

The Standardized Robust LM Test of Spatial Lag Model and Its Asymptotical Performance

LIU Lihu*

Xiamen University, Xiamen, China llh_xmu@126.com

QIAN Zhengming

Xiamen University, Xiamen, China zmqianxm@126.com

This paper proposes a standardized robust LM statistic for diagnosing spatial lag effects under model misspecification, distribution misspecification and spatial layouts, which is not sensitive to spatial error effect, spatial layouts and non-normal distribution, while the existing test is not. Meanwhile, it has good performance under small sample. Monte Carlo results prove these conclusions above.

Keywords: Non-normal distribution; Spatial layouts; Model misspecification; Standardized Robust test