Backus, Chernov & Zin

Notes on Identification in VARs*

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Summary of work identifying monetary policy in VARs. Prepared for "Identifying Taylor rules." Numbering follows sections numbers in the originals.

Watson, handbook chapter, 1994

Leeper, Sims, and Zha, Brookings Papers, 1996

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Sims and Zha, Macro Dynamics, 2006

Christiano, "Sims and VARs," 2012

Cooley and Dwyer, J Econometrics, 1998

Page 77: "Any such restriction implies a corresponding instrumental variable." They cite Hausman and Taylor, Econometrica, 1983, "Identification in linear simultaneous equations models with covariance restrictions: an instrumental variables interpretation."

*Working notes, no guarantee of accuracy or sense.