

## Request 8095      Data description

Growth rate, SH	growthsh	Growth rate of real per capita GDP, average over 1980-92; calculated as geometric growth rate and using data from Summer-Heston.
Initial GDP, SH	rgdpsh	Real GDP per capita in 1980, using data from Summer-Heston
Log(Initial GDP, SH)	lrgdpsh	$\ln(\text{rgdpsh})$
Latin America	lac	Dummy for Latin American countries
Europe and Central Asia	eca	Dummy for European and Central Asian countries
Middle East/North Africa	mna	Dummy for Middle Eastern and North African countries
Sub-Saharan Africa	afr	Dummy for Sub-Saharan African countries
South Asia	sas	Dummy for South Asian countries
East Asia/Pacific	eap	Dummy for East Asian and Pacific countries
OECD	oecd	Dummy for OECD member countries
Oil	oil	Dummy for oil-exporting countries
Assassinations	assass	number of assassinations per thousand inhabitants; average over 80s, Source: Banks (1994)
Civil Rights	civil	index of civil liberties, average over 80s, Scale from 1 (most freedom) to 7 (least freedom) Source: Barro and Lee (1996)
Revolutions/Coups	revc	A revolution is defined as any illegal or forced change in the top governmental elite, any attempt at such a change, or any successful or unsuccessful armed rebellion whose aim is independence from central government. Coup d'Etat is defined as an extraconstitutional or forced change in the top government elite and/or its effective control of the nation's power structure in a given year. Unsuccessful coups are not counted, Average over 80s, Source: Banks (1994)
BMP	bmp	Black market premium; average over 1980-92; Sources: World's Currency Yearbook; and Adrian Wood, Global trends in real exchange rates: 1960-84, WB Discussion paper no. 35. 1988.
Log(BMP)	lbmp	$\ln(1 + \text{bmp})$
Initial BMP	bmpi	Black market premium in 1980; Sources: World's Currency Yearbook; and Adrian Wood, Global trends in real exchange rates: 1960-84, WB Discussion paper no. 35. 1988.
Log(Initial BMP)	lbmpi	$\ln(1 + \text{bmpi})$

Inflation	pi	Inflation rate, calculated as log difference of CPI. Source: IFS
Log(Inflation)	lpi	$\ln(1 + pi)$
Initial Inflation	pii	Inflation rate in 1980, calculated as log difference of CPI. Source: IFS
Log(Initial Inflation)	lpii	$\ln(1 + pii)$
Initial GDP	initial	Real GDP per capita in 1980; Source: Loayza, Lopez, Schmidt-Hebbel, and Serven (1998)
Log (Initial GDP)	linitial	$\ln(\text{initial})$
Trade	trade	Real exports and imports as share of real GDP, average over 1980-95; Source: Loayza, Lopez, Schmidt-Hebbel, and Serven (1998)
Initial Trade	tradei	Real exports and imports as share of real GDP in 1980; Source: Loayza, Lopez, Schmidt-Hebbel, and Serven (1998)
Government expenditure	gov	Government expenditures as share of GDP, average over 1980-95; Source: Loayza, Lopez, Schmidt-Hebbel, and Serven (1998)
Initial Govt. expenditure	govi	Government expenditures as share of GDP in 1980; Source: Loayza, Lopez, Schmidt-Hebbel, and Serven (1998)
Growth rate	growth	Growth rate of real per capita GDP, average over 1980-95; calculated as regression coefficient from OLS regression; Source: Loayza, Lopez, Schmidt-Hebbel, and Serven (1998)
Capital growth	capgrols	Growth rate of real per capita capital average over 1980-92; calculated as regression coefficient from OLS regression; using data from Summer-Heston
Schooling 1980	School80	Average schooling years in the total population over 25 in 1980. Source: Barro and Lee (1996)
Schooling 1990	School90	Average schooling years in the total population over 25 in 1990. Source: Barro and Lee (1996)
Growth in schooling	gschool	$[\ln(\text{school90}) - \ln(\text{school80})] / 0.1$
Return on education 80	returned80	The return on education is calculated as marginal return on human capital times number of average schooling years, where 13.4% is used for the first 4 years, 10.1% for the following 4 years and 6.8% for all years over 8.
Return on education 90	returned90	The return on education is calculated as marginal return on human capital times number of average schooling years, where 13.4% is used for the first 4 years, 10.1% for the following 4 years and 6.8% for all years over 8.

