EFFECT OF INTERNATIONAL CREDITS ON INCOME DISTRIBUTIONS OF DEVELOPING COUNTRIES: A PANEL DATA ANALYSIS

A Master's Thesis

by

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June 2006

To My Mother and Father

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I certify that I have read this thesis and have found that it is fully adequate, in scope and in quality, as a thesis for the degree of Master of Arts in Economics.

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ABSTRACT

EFFECT OF INTERNATIONAL CREDITS ON INCOME DISTRIBUTIONS OF DEVELOPING COUNTRIES: A PANEL DATA ANALYSIS

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M.A. in Economics
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June, 2006

Today, international credits are among the key ingredients of the growth strategies pursued by the developing countries and the investigation of the relationship between international credits and income distribution is of special importance when the effectiveness of such flows are evaluated. In this study, we examine the effect of international credits, including those disbursed by the World Bank (WB) and the International Monetary Fund (IMF), on the income distribution in developing countries using data for years 1961-1996 for 63 countries, with maximum of 163 country-year observations and panel data estimation procedure. Our results briefly indicate that the WB loans do not appear to have reduced inequality in the countries in our sample. Comparing the performance of the WB group to that of the IMF, we find that credits originated from the IMF have a significant improving effect on the income distribution; which is stronger in the transition countries. Our results also point out that the presence of high rates of inflation appears to aggravate inequality. Additionally, our findings support the empirical literature that there exists a positive relationship between the level of income and inequality in the early stages of development. Moreover, evidence from our regressions show that economic growth has not got a significant impact on income distribution. Finally, our results show that the inclusion of the governance variables leaves the former results intact, that is improvement in the governance measures has not sufficed to contribute to equality in distribution in the countries examined in this study.

Keywords: Income distribution, international credits, aid, governance.

ÖZET

ULUSLARARASI KREDİLERİN GELİŞMEKTE OLAN ÜLKELERİN GELİR DAĞILIMINA ETKİSİ: BİR PANEL VERİ ANALİZİ

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Uluslararası krediler, gelişmekte olan ülkelerin büyüme stratejilerinin önemli bir parçasını oluşturmakta ve bu akımların etkinliğinin değerlendirilmesi söz konusu olduğunda bu kredilerin gelir dağılımıyla ilişkisinin incelenmesi özel bir önem taşımaktadır. Bu çalışmada 63 ülke ve 1961-1996 dönemi için oluşturulan veri setini ve panel veri yöntemini kullanarak Dünya Bankası ve Uluslararası Para Fonu tarafından verilen kredileri de içerecek şekilde, uluslararası kredilerin gelişmekte olan ülkelerin gelir dağılımlarına etkisi ele aldık. Sonuçlarımız, örneklemimizdeki ülkeler için, Dünya Bankası tarafından verilen kredilerin gelir dağılımı eşitsizliğinde herhangi bir düzelmeye yol açmadığını göstermektedir. Öte yandan, Uluslararası Para Fonu'nun kaynaklık ettiği kredilerinse gelir dağılımında anlamlı bir iyileşmeye yol açtığını saptadık ve bu iyileşmenin geçiş ülkelerinde daha güçlü olduğunu gözlemledik. Bunların yanında, sonuçlarımız enflasyonun gelir dağılımını bozucu etkisini ortaya koymaktadır. Sonuçlarımız, ekonomik gelişmenin ilk aşamalarında gelir eşitsizliğinin artma eğiliminde olduğu yönündeki literatürü destekler niteliktedir. Ek olarak, çalışmamız ekonomik büyümenin gelir dağılımında anlamlı bir düzelmeye yol açmadığı yönünde kanıtlar ortaya koymaktadır. Son olarak, yönetişim değişkenlerinin modellere eklenmesinin sonuçları değiştirmediği ve bu değişkenlerdeki iyileşmenin gelir dağılımını düzeltici bir etkisi bulunmadığını saptadık.

Anahtar kelimeler: Gelir dağılımı, uluslararası krediler, finansal yardım, yönetişim.

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CHAPTER 1

Introduction

While reducing income inequality is one of the key challenges governments of the modern world face, it is extremely important for countries to design the appropriate strategies and policies that may help attain that goal. Today, international financial flows are the key elements of growth for developing countries and those countries have access to a broader range of international financial resources than ever before. Aid and other international loans are among the important channels through which developing countries finance their economic and social development strategies. First, these flows have a potential macroeconomic impact in the receiving country, which depends on those flows' absolute level and relative level as a proportion of GDP and gross domestic investment; and on the characteristics of the country. There are many attempts in the literature to measure the macro-level impact of international loans.

Research on the direct macroeconomic effects of financial loans and aid has generated a sizable literature. However, there are only a limited number of studies, with only a few notable exceptions, that investigate whether those flows improve income distribution. In one of the studies that enquire into this link, Cashin *et al.* (2001) claim that IMF programs and the adjustment loans involved with them have an impact on poverty and income distribution through different mechanisms such as

the real depreciation, fiscal consolidation, cuts in domestic absorption, expanded access to credit markets, the widening of the tax base to property and income taxes, the switching of expenditures to basic health and education and through their effects on growth and inflation. Moreover, using both the counterfactual methodology and before and after analysis, Przeworski and Vreeland (2000) find a significantly negative effect of IMF lending on growth and distribution of income.

Other line of studies on international loan and aid effectiveness aims to find empirical evidence on the issue whether financial aid works best in a good policy environment and whether financial assistance will lead to faster growth, poverty reduction and improvements in income distribution in countries that has sound economic management. In an early study, Johnson and Salop (1980) find that IMF programs have distributional consequences which depend on the structure of the economy, the specific terms of the stabilization program, the level of program implementation and the structure of poverty.

Likewise, Garuda (2000) states that the economic and political environment of the country prior to participation has an important influence on the impact of IMF programs on income distribution. He reports that when the pre-program external balance is severe in the economy, a significant deterioration in income distribution and the incomes of the poor are observed in the program countries relative to their non-program counterparts. However, in cases where prior external imbalance is not as large, countries participating in IMF programs actually show relative improvements in distributional indicators.

In view of the earlier studies there appears room for further explanation of the link between international credits and income distribution. This study aims to provide a panel data analysis which examines the link between international loans[1] and income distribution in the recipient countries. Using panel data for years 1961-1996 for 63 countries, with maximum of 163 country-year observations and utilizing the constant coefficients model (the pooled regression model), this study will analyze the role of international credits in altering income distribution in association with governance in the recipient country. The major objective of this study is to find out whether the aid and loans by the World Bank (WB) and the International Monetary Fund (IMF) improve, worsen or do not affect the income distribution in the recipient country. Besides, however, income distribution effects of other international credits are investigated in this study. Using panel analysis rather than adopting a cross-country framework like in Garuda (2000), our study aims to investigate the income distribution effects of international credit originating from the WB, in addition to the IMF loans which are more frequently visited in the literature. Hence, we investigate the possible effects of the International Bank for Reconstruction and Development (IBRD) loans, the International Development Association (IDA) credits, IMF disbursements and total long term disbursements on the income distributions of receiving countries. In doing so, we consider the governance and the political environment of the country receiving the flows to check

[1] In our models we use different categories of financial flows that are in the form of aid and loans, namely; the ratio of IBRD loans and IDA credits to GDP, the ratio of long term disbursements plus IMF credits to GDP and the ratio of total long term disbursements to GDP (detailed definitions are provided in the appendix).

whether country specific governance factors have an influence on the distribution impact of international credits.

Our findings indicate that an increase in the credits extended by the WB tends to deteriorate income distribution in the countries in our sample. Comparing the performance of the WB group to that of the IMF, we find that long term disbursements, plus IMF credits, have a significant equalizing effect on the income distribution, especially in transition economies. Opposite to what we have expected, we observe positive relationships between inequality and some governance measures, possibly meaning that improving these has not sufficed to contribute to equality in distribution in the countries examined in this study.

The study is organized as follows. Chapter 2 provides the literature survey and the studies on the interaction of various policy variables, aid, poverty reduction and income distribution. Chapter 3 presents the data used and the methodology utilized in the study. Chapter 4 presents the results of regression analysis on international credits and income distribution. Finally, Chapter 5 concludes.

CHAPTER 2

Literature Survey

Reducing poverty and eliminating the severe income inequalities in developing countries are critical challenges faced by economic institutions and governments of those countries. These are also among the main concerns of the international financial institutions that are designed to maintain stability of the world economic environment and to assist those in need.

Although our study attempts to investigate the effect of international credits on income distribution, our literature survey mainly consists of studies that relate the flows generated by the international financial institutions, a considerable part of which is in the form of assistance and aids, with income distribution. The main reason for such an approach is the fact that majority of the international credits we consider in this study are generated by international financial institutions themselves. Also, there is no study that relates international credits in a broad sense with income distribution while a few studies have just focused on the relationship between aid and income distribution. Therefore, we base our literature survey mainly on the studies which examine the interrelationship between flows generated by international financial institutions, specifically aid, growth and income distribution, in addition, to some recent studies that inquire the effect of international

financial flows other than aid, especially loans by the IMF and the WB, on developing country distributions.

Additionally we believe that an attempt to investigate the relationship between assistance and aid provided by the international financial institutions and income distribution has to involve literature surveys on economic growth, poverty, income distribution and the impacts of the assistance by the IMF and the WB. Being one of the earliest studies focusing on the impact of policies implemented and the actions taken by the international institutions on poverty alleviation and income distribution, Johnson and Salop (1980) find that IMF programs have distributional consequences which depend on the structure of the economy, the specific terms of the stabilization program, the level of program implementation and the structure of poverty. As mentioned above, a number of studies, however, have asserted the distribution worsening and growth reducing impacts of the IMF programs (See for example, Pastor (1987), Conway (1994), Przeworski and Vreeland (2000), Vreeland (2002))[2].

The set of policies are important when the trends and allocation of global Official Development Assistance (ODA) is considered. The flow of ODA to developing countries increased gradually during the 1970s and 1980s. However, after the end of the Cold War era (during the first half of the 1990s) a substantial

[2] Pastor (1987) finds that the implementation of a program reduces the labor share of income, relative to both the pre-program levels and a control group of Latin American countries that did not undergo IMF programs. Conway (1994) finds that the immediate impact of IMF programs on growth is negative. Przeworski and Vreeland (2000) add that IMF programs lower annual economic growth by 1.5% each year a country participates and they find no evidence of a positive impact in the long run. Vreeland (2002) also finds evidence of a negative distributional impact of IMF programs; redistributing income away from labor.

decline in global ODA was observed, then it reached its pre-1990s upward trend by the end of the decade. Approximately, three-fourths of ODA was supplied through bilateral programs during the last three decades and the proportion provided through multilateral organizations has increased since the 1980s. Finally, more than half of ODA goes to least developed and low-income countries and ODA is an important means to raise living standards of the poor living in these regions of the world. These facts are some of the reasons why the allocation and the efficient use of aid and the gains of the poor from these flows constitute one of the emphases of the studies mentioned above.

The first part of this chapter (2.1) will cover the studies on the interaction of various policy variables, aid, poverty reduction and income distribution. Subsections are arranged in order to provide the analysis of papers concerning: economic growth and its determinants (2.1.1), with a special stress on aid as being one of the factors pertaining to growth; associations of poverty and income distribution with macroeconomic variables and aid (2.1.2).

Second part (2.2) focuses on the effects of IMF and WB programs on the macroeconomic environment of the participant countries and consequences of these on the poverty levels and income distributions associating these with the political economy forces in those economies. Subsections cover: the dynamics of participation in and the effectiveness of such programs (2.2.1); the distributional effects of the IMF and WB oriented aid (2.2.2); and finally the possible links between aid provided and programs implemented by the WB and the IMF and, the political economy environment of the receiving country (2.2.3).

2.1 THE INTERACTION BETWEEN POLICY VARIABLES, AID, POVERTY AND INCOME DISTRIBUTION

This section gives a brief summary of the results of the studies on the interactions of various policy variables, aid, growth, poverty reduction and income distribution. First, we will discuss the determinants of growth and the linkages between aid and growth (2.1.1). Following that, we will address several works on poverty and income distribution with reference to key macroeconomic variables and aid (2.1.2).

2.1.1 Macroeconomic Policies, Economic Growth and Aid

One branch of the literature that is relevant for the relationship between macroeconomic policies and income distribution focuses on the link between economic growth and its determinants. Using a database developed by the World Bank Debt Reporting System on foreign aid, Burnside and Dollar (2001) examine the relationship among foreign aid, economic policies, and growth of per capita GDP. The authors find that fiscal surplus, inflation and trade openness are among the factors that have a great effect on growth based on panel growth regressions for 56 developing countries and six four-year periods from 1973 to 1993. Authors first claim that in general, developing country growth rates depend on initial income, institutional variables and policy distortions[3], aid, and aid interacted with distortions.

[3] Although the aid data employed by Burnside and Dollar cover a large number of countries, the institutional and policy variables are not available for many countries. They collect information for 56 countries and get 272 observations. They use a measure of institutional quality that captures security of property rights and efficiency of government bureaucracy developed by Knack and Keefer (1995); ethnolinguistic fractionalization variable provided by Easterly and Levine (1996); assassination variable and interactive term between ethnic fractionalization and assassinations. Finally they use money supply over GDP in order to proxy for distortions in the financial system.

Then they construct an index of the three policy variables; fiscal surplus; inflation; and trade openness which they then interact with foreign aid and instrument for both aid and aid interacted with policies[4]. With regards to the relationship between growth and aid, they provide strong evidence that aid has a positive impact on growth in developing countries with good fiscal, monetary and trade policies[5]. However, in the presence of poor policies, aid has no positive effect on growth. Furthermore, the examination of the determinants of policy indicates that there is no evidence that aid has systematically affected policies.

However, reassessing the links between aid, policy, and growth using more data, Easterly *et al.* (2003) find that adding new data creates doubts about the Burnside and Dollar (2000) conclusion[6]. When they extend the sample forward to

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Besides these, they use several policy variables such as the dummy variable for openness provided by Sachs and Warner (1995). They use inflation as a measure of monetary policy (Fischer, 1993). They use the budget surplus relative to GDP and government consumption relative to GDP as fiscal policy variables, which are both introduced by Easterly and Rebelo (1993).

[4] In order to deal with the endogeneity problems, Burnside and Dollar (2001) find some instruments for aid. Since aid/GDP is a function of variables such as population, infant mortality rate, and proxies for donors' strategic interests and these variables are not included in the growth regression; authors include these as good instruments for aid and the interactive terms.

[5] Burnside and Dollar (2001) estimate an aid allocation equation and show that any tendency to reward good policies has been overwhelmed by donors' pursuit of their own strategic interests. They estimate separate aid equations for bilateral and multilateral aid and find that it is the former that is influenced by donor interest variables. Multilateral aid is found to be a function of income level, population, and policy. Additional finding that is provided by Burnside and Dollar is that bilateral aid has a strong positive impact on government consumption giving insight into why aid is not promoting growth as much as intended. Finally, they reallocate aid in a counterfactual way by reducing the effect of donor interests and channelling more aid as rewards to good policies. They find that such a reallocation would have a large, positive effect on developing countries' growth rates.

[6] There exists a significant literature criticizing Burnside and Dollar (2000) and Collier and Dollar (2002). These critiques argue that the Burnside and Dollar work suffers from some important weaknesses such as incorrect functional-form specification which stems from the exclusion of the quadratic term, that aid-growth specifications should include (Lensink and White 2000, 2001, Dalgaard and Hansen, 2001 and Hansen and Tarp, 2001). Hansen and Tarp (2001) argue that Burnside and Dollar (2000) suffers from incorrect econometric specification and suggest that the impact of country-specific fixed effects should be removed via differencing. Finally, Lensink and White (2000) argue that growth elasticities of poverty reduction, which is assumed to be constant in

1997 from the Burnside and Dollar data end of 1993, they no longer find that aid promotes growth in good policy environments. Similarly, when they expand the Burnside and Dollar (2000) data by using the full set of data available over the original Burnside and Dollar (2000) period, they no longer find that aid promotes growth in good policy environments. Moreover, their findings regarding the fragility of the aid-policy-growth link is unaffected by excluding or including outliers[7].

2.1.2 Poverty and Income Distribution

In this section, we summarize the literature on poverty and income distribution vis-à-vis their relationship with growth (2.1.2.1), several key macroeconomic variables (2.1.2.2) and aid (2.1.2.3).

2.1.2.1 Poverty Reduction, Income Distribution and Economic Growth

There are many studies that empirically address the question of how economic growth affects poverty and inequality, focusing especially on the middle and low-income countries. One of the earliest studies on the issue is Kuznets' (1955). His famous hypothesis asserts that growth and inequality are related in an inverted U-shape; that is in a developing country experiencing the early stages of growth, most of the time income distribution gets worse and does not recover until

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Collier and Dollar (2002), vary across countries that is high-inequality countries will have lower elasticities. This weakens the poverty-reducing impact of higher growth.

[7] In their paper Dayton-Johnson and Hoddinott (2003) revisit the debate over the inter-relationships between aid, policy, growth and poverty reduction. They find that when they introduce country fixed effects, the core Burnside-Dollar finding that aid only works (in the sense of increasing per capita GDP growth) in a good policy environment, collapses. Nevertheless, in sub-Saharan Africa, the Burnside-Dollar thesis remains well-founded: aid raises growth only in the presence of a good policy environment. They add that in countries outside of sub-Saharan Africa, aid raises growth independent of policy.

the country reaches the middle income status[8]. However, later studies that use time-series data reject this hypothesis and find that income distribution does not change significantly over time; so claiming that growth influences distribution is fallacious (Ravallion, 1995, Deininger and Squire, 1996, and Adams, 2002).

Using a new database[9], Adams (2002) elaborates on the findings of such studies asserting that income distribution[10] does not change much over time, and concludes that economic growth[11] does not affect inequality significantly. On the other hand, he infers that "since income inequality tends to remain stable over time, economic growth can be expected to reduce poverty, at least to some extent" depending on two factors: the rate of economic growth itself and the extent of inequality. Initial distribution matters because the absolute gains to the poor will depend on their initial shares of total income, as well as the extent of that growth and how distribution changes.

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[8] According to Kuznets' (1955) model, the agricultural and rural sectors are characterized with relatively low level of per capita income and low level of inequality. He posited that the initial phase of economic development process entails shrinking of these sectors through movement of resources from them to the industrial and urban sectors that both feature higher inequality and higher level of per capita income at the early stages of development. Meanwhile, the new workers who joined the industry and urban area would move up the income ladder vis-a-vis the existing richer workers there and, at the same time, scarcity of workers in the agriculture and rural area would drive up wages too, thereby reducing the inequality in the whole economy. This means that as the level of per capita income increases further, a negative relationship between income and inequality would be established.

[9] The new data set, which concentrates on low-income countries, utilizes the results of household surveys as they represent the best source of poverty information in most developing countries, and includes complete growth, poverty and inequality for as many countries and time periods as possible. Adams (2002) got data from 50 low and lower middle-income countries, all of which at least had two nationally representative household surveys since 1980. Two surveys for one country define an interval and the data set includes a total of 101 intervals. The poverty and inequality data come from the World Bank, Global Poverty Monitoring database and the data on GDP growth come from the World Bank 2001 World Development Indicators database.

[10] Three different poverty measures are used in this study: the headcount index, poverty gap index, and the squared poverty gap index. Gini coefficient is used for measuring the changes in inequality.

[11] The study uses the approach of reporting results using two measures of growth which are the change in the level of mean expenditure (income) per person calculated from the household surveys and growth measured by changes in GDP per capita, in PPP units.

On the effect of inequality on growth, Ravallion (1996) claims that the higher the initial inequalities in physical and human assets the less economic growth, and the less likely the poor will participate in growth. He also points out another link concerning disparities between the investment opportunities of the poor and the rich. "Since credit constraints are likely to bite more for the poor," he says, "high initial inequality implies that more people will be constrained from making productive investments; growth is lower and inequality persists". These indicate the state-dependence of the paths out of poverty and that economies with high initial inequalities of human capital may get stuck in a macro-poverty trap of low and inequitable growth[12]. Likewise, Galor and Zeira (1993) and Aghion and Bolton (1997) claim that credit market imperfections, which limit the ability of low income individuals to invest in human capital, leave productivity gains unexploited. Opposed to those views emphasizing negative aspects of inequality for growth, Barro (2000) suggests that due to the fact that political power follows from economic power, concentration of income may produce government policies favoring economic growth.

2.1.2.2 Poverty Reduction, Income Distribution and Other Key Macroeconomic Variables

[12] Additionally, Ravallion (1996) briefly discusses the regional disparities in poverty measures that in almost every country there exist poor areas where poverty measures are well above the national mean and a persistence of poverty is observed. He argues that both current levels of poverty and rates of poverty reduction depend on various area characteristics such as poor infrastructure and geographic capital. He proposes that without extra resources or greater mobility the poor may be caught in a spatial poverty trap, which calls for anti-poverty policies that may have to break the local-level constraints on escaping poverty, by public investment or migration incentives. That is, prospects of escaping poverty may be highly dependent on individual, household and community characteristics.

Having overviewed the connection between inequality and growth, it is also important to find out whether there exist meaningful relationships between income distribution and other macroeconomic factors such as fiscal balance and balance of payment deteriorations, rising debt to GDP and debt servicing to GDP ratios and high inflation.

Sarel (1997) develops an empirical framework with simple OLS regression procedure using a large cross-country database with two types of data: income distribution variables and macroeconomic and demographic variables[13]. He aims at identifying the macroeconomic variables that significantly affect trends of income distribution and at estimating the magnitude of these effects. He lists the variables that are associated with an improvement in income distribution as higher growth rate, higher income level, higher investment rate, real depreciation, and improvements in the terms of trade. The factors that have no significant effect are inflation (level, variability and rate of change), public consumption, external position (level and change), level of exchange rate, and the price ratio of investment to consumption goods[14].

2.1.2.3 Poverty Reduction and Aid

Besides the factors mentioned above, the effect of aid on poverty has been investigated by various recent studies. Burnside and Dollar (2000) report that the

[13] His sources are Deininger-Squire (1996) database for income distribution and Penn World Tables (PWT) version 5.6 for macroeconomic and demographic variables where he eliminates observations by a five-step selection process from 682 to 425.

[14] Sarel (1997) calls for an expanded empirical study to include that there are additional factors that can affect trends in income distribution, such as the composition of social expenditure, including expenditure on education, health, and social insurance.

impact of aid on growth depends on the quality of economic policies and is subject to diminishing returns. However, the quantity of aid does not systematically affect the quality of policies (Alesina and Dollar, 2000). Similarly, Collier and Dollar (2002)[15] find that the allocation of aid that has the maximum effect on poverty depends on the level of poverty and the quality of policies. That is, the optimal allocation of aid for a country depends on its level of poverty, the elasticity of poverty with respect to income, and the quality of its policies. Thus, holding the level of poverty constant, increasing aid with better policy environment (since the growth impact of aid is higher in a better policy environment) and holding policy constant, increasing aid with poverty (since the poverty impact of growth is higher) yields better ends than the actual allocation of aid.

2.2 THE INTERNATIONAL MONETARY FUND AND THE WORLD BANK CREDITS

This part concentrates on the effects of IMF and WB programs on countries. First, in section (2.2.1), we give the common characteristics of countries participating in such programs with substantial reference to Conway (1994) and the results of the studies on the effectiveness of the programs. Second, we will discuss the distributional effects of the IMF and WB aid in section (2.2.2). Third in section (2.2.3), we will summarize some reports on the possible links between foreign aid and the political economy environment of the countries receiving aid.

[15] The study utilizes the World Bank's Country Policy and Institutional Assessment (CPIA) as the measure of policy environment. This measure has 20 different components covering macroeconomic, sectoral, social and public sector policies. Plus, Collier and Dollar (2002) estimate the aid-growth relationship over a large number of observations, 349 growth-aid-policy episodes of four years each.

2.2.1 Participation in and the Effectiveness of the IMF Adjustment Programs and WB Adjustment Lending

Being one of the primary ways through which aid flows take place, IMF and WB supported adjustment programs have drawn substantial degree of interest among the researchers dealing with income distribution[16]. For developing countries, which suffering from macroeconomic imbalances, among the traditional channels for making outside resources available have been stand-by agreements and extended fund facility drawings[17]. While designed to have macroeconomic impact, these programs do affect the poor through some channels. Looking first at the direct effects of these programs, Conway (1994) examines the dynamics of IMF program participation and provides a detailed analysis of participation in IMF programs over

[16] For an excellent literature review on the subject see Vreeland (2002) and Garuda (2000).

[17] In his book, "The Elusive Quest for Growth", William Easterly gives an exhaustive explanation of why extensive development assistance over the course of decades failed to alleviate poverty in poor countries. As an economist at the World Bank, Easterly observed how resources and advice provided by the Bank failed to improve the lives of the poor in poor countries. He gives different explanations for the development failures among which IMF and World Bank efforts take place. (1) *The Harrod-Domar growth model* according to which the aid necessary for a primarily set growth target is calculated. This aid was prospected to fill the gap between domestic investment and the total investment required to achieve the growth target. The Harrod-Domar growth model penalized countries that had high domestic saving rates; there was moral hazard since governments in poor countries maximize aid resources received by lowering their domestic savings effort, so as to create a larger financing gap that required more aid resources. (2) *Robert Solow's growth model*, where technology, not the resources, are key to growth. However, infusions of aid intended to provide capital did not provide growth since the poor countries of the world were not in the domain of diminishing returns to capital, which is intended to be overcome by technology. Additionally, the poor countries did not bridge the technology gap. As a consequence, convergence of national incomes between poor and rich countries did not take place. (3) *Education and accumulation of human capital* failure of which is attributed to incentives by Easterly. That is, having the government force you to go to school does not change your incentives to invest in the future. Easterly claims that "creating people with high skill in countries where the only profitable activity is lobbying the government for favors is not a formula for success" and "creating skills where there is no technology to use them is not going to foster economic growth." (4) *Assistance and adjustment loans of the World Bank and debt forgiveness*, which did not influence governments' choice of policies. Repeated adjustment loans did not improve lives of the poor, because of corrupt and unethical governments. (5) *Efforts of IMF* concerning the alleviation of poverty in poor countries through adoption of sound macroeconomic policies did not work out perfectly due to problems of transparency in the operations of the governments and the effectiveness of public spending in helping the poor.

the period 1976-1986. The test of effectiveness of such a program requires a comparison methodology (counter-factual) in which the researcher should consider the outcome that would have occurred in the absence of the program.

Conway (1994) extends the contributions of researchers[18] that have worked on this issue in a number of directions. First, the decision to participate in an IMF program is modeled and examined using a discrete regression Probit procedure and a censored-regression Tobit procedure[19]. Conway found that participation is driven by a combination of factors such as: (1) Past performance (more rapid economic growth in the previous year reduced the expected time spent in an IMF program, so does a more negative current account in the previous year). (2) Present external influences (improvements in the terms of trade lowers participation at the margin, increases in the existing debt burden increase participation, a higher real interest rate is also associated with less frequent participation in IMF programs). (3) Sluggish adjustment of developing countries (the greater the percentage of IMF facility drawn down in the past year the greater the duration of an IMF program today; stabilization programs require more than the standard 12-month duration of stand-by agreement to reduce the need for assistance).

Conway (1994) gives insights into the motivations for and the macroeconomic effects of participation in an IMF program. Using two-stage generalized least squares methodology, he finds that participation has contemporaneous effects such as a reduction in economic growth and domestic

[18] Killick (1984), Gylfason (1987), Edwards (1989), Khan (1990).

[19] For a thorough criticism of alternative approaches to program evaluation (the outcome vs. counterfactual approach, the discrimination analysis (logit or probit) and the before–after method) see Evrensel (2002).

investment and an improvement in the current account. Conway (1994) distinguishes the contemporaneous effects from the lagged effects and concludes that past participation in an IMF program benefits more. He points that the lagged effects of increased participation on economic growth and domestic investment are positive, and in most estimates qualitatively greater than the contemporaneous effects. The improvement of current account is continued.

On the other hand, Easterly[20] (2001) tests the direct effect of IMF and WB adjustment lending on poverty reduction, and finds no systematic effect of adjustment lending on growth. But, he suggests that adjustment lending lowers the growth elasticity of poverty -the amount of change in poverty rates for a given amount of growth[21]. That is, economic expansions benefit the poor less under structural adjustment, but at the same time economic contractions hurt the poor less under structural adjustment.

Easterly (2000) suggests some mechanisms leading to that result. First, he speculates that IMF and WB conditionality may be less austere when lending occurs during an economic contraction; while it may be severe during an expansion, requiring macro adjustment. In such a case the poor can be hurt, for instance because of a fiscal adjustment implemented through increasing regressive taxes like sales

[20] Easterly uses data from 1980-98 on all types of IMF lending and on WB adjustment lending, where IMF lending includes: Stand-bys, extended arrangements, structural adjustment facilities, enhanced structural adjustment facilities. WB adjustment, on the other hand includes: Structural adjustment loans, sectoral structural adjustment loans, structural adjustment credits. For data on poverty, he uses an updated version of Ravallion and Chen's (1997) (reference list) database on poverty spells source of which is household surveys and which also reports Gini coefficients and the mean income.

[21] The absolute value of the growth elasticity of poverty declines by about 2 points for every additional IMF or WB adjustment loan per year.

taxes or decreasing progressive spending like transfers. Second, it may be IMF and WB conditionality that causes the expansion or contraction in aggregate output, but may not affect poor much if we see the poor as mainly deriving their income from informal sector and subsistence activities, which are not affected much by fiscal policy changes or adjustments in macro policies.

An empirical analysis by Evrensel (2002) examines the effectiveness of Fund-supported stabilization programs and suggests that even though the Fund's conditionality prescribes fiscal and monetary discipline in program countries, the IMF cannot impose its conditionality even during program years[22]. Moreover, Evrensel (2002) claims that, when successive inter-program periods are considered, program countries enter a new program in a worse macroeconomic condition than they entered the previous program.

In the study, the basis of program evaluation is what the Fund expects program countries to do and whether these targets are achieved, that is Fund-supported programs are evaluated based on the outcome vs. purpose approach using the before-after method[23]. For instance, the Fund expects program countries to reduce their domestic credit creation, budget deficit, domestic borrowing, inflation rate, current account and capital account deficit. Evrensel (2002) investigates whether the program countries experience significant improvement in these

[22] The study uses a broader data set than previous program evaluations. Among 181 IMF-member countries 91 countries received at least one of the four structural adjustment programs; namely standby, EFF, SAF, and ESAF during the sample period (1971–97) of the study.

[23] In this paper, Fund-supported programs are evaluated based on the outcome vs. purpose approach using the before–after method. Different from the previous before- after evaluations which consider one-year lags before and after a program, this study uses lags of up to three years so as to observe changes in the evaluation variables from three years before the start of a program to three years after the end of a program. In addition to the results of the before–after analysis, the temporal inter-program analysis is used to illustrate the possibility of moral hazard associated with Fund programs.

variables under an IMF program and reports that as countries approach a stabilization program, current account deficit, and reserves deteriorate accompanied by a slower real growth.

However, during the program period significant improvements are observed in the current account and reserves[24] together with smaller domestic borrowing and larger foreign debt. When the post-program years are examined, in the year following the end of the program there are significant improvements in financial account and overall balance of payments. However, in three years time money supply increases significantly. Evrensel (2002) stresses that most of the program countries suffer the problem of sustainability and point out to the fact that the improvements in balance of payments and reserves achieved during an IMF program disappear in the post-program years.

Devarajan *et al*. (2001) also evaluate adjustment lending by the outcome vs. purpose method and conclude that the countries in Africa receiving large amounts of aid, including conditional loans, usually end up with different policies and outcomes than they are advised to reach and that aid is not a primary determinant of policy.

Moreover using both the counterfactual methodology, which is based on the observations on how intervention changed the outcome compared to what would have happened without the intervention, and before and after analysis, Przeworski and Vreeland (2000) find a significantly negative effect of IMF lending on growth and distribution.

[24] However, the definition of reserves makes a difference. When reserves are defined net of IMF-credit, Evrensel (2002) finds no significant improvement in reserves due to a Fund program.

Different from the studies mentioned above, which treat adjustment loans as independent events and do not use the information contained in the frequent repetition of adjustment loans to the same economy, Easterly (2005) claims that the repetition of adjustment loans changes the nature of the selection bias. He mentions that one explanation for why adjustment loans are repeated is as follows: "the adjustment is a multistage process that requires multiple loans to be completed… and we would expect to see gradual improvement in performance with each successive adjustment loans, or at least an improvement after a certain threshold in adjustment lending was passed".

Easterly (2005) also mentions that when evaluating structural adjustment programs with repetition, selection bias can still take place if adjustment loans are repeatedly initiated in countries that fail to correct the macroeconomic problems and poor growth under earlier adjustment loans, mainly because governments fail to follow through with the conditions of earlier loans. However, he then asks why the IMF and WB keep giving new adjustment lending resources to countries with poor track record of compliance with the conditions and concludes that "the interpretation is not particularly favorable to the effectiveness of adjustment lending as a way to induce adjustment with growth".

Observing the patterns in the 20 top receivers of repeated adjustment lending over 1980-99, Easterly (2005) finds that none of those top 20 recipients were able to achieve reasonable growth and contain all policy distortions and about half of the adjustment loan recipients show severe macroeconomic distortions regardless of cumulative adjustment loans. He uses probit regressions for an extreme

macroeconomic imbalance indicator and reports that its components fail to show robust effects of adjustment lending or time spent under IMF programs[25]. Also, by using instrumental variables regression estimation for investigating the causal effect of repeated adjustment lending on policies; Easterly (2005) reports that the results show no positive effect on policies or growth. He finds that there is no evidence that per capita growth improved with increased intensity of structural adjustment lending.

Nevertheless, the success of such reforms may exhibit variability depending on factors such as political economy forces within the aid receiving country. Additional to this, a few donor-effort variables are also suggested as being highly correlated with the probability of success. Dollar and Svensson (2000) test the hypothesis that success or failure of reform depends on political economy factors within the country that attempts to reform through the use of several variables that capture elements of domestic political economy: ethnic fractionalization, whether leaders are democratically elected, and length of tenure (time in power)[26]. They find

[25] First, the results of probit regressions of the macroeconomic distortion dummy on cumulative adjustment loans in a pooled cross-section time series sample suggest a small but statistically significant reduction in the probability of macroeconomic distortions with each additional adjustment loan or each additional year under an IMF program. However, when a time trend is introduced, this effect disappears meaning that there is a time trend towards reduced probability of macroeconomic distortions which is unrelated to adjustment lending. An additional adjustment loan or an additional year under an IMF program does not reduce the probability of macroeconomic distortions once this time trend is controlled. Therefore, Easterly (2005) concludes that countries have adjusted over time, but this is not related to the number of adjustment loans from the Bank and Fund, and to cumulative time spent under IMF programs.

[26] In order to assess these hypothesis, authors exploit data from the World Bank's Operation Evaluation Department (OED) covering more than 200 loans designed to support specific reform programs. The OED measure is an acceptable proxy for reform since it is highly correlated with improvements in observed economic indicators such as the rate of inflation and the extent of budget surplus. The database includes not only data on reform outcome, but also detailed information on variables under the WB's control such as the resources devoted to analytical work prior to reform,

considerable support for this hypothesis, that is, a small number of political economy variables can predict the outcome of an adjustment loan successfully 75% of the time. However, they find no evidence that any of the variables under the donor's control (allocation of preparation and supervision resources or number of conditions) effect the probability of success of an adjustment loan. Factors under the control of the donor community influence the success of adjustment programs, only after controlling for domestic political economy factors.

2.2.2 Distributional Effects of the IMF and the WB Credits

As summarized, research on the direct macroeconomic effects of adjustment programs implemented under the assistance of the IMF and the WB has generated a sizable literature. In addition, however, it is important to draw attention to the distributional and poverty-reducing effect of such programs. Particularly, Cashin *et al.*, (2001)[27] do this with reference to the studies by Garuda (2000), Easterly (2000),

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number of conditions, and the sequencing of conditions. In the study, 182 adjustment loans are included to the dataset.

[27] This study uses the UNPD's Human Development Index (HDI), which is a composite indicator of well-being. This measure takes the arithmetic average of a country's achievements in three basic dimensions of human development: longevity, educational attainment, and living standards. It was available for 100 countries over the period 1975-98 at the time of the study. Although the measure does not capture the income inequality directly, it is very much correlated with UNDP's Human Poverty Index (HPI). The study finds an association between improvement in HDI and the sound macroeconomic policies such as lower inflation, lower variability of inflation, lower external debt, better rule of law, lower black market premium, a lower frequency of financial crises. Pointing that these associations are debatable, Cashin *et al.* (2001) attempt to estimate the relationship between economic policies and improvements in the HDI, for a given rate of growth of GDP per capita isolating the direct effects of each of the policies on well-being. Using cross-country regression approach, they have not found significant and robust evidence that any of the variables are individually associated with pro-poor or anti-poor economic growth.

Demery and Squire (1996)[28]. They claim that Fund programs have an impact on poverty and income distribution through different mechanisms such as real depreciation -the price of non traded goods decreases relative to traded goods- (positively if the traded goods sector is more labor intensive so that the return to labor increases), fiscal consolidation, cuts in domestic absorption, "expanded access to credit markets, the widening of the tax base to property and income taxes, the switching of expenditures to basic health and education" (p. 10) and through their effects on growth and inflation.

In particular, Garuda (2000)[29] reports that the economic and political environment of the country prior to participation may determine the impact of such programs on income distribution. He finds evidence of a significant deterioration in income distribution and the incomes of the poor in Fund program countries relative to their non-program counterparts, when the pre-program external balance is severe. In cases where prior external imbalance is not as large, countries participating in Fund programs actually show relative improvements in distributional indicators[30].

[28] In their study, Demery and Squire (1996) find that those countries which implemented effective World Bank and IMF reform programs generated declines in overall poverty; those that implemented ineffective reform programs generated increases in overall poverty.

[29] His study exploits a cross-country database on income inequality developed by Klaus Deininger and Lyn Squire. The paper measures the effects of 58 IMF programs in 39 countries from 1975 to 1991 on Gini coefficients and income of the poorest quintile. Plus, in order to capture the combined impact of Fund programs on distribution and growth, a third measure is constructed: average income of the poorest quintile. Income data used Penn World Tables 5.6 for per capita income estimates.

[30] Garuda (2000) measures the effects of 58 IMF programs during 1975-91 on Gini coefficients and income of the poorest quintile, tracing these variables over two to five years following the program initiation. He uses propensity scores similar to that of Conway (1994), which are described as the implied probabilities measuring the probability that a country would ask for Fund assistance in a given year based on its economic circumstances. Then he makes an assessment of the effect of IMF programs on outcome measures within bands of propensity scores. As most of the studies taking the IMF program performance as its problem, the basic technique employed in this study is a comparison of a sample of country-years in which a country entered a Fund program to another in which a country did not. It addresses the problem of identifying the counterfactual by using a statistical

2.2.3 IMF and World Bank Aid and the Business Environment of the Receiving Country

It is widely accepted that aid is not generally channeled for productive uses or poverty alleviation. In association with corruption, foreign aid may foster poor governance and reduce growth. Mauro (1995) finds that higher levels of corruption are associated with low economic growth, making foreign aid susceptible if any link between aid and corruption is proven to exist. Tavares (2003), on the other hand, finds that foreign aid decreases corruption. Two possible explanations of such relationship are provided by Tavares. "First, foreign aid may be associated with rules and conditions that limit the discretion of the recipient country's officials, thus decreasing corruption –a conditionality effect. Second, if foreign aid alleviates public revenue shortages and facilitates increased salaries for public employees it may diminish the supply of corruption by public officials –a liquidity effect" (p. 104).

Alesina and Weder (2002) examine whether less corrupt governments are rewarded with increases in bilateral aid, and they find that it is actually the more corrupt countries that receive more aid. One possibility that arises is that aid is channeled to uses that promote corruption. Corrupt countries are poor performers

technique known as propensity score estimation to reduce the selection bias inherent in comparing program and non-program countries. This technique controls for differences in countries' initial economic circumstances. In particular, countries seeking the Fund assistance typically face a more unstable pre-program economic climate than those who do not. In the lowest group of propensity scores, countries initiating Fund programs show average improvements in all three distributional outcomes relative to non-program control sample. Ones in the middle group show less pronounced differences, though they are generally positive. However, in the highest propensity band Fund program countries actually show statistically significant relative worsening of income share and increases in Gini coefficients relative to the control samples. Garuda adds that the most plausible mechanism by which Fund causes the above changes is the currency devaluation.

and they find themselves relying more on foreign resources. The governments of those countries do not seem to be disturbed by this situation on account of the future flows of aid. On the other hand, within-country forces make them consider the poverty and income distribution; therefore governments become uncomfortable with the poor economic performance.

A similar explanation is provided by Evrensel (2002). Associating the Fund-supported programs with moral hazard, she proposes that the governments of program countries may adopt unsustainable macroeconomic policies due to the availability of future the Fund credit. For instance, if a country has had Fund support before, the cost of macroeconomic policies that lead to the depletion of international reserves may be lower to the country and the availability of continual adjustment programs may imply moral hazard by motivating governments to follow riskier macroeconomic policies under the fact that stabilization programs on average do not change the macroeconomic fundamentals of program countries. When subsequent stabilization programs are compared, the second inter-program period is associated with significantly smaller reserves, higher domestic credit creation, inflation rate, budget deficit, domestic borrowing, domestic and foreign debt than the first inter-program period.

CHAPTER 3

Data and Methodology

The literature offers interesting studies regarding the effectiveness of Fund-supported structural adjustment programs and the aid, assistance and adjustment loans of the World Bank. However, the relationship between such efforts and income distribution in the recipient country has not been explored exhaustively. This study employs a greater number of observations than used in the study of Garuda (2000), and investigates the possible effects of the International Bank for Reconstruction and Development (IBRD) loans; the International Development Association (IDA) credits and IMF disbursements on the income distributions of receiving countries.

Previous studies provide empirical evidence that aid is one of the major catalysts of growth, which is strongly associated with improvements in income distribution (Burnside and Dollar, 2000). Income distribution is not only affected by growth but it is also improved by real depreciation and improvements in the terms of trade (Sarel, 1997), which are common consequences of structural adjustment programs. Therefore, these two studies indicate that the channels through which international credits improve income distribution are several and are proven to function depending on the quality of economic policies implemented and the effective use of such flows in the recipient country. Nevertheless, neither of these

two studies have directly investigated the direct effect of international credits on income distribution.

Using panel data this study will analyze the role of aid and loans by the WB and the IMF in effecting income distribution in association with governance in the recipient country. The major objective of this study is to find out whether the WB and IMF loans improve, worsen or do not affect the income distribution in the recipient countries.

This chapter discusses the earlier model by Garuda (2000) that deals with the link between Fund-supported programs and income distribution (3.1). Then, the chapter follows with the description of the variables and data used in the study and ends with the econometric methodology used for estimations (3.2).

3.1 REVIEW OF THE METHODOLOGY OF EARLIER STUDIES

It is stimulating to investigate the nature of the relationship between income distribution and international credits, especially the ones by the IMF and the WB, since the direct link between these two is not a subject in the economic literature that is visited much. In this section, we will briefly point out the guiding lines presented by the two studies that have parallel aims with our study.

An important cross-country analysis on the relationship between income distribution and aid is provided by Garuda (2000). He was motivated by the methodology used by Conway (1994), who calculated propensity scores (the probability that a country would request IMF assistance in a given year based on its economic circumstances) in order to verify that IMF program participation of

countries can be predicted by the background economic variables which are lagged values of some economic indicators. In order to estimate the effect of IMF programs after controlling a country's pre-program economic environment, Garuda (2000) estimates propensity scores and subclassifies observations into groups defined by ranges of propensity scores. After the generation of the propensity scores Garuda (2000) separates the observations into treatment and control groups within each group of propensity scores. Then he performs a mean comparison of changes in outcomes within each range of propensity scores. He then considers differences in the effects of Fund programs over two-to-five year periods after program initiation within each group.

When compared with Garuda (2000), our analysis uses panel analysis rather than adopting a cross-country framework. Additionally, our study employs a greater number of observations than used in the study of Garuda (2000). That is, instead of generating propensity scores for countries receiving IMF assistance, we follow a pooled panel analysis. In addition, we do not limit ourselves with the effects of IMF program participation alone but consider a wider concept of flows, which includes the WB assistance and the Fund programs together to investigate the possible effects of the International Bank for Reconstruction and Development (IBRD) loans, the International Development Association (IDA) credits, and IMF disbursements. Through this approach we intend to grasp a broader view of the effects of world-wide aid and assistance on income distributions.

Moreover, as in Evrensel (2002) our analysis considers the total impact of the aid and loans for five year periods[31]. Testing for the impact of such flows on income distributions. We take the total and average of aid and loans for five years and conduct the tests with these variables (instead of using yearly variables) under the assumption that the effect of these flows may not be realized during the year it is received, but it may take some time to observe these effects. That is, instead of taking the effect of the initiation of a program on each of the program years and on the post-program years and discussing what happened for example in the second year after the program; we consider the cumulative effect of the aid and loans that flow during five year periods and discuss the overall effect of these on the income distribution considering the effects of the five year averages of the control variables. We take five-year periods prior to each available income distribution data and examine the whole affect by calculating the five-year averages, and totals, of flows. This allows us to capture both the lagged and the combined effects of sustained aid flows and disbursements.

3.2 METHODOLOGY OF THIS STUDY

In order to exploit the available data efficiently and to analyze the effects of aid flows and disbursements in both a time-series and cross-section context, a panel data set is used in this study. In a panel data a set of individuals is repeatedly

[31] In her paper, Evrensel (2002) evaluates the Fund-supported programs based on the purpose vs. the outcome approach using the before-after method. She uses lags of up to three years to observe the changes in the evaluation variables from three years before the start of a program to three years after the end of a program. By this method, she aims to demonstrate how evaluation variables gradually change toward a program and after a program.

sampled at different points in time, that is it provides multiple observations on each individual in the sample. Panel data sets for economic research have quite a lot of advantages over cross-sectional or time-series data sets. First, panel data sets let the researcher to utilize a larger number of data points when compared to cross-sectional or time-series data sets. This situation is likely to produce more reliable parameter estimates and results in higher degrees of freedom and reduced collinearity among explanatory variables, which in turn improves the efficiency of econometric estimates (Hsiao, 1986, p.2). When the explanatory variables vary in two dimensions they are less likely to be highly correlated (Matyas and Sevestre, 1992, p.22).

Second, panel data "allows a researcher to analyze a number of important economic questions that cannot be addressed using cross-sectional or time-series data sets" (Hsiao, 1986, p.2). In addition to being a method that allows constructing and testing more complicated behavioral models than purely cross-sectional or time-series data, "the use of panel data also provides a means of resolving or reducing the magnitude of a key econometric problem that often arises in empirical studies, namely, the often-heard assertion that the real reason one finds (or does not find) certain effects is because of omitted (mismeasured, not observed) variables that are correlated with explanatory variables" (Hsiao, 1986, p.3). Panel data provides a way to control for the effects of missing and unobserved variables by utilizing information on both the intertemporal dynamics and the individuality of the entities being investigated.

The basic panel data regression model is given in Greene (1993) as

$$y_{it} = \alpha_i + \beta\, x_{it} + \varepsilon_{it} \qquad i = 1, \ldots, N;\ t = 1, \ldots, T$$

with i denoting households, individuals, firms, countries, etc., and t denoting time. The i subscript, therefore denotes the cross-section dimension whereas t denotes the time-series dimension. There are K regressors in x_{it}, not including the constant term. The individual effect is α_i, which is taken to be constant over time t and specific to the individual cross-sectional unit i. In this form, this model is a classical regression model. If the α_i's are assumed to be the same across all units, then ordinary least squares provides consistent and efficient estimates of α and β.

There are two fundamental structures used to generalize this model, namely fixed effects and random effects methods. As explained in Greene (1993) the fixed effects approach takes α_i to be a group specific constant term in the regression model. On the other hand, the random effects approach specifies α_i as a group specific disturbance similar to ε_{it} except that for each group, there is a single draw that enters the regression identically in each period. To decide on whether or not to use the random effects model, Hausman Test is applied, resulting in the rejection of the random effects model.

The fixed effects methodology asks for two conditions to be present for the use of fixed effects model for the estimation of a panel data set. The first condition requires the characterization of the unobservable factors that differentiate cross-section units as parametric shifts of the regression function so that a separate intercept is required for each individual in the sample. In our analysis this condition is likely to hold given the country-specific nature of the cross-section units under investigation. However, the second condition requires that a relatively large proportion of the population is represented in the sample. This condition does not

hold in our analysis given the relatively low number of observations and cross-sections used in the regressions and thus the fixed effects model is not preferred. Hence we restrict the constant to be the same across all cross-sections and the type of panel model we utilized is the constant coefficients model (the pooled regression model).

While using this method we specify the model as follows:

$$y_{it} = \alpha + \beta x_{it} + u_{it} \qquad i = 1, \ldots, N;\ t = 1, \ldots, T$$

In this model we simply stack the observations of each country over time on top of one another. This is the standard pooled model where intercepts and slope coefficients are homogeneous across all N cross-sections and through all T time periods. Finally, in OLS methodology each observation is given equal weight (Sussex University Lecture Notes, 2004).

As mentioned above, OLS is applied to this model. Although, a straight application of OLS causes a loss of efficiency with respect to the temporal dimension (which captures the 'within' variation in the data) and space dimension (which captures the 'between' variation in the data), and although the pooled OLS estimator does not efficiently exploit both 'between' and 'within' dimensions of the data, this methodology is the most suitable for our aim of investigating the effect of time-invariant governance variables where fixed effects methodology does not serve as the best choice for such an estimation.

We estimated covariances that are robust to general heteroskedasticity, following White (1980) who has derived a heteroskedasticity consistent covariance

matrix estimator which provides correct estimates of the coefficient covariances in the presence of heteroskedasticity of unknown form.

3.3 THE DATA AND THE VARIABLES USED IN THE ESTIMATIONS

This section gives information about the data and presents the hypotheses behind the choice of variables employed in the models that will be introduced in the following section. It also explains the various calculations and modifications made on the raw data to make it suitable for the regression analysis. Table A.1 gives the sources and definitions of the variables used in the study.

