Table 4: Financial Intermediation and Growth: Dynamic Panel Regressions, Summary

Estimator	conditioning information set	LIQUID LIABILITIES	COMMERCIAL - CENTRAL BANK	PRIVATE CREDIT	observations
System estimator	simple	2.486	6.307	2.542	359
		(0.001)	*(0.001)*	*(0.001)*	
		[0.201]	[0.136]	[0.226]	
	policy	2.891	2.75	1.477	359
		(0.001)	*(0.001)*	*(0.001)*	
		[0.541]	[0.585]	[0.439]	
First Differences	simple	2.579	3.597	2.586	285
		(0.006)	*(0.003)*	*(0.001)*	
		[0.264]	[0.148]	[0.502]	
	policy	1.096	1.796	0.969	285
		(0.477)	*(0.086)*	*(0.082)*	
		[0.103]	[0.263]	[0.557]	
Levels	simple	1.957	4.93	2.425	359
		(0.001)	*(0.001)*	*(0.001)*	
		[0.146]	[0.357]	[0.174]	
	policy	2.877	3.108	2.133	359
		(0.001)	*(0.001)*	*(0.001)*	
		[0.293]	[0.114]	[0.177]	

Numbers in parentheses are p-values for the coefficient and numbers in brackets are p-values for the Sargan-test

simple conditioning information set: logarithm of initial income per capita, average years of secondary schooling
policy conditioning information set: simple set plus government size, openness to trade, inflation, black market premium

LIQUID LIABILITIES: liquid liabilities of the financial system (currency plus demand and interest-bearing liabilities of banks and nonbank financial intermediaries) divided by GDP
COMMERCIAL - CENTRAL BANK: assets of deposit money banks divided by assets of deposit money banks plus central bank assets
PRIVATE CREDIT: credit by deposit money banks and other financial institutions to the private sector divided by GDP

Table 5: Financial Intermediation and Growth:
Dynamic Panel Regressions, System Estimator

Regressors	(1)	(2)	(3)
Constant	0.672	-4.358	4.524
	(0.569)	*(0.007)*	*(0.001)*
Logarithm of initial income per capita	-0.913	-0.372	-0.541
	(0.001)	*(0.001)*	*(0.001)*
Government size[1]	-1.136	-0.915	-1.658
	(0.001)	*(0.001)*	*(0.001)*
Openness to trade[1]	0.408	0.088	0.499
	(0.178)	*(0.720)*	*(0.010)*
Inflation[2]	1.371	-2.065	-0.132
	(0.001)	*(0.001)*	*(0.615)*
Average years of secondary schooling	0.926	0.900	0.73
	(0.001)	*(0.101)*	*(0.001)*
Black market premium[2]	-1.992	-1.128	-1.086
	(0.001)	*(0.001)*	*(0.001)*
Liquid Liabilities[1]	2.891		
	(0.001)		
Comm. vs. Central Bank[1]		2.75	
		(0.001)	
Private Credit[1]			1.477
			(0.001)
dummy 71-75	-1.13	-0.821	-1.048
	(0.001)	*(0.001)*	*(0.001)*
dummy 76-80	-1.233	-0.855	-1.222
	(0.001)	*(0.001)*	*(0.001)*
dummy 81-85	-3.493	-2.74	-3.296
	(0.001)	*(0.001)*	*(0.001)*
dummy 86-90	-2.696	-1.921	-2.518
	(0.001)	*(0.001)*	*(0.001)*
dummy 91-95	-3.719	-2.701	-3.308
	(0.001)	*(0.001)*	*(0.001)*
Sargan test[3] (p-value)	0.541	0.585	0.439
Serial correlation test[4] (p-value)	0.611	0.994	0.823
	p-values in parentheses		

[1] In the regression, this variable is included as log(variable)
[2] In the regression, this variable is included as log(1 + variable)
[3] The null hypothesis is that the instruments used are not correlated with the residuals.
[4] The null hypothesis is that the errors in the first-difference regression exhibit no second-order serial correlation.