

# A Fractional Integration Analysis of the Swedish Economy, 1861–1988

I examine the stochastic behaviour of eleven long Swedish macroeconomic time series by means of using fractionally integrated techniques. Using a version of the tests of Robinson (1994) that permits us to test unit and fractional roots in raw time series, the results show that the order of integration of the original series is higher than 1 in practically all cases. However, using the log-transformed data, the unit root null cannot be rejected, implying that the growth rate series are  $I(0)$  and do not possess long memory. ■