In our analysis we use data for years 1961-1996 for 63 countries, with maximum of 163 country-year observations. Panel data estimation procedure is employed in the estimation of the regression equations. The panel used in our analysis is unbalanced because of unavailable data and missing observations for different nations for different time periods. Since our study deals with developing countries that receive international credits, some of the data is not available for small countries.

The data is obtained from the World Bank World Development Indicators Online and World Bank Governance Indicators. The income distribution data included in the data base is a slightly updated version of the full version of the database described in Deininger and Squire (1996).

The key variables included in the study are Gini coefficient as an indicator of income distribution, international credits, GDP growth, inflation, level of income

and the governance variables. Sections (3.3.1) to (3.3.6) will provide explanations for the use of each of these variables[32].

3.3.1 Income Distribution

Income distribution is the dependent variable in the model, on which the effects of various variables are investigated. We use Gini coefficient as an indicator of income inequality and it ranges between 0 and 1; higher values show worse income distributions. The data source classifies the data according to quality and we only use the ones that are included in the high quality data set, which are labeled as "accept"[33].

3.3.2 International Credits

In our model we use different categories of financial flows that are in the form of international credits, namely; the ratio of IBRD loans and IDA credits to GDP, the ratio of long term disbursements plus IMF credits to GDP and the ratio of total long term disbursements to GDP. The effects of these variables on income distribution constitute the main interest of the study. Our hypothesis is that when a country receives more flows, the income distributions become better. Moreover,

[32] Explanations and abbreviations of the variables used in the models are given in the appendix (Table A.1).

[33] Deininger and Squire (1996) classify the observations according to their quality as (i) accept: included in their high quality data set, (ii) nn: biased on a survey of less than national coverage, (iii) cs: estimate that was not included due to availability of an estimate from a consistent source, (iv) ps: estimate that was not included as there is no clear reference to the primary source, (v) est: estimate based on national accounts or surveys of less than full national coverage, (vi) wg: estimate excluded because it was based on the income earning population only or derived from non-representative tax records. Deininger and Squire (1996) note that only the "accept"s should be selected in order to reach a high-quality database.

better the governance in the country that receives international credits; more powerful the impact of those flows. IBRD loans and IDA credits are extended by the World Bank Group. IBRD lends its loans at market rates and the credits from IDA are at concessional rates.

Long term disbursements plus IMF credits includes disbursements on long-term debt and IMF purchases. Disbursements are drawings on loan commitments during the year specified and long-term external debt is defined as debt that has an original or extended maturity of more than one year and that is owed to nonresidents and repayable in foreign currency, goods, or services. IMF purchases, on the other hand, are defined as the total drawings on the General Resources Account of the IMF during the year specified, excluding drawings in the reserve tranche. In order to maintain comparability between data on transactions with the IMF and data on long-term debt, World Bank Global Development Finance database includes the converted value of use of IMF credit outstanding at the end of year (stock) to dollars at the SDR exchange rate in effect at the end of year. Additionally, purchases are converted at the average SDR exchange rate for the year in which transactions take place. Third variable is disbursements on long-term debt alone.

All the above variables used in our model are percentages of GDP of the year the flow is received.

3.3.3 Economic Growth

The literature on the link between growth and income distribution does not give hints of a strong relationship between the two variables. Studies using time-

series data find that income distribution does not change significantly over time. They conclude that the earlier findings claiming that growth influences distribution are unsound (Ravallion, 1995 and Deininger and Squire, 1996, 1998, Adams, 2002).

The study of Adams (2002) details this fact and reaches a similar conclusion. He points the fact that income inequality tends to remain stable over time, therefore economic growth can be expected to reduce poverty depending both on the rate of economic growth itself and the extent of inequality. However, he finds that income distribution does not change much over time and economic growth does not affect inequality significantly. All these studies oppose to the findings of the highly acclaimed hypothesis of Kuznets' (1955) and results of Sarel (1997) that associates improvement in income distribution with higher growth rate and higher income level.

We include economic growth, along with income level, as a variable in the model firstly to test whether the model will carry out evidence strong enough to reject the Kuznets' hypothesis and support the later studies.

Our second justification is the strong link between aid and growth. Burnside and Dollar (2001) claim that along with initial income, institutional variables and policy distortions; developing country growth rates depend on aid and aid interacted with distortions. They provide strong evidence that aid has a positive impact on growth in developing countries with good fiscal, monetary and trade policies. They also assert that this significant impact disappears under poor policy environment. Since our aim is to test the impact of international credits, an important portion of

which is aid, on income distributions, it is wise to control for one of the most important channels this impact may come through.

We use the World Bank and OECD National Accounts data files where growth is given by the annual percentage growth rate of GDP at market prices based on constant local currencies where the aggregates are based on constant 1995 U.S. dollars.

3.3.4 Initial Income per capita and Average Income per capita

As mentioned above, Sarel (1997) claims that, besides a higher growth rate, higher income level can be listed as a determinant of improving income distribution. Therefore, in our framework it is reasonable to include the GDP per capita at the beginning of the five-year period and the average of GDP per capita of the five year period as proxies for level of income. Besides these, testing of Kuznets' Hypothesis provides a strong motive for the inclusion these variables.

3.3.5 Other Macroeconomic Variables

The results of the framework developed by Sarel (1997) identify higher investment rate and real depreciation as the macroeconomic variables that significantly affect trends of income distribution. However, these two variables appear to be insignificant in our analysis. Moreover, they drop the number of observations and the cross sections used sharply. Therefore, these variables are excluded from our models. Likewise, we considered some of the population trend, human and physical capital variables to our analysis, such as fertility rate,

population growth, rural population. Preliminary results showed that population growth and fertility rate appeared to be significant as determinants of distribution in regressions without credit flows and other macroeconomic variables[34]. However when these are used as control variables and included in the regressions with credit flows and other macroeconomic variables, significance of these variables fell substantially. Therefore, these variables are not included in our models[35].

When inflation is considered, Evrensel (2002) provides evidence on the relationship between inflation and aid; associating IMF's stabilization programs with significantly higher inflation rates. We used the inflation data provided by International Financial Statistics (IFS) and applied the following normalization:

$$Inf_{norm} = [(Inf)/100]/\{1+[(Inf)/100]\}$$

where Inf is the raw inflation data we obtained from IFS and Inf_{norm} is the normalized value that lies between 0 and 1.

---

[34]Fertility rate data is taken from World Bank and it comprises of World Bank staff estimates from various sources including census reports, the United Nations Statistics Division's Population and Vital Statistics Report, country statistical offices, and Demographic and Health Surveys from national sources and Macro International. Total fertility rate represents the number of children that would be born to a woman if she were to live to the end of her childbearing years and bear children in accordance with prevailing age-specific fertility rates. Population growth data is calculated directly from the World Bank data. Rural population is the share of the total population living in areas defined as rural in each country.

[35] Similarly, we considered testing for the effects of the share of agricultural sector in the total labor force on income distribution following Bourguignon and Morrisson (1998) who stress the necessity of the inclusion of economic dualism. They also show that the share of skilled workers in the labor force proxied by secondary school enrollment ratio and the availability of land resources proxied by arable land per capita have significant income equalizing effects. Therefore, we also considered gross primary and secondary school enrollment ratios, which are the ratios of total enrollment, regardless of age, to the population of the age group that officially corresponds to the level of education shown. Only secondary school enrollment ratio appeared to be significant as a determinant of distribution in regressions without aid and other macroeconomic variables. However due to the fact that this variable drops degrees of freedom when incorporated in the regressions with aid and other macroeconomic variables, we did not include it in our models.

3.3.6 Governance Variables

Our model uses indicators of six dimensions of governance: voice and accountability, political stability, government effectiveness, regulatory quality, rule of law and control of corruption. The estimates for all these six governance variables have been collected by Kaufmann *et al.* (2003) covering 199 countries based on an analysis of wide ranging data sources comprised of both polls and surveys.

Political stability (polins) is a combination of several indicators that measure perceptions of the likelihood that the government in power will be destabilized or overthrown by possibly unconstitutional and/or violent means, including terrorism. Voice and accountability (voaccount) mixes several indicators measuring different features of the political process, civil liberties and political rights. Government effectiveness (goveff) gives insights to the quality of public service provision, the quality of the bureaucracy, the competence of civil servants, the independence of the civil service from political pressures, and the credibility of the government's commitment to policies into a single grouping. Regulatory quality (regqual) is an indicator of the incidence of market-unfriendly policies like price controls or inadequate bank supervision; it also includes perceptions of the burdens imposed by excessive regulation in areas such as foreign trade and business development. Rule of Law (rule) is a measurement of the extent to which agents have confidence in and abide by the rules of the society. Finally, control of corruption (contcorr) comprises of the perceptions of corruption, which is defined as the exercise of public power for private gain.

The values of all these variables are converted into a range 0 to 1 where greater values indicate better governance. The normalization is done in the following way:

$g = (Gov - Min_{Gov})$ and $Gov_{norm} = g/Max_g$

where Gov stands for any of the foregoing six governance variables and Min_{Gov} is the minimum value of the governance variable among all countries, and Max_g is the maximum value of the difference between Gov and Min_{Gov}.

These variables are used both separately and interactively with international credit variables in the regressions to see whether the governance in the country that receives those flows has a significant influence on the effect of flows on income distribution; that is whether international credits and international credits interacted with governance has differing impacts on distributions. The interaction terms are constructed to check whether international credit flows interacted with governance indicators is a significant determinant of income distributions of the countries involved and whether its effect differs from that of credits alone. In the course of this analysis, it will thus be possible to make insightful comments on the role of the political environment of the recipient countries while determining the impact of the international credits on income distributions.

The following chapter represents the model specifications followed by the econometric results.

CHAPTER 4

Models and the Regression Analysis

In this chapter we introduce the models we used for the regression analysis and present the results we reached by the use of the methodology explained in the previous chapter. First, we started by forming a basic equation in which income distribution is regressed on international credits and international credits interacted with governance variables. Then, we expand this basic model with several explanatory variables discussed in the previous chapter in order to test the effects of such variables on income distribution and the effect of international credit flows in a broader sense[36]. However, this analysis reflected existence of strong multicollinearity between international credits and international credits interacted with governance variables and between some of the macroeconomic control variables. Due to this problem, we estimate many different specifications, which we report stepwise below.

(1) five-year totals (t) and, alternatively averages (a), of the ratio of the three international credit variables to GDP ($intcr_{x,y}$), where x represents the type of credits and y represents 5-year total (y=t) or 5-year average (y=a). Types of international credits are: the ratio

[36] As an example to this formulation, the results for ibrdidagdp5, disincimfgdp5, disgdp5 and their interaction with polins are given in the appendix (Table A.4-A.9).

of IBRD loans and IDA credits to GDP (ibrdidagdp5, x=1), the ratio of long term disbursements plus IMF purchases to GDP (disincimfgdp5, x=2) and the ratio of total long term disbursements to GDP (disgdp5, x=3). For all the three variables, y=t and y=a are defined as the five-year totals and averages, respectively,

(2) the governance variables (Gov_z), namely political stability (polins, z=1), voice and accountability (voaccount, z=2), government effectiveness (goveff, z=3), regulatory quality (requal, z=4), rule of law (rule, z=5) and control of corruption (contcorr, z=6),

(3) the macroeconomic control variables, namely, inflation (inf5), initial GDP per capita (ln (igdppc5)), GDP growth (gdpgr5) and average GDP per capita (ln(agdppc5)).

The following are the 3 clusters of models[37] used in the regression analysis.

[37] The total number of equations are 7 (equations) * 3 (types of international credits) * 2 (y's) = 42 for the first cluster and 7*3*2*6 (for six different governance measures) = 252 equations for each of clusters 2 and 3, totaling to 546 equations all together.

I. Models with *intcr:*

$ydistr_{it} = \beta_0 + \beta_1 (intcr_{x,y})_{it}$ …….....(4.1.x.y)

$ydistr_{it} = \beta_0 + \beta_1 (intcr_{x,y})_{it} + \beta_2 (inf5)_{it}$….....(4.2.x.y)

$ydistr_{it} = \beta_0 + \beta_1 (intcr_{x,y})_{it,} + \beta_2 [ln (igdppc5)]_{it}$…….....(4.3.x.y)

$ydistr_{it} = \beta_0 + \beta_1 (intcr_{x,y})_{it} + \beta_2 (gdpgr5)_{it}$……...…...……...(4.4.x.y)

$ydistr_{it} = \beta_0 + \beta_1 (intcr_{x,y})_{it} + \beta_2 [ln (agdppc5)]_{it}$…….....(4.5.x.y)

$ydistr_{it} = \beta_0 + \beta_1 (intcr_{x,y})_{it} + \beta_2 (inf5)_{it} + \beta_3 [ln (igdppc5)]_{it}$

$+ \beta_4 (gdpgr5)_{it}$ ……..(4.6.x.y)

$ydistr_{it} = \beta_0 + \beta_1 (intcr_{x,y})_{it} + \beta_2 (inf5)_{it} + \beta_3 [ln (igdppc5)]_{it} + \beta_4 (gdpgr5)_{it}$

$+ \beta_5 [ln (agdppc5)]_{it}$..……...…….....(4.7.x.y)

II. Models with *intcr + Gov:*

$ydistr_{it} = \beta_0 + \beta_1 (intcr_{x,y})_{it} + \beta_2 (Gov_z)_{it}$…….....(4.8.x.y.z)

$ydistr_{it} = \beta_0 + \beta_1 (intcr_{x,y})_{it} + \beta_2 (Gov_z)_{it} + \beta_3 (inf5)_{it}$ ….....(4.9.x.y.z)

$ydistr_{it} = \beta_0 + \beta_1 (intcr_{x,y})_{it} + \beta_2 (Gov_z)_{it} + \beta_3 [ln (igdppc5)]_{it}$……..(4.10.x.y.z)

$ydistr_{it} = \beta_0 + \beta_1 (intcr_{x,y})_{it} + \beta_2 (Gov_z)_{it} + \beta_3 (gdpgr5)_{it}$ ..…….....(4.11.x.y.z)

$ydistr_{it} = \beta_0 + \beta_1 (intcr_{x,y})_{it} + \beta_2 (Gov_z)_{it} + \beta_3 [ln (agdppc5)]_{it}$.....(4.12.x.y.z)

$ydistr_{it} = \beta_0 + \beta_1 (intcr_{x,y})_{it} + \beta_2 (Gov_z)_{it} + \beta_3 (inf5)_{it} + \beta_4 [ln (igdppc5)]_{it}$

$+ \beta_5 (gdpgr5)_{it}$ ……...……...……...(4.13.x.y.z)

$ydistr_{it} = \beta_0 + \beta_1 (intcr_{x,y})_{it} + \beta_2 (Gov_z)_{it} + \beta_3 (inf5)_{it} + \beta_4 [ln (igdppc5)]_{it}$

$+ \beta_5 (gdpgr5)_{it} + \beta_6 [ln (agdppc5)]_{it}$..…….....(4.14.x.y.z)

III. Models with *intcr*Gov:*

$ydistr_{it} = \beta_0 + \beta_1 (intcr_{x,y} * Gov_z)_{it}$ …….....(4.15.x.y.z)

$ydistr_{it} = \beta_0 + \beta_1 (intcr_{x,y} * Gov_z)_{it} + \beta_2 (inf5)_{it}$ ….....(4.16.x.y.z)

$ydistr_{it} = \beta_0 + \beta_1 (intcr_{x,y} * Gov_z)_{it} + \beta_2 [ln (igdppc5)]_{it}$…….....…..(4.17.x.y.z)

$ydistr_{it} = \beta_0 + \beta_1 (intcr_{x,y} * Gov_z)_{it} + \beta_2 (gdpgr5)_{it}$ ……..….....(4.18.x.y.z)

$ydistr_{it} = \beta_0 + \beta_1 (intcr_{x,y} * Gov_z)_{it} + \beta_2 [ln (agdppc5)]_{it}$….....(4.19.x.y.z)

$ydistr_{it} = \beta_0 + \beta_1 (intcr_{x,y} * Gov_z)_{it} + \beta_2 (inf5)_{it} + \beta_3 [ln (igdppc5)]_{it}$

$+ \beta_4 (gdpgr5)_{it}$ ……..……..…(4.20.x.y.z)

$ydistr_{it} = \beta_0 + \beta_1 (intcr_{x,y} * Gov_z)_{it} + \beta_2 (inf5)_{it} + \beta_3 [ln (igdppc5)]_{it}$

$+ \beta_4 (gdpgr5)_{it} + \beta_5 [ln (agdppc5)]_{it}$..…….....(4.21.x.y.z)

We aim to investigate the effect of international credits and international credits interacted with governance on income distribution. The reason why we utilize these three clusters of models is the multicollinearity between international credits and international credits interacted with governance. Due to this problem, we consider these two variables separately in the regressions. In the first cluster we do not include governance and concentrate on the effect of international credits alone (tables 4.1 through 4.3 and tables A.10 through A.27). In the second cluster, we add governance to the models as a separate variable (Table 4.4 and tables A.28 through A.62). In the third cluster, we include international credits interacted with governance to check whether governance is influential in altering the effect of such flows (tables A.63 through A.98).

We start by the discussion of the results of the regressions from the first cluster. Although the explanatory power of the regressions is low, judging by the low values of the adjusted R-squares; results presented in this study give a lot of important insights on the income distribution and the WB and IMF assistance nexus. Table 4.1 presents the estimations of the first set of models through (4.1.1.t) to (4.7.1.t) and through (4.1.1.a) to (4.7.1.a). The fundamental equations (4.1.1.t) and (4.1.1.a) relate international credits and income distribution; while the other equations combine international credits with inflation, initial income, GDP growth and average GDP per capita. What we expect is that when a country receives more flows, the income distributions become better.

Table 4.1 shows that the signs of both tibrdidagdp5 and aibrdidagdp5 are positive meaning that an increase in the credits extended by the World Bank Group is found to deteriorate income distribution. For instance, for the coefficient 0.81 in equation (4.7.1.a), 1 per cent increase in Gini can be observed as a result of 1.23 increase in aibrdidagdp5. Coefficients of this flow type are significantly different from zero at the 1 per cent level in equations (4.3.1), (4.5.1), (4.6.1), (4.7.1) for both totals and averages. These results indicate that World Bank credits do not appear to have reduced inequality in the countries in our sample. When these results are compared with that of long term disbursements plus IMF credits and long-term disbursements[38], we observe that the latter two have positive but insignificant (at 1 per cent level) coefficients in all regressions. The lack of robustness of these results may suggest that the effects of these two variables may be indirect.

[38] Results are given in Tables A.10 and A.11.

Table 4.1: Pooled OLS Results for ibrdidagdp5 (White Heteroskedasticity-Consistent Standard Errors & Covariance):

Variables/ Model	(4.1.1.t)	(4.2.1.t)	(4.3.1.t)	(4.4.1.t)	(4.5.1.t)	(4.6.1.t)	(4.7.1.t)	(4.1.1.a)	(4.2.1.a)	(4.3.1.a)	(4.4.1.a)	(4.5.1.a)	(4.6.1.a)	(4.7.1.a)
constant	41.67*** (1.07)	39.45*** (1.31)	9.17** (4.06)	43.31*** (1.80)	9.08** (4.39)	10.57* (5.45)	6.39 (5.75)	41.71*** (0.35)	39.52*** (1.32)	9.25** (4.09)	43.39*** (1.80)	8.79** (4.38)	10.59* (5.57)	5.93 (5.70)
tibrdidagdp5	0.07** (0.04)	0.06 (0.04)	0.15*** (0.04)	0.05 (0.04)	0.15*** (0.04)	0.15*** (0.05)	0.16*** (0.05)							
aibrdidagdp5								1.08* (0.19)	0.32 (0.21)	0.74*** (0.21)	0.26 (0.22)	0.78*** (0.19)	0.74*** (0.25)	0.81*** (0.24)
inf5		15.13*** (4.51)				11.02** (4.30)	10.69** (4.36)		14.95*** (4.51)				11.09** (4.30)	10.85** (4.36)
ln (igdppc5)			4.61*** (0.62)			4.03*** (0.73)	33.86* (20.42)			4.59*** (0.63)			4.02*** (0.74)	34.06* (20.33)
gdpgr5				-0.34 (0.25)		0.16 (0.30)	1.22 (0.81)				-0.34 (0.25)		0.16 (0.30)	1.24 (0.81)
ln (agdppc5)					4.56*** (0.66)		-29.69 (20.45)					4.59*** (0.65)		-29.86 (20.37)
adjusted R-squared	0.02	0.09	0.27	0.03	0.26	0.24	0.25	0.02	0.09	0.28	0.02	0.26	0.24	0.25
# of cross sections used	62	57	61	62	61	56	57	62	57	61	62	61	56	55
∑ panel observations:	161	137	157	159	158	135	137	159	136	156	158	158	134	133

* ** reject null at 1 per cent significance level.

** reject null at 5 per cent significance level but not 1 per cent.

* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

Note: Figures in parentheses are standard errors

As it can be seen from Table 4.1, the coefficients of inf5 are statistically significant and positive in all equations where inflation is included; indicating that the presence of high rates of inflation appears to aggravate the inequality.

The first observation from the examination of models with variables of level of income, namely ln (igdppc5) and ln (agdppc5), is that the use of these two variables together in a regression increases the potential of multicollinearity. Both ln (igdppc5) and ln (agdppc5) have positive signs and are significantly different from zero at 1 per cent level when they are considered separately. However, the increased potential of multicollineraity most probably accounts for the loss of significance and negative sign of ln (agdppc5) in equations (4.7.1) and (4.7.2) for both total and average flows.

We tested for the Kuznets' hypothesis (i.e. the inverted U-shape relationship) that there exists a positive relationship between the level of economic development and inequality in the early stage of development, while there is a negative relationship in later stages. According to this hypothesis, per capita income in logarithms and its square should have positive and negative statistically significant coefficients, respectively, in an equality equation. The second part of the hypothesis is not supported by our data, hence we do not include square of per capita income in the reported estimates. Instead we only consider the initial level of per capita income and average level of per capita income.

Results for all three international credit variables (in addition to Table 4.1, Tables A.10 and A.11) show that per capita income has statistically significant positive coefficients in the regressions where only one of the income variables is included to eliminate the potential of multicollinearity. This positive association between inequality and per capita income does not contradict Kuznets' relationship keeping in mind that almost all of the countries in our sample were at an early stage of development during the years our data covers[39]. Hence our results are in conformity with Kuznets with regards to his diagnosis for the early stages of development.

Finally, evidence from Table 4.1 shows that economic growth has not got a significant impact on income distribution. As mentioned in the literature survey, Sarel (1997) includes higher growth rate as a variable that is associated with an improvement in income distribution. Our results show no sign of such relationship. Even when the results for the other two types of flows are considered, growth does not appear to have a significant coefficient in any of the equations.

In Table 4.2 we report the estimations for disincimfgdp5 with a transition economy (TE) dummy[40], since we anticipate that the transition economies may reflect different results than the rest due to their large extent of reforms during the 1990s. The results with disgdp5 are similar to that of disincimfgdp5 and results with ibrdidagdp5 do not reveal significant results so we do not include them in the text (See Tables A.12

[39] From Table A.3 in Appendix, we see that the highest income per capita among countries in the sample is 5017.45 $ for Hungary in 1989.
[40] Hungary is the only country that we have an observation for the transition dummy.

through 15). As it can be seen from the table, results for the equations (4.6.2.t), (4.7.2.t), (4.6.2.a) and (4.7.2.a) are not reported because the regressors appear to be very highly collinear in these models.

We performed Wald Tests (See Table 4.3) based on an F-distribution for the significance of the coefficient sums of the interactive variables and the average effects. Results of the Wald Tests reveal that all of the null hypotheses are rejected at 1 per cent significance level and that there are interesting points that distinguish economies in transition from the other countries in our sample. First of all, our results for transition economies strongly suggest that higher disbursement plus IMF purchases to GDP exert significant income equalizing effect[41]. Moreover, this effect is much stronger than the inequalizing effect of ibrdidagdp5 we have observed for countries in general.

For instance, calculated for the coefficient of adisincimfgdp5 + adisincimfgdp5*TE (-1.81) in (4.3.2.a), a relatively slight 0.6 increase in adisincimfgdp results in 1 per cent decrease in Gini coefficient. Especially when we consider the high disbursements plus IMF credits to GDP ratios in most of the transition countries, such as 10.88 in Croatia, 2.77 in Czech Republic, 10.88 in Estonia, 9.59 in Hungary, 5.97 in Kazakhstan, 2.87 in Poland and 5.46 in Slovak Republic in 2002, we can speculate that disbursements and IMF credits have an important distribution amending impact in these countries. Noting that transition countries were rather closed countries with low degrees of openness and relatively balanced trade before their association with IMF, our result is

[41] The same conclusion prevails for disgdp5 (See Tables A.14 and A.15).

Table 4.2: Regression Results with Transition Economies (TE) Dummy (disincimfgdp5)

Variables/ Model	(4.1.2.t)	(4.2.2.t)	(4.3.2.t)	(4.4.2.t)	(4.5.2.t)	(4.1.2.a)	(4.2.2.a)	(4.3.2.a)	(4.4.2.a)	(4.5.2.a)
constant	41.34*** (1.12)	39.50*** (1.38)	12.00*** (4.55)	44.23*** (1.58)	12.85*** (4.69)	41.43*** (1.11)	39.60*** (1.39)	12.36*** (4.60)	44.35*** (1.55)	12.87*** (4.71)
tdisincimfgdp5	0.11** (0.04)	0.08** (0.04)	0.00 (0.05)	0.07 (0.04)	0.01 (0.04)					
adisincimfgdp5						0.51*** (0.20)	0.41** (0.18)	-0.01 (0.22)	0.33 (0.21)	0.04 (0.21)
inf5		14.40*** (4.40)					14.26*** (4.40)			
ln (igdppc5)			4.65*** (0.71)					4.60*** (0.72)		
gdpgr5				-0.53** (0.21)					-0.54*** (0.21)	
ln (agdppc5)					4.48*** (0.72)					4.47*** (0.72)
tdisincimfgdp5 * TE	-0.86*** (0.08)	-1.09*** (0.04)	-0.34*** (0.12)	-1.04*** (0.10)	-0.38*** (0.12)					
adisincimfgdp5 * TE						-4.32*** (0.41)	-5.44*** (0.22)	-1.80*** (0.63)	-5.21*** (0.50)	-2.07*** (0.65)
inf5 * TE		70.56*** (5.31)					70.46*** (5.25)			
ln (igdppc5) * TE			-2.12*** (0.28)					-2.06*** (0.30)		
gdpgr5 * TE				2.38*** (0.39)					2.27*** (0.38)	
ln (agdppc5) * TE					-1.98*** (0.29)					-1.90*** (0.30)
adjusted R-squared	0.08	0.14	0.33	0.11	0.31	0.09	0.14	0.33	0.12	0.31
# of cross sections used	62	57	61	62	61	62	57	61	62	61
∑ panel observations:	162	139	159	161	158	161	138	158	160	158

*** reject null at 1 per cent significance level.

** reject null at 5 per cent significance level but not 1 per cent.

* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

Note: Figures in parentheses are standard errors

in line with Garuda's (2000) finding that in cases where prior external imbalance is not severe, countries participating in IMF programs actually show relative improvements in distributional indicators.

Besides this important result, our findings indicate that all other variables (including gdpgr5 which did not have a significant effect in Table 4.1) have significant inequality producing effects in the economies of transition. As most of the transition economies have high growth rates especially in the 1990s, we may suggest that fast growers probably grow at the cost of worsening income distributions.

Table 4.3: Wald Test Results for The Significance of The Coefficients in Regression Results with TE Dummy (disincimfgdp5)

Model	Null Hypothesis	Coefficient Sums	F-Stat	Model	Null Hypothesis	Coefficient Sums	F-Stat
(4.1.2.t)	tdisincimfgdp5 + tdisincimfgdp5*TE=0	-0.75***	69.22	(4.1.2.a)	adisincimfgdp5 + adisincimfgdp5*TE=0	-3.81***	69.28
(4.2.2.t)	tdisincimfgdp5 + tdisincimfgdp5*TE=0	-1.00***	299.21	(4.2.2.a)	adisincimfgdp5 + adisincimfgdp5*TE=0	-5.02***	301.25
	inf5 + inf5*TE=0	84.96***	281.69		inf5 + inf5*TE=0	84.72***	283.19
(4.3.2.t)	tdisincimfgdp5 + tdisincimfgdp5*TE=0	-0.34***	8.51	(4.3.2.a)	adisincimfgdp5 + adisincimfgdp5*TE=0	-1.81***	8.57
	ln (igdppc5) + ln (igdppc5)*TE=0	2.52***	14.81		ln (igdppc5) + ln (igdppc5)*TE=0	2.53***	14.17
(4.4.2.t)	tdisincimfgdp5 + tdisincimfgdp5*TE=0	-0.98***	67.38	(4.4.2.a)	adisincimfgdp5 + adisincimfgdp5*TE=0	-4.88***	70.96
	gdpgr5 + gdpgr5*TE=0	1.85***	68.80		gdpgr5 + gdpgr5*TE=0	1.73***	69.33
(4.5.2.t)	tdisincimfgdp5 + tdisincimfgdp5*TE=0	-0.38***	9.69	(4.5.2.a)	adisincimfgdp5 + adisincimfgdp5*TE=0	-2.04***	9.88
	ln (agdppc5) + ln (agdppc5)*TE=0	2.50***	12.83		ln (agdppc5) + ln (agdppc5)*TE=0	2.57***	12.93

*** reject null at 1 per cent significance level.

** reject null at 5 per cent significance level but not 1 per cent.

* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

When we compare results of disincimfgdp5 and disgdp5 with the results of ibrdidagdp5 for transition economies, we see that results for the latter are ambiguous with respect to the significance and the direction of the effect of international credits (See Tables A.14 and A.15). Both negative and positive signs for the coefficients of ibrdidagdp5 are observed and in two of the five equations, the coefficients with positive sign lack significance. Hence, we can conclude that there is no robust effect of World Bank credits on income distributions of transition economies.

In addition to transition economies dummy, we estimate our equations with two other region dummies: sub-Saharan Africa (SSA) and Latin America (LA) countries (see Table A.2). Results for these dummies are reported through Table A.16 to Table A.27. It is observed that in both regions aid provided plus loans disbursed by the World Bank have a significant worsening effect on income distribution. Moreover, this effect is significantly much higher in Latin American countries when the magnitude of the effect in Latin America is compared with the average of the countries in the sample (see statistically significant coefficients for ibrdidagdp5*LA in Table A.16). For both average and total, coefficients of ibrdidagdp5 + ibrdidagdp5*LA and ibrdidagdp5 + ibrdidagdp5*SSA are positive and significant at 1 per cent level in all equations. However, it is not the case for disincimfgdp5 and disgdp5. In sub-Saharan Africa, there is no meaningful relationship between disbursements and disbursements plus IMF credits and income distribution due to non-rejection of the null hypotheses disincimfgdp + disincimfgdp5*SSA=0 and disgdp5 + disgdp5*SSA=0 in all equations (except from

the models with inf5 where they are statistically different from zero at 5 per cent level). Similarly, results with LA dummy present that the null hypotheses disincimfgdp + disincimfgdp5*LA=0 and disgdp5 + disgdp5*LA=0 are rejected only in the first two equations. The overall evidence therefore suggests that in Latin America and sub-Saharan Africa regions, a robustly significant positive association between inequality and World Bank credits is observed; while IMF credits with disbursements neither improves nor deteriorates distributions significantly.

Models in the second cluster have governance variables in addition to the ones we have discussed above. OLS estimations are utilized to investigate the effects of the indices of political stability, voice and accountability, government effectiveness, regulatory quality, rule of law and control of corruption. These results for the example cases of ibrdidagdp5 and polins are reported in Table 4.4[42]. Inclusion of the governance variables does not change the aforementioned results much. As in the results for models without governance, flows originated from the World Bank are positively associated with inequality in all equations and the coefficient of ibrdidagdp5 is significant almost in all instances, not for only equations with polins but for models with other five governance variables (tables A.28 through 32). Again, the positive (except from a few cases) but insignificant coefficients for disincimfgdp5 characterize lack of a meaningful relationship between IMF credits plus disbursements and distribution (see tables A.33 through A.38). Same result follows for disgdp5 (Table A.39 – A.44). As it can be seen

[42] Results for other governance variables and international credit types are in the appendix, through Table A.29 to Table A.45.

from Table 4.4, the coefficients of the inflation rate are statistically significant in all cases. These findings suggest that, in line with the results from the first set, inflation appears to have contributed much to the observed income distribution patterns in the countries in our sample. Therefore, our results establish a strong distributional effect of inflation, that high inflation increases income inequality.

The evidence from the table shows that along with inflation, the level of per capita income again emerges as an important factor that determines distribution of income. In all cases (where the two income level variables are integrated in the models separately) results support a significant influence of level of income, that is higher levels of per capita income are associated with worse distributions.

An overall examination of tables for *intcr* and *Gov* pairs (Table 4.4 and Tables A.28-44) reveals that the coefficients for governance variables do not show the expected robust results. Opposite to what we have expected, we observe positive, and in most regressions statistically significant, relationships between inequality and political stability, voice and accountability and regulatory quality. These regressions show that the betterment of these governance measures does not contribute to equality in distribution. Although there are a few significant negative coefficients for government effectiveness and rule of law and a few significant positive coefficients for control of corruption, results for these governance variables provide no robust and meaningful link between these and distribution.

Table 4.4: Pooled OLS Results for ibrdidagdp5 + polins (White Heteroskedasticity-Consistent Standard Errors & Covariance):

Variables/ Model	(4.8.1.t.1)	(4.9.1.t.1)	(4.10.1.t.1)	(4.11.1.t.1)	(4.12.1.t.1)	(4.13.1.t.1)	(4.14.1.t.1)	(4.8.2.a.1)	(4.9.1.a.1)	(4.10.1.a.1)	(4.11.1.a.1)	(4.12.1.a.1)	(4.13.1.a.1)	(4.14.1.a.1)
constant	36.20*** (2.21)	33.43*** (2.37)	9.21** (4.09)	37.92*** (2.46)	9.04** (4.37)	10.74** (5.44)	6.92 (5.88)	36.36*** (2.21)	33.59*** (2.37)	9.28** (4.12)	38.09*** (2.46)	8.74** (4.35)	10.73* (5.57)	6.40 (5.82)
tibrdidagdp5	0.07* (0.04)	0.05 (0.04)	0.15*** (0.04)	0.05 (0.05)	0.16*** (0.04)	0.14*** (0.05)	0.15*** (0.05)							
aibrdidagdp5								0.33* (0.20)	0.27 (0.21)	0.75*** (0.21)	0.24 (0.23)	0.79*** (0.20)	0.73*** (0.26)	0.79*** (0.25)
polins	10.25*** (3.89)	11.69*** (4.16)	-1.58 (3.92)	10.47** (4.12)	-1.31 (3.83)	0.62 (4.54)	2.16 (4.27)	10.03*** (3.89)	11.51*** (4.17)	-1.69 (3.90)	10.29** (4.12)	-1.59 (3.81)	0.45 (4.54)	1.85 (4.25)
inf5		15.26*** (4.08)				11.07*** (4.26)	10.85** (4.35)		15.09*** (4.09)				11.13*** (4.28)	10.99** (4.35)
ln (igdppc5)			4.72*** (0.61)			3.97*** (0.79)	34.41* (20.44)			4.72*** (0.61)			3.97*** (0.80)	34.53* (20.35)
gdpgr5				-0.38 (0.26)		0.15 (0.31)	1.23 (0.82)				-0.38 (0.26)		0.16 (0.31)	1.24 (0.82)
ln (agdppc5)					4.67*** (0.65)		-30.47 (20.41)					4.72*** (0.64)		-30.52 (20.32)
adjusted R-squared	0.05	0.12	0.27	0.05	0.25	0.24	0.24	0.04	0.12	0.26	0.05	0.26	0.23	0.25
# of cross sec.s used	62	57	61	62	61	56	55	62	57	61	62	61	56	55
∑ panel (unbalanced) observations:	160	137	157	159	158	139	133	159	136	156	158	158	134	133

* ** reject null at 1 per cent significance level.
** reject null at 5 per cent significance level but not 1 per cent.
* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

Note: Figures in parentheses are standard errors

As we have done for the first set of models, we report results of the regressions with dummies and the Wald Tests for the models in the second set (through Table A.45 to Table A.56)[43]. Inclusion of a governance variable does not change the results regarding the effect of ibrdidagdp5 in Latin America and sub-Saharan Africa; higher ibrdidagdp5 ratios are robustly associated with higher Gini coefficients. An interesting yet weakly significant result for Latin America region is that disbursements plus IMF credits and disbursements alone have negative signs in regressions, meaning that these flows appear to have ameliorated distributions in Latin American countries. This result highlights the distinction between the effects of different flows types in this particular region much strongly than the results we reached for the first set of models in a way that the ambiguity and insignificance of the effect of disbursements and IMF credits is replaced by an income equalizing one. Although they are not as robust and significant as they are in the case of economies of transition, results for Latin America countries give signs on the effectiveness of IMF credits and disbursements in this region.

The coefficients of political stability variable show no significance in regressions with LA and SSA dummies, and show positive and negative signs (both significant) in different regressions with TE dummy, which appears as anomaly. The potential of multicollinearity between better governance and higher ratios of international credits to GDP may account for the unexpected signs and significance of these variables. In order to test for the possible equalizing effects of governance on income distribution and in an attempt to eliminate the anomalies that may be

[43] In order to save space only the results of regressions with political stability variable are reported.

generated due to multcollinearity between *intcr* and *Gov* variables, we now turn to the observation of the interaction of international credits with governance variables.

In Tables through A.57 to A.74 we report the results for the equations with the interactive variable (*intcr*Gov*). The first observation form the results is that interacting international credits with governance does not change the results much from the results with *intcr* alone and with (*intcr + Gov*). Still, the sign for ibrdidagdp5*Gov is positive in all instances; that is the procurement of good governance in the recipient countries does not change the hazardous nature of the effect of flows originated from the World Bank on income distributions. In addition, we have a few significant positive coefficients for disincimfgdp5*Gov and disgdp5*Gov as in the case of (*intcr + Gov*). The ambiguity of the effect of these two flow types on the whole sample countries still prevails. Although they are not significant in any case, we observe some negative coefficients for the interactions of disincimfgdp5 and disgdp5 with goveff, rule and contcorr. Finally, we note that we have an increased number of significant coefficients than we do in the first two sets of regressions, especially in the regressions with ibrdidagdp5.

Results of (*intcr*Gov*) with dummy variables and their Wald Tests are reported in Tables through A.81 to A.84. We note that when these results are compared with the ones for (*intcr + Gov*), two differences worth to mention.

Firstly, the weak finding that disbursements and disbursements plus IMF credits appear to have been distribution improving in Latin America countries is no longer the case, because interaction with polins in the regressions for disincimfgdp5 and disgdp5 with LA dummy (Tables through A.89 to A.92) changes the sign of

negative coefficients in (4.8), (4.9) and (4.11), and reduces the significance of previously significant negative coefficients in (4.10) and (4.12).

Secondly, in Table A.46 we have observed negative signs for tibrdidagdp5 + tibrdidagdp5*TE and aibrdidagdp5 + aibrdidagdp5*TE in regressions (4.9.1.t.1) and (4.9.1.a.1), respectively. In regressions with (ibrdidagdp5*polins) (Table A.82) this kind of anomaly is observed in regressions for ibrdidagdp5 + ibrdidagdp5*TE alone (4.15.1.t.1 and 4.15.1.a.1) and ibrdidagdp5 + ibrdidagdp5*TE with gdpgr5 (4.18.1.t.1 and 4.18.1.a.1).

It is possible to conclude this section by noting that our analysis indicates that there exists a significant inequality aggravating effect of the credits extended by the World Bank in general, while total long-term disbursements and disbursements plus IMF credit significantly improve income distribution in the economies of transition. Furthermore, our results show that governance does not appear to have a significant effect on income distribution.

CHAPTER 5

Conclusion

In this study, we examine the effect of the international credits, including those disbursed by the WB and IMF, on the income distribution in developing countries. Using data for years 1961-1996 for 63 countries, with maximum of 163 country-year observations and panel data estimation procedure, our empirical analysis involves investigating the effects of such international financial flows on income distribution and these effects' possible association with governance in the recipient country.

The findings indicate that an increase in the credits extended by the WB group is found to deteriorate income distribution; that is, the WB loans do not appear to have reduced inequality in the countries in our sample. Comparing the performance of the WB group to that of the IMF, we find that long term disbursements plus IMF credits, and long-term disbursements alone, have a significant improving effect on the income distribution in the transition economies. Our results also point out that the coefficients of inflation are statistically significant and positive in all equations where inflation is used, indicating that the presence of high rates of inflation appears to aggravate inequality. Additionally, our findings support the empirical literature that there exists a positive relationship between the level of income and inequality in the early stages of development, the first part of

the Kuznets' hypothesis. Finally, evidence from our regressions show that economic growth has not got a significant impact on income distribution.

Moreover, in the estimations using transition economies dummy, we observe that higher disbursement plus IMF credits exert significant income equalizing effect, which is much stronger than the inequalizing effect of IBRD loans and IDA credits on income distributions of the countries in the sample. Besides this important result, our findings indicate that initial and average GDP per capita, GDP growth and inflation all have significant inequality producing effects in the economies of transition.

The overall evidence from the regressions with sub-Saharan Africa and Latin American country dummies suggests that in sub-Saharan Africa and Latin America regions, a robustly significant positive association between inequality and World Bank loans is observed; while IMF disbursements neither improves nor deteriorates distributions significantly.

Inclusion of the governance variables leaves the former results inact, the positive association of the flows originated from the WB with inequality in all equations, and lack of a meaningful relationship of both disbursements plus IMF credits and total long-term disbursements with income distribution. Opposite to what we have expected, we observe positive relationships between inequality and political stability, voice and accountability and regulatory quality; meaning that betterment of these governance measures has not sufficed to contribute to equality in distribution in the countries examined in this study.

Finally, regression of the models in the second cluster with an LA dummy shows an interesting yet weakly significant result for this region. We find that disbursements plus IMF credits and disbursements alone have negative signs in regressions, meaning that these flows appear to have improved distributions in Latin American countries.

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APPENDIX

Table A.1: Data Sources and Descriptions

Variable	Name of the Variable	Description	Source
ydistr	Income Distribution, Gini Coefficient	The income distribution data included in our data set is a slightly updated version of the full version of the data-base described Deininger and Squire (1996). Only the accepts are selected in order to reach a high-quality database.	Deininger and Squire (1996)
inf5	Average Normalized Inflation	Inflation (consumer prices annual %) as measured by the consumer price index reflects the annual percentage change in the cost to the average consumer of acquiring a fixed basket of goods and services that may be fixed or changed at specified intervals, such as yearly. The Laspeyres formula is generally used.	International Monetary Fund, International Financial Statistics and data files.
gdpgr5	GDP Growth Average of 5 years	Annual percentage growth rate of GDP (annual %) at market prices based on constant local currency. Aggregates are based on constant 1995 U.S. dollars. GDP is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources.	World Bank national accounts data, and OECD National Accounts data files.
igdppc5	ln of Initial Income per capita at the Beginning of the 5 Year Period	GDP per capita is gross domestic product divided by midyear population. GDP is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. Data are in constant U.S. dollars (GDP per capita, PPP constant 1995 international $).	World Bank, International Comparison Programme database
agdppc5	ln of Average Income per capita for 5 Year period, (GDP per capita, PPP constant 1995 international $)	GDP per capita is gross domestic product divided by midyear population. GDP is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. Data are in constant U.S. dollars.	World Bank, International Comparison Programme database

voaccount	Voice and Accountability	Mixture of several indicators measuring different features of the political process, civil liberties and political rights.	Research Project by Daniel Kaufmann, Aart Kraay and Massimo Mastruzzi, as described in "Governance Matters III: Governance Indicators for 1996-2002"
polins	Political Stability	Combination of several indicators that measure perceptions of the likelihood that the government in power will be destabilized or overthrown by possibly unconstitutional and/or violent means, including terrorism.	
goveff	Government Effectiveness	The quality of public service provision, the quality of the bureaucracy, the competence of civil servants, the independence of the civil service from political pressures, and the credibility of the government's commitment to policies into a single grouping.	
requal	Regulatory Quality	Indicator of the incidence of market-unfriendly policies like price controls or inadequate bank supervision, as well as the perceptions of the burdens imposed by excessive regulation in areas such as foreign trade and business development.	
rule	Rule of Law	Measurement of the extent to which agents have confidence in and abide by the rules of the society.	
contcorr	Control of Corruption	The perceptions of corruption, which is defined as the exercise of public power for private gain.	
ibrdidagdp5	IBRD loans and IDA credits to GDP	IBRD loans and IDA credits (PPG DOD, current US$): IBRD loans and IDA credits are extended by the World Bank Group. The International Bank for Reconstruction and Development (IBRD) lends at market rates. Credits from the International Development Association (IDA) are at concessional rates. Data are in current U.S. dollars.	World Bank World Development Indicators
disincimfgdp5	Long Term Disbursements plus IMF loans	Disbursements are drawings on loan commitments during the year specified. This item includes disbursements on long-term debt and IMF purchases. Long-term external debt is defined as debt that has an original or extended maturity of more than one year and that is owed to nonresidents and repayable in foreign currency, goods, or services. IMF purchases are total drawings on the General Resources Account of the IMF during the year specified, excluding drawings in the reserve tranche. To maintain comparability between data on transactions with the IMF and data on long-term debt, use of IMF credit outstanding at the end of year (stock) is converted to dollars at the SDR exchange rate in effect at the end of year. Purchases are converted at the average SDR exchange rate for the year in which transactions take place.	World Bank, Global Development Finance

disgdp5	Total Long Term Disbursements	Disbursements on long-term debt are drawings on loan commitments during the year specified. Long-term external debt is defined as debt that has an original or extended maturity of more than one year and that is owed to nonresidents and repayable in foreign currency, goods, or services.	

