

Structural Vector Autoregressive Analysis

Structural vector autoregressive (VAR) models are important tools for empirical work in macroeconomics, finance, and related fields. This book not only reviews the many alternative structural VAR approaches discussed in the literature, but also highlights their pros and cons in practice. It provides guidance to empirical researchers as to the most appropriate modeling choices and methods of estimating and evaluating structural VAR models. The book traces the evolution of the structural VAR methodology and contrasts it with other common methodologies, including dynamic stochastic general equilibrium (DSGE) models. It is intended as a bridge between the often quite technical econometric literature on structural VAR modeling and the needs of empirical researchers. The focus is not on providing the most rigorous theoretical arguments, but on enhancing the reader's understanding of the methods in question and their assumptions. Empirical examples are provided for illustration.

Lutz Kilian is Professor of Economics at the University of Michigan. Between 2001 and 2003 he served as an adviser to the European Central Bank in Frankfurt am Main, Germany. Professor Kilian has been a research visitor at the Federal Reserve Board, the Bank of Canada, the European Central Bank, and the International Monetary Fund. His work has appeared in *Econometrica*, the *American Economic Review*, and the *Journal of Political Economy*, among other leading journals. He has served as associate editor of the *Journal of Business and Economic Statistics*, the *Journal of Development Economics*, and the *Journal of Economic Dynamics and Control*.

Helmut Lutkepohl has held professorial positions at the University of Hamburg, the University of Kiel, the Humboldt University in Berlin, the European University Institute in Florence, and the Free University of Berlin. He has served as Dean of the Graduate Center of the German Institute for Economic Research in Berlin. He has published in *Econometrica*, the *Journal of Econometrics*, the *Journal of Business and Economic Statistics*, *Econometric Theory*, and the *Journal of Applied Econometrics*. He has also served as associate editor of the *Journal of Econometrics*, *Econometric Theory*, *Macroeconomic Dynamics*, the *Journal of Applied Econometrics*, and *Econometric Reviews*. He is the author of *New Introduction to Multiple Time Series Analysis*.

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