



INTERNATIONAL JOURNAL OF CENTRAL BANKING

Special Issue: Staggered Pricing Models Face the Facts

Introduction

Editorial Board

What Firms' Surveys Tell Us about Price-Setting
Behavior in the Euro Area

*Silvia Fabiani, Martine Druant, Ignacio Hernando,
Claudia Kwapil, Bettina Landau, Claire Loupias,
Fernando Martins, Thomas Mathä, Roberto Sabbatini,
Harald Stahl, and Ad Stokman*

Intrinsic and Inherited Inflation Persistence

Jeffrey C. Fuhrer

A Bayesian DSGE Model with Infinite-Horizon Learning: Do
"Mechanical" Sources of Persistence Become Superfluous?

Fabio Milani

Firm-Specific Production Factors in a DSGE Model with
Taylor Price Setting

Gregory de Walque, Frank Smets, and Rafael Wouters

U.S. Wage and Price Dynamics: A Limited-Information
Approach

Argia M. Sbordone

Monetary Policy and Inflation Dynamics

John M. Roberts



**Special Issue:
Staggered Pricing Models Face the Facts**

Introduction	1
<i>Editorial Board</i>	
What Firms' Surveys Tell Us about Price-Setting Behavior in the Euro Area	3
<i>Silvia Fabiani, Martine Druant, Ignacio Hernando, Claudia Kwopil, Bettina Landau, Claire Loupias, Fernando Martins, Thomas Mathä, Roberto Sabbatini, Harald Stahl, and Ad Stokman</i>	
Intrinsic and Inherited Inflation Persistence	49
<i>Jeffrey C. Fuhrer</i>	
A Bayesian DSGE Model with Infinite-Horizon Learning: Do "Mechanical" Sources of Persistence Become Superfluous?	87
<i>Fabio Milani</i>	
Firm-Specific Production Factors in a DSGE Model with Taylor Price Setting	107
<i>Gregory de Walque, Frank Smets, and Rafael Wouters</i>	
U.S. Wage and Price Dynamics: A Limited-Information Approach	155
<i>Argia M. Sbordone</i>	
Monetary Policy and Inflation Dynamics	193
<i>John M. Roberts</i>	

The contents of this journal, together with additional materials provided by article authors, are available without charge at www.ijcb.org.

Copyright © 2006 by the Association of the International Journal of Central Banking. All rights reserved. Brief excerpts may be reproduced or translated provided the source is cited. Consult www.ijcb.org for further information.

The *International Journal of Central Banking* is published quarterly (ISSN: 1815-4654). Online access to the publication is available free of charge at www.ijcb.org. Individual print subscriptions are available at an annual rate of \$100 (USD).

Print subscription orders may be placed online at www.ijcb.org, by phone (202-452-3245), via fax (202-728-5886), or by e-mail (editor@ijcb.org).

Renewals, claims, address changes, and requests for permission to reprint material from this journal should be addressed to:

International Journal of Central Banking
Publications Fulfillment, MS-127
Federal Reserve Board
Washington, DC 20551
Phone: 202-452-3245
Fax: 202-728-5886
E-mail: editor@ijcb.org

The views expressed in this journal do not necessarily represent the views of the Association of the International Journal of Central Banking or any of its members.

ISSN: 1815-4654

International Journal of Central Banking

Board of Directors

Chairman

Charles Bean, *Bank of England*

Board Members

Abdulrahman Al-Hamidy, *Saudi Arabian Monetary Agency*

Jan Marc Berk, *The Nederlandsche Bank*

Afonso Bevilaqua, *Central Bank of Brazil*

Claudio Borio, *Bank for International Settlements*

Mohammed Tahar Bouhouche, *Bank of Algeria*

Malcolm Edey, *Reserve Bank of Australia*

Khor Hoe Ee, *Monetary Authority of Singapore*

Hans Genberg, *Hong Kong Monetary Authority*

Heinz Herrmann, *Deutsche Bundesbank*

Nobuo Inaba, *Bank of Japan*

Tor Jacobson, *Sveriges Riksbank*

He Jianxiong, *People's Bank of China*

Ali Hakan Kara, *Central Bank of Turkey*

Ulrich Kohli, *Swiss National Bank*

Donald Kohn, *Federal Reserve Board*

Ana Leal, *Bank of Portugal*

Vyacheslav Morgunov, *Central Bank of Russian Federation*

John Murray, *Bank of Canada*

Tom O'Connell, *Central Bank of Ireland*

Fabio Panetta, *Bank of Italy*

Jan Qvigstad, *Norges Bank*

Lucrezia Reichlin, *European Central Bank*

Fernando Restoy, *Bank of Spain*

Ivan Ribnikar, *Bank of Slovenia*

Arnor Sighvatsson, *Central Bank of Iceland*

Jan Smets, *National Bank of Belgium*

Marc-Olivier Strauss-Kahn, *Bank of France*

Juha Tarkka, *Bank of Finland*

George Tavlas, *Bank of Greece*

Dobieslaw Tymoczko, *National Bank of Poland*

Editorial Board

Managing Editor

John B. Taylor
Stanford University

Co-editors

Hyun Shin
Princeton University

Frank Smets
European Central Bank

Kazuo Ueda
The University of Tokyo

Michael Woodford
Columbia University

Associate Editors

Viral V. Acharya
London Business School

Franklin Allen
The Wharton School of the University of Pennsylvania

Michael D. Bordo
Rutgers University

Guy Debelle
Reserve Bank of Australia

Michael B. Devereux
University of British Columbia

Douglas W. Diamond
University of Chicago Graduate School of Business

Michael Dotsey
Federal Reserve Bank of Philadelphia

Douglas Gale
New York University

Jordi Galí
Centre de Recerca en Economia Internacional (CREI)

Marvin Goodfriend
Carnegie Mellon University

Charles A.E. Goodhart
London School of Economics

Michael B. Gordy
Federal Reserve Board

Luigi Guiso
University of Chicago Graduate School of Business

Olivier Jeanne
International Monetary Fund

Andrew G. Haldane
Bank of England

Takatoshi Ito
University of Tokyo

Philip Lane
Trinity College Dublin

Andrew T. Levin
Federal Reserve Board

Francesco Lippi
Bank of Italy

Carmen M. Reinhart
University of Maryland

Rafael Repullo
Centro de Estudios Monetarios y Financieros (CEMFI)

Eli M. Remolona
Bank for International Settlements

Andrew K. Rose
University of California, Berkeley

Klaus Schmidt-Hebbel
Central Bank of Chile

Lars E.O. Svensson
Princeton University

Jürgen von Hagen
University of Bonn