عنوان مقاله:
Fiscal and Monetary Policy Interaction in Iran: A TVP-VARMA Model

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خلاصه مقاله:
The importance of monetary and fiscal policy coordination, in view of the financial crises of recent decades, has increased more and this has led countries to adopt coherent and coordinated policy combinations to deal with the adverse effects of crises on the economy. To examine the situation of coordination and interaction between monetary and fiscal policy in Iran we use a time-varying parameter VARMA model with stochastic volatility. Following Klime et al. (۲۰۱۶) which is based on Sargent and Surico (۲۰۱۱), we drive law-frequency relationship between inflation and government fiscal stance which reflects a time-varying indicator of the interaction and coordination of monetary and fiscal policy, because if the monetary and fiscal policy is coordinated, the relationship between inflation and the government's financial situation will be low. The results show different monetary and fiscal policy interactions during different presidential era. The highest level of coordination between the two policymakers occurred in the final years of the second term of the presidency. However, in the third term of the presidency, the level of interaction between the two policymakers increased. Finally, in the last years of this period, the two policymakers have moved towards coordination, and this trend has continued in the next presidential period, and the least turmoil in this coordination has .occurred in the last period

کلمات کلیدی:
TVP-VARMA, monetary policy, Fiscal Policy, Policy Interaction

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