

Contents

<i>Introduction to the series</i>	v
<i>Acknowledgments</i>	ix
<i>List of tables</i>	xi
<i>List of figures</i>	xiii
<i>List of abbreviations used in the study</i>	xv
<i>Principal dates and historical events in Chile</i>	xvii

PART I. INTRODUCTION

<i>Chapter 1. Overview and summary</i>	3
1.1 Motivation for this study	3
1.2. Major results of the study	7
<i>Chapter 2. Three major postwar Chilean stabilization attempts</i>	15
2.1. Ibañez-Klein-Saks program of 1956-1958	22
2.2. Alessandri stabilization program of 1959-1961	42
2.3. Frei stabilization program of 1965-1970	56

PART II. PARTIAL-EQUILIBRIUM RELATIONS

<i>Chapter 3. Government policy variables</i>	81
3.1. Fiscal policy	83
3.2. Monetary policy	96
3.3. Foreign sector policy	105
3.4. Income policies	110
<i>Chapter 4. Supply</i>	113
4.1. Sectoral capacities of real value added and elasticities of substitution	113

4.2. The long-run allocation of labor and capital among sectors	131
4.3. Sectoral capacity utilization determinants	142
<i>Chapter 5. Demand</i>	157
5.1. Other domestic components of aggregate demand	157
5.2. Foreign sector components of aggregate demand	164
<i>Chapter 6. Prices</i>	185
6.1. Sectoral product prices	186
6.2. Sectoral wages	199
6.3. Other prices	217
 PART III. COMPLETE-MODEL ANALYSIS	
<i>Chapter 7. Complete model of the Chilean economy</i>	231
7.1. Overview of the complete model	232
7.2. Simulation procedure	240
7.3. Complete model performance in the sample and immediate post-sample periods	241
<i>Chapter 8. Policy simulations and multipliers with the complete model of the Chilean economy</i>	249
8.1. Fiscal policies	251
8.2. Monetary policies	265
8.3. Foreign sector policies	276
8.4. Incomes and labor market policies	291
8.5. Summary comments	302
<i>References</i>	305
<i>Appendix. Data for macroeconometric model</i>	319
A.1. Definitions, sources, and units	319
A.2. Relations between CORFO and ODEPLAN national accounts	334
A.3. Alternative deflators for sectoral value added	339