiter W. H. 1980. 'The Macroeconomics of Dr Pangloss: A Critical Survey of the New Classical Macroeconomics.' *Economic Journal*, 90 (34-50).
- Burrow L-R. and B. W. Smit 1999. *Estimating Potential Output and Output Gaps for the South African Economy*, Paper Delivered at the Biennial Conference of the Economic Society of South Africa at the University of Pretoria.
- Buscher H. and S. F. Frowen 1993. 'The Demand for Money in Japan, the United Kingdom, West Germany and the USA: An Empirical Study of the Evidence since 1973.' in Frowen S. F. (ed.) *Monetary Theory and Monetary Policy*. St. Martin 's Press, London.
- Bureau of Statistics. 1990. 'The Labour Force of Lesotho: A Statistical Report Based on the Labour Force Survey 1985/86, Round 1.' BOS, Maseru.
- _____. 1998. 'Labour Force Survey 1997.' BOS, Maseru.
- _____. 2001. 'Labour Force Statistics.' *Statistical Report No. 24: 2001*. BOS, Maseru.
- _____. 2001. 'National Accounts 1980-2000.' *Statistical Report No. 16: 2001*. BOS, Maseru.
- Butler L. 1996. 'A Semi-Structural Method to Estimate Potential Output: Combining Economic Theory with a Time-Series Filter.' *Bank of Canada's new quarterly projection model, part 4*. Bank of Canada.
- Calmfors L. 1977. 'Swedish Inflation and International Price influences.' In Krause L. B. and W. S. Salant (eds.) *Worldwide Inflation*, The Brookings Institution, Washington DC.
- Calmfors L. 1978. *Prices, Wages and Employment in the Open Economy*. Institute for International Economic Studies, University of Stockholm. Stockholm.
- Campbell J. Y. and N. G. Mankiw 1989a. 'Consumption, Income and Interest Rates: Reinterpreting the Time Series Evidence.' NBER Macroeconomics Annual 4: 185-216.

- Cardoso E. A. 1983. 'A Money Demand Equation for Brazil.' *Journal of Development Economics*, Vol. 12:182-193.
- Carroll C. D. 2001. 'A Theory of the Consumption Function With and Without Liquidity Constraints.' *Journal of Economic Perspectives*, 15(3): 23 – 45.
- Carruth A. A. and A. J. Oswald 1981. 'The determination of Union and Non-Union Wage Rates.' *European Economic Review*. Vol. 16: 285-302.
- Cavanese A. J. 1982. 'The Structuralist Explanation in the Theory of Inflation.' *World Development*, 10(7): 523 – 529.
- CBL. *Central Bank of Lesotho Annual Reports*, various issues. CBL. Maseru.
- _____. 1989. A Polak Model for Lesotho. Occasional Paper No. 1. CBL. Maseru.
- _____. 1999. Methodology for Preparation of Short-term Projections. CBL. Maseru.
- _____. 2001. 'Blueprint for New Instruments of Monetary Policy (Final Draft)' CBL, Maseru.
- _____. 2003. Lesotho Macro-Econometric Model. Draft Report. CBL. Maseru.
- Challen D. W. and A. J. Hagger 1983. *Macroeconomic Systems: Construction, Validation and Applications*. Macmillan Press Ltd. Hong Kong.
- Charemza W. and F. Deadman 1997. *New Directions in Econometric Practice*. United Kingdom: Edward Elgar Publishing.
- Chick V. 1993. 'The Evolution of the Banking System and the Theory of Monetary policy.' in Frowen S. (eds.) *Monetary theory and monetary policy*. St. Martin's Press, New York.
- Christensen A. M. and D. Knudsen 1992. 'MONA: A Quarterly Model of the Danish Economy.' *Economic Modelling*, 9(1): 10-74.
- Christodoulakis N. M. and S. C. Kalyvitis 1998. 'A Four-Sector Macroeconometric Model for Greece and the Evaluation of the Community Support Framework 1994-1999.' *Economic Modelling*, Vol. 15: 575-620.
- Chung J. W. 1982. 'Inflation in a Newly Industrialised Country: The Case of Korea.' *World Development*, 10(7): 531 – 539.
- _____. 1994. *Utility and Production Functions*. Blackwell Publishers, Oxford.

- Clements M. P. and Hendry D. F. 1996a. 'Forecasting in Macroeconomics.' In Cox D. R., Hinkley D. V., and O. E. Barndorff-Nielsen (eds). *Time Series Models in Econometrics, Finance and Other Fields*, Chapman and Hall, London.
- Clements M. P. and Hendry D. F. 1996b. 'On Winning Forecasting Competitions in Economics, Mimeo.' Institute of Economics and Statistics, University of Oxford
- Coats W. L. and D. R. Khatkhate 1980. *Money and Monetary Policy in Less Developed Countries*, Pergammon Press, Oxford.
- Cooley T. F. and V. Quadrini 1999. 'A Neoclassical Model of the Phillips Curve Relation.' *Journal of Monetary economics*, Vol. 44: 165 – 193.
- Crockett A D. 1981. 'Stabilisation Policies in Developing Countries: Some Policy Considerations.' *IMF Staff Papers*, Vol. 28: 54 – 79.
- Davidson J. and S. Hall. 1991. 'Cointegration in Recursive Systems.' *Economic Journal*, Vol. 101: 239-251.
- Davidson P. 1998. 'Post Keynesian Unemployment Analysis and the Macroeconomics of OECD Unemployment.' *The Economic Journal*, Vol. 108: 817 – 831.
- De Grauwe P. and H. Dewachter 1993. 'A Chaotic Model of the Exchange Rate: The Role of Fundamentalists and Chartists.' *Open Economies Review*, Vol. 4: 351-379.
- De Grauwe P., Dewachter H. and M. Embrechts 1993. *Exchange Rate Theory: Chaotic Models of Foreign Exchange Markets*. Blackwell Publishers, Oxford.
- De Haan, Naumovska A. and H. M. M. Peeters. 2001. MACMODEL: A Macroeconometric Model for the Republic of Macedonia. *Research Memorandum WO&E No. 665*, Econometric Research and Special Studies Department. De Nederlandsche Bank NV. Amsterdam.
- De Jong E. 1991. *Exchange Rate Determination and Optimal Economic Policy Under Various Exchange Rate Regimes.* *Lecture Notes in Economics and Mathematical Systems* 359. Springer Verlag, Heidelberg.
- _____. 1997. 'Exchange Rate Determination: Is there a Role for Macroeconomic Fundamentals.' *De Economist*, Vol. 145: 547-572.
- De Trenquallye P. 1990. 'Monetary Policy Coordination Under Fixed and Floating Exchange Rates.' *The Economic Journal*, Vol. 100: 206 – 214.

- Devereux M. B. 1997. 'Real Exchange Rates and Macroeconomics: Evidence and Theory.' *Canadian Journal of Economics* XXX(4): 773 - 808.
- De Wet G. L., Jonkergouw E. and R. Koekemoer 1995. 'An Econometric Model for Monetary Policy in South Africa.' *The South African Journal of Economics*, 63(4): 577 – 597.
- Dickey D. A. and W. A. Fuller 1979. 'Distribution of the Estimators for Autoregressive Time Series with a Unit Root.' *Journal of the American Statistical Association*, Vol. 74: 427-431.
- Domowitz I. and I. Elbadawi 1987. 'An Error Correction Approach to the Money Demand: The Case of Sudan.' *Journal of Economic Development*, 26: 257-275
- Dornbusch R. 1973. 'Devaluation, Money and Non-Traded Goods.' *American Economic Review*, Vol. 63: 871 – 880.
- .1976. 'Expectations and Exchange Rate Dynamics.' *Journal of Political Economy*, Vol. 84 (1161-1176).
- _____. 1980. *Open Economy Macroeconomics*. Basic Books Inc. Publishers, New York.
- Dow S. 1999. 'The Stages of Banking Development and the Spatial Evolution of Financial Systems.' in Martin R. L. (ed.) *Money and the Space Economy*. Wiley. Chichester.
- Dow J. C. R. and L. A. Dicks-Mireaux 1958. 'The Excess Demand for Labour: A Study of Conditions in Great Britain, 1946-56.' *Oxford Economic Papers*, Vol. 10: 1-33.
- Du Toit C. B. 1999. *A Supply-Side Model for the South African Economy: Critical Policy Implications*, DCOM Thesis, University of Pretoria.
- Du Toit C. B. and R. Koekmoer. 2003. 'A Labour Model for South Africa.' *The South African Journal of Economics*, 71(1): 49-76.
- Easterly W. and K. Schmidt-Hebbel 1994. 'Fiscal Adjustment and Macroeconomic Performance: A Synthesis.' in Easterly *et al.*, (eds.) *Public Sector Deficits and Macroeconomic Performance*. World Bank, Washington DC.
- Eckstein O. and T. Wilson 1962. 'The Determinants of Money Wages in American Industry.' *Quarterly Journal of Economics*, Vol. LXX: 379-414.

- Edgren G., Faxen K-O. and C-E. Odhner 1973. *Wage Formation and the Economy*. Allen and Unwin.
- Edwards S. and M. S. Khan 1985. 'Interest Rate Determination in Developing Countries.' *IMF Staff Papers*, Vol. 32: 377-403.
- Edwards S. 1986. 'Are Devaluations Contractionary?' *Review of Economics and Statistics*, Vol. 68 (501-508).
- Eichengreen B. 1996. *Globalizing Capital*. Princeton University Press. New Jersey.
- El-Sheikh S. 1992. 'Towards a Macrometric Policy Model of a Semi-Industrial Economy, The Case of Egypt.' *Economic Modelling*, Vol. 9(1): 75-95.
- Elliot J., Kwack S. Y. and G. S. Talvas 1986. 'An Econometric Model of the Kenyan Economy.' *Economic Modelling*, Vol. 3:2-30.
- Engle R. F. and Granger C. W. J. 1987. 'Cointegration and Error Correction Representations, Estimation and Testing'. *Econometrica*, Vol. 55 pp 251-276.
- _____. 1991. *Long Run Economic Relationships*. Oxford University Press, Oxford.
- Evans M. K. 1982. 'New Developments in Econometric Modelling: Supply-Side Economics.' in Fink R. F. (ed.) *Supply-Side Economics: A Critical Appraisal*. University Publications of America, Maryland.
- Fase M. M. G., Kramer P. and W. C. Boeschoten 1992. 'MORKMON II: The Nederlandsche Bank's Quarterly Model of the Netherlands Economy.' *Economic Modelling*, 9(2): 146-204.
- Fedderke J. W. and Liu W. 2002. 'Modelling the Determinants of Capital flows and Capital Flight: With an Application to South African Data from 1960 to 1995.' *Economic Modelling*, Vol. 19: 419-444.
- Feldstein M. 1982. 'The Conceptual Foundations of Supply-Side Economics.' in *Supply-Side Economics in the 1980s: Conference Proceedings*. Wesports: Quorum Books: 146-157.
- Feliz R. A. and J. H. Welch 1997. 'Cointegration and Tests of a Classical Model of Inflation in Argentina, Bolivia, Brazil, Mexico and Peru.' *Journal of Development Economics*, Vol. 52: 189 – 219.
- Fischer S. 1977. 'Long Term Contracts, Rational Expectations, and the Optimal Money Supply Rule.' *Journal of Political Economy*, 85(1): 191-205.

