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Letter from Editors

The first issue of volume 3 contains three papers, the first one representing macroeconomic modelling and the other two econometrics - applied and theoretical, non-Bayesian and Bayesian.

In the first paper, Georgios Chortareas and Christos Mavrodimitrakis use a static two-country monetary union model to investigate the policy-mix problem under different regimes of non-cooperation, cooperation and enforced cooperation among fiscal authorities. They show that the common central bank (concerned with the average fiscal stance of the union) is effective in stabilizing output and central budget, but at the expense of inflation stabilization.

In the second paper, Krzysztof Pytka considers a range of count data models in order to evaluate the dismissal probability for a worker. In the analysis the data from the Polish General Social Survey of 2008 are used. Existence of intransferable firm-specific human capital across employers and depreciation of the human capital acquired through learning-by-doing have been empirically confirmed.

The third paper, by Jacek Osiewalski, is devoted to consequences of the so-called Frisch-Waugh Theorem for posterior inference and Bayesian model comparison. The generalized normal linear regression assumptions are weakened in order to cover jointly elliptical sampling distributions, autoregressive specifications and multi-equation SURE or VAR models. The main result is that using transformed data and reduced parameter spaces is acceptable if one appropriately modifies the prior density of scale parameters.