Change in Human capital	dhuman	$[\text{returned90} - \text{returned80}] / .1$
Productivity growth 1	prod1	$\text{growth} - 0.3 * \text{capgrols}$
Productivity growth 2	prod2	$\text{growth} - 0.3 * \text{capgrols} - 0.5 * \text{gschool}$
Productivity growth 3	prod3	$[\text{growth} - 0.3 * \text{capgrols} - 0.7 * \text{dhuman}] / 0.7$
Private savings	psr_ca	ratio of gross private saving to gross private disposable income; average over 1980-95; Source: Loayza, Lopez, Schmidt-Hebbel, and Serven (1998)

The following tax variables were collected from Cooper & Lybrand International Tax Network: International Tax Summaries. A Guide for Planning and Decisions. The numbers are averages for the years 1980,85,90 and 95.

Corporate tax	Corp	Corporate tax rate
Corporate local tax	Corploc	Corporate local tax rate
Corporate profit tax	Distprt	Corporate tax rate on distributed profits
Personal tax	Person	Highest personal tax rate
Personal local tax	Persloc	Personal local tax rate
Capital Gains tax	Capgain	Personal capital gains tax
Interest tax	interest	Tax rate on interest income
Dividend tax	Divid	Tax rate on dividend income
Dividend rebate	Rebdivd	Rebate on dividends
Net interest	Netint	Net interest income per \$1
Net Capital Gain	Netcapg	Net capital gain per \$1
Net Dividend	Netdiv	Net dividends per \$1
Dividend Disadvantage	Dadvdiv	$\text{Tax disadvantage on dividends} = (\text{Netint} - \text{Netdiv}) / \text{Netint}$
Capital Gain Disadvantage	Dadvcg	$\text{Tax disadvantage on capital gains} = (\text{Netint} - \text{Netcapg}) / \text{Netint}$
Accounting	Account	Index created by examining and rating companies' 1990 annual reports on their inclusion or omission of 90 items in balance sheets and income statements and published by the Center for International Financial Analysis & Research, Inc. The maximum is 90, the minimum 0.

The following variables are from LLSV (1997a) who collected these data from national bankruptcy and reorganization laws.

One share-one vote	One	Equals one if the Company Law or Commercial Code of the country requires that ordinary shares carry one vote per share, and zero otherwise. Equivalently, this variable equals one if the law prohibits the existence of both multiple-voting and non-voting ordinary shares and does not allow firms to set a maximum number of votes per shareholders irrespective of the number of shares she owns, and zero otherwise.
Proxy by mail	Proxy	Equals one if the Company Law or Commercial Code allows shareholders to mail their proxy vote to the firm, and zero otherwise
Shares not blocked	Blocked	Equals one if the Company Law or Commercial Code does not allow firms to require that shareholders deposit their shares prior to a General Shareholder Meeting thus preventing them from selling those shares for a number of days, and zero otherwise.
Cumulative voting	Cumvote	Equals one if the Company Law or Commercial Code allows shareholders to cast all of their votes for one candidate standing for election to the board of directors (cumulative voting) or if the Company Law or Commercial Code allows a mechanism of proportional representation in the board by which minority interests may name a proportional number of directors to the board, and zero otherwise.
Oppressed minority	Minor	Equals one if the Company Law or Commercial Code grants minority shareholders either a judicial venue to challenge the decisions of management or of the assembly or the right to step out of the company by requiring the company to purchase their shares when they object to certain fundamental changes, such as mergers, assets dispositions and changes in the articles of incorporation. The variable equals zero otherwise. Minority shareholders are defined as those shareholders who own 10 percent of share capital or less.
Preemptive rights	Preemptn	Equals one if the Company Law or Commercial Code grants shareholders the first opportunity to buy new issues of stock and this right can only be waived by a shareholder vote, and zero otherwise.
Extraordinary meeting	Esmreq	It is the minimum percentage of ownership of share capital that entitles a shareholder to call for an Extraordinary Shareholders' Meeting. It ranges from one to 33 percent.
Anti-director rights	Srights	An index aggregating the shareholder rights. The index is formed by adding 1 if: (1) the country allows the shareholders to mail their proxy to the firm; (2) shareholders are not required to deposit their shares prior to the General Shareholders' Meeting; (3) cumulative voting or proportional representation of minorities in the board of directors is allowed; (4) an oppressed minorities mechanism is in place; (5) the minimum percentage of share capital that entitles a shareholder to call for an Extraordinary Shareholders' Meeting is less than or equal to 10 percent (the sample median); or (6)

