

Identification in Nonseparable Models with a Binary Endogenous Variable

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Abstract

This paper examines identification of triangular simultaneous equations models whose unobservables enter the model in a possibly non-additive and nonseparable way and that have a binary endogenous regressor. We provide nonparametric interval identification conditions of values of a structural function. The values of the structural function can also be point identified under conditions of local exogeneity of the binary endogenous regressor. In addition, we provide identification conditions of a partial difference with respect to the binary endogenous variable.

Keywords: endogeneity, nonseparable models, nonparametric identification, local identification, partial identification

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