**Descriptive statistics**

 Variable | Obs Mean Std. Dev. Min Max

-------------+--------------------------------------------------------

 num | 187 9.828877 5.178805 1 14

 year | 187 2007 3.170767 2002 2012

 growth | 165 3.890909 4.805901 -14.8 14

-------------+--------------------------------------------------------

 gdppc | 165 8801.018 5853.688 780 27015

 fcf | 161 3.62e+10 6.87e+10 5.01e+08 4.41e+11

-------------+--------------------------------------------------------

 oppeness | 150 104.3607 32.33425 48.44 180.5

 bankcredit | 161 43.95211 19.64476 5.68 94.38

 fdi | 165 7.17e+09 1.32e+10 -2.09e+10 7.50e+10

 inflation | 165 5.676242 4.462923 -1.15 25.23

-------------+--------------------------------------------------------

stock~ntogdp | 186 21.13087 16.2767 .2555075 100.8311

liquidliab~p | 175 43.41095 16.03844 13.49764 79.94186

stock~dtogdp | 186 5.908196 10.75255 .005217 76.13576

stockmarke~o | 185 20.53825 23.659 .0271675 118.4065

stockprice~y | 155 25.54257 11.68503 9.52704 81.55766

-------------+--------------------------------------------------------

 eustatus | 187 .6470588 .4791675 0 1

 rl | 165 .0188485 .6486237 -1.12 1.06

 cor | 165 -.1298788 .5574878 -1.1 1.02

 rq | 165 .4175152 .591865 -.73 1.33

-------------+--------------------------------------------------------

 ge | 165 .1994545 .5743599 -.92 1.19

 ps | 165 .2670303 .6438605 -1.46 1.21

 va | 165 .3046667 .7052612 -1.15 1.16

 ctry | 187 9 4.912131 1 14

-------------+--------------------------------------------------------

 gFDI | 144 .0907595 .8487092 -4.603251 3.809454

 gbankcredit | 146 3.27226 5.332974 -12.16 30.21

 ginvestment | 146 .0685227 2.565146 -8.330439 9.745104

 gcm | 169 .4270509 8.851396 -38.92987 38.19157

 goppeness | 136 2.413456 10.01412 -33.1 43.84999

-------------+--------------------------------------------------------

 instit | 165 .1796061 .5815988 -.7716666 1.02

 cmeu | 169 .1444176 5.991392 -30.33799 38.19157

 \_est\_fixed | 187 .6791444 .4680586 0 1

 \_est\_random | 187 .6791444 .4680586 0 1

**Fixed-effects (within) regression** Number of obs = 127

Group variable: ctry Number of groups = 14

R-sq: within = 0.5611 Obs per group: min = 6

 between = 0.0022 avg = 9.1

 overall = 0.2502 max = 10

 F(7,106) = 19.36

corr(u\_i, Xb) = -0.6982 Prob > F = 0.0000

------------------------------------------------------------------------------

 growth | Coef. Std. Err. t P>|t| [95% Conf. Interval]

-------------+----------------------------------------------------------------

 gFDI | .8266352 .4059535 2.04 0.044 .0217929 1.631478

 gbankcredit | .0955275 .0696508 1.37 0.173 -.0425619 .2336169

 ginvestment | .9707864 .132005 7.35 0.000 .7090737 1.232499

 gcm | .1063681 .035364 3.01 0.003 .0362556 .1764806

 goppeness | .0476372 .0368669 1.29 0.199 -.0254551 .1207294

 instit | -6.816946 4.02002 -1.70 0.093 -14.78703 1.153135

 inflation | -.0144138 .110816 -0.13 0.897 -.2341172 .2052896

 \_cons | 4.522347 1.028689 4.40 0.000 2.482871 6.561824

-------------+----------------------------------------------------------------

 sigma\_u | 4.3103622

 sigma\_e | 3.3667104

 rho | .62108867 (fraction of variance due to u\_i)

------------------------------------------------------------------------------

F test that all u\_i=0: F(13, 106) = 2.36 Prob > F = 0.0083

**Random-effects GLS regression** Number of obs = 127

Group variable: ctry Number of groups = 14

R-sq: within = 0.5502 Obs per group: min = 6

 between = 0.0232 avg = 9.1

 overall = 0.4832 max = 10

 Wald chi2(7) = 131.73

corr(u\_i, X) = 0 (assumed) Prob > chi2 = 0.0000

------------------------------------------------------------------------------

 growth | Coef. Std. Err. z P>|z| [95% Conf. Interval]

