

Price Level Determination: Examining Fiscal and Monetary Policies in Algeria through the Prisoner's Dilemma Perspective

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Abstract: This study aims to investigate the relationship between Algeria's monetary and fiscal authorities when it comes to setting prices. We measure and simulate several Prisoner's Dilemma structural scenarios using MATLAB programming. Our primary focus factors are the rate of inflation and the percentage of GDP that is allocated to public debt. The primary conclusions highlight the requirement of long-term Central Bank of Algeria independence as well as the adoption of a cooperative policy between fiscal and monetary institutions. This should be used in conjunction with restrained fiscal policies to produce economic results that guarantee financial stability.

Keywords: Prisoner's dilemma; fiscal policy; monetary policy; price level; Algeria

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