Correlation Analysis

Agenda
- Regression Analysis
- Jipp Curve & Others
- Limitations & Qualifications
- Summary

Regression Analysis
- Statistical Relationship
- *A priori* Formulation
- Not Causal

Regression: Textbook Paradigm
- Variables
- Exogenous
- Endogenous
- Functional Form
- Specification of Errors

Regression: Other Issues
- Time-series
- Cross-sectional
- Pooled
- Panel Data

Regression: Other Issues
- Time-series
- Cross-sectional
  - Developed: Modern Systems
  - Undeveloped:
    - Wait Lists
    - Lack of Capacity
    - Lack of Automation
    - Inadequate Systems
Regression: Other Issues
- Supply constrained
- Simultaneity

Regression: Textbook Paradigm
- Demand & Forecasting
  - Elasticities: firm = market
  - Zero inter-firm cross-elasticities
  - Lack of segmented markets

Jipp Curve & Others

Limitations & Qualifications
- Simplicity
- Single Equation Model
- Heterogeneous Data
- Inaccuracy of Data
- No Causation

Future Research
- Data Improvement
- Desegregated
  - Sector Analysis
  - Spatial Breakdown

Correlation Analysis

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