



Laura Veronika Gati <gati@bc.edu>

alternative language

1 message

Susanto Basu <susanto.basu@bc.edu>

Fri, Sep 18, 2020 at 4:17 PM

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To: Laura Veronika Gati <gati@bc.edu>

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Laura,

Not a priority now, but something you should think about before your interviews and job talks: One of the important points of your paper is that it gives us a language to talk about something ("anchoring") that people believe is important, but the standard model cannot address. In Ed Prescott's phrase, you and the literature you represent are engaged in "language development." You should be prepared to explain to the people who are curious but not steeped in your literature how this particular framework enables you to say different things than previous attempts.

The two attempts that I have in mind are the signaling model developed by Barro (fundamentally different from Barro-Gordon, which used a full-information framework):

"Reputation in a Model of Monetary Policy with Incomplete Information," *Journal of Monetary Economics*, January 1986

and the framework used by Sargent in his *Conquest of American Inflation* and the related work of Primiceri, "Why Inflation Rose and Fell: Policymakers' Beliefs and US Postwar Stabilization Policy" *Quarterly Journal of Economics*, August 2006.

Here the question is not about the narrowly technical differences between these different frameworks--I'm sure there are plenty of those--but how they differ as languages at a high level. What can you convey or understand with your framework that one cannot with one of these other two? Can you cite any evidence to demonstrate the importance of the things you can say more easily with your language than with these others?

Parenthetically, I was surprised to see that you do not discuss at least Sargent and Primiceri in your literature review. You do cite Sargent, but for a technical point.

Susanto

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