Table A.2: Classification of Economies by Region, 1999 (Source: World Bank)

Sub-Saharan Africa	Asia	Europe and Central Asia	Middle East and North Africa	Latin America
Botswana	Bangladesh	Hungary	Algeria	Bolivia
Burkina Faso	China	Turkey	Egypt, Arab Rep.	Brazil
Cameroon	India		Iran, Islamic Rep.	Chile
Central African Republic	Indonesia		Jordan	Colombia
Cote d'Ivoire	Lao PDR		Morocco	Costa Rica
Ethiopia	Malaysia		Tunisia	Dominican Rep.
Gambia, The	Nepal			Ecuador
Ghana	Pakistan			El Salvador
Guinea	Philippines			Guatemala
Guinea-Bissau	Sri Lanka			Guyana
Kenya	Thailand			Honduras
Lesotho	Tonga			Mexico
Madagascar				Nicaragua
Malawi				Panama
Mali				Peru
Mauritania				Venezuela, RB
Mauritius				
Niger				
Nigeria				
Rwanda				
Senegal				
Tanznia				
Uganda				
Zambia				
Zimbabwe				

Table A.3 Gini and Income Distribution of the Countries Included in Our Sample (Sources are as indicated in Table A.1)

Country Name	Year	Ydist	GDP per capita (constant 1995 US$)	Country Name	Year	Ydist	GDP per capita (constant 1995 US$)	Country Name	Year	Ydist	GDP per capita (constant 1995 US$)
Algeria	1988	38.73	1647.95	Ghana	1991	33.97	352.20	Mexico	1989	54.98	3091.33
Bangladesh	1981	39.00	251.57	Ghana	1992	33.91	356.55	Mexico	1992	50.31	3317.05
Bangladesh	1983	36.00	254.55	Guatemala	1979	49.72	1578.59	Morocco	1984	39.19	1127.32
Bangladesh	1986	37.00	266.69	Guatemala	1987	58.26	1312.08	Morocco	1991	39.20	1373.35
Bangladesh	1989	28.85	268.95	Guatemala	1989	59.06	1349.23	Nepal	1984	30.06	162.54
Bangladesh	1992	28.27	291.45	Guinea	1995	40.40	560.18	Nicaragua	1993	50.32	407.71
Bolivia	1990	42.04	835.77	Guinea-Bissau	1991	56.12	216.86	Niger	1992	36.10	213.40
Botswana	1986	54.21	2170.23	Guyana	1993	40.22	739.29	Nigeria	1986	37.02	229.16
Brazil	1979	59.44	3991.21	Honduras	1986	54.94	665.94	Nigeria	1992	41.15	263.11
Brazil	1980	57.78	4256.56	Honduras	1989	54.00	703.58	Nigeria	1993	37.47	261.18
Brazil	1981	55.42	3979.76	Honduras	1990	54.00	683.58	Pakistan	1979	32.32	297.10
Brazil	1982	54.19	3916.56	Honduras	1991	50.00	684.98	Pakistan	1985	32.44	385.22
Brazil	1983	57.00	3703.58	Honduras	1992	52.63	702.23	Pakistan	1986	32.15	395.73
Brazil	1985	61.76	4041.17	Honduras	1993	54.00	724.39	Pakistan	1987	32.13	410.31
Brazil	1986	54.52	4280.47	Hungary	1987	24.15	4945.03	Pakistan	1988	31.43	430.11
Brazil	1987	56.18	4352.51	Hungary	1989	23.34	5017.45	Pakistan	1991	31.15	459.08
Brazil	1989	59.60	4334.44	Hungary	1991	32.24	4287.64	Panama	1979	48.76	2743.02
Burkina Faso	1995	39.00	246.61	India	1986	32.22	273.22	Panama	1980	47.47	2709.16
Cameroon	1983	49.00	892.34	India	1987	31.82	278.89	Panama	1989	56.47	2381.93
Central African Republic	1992	55.00	323.89	India	1988	31.15	300.04	Peru	1981	49.33	2685.53
Chile	1980	53.21	2665.03	India	1989	30.46	312.87	Peru	1986	42.76	2498.54
Chile	1989	57.88	3220.63	India	1990	29.69	324.43	Peru	1994	44.87	2115.12
Chile	1994	56.49	4212.58	India	1991	32.53	320.94	Philippines	1985	46.08	974.31
China	1986	33.30	277.71	India	1992	32.02	331.62	Philippines	1988	45.73	1044.57
China	1987	34.30	305.00	Indonesia	1980	35.61	503.01	Philippines	1991	45.00	1060.33
China	1988	34.90	334.04	Indonesia	1981	33.73	533.21	Rwanda	1983	28.90	333.05
China	1989	36.00	342.45	Indonesia	1984	32.40	592.25	Senegal	1991	54.12	549.20
China	1990	34.60	350.28	Indonesia	1987	32.01	647.74	Sri Lanka	1979	43.50	436.15
China	1991	36.20	377.32	Indonesia	1990	33.09	776.67	Sri Lanka	1980	42.00	455.07
China	1992	37.80	425.66	Indonesia	1993	31.69	926.13	Sri Lanka	1981	45.30	474.61
Colombia	1988	51.20	2049.07	Iran, Islamic Rep.	1984	42.90	1509.53	Sri Lanka	1987	46.70	569.06
Colombia	1991	51.32	2166.71	Jamaica	1988	43.16	1856.74	Sri Lanka	1990	30.10	615.87
Costa Rica	1961	50.00	1841.78	Jamaica	1989	43.53	1971.56	Tanzania	1993	38.10	178.78
Costa Rica	1979	45.00	3168.55	Jamaica	1990	41.79	2082.55	Thailand	1981	43.10	1158.14
Costa Rica	1981	47.49	2938.51	Jamaica	1991	41.11	2086.02	Thailand	1986	47.40	1381.12
Costa Rica	1982	42.00	2646.80	Jamaica	1992	38.48	2105.68	Thailand	1988	47.40	1658.20
Costa Rica	1983	47.00	2645.04	Jamaica	1993	37.92	2131.28	Thailand	1990	48.80	1997.12
Costa Rica	1986	42.00	2782.73	Jordan	1980	40.80	1797.89	Thailand	1992	51.50	2277.93
Costa Rica	1989	46.07	2923.03	Jordan	1987	36.10	1955.48	Trinidad and Tobago	1981	41.72	4710.37
Cote d'Ivoire	1985	41.21	977.00	Jordan	1991	40.66	1371.09	Tunisia	1980	43.00	1640.85
Cote d'Ivoire	1986	38.62	972.80	Kenya	1992	54.39	340.88	Tunisia	1985	43.00	1771.73
Cote d'Ivoire	1987	40.01	935.18	Lao PDR	1992	30.40	330.73	Tunisia	1990	40.24	1823.32
Cote d'Ivoire	1988	36.89	912.71	Lesotho	1987	56.02	402.96	Turkey	1987	44.09	2458.65

Cote d'Ivoire	1995	38.00	792.52	Madagascar	1993	43.44	247.94	Uganda	1989	33.00	231.19
Dominican Republic	1984	43.29	1402.02	Malawi	1993	62.00	152.82	Uganda	1992	40.78	240.04
Dominican Republic	1989	50.46	1567.75	Malaysia	1979	51.00	2188.85	Venezuela, RB	1979	39.42	4304.76
Dominican Republic	1992	49.00	1532.15	Malaysia	1984	48.00	2689.26	Venezuela, RB	1981	42.82	3865.80
Ecuador	1994	43.00	1776.32	Malaysia	1989	48.35	2933.20	Venezuela, RB	1987	45.17	3529.44
Egypt, Arab Rep.	1991	32.00	959.85	Mali	1994	54.00	247.18	Venezuela, RB	1989	44.08	3240.78
El Salvador	1977	48.40	1899.12	Mauritania	1988	42.53	429.13	Venezuela, RB	1990	53.84	3349.69
Ethiopia	1996	44.20	110.08	Mauritania	1995	37.80	464.44	Zambia	1991	43.51	465.54
Gambia, The	1992	39.00	364.06	Mauritius	1986	39.63	2202.74	Zambia	1996	52.40	409.42
Ghana	1988	35.90	331.40	Mauritius	1991	36.69	2949.74	Zimbabwe	1990	56.83	654.13
Ghana	1989	36.74	339.34	Mexico	1984	50.58	3219.32				

Table A.4: Pooled OLS Results (White Heteroskedasticity-Consistent Standard Errors & Covariance) (tibrdidagdp5 & polins):

Variables/ Model	(4.1.1.t.1)	(4.2.1.t.1)	(4.3.1.t.1)	(4.4.1.t.1)	(4.5.1.t.1)	(4.6.1.t.1)	(4.7.1.t.1)	(4.8.1.t.1)	(4.9.1.t.1)	(4.10.1.t.1)	(4.11.1.t.1)	(4.12.1.t.1)	(4.13.1.t.1)	(4.14.1.t.1)	(4.15.1.t.1)	(4.16.1.t.1)
constant	41.79*** (1.06)	39.68*** (1.22)	8.56* (4.46)	43.54*** (1.81)	8.52* (4.78)	14.19** (5.52)	41.08*** (2.19)	14.90** (5.75)	4.66 (5.71)	8.81 (5.50)	6.69 (5.67)	12.71** (6.13)	16.24*** (6.07)	14.65** (6.12)	0.70 (5.73)	9.22 (6.34)
tibrdidagdp5	-0.19 (0.14)	-0.35** (0.15)	0.19 (0.14)	-0.21 (0.15)	0.19 (0.13)	0.02 (0.17)	-0.36** (0.16)	0.03 (0.17)	0.24* (0.14)	0.20 (0.14)	0.23* (0.14)	0.04 (0.17)	-0.01 (0.17)	0.03 (0.17)	0.19 (0.14)	0.00 (0.18)
tibrdidagdp5 * polins	0.46** (0.22)	0.71*** (0.26)	-0.08 (0.24)	0.46* (0.24)	-0.07 (0.23)	0.20 (0.29)	0.72*** (0.26)	0.19 (0.28)	-0.13 (0.24)	-0.08 (0.25)	-0.13 (0.24)	0.18 (0.28)	0.24*** (0.29)	0.18 (0.28)	-0.03 (0.25)	0.26 (0.30)
inf5		16.20*** (4.15)				10.97*** (3.98)	14.82*** (4.70)	11.81*** (3.86)				11.47*** (4.38)	11.26 (4.27)	11.93*** (4.33)		11.26** (4.42)
ln (igdppc5)			4.69*** (0.68)			3.64*** (0.84)			5.05*** (0.74)	1.98 (6.27)		3.76*** (0.83)	4.57 (6.98)		42.67** (20.53)	35.67* (20.49)
gdpgr5				-0.36 (0.24)			-0.25 (0.28)		0.28 (0.25)		0.11 (0.22)	0.13 (0.30)		0.02 (0.26)	1.55** (0.75)	1.25 (0.81)
ln (agdppc5)					4.64*** (0.71)			3.48*** (0.85)		2.63 (6.62)	4.81*** (0.75)		-1.24 (7.19)	3.49*** (0.84)	-37.55* (20.62)	-31.89 (20.59)
adjusted R-squared	0.03	0.12	0.27	0.04	0.25	0.24	0.12	0.23	0.27	0.25	0.25	0.24	0.23	0.22	0.28	0.25
# of cross sections used	62	57	61	62	61	56	57	56	61	60	61	56	55	56	60	55
∑ panel (unbalanced) observations:	160	137	157	159	158	135	137	135	157	155	157	135	133	135	155	133

* ** reject null at 1 per cent significance level.

** reject null at 5 per cent significance level but not 1 per cent.

* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

Note: Figures in parentheses are standard errors

Table A.5: Pooled OLS Results (White Heteroskedasticity-Consistent Standard Errors & Covariance) (aibrdidagdp5 & polins):

Variables/ Model	(4.1.1.a.1)	(4.2.1.a.1)	(4.3.1.a.1)	(4.4.1.a.1)	(4.5..1.a.1)	(4.6.1.a.1)	(4.7.1.a.1)	(4.8.1.a.1)	(4.9.1.a.1)	(4.10.1.a.1)	(4.11.1.a.1)	(4.12.1.a.1)	(4.13.1.a.1)	(4.14.1.a.1)	(4.15.1.a.1)	(4.16.1.a.1)
constant	41.84*** (1.07)	39.76*** (1.23)	8.68** (4.49)	43.64*** (1.82)	8.26* (4.75)	14.43** (5.58)	41.21*** (2.21)	14.59** (5.71)	4.69 (5.82)	8.54 (5.49)	6.37 (5.66)	12.94** (6.26)	15.92*** (6.04)	14.25** (6.08)	0.38 (5.68)	8.80 (6.27)
aibrdidagdp5	-0.95 (0.66)	-1.74** (0.77)	0.94 (0.68)	-1.05 (0.74)	0.96 (0.65)	0.07 (0.85)	-1.82** (0.78)	0.14 (0.85)	1.18* (0.70)	1.01 (0.71)	1.19* (0.69)	0.16 (0.86)	-0.01 (0.87)	0.17 (0.85)	0.95 (0.71)	0.03 (0.89)
aibrdidagdp5 * polins	2.31** (1.07)	3.56*** (1.27)	-0.36 (1.20)	2.34** (1.17)	-0.31 (1.12)	1.05 (1.42)	3.62*** (1.28)	0.94 (1.40)	-0.63 (1.20)	-0.41 (1.21)	-0.66 (1.18)	0.94 (1.41)	1.21 (1.42)	0.91 (1.39)	-0.15 (1.22)	1.29 (1.46)
inf5		16.07*** (4.15)				11.07*** (3.98)	14.62*** (4.70)	11.92*** (3.86)				11.55*** (4.39)	11.41*** (4.26)	12.07*** (4.33)		11.42** (4.41)
ln (igdppc5)			4.67*** (0.69)			3.60*** (0.85)			5.04*** (0.75)	1.83 (6.28)		3.72*** (0.84)	4.38 (7.00)		42.75** (20.48)	35.81* (20.40)
gdpgr5				-0.37 (0.24)			-0.26 (0.28)		0.28 (0.25)		0.12 (0.22)	0.12 (0.30)		0.03 (0.26)	1.56** (0.74)	1.26 (0.80)
ln (agdppc5)					4.66*** (0.71)			3.50*** (0.84)		2.81 (6.64)	4.84*** (0.75)		-1.02 (7.21)	3.53*** (0.84)	-37.60* (20.57)	-31.99 (20.51)
adjusted R-squared	0.03	0.12	0.26	0.04	0.26	0.24	0.12	0.24	0.27	0.26	0.26	0.24	0.23	0.23	0.28	0.25
# of cross sections used	62	57	61	62	61	56	57	56	61	60	61	56	55	56	60	55
∑ panel (unbalanced) observations:	159	136	156	158	157	136	136	134	156	155	157	134	133	135	155	133

* ** reject null at 1 per cent significance level.

** reject null at 5 per cent significance level but not 1 per cent.

* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

Note: Figures in parentheses are standard errors

Table A.6: Pooled OLS Results (White Heteroskedasticity-Consistent Standard Errors & Covariance) (tdisincimfgdp5 & polins):

Variable/ Model	(4.1.2.t.1)	(4.2.2.t.1)	(4.3.2.t.1)	(4.4.2.t.1)	(4.5.2.t.1)	(4.6.2.t.1)	(4.7.2.t.1)	(4.8.2.t.1)	(4.9.2.2.t.1)	(4.10.2.t.1)	(4.11.2.t.1)	(4.12.2.t.1)	(4.13.2.t.1)	(4.14.2.t.1)	(4.15.2.t.1)	(4.16.2.t.1)
constant	41.37*** (1.13)	39.52*** (1.39)	16.47*** (5.12)	43.09*** (1.89)	17.09*** (5.33)	21.95*** (5.95)	41.06*** (2.36)	22.77*** (5.98)	16.87*** (6.14)	18.29*** (5.63)	18.47*** (5.86)	23.15*** (6.57)	23.83*** (6.20)	24.29*** (6.26)	13.08* (6.97)	20.70*** (7.49)
tdisincimfgdp5	-0.09 (0.11)	-0.17 (0.11)	0.07 (0.13)	-0.13 (0.13)	0.08 (0.13)	-0.05 (0.11)	-0.20 (0.12)	-0.04 (0.11)	0.06 (0.15)	0.02 (0.15)	0.06 (0.15)	-0.08 (0.13)	-0.11 (0.13)	-0.08 (0.13)	0.00 (0.14)	-0.12 (0.13)
tdisincimfgdp5 * polins	0.30* (0.17)	0.40** (0.17)	-0.08 (0.20)	0.34* (0.19)	-0.09 (0.20)	0.11 (0.18)	0.43** (0.18)	0.11 (0.18)	-0.08 (0.22)	-0.02 (0.21)	-0.07 (0.22)	0.14 (0.20)	0.18 (0.19)	0.14 (0.20)	0.00 (0.20)	0.19 (0.19)
inf5		15.40*** (4.25)				11.48*** (3.92)	13.92*** (4.86)	12.25*** (3.84)				10.77** (4.53)	9.89** (4.56)	10.96** (4.56)		9.87** (4.72)
ln (igdppc5)			3.84*** (0.81)			2.79*** (0.93)			3.81*** (0.85)	9.75 (6.68)		2.74*** (0.93)	10.93 (7.74)		39.31* (22.03)	27.80 (21.80)
gdpgr5				-0.35 (0.24)			-0.26 (0.28)		-0.04 (0.27)		-0.18 (0.24)	-0.14 (0.32)		-0.23 (0.29)	1.10 (0.84)	0.66 (0.88)
ln (agdppc5)					3.72*** (0.82)			2.61*** (0.91)		-6.09 (6.88)	3.64*** (0.83)		-8.27 (7.78)	2.59*** (0.91)	-35.34 (21.91)	-24.97 (21.70)
adjusted R-squared	0.02	0.09	0.17	0.03	0.16	0.16	0.09	0.15	0.17	0.17	0.16	0.15	0.16	0.15	0.18	0.16
# of cross sections used	62	57	61	62	61	56	57	56	61	60	61	56	55	56	60	55
∑ panel obs	162	139	159	161	158	137	139	135	159	155	157	137	133	135	155	133

* ** reject null at 1 per cent significance level.

** reject null at 5 per cent significance level but not 1 per cent.

* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

Note: Figures in parentheses are standard errors

Table A.7: Pooled OLS Results (White Heteroskedasticity-Consistent Standard Errors & Covariance) (adisincimfgdp5 & polins):

Variables/ Model	(4.1.2.a.1)	(4.2.2.a.1)	(4.3.2.a.1)	(4.4.2.a.1)	(4.5.2.a.1)	(4.6.2.a.1)	(4.7.2.a.1)	(4.8.2.a.1)	(4.9.2.a.1)	(4.10.2.a.1)	(4.11.2.a.1)	(4.12.2.a.1)	(4.13.2.a.1)	(4.14.2.a.1)	(4.15.2.a.1)	(4.16.2..1)
constant	41.47*** (1.13)	39.66*** (1.41)	16.96*** (5.17)	43.25*** (1.89)	17.18*** (5.34)	22.67*** (6.01)	41.30*** (2.38)	22.89*** (5.98)	17.48*** (6.22)	18.36*** (5.64)	18.53*** (5.87)	24.03*** (6.66)	23.94*** (6.20)	24.39*** (6.26)	13.13** (6.99)	20.79*** (7.49)
adisincimfgdp5	-0.43 (0.57)	-0.85 (0.53)	0.32 (0.64)	-0.67 (0.66)	0.39 (0.64)	-0.30 (0.55)	-1.03* (0.62)	-0.22 (0.55)	0.27 (0.76)	0.09 (0.74)	0.28 (0.74)	-0.43 (0.67)	-0.55 (0.64)	-0.38 (0.65)	0.01 (0.71)	-0.57 (0.64)
adisincimfgdp5 * polins	1.47* (0.84)	1.96** (0.80)	-0.36 (0.96)	1.70* (0.92)	-0.43 (0.96)	0.64 (0.86)	2.14** (0.89)	0.59 (0.86)	-0.31 (1.08)	-0.08 (1.04)	-0.29 (1.06)	0.77 (0.97)	0.93 (0.93)	0.75 (0.95)	0.02 (1.00)	0.97 (0.91)
inf5		15.24*** (4.25)				11.49*** (3.94)	13.66*** (4.88)	12.35*** (3.85)				10.70** (4.57)	10.01** (4.58)	11.08** (4.59)		9.97** (4.74)
ln (igdppc5)			3.77*** (0.81)			2.69*** (0.94)			3.73*** (0.86)	9.62 (6.65)		2.62*** (0.94)	10.69 (7.74)		39.21* (22.04)	27.56 (21.79)
gdpgr5				-0.36 (0.24)			-0.28 (0.28)		-0.05 (0.27)		-0.18 (0.24)	-0.16 (0.32)		-0.22 (0.29)	1.10 (0.83)	0.66 (0.88)
ln (agdppc5)					3.69*** (0.83)			2.58*** (0.91)		-5.99 (6.85)	3.61*** (0.83)		-8.07 (7.78)	2.56*** (0.91)	-35.26 (21.92)	-24.76 (21.68)
adjusted R-squared	0.02	0.09	0.17	0.03	0.16	0.16	0.09	0.15	0.17	0.17	0.16	0.15	0.16	0.15	0.18	0.25
# of cross sections used	62	57	61	62	61	56	57	56	61	60	61	56	55	56	60	55
∑ panel (unbalanced) observations:	161	138	158	160	159	136	138	136	158	156	158	136	134	136	156	134

* ** reject null at 1 per cent significance level.

** reject null at 5 per cent significance level but not 1 per cent.

* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

Note: Figures in parentheses are standard errors

Table A.8: Pooled OLS Results (White Heteroskedasticity-Consistent Standard Errors & Covariance) (tdisgdp5 & polins):

Variables/ Model	(4.1.3.t.1)	(4.2.3.t.1)	(4.3.3.t.1)	(4.4.3.t.1)	(4.5.3.t.1)	(4.6.3.t.1)	(4.7.3.t.1)	(4.8.3.t.1)	(4.9.3.t.1)	(4.10.3.t.1)	(4.11.3.t.1)	(4.12.3.t.1)	(4.13.3.t.1)	(4.14.3.t.1)	(4.15.3.t.1)	(4.16.3.t.1)
constant	41.35*** (1.12)	39.41*** (1.42)	16.69*** (5.15)	43.04*** (1.82)	17.36*** (5.35)	22.13*** (5.98)	40.94*** (2.36)	23.02*** (5.98)	17.29*** (6.10)	18.57*** (5.61)	18.87*** (5.83)	23.40*** (6.51)	23.97*** (6.17)	24.55*** (6.21)	13.27* (6.99)	20.79*** (7.47)
tdisgdp5	-0.09 (0.12)	-0.17 (0.12)	0.05 (0.14)	-0.13 (0.14)	0.06 (0.14)	-0.08 (0.12)	-0.21 (0.13)	-0.07 (0.12)	0.04 (0.16)	-0.01 (0.16)	0.03 (0.16)	-0.10 (0.14)	-0.15 (0.14)	-0.10 (0.14)	-0.04 (0.15)	-0.16 (0.13)
tdisgdp5 * polins	0.32* (0.18)	0.42** (0.18)	-0.06 (0.21)	0.36* (0.20)	-0.07 (0.21)	0.15 (0.19)	0.46** (0.19)	0.15 (0.19)	-0.05 (0.23)	0.01 (0.22)	-0.04 (0.23)	0.17 (0.21)	0.22 (0.20)	0.18 (0.20)	0.04 (0.21)	0.24 (0.19)
inf5		15.64*** (4.30)				11.49*** (3.98)	14.10*** (4.95)	12.30*** (3.90)				10.66** (4.62)	9.65** (4.66)	10.88** (4.65)		9.55** (4.79)
ln (igdppc5)			3.83*** (0.82)			2.78*** (0.94)			3.78*** (0.85)	10.26 (6.62)		2.73*** (0.94)	11.45 (7.76)		40.49* (22.31)	28.80 (22.07)
gdpgr5				-0.36 (0.23)			-0.26 (0.28)		-0.06 (0.26)		-0.20 (0.24)	-0.16 (0.31)		-0.24 (0.28)	1.12 (0.84)	0.67 (0.88)
ln (agdppc5)					3.70*** (0.83)			2.59*** (0.92)		-6.62 (6.80)	3.61*** (0.84)		-8.79 (7.76)	2.57*** (0.92)	-36.51 (22.17)	-25.95 (21.94)
adjusted R-squared	0.02	0.09	0.18	0.03	0.16	0.16	0.09	0.15	0.17	0.17	0.25	0.16	0.16	0.15	0.18	0.16
# of cross sections used	62	57	61	62	61	56	56	56	61	60	61	56	55	56	60	55
∑ panel (unbalanced) observations:	162	139	159	161	158	137	135	135	159	155	157	137	133	135	155	133

* ** reject null at 1 per cent significance level.

** reject null at 5 per cent significance level but not 1 per cent.

* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

Note: Figures in parentheses are standard errors

Table A.9: Pooled OLS Results (White Heteroskedasticity-Consistent Standard Errors & Covariance) (adisgdp5 & polins):

Variables/ Model	(4.1.3.a.1)	(4.2.3.a.1)	(4.3.3.a.1)	(4.4.3.a.1)	(4.5.3.a.1)	(4.6.3.a.1)	(4.7.3.a.1)	(4.8.3.a.1)	(4.9.3.a.1)	(4.10.3.a.1)	(4.11.3.a.1)	(4.12.3.a.1)	(4.13.3.a.1)	(4.14.3.a.1)	(4.15.3.a.1)	(4.16.3.a.1)
constant	41.46*** (1.12)	39.57*** (1.44)	17.20*** (5.19)	43.21*** (1.82)	17.47*** (5.36)	22.86*** (6.03)	41.20*** (2.38)	23.16*** (5.98)	17.91*** (6.17)	18.66*** (5.61)	18.95*** (5.83)	24.29*** (6.59)	24.10*** (6.17)	24.67*** (6.21)	13.33* (7.01)	20.90*** (7.47)
adisgdp5	-0.44 (0.62)	-0.88 (0.57)	0.21 (0.69)	-0.67 (0.71)	0.29 (0.68)	-0.43 (0.58)	-1.07 (0.67)	-0.33 (0.58)	0.15 (0.80)	-0.04 (0.78)	0.17 (0.78)	-0.57 (0.71)	-0.71 (0.68)	-0.51 (0.69)	-0.18 (0.73)	-0.76 (0.66)
adisgdp5 * polins	1.54* (0.90)	2.08* (0.86)	-0.23 (1.01)	1.79* (0.99)	-0.31 (1.02)	0.82 (0.90)	2.28** (0.95)	0.76 (0.90)	-0.15 (1.14)	0.08 (1.10)	-0.15 (1.12)	0.97 (1.02)	1.14 (0.97)	0.93 (0.99)	0.22 (1.04)	1.21 (0.94)
inf5		15.47*** (4.31)				11.50*** (4.01)	13.81*** (4.97)	12.42*** (3.92)				10.59** (4.67)	9.80** (4.69)	11.01** (4.68)		9.66** (4.81)
ln (igdppc5)			3.76*** (0.82)			2.68*** (0.95)			3.70*** (0.86)	10.13 (6.58)		2.61*** (0.95)	11.21 (7.76)		40.38* (22.33)	28.54 (22.07)
gdpgr5				-0.37 (0.24)			-0.28 (0.28)		-0.07 (0.27)		-0.19 (0.24)	-0.17 (0.31)		-0.23 (0.28)	1.12 (0.84)	0.67 (0.87)
ln (agdppc5)					3.68* (0.83)			2.55*** (0.92)		-6.52 (6.77)	3.58*** (0.84)		-8.59 (7.76)	2.54*** (0.92)	-36.42 (22.19)	-25.72 (21.94)
adjusted R-squared	0.02	0.09	0.17	0.03	0.16	0.16	0.09	0.15	0.17	0.17	0.16	0.15	0.16	0.15	0.18	0.25
# of cross sections used	62	57	61	62	61	56	57	56	61	60	61	56	55	56	60	55
∑ panel (unbalanced) observations:	161	138	158	160	159	136	138	136	158	156	158	136	134	136	156	134

* ** reject null at 1 per cent significance level.

** reject null at 5 per cent significance level but not 1 per cent.

* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

Note: Figures in parentheses are standard errors

Table A.10: Pooled OLS Results for disincimfgdp5 (White Heteroskedasticity-Consistent Standard Errors & Covariance):

Variables /Model	(4.1.2.t)	(4.2.2.t)	(4.3.2.t)	(4.4.2.t)	(4.5.2.t)	(4.6.2.t)	(4.7.2.t)	(4.1.2.a)	(4.2.2.a)	(4.3.2.a)	(4.4.2.a)	(4.5.2.a)	(4.6.2.a)	(4.7.2.a)
constant	41.09*** (1.11)	39.11*** (1.38)	17.17*** (5.02)	42.46*** (1.74)	17.91*** (5.15)	21.52*** (5.95)	18.70*** (6.73)	41.16*** (1.11)	39.18*** (1.38)	17.57*** (5.07)	42.56*** (1.72)	17.96*** (5.17)	22.11*** (6.02)	18.73*** (6.74)
tdisincimfgdp5	0.10** (0.04)	0.08** (0.04)	0.02 (0.05)	0.09* (0.05)	0.02 (0.04)	0.01 (0.05)	0.00 (0.05)							
adisincimfgdp5								0.49** (0.19)	0.39** (0.18)	0.10 (0.22)	0.42* (0.21)	0.13 (0.21)	0.05 (0.22)	0.04 (0.24)
inf5		15.38*** (4.40)				10.66** (4.54)	9.86** (4.68)		15.25*** (4.41)				10.61** (4.58)	9.98** (4.69)
ln (igdppc5)			3.74*** (0.80)			2.94*** (0.90)	25.58 (21.98)			3.69*** (0.81)			2.86*** (0.91)	25.33 (21.94)
gdpgr5				-0.29 (0.23)		-0.11 (0.29)	0.64 (0.87)				-0.30 (0.23)		-0.11 (0.29)	0.64 (0.87)
ln (agdppc5)					3.60*** 0.81		-22.49 (21.91)					3.59*** (0.81)		-22.26 (21.87)
adjusted R-squared	0.02	0.07	0.27	0.02	0.17	0.16	0.16	0.02	0.07	0.18	0.02	0.17	0.16	0.16
# of cross sections used	62	57	61	62	61	56	55	62	57	61	62	61	56	55
∑ panel observations:	162	139	159	161	158	137	133	161	138	158	160	158	136	133

* ** reject null at 1 per cent significance level.

** reject null at 5 per cent significance level but not 1 per cent.

* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

Table A.11: Pooled OLS Results for disgdp5 (White Heteroskedasticity-Consistent Standard Errors & Covariance):

Variables/ Model	(4.1.3.t)	(4.2.3.t)	(4.3.3.t)	(4.4.3.t)	(4.5.3.t)	(4.6.3.t)	(4.7.3.t)	(4.1.3.a)	(4.2.3.a)	(4.3.3.a)	(4.4.3.a)	(4.5.3.a)	(4.6.3.a)	(4.7.3.a)
constant	41.03*** (1.10)	38.92*** (1.41)	17.14*** (5.11)	42.40*** (1.67)	17.91*** (5.24)	21.54**** (6.01)	18.64*** (6.85)	41.11*** (1.09)	39.00*** (1.41)	17.55*** (5.16)	42.51*** (1.65)	17.97*** (5.26)	22.15*** (6.09)	18.70*** (6.87)
tdisgdp5	0.11** (0.05)	0.10** (0.04)	0.01 (0.05)	0.10** (0.05)	0.02 (0.05)	0.00 (0.05)	-0.01 (0.05)							
adisgdp5								0.55** (0.21)	0.47** (0.20)	0.07 (0.23)	0.49** (0.23)	0.10 (0.22)	0.03 (0.24)	0.00 (0.26)
inf5		15.78*** (4.45)				10.60** (4.62)	9.65** (4.75)		15.65*** (4.45)				10.57** (4.65)	9.82** (4.76)
ln (igdppc5)			3.77*** (0.82)			2.96*** (0.92)	26.01 (22.19)			3.71*** (0.82)			2.87*** (0.93)	25.66 (22.18)
gdpgr5				-0.30 (0.23)		-0.12 (0.29)	0.64 (0.87)				-0.31 (0.23)		-0.12 (0.29)	0.64 (0.87)
ln (agdppc5)					3.63*** (0.83)		-22.87 (22.09)					3.61*** (0.83)		-22.56 (22.07)
adjusted R-squared	0.02	0.08	0.18	0.02	0.17	0.16	0.16	0.02	0.08	0.18	0.02	0.17	0.16	0.16
# of cross sections used	62	57	61	62	61	56	55	62	57	61	62	61	56	55
∑ panel observations:	162	139	159	161	158	137	133	161	138	158	160	158	136	133

* ** reject null at 1 per cent significance level.

** reject null at 5 per cent significance level but not 1 per cent.

* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

Table A.12: Regression Results with Transition Economies (TE) Dummy (ibrdidagdp5)

Variables /Model	(4.1.1.t)	(4.2.1.t)	(4.3.1.t)	(4.4.1.t)	(4.5.1.t)	(4.1.1.a)	(4.2.1.a)	(4.3.1.a)	(4.4.1.a)	(4.5.1.a)
constant	42.07*** (1.06)	40.15*** (1.30)	5.27 (3.62)	44.88*** (1.68)	5.20 (3.95)	42.12*** (1.07)	40.23*** (1.30)	5.36 (3.65)	44.99*** (1.68)	4.93 (3.94)
tibrdidagdp5	0.06 (0.04)	0.05 (0.04)	0.13*** (0.04)	0.03 (0.05)	0.14*** (0.04)					
aibrdidagdp5						0.30 (0.19)	0.25 (0.21)	0.67*** (0.22)	0.15 (0.22)	0.72*** (0.21)
inf5		14.26*** (4.47)					14.06*** (4.47)			
ln (igdppc5)			5.31*** (0.53)					5.29*** (0.54)		
gdpgr5				-0.54** (0.23)					-0.55** (0.23)	
ln (agdppc5)					5.24*** (0.56)					5.27*** (0.56)
tibrdidagdp5 * TE	-3.07*** (1.17)	6.36*** (1.66)	0.35 (0.87)	-3.86*** (1.40)	0.28 (0.94)					
aibrdidagdp5 * TE						-15.55*** (5.92)	31.94*** (8.34)	1.97 (4.35)	-19.41*** (7.01)	1.60 (4.67)
inf5 * TE		-427.06*** (48.55)					-428.77*** (48.75)			
ln (igdppc5) * TE			-2.83*** (0.44)					-2.85*** (0.44)		
gdpgr5 * TE				1.93* (1.07)					1.87* (1.06)	
ln (agdppc5) * TE					-2.75*** (0.47)					-2.76*** (0.48)
adjusted R-squared	0.05	0.13	0.41	0.07	0.31	0.05	0.12	0.40	0.07	0.40
# of cross sections used	62	57	61	62	61	62	57	61	62	61
∑ panel (unbalanced) observations:	160	137	157	159	158	159	136	156	160	158

*** reject null at 1 per cent significance level.

** reject null at 5 per cent significance level but not 1 per cent.

* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

Note: Figures in parentheses are standard errors

Table A.13: Wald Test Results for The Significance of The Coefficients in Regression Results with TE Dummy (ibrdidagdp5)

Model	Null Hypothesis	Coefficient Sums	F-Statistic	Prob	Model	Null Hypothesis	Coefficient Sums	F-Statistic	Prob
(4.1.1.t)	tibrdidagdp5 + tibrdidagdp5*TE=0	-3.01***	6.57	0.01	(4.1.1.a)	aibrdidagdp5 + aibrdidagdp5*TE=0	-15.25***	6.59	0.01
(4.2.1.t)	tibrdidagdp5 + tibrdidagdp5*TE=0	6.42***	14.99	0.00	(4.2.1.a)	aibrdidagdp5 + aibrdidagdp5*TE=0	32.19***	15.01	0.00
	inf5 + inf5*TE=0	-412.79***	68.55	0.00		inf5 + inf5*TE=0	-414.72***	68.60	0.00
(4.3.1.t)	tibrdidagdp5 + tibrdidagdp5*TE=0	0.48	0.30	0.58	(4.3.1.a)	aibrdidagdp5 + aibrdidagdp5*TE=0	2.63	0.37	0.55
	ln (igdppc5) + ln (igdppc5)*TE=0	2.47***	15.98	0.00		ln (igdppc5) + ln (igdppc5)*TE=0	2.44***	15.33	0.00
(4.4.1.t)	tibrdidagdp5 + tibrdidagdp5*TE=0	-3.83***	7.35	0.01	(4.4.1.a)	aibrdidagdp5 + aibrdidagdp5*TE=0	-19.26***	7.46	0.01
	gdpgr5 + gdpgr5*TE=0	1.38	1.95	0.16		gdpgr5 + gdpgr5*TE=0	1.32	1.79	0.18
(4.5.1.t)	tibrdidagdp5 + tibrdidagdp5*TE=0	0.42	0.20	0.66	(4.5.1.a)	aibrdidagdp5 + aibrdidagdp5*TE=0	2.32	0.25	0.62
	ln (agdppc5) + ln (agdppc5)*TE=0	2.50***	13.60	0.00		ln (agdppc5) + ln (agdppc5)*TE=0	2.51***	13.66	0.00

*** reject null at 1 per cent significance level.

** reject null at 5 per cent significance level but not 1 per cent.

* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

Table A.14: Regression Results with Transition Economies (TE) Dummy (disgdp5)

Variables /Model	(4.1.3.t)	(4.2.3.t)	(4.3.3.t)	(4.4.3.t)	(4.5.3.t)	(4.1.3.a)	(4.2.3.a)	(4.3.3.a)	(4.4.3.a)	(4.5.3.a)
constant	41.24*** (1.11)	39.27*** (1.42)	11.89** (4.64)	44.04*** (1.51)	12.77*** (4.78)	41.34*** (1.09)	39.39*** (1.41)	12.25*** (4.69)	44.17*** (1.48)	12.79*** (4.80)
tdisgdp5	0.12*** (0.05)	0.10** (0.04)	-0.01 (0.05)	0.09* (0.05)	-0.01 (0.05)					
adisgdp5						0.59*** (0.22)	0.50** (0.20)	-0.05 (0.22)	0.42* (0.23)	-0.01 (0.22)
inf5		14.83*** (4.45)					14.69*** (4.45)			
ln (igdppc5)			4.69*** (0.73)					4.64*** (0.73)		
gdpgr5				-0.53** (0.21)					-0.54*** (0.20)	
ln (agdppc5)					4.52*** (0.73)					4.51*** (0.74)
tdisgdp5 * TE	-0.90*** (0.09)	-1.18*** (0.04)	-0.31*** (0.12)	-1.11*** (0.11)	-0.35*** (0.12)					
adisgdp5 * TE						-4.51*** (0.44)	-5.90*** (0.20)	-1.60*** (0.60)	-5.52*** (0.56)	-1.85*** (0.61)
inf5 * TE		78.83*** (3.69)					78.72*** (3.64)			
ln (igdppc5) * TE			-2.23*** (0.25)					-2.20*** (0.25)		
gdpgr5 * TE				2.50*** (0.39)					2.44*** (0.38)	
ln (agdppc5) * TE					-2.10*** (0.25)					-2.05*** (0.25)
adjusted R-squared	0.09	0.14	0.33	0.12	0.31	0.01	0.10	0.33	0.12	0.31
# of cross sections used	62	57	61	62	61	62	57	61	62	61
∑ panel (unbalanced) observations:	162	139	159	161	158	161	138	158	160	158

*** reject null at 1 per cent significance level.

** reject null at 5 per cent significance level but not 1 per cent.

* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

Note: Figures in parentheses are standard errors

Table A.15: Wald Test Results for The Significance of The Coefficients in Regression Results with TE Dummy (disgdp5)

Model	Null Hypothesis	Coefficient Sums	F-Statistic	Prob	Model	Null Hypothesis	Coefficient Sums	F-Statistic	Prob
(4.1.3.t)	tdisgdp5 + tdisgdp5*TE=0	-0.77***	63.27	0.00	(4.1.3.a)	adisgdp5 + adisgdp5*TE=0	-3.92***	64.41	0.00
(4.2.3.t)	tdisgdp5 + tdisgdp5*TE=0	-1.08***	348.08	0.00	(4.2.3.a)	adisgdp5 + adisgdp5*TE=0	-5.40***	352.48	0.00
	inf5 + inf5*TE=0	93.66***	842.55	0.00		inf5 + inf5*TE=0	93.41***	850.36	0.00
(4.3.3.t)	tdisgdp5 + tdisgdp5*TE=0	-0.32***	7.86	0.01	(4.3.3.a)	adisgdp5 + adisgdp5*TE=0	-1.65***	7.88	0.01
	ln (igdppc5) + ln (igdppc5)*TE=0	2.45***	14.29	0.00		ln (igdppc5) + ln (igdppc5)*TE=0	2.44***	13.63	0.00
(4.4.3.t)	tdisgdp5 + tdisgdp5*TE=0	-1.02***	61.77	0.00	(4.4.3.a)	adisgdp5 + adisgdp5*TE=0	-5.10***	64.84	0.00
	gdpgr5 + gdpgr5*TE=0	1.97***	70.99	0.00		gdpgr5 + gdpgr5*TE=0	1.89***	73.11	0.00
(4.5.3.t)	tdisgdp5 + tdisgdp5*TE=0	-0.35***	9.10	0.00	(4.5.3.a)	adisgdp5 + adisgdp5*TE=0	-1.86***	9.26	0.00
	ln (agdppc5) + ln (agdppc5)*TE=0	2.42***	12.31	0.00		ln (agdppc5) + ln (agdppc5)*TE=0	2.46***	12.35	0.00

*** reject null at 1 per cent significance level.

** reject null at 5 per cent significance level but not 1 per cent.

* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

Table A.16: Regression Results with Latin America Countries (LA) Dummy (ibrdidagdp5)

Variables/Model	(4.1.1.t)	(4.2.1.t)	(4.3.1.t)	(4.4.1.t)	(4.5.1.t)	(4.6.1.t)	(4.7.1.t)	(4.1.1.a)	(4.2.1.a)	(4.3.1.a)	(4.4.1.a)	(4.5.1.a)	(4.6.1.a)	(4.7.1.a)
constant	40.72***	38.39***	13.97***	41.81***	14.57***	18.28***	15.36**	40.75***	38.38***	14.05***	41.88***	14.32***	18.29***	14.80**
	(1.11)	(1.32)	(5.19)	(1.83)	(5.37)	(6.11)	(6.66)	(1.12)	(1.33)	(5.22)	(1.85)	(5.37)	(6.23)	(6.62)
tibrdidagdp5	0.05	0.05	0.14***	0.05	0.14***	0.13**	0.15***							
	(0.04)	(0.05)	(0.04)	(0.05)	(0.04)	(0.05)	(0.05)							
aibrdidagdp5								0.25	0.27	0.69***	0.26	0.73***	0.67**	0.78***
								(0.21)	(0.24)	(0.22)	(0.23)	(0.20)	(0.27)	(0.26)
inf5		13.11*				15.44**	15.34**		13.11*				15.47**	15.43**
		(7.62)				(6.53)	(7.02)		(7.60)				(6.53)	(7.00)
ln (igdppc5)			3.72***			2.58***	27.36			3.71***			2.57***	27.85
			(0.88)			(0.94)	(19.25)			(0.88)			(0.94)	(19.14)
gdpgr5				-0.37		0.14	1.12				-0.38		0.14	1.16
				(0.24)		(0.35)	(0.85)				(0.24)		(0.35)	(0.84)
ln (agdppc5)					3.55***		-24.86**					3.58***		-25.31
					(0.88)		(19.22)					(0.88)		(19.12)
tibrdidagdp5 * LA	0.37***	0.41***	0.15*	0.20**	0.15*	0.19**	0.19							
	(0.07)	(0.07)	(0.09)	(0.08)	(0.09)	(0.08)	(0.08)							
aibrdidagdp5 * LA								1.80***	2.06***	0.76*	0.97**	0.70*	0.94**	0.95**
								(0.32)	(0.33)	(0.46)	(0.39)	(0.43)	(0.41)	(0.42)
inf5 * LA		1.73				-13.15	-12.49		1.58				-12.97	-12.24
		(8.41)				(8.68)	(9.61)		(8.39)				(8.70)	(9.66)
ln (igdppc5) * LA			0.45			0.84	-27.32			0.44			0.84	-28.71
			(0.33)			(0.58)	(30.69)			(0.33)			(0.58)	(30.94)
gdpgr5 * LA				1.33***		0.13	-0.97				1.31***		0.11	-1.04
				(0.31)		(0.54)	(1.03)				(0.31)		(0.55)	(1.03)
ln (agdppc5) * LA					0.54*		28.61					0.54*		30.02
					(0.32)		(30.88)					(0.32)		(31.12)
adjusted R-squared	0.12	0.21	0.33	0.16	0.33	0.35	0.37	0.12	0.22	0.33	0.16	0.34	0.35	0.37
# of cross secs used	62	57	61	62	61	56	55	62	57	61	62	61	56	55
∑ panel observations:	160	137	157	160	158	135	133	159	136	156	159	158	134	133

*** reject null at 1 per cent significance level.

** reject null at 5 per cent significance level but not 1 per cent.

* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

Table A.17: Wald Test Results for The Significance of The Coefficients in Regression Results with LA Dummy (ibrdidagdp5)

Model	Null Hypothesis	Coefficient Sums	F-Statistic	Prob	Model	Null Hypothesis	Coefficient Sums	F-Statistic	Prob
(4.1.1.t)	tibrdidagdp5 + tibrdidagdp5*LA=0	0.42***	31.41	0.00	(4.1.1.a)	aibrdidagdp5 + aibrdidagdp5*LA=0	2.05***	31.87	0.00
(4.2.1.t)	tibrdidagdp5 + tibrdidagdp5*LA=0	0.46***	53.95	0.00	(4.2.1.a)	aibrdidagdp5 + aibrdidagdp5*LA=0	2.33***	53.91	0.00
	inf5 + inf5*LA=0	14.83***	7.59	0.01		inf5 + inf5*LA=0	14.69***	7.51	0.01
(4.3.1.t)	tibrdidagdp5 + tibrdidagdp5*LA=0	0.29***	13.56	0.00	(4.3.1.a)	aibrdidagdp5 + aibrdidagdp5*LA=0	1.45***	13.23	0.00
	ln (igdppc5) + ln (igdppc5)*LA=0	4.17***	40.13	0.00		ln (igdppc5) + ln (igdppc5)*LA=0	4.15***	39.43	0.00
(4.4.1.t)	tibrdidagdp5 + tibrdidagdp5*LA=0	0.25***	8.63	0.00	(4.4.1.a)	aibrdidagdp5 + aibrdidagdp5*LA=0	1.23***	8.26	0.00
	gdpgr5 + gdpgr5*LA=0	0.96***	7.41	0.01		gdpgr5 + gdpgr5*LA=0	0.94***	6.98	0.01
(4.5.1.t)	tibrdidagdp5 + tibrdidagdp5*LA=0	0.29***	14.23	0.00	(4.5.1.a)	aibrdidagdp5 + aibrdidagdp5*LA=0	1.43***	14.52	0.00
	ln (agdppc5) + ln (agdppc5)*LA=0	4.09***	36.70	0.00		ln (agdppc5) + ln (agdppc5)*LA=0	4.11***	37.24	0.00
(4.6.1.t)	tibrdidagdp5 + tibrdidagdp5*LA=0	0.32***	22.99	0.00	(4.6.1.a)	aibrdidagdp5 + aibrdidagdp5*LA=0	1.60***	21.87	0.00
	inf5 + inf5*LA=0	2.30	0.17	0.69		inf5 + inf5*LA=0	3.40***	18.22	0.00
	ln (igdppc5) + ln (igdppc5)*LA=0	3.42***	18.87	0.00		ln (igdppc5) + ln (igdppc5)*LA=0	2.50	0.19	0.66
	gdpgr5 + gdpgr5*LA=0	0.26	0.37	0.55		gdpgr5 + gdpgr5*LA=0	0.25	0.34	0.56
(4.7.1.t)	tibrdidagdp5 + tibrdidagdp5*LA=0	0.34***	21.26	0.00	(4.7.1.a)	aibrdidagdp5 + aibrdidagdp5*LA=0	1.73***	20.75	0.00
	inf5 + inf5*LA=0	2.85	0.19	0.66		inf5 + inf5*LA=0	3.19	0.23	0.63
	ln (igdppc5) + ln (igdppc5)*LA=0	0.04	0.00	1.00		ln (igdppc5) + ln (igdppc5)*LA=0	-0.86	0.00	0.97
	gdpgr5 + gdpgr5*LA=0	0.16	0.05	0.82		gdpgr5 + gdpgr5*LA=0	0.12	0.03	0.86
	ln (agdppc5) + ln (agdppc5)*LA=0	3.76	0.02	0.88		ln (agdppc5) + ln (agdppc5)*LA=0	4.71	0.04	0.85

Table A.18: Regression Results with Latin American Countries (LA) Dummy (disincimfgdp5)

Variables/Model	(4.1.2.t)	(4.2.2.t)	(4.3.2.t)	(4.4.2.t)	(4.5.2.t)	(4.6.2.t)	(4.7.2.t)	(4.1.2.a)	(4.2.2.a)	(4.3.2.a)	(4.4.2.a)	(4.5.2.a)	(4.6.2.a)	(4.7.2.a)
constant	41.33***	39.75***	24.00***	42.36***	25.00***	31.89***	31.05***	41.53***	39.96***	24.39***	42.59***	25.05***	32.44***	31.01***
	(1.12)	(1.42)	(6.18)	(1.76)	(6.20)	(6.70)	(7.56)	(1.12)	(1.44)	(6.20)	(1.76)	(6.19)	(6.75)	(7.55)
tdisincimfgdp5	0.02	0.00	0.07	0.04	0.08	0.07	0.09							
	(0.05)	(0.04)	(0.06)	(0.05)	(0.06)	(0.06)	(0.07)							
adisincimfgdp5								0.09	-0.03	0.37	0.20	0.46	0.37	0.51
								(0.23)	(0.23)	(0.32)	(0.25)	(0.31)	(0.31)	(0.33)
inf5		12.19*				18.05**	18.53**		11.84				18.01**	18.76***
		(7.15)				(7.00)	(7.21)		(7.17)				(7.05)	(7.22)
ln (igdppc5)			2.39**			0.83	8.93			2.32**			0.76	8.72
			(1.07)			(1.10)	(20.20)			(1.08)			(1.10)	(20.19)
gdpgr5				-0.43*		-0.14	0.23				-0.45*		-0.15	0.24
				(0.23)		(0.35)	(0.93)				(0.23)		(0.35)	(0.92)
ln (agdppc5)					2.17**		-8.22					2.14**		-8.05
					(1.06)		(20.23)					(1.07)		(20.21)
tdisincimfgdp5 * LA	0.23***	0.23***	-0.12	0.06	-0.14*	-0.12	-0.14*							
	(0.06)	(0.07)	(0.08)	(0.06)	(0.08)	(0.08)	(0.09)							
adisincimfgdp5 * LA								1.05***	1.03***	-0.65*	0.22	-0.76**	-0.64*	-0.81*
								(0.29)	(0.32)	(0.38)	(0.29)	(0.37)	(0.38)	(0.41)
inf5 * LA		1.81				-18.76*	-19.94*		2.66				-18.97*	-20.51**
		(7.88)				(9.69)	(10.19)		(7.79)				(9.76)	(10.27)
ln (igdppc5) * LA			1.07***			1.48**	5.14			1.10***			1.51**	6.85
			(0.36)			(0.65)	(34.65)			(0.35)			(0.64)	(34.70)
gdpgr5 * LA				1.56***		0.49	0.46				1.58***		0.49	0.49
				(0.29)		(0.55)	(1.25)				(0.29)		(0.55)	(1.24)
ln (agdppc5) * LA					1.18***		-3.52					1.22***		-5.16
					(0.34)		(35.00)					(0.34)		(35.04)
adjusted R-squared	0.08	0.14	0.24	0.14	0.24	0.28	0.27	0.07	0.13	0.24	0.14	0.24	0.27	0.27
# of cross sections used	62	57	61	62	61	56	55	62	57	61	62	61	56	55
∑ panel (unbalanced) observations:	162	139	159	161	158	137	133	161	138	158	160	158	136	133

Table A.19: Wald Test Results for The Significance of The Coefficients in Regression Results with LA Dummy (disincimfgdp5)

