

DATA APPENDIX

Table A1. Interest rate data

Country	Short-term rate	Source	Long-term rate	Source
Australia	avg. money market	IFS-60b	T-bond, 15 year	IFS-61
Austria	money market	IFS-60b	gov't bond yield	IFS-61
Belgium	call money	IFS-60b	gov't bond yield	IFS-61
Canada	overnight money mkt	IFS-60b	bond yield > 10 years	IFS-61
Denmark	call money	IFS-60b	gov't bond yield	IFS-61
France	call money	IFS-60b	gov't bond yield	IFS-61
Germany	call money	IFS-60b	gov't bond yield	IFS-61
Ireland	1-month fixed	IFS-60b	gov't bond yield	IFS-61
Italy	money market	IFS-60b	gov't bond yield	IFS-61
Japan	call money	IFS-60b	gov't bond yield	IFS-61
Korea	money market	IFS-60b	yield nat. housing bonds	IFS-61
Netherlands	call money	IFS-60b	gov't bond yield	IFS-61
New Zealand	discount rate	IFS-60	gov't bond yield	IFS-61
Norway	discount rate	IFS-60	gov't bond yield	IFS-61
Portugal	interbank deposit	IFS-60b	gov't bond yield	IFS-61
South Africa	interbank call rate	IFS-60b	gov't bond yield	IFS-61
Spain	call money	IFS-60b	gov't bond yield	IFS-61
Sweden	call money	IFS-60b	gov't bond yield	IFS-61
Switzerland	money market	IFS-60b	gov't bond yield	IFS-61
UK	overnight interbank	IFS-60b	gov't bond yield – LT	IFS-61
US	federal funds	IFS-60b	gov't bond yield – 10 yr	IFS-61

Notes: Missing bond yield (IFS-61) data for Belgium in 1963 is replaced by quarterly average of OECD series BELGBOND for that year. Missing bond-yields for Portugal, 74:II to 75:IV, and Sweden, 1986, are fixed by linear interpolation.

Table A2. Output and exchange rate data

Country	Output	Source	Exchange rate	Source
Australia	indust. prod	IFS-66..c	market rate (1/s)	IFS-..ac
Austria	indust. prod	IFS-66	official rate	IFS-..aa
Belgium	indust. prod	IFS-66..b	principal rate	IFS-..wa
Canada	indust. prod	IFS-66..b	market rate	IFS-..aa
Denmark	indust. prod	IFS-66..c	market rate	IFS-..aa
France	indust. prod	IFS-66..c	official rate	IFS-..aa
Germany	indust. prod	IFS-66..c	market rate	IFS-..aa
Ireland	indust. prod	IFS-66..c	market rate (1/s)	IFS-..ac
Italy	indust. prod	IFS-66..c	market rate	IFS-..aa
Japan	indust. prod	IFS-66..c	market rate	IFS-..aa
Korea	indust. prod	IFS-66..c	market rate	IFS-..aa
Netherlands	indust. prod	IFS-66..c	market rate	IFS-..aa
New Zealand	total employment	OECD-NZLEMPT	market rate (1/s)	IFS-..ac
Norway	indust. prod	IFS-66..c	official rate	IFS-..aa
Portugal	indust. prod	OECD-PRTIPSA	market rate	IFS-..aa
South Africa	manuf. prod	IFS-66eyc	principal rate	IFS-..wa
Spain	indust. prod	IFS-66..c	market rate	IFS-..aa
Sweden	indust. prod	IFS-66..c	official rate	IFS-..aa
Switzerland	indust. prod	IFS-66	official rate	IFS-..aa
UK	indust. prod	IFS-66..c	market rate (1/s)	IFS-..ac
US	indust. prod	IFS-66..c	\$/SDR	IFS-..sa

