

Easterly-Rebelo Data Set

Fiscal Policy and Economic Growth: an Empirical Investigation

Data Set Description

The data for the paper is provided as Lotus-1-2-3 (.wk1) and corresponding TSP (.h or .fmt) files. It is organized in three files:

- **FISCAL.wk1**

This is a Lotus 1-2-3 file that has cross-sectional data for 160 countries for the period 1970-88 (occasionally coverage may be 1970-85; where this is so it is documented in the variable list below). Tables 1,2,3,4 and 7 in the paper are based on this data. The country order is provided at the end of this document. The variables covered in this file are mostly fiscal policy and output variables. The variable list is provided at the end of this document after the country lists.

Please note that in table 4 of the paper the conditioning variables M2 (ratio of money supply to GDP) and STRD (share of trade in GDP) refer to their 1960 values.

- **FISCALD.wk1**

This file has pooled cross-section data for the same 160 countries for each of the three decades: 1960s, 1970s, 1980s. The three cross-sections are stacked up in the order 1960s, 1970s, 1980s to give a file that has 480 (= 3 * 160) observations for each series. Tables 5 and 6 in the paper are based upon this data. There are mostly public investment variables in this file. The variables are:

ASSP6070 Number of assassinations per year per million people between 1960 and 1970. Source: Barro and Wolf data-set.
CS6070 Average war casualties per capita between 1960 and 1970
GCON6070 Government consumption as percent of GDP, average for the years 1960-69. Both series were in constant prices.
IAGRIC6D Sectoral public investment in agriculture
ICMGGV6 Public investment by general government
ICMPBE6D Public investment by public enterprises
ICMPUB6D Total consolidated public investment
IEDUCT6D Sectoral public investment in education
IHLTH6D Sectoral public investment in health
IHOUSE6D Sectoral public investment in housing and urban infrastructure
IINDML6D Sectoral public investment in industry and mining.
IPRIVT6D Private investment as a percentage of GDP. Calculated as the difference between total and public investment.
ITRNCM6D Sectoral public investment in transport and communications.
LGPC6070 Least squares log growth rate of GDP per capita (Source:

	World Bank)
M260	Money supply (M2) as a percent of GDP for 1960.
PRIM60	Primary gross enrollment rate for 1960 (Source: World Bank,
	Social Indicators)
REVC6070	Total number of revolutions and coups per year between 1960 and 1970.
SEC60	Secondary gross enrollment rate for 1960
SGDPPC60	Gross domestic product per capita in 1960 (Summers and Heston [1991])
STRD60	Imports plus exports as percent of GDP (Summers and Heston [1988])

Note that the variable names refer to the 1960s value but the series are for the entire 3-decade period. For example, STRD60 refers to the share of trade in GDP for the initial year of each of the three decades. ITRNCM6D refers to the average public investment in transport and communication for each of the three decades. Note that all investment series are expressed as percentages of GDP.

The source for the public investment series is primarily World Bank Country Reports, which provide data on sectoral public investment. These data were consolidated as part of a comprehensive research project on Economic Growth managed by Dr. William Easterly and Dr. Ross Levine of The World Bank. Additional data sources used were United Nations and the World Development Report.

Public investment data for Algeria and Somalia, though provided in the file, was not used in the regressions in tables 5 and 6 because of the poor quality of public investment data in these countries.

- **HIST.wk1**

This file has historical data for the 28 OECD and Latin American countries listed in the appendix table "Summary Statistics on Historical Data-set" of the paper. The country list is repeated at the end of this document. Table 8 in the paper is based on this data. The data is organized as a panel. Each country has annual observations from 1870 to 1988 (119 years).

The 28 countries, each with 119 rows of data, are stacked up in the same country order as in the 28 country list below to give a file with 3,332 (= 119 * 28) observation cells for each of the 10 variables. The variables in this file are:

CUSTREV	Share of customs tax revenue in total tax revenue
DATE	Year of observation
GREVGDP	Share of government revenue in GDP
GROWTH	Growth of real per capita GDP
INCTREV	Share of income tax revenue in total tax revenue
LGDPPC	Log of real per capita GDP
LPOP	Log of population
TRDGDP	Share of Exports plus Imports in GDP
WWI	Dummy for World War I years
WWII	Dummy for World War II years

For further details on the sources and construction of these variables please see the paper.