

University of Groningen

Measurement issues in political economy

Leertouwer, E.

IMPORTANT NOTE: You are advised to consult the publisher's version (publisher's PDF) if you wish to cite from it. Please check the document version below.

Document Version

Publisher's PDF, also known as Version of record

Publication date:
2002

[Link to publication in University of Groningen/UMCG research database](#)

Citation for published version (APA):

Leertouwer, E. (2002). *Measurement issues in political economy*. [Thesis fully internal (DIV), University of Groningen]. s.n.

Copyright

Other than for strictly personal use, it is not permitted to download or to forward/distribute the text or part of it without the consent of the author(s) and/or copyright holder(s), unless the work is under an open content license (like Creative Commons).

The publication may also be distributed here under the terms of Article 25fa of the Dutch Copyright Act, indicated by the "Taverne" license. More information can be found on the University of Groningen website: <https://www.rug.nl/library/open-access/self-archiving-pure/taverne-amendment>.

Take-down policy

If you believe that this document breaches copyright please contact us providing details, and we will remove access to the work immediately and investigate your claim.

Downloaded from the University of Groningen/UMCG research database (Pure): <http://www.rug.nl/research/portal>. For technical reasons the number of authors shown on this cover page is limited to 10 maximum.

Bibliography

- Alesina, A. (1988), *Macroeconomics and Politics*. NBER Macroeconomics Annual, Cambridge University Press, Cambridge, UK.
- Alesina, A. and R. Perotti (1997), "The welfare state and competitiveness", *American Economic Review*, **87**(5), 921–939.
- Alesina, A. and N. Roubini (1992), "Political cycles in OECD economies", *Review of Economic Studies*, **59**, 663–688.
- Alesina, A., N. Roubini, and G. D. Cohen (1997), *Political Cycles and the Macroeconomy*, MIT Press, Cambridge, Mass.
- Allen, S. D. and D. L. McCrickard (1991), "The influence of elections on federal reserve behavior", *Economics Letters*, **37**, 51–55.
- Arbuckle, J.L. (1996), "Full information estimation in the presence of incomplete data", in G. A. Marcoulides and R. E. Schumacker, editors, *Advanced Structural Equation Modeling: Issues and Techniques*, Erlbaum, Mahwah, NJ, 243–277.
- Arbuckle, J.L. (1997), *Amos Users' Guide, Version 3.6*, Smallwaters, Chicago.
- Baltagi, B. H. (1995), *Econometric analysis of panel data*, John Wiley and Sons.
- Barro, R. and X. Sala-I-Martin (1995), *Technological Diffusion, Convergence, and Growth*, NBER, Cambridge, MA.
- Beck, N.J. (1991), "The FED and the political business cycle", *Contemporary Policy Issues*, **9**, 25–38.
- Beck, N.J. and J. Katz (1995), "What to do (and not to do) with time-series-cross-section data in comparative politics", *American Political Science Review*, **89**, 634–647.
- Beck, N.J. and J. Katz (1996), "Nuisance vs. substance: Specifying and estimating time-series-cross-section models", *Political Analysis*, **6**, 1–36.
- Berger, H. and F. Schneider (2000), "The Bundesbank's reaction to policy conflicts", in Jakob de Haan, editor, *History of the Bundesbank: Lessons for the ECB*, Routledge, London.
- Berger, H. and U. Woitek (1997), "Economics or politics: What drives the Bundesbank?", *mimeo, Princeton University*.