Table A3. Price level and money data

Country	Price level	Source	Money	Source
Australia	Consumer prices	IFS-64	money	IFS-34
Austria	Consumer prices	IFS-64	curr + dem.dep.	IFS-34A,34B
Belgium	Consumer prices	IFS-64	curr + dem.dep.	IFS-34A,34B
Canada	Consumer prices	IFS-64	money	IFS-34
Denmark	Consumer prices	IFS-64	money	IFS-34
France	Consumer prices	IFS-64	curr + dem.dep.	IFS-34A,34B
Germany	Consumer prices	IFS-64	curr + dem.dep.	IFS-34A,34B
Ireland	Consumer prices	IFS-64	M1	OECD-IREM1
Italy	Consumer prices	IFS-64	curr + dem.dep.	IFS-34A,34B
Japan	Consumer prices	IFS-64	money	IFS-34
Korea	Consumer prices	IFS-64	money	IFS-34
Netherlands	Consumer prices	IFS-64	curr + dem.dep.	IFS-34A,34B
New Zealand	Consumer prices	IFS-64	money	IFS-34
Norway	Consumer prices	IFS-64	M1	OECD-NORM1
Portugal	Consumer prices	IFS-64	curr + dem.dep.	IFS-34A,34B
South Africa	Consumer prices	IFS-64	money	IFS-34
Spain	Consumer prices	IFS-64	M1	OECD-ESPM1
Sweden	Consumer prices	IFS-64	M1+quasi	OECD-SWEM1QIN
Switzerland	Consumer prices	IFS-64	money	IFS-34
UK	Consumer prices	IFS-64	M1+quasi	GBRM4IN
US	Consumer prices	IFS-64	money	IFS-34

Notes: The IFS money stock series for Belgium (92:4) and France (78:1) had one time breaks. For Belgium, we eliminate the growth rate outlier using the growth rate from OECD series BELM1, which did not suffer from a one-time jump. For France, we eliminate the growth rate outlier using IFS series 34..x (growth rate of money). Both Norway and South Africa had missing observations in the money stock series (87:1 and 87:2 in Norway and 91:3 and 91:4 in South Africa). We used linear interpolation to infer the missing values.

Table A4. Financial market data

Directly constructed

1. Debt ratio: ratio of privately-issued debt to nominal GDP. Source: privately-issued debt comes from the Bank of International Settlements, International Banking and Financial Market Developments (Feb. 1998, Tables 14 and 15, pp. 46-47). Debt value is the dollar value of debt outstanding issued by the private sector as of December 1996. Nominal GDP is obtained from the International Financial Statistics data base, and is transformed to US dollars using the nominal exchange rate (lrh) from the same source.
2. Stock market capitalization: market capitalization to nominal GDP, December 1996. Source: Wall Street Journal (<http://update.wsj.com/public/resources/documents/gi-tab5.htm>).
3. Turnover: 1996 trading volume relative to market capitalization. Source: (<http://update.wsj.com/public/resources/documents/gi-tab5.htm>)
4. Depth: Index of financial depth, using the three variables above.
5. Reserve ratios: bank reserves to demand deposits and bank reserves to total deposits. Source: Reserves are series L20 from the IFS Financial Statistics; demand deposits are series L24 and time and saving deposits are series L25 from the same source. For Sweden and the UK, L24 and L25 series are not available from the IFS. In these cases, currency held by the public (L14A from IFS) is subtracted from M4 for the UK and M3 for Sweden, both obtained from the OECD Main Economic Indicators. The ratios are averages over the period 1974 to 1998.

From Levine, Loayza and Beck (2000)

All data below are collected from IFS, and are averaged over the period 1960 to 1995. See Levine, Loayza and Beck (2000, Table 12) for sources and details of proxy construction.

6. Liquid Liabilities: liquid liabilities of the financial system (currency plus demand and interest-bearing liabilities of banks and nonbank financial intermediaries) divided by GDP.
7. Commercial-Central Bank: assets of deposit money banks divided by assets of deposit money banks plus central bank assets.
8. Private Credit: credit by deposit money banks and other financial institutions to the private sector divided by GDP.
9. Bank Assets: domestic assets of deposit money banks divided by GDP.
10. Bank Credit: credit by deposit money banks to the private sector divided by GDP.

Figure 1. Short-term interest rates
1970 to 1998