Model	Null Hypothesis	Coefficient Sums	F-Statistic	Prob	Model	Null Hypothesis	Coefficient Sums	F-Statistic	Prob
(4.1.2.t)	tdisincimfgdp5 + tdisincimfgdp5*LA=0	0.25***	14.42	0.00	(4.1.2.a)	adisincimfgdp5 + adisincimfgdp5*LA=0	1.14***	13.07	0.00
(4.2.2.t)	tdisincimfgdp5 + tdisincimfgdp5*LA=0	0.22***	11.75	0.00	(4.2.2.a)	adisincimfgdp5 + adisincimfgdp5*LA=0	0.99***	11.46	0.00
	inf5 + inf5*LA=0	14.01***	7.06	0.01		inf5 + inf5*LA=0	14.51***	7.73	0.01
(4.3.2.t)	tdisincimfgdp5 + tdisincimfgdp5*LA=0	-0.05	1.24	0.27	(4.3.2.a)	adisincimfgdp5 + adisincimfgdp5*LA=0	-0.28	1.87	0.17
	ln (igdppc5) + ln (igdppc5)*LA=0	3.46***	17.19	0.00		ln (igdppc5) + ln (igdppc5)*LA=0	3.43***	16.78	0.00
(4.4.2.t)	tdisincimfgdp5 + tdisincimfgdp5*LA=0	0.10*	2.95	0.09	(4.4.2.a)	adisincimfgdp5 + adisincimfgdp5*LA=0	0.42	2.47	0.12
	gdpgr5 + gdpgr5*LA=0	1.12***	11.50	0.00		gdpgr5 + gdpgr5*LA=0	1.13***	11.41	0.00
(4.5.2.t)	tdisincimfgdp5 + tdisincimfgdp5*LA=0	-0.06	1.60	0.21	(4.5.2.a)	adisincimfgdp5 + adisincimfgdp5*LA=0	-0.30	2.27	0.13
	ln (agdppc5) + ln (agdppc5)*LA=0	3.35***	15.97	0.00		ln (agdppc5) + ln (agdppc5)*LA=0	3.36***	16.07	0.00
(4.6.2.t)	tdisincimfgdp5 + tdisincimfgdp5*LA=0	-0.05	0.94	0.34	(4.6.2.a)	adisincimfgdp5 + adisincimfgdp5*LA=0	-0.27	1.52	0.22
	inf5 + inf5*LA=0	-0.71	0.01	0.91		inf5 + inf5*LA=0	-0.97	0.02	0.89
	ln (igdppc5) + ln (igdppc5)*LA=0	2.31**	5.75	0.02		ln (igdppc5) + ln (igdppc5)*LA=0	2.27**	5.49	0.02
	gdpgr5 + gdpgr5*LA=0	0.35	0.62	0.43		gdpgr5 + gdpgr5*LA=0	0.34	0.63	0.43
(4.7.2.t)	tdisincimfgdp5 + tdisincimfgdp5*LA=0	-0.05	0.96	0.33	(4.7.2.a)	adisincimfgdp5 + adisincimfgdp5*LA=0	-0.30	1.53	0.22
	inf5 + inf5*LA=0	-1.42	0.04	0.84		inf5 + inf5*LA=0	-1.75	0.06	0.81
	ln (igdppc5) + ln (igdppc5)*LA=0	14.07	0.20	0.65		ln (igdppc5) + ln (igdppc5)*LA=0	15.57	0.25	0.62
	gdpgr5 + gdpgr5*LA=0	0.69	0.50	0.48		gdpgr5 + gdpgr5*LA=0	0.73	0.56	0.45
	ln (agdppc5) + ln (agdppc5)*LA=0	-11.74	0.14	0.71		ln (agdppc5) + ln (agdppc5)*LA=0	-13.21	0.18	0.67

Table A.20: Regression Results with Latin American Countries (LA) Dummy (disgdp5)

Variables/Model	(4.1.3.t)	(4.2.3.t)	(4.3.3.t)	(4.4.3.t)	(4.5.3.t)	(4.6.3.t)	(4.7.3.t)	(4.1.3.a)	(4.2.3.a)	(4.3.3.a)	(4.4.3.a)	(4.5.3.a)	(4.6.3.a)	(4.7.3.a)
constant	41.47***	39.93***	23.99***	42.46***	25.08***	32.23***	31.71***	41.67***	40.15***	24.41***	42.68***	25.17***	32.80***	31.78***
	(1.10)	(1.47)	(6.31)	(1.70)	(6.32)	(6.82)	(7.70)	(1.10)	(1.49)	(6.32)	(1.70)	(6.32)	(6.86)	(7.70)
tdisgdp5	0.02	-0.01	0.06	0.05	0.08	0.08	0.11							
	(0.05)	(0.05)	(0.07)	(0.06)	(0.07)	(0.08)	(0.09)							
adisgdp5								0.06	-0.09	0.35	0.22	0.45	0.43	0.60
								(0.25)	(0.26)	(0.37)	(0.28)	(0.35)	(0.40)	(0.43)
inf5		12.05*				18.67**	19.40**		11.67				18.68**	19.80**
		(7.13)				(7.40)	(7.70)		(7.15)				(7.46)	(7.72)
ln (igdppc5)			2.42**			0.77	7.35			2.35**			0.69	6.87
			(1.10)			(1.16)	(20.30)			(1.10)			(1.16)	(20.34)
gdpgr5				-0.45**		-0.15	0.16				-0.47**		-0.16	0.17
				(0.23)		(0.34)	(0.91)				(0.23)		(0.34)	(0.90)
ln (agdppc5)					2.19**		-6.74					2.15**		-6.32
					(1.09)		(20.26)					(1.09)		(20.30)
tdisgdp5 * LA	0.24***	0.24***	-0.12	0.05	-0.14	-0.13	-0.17							
	(0.06)	(0.07)	(0.09)	(0.07)	(0.08)	(0.09)	(0.10)							
adisgdp5 * LA								1.10***	1.07***	-0.63	0.19	-0.75*	-0.72	-0.93*
								(0.31)	(0.33)	(0.42)	(0.32)	(0.40)	(0.46)	(0.49)
inf5 * LA		2.17				-19.48*	-20.95**		2.98				-19.76*	-21.69**
		(7.70)				(10.03)	(10.55)		(7.61)				(10.10)	(10.63)
ln (igdppc5) * LA			1.03***			1.50**	6.57			1.07***			1.54**	8.48
			(0.36)			(0.67)	(34.42)			(0.36)			(0.67)	(34.45)
gdpgr5 * LA				1.57***		0.50	0.52				1.60***		0.50	0.56
				(0.29)		(0.55)	(1.23)				(0.29)		(0.54)	(1.22)
ln (agdppc5) * LA					1.15***		-4.93					1.19***		-6.76
					(0.35)		(34.76)					(0.34)		(34.78)
adjusted R-squared	0.07	0.14	0.24	0.14	0.24	0.28	0.27	0.07	0.13	0.24	0.14	0.24	0.27	0.27
# of cross sections used	62	57	61	62	61	56	55	62	57	61	62	61	56	55
∑ panel (unbalanced) observations:	162	139	159	161	158	137	133	161	138	158	160	158	136	133

Table A.21: Wald Test Results for The Significance of The Coefficients in Regression Results with LA Dummy (disgdp5)

Model	Null Hypothesis	Coefficient Sums	F-Statistic	Prob	Model	Null Hypothesis	Coefficient Sums	F-Statistic	Prob
(4.1.3.t)	tdisgdp5 + tdisgdp5*LA=0	0.26***	13.74	0.00	(4.1.3.a)	adisgdp5 + adisgdp5*LA=0	1.16***	12.52	0.00
(4.2.3.t)	tdisgdp5 + tdisgdp5*LA=0	0.22***	11.35	0.00	(4.2.3.a)	adisgdp5 + adisgdp5*LA=0	0.98***	11.14	0.00
	inf5 + inf5*LA=0	14.23***	7.23	0.01		inf5 + inf5*LA=0	14.65***	7.82	0.01
(4.3.3.t)	tdisgdp5 + tdisgdp5*LA=0	-0.05	1.21	0.27	(4.3.3.a)	adisgdp5 + adisgdp5*LA=0	-0.28	1.84	0.18
	ln (igdppc5) + ln (igdppc5)*LA=0	3.46***	16.49	0.00		ln (igdppc5) + ln (igdppc5)*LA=0	3.42***	16.05	0.00
(4.4.3.t)	tdisgdp5 + tdisgdp5*LA=0	0.10*	2.80	0.10	(4.4.3.a)	adisgdp5 + adisgdp5*LA=0	0.41	2.33	0.13
	gdpgr5 + gdpgr5*LA=0	1.12***	11.58	0.00		gdpgr5 + gdpgr5*LA=0	1.13***	11.56	0.00
(4.5.3.t)	tdisgdp5 + tdisgdp5*LA=0	-0.06	1.59	0.21	(4.5.3.a)	adisgdp5 + adisgdp5*LA=0	-0.31	2.26	0.13
	ln (agdppc5) + ln (agdppc5)*LA=0	3.33***	15.22	0.00		ln (agdppc5) + ln (agdppc5)*LA=0	3.34***	15.25	0.00
(4.6.3.t)	tdisgdp5 + tdisgdp5*LA=0	-0.05	1.15	0.29	(4.6.3.a)	adisgdp5 + adisgdp5*LA=0	-0.30	1.74	0.19
	inf5 + inf5*LA=0	-0.81	0.01	0.90		inf5 + inf5*LA=0	-1.08	0.03	0.87
	ln (igdppc5) + ln (igdppc5)*LA=0	2.28**	5.46	0.02		ln (igdppc5) + ln (igdppc5)*LA=0	2.23**	5.20	0.02
	gdpgr5 + gdpgr5*LA=0	0.35	0.64	0.43		gdpgr5 + gdpgr5*LA=0	0.35	0.66	0.42
(4.7.3.t)	tdisgdp5 + tdisgdp5*LA=0	-0.06	1.18	0.28	(4.7.3.a)	adisgdp5 + adisgdp5*LA=0	-0.33	1.76	0.19
	inf5 + inf5*LA=0	-1.55	0.05	0.83		inf5 + inf5*LA=0	-1.89	0.07	0.80
	ln (igdppc5) + ln (igdppc5)*LA=0	13.92	0.20	0.65		ln (igdppc5) + ln (igdppc5)*LA=0	15.34	0.25	0.62
	gdpgr5 + gdpgr5*LA=0	0.69	0.50	0.48		gdpgr5 + gdpgr5*LA=0	0.73	0.57	0.45
	ln (agdppc5) + ln (agdppc5)*LA=0	-11.67	0.14	0.71		ln (agdppc5) + ln (agdppc5)*LA=0	-13.08	0.18	0.67

Table A.22: Regression Results with Sub-Saharan Africa Economies (SSA) Dummy (ibrdidagdp5)

Variables /Model	(4.1.1.t)	(4.2.1.t)	(4.3.1.t)	(4.4.1.t)	(4.5.1.t)	(4.6.1.t)	(4.7.1.t)	(4.1.1.a)	(4.2.1.a)	(4.3.1.a)	(4.4.1.a)	(4.5.1.a)	(4.6.1.a)	(4.7.1.a)
constant	41.74***	38.88***	8.13*	43.38***	8.73**	10.65*	8.94	41.77***	38.95***	8.26*	43.45***	8.52*	10.83*	8.48
	(1.12)	(1.36)	(4.16)	(1.86)	(4.41)	(5.83)	(5.88)	(1.13)	(1.37)	(4.21)	(1.87)	(4.40)	(6.02)	(5.84)
tibrdidagdp5	0.06	0.06	0.02	0.04	0.03	0.08	0.08							
	(0.05)	(0.06)	(0.06)	(0.06)	(0.06)	(0.07)	(0.07)							
aibrdidagdp5								0.31	0.32	0.12	0.18	0.20	0.39	0.41
								(0.27)	(0.29)	(0.30)	(0.28)	(0.30)	(0.37)	(0.34)
inf5		21.58***				16.01***	14.17**		21.44***				15.99***	14.23**
		(4.48)				(5.62)	(5.45)		(4.48)				(5.66)	(5.46)
ln (igdppc5)			4.93***			3.94***	42.10*			4.92***			3.92	42.35*
			(0.66)			(0.81)	(25.03)			(0.67)			(0.83)	(24.96)
gdpgr5				-0.32		0.27	1.40				-0.32		0.26	1.42
				(0.26)		(0.42)	(0.97)				(0.26)		(0.42)	(0.97)
ln (agdppc5)					4.80***		-38.26					4.82***		-38.46
					(0.69)		(25.25)					(0.69)		(25.18)
tibrdidagdp5 * SSA	0.01	0.10	0.20**	0.03	0.21***	0.15	0.23***							
	(0.05)	(0.06)	(0.08)	(0.06)	(0.08)	(0.10)	(0.08)							
aibrdidagdp5 * SSA								0.05	0.48	1.01**	0.13	1.07***	0.72***	1.16***
								(0.25)	(0.32)	(0.42)	(0.28)	(0.38)	(0.50)	(0.38)
inf5 * SSA		-34.37***				-24.76***	-27.11***		-34.23***				-24.36***	-26.54***
		(7.89)				(8.61)	(8.67)		(7.73)				(8.39)	(8.41)
ln (igdppc5) * SSA			-0.49			0.12	-2.01			-0.52			0.10	-0.17
			(0.45)			(0.80)	(40.18)			(0.46)			(0.81)	(39.86)
gdpgr5 * SSA				-0.11		0.10	0.60				-0.13		0.09	0.65
				(0.43)		(0.60)	(1.45)				(0.43)		(0.60)	(1.44)
ln (agdppc5) * SSA					-0.75**		1.13					-0.77**		-0.75
					(0.34)		(40.85)					(0.34)		(40.53)
adjusted R-squared	0.01	0.14	0.29	0.01	0.28	0.26	0.29	0.01	0.14	0.29	0.01	0.29	0.26	0.30
# of cross sections used	62	57	61	62	61	56	55	62	57	61	62	61	56	55
∑ panel (unbalanced) observations:	160	137	157	159	158	135	133	159	136	156	158	158	134	133

Table A.23: Wald Test Results for The Significance of The Coefficients in Regression Results with SSA Dummy (ibrdidagdp5)

Model	Null Hypothesis	Coefficient Sums	F-Statistic	Prob	Model	Null Hypothesis	Coefficient Sums	F-Statistic	Prob
(4.1.1.t)	tibrdidagdp5 + tibrdidagdp5*SSA=0	0.07*	3.06	0.08	(4.1.1.a)	aibrdidagdp5 + aibrdidagdp5*SSA=0	0.35*	3.14	0.08
(4.2.1.t)	tibrdidagdp5 + tibrdidagdp5*SSA=0	0.16***	11.25	0.00	(4.2.1.a)	aibrdidagdp5 + aibrdidagdp5*SSA=0	0.81***	11.62	0.00
	inf5 + inf5*SSA=0	-12.79*	3.63	0.06		inf5 + inf5*SSA=0	-12.79**	3.82	0.05
(4.3.1.t)	tibrdidagdp5 + tibrdidagdp5*SSA=0	0.22***	16.74	0.00	(4.3.1.a)	aibrdidagdp5 + aibrdidagdp5*SSA=0	1.13***	17.54	0.00
	ln (igdppc5) + ln (igdppc5)*SSA=0	4.44***	28.72	0.00		ln (igdppc5) + ln (igdppc5)*SSA=0	4.40***	27.57	0.00
(4.4.1.t)	tibrdidagdp5 + tibrdidagdp5*SSA=0	0.06	1.43	0.23	(4.4.1.a)	aibrdidagdp5 + aibrdidagdp5*SSA=0	0.31	1.48	0.23
	gdpgr5 + gdpgr5*SSA=0	-0.43	1.01	0.32		gdpgr5 + gdpgr5*SSA=0	-0.45	1.08	0.30
(4.5.1.t)	tibrdidagdp5 + tibrdidagdp5*SSA=0	0.25***	36.65	0.00	(4.5.1.a)	aibrdidagdp5 + aibrdidagdp5*SSA=0	1.27***	38.51	0.00
	ln (agdppc5) + ln (agdppc5)*SSA=0	4.05***	28.91	0.00		ln (agdppc5) + ln (agdppc5)*SSA=0	4.06***	29.11	0.00
(4.6.1.t)	tibrdidagdp5 + tibrdidagdp5*SSA=0	0.22***	10.75	0.00	(4.6.1.a)	aibrdidagdp5 + aibrdidagdp5*SSA=0	1.11***	11.49	0.00
	inf5 + inf5*SSA=0	-8.76	1.75	0.19		inf5 + inf5*SSA=0	-8.37	1.75	0.19
	ln (igdppc5) + ln (igdppc5)*SSA=0	4.06***	12.39	0.00		ln (igdppc5) + ln (igdppc5)*SSA=0	4.02***	11.66	0.00
	gdpgr5 + gdpgr5*SSA=0	0.36	0.72	0.40		gdpgr5 + gdpgr5*SSA=0	0.35	0.69	0.41
(4.7.1.t)	tibrdidagdp5 + tibrdidagdp5*SSA=0	0.31***	55.93	0.00	(4.7.1.a)	aibrdidagdp5 + aibrdidagdp5*SSA=0	1.56***	59.92	0.00
	inf5 + inf5*SSA=0	-12.94*	3.58	0.06		inf5 + inf5*SSA=0	-12.30*	3.58	0.06
	ln (igdppc5) + ln (igdppc5)*SSA=0	40.09	1.43	0.23		ln (igdppc5) + ln (igdppc5)*SSA=0	42.18	1.62	0.21
	gdpgr5 + gdpgr5*SSA=0	2.01*	2.69	0.10		gdpgr5 + gdpgr5*SSA=0	2.07*	2.88	0.09
	ln (agdppc5) + ln (agdppc5)*SSA=0	-37.12	1.20	0.27		ln (agdppc5) + ln (agdppc5)*SSA=0	-39.21	1.37	0.24

Table A.24: Regression Results with Sub-Saharan Africa Economies (SSA) Dummy (disincimfgdp5)

Variables /Model	(4.1.2.t)	(4.2.2.t)	(4.3.2.t)	(4.4.2.t)	(4.5.2.t)	(4.6.2.t)	(4.7.2.t)	(4.1.2.a)	(4.2.2.a)	(4.3.2.a)	(4.4.2.a)	(4.5.2.a)	(4.6.2.a)	(4.7.2.a)
constant	41.05***	38.99***	12.65**	42.49***	12.67**	19.99***	18.51**	41.13***	39.06***	13.17**	42.61***	12.78**	21.04***	18.68**
	(1.11)	(1.41)	(5.10)	(1.78)	(5.43)	(6.85)	(7.35)	(1.10)	(1.42)	(5.15)	(1.77)	(5.43)	(7.02)	(7.35)
tdisincimfgdp5	0.11**	0.06	-0.05	0.11**	-0.06	-0.02	-0.02							
	(0.04)	(0.04)	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)							
adisincimfgdp5								0.53***	0.31	-0.24	0.53**	-0.23	-0.06	-0.05
								(0.20)	(0.20)	(0.23)	(0.22)	(0.23)	(0.24)	(0.25)
inf5		20.53***				13.95**	12.84**		20.42***				13.97**	12.99**
		(4.33)				(5.59)	(5.78)		(4.33)				(5.65)	(5.83)
ln (igdppc5)			4.47***			3.06***	33.40			4.39***			2.92***	33.28
			(0.81)			(1.02)	(25.45)			(0.81)			(1.04)	(25.35)
gdpgr5				-0.37		-0.06	0.87				-0.38		-0.08	0.88
				(0.25)		(0.39)	(0.99)				(0.25)		(0.39)	(0.98)
ln (agdppc5)					4.44***		-30.43					4.41***		-30.36
					(0.84)		(25.65)					(0.84)		(25.54)
tdisincimfgdp5 * SSA	-0.02	0.11	0.12	-0.07	0.14	0.13	0.11							
	(0.06)	(0.08)	(0.12)	(0.06)	(0.12)	(0.16)	(0.16)							
adisincimfgdp5 * SSA								-0.10	0.53	0.59	-0.32	0.69	0.74	0.61
								(0.27)	(0.38)	(0.59)	(0.30)	(0.57)	(0.81)	(0.81)
inf5 * SSA		-25.66***				-16.34*	-12.97		-25.84***				-16.78*	-13.29
		(6.95)				(9.80)	(9.23)		(6.93)				(9.75)	(9.20)
ln (igdppc5) * SSA			0.21			0.03	-53.43			0.17			-0.08	-52.93
			(0.48)			(1.00)	(48.90)			(0.48)			(1.00)	(48.60)
gdpgr5 * SSA				0.29		0.46	-1.34				0.28		0.53	-1.28
				(0.37)		(0.69)	(1.81)				(0.37)		(0.69)	(1.80)
ln (agdppc5) * SSA					0.16		54.26					0.14		53.69
					(0.48)		(49.83)					(0.47)		(49.53)
adjusted R-squared	0.01	0.10	0.20	0.01	0.19	0.17	0.16	0.01	0.10	0.19	0.01	0.19	0.16	0.16
# of cross sections used	62	57	61	62	61	56	55	62	57	61	62	61	56	55
∑ panel observations:	162	139	159	161	158	137	133	161	138	158	160	158	136	133

Table A.25: Wald Test Results for The Significance of The Coefficients in Regression Results with SSA Dummy (disincimfgdp5)

Model	Null Hypothesis	Coefficient Sums	F-Statistic	Prob	Model	Null Hypothesis	Coefficient Sums	F-Statistic	Prob
(4.1.2.t)	tdisincimfgdp5 + tdisincimfgdp5*SSA=0	0.09	2.28	0.13	(4.1.2.a)	adisincimfgdp5 + adisincimfgdp5*SSA=0	0.42	2.22	0.14
(4.2.2.t)	tdisincimfgdp5 + tdisincimfgdp5*SSA=0	0.17**	4.85	0.03	(4.2.2.a)	adisincimfgdp5 + adisincimfgdp5*SSA=0	0.85**	4.83	0.03
	inf5 + inf5*SSA=0	-5.14	0.63	0.43		inf5 + inf5*SSA=0	-5.42	0.71	0.40
(4.3.2.t)	tdisincimfgdp5 + tdisincimfgdp5*SSA=0	0.06	0.30	0.58	(4.3.2.a)	adisincimfgdp5 + adisincimfgdp5*SSA=0	0.35	0.40	0.53
	ln (igdppc5) + ln (igdppc5)*SSA=0	4.68***	21.81	0.00		ln (igdppc5) + ln (igdppc5)*SSA=0	4.56***	20.52	0.00
(4.4.2.t)	tdisincimfgdp5 + tdisincimfgdp5*SSA=0	0.04	0.47	0.49	(4.4.2.a)	adisincimfgdp5 + adisincimfgdp5*SSA=0	0.21	0.44	0.51
	gdpgr5 + gdpgr5*SSA=0	-0.08	0.05	0.83		gdpgr5 + gdpgr5*SSA=0	-0.10	0.07	0.80
(4.5.2.t)	tdisincimfgdp5 + tdisincimfgdp5*SSA=0	0.08	0.59	0.44	(4.5.2.a)	adisincimfgdp5 + adisincimfgdp5*SSA=0	0.45	0.71	0.40
	ln (agdppc5) + ln (agdppc5)*SSA=0	4.60***	19.52	0.00		ln (agdppc5) + ln (agdppc5)*SSA=0	4.55***	19.20	0.00
(4.6.2.t)	tdisincimfgdp5 + tdisincimfgdp5*SSA=0	0.11	0.52	0.47	(4.6.2.a)	adisincimfgdp5 + adisincimfgdp5*SSA=0	0.68	0.73	0.39
	inf5 + inf5*SSA=0	-2.39	0.09	0.76		inf5 + inf5*SSA=0	-2.81	0.13	0.72
	ln (igdppc5) + ln (igdppc5)*SSA=0	3.10**	4.33	0.04		ln (igdppc5) + ln (igdppc5)*SSA=0	2.84*	3.54	0.06
	gdpgr5 + gdpgr5*SSA=0	0.39	0.51	0.48		gdpgr5 + gdpgr5*SSA=0	0.44	0.65	0.42
(4.7.2.t)	tdisincimfgdp5 + tdisincimfgdp5*SSA=0	0.09	0.37	0.54	(4.7.2.a)	adisincimfgdp5 + adisincimfgdp5*SSA=0	0.56	0.50	0.48
	inf5 + inf5*SSA=0	-0.13	0.00	0.99		inf5 + inf5*SSA=0	-0.30	0.00	0.97
	ln (igdppc5) + ln (igdppc5)*SSA=0	-20.03	0.22	0.64		ln (igdppc5) + ln (igdppc5)*SSA=0	-19.65	0.21	0.64
	gdpgr5 + gdpgr5*SSA=0	-0.46	0.09	0.77		gdpgr5 + gdpgr5*SSA=0	-0.40	0.07	0.80
	ln (agdppc5) + ln (agdppc5)*SSA=0	23.83	0.30	0.58		ln (agdppc5) + ln (agdppc5)*SSA=0	23.33	0.29	0.59

Table A.26: Regression Results with Sub-Saharan Africa Economies (SSA) Dummy (disgdp5)

Variables /Model	(4.1.3.t)	(4.2.3.t)	(4.3.3.t)	(4.4.3.t)	(4.5.3.t)	(4.6.3.t)	(4.7.3.t)	(4.1.3.a)	(4.2.3.a)	(4.3.3.a)	(4.4.3.a)	(4.5.3.a)	(4.6.3.a)	(4.7.3.a)
constant	41.02***	38.92***	12.59**	42.51***	12.61**	19.37***	18.18**	41.11***	38.99***	13.13**	42.63***	12.74**	20.41***	18.41**
	(1.10)	(1.44)	(5.15)	(1.73)	(5.47)	(6.87)	(7.53)	(1.08)	(1.45)	(5.20)	(1.72)	(5.47)	(7.03)	(7.53)
tdisgdp5	0.12***	0.07	-0.05	0.12**	-0.05	-0.02	-0.02							
	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)							
adisgdp5								0.58***	0.35*	-0.23	0.60***	-0.23	-0.05	-0.05
								(0.21)	(0.21)	(0.24)	(0.23)	(0.24)	(0.25)	(0.26)
inf5		20.59***				13.99**	12.84**		20.49***				14.02**	13.00**
		(4.40)				(5.57)	(5.77)		(4.40)				(5.63)	(5.82)
ln (igdppc5)			4.47***			3.13***	33.80			4.38***			2.99***	33.57
			(0.82)			(1.03)	(25.51)			(0.82)			(1.04)	(25.42)
gdpgr5				-0.39		-0.05	0.89				-0.40		-0.06	0.89
				(0.24)		(0.38)	(0.99)				(0.24)		(0.39)	(0.98)
ln (agdppc5)					4.44***		-30.79					4.40***		-30.62
					(0.85)		(25.68)					(0.85)		(25.58)
tdisgdp5 * SSA	-0.02	0.11	0.11	-0.08	0.14	0.07	0.08							
	(0.07)	(0.09)	(0.14)	(0.07)	(0.14)	(0.20)	(0.21)							
adisgdp5 * SSA								-0.09	0.54	0.57	-0.37	0.69	0.46	0.50
								(0.33)	(0.44)	(0.72)	(0.36)	(0.71)	(0.98)	(1.06)
inf5 * SSA		-22.79***				-14.70	-11.15		-22.97***				-14.78	-11.10
		(7.42)				(11.10)	(10.62)		(7.40)				(11.12)	(10.63)
ln (igdppc5) * SSA			0.27			0.37	-58.11			0.23			0.25	-58.78
			(0.49)			(1.06)	(50.91)			(0.49)			(1.06)	(50.77)
gdpgr5 * SSA				0.31		0.24	-1.63				0.30		0.31	-1.61
				(0.37)		(0.71)	(1.76)				(0.37)		(0.71)	(1.75)
ln (agdppc5) * SSA					0.21		59.19					0.20		59.79
					(0.49)		(51.60)					(0.49)		(51.46)
adjusted R-squared	0.01	0.10	0.20	0.02	0.19	0.16	0.16	0.01	0.10	0.19	0.02	0.19	0.15	0.16
# of cross sections used	62	57	61	62	61	56	55	62	57	61	62	61	56	55
∑ panel observations:	162	139	159	161	158	137	133	161	138	158	160	158	136	133

Table A.27: Wald Test Results for The Significance of The Coefficients in Regression Results with SSA Dummy (disgdp5)

Model	Null Hypothesis	Coefficient Sums	F-Statistic	Prob	Model	Null Hypothesis	Coefficient Sums	F-Statistic	Prob
(4.1.3.t)	tdisgdp5 + tdisgdp5*SSA=0	0.10	1.99	0.16	(4.1.3.a)	adisgdp5 + adisgdp5*SSA=0	0.48	1.94	0.17
(4.2.3.t)	tdisgdp5 + tdisgdp5*SSA=0	0.18**	3.90	0.05	(4.2.3.a)	adisgdp5 + adisgdp5*SSA=0	0.90**	3.87	0.05
	inf5 + inf5*SSA=0	-2.20	0.09	0.76		inf5 + inf5*SSA=0	-2.48	0.12	0.73
(4.3.3.t)	tdisgdp5 + tdisgdp5*SSA=0	0.06	0.16	0.69	(4.3.3.a)	adisgdp5 + adisgdp5*SSA=0	0.34	0.23	0.63
	ln (igdppc5) + ln (igdppc5)*SSA=0	4.74***	21.08	0.00		ln (igdppc5) + ln (igdppc5)*SSA=0	4.61***	19.79	0.00
(4.4.3.t)	tdisgdp5 + tdisgdp5*SSA=0	0.05	0.38	0.54	(4.4.3.a)	adisgdp5 + adisgdp5*SSA=0	0.23	0.35	0.55
	gdpgr5 + gdpgr5*SSA=0	-0.08	0.04	0.83		gdpgr5 + gdpgr5*SSA=0	-0.10	0.07	0.80
(4.5.3.t)	tdisgdp5 + tdisgdp5*SSA=0	0.08	0.38	0.54	(4.5.3.a)	adisgdp5 + adisgdp5*SSA=0	0.47	0.47	0.50
	ln (agdppc5) + ln (agdppc5)*SSA=0	4.65***	18.97	0.00		ln (agdppc5) + ln (agdppc5)*SSA=0	4.60***	18.60	0.00
(4.6.3.t)	tdisgdp5 + tdisgdp5*SSA=0	0.05	0.08	0.78	(4.6.3.a)	adisgdp5 + adisgdp5*SSA=0	0.41	0.18	0.68
	inf5 + inf5*SSA=0	-0.71	0.01	0.94		inf5 + inf5*SSA=0	-0.76	0.01	0.94
	ln (igdppc5) + ln (igdppc5)*SSA=0	3.51**	5.01	0.03		ln (igdppc5) + ln (igdppc5)*SSA=0	3.23**	4.19	0.04
	gdpgr5 + gdpgr5*SSA=0	0.20	0.12	0.73		gdpgr5 + gdpgr5*SSA=0	0.25	0.19	0.67
(4.7.3.t)	tdisgdp5 + tdisgdp5*SSA=0	0.07	0.10	0.75	(4.7.3.a)	adisgdp5 + adisgdp5*SSA=0	0.45	0.18	0.67
	inf5 + inf5*SSA=0	1.69	0.03	0.85		inf5 + inf5*SSA=0	1.91	0.04	0.83
	ln (igdppc5) + ln (igdppc5)*SSA=0	-24.32	0.29	0.59		ln (igdppc5) + ln (igdppc5)*SSA=0	-25.21	0.31	0.58
	gdpgr5 + gdpgr5*SSA=0	-0.74	0.24	0.63		gdpgr5 + gdpgr5*SSA=0	-0.72	0.22	0.64
	ln (agdppc5) + ln (agdppc5)*SSA=0	28.40	0.38	0.54		ln (agdppc5) + ln (agdppc5)*SSA=0	29.17	0.41	0.52

Table A.28: Pooled OLS Results for ibrdidagdp5 + voaccount (White Heteroskedasticity-Consistent Standard Errors & Covariance):

Variables /Model	(4.8.1.t.2)	(4.9.1.t.2)	(4.10.1.t.2)	(4.11.1.t.2)	(4.12.1.t.2)	(4.13.1.t.2)	(4.14.1.t.2)	(4.8.1.a.2)	(4.9.1.a.2)	(4.10.1.a.2)	(4.11.1.a.2)	(4.12.1.a.2)	(4.13.1.a.2)	(4.14.1.a.2)
constant	34.20*** (1.58)	33.73*** (1.94)	9.31** (3.91)	35.18*** (2.31)	9.38** (4.28)	10.69** (5.37)	6.63 (5.82)	34.16*** (1.57)	33.67*** (1.94)	9.46** (3.93)	35.15*** (2.31)	8.98** (4.24)	10.78* (5.50)	6.16 (5.76)
tibrdidagdp5	0.07* (0.04)	0.07* (0.04)	0.15*** (0.04)	0.07 (0.04)	0.15*** (0.04)	0.14*** (0.05)	0.15*** (0.05)							
aibrdidagdp5								0.35* (0.20)	0.35* (0.21)	0.73*** (0.21)	0.32 (0.22)	0.78*** (0.20)	0.73*** (0.25)	0.80*** (0.25)
voaccount	14.72*** (3.51)	11.25*** (3.94)	0.51 (3.73)	14.15*** (3.65)	0.89 (3.63)	0.48 (3.99)	2.62 (3.63)	14.96*** (3.54)	11.55*** (3.98)	0.66 (3.79)	14.43*** (3.67)	0.56 (3.59)	0.61 (4.06)	2.38 (3.58)
inf5		13.92*** (4.18)				11.02** (4.31)	10.54** (4.38)		13.68*** (4.17)				11.09** (4.32)	10.71** (4.38)
ln (igdppc5)			4.55*** (0.63)			3.98*** (0.71)	37.01* (20.19)			4.52*** (0.64)			3.95*** (0.73)	36.91* (20.12)
gdpgr5				-0.14 (0.23)		0.16 (0.30)	1.32 (0.81)				-0.15 (0.23)		0.16 (0.31)	1.33 (0.80)
ln (agdppc5)					4.46*** (0.67)		-33.09 (20.24)					4.52*** (0.66)		-32.93 (20.17)
adjusted R-squared	0.11	0.12	0.27	0.10	0.25	0.24	0.24	0.11	0.12	0.26	0.10	0.26	0.23	0.25
# of cross sections used	62	57	61	62	61	56	55	62	57	61	62	61	56	55
∑ panel (unbalanced) observations:	160	137	157	159	158	139	133	159	136	156	158	158	134	133

Table A.29: Pooled OLS Results for ibrdidagdp5 + goveff (White Heteroskedasticity-Consistent Standard Errors & Covariance):

Variables /Model	(4.8.1.t.3)	(4.9.1.t.3)	(4.10.1.t.3)	(4.11.1.t.3)	(4.12.1.t.3)	(4.13.1.t.3)	(4.14.1.t.3)	(4.8.1.a.3)	(4.9.1.a.3)	(4.10.1.a.3)	(4.11.1.a.3)	(4.12.1.a.3)	(4.13.1.a.3)	(4.14.1.a.3)
constant	37.40*** (3.30)	34.59*** (3.47)	10.64** (4.78)	38.21*** (3.41)	10.68** (4.91)	10.72* (5.58)	6.75 (5.88)	37.38*** (3.29)	34.56*** (3.46)	10.64** (4.79)	38.20*** (3.40)	10.37** (4.89)	10.67* (5.68)	6.29 (5.82)
tibrdidagdp5	0.08** (0.04)	0.08* (0.04)	0.14*** (0.04)	0.07 (0.04)	0.14*** (0.04)	0.14*** (0.05)	0.16*** (0.05)							
aibrdidagdp5								0.43** (0.20)	0.41** (0.21)	0.70*** (0.21)	0.35 (0.22)	0.74*** (0.20)	0.73*** (0.25)	0.81*** (0.25)
goveff	9.12 (6.71)	10.34 (7.06)	-6.21 (6.94)	11.95 (7.51)	-7.99 (6.87)	-6.00 (7.95)	-5.45 (7.40)	9.25 (6.69)	10.55 (7.03)	-5.93 (6.92)	12.17 (7.51)	-7.90 (6.84)	-5.65 (7.98)	-5.34 (7.37)
inf5		15.36*** (4.49)				10.92*** (4.22)	10.69*** (4.30)		15.21*** (4.49)				11.01** (4.23)	10.85** (4.29)
ln (igdppc5)			4.81*** (0.60)			4.35*** (0.73)	32.47 (19.88)			4.79*** (0.61)			4.33*** (0.75)	32.71 (19.81)
gdpgr5				-0.44* (0.26)		0.24 (0.33)	1.25 (0.80)				-0.45* (0.26)		0.24 (0.33)	1.26 (0.80)
ln (agdppc5)					4.86*** (0.64)		-28.03 (19.87)					4.89*** (0.64)		-28.23 (19.80)
adjusted R-squared	0.02	0.08	0.27	0.03	0.26	0.24	0.24	0.02	0.08	0.27	0.02	0.27	0.24	0.25
# of cross sections used	62	57	61	62	61	56	55	62	57	61	62	61	56	55
∑ panel (unbalanced) observations:	160	137	157	159	158	139	133	159	136	156	158	158	134	133

Table A.30: Pooled OLS Results for ibrdidagdp5 + requal (White Heteroskedasticity-Consistent Standard Errors & Covariance):

Variables /Model	(4.8.1.t.4)	(4.9.1.t.4)	(4.10.1.t.4)	(4.11.1.t.4)	(4.12.1.t.4)	(4.13.1.t.4)	(4.14.1.t.4)	(4.8.1.a.4)	(4.9.1.a.4)	(4.10.1.a.4)	(4.11.1.a.4)	(4.12.1.a.4)	(4.13.1.a.4)	(4.14.1.a.4)
constant	19.05*** (4.24)	21.12*** (4.60)	7.54 (4.63)	20.79*** (4.38)	7.68 (4.79)	9.73* (5.56)	3.25 (5.62)	19.35*** (4.23)	21.38*** (4.60)	7.68 (4.65)	21.08*** (4.38)	7.49 (4.77)	9.86* (5.65)	2.92 (5.57)
tibrdidagdp5	0.10** (0.04)	0.09** (0.04)	0.14*** (0.04)	0.08* (0.04)	0.15*** (0.04)	0.14*** (0.05)	0.15*** (0.05)							
aibrdidagdp5								0.48** (0.20)	0.43** (0.21)	0.73*** (0.21)	0.41* (0.22)	0.76*** (0.20)	0.70*** 80.25)	0.76*** (0.25)
requal	35.81*** (6.89)	29.50*** (7.56)	8.79 (7.64)	35.25*** (6.99)	9.32 (7.57)	8.81 (8.51)	16.37** (8.29)	35.40*** (6.88)	29.15*** (7.55)	8.71 (7.64)	34.88*** (6.99)	8.83 (7.56)	8.69 (8.55)	15.93* (8.30)
inf5		11.97** (4.64)				10.49** (4.62)	9.35* (4.88)		11.90** (4.63)				10.55** (4.64)	9.54* (4.86)
ln (igdppc5)			4.05*** (0.69)			3.42*** (0.81)	43.23** (20.88)			4.04*** (0.70)			3.40*** (0.82)	43.15** (20.81)
gdpgr5				-0.28 (0.22)		0.09 (0.32)	1.45* (0.82)				-0.29 (0.22)		0.09 (0.33)	1.46* (0.81)
ln (agdppc5)					3.93*** (0.74)		-40.11* (21.07)					3.99*** (0.74)		-39.97* (21.01)
adjusted R-squared	0.16	0.17	0.27	0.16	0.26	0.24	0.26	0.16	0.17	0.27	0.16	0.26	0.24	0.25
# of cross sections used	62	57	61	62	61	56	55	62	57	61	62	61	56	55
∑ panel (unbalanced) observations:	160	137	157	159	158	139	133	159	136	156	158	158	134	133

Table A.31: Pooled OLS Results for ibrdidagdp5 + rule (White Heteroskedasticity-Consistent Standard Errors & Covariance):

Variables /Model	(4.8.1.t.5)	(4.9.1.t.5)	(4.10.1.t.5)	(4.11.1.t.5)	(4.12.1.t.5)	(4.13.1.t.5)	(4.14.1.t.5)	(4.8.1.a.5)	(4.9.1.a.5)	(4.10.1.a.5)	(4.11.1.a.5)	(4.12.1.a.5)	(4.13.1.a.5)	(4.14.1.a.5)
constant	38.67*** (2.46)	36.68*** (2.71)	9.74** (4.17)	40.22*** (2.70)	9.32** (4.42)	10.12* (5.50)	6.42 (5.87)	38.57*** (2.45)	36.59*** (2.70)	9.72** (4.18)	40.14*** (2.69)	9.02** (4.41)	10.05* (5.63)	5.96 (5.82)
tibrdidagdp5	0.08** (0.04)	0.07* (0.04)	0.14*** (0.04)	0.06 (0.04)	0.15*** (0.04)	0.14*** (0.05)	0.16*** (0.05)							
aibrdidagdp5								0.41** (0.19)	0.38* (0.21)	0.70*** (0.21)	0.32 (0.22)	0.75*** (0.20)	0.73*** (0.25)	0.81*** (0.25)
rule	6.95 (5.22)	6.16 (5.47)	-7.17 (5.46)	7.67 (5.63)	-7.83 (5.39)	-5.59 (5.67)	-4.22 (5.31)	7.28 (5.19)	6.51 (5.45)	-6.95 (5.49)	8.08 (5.63)	-7.88 (5.37)	-5.35 (5.73)	-4.18 (5.30)
inf5		15.58*** (4.44)				10.57** (4.26)	10.47** (4.35)		15.43*** (4.44)				10.68** (4.26)	10.63** (4.34)
ln (igdppc5)			4.97*** (0.62)			4.40*** (0.74)	31.35 (19.91)			4.95*** (0.62)			4.38*** (0.76)	31.58 (19.83)
gdpgr5				-0.38 (0.25)		0.24 (0.32)	1.19 (0.80)				-0.39 (0.25)		0.24 (0.32)	1.21 (0.79)
ln (agdppc5)					5.00*** (0.66)		-26.93 (19.93)					5.04*** (0.66)		-27.12 (19.85)
adjusted R-squared	0.02	0.08	0.28	0.03	0.27	0.24	0.24	0.02	0.08	0.27	0.03	0.27	0.24	0.25
# of cross sections used	62	57	61	62	61	56	55	62	57	61	62	61	56	55
∑ panel (unbalanced) observations:	160	137	157	159	158	139	133	159	136	156	158	158	134	133

Table A.32: Pooled OLS Results for ibrdidagdp5 + contcorr (White Heteroskedasticity-Consistent Standard Errors & Covariance):

Variables /Model	(4.8.1.t.6)	(4.9.1.t.6)	(4.10.1.t.6)	(4.11.1.t.6)	(4.12.1.t.6)	(4.13.1.t.6)	(4.14.1.t.6)	(4.8.1.a.6)	(4.9.1.a.6)	(4.10.1.a.6)	(4.11.1.a.6)	(4.12.1.a.6)	(4.13.1.a.6)	(4.14.1.a.6)
constant	36.66*** (2.07)	35.96*** (2.30)	9.02** (4.02)	38.41*** (2.48)	8.79** (4.34)	9.86* (5.46)	5.95 (5.90)	36.72*** (2.06)	35.99*** (2.30)	9.09** (4.05)	38.47*** (2.48)	8.48* (4.33)	9.84* (5.60)	5.48 (5.84)
tibrdidagdp5	0.09** (0.04)	0.08* (0.04)	0.14*** (0.04)	0.08* (0.04)	0.15*** (0.04)	0.14*** (0.05)	0.16*** (0.05)							
aibrdidagdp5								0.46** (0.19)	0.41** (0.20)	0.72*** (0.21)	0.37* (0.21)	0.77*** (0.20)	0.73*** (0.25)	0.81*** (0.25)
contcorr	14.13*** (5.31)	9.90* (5.69)	-3.73 (6.06)	14.12** (5.71)	-3.95 (5.92)	-4.42 (6.21)	-4.13 (5.89)	14.12*** (5.30)	9.99* (5.68)	-3.58 (6.06)	14.18** (5.71)	-4.09 (5.89)	-4.27 (6.23)	-4.16 (5.89)
inf5		14.92*** (4.35)				10.92** (4.29)	10.69** (4.35)		14.76*** (4.34)				11.01** (4.30)	10.85** (4.34)
ln (igdppc5)			4.82*** (0.63)			4.3*** (0.75)	32.48 (20.04)			4.80*** (0.63)			4.32*** (0.77)	32.68 (19.96)
gdpgr5				-0.36 (0.24)		0.19 (0.30)	1.20 (0.80)				-0.36 (0.24)		0.20 (0.31)	1.22 (0.80)
ln (agdppc5)					4.80*** (0.67)		-28.05 (20.04)					4.84*** (0.67)		-28.20 (19.97)
adjusted R-squared	0.05	0.09	0.27	0.05	0.26	0.24	0.24	0.05	0.09	0.27	0.05	0.26	0.24	0.25
# of cross sections used	62	57	61	62	61	56	55	62	57	61	62	61	56	55
∑ panel (unbalanced) observations:	160	137	157	159	158	139	133	159	136	156	158	158	134	133

Table A.33: Pooled OLS Results for disincimfgdp5 + polins (White Heteroskedasticity-Consistent Standard Errors & Covariance):

Variables /Model	(4.8.2.t.1)	(4.9.2.t.1)	(4.10.2.t.1)	(4.11.2.t.1)	(4.12.2.t.1)	(4.13.2.t.1)	(4.14.2.t.1)	(4.8.2.a.1)	(4.9.2.a.1)	(4.10.2.a.1)	(4.11.2.a.1)	(4.12.2.a.1)	(4.13.2.a.1)	(4.14.2.a.1)
constant	36.42***	33.61***	17.06***	38.01***	17.79***	22.04***	18.78***	36.59***	33.79***	17.46***	38.20***	17.83***	22.66***	18.76***
	(2.21)	(2.36)	(5.10)	(2.36)	(5.21)	(5.85)	(6.49)	(2.20)	(2.36)	(5.15)	(2.35)	(5.23)	(5.92)	(6.49)
tdisincimfgdp5	0.07*	0.04	0.02	0.05	0.02	-0.01	-0.02							
	(0.04)	(0.04)	(0.05)	(0.05)	(0.04)	(0.05)	(0.05)							
adisincimfgdp5								0.36*	0.19	0.09	0.26	0.12	-0.02	-0.05
								(0.19)	(0.17)	(0.22)	(0.23)	(0.22)	(0.22)	(0.24)
polins	9.51**	11.70***	1.19	9.88**	1.66	6.25	7.27	9.30**	11.51***	1.19	9.68**	1.62	6.33	7.19
	(4.00)	(4.23)	(4.17)	(4.33)	(4.13)	(4.69)	(4.49)	(4.01)	(4.24)	(4.18)	(4.34)	(4.14)	(4.70)	(4.50)
inf5		15.38***				11.16**	10.21**		15.21***				11.08**	10.30**
		(4.00)				(4.46)	(4.65)		(4.02)				(4.50)	(4.67)
ln (igdppc5)			3.67***			2.43**	29.14			3.61***			2.34**	28.97
			(0.82)			(0.95)	(21.96)			(0.82)			(0.96)	(21.90)
gdpgr5				-0.36		-0.15	0.71				-0.36		-0.16	0.72
				(0.24)		(0.30)	(0.87)				(0.24)		(0.30)	(0.87)
ln (agdppc5)					3.50***		-26.61					3.48***		-26.45
					(0.83)		(21.87)					(0.84)		(21.82)
adjusted R-squared	0.04	0.12	0.18	0.05	0.16	0.17	0.17	0.04	0.12	0.17	0.05	0.16	0.16	0.17
# of cross sections used	62	57	61	62	61	56	55	62	57	61	62	61	56	55
∑ panel (unbalanced) observations:	162	139	159	161	158	137	133	161	138	158	160	158	136	133

Table A.34: Pooled OLS Results for disincimfgdp5 + voaccount (White Heteroskedasticity-Consistent Standard Errors & Covariance):

Variables /Model	(4.8.2.t.2)	(4.9.2.t.2)	(4.10.2.t.2)	(4.11.2.t.2)	(4.12.2.t.2)	(4.13.2.t.2)	(4.14.2.t.2)	(4.8.2.a.2)	(4.9.2.a.2)	(4.10.2.a.2)	(4.11.2.a.2)	(4.12.2.a.2)	(4.13.2.a.2)	(4.14.2.a.2)
constant	34.94*** (1.67)	34.78*** (1.99)	17.77*** (5.08)	36.07*** (2.29)	18.90*** (5.22)	21.88*** (6.00)	18.60*** (6.68)	34.95*** (1.66)	34.78*** (1.98)	18.33*** (5.13)	36.11*** (2.27)	18.94*** (5.23)	22.63*** (6.09)	18.61*** (6.69)
tdisincimfgdp5	0.07* (0.04)	0.06 (0.04)	0.02 (0.05)	0.06 (0.05)	0.02 (0.04)	0.01 (0.05)	0.00 (0.05)							
adisincimfgdp5								0.33** (0.19)	0.28 (0.18)	0.10 (0.22)	0.29 (0.22)	0.12 (0.21)	0.04 (0.22)	0.01 (0.24)
voaccount	13.17*** (3.59)	9.38** (3.96)	2.92 (3.85)	12.47*** (3.77)	4.49 (3.84)	2.40 (4.20)	5.23 (4.05)	13.46*** (3.63)	9.67** (4.02)	3.44 (3.92)	12.76*** (3.81)	4.47 (3.84)	2.98 (4.29)	5.19 (4.05)
inf5		14.31*** (4.15)				10.69** (4.53)	9.50** (4.75)		14.07*** (4.15)				10.61** (4.57)	9.61** (4.77)
ln (igdppc5)			3.44*** (0.87)			2.71*** (0.95)	32.39 (21.77)			3.32*** (0.88)			2.57*** (0.96)	32.16 (21.75)
gdpgr5				-0.16 (0.22)		-0.11 (0.30)	0.85 (0.86)				-0.17 (0.22)		-0.12 (0.30)	0.85 (0.86)
ln (agdppc5)					3.13*** (0.88)		-29.74 (21.76)					3.12*** (0.88)		-29.52 (21.73)
adjusted R-squared	0.09	0.10	0.18	0.08	0.17	0.16	0.16	0.09	0.11	0.18	0.09	0.17	0.15	0.16
# of cross sections used	62	57	61	62	61	56	55	62	57	61	62	61	56	55
∑ panel (unbalanced) observations:	162	139	159	161	158	137	133	161	138	158	160	158	136	133

Table A.35: Pooled OLS Results for disincimfgdp5 + goveff (White Heteroskedasticity-Consistent Standard Errors & Covariance):