-------------+----------------------------------------------------------------

 gFDI | .9405644 .3972611 2.37 0.018 .1619469 1.719182

 gbankcredit | .0718346 .0679511 1.06 0.290 -.061347 .2050162

 ginvestment | .946156 .1306093 7.24 0.000 .6901665 1.202146

 gcm | .1113154 .0349619 3.18 0.001 .0427914 .1798395

 goppeness | .0416211 .0364463 1.14 0.253 -.0298124 .1130545

 instit | -.320599 1.015305 -0.32 0.752 -2.31056 1.669362

 inflation | -.0086122 .1019783 -0.08 0.933 -.208486 .1912616

 \_cons | 3.346979 .8320711 4.02 0.000 1.71615 4.977808

-------------+----------------------------------------------------------------

 sigma\_u | 1.6285971

 sigma\_e | 3.3667104

 rho | .1896272 (fraction of variance due to u\_i)

------------------------------------------------------------------------------

**hausman fixed random**

 ---- Coefficients ----

 | (b) (B) (b-B) sqrt(diag(V\_b-V\_B))

 | fixed random Difference S.E.

-------------+----------------------------------------------------------------

 gFDI | .8266352 .9405644 -.1139292 .0835574

 gbankcredit | .0955275 .0718346 .0236929 .0152932

 ginvestment | .9707864 .946156 .0246304 .0191447

 gcm | .1063681 .1113154 -.0049473 .0053176

 goppeness | .0476372 .0416211 .0060161 .0055529

 instit | -6.816946 -.320599 -6.496347 3.889694

 inflation | -.0144138 -.0086122 -.0058015 .0433659

------------------------------------------------------------------------------

 b = consistent under Ho and Ha; obtained from xtreg

 B = inconsistent under Ha, efficient under Ho; obtained from xtreg

 Test: Ho: difference in coefficients not systematic

 chi2(7) = (b-B)'[(V\_b-V\_B)^(-1)](b-B)

 = 4.71

 Prob>chi2 = 0.6948

**Breusch and Pagan Lagrangian multiplier test for random effects**

 growth[ctry,t] = Xb + u[ctry] + e[ctry,t]

 Estimated results:

 | Var sd = sqrt(Var)

 ---------+-----------------------------

 growth | 23.82609 4.881197

 e | 11.33474 3.36671

 u | 2.652328 1.628597

 Test: Var(u) = 0

 chibar2(01) = 4.25

 Prob > chibar2 = 0.0196

**System dynamic panel-data estimation** Number of obs = 127

Group variable: ctry Number of groups = 14

Time variable: year

 Obs per group: min = 6

 avg = 9.071429

 max = 10

Number of instruments = 177 Wald chi2(8) = 440.42

 Prob > chi2 = 0.0000

Two-step results

------------------------------------------------------------------------------

 growth | Coef. Std. Err. z P>|z| [95% Conf. Interval]

-------------+----------------------------------------------------------------

 growth |

 L1. | -.3226389 .2377088 -1.36 0.175 -.7885396 .1432618

 |

 gFDI | 3.507723 1.317704 2.66 0.008 .92507 6.090375

 gbankcredit | .0376788 .0889031 0.42 0.672 -.1365681 .2119258

 ginvestment | .6425267 .2156322 2.98 0.003 .2198954 1.065158

 gcm | .047202 .0490149 0.96 0.336 -.0488654 .1432694

 goppeness | -.0377808 .0724411 -0.52 0.602 -.1797627 .104201

 instit | 10.56576 8.457525 1.25 0.212 -6.010689 27.1422

 inflation | .6959858 .5885809 1.18 0.237 -.4576115 1.849583

 \_cons | -5.492967 4.057212 -1.35 0.176 -13.44496 2.459022

------------------------------------------------------------------------------

Warning: gmm two-step standard errors are biased; robust standard

 errors are recommended.

Instruments for differenced equation

 GMM-type: L(2/.).growth L(1/.).inflation L(2/.).gFDI

 L(2/.).gbankcredit L(2/.).ginvestment L(2/.).gcm

 L(2/.).goppeness L(2/.).instit

 Standard: D.gbankcredit D.ginvestment D.gcm D.goppeness D.inflation

 D.gFDI D.instit

Instruments for level equation

 GMM-type: LD.growth D.inflation LD.gFDI LD.gbankcredit

 LD.ginvestment LD.gcm LD.goppeness LD.instit

 Standard: \_cons

**estat sargan**

Sargan test of overidentifying restrictions

 H0: overidentifying restrictions are valid

 chi2(168) = 196.8398

 Prob > chi2 = 0.0633