



## Economic Growth Research

### Levine-Loayza-Beck Data Set

#### Financial Intermediation and Growth: Causality and Causes and Finance and the Sources of Growth

*Program:* For the panel regressions in both Beck, Levine, and Loayza (2000) and Levine, Loayza, and Beck (2000) we use the following DPD [run-file](#). This program can be run on Gauss using the DPD programs developed by Stephen Bond. The regression as described in the run-file is the regression in column (4) of Table 2 of Beck, Levine, and Loayza (2000). For the other regression slight modifications have to be made to the program.

The [data sets](#) used for Beck, Levine and Loayza (1999) and Levine , Loayza, and Beck (1999) are contained in the following Microsoft Excel file. This file contains 6 sheets:

Data6095	Data used for cross-sectional regressions 1960-9
Data8095	Data used for cross-sectional regressions 1980-9
Panel	Data used for Panel regressions 1960-95
Saving regressions 7095	Data used for cross-sectional savings regressions:
Savings panel	Data used for savings panel regressions 1970-95
Variables	Description of variable names

#### Variable

Level and growth rate of real per capita GDP

Government size

Openness to trade

Terms of Trade

Growth rate of terms of trade

Population growth rate

Inflation rate

Average years of schooling

Average years of secondary schooling

Black market premium

#### Definition

Government expenditure as share of GDP

Sum of real exports and imports as share of real

Ratio of export price index to import price index

Log difference of the terms of trade, divided by fi

Log difference of the total population, divided by

Log difference of Consumer Price Index

Average years of schooling in the population ove

Average years of secondary schooling in the poj

Ratio of black market exchange rate and official

Liquid Liabilities	$\{(0.5)*[F(t)/P_e(t) + F(t-1)/P_e(t-1)]\}/[GDP(t)/P_a(55)],$ GDP is line 99b, P_e is end-of period CPI (annual CPI).
Commercial-Central Bank	DBA(t) / (DBA(t) + CBA(t)), where DBA is assets 22a-d) and CBA is central bank assets (lines 12
Private Credit	$\{(0.5)*[F(t)/P_e(t) + F(t-1)/P_e(t-1)]\}/[GDP(t)/P_a$ money banks and other financial institutions to t GDP is line 99b, P_e is end-of period CPI (line 6 the year.
Bank Assets	$\{(0.5)*[F(t)/P_e(t) + F(t-1)/P_e(t-1)]\}/[GDP(t)/P_a$ deposit money banks (lines 22a-d), GDP is line (64) and P_a is the average CPI for the year.
Bank Credit	$\{(0.5)*[F(t)/P_e(t) + F(t-1)/P_e(t-1)]\}/[GDP(t)/P_a$ money banks to the private sector (lines 22d ), C period CPI (line 64) and P_a is the average CPI
Legal origin	Dummy variables for British, French, German ar
Accounting	Index created by examining and rating companie inclusion or omission of 90 items in balance she maximum is 90, the minimum 0.
Rulelaw	Measure of the law and order tradition of a coun 1995. It ranges from 10, strong law and order tra tradition.
Conrisk	Measure of the risk that a government will modif signed. It ranges from 10, low risk, to 1, high risk
Enforce	Average of Rulelaw and Conrisk
Autostay, Manages, Secured1	AUTOSTAY equals one if a country's laws impo of firms upon filing a reorganization petition, and one if firm managers continue to administer the l of reorganization processes, and zero otherwise secured creditors are ranked first in the distributi the disposition of the assets of a bankrupt firm, z
Revolutions and Coups	A revolution is defined as any illegal or forced ch any attempt at such a change, or any successful whose aim is independence from central govern extraconstitutional or forced change in the top go control of the nation's power structure in a given counted. Data are averaged over 1960-90
Assassinations	Number of assassinations per thousand inhabita 90
Ethnic fractionalization	Average value of five indices of ethnolinguistic fr from 0 to 1, where higher values denote higher l
Bureaucratic efficiency	Average of three indices published by Business efficiency of the judiciary system, red tape and c over the period 1980-83.
Corruption	Measure of corruption, with the scale readjusted (low level). Data are averaged over 1982-1995.
Index of state-owned enterprises	Measures the role of SOEs in the economy, rang averaged over 1975-95. Higher scores denote c owned enterprises, which are estimated to produ

Property rights	Rating of property rights on a scale from 1 to 5. The higher the score, the higher the property receives, the higher the score.
Cost of business regulation	Rating of regulation policies related to opening a business. The scale is from 0 to 5, with higher scores meaning the policies are more liberal and applied uniformly to all businesses and that business.
Risk of expropriation	Assessment of risk of "outright confiscation" or "nationalization" on a scale from 0 to 10, with lower scores indicating a higher risk. Data for 1982-1995.
Religious Composition	Percentage of the population that were (1) Roman Catholic and (2) Muslim in 1980.
Distance from equator	The distance of the country from the equator, in kilometers.
Capital growth rate	Growth rate of physical capital per capita
Productivity growth 1	Real per capita growth rate - 0.3*Capital growth rate
Productivity growth 2	Real per capita growth rate - 0.3*Capital growth rate - 0.3*Capital growth rate
Productivity growth 3	[Real per capita growth rate - 0.3*Capital growth rate - 0.3*Capital growth rate - 0.3*Capital growth rate]/0.7
Level and growth rate of real per capita GDP	
Private Savings Rate	Ratio of gross private savings and GDP. Gross private savings is the difference between gross national saving (gross national saving minus gross consumption expenditure, both measured at current prices) and gross public saving. GDP is measured likewise as the difference between gross national disposable income (GNDI) and gross public saving and consumption).
Government Saving/GDP	Ratio of gross public saving and gross private savings
Real interest rate	$\ln[(1+i)/(1+p)]$ , where $i$ is the nominal interest rate and $p$ is the average of the current and year-1 inflation rate
Old dependency ratio	Share of population over 65 in total population
Young dependency ratio	Share of population under 15 in total population
Urbanization ratio	Share of urban population in total population

Also available: [abstract](#)

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