Execution Report

Title: Political Monetary Cycles: An Empirical Study
Author: Hugo Oriola

Full reference: Oriola Hugo, Political Monetary Cycles: An Empirical Study. Working paper, University of Orléans, France.

The structure and contents of this execution report provided by **cascad** for the certification are similar to those recommended by the AEA Data Editor.

1. DATA DESCRIPTION

This study relies on several sources of data, combined into one final database. It includes 98 countries over 28 years (1985 - 2012), which have been selected by respecting two constraints: the availability of the data, and the ability to observe at least two pre-electoral periods over the sample period. For a thorough description the data, please refer to section 3.2 of the paper.

2. CODE DESCRIPTION

For the purpose of the certification, we checked all the results displayed in the paper: Figure 1 and Tables 1-12. The replication materials are comprised of the following files:

Raw data files:

- IFS_10-21-2019.csv
- DPI2017.dta
- NELDA.csv
- F&FELECTIONS.csv
- Garriga_2019_version.dta
- DeHaanSturmDreher_2017.xls
- Exchange_Rate_Regime_true.xls
- WBdata_avril2013.xls
- WBdata-21-10-2019.xls
- V-DEM-CY-Core-v9.dta
- POLCON_2017.xlsx

Final database:

- Oriola_Political_Monetary_Cycles_2020.dta

Stata do-files:

- main_code.do
- Creation_of_the_Final_Database.do

"Creation_of_the_Final_Database.do" uses all the raw data file to create the final database "Oriola_Political_Monetary_Cycles_2020.dta", which is then used by "main_code.do" to generate all the results.

3. REPLICATION STEPS

The resources were downloaded from the openICPSR repository and run as per readme, using Stata 16 on a DELL Optiplex 7060, 16GB RAM, intel® Core™ i7-7500U CPU @2.70-2.90GHz, and Windows 10 OS. We ran "Creation_of_the_Final_Database.do" to recreate the final database on our own, before running "main_code.do". We encountered no issues.

4. FINDINGS

We reproduced every figure and table with accuracy.

4.1. TABLE 1: SUMMARY STATISTICS

Original:

Variable	Mean	Std. Dev.	Min.	Max.	N
M1	15.393	15.204	-81.040	97.242	1530
M2	15.458	14.566	-79.882	99.355	1641
M2cycle	-10.377	57.521	-887.828	60.394	1131
Election	0.228	0.42	0	1	1641
ElectionDpre	0.237	0.425	0	1	1641
ElectionIpre	0.232	0.321	0	1	1641
CBI	0.537	0.187	0.122	0.904	1641
cuk_ceo	0.568	0.205	0	0.89	1641
cuk_obj	0.552	0.234	0	1	1641
cuk_pol	0.495	0.285	0	1	1641
cuk_limlen	0.533	0.247	0.019	1	1641
Turnover	0.16	0.168	0	2	1605
Ygap	0.035	0.226	-1.402	1.534	1641
Inflation	7.493	10.205	-18.109	89.113	1641
Infgap	-20.019	73.394	-734.982	689.534	1641
Credit	51.647	44.707	0.491	308.986	1641
Fix	0.343	0.475	0	1	1641
Trade	83.966	50.288	15.636	437.327	1564
CreationYearCB	1947.957	48.219	1668	1997	1641
CEI	0.631	0.297	0	0.982	1437
PolConV	0.498	0.283	0	0.882	1454

Reproduced

Variable	Obs	Mean	Std. Dev.	Min	Max
M2	1,641	15.45761	14.56568	-79.88206	99.35528
Election	1,641	.2279098	.419612	0	1
ElectionDpre	1,641	.2370506	.4254032	0	1
ElectionIpre	1,641	.2320241	.3213873	0	1
CBI	1,641	.5374138	.1867378	.12163	.904
cuk_ceo	1,641	.5675736	.2053736	0	.89
cuk_obj	1,641	.5519805	.2343336	0	1
cuk_pol	1,641	.4946001	.2851688	0	1
cuk_limlen	1,641	.5334204	.2474111	.0192308	1
Turnover	1,605	.1602265	.1680314	0	2
Ygap	1,641	.0346459	.2257099	-1.402283	1.533951
Inflation	1,641	7.492778	10.20524	-18.10863	89.11332
Infgap	1,641	-20.01931	73.39374	-734.9818	689.5339
Credit	1,641	51.64691	44.70664	.4913875	308.9863
Fix	1,641	.3430835	.4748838	0	1
Trade	1,564	83.96632	50.28754	15.63559	437.3267
CreationYe~B	1,641	1947.957	48.21902	1668	1997
CEI	1,437	.6310028	.29674	0	.982
PolConV	1,454	.4982035	.2825274	0	.8820816