		shareholders have preemptive rights that can only be waived by a shareholders' vote. The index ranges from 1 to 6.
Mandatory dividend	Mandiv	Equals the percentage of net income that the Company Law or Commercial Code requires firms to distribute as dividends among ordinary shareholders. It takes a value of zero for countries without such a restriction.
Reorganization	Reorg	Equals one if the reorganization procedure imposes restrictions, such as creditors' consent, to file for reorganization. It equals zero for countries without such restrictions.
No automatic stay	Autostay	Equals one if the reorganization procedure does not impose an automatic stay on the assets of the firm upon filing the reorganization petition. It equals zero if such restriction does exist in the law.
Secured first	Secured1	Equals one if secured creditors are ranked first in the distribution of the proceeds that result from the disposition of the assets of a bankrupt firm. Equals zero if non-secured creditors, such as the government and workers, are given absolute priority.
No management stay	Manages	Equals one if an official appointed by the court, or by the creditors, is responsible for the operation of the business during reorganization. Equivalently, this variable equals one if the debtor does not keep the administration of its property pending the resolution of the reorganization process, and zero otherwise.
Creditor Rights	Crighs	An index aggregating different creditor rights. The index is formed by adding 1 if: (1) the country imposes restrictions, such as creditors' consent, to file for reorganization; (2) secured creditors are able to gain possession of their security once the reorganization petition has been approved (no automatic stay); (3) secured creditors are ranked first in the distribution of the proceeds that result from the disposition of assets of a bankrupt firm; and (4) the debtor does not retain the administration of its property pending the resolution of the reorganization. The index ranges from 0 to 4.
Legal reserve	Reserve	It is the minimum percentage of total share capital mandated by Corporate Law to avoid the dissolution of an existing firm. It takes a value of zero for countries without such restriction.
Gini coefficient	Gini	Average of Gini-coefficients across one country over all "high-quality" observations 1980-95 ; Source: Deininger and Squire (1996)
Government repudiation	govrep	Repudiation of Contracts by Governments. Indicates the "risk of a modification in a contract taking the form of a repudiation, postponement, or scaling down" due to "budget cutbacks, indigenization pressure, a change in government, or a change in government economic and social priorities."

Scored 0-10, with lower scores for higher risks. Average 1982-95. Source: Knack and Keefer (1995), using data from ICRG.

