







Home ▶ All Journals ▶ Economics, Finance & Business ▶ Applied Economics ▶ List of Issues ▶ Volume 42, Issue 24 ▶ A time-series approach to test a change

Applied Economics > Volume 42, 2010 - Issue 24

539 | 33

Views CrossRef citations to date Altmetric

Original Articles

A time-series approach to test a change in inflation persistence: the Mexican experience

Daniel Chiquiar , Antonio E. Noriega & Manuel Ramos-Francia

Pages 3067-3075 | Published online: 19 Mar 2008

66 Cite this article ⚠ https://doi.org/10.1080/00036840801982684

> Sample our Business & Industry Journals to the latest two volumes for 14 days

Full Article

Figures & data

References

66 Citations

Metrics

Repri

Abstra

When a

observe

reasons

the ag fund should o

inflation using re time ser

results s

nonstati

2001.

We Care About Your Privacy

We and our 911 partners store and access personal data, like browsing data or unique identifiers, on your device. Selecting I Accept enables tracking technologies to support the purposes shown under we and our partners process data to provide. Selecting Reject All or withdrawing your consent will disable them. If trackers are disabled, some content and ads you see may not be as relevant to you. You can resurface this menu to change your choices or withdraw consent at any time by clicking the Show Purposes link on the bottom of the webpage . Your choices will have effect within our Website. For more details, refer to our Privacy Policy. Here

We and our partners process data to provide:

Use precise geolocation data. Actively scan device

I Accept Reject All olicy, Show Purpose variety of process, e a rticular. es of both nomy, of economic

ork, the

eginning of

a

Acknowledgements

The opinions in this article correspond to the authors and do not necessarily reflect the point of view of Banco de México. We thank an anonymous referee, Carlos Capistrán and seminar participants at Banco de México, CIDE, Colegio de México and UDLAP for helpful comments, and to Mario Alberto Oliva for excellent research assistance.

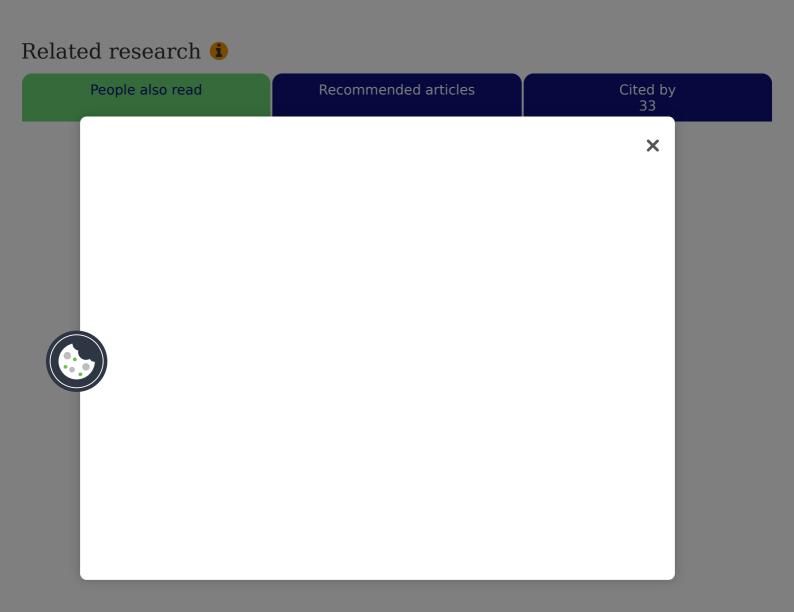
Notes

¹ Formally, this is the result under adaptive expectations. The condition for the price level to be determinated under rational expectations is that the monetary authority should have a nominal anchor (Blanchard and Fischer, <u>1989</u>). The existence of this anchor would imply that inflation cannot wander away from some value indefinitely, thus ensuring stationarity. Also note that the discussion has as a maintained assumption that nominal rigidities are present, so that monetary policy can have real effects in the short run.



Francia and Torres (2005).

- ⁶ Examples of these more traditional procedures include testing for the stability of the sum of the coefficients on the lagged-dependent variable in an AR Model for inflation, or testing for shifts in the unconditional mean values of inflation, using structural change Models.
- ⁷ Capistrán and Ramos-Francia (<u>2006</u>) report: (i) a drastic drop in the mean and SD of inflation in Mexico for the period 2000–2006, compared to the previous two decades; (ii) evidence of a break in January 2001, which lowered the level of inflation; and (iii) a reduction in the sum of the autoregressive parameter from 0.95 in the period 1990–1999 to 0.31 in 2000–2006.
- ⁸ We do not discuss further these statistics as they are well known and implemented in popular software such as E-Views. For details, see Ng and Perron (2001).
- 9 Recall that the estimation of the change point is based on the M(X) $^{\rm R}$ statistic.



Information for Open access Authors Overview R&D professionals Open journals Editors **Open Select** Librarians **Dove Medical Press** Societies F1000Research Opportunities Help and information Reprints and e-prints Advertising solutions Newsroom Accelerated publication Corporate access solutions Books Keep up to date Register to receive personalised research and resources by email Sign me up X or & Francis Group Copyright