

Behaviour, Expectation and Monetary Policy: A comparative analysis to study economic inequality

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Comments by Sylvio Kappes

Structure

Literature review

Objectives

Methodology

Conceptual Framework

Empirical Findings

General comments

- “This work wanted to know the ability of the monetary policy to manage expected inflation as a measure to mitigate economic inequality.” This is not what you have done.
- “To that extent the current study has tried to consider the impact of monetary policy through earnings heterogeneity channel”. You have not done that.
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General comments

- What you have done is a very interesting data collection, of which I would like to know more, and an econometric analysis of inflation expectations in relation to consumption and income levels. There is no monetary policy here, since there is no interest rate or any other variable (directly or not) controlled by a central bank. Also, there is no earnings heterogeneity channel: because there is no monetary policy, how could you have the general equilibrium impacts of monetary policy shocks over unemployment and wages?
- It is also hard to see the “distributional” aspect of the paper, since the income is aggregated in a dummy variable, and there is no measure of “distance” between one group and the other.