- Flemming J. M. 1962. 'Domestic Financial Policies under Fixed and Floating Exchange Rates.' *IMF Staff Papers*, Vol. 9: 369 – 380.
- France R. E. 1962. 'Wages, Unemployment and Prices in the United States, 1890-1932, 1947-1957.' *Industrial Labour Review*, Vol. 15: 171 – 190.
- Frankel J. A. and K. A. Froot 1986. 'Understanding the US Dollar in the Eighties: The Expectations of Chartists and Fundamentalists.' *Economic Record*, 24-38.
- _____. 1988. 'Chartists, Fundamentalists and the Demand for Dollars.' *Greek Economic Review*, Vol. 10: 49-102.
- Frenkel J. A. and Johnson H. G. (eds.) 1976. *The Monetary Approach to the Balance of Payments*. Allen and Unwin, London.
- Frenkel J. A., Gylfason T. and J. F. Helliwell 1980. 'A Synthesis of Monetary and Keynesian Approaches to Short-Run Balance of Payments Theories.' *Economic Journal*, Vol. 90 (582-592).
- Friedman M. 1957. *A Theory of the Consumption Function*. Princeton University Press, Princeton.
- Friedman M. 1968. 'The Role of Monetary Policy.' *The American Economic Review*, Vol. LVIII(1): 1-17.
- _____. 1970. 'A Theoretical Framework for Monetary Analysis.' *Journal of Political Economy*, March/April: 193 – 238.
- _____. 1977. 'Nobel Lecture: Inflation and Unemployment.' *Journal of Political Economy*, 85(3): 451 – 472.
- Frisch H. 1983. *Theories of Inflation*. Cambridge University Press, Cambridge.
- Fry J. M. 1980. 'Savings, Investment, Growth and the Cost of Financial Repression.' *World Development*, Vol.8 pp 731-750.
- Fry J. M. 1982. 'Models of Financially Repressed Developing Economies.' *World Development*, 10(9): 731-750.
- Fry J. M. 1995. *Money, Interest and Banking in Economic Development*. John Hopkins University Press, USA.
- Gali J. and M. Gertler 1999. 'Inflation Dynamics: A Structural Econometric Analysis.' *Journal of Monetary Economics*, Vol. 44: 195 – 222.

- Garratt A., Lee K., Pesaran M. H. and Y. Shin. 2003. 'A Long Run Structural Macroeconometric Model of the UK.' *The Economic Journal*, Vol. 113: 412-455.
- Geda A., Karingi S. N., Ndung'u S. N., Van Schaaijk M., Were M., Wasala W., and J. Obere 2001. 'Estimation Procedure and Estimated Results of the KIPPRA-Treasury Macro Model.' *Working Paper WP/05/2001*, KIPPRA. Kenya.
- Ghartey E. E. and Rao U. L .G. 1990. 'A Short-Run Forecasting Model of Ghana.' *Economic Modelling*, Vol. 7(3): 291-308.
- Gibson B. and D. E. Van Seventer 1992. 'Real Wages, Employment and Macroeconomic Policy in a Structuralist Model for South Africa.' *Journal of African Economies*, 9(4): 512 – 546.
- Giovannini A. 1983. 'The Interest Elasticity of Savings in Developing Countries: The Existing Evidence.' *World Development*, 11(7): 601-607.
- _____. 1985. 'Saving and the Real Interest Rate in LDCs.' *Journal of Development Economics*, Vol.18 pp 197-217.
- Godfrey L. 1971. 'The Phillips Curve: Income Policy and Trade Union Effects.' In Johnson H. G. and A. R. Nobay (ed.) *The Current Inflation*. Macmillan, London
- Goldberger A. S. 1959. *Impact Analysis and Dynamic Properties of the Klein-Goldberger Model*. North-Holland, Amsterdam.
- Goldstein M. and M. Khan 1978. 'The Supply and Demand for Exports: A Simultaneous approach.' *Review of Economics and Statistics*, Vol. 60: 275-286.
- Goldstein M. and M. S. Kahn 1985. 'Income and Price Effects in Foreign Trade.' in Jones R. W. and P. B. Kenen (eds.) *Handbook of International Economics, Volume II*, Elsevier, Amsterdam.
- Gonzales A. G. 1988. 'Interest Rates, Savings, Growth in LDCs: An Assessment of Recent Empirical Research.' *World Development*, 16(5): 589-605.
- Goodhart C. 1991. 'The Conduct of Monetary Policy.' in Oswald A. J. (ed.) *Surveys in Economics, Volume I*, Basil Blackwell, Oxford.
- Gordon R. J. 1975. 'The Impact of Aggregate Demand on Prices.' *Brookings Papers on Economic Activity*, pp 613-662.

- Gordon R. J. 1976. 'Recent Developments in the Theory of Inflation and Unemployment.' *Journal of Monetary Economics*, Vol. 2: 185-219.
- _____. 1977. 'The Theory of Domestic Inflation.' *American Economic Review*, 67(1): 128 – 134.
- Government of Lesotho. 1997. *Economic Options for Lesotho*. Ministry of Economic Planning, Maseru .
- _____.1997. *Sixth National Development Plan, 1996/97-1998/99*. Ministry of Economic Planning, Maseru.
- Gordon D. 1974. 'A Neo-Classical Theory of Keynesian Unemployment.' *Economic Inquiry*, Vol. 12: 431-59.
- Gordon R. 1975. 'The Impact of Aggregate Demand on Prices.' *Brookings Paper on Economic Activity Issue 3*, pp 613-62.
- Granger C. W. J. and P. Newbold 1974. 'Spurious Regressions in Econometrics.' *Journal of Econometrics*, Vol. 2: 111-120.
- Granger C. W. J. 1986. 'Developments in the Study of Cointegrated Economic Variables' *Oxford Bulletin of Economics and Statistics*, 48(3): 213-228.
- Greene W. H. 1995. *Econometric Analysis*. Prentice Hall International, New Jersey.
- Greenslade J.V. and S. G. Hall 1996. 'Modelling Economies Subject to Structural Change: The Case of Germany'. *Economic Modelling*, Vol. 13: 545-559.
- Gronau R. 1971. 'Information and Frictional Unemployment.' *American Economic Review*, 61(3): 290-301.
- Grossman H. I. 1973. 'Aggregate Demand, Job Search and Unemployment.' *Journal of Political Economy*, 81(6): 1353 – 1369.
- _____.1974. 'The Cyclical Pattern of Unemployment and Wage Inflation.' *Economica*, 41(164): 403 – 413.
- _____. 1975. 'Aggregate Demand, Job Search and Unemployment.' *Journal of Political Economy*, 81(6): 1353-1369.
- Gylfason T. 1987. 'Does Exchange Rate Policy Matter?' *European Economic Review*, Vol. 30: 375 – 381.

- Hadjimichael M. T. and D. Ghura 1995. 'Public Policies and Private Savings and Investment in Sub-Saharan Africa: An Empirical Investigation.' *IMF Working Papers*, IMF, Washington.
- Hahn R. 1978. 'Some Aspects of the Development of Keynes's Thought.' *Journal of Economic Literature*, Vol. 16: 545-559.
- Hall R. E. 1978. 'Stochastic Implications of the Life Cycle – Permanent Income Hypothesis: Theory and Evidence.' *Journal of Political Economy*, 86 (December): 971-987.
- Hall R. E. 1988b. 'Intertemporal Substitution in Consumption.' *Journal of Political Economy*, 96 (April): 339-357.
- Hall S. G. 1986. 'An Application of the Granger and Engle Two-Step Estimation Procedure to United Kingdom Aggregate Wage Data.' *Oxford Bulletin of Economics and Statistics*, 48(3): 229-239.
- Hall S. G. 1989. 'Maximum Likelihood Estimation of Cointegration Vectors: An Example of the Johansen Procedure.' *Oxford Bulletin of Economics and Statistics*, 51(2): 213-218.
- Hall S. G. 1993. 'Modelling Structural Change Using the Kalman Filter.' *Economic Planning*, Vol. 26: 1-13.
- Hall S. G. and Henry S. G. B. 1985. *Macroeconomic Modelling*. North-Holland, Amsterdam.
- Hall S. G. 1997. 'Macroeconomic Modelling: A Perspective'. in Allen C. B. and S. G. Hall (eds). *Macroeconomic Modelling in a Changing World: Towards a Common Approach*. John Wiley and Sons, Chichester.
- Hall S. and J. O'Sullivan 1997. 'Modelling Economies in Transition.' in Allen C. B. and S. G. Hall (eds.), *Macroeconomic Modelling in a Changing World: Towards a Common Approach*. John Wiley and Sons, England.
- Hall S., Mizon G. E. and A. Welfe 2000. 'Modelling Economies in Transition: An Introduction.' *Economic Modelling*, Vol. 17: 339-357.
- Hall S. and P. Pauly 2001. *A Prototype Model of an African Economy*. Paper Prepared for the UN/African Modelling Project, June-July 2001, Pretoria.

- Hamermesh D. S. 1970. 'Wage Bargains, Threshold Effects, and the Phillips Curve.' *Quarterly Journal of Economics*, 84(3): 501-517.
- Hansen B. 1970. 'Excess Demand, Unemployment, Vacancies and Wages.' *Quarterly Journal of Economics*, 84(1): 1 – 23.
- Hansen L. P. and K. J. Singleton 1983. 'Stochastic Consumption, Risk Aversion, and the Temporal Behaviour of Asset Returns' *Journal of Political Economy*, 91 (April): 249-265.
- Haberler V. G. 1936. *The Theory of International Trade with its Application to Commercial Policy*. William Hodge, London.
- Harris R. 1995. *Using Cointegration Analysis in Econometric Modelling*. Prentice Hall, England.
- Hart O. 1982. 'A Model of Imperfect Competition with Keynesian Features.' *Quarterly Journal of Economics*, 97(1): 109-38.
- Havrilesky T. M. and J. T. Boorman 1976. *Current Issues in Monetary Theory and Policy*. Harlan Davidson Inc, Illinois.
- Haque N. U., Lahiri K. and P. J. Montiel 1990. 'A Macroeconometric Model for Developing Countries.' *IMF Staff Papers*, 37(3): 537-559.
- Hayashi F. 1982. 'Tobin's Marginal Q and Average Q: A Neoclassical Interpretation.' *Econometrica*, 50(1): 213 – 224.
- Hayashi F. 1985. 'Tests of Liquidity Constraints: A Critical Survey.' *NBER Working Paper No. 1720*, NBER.
- Hendry D. F. and M. P. Clements 2000. 'Economic Forecasting in the Face of Structural Breaks.' in Holly S. and M. Weale (eds.). *Econometric Modelling, Techniques and Applications*. Cambridge University Press, United Kingdom.
- Henry B., Lindh C. and G. Williams 1999. 'A Model of the Developed World Economy.' *Discussion Paper No. 15-99*. Centre for Economic Forecasting, London Business School.
- Hines A. G. 1964. 'Trade Unions and Wage Inflation in the United Kingdom, 1893-1961.' *Review of Economic Studies*, Vol. 31: 221-252.

