

# Table of Contents

1. Introduction .....	7
2. Basic Definitions and Some Properties of the FP Method .....	12
2.1 Classical and Generalized Interdependent Systems .....	12
2.2 Fix-Point Estimation .....	14
2.3 Some Properties of the FP Method .....	15
3. Convergence Properties of Different FP Procedures .....	18
3.1 General Criteria .....	18
3.2 The One-LOOP Model .....	20
3.3 Klein's Model I .....	25
3.4 Klein-Goldbergers's Model .....	27
4. The Small Sample Properties of FP Compared with Other Methods .....	30
4.1 Models and Methods .....	30
4.2 The Analysis of the Results of the Experiments. A Description of the Techniques Used .....	33
4.3 Classical ID and REID Models .....	36
4.3.1 Structural Parameters .....	36
4.3.2 Ex Post Forecasts in the Sample Period .....	39
4.4 GEID Models .....	41
4.4.1 LOOP Models with $N=3$ .....	41
4.4.2 LOOP Models with $N=5$ .....	44
4.4.3 LOOP Models with More than Two Non-Zero GEID Correlations	45
5. On the Accuracy or Parameter Estimates and Forecasts .....	48
5.1 A Study Based on Summers' Model .....	48
5.2 The Three-Relation LOOP Model .....	52
6. On the Location of FP Estimates .....	55
6.1 Properties of Different Estimation Methods .....	55
6.2 A Simulation Experiment .....	58
6.2.1 Structure and Parameter Estimates .....	58
6.2.2 Location Correlations of Parameter Estimates .....	62
6.3 Real-World Models .....	66
6.3.1 Klein-Goldberger's Model .....	67
6.3.2 A Model of the Czechoslovak Economy .....	67
6.3.3 Christ's Model .....	67
6.3.4 Fair's Model .....	68

6.3.5	Girshick-Haavelmo's Model .....	69
6.3.6	Klein's Model I .....	70
6.4	Conclusions .....	71
7.	On the Estimation of Large Econometric Models by Consistent Methods. An Illustration Using the Polish W-3 Model .....	72
7.1	Estimation Methods for Large Econometric Models .....	72
7.2	The IIV Method and Brundy-Jorgensen Estimators .....	73
7.3	An Outline of the Polish W-3 Model .....	76
7.4	General Comments on the Estimation of the Model .....	77
7.5	Estimation of the Second Block .....	78
7.6	The Structure of Block 3 .....	80
7.7	Some Preliminary Estimation Results .....	81
7.8	FP and IIV Estimation of the Model .....	85
7.9	Estimation of the Selected Model Version .....	87
7.9.1	Structural Parameter Estimates .....	87
7.9.2	Ex Post Forecasts .....	89
7.10	The Validity of the Results Compared with Unconstrained IIV and FP Estimation .....	91
8.	On the Estimation of a Medium-Sized Macroeconomic Model .....	92
8.1	Introduction and Model Description .....	92
8.2	TSLS and LIML Estimation .....	95
8.3	FP Estimation .....	100
8.4	Parameter Estimates of Different Methods .....	101
8.5	Ex Post Forecasts in the Sample Period .....	109
8.6	Tukey's Jackknife .....	112
8.7	The Impact on OLS and FP of a Change in One Equation .....	113
8.8	Impact Multipliers .....	116
	Zusammenfassung .....	118
	Summary .....	120
	Résumé .....	122
	References .....	124