- Berger, H. and U. Woitek (2001), "The German political business cycle: money demand rather than monetary policy", *European Journal of Political Economy*, **17**, 609–631.
- Berger, H., J. de Haan and S.C.W. Eijffinger (2001), "Central bank independence: An update on theory and evidence", *Journal of Economic Surveys*, **15**(1), 3–40.
- Bierens, H. J. (1997), "Testing the unit root with drift hypothesis against nonlinear trend stationarity, with an application to the us price level and interest rate", *Journal of Econometrics*, **81**, 29–64.
- Blyth, C.A. (1979), "The interaction between collective bargaining and government policies in selected member countries", in *Collective Bargaining and Government Policies*, OECD, Paris, 59–93.
- Bollen, K.A. (1989), *Structural Equations with Latent Variables*, Wiley, New York.
- Braun, D. (1983), "De inkomenspolitiek als politiserings-strategie", *Mededelingen van de Subfaculteit der Algemene Politieke en Sociale Wetenschappen*, **42**, University of Amsterdam.
- Browne, M.W. (1984), "Asymptotically distribution-free methods for the analysis of covariance structures", *British Journal of Mathematical and Statistical Psychology*, **37**, 62–83.
- Bruno, M. and J.D. Sachs (1985), *Economics of Worldwide Stagflation*, Basil Blackwell, Oxford.
- Bun, M.J.G. (2001), *Accurate Statistical Analysis in Dynamic Panel Data Models*, PhD thesis, University of Amsterdam.
- Calmfors, L. and J. Driffill (1988), "Centralization of wage bargaining", *Economic Policy*, **6**, 13–61.
- Cameron, D.R. (1984), "Social democracy, corporatism, labour quiescence and the representation of economic interest in advanced capitalist society", in J.H. Goldthorpe, editor, *Order and Conflict in Contemporary Capitalism*, Oxford University Press, Oxford, 143–178.
- Campillo, M. and J.A. Miron (1997), "Why does inflation differ across countries?", in C.D. Romer and D.H. Romer, editors, *Reducing Inflation: Motivation and Strategy*, University of Chicago Press, Chicago.
- Cargill, T. F., M. M. Hutchison, and T. Ito (1997), *The Political Economy of Japanese Monetary Policy*, MIT Press, Cambridge, Mass.
- Chou, C.-P. and P.M. Bentler (1995), "Estimates and tests in structural equation modeling", in R.H. Hoyle, editor, *Structural Equation Modeling: Concepts, Issues, and Applications*, Sage, Thousand Oaks, CA, 37–55.
- Clark, W. R. and M. Hallerberg (2000), "Mobile capital, domestic institutions, and electorally-induced monetary and fiscal policy", *American Political Science Review*, **94**, 323–346.
- Clark, W. R., U. N. Reichert with S. L. Lomas, and K. L. Parker (1998), "International and domestic constraints on political business cycles in OECD economies", *International Organization*, **51** (1), 87–120.

- Compston, H. (1997), "Union power, policy making, and unemployment in Western Europe, 1972-1993", *Comparative political studies*, **30(6)**, 732-751.
- Crouch, C. (1985), "Conditions for trade union wage restraint", in L.N. Lindberg and C.S. Maier, editors, *The Politics of Inflation and Economic Stagflation*, Brookings Institution, Washington, DC, 105-139.
- Cukierman, A. (1992), *Central Bank Strategy, Credibility and Independence*, MIT Press, Cambridge, MA.
- Cukierman, A., S.B. Webb and B. Neyapti (1992), "Measuring the independence of central banks and its effect on policy outcomes", *World Bank Economic Review*, **6(3)**, 353-398.
- Czada, R. (1983), "Konsensbedingungen und Auswirkungen neokorporatischer Politikentwicklung", *Journal für Sozialforschung*, **23(4)**, 421-440.
- Dawson, J.W. (1998), "Institutions, investment and growth: New cross-country and panel data evidence", *Economic Inquiry*, **36**, 603-619.
- Dempster, A. P., N.M. Laird and D.B. Rubin (1977), "Maximum likelihood from incomplete data via the EM algorithm", *Journal of the Royal Statistical Society B*, **39**, 1-22.
- Deutsche Bundesbank (1993), *Geschäftsbericht*, Frankfurt/Main.
- Deutsche Bundesbank (1995), *The Monetary Policy of the Bundesbank*, Frankfurt/Main.
- Dijkstra, T.K. (1992), "On statistical inference with parameter estimates on the boundary of the parameter space", *British Journal of Mathematical and Statistical Psychology*, **45**, 289-309.
- Doel, I.T. van den and J.F. Kiviet (1995), "Neglected dynamics in panel data models; consequences and detection in finite samples", *Statistica Neerlandica*, **49**, 343-361.
- Eijffinger, S.C.W. and J. de Haan (1996), "The political economy of central bank independence", *Princeton Special Papers in International Economics*, **19**.
- Eijffinger, S.C.W. and E. Schaling (1992), *Central Bank Independence: Criteria and Indices*, Research Memorandum No. 548, Department of Economics, Tilburg University, processed.
- Eijffinger, S.C.W. and E. Schaling (1998), "The ultimate determinants of central bank independence", in S.C.W. Eijffinger and H.P. Huizinga, editors, *Positive Political Economy: Theory and Evidence*, Cambridge University Press, Cambridge, UK, 47-74.
- Eijffinger, S.C.W. and M. Hoeberichts (1998), "The trade off between central bank independence and conservativeness", *Oxford Economic Papers*, **50**, 397-411.
- Forder, J. (1999), "Central bank independence: Reassessing the measurements", *Journal of Economic Issues*, **33(1)**, 23-40.
- Forder, J. (1996), "On the assessment and implementation of 'institutional' remedies", *Oxford Economic Papers*, **48**, 39-51.