- Hines A. G. 1968. 'Unemployment and the Rate of Change of Money Wage Rates in the United Kingdom, 1882-1963: A Reappraisal.' *Review of Economics and Statistics*, Vol. 30: 60 – 67.
- Hines A. G. 1971. 'The Determinants of the Rate of Change of Money Wage Rates and the Effectiveness of Incomes Policy.' In Johnson H. G. and A. R. Nobay, *The Current Inflation*, Macmillan, London.
- Hunt B., Rose D. and A. Scott. 2000. 'The Core Model of the Reserve Bank of New Zealand's Forecasting and Policy System.' *Economic Modelling*, Vol. 17: 247-274.
- Huizinga F., Geda A., Ndung'u N. S. and S. N. Karingi. 2001. 'Theoretical Base for the Kenya Macro Model: The KIPPRA-Treasury Macro Model.' Discussion Paper DP/11/2001. KIPPRA. Kenya.
- Jacobs J. and E. Sterken 1995. 'The IBS-CCSO Quarterly Model of the Netherlands: Specification, Simulation and Analysis.' *Economic Modelling*, 12(2).
- Johansen S. 1988. 'Statistical Analysis of Cointegration Vectors.' *Journal of Economic Dynamics and Control*, Vol. 12: 231-254.
- Johnson H. G. 1972. 'Monetary Approach to Balance of Payments Theory.' in Johnson H. G. (ed). *Further Essays in Monetary Theory*. Allen and Unwin, London.
- Johnson H. G. 1976. 'Elasticity, Absorption, Keynesian Multiplier, Keynesian Policy and Monetary Approaches to Devaluation Theory.' *American Economic Review*,
- Johnston J. 1972. 'A Model of Wage Determination Under Bilateral Monopoly.' *Economic Journal*, 82(327): 837-852.
- Jorgenson D. W. 1963. 'Capital Theory and Investment Behavior.' *American Economic Review*, 53(2): 247-249.
- _____.1971. 'Econometric Studies of Investment Behavior: A Survey.' *Journal of Economic Literature*, 9(4): 1111-1147.
- Jorgenson D. W. and C. D. Siebert 1968. 'A Comparison of Alternative Theories of Corporate Investment Behavior.' *The American Economic Review*, LVIII (4): 681-712.
- Judd J. P. and J. L. Scadding 1982. 'The Search for a Stable Money Demand Function.' *Journal of Economic Literature*, Vol. XX (3).

- Karingi S. N. and N. S. Ndung'u 2000. 'Macro Models of the Kenya Economy: A Review' *KIPPRA Discussion Paper No. 2*, KIPPRA, Nairobi.
- Karras G. 1994. 'Macroeconomic Effects of Budget Deficits: Further International Evidence.' *Journal of International Money and Finance*, 13(2): 190-210.
- Keleher R. E. 1982. 'Evidence Relating to Supply Side Tax Policy.' in Fink R. F. (ed.) *Supply-Side Economics: A Critical Appraisal*. University Publications of America, Maryland.
- Keynes J. M. 1936. *The Theory of Employment, Interest and Money*. Harcourt, Brace and Company, London.
- Khan A. 1987. 'Aggregate Consumption Function and Income Distribution Effect: Some Evidence From Developing Countries.' *World Development*, 15(10/11): 1369-1374.
- Khan M. S. 1974. 'Import and Export Demand in Developing Countries.' *IMF Staff Papers*, Vol. 21: 678 – 693.
- _____. 1980. 'Monetary Shocks and the Dynamics of Inflation.' *IMF Staff Papers*, Vol. 27: 250 – 284.
- Khan M. and M. Knight 1981. 'Stabilization Programs in Developing Countries.' *IMF Staff papers*, Vol. 28(1): 1-53.
- _____. 1982. 'Some Theoretical and Empirical Issues Relating to Economic Stabilisation in Developing Countries.' *World Development*, 10(2): 709 – 730.
- _____. 1988. 'Import Compression and Export Performance in Developing Countries.' *Review of Economics and Statistics*, Vol. 70: 315-321.
- Khan M. S. and P. J. Montiel 1989. 'Growth Oriented Adjustment Programs.' *IMF Staff Papers*, 36(2): 279 – 306.
- King R. and C. Plosser 1984. 'Money, Credit and Prices in a Real Business Cycle Economy.' *American Economic Review*, Vol. 74: 363-80.
- Klein L. R. and A. S. Goldberger 1969. *An Econometric Model of the United States (1929-1959)*, North-Holland, Amsterdam.
- Klein L. R. 1978. 'The Supply Side.' *American Economic Review*, Vol. 68: 1-7.

- _____.1982. 'The Supply Side of the Economy: A View From the Perspective of the Wharton Model.' in Fink R. F. (ed.) *Supply-Side Economics: A Critical Appraisal*. University Publications of America, Maryland.
- _____. 1983. *Lectures in Econometrics*. North-Holland, Amsterdam
- Koekmoer R. 2001. 'Variable Parameter Estimation of Consumer Price Expectations for the South African Economy.' *The South African Journal of Economics*, 69(1): 1-39.
- Kolodko G. W. 1987. 'International Transmission of Inflation: Its Economics and Politics.' *World Development*, 15(8): 1131 – 1138.
- Krishnamurty K. 1984. 'Inflation and Growth : A Model for India.' *Indian Economic Review*, XIX(1): 17-111.
- Krueger A. 1997. 'Trade Policy and Economic Development: How Can We Learn.' *The American Economic Review*, Vol. 87:1 – 21.
- Krugman P. and L. Taylor 1978. 'Contractionary Effects of a Devaluation' *Journal of International Economics*, Vol. 8 (445-456).
- Krugman P. 1989. 'Differences in Income Elasticities and Trends in Real Exchange Rates.' *European Economic Review*, 33(5): 1031 – 1046.
- Kuh E. 1967. 'A Productivity Theory of Wage Levels- An Alternative to the Phillips Curve.' *Review of Economic Studies*, Vol. 34: 333 – 360.
- Kydland F. E. and E. C. Prescott 1977. 'Rules Rather Than Discretion: The Inconsistency of Optimal Plans' *Journal of Political Economy*, 85(3): 473 – 491.
- Laidler D. 1993. *The Demand for Money: Theories, Evidence and Problems*. Harper Collins, USA.
- _____.1999. 'The Quantity of Money and Monetary Policy.' *Working Paper 99-5*. Bank of Canada.
- Lawrence D. and G. Van Der Westhuizen 1990. 'Trade Elasticities for South Africa: An Empirical Model.' *The South African Journal of Economics*, 53(8): 318 – 327.
- Layard R. and S. Nickell 1990. 'Is Unemployment Lower if Unions Bargain Over Employment?' *The Quarterly Journal of Economics*, 105(3): 773 – 787.
- Layard R., Nickell S. and R. Jackman 1991. *Unemployment, Macroeconomic Performance and the Labour Market*. Oxford University Press, Oxford.

- Lee K. 1997. 'Modeling Economic Growth in the UK: An Econometric Case for Disaggregated Sectoral Analysis.' *Economic Modelling*, 14(3).
- Leeper E. M. and C. A. Sims. 1994. 'Towards a Modern Macroeconomic Model Usable for Policy Analysis.' *Working Paper No. 4761*. NBER, Cambridge.
- Leiderman L. 1983. 'The Response of Real Wages to Unanticipated Money Growth.' *Journal of Monetary Economics*, Vol. 11: 73 – 88.
- Leistner G. M. E. 1969. *Lesotho: Economic Structure and Growth*. Africa Institute, Pretoria.
- LeRoy S. F. 1989. 'Efficient Capital Markets and Martingales' *Journal of Economic Literature*, Vol. XXVII (December): 1583 – 1621.
- Ligeti S. 1989. 'Savings and Interest Rates in Developing Countries.' *Savings and Development*, 13(1): 45-63.
- Lindbeck A. and D. Snower 1994. 'How are Product Demand Changes Transmitted to the Labour market?' *The Economic Journal*, Vol. 104: 386 – 398.
- Lipsey R. G. 1960. 'The Relation Between Unemployment and the Rate of Change of Money Wage Rates in the United Kingdom, 1922-1957: A Further Analysis.' *Economica* 27 (February): 1-31.
- London A. 1989. 'Money, Inflation and Adjustment Policy in Africa: Some Further Evidence.' *African Development Review*, 1(1): 87 – 111.
- Lucas R. E. 1972. 'Expectations and the Neutrality of Money.' *Journal of Economic Theory*, 4(2): 103 – 124.
- _____.1973. 'Some International Evidence on Output and Inflation Trade-Offs.' *American Economic Review*, 63(3): 326 – 334.
- _____.1975. 'An Equilibrium Model of the Business Cycle.' *Journal of Political Economy*, 83(6): 1110 – 1144.
- _____.1976. 'Economic Policy Evaluation: A Critique.' *Carnegie-Rochester Conference Series on Public Policy* 1: 19-46.
- Lucas R. E. and E. C. Prescott 1974. 'Equilibrium Search and Unemployment' *Journal of Economic Theory*, 7(2): 188 – 209.
- Lucas R. E. and L. A. Rapping 1969. 'Real Wages, Employment and Inflation.' *Journal of Political Economy*, Vol. 77 (721-754).

- Lundhal M. and L. Petersson 1991. *The Dependent Economy: Lesotho and the Southern African Customs Union*. Westview Press Inc, USA.
- Machlup F. 1955. 'Relative Prices and Aggregate Spending in the Analysis of a Devaluation.' *American Economic Review*, June 1955.
- Mackay D. I. And R. A. Hart 1974. 'Wage Inflation and the Phillips Relationship.' *Manchester School Economic and Social Studies*, 42(2): 136-161.
- Madsen J. B. 1998. 'General Equilibrium Macroeconomic Models of Unemployment: Can They Explain the Unemployment Path in the OECD.' *The Economic Journal*, Vol. 108: 850 – 867.
- Mankiw N. G. 1981. 'The Permanent Income Hypothesis and the Real Interest Rate.' *Economic Letters* 7:307-311.
- Markowitz H. M. 1959. *Portfolio Selection: Efficient Diversification of Investments*, John Wiley and Sons, New York.
- Marsden K. 1983. 'Links Between Taxes and Economic Growth: Some Empirical Evidence.' *WB Staff Working Paper No. 605*, World Bank, Washington DC.
- Marwah K. 1972. 'An Econometric Model of India: Estimating Prices, their Role and Sources of Change.' *Indian Economic Review*, Vol. 7(1).
- Marzouk. M. S. 1975. 'An Econometric Model of Sudan: Simulation Experiment of Growth Prospects.' *Journal of Development Economics*, Vol. 1: 37-358.
- Matekane E. M. 1992. 'Lesotho Consumer Price Index: An evaluation of its Reliability and a Review of Issues in Inflation and Domestic Policy Responses.' *Staff Occasional Paper No. 8*, CBL, Maseru.
- Mauleon I. 1988. 'A Quarterly Econometric Model for the Spanish Economy.' in Motamen H. (ed.) *Economic Modelling in the OECD Countries*. Chapman and Hall, London.
- McCall J. J. 1970. 'Economics of Information and Job Search.' *Quarterly Journal of Economics*, 84(1): 113-126.
- McCallum B. T. 2001. 'Indeterminacy, Bubbles and the Fiscal Theory of Price Level Determination.' *Journal of Monetary Economics*, Vol. 24: 19 – 30.

- McKinnon R. I. 1969. 'Portfolio Balance and International Payments Adjustment.' in Mundell R. A. and A. K. Swoboda (eds) *Monetary Problems of the International Economy*. University of Chicago Press, Chicago.
- McKinnon J. G. 1991. 'Critical Values for Cointegration Tests.' In Engle R. F., and C. W. J. Granger (eds). *Long Run Relationships*. Oxford University Press, Oxford.
- McKittrick R. R. 1998. 'The Econometric Critique of Computable General Equilibrium Modelling: the Role of Functional Forms'. *Economic modelling*, Vol. 15: 543-573.
- Meiselman, D. I. 1982. 'Is there Conflict Between Monetarism and Supply-Side Economics?' In *Supply-Side Economics in the 1980s: Conference Proceedings*. Wesport: Qourum Books: 41-48.
- Meltzer A. H. 1995. 'Monetary, Credit and Other Transmission Processes: A Monetarist Perspective.' *Journal of Economic Perspectives*, 9(4): 49-72.
- Millar J. 1997. 'The Effects of Budget Rules on Fiscal Performance and Macroeconomic Stabilization.' *Working Paper 97-15*, Bank of Canada.
- Minford P. and Peel D. 1980. 'The Natural Rate Hypothesis and Rational Expectations - A Critique of Some Recent Developments.' *Oxford Economic Papers*, 32(1): 71- 81.
- Mishkin F. S. 1983. *A Rational Expectations Approach to Macroeconometrics*, Chicago University Press, Chicago.
- _____.1995. 'Symposium on the Monetary Transmission Mechanism.' *Journal of Economic Perspectives*, 9(4): 3-10.
- Mitchell P. R., Sault J. E., Smith P. N. and K. F. Wallis 1998. 'Comparing Global Economic Models.' *Economic Modelling*, Vol. 15: 1-48.
- Modigliani F. and R. Brumberg 1954. 'Utility Analysis and the Consumption Function: An Interpretation of Cross-Section Data' In Kurihara K. K. (ed). *Post-Keynesian Economics*, Rutgers University Press, New Bruswick N.J.
- Molho L. E. 1986. 'Interest Rates, Savings and Investment in Developing Countries: A Reexamination of the McKinnon-Shaw Hypothesis.' *IMF Staff papers*. 33(1).

