

*Weak instrument robust tests in GMM and the new Keynesian Phillips curve*

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**Abstract**

We discuss weak instrument robust statistics in GMM for testing hypotheses on the full parameter vector or on subsets of the parameters. We use these test procedures to re-examine the evidence on the new Keynesian Phillips curve model. We find that US postwar data are consistent with the view that inflation dynamics are predominantly forward-looking, but we cannot rule out the presence of considerable backward-looking dynamics. Moreover, the Phillips curve has become flatter recently, and this is an important factor contributing to its weak identification.

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