Dear Alumni,

It is April in Williamstown and blessedly warm, so I feel more comfortable and cheerful.

In making policy we need two kinds of thinking: first is that which frames or structures our thinking, that is formal and well worked out. An important second is the knowledge that is based on lore, on history, on the ethos of the community, on the personalities and competencies of the people in office, and the feel and experience and prevailing values—with our feet on the ground and our head full of learning.

Your friend,
Henry Bruton
The CDE is happy to introduce a new Winter Study course by Prof. Kuttner. This course will cover four practical aspects of modern monetary policy, with a focus on issues relevant to emerging market economies.

We will begin with a discussion of the objectives of monetary policy—inflation, output, and financial stability—and the implications of conflicts between these objectives. We will move next to the topic of monetary policy transmission: how the central bank’s policy instrument affects the financial markets and the broader economy. The third topic encompasses central bank independence, and the interaction between monetary and fiscal policy. We will conclude with a consideration of alternative policy frameworks, with particular attention to inflation targeting. Requirements and evaluation: three short papers and a case study.

Due to Mamadou Barry’s presence as TA (CDE ’09), we were able to offer a course on econometric programming and working with econometric software, which is of great value to those students who will go on to do some empirical work in their jobs.