- Moll P. G. 2000. 'The Demand for Money in South Africa: Parameter Stability and Predictive Capacity.' *The South African Journal of Economics*, 68(2): 190 – 211.
- Montiel P. 1986. 'A Monetary Analysis of a Small Open Economy with a Keynesian Structure.' *IMF Staff Papers*, IMF
- Mortensen D. T. 1970. 'Job Search, the Duration of Unemployment and the Phillips Curve.' *American Economic Review*, 60(5): 847 – 861.
- Mouhammed A. 1990. 'An Econometric Identification of Development Strategies in Iraq: 1951-1980.' *Canadian Journal of Development Studies*, XI(1):99-118.
- Muinhos M. K. and S. A. L. Alves 2004. 'Medium-Size Macroeconomic Model for the Brazillian Economy.' <http://www.sbe.org.br/ebe24/002.pdf>.
- Mundell R. A. 1962. 'The Appropriate Use of Monetary and Fiscal Policy for Internal and External Stability.' *IMF Staff Papers*, Vol. 9: 70 – 79.
- _____. 1963. 'Capital Mobility and Stabilisation Policy Under Fixed and Flexible Exchange Rates.' *Canadian Journal of Economic and Political Science*, Vol. 29: 475 – 485.
- _____. 1993. 'Debts and Deficits in Alternative Macroeconomic Models'. in Baldassarri M., Mundell R. and McCallum J. (eds.) *Debt, Deficits and Economic Performance*. St. Martins Press, New York. Pp 5-129.
- Murchison S., Rennison A. and Z. Zhu. 2004. 'A Structural Small Open-Economy Model for Canada.' *Working Paper 2004-4*. Bank of Canada.
- Musila J. W. 2002. 'An Econometric Model of the Malawian Economy.' *Economic Modelling*, Vol. 19: 295-330.
- Musila J. W. and Rao U. L. G. 'A Forecasting Model of the Kenyan Economy.' *Economic Modelling*, Vol. 19: 801-814.
- Muth J. F. 1961. 'Rational Expectations and the Theory of Price Movements.' *Econometrica*, 29(3): 315-335.
- Myhrman J. 1975. *Inflation and Economic Activity in the Small Open Economy: Theory and Evidence (1952-73) Mimeo*. International Economic Studies, Stockholm.
- Naude W. 2000. 'The Determinants of South African Exports: An Econometric Analysis.' *The South African Journal of Economics*, 68(2): 246 – 265.

- Nelson C. R. and Plosser C. I. 1982. 'Trends and Random Walks in Macroeconomic Time Series: Some Evidence and Implications.' *Journal of Monetary Economics*, Vol. 10 (September): 139-162.
- Nickell S. 1991. 'Unemployment: A survey.' in Oswald A. J. (ed.) *Surveys in Economics. Volume 1*, Basil Blackwell, Oxford.
- _____. 1997. 'Unemployment and the Labour Market Rigidities: Europe versus North America.' *Journal of Economic Perspectives*, 11(3): 55 – 74.
- _____. 1998. 'Unemployment: Questions and Answers.' *The Economic Journal*, Vol. 108: 802-816.
- Nickelsburg G. 1987. 'Inflation, Expectations and Qualitative Government Policy in Ecuador, 1970-82.' *World Development*, 15(8): 1077 – 1085.
- Nordas H. K. and A. Angelsen 1998. *Macmod, A Macroeconomic Model for the Tanzanian Economy*, NADR report.
- Nordhaus W. 1971. 'Recent Developments in Price Dynamics.' In O. Eckstein (ed), *The Econometrics of Price Determination*, Federal Reserve System, Washington, pp 16-49.
- _____. 1972. 'Recent Developments in Price Dynamics.' In Eckstein O. (ed.) *The Econometrics of Price Determination*. Board of Governors of the Federal Reserve System, Washington DC.
- Nugent J. B. and C. Glezakos 1982. 'Phillips Curves in Developing Countries: The Latin American Case.' *Economic Development and Cultural change*. Pp 321 – 334.
- Oates W. E. 1966. 'Budget Balance and Equilibrium Income: A Comment on the Efficiency of Fiscal and Monetary Policy in an Open Economy.' *Journal of Finance*, Vol. 21: 489 – 498.
- Obstfeld M. and Rogoff K. 1995. *Foundations of International Macroeconomics*. The MIT Press, London.
- Okun A. M. 1975. 'Inflation: Its Mechanics and Welfare Costs.' *Brookings Papers on Economic Activity* 2: 351-390.
- Oshikoya T. W. 1992. 'Interest Rate Liberalisation, Saving, Investment and Growth: The Case of Kenya.' *Saving and Development*, 16(3).

- Osoro N. 1993. 'Revenue Productivity Implications of Tax Reforms in Tanzania.' *AERC Report Paper No. 20*, Nairobi.
- Ozatay F. 2000. 'A Quarterly Macroeconomic Model for a Highly Inflationary and Indebted Country: Turkey.' *Economic Modelling*, Vol. 17: 1- 11.
- Paaradakis Z. C. 1989. 'The Econometrics of Cointegrated Time Series: A Survey.' *Discussion Papers in Economics and Econometrics No. 89.3*, University of Southampton.
- Pandit V. 2000. 'Macroeconometric Policy Modelling for India: A Review of Some Analytical Issues.' *Centre for Development Economics Working Paper No. 74*. Centre for Development Economics, India.
- Parkin M. (ed) 1994. *The Theory of Inflation*. Edward Elgar Publishing Limited, England
- Parsons D. O. 1973. 'Quit Rates Over Time: A Search and Information Approach.' *American Economic Review*, 63(3): 390-401.
- Pathak D. S. 1981. 'Demand for Money in a Developing Country: An Econometric - Study.' *Indian Economic Journal*, 29: 10-16.
- Pauly P. 2000. 'A Framework for a Macroeconometric Model of an Emerging Small Open Economy.' Revised Draft. Institute of Policy Analysis, Toronto.
- Pencavel J. H. 1970. 'An Investigation into Industrial Strike Activity in Britain.' *Economica*, 37(147): 239-256.
- Perron P. 1988. 'Trends and Random Walks in Macroeconomic Time Series: Further Evidence from a New Approach.' *Journal of Economic Dynamics and Control*, Vol. 12: 297-332.
- _____. 1989. 'The Great Crash, the Oil Shock and the Unit Root Hypothesis.' *Econometrica*, Vol. 57: 1361-1402.
- Petersson L. 1990. Lesotho Economic Policy and Performance Under Structural Adjustment Program: The External Dependence.' *Institute of Economic Research Working Papers*, Lund University.
- Phelps E. S. 1967. 'Phillips Curves, Expectations of Inflation and Optimal Unemployment over Time.' *Economica*, Vol. 34: 254-281.
- Phelps E. S. 1968. 'Money-Wage Dynamics in the Labour Market Equilibrium.' *Journal of Political economy*, Vol. 76(4).

- _____.1969. 'Short-Run Employment and Real Wage in Competitive Markets.' *International Economic Review*, Vol. 10(2).
- _____.1969. 'The Emerging Microeconomics in Employment and Inflation Theory.' *American Economic Review*, Vol. 59(2).
- _____.1971. 'The 'Natural Rate' Controversy and Economic Theory.' *Inflation and the Canadian Experience*. Industrial relations centre, Queen's University, Ontario.
- _____.1972. 'Money, Wealth and Labour Supply.' *Journal of Economic Theory*, Vol. 5(1).
- Phelps E. S. and J. B. Taylor 1977. 'Stabilizing Powers of Monetary Policy Under Rational Expectations.' *Journal of Political Economy*, 85(1): 163-90.
- Phelps E. S. and G. Zoega 1998. 'Natural Rate Theory and OECD Unemployment.' *The Economic Journal*, Vol. 108: 782 – 801.
- Pilbeam K. 1998. *International finance*. McMillan, London.
- Pindyck R. S. and D. L. Rubinfeld 1991. *Econometric Models and Economic Forecasts*. McGraw Hill, Singapore.
- Pitchford J. D. 1957. 'Cost and Demand Elements in the Inflationary Process.' *Review of Economic Studies*, Vol. 24: 139-148.
- _____. 1961. 'The Inflationary Effects of Excess Demand for Goods and Excessive Real Income Claims.' *Oxford Economic Papers*, Vol. 13: 59-71.
- _____. 1968. 'An Analysis of Price Movements in Australia, 1947-1948.' *Australian Economic Papers*, Vol. 7: 111-135.
- Pohl. R. 1993. 'Money Supply, Interest Rate and Exchange Rate Targets: Conflicting Issues in an Open Economy.' in Frowen S. F. (ed.) *Monetary Theory and Monetary Policy*. St. Martin 's Press, London.
- Prachowny M. F. J. 1984. *Macroeconomic Analysis for Small Open Economies*. Clarendon Press, Oxford.
- Rae D. 1996. 'NBNZ-DEMONZ: A dynamic equilibrium model of New Zealand.' *Economic Modelling*, Vol. 13: 91-165.
- Randakuwa W., Rao U. L. G. and Ogwang T. 1995. 'A Forecasting Model of the Sri-Lankan Economy.' *Economic Modelling* 12 (4): 343-375.

- Roberts, P. G. 1982. Theoretical Foundations of Supply-Side Economics.' in *Supply-Side Economics in the 1980s: Conference Proceedings*. Weport: Quorum Books: 49-51.
- _____.1982. 'The Breakdown of the Keynesian Model.' in Fink R. F. (ed.) *Supply-Side Economics: A Critical Appraisal*. University Publications of America, Maryland.
- Robinson J. 1937. 'The Foreign Exchanges.' in Robinson J. (ed.) *Essays in the Theory of Employment*. Basil Blackwell, Oxford.
- Rodriguez F. and F. Rodrik 1999. 'Trade Policy and Economic Growth: A Skeptic's Guide to the Cross-National Evidence.' *NBER Working Paper Series 7081*. NBER.
- Rogerson R. 1997. 'Theory Ahead of Language in the Economics of Unemployment.' *Journal of Economic Perspectives*, 11(1): 73 – 92.
- Roldos J. 1997. 'Potential Output Growth in Emerging Market Countries: The Case of Chile.' *IMF Working Paper WP/97/104*. IMF.
- Romer D. 1993. 'Openness and Inflation: Theory and Evidence.' *The Quarterly Journal of Economics*, CVIII (4): 869 –903.
- _____. 1996. *Advanced Macroeconomics*. McGraw-Hill, USA.
- Rosen S. 1985. 'Implicit Contracts: A Survey.' *Journal of Economic Literature*, Vol. XXIII: 1144 – 1175.
- Ross S. and Wachter M. L. 1973. 'Wage Determinants, Inflation and the Industrial Structure.' *American Economic Review*, 63(4): 675-694.
- Roy S. D. and Darbha G. 2000. 'Dynamics of Money, Output and Price Interaction: Some Indian Evidence.' *Economic Modelling*, Vol. 17: 559-588.
- Ruge-Murcia F. J. 1999. 'Government Expenditure and the Dynamics of High Inflation.' *Journal of Development Economics*, Vol. 58: 333 – 358.
- Sachs J. D. and F. B. Larrain 1993. *Macroeconomics in the Global Economy*. Harvester Wheatsheaf, New York.
- Salop S. C. 1973. 'Systematic Job Search and Unemployment.' *Review of Economic Studies*, 40(2): 191-202.

