

Dynamic Panel Models –

Difference and System GMM

Stata Manuals have a good discussion and examples of the use of the methods.

Manuel Arellano and Stephen Bond. Some tests of specification for panel data: Monte Carlo evidence and an application to employment equations. *Review of Economic Studies*, 58(2):277{297, April 1991. The original difference GMM reference for dynamic panel models

Richard Blundell and Stephen Bond. Initial conditions and moment restrictions in dynamic panel data models. *Journal of Econometrics*, 87(1):115{143, August 1998. The original system GMM reference for dynamic panel models;

John C. Frain. Stata commands for unobserved effects panel data. Website, December 2006. URL http://www.tcd.ie/Economics/staff/frainj/main/2006_07_MSc/PanelDatainSTATA/panel_dat

David Roodman. How to do xtabond2: An introduction to difference and system GMM in Stata. Center for Global Development Working Paper, (103), August 2007. Describes the econometrics of difference and system GMM and how to use the author's package in Stata to estimate such models.

Jeffrey M. Wooldridge. *Econometric Analysis of Cross Section and Panel Data*. MIT Press, Cambridge, MA, USA, First edition, 2002. ISBN 0262232197.

Angrist, JD and JS Pischke (2009) *Mostly Harmless Econometrics*, Princeton University Press

Panel Time Series

Ron Smith and Ana-Maria Fuertes: 2010 course notes on Panel Time Series [here](#)

Pesaran, M.H. and Smith, R. (1995) Estimating long-run relationships from dynamic heterogeneous panels. *Journal of Econometrics*, **68**, 79-113