

ADVANCES IN ECONOMETRICS VOLUME 23

# BAYESIAN ECONOMETRICS

EDITED BY

**SIDDHARTHA CHIB**

*Olin Business School, Washington University*

**WILLIAM GRIFFITHS**

*Department of Economics, University of Melbourne*

**GARY KOOP**

*Department of Economics, University of Strathclyde*

**DEK TERRELL**

*Department of Economics, Louisiana State University*



JAI

United Kingdom – North America – Japan  
India – Malaysia – China

# CONTENTS

LIST OF CONTRIBUTORS	<i>ix</i>
----------------------	-----------

## PART I: INTRODUCTION

BAYESIAN ECONOMETRICS: AN INTRODUCTION <i>Siddhartha Chib, William Griffiths, Gary Koop and Dek Terrell</i>	<i>3</i>
--------------------------------------------------------------------------------------------------------------------	----------

BAYESIAN ECONOMETRICS: PAST, PRESENT, AND FUTURE <i>Arnold Zellner</i>	<i>11</i>
------------------------------------------------------------------------------	-----------

BAYESIAN INFERENCE USING ADAPTIVE SAMPLING <i>Paolo Giordani and Robert Kohn</i>	<i>61</i>
----------------------------------------------------------------------------------------	-----------

## PART II: MICROECONOMETRIC MODELING

A BAYESIAN ANALYSIS OF THE OPES MODEL WITH A NONPARAMETRIC COMPONENT: AN APPLICATION TO DENTAL INSURANCE AND DENTAL CARE <i>Murat K. Munkin and Pravin K. Trivedi</i>	<i>87</i>
-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------

FITTING AND COMPARISON OF MODELS FOR MULTIVARIATE ORDINAL OUTCOMES <i>Ivan Jeliazkov, Jennifer Graves and Mark Kutzbach</i>	<i>115</i>
-----------------------------------------------------------------------------------------------------------------------------------	------------

INTRA-HOUSEHOLD ALLOCATION AND CONSUMPTION OF WIC-APPROVED FOODS: A BAYESIAN APPROACH <i>Ariun Ishdorj, Helen H. Jensen and Justin Tobias</i>	157
CAUSAL EFFECTS FROM PANEL DATA IN RANDOMIZED EXPERIMENTS WITH PARTIAL COMPLIANCE <i>Siddhartha Chib and Liana Jacobi</i>	183
PARAMETRIC AND NONPARAMETRIC INFERENCE IN EQUILIBRIUM JOB SEARCH MODELS <i>Gary Koop</i>	217
DO SUBSIDIES DRIVE PRODUCTIVITY? A CROSS-COUNTRY ANALYSIS OF NORDIC DAIRY FARMS <i>Nadine McCloud and Subal C. Kumbhakar</i>	245
SEMIPARAMETRIC BAYESIAN ESTIMATION OF RANDOM COEFFICIENTS DISCRETE CHOICE MODELS <i>Sylvie Tchumtchoua and Dipak K. Dey</i>	275
BAYESIAN TWO-STAGE REGRESSION WITH PARAMETRIC HETEROSCEDASTICITY <i>Arto Luoma and Jani Luoto</i>	309
<b>PART III: TIME-SERIES MODELING</b>	
BAYESIAN NEAR-BOUNDARY ANALYSIS IN BASIC MACROECONOMIC TIME-SERIES MODELS <i>Michiel de Pooter, Francesco Ravazzolo, Rene Segers and Herman K. van Dijk</i>	331
FORECASTING IN VECTOR AUTOREGRESSIONS WITH MANY PREDICTORS <i>Dimitris Korobilis</i>	403

BAYESIAN INFERENCE IN A COINTEGRATING PANEL DATA MODEL <i>Gary Koop, Roberto Leon-Gonzalez and Rodney Strachan</i>	433
INVESTIGATING NONLINEAR PURCHASING POWER PARITY DURING THE POST-BRETTON WOODS ERA – A BAYESIAN EXPONENTIAL SMOOTH TRANSITION VECM APPROACH <i>Deborah Gefang</i>	471
BAYESIAN FORECAST COMBINATION FOR VAR MODELS <i>Michael K. Andersson and Sune Karlsson</i>	501
BAYESIAN INFERENCE ON TIME-VARYING PROPORTIONS <i>William J. McCausland and Brahim Lgui</i>	525
IMPOSING STATIONARITY CONSTRAINTS ON THE PARAMETERS OF ARCH AND GARCH MODELS <i>Christopher J. O'Donnell and Vanessa Rayner</i>	545
BAYESIAN MODEL SELECTION FOR HETEROSKEDASTIC MODELS <i>Cathy W. S. Chen, Richard Gerlach and Mike K. P. So</i>	567
BAYESIAN STUDENT- $t$ STOCHASTIC VOLATILITY MODELS VIA SCALE MIXTURES <i>S. T. Boris Choy, Wai-yin Wan and Chun-man Chan</i>	595
BAYESIAN ANALYSIS OF THE CONSUMPTION CAPM <i>Veni Arakelian and Efthymios G. Tsionas</i>	619