- Samuelson P. A. and R. M. Solow 1960. 'Analytical Aspects of Anti-Inflation Policy.' *American Economic Review*, 50 (May): 177-194.
- Santomero A. M. and J. J. Seater 1978. 'The Inflation-Unemployment Trade-Off: A Critique of the Literature.' *Journal of Economic Literature*, Vol. XVI (June): 499-544.
- Sargent T. J. 1973. 'Rational Expectations, the Real Rate of Interest and the Natural Rate of Unemployment.' *Brookings Papers on Economic Activity Issue 2*, pp 429-480.
- Sargent T. and N. Wallace 1975. 'Rational Expectations, the Optimal Monetary Instrument and the Optimal Money Supply Rule.' *Journal of Political Economy*, 83(2): 241 – 254.
- _____. 1976. 'Rational Expectations and the Theory of Economic Policy.' *Journal of Monetary Economics*, 2(22): 169 – 183.
- _____. 1979. *Macroeconomic Theory*. Academic Press, New York.
- Sawyer M. 2003. 'A Simple Open Economy Macroeconomic Model.' http://www/129.11.89.221/mkb/malcolmsawyer/macro_model.doc.
- Schmidt P. and R. P. Strauss. 1976. 'The Effect of Unions on Earnings and Earnings on Unions: A Mixed Logit Approach.' *International Economic Review*, 17(1): 204-212.
- Schultze C. L. and J. L. Tyron 1965. 'Prices and Wages.' In Duesenberry J. S. (ed.) *The Brookings Quarterly Model of the United States*. Rand McNally, Chicago.
- Shea J. 1995. 'Union Contracts and the Life-Cycle/Permanent Income Hypothesis.' *American Economic Review*, 85(March): 186-200.
- Simler N. J. and A. Tella 1968. *Labour Reserves and the Phillips Curve, Mimeo*, University of Minnesota, Minneapolis.
- Sims C. A. 1972. 'Money, Income and Causality'. *American Economic Review*, 62(4): 540-52.
- _____. 1980. 'Macroeconomics and Reality.' *Econometrica*, Vol. 48 (1-48).
- Siven C-H. 1974. 'Consumption, Supply of Labour and Search Activity in an Intertemporal Perspective.' *Swedish Journal of Economics*, 7(1): 44-61.

- Smal M. 1995. 'The Framework of the Public Sector Equations in the SARB's econometric model.' *SARB Occasional Paper No. 7*.SARB, South Africa.
- Solimano A. 1990. 'Inflation and the Costs of Stabilisation: Historical and Recent Experiences and Policy Lessons.' *The World Bank Research Observer*, 5(2): 167 – 185.
- Soludo C. C. 1995. 'Macroeconomic Adjustment, Trade and Growth: Policy Analysis Using a Macroeconomic Model of Nigeria.' *AERC Research Paper 32*. AERC, Nairobi.
- _____. 2002. 'Macroeconomic Modelling and Economic Policy Making: A Survey of Experience in Africa' *AERC Research Paper 201*. AERC, Nairobi.
- Song B-N. 1981. 'Empirical Research on Consumption Behaviour: Evidence from Rich and Poor LDCs.' *Economic Development and Cultural Change*, 29 (3): 597-611.
- Spitaller E. 1978. 'A Model of Inflation and its Performance in the Seven Main Industrial Countries, 1958-76.' *IMF Staff Papers*, Vol. 25:254 – 277.
- Staiger D., Stock J. H. and M. W. Watson 1997. 'The NAIRU, Unemployment and Monetary Policy.' *Journal of Economic Perspectives*, 11(1): 33 – 49.
- Stevenson A., Muscatelli V. and M. Gregory 1988. *Macroeconomic Theory and Stabilisation Policy*. Phillip Allan, Hertfordshire.
- Stigler G. 1962. 'Information in the Labour Market.' *Journal of Political Economy*, 70(5): 94 – 105.
- Stiglitz J. E. 1974. 'Alternative Theories of Wage Determination and Unemployment in LDC's: The Labour Market Turnover Model.' *Quarterly Journal of Economics*, 88(2): 194 – 227.
- _____.1997. 'Reflections on the Natural Rate Hypothesis.' *Journal of Economic Perspectives*, 11(1): 3 – 10.
- Stone S. (ed.) 1996. *Macroeconomic Modelling in Southern Africa: A Comparative Perspective*. NEPRU, Namibia.
- Subramanian S. S. 2001. 'A Survey of Recent Empirical Money Demand Studies.' *IMF Staff Papers*, 47(3): 334-365.

- Summers L. H. 1981. 'Capital Taxation and Accumulation in a Life-Cycle Growth Model.' *The American Economic Review*, 71(4): 553-544.
- Sundararajan V. and S. Thakur 1980. 'Public Investment, Crowding Out and Growth: A Dynamic Model Applied to India and Korea.' *IMF Staff Papers*, Vol. 37: 814 – 855.
- Swoboda A. K. 1976. 'Monetary Approaches to Balance of Payments Theories.' in Classen E. M. and P. Salin (eds.) *Recent Issues in International Monetary Economics*. Noth-Holland, Amsterdam.
- Tanzi V. and M. I. Blejer 1982. 'Inflation, Interest Rate Policy and Currency Substitution in Developing Economies: A Discussion of Some Major Issues.' *World Development*, 10(9): 781 – 789.
- Tavlas G. S. 1983. 'A Model of the Inflationary Process in Six Major OECD Economies: Empirical Results and Policy Implications.' *Journal of Policy Modelling*, 5(1): 19-35.
- _____. 1984. 'The Price Equation and Excess Demand: A Reappraisal.' *Applied Economics*, Vol. 16 (935-944).
- Taylor J. B. 1970. 'Hidden Unemployment, Hoarded Labour and the Phillips Curve.' *Southern Economic Journal*, 37(1): 1-16.
- _____. 1975. 'Monetary Policy During a Transition to Rational Expectations.' *Journal of Political Economy*, Vol. 83 (1009-1021).
- _____. 1979. 'Staggered Wage Setting in a Macro Model.' *American Economic Review Papers and Proceedings*, Vol. 68: 108-13.
- _____. 1980. 'Aggregate Dynamics and Staggered Contracts.' *Journal of Political Economy*, Vol. 88: 1-23.
- _____. 1983. 'Union Wage Settlements during Disinflation.' *American Economic Review*, Vol. 73: 981-93.
- _____. 1995. 'The Monetary Transmission Mechanism: An Empirical Framework.' *Journal of Economic Perspectives*, 9(4), 11-26.
- Tegene A. 1990. 'The Monetarist Explanation of Inflation: The Experience of Six African Countries.' *Journal of Economic Studies*, 16(1): 5-18.

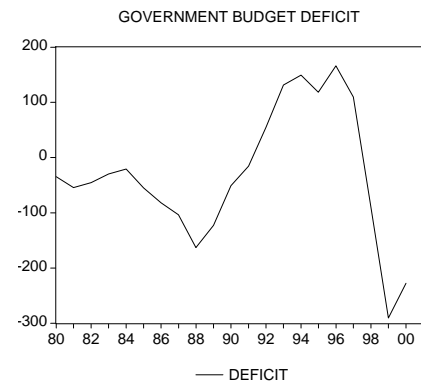
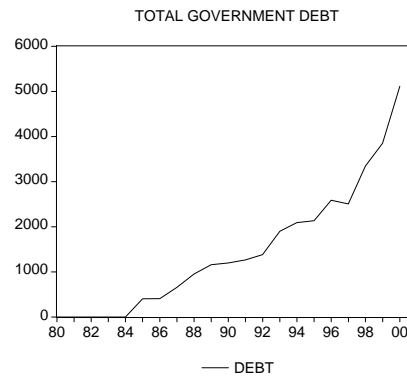
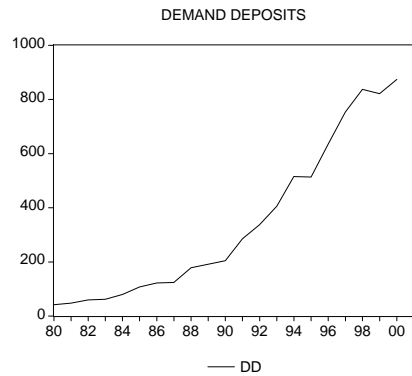
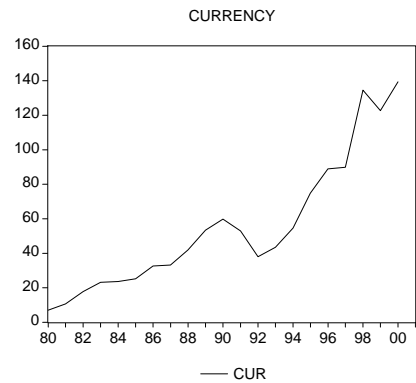
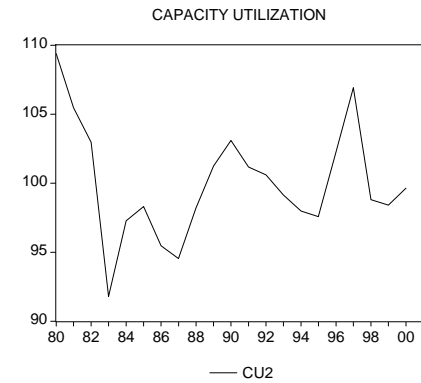
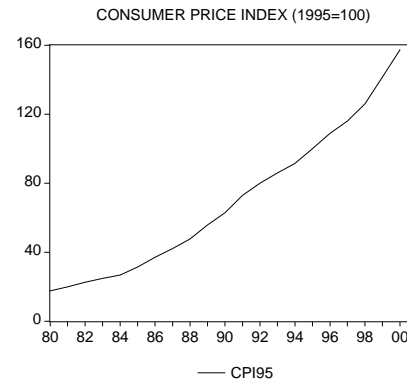
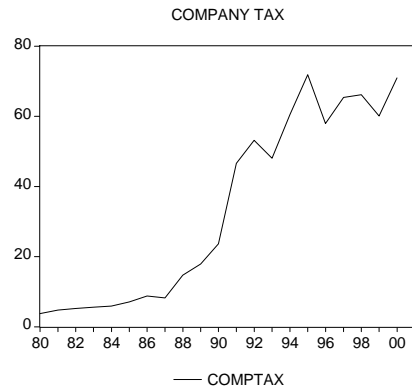
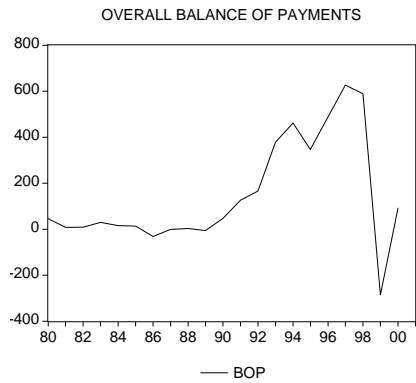
- Thomas R. L. 1974. 'Wage Inflation in the UK: A Multi-Market Approach.' In Laidler D. and D. Purdy (eds.) *Inflation and Labour Markets*, University of Toronto Press, Toronto.
- _____. 1993. *Introductory Econometrics, Theory and Applications*. Longman, London.
- Throop A. W. 1968. 'The Union-Nonunion Wage Differential and Cost-Push Inflation.' *American Economic Review*, Vol. 58: 79-99.
- Tjipe T., Nielsen H. and Uanguta E. 2004. 'Namibia Macroeconometric Model: NAMEX.' Paper Presented at the Ninth Annual Conference on Econometric Modelling for Africa, Cape Town, South Africa.
- Tobin J. 1958. 'Liquidity Preference as Behaviour Towards Risk.' *Review of Economic Studies*, Vol. 25: 65 – 86.
- _____.1965. 'Money and Economic Growth.' *Econometrica* 33(4): 671-684.
- _____.1969. 'A General Equilibrium Approach to Monetary Theory.' *Journal of Money, Credit and Banking*, 1(1): 15-29.
- _____. 1972. 'Inflation and unemployment.' *American Economic Review*, 62(1): 1 – 18.
- _____. 1980. *Asset Accumulation and Economic Activity*. Basil Blackwell, Oxford.
- Ture N. B. 1982. 'The Economic Effects of Tax Changes: A Neoclassical Analysis.' in Fink R. F. (ed.) *Supply-Side Economics: A Critical Appraisal*. University Publications of America, Maryland.
- Turvey R. 1951. 'Some Aspects of the Theory of Inflation in a Closed Economy.' *Economic Journal*, Vol. 51: 531-543.
- Valadkhani A. 2004. 'Short Survey, History of Macroeconometric Modelling: Lessons from Past Experience.' *Journal of Policy Modelling*, Vol. 26: 265-281.
- Valdes R. 2003. 'MEP 1- Structural Macroeconomic Model for Chile: An Overview.' Paper Prepared for the Conference on Monetary Policy: Shocks and Effectiveness. Central Bank of Chile, Rio de Janeiro.
- Vanderkamp J. 1968. 'The Phillips Relation: A Theoretical Explanation - A Comment.' *Economica*, Vol. 35: 61 – 72.
- _____.1972. 'Wage Adjustment, Productivity and Price Change Expectations' *Review of Economic Studies*. 39(1): 61 – 72.

