CABDyN / INET Oxford SEMINAR SERIES

Oxford Martin School – Michaelmas 2014

For further information please contact the Cabdyn Administrator:

info.cabdyn@sbs.ox.ac.uk

01865 288785

Seminar webpage: www.cabdyn.ox.ac.uk/complexity_seminars.asp

Please note: although the seminar programme detailed was correct at time of printing, seminar arrangements are subject to change – for the latest information, please check the seminar webpage.

'Partial identification in non-ergodic agent-based models'

Matteo Richiardi

Marie Curie Research Fellow, INET Oxford, Associate Member, Nuffield College,
Carlo Alberto Affiliate, Collegio Carlo Alberto, Moncalieri
Assistant Professor, Department of Economics and Statistics, University of Torino

Tuesday 11th November, 12.30 -14.00

Seminar Room 1, Oxford Martin School

ABSTRACT:

The ergodic axiom lies at the core of economics. The fact that ergodicity is seldom testable in the data favors assuming it from the onset. However, non-ergodic, multiple equilibria models might offer valuable insights into the functioning of the real world and be more appropriate in many modelling circumstances. Far from being intractable, we show that non-ergodic models are amenable to estimation, the condition for identication being similar to those for ergodic models. We show that non-ergodicity can be usefully thought of as an additional source of uncertainty which can be quantied in empirical applications. We test our method by means of a Montecarlo experiment on an agent-based model of the labor market.

Institute for New Economic Thinking AT THE OXFORD MARTIN SCHOOL

SAID BUSINESS SCHOOL

UNIVERSITY OF OXFORD

OXFORDMARTIN SCHOOL