Expropriation risk	exprop	Assessment of risk of “outright confiscation” or “forced nationalization”. It ranges from 0 to 10, with lower scores indicating a higher risk; average over 1982-95; Source: Knack and Keefer (1995), using data from ICRG
Law and order	law	Measure of the law and order tradition of a country. It ranges from 10, strong law and order tradition, to 1, weak law and order tradition; average over 1982-95; . Source: International Country Risk Guide (ICRG).
Contract enforceability	contract	Measures the relative degree to which contractual agreements are honored and complications presented by language and mentality differences. Scored 0-4, with higher scores for superior quality; average over 1980-95; Source: Knack and Keefer (1995), using data from Business Environmental Risk Intelligence (BERI)
Corruption	corrupt	The level of corruption is from Knack and Keefer (1995) with the scale readjusted to 0 (high level of corruption) to 10 (low level). The data are averaged over the period 1982-95. Source: ICRG
Tax compliance	taxevas	Assessment of the level of tax compliance; scale from 0 to 6, where higher scores indicate higher compliance, Data is for 1995; Source: LLSV (1998b) using data from The Global Competitiveness Report 1996.
Ethnic fractionalization	avelf	Average value of five indices of ethnolinguistic fractionalization, with values ranging from 0 to 1, where higher values denote higher levels of fractionalization. Sources: Atlas Narodov Mira, 1964; Muller, 1964; Roberts, 1962; Gunnemark, 1991
Bureaucratic quality	Bureau	Measures quality of bureaucracy. High scores indicate autonomy from political pressures and strengths and expertise to govern without drastic changes in policy ore interruptions in government services; also existence of an established mechanism for recruiting and training. Scored 0-6; average over 1982-95;. Source: Knack and Keefer (1995), using data from ICRG

The following measures of the religious composition of the population are from LLSV (1998b) and identify for the year 1980 the percentage of the population that are (1) Roman Catholic, (2) Protestant, and (3) Muslim. Source: World Christian Encyclopedia 1982, Worldmark Encyclopedia of Nations 1995, Statistical Abstract of the World 1995, Demographic Yearbook 1995, CIA World Factbook 1996.

Catholic share	Catho980
Muslim Share	Muslim80
Protestant Share	Protmg80

Other religion share      No-cpm80      1-catho80-muslim80-protmg80

The following five dummy variables denote the legal origin of countries; Source: LLSV (1998b)

British origin	Legor_uk	British legal origin
French origin	Legor_fr	French legal origin
German origin	Legor_ge	German legal origin
Scandinavian origin	Legor_sc	Scandinavian legal origin
Communist origin	Legor_so	Socialist legal origin
Latitude	lat_bst	The absolute value of the latitude of the country, scaled to take values between 0 and 1; Source: LLSV (1998b) using data from CIA Factbook
Property rights	f_prop97	Rating of property rights on a scale from 1 to 5. The more protection private property receives the higher the score. Source: LLSV (1998b), using data from 1997 Index of Economic Freedom.
Regulation	f_regu97	Rating of regulation policies related to opening and keeping open a business. The scale is from 0 to 5, with higher scores meaning that regulations are straightforward and applied uniformly to all businesses and that regulations are less of a burden to business. Source: LLSV (1998b), using data from Economic Freedom of the World, 1975-1995.
SOEs in the economy	soe	Measures the role of SOEs in the economy, ranging from 0 to 10, with data averaged over 1975-95. Higher scores denote countries with less government owned enterprises, which are estimated to produce less of the country's output. Source: LLSV (1998b), using data from Economic Freedom of the World, 1975-1995.

The following variables are from Beck, Demirguc-Kunt and Levine (1999). They are averages over the period 1980-95, unless otherwise noted

Stock market capitalization	mcap	Stock market capitalization as share of GDP
Total value traded	Tvt	Total value traded on the stock market as share of GDP
Turnover ratio	Tor	Turnover ratio (Market capitalization divided by total value traded)
Private bond market	Privateb	total amount of outstanding domestic debt securities issued by private domestic entities divided by GDP; average over 90-95
Private bond market	Publicbo	total amount of outstanding domestic debt securities issued by public domestic entities divided by GDP; average over 90-95