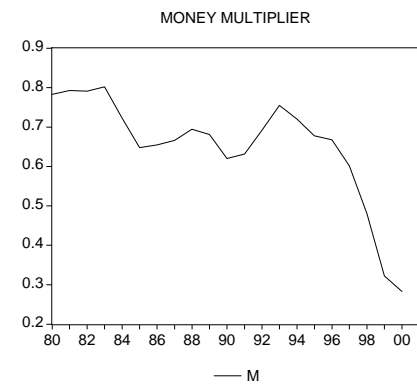
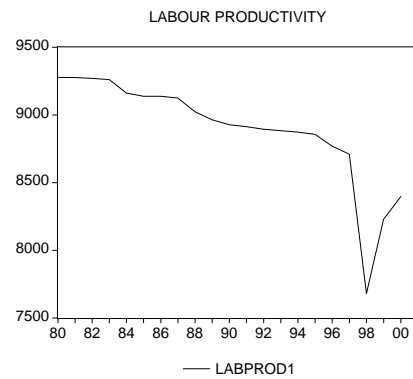
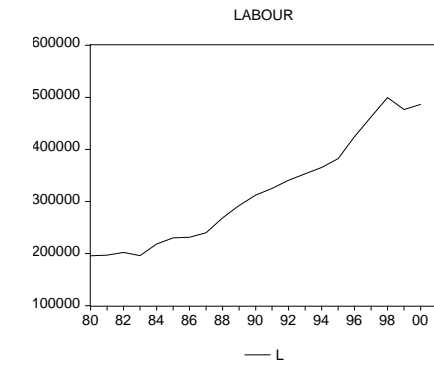
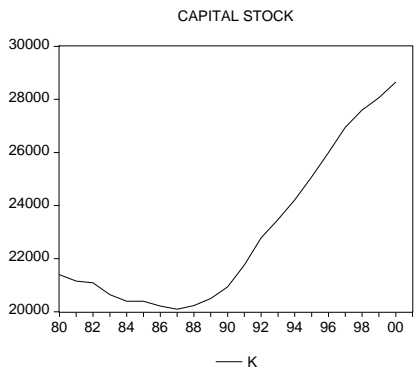
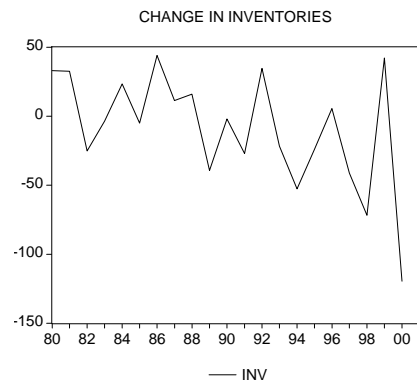
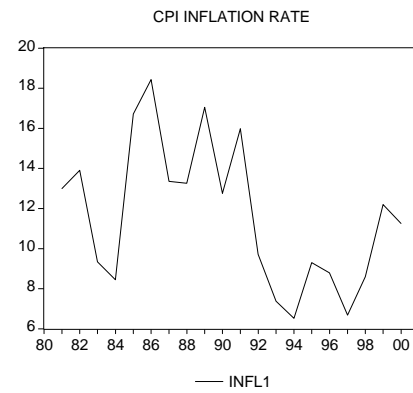
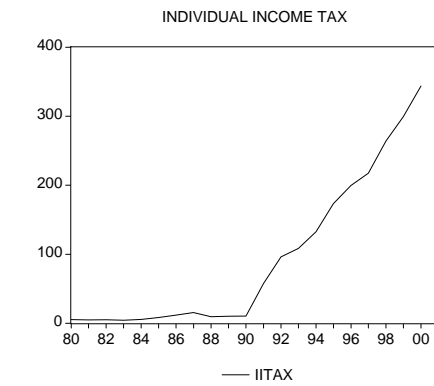
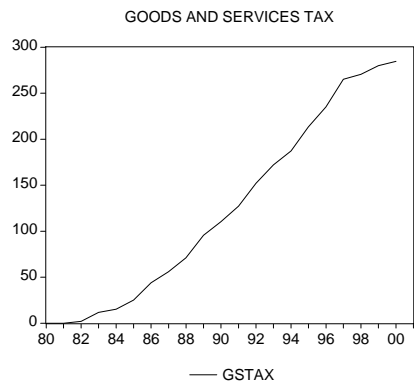
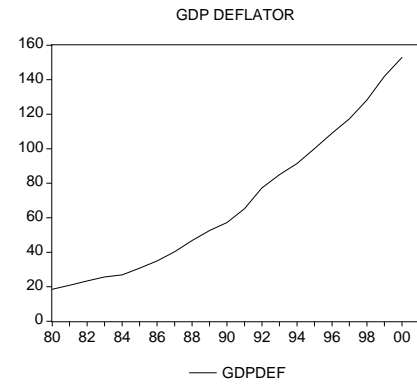
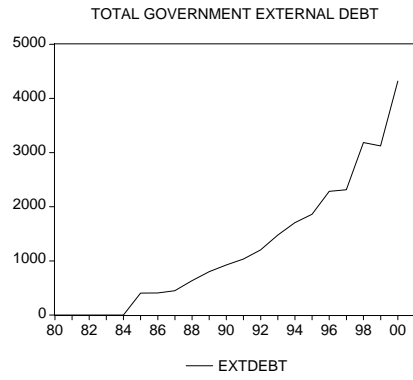
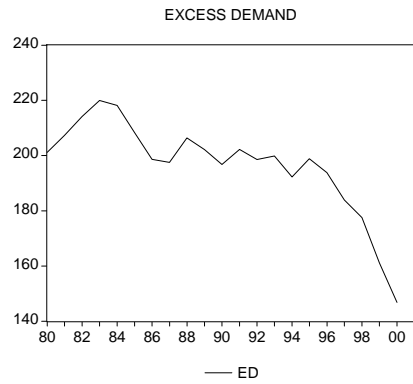
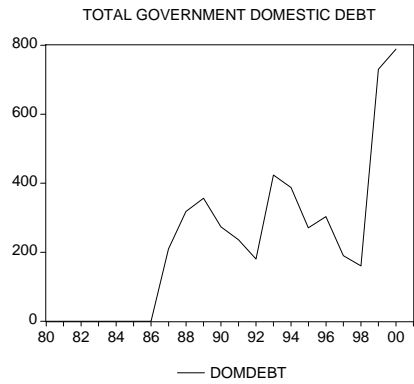
- Varian H. R. 1997. 'How to Build an Economic Model in Your Spare Time.' *American Economist*, 41(2): 3-8.
- Wagner H. (ed.) 1998. *Current Issues in Monetary Economics*. Physica-Verlag, Germany.
- Wallis F. K. 1993. 'Comparing Macroeconometric Models: A Review Article.' *Economica*, 60: 225-237.
- Wallis K. F. (ed.) 1994. *Macroeconomic Modelling: Volumes 1 and 2*. Edward Elgar Publishing, England.
- Watson. P. K. 1990. 'Modelling the Balance of Payment of Trinidad and Tobago, 1965-1985: A Policy Making Perspective.' *Social and Economic Studies*, 39(1): 51-70.
- Watson P. K. and C. Ramlogan 1991. 'Savings and the Rate of Interest in Trinidad and Tobago: An Empirical Analysis.' *Savings and Development*, 15(4): 349-360.
- Weis Y. 1972. 'On the Optimal Lifetime Pattern of Labour Supply.' *Economic Journal*, 82(328): 1293-1315.
- Weiss L. 1980. 'The Role of Active Monetary Policy in a Rational Expectations Model.' *Journal of Political Economy*, 88(2), 221-233.
- Welfe W., Gajda J. and E. Zoltowska. 1992. 'On the Methodology of Constructing Large Econometric Models of an East European Economy (Poland): A Comment.' *Economic Modelling*, 9(2): 137-145.
- Welfe A. 2000. 'Modelling Inflation in Poland.' *Economic Modelling*, Vol. 17: 375-385.
- Whitley J. D. 1994. *A Course in Macroeconomic Modelling and Forecasting*. Harvester Wheatsheaf, Great Britain.
- Whitman M. v-N. 1975. 'Global Monetarism and the Monetary Approach to the Balance of Payments.' *Brookings Papers on Economic Activity*, pp 491-536.
- World Bank. 1975. 'Lesotho: A Development Challenge.' *A World Bank Country Economic Report*, World Bank, Washington DC.
- World Bank. 1990. *Lesotho: Financial Sector Review*. World Bank, Washington DC.
- World Bank 2000. *World Development Report 1999/2000*. Washington: World Bank.
- Zaidi I. M. 1985. 'Saving, Investment, Fiscal Deficits and the External Indebtedness of Developing Countries.' *World Development*, 13(5): 573 – 588.