M1

	Percentiles	Smallest		
1%	-11.82401	-81.04007		
5%	-3.99439	-43.44521		
10%	-.0474007	-28.95769	Obs	1,530
25%	5.817045	-21.80814	Sum of Wgt.	1,530
50%	13.28585		Mean	15.39261
		Largest	Std. Dev.	15.2035
75%	21.74253	82.19059		
90%	33.40705	82.68235	Variance	231.1464
95%	43.30958	88.83518	Skewness	1.057215
99%	67.42034	97.24186	Kurtosis	7.045006

M2 Cycle from the Hamilton Filter, Yearly Panel

	Percentiles	Smallest		
1%	-272.3614	-887.8281		
5%	-25.80339	-885.1109		
10%	-13.63081	-353.6617	Obs	1,131
25%	-5.878759	-291.0188	Sum of Wgt.	1,131
50%	-1.14647		Mean	-10.37734
		Largest	Std. Dev.	57.52141
75%	3.457919	48.64931		
90%	8.867513	49.86352	Variance	3308.712
95%	12.67984	59.22059	Skewness	-8.504691
99%	25.65853	60.39449	Kurtosis	105.4156

Original:

Variable	Mean	Std. Dev.	Min.	Max.	N
		ElectionDpre = 0			
M2	15.535	14.243	-21.937	96.108	1252
CBI	0.539	0.185	0.122	0.904	1252
Turnover	0.162	0.172	0	2	1226
Ygap	0.032	0.226	-1.402	1.438	1252
Inflation	7.543	9.992	-18.109	85.669	1252
Credit	50.48	43.828	0.491	248.186	1252
Fix	0.349	0.477	0	1	1252
		ElectionDpre = 1			
M2	15.21	15.574	-79.882	99.355	389
CBI	0.533	0.192	0.122	0.899	389
Turnover	0.153	0.156	0	1	379
Ygap	0.043	0.224	-0.753	1.534	389
Inflation	7.332	10.876	-2.405	89.113	389
Credit	55.402	47.288	2.083	308.986	389
Fix	0.324	0.469	0	1	389

Reproduced:

Variable	Obs	Mean	Std. Dev.	Min	Max
M2	1,252	15.53458	14.24343	-21.93734	96.10822
CBI	1,252	.5388706	.1851425	.12163	.904
Turnover	1,226	.1624096	.1715527	0	2
Ygap	1,252	.031929	.2263779	-1.402283	1.437913
Inflation	1,252	7.542725	9.991701	-18.10863	85.66936
Credit	1,252	50.48019	43.82791	.4913875	248.1859
Fix	1,252	.3490415	.4768576	0	1

Variable	Obs	Mean	Std. Dev.	Min	Max
M2	389	15.20988	15.57426	-79.88206	99.35528
CBI	389	.532725	.1919501	.12163	.899
Turnover	379	.1531645	.1561047	0	1
Ygap	389	.0433905	.2236116	-.7531135	1.533951
Inflation	389	7.332026	10.87598	-2.404639	89.11332
Credit	389	55.40199	47.28788	2.083265	308.9863
Fix	389	.3239075	.4685678	0	1

Original:

Variable	Mean	Std. Dev.	Min.	Max.	N
Developed Countries (22 countries)					
M2	9.202	9.319	-9.102	75.857	366
CBI	0.572	0.222	0.175	0.882	366
Turnover	0.127	0.147	0	1	366
Ygap	0.027	0.171	-0.861	0.582	366
Inflation	3.897	3.881	-1.353	28.305	366
Credit	94.675	56.064	8.997	308.986	366
Fix	0.306	0.461	0	1	366
Developing Countries (62 countries)					
M2	16.994	15.653	-79.882	99.355	1092
CBI	0.53	0.182	0.122	0.904	1092
Turnover	0.169	0.175	0	2	1067
Ygap	0.032	0.235	-1.402	1.507	1092
Inflation	8.496	11.715	-18.109	89.113	1092
Credit	43.595	31.82	0.491	166.504	1092
Fix	0.36	0.48	0	1	1092
Less Developed Countries (14 countries)					
M2	18.796	12.841	-8.202	77.858	183
CBI	0.511	0.112	0.328	0.762	183
Turnover	0.174	0.156	0	1	172
Ygap	0.068	0.261	-0.539	1.534	183
Inflation	8.695	7.214	-8.975	34.083	183
Credit	13.638	8.500	2.215	43.001	183
Fix	0.317	0.467	0	1	183