Equity issues	equityis	Total equity issues as share of GDP
Debt issues	longterm	Total private long-term debt issues as share of GDP
Banklike institutions assets	Bia	Total assets of banklike institutions as share of GDP
Life insurance assets	Lifea	Total assets of life insurance companies as share of GDP
Insurance assets	Insa	Total assets of insurance companies as share of GDP
Pension assets	Pensiona	Total assets of private pension and provident funds as share of GDP
Mutual fund assets	Mutuala	Total assets of pooled investment schemes as share of GDP
Development banks assets	Devta	Total assets of development banks as share of GDP
Banklike institutions assets	Bip	Claims on private sector by banklike institutions as share of GDP
Life insurance assets	Lifep	Claims on private sector by life insurance companies as share of GDP
Insurance assets	Insp	Claims on private sector by insurance companies as share of GDP
Pension assets	Pensionp	Claims on private sector by private pension and provident funds as share of GDP
Mutual fund assets	Mutualp	Claims on private sector by pooled investment schemes as share of GDP
Development banks assets	Devtp	Claims on private sector by development banks as share of GDP
Nonlife penetration	nonpen	Nonlife insurance premium volume as share of GDP
Life penetration	lifepen	Life insurance premium volume as share of GDP
Nonlife density	Nondens	Nonlife insurance premium volume per capita in constant international dollars
Life density	lifedens	Life insurance premium volume per capita in constant international dollars
Concentration	Conc	Share of the assets of 3 largest banks in total banking assets; average over 1990-95
Foreign Banks (Assets)	Foreigna	Share of assets of foreign-owned banks in total banking assets; average over 1990-95
Foreign Banks (Number)	Foreignn	Number of foreign-owned banks in total number of banks; average over 1990-95

Overheads costs	Overhead	Overhead costs divided by total assets; average over 1990-95
Net interest margin	Netinter	Net interest revenue divided by total assets; average over 1990-95
Public share	Publicsh	Share of public bank assets as share of total banking assets
Public Owned	Publicowned	share of publicly owned bank assets as share of total bank Assets in 1997. Source: Barth, Caprio, and Levine (2000).
Foreign owned	Foreignowned	share of foreign owned banks assets as share of total bank Assets in 1997. Source: Barth, Caprio, and Levine (2000)
Banks per capita	bankpercap	Banks per 10,000 people, 1997. Source: Barth, Caprio, and Levine (2000)
Foreign ownership limits	fownlimit	Limitations on foreign ownership of domestic banks 1997 Source: Barth, Caprio, and Levine (2000)
Foreign entry limits	fentrylimit	Limitations on foreign bank entry, 1997 Source: Barth, Caprio, and Levine (2000)
Central Bank Assets / Total Financial Assets	cbt	Share of claims of central bank on nonfinancial domestic sectors as share of claims of central bank, deposit money banks and other financial institutions on nonfinancial domestic sectors
Deposit Money Bank Assets / Total Financial Assets	dbt	Claims of deposit money banks on nonfinancial domestic sectors as share of claims of central bank, deposit money banks and other financial institutions on nonfinancial domestic sectors
Other Financial Inst. Assets / Total Financial Assets	oft	Claims of other financial institutions on nonfinancial domestic sectors as share of claims of central bank, deposit money banks and other financial institutions on nonfinancial domestic sectors
Deposit Money-Central Bank	btot	Claims of deposit money banks on nonfinancial domestic sectors as share of claims of central bank and deposit money banks on nonfinancial domestic sectors
Liquid Liabilities	Lly	Liquid liabilities as share of GDP
Central bank Assets	Cby	Claims of central bank on nonfinancial domestic sectors as share of GDP
Deposit Money Bank Assets	Dby	Claims of deposit money banks on nonfinancial domestic sectors as share of GDP
OFI Assets	Ofy	Claims of other financial institutions on nonfinancial domestic sectors as share of GDP
Bank Credit	Priv	Claims on private sector by deposit money banks as share of GDP
OFI Credit	Ofp	Claims on private sector by other financial institutions as share

