

## Example 5-6

September 12, 2020

```
[ ]: # install the following packages and libraries
install.packages("plm")
install.packages("pcse")

library("pcse")
library("plm")
library("lmtest")
```

```
[2]: ##-----Block 1-----

#### Example 5-6 ####

## -----
data("agl", package = "pcse")

## -----

# OLS model with time fixed effects and panel corrected standard errors
fm <- growth ~ laggl + opengdp + openex + openimp + central * leftc
aglmod <- plm(fm, agl, model = "w", effect = "time")
coeftest(aglmod, vcov=vcovBK)
```

t test of coefficients:

	Estimate	Std. Error	t value	Pr(> t )	
laggl	0.09508545	0.11752268	0.8091	0.4193503	
opengdp	0.00725628	0.00173538	4.1814	4.198e-05	***
openex	0.00237312	0.00088197	2.6907	0.0076825	**
openimp	-0.00647500	0.00230108	-2.8139	0.0053421	**
leftc	-0.02337787	0.00800908	-2.9189	0.0038809	**
central:leftc	0.01317177	0.00349720	3.7664	0.0002131	***
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Signif. codes:	0 '***'	0.001 '**'	0.01 '*'	0.05 '.'	0.1 ' ' 1