Reproduced:

Variable	Obs	Mean	Std. Dev.	Min	Max
M2	366	9.203478	9.318972	-9.102457	75.85721
CBI	366	.572017	.2221818	.1753	.8815
Turnover	366	.127344	.1467293	0	1
Ygap	366	.0272161	.1707779	-.8609153	.5822112
Inflation	366	3.897226	3.880776	-1.352837	28.30547
Credit	366	94.67524	56.06435	8.997887	308.9863
Fix	366	.3060109	.4614651	0	1

Variable	Obs	Mean	Std. Dev.	Min	Max
M2	1,092	16.99428	15.6526	-79.88206	99.35528
CBI	1,092	.5302524	.1823487	.12163	.904
Turnover	1,067	.1693306	.1752325	0	2
Ygap	1,092	.0315425	.235038	-1.402283	1.506845
Inflation	1,092	8.496445	11.7152	-18.10863	89.11332
Credit	1,092	43.5949	31.81955	.4913875	166.5041
Fix	1,092	.3598901	.4801879	0	1

Variable	Obs	Mean	Std. Dev.	Min	Max
M2	183	18.79625	12.84087	-8.202191	77.85822
CBI	183	.5109411	.1117031	.32763	.7625
Turnover	172	.1737202	.1563738	0	1
Ygap	183	.0680244	.2610201	-.539475	1.533951
Inflation	183	8.694788	7.214308	-8.97474	34.08336
Credit	183	13.63831	8.500707	2.215312	43.00067
Fix	183	.3169399	.4665603	0	1

Original:

	M2	Elec.D	Elec.I	CBI	Turn.	Ygap	Inf.	Credit
M2	1							
Elec.D.	-0.004	1						
Elec.I.	0.003	0.893	1					
CBI	0.028	-0.009	-0.015	1				
Turn.	0.062	-0.023	-0.015	-0.106	1			
Ygap	0.132	0.024	0.026	0.002	-0.025	1		
Inf.	0.513	-0.010	-0.014	-0.060	0.194	-0.049	1	
Credit	-0.316	0.048	0.064	-0.149	-0.020	-0.068	-0.288	1
Fix	-0.079	-0.020	-0.033	0.091	-0.187	0.042	-0.180	-0.061

Reproduced:

	M2	El~nDpre	El~nIpre	CBI	Turnover	Ygap	Inflat~n	Credit	Fix
M2	1.0000								
ElectionDpre	-0.0040	1.0000							
ElectionIpre	0.0030	0.8933	1.0000						
CBI	0.0275	-0.0090	-0.0154	1.0000					
Turnover	0.0622	-0.0234	-0.0153	-0.1063	1.0000				
Ygap	0.1324	0.0238	0.0260	0.0021	-0.0251	1.0000			
Inflation	0.5134	-0.0103	-0.0144	-0.0604	0.1942	-0.0489	1.0000		
Credit	-0.3161	0.0477	0.0636	-0.1493	-0.0199	-0.0678	-0.2877	1.0000	
Fix	-0.0792	-0.0199	-0.0327	0.0909	-0.1871	0.0419	-0.1798	-0.0611	1.0000

Original:

M2 growth (% of GDP)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
M2(t-1)	0.208***	0.212***	0.210***	0.213***	0.205***	0.207***	0.211***	0.207***
	(0.062)	(0.063)	(0.060)	(0.061)	(0.062)	(0.062)	(0.060)	(0.062)
CBI	-4.874	-4.998	-4.820	-4.995	-5.001	-5.430	-4.782	-5.077
	(3.482)	(3.518)	(3.446)	(3.504)	(3.531)	(3.548)	(3.415)	(3.529)
Ygap	6.836***	6.693***	6.787***	6.638***	6.806***	6.539***	6.830***	6.769***
	(1.386)	(1.377)	(1.371)	(1.364)	(1.387)	(1.336)	(1.349)	(1.375)
Inflation	0.376***	0.370***	0.369***	0.362***	0.374***	0.355***	0.372***	0.371***
	(0.074)	(0.074)	(0.074)	(0.075)	(0.074)	(0.076)	(0.074)	(0.075)
Credit	-0.018	-0.018	-0.019	-0.021	-0.019	-0.017	-0.018	-0.018
	(0.034)	(0.034)	(0.033)	(0.034)	(0.034)	(0.033)	(0.033)	(0.034)
Fix	1.059	1.026	1.124	1.067	1.055	0.973	1.125	1.038
	(0.989)	(0.996)	(0.978)	(0.988)	(0.989)	(0.975)	(0.960)	(0.991)
Election		-0.557		-1.175		0.470		
		(0.619)		(0.720)		(0.682)		
ElectionDpre			1.342**	1.692**				
			(0.626)	(0.721)				
ElectionDpost					-0.409	-3.024**		
					(0.579)	(1.302)		
ElectionIpre							1.877***	
							(0.714)	
ElectionIpost								-0.960
								(0.794)
Nbr. observations	1436	1436	1436	1436	1436	1436	1436	1436
Nbr. instruments	31	32	32	33	32	33	32	32
AR(1) test	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
AR(2) test	0.477	0.458	0.509	0.482	0.498	0.554	0.514	0.505
Sargan C-test	0.009	0.009	0.010	0.009	0.009	0.014	0.010	0.009
Hansen' J-test	0.482	0.444	0.553	0.510	0.496	0.467	0.578	0.499

Reproduced:

	ABOND1	ABOND2	ABOND3	ABOND4	ABOND5	ABOND6	ABOND7
> ABOND8	b/se	b/se	b/se	b/se	b/se	b/se	b/se
> b/se							
L.M2	0.208***	0.212***	0.210***	0.213***	0.205***	0.207***	0.211***
> 0.207***							
	(0.062)	(0.063)	(0.060)	(0.061)	(0.062)	(0.062)	(0.060)
> (0.062)							
CBI	-4.874	-4.998	-4.820	-4.995	-5.001	-5.430	-4.782
> -5.075							
	(3.482)	(3.518)	(3.446)	(3.504)	(3.531)	(3.548)	(3.415)
> (3.529)							
Ygap	6.836***	6.693***	6.787***	6.638***	6.806***	6.539***	6.830***
> 6.770***							
	(1.386)	(1.377)	(1.371)	(1.364)	(1.387)	(1.336)	(1.349)
> (1.375)							
Inflation	0.376***	0.370***	0.369***	0.362***	0.374***	0.355***	0.372***
> 0.371***							
	(0.074)	(0.074)	(0.074)	(0.075)	(0.074)	(0.076)	(0.074)
> (0.075)							
Credit	-0.018	-0.018	-0.019	-0.021	-0.019	-0.017	-0.018
> -0.018							
	(0.034)	(0.034)	(0.033)	(0.034)	(0.034)	(0.033)	(0.033)
> (0.034)							
Fix	1.059	1.026	1.124	1.067	1.055	0.973	1.125
> 1.038							
	(0.989)	(0.996)	(0.978)	(0.988)	(0.989)	(0.975)	(0.960)
> (0.991)							
Election		-0.557		-1.175		0.470	
>							
		(0.619)		(0.720)		(0.682)	
>							
ElectionDpre			1.342**	1.692**			
>							
			(0.626)	(0.721)			
>							
ElectionDp~t					-0.409	-3.024**	
>							
					(0.579)	(1.302)	
>							
ElectionIpre							1.877***
>							
							(0.714)
>							
ElectionIp~t							
> -0.949							
> (0.797)							
N	1436.000	1436.000	1436.000	1436.000	1436.000	1436.000	1436.000
> 1436.000							
j	31.000	32.000	32.000	33.000	32.000	33.000	32.000
> 32.000							
ar1p	0.000	0.000	0.000	0.000	0.000	0.000	0.000
> 0.000							
ar2p	0.477	0.458	0.509	0.482	0.498	0.554	0.514
> 0.504							
sarganp	0.009	0.009	0.010	0.009	0.009	0.014	0.010
> 0.009							
hansenp	0.482	0.444	0.553	0.510	0.496	0.467	0.578
> 0.499							