Variables /Model	(4.8.2.t.3)	(4.9.2.t.3)	(4.10.2.t.3)	(4.11.2.t.3)	(4.12.2.t.3)	(4.13.2.t.3)	(4.14.2.t.3)	(4.8.2.a.3)	(4.9.2.a.3)	(4.10.2.a.3)	(4.11.2.a.3)	(4.12.2.a.3)	(4.13.2.a.3)	(4.14.2.a.3)
constant	39.79***	37.17***	19.22***	40.30***	19.67***	21.62***	19.01***	39.83***	37.22***	19.53***	40.35***	19.71***	22.14***	19.05***
	(3.11)	(3.40)	(5.44)	(3.16)	(5.41)	(6.01)	(6.85)	(3.09)	(3.39)	(5.47)	(3.15)	(5.42)	(6.07)	(6.85)
tdisincimfgdp5	0.10**	0.08**	0.01	0.08*	0.02	0.01	0.01							
	(0.04)	(0.04)	(0.05)	(0.05)	(0.04)	(0.05)	(0.05)							
adisincimfgdp5								0.48**	0.37**	0.08	0.38*	0.11	0.06	0.06
								(0.19)	(0.18)	(0.22)	(0.22)	(0.21)	(0.22)	(0.24)
goveff	3.04	4.57	-11.81	5.93	-12.90*	-7.92	-7.02	3.10	4.63	-11.56	6.09	-12.88*	-7.42	-7.09
	(6.73)	(7.15)	(7.24)	(7.73)	(7.21)	(8.27)	(8.04)	(6.72)	(7.14)	(7.22)	(7.73)	(7.21)	(8.29)	(8.02)
inf5		15.46***				10.58**	9.98**					4.17***	10.54***	10.10**
		(4.39)				(4.44)	(4.60)					(0.77)	(4.48)	(4.60)
ln (igdppc5)			4.21***			3.36***	23.70		15.32***				3.26***	23.42
			(0.75)			(0.86)	(21.07)		(4.39)				(0.87)	(21.04)
gdpgr5				-0.36		0.01	0.68			4.15***			-0.01	0.68
				(0.26)		(0.32)	(0.87)			(0.76)			(0.32)	(0.86)
ln (agdppc5)					4.18***		-20.26				-0.37			-20.00
					(0.77)		(20.89)				(0.26)			(20.85)
adjusted R-squared	0.01	0.07	0.20	0.02	0.18	0.16	0.16	0.01	0.07	0.19	0.02	0.18	0.15	0.16
# of cross sections used	62	57	61	62	61	56	55	62	57	61	62	61	56	55
∑ panel (unbalanced) observations:	162	139	159	161	158	137	133	161	138	158	160	158	136	133

Table A.36: Pooled OLS Results for disincimfgdp5 + requal (White Heteroskedasticity-Consistent Standard Errors & Covariance):

Variables /Model	(4.8.2.t.4)	(4.9.2.t.4)	(4.10.2.t.4)	(4.11.2.t.4)	(4.12.2.t.4)	(4.13.2.t.4)	(4.14.2.t.4)	(4.8.2.a.4)	(4.9.2.a.4)	(4.10.2.a.4)	(4.11.2.a.4)	(4.12.2.a.4)	(4.13.2.a.4)	(4.12.2.4.4)
constant	22.63*** (4.48)	24.32*** (4.69)	15.01*** (5.63)	24.26*** (4.53)	15.72*** (5.66)	19.37*** (6.22)	13.36** (6.73)	22.93*** (4.49)	24.65*** (4.70)	15.38*** (5.68)	24.57*** (4.54)	15.76*** (5.69)	19.95*** (6.28)	13.32* (6.78)
tdisincimfgdp5	0.04 (0.04)	0.03 (0.04)	0.01 (0.05)	0.02 (0.05)	0.02 (0.04)	-0.01 (0.05)	-0.03 (0.05)							
adisincimfgdp5								0.20 (0.19)	0.12 (0.18)	0.07 (0.22)	0.10 (0.22)	0.09 (0.21)	-0.04 (0.24)	-0.14 (0.26)
requal	31.40*** (7.54)	25.91*** (8.02)	11.13 (7.98)	31.61*** (7.92)	12.46 (8.00)	14.90* (8.87)	22.32** (9.02)	31.06*** (7.58)	25.53*** (8.09)	11.33 (7.99)	31.29*** (7.97)	12.38 (8.03)	15.23* (8.97)	22.24** (9.11)
inf5		12.40*** (4.48)				9.65* (4.99)	7.44 (5.36)		12.25*** (4.50)				9.52* (5.05)	7.49 (5.39)
ln (igdppc5)			3.06*** (0.85)			2.02** (0.91)	40.23* (21.75)			2.99*** (0.85)			1.91** (0.92)	40.22* (21.82)
gdpgr5				-0.34 (0.22)		-0.22 (0.32)	0.97 (0.86)				-0.35 (0.22)		-0.23 (0.32)	0.98 (0.85)
ln (agdppc5)					2.81*** (0.87)		-38.35* (21.83)					2.81*** (0.87)		-38.34* (21.89)
adjusted R-squared	0.13	0.15	0.19	0.13	0.17	0.17	0.18	0.12	0.14	0.18	0.13	0.17	0.17	0.16
# of cross sections used	62	57	61	62	61	56	55	62	57	61	62	61	56	55
∑ panel (unbalanced) observations:	162	139	159	161	158	137	133	161	138	158	160	158	136	133

Table A.37: Pooled OLS Results for disincimfgdp5 + rule (White Heteroskedasticity-Consistent Standard Errors & Covariance):

Variables /Model	(4.8.2.t.5)	(4.9.2.t.5)	(4.10.2.t.5)	(4.11.2.t.5)	(4.12.2.t.5)	(4.13.2.t.5)	(4.14.2.t.5)	(4.8.2.a.5)	(4.9.2.a.5)	(4.10.2.a.5)	(4.11.2.a.5)	(4.12.2.a.5)	(4.13.2.a.5)	(4.14.2.a.5)
constant	40.10*** (2.30)	38.30*** (2.59)	17.48*** (4.98)	41.29*** (2.42)	17.80*** (5.07)	20.91*** (5.94)	18.66*** (6.83)	40.08*** (2.28)	38.29*** (2.58)	17.78*** (5.02)	41.30*** (2.40)	17.85*** (5.08)	21.44*** (6.03)	18.69*** (6.84)
tdisincimfgdp5	0.10** (0.04)	0.08** (0.04)	0.02 (0.05)	0.08 (0.05)	0.02 (0.05)	0.01 (0.05)	0.01 (0.05)							
adisincimfgdp5								0.47** (0.20)	0.37** (0.18)	0.10 (0.22)	0.38* (0.23)	0.13 (0.22)	0.08 (0.22)	0.07 (0.24)
rule	2.61 (5.38)	2.07 (5.57)	-10.27* (5.67)	3.64 (6.00)	-9.96* (5.64)	-6.73 (6.13)	-4.99 (5.76)	2.85 (5.39)	2.30 (5.57)	-9.98* (5.71)	3.99 (6.03)	-9.97* (5.65)	-6.28 (6.21)	-5.07 (5.76)
inf5		15.51*** (4.39)				10.25** (4.50)	9.73** (4.66)		15.38*** (4.39)				10.25** (4.53)	9.85** (4.67)
ln (igdppc5)			4.30*** (0.77)			3.37*** (0.89)	22.46 (20.98)			4.24*** (0.78)			3.26*** (0.91)	22.13 (20.94)
gdpgr5				-0.33 (0.24)		0.00 (0.32)	0.61 (0.86)				-0.34 (0.25)		-0.01 (0.32)	0.61 (0.85)
ln (agdppc5)					4.21*** (0.80)		-19.08 (20.84)					4.19*** (0.80)		-18.77 (20.80)
adjusted R-squared	0.01	0.07	0.20	0.02	0.18	0.16	0.16	0.01	0.07	0.19	0.02	0.18	0.16	0.16
# of cross sections used	62	57	61	62	61	56	55	62	57	61	62	61	56	55
∑ panel (unbalanced) observations:	162	139	159	161	158	137	133	161	138	158	160	158	136	133

Table A.38: Pooled OLS Results for disincimfgdp5 + contcorr (White Heteroskedasticity-Consistent Standard Errors & Covariance):

Variables /Model	(4.8.2.t.6)	(4.9.2.t.6)	(4.10.2.t.6)	(4.11.2.t.6)	(4.12.2.t.6)	(4.13.2.t.6)	(4.14.2.t.6)	(4.8.2.a.6)	(4.9.2.a.6)	(4.10.2.a.6)	(4.11.2.a.6)	(4.12.2.a.6)	(4.13.2.a.6)	(4.14.2.a.6)
constant	38.52*** (1.99)	37.81*** (2.23)	16.69*** (4.92)	40.08*** (2.26)	17.30*** (5.06)	20.44*** (5.88)	18.11*** (6.84)	38.59*** (1.98)	37.88*** (2.22)	17.07*** (4.96)	40.16*** (2.24)	17.35*** (5.08)	21.03*** (5.97)	18.14*** (6.85)
tdisincimfgdp5	0.09** (0.04)	0.07* (0.04)	0.02 (0.05)	0.07 (0.05)	0.02 (0.04)	0.01 (0.05)	0.01 (0.05)							
adisincimfgdp5								0.43** (0.20)	0.35* (0.18)	0.10 (0.22)	0.33 (0.23)	0.13 (0.21)	0.07 (0.22)	0.06 (0.23)
contcorr	8.52 (5.62)	4.50 (5.93)	-7.09 (6.39)	9.08 (6.17)	-5.89 (6.23)	-6.25 (6.69)	-4.83 (6.33)	8.54 (5.62)	4.53 (5.93)	-6.83 (6.39)	9.15 (6.18)	-5.88 (6.23)	-5.90 (6.70)	-4.89 (6.33)
inf5		15.23*** (4.32)				10.66** (4.51)	9.94** (4.65)		15.08*** (4.33)				10.62** (4.55)	10.07** (4.66)
ln (igdppc5)			4.15*** (0.80)			3.35*** (0.90)	23.87 (21.32)			4.08*** (0.80)			3.25*** (0.91)	23.59 (21.29)
gdpgr5				-0.35 (0.24)		-0.05 (0.30)	0.62 (0.86)				-0.36 (0.24)		-0.06 (0.30)	0.62 (0.86)
ln (agdppc5)					3.97*** (0.82)		-20.48 (21.17)					3.96*** (0.83)		-20.22 (21.13)
adjusted R-squared	0.02	0.07	0.19	0.03	0.17	0.16	0.16	0.02	0.07	0.18	0.03	0.17	0.15	0.16
# of cross sections used	62	57	61	62	61	56	55	62	57	61	62	61	56	55
∑ panel (unbalanced) observations:	162	139	159	161	158	137	133	161	138	158	160	158	136	133

Table A.39: Pooled OLS Results for disgdp5 + polins (White Heteroskedasticity-Consistent Standard Errors & Covariance):

Variables /Model	(4.8.3.t.1)	(4.9.3.t.1)	(4.10.3.t.1)	(4.11.3.t.1)	(4.12.3.t.1)	(4.13.3.t.1)	(4.14.3.t.1)	(4.8.3.a.1)	(4.9.3.a.1)	(4.10.3.a.1)	(4.11.3.a.1)	(4.12.3.a.1)	(4.13.3.a.1)	(4.14.3.a.1)
constant	36.43*** (2.20)	33.54*** (2.37)	17.01*** (5.19)	38.00*** (2.34)	17.77*** (5.30)	22.00*** (5.91)	18.59*** (6.57)	36.62*** (2.20)	33.73*** (2.37)	17.42*** (5.24)	38.20*** (2.32)	17.83*** (5.32)	22.64*** (5.98)	18.61*** (6.59)
tdisgdp5	0.08* (0.04)	0.05 (0.04)	0.01 (0.05)	0.06 (0.05)	0.01 (0.05)	-0.01 (0.05)	-0.03 (0.05)							
adisgdp5								0.40* (0.21)	0.25 (0.19)	0.06 (0.23)	0.31 (0.24)	0.08 (0.22)	-0.03 (0.24)	-0.09 (0.26)
polins	9.41** (4.00)	11.54*** (4.23)	1.27 (4.16)	9.72** (4.32)	1.75 (4.13)	6.27 (4.66)	7.34 (4.45)	9.20** (4.01)	11.36*** (4.25)	1.28 (4.17)	9.52** (4.33)	1.71 (4.13)	6.35 (4.67)	7.27 (4.46)
inf5		15.60*** (4.06)				11.08** (4.54)	9.96** (4.71)		15.43*** (4.07)				11.02** (4.58)	10.09** (4.73)
ln (igdppc5)			3.69*** (0.83)			2.44** (0.98)	29.82 (22.14)			3.63*** (0.84)			2.35** (0.98)	29.56 (22.11)
gdpgr5				-0.36 (0.24)		-0.16 (0.29)	0.73 (0.87)				-0.37 (0.24)		-0.16 (0.29)	0.73 (0.86)
ln (agdppc5)					3.52*** (0.85)		-27.24 (22.03)					3.50*** (0.85)		-27.00 (21.99)
adjusted R-squared	0.04	0.12	0.18	0.05	0.16	0.17	0.17	0.04	0.12	0.17	0.05	0.16	0.16	0.16
# of cross sections used	62	57	61	62	61	56	55	62	57	61	62	61	56	55
∑ panel observations	162	139	159	161	158	137	133	161	138	158	160	158	136	133

Table A.40: Pooled OLS Results for disgdp5 + voaccount (White Heteroskedasticity-Consistent Standard Errors & Covariance):

Variables /Model	(4.8.3.t.2)	(4.9.3.t.2)	(4.10.3.t.2)	(4.11.3.t.2)	(4.12.3.t.2)	(4.13.3.t.2)	(4.14.3.t.2)	(4.8.3.a.2)	(4.9.3.a.2)	(4.10.3.a.2)	(4.11.3.a.2)	(4.12.3.a.2)	(4.13.3.a.2)	(4.14.3.a.2)
constant	34.87*** (1.68)	34.66*** (2.00)	17.76*** (5.18)	36.01*** (2.28)	18.93*** (5.32)	21.91*** (6.07)	18.50*** (6.78)	34.88*** (1.67)	34.68*** (1.99)	18.33*** (5.23)	36.07*** (2.25)	18.98*** (5.33)	22.68*** (6.16)	18.54*** (6.80)
tdisgdp5	0.08** (0.04)	0.07* (0.04)	0.01 (0.05)	0.08 (0.05)	0.02 (0.05)	0.00 (0.05)	-0.01 (0.05)							
adisgdp5								0.38* (0.20)	0.34* (0.19)	0.07 (0.23)	0.35 (0.22)	0.10 (0.22)	0.03 (0.24)	-0.03 (0.26)
voaccount	13.16*** (3.58)	9.28** (3.97)	2.96 (3.86)	12.41*** (3.77)	4.55 (3.85)	2.41 (4.20)	5.26 (4.05)	13.44*** (3.61)	9.56** (4.02)	3.49 (3.93)	12.68*** (3.80)	4.54 (3.84)	3.00 (4.28)	5.24 (4.05)
inf5		14.63*** (4.21)				10.65** (4.60)	9.29* (4.81)		14.38*** (4.22)				10.59** (4.64)	9.43* (4.82)
ln (igdppc5)			3.45*** (0.90)			2.72*** (0.98)	32.90 (21.97)			3.33*** (0.91)			2.57*** (0.99)	32.61 (21.97)
gdpgr5				-0.17 (0.22)		-0.12 (0.29)	0.86 (0.86)				-0.18 (0.22)		-0.13 (0.29)	0.86 (0.86)
ln (agdppc5)					3.14*** (0.90)		-30.21 (21.93)					3.12*** (0.90)		-29.94 (21.92)
adjusted R-squared	0.09	0.11	0.18	0.08	0.17	0.16	0.16	0.09	0.11	0.18	0.09	0.17	0.15	0.16
# of cross sections used	62	57	61	62	61	56	55	62	57	61	62	61	56	55
∑ panel (unbalanced) observations:	162	139	159	161	158	137	133	161	138	158	160	158	136	133

Table A.41: Pooled OLS Results for disgdp5 + goveff (White Heteroskedasticity-Consistent Standard Errors & Covariance):

Variables /Model	(4.8.3.t.3)	(4.9.3.t.3)	(4.10.3.t.3)	(4.11.3.t.3)	(4.12.3.t.3)	(4.13.3.t.3)	(4.14.3.t.3)	(4.8.3.a.3)	(4.9.3.a.3)	(4.10.3.a.3)	(4.11.3.a.3)	(4.12.3.a.3)	(4.13.3.a.3)	(4.14.3.a.3)
constant	39.93*** (3.09)	37.17*** (3.39)	19.20*** (5.53)	40.37*** (3.14)	19.68*** (5.49)	21.66*** (6.08)	18.99*** (6.97)	39.97*** (3.08)	37.23*** (3.38)	19.52*** (5.56)	40.42*** (3.13)	19.73*** (5.51)	22.19*** (6.14)	19.06*** (6.99)
tdisgdp5	0.11** (0.05)	0.09** (0.04)	0.01 (0.05)	0.09* (0.05)	0.01 (0.05)	0.01 (0.05)	0.00 (0.05)							
adisgdp5								0.54** (0.21)	0.44** (0.19)	0.05 (0.23)	0.45* (0.24)	0.08 (0.22)	0.05 (0.24)	0.03 (0.26)
goveff	2.62 (6.78)	4.17 (7.20)	-11.87 (7.24)	5.59 (7.78)	-12.97* (7.22)	-7.88 (8.29)	-6.90 (8.05)	2.69 (6.77)	4.24 (7.18)	-11.62 (7.22)	5.77 (7.78)	-12.95** (7.22)	-7.38 (8.30)	-6.98 (8.03)
inf5		15.83*** (4.43)				10.53** (4.52)	9.81** (4.68)		15.69*** (4.44)				10.51** (4.56)	9.97** (4.68)
ln (igdppc5)			4.24*** (0.77)			3.37*** (0.88)	24.05 (21.28)			4.18*** (0.77)			3.27*** (0.89)	23.67 (21.28)
gdpgr5				-0.37 (0.25)		0.00 (0.32)	0.67 (0.86)				-0.38 (0.25)		-0.01 (0.32)	0.67 (0.86)
ln (agdppc5)					4.21*** (0.78)		-20.58 (21.07)					4.19*** (0.78)		-20.23 (21.06)
adjusted R-squared	0.01	0.07	0.20	0.02	0.18	0.16	0.16	0.01	0.07	0.19	0.02	0.18	0.15	0.16
# of cross sections used	62	57	61	62	61	56	55	62	57	61	62	61	56	55
∑ panel (unbalanced) observations:	162	139	159	161	158	137	133	161	138	158	160	158	136	133

Table A.42: Pooled OLS Results for disgdp5 + requal (White Heteroskedasticity-Consistent Standard Errors & Covariance):

Variables /Model	(4.8.3.t.4)	(4.9.3.t.4)	(4.10.3.t.4)	(4.11.3.t.4)	(4.12.3.t.4)	(4.13.3.t.4)	(4.14.3.t.4)	(4.8.3.a.4)	(4.9.3.a.4)	(4.10.3.a.4)	(4.11.3.a.4)	(4.12.3.a.4)	(4.13.3.a.4)	(4.14.3.a.4)
constant	22.66*** (4.49)	24.36*** (4.69)	14.97*** (5.70)	24.28*** (4.54)	15.68*** (5.73)	19.30*** (6.30)	12.94* (6.84)	22.96*** (4.50)	24.70*** (4.71)	15.34*** (5.75)	24.61*** (4.55)	15.74*** (5.76)	19.90*** (6.37)	12.91* (6.91)
tdisgdp5	0.05 (0.04)	0.03 (0.04)	0.01 (0.05)	0.03 (0.05)	0.01 (0.05)	-0.01 (0.05)	-0.05 (0.06)							
adisgdp5								0.23 (0.20)	0.15 (0.19)	0.05 (0.23)	0.15 (0.23)	0.07 (0.22)	-0.05 (0.25)	-0.20 (0.27)
requal	31.30*** (7.54)	25.69*** (8.07)	11.24 (7.95)	31.37*** (7.89)	12.62 (7.97)	14.91* (8.75)	22.62** (8.92)	30.96*** (7.58)	25.30*** (8.14)	11.45 (7.97)	31.04*** (7.94)	12.56 (8.00)	15.24* (8.84)	22.55** (9.01)
inf5		12.56*** (4.52)				9.56* (5.06)	7.04 (5.38)		12.42*** (4.54)				9.45* (5.12)	7.12 (5.42)
ln (igdppc5)			3.07*** (0.87)			2.04** (0.93)	41.44* (21.83)			3.00*** (0.87)			1.93** (0.94)	41.37* (21.92)
gdpgr5				-0.34 (0.21)		-0.22 (0.31)	1.00 (0.85)				-0.35 (0.21)		-0.23 (0.31)	1.01 (0.85)
ln (agdppc5)					2.82*** (0.89)		-39.50* (21.89)					2.81*** (0.89)		-39.44* (21.98)
adjusted R-squared	0.13	0.15	0.19	0.13	0.17	0.17	0.18	0.12	0.14	0.18	0.13	0.17	0.17	0.18
# of cross sections used	62	57	61	62	61	56	55	62	57	61	62	61	56	55
∑ panel (unbalanced) observations:	162	139	159	161	158	137	133	161	138	158	160	158	136	133

Note: Figures in parentheses are standard errors

Table A.43: Pooled OLS Results for disgdp5 + rule (White Heteroskedasticity-Consistent Standard Errors & Covariance):

Variables /Model	(4.8.3.t.5)	(4.9.3.t.5)	(4.10.3.t.5)	(4.11.3.t.5)	(4.12.3.t.5)	(4.13.3.t.5)	(4.14.3.t.5)	(4.8.3.a.5)	(4.9.3.a.5)	(4.10.3.a.5)	(4.11.3.a.5)	(4.12.3.a.5)	(4.13.3.a.5)	(4.14.3.a.5)
constant	40.10***	38.18***	17.44***	41.27***	17.79***	20.96***	18.63***	40.09***	38.18***	17.75***	41.27***	17.85***	21.51***	18.71***
	(2.29)	(2.60)	(5.06)	(2.40)	(5.15)	(6.02)	(6.95)	(2.27)	(2.58)	(5.10)	(2.37)	(5.17)	(6.10)	(6.97)
tdisgdp5	0.11**	0.09**	0.01	0.09*	0.01	0.01	0.00							
	(0.05)	(0.04)	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)							
adisgdp5								0.53**	0.45**	0.07	0.45*	0.09	0.06	0.03
								(0.22)	(0.20)	(0.23)	(0.24)	(0.22)	(0.24)	(0.26)
rule	2.48	1.90	-10.27**	3.51	-9.95*	-6.65	-4.87	2.73	2.13	-9.96*	3.86	-9.95*	-6.19	-4.95
	(5.40)	(5.59)	(5.67)	(5.99)	(5.64)	(6.11)	(5.75)	(5.40)	(5.59)	(5.70)	(6.03)	(5.64)	(6.19)	(5.75)
inf5		15.89***				10.18**	9.54**		15.76***				10.21**	9.71**
		(4.43)				(4.58)	(4.74)		(4.43)				(4.60)	(4.74)
ln (igdppc5)			4.33***			3.38***	22.89			4.27***			3.27***	22.47
			(0.79)			(0.92)	(21.21)			(0.79)			(0.93)	(21.19)
gdpgr5				-0.34		-0.01	0.61				-0.35		-0.02	0.60
				(0.24)		(0.32)	(0.86)				(0.24)		(0.32)	(0.85)
ln (agdppc5)					4.23***		-19.48					4.21***		-19.09
					(0.81)		(21.03)					(0.81)		(21.01)
adjusted R-squared	0.01	0.07	0.20	0.02	0.18	0.16	0.16	0.01	0.07	0.19	0.02	0.18	0.16	0.16
# of cross sections used	62	57	61	62	61	56	55	62	57	61	62	61	56	55
∑ panel (unbalanced) observations:	162	139	159	161	158	137	133	161	138	158	160	158	136	133

Table A.44: Pooled OLS Results for disgdp5 + contcorr (White Heteroskedasticity-Consistent Standard Errors & Covariance):

Variables /Model	(4.8.3.t.6)	(4.9.3.t.6)	(4.10.3.t.6)	(4.11.3.t.6)	(4.12.3.t.6)	(4.13.3.t.6)	(4.14.3.t.6)	(4.8.3.a.6)	(4.9.3.a.6)	(4.10.3.a.6)	(4.11.3.a.6)	(4.12.3.a.6)	(4.13.3.a.6)	(4.14.3.a.6)
constant	38.58*** (1.98)	37.74*** (2.22)	16.67*** (5.01)	40.10*** (2.22)	17.31*** (5.15)	20.49*** (5.95)	18.09*** (6.96)	38.65*** (1.97)	37.81*** (2.21)	17.06*** (5.05)	40.19*** (2.20)	17.36*** (5.17)	21.10*** (6.03)	18.15*** (6.98)
tdisgdp5	0.10** (0.05)	0.09** (0.04)	0.01 (0.05)	0.08 (0.05)	0.02 (0.05)	0.01 (0.05)	0.00 (0.05)							
adisgdp5								0.48** (0.21)	0.42** (0.20)	0.07 (0.23)	0.39 (0.24)	0.10 (0.23)	0.05 (0.24)	0.02 (0.25)
contcorr	8.27 (5.67)	4.19 (5.99)	-7.09 (6.40)	8.83 (6.22)	-5.90 (6.23)	-6.20 (6.69)	-4.75 (6.33)	8.31 (5.67)	4.23 (5.99)	-6.83 (6.40)	8.90 (6.23)	-5.90 (6.23)	-5.85 (6.70)	-4.81 (6.33)
inf5		15.60*** (4.38)				10.61** (4.60)	9.76** (4.72)		15.45*** (4.39)				10.59*** (4.63)	9.93** (4.73)
ln (igdppc5)			4.17*** (0.81)			3.36*** (0.92)	24.25 (21.54)			4.11*** (0.82)			3.26*** (0.93)	23.86 (21.53)
gdpgr5				-0.36 (0.23)		-0.06 (0.30)	0.62 (0.86)				-0.36 (0.23)		-0.06 (0.30)	0.61 (0.86)
ln (agdppc5)					4.00*** (0.84)		-20.82 (21.36)					3.98*** (0.84)		-20.47 (21.34)
adjusted R-squared	0.02	0.07	0.19	0.03	0.17	0.16	0.16	0.02	0.07	0.18	0.03	0.17	0.15	0.16
# of cross sections used	62	57	61	62	61	56	55	62	57	61	62	61	56	55
∑ panel (unbalanced) observations:	162	139	159	161	158	137	133	161	138	158	160	158	136	133

Table A.45: Regression Results with Transition Economies (TE) Dummy (ibrdidagdp5 + polins)

Variables /Model	(4.8.1.t.1)	(4.9.1.t.1)	(4.10.1.t.1)	(4.11.1.t.1)	(4.12.1.t.1)	(4.8.1.a.1)	(4.9.1.a.1)	(4.10.1.a.1)	(4.11.1.a.1)	(4.12.1.a.1)
constant	34.77*** (2.14)	32.08*** (2.36)	4.97 (3.67)	37.72*** (2.43)	4.95 (3.99)	34.94*** (2.13)	32.25*** (2.36)	5.07 (3.70)	37.92*** (2.42)	4.69 (3.98)
tibrdidagdp5	0.04 (0.04)	0.03 (0.04)	0.13*** (0.04)	0.00 (0.05)	0.14*** (0.04)					
aibrdidagdp5						0.22 (0.20)	0.15 (0.22)	0.65*** (0.22)	0.01 (0.24)	0.70*** (0.21)
polins	14.53*** (3.51)	16.27*** (3.68)	2.64 (3.51)	16.30*** (3.66)	2.69 (3.46)	14.32*** (3.51)	16.10*** (3.67)	2.53 (3.49)	16.13*** (3.66)	2.43 (3.44)
inf5		14.00*** (3.86)					13.79*** (3.87)			
ln (igdppc5)			5.15*** (0.58)					5.14*** (0.58)		
gdpgr5				-0.75*** (0.21)					-0.76*** (0.21)	
ln (agdppc5)					5.08*** (0.61)					5.12*** (0.61)
tibrdidagdp5 * TE	1.05* (0.59)	-3.10*** (0.04)	1.42*** (0.50)	1.67*** (0.46)	1.33*** (0.50)					
aibrdidagdp5 * TE						5.52* (2.89)	-15.51*** (0.22)	7.10*** (2.49)	8.36*** (2.34)	6.66*** (2.49)
polins * TE	-28.68*** (3.05)	-47.37*** (1.92)	-111.20*** (23.41)	-36.75*** (3.45)	-168.29*** (33.26)	-28.93*** (3.01)	-47.42*** (1.93)	-108.38*** (22.83)	-36.90*** (3.47)	-165.00*** (32.44)
inf5 * TE		339.46*** (3.86)					339.67*** (3.87)			
ln (igdppc5) * TE			7.42*** (2.02)					7.15*** (1.97)		
gdpgr5 * TE				0.15 (0.34)					0.19 (0.34)	
ln (agdppc5) * TE					13.03*** (2.98)					12.72*** (2.90)
adjusted R-squared	0.14	0.22	0.40	0.19	0.39	0.14	0.21	0.40	0.19	0.39
# of cross sections used	62	57	61	62	61	62	57	61	62	61
∑ panel (unbalanced) observations:	160	137	157	159	158	159	136	158	158	158

*** reject null at 1 per cent significance level.

** reject null at 5 per cent significance level but not 1 per cent.

* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

Note: Figures in parentheses are standard errors

Table A.46: Wald Test Results for The Significance of The Coefficients in Regression Results with TE Dummy (ibrdidagdp5 + polins)

Model	Null Hypothesis	Coefficient Sums	F-Statistic	Prob	Model	Null Hypothesis	Coefficient Sums	F-Statistic	Prob
(4.8.1.t.1)	tibrdidagdp5 + tibrdidagdp5*TE=0	1.10*	3.44	0.07	(4.8.1.a.1)	aibrdidagdp5 + aibrdidagdp5*TE=0	5.73**	3.96	0.05
	polins + polins*TE=0	-14.16***	13.61	0.00		polins + polins*TE=0	-14.61***	14.85	0.00
(4.9.1.t.1)	tibrdidagdp5 + tibrdidagdp5*TE=0	-3.07***	2.18e+19	0.00	(4.9.1.a.1)	aibrdidagdp5 + aibrdidagdp5*TE=0	-15.36	na	na
	polins + polins*TE=0	-31.10***	119.98	0.00		polins + polins*TE=0	-31.32***	121.21	0.00
	inf5 + inf5*TE=0	na	na	na		inf5 + inf5*TE=0	na	na	na
(4.10.1.t.1)	tibrdidagdp5 + tibrdidagdp5*TE=0	1.54***	9.75	0.00	(4.10.1.a.1)	aibrdidagdp5 + aibrdidagdp5*TE=0	7.74***	9.76	0.00
	polins + polins*TE=0	-108.56***	22.17	0.00		polins + polins*TE=0	-105.85***	22.19	0.00
	ln (igdppc5) + ln (igdppc5)*TE=0	12.57***	34.40	0.00		ln (igdppc5) + ln (igdppc5)*TE=0	12.29***	34.48	0.00
(4.11.1.t.1)	tibrdidagdp5 + tibrdidagdp5*TE=0	1.67***	13.07	0.00	(4.11.1.a.1)	aibrdidagdp5 + aibrdidagdp5*TE=0	8.37***	12.91	0.00
	polins + polins*TE=0	-20.45***	27.58	0.00		polins + polins*TE=0	-20.76***	28.30	0.00
	gdpgr5 + gdpgr5*TE=0	-0.60***	6.50	0.01		gdpgr5 + gdpgr5*TE=0	-0.57**	6.01	0.02
(4.12.1.t.1)	tibrdidagdp5 + tibrdidagdp5*TE=0	1.47***	8.83	0.00	(4.12.1.a.1)	aibrdidagdp5 + aibrdidagdp5*TE=0	7.37***	8.83	0.00
	polins + polins*TE=0	-165.60***	25.18	0.00		polins + polins*TE=0	-162.57***	25.53	0.00
	ln (agdppc5) + ln (agdppc5)*TE=0	18.11***	33.04	0.00		ln (agdppc5) + ln (agdppc5)*TE=0	17.84***	33.68	0.00

*** reject null at 1 per cent significance level.

** reject null at 5 per cent significance level but not 1 per cent.

* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

na: Restriction variance cannot be computed. Restrictions may not be unique.

Table A.47: Regression Results with Transition Economies (TE) Dummy (disincimfgdp5 + polins)

Variables /Model	(4.8.2.t.1)	(4.9.2.t.1)	(4.10.2.t.1)	(4.11.2.t.1)	(4.12.2.t.1)	(4.8.2.a.1)	(4.9.2.a.1)	(4.10.2.a.1)	(4.11.2.a.1)	(4.12.2.a.1)
constant	34.62*** (2.08)	31.97*** (2.30)	11.30** (4.51)	37.36*** (2.27)	12.23*** (4.65)	34.81*** (2.08)	32.16*** (2.30)	11.66** (4.56)	37.55*** (2.26)	12.24*** (4.66)
tdisincimfgdp5	0.06 (0.04)	0.03 (0.04)	-0.01 (0.05)	0.01 (0.04)	0.00 (0.04)					
adisincimfgdp5						0.29 (0.19)	0.14 (0.17)	-0.05 (0.22)	0.04 (0.21)	-0.01 (0.21)
polins	14.10*** (3.58)	16.28*** (3.76)	5.52 (3.81)	16.24*** (3.76)	5.74 (3.79)	13.92*** (3.59)	16.14*** (3.76)	5.55 (3.81)	16.08*** (3.77)	5.72 (3.79)
inf5		14.13*** (3.84)					13.92*** (3.85)			
ln (igdppc5)			4.34*** (0.77)					4.29*** (0.77)		
gdpgr5				-0.70*** (0.20)					-0.71*** (0.20)	
ln (agdppc5)					4.14*** (0.78)					4.14*** (0.79)
tdisincimfgdp5 * TE	-0.24 (0.15)	-1.33*** (0.04)	-2.09*** (0.44)	-3.25*** (0.69)	-1.99*** (0.53)					
adisincimfgdp5 * TE						-1.29 (0.84)	-6.64*** (0.17)	-10.45*** (2.11)	-15.73*** (3.13)	-10.03*** (2.55)
polins * TE	-19.81*** (3.85)	2.32 (2.15)	340.69*** (84.74)	43.00*** (15.62)	444.41*** (151.53)	-19.41*** (4.20)	2.23 (2.17)	318.86*** (76.40)	41.13*** (14.32)	417.38*** (135.64)
inf5 * TE		51.65*** (3.84)					51.86*** (3.85)			
ln (igdppc5) * TE			-31.53*** (7.25)					-29.37*** (6.48)		
gdpgr5 * TE				6.52*** (1.28)					5.97*** (1.09)	
ln (agdppc5) * TE					-41.71*** (13.48)					-39.01*** (11.99)
adjusted R-squared	0.15	0.22	0.34	0.19	0.32	0.15	0.22	0.33	0.19	0.32
# of cross sections used	62	57	61	62	61	62	57	61	62	61
∑ panel (unbalanced) observations:	162	139	159	161	158	161	138	158	161	158

*** reject null at 1 per cent significance level.

** reject null at 5 per cent significance level but not 1 per cent.

* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

Note: Figures in parentheses are standard errors

Table A.48: Wald Test Results for The Significance of The Coefficients in Regression Results with TE Dummy (disincimfgdp5 + polins)

Model	Null Hypothesis	Coefficient Sums	F-Statistic	Prob	Model	Null Hypothesis	Coefficient Sums	F-Statistic	Prob
(4.1.2.t.1)	tdisincimfgdp5 + tdisincimfgdp5*TE=0	-0.18	1.50	0.22	(4.1.2.a.1)	adisincimfgdp5 + adisincimfgdp5*TE=0	-1.00	1.53	0.22
	polins + polins*TE=0	-5.71	1.49	0.22		polins + polins*TE=0	-5.49	1.21	0.27
(4.2.2.t.1)	tdisincimfgdp5 + tdisincimfgdp5*TE=0	na	na	na	(4.2.2.a.1)	adisincimfgdp5 + adisincimfgdp5*TE=0	-6.49***	1.21e+19	0.00
	polins + polins*TE=0	18.61***	45.02	0.00		polins + polins*TE=0	18.37***	43.89	0.00
	inf5 + inf5*TE=0	65.78	na	na		inf5 + inf5*TE=0	65.78***	1.22e+18	0.00
(4.3.2.t.1)	tdisincimfgdp5 + tdisincimfgdp5*TE=0	-2.10***	22.97	0.00	(4.3.2.a.1)	adisincimfgdp5 + adisincimfgdp5*TE=0	-10.50***	25.01	0.00
	polins + polins*TE=0	346.21***	16.72	0.00		polins + polins*TE=0	324.41***	18.08	0.00
	ln (igdppc5) + ln (igdppc5)*TE=0	-27.19***	13.76	0.00		ln (igdppc5) + ln (igdppc5)*TE=0	-25.08***	14.59	0.00
(4.4.2.t.1)	tdisincimfgdp5 + tdisincimfgdp5*TE=0	-3.24***	22.42	0.00	(4.4.2.a.1)	adisincimfgdp5 + adisincimfgdp5*TE=0	-15.69***	25.29	0.00
	polins + polins*TE=0	59.24***	14.47	0.00		polins + polins*TE=0	57.21***	16.06	0.00
	gdpgr5 + gdpgr5*TE=0	5.81***	21.48	0.00		gdpgr5 + gdpgr5*TE=0	5.26***	24.41	0.00
(4.5.2.t.1)	tdisincimfgdp5 + tdisincimfgdp5*TE=0	-1.99***	13.98	0.00	(4.5.2.a.1)	adisincimfgdp5 + adisincimfgdp5*TE=0	-10.04***	15.63	0.00
	polins + polins*TE=0	450.15***	8.83	0.00		polins + polins*TE=0	423.11***	9.74	0.00
	ln (agdppc5) + ln (agdppc5)*TE=0	-37.57***	7.69	0.01		ln (agdppc5) + ln (agdppc5)*TE=0	-34.88***	8.35	0.00

*** reject null at 1 per cent significance level.

** reject null at 5 per cent significance level but not 1 per cent.

* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

na: Restriction variance cannot be computed. Restrictions may not be unique.

Table A.49: Regression Results with Transition Economies (TE) Dummy (disgdp5 + polins)

Variables /Model	(4.8.3.t.1)	(4.9.3.t.1)	(4.10.3.t.1)	(4.11.3.t.1)	(4.12.3.t.1)	(4.8.3.a.1)	(4.9.3.a.1)	(4.10.3.a.1)	(4.11.3.a.1)	(4.12.3.a.1)
constant	34.62*** (2.07)	31.88*** (2.30)	11.13** (4.60)	37.23*** (2.25)	12.10** (4.73)	34.82*** (2.07)	32.09*** (2.30)	11.49** (4.65)	37.42*** (2.23)	12.11** (4.75)
tdisgdp5	0.07 (0.04)	0.04 (0.04)	-0.02 (0.05)	0.02 (0.05)	-0.02 (0.05)					
adisgdp5						0.34 (0.21)	0.20 (0.19)	-0.11 (0.22)	0.11 (0.22)	-0.06 (0.22)
polins	13.99*** (3.59)	16.10*** (3.77)	5.61 (3.80)	15.97*** (3.77)	5.84 (3.78)	13.81*** (3.60)	15.96*** (3.78)	5.64 (3.81)	15.80*** (3.77)	5.82 (3.79)
inf5		14.32*** (3.89)					14.12*** (3.90)			
ln (igdppc5)			4.38*** (0.78)					4.33*** (0.78)		
gdpgr5				-0.69*** (0.19)					-0.70*** (0.19)	
ln (agdppc5)					4.18*** (0.80)					4.17*** (0.80)
tdisgdp5 * TE	-0.22 (0.15)	-1.18*** (0.04)	-1.86*** (0.67)	-2.65** (1.27)	-1.65** (0.72)					
adisgdp5 * TE						-1.15 (0.76)	-5.90*** (0.19)	-9.39*** (3.31)	-13.28** (6.06)	-8.41** (3.56)
polins * TE	-20.47*** (3.26)	-5.32** (2.21)	306.20** (140.76)	26.47 (28.47)	365.06* (220.15)	-20.34*** (3.42)	-5.43** (2.22)	295.97** (133.55)	26.94 (27.34)	355.36* (209.05)
inf5 * TE		75.95*** (3.89)					76.15*** (3.90)			
ln (igdppc5) * TE			-28.90** (12.18)					-27.85** (11.50)		
gdpgr5 * TE				5.48** (2.53)					5.31** (2.33)	
ln (agdppc5) * TE					-34.95* (19.71)					-33.92* (18.66)
adjusted R-squared	0.15	0.22	0.34	0.19	0.32	0.15	0.22	0.33	0.19	0.32
# of cross sections used	62	57	61	62	61	62	57	61	62	61
∑ panel (unbalanced) observations:	162	139	159	161	158	161	138	158	161	158

*** reject null at 1 per cent significance level.

** reject null at 5 per cent significance level but not 1 per cent.

* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

Note: Figures in parentheses are standard errors

Table A.50: Wald Test Results for The Significance of The Coefficients in Regression Results with TE Dummy (disgdp5 + polins)

Model	Null Hypothesis	Coefficient Sums	F-Statistic	Prob	Model	Null Hypothesis	Coefficient Sums	F-Statistic	Prob
(4.8.3.t.1)	tdisgdp5 + tdisgdp5*TE=0	-0.15	1.25	0.27	(4.8.3.a.1)	adisgdp5 + adisgdp5*TE=0	-0.81	1.25	0.26
	polins + polins*TE=0	-6.49	2.42	0.12		polins + polins*TE=0	-6.53	2.29	0.13
(4.9.3.t.1)	tdisgdp5 + tdisgdp5*TE=0	-1.14***	5.99e+18	0.00	(4.9.3.a.1)	adisgdp5 + adisgdp5*TE=0	-5.70***	4.68e+18	0.00
	polins + polins*TE=0	10.78***	15.09	0.00		polins + polins*TE=0	10.53***	14.43	0.00
	inf5 + inf5*TE=0	90.27***	4.59e+18	0.00		inf5 + inf5*TE=0	na	na	na
(4.10.3.t.1)	tdisgdp5 + tdisgdp5*TE=0	-1.88***	7.91	0.01	(4.10.3.a.1)	adisgdp5 + adisgdp5*TE=0	-9.50***	8.29	0.00
	polins + polins*TE=0	311.81**	4.91	0.03		polins + polins*TE=0	301.61**	5.10	0.03
	ln (igdppc5) + ln (igdppc5)*TE=0	-24.52**	4.02	0.05		ln (igdppc5) + ln (igdppc5)*TE=0	-23.52**	4.15	0.04
(4.11.3.t.1)	tdisgdp5 + tdisgdp5*TE=0	-2.62**	4.28	0.04	(4.11.3.a.1)	adisgdp5 + adisgdp5*TE=0	-13.17**	4.73	0.03
	polins + polins*TE=0	42.43	2.22	0.14		polins + polins*TE=0	42.74	2.44	0.12
	gdpgr5 + gdpgr5*TE=0	4.80*	3.61	0.06		gdpgr5 + gdpgr5*TE=0	4.62**	3.98	0.05
(4.12.3.t.1)	tdisgdp5 + tdisgdp5*TE=0	-1.66**	5.33	0.02	(4.12.3.a.1)	adisgdp5 + adisgdp5*TE=0	-8.47**	5.68	0.02
	polins + polins*TE=0	370.90*	2.84	0.09		polins + polins*TE=0	361.19*	2.99	0.09
	ln (agdppc5) + ln (agdppc5)*TE=0	-30.77	2.42	0.12		ln (agdppc5) + ln (agdppc5)*TE=0	-29.75	2.53	0.11

*** reject null at 1 per cent significance level.

** reject null at 5 per cent significance level but not 1 per cent.

* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

na: Restriction variance cannot be computed. Restrictions may not be unique.