of GDP

Private Credit	Privo	Claims on private sector by deposit money banks and other financial institutions as share of GDP
Commercial Bank	Combanky	Commercial bank total assets as share of GDP in 1997 Source: Barth, Caprio and Levine (2000)
Income group	income	1 high income, 2 upper middle, 3 lower middle and 4 low income group; Source: WDI 1997.
Overall size	Oversize	Overall size of the financial system (Deposit money bank assets and stock market capitalization as share of GDP)
Overall efficiency 1	Over1	total value traded / net interest margin
Overall efficiency 2	Over2	total value traded / overhead costs
Overall efficiency 3	Over3	turnover / net interest margin
Overall efficiency 4	Over4	turnover / overhead costs
Relative bank size 1	Dbmcap	Size of banking sector relative to stock market (Deposit money bank assets divided by stock market capitalization)
Relative Bank Size 2	Dbofy	Size of banking sector relative to other financial institutions (Deposit money bank assets divided by other financial institutions assets)
Relative Bank Activity	Dbtvt	Activity of banking sector relative to stock market (Claims on private sector by deposit money bank divided by total value traded)
Relative Nonbank Activity	Oftvt	Activity of other financial institutions relative to stock market (Claims on private sector by other financial institutions divided by total value traded)
Relative market efficiency 1	Tvtover	Efficiency of stock markets relative to the banking sector (Total value traded as share of GDP * overhead costs)
Relative market efficiency 2	Tvtnet	Efficiency of stock markets relative to the banking sector (Total value traded as share of GDP * net interest margin)
Structure index	Structur	Index of financial structure. It is the average of the deviations from the mean for the inverse of Dbmcap, the inverse of Dbtvt and Tvtover. Higher values indicate a more market-based financial system.
Market	market	Equals one if structur is positive, zero otherwise.
Developed	Developed	Equals zero if both priv and tvt are below the period mean, one otherwise.
Securitates	Secure	Ability of banks to engage in the businesses of securities

underwriting, brokering, dealing, and all aspects of the mutual fund business. Source: Barth, Caprio and Levine (1998). 1 indicates “unrestricted” (banks can engage in the full range of the activity directly in the bank), 2 indicates “permitted” (the full range of those activities can be conducted, but all or some of the activity must be conducted in subsidiaries), 3 indicates “restricted” (banks can engage in less than full range of those activities, either in the bank or subsidiaries) and 4 indicates “prohibited” (the activity may not be conducted by the bank or subsidiaries).

Insurance	Insure	Ability of banks to engage in insurance underwriting and selling. Source: Barth, Caprio and Levine et al. (1998). 1 indicates “unrestricted” (banks can engage in the full range of the activity directly in the bank), 2 indicates “permitted” (the full range of those activities can be conducted, but all or some of the activity must be conducted in subsidiaries), 3 indicates “restricted” (banks can engage in less than full range of those activities, either in the bank or subsidiaries) and 4 indicates “prohibited” (the activity may not be conducted by the bank or subsidiaries).
Real Estate	Estate	Ability of banks to engage in real estate investment, development and management. Source: Barth, Caprio and Levine (1998). 1 indicates “unrestricted” (banks can engage in the full range of the activity directly in the bank), 2 indicates “permitted” (the full range of those activities can be conducted, but all or some of the activity must be conducted in subsidiaries), 3 indicates “restricted” (banks can engage in less than full range of those activities, either in the bank or subsidiaries) and 4 indicates “prohibited” (the activity may not be conducted by the bank or subsidiaries).
Nonfinancial firms	Bankinnf	Ability of banks to own and control nonfinancial firms. Source: Barth, Caprio and Levine (1998). 1 indicates “unrestricted” (banks can engage in the full range of the activity directly in the bank), 2 indicates “permitted” (the full range of those activities can be conducted, but all or some of the activity must be conducted in subsidiaries), 3 indicates “restricted” (banks can engage in less than full range of those activities, either in the bank or subsidiaries) and 4 indicates “prohibited” (the activity may not be conducted by the bank or subsidiaries).
Restricted banking	Restrict	Average of Secure, Insurance, Estate and Bankinnf
Deposit insurance	Deposit80	Equals one if the country had an implicit deposit insurance Scheme in 1980, zero otherwise. Source: Development Research Group.

Note:

LLSV (1998a) = Law and finance  
 LLSV (1998b) = Quality of Government