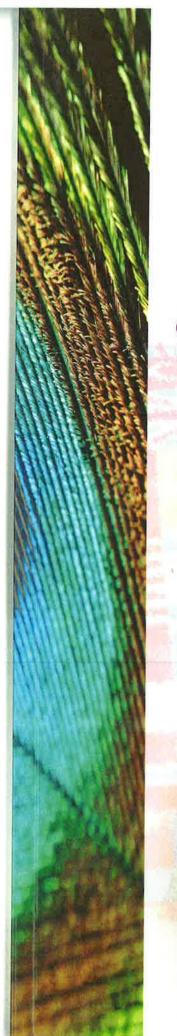# Vine copulas as a way to describe and analyze multi-variate dependence in econometrics: computational motivation and comparison with bayesian networks and fuzzy approaches

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Abstract

In the last decade, vine copulas emerged as a new efficient Techniques for describing and analyzing multi-variate dependence In econometrics; see, e.g., [1–3, 7, 9–11, 13, 14, 21]. Our experience has Shown, however, that while these techniques have been successfully applied To many practical problems of econometrics, there is still a lot of Confusion and misunderstanding related to vine copulas. In this paper, We provide a motivation for this new technique from the computational Viewpoint. We show that other techniques used to described dependence – bayesian networks and fuzzy techniques – can be viewed as a particular Case of vine copulas.

ABSTRACT

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