- Frey, B.S. and F. Schneider (1981), "Central bank behaviour: A positive empirical analysis", *Journal of Monetary Economics*, **7**, 291–315.
- Garrett, G. and P. Lange (1986), "Performance in a hostile world: Economic growth in capitalist democracies, 1974-1982", *World Politics*, **38**, 517–545.
- Goodhart, C.A. E. (1994), "What should central banks do? what should be their macroeconomic objectives and operations?", *The Economic Journal*, **104**, 1424–1436.
- Grilli, V., D. Masciandaro and G. Tabellini (1991), "Political and monetary institutions and public financial policies in the industrial countries", *Economic Policy*, **13**, 341–392.
- Gwartney, J., R. Lawson and W. Block (1996), *Economic Freedom in the World, 1975-1995*, Fraser Institute, Vancouver.
- Gwartney, J., R. Lawson and R.G. Holcombe (1999), "Economic freedom and the environment for economic growth", *Journal of Institutional and Theoretical Economics*, **155**, 643–663.
- Haan, J. de, E. Leertouwer, E. Meijer and T.J. Wansbeek (2002), "Measuring central bank independence: A latent variables approach", *Scottish Journal of Political Economy*, forthcoming.
- Haan, J. de and W. Kooi (1997), "What really matters: conservativeness or independence?", *BNL Quarterly Review*, **200**, 23–38.
- Haan, J. de and C.L.J. Siermann (1998), "Further evidence on the relationship between economic freedom and economic growth", *Public Choice*, **95**, 363–380.
- Haan, J. de and J-E. Sturm (2000), "On the relationship between economic freedom and economic growth", *European Journal of Political Economy*, **16**, 215–241.
- Haan, J. de and L. Gormley (1997), "Independence and accountability of the European central bank", in M. Andenas, L. Gormley, C. Hadjiemmanuil and I. Harden, editors, *European Economic and Monetary Union: The Institutional Framework*, Kluwer, Dordrecht, 333–353.
- Hall, P.A. and R.J. Franzese, Jr. (1998), "Mixed signals: Central bank independence, coordinated wage-bargaining, and european monetary union", *International Organization*, **52(3)**, 505–536.
- Hamilton, J.D. (1994), *Time Series Analysis*, Princeton University Press, Princeton.
- Heckelman, J.C. and M.D. Stroup (2000), "Which economic freedoms contribute to growth?", *Kyklos*, **53**, 527–544.
- Heston, A. and R. Summers (1996), "International price and quantity comparisons: Potentials and pitfalls", *American Economic Review*, **86(2)**, 20–24.
- Hochreiter, E. and G. Winckler (1995), "The advantages of tying Austria's hands: the success of the hard currency strategy", *European Journal of Political Economy*, **11**, 83–111.
- Ito, T. and J.H. Park (1988), "Political business cycles in the parliamentary system", *Economics Letters*, **27**, 233–238.