Table A.51: Regression Results with Latin American Countries (LA) Dummy (ibrdidagdp5 + polins)

Variables/Model	(4.8.1.t.1)	(4.9.1.t.1)	(4.10.1.t.1)	(4.11.1.t.1)	(4.12.1.t.1)	(4.13.1.t.1)	(4.14.1.t.1)	(4.8.1.a.1)	(4.9.1.a.1)	(4.10.1.a.1)	(4.11.1.a.1)	(4.12.1.a.1)	(4.13.1.a.1)	(4.14.1.a.1)
constant	37.57***	35.11***	13.90***	38.41***	14.41***	18.54***	15.83**	37.72***	35.21***	13.95***	38.56***	14.08***	18.51***	15.20**
	(1.99)	(2.27)	(5.22)	(2.22)	(5.35)	(6.14)	(6.61)	(2.00)	(2.27)	(5.25)	(2.22)	(5.36)	(6.27)	(6.55)
tibrdidagdp5	0.08*	0.07	0.14***	0.07	0.14***	0.13**	0.14***							
	(0.04)	(0.05)	(0.04)	(0.05)	(0.04)	(0.06)	(0.05)							
aibrdidagdp5								0.40*	0.36	0.70***	0.34	0.74***	0.65**	0.73***
								(0.22)	(0.25)	(0.22)	(0.26)	(0.20)	(0.28)	(0.26)
polins	3.51	3.79	-1.61	4.49	-1.54	2.25	5.41	3.32	3.68	-1.71	4.36	-1.71	2.09	5.06
	(3.99)	(4.60)	(4.67)	(4.41)	(4.54)	(5.74)	(5.47)	(3.99)	(4.59)	(4.64)	(4.42)	(4.51)	(5.71)	(5.43)
inf5		16.45**				15.77**	16.03**		16.29**				15.77**	16.06**
		(7.40)				(6.53)	(7.06)		(7.40)				(6.55)	(7.05)
ln (igdppc5)			3.86***			2.38**	30.74			3.85***			2.39**	31.11
			(0.88)			(1.03)	(19.83)			(0.88)			(1.04)	(19.74)
gdpgr5				-0.25		0.13	1.22				-0.26		0.13	1.25
				(0.29)		(0.36)	(0.87)				(0.29)		(0.36)	(0.86)
ln (agdppc5)					3.69***		-28.75					3.74***		-29.04
					(0.88)		(19.89)					(0.88)		(19.80)
tibrdidagdp5 * LA	0.07	0.17**	0.17*	0.09	0.17*	0.22***	0.23***							
	(0.09)	(0.08)	(0.10)	(0.09)	(0.09)	(0.08)	(0.08)							
aibrdidagdp5 * LA								0.30	0.86**	0.85*	0.41	0.83*	1.11***	1.16***
								(0.44)	(0.41)	(0.50)	(0.44)	(0.47)	(0.43)	(0.43)
polins * LA	11.61***	11.89***	-1.80	7.17	-1.97	-7.87	-11.31	11.67***	11.68***	-1.97	7.09	-2.56	-7.98	-11.32
	(3.40)	(4.12)	(7.30)	(5.24)	(6.93)	(7.54)	(7.40)	(3.45)	(4.19)	(7.33)	(5.27)	(7.01)	(7.53)	(7.39)
inf5 * LA		-10.05				-13.27*	-12.89		-9.79				-13.02	-12.52
		(8.11)				(8.84)	(9.73)		(8.13)				(8.88)	(9.78)
ln (igdppc5) * LA			0.55			1.35	-31.76			0.56			1.35*	-33.24
			(0.60)			(0.80)	(30.81)			(0.60)			(0.80)	(31.03)
gdpgr5 * LA				0.71		0.24	-1.00				0.71		0.23	-1.07
				(0.45)		(0.54)	(1.05)				(0.45)		(0.54)	(1.06)
ln (agdppc5) * LA					0.66		33.88					0.69		35.36
					(0.57)		(31.03)					(0.57)		(31.25)
adjusted R-squared	0.18	0.27	0.32	0.18	0.33	0.34	0.36	0.18	0.26	0.32	0.17	0.33	0.34	0.37
# of cross secs	62	57	61	62	61	56	55	62	57	61	62	61	56	55
∑ panel obss:	160	137	157	159	158	136	133	159	136	156	158	158	136	133

Table A.52: Wald Test Results for The Significance of The Coefficients in Regression Results with LA Dummy (ibrdidagdp5 + polins)

Model	Null Hypothesis	Coefficient Sums	F-Statistic	Prob	Model	Null Hypothesis	Coefficient Sums	F-Statistic	Prob
(4.8.1.t.1)	tibrdidagdp5 + tibrdidagdp5*LA=0	0.15**	3.90	0.05	(4.8.1.a.1)	aibrdidagdp5 + aibrdidagdp5*LA=0	0.70***	3.36	0.07
	polins + polins*LA=0	15.12***	15.71	0.00		polins + polins*LA=0	14.99***	14.90	0.00
(4.9.1.t.1)	tibrdidagdp5 + tibrdidagdp5*LA=0	0.24***	14.34	0.00	(4.9.1.a.1)	aibrdidagdp5 + aibrdidagdp5*LA=0	1.22***	13.52	0.00
	polins + polins*LA=0	15.68***	14.63	0.00		polins + polins*LA=0	15.36***	13.73	0.00
	inf5 + inf5*LA=0	6.39	2.64	0.11		inf5 + inf5*LA=0	6.51*	2.67	0.10
(4.10.1.t.1)	tibrdidagdp5 + tibrdidagdp5*LA=0	0.31***	13.09	0.00	(4.10.1.a.1)	aibrdidagdp5 + aibrdidagdp5*LA=0	1.55***	12.72	0.00
	polins + polins*LA=0	-3.40	0.38	0.54		polins + polins*LA=0	-3.67	0.43	0.51
	ln (igdppc5) + ln (igdppc5)*LA=0	4.41***	31.05	0.00		ln (igdppc5) + ln (igdppc5)*LA=0	4.41***	30.73	0.00
(4.11.1.t.1)	tibrdidagdp5 + tibrdidagdp5*LA=0	0.15**	4.46	0.04	(4.11.1.a.1)	aibrdidagdp5 + aibrdidagdp5*LA=0	0.75**	4.12	0.04
	polins + polins*LA=0	11.66***	7.06	0.01		polins + polins*LA=0	11.46***	6.75	0.01
	gdpgr5 + gdpgr5*LA=0	0.46	1.63	0.20		gdpgr5 + gdpgr5*LA=0	0.45	1.59	0.21
(4.12.1.t.1)	tibrdidagdp5 + tibrdidagdp5*LA=0	0.31***	13.56	0.00	(4.12.1.a.1)	aibrdidagdp5 + aibrdidagdp5*LA=0	1.56***	13.70	0.00
	polins + polins*LA=0	-3.51	0.46	0.50		polins + polins*LA=0	-4.27	0.66	0.42
	ln (agdppc5) + ln (agdppc5)*LA=0	4.35***	30.84	0.00		ln (agdppc5) + ln (agdppc5)*LA=0	4.43***	31.54	0.00
(4.13.1.t.1)	tibrdidagdp5 + tibrdidagdp5*LA=0	0.35***	25.83	0.00	(4.13.1.a.1)	aibrdidagdp5 + aibrdidagdp5*LA=0	1.75***	24.64	0.00
	polins + polins*LA=0	-5.61	1.31	0.26		polins + polins*LA=0	-5.88	1.42	0.24
	inf5 + inf5*LA=0	2.50	0.18	0.67		inf5 + inf5*LA=0	2.74	0.21	0.64
	ln (igdppc5) + ln (igdppc5)*LA=0	3.73***	16.67	0.00		ln (igdppc5) + ln (igdppc5)*LA=0	3.73***	16.27	0.00
	gdpgr5 + gdpgr5*LA=0	0.36	0.75	0.39		gdpgr5 + gdpgr5*LA=0	0.36	0.72	0.40
(4.14.1.t.1)	tibrdidagdp5 + tibrdidagdp5*LA=0	0.37***	24.28	0.00	(4.14.1.a.1)	aibrdidagdp5 + aibrdidagdp5*LA=0	1.88***	23.83	0.00
	polins + polins*LA=0	-5.90	1.40	0.24		polins + polins*LA=0	-6.27	1.57	0.21
	inf5 + inf5*LA=0	0.22	0.10	0.75		inf5 + inf5*LA=0	3.54	0.28	0.60
	ln (igdppc5) + ln (igdppc5)*LA=0	3.14	0.22	0.64		ln (igdppc5) + ln (igdppc5)*LA=0	-2.13	0.01	0.93
	gdpgr5 + gdpgr5*LA=0	-1.02	0.00	0.97		gdpgr5 + gdpgr5*LA=0	0.18	0.07	0.80
	ln (agdppc5) + ln (agdppc5)*LA=0	5.12	0.04	0.84		ln (agdppc5) + ln (agdppc5)*LA=0	6.32	0.06	0.80

*** reject null at 1 per cent significance level.

** reject null at 5 per cent significance level but not 1 per cent.

* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

Table A.53: Regression Results with Latin American Countries (LA) Dummy (disincimfgdp5 + polins)

Variables /Model	(4.8.2.t.1)	(4.9.2.t.1)	(4.10.2.t.1)	(4.11.2.t.1)	(4.12.2.t.1)	(4.13.2.t.1)	(4.14.2.t.1)	(4.8.2.a.1)	(4.9.2.a.1)	(4.10.2.a.1)	(4.11.2.a.1)	(4.12.2.a.1)	(4.13.2.a.1)	(4.14.2.a.1)
constant	37.81***	35.49***	23.82***	38.67***	24.76***	32.78***	30.91***	37.89***	35.61***	24.19***	38.77***	24.79***	33.36***	30.84***
	(2.06)	(2.35)	(6.24)	(2.15)	(6.25)	(6.64)	(7.17)	(2.06)	(2.36)	(6.25)	(2.16)	(6.25)	(6.68)	(7.16)
tdisincimfgdp5	0.11**	0.06	0.07	0.09	0.08	0.08	0.10							
	(0.05)	(0.04)	(0.06)	(0.06)	(0.06)	(0.06)	(0.07)							
adisincimfgdp5								0.54**	0.31	0.37	0.43	0.45	0.39	0.54
								(0.24)	(0.20)	(0.32)	(0.28)	(0.31)	(0.31)	(0.33)
polins	2.52	3.52	1.32	3.67	1.32	9.27*	10.46*	2.40	3.45	1.37	3.57	1.31	9.42*	10.46*
	(4.10)	(4.55)	(4.96)	(4.53)	(4.97)	(5.55)	(5.65)	(4.09)	(4.54)	(4.95)	(4.53)	(4.96)	(5.53)	(5.63)
inf5		17.16**				19.41***	19.79***		16.98**				19.37***	20.01***
		(6.87)				(7.02)	(7.30)		(6.88)				(7.07)	(7.32)
ln (igdppc5)			2.31**			-0.08	15.88			2.24*			-0.17	15.73
			(1.15)			(1.22)	(20.19)			(1.16)			(1.22)	(20.15)
gdpgr5				-0.26		-0.13	0.51				-0.26		-0.14	0.52
				(0.26)		(0.35)	(0.93)				(0.26)		(0.35)	(0.93)
ln (agdppc5)					2.10*		-16.13					2.07*		-16.01
					(1.16)		(20.39)					(1.16)		(20.35)
tdisincimfgdp5 * LA	-0.18***	-0.14**	-0.16*	-0.17**	-0.17**	-0.15*	-0.18							
	(0.07)	(0.06)	(0.08)	(0.08)	(0.08)	(0.08)	(0.09)							
adisincimfgdp5 * LA								-0.91***	-0.73**	-0.82**	-0.86**	-0.89**	-0.78*	-0.96**
								(0.32)	(0.31)	(0.40)	(0.38)	(0.37)	(0.40)	(0.43)
polins * LA	17.88***	19.90***	5.20	14.02**	4.93	-4.93	-5.88**	18.07***	20.04***	5.38	14.16**	5.14	-4.78	-5.49
	(3.37)	(4.32)	(8.03)	(5.78)	(7.36)	(8.43)	(8.74)	(3.36)	(4.34)	(8.04)	(5.74)	(7.38)	(8.43)	(8.78)
inf5 * LA		-12.54*				-20.46**	-21.55		-12.66*				-20.74**	-22.19**
		(7.52)				(9.50)	(10.13)		(7.52)				(9.55)	(10.20)
ln (igdppc5) * LA			0.76			2.04**	-1.05**			0.78			2.07**	0.85
			(0.70)			(0.85)	(34.74)			(0.70)			(0.84)	(34.77)
gdpgr5 * LA				0.65		0.38	0.11				0.66		0.38	0.14
				(0.47)		(0.56)	(1.25)				(0.47)		(0.56)	(1.24)
ln (agdppc5) * LA					0.87		3.40					0.89		1.54
					(0.68)		(35.12)					(0.68)		(35.15)
Adj'ed R-sqed	0.17	0.25	0.23	0.17	0.24	0.29	0.28	0.17	0.25	0.23	0.17	0.24	0.28	0.29
# of cross secs	62	57	61	62	61	56	57	62	57	61	62	61	56	57
∑ panel obs:	162	139	159	161	158	137	138	162	138	158	160	158	137	138

Table A.54: Wald Test Results for The Significance of The Coefficients in Regression Results with LA Dummy (disincimfgdp5 + polins)

Model	Null Hypothesis	Coefficient Sums	F-Statistic	Prob	Model	Null Hypothesis	Coefficient Sums	F-Statistic	Prob
(4.8.2.t.1)	tdisincimfgdp5 + tdisincimfgdp5*LA=0	-0.07	2.61	0.11	(4.8.2.a.1)	adisincimfgdp5 + adisincimfgdp5*LA=0	-0.38*	3.11	0.08
	polins + polins*LA=0	20.40***	25.34	0.00		polins + polins*LA=0	20.46***	25.33	0.00
(4.9.2.t.1)	tdisincimfgdp5 + tdisincimfgdp5*LA=0	-0.08*	2.69	0.10	(4.9.2.a.1)	adisincimfgdp5 + adisincimfgdp5*LA=0	-0.41*	2.96	0.09
	polins + polins*LA=0	23.42***	23.62	0.00		polins + polins*LA=0	23.48***	23.49	0.00
	inf5 + inf5*LA=0	4.62	1.69	0.20		inf5 + inf5*LA=0	4.32	1.49	0.23
(4.10.2.t.1)	tdisincimfgdp5 + tdisincimfgdp5*LA=0	-0.09*	2.94	0.09	(4.10.2.a.1)	adisincimfgdp5 + adisincimfgdp5*LA=0	-0.44*	3.41	0.07
	polins + polins*LA=0	6.52	1.07	0.30		polins + polins*LA=0	6.75	1.14	0.29
	ln (igdppc5) + ln (igdppc5)*LA=0	3.07***	11.11	0.00		ln (igdppc5) + ln (igdppc5)*LA=0	3.02***	10.75	0.00
(4.11.2.t.1)	tdisincimfgdp5 + tdisincimfgdp5*LA=0	-0.08	2.41	0.12	(4.11.2.a.1)	adisincimfgdp5 + adisincimfgdp5*LA=0	-0.43*	2.95	0.09
	polins + polins*LA=0	17.69***	10.58	0.00		polins + polins*LA=0	17.73***	10.84	0.00
	gdpgr5 + gdpgr5*LA=0	0.39	0.97	0.33		gdpgr5 + gdpgr5*LA=0	0.39	1.04	0.31
(4.12.2.t.1)	tdisincimfgdp5 + tdisincimfgdp5*LA=0	-0.09*	3.69	0.06	(4.12.2.a.1)	adisincimfgdp5 + adisincimfgdp5*LA=0	-0.44**	4.22	0.04
	polins + polins*LA=0	6.25	1.33	0.25		polins + polins*LA=0	6.45	1.40	0.24
	ln (agdppc5) + ln (agdppc5)*LA=0	2.97***	1.99	0.00		ln (agdppc5) + ln (agdppc5)*LA=0	2.96***	11.00	0.00
(4.13.2.t.1)	tdisincimfgdp5 + tdisincimfgdp5*LA=0	-0.07	1.78	0.18	(4.13.2.a.1)	adisincimfgdp5 + adisincimfgdp5*LA=0	-0.38	2.35	0.13
	polins + polins*LA=0	4.34	0.47	0.49		polins + polins*LA=0	4.64	0.54	0.47
	inf5 + inf5*LA=0	-1.06	0.03	0.87		inf5 + inf5*LA=0	-1.38	0.05	0.83
	ln (igdppc5) + ln (igdppc5)*LA=0	1.97*	3.88	0.05		ln (igdppc5) + ln (igdppc5)*LA=0	1.90*	3.62	0.06
	gdpgr5 + gdpgr5*LA=0	0.25	0.31	0.58		gdpgr5 + gdpgr5*LA=0	0.25	0.30	0.58
(4.14.2.t.1)	tdisincimfgdp5 + tdisincimfgdp5*LA=0	-0.08	1.73	0.19	(4.14.2.a.1)	adisincimfgdp5 + adisincimfgdp5*LA=0	-0.43	2.27	0.13
	polins + polins*LA=0	4.58	0.48	0.49		polins + polins*LA=0	4.97	0.56	0.46
	inf5 + inf5*LA=0	-1.76	0.06	0.80		inf5 + inf5*LA=0	-2.18	0.09	0.76
	ln (igdppc5) + ln (igdppc5)*LA=0	14.82	0.23	0.63		ln (igdppc5) + ln (igdppc5)*LA=0	16.57	0.29	0.59
	gdpgr5 + gdpgr5*LA=0	0.62	0.43	0.51		gdpgr5 + gdpgr5*LA=0	0.67	0.51	0.48
	ln (agdppc5) + ln (agdppc5)*LA=0	-12.72	0.17	0.68		ln (agdppc5) + ln (agdppc5)*LA=0	-14.47	0.22	0.64

*** reject null at 1 per cent significance level.

** reject null at 5 per cent significance level but not 1 per cent.

* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

Table A.55: Regression Results with Latin American Countries (LA) Dummy (disgdp5 + polins)

Variables /Model	(4.8.3.t.1)	(4.9.3.t.1)	(4.10.3.t.1)	(4.11.3.t.1)	(4.12.3.t.1)	(4.13.3.t.1)	(4.14.3.t.1)	(4.8.3.a.1)	(4.9.3.a.1)	(4.10.3.a.1)	(4.11.3.a.1)	(4.12.3.a.1)	(4.13.3.a.1)	(4.14.3.a.1)
constant	37.85***	35.45***	23.81***	38.76***	24.83***	33.25***	31.71***	37.93***	35.57***	24.21***	38.85***	24.91***	33.83***	31.73***
	(2.08)	(2.41)	(6.36)	(2.16)	(6.38)	(6.75)	(7.28)	(2.08)	(2.42)	(6.38)	(2.16)	(6.38)	(6.78)	(7.27)
tdisgdp5	0.11**	0.07	0.06	0.09	0.08	0.10	0.12							
	(0.05)	(0.05)	(0.07)	(0.06)	(0.07)	(0.08)	(0.09)							
adisgdp5								0.58**	0.35	0.35	0.48	0.45	0.51	0.68
								(0.27)	(0.23)	(0.37)	(0.32)	(0.36)	(0.40)	(0.43)
polins	2.56	3.52	1.37	3.73	1.41	9.63*	10.83*	2.43	3.44	1.42	3.62	1.41	9.79*	10.85*
	(4.09)	(4.53)	(5.00)	(4.48)	(5.01)	(5.60)	(5.70)	(4.08)	(4.52)	(4.99)	(4.48)	(5.00)	(5.57)	(5.67)
inf5		17.63**				20.33***	20.99***		17.46**				20.34***	21.36***
		(6.88)				(7.47)	(7.829		(6.90)				(7.53)	(7.85)
ln (igdppc5)			2.34*			-0.22	14.10			2.26*			-0.32	13.72
			(1.19)			(1.31)	(20.17)			(1.19)			(1.30)	(20.19)
gdpgr5				-0.28		-0.13	0.45				-0.28		-0.14	0.46
				(0.25)		(0.34)	(0.91)				(0.25)		(0.34)	(0.91)
ln (agdppc5)					2.11*		-14.54					2.07*		-14.21
					(1.20)		(20.33)					(1.20)		(20.33)
tdisgdp5 * LA	-0.18***	-0.15**	-0.15*	-0.17**	-0.16**	-0.17*	-0.21**							
	(0.07)	(0.07)	(0.09)	(0.08)	(0.08)	(0.10)	(0.10)							
adisgdp5 * LA								-0.94***	-0.77**	-0.79*	-0.89**	-0.88**	-0.91*	-1.13**
								(0.34)	(0.34)	(0.44)	(0.40)	(0.41)	(0.47)	(0.51)
polins * LA	17.55***	19.90***	4.93	13.53**	4.65	-5.32	-6.30	17.75***	20.03***	5.10	13.69**	4.84	-5.21	-5.98
	(3.30)	(4.36)	(8.05)	(5.57)	(7.40)	(8.43)	(8.73)	(3.30)	(4.38)	(8.06)	(5.53)	(7.42)	(8.43)	(8.76)
inf5 * LA		-13.06*				-21.50**	-22.88**		-13.19*				-21.83**	-23.67**
		(7.51)				(9.88)	(10.52)		(7.52)				(9.93)	(10.58)
ln (igdppc5) * LA			0.74			2.13**	0.41			0.75			2.16**	2.45
			(0.71)			(0.90)	(34.48)			(0.71)			(0.90)	(34.49)
gdpgr5 * LA				0.68		0.39	0.17				0.69		0.39	0.20
				(0.46)		(0.55)	(1.23)				(0.46)		(0.55)	(1.22)
ln (agdppc5) * LA					0.85		2.03					0.87		0.03
					(0.69)		(34.85)					(0.69)		(34.87)
adjusted R-squared	0.17	0.25	0.23	0.17	0.23	0.29	0.28	0.17	0.25	0.23	0.17	0.24	0.29	0.29
# of cross sections used	62	57	61	62	61	56	55	62	57	61	62	61	56	55
∑ panel obs:	162	139	159	161	158	137	133	161	138	158	160	158	137	133

Table A.56: Wald Test Results for The Significance of The Coefficients in Regression Results with LA Dummy (disgdp5 + polins)

Model	Null Hypothesis	Coefficient Sums	F-Statistic	Prob	Model	Null Hypothesis	Coefficient Sums	F-Statistic	Prob
(4.8.3.t.1)	tdisgdp5 + tdisgdp5*LA=0	-0.07	2.40	0.12	(4.8.3.a.1)	adisgdp5 + adisgdp5*LA=0	-0.36*	2.91	0.09
	polins + polins*LA=0	20.11***	24.73	0.00		polins + polins*LA=0	20.18***	24.71	0.00
(4.9.3.t.1)	tdisgdp5 + tdisgdp5*LA=0	-0.08	2.66	0.11	(4.9.3.a.1)	adisgdp5 + adisgdp5*LA=0	-0.42*	2.92	0.09
	polins + polins*LA=0	23.42***	23.26	0.00		polins + polins*LA=0	23.47***	23.10	0.00
	inf5 + inf5*LA=0	4.57	1.64	0.20		inf5 + inf5*LA=0	4.26	1.43	0.23
(4.10.3.t.1)	tdisgdp5 + tdisgdp5*LA=0	-0.09*	2.75	0.10	(4.10.3.a.1)	adisgdp5 + adisgdp5*LA=0	-0.44*	3.22	0.07
	polins + polins*LA=0	6.29	1.00	0.32		polins + polins*LA=0	6.52	1.06	0.30
	ln (igdppc5) + ln (igdppc5)*LA=0	3.08***	10.84	0.00		ln (igdppc5) + ln (igdppc5)*LA=0	3.02***	10.46	0.00
(4.11.3.t.1)	tdisgdp5 + tdisgdp5*LA=0	-0.08	2.40	0.12	(4.11.3.a.1)	adisgdp5 + adisgdp5*LA=0	-0.42*	2.96	0.09
	polins + polins*LA=0	17.26***	10.53	0.00		polins + polins*LA=0	17.31***	10.76	0.00
	gdpgr5 + gdpgr5*LA=0	0.40	1.09	0.30		gdpgr5 + gdpgr5*LA=0	0.41	1.16	0.28
(4.12.3.t.1)	tdisgdp5 + tdisgdp5*LA=0	-0.09*	3.48	0.06	(4.12.3.a.1)	adisgdp5 + adisgdp5*LA=0	-0.44**	4.01	0.05
	polins + polins*LA=0	6.06	1.25	0.26		polins + polins*LA=0	6.26	1.32	0.25
	ln (agdppc5) + ln (agdppc5)*LA=0	2.96***	10.61	0.00		ln (agdppc5) + ln (agdppc5)*LA=0	2.95***	10.58	0.00
(4.13.3.t.1)	tdisgdp5 + tdisgdp5*LA=0	-0.08	1.97	0.16	(4.13.3.a.1)	adisgdp5 + adisgdp5*LA=0	-0.41	2.50	0.12
	polins + polins*LA=0	4.32	0.48	0.49		polins + polins*LA=0	4.58	0.53	0.47
	inf5 + inf5*LA=0	-1.17	0.03	0.85		inf5 + inf5*LA=0	-1.50	0.06	0.81
	ln (igdppc5) + ln (igdppc5)*LA=0	1.91*	3.61	0.06		ln (igdppc5) + ln (igdppc5)*LA=0	1.85*	3.36	0.07
	gdpgr5 + gdpgr5*LA=0	0.25	0.33	0.57		gdpgr5 + gdpgr5*LA=0	0.25	0.32	0.57
(4.14.3.t.1)	tdisgdp5 + tdisgdp5*LA=0	-0.08	1.90	0.17	(4.14.3.a.1)	adisgdp5 + adisgdp5*LA=0	-0.45	2.40	0.12
	polins + polins*LA=0	4.53	0.48	0.49		polins + polins*LA=0	4.87	0.55	0.46
	inf5 + inf5*LA=0	-1.89	0.07	0.79		inf5 + inf5*LA=0	-2.31	0.11	0.75
	ln (igdppc5) + ln (igdppc5)*LA=0	14.51	0.23	0.63		ln (igdppc5) + ln (igdppc5)*LA=0	16.17	0.28	0.60
	gdpgr5 + gdpgr5*LA=0	0.62	0.44	0.51		gdpgr5 + gdpgr5*LA=0	0.66	0.51	0.48
	ln (agdppc5) + ln (agdppc5)*LA=0	-12.51	0.17	0.68		ln (agdppc5) + ln (agdppc5)*LA=0	-14.18	0.22	0.64

*** reject null at 1 per cent significance level.

** reject null at 5 per cent significance level but not 1 per cent.

* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

Table A.57: Regression Results with Sub-Saharan Africa Economies (SSA) Dummy (ibrdidagdp5 + polins)

Variables /Model	(4.8.1.t.1)	(4.9.1.t.1)	(4.10.1.t.1)	(4.11.1.t.1)	(4.12.1.t.1)	(4.13.1.t.1)	(4.14.1.t.1)	(4.8.1.a.1)	(4.9.1.a.1)	(4.10.1.a.1)	(4.11.1.a.1)	(4.12.1.a.1)	(4.13.1.a.1)	(4.14.1.a.1)
constant	36.10***	34.03***	8.27*	37.95***	8.86**	10.63*	9.23	36.26***	34.21***	8.40*	38.14***	8.62*	10.78*	8.75
	(2.20)	(2.30)	(4.28)	(2.46)	(4.46)	(5.77)	(5.86)	(2.20)	(2.30)	(4.33)	(2.45)	(4.45)	(5.98)	(5.84)
tibrdidagdp5	0.01	0.04	0.03	-0.01	0.04	0.08	0.08							
	(0.06)	(0.06)	(0.06)	(0.07)	(0.06)	(0.08)	(0.07)							
aibrdidagdp5								0.06	0.19	0.14	-0.07	0.22	0.39	0.39
								(0.30)	(0.32)	(0.31)	(0.33)	(0.32)	(0.40)	(0.35)
polins	11.81***	9.75**	-2.50	12.55***	-2.11	0.01	1.29	11.65***	9.65**	-2.47	12.43**	-2.20	0.04	1.17
	(4.29)	(4.57)	(4.54)	(4.84)	(4.52)	(4.93)	(4.57)	(4.31)	(4.58)	(4.54)	(4.85)	(4.52)	(4.96)	(4.58)
inf5		20.93***				16.01***	14.25***		20.69***				16.00***	14.30***
		(4.41)				(5.54)	(5.46)		(4.41)				(5.58)	(5.47)
ln (igdppc5)			5.10***			3.95***	42.42*			5.09***			3.92***	42.63*
			(0.61)			(0.79)	(25.12)			(0.61)			(0.80)	(25.04)
gdpgr5				-0.46		0.27	1.41				-0.47		0.26	1.43
				(0.31)		(0.43)	(0.98)				(0.31)		(0.44)	(0.98)
ln (agdppc5)					4.94***		-38.70					4.97***		-38.86
					(0.64)		(25.23)					(0.63)		(25.14)
tibrdidagdp5 * SSA	0.12	0.11	0.19**	0.14	0.21***	0.15	0.23***							
	(0.08)	(0.10)	(0.09)	(0.09)	(0.08)	(0.11)	(0.08)							
aibrdidagdp5 * SSA								0.62	0.54	0.97**	0.70	1.03**	0.75	1.15***
								(0.42)	(0.48)	(0.44)	(0.45)	(0.40)	(0.54)	(0.40)
polins * SSA	-7.08	0.26	5.11	-10.00	5.12	-0.91	1.91	-7.49	-0.20	4.42	-10.52	4.49	-1.65	1.30
	(5.67)	(6.23)	(9.86)	(7.57)	(9.45)	(11.55)	(11.39)	(5.71)	(6.27)	(9.76)	(7.61)	(9.39)	(11.53)	(11.43)
inf5 * SSA		-30.74***				-25.02***	-26.62***		-30.45***				-24.80**	-26.18***
		(7.85)				(9.14)	(9.12)		(7.66)				(8.96)	(8.91)
ln (igdppc5) * SSA			-0.87			0.18	0.39			-0.85			0.21	1.52
			(0.87)			(1.12)	(42.64)			(0.86)			(1.12)	(42.27)
gdpgr5 * SSA				0.38		0.11	0.65				0.39		0.12	0.68
				(0.53)		(0.59)	(1.51)				(0.53)		(0.59)	(1.50)
ln (agdppc5) * SSA					-1.13		-1.45					-1.10		-2.57
					(0.72)		(43.59)					(0.72)		(43.21)
adjed R-sqed	0.05	0.16	0.29	0.05	0.28	0.25	0.28	0.05	0.16	0.29	0.05	0.28	0.25	0.28
# of cross secs	62	57	61	62	61	56	55	62	57	61	62	61	56	55
∑ panel obs:	160	137	157	159	158	135	133	159	136	157	159	158	135	133

Table A.58: Wald Test Results for The Significance of The Coefficients in Regression Results with SSA Dummies (ibrdidagdp5 + polins)

Model	Null Hypothesis	Coefficient Sums	F-Statistic	Prob	Model	Null Hypothesis	Coefficient Sums	F-Statistic	Prob
(4.8.1.t.1)	tibrdidagdp5 + tibrdidagdp5*SSA=0	0.13**	4.81	0.03	(4.8.1.a.1)	aibrdidagdp5 + aibrdidagdp5*SSA=0	0.68**	5.08	0.03
	polins + polins*SSA=0	4.73	0.67	0.42		polins + polins*SSA=0	4.16	0.51	0.47
(4.9.1.t.1)	tibrdidagdp5 + tibrdidagdp5*SSA=0	0.14**	3.89	0.05	(4.9.1.a.1)	aibrdidagdp5 + aibrdidagdp5*SSA=0	0.73**	4.14	0.04
	polins + polins*SSA=0	10.01	2.54	0.11		polins + polins*SSA=0	9.44	2.26	0.14
	inf5 + inf5*SSA=0	-9.81	2.14	0.15		inf5 + inf5*SSA=0	-9.75	2.27	0.13
(4.10.1.t.1)	tibrdidagdp5 + tibrdidagdp5*SSA=0	0.22***	15.01	0.00	(4.10.1.a.1)	aibrdidagdp5 + aibrdidagdp5*SSA=0	1.11***	15.79	0.00
	polins + polins*SSA=0	2.61	0.09	0.76		polins + polins*SSA=0	1.95	0.05	0.82
	ln (igdppc5) + ln (igdppc5)*SSA=0	4.23***	14.01	0.00		ln (igdppc5) + ln (igdppc5)*SSA=0	4.24***	14.01	0.00
(4.11.1.t.1)	tibrdidagdp5 + tibrdidagdp5*SSA=0	0.12*	3.51	0.06	(4.11.1.a.1)	aibrdidagdp5 + aibrdidagdp5*SSA=0	0.63*	3.73	0.06
	polins + polins*SSA=0	2.55	0.15	0.70		polins + polins*SSA=0	1.91	0.08	0.78
	gdpgr5 + gdpgr5*SSA=0	-0.08	0.03	0.87		gdpgr5 + gdpgr5*SSA=0	-0.07	0.03	0.87
(4.12.1.t.1)	tibrdidagdp5 + tibrdidagdp5*SSA=0	0.25***	28.95	0.00	(4.12.1.a.1)	aibrdidagdp5 + aibrdidagdp5*SSA=0	1.25***	30.26	0.00
	polins + polins*SSA=0	3.01	0.13	0.71		polins + polins*SSA=0	2.28	0.08	0.78
	ln (agdppc5) + ln (agdppc5)*SSA=0	3.81***	15.07	0.00		ln (agdppc5) + ln (agdppc5)*SSA=0	3.87***	15.76	0.00
(4.13.1.t.1)	tibrdidagdp5 + tibrdidagdp5*SSA=0	0.22***	9.21	0.00	(4.13.1.a.1)	aibrdidagdp5 + aibrdidagdp5*SSA=0	1.13***	9.85	0.00
	polins + polins*SSA=0	-0.90	0.01	0.93		polins + polins*SSA=0	-1.60	0.02	0.88
	inf5 + inf5*SSA=0	-9.01	1.48	0.23		inf5 + inf5*SSA=0	-8.81	1.51	0.22
	ln (igdppc5) + ln (igdppc5)*SSA=0	4.13***	8.13	0.01		ln (igdppc5) + ln (igdppc5)*SSA=0	4.13***	7.87	0.01
	gdpgr5 + gdpgr5*SSA=0	0.38	0.80	0.37		gdpgr5 + gdpgr5*SSA=0	0.38	0.81	0.37
(4.14.1.t.1)	tibrdidagdp5 + tibrdidagdp5*SSA=0	0.30***	40.85	0.00	(4.14.1.a.1)	aibrdidagdp5 + aibrdidagdp5*SSA=0	1.53***	42.87	0.00
	polins + polins*SSA=0	3.20	0.09	0.76		polins + polins*SSA=0	2.47	0.05	0.82
	inf5 + inf5*SSA=0	-12.37*	2.78	0.10		inf5 + inf5*SSA=0	-11.87*	2.76	0.10
	ln (igdppc5) + ln (igdppc5)*SSA=0	42.81	1.37	0.24		ln (igdppc5) + ln (igdppc5)*SSA=0	44.15	1.49	0.23
	gdpgr5 + gdpgr5*SSA=0	2.06	2.49	0.12		gdpgr5 + gdpgr5*SSA=0	2.11	2.64	0.11
	ln (agdppc5) + ln (agdppc5)*SSA=0	-40.16	1.16	0.28		ln (agdppc5) + ln (agdppc5)*SSA=0	-41.43	1.26	0.26

*** reject null at 1 per cent significance level.

** reject null at 5 per cent significance level but not 1 per cent.

* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

Table A.59: Regression Results with Sub-Saharan Africa Economies (SSA) Dummy (disincimfgdp5 + polins)

Variables /Model	(4.8.2.t.1)	(4.9.2.t.1)	(4.10.2.t.1)	(4.11.2.t.1)	(4.12.2.t.1)	(4.13.2.t.1)	(4.14.2.t.1)	(4.8.2.a.1)	(4.9.2.a.1)	(4.10.2.a.1)	(4.11.2.a.1)	(4.12.2.a.1)	(4.13.2.a.1)	(4.14.2.a.1)
constant	36.28***	33.90***	13.11**	37.84***	12.93**	20.79***	18.62***	36.44***	34.07***	13.63**	38.02***	13.04**	21.88***	18.71***
	(2.24)	(2.39)	(5.35)	(2.46)	(5.62)	(6.76)	(6.96)	(2.24)	(2.39)	(5.40)	(2.45)	(5.62)	(6.90)	(6.94)
tdisincimfgdp5	0.06	0.03	-0.05	0.05	-0.05	-0.03	-0.03							
	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)	(0.06)							
adisincimfgdp5								0.28	0.13	-0.21	0.24	-0.22	-0.10	-0.12
								(0.22)	(0.23)	(0.24)	(0.24)	(0.24)	(0.26)	(0.27)
polins	10.18**	10.25**	-1.86	10.95**	-1.09	2.87	3.93	10.06**	10.10**	-1.89	10.83**	-1.18	3.01	3.81
	(4.28)	(4.78)	(4.52)	(4.91)	(4.46)	(4.95)	(4.71)	(4.29)	(4.81)	(4.55)	(4.92)	(4.50)	(5.01)	(4.73)
inf5		20.78***				14.16***	12.93**		20.59***				14.17**	13.06**
		(4.37)				(5.54)	(5.81)		(4.40)				(5.61)	(5.86)
ln (igdppc5)			4.54***			2.76	35.10			4.46***			2.60***	35.08
			(0.76)			(0.99)	(25.74)			(0.76)			(1.00)	(25.61)
gdpgr5				-0.44		-0.09	0.92				-0.44		-0.11	0.92
				(0.28)		(0.39)	(0.99)				(0.28)		(0.40)	(0.99)
ln (agdppc5)					4.48***		-32.42					4.45***		-32.44
					(0.81)		(25.89)					(0.81)		(25.76)
tdisincimfgdp5 * SSA	0.05	0.10	0.14	0.05	0.16	0.20	0.19							
	(0.09)	(0.09)	(0.11)	(0.10)	(0.11)	(0.16)	(0.18)							
adisincimfgdp5 * SSA								0.26	0.49	0.72	0.27	0.80	1.04	0.99
								(0.42)	(0.44)	(0.54)	(0.48)	(0.53)	(0.80)	(0.88)
polins * SSA	-1.82	2.69	15.73	-5.74	13.98	13.74	12.75	-2.10	2.45	15.83	-6.09	14.09	13.70	13.01
	(4.59)	(5.38)	(11.32)	(7.04)	(10.96)	(12.42)	(13.13)	(4.58)	(5.40)	(11.27)	(7.02)	(10.94)	(12.26)	(13.10)
inf5 * SSA		-26.02***				-14.21	-12.37		-25.98***				-14.59	-12.58
		(7.73)				(9.35)	(8.99)		(7.73)				(9.33)	(8.99)
ln (igdppc5) * SSA			-1.21			-1.41	-31.48			-1.25			-1.52	-30.78
			(1.00)			(1.54)	(51.92)			(1.00)			(1.53)	(51.87)
gdpgr5 * SSA				0.54		0.44	-0.51				0.55		0.50	-0.46
				(0.53)		(0.70)	(2.03)				(0.54)		(0.70)	(2.04)
ln (agdppc5) * SSA					-1.10		30.50					-1.12		29.71
					(0.97)		(53.40)					(0.96)		(53.37)
Adj'ed R-squared	0.03	0.14	0.20	0.04	0.19	0.17	0.17	0.03	0.14	0.20	0.04	0.19	0.17	0.17
# of cross secs	62	57	61	62	61	56	55	62	57	61	62	61	56	55
∑ panel obs:	162	139	159	161	158	137	133	161	138	158	160	158	136	133

Table A.60: Wald Test Results for The Significance of The Coefficients in Regression Results with SSA Dummies (disincimfgdp5 + polins)

Model	Null Hypothesis	Coefficient Sums	F-Statistic	Prob	Model	Null Hypothesis	Coefficient Sums	F-Statistic	Prob
(4.8.2.t.1)	tdisincimfgdp5 + tdisincimfgdp5*SSA=0	0.11	2.08	0.15	(4.8.2.a.1)	adisincimfgdp5 + adisincimfgdp5*SSA=0	0.54	2.19	0.14
	polins + polins*SSA=0	8.36	2.51	0.12		polins + polins*SSA=0	7.95	2.28	0.13
(4.9.2.t.1)	tdisincimfgdp5 + tdisincimfgdp5*SSA=0	0.12	2.55	0.11	(4.9.2.a.1)	adisincimfgdp5 + adisincimfgdp5*SSA=0	0.63	2.63	0.11
	polins + polins*SSA=0	12.94**	5.54	0.02		polins + polins*SSA=0	12.55**	5.24	0.02
	inf5 + inf5*SSA=0	-5.24	0.62	0.43		inf5 + inf5*SSA=0	-5.39	0.66	0.42
(4.10.2.t.1)	tdisincimfgdp5 + tdisincimfgdp5*SSA=0	0.10	0.85	0.36	(4.10.2.a.1)	adisincimfgdp5 + adisincimfgdp5*SSA=0	0.52	1.01	0.32
	polins + polins*SSA=0	13.87	1.82	0.18		polins + polins*SSA=0	13.95	1.86	0.17
	ln (igdppc5) + ln (igdppc5)*SSA=0	3.33**	5.92	0.02		ln (igdppc5) + ln (igdppc5)*SSA=0	3.21**	5.47	0.02
(4.11.2.t.1)	tdisincimfgdp5 + tdisincimfgdp5*SSA=0	0.10	1.27	0.26	(4.11.2.a.1)	adisincimfgdp5 + adisincimfgdp5*SSA=0	0.51	1.36	0.25
	polins + polins*SSA=0	5.21	0.66	0.42		polins + polins*SSA=0	4.74	0.55	0.46
	gdpgr5 + gdpgr5*SSA=0	0.10	0.04	0.84		gdpgr5 + gdpgr5*SSA=0	0.10	0.05	0.83
(4.12.2.t.1)	tdisincimfgdp5 + tdisincimfgdp5*SSA=0	0.11	1.20	0.27	(4.12.2.a.1)	adisincimfgdp5 + adisincimfgdp5*SSA=0	0.58	1.35	0.25
	polins + polins*SSA=0	12.88	1.67	0.20		polins + polins*SSA=0	12.91	1.69	0.20
	ln (agdppc5) + ln (agdppc5)*SSA=0	3.38***	6.20	0.01		ln (agdppc5) + ln (agdppc5)*SSA=0	3.34**	6.04	0.02
(4.13.2.t.1)	tdisincimfgdp5 + tdisincimfgdp5*SSA=0	0.17	1.18	0.28	(4.13.2.a.1)	adisincimfgdp5 + adisincimfgdp5*SSA=0	0.94	1.46	0.23
	polins + polins*SSA=0	16.61	2.11	0.15		polins + polins*SSA=0	16.71	2.21	0.14
	inf5 + inf5*SSA=0	-0.05	0.00	0.99		inf5 + inf5*SSA=0	-0.42	0.00	0.95
	ln (igdppc5) + ln (igdppc5)*SSA=0	1.35	0.48	0.49		ln (igdppc5) + ln (igdppc5)*SSA=0	1.08	0.30	0.58
	gdpgr5 + gdpgr5*SSA=0	0.35	0.39	0.53		gdpgr5 + gdpgr5*SSA=0	0.40	0.49	0.48
(4.14.2.t.1)	tdisincimfgdp5 + tdisincimfgdp5*SSA=0	0.16	0.89	0.35	(4.14.2.a.1)	adisincimfgdp5 + adisincimfgdp5*SSA=0	0.88	1.05	0.31
	polins + polins*SSA=0	16.68	1.82	0.18		polins + polins*SSA=0	16.82	1.87	0.17
	inf5 + inf5*SSA=0	0.57	0.01	0.94		inf5 + inf5*SSA=0	0.48	0.00	0.95
	ln (igdppc5) + ln (igdppc5)*SSA=0	3.61	0.01	0.94		ln (igdppc5) + ln (igdppc5)*SSA=0	4.30	0.01	0.92
	gdpgr5 + gdpgr5*SSA=0	0.40	0.05	0.82		gdpgr5 + gdpgr5*SSA=0	0.47	0.07	0.79
	ln (agdppc5) + ln (agdppc5)*SSA=0	-1.93	0.00	0.97		ln (agdppc5) + ln (agdppc5)*SSA=0	-2.73	0.00	0.95

*** reject null at 1 per cent significance level.

** reject null at 5 per cent significance level but not 1 per cent.

* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

Table A.61: Regression Results with Sub-Saharan Africa Economies (SSA) Dummy (disgdp5 + polins)

Variables /Model	(4.8.3.t.1)	(4.9.3.t.1)	(4.10.3.t.1)	(4.11.3.t.1)	(4.12.3.t.1)	(4.13.3.t.1)	(4.14.3.t.1)	(4.8.3.a.1)	(4.9.3.a.1)	(4.10.3.a.1)	(4.11.3.a.1)	(4.12.3.a.1)	(4.13.3.a.1)	(4.14.3.a.1)
constant	36.27***	33.81***	13.15**	12.93***	12.93**	20.46***	18.53***	36.42***	33.98***	13.69**	38.09***	13.06**	21.53***	18.66***
	(2.26)	(2.44)	(5.42)	(5.67)	(5.67)	(6.77)	(7.08)	(2.26)	(2.45)	(5.47)	(2.46)	(5.67)	(6.89)	(7.04)
tdisgdp5	0.07	0.03	-0.05	-0.05	-0.05	-0.02	-0.03							
	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)	(0.06)	(0.06)							
adisgdp5								0.33	0.17	-0.19	0.30	-0.21	-0.09	-0.11
								(0.23)	(0.23)	(0.26)	(0.25)	(0.26)	(0.27)	(0.28)
polins	10.02**	10.22**	-1.93	-1.14**	-1.14	2.76	3.89	9.90**	10.08**	-1.96	10.45**	-1.24	2.89	3.77
	(4.32)	(4.85)	(4.53)	(4.47)	(4.47)	(4.93)	(4.68)	(4.34)	(4.88)	(4.56)	(4.93)	(4.51)	(4.99)	(4.71)
inf5		20.88***				14.21**	12.94**		20.69***				14.23**	13.08**
		(4.40)				(5.52)	(5.80)		(4.43)				(5.59)	(5.85)
ln (igdppc5)			4.52***			2.80***	35.31			4.44***			2.64***	35.20
			(0.77)			(0.99)	(25.74)			(0.77)			(1.00)	(25.62)
gdpgr5				4.47		-0.08	0.93				-0.45*		-0.09	0.93
				(0.82)		(0.39)	(0.99)				(0.27)		(0.39)	(0.98)
ln (agdppc5)					4.47***		-32.63					4.44***		-32.55
					(0.82)		(25.87)					(0.81)		(25.76)
tdisgdp5 * SSA	0.05	0.09	0.16	0.18	0.18	0.22	0.22							
	(0.10)	(0.10)	(0.14)	(0.14)	(0.14)	(0.25)	(0.26)							
adisgdp5 * SSA								0.27	0.47	0.81	0.22	0.90	1.22	1.17
								(0.50)	(0.49)	(0.72)	(0.54)	(0.70)	(1.25)	(1.29)
polins * SSA	-1.41	3.06	16.31	14.58	14.58	15.66	13.72	-1.70	2.80	16.48	-4.95	14.75	15.90	14.15
	(4.48)	(5.40)	(11.51)	(11.06)	(11.06)	(13.79)	(14.14)	(4.47)	(5.41)	(11.44)	(6.65)	(11.03)	(13.56)	(14.03)
inf5 * SSA		-24.12***				-10.66	-8.57		-24.06***				-10.59	-8.39
		(8.47)				(11.36)	(11.12)		(8.47)				(11.40)	(11.15)
ln (igdppc5)*SSA			-1.25			-1.59	-40.57			-1.30			-1.75	-40.69
			(1.08)			(2.06)	(51.49)			(1.08)			(2.04)	(51.44)
gdpgr5 * SSA				-1.14		0.36	-0.89				0.49		0.42	-0.85
				(1.03)		(0.74)	(1.92)				(0.52)		(0.74)	(1.92)
ln (agdppc5)*SSA					-1.14		39.62					-1.17		39.63
					(1.03)		(52.63)					(1.03)		(52.60)
adjusted R-squared	0.03	0.14	0.20	0.04	0.18	0.17	0.17	0.03	0.14	0.20	0.04	0.19	0.17	0.17
# of cross sections used	62	57	61	62	61	56	55	62	57	61	62	61	56	55
∑ panel obs:	162	139	159	161	158	137	133	161	138	158	160	158	136	133

Table A.62: Wald Test Results for The Significance of The Coefficients in Regression Results with SSA Dummies (disgdp5 + polins)

Model	Null Hypothesis	Coefficient Sums	F-Statistic	Prob	Model	Null Hypothesis	Coefficient Sums	F-Statistic	Prob
(4.8.3.t.1)	tdisgdp5 + tdisgdp5*SSA=0	0.12	1.76	0.19	(4.8.3.a.1)	adisgdp5 + adisgdp5*SSA=0	0.60	1.84	0.18
	polins + polins*SSA=0	8.61*	2.80	0.10		polins + polins*SSA=0	8.20	2.55	0.11
(4.9.3.t.1)	tdisgdp5 + tdisgdp5*SSA=0	0.12	2.06	0.15	(4.9.3.a.1)	adisgdp5 + adisgdp5*SSA=0	0.64	2.13	0.15
	polins + polins*SSA=0	13.28***	6.14	0.01		polins + polins*SSA=0	12.89**	5.82	0.02
	inf5 + inf5*SSA=0	-3.25	0.19	0.67		inf5 + inf5*SSA=0	-3.36	0.20	0.65
(4.10.3.t.1)	tdisgdp5 + tdisgdp5*SSA=0	0.11	0.65	0.42	(4.10.3.a.1)	adisgdp5 + adisgdp5*SSA=0	0.62	0.78	0.38
	polins + polins*SSA=0	14.38	1.90	0.17		polins + polins*SSA=0	14.51	1.96	0.16
	ln (igdppc5) + ln (igdppc5)*SSA=0	3.28**	4.98	0.03		ln (igdppc5) + ln (igdppc5)*SSA=0	3.14**	4.57	0.03
(4.11.3.t.1)	tdisgdp5 + tdisgdp5*SSA=0	0.10	1.03	0.31	(4.11.3.a.1)	adisgdp5 + adisgdp5*SSA=0	0.52	1.10	0.30
	polins + polins*SSA=0	5.95	0.96	0.33		polins + polins*SSA=0	5.49	0.83	0.36
	gdpgr5 + gdpgr5*SSA=0	0.04	0.01	0.93		gdpgr5 + gdpgr5*SSA=0	0.05	0.01	0.92
(4.12.3.t.1)	tdisgdp5 + tdisgdp5*SSA=0	0.13	0.93	0.34	(4.12.3.a.1)	adisgdp5 + adisgdp5*SSA=0	0.70	1.04	0.31
	polins + polins*SSA=0	13.44	1.79	0.18		polins + polins*SSA=0	13.52	1.83	0.18
	ln (agdppc5) + ln (agdppc5)*SSA=0	3.33**	5.36	0.02		ln (agdppc5) + ln (agdppc5)*SSA=0	3.27**	5.19	0.02
(4.13.3.t.1)	tdisgdp5 + tdisgdp5*SSA=0	0.20	0.64	0.42	(4.13.3.a.1)	adisgdp5 + adisgdp5*SSA=0	1.13	0.82	0.37
	polins + polins*SSA=0	18.42	2.02	0.16		polins + polins*SSA=0	18.80	2.19	0.14
	inf5 + inf5*SSA=0	3.55	0.13	0.72		inf5 + inf5*SSA=0	3.64	0.13	0.71
	ln (igdppc5) + ln (igdppc5)*SSA=0	1.21	0.24	0.63		ln (igdppc5) + ln (igdppc5)*SSA=0	0.89	0.13	0.72
	gdpgr5 + gdpgr5*SSA=0	0.28	0.21	0.64		gdpgr5 + gdpgr5*SSA=0	0.33	0.29	0.59
(4.14.3.t.1)	tdisgdp5 + tdisgdp5*SSA=0	0.19	0.55	0.46	(4.14.3.a.1)	adisgdp5 + adisgdp5*SSA=0	1.05	0.68	0.41
	polins + polins*SSA=0	17.62	1.71	0.19		polins + polins*SSA=0	17.92	1.81	0.18
	inf5 + inf5*SSA=0	4.38	0.21	0.65		inf5 + inf5*SSA=0	4.69	0.24	0.63
	ln (igdppc5) + ln (igdppc5)*SSA=0	-5.26	0.01	0.91		ln (igdppc5) + ln (igdppc5)*SSA=0	-5.49	0.01	0.90
	gdpgr5 + gdpgr5*SSA=0	0.04	0.00	0.98		gdpgr5 + gdpgr5*SSA=0	0.08	0.00	0.96
	ln (agdppc5) + ln (agdppc5)*SSA=0	6.99	0.02	0.88		ln (agdppc5) + ln (agdppc5)*SSA=0	7.07	0.02	0.88

*** reject null at 1 per cent significance level.

** reject null at 5 per cent significance level but not 1 per cent.

* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

Table A.63: Pooled OLS Results for ibrdidagdp5 *polins (White Heteroskedasticity-Consistent Standard Errors & Covariance):

Variables /Model	(4.15.1.t.1)	(4.16.1.t.1)	(4.17.1.t.1)	(4.18.1.t.1)	(4.19.1.t.1)	(4.20.1.t.1)	(4.21.1.t.1)	(4.15.1.a.1)	(4.16.1.a.1)	(4.17.1.a.1)	(4.18.1.a.1)	(4.19.1.a.1)	(4.20.1.a.1)	(4.21.1.a.1)
constant	41.43*** (1.01)	39.05*** (1.24)	11.66*** (4.08)	42.95*** (1.70)	11.93*** (4.36)	13.54*** (5.17)	9.23* (5.38)	41.47*** (1.02)	39.11*** (1.25)	11.83*** (4.11)	43.03*** (1.70)	11.75*** (4.35)	13.72*** (5.26)	8.93* (5.33)
tibrdidagdp5* polins	0.15** (0.06)	0.15** (0.06)	0.23*** (0.07)	0.12* (0.07)	0.24*** (0.07)	0.24*** (0.08)	0.26*** (0.08)							
aibrdidagdp5* polins								0.76** (0.31)	0.77** (0.32)	1.16*** (0.35)	0.62* (0.35)	1.22*** (0.33)	1.19*** (0.39)	1.33*** (0.38)
inf5		15.41*** (4.47)				11.59*** (4.25)	11.26*** (4.30)		15.27*** (4.47)				11.66*** (4.27)	11.44*** (4.30)
ln (igdppc5)			4.30*** (0.64)			3.66*** (0.72)	35.67* (20.34)			4.27*** (0.64)			3.63*** (0.72)	35.85* (20.25)
gdpgr5				-0.32 (0.24)		0.11 (0.29)	1.25 (0.81)				-0.32 (0.24)		0.11 (0.29)	1.26 (0.80)
ln (agdppc5)					4.20*** (0.66)		-31.89 (20.39)					4.22*** (0.66)		-32.05 (20.31)
adjusted R-squared	0.03	0.09	0.26	0.03	0.25	0.24	0.25	0.03	0.09	0.26	0.03	0.25	0.24	0.26
# of cross sections used	62	57	61	62	61	56	55	62	57	61	62	61	56	55
∑ panel (unbalanced) observations:	160	137	157	159	158	137	133	159	136	156	158	158	134	133

* ** reject null at 1 per cent significance level.

