Sieve “Parametric" Likelihood Ratio Bootstrapped Confidence Sets for Semiparametric Likelihood Models Under Partial Identification

Faculty Member: Xiaohong Chen

Proposal Description:

We provide methods for inference on a finite-dimensional parameter of interest, $\theta$, in a semiparametric probability model when an infinite-dimensional nuisance parameter, $g$, is present. We construct confidence sets for $\theta$ that are robust to the model parameter ($\theta$, $g$) being partially-identified or irregular (i.e., slower than root-$n$ estimable). This allows practitioners to examine the sensitivity of their estimates of $\theta$ to more relaxed assumptions on $g$ in a general likelihood setup. To construct these robust confidence sets for $\theta$, we invert a (penalized) sieve (log-)likelihood ratio (LR) statistic. We derive the asymptotic null distribution of the sieve LR under partial-identification, which is nonstandard when $\theta$ is not point-identified. We present conditions under which a sieve "parametric" bootstrapped LR statistic consistently approximates the distribution of the sieve LR. Our robust confidence sets are asymptotically efficient when the true $\theta$ parameter belongs to the interior of the parameter space and is by chance point-identified and regular.

This proposal seeks a Tobin RA (or Tobin RAs) to run some Monte Carlo studies to check the performance of the bootstrapped LR procedure in finite samples.

Requisite Skills and Qualifications:

Award: Shawn Luciani
Tobin Application Link: Tobin Application
Project Type: Tobin RA
Project Type Year: Spring 2019 Tobin Research Projects
Project Year: 2019
Term: Spring 2019

Source URL: https://economics.yale.edu/undergraduate/tobin/spring-2019/sieve-parametric-likelihood-ratio-bootstrapped-confidence-sets-0