

# John Barrdear

## CONTACT INFORMATION

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## EDUCATION

- 2013 **London School of Economics, Ph.D. in Economics**  
Thesis title: "Incomplete information and the idiosyncratic foundations of aggregate volatility."  
Supervisor: Kevin Sheedy  
Viva Committee: Wouter DenHaan and Kristopher Nimark
- 2008 **London School of Economics, M.Res. in Economics**
- 2007 **London School of Economics, M.Sc. in Economics (Distinction)**
- 2006 **London School of Economics, P.G.Dipl. in Economics (Distinction)**
- 1998 **University of Queensland, B. of Computer Systems Engineering (Honours IIA)**
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## RESEARCH

### **"The calm policymaker"**

Determinacy is ensured in the New Keynesian model when firms face imperfect common knowledge, regardless of whether the Taylor principle is satisfied. Strategic complementarity in pricing and idiosyncratic noise in firms' signals, however small, are together sufficient to eliminate backward-looking solutions without appealing to the assumptions of Blanchard and Kahn (1980). Standard solutions emerge when the Taylor principle is followed, but when the policymaker demurs, the price level -- and not just inflation -- is stationary. A unique and stable solution also emerges with the interest rate pegged to its steady-state value, in contrast to Sargent and Wallace (1975).

### **"Peering into the mist: social learning over an opaque observation network"**

I present a model of social learning over an exogenous, directed network that may be readily nested within broader macroeconomic models with dispersed information and combines the attributes that agents (a) act repeatedly and simultaneously; (b) are Bayes-rational; and (c) have strategic interaction in their decision rules. To overcome the challenges imposed by these requirements, I suppose that the network is opaque: agents do not know the full structure of the network, but do know the link distribution. I derive a specific law of motion for the hierarchy of aggregate expectations, which includes a role for network shocks (weighted sums of agents' idiosyncratic shocks). The network causes agents' beliefs to exhibit increased persistence, so that average expectations overshoot the truth following an aggregate shock. When the network is sufficiently (and plausibly) irregular, transitory idiosyncratic shocks cause persistent aggregate effects, even when agents are identically sized and do not trade.

### **"Price-setting under asymmetric TransLog preferences and incomplete information"**

I explore firms' optimal price-setting behaviour when facing TransLog household preferences. I first solve explicitly for a firm's best-response pricing rule under full information, including an endogenous market-exit condition, and next show that in partial equilibrium under incomplete information, larger firms will focus more on movements in marginal cost while smaller firms will place more weight on changes in consumer preferences and competitors' prices. In general equilibrium, I characterise and estimate the effect of two distinct sources of real rigidity that emerge from TransLog preferences: first, the well-known curvature in demand and, second, the dramatic increase in complexity of firms' signal-extraction problems. Because household preferences are not fully uniform, the model also represents a channel through which firms' transitory idiosyncratic shocks can result in persistent aggregate volatility.

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## EMPLOYMENT HISTORY

March 2013 – (ongoing)	<p><b>Senior Economist (Research)</b></p> <p>Monetary Assessment and Strategy Division (MASD)  <b>Bank of England</b>  Threadneedle Street  London EC2R 8AH  UK</p>
Sep 2010 – July 2012	<p><b>LSE Fellow in Economics</b></p> <p>Economics Department  <b>London School of Economics</b>  Houghton Street  London WC2A 2AE  UK</p>
Oct 2002 – May 2008	<p><b>Business consultant and software developer</b></p> <p><b>Barrdear Ltd</b>  4 Klara Court  130 Haverstock Road  London NW3 2AY  UK</p>
Jan 1999 – Mar 2002	<p><b>Senior Technical Consultant</b></p> <p>Business Technologies  APAC Technical Services  <b>Mincom Ltd</b>  Mincom Central Building  Ann Street  Brisbane QLD 4000  Australia</p>

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## TEACHING EXPERIENCE

- 2011 – 2012 Macroeconomics for M.Sc. students (EC413) – postgraduate London School of Economics
- 2010 – 2011 Macroeconomics for M.Sc. students (EC413) – postgraduate London School of Economics
- 2010 – 2011 Pre-sessional mathematics course (EC400) – postgraduate London School of Economics
- 2009 – 2010 Mathematical Economics (EC319) – undergraduate London School of Economics
- 2008 – 2009 Economics B (EC102) – undergraduate London School of Economics
- 2007 – 2008 Economics B (EC102) – undergraduate London School of Economics

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## REFEREES

A list of referees is available upon request.