** reject null at 5 per cent significance level but not 1 per cent.

* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

Table A.64: Pooled OLS Results for ibrdidagdp5*voaccount (White Heteroskedasticity-Consistent Standard Errors & Covariance):

Variables /Model	(4.15.1.t.2)	(4.16.1.t.2)	(4.17.1.t.2)	(4.18.1.t.2)	(4.19.1.t.2)	(4.20.1.t.2)	(4.21.1.t.2)	(4.15.1.a.2)	(4.16.1.a.2)	(4.17.1.a.2)	(4.18.1.a.2)	(4.19.1.a.2)	(4.20.1.a.2)	(4.21.1.a.2)
constant	41.36*** (1.01)	39.10*** (1.23)	12.76*** (4.19)	42.87*** (1.69)	13.27*** (4.45)	15.32*** (5.26)	10.23* (5.54)	41.39*** (1.01)	39.15*** (1.24)	12.97*** (4.22)	42.93*** (1.69)	13.12*** (4.44)	15.58*** (5.33)	9.95* (5.49)
tibrdidagdp5* voaccount	0.17** (0.07)	0.16** (0.07)	0.23*** (0.09)	0.14* (0.08)	0.24*** (0.08)	0.23** (0.10)	0.27*** (0.10)							
aibrdidagdp5* voaccount								0.87*** (0.34)	0.83** (0.37)	1.15*** (0.43)	0.72* (0.37)	1.24*** (0.41)	1.14** (0.48)	1.37*** (0.48)
inf5		15.13*** (4.47)				11.00*** (4.23)	10.50** (4.33)		14.98*** (4.47)				11.04*** (4.24)	10.66** (4.32)
ln (igdppc5)			4.16*** (0.66)			3.48*** (0.74)	39.76* (20.86)			4.13*** (0.66)			3.44*** (0.75)	40.07* (20.77)
gdpgr5				-0.31 (0.24)		0.05 (0.29)	1.34* (0.82)				-0.32 (0.24)		0.05 (0.29)	1.35* (0.82)
ln (agdppc5)					4.03*** (0.68)		-36.12 (20.90)					4.04*** (0.67)		-36.41* (20.81)
adjusted R-squared	0.03	0.09	0.25	0.03	0.24	0.23	0.24	0.03	0.09	0.25	0.03	0.24	0.22	0.24
# of cross sections used	62	57	61	62	61	56	55	62	57	61	62	61	56	55
∑ panel observations:	160	137	157	159	158	135	133	159	136	156	158	158	134	133

* ** reject null at 1 per cent significance level.

** reject null at 5 per cent significance level but not 1 per cent.

* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

Table A.65: Pooled OLS Results for ibrdidagdp5*goveff (White Heteroskedasticity-Consistent Standard Errors & Covariance):

Variables /Model	(4.15.1.t.3)	(4.16.1.t.3)	(4.17.1.t.3)	(4.18.1.t.3)	(4.19.1.t.3)	(4.20.1.t.3)	(4.21.1.t.3)	(4.15.1.a.3)	(4.16.1.a.3)	(4.17.1.a.3)	(4.18.1.a.3)	(4.19.1.a.3)	(4.20.1.a.3)	(4.21.1.a.3)
constant	41.61*** (1.16)	39.23*** (1.41)	11.86*** (4.06)	43.36*** (1.86)	12.20*** (4.34)	14.27*** (5.25)	10.62* (5.59)	41.63*** (1.17)	39.28*** (1.42)	12.02*** (4.08)	43.43*** (1.87)	11.97*** (4.32)	14.45*** (5.32)	10.27* (5.51)
tibrdidagdp5* goveff	0.18 (0.11)	0.18 (0.12)	0.31** (0.12)	0.13 (0.12)	0.33*** (0.12)	0.32** (0.14)	0.35** (0.14)							
aibrdidagdp5* goveff								0.91* (0.55)	0.93 (0.58)	1.58 (0.62)	0.67 (0.61)	1.72*** (0.58)	1.62** (0.69)	1.83*** (0.68)
inf5		15.36*** (4.53)				11.24** (4.44)	10.99** (4.50)		15.20*** (4.54)				11.29** (4.45)	11.16** (4.50)
ln (igdppc5)			4.26*** (0.64)			3.60*** (0.72)	31.75 (20.56)			4.24*** (0.64)			3.57*** (0.73)	31.86 (20.46)
gdpgr5				-0.36 (0.24)		0.04 (0.29)	1.04 (0.82)				-0.36 (0.24)		0.03 (0.30)	1.05 (0.81)
ln (agdppc5)					4.15*** (0.66)		-28.07 (20.60)					4.17*** (0.66)		-28.16 (20.50)
adjusted R-squared	0.01	0.07	0.24	0.02	0.22	0.22	0.22	0.01	0.07	0.24	0.02	0.23	0.21	0.23
# of cross sections used	62	57	61	62	61	56	55	62	57	61	62	61	56	55
∑ panel (unbalanced) observations:	159	137	157	159	158	137	133	159	136	156	158	158	134	133

* ** reject null at 1 per cent significance level.

** reject null at 5 per cent significance level but not 1 per cent.

* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

Table A.66: Pooled OLS Results for ibrdidagdp5*requal (White Heteroskedasticity-Consistent Standard Errors & Covariance):

Variables /Model	(4.15.1.t.4)	(4.16.1.t.4)	(4.17.1.t.4)	(4.18.1.t.4)	(4.19.1.t.4)	(4.20.1.t.4)	(4.21.1.t.4)	(4.15.1.a.4)	(4.16.1.a.4)	(4.17.1.a.4)	(4.18.1.a.4)	(4.19.1.a.4)	(4.20.1.a.4)	(4.21.1.a.4)
constant	41.44*** (1.07)	39.25*** (1.29)	11.35*** (4.07)	43.02*** (1.80)	11.55*** (4.36)	13.29** (5.31)	9.00 (5.62)	41.47*** (1.08)	39.30*** (1.30)	11.49*** (4.10)	43.09*** (1.80)	11.33*** (4.35)	13.43** (5.41)	8.63 (5.56)
tibrdidagdp5* requal	0.14** (0.06)	0.12* (0.07)	0.22*** (0.07)	0.11 (0.07)	0.23*** (0.07)	0.21*** (0.08)	0.24*** (0.08)							
aibrdidagdp5* requal								0.68** (0.31)	0.63* (0.33)	1.11*** (0.36)	0.54 (0.36)	1.19*** (0.34)	1.09*** (0.41)	1.24*** (0.41)
inf5		14.99*** (4.55)				10.80** (4.35)	10.41** (4.44)		14.83*** (4.55)				10.85** (4.36)	10.57** (4.44)
ln (igdppc5)			4.32*** (0.64)			3.71*** (0.73)	34.86* (20.43)			4.30*** (0.64)			3.68*** (0.73)	35.07* (20.33)
gdpgr5				-0.32 (0.24)		0.10 (0.30)	1.21 (0.81)				-0.33 (0.24)		0.10 (0.30)	1.23 (0.81)
ln (agdppc5)					4.23*** (0.66)		-31.03 (20.47)					4.25*** (0.66)		-31.21 (20.37)
adjusted R-squared	0.03	0.08	0.26	0.03	0.24	0.23	0.24	0.02	0.08	0.25	0.03	0.25	0.23	0.24
# of cross sections used	62	57	61	62	61	56	55	62	57	61	62	61	56	55
∑ panel observations:	160	137	157	159	158	137	133	159	136	156	158	158	134	133

* ** reject null at 1 per cent significance level.

** reject null at 5 per cent significance level but not 1 per cent.

* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

Table A.67: Pooled OLS Results for ibrdidagdp5*rule (White Heteroskedasticity-Consistent Standard Errors & Covariance):

Variables /Model	(4.13.1.t.5)	(4.16.1.t.5)	(4.17.1.t.5)	(4.18.1.t.5)	(4.19.1.t.5)	(4.20.1.t.5)	(4.21.1.t.5)	(4.15.1.a.5)	(4.16.1.a.5)	(4.17.1.a.5)	(4.18.1.a.5)	(4.19.1.a.5)	(4.20.1.a.5)	(4.21.1.a.5)
constant	41.63*** (1.11)	39.26*** (1.35)	13.02*** (4.16)	43.36*** (1.79)	13.58*** (4.41)	15.41*** (5.13)	11.23** (5.43)	41.65*** (1.12)	39.31*** (1.36)	13.23*** (4.18)	43.42*** (1.80)	13.41*** (4.39)	15.67*** (5.18)	10.95** (5.35)
tibrdidagdp5* rule	0.19* (0.11)	0.19* (0.12)	0.29** (0.13)	0.15 (0.12)	0.31*** (0.12)	0.31** (0.14)	0.35** (0.14)							
aibrdidagdp5* rule								0.99* (0.55)	1.00* (0.58)	1.48** (0.65)	0.75 (0.62)	1.61*** (0.58)	1.57** (0.69)	1.83*** (0.68)
inf5		15.29*** (4.48)				11.07** (4.36)	10.73** (4.43)		15.13*** (4.49)				11.10** (4.37)	10.87** (4.42)
ln (igdppc5)			4.14*** (0.65)			3.49*** (0.72)	34.78* (20.72)			4.11*** (0.65)			3.44*** (0.73)	34.96* (20.61)
gdpgr5				-0.36 (0.24)		0.01 (0.28)	1.12 (0.82)				-0.36 (0.24)		0.01 (0.29)	1.13 (0.81)
ln (agdppc5)					4.00*** (0.67)		-31.19 (20.77)					4.01*** (0.67)		-31.35 (20.66)
adjusted R-squared	0.01	0.08	0.23	0.02	0.22	0.22	0.22	0.01	0.08	0.23	0.02	0.22	0.21	0.22
# of cross sections used	62	57	61	62	61	56	55	62	57	61	62	61	56	55
∑ panel (unbalanced) observations:	160	137	157	159	158	137	133	159	136	156	158	158	134	133

* ** reject null at 1 per cent significance level.

** reject null at 5 per cent significance level but not 1 per cent.

* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

Table A.68: Pooled OLS Results for ibrdidagdp5*contcorr (White Heteroskedasticity-Consistent Standard Errors & Covariance):

Variables /Model	(4.15.1.t.6)	(4.16.1.t.6)	(4.17.1.t.6)	(4.18.1.t.6)	(4.19.1.t.6)	(4.20.1.t.6)	(4.21.1.t.6)	(4.15.1.a.6)	(4.16.1.a.6)	(4.17.1.a.6)	(4.18.1.a.6)	(4.19.1.a.6)	(4.20.1.a.6)	(4.21.1.a.6)
constant	41.50***	39.12***	13.36***	43.23***	13.98***	16.52***	13.15**	41.53***	39.16***	13.57***	43.29***	13.83***	16.79***	12.87**
	(1.14)	(1.42)	(4.09)	(1.85)	(4.29)	(5.13)	(5.49)	(1.13)	(1.43)	(4.10)	(1.86)	(4.27)	(5.19)	(5.42)
tibrdidagdp5 *contcorr	0.27*	0.26*	0.35**	0.20	0.39**	0.34*	0.39**							
	(0.14)	(0.16)	(0.17)	(0.16)	(0.16)	(0.19)	(0.19)							
aibrdidagdp5 *contcorr								1.34*	1.35*	1.78**	1.02	2.02***	1.76*	2.05**
								(0.70)	(0.78)	(0.84)	(0.82)	(0.77)	(0.94)	(0.94)
inf5		15.66***				11.54**	11.39**		15.52***				11.59**	11.57**
		(4.49)				(4.49)	(4.54)		(4.50)				(4.51)	(4.54)
ln (igdppc5)			4.10***			3.35***	30.65			4.07***			3.31***	30.79
			(0.65)			(0.74)	(20.79)			(0.65)			(0.74)	(20.69)
gdpgr5				-0.35		0.00	0.98				-0.35		0.00	0.99
				(0.24)		(0.30)	(0.83)				(0.24)		(0.30)	(0.82)
ln (agdppc5)					3.94***		-27.25					3.95***		-27.38
					(0.66)		(20.83)					(0.66)		(20.73)
adjusted R-squared	0.01	0.08	0.23	0.02	0.21	0.20	0.20	0.01	0.08	0.22	0.02	0.22	0.20	0.21
# of cross sections used	62	57	61	62	61	56	55	62	57	61	62	61	56	55
∑ panel (unbalanced) observations:	160	137	157	159	158	135	133	1659	136	156	158	158	134	133

* ** reject null at 1 per cent significance level.

** reject null at 5 per cent significance level but not 1 per cent.

* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

Table A.69: Pooled OLS Results for disincimfgdp5*polins (White Heteroskedasticity-Consistent Standard Errors & Covariance):

Variables /Model	(4.15.2.t.1)	(4.16.2.t.1)	(4.17.2.t.1)	(4.18.2.t.1)	(4.19.2.t.1)	(4.20.2.t.1)	(4.21.2.t.1)	(4.15.2.a.1)	(4.16.2.a.1)	(4.17.2.a.1)	(4.18.2.a.1)	(4.19.2.a.1)	(4.20.2.a.1)	(4.21.2.a.1)
constant	41.04*** (0.99)	38.81*** (1.25)	17.20*** (5.24)	42.35*** (1.51)	18.02*** (5.38)	21.88*** (6.15)	19.07*** (6.91)	41.13*** (0.98)	38.90*** (1.25)	17.63*** (5.28)	42.47*** (1.49)	18.10*** (5.40)	22.55*** (6.23)	19.22*** (6.94)
tdisincimfgdp5* polins	0.18*** (0.06)	0.17*** (0.06)	0.01 (0.07)	0.17*** (0.06)	0.02 (0.07)	0.03 (0.07)	0.03 (0.07)							
adisincimfgdp5* polins								0.87*** (0.28)	0.81*** (0.26)	0.09 (0.33)	0.80*** (0.29)	0.12 (0.32)	0.19 (0.31)	0.20 (0.34)
inf5		15.50*** (4.34)				10.88** (4.44)	10.21** (4.58)		15.39*** (4.34)				10.86** (4.47)	10.33** (4.59)
ln (igdppc5)			3.77*** (0.82)			2.85*** (0.93)	25.33 (21.93)			3.70*** (0.83)			2.76*** (0.94)	25.08 (21.93)
gdpgr5				-0.30 (0.22)		-0.10 (0.28)	0.65 (0.87)				-0.31 (0.22)		-0.11 (0.28)	0.65 (0.87)
ln (agdppc5)					3.62*** (0.84)		-22.36 (21.86)					3.60*** (0.84)		-22.14 (21.86)
adjusted R-squared	0.03	0.09	0.18	0.03	0.17	0.16	0.16	0.03	0.09	0.18	0.03	0.17	0.16	0.16
# of cross sections used	62	57	61	62	61	56	55	62	57	61	62	61	56	55
∑ panel observations:	162	139	159	161	158	137	133	161	138	158	160	158	136	133

* ** reject null at 1 per cent significance level.
** reject null at 5 per cent significance level but not 1 per cent.
* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

Table A.70: Pooled OLS Results for disincimfgdp5*voaccount (White Heteroskedasticity-Consistent Standard Errors & Covariance):

Variables /Model	(4.15.2.t.2)	(4.16.2.t.2)	(4.17.2.t.2)	(4.18.2.t.2)	(4.19.2.t.2)	(4.20.2.t.2)	(4.21.2.t.2)	(4.15.2.a.2)	(4.16.2.a.2)	(4.17.2.a.2)	(4.18.2.a.2)	(4.19.2.a.2)	(4.20.2.a.2)	(4.21.2.a.2)
constant	40.77*** (0.95)	38.97*** (1.22)	17.31*** (5.33)	41.95*** (1.49)	18.19*** (5.48)	21.62*** (6.20)	18.90*** (6.93)	40.88*** (0.94)	39.07*** (1.22)	17.78*** (5.36)	42.11*** (1.48)	18.30*** (5.49)	22.33*** (6.28)	19.02*** (6.95)
tdisincimfgdp5* voaccount	0.23*** (0.06)	0.17*** (0.06)	0.02 (0.07)	0.21*** (0.07)	0.03 (0.07)	0.01 (0.07)	0.02 (0.07)							
adisincimfgdp5* voaccount								1.07*** (0.30)	0.80*** (0.26)	0.11 (0.34)	1.00*** (0.30)	0.16 (0.34)	0.07 (0.30)	0.13 (0.31)
inf5		15.11*** (4.33)				10.60** (4.36)	9.97** (4.48)		15.00*** (4.32)				10.57** (4.38)	10.06** (4.49)
ln (igdppc5)			3.75*** (0.84)			2.94*** (0.92)	25.77 (21.91)			3.68*** (0.84)			2.84*** (0.93)	25.72 (21.90)
gdpgr5				-0.27 (0.22)		-0.12 (0.27)	0.65 (0.87)				-0.28 (0.22)		-0.12 (0.27)	0.66 (0.87)
ln (agdppc5)					3.59*** (0.85)		-22.74 (21.88)					3.56*** (0.85)		-22.72 (21.85)
adjusted R-squared	0.04	0.09	0.18	0.04	0.17	0.16	0.16	0.04	0.09	0.18	0.04	0.17	0.16	0.16
# of cross sections used	62	57	61	62	61	56	55	62	57	61	62	61	56	55
∑ panel observations:	162	139	159	161	158	137	133	161	138	158	160	158	136	133

* ** reject null at 1 per cent significance level.

** reject null at 5 per cent significance level but not 1 per cent.

* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

Table A.71: Pooled OLS Results for disincimfgdp5*goveff (White Heteroskedasticity-Consistent Standard Errors & Covariance):

Variables /Model	(4.15.2.t.3)	(4.16.2.t.3)	(4.17.2.t.3)	(4.18.2.t.3)	(4.19.2.t.3)	(4.20.2.t.3)	(4.21.2.t.3)	(4.15.2.a.3)	(4.16.2.a.3)	(4.17.2.a.3)	(4.18.2.a.3)	(4.19.2.a.3)	(4.20.2.a.3)	(4.21.2.a.3)
constant	41.32*** (1.07)	39.16*** (1.35)	16.48*** (5.15)	42.74*** (1.55)	17.29*** (5.32)	21.20*** (6.10)	18.29*** (6.98)	41.38*** (1.06)	39.23*** (1.36)	16.93*** (5.20)	42.83*** (1.54)	17.37*** (5.33)	21.89*** (6.19)	18.40*** (7.00)
tdisincimfgdp5* goveff	0.20** (0.09)	0.17** (0.08)	-0.06 (0.10)	0.18** (0.09)	-0.06 (0.09)	-0.04 (0.09)	-0.05 (0.10)							
adisincimfgdp5* goveff								0.96** (0.42)	0.84** (0.40)	-0.25 (0.46)	0.90** (0.43)	-0.22 (0.44)	-0.13 (0.45)	-0.15 (0.48)
inf5		15.48*** (4.38)				10.26** (4.45)	9.44** (4.59)		15.34*** (4.38)				10.22** (4.47)	9.55** (4.60)
ln (igdppc5)			3.96*** (0.81)			3.07*** (0.91)	26.19 (22.28)			3.89*** (0.81)			2.97*** (0.92)	26.10 (22.30)
gdpgr5				-0.34 (0.22)		-0.13 (0.27)	0.63 (0.87)				-0.34 (0.22)		-0.14 (0.27)	0.64 (0.87)
ln (agdppc5)					3.82*** (0.82)		-22.96 (22.17)					3.79*** (0.82)		-22.91 (22.18)
adjusted R-squared	0.01	0.07	0.18	0.02	0.17	0.16	0.16	0.01	0.07	0.18	0.02	0.17	0.16	0.16
# of cross sections used	62	57	61	62	61	56	55	62	57	61	62	61	56	55
∑ panel (unbalanced) observations:	162	139	159	161	158	137	133	161	138	158	160	158	136	133

* ** reject null at 1 per cent significance level.

** reject null at 5 per cent significance level but not 1 per cent.

* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

Table A.72: Pooled OLS Results for disincimfgdp5*requal (White Heteroskedasticity-Consistent Standard Errors & Covariance):

Variables /Model	(4.15.2.t.4)	(4.16.2.t.4)	(4.17.2.t.4)	(4.18.2.t.4)	(4.19.2.t.4)	(4.20.2.t.4)	(4.21.2.t.4)	(4.15.2.a.4)	(4.16.2.a.4)	(4.17.2.a.4)	(4.18.2.a.4)	(4.19.2.a.4)	(4.20.2.a.4)	(4.21.2.a.4)
constant	40.88*** (1.04)	38.96*** (1.30)	17.19*** (5.20)	42.16*** (1.61)	18.01*** (5.34)	21.59*** (6.06)	18.75*** (6.83)	40.97*** (1.03)	39.05*** (1.30)	17.62*** (5.24)	42.29*** (1.59)	18.09*** (5.35)	22.24*** (6.14)	18.85*** (6.85)
tdisincimfgdp5* requal	0.18*** (0.06)	0.14*** (0.05)	0.01 (0.07)	0.16*** (0.06)	0.02 (0.06)	0.01 (0.06)	0.01 (0.07)							
adisincimfgdp5* requal								0.85*** (0.27)	0.67*** (0.24)	0.09 (0.30)	0.77*** (0.28)	0.13 (0.30)	0.07 (0.28)	0.07 (0.31)
inf5		15.24*** (4.39)				10.63** (4.46)	9.88** (4.58)		15.13*** (4.39)				10.59** (4.49)	10.00** (4.59)
ln (igdppc5)			3.77*** (0.82)			2.94*** (0.91)	25.56 (22.01)			3.70*** (0.83)			2.85*** (0.92)	25.35 (21.98)
gdpgr5				-0.28 (0.22)		-0.11 (0.28)	0.64 (0.87)				-0.29 (0.22)		-0.12 (0.28)	0.64 (0.87)
ln (agdppc5)					3.62*** (0.83)		-22.48 (21.94)					3.60*** (0.84)		-22.31 (21.91)
adjusted R-squared	0.03	0.08	0.18	0.03	0.17	0.16	0.16	0.03	0.08	0.18	0.03	0.17	0.16	0.16
# of cross sections used	62	57	61	62	61	56	55	62	57	61	62	61	56	55
∑ panel (unbalanced) observations:	162	139	159	161	158	137	133	161	138	158	160	158	136	133

* ** reject null at 1 per cent significance level.

** reject null at 5 per cent significance level but not 1 per cent.

* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

Table A.73: Pooled OLS Results for disincimfgdp5*rule (White Heteroskedasticity-Consistent Standard Errors & Covariance):

Variables /Model	(4.13.2.t.5)	(4.16.2.t.5)	(4.17.2.t.5)	(4.18.2.t.5)	(4.19.2.t.5)	(4.20.2.t.5)	(4.21.2.t.5)	(4.15.2.a.5)	(4.16.2.a.5)	(4.17.2.a.5)	(4.18.2.a.5)	(4.19.2.a.5)	(4.20.2.a.5)	(4.21.2.a.5)
constant	41.41*** (1.02)	39.25*** (1.30)	16.19*** (5.23)	42.84*** (1.48)	17.00*** (5.40)	21.10*** (6.20)	18.32*** (7.06)	41.48*** (1.01)	39.33*** (1.31)	16.67*** (5.27)	42.94*** (1.46)	17.11*** (5.41)	21.82*** (6.28)	18.44*** (7.08)
tdisincimfgdp5* rule	0.20** (0.08)	0.17** (0.08)	-0.07 (0.10)	0.19** (0.09)	-0.07 (0.10)	-0.04 (0.09)	-0.04 (0.10)							
adisincimfgdp5* rule								0.96** (0.40)	0.82** (0.38)	-0.31 (0.46)	0.91** (0.41)	-0.28 (0.46)	-0.13 (0.43)	-0.11 (0.46)
inf5		15.49*** (4.34)				10.25** (4.43)	9.53** (4.57)		15.34*** (4.34)				10.22** (4.45)	9.63** (4.58)
ln (igdppc5)			4.01*** (0.82)			3.09*** (0.92)	25.81 (22.14)			3.94*** (0.82)			2.98*** (0.93)	25.81 (22.16)
gdpgr5				-0.34 (0.22)		-0.13 (0.27)	0.63 (0.87)				-0.35 (0.22)		-0.13 (0.27)	0.63 (0.87)
ln (agdppc5)					3.87*** (0.83)		-22.60 (22.04)					3.84*** (0.83)		-22.65 (22.06)
adjusted R-squared	0.01	0.08	0.18	0.02	0.17	0.16	0.16	0.01	0.07	0.18	0.03	0.17	0.16	0.16
# of cross sections used	62	57	61	62	61	56	55	62	57	61	62	61	56	55
∑ panel (unbalanced) observations:	162	139	159	161	158	137	133	161	138	158	160	158	136	133

* ** reject null at 1 per cent significance level.

** reject null at 5 per cent significance level but not 1 per cent.

* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

Table A.74: Pooled OLS Results for disincimfgdp5*contcorr (White Heteroskedasticity-Consistent Standard Errors & Covariance):

Variables /Model	(4.15.2.t.6)	(4.16.2.t.6)	(4.17.2.t.6)	(4.18.2.t.6)	(4.19.2.t.6)	(4.20.2.t.6)	(4.21.2.t.6)	(4.15.2.a.6)	(4.16.2.a.6)	(4.17.2.a.6)	(4.18.2.a.6)	(4.19.2.a.6)	(4.20.2.a.6)	(4.21.2.a.6)
constant	41.31***	39.37***	16.11***	42.70***	16.97***	20.64***	17.75***	41.36***	39.45***	16.60***	42.78***	17.10***	21.37***	17.88**
	(1.00)	(1.30)	(5.26)	(1.49)	(5.44)	(6.17)	(7.10)	(0.99)	(1.30)	(5.31)	(1.49)	(5.45)	(6.25)	(7.13)
tdisincimfgdp5* contcorr	0.26**	0.19*	-0.09	0.24**	-0.08	-0.09	-0.09							
	(0.10)	(0.10)	(0.12)	(0.11)	(0.12)	(0.11)	(0.12)							
adisincimfgdp5* contcorr								1.28***	0.95**	-0.37	1.19**	-0.31	-0.36	-0.36
								(0.49)	(0.47)	(0.56)	(0.51)	(0.55)	(0.53)	(0.57)
inf5		15.33***				10.01**	9.21**		15.18***				9.97**	9.29**
		(4.34)				(4.43)	(4.57)		(4.34)				(4.45)	(4.58)
ln (igdppc5)			4.02***			3.20***	26.41			3.95***			3.09***	26.43
			(0.82)			(0.92)	(22.32)			(0.83)			(0.93)	(22.36)
gdpgr5				-0.33		-0.14	0.63				-0.33		-0.14	0.63
				(0.22)		(0.27)	(0.87)				(0.22)		(0.27)	(0.87)
ln (agdppc5)					3.87***		-23.07					3.84***		-23.13
					(0.84)		(22.19)					(0.84)		(22.22)
adjusted R-squared	0.02	0.07	0.18	0.03	0.17	0.16	0.16	0.02	0.07	0.18	0.03	0.17	0.16	0.16
# of cross sections used	62	57	61	62	61	56	55	62	57	61	62	61	56	55
∑ panel (unbalanced) observations:	162	139	159	161	158	137	133	161	138	158	160	158	136	133

* ** reject null at 1 per cent significance level.

** reject null at 5 per cent significance level but not 1 per cent.

* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

Table A.75: Pooled OLS Results for disgdp5*polins (White Heteroskedasticity-Consistent Standard Errors & Covariance):

Variables /Model	(4.15.3.t.1)	(4.16.3.t.1)	(4.17.3.t.1)	(4.18.3.t.1)	(4.19.3.t.1)	(4.20.3.t.1)	(4.21.3.t.1)	(4.15.3.a.1)	(4.16.3.a.1)	(4.17.3.a.1)	(4.18.3.a.1)	(4.19.3.a.1)	(4.20.3.a.1)	(4.21.3.a.1)
constant	41.03*** (0.97)	38.67*** (1.26)	17.11*** (5.30)	42.36*** (1.46)	17.92*** (5.45)	21.97*** (6.26)	19.15*** (7.09)	41.13*** (0.96)	38.79*** (1.26)	17.56*** (5.34)	42.50*** (1.44)	18.02*** (5.46)	22.67*** (6.34)	19.32*** (7.12)
tdisgdp5* polins	0.20*** (0.07)	0.19*** (0.06)	0.01 (0.07)	0.19*** (0.07)	0.01 (0.07)	0.03 (0.07)	0.03 (0.08)							
adisgdp5* polins								0.96*** (0.30)	0.92*** (0.28)	0.06 (0.34)	0.90*** (0.31)	0.09 (0.33)	0.20 (0.34)	0.20 (0.36)
inf5		15.92*** (4.37)				10.95** (4.48)	10.23** (4.63)		15.81*** (4.37)				10.94** (4.51)	10.37** (4.63)
ln (igdppc5)			3.79*** (0.83)			2.84*** (0.95)	25.12 (22.10)			3.73*** (0.84)			2.74*** (0.96)	24.80 (22.13)
gdpgr5				-0.31 (0.22)		-0.10 (0.28)	0.64 (0.87)				-0.32 (0.22)		-0.11 (0.28)	0.63 (0.87)
ln (agdppc5)					3.65*** (0.85)		-22.14 (22.00)					3.62*** (0.85)		-21.86 (22.02)
adjusted R-squared	0.03	0.09	0.18	0.04	0.17	0.16	0.16	0.03	0.09	0.18	0.04	0.17	0.16	0.16
# of cross secs	62	57	61	62	61	56	55	62	57	61	62	61	56	55
∑ panel obs	162	139	159	161	158	137	133	161	138	158	160	158	136	133

* ** reject null at 1 per cent significance level.

** reject null at 5 per cent significance level but not 1 per cent.

* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

Table A.76: Pooled OLS Results for disgdp5*voaccount (White Heteroskedasticity-Consistent Standard Errors & Covariance):

Variables /Model	(4.15.3.t.2)	(4.16.3.t.2)	(4.17.3.t.2)	(4.18.3.t.2)	(4.19.3.t.2)	(4.20.3.t.2)	(4.21.3.t.2)	(4.15.3.a.2)	(4.16.3.a.2)	(4.17.3.a.2)	(4.18.3.a.2)	(4.19.3.a.2)	(4.20.3.a.2)	(4.21.3.a.2)
constant	40.72*** (0.94)	38.85*** (1.22)	17.21*** (5.41)	41.94*** (1.45)	18.08*** (5.56)	21.58*** (6.30)	18.85*** (7.09)	40.85*** (0.93)	38.97*** (1.22)	17.70*** (5.43)	42.12*** (1.43)	18.22*** (5.56)	22.33*** (6.38)	19.01*** (7.12)
tdisgdp5* voaccount	0.25*** (0.07)	0.19*** (0.06)	0.01 (0.08)	0.24*** (0.07)	0.02 (0.08)	0.00 (0.07)	0.01 (0.07)							
adisgdp5* voaccount								1.20*** (0.33)	0.91*** (0.28)	0.09 (0.36)	1.13*** (0.33)	0.13 (0.35)	0.07 (0.32)	0.10 (0.33)
inf5		15.47*** (4.34)				10.58** (4.36)	9.92** (4.50)		15.35*** (4.34)				10.57** (4.39)	10.03** (4.51)
ln (igdppc5)			3.77*** (0.85)			2.95*** (0.94)	25.63 (21.98)			3.70*** (0.85)			2.84*** (0.95)	25.53 (22.00)
gdpgr5				-0.28 (0.22)		-0.12 (0.27)	0.64 (0.87)				-0.30 (0.22)		-0.12 (0.27)	0.64 (0.87)
ln (agdppc5)					3.62*** (0.86)		-22.57 (21.91)					3.59*** (0.86)		-22.51 (21.92)
adjusted R-squared	0.04	0.09	0.18	0.05	0.17	0.16	0.16	0.04	0.09	0.18	0.05	0.17	0.16	0.16
# of cross sections used	62	57	61	62	61	56	55	62	57	61	62	61	56	55
∑ panel observations:	162	139	159	161	158	137	133	161	138	158	160	158	136	133

* ** reject null at 1 per cent significance level.

** reject null at 5 per cent significance level but not 1 per cent.

* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

Table A.77: Pooled OLS Results for disgdp5*goveff (White Heteroskedasticity-Consistent Standard Errors & Covariance):

Variables /Model	(4.15.3.t.3)	(4.16.3.t.3)	(4.17.3.t.3)	(4.18.3.t.3)	(4.19.3.t.3)	(4.20.3.t.3)	(4.21.3.t.3)	(4.15.3.a.3)	(4.16..3.a.3)	(4.17.3.a.3)	(4.18.3.a.3)	(4.19.3.a.3)	(4.20.3.a.3)	(4.21.3.a.3)
constant	41.33*** (1.04)	39.08*** (1.35)	16.28*** (5.19)	42.76*** (1.49)	17.06*** (5.36)	21.08*** (6.17)	18.04** (7.10)	41.39*** (1.03)	39.16*** (1.35)	16.75*** (5.24)	42.85*** (1.48)	17.17*** (5.38)	21.80*** (6.25)	18.20*** (7.13)
tdisgdp5* goveff	0.21** (0.09)	0.19** (0.09)	-0.07 (0.10)	0.21** (0.09)	-0.07 (0.10)	-0.05 (0.10)	-0.06 (0.11)							
adisgdp5* goveff								1.04** (0.43)	0.94** (0.42)	-0.32 (0.47)	1.01** (0.45)	-0.30 (0.45)	-0.15 (0.47)	-0.20 (0.51)
inf5		15.76*** (4.40)				10.17** (4.46)	9.28** (4.60)		15.62*** (4.41)				10.16** (4.49)	9.42** (4.61)
ln (igdppc5)			4.00*** (0.81)			3.10*** (0.92)	26.59 (22.44)			3.93*** (0.82)			2.99*** (0.93)	26.43 (22.47)
gdpgr5				-0.35 (0.22)		-0.13 (0.27)	0.65 (0.87)				-0.36 (0.22)		-0.13 (0.27)	0.65 (0.87)
ln (agdppc5)					3.87*** (0.83)		-23.33 (22.30)					3.84*** (0.83)		-23.20 (22.33)
adjusted R-squared	0.01	0.08	0.18	0.03	0.17	0.16	0.16	0.01	0.08	0.18	0.03	0.17	0.16	0.16
# of cross secs	62	57	61	62	61	56	55	62	57	61	62	61	56	55
∑ panel obs	162	139	159	161	158	137	133	161	138	158	160	158	136	133

* ** reject null at 1 per cent significance level.

** reject null at 5 per cent significance level but not 1 per cent.

* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

Table A.78: Pooled OLS Results for disgdp5*requal (White Heteroskedasticity-Consistent Standard Errors & Covariance):

Variables /Model	(4.15.3.t.4)	(4.16.3.t.4)	(4.17.3.t.4)	(4.18.3.t.4)	(4.19.3.t.4)	(4.20.3.t.4)	(4.21.3.t.4)	(4.15.3.a.4)	(4.16.3.a.4)	(4.17.3.a.4)	(4.18.3.a.4)	(4.19.3.a.4)	(4.20.3.a.4)	(4.21.3.a.4)
constant	40.87*** (1.02)	38.83*** (1.31)	17.03*** (5.27)	42.17*** (1.54)	17.86*** (5.41)	21.55*** (6.15)	18.62*** (6.98)	40.97*** (1.01)	38.94*** (1.31)	17.49*** (5.31)	42.32*** (1.52)	17.97*** (5.42)	22.23*** (6.23)	18.77*** (7.00)
tdisgdp5* requal	0.19*** (0.06)	0.16*** (0.06)	0.00 (0.07)	0.18*** (0.07)	0.01 (0.07)	0.00 (0.06)	-0.01 (0.07)							
adisgdp5* requal								0.93*** (0.29)	0.76*** (0.25)	0.03 (0.31)	0.87*** (0.30)	0.07 (0.30)	0.05 (0.30)	0.02 (0.32)
inf5		15.63*** (4.42)				10.58** (4.50)	9.74** (4.62)		15.51*** (4.42)				10.56** (4.53)	9.89** (4.63)
ln (igdppc5)			3.81*** (0.83)			2.96*** (0.93)	25.80 (22.20)			3.74*** (0.84)			2.86*** (0.94)	25.51 (22.19)
gdpgr5				-0.30 (0.22)		-0.12 (0.28)	0.64 (0.87)				-0.31 (0.22)		-0.12 (0.28)	0.63 (0.87)
ln (agdppc5)					3.66*** (0.84)		-22.68 (22.10)					3.64*** (0.85)		-22.43 (22.09)
adjusted R-squared	0.03	0.08	0.18	0.03	0.17	0.16	0.16	0.03	0.08	0.18	0.03	0.17	0.16	0.16
# of cross secs	62	57	61	62	61	56	55	62	57	61	62	61	56	55
∑ panel obs	162	139	159	161	158	137	133	161	138	158	160	158	136	133

* ** reject null at 1 per cent significance level.

** reject null at 5 per cent significance level but not 1 per cent.

* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

Table A.79: Pooled OLS Results for disgdp5*rule (White Heteroskedasticity-Consistent Standard Errors & Covariance):

Variables /Model	(4.15.3.t.5)	(4.16.3.t.5)	(4.17.3.t.5)	(4.18.3.t.5)	(4.19.3.t.5)	(4.20.3.t.5)	(4.21.3.t.5)	(4.15.3.a.5)	(4.16.3.a.5)	(4.17.3.a.5)	(4.18.3.a.5)	(4.19.3.a.5)	(4.20.3.a.5)	(4.21.3.a.5)
constant	41.44*** (0.99)	39.19*** (1.30)	15.87*** (5.26)	42.88*** (1.42)	16.64*** (5.44)	20.90*** (6.29)	18.01** (7.22)	41.52*** (1.03)	39.28*** (1.30)	16.39*** (5.30)	42.98*** (1.41)	16.80*** (5.45)	21.67*** (6.37)	18.19** (7.24)
tdisgdp5* rule	0.21** (0.09)	0.19** (0.08)	-0.10 (0.10)	0.21** (0.09)	-0.10 (0.10)	-0.05 (0.10)	-0.05 (0.10)							
adisgdp5* rule								0.98** (0.42)	0.91** (0.40)	-0.41 (0.47)	1.01** (0.42)	-0.39 (0.46)	-0.18 (0.46)	-0.18 (0.48)
inf5		15.76*** (4.36)				10.12** (4.44)	9.33** (4.59)		15.62*** (4.37)				10.12** (4.46)	9.46** (4.60)
ln (igdppc5)			4.08*** (0.82)			3.12*** (0.94)	26.18 (22.29)			3.99*** (0.82)			3.01*** (0.95)	26.13 (22.33)
gdpgr5				-0.36* (0.22)		-0.13 (0.27)	0.64 (0.87)				-0.36* (0.22)		-0.13 (0.27)	0.64 (0.87)
ln (agdppc5)					3.94*** (0.84)		-22.91 (22.16)					3.91*** (0.84)		-22.91 (22.20)
adjusted R-squared	0.01	0.08	0.19	0.03	0.17	0.16	0.16	0.01	0.08	0.19	0.03	0.17	0.16	0.16
# of cross secs	62	57	61	62	61	56	55	62	57	61	62	61	56	55
∑ panel obs	162	139	159	161	158	137	133	161	138	158	160	158	136	133

* ** reject null at 1 per cent significance level.

** reject null at 5 per cent significance level but not 1 per cent.

* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

Table A.80: Pooled OLS Results for disgdp5*contcorr (White Heteroskedasticity-Consistent Standard Errors & Covariance):

Variables /Model	(4.15.3.t.6)	(4.16.3.t.6)	(4.17.3.t.6)	(4.18.3.t.6)	(4.19.3.t.6)	(4.20.3.t.6)	(4.21.3.t.6)	(4.15.3.a.6)	(4.16.3.a.6)	(4.17.3.a.6)	(4.18.3.a.6)	(4.19.3.a.6)	(4.20.3.a.6)	(4.21.3.a.6)
constant	41.30*** (0.97)	39.32*** (1.29)	15.99*** (5.31)	42.70*** (1.45)	16.82*** (5.49)	20.52*** (6.23)	17.52** (7.21)	41.36*** (0.97)	39.39*** (1.29)	16.50*** (5.35)	42.79*** (1.44)	16.97*** (5.50)	21.30*** (6.32)	17.69** (7.25)
tdisgdp5* contcorr	0.28*** (0.11)	0.21** (0.10)	-0.10 (0.13)	0.27** (0.11)	-0.09 (0.12)	-0.09 (0.12)	-0.10 (0.13)							
adisgdp5* contcorr								1.39*** (0.51)	1.06** (0.49)	-0.40 (0.59)	1.33** (0.53)	-0.36 (0.58)	-0.37 (0.56)	-0.40 (0.60)
inf5		15.51*** (4.35)				9.95** (4.44)	9.10** (4.57)		15.37*** (4.35)				9.93** (4.46)	9.21** (4.58)
ln (igdppc5)			4.04*** (0.83)			3.21*** (0.93)	26.76 (22.42)			3.96*** (0.83)			3.10*** (0.94)	26.73 (22.48)
gdpgr5				-0.34 (0.22)		-0.14 (0.27)	0.64 (0.87)				-0.35 (0.22)		-0.14 (0.27)	0.65 (0.87)
ln (agdppc5)					3.89*** (0.85)		-23.39 (22.27)					3.86*** (0.85)		-23.40 (22.32)
adjusted R-squared	0.02	0.08	0.18	0.03	0.17	0.16	0.16	0.03	0.08	0.18	0.03	0.17	0.16	0.16
# of cross secs	62	57	61	62	61	56	55	62	57	61	62	61	56	55
∑ panel obs	162	139	159	161	158	137	133	161	138	158	160	158	136	133

* ** reject null at 1 per cent significance level.

** reject null at 5 per cent significance level but not 1 per cent.

* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

Table A.81: Regression Results with Transition Economies (TE) Dummy (ibrdidagdp5*polins)

Variables /Model	(4.15.1.t.1)	(4.16.1.t.1)	(4.17.1.t.1)	(4.18.1.t.1)	(4.19.1.t.1)	(4.15.1.a.1)	(4.16.1.a.1)	(4.17.1.a.1)	(4.18.1.a.1)	(4.19.1.a.1)
constant	41.78*** (1.00)	39.68*** (1.23)	7.54** (3.61)	44.36*** (1.59)	7.86** (3.89)	41.82*** (1.01)	39.75*** (1.24)	7.71** (3.64)	44.45*** (1.59)	7.70** (3.88)
tibrdidagdp5*polins	0.14** (0.06)	0.13** (0.07)	0.21*** (0.08)	0.09 (0.07)	0.22*** (0.07)					
aibrdidagdp5*polins						0.70** (0.31)	0.68** (0.33)	1.04*** (0.39)	0.47 (0.35)	1.11*** (0.36)
inf5		14.53*** (4.45)					14.37*** (4.45)			
ln (igdppc5)			5.02*** (0.54)					5.00*** (0.55)		
gdpgr5				-0.51** (0.22)					-0.52** (0.22)	
ln (agdppc5)					4.91*** (0.57)					4.92*** (0.57)
tibrdidagdp5 * polins * TE	-3.67*** (1.38)	7.44*** (1.98)	0.37 (1.04)	-4.57*** (1.66)	0.30 (1.10)					
aibrdidagdp5 * polins * TE						-18.54*** (6.98)	37.31*** (9.90)	2.06 (5.17)	-22.95*** (8.31)	1.69 (5.50)
inf5 * TE		-416.71*** (47.24)					-418.14*** (47.41)			
ln (igdppc5) * TE			-2.82*** (0.43)					-2.83*** (0.43)		
gdpgr5 * TE				1.90* (1.05)					1.85* (1.05)	
ln (agdppc5) * TE					-2.74*** (0.45)					-2.75*** (0.46)
adjusted R-squared	0.06	0.14	0.40	0.08	0.38	0.06	0.14	0.40	0.08	0.38
# of cross sections used	62	57	61	62	61	62	57	61	62	61
∑ panel observations:	160	137	157	159	158	159	136	156	158	158

*** reject null at 1 per cent significance level.

** reject null at 5 per cent significance level but not 1 per cent.

* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

Table A.82: Wald Test Results for the Significance of The Coefficients in Regression Results with TE Dummies (ibrdidagdp5*polins)

Model	Null Hypothesis	Coefficient Sums	F-Statistic	Prob	Model	Null Hypothesis	Coefficient Sums	F-Statistic	Prob
(4.15.1.t.1)	tibrdidagdp5*polins + tibrdidagdp5*polins*TE=0	-3.53**	6.47	0.01	(4.15.1.a.1)	aibrdidagdp5*polins + aibrdidagdp5*polins*TE=0	-17.85**	6.48	0.01
(4.16.1.t.1)	tibrdidagdp5*polins + tibrdidagdp5*polins*TE=0	7.57***	14.84	0.00	(4.16.1.a.1)	aibrdidagdp5*polins + aibrdidagdp5*polins*TE=0	37.99***	14.86	0.00
	inf5 + inf5*TE=0	-402.18***	68.59	0.00		inf5 + inf5*TE=0	-403.77***	68.60	0.00
(4.17.1.t.1)	tibrdidagdp5*polins + tibrdidagdp5*polins*TE=0	0.57	0.31	0.58	(4.17.1.a.1)	aibrdidagdp5*polins + aibrdidagdp5*polins*TE=0	3.10	0.36	0.55
	ln (igdppc5) + ln (igdppc5)*TE=0	2.20***	13.03	0.00		ln (igdppc5) + ln (igdppc5)*TE=0	2.16***	12.43	0.00
(4.18.1.t.1)	tibrdidagdp5*polins + tibrdidagdp5*polins*TE=0	-4.47**	7.14	0.01	(4.18.1.a.1)	aibrdidagdp5*polins + aibrdidagdp5*polins*TE=0	-22.48**	7.23	0.01
	gdpgr5 + gdpgr5*TE=0	1.39	2.04	0.16		gdpgr5 + gdpgr5*TE=0	1.34	1.91	0.17
(4.19.1.t.1)	tibrdidagdp5*polins + tibrdidagdp5*polins*TE=0	0.52	0.22	0.64	(4.19.1.a.1)	aibrdidagdp5*polins + aibrdidagdp5*polins*TE=0	2.80	0.26	0.61
	ln (agdppc5) + ln (agdppc5)*TE=0	2.17***	10.84	0.00		ln (agdppc5) + ln (agdppc5)*TE=0	2.18***	10.85	0.00

*** reject null at 1 per cent significance level.

** reject null at 5 per cent significance level but not 1 per cent.

* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

Table A.83: Regression Results with Transition Economies (TE) Dummy (disincimfgdp5*polins)

Variables /Model	(4.15.2.t.1)	(4.16.2.t.1)	(4.17.2.t.1)	(4.18.2.t.1)	(4.19.2.t.1)	(4.15.2.a.1)	(4.16.2.a.1)	(4.17.2.a.1)	(4.18.2.a.1)	(4.19.2.a.1)
constant	41.07*** (0.99)	38.98*** (1.26)	12.15** (4.80)	43.62*** (1.39)	43.62*** (1.39)	41.20*** (0.98)	39.11*** (1.26)	12.53*** (4.84)	43.77*** (1.37)	13.08*** (4.96)
tdisincimfgdp5* polins	0.21*** (0.06)	0.20*** (0.05)	0.01 (0.07)	0.18*** (0.06)	0.18*** (0.06)					
adisincimfgdp5* polins						1.03*** (0.28)				
inf5		14.51*** (4.34)					0.97*** (0.25)	0.06 (0.32)	0.85*** (0.28)	0.10 (0.32)
ln (igdppc5)			4.60*** (0.75)				14.41*** (4.34)			
gdpgr5				-0.52*** (0.20)				4.55*** (0.75)		
ln (agdppc5)					-0.52*** (0.20)				-0.53*** (0.20)	
tdisincimfgdp5 * polins * TE	-1.10*** (0.10)	-1.39*** (0.06)	-0.40*** (0.14)	-1.32*** (0.12)	-1.32*** (0.12)					4.43*** (0.76)
adisincimfgdp5 * polins * TE						-5.52*** (0.49)	-6.91*** (0.28)	-2.08*** (0.73)	-6.58*** (0.60)	-2.37*** (0.75)
inf5 * TE		71.70*** (5.36)					71.48*** (5.29)			
ln (igdppc5) * TE			-2.15*** (0.27)					-2.10*** (0.28)		
gdpgr5 * TE				2.38*** (0.37)					2.31*** (0.36)	
ln (agdppc5) * TE					2.38*** (0.37)					-1.96*** (0.28)
adjusted R-squared	0.10	0.16	0.33	0.13	0.13	0.10	0.16	0.33	0.14	0.13
# of cross sections used	62	57	61	62	61	62	57	61	62	61
∑ panel (unbalanced) observations:	162	139	159	161	161	161	138	158	160	158

*** reject null at 1 per cent significance level.

** reject null at 5 per cent significance level but not 1 per cent.

* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

Note: Figures in parentheses are standard errors

Table A.84: Wald Test Results for the Significance of The Coefficients in Regression Results with TE Dummies (disincimfgdp5*polins)

Model	Null Hypothesis	Coefficient Sums	F-Statistic	Prob	Model	Null Hypothesis	Coefficient Sums	F-Statistic	Prob
(4.15.2.t.1)	tdisincimfgdp5*polins + tdisincimfgdp5*polins*TE=0	-0.89***	72.53	0.00	(4.15.2.a.1)	adisincimfgdp5*polins + adisincimfgdp5*polins*TE=0	-4.49***	73.36	0.00
(4.16.2.t.1)	tdisincimfgdp5*polins + tdisincimfgdp5*polins*TE=0	-1.18***	325.38	0.00	(4.16.2.a.1)	adisincimfgdp5*polins + adisincimfgdp5*polins*TE=0	-5.95***	330.49	0.00
	inf5 + inf5*TE=0	86.21***	290.57	0.00		inf5 + inf5*TE=0	85.90***	293.86	0.00
(4.17.2.t.1)	tdisincimfgdp5*polins + tdisincimfgdp5*polins*TE=0	-0.39***	8.23	0.00	(4.17.2.a.1)	adisincimfgdp5*polins + adisincimfgdp5*polins*TE=0	-2.02***	8.24	0.00
	ln (igdppc5) + ln (igdppc5)*TE=0	2.46***	13.10	0.00		ln (igdppc5) + ln (igdppc5)*TE=0	2.45***	12.54	0.00
(4.18.2.t.1)	tdisincimfgdp5*polins + tdisincimfgdp5*polins*TE=0	-1.14***	69.40	0.00	(4.18.2.a.1)	adisincimfgdp5*polins + adisincimfgdp5*polins*TE=0	-5.73***	73.01	0.00
	gdpgr5 + gdpgr5*TE=0	1.86***	78.66	0.00		gdpgr5 + gdpgr5*TE=0	1.79***	80.31	0.00
(4.19.2.t.1)	tdisincimfgdp5*polins + tdisincimfgdp5*polins*TE=0	-1.14***	69.40	0.00	(4.19.2.a.1)	adisincimfgdp5*polins + adisincimfgdp5*polins*TE=0	-2.27***	9.45	0.00
	ln (agdppc5) + ln (agdppc5)*TE=0	1.86***	78.66	0.00		ln (agdppc5) + ln (agdppc5)*TE=0	2.47***	11.34	0.00

