ALFRED-WEBER-INSTITUT

Newsletter 25/2024

ALFRED-WEBER-INSTITUT FÜR WIRTSCHAFTSWISSENSCHAFTEN
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Upcoming Seminar

Monday, 11.11.2024	**Departmental Seminar**
13.30-14.30	Matei Demetrescu, Dortmund
AWI room 00.010	"Tests of No Cross-Sectional Error Dependence in Panel Quantile Regressions"
	(Host: Timo Dimitriadis)

Abstract

Departmental Seminar

Matei Demetrescu, Dortmund

"Tests of No Cross-Sectional Error Dependence in Panel Quantile Regressions"

This paper argues that cross-sectional dependence is an indicator of misspecification in panel quantile regression rather than just a nuisance that may be accounted for with panel-robust standard errors. This motivates the development of a novel test for panel quantile regression misspecification based on detecting cross-sectional dependence. The test possesses a standard normal limiting distribution under joint N,T asymptotics with restrictions on the relative rate at which N and T go to infinity. A finite-sample correction improves the applicability of the test for panels with larger N. An empirical application to housing markets illustrates the use of the proposed cross-sectional dependence test.

Editorial deadline for issue 26/2024 of the newsletter:
Wednesday, 13th, 2024, 12 p.m.
newsletter@awi.uni-heidelberg.de