Bayesian analysis of moment restriction models using nonparametric priors

Taisuke Otsu
t.otsu@lse.ac.uk
http://econ.lse.ac.uk/staff/otsu_taisuke/
Department of Economics
London School of Economics and Political Science

Abstract: This paper develops a Bayes procedure for moment restriction models. A nonparametric prior is employed to carry out Bayesian analysis without imposing parametric distributional assumptions. An information theoretic projection is used to deal with problems that stem from possible overidentification. A semiparametric Bernstein-von Mises theorem is proved for the finite dimensional parameters. An algorithm based on Gibbs sampling to implement the procedure is discussed. (with Yuichi Kitamura, Yale)