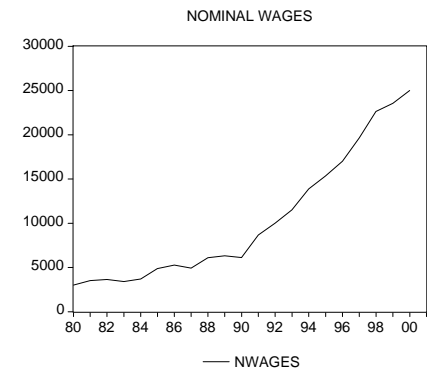
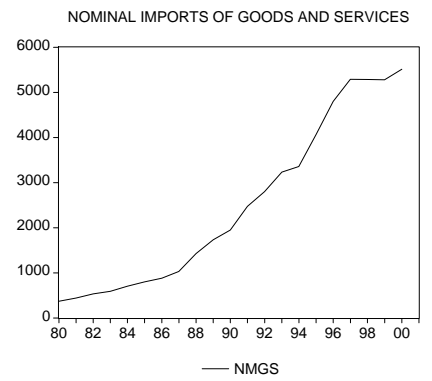
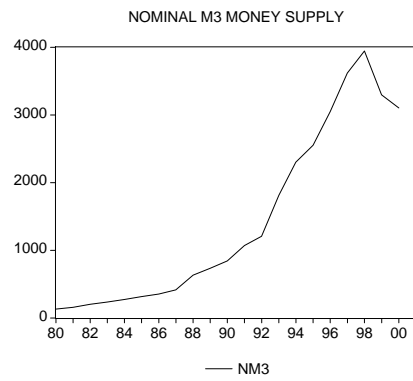
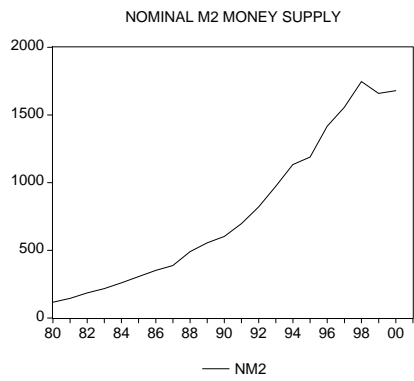
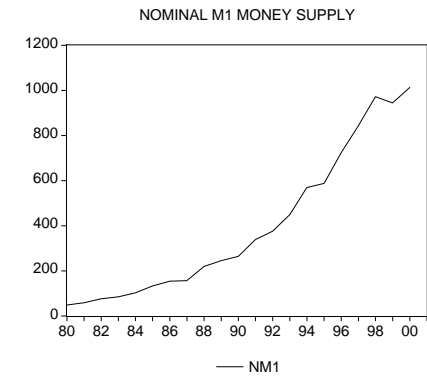
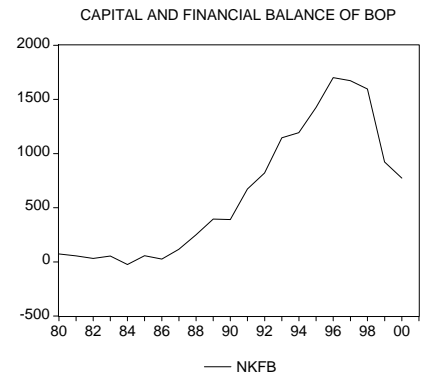
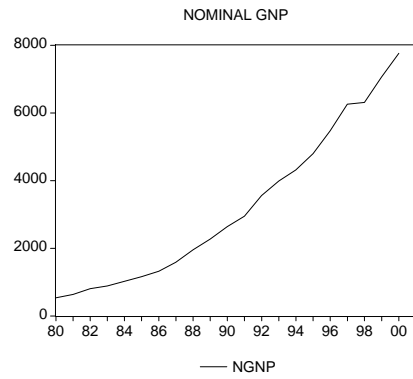
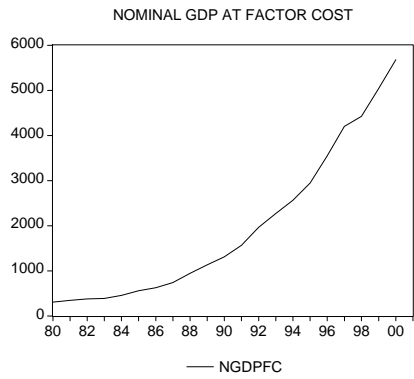
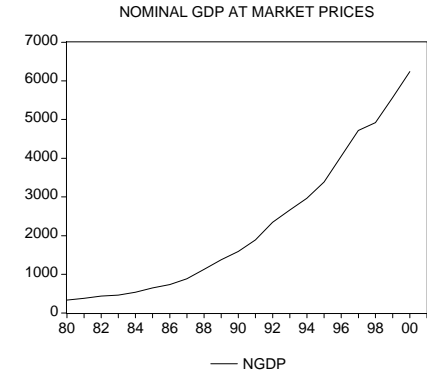
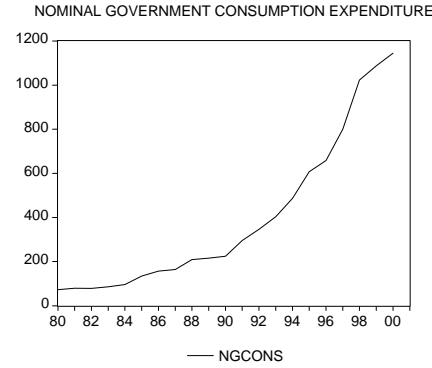
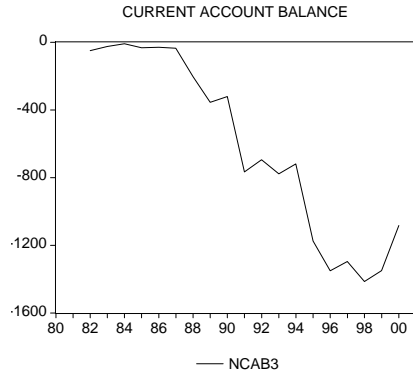
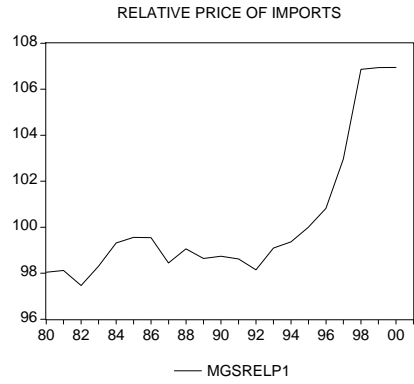
APPENDIX A

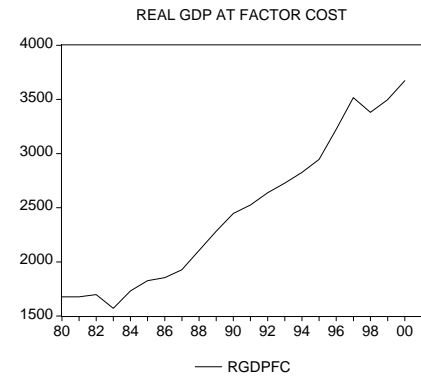
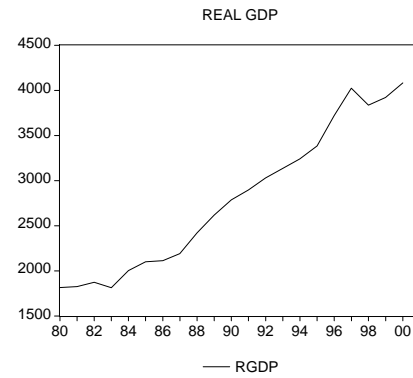
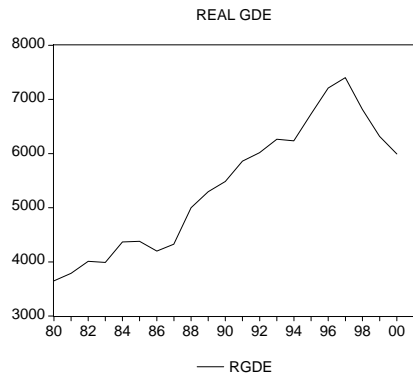
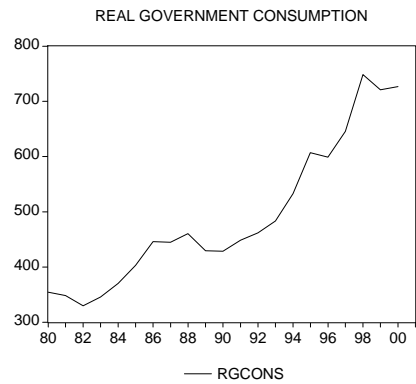
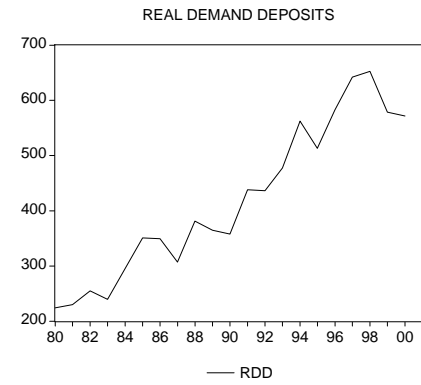
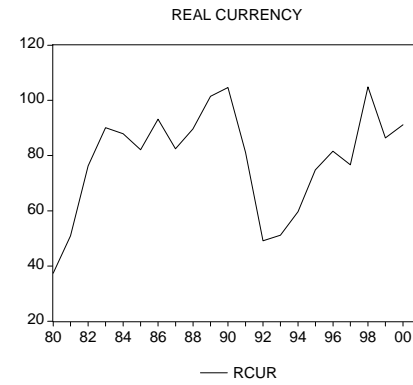
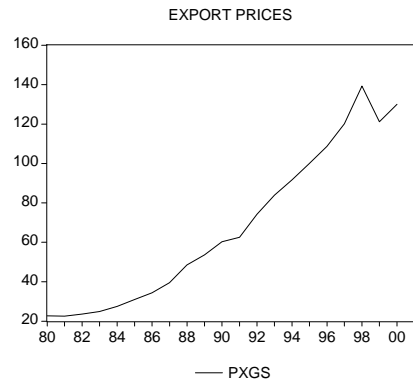
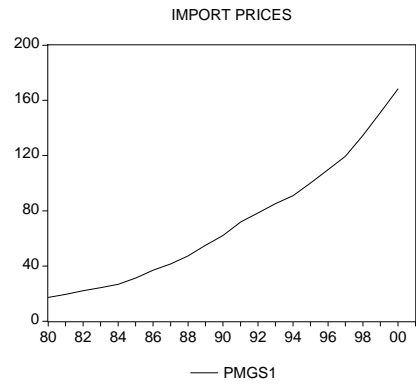
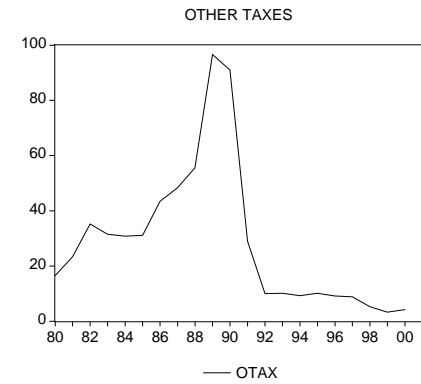
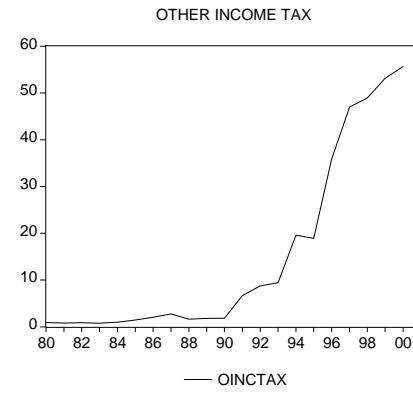
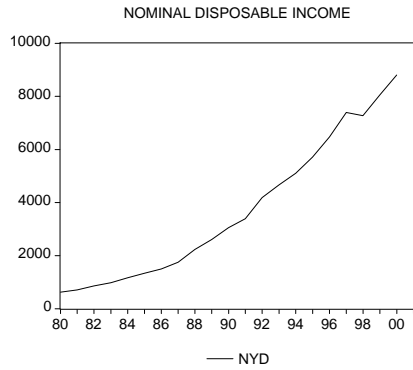
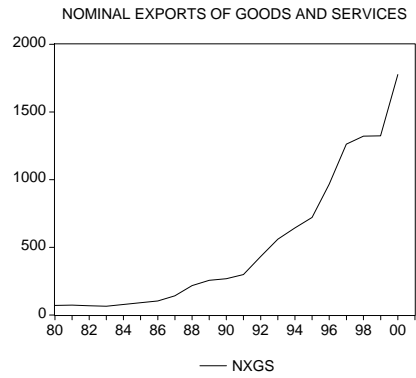
GRAPHICAL PRESENTATION OF VARIABLES USED IN THE MODEL