- Johnson, D.R. and P.L. Siklos (1994), "Political effects on central bank behaviour: Some international evidence", in P.L. Syklos, editor, *Varieties Of Monetary Reforms*, Kluwer Academic Publishers, Norwell, Mass. and Dordrecht.
- Judson, R.A. and A.L. Owen (1999), "Estimating dynamic panel data models: a guide for macroeconomists", *Economics Letters*, **65**, 9–15.
- Kapteyn, A. and T.J. Wansbeek (1984), "Errors in variables: Consistent Adjusted Least Squares (CALS) estimation", *Communications in Statistics — Theory and Methods*, **13**, 1811–1837.
- Keman, H. (1984), "Politics, policies and consequences: A cross-national analysis of public policy-formation in advanced capitalist democracies (1967-1981)", *European Journal of Political Research*, **12**, 147–170.
- Keman, J.E., J.J. Woldendorp and D. Braun (1985), *Het Neo-Korporatisme Als Nieuwe Politieke Strategie: Krisisbeheersing Met Beleid En (Door) Overleg?*, CT Press, Amsterdam.
- Lane, P. (1997), "Inflation in open economies", *Journal of International Economics*, **42**(3/4), 327–346.
- Layard, R., S. Nickell and R. Jackman (1991), *Unemployment: Macroeconomic Performance and the Labour Market*, Oxford University Press, Oxford, U.K.
- Leertouwer, E. and J. de Haan (2002), "How to use indicators for 'corporatism' in empirical applications", *CES Ifo Working Papers*, **728**.
- Leertouwer, E. and P. Maier (2001), "Who creates political business cycles: Should central banks be blamed?", *European Journal of Political Economy*, **17**, 445–463.
- Leertouwer, E. and P. Maier (2002), "International constraints on political business cycles in OECD countries: A comment", *International Organization*, **56**(1), 209–221.
- Lehmbruch, G. (1984), "Concertation and the structure of corporatist networks", in J.H. Goldthorpe, editor, *Order and Conflict in Contemporary Capitalism*, Oxford University Press, Oxford, 60–80.
- Lehner, F. (1987), "The political economy of distributive conflict", in R. Wildenmann, editor, *The Future of Party Government, Volume 3: Managing Mixed Economies*, de Gruyter, Berlin and New York, 54–96.
- Lelyveld, I. van (2000), *Inflation, Institutions and Preferences*, PhD thesis, University of Nijmegen.
- Levine, R. and D. Renelt (1992), "A sensitivity analysis of cross-country growth regressions", *American Economic Review*, **82**, 942–963.
- Lijphart, A. and M.M.L. Crepaz (1991), "Corporatism and consensus democracy in eighteen countries: Conceptual and empirical linkages", *British Journal of Political Science*, **21**, 235–256.
- Lohmann, S. (1998), "Federalism and central bank independence: The politics of German monetary policy, 1957-92", *World Politics*, **50** (3), 401–446.
- Maier, P. (2000), "Pressure on the bundesbank?", *Kredit und Kapital*, **4**, 1–30.

- Marks, G. (1986), "Neocorporatism and incomes policy in Western Europe and North America", *Comparative Politics*, **18**, 253–277.
- McCallum, J. (1986), "Unemployment in OECD countries in the 1980s", *Economic Journal*, **96**, 942–960.
- Meijer, E. and T.J. Wansbeek (2000), "Measurement error in a single regressor", *Economics Letters*, **69**, 277–284.
- Muscattelli, A. (1998), "Optimal inflation contracts and inflation targets with uncertain central bank preferences: Accountability through independence?", *The Economic Journal*, **108**, 529–542.
- Nelson, M.A. and R.D. Singh (1998), "Democracy, economic freedom, fiscal policy and growth in LDCs: A fresh look", *Economic Development and Cultural Change*, **46**, 677–696.
- Nordhaus, W.D. (1975), "The political business cycle", *Review of Economic Studies*, **42**, 169–190.
- OECD (1997), *Economic Outlook*, OECD, Paris.
- Padovano, F. and E. Galli (2002), "Corporatism, policies and growth", unpublished manuscript.
- Paloheimo, H. (1984), "Distributive struggle and economic development in the 1970s in developed capitalist countries", *European Journal of Political Research*, **12**, 171–190.
- Posen, A. (1998), "Central bank independence and disinflation credibility: a missing link", *Oxford Economic Papers*, **50**, 335–359.
- Rogoff, K. (1985), "The optimal degree of commitment to an intermediate monetary target", *Quarterly Journal of Economics*, **100**, 1169–90.
- Rogoff, K. and A. Sibert (1988), "Elections and macroeconomic policy cycles", *Review of Economic Studies*, **55**, 1–16.
- Romer, D. (1993), "Openness and inflation: Theory and evidence", *Quarterly Journal of Economics*, **58**, 869–903.
- Romer, D. (1998), "A new assessment of openness and inflation: Reply", *Quarterly Journal of Economics*, **63**, 649–652.
- Romer, D. (2001), *Advanced Macroeconomics*, 2nd edition, McGraw-Hill, New York.
- Ruud, P.A. (1991), "Extensions of estimation methods using the EM algorithm", *Journal of Econometrics*, **49**, 305–341.
- Sala-I-Martin, X. (1997a), "I just ran four million regressions", *NBER Working Paper*, **6252** [Mimeo, Columbia University].
- Sala-I-Martin, X. (1997b), "I just ran two million regressions", *American Economic Review*, **87**(2), 178–183.
- Schmidt, M.G. (1983), "The welfare state and the economy in periods of economic crisis: A comparative study of twenty-three OECD nations", *European Journal of Political Research*, **11**, 1–26.

- Schmidt, M.G. (1986), "Politische Bedingungen erfolgreicher Wirtschaftspolitik: Eine vergleichende Analyse westlicher Industrieländer 1960-1985", *Journal für Sozialforschung*, **26(3)**, 251-273.
- Schmitter, P.C. (1981), "Interest intermediation and regime governability", in S.D. Berger, editor, *Organizing Interests in Western Europe*, Cambridge University Press, Cambridge, 285-327.
- Schott, K. (1984), *Policy, Power and Order: The Persistence of Economic Problems in Capitalist States*, Yale University Press, New Haven, CT.
- Siaroff, A. (1999), "Corporatism in 24 industrial democracies: Meaning and measurement", *European Journal of Political Research*, **36**, 175-205.
- Soh, B.H. (1986), "Political business cycles in industrialized democratic countries", *Kyklos*, **39**, 31-46.
- Soskice, D. (1990), "Wage determination: The changing role of institutions in advanced industrial countries", *Oxford Review of Economic Policy*, **6(4)**, 36-61.
- Spearman, C. (1904), " "General intelligence", objectively determined and measured", *American Journal of Psychology*, **15**, 201-293.
- Sturm, J-E., E. Leertouwer and J. de Haan (2002), "Which economic freedoms contribute to growth? a comment", *Kyklos*, **55**, 403-416.
- Tarantelli, E. (1986), "The regulation of inflation and unemployment", *Industrial Relations*, **25**, 1-15.
- Terra, C.T. (1998), "A new assessment of openness and inflation", *Quarterly Journal of Economics*, **63**, 641-648.
- Teulings, C. and J. Hartog (1998), *Corporatism or Competition? Labour Contracts, Institutions and Wage Structures in International Comparison*, Cambridge University Press, Cambridge.
- Vanssay, X. de and Z.A. Spindler (1994), "Freedom and growth: Do constitutions matter?", *Public Choice*, **78**, 359-372.
- Vaubel, R. (1997), "The bureaucratic and partisan behaviour of independent central banks: German and international evidence", *European Journal of Political Economy*, **13**, 201-224.
- Wansbeek, T.J. and E. Meijer (2000), *Measurement Error and Latent Variables in Econometrics*, North-Holland, Amsterdam.
- West, S.G., J.F. Finch and P.J. Curran (1995), "Structural equation models with nonnormal variables", in Rick H. Hoyle, editor, *Structural Equation Modeling: Concepts, Issues, and Applications*, Sage, Thousand Oaks, CA, 56-75.
- White, H. (1982), "Maximum likelihood estimation of misspecified models", *Econometrica*, **50**, 1-25.
- Wiarda, H.J. (1997), *Corporatism and Comparative Politics: The Other Great 'ism'*, M.E. Sharpe, Armonk, NY.
- Woldendorp, J.J. (1997), "Neo corporatism and macroeconomic performance in eight small west european countries (1970-1990)", *Acta Politica*, **32**, 49-79.