4.6. TABLE 6: INTERACTION TERMS & SPLITTED CBI INDEX

Original:

M2 growth (% of GDP)

	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
M2(t-1)	0.211***	0.214***	0.213***	0.216***	0.214***	0.220***	0.210***	0.214***	0.206***
	(0.059)	(0.059)	(0.060)	(0.060)	(0.058)	(0.059)	(0.059)	(0.059)	(0.059)
ElectionIpre	1.522	2.699**	1.793**	3.075	1.915***	1.857**	1.884***	1.861**	1.956***
	(2.199)	(1.265)	(0.896)	(2.598)	(0.722)	(0.713)	(0.714)	(0.712)	(0.720)
CBI	-5.020	-4.940	-4.801	-4.835					
	(3.595)	(3.455)	(3.416)	(3.572)					
cuk_ceo					-6.781				-6.109
					(5.251)				(4.181)
cuk_obj						-0.710			2.335
						(1.495)			(1.446)
cuk_pol							-3.498**		-3.775**
							(1.755)		(1.659)
cuk_limlen								-2.995	-1.375
								(2.325)	(2.584)
Ygap	6.834***	6.768***	6.786***	6.731***	6.635***	6.727***	6.743***	6.846***	6.738***
	(1.360)	(1.358)	(1.339)	(1.366)	(1.400)	(1.377)	(1.371)	(1.344)	(1.358)
Inflation	0.367***	0.369***	0.370***	0.365***	0.375***	0.382***	0.375***	0.376***	0.368***
	(0.075)	(0.074)	(0.073)	(0.074)	(0.074)	(0.073)	(0.074)	(0.073)	(0.074)
Credit	-0.018	-0.014	-0.019	-0.015	-0.023	-0.023	-0.019	-0.017	-0.017
	(0.033)	(0.031)	(0.032)	(0.031)	(0.034)	(0.033)	(0.033)	(0.032)	(0.033)
Fix	1.140	1.124	1.126	1.152	1.072	1.098	1.177	1.091	1.178
	(0.955)	(0.954)	(0.887)	(0.879)	(0.988)	(0.951)	(0.969)	(0.947)	(0.983)
CBIxElec	0.574			-0.694					
	(4.039)			(4.358)					
CreditxElec		-0.016		-0.017					
		(0.013)		(0.014)					
FixxElec			0.265	0.070					
			(1.793)	(1.851)					
Nbr. observations	1436	1436	1436	1436	1436	1436	1436	1436	1436
Nbr. instruments	33	33	33	35	32	32	32	32	35
AR(1) test	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
AR(2) test	0.511	0.495	0.501	0.481	0.502	0.481	0.516	0.502	0.535
Sargan C-test	0.010	0.010	0.010	0.010	0.010	0.007	0.011	0.008	0.011
Hansen J-test	0.586	0.580	0.592	0.590	0.479	0.573	0.563	0.590	0.506

Reproduced*:*

	ABOND9 b/se	ABOND10 b/se	ABOND11 b/se	ABOND12 b/se	ABOND13 b/se	ABOND14 b/se	ABOND15 b/se	ABOND16 b/se	ABOND17 b/se
L.M2	0.211***	0.214***	0.213***	0.216***	0.214***	0.220***	0.210***	0.214***	0.206***
	(0.059)	(0.059)	(0.060)	(0.060)	(0.058)	(0.059)	(0.059)	(0.059)	(0.059)
ElectionIpre	1.522	2.699**	1.793**	3.075	1.915***	1.857**	1.884***	1.861**	1.956***
	(2.199)	(1.265)	(0.896)	(2.598)	(0.722)	(0.713)	(0.714)	(0.712)	(0.720)
CBI	-5.020	-4.940	-4.801	-4.835					
	(3.595)	(3.455)	(3.416)	(3.572)					
Ygap	6.834***	6.768***	6.786***	6.731***	6.635***	6.727***	6.743***	6.846***	6.738***
	(1.360)	(1.358)	(1.339)	(1.366)	(1.400)	(1.377)	(1.371)	(1.344)	(1.358)
Inflation	0.367***	0.369***	0.370***	0.365***	0.375***	0.382***	0.375***	0.376***	0.368***
	(0.075)	(0.074)	(0.073)	(0.074)	(0.074)	(0.073)	(0.074)	(0.073)	(0.074)
Credit	-0.018	-0.014	-0.019	-0.015	-0.023	-0.023	-0.019	-0.017	-0.017
	(0.033)	(0.031)	(0.032)	(0.031)	(0.034)	(0.033)	(0.033)	(0.032)	(0.033)
Fix	1.140	1.124	1.126	1.152	1.072	1.098	1.177	1.091	1.178
	(0.955)	(0.954)	(0.887)	(0.879)	(0.988)	(0.951)	(0.969)	(0.947)	(0.983)
CBIxElec	0.574			-0.694					
	(4.039)			(4.358)					
CreditxElec		-0.016		-0.017					
		(0.013)		(0.014)					
FixxElec			0.265	0.070					
			(1.793)	(1.851)					
cuk_ceo					-6.781				-6.109
					(5.251)				(4.181)
cuk_obj						-0.710			2.335
						(1.495)			(1.446)
cuk_pol							-3.498**		-3.775**
							(1.755)		(1.659)
cuk_limlen								-2.995	-1.375
								(2.325)	(2.584)
N	1436.000	1436.000	1436.000	1436.000	1436.000	1436.000	1436.000	1436.000	1436.000
j	33.000	33.000	33.000	35.000	32.000	32.000	32.000	32.000	35.000
ar1p	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
ar2p	0.511	0.495	0.501	0.481	0.502	0.481	0.516	0.502	0.535
sarganp	0.010	0.010	0.010	0.010	0.010	0.007	0.011	0.008	0.011
hansenp	0.586	0.580	0.592	0.590	0.479	0.573	0.563	0.590	0.506

Original:

M2 growth (% of GDP)							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	1985-2012	1990-2012	1995-2012	2000-2012	FE model	System-GMM model	Inflation as endogenous
L.M2	0.211***	0.208***	0.217***	0.195**	0.085*	0.188***	0.129**
	(0.060)	(0.057)	(0.064)	(0.082)	(0.043)	(0.056)	(0.054)
ElectionIpre	1.877***	2.116***	2.488***	1.941*	1.155	2.528***	1.366*
	(0.714)	(0.761)	(0.800)	(1.023)	(0.764)	(0.697)	(0.803)
CBI	-4.782	-6.616	-9.711	0.048	-4.900	10.913***	-0.372
	(3.415)	(4.504)	(6.467)	(5.634)	(3.957)	(1.821)	(4.210)
Ygap	6.830***	6.861***	6.318***	4.446**	7.915***	7.305***	7.760***
	(1.349)	(1.327)	(1.383)	(2.127)	(1.514)	(1.311)	(1.437)
Inflation	0.372***	0.336***	0.292***	0.196*	0.434***	0.607***	0.591***
	(0.074)	(0.088)	(0.103)	(0.112)	(0.077)	(0.059)	(0.107)
Credit	-0.018	0.022	0.017	-0.099	-0.026	-0.012	-0.022
	(0.033)	(0.034)	(0.044)	(0.106)	(0.036)	(0.008)	(0.032)
Fix	1.125	1.258	1.248	2.865**	0.823	1.230	0.955
	(0.960)	(1.183)	(1.310)	(1.296)	(0.897)	(0.749)	(0.924)
Constant					13.979***		
					(3.345)		
Nbr. observations	1436	1280	1145	888	1534	1534	1436
Nbr. instruments	32	27	22	17		33	57
AR(1) test	0.000	0.000	0.000	0.000		0.000	0.000
AR(2) test	0.514	0.735	0.763	0.980		0.763	0.995
Sargan C-test	0.010	0.007	0.028	0.032		0.004	0.020
Hansen J-test	0.578	0.259	0.232	0.696		0.653	0.262

Reproduced:

	ABOND18 b/se	ABOND19 b/se	ABOND20 b/se	ABOND21 b/se	FE1 b/se	BBOND1 b/se	ABONDalt1 b/se
L.M2	0.211***	0.208***	0.217***	0.195**	0.085*	0.188***	0.129**
	(0.060)	(0.057)	(0.064)	(0.082)	(0.043)	(0.056)	(0.054)
ElectionIpre	1.877***	2.116***	2.488***	1.941*	1.155	2.528***	1.366*
	(0.714)	(0.761)	(0.800)	(1.023)	(0.764)	(0.697)	(0.803)
CBI	-4.782	-6.616	-9.711	0.048	-4.900	10.913***	-0.372
	(3.415)	(4.504)	(6.467)	(5.634)	(3.957)	(1.821)	(4.210)
Ygap	6.830***	6.861***	6.318***	4.446**	7.915***	7.305***	7.760***
	(1.349)	(1.327)	(1.383)	(2.127)	(1.514)	(1.311)	(1.437)
Inflation	0.372***	0.336***	0.292***	0.196*	0.434***	0.607***	0.591***
	(0.074)	(0.088)	(0.103)	(0.112)	(0.077)	(0.059)	(0.107)
Credit	-0.018	0.022	0.017	-0.099	-0.026	-0.012	-0.022
	(0.033)	(0.034)	(0.044)	(0.106)	(0.036)	(0.008)	(0.032)
Fix	1.125	1.258	1.248	2.865**	0.823	1.230	0.955
	(0.960)	(1.183)	(1.310)	(1.296)	(0.897)	(0.749)	(0.924)
_cons					13.979***		
					(3.345)		
N	1436.000	1280.000	1145.000	888.000	1534.000	1534.000	1436.000
j	32.000	27.000	22.000	17.000		33.000	57.000
ar1p	0.000	0.000	0.000	0.000		0.000	0.000
ar2p	0.514	0.735	0.763	0.980		0.763	0.995
sarganp	0.010	0.007	0.028	0.032		0.004	0.020
hansenp	0.578	0.259	0.232	0.696		0.653	0.262

Original:

M2 growth (% of GDP)				M2cycle	M1
	(8)	(9)	(10)	(11)	(12)
M2(t-1)	0.290***	0.204***	0.228***		
	(0.056)	(0.068)	(0.056)		
M2cycle(t-1)				0.613***	
				(0.023)	
M1(t-1)					0.114*
					(0.062)
ElectionIpre	1.826**	1.471*	1.659**	2.652*	1.753*
	(0.757)	(0.788)	(0.728)	(1.328)	(0.906)
CBI	-9.446**	-6.257		2.403	-3.935
	(4.490)	(3.842)		(2.892)	(3.982)
Ygap	4.741***	7.203***	6.617***	5.015**	4.262**
	(1.446)	(1.504)	(1.443)	(2.377)	(1.707)
Infgap	0.003				
	(0.007)				
Credit	-0.026	-0.019	-0.030	-0.000	-0.077
	(0.038)	(0.035)	(0.035)	(0.018)	(0.050)
Fix	1.171		1.100	0.824	1.801
	(1.038)		(0.982)	(0.824)	(1.495)
Inflation		0.353***	0.404***	-0.017	0.323***
		(0.082)	(0.070)	(0.105)	(0.087)
Trade		-0.002			
		(0.030)			
Turnover			-4.513		
			(2.861)		
Nbr. observations	1436	1354	1404	994	1334
Nbr. instruments	32	32	32	32	23
AR(1) test	0.000	0.000	0.000	0.005	0.000
AR(2) test	0.236	0.819	0.395	0.375	0.890
Sargan C-test	0.001	0.012	0.006	0.000	0.086
Hansen J-test	0.465	0.415	0.541	0.307	0.206

Reproduced:

L.M2	0.290***	0.204***	0.228***		
	(0.056)	(0.068)	(0.056)		
ElectionIpre	1.826**	1.471*	1.659**	2.652*	1.753*
	(0.757)	(0.788)	(0.728)	(1.328)	(0.906)
CBI	-9.446**	-6.257		2.403	-3.935
	(4.490)	(3.842)		(2.892)	(3.982)
Ygap	4.741***	7.203***	6.617***	5.015**	4.262**
	(1.446)	(1.504)	(1.443)	(2.377)	(1.707)
Infgap	0.003				
	(0.007)				
Credit	-0.026	-0.019	-0.030	-0.000	-0.077
	(0.038)	(0.035)	(0.035)	(0.018)	(0.050)
Fix	1.171		1.100	0.824	1.801
	(1.038)		(0.982)	(0.824)	(1.495)
Inflation		0.353***	0.404***	-0.017	0.323***
		(0.082)	(0.070)	(0.105)	(0.087)
Trade		-0.002			
		(0.030)			
Turnover			-4.513		
			(2.861)		
L