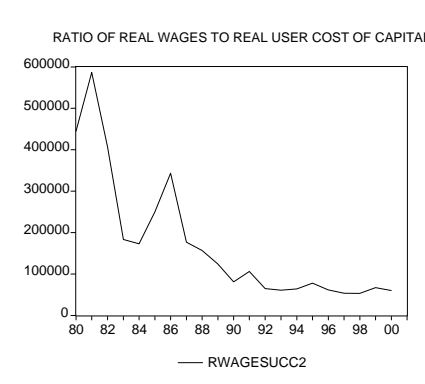
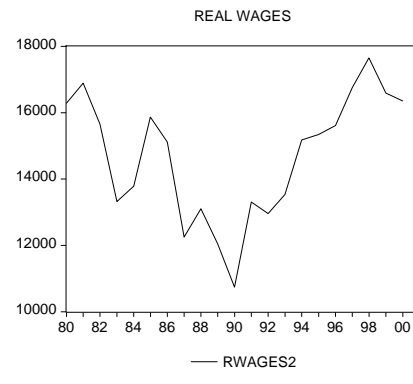
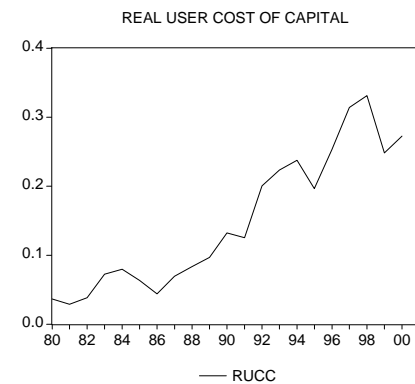
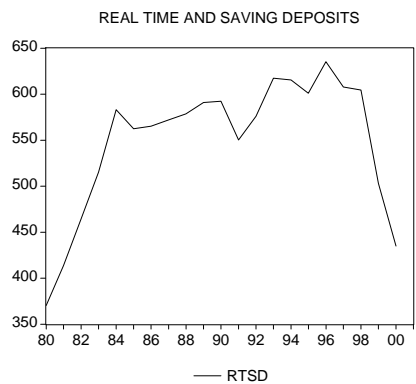
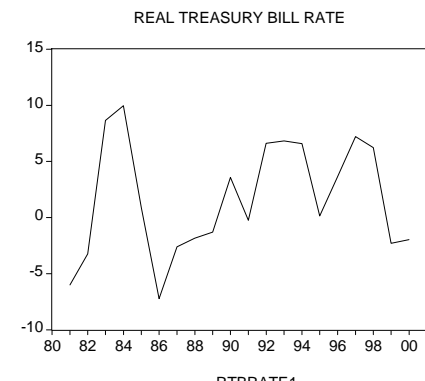
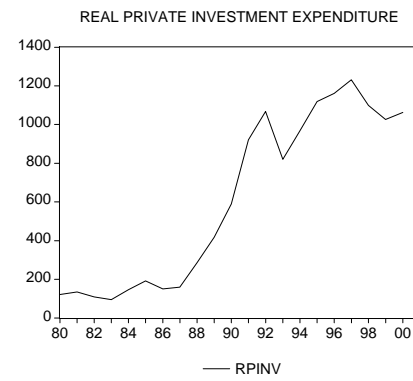
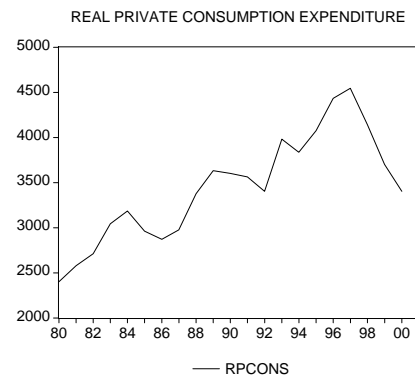
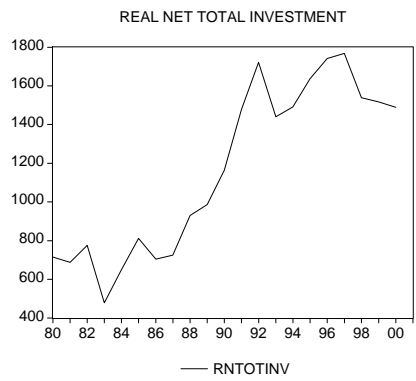
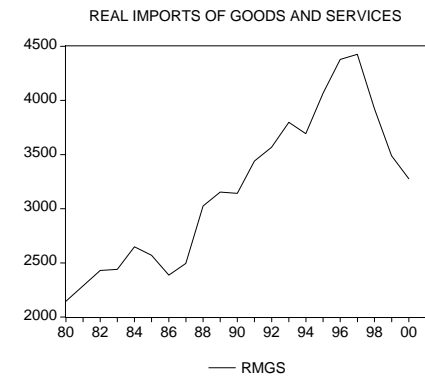
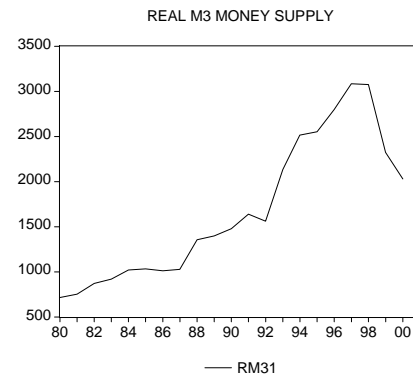
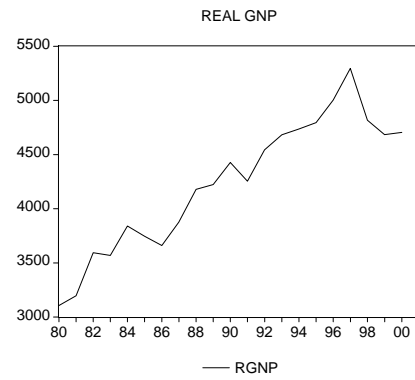
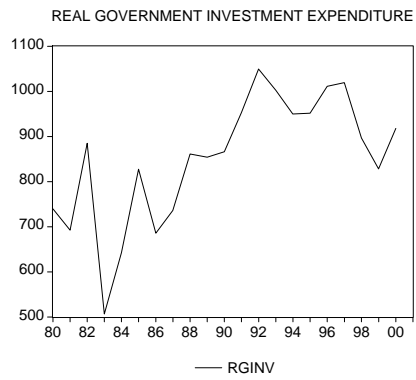
ENDOGENOUS VARIABLES

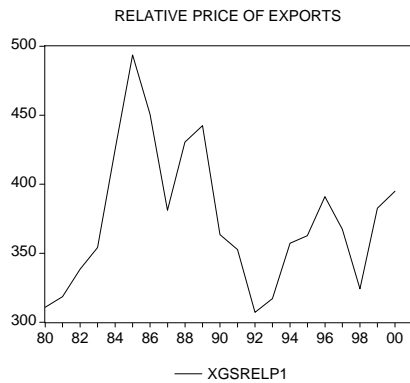
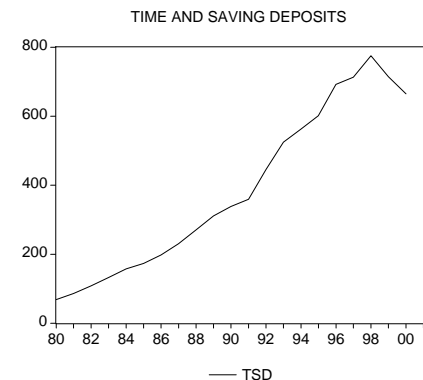
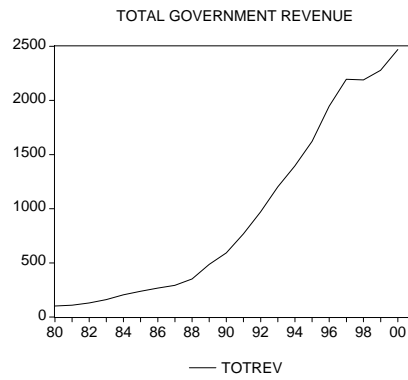
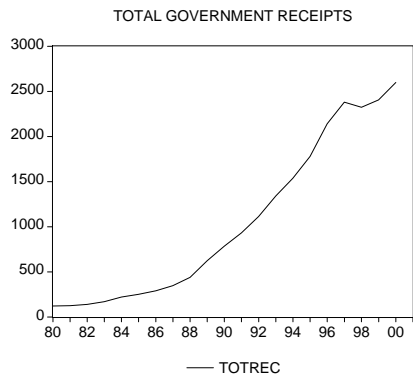
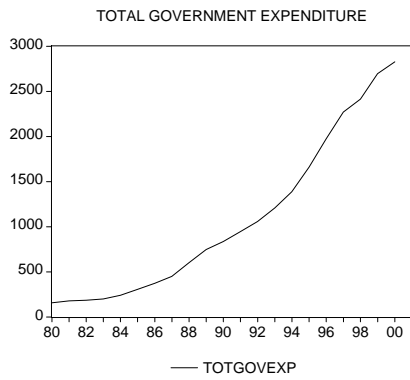
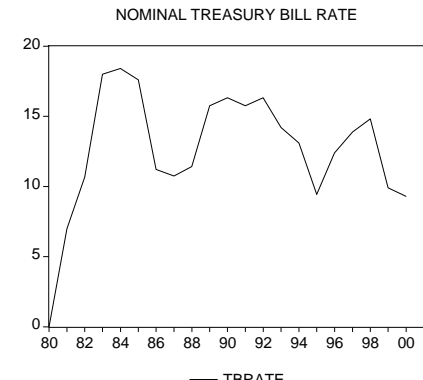
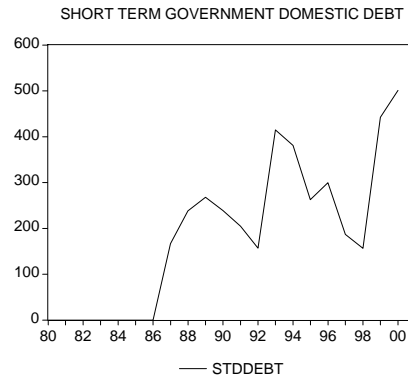
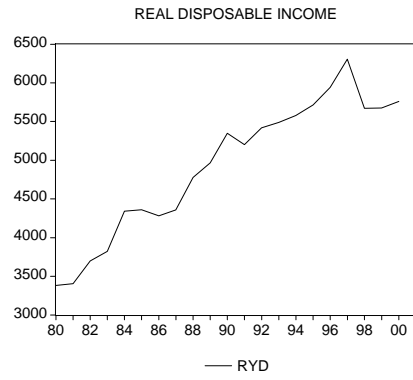
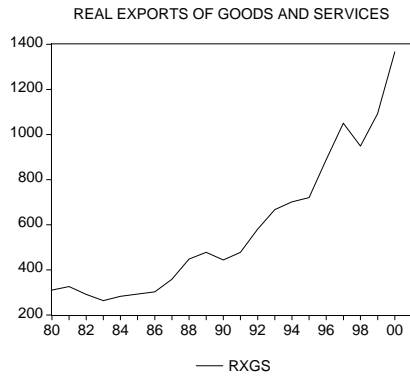












EXOGENOUS VARIABLES

