

Part I
Feedback: A New Framework

As was described in the previous chapter feedback is a familiar idea in economics. The extension of this idea to include policy rules that depend not just on a single indicator but on many indicators and that encompass dynamics and uncertainty offers a new approach to macroeconomic policy determination. In order to understand this approach, an encompassing view of the feedback framework is needed. To this end the three aspects of the feedback framework (goals, dynamics, and uncertainty) will be discussed in the following chapters.