*** reject null at 1 per cent significance level.

** reject null at 5 per cent significance level but not 1 per cent.

* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

Table A.85: Regression Results with Transition Economies (TE) Dummy (disgdp5*polins)

Variables /Model	(4.15.3.t.1)	(4.16.3.t.1)	(4.17.3.t.1)	(4.18.3.t.1)	(4.19.3.t.1)	(4.15.3.a.1)	(4.16.3.a.1)	(4.17.3.a.1)	(4.18.3.a.1)	(4.19.3.a.1)
constant	41.03*** (0.98)	38.81*** (1.27)	12.08*** (4.88)	43.57*** (1.35)	12.95*** (5.03)	41.17*** (0.97)	38.97*** (1.27)	12.46** (4.91)	43.75*** (1.33)	13.00* (5.03)
tdisgdp5* polins	0.24*** (0.06)	0.23*** (0.06)	0.00 (0.07)	0.21*** (0.06)	0.01 (0.07)					
adisgdp5* polins						1.14*** (0.30)	1.10*** (0.27)	0.03 (0.33)	0.98*** (0.30)	0.07 (0.32)
inf5		15.02*** (4.37)					14.90*** (4.37)			
ln (igdppc5)			4.63*** (0.76)					4.57*** (0.76)		
gdpgr5				-0.53*** (0.20)					-0.54*** (0.20)	
ln (agdppc5)					4.46*** (0.77)					4.45*** (0.77)
tdisgdp5 * polins * TE	-1.16*** (0.11)	-1.51*** (0.05)	-0.37*** (0.14)	-1.41*** (0.14)	-0.42*** (0.14)					
adisgdp5 * polins * TE						-5.78*** (0.53)	-7.52*** (0.25)	-1.92*** (0.71)	-7.01*** (0.68)	-2.19*** (0.72)
inf5 * TE		79.64*** (3.65)					79.42*** (3.59)			
ln (igdppc5) * TE			-2.22*** (0.24)					-2.19*** (0.24)		
gdpgr5 * TE				2.50*** (0.38)					2.47*** (0.37)	
ln (agdppc5) * TE					-2.10*** (0.24)					-2.06*** (0.24)
adjusted R-squared	0.11	0.17	0.33	0.14	0.31	0.11	0.17	0.33	0.14	0.31
# of cross sections used	62	57	61	62	61	62	57	61	62	61
∑ panel (unbalanced) observations:	161	138	158	160	158	162	136	157	159	158

*** reject null at 1 per cent significance level.

** reject null at 5 per cent significance level but not 1 per cent.

* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

Note: Figures in parentheses are standard errors

Table A.86: Wald Test Results for the Significance of The Coefficients in Regression Results with TE Dummies (disgdp5*polins)

Model	Null Hypothesis	Coefficient Sums	F-Statistic	Prob	Model	Null Hypothesis	Coefficient Sums	F-Statistic	Prob
(4.15.3.t.1)	tdisgdp5*polins + tdisgdp5*polins*TE=0	-0.92***	65.93	0.00	(4.15.3.a.1)	adisgdp5*polins + adisgdp5*polins*TE=0	-4.64***	67.59	0.00
(4.16.3.t.1)	tdisgdp5*polins + tdisgdp5*polins*TE=0	-1.27***	410.71	0.00	(4.16.3.a.1)	adisgdp5*polins + adisgdp5*polins*TE=0	-6.41***	417.92	0.00
	inf5 + inf5*TE=0	94.65***	973.48	0.00		inf5 + inf5*TE=0	94.32***	992.42	0.00
(4.17.3.t.1)	tdisgdp5*polins + tdisgdp5*polins*TE=0	-0.37**	7.61	0.01	(4.17.3.a.1)	adisgdp5*polins + adisgdp5*polins*TE=0	-1.89**	7.59	0.01
	ln (igdppc5) + ln (igdppc5)*TE=0	2.40***	12.68	0.00		ln (igdppc5) + ln (igdppc5)*TE=0	2.38***	12.11	0.00
(4.18.3.t.1)	tdisgdp5*polins + tdisgdp5*polins*TE=0	-1.20***	63.66	0.00	(4.18.3.a.1)	adisgdp5*polins + adisgdp5*polins*TE=0	-6.03***	66.63	0.00
	gdpgr5 + gdpgr5*TE=0	1.97***	80.19	0.00		gdpgr5 + gdpgr5*TE=0	1.92***	82.87	0.00
(4.19.3.t.1)	tdisgdp5*polins + tdisgdp5*polins*TE=0	-0.41***	8.76	0.00	(4.19.3.a.1)	adisgdp5*polins + adisgdp5*polins*TE=0	-2.13***	8.87	0.00
	ln (agdppc5) + ln (agdppc5)*TE=0	2.37***	10.88	0.00		ln (agdppc5) + ln (agdppc5)*TE=0	2.39***	10.90	0.00

*** reject null at 1 per cent significance level.

** reject null at 5 per cent significance level but not 1 per cent.

* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

Table A.87: Regression Results with Latin American Economies (LA) Dummy (ibrdidagdp5*polins)

Variables /Model	(4.15.1.t.1)	(4.16.1.t.1)	(4.17.1.t.1)	(4.18.1.t.1)	(4.19.1.t.1)	(4.20.1.t.1)	(4.21.1.t.1)	(4.15.1.a.1)	(4.16.1.a.1)	(4.17.1.a.1)	(4.18.1.a.1)	(4.19.1.a.1)	(4.20.1.a.1)	(4.21.1.a.1)
constant	40.66***	38.13***	16.73***	41.84***	17.76***	21.84***	19.11***	40.74***	38.12***	16.91***	41.92***	17.66***	22.06***	18.77***
	(1.05)	(1.29)	(5.30)	(1.72)	(5.42)	(6.02)	(6.42)	(1.05)	(1.30)	(5.32)	(1.73)	(5.41)	(6.11)	(6.38)
tibrdidagdp5* polins	0.10	0.12	0.21***	0.10	0.22***	0.21**	0.25***							
	(0.07)	(0.08)	(0.08)	(0.07)	(0.07)	(0.08)	(0.08)							
aibrdidagdp5* polins								0.50	0.61	1.08***	0.53	1.12***	1.08**	1.28***
								(0.35)	(0.37)	(0.38)	(0.37)	(0.35)	(0.42)	(0.39)
inf5		13.21*				16.33**	16.31**		13.24*				16.36**	16.45**
		(7.51)				(6.43)	(6.87)		(7.49)				(6.44)	(6.85)
ln (igdppc5)			3.37***			2.12**	28.02			3.34***			2.09**	28.43
			(0.90)			(0.95)	(19.21)			(0.90)			(0.95)	(19.11)
gdpgr5				-0.38		0.07	1.09				-0.39*		0.06	1.11
				(0.23)		(0.34)	(0.85)				(0.23)		(0.34)	(0.84)
ln (agdppc5)					3.14***		-26.02					3.15***		-26.42
					(0.89)		(19.23)					(0.89)		(19.13)
tibrdidagdp5 * polins * LA	0.58***	0.64***	0.21	0.30**	0.18	0.23	0.22							
	(0.09)	(0.10)	(0.15)	(0.12)	(0.14)	(0.14)	(0.14)							
aibrdidagdp5 * polins * LA								2.73***	3.19***	1.01	1.47**	0.78	1.11	1.05
								(0.48)	(0.50)	(0.76)	(0.63)	(0.67)	(0.72)	(0.73)
inf5 * LA		3.09				-13.84	-13.58		2.96				-13.73	-13.44
		(8.13)				(8.57)	(9.50)		(8.10)				(8.61)	(9.55)
ln (igdppc5) * LA			0.49			0.92	-23.60			0.49			0.92	-24.68
			(0.33)			(0.58)	(31.29)			(0.33)			(0.59)	(31.54)
gdpgr5 * LA				1.31***		0.15	-0.84				1.29***		0.15	-0.89
				(0.31)		(0.54)	(1.05)				(0.32)		(0.54)	(1.05)
ln (agdppc5) * LA					0.59*		24.97					0.61*		26.06
					(0.31)		(31.49)					(0.31)		(31.73)
adjusted R-squared	0.12	0.22	0.31	0.16	0.32	0.34	0.36	0.12	0.22	0.31	0.16	0.32	0.34	0.37
# of cross secs	62	57	61	62	61	56	55	62	57	61	62	61	56	55
∑ panel obs	160	137	157	159	158	135	133	159	136	156	158	158	135	133

Table A.88: Wald Test Results for the Significance of The Coefficients in Regression Results with LA Dummies (ibrdidagdp5*polins)

Model	Null Hypothesis	Coefficient Sums	F-Statistic	Prob	Model	Null Hypothesis	Coefficient Sums	F-Statistic	Prob
(4.15.1.t.1)	tibrdidagdp5*polins + tibrdidagdp5*polins*LA=0	0.68***	43.21	0.00	(4.15.1.a.1)	aibrdidagdp5*polins + aibrdidagdp5*polins*LA=0	3.23***	37.21	0.00
(4.16.1.t.1)	tibrdidagdp5*polins + tibrdidagdp5*polins*LA=0	0.76***	64.01	0.00	(4.16.1.a.1)	aibrdidagdp5*polins + aibrdidagdp5*polins*LA=0	3.79***	63.95	0.00
	inf5 + inf5*LA=0	16.30***	9.48	0.00		inf5 + inf5*LA=0	16.20***	9.45	0.00
(4.17.1.t.1)	tibrdidagdp5*polins + tibrdidagdp5*polins*LA=0	0.42***	11.62	0.00	(4.17.1.a.1)	aibrdidagdp5*polins + aibrdidagdp5*polins*LA=0	2.09***	11.05	0.00
	ln (igdppc5) + ln (igdppc5)*LA=0	3.86***	32.44	0.00		ln (igdppc5) + ln (igdppc5)*LA=0	3.83***	31.75	0.00
(4.18.1.t.1)	tibrdidagdp5*polins + tibrdidagdp5*polins*LA=0	0.40***	9.42	0.00	(4.18.1.a.1)	aibrdidagdp5*polins + aibrdidagdp5*polins*LA=0	1.99***	8.97	0.00
	gdpgr5 + gdpgr5*LA=0	0.92**	7.00	0.01		gdpgr5 + gdpgr5*LA=0	0.90**	6.59	0.01
(4.19.1.t.1)	tibrdidagdp5*polins + tibrdidagdp5*polins*LA=0	0.40***	12.38	0.00	(4.19.1.a.1)	aibrdidagdp5*polins + aibrdidagdp5*polins*LA=0	1.90***	11.79	0.00
	ln (agdppc5) + ln (agdppc5)*LA=0	3.74***	29.52	0.00		ln (agdppc5) + ln (agdppc5)*LA=0	3.76***	29.90	0.00
(4.20.1.t.1)	tibrdidagdp5*polins + tibrdidagdp5*polins*LA=0	0.44***	14.12	0.00	(4.20.1.a.1)	aibrdidagdp5*polins + aibrdidagdp5*polins*LA=0	2.19***	13.10	0.00
	inf5 + inf5*LA=0	2.49	0.20	0.66		inf5 + inf5*LA=0	2.63	0.21	0.64
	ln (igdppc5) + ln (igdppc5)*LA=0	3.04***	14.77	0.00		ln (igdppc5) + ln (igdppc5)*LA=0	3.01***	14.19	0.00
	gdpgr5 + gdpgr5*LA=0	0.22	0.26	0.61		gdpgr5 + gdpgr5*LA=0	0.21	0.24	0.62
(4.21.1.t.1)	tibrdidagdp5*polins + tibrdidagdp5*polins*LA=0	0.46***	13.16	0.00	(4.21.1.a.1)	aibrdidagdp5*polins + aibrdidagdp5*polins*LA=0	2.33***	12.43	0.00
	inf5 + inf5*LA=0	2.74	0.17	0.68		inf5 + inf5*LA=0	3.00	0.20	0.65
	ln (igdppc5) + ln (igdppc5)*LA=0	4.41	0.03	0.87		ln (igdppc5) + ln (igdppc5)*LA=0	3.75	0.02	0.89
	gdpgr5 + gdpgr5*LA=0	0.25	0.13	0.72		gdpgr5 + gdpgr5*LA=0	0.22	0.10	0.76
	ln (agdppc5) + ln (agdppc5)*LA=0	-1.05	0.00	0.97		ln (agdppc5) + ln (agdppc5)*LA=0	-0.35	0.00	0.99

*** reject null at 1 per cent significance level.

** reject null at 5 per cent significance level but not 1 per cent.

* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

Table A.89: Regression Results with Latin American Economies (LA) Dummy (disincimfgdp5*polins)

Variables / Model	(4.15.2.t.1)	(4.16.2.t.1)	(4.17.2.t.1)	(4.18.2.t.1)	(4.19.2.t.1)	(4.20.2.t.1)	(4.21.2.t.1)	(4.15.2.a.1)	(4.16.2.a.1)	(4.17.2.a.1)	(4.18.2.a.1)	(4.19.2.a.1)	(4.20.2.a.1)	(4.21.2.a.1)
constant	41.50***	39.66***	24.38***	42.49***	25.62***	33.45***	32.47***	41.65***	39.81***	24.88***	42.64***	25.79***	34.10***	32.60***
	(1.02)	(1.36)	(6.60)	(1.55)	(6.64)	(7.01)	(7.63)	(1.02)	(1.37)	(6.63)	(1.54)	(6.65)	(7.05)	(7.61)
tdisincimfgdp5* polins	0.04	0.03	0.09	0.09	0.11	0.16	0.21*							
	(0.08)	(0.08)	(0.11)	(0.08)	(0.11)	(0.11)	(0.12)							
adisincimfgdp5* polins								0.20	0.15	0.51	0.46	0.64	0.86	1.14*
								(0.39)	(0.41)	(0.56)	(0.41)	(0.55)	(0.53)	(0.59)
inf5		11.33				18.70***	19.26***		11.04				18.73***	19.53***
		(7.22)				(7.04)	(7.33)		(7.23)				(7.09)	(7.36)
ln (igdppc5)			2.38			0.53	12.97			2.30**			0.43	13.08
			(1.13)			(1.16)	(20.96)			(1.13)			(1.16)	(20.91)
gdpgr5				-0.47**		-0.13	0.40				-0.48**		-0.13	0.42
				(0.22)		(0.32)	(0.94)				(0.22)		(0.32)	(0.94)
ln (agdppc5)					2.13*		-12.63					2.08*		-12.80
					(1.13)		(21.09)					(1.13)		(21.04)
tdisincimfgdp5 * polins * LA	0.29***	0.26**	-0.16**	0.02	-0.19	-0.23*	-0.28**							
	(0.09)	(0.10)	(0.13)	(0.10)	(0.12)	(0.12)	(0.14)							
adisincimfgdp5 * polins * LA								1.32***	1.14**	-0.86	0.01	-1.03*	-1.23**	-1.54**
								(0.44)	(0.48)	(0.62)	(0.46)	(0.60)	(0.60)	(0.66)
inf5 * LA		5.18				-19.56**	-20.67**		5.80				-19.81**	-21.20**
		(7.74)				(9.69)	(10.20)		(7.70)				(9.75)	(10.27)
ln (igdppc5) * LA			1.01***			1.56**	-1.10			1.03***			1.60***	-0.30
			(0.35)			(0.61)	(34.78)			(0.34)			(0.61)	(34.84)
gdpgr5 * LA				1.66***		0.49	0.25				1.68***		0.49	0.26
				(0.29)		(0.53)	(1.27)				(0.29)		(0.53)	(1.27)
ln (agdppc5) * LA					1.12***		2.91					1.15***		2.16
					(0.34)		(35.19)					(0.34)		(35.24)
Adjed R-sq	0.06	0.13	0.24	0.14	0.24	0.28	0.28	0.06	0.12	0.24	0.14	0.24	0.28	0.28
# of cross secs	62	57	61	62	61	56	55	62	57	61	62	61	56	55
∑ panel obs:	162	139	159	161	158	137	133	161	138	158	160	158	136	133

Table A.90: Wald Test Results for the Significance of The Coefficients in Regression Results with LA Dummies (disincimfgdp5*polins)

Model	Null Hypothesis	Coefficient Sums	F-Statistic	Prob	Model	Null Hypothesis	Coefficient Sums	F-Statistic	Prob
(4.15.2.t.1)	tdisincimfgdp5*polins + tdisincimfgdp5*polins*LA=0	0.34***	15.37	0.00	(4.15.2.a.1)	adisincimfgdp5*polins + adisincimfgdp5*polins*LA=0	1.52***	14.30	0.00
(4.16.2.t.1)	tdisincimfgdp5*polins + tdisincimfgdp5*polins*LA=0	0.29***	13.48	0.00	(4.16.2.a.1)	adisincimfgdp5*polins + adisincimfgdp5*polins*LA=0	1.29***	13.59	0.00
	inf5 + inf5*LA=0	16.51***	9.89	0.00		inf5 + inf5*LA=0	16.83***	10.35	0.00
(4.17.2.t.1)	tdisincimfgdp5*polins + tdisincimfgdp5*polins*LA=0	-0.07	1.18	0.28	(4.17.2.a.1)	adisincimfgdp5*polins + adisincimfgdp5*polins*LA=0	-0.35	1.66	0.20
	ln (igdppc5) + ln (igdppc5)*LA=0	3.39***	14.37	0.00		ln (igdppc5) + ln (igdppc5)*LA=0	3.33***	13.81	0.00
(4.18.2.t.1)	tdisincimfgdp5*polins + tdisincimfgdp5*polins*LA=0	0.12	2.46	0.12	(4.18.2.a.1)	adisincimfgdp5*polins + adisincimfgdp5*polins*LA=0	0.47	2.04	0.15
	gdpgr5 + gdpgr5*LA=0	1.19***	13.05	0.00		gdpgr5 + gdpgr5*LA=0	1.20***	13.11	0.00
(4.19.2.t.1)	tdisincimfgdp5*polins + tdisincimfgdp5*polins*LA=0	-0.07	1.52	0.22	(4.19.2.a.1)	adisincimfgdp5*polins + adisincimfgdp5*polins*LA=0	-0.38	2.04	0.16
	ln (agdppc5) + ln (agdppc5)*LA=0	3.24***	12.95	0.00		ln (agdppc5) + ln (agdppc5)*LA=0	3.23***	12.82	0.00
(4.20.2.t.1)	tdisincimfgdp5*polins + tdisincimfgdp5*polins*LA=0	-0.07	1.14	0.29	(4.20.2.a.1)	adisincimfgdp5*polins + adisincimfgdp5*polins*LA=0	-0.37	1.61	0.21
	inf5 + inf5*LA=0	-0.86	0.02	0.90		inf5 + inf5*LA=0	-1.08	0.03	0.87
	ln (igdppc5) + ln (igdppc5)*LA=0	2.10**	4.41	0.04		ln (igdppc5) + ln (igdppc5)*LA=0	2.03*	4.09	0.05
	gdpgr5 + gdpgr5*LA=0	0.36	0.69	0.41		gdpgr5 + gdpgr5*LA=0	0.36	0.71	0.40
(4.21.2.t.1)	tdisincimfgdp5*polins + tdisincimfgdp5*polins*LA=0	-0.07	1.12	0.29	(4.21.2.a.1)	adisincimfgdp5*polins + adisincimfgdp5*polins*LA=0	-0.40	1.57	0.21
	inf5 + inf5*LA=0	-1.41	0.04	0.84		inf5 + inf5*LA=0	-1.67	0.05	0.82
	ln (igdppc5) + ln (igdppc5)*LA=0	11.87	0.15	0.70		ln (igdppc5) + ln (igdppc5)*LA=0	12.78	0.17	0.68
	gdpgr5 + gdpgr5*LA=0	0.65	0.44	0.51		gdpgr5 + gdpgr5*LA=0	0.68	0.48	0.49
	ln (agdppc5) + ln (agdppc5)*LA=0	-9.72	0.10	0.75		ln (agdppc5) + ln (agdppc5)*LA=0	-10.64	0.12	0.73

*** reject null at 1 per cent significance level.

** reject null at 5 per cent significance level but not 1 per cent.

* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

Table A.91: Regression Results with Latin American Economies (LA) Dummy (disgdp5*polins)

Variables /Model	(4.15.3.t.1)	(4.16.3.t.1)	(4.17.3.t.1)	(4.18.3.t.1)	(4.19.3.t.1)	(4.20.3.t.1)	(4.21.3.t.1)	(4.15.3.a.1)	(4.16.3.a.1)	(4.17.3.a.1)	(4.18.3.a.1)	(4.19.3.a.1)	(4.20.3.a.1)	(4.21.3.a.1)
constant	41.59***	39.72***	24.27***	42.54***	25.57***	34.20***	33.63***	41.73***	39.87***	24.81***	42.68***	25.79***	34.90***	33.87***
	(1.01)	(1.41)	(6.72)	(1.50)	(6.77)	(7.26)	(7.93)	(1.01)	(1.42)	(6.75)	(1.50)	(6.79)	(7.29)	(7.92)
tdisgdp5* polins	0.04	0.03	0.08	0.11	0.11	0.21	0.27*							
	(0.09)	(0.10)	(0.13)	(0.09)	(0.13)	(0.14)	(0.16)							
adisgdp5* polins								0.18	0.13	0.49	0.54	0.63	1.11	1.45*
								(0.44)	(0.49)	(0.65)	(0.47)	(0.63)	(0.71)	(0.78)
inf5		11.38				19.78***	20.68***		11.07				19.89***	21.10***
		(7.20)				(7.46)	(7.85)		(7.22)				(7.52)	(7.88)
ln (igdppc5)			2.42**			0.37	11.34			2.33**			0.25	11.28
			(1.15)			(1.24)	(20.97)			(1.16)			(1.24)	(20.97)
gdpgr5				-0.48**		-0.13	0.34				-0.50**		-0.14	0.36
				(0.22)		(0.32)	(0.92)				(0.22)		(0.32)	(0.92)
ln (agdppc5)					2.16*		-11.22					2.10*		-11.24
					(1.15)		(21.06)					(1.16)		(21.05)
tdisgdp5 * polins * LA	0.30***	0.26**	-0.15	0.01	-0.19	-0.28*	-0.35**							
	(0.10)	(0.11)	(0.14)	(0.11)	(0.14)	(0.15)	(0.17)							
adisgdp5 * polins * LA								1.36***	1.17**	-0.85	-0.09	-1.03	-1.51**	-1.88**
								(0.48)	(0.53)	(0.69)	(0.53)	(0.67)	(0.76)	(0.82)
inf5 * LA		5.36				-20.74**	-22.20**		5.96				-21.09**	-22.88**
		(7.60)				(10.04)	(10.55)		(7.56)				(10.09)	(10.61)
ln (igdppc5) * LA			0.98***			1.64**	-0.27			1.01***			1.68***	0.60
			(0.35)			(0.64)	(34.53)			(0.35)			(0.63)	(34.56)
gdpgr5 * LA				1.68***		0.49	0.28				1.71***		0.50	0.30
				(0.29)		(0.53)	(1.25)				(0.29)		(0.52)	(1.25)
ln (agdppc5) * LA					1.09***		2.16					1.13***		1.35
					(0.34)		(34.94)					(0.34)		(34.97)
Adj'ed R-squared	0.06	0.13	0.24	0.14	0.24	0.29	0.28	0.06	0.12	0.23	0.14	0.24	0.28	0.29
# of cross sec used	62	57	61	62	61	56	55	62	57	61	62	61	56	55
∑ panel obs:	162	139	159	161	158	137	133	161	138	158	160	158	136	133

*** reject null at 1 per cent significance level.

** reject null at 5 per cent significance level but not 1 per cent.

* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

Table A.92: Wald Test Results for the Significance of The Coefficients in Regression Results with LA Dummies (disgdp5*polins)

Model	Null Hypothesis	Coefficient Sums	F-Statistic	Prob	Model	Null Hypothesis	Coefficient Sums	F-Statistic	Prob
(4.15.3.t.1)	tdisgdp5*polins + tdisgdp5*polins*LA=0	0.34***	14.75	0.00	(4.15.3.a.1)	adisgdp5*polins + adisgdp5*polins*LA=0	1.54***	13.81	0.00
(4.16.3.t.1)	tdisgdp5*polins + tdisgdp5*polins*LA=0	0.29***	13.24	0.00	(4.16.3.a.1)	adisgdp5*polins + adisgdp5*polins*LA=0	1.30***	13.37	0.00
	inf5 + inf5*LA=0	16.74***	9.90	0.00		inf5 + inf5*LA=0	17.03***	10.31	0.00
(4.17.3.t.1)	tdisgdp5*polins + tdisgdp5*polins*LA=0	-0.07	1.22	0.27	(4.17.3.a.1)	adisgdp5*polins + adisgdp5*polins*LA=0	-0.36	1.72	0.19
	ln (igdppc5) + ln (igdppc5)*LA=0	3.40***	13.98	0.00		ln (igdppc5) + ln (igdppc5)*LA=0	3.34***	13.38	0.00
(4.18.3.t.1)	tdisgdp5*polins + tdisgdp5*polins*LA=0	0.11	2.28	0.13	(4.18.3.a.1)	adisgdp5*polins + adisgdp5*polins*LA=0	0.45	1.88	0.17
	gdpgr5 + gdpgr5*LA=0	1.20***	13.26	0.00		gdpgr5 + gdpgr5*LA=0	1.21***	13.39	0.00
(4.19.3.t.1)	tdisgdp5*polins + tdisgdp5*polins*LA=0	-0.08	1.59	0.21	(4.19.3.a.1)	adisgdp5*polins + adisgdp5*polins*LA=0	-0.39	2.13	0.15
	ln (agdppc5) + ln (agdppc5)*LA=0	3.25***	12.51	0.00		ln (agdppc5) + ln (agdppc5)*LA=0	3.23***	12.31	0.00
(4.20.3.t.1)	tdisgdp5*polins + tdisgdp5*polins*LA=0	-0.08	1.36	0.25	(4.20.3.a.1)	adisgdp5*polins + adisgdp5*polins*LA=0	-0.40	1.86	0.18
	inf5 + inf5*LA=0	-0.97	0.02	0.88		inf5 + inf5*LA=0	-1.20	0.03	0.86
	ln (igdppc5) + ln (igdppc5)*LA=0	2.01*	3.83	0.05		ln (igdppc5) + ln (igdppc5)*LA=0	1.93*	3.52	0.06
	gdpgr5 + gdpgr5*LA=0	0.36	0.71	0.40		gdpgr5 + gdpgr5*LA=0	0.36	0.73	0.40
(4.21.3.t.1)	tdisgdp5*polins + tdisgdp5*polins*LA=0	-0.08	1.32	0.25	(4.21.3.a.1)	adisgdp5*polins + adisgdp5*polins*LA=0	-0.43	1.78	0.18
	inf5 + inf5*LA=0	-1.52	0.05	0.83		inf5 + inf5*LA=0	-1.78	0.06	0.80
	ln (igdppc5) + ln (igdppc5)*LA=0	11.07	0.13	0.72		ln (igdppc5) + ln (igdppc5)*LA=0	11.88	0.15	0.70
	gdpgr5 + gdpgr5*LA=0	0.63	0.42	0.52		gdpgr5 + gdpgr5*LA=0	0.65	0.46	0.50
	ln (agdppc5) + ln (agdppc5)*LA=0	-9.06	0.09	0.76		ln (agdppc5) + ln (agdppc5)*LA=0	-9.89	0.11	0.74

*** reject null at 1 per cent significance level.

** reject null at 5 per cent significance level but not 1 per cent.

* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

Table A.93: Regression Results with Sub-Saharan Africa Economies (SSA) Dummy (ibrdidagdp5*polins)

Variables /Model	(4.15.1.t.1)	(4.16.1.t.1)	(4.17.1.t.1)	(4.18.1.t.1)	(4.19.1.t.1)	(4.20.1.t.1)	(4.21.1.t.1)	(4.15.1.a.1)	(4.16.1.a.1)	(4.17.1.a.1)	(4.18.1.a.1)	(4.19.1.a.1)	(4.20.1.a.1)	(4.21.1.a.1)
constant	41.40***	38.65***	9.38**	42.92***	10.33**	12.71**	11.18*	41.43***	38.71***	9.57**	42.98***	10.20**	13.00**	10.82
	(1.04)	(1.28)	(4.34)	(1.73)	(4.63)	(5.91)	(5.69)	(1.05)	(1.30)	(4.40)	(1.74)	(4.62)	(6.08)	(5.66)
tibrdidagdp5* polins	0.16*	0.16*	0.04	0.12	0.07	0.13	0.14							
	(0.08)	(0.09)	(0.09)	(0.09)	(0.09)	(0.12)	(0.11)							
aibrdidagdp5* polins								0.81*	0.82*	0.20	0.62	0.36	0.67	0.73
								(0.42)	(0.47)	(0.47)	(0.44)	(0.47)	(0.59)	(0.54)
inf5		21.34***				16.31***	14.56**		21.22***				16.29***	14.63
		(4.42)				(5.67)	(5.49)		(4.42)				(5.71)	(5.50)
ln (igdppc5)			4.76***			3.66***	41.28*			4.74***			3.63***	41.46
			(0.69)			(0.85)	(24.80)			(0.70)			(0.86)	(24.73)
gdpgr5				-0.30		0.24	1.36				-0.30		0.24	1.38
				(0.25)		(0.42)	(0.96)				(0.25)		(0.42)	(0.96)
ln (agdppc5)					4.57***		-37.74					4.58***		-37.88
					(0.72)		(25.05)					(0.72)		(24.98)
tibrdidagdp5 * polins * SSA	-0.01	0.12	0.32**	0.01	0.31***	0.20	0.31**							
	(0.09)	(0.10)	(0.13)	(0.09)	(0.12)	(0.15)	(0.13)							
aibrdidagdp5 * polins * SSA								-0.08	0.55	1.58**	0.04	1.53***	0.98	1.51
								(0.42)	(0.51)	(0.64)	(0.47)	(0.59)	(0.75)	(0.64)
inf5 * SSA		-30.04***				-21.09**	-21.87**		-29.88***				-20.72**	-21.33
		(6.79)				(8.70)	(8.72)		(6.66)				(8.56)	(8.53)
ln (igdppc5) * SSA			-0.29			0.32	1.49			-0.31			0.29	3.06
			(0.39)			(0.72)	(45.54)			(0.39)			(0.73)	(45.18)
gdpgr5 * SSA				-0.10		-0.04	0.47				-0.12		-0.04	0.51
				(0.41)		(0.58)	(1.65)				(0.41)		(0.58)	(1.64)
ln (agdppc5) * SSA					-0.46		-2.04					-0.46		-3.64
					(0.32)		(46.39)					(0.32)		(46.02)
adjusted R-squared	0.02	0.15	0.28	0.02	0.27	0.26	0.28	0.02	0.15	0.28	0.02	0.27	0.25	0.28
# of cross sect.s used	62	57	61	62	61	56	55	62	57	61	62	61	56	55
∑ panel obs:	160	137	157	159	158	135	133	159	136	157	159	158	135	133

Table A.94: Wald Test Results for the Significance of The Coefficients in Regression Results with SSA Dummies (ibrdidagdp5*polins)

Model	Null Hypothesis	Coefficient Sums	F-Statistic	Prob	Model	Null Hypothesis	Coefficient Sums	F-Statistic	Prob
(4.15.1.t.1)	tibrdidagdp5*polins + tibrdidagdp5*polins*SSA=0	0.15**	4.52	0.04	(4.15.1.a.1)	aibrdidagdp5*polins + aibrdidagdp5*polins*SSA=0	0.74**	4.68	0.03
(4.16.1.t.1)	tibrdidagdp5*polins + tibrdidagdp5*polins*SSA=0	0.28***	14.67	0.00	(4.16.1.a.1)	aibrdidagdp5*polins + aibrdidagdp5*polins*SSA=0	1.37***	15.35	0.00
	inf5 + inf5*SSA=0	-8.70	2.16	0.14		inf5 + inf5*SSA=0	-8.66	2.24	0.14
(4.17.1.t.1)	tibrdidagdp5*polins + tibrdidagdp5*polins*SSA=0	0.35***	19.05	0.00	(4.17.1.a.1)	aibrdidagdp5*polins + aibrdidagdp5*polins*SSA=0	1.78***	20.21	0.00
	ln (igdppc5) + ln (igdppc5)*SSA=0	4.47***	29.42	0.00		ln (igdppc5) + ln (igdppc5)*SSA=0	4.43***	28.28	0.00
(4.18.1.t.1)	tibrdidagdp5*polins + tibrdidagdp5*polins*SSA=0	0.13	2.57	0.11	(4.18.1.a.1)	aibrdidagdp5*polins + aibrdidagdp5*polins*SSA=0	0.67*	2.69	0.10
	gdpgr5 + gdpgr5*SSA=0	-0.40	0.96	0.33		gdpgr5 + gdpgr5*SSA=0	-0.42	1.04	0.31
(4.19.1.t.1)	tibrdidagdp5*polins + tibrdidagdp5*polins*SSA=0	0.38***	31.09	0.00	(4.19.1.a.1)	aibrdidagdp5*polins + aibrdidagdp5*polins*SSA=0	1.90***	33.13	0.00
	ln (agdppc5) + ln (agdppc5)*SSA=0	4.12***	26.63	0.00		ln (agdppc5) + ln (agdppc5)*SSA=0	4.12***	26.81	0.00
(4.20.1.t.1)	tibrdidagdp5*polins + tibrdidagdp5*polins*SSA=0	0.33***	12.61	0.00	(4.20.1.a.1)	aibrdidagdp5*polins + aibrdidagdp5*polins*SSA=0	1.66***	13.58	0.00
	inf5 + inf5*SSA=0	-4.79	0.52	0.47		inf5 + inf5*SSA=0	-4.42	0.47	0.49
	ln (igdppc5) + ln (igdppc5)*SSA=0	3.98***	13.17	0.00		ln (igdppc5) + ln (igdppc5)*SSA=0	3.92***	12.29	0.00
	gdpgr5 + gdpgr5*SSA=0	0.20	0.25	0.62		gdpgr5 + gdpgr5*SSA=0	0.19	0.22	0.64
(4.21.1.t.1)	tibrdidagdp5*polins + tibrdidagdp5*polins*SSA=0	0.45***	34.57	0.00	(4.21.1.a.1)	aibrdidagdp5*polins + aibrdidagdp5*polins*SSA=0	2.24***	36.93	0.00
	inf5 + inf5*SSA=0	-7.31	1.12	0.29		inf5 + inf5*SSA=0	-6.70	1.01	0.32
	ln (igdppc5) + ln (igdppc5)*SSA=0	42.77	1.17	0.28		ln (igdppc5) + ln (igdppc5)*SSA=0	44.52	1.29	0.26
	gdpgr5 + gdpgr5*SSA=0	1.84	1.60	0.21		gdpgr5 + gdpgr5*SSA=0	1.89	1.71	0.19
	ln (agdppc5) + ln (agdppc5)*SSA=0	-39.78	0.98	0.32		ln (agdppc5) + ln (agdppc5)*SSA=0	-41.53	1.09	0.30

*** reject null at 1 per cent significance level.

** reject null at 5 per cent significance level but not 1 per cent.

* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

Table A.95: Regression Results with Sub-Saharan Africa Economies (SSA) Dummy (disincimfgdp5*polins)

Variables /Model	(4.15.2.t.1)	(4.16.2.t.1)	(4.17.2.t.1)	(4.18.2.t.1)	(4.19.2.t.1)	(4.20.2.t.1)	(4.21.2.t.1)	(4.15.2.a.1)	(4.16.2.a.1)	(4.17.2.a.1)	(4.18.2.a.1)	(4.19.2.a.1)	(4.20.2.a.1)	(4.21.2.a.1)
constant	41.03***	38.58***	12.65**	42.43***	12.69**	21.09***	19.20**	41.12***	38.65***	13.25**	42.56***	12.87**	22.29***	19.46***
	(1.00)	(1.27)	(5.15)	(1.59)	(5.52)	(7.14)	(7.51)	(0.99)	(1.28)	(5.22)	(1.59)	(5.52)	(7.31)	(7.49)
tdisincimfgdp5* polins	0.18***	0.14**	-0.07	0.18***	-0.07	0.00	0.01							
	(0.06)	(0.06)	(0.07)	(0.06)	(0.07)	(0.06)	(0.07)							
adisincimfgdp5* polins								0.86***	0.66**	-0.28	0.86**	-0.27	0.06	0.09
								(0.29)	(0.27)	(0.31)	(0.30)	(0.31)	(0.30)	(0.31)
inf5		21.00***				14.38***	13.40**		20.95***				14.44***	13.56**
		(4.33)				(5.48)	(5.71)		(4.32)				(5.54)	(5.75)
ln (igdppc5)			4.44***			2.85***	32.76			4.35***			2.69**	32.52
			(0.80)			(1.04)	(25.28)			(0.81)			(1.06)	(25.24)
gdpgr5				-0.35		-0.07	0.87				-0.36		-0.09	0.87
				(0.24)		(0.39)	(0.98)				(0.24)		(0.39)	(0.98)
ln (agdppc5)					4.40***		-29.96					4.36***		-29.76
					(0.84)		(25.45)					(0.84)		(25.41)
tdisincimfgdp5 * polins * SSA	0.01	0.27*	0.22	-0.06	0.25	0.32	0.26							
	(0.11)	(0.15)	(0.20)	(0.12)	(0.20)	(0.30)	(0.34)							
adisincimfgdp5 * polins * SSA								0.07	1.38	1.16	-0.28	1.27	1.78	1.47
								(0.52)	(0.74)	(0.98)	(0.59)	(0.96)	(1.48)	(1.68)
inf5 * SSA		-27.01***				-16.62*	-14.16		-27.24***				-16.97*	-14.51
		(6.28)				(9.33)	(8.80)		(6.26)				(9.24)	(8.78)
ln (igdppc5) * SSA			0.18			-0.12	-41.23			0.14			-0.25	-38.78
			(0.42)			(0.94)	(51.80)			(0.42)			(0.93)	(51.87)
gdpgr5 * SSA				0.22		0.48	-0.91				0.21		0.54	-0.78
				(0.37)		(0.64)	(1.99)				(0.37)		(0.65)	(2.01)
ln (agdppc5) * SSA					0.17		41.76					0.14		39.18
					(0.43)		(53.02)					(0.42)		(53.11)
adjusted R-squared	0.02	0.13	0.20	0.02	0.19	0.17	0.16	0.02	0.13	0.19	0.02	0.19	0.17	0.17
# of cross sect.s used	62	57	61	62	61	56	55	62	57	61	62	61	56	55
∑ panel observations:	162	139	159	161	158	137	133	161	138	158	160	158	136	133

Table A.96: Wald Test Results for the Significance of The Coefficients in Regression Results with SSA Dummies (disincimfgdp5*polins)

Model	Null Hypothesis	Coefficient Sums	F-Statistic	Prob	Model	Null Hypothesis	Coefficient Sums	F-Statistic	Prob
(4.15.2.t.1)	tdisincimfgdp5*polins + tdisincimfgdp5*polins*SSA=0	0.19*	3.03	0.08	(4.15.2.a.1)	adisincimfgdp5*polins + adisincimfgdp5*polins*SSA=0	0.93*	2.96	0.09
(4.16.2.t.1)	tdisincimfgdp5*polins + tdisincimfgdp5*polins*SSA=0	0.41**	7.63	0.01	(4.16.2.a.1)	adisincimfgdp5*polins + adisincimfgdp5*polins*SSA=0	2.04**	7.62	0.01
	inf5 + inf5*SSA=0	-6.01	1.11	0.29		inf5 + inf5*SSA=0	-6.29	1.22	0.27
(4.17.2.t.1)	tdisincimfgdp5*polins + tdisincimfgdp5*polins*SSA=0	0.15	0.61	0.43	(4.17.2.a.1)	adisincimfgdp5*polins + adisincimfgdp5*polins*SSA=0	0.88	0.82	0.37
	ln (igdppc5) + ln (igdppc5)*SSA=0	4.62***	21.53	0.00		ln (igdppc5) + ln (igdppc5)*SSA=0	4.48***	19.95	0.00
(4.18.2.t.1)	tdisincimfgdp5*polins + tdisincimfgdp5*polins*SSA=0	0.12	0.94	0.33	(4.18.2.a.1)	adisincimfgdp5*polins + adisincimfgdp5*polins*SSA=0	0.58	0.91	0.34
	gdpgr5 + gdpgr5*SSA=0	-0.13	0.11	0.74		gdpgr5 + gdpgr5*SSA=0	-0.15	0.15	0.70
(4.19.2.t.1)	tdisincimfgdp5*polins + tdisincimfgdp5*polins*SSA=0	0.18	0.89	0.35	(4.19.2.a.1)	adisincimfgdp5*polins + adisincimfgdp5*polins*SSA=0	0.99	1.11	0.29
	ln (agdppc5) + ln (agdppc5)*SSA=0	4.57***	18.99	0.00		ln (agdppc5) + ln (agdppc5)*SSA=0	4.50***	18.47	0.00
(4.20.2.t.1)	tdisincimfgdp5*polins + tdisincimfgdp5*polins*SSA=0	0.32	1.15	0.29	(4.20.2.a.1)	adisincimfgdp5*polins + adisincimfgdp5*polins*SSA=0	1.84	1.52	0.22
	inf5 + inf5*SSA=0	-2.23	0.09	0.76		inf5 + inf5*SSA=0	-2.53	0.12	0.73
	ln (igdppc5) + ln (igdppc5)*SSA=0	2.73*	3.19	0.08		ln (igdppc5) + ln (igdppc5)*SSA=0	2.44	2.49	0.12
	gdpgr5 + gdpgr5*SSA=0	0.41	0.69	0.41		gdpgr5 + gdpgr5*SSA=0	0.45	0.82	0.37
(4.21.2.t.1)	tdisincimfgdp5*polins + tdisincimfgdp5*polins*SSA=0	0.27	0.65	0.42	(4.21.2.a.1)	adisincimfgdp5*polins + adisincimfgdp5*polins*SSA=0	1.56	0.85	0.36
	inf5 + inf5*SSA=0	-0.76	0.01	0.91		inf5 + inf5*SSA=0	-0.96	0.02	0.89
	ln (igdppc5) + ln (igdppc5)*SSA=0	-8.47	0.03	0.85		ln (igdppc5) + ln (igdppc5)*SSA=0	-6.26	0.02	0.89
	gdpgr5 + gdpgr5*SSA=0	-0.04	0.00	0.98		gdpgr5 + gdpgr5*SSA=0	0.08	0.00	0.96
	ln (agdppc5) + ln (agdppc5)*SSA=0	11.80	0.06	0.80		ln (agdppc5) + ln (agdppc5)*SSA=0	9.42	0.04	0.84

*** reject null at 1 per cent significance level.

** reject null at 5 per cent significance level but not 1 per cent.

* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.

Table A.97: Regression Results with Sub-Saharan Africa Economies (SSA) Dummy (disgdp5*polins)

Variables /Model	(4.15.3.t.1)	(4.16.3.t.1)	(4.17.3.t.1)	(4.18.3.t.1)	(4.19.3.t.1)	(4.20.3.t.1)	(4.21.3.t.1)	(4.15.3.a.1)	(4.16.3.a.1)	(4.17.3.a.1)	(4.18.3.a.1)	(4.19.3.a.1)	(4.20.3.a.1)	(4.21.3.a.1)
constant	41.00***	38.39***	12.76**	42.44***	12.77**	20.90**	19.30**	41.09***	38.46***	13.38**	42.56***	12.99**	22.13***	19.63**
	(0.99)	(1.33)	(5.21)	(1.57)	(5.56)	(7.26)	(7.76)	(0.99)	(1.33)	(5.27)	(1.56)	(5.57)	(7.40)	(7.70)
tdisgdp5* polins	0.20***	0.15**	-0.06	0.20***	-0.06	0.01	0.01							
	(0.07)	(0.06)	(0.07)	(0.07)	(0.07)	(0.07)	(0.07)							
adisgdp5* polins								0.94***	0.75***	-0.25	0.94***	-0.25	0.09	0.11
								(0.30)	(0.28)	(0.33)	(0.32)	(0.33)	(0.31)	(0.33)
inf5		21.38***				14.46***	13.47**		21.34***				14.52***	13.64**
		(4.44)				(5.46)	(5.71)		(4.45)				(5.52)	(5.74)
ln (igdppc5)			4.41***			2.87***	32.66			4.32***			2.70**	32.31
			(0.81)			(1.05)	(25.34)			(0.81)			(1.07)	(25.30)
gdpgr5				-0.36		-0.06	0.87				-0.37		-0.08	0.86
				(0.24)		(0.39)	(0.98)				(0.24)		(0.39)	(0.98)
ln (agdppc5)					4.38***		-29.88					4.33***		-29.59
					(0.85)		(25.49)					(0.85)		(25.45)
tdisgdp5 * polins * SSA	0.03	0.32	0.25	-0.06	0.28	0.38	0.31							
	(0.13)	(0.19)	(0.27)	(0.15)	(0.26)	(0.52)	(0.53)							
adisgdp5 * polins * SSA								0.18	1.63**	1.33	-0.25	1.47	2.23	1.82
								(0.66)	(0.94)	(1.36)	(0.75)	(1.32)	(2.60)	(2.66)
inf5 * SSA		-24.40***				-13.35	-10.94		-24.64***				-13.11	-10.72
		(6.82)				(11.36)	(10.85)		(6.80)				(11.33)	(10.85)
ln (igdppc5) * SSA			0.19			-0.15	-49.89			0.13			-0.33	-48.39
			(0.45)			(1.25)	(49.99)			(0.45)			(1.25)	(49.96)
gdpgr5 * SSA				0.22		0.41	-1.26				0.21		0.48	-1.16
				(0.37)		(0.69)	(1.87)				(0.38)		(0.69)	(1.88)
ln (agdppc5) * SSA					0.17		50.53					0.14		48.88
					(0.45)		(51.01)					(0.45)		(51.00)
adjusted R-squared	0.02	0.13	0.20	0.02	0.19	0.17	0.16	0.02	0.13	0.19	0.03	0.19	0.16	0.16
# of cross sections used	62	57	61	62	61	56	55	62	57	61	62	61	56	55
∑ panel observations:	162	139	159	161	158	137	133	161	138	159	161	158	137	133

Table A.98: Wald Test Results for the Significance of The Coefficients in Regression Results with SSA Dummies (disgdp5*polins)

Model	Null Hypothesis	Coefficient Sums	F-Statistic	Prob	Model	Null Hypothesis	Coefficient Sums	F-Statistic	Prob
(4.15.3.t.1)	tdisgdp5*polins + tdisgdp5*polins*SSA=0	0.23	2.65	0.11	(4.15.3.a.1)	adisgdp5*polins + adisgdp5*polins*SSA=0	1.12	2.59	0.11
(4.16.3.t.1)	tdisgdp5*polins + tdisgdp5*polins*SSA=0	0.47**	5.89	0.02	(4.16.3.a.1)	adisgdp5*polins + adisgdp5*polins*SSA=0	2.37**	5.89	0.02
	inf5 + inf5*SSA=0	-3.03	0.22	0.64		inf5 + inf5*SSA=0	-3.30	0.26	0.61
(4.17.3.t.1)	tdisgdp5*polins + tdisgdp5*polins*SSA=0	0.18	0.46	0.50	(4.17.3.a.1)	adisgdp5*polins + adisgdp5*polins*SSA=0	1.08	0.63	0.43
	ln (igdppc5) + ln (igdppc5)*SSA=0	4.60**	19.62	0.00		ln (igdppc5) + ln (igdppc5)*SSA=0	4.45***	18.04	0.00
(4.18.3.t.1)	tdisgdp5*polins + tdisgdp5*polins*SSA=0	0.14	0.84	0.36	(4.18.3.a.1)	adisgdp5*polins + adisgdp5*polins*SSA=0	0.69	0.81	0.37
	gdpgr5 + gdpgr5*SSA=0	-0.14	0.13	0.72		gdpgr5 + gdpgr5*SSA=0	-0.16	0.17	0.68
(4.19.3.t.1)	tdisgdp5*polins + tdisgdp5*polins*SSA=0	0.22	0.68	0.41	(4.19.3.a.1)	adisgdp5*polins + adisgdp5*polins*SSA=0	1.21	0.84	0.36
	ln (agdppc5) + ln (agdppc5)*SSA=0	4.55**	17.50	0.00		ln (agdppc5) + ln (agdppc5)*SSA=0	4.47***	16.91	0.00
(4.20.3.t.1)	tdisgdp5*polins + tdisgdp5*polins*SSA=0	0.39	0.55	0.46	(4.20.3.a.1)	adisgdp5*polins + adisgdp5*polins*SSA=0	2.32	0.78	0.38
	inf5 + inf5*SSA=0	1.11	0.01	0.91		inf5 + inf5*SSA=0	1.42	0.02	0.89
	ln (igdppc5) + ln (igdppc5)*SSA=0	2.71	2.15	0.15		ln (igdppc5) + ln (igdppc5)*SSA=0	2.37	1.62	0.21
	gdpgr5 + gdpgr5*SSA=0	0.35	0.43	0.51		gdpgr5 + gdpgr5*SSA=0	0.40	0.55	0.46
(4.21.3.t.1)	tdisgdp5*polins + tdisgdp5*polins*SSA=0	0.32	0.36	0.55	(4.21.3.a.1)	adisgdp5*polins + adisgdp5*polins*SSA=0	1.93	0.51	0.47
	inf5 + inf5*SSA=0	2.52	0.07	0.79		inf5 + inf5*SSA=0	2.92	0.10	0.76
	ln (igdppc5) + ln (igdppc5)*SSA=0	-17.22	0.16	0.69		ln (igdppc5) + ln (igdppc5)*SSA=0	-16.08	0.14	0.71
	gdpgr5 + gdpgr5*SSA=0	-0.39	0.06	0.81		gdpgr5 + gdpgr5*SSA=0	-0.30	0.04	0.85
	ln (agdppc5) + ln (agdppc5)*SSA=0	20.65	0.22	0.64		ln (agdppc5) + ln (agdppc5)*SSA=0	19.30	0.19	0.66

*** reject null at 1 per cent significance level.

** reject null at 5 per cent significance level but not 1 per cent.

* reject null at 10 per cent significance level but not 5 per cent and 1 per cent.