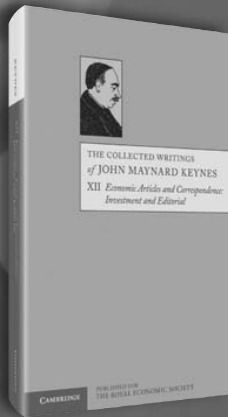


CAMBRIDGE

THE COLLECTED WRITINGS
of JOHN MAYNARD KEYNES

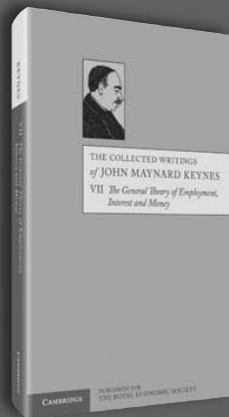
As one of the most influential thinkers of the 20th century, John Maynard Keynes' work revolutionized modern economic theory and policy.

Explore his work firsthand with
*The Collected Writings of
John Maynard Keynes.*



THE COLLECTED WRITINGS
OF JOHN MAYNARD KEYNES
*Volume 12. Economic Articles and
Correspondence: Investment and Editorial*

978-1-107-64620-9 \$34.99 | £21.99



THE COLLECTED WRITINGS
OF JOHN MAYNARD KEYNES
*Volume 7. The General Theory
of Employment, Interest and Money*

978-0-521-29382-2 \$34.99 | £21.99

To explore more titles in this series, please visit
www.cambridge.org/collected-writings-john-maynard-keynes *

*RES members are eligible to receive a 30% discount off titles in this series. Please visit www.cambridge.org/RESKeynes

CAMBRIDGE
UNIVERSITY PRESS



Cambridge Core

The new home of
Cambridge Journals

cambridge.org/core

Cambridge **Core**



CAMBRIDGE
UNIVERSITY PRESS



Economics

Books and Journals from
Cambridge University Press

Cambridge's economics list is renowned for the breadth and quality of its publishing.

Our book list is home to the work of some of the most important economists in the history of the discipline, most notably John Maynard Keynes, as well as the work of almost 30 Sveriges Riksbank Nobel Prize laureates, including Kenneth Arrow, Herbert Simon, Robert Solow and Joseph Stiglitz.

This is complemented by a cluster of key journals such as *Econometric Theory*, *Journal of Economic History* and *Journal of Financial and Quantitative Analysis*.

For further details visit:

cambridge.org/core-economics

Cambridge
Core



CAMBRIDGE
UNIVERSITY PRESS

Cambridge Core

The new
home of
academic
content

cambridge.org/core

Cambridge Core



CAMBRIDGE
UNIVERSITY PRESS

MACROECONOMIC DYNAMICS

Notes for Contributors

Contributions. Contributions are welcome from all countries. They should be written in English.

Aims and Scope/Editorial Policy. *Macroeconomic Dynamics* publishes research of the highest theoretical, empirical or quantitative sophistication. Papers of high quality are welcomed from all areas of macroeconomics and from all parts of the world, as long as the research is founded in a rigorous scientific approach. Major advances in macroeconomics without immediate policy applications are also accepted, if they show potential for application in the future. Occasional book reviews, announcements, conference proceedings and interviews are also published. Special issues appear in the journal's Supplements Series, having its own Special Issues Editors. An electronic version of the journal will be published simultaneously with the paper version enabling immediate access to the best current research in Macroeconomics.

Home Page. The journal has a home page on the web which is a source of further information about the journal. The location of the home page is: <http://econ.tepper.cmu.edu/barnett/MD.html>. Information about *Macroeconomic Dynamics* may also be viewed at www.journals.cambridge.org.

Manuscript Submissions. The submission procedure for this journal has been converted to electronic uploading of pdfs to the journal's server. To submit, follow the instructions provided at http://server1.tepper.cmu.edu/md/electronic_submission.htm. Questions about the submission procedure can be transmitted to the Editorial Information System Manager, Stephen Spear, at ss1f@andrew.cmu.edu, or to the Editor, William A. Barnett, at barnett@ku.edu.

Special Issues Submissions. The journal publishes special issues in its Supplements Series. Proposals for special issues should be sent to either of the journal's Special Issues Editors and should include a table of contents and one of more proposed guest editors.

Originality and Copyright. Manuscripts are accepted for review on the understanding that the same work has not been and will not be published nor is presently submitted for publication elsewhere. While under editorial review, it is the responsibility of the authors to keep the Editor informed about submissions, publication plans, and actual publication of related research or abstracts thereof in other outlets, including letters, journals, review publications, journals in other disciplines, conference proceedings, and published dissertations. It is further understood that all persons listed as authors have given their approval for the submission

of the paper and that any person cited as a source of personal communication has approved such citation; written authorization may be required at the Editor's discretion. Authors are responsible for obtaining written permission to publish material for which they do not own the copyright. A Copyright Transfer Agreement, with certain specified rights reserved by the author, must be signed and returned to the Editor by a senior author of accepted manuscripts, prior to publication. This is necessary to enable the publisher to ensure the wide distribution of the author's(s') work and the protection of both the author and the publisher under copyright law. Articles and other material published in *Macroeconomic Dynamics* represent the opinions of the authors and should not be construed to reflect the opinions of the Editor, Advisory Board, Editorial Board, or the Publisher.

Preparation of a Manuscript. The entire manuscript (including notes and references) should be produced as double spaced typescript on 8½ × 11-inch or A4 white paper, with wide margins to accommodate copyediting. The manuscript should be converted to a pdf for upload by uploading to the journal's server. The publisher asks that you provide a PDF file of the final version of your paper, together with a copy of the word processing source file in which the paper was written. Pages should be numbered consecutively. Page 1 should provide the article, author's(s') names (in the form preferred for publication, complete affiliation, phone, fax and e-mail numbers (if available)). At the bottom of Page 1 place any footnotes to the title or authors, indicated by superscripts *, **, etc. Page 2 should contain a proposed running head (abbreviated form of the title) of up to 40 characters, and the name and mailing address, telephone, fax and e-mail numbers of the author to whom proofs should be sent. Page 3 should contain a short abstract of the paper in less than 150 words. The abstract will appear at the head of the article when published in the journal. A list of three or four keywords or terms should also be included. The full text of the manuscript should begin on Page 4.

Equations. All equations should be typewritten and the numbers for displayed equations should be placed in parenthesis in the right margin. References to equations should simply use the form "(3)." Superscripts and subscripts should be typed clearly above and below the line, respectively. Theorem, lemma, and proposition statements should appear in italic print. End-of-proof signposts should appear as such: either ■ or Q.E.D., typed in italics.

Authors are encouraged to use the following order for parentheses: {[(...)]}.

Tables and Figures. If possible, the publisher asks that you include all graphics (charts, diagrams or other art work) at the end of the paper, indicating in the body of the paper where each graphic should appear. If it is not possible for you to include the graphics files in the word processor source code, you should upload the individual graphics files separately after you upload the PDF and source files for your paper.

References. References should be cited in the text by the author's last name and the date of publication. Complete bibliographic information for each citation should be included in the list of references. References should be typed in alphabetical order in the style of the following examples:

Monograph:

Stokey, Nancy L. and Robert E. Lucas, Jr. with Edward Prescott (1989) *Recursive Methods in Economic Dynamics*. Cambridge, MA: Harvard University Press
Chapter in an Edited Volume:

Danthine, Jean-Pierre and John B. Donaldson (1995) Computing equilibria of nonoptimal economies. In Thomas F. Cooley (ed.), *Frontiers of Business Cycle Research*, pp. 65–97. Princeton, NJ: Princeton University Press.

Journal Article:

Epstein, Larry G. and Stanley Zin (1989) Substitution, risk aversion and the temporal behavior of consumption and asset returns I: A theoretical framework. *Econometrica* 42, 937–969.

Article in Press:

Huang, He, Selahattin Imrohoroğlu, and Thomas J. Sargent (in press) Two computational experiments to fund Social Security. *Macroeconomic Dynamics*.

Journal names should not be abbreviated.

Footnotes. Where more than a single source citation is called for, footnotes may be used. These should be numbered consecutively throughout the text and typed together at the end of the paper before the references. Source citations within footnotes follow the same style as citations within the text.

Copyediting and Proofreading. The publisher reserves the right to copyedit and proofread all articles for publication, but the corresponding author will receive page proofs for final proofreading. These should be checked and returned within five days of receipt. The publisher reserves the right to charge authors for excessive correction of non-typographical errors.

MACROECONOMIC DYNAMICS

Volume 21, Number 2, March 2017

Contents

ARTICLES

Advantages of Following a Golden Rule in a Monetary Union
Séverine Menguy 279

External Information and Monetary Policy Transmission in New
EU Member States: Results from FAVAR Models
Zlatina Balabanova and Ralf Brüggemann 311

A Nonlinear Programming Method for Dynamic Programming
**Yongyang Cai, Kenneth L. Judd, Thomas S. Lontzek,
Valentina Michelangeli, and Che-Lin Su** 336

Aging, the Great Moderation, and Business-Cycle Volatility in
a Life-Cycle Model
Burkhard Heer, Stefan Rohrbacher, and Christian Scharrer 362

Futures-Based Measures of Monetary Policy and Jump Risk
Inekwe John Nkwoma 384

Structural Change and a Constant Growth Path in a Three-Sector
Growth Model with Three Factors
Kazunobu Muro 406

Modeling the Phillips Curve in China: A Nonlinear Perspective
Lingxiang Zhang 439

The Return on Social Security with Increasing Longevity
Markus Knell 462

Biased Technical Change, Scale, and Factor Substitution in
U.S. Manufacturing Industries
Xi Chen 488

MD SURVEY

Generalizations of Optimal Growth Theory: Stochastic Models,
Mathematics, and Metasynthesis
Stephen Spear and Warren Young 515

NOTES

A Note on “Money is Memory”: A Counterexample
Yu Awaya and Hiroki Fukai 545

Cambridge Core

For further information about this journal please
go to the journal website at:
[cambridge.org/mdy](https://doi.org/10.1017/S1365100517000165)

CAMBRIDGE
UNIVERSITY PRESS