Structural Change and Threshold Models
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Course Schedule

1. Testing for Structural Change in Stationary Models

Andrews, Donald W.K. (1993): "Testing for parameter instability and structural change with unknown change point," *Econometrica*, 61, 821-856.

Andrews, Donald W.K. and Werner Ploberger (1994): "Optimal tests when a nuisance parameter is present only under the alternative," *Econometrica*, 62, 1383-1414.

Hansen, Bruce E. (1997): "Approximate asymptotic p-values for structural change tests," *Journal of Business and Economic Statistics* , 15, 60-67.

Hansen, Bruce E. (2000): "Testing for structural change in conditional models," *Journal of Econometrics*, 97, 93-115.

Hansen, Bruce E. (2001): "The new econometrics of structural change: Dating Breaks in U.S. Labor Productivity," *Journal of Economic Perspectives*, 15, 117-128.

Stock, James H. and Mark W. Watson (1996): "Evidence on structural instability in macroeconomic time series relations," *Journal of Business and Economic Statistics*, 14, 11-30.

2. Trend Breaks versus Unit Roots

Perron, Pierre (1989): "The great crash, the oil-price shock, and the unit-root hypothesis," *Econometrica*, 57, 1361-1402.

Zivot, Erice and D.W.K. Andrews (1992): "Further evidence on the great crash, the oil-price shock, and the unit-root hypothesis," *Journal of Business and Economic Statistics*, 10, 251-270.

3. Estimation of Break Dates

Bai, Jushan (1997): "Estimation of a change point in multiple regression models," *Review of Economics and Statistics*, 79, 674-679.

Bai, Jushan. (1997): “Estimating multiple breaks one at a time,” *Econometric Theory*, 13, 551-563.

Bai, Jushan and Pierre Perron (1998): “Estimating and testing linear models with multiple structural changes,” *Econometrica*, 66, 47-78.

McConnell, M.M. and G. Perez-Quiros (2000): “Output fluctuations in the United States: What has changed since the early 1980s?” *American Economic Review*, 90, 1464-1476.

4. Testing for Threshold Effects

Hansen, Bruce E. (1996): “Inference when a nuisance parameter is not identified under the null hypothesis,” Econometrica, 64, 413-430.

Bruce E. Hansen (1999): “Testing for Linearity,” *Journal of Economic Surveys*, 13, 551-576.

5. Estimation of Threshold Effects

Caner, Mehmet and Bruce E. Hansen (2004): “Instrumental variable estimation of a threshold model,” Department of Economics, University of Wisconsin.

Bruce E. Hansen (1997): “Inference in TAR models,” *Studies in Nonlinear Dynamics and Econometrics*, 2.

Hansen, Bruce E. (1999): “Threshold effects in non-dynamic panels: Estimation, testing, and inference,” Journal of Econometrics, 93, 345-368.

Hansen, Bruce E. (2000): “Sample splitting and threshold estimation,” Econometrica, 68, 575-603.

6. Threshold Effects and Nonstationary Time Series

Mehmet Caner and Bruce E. Hansen (2001): “Threshold autoregression with a unit root”. *Econometrica*, 69, 1555-1596.

Bruce E. Hansen and Byeongseon Seo (2002): “Testing for two-regime threshold cointegration in vector error correction models,” *Journal of Econometrics*, 110, 293-318.

Myunghwhan Seo (2003) “Unit root test in a threshold autoregression: Asymptotic theory and a residual-based block bootstrap,” Department of Economics, University of Wisconsin.

Myunghwhan Seo (2003) “Bootstrap testing for the presence of threshold cointegration in a threshold vector error correction model,” Department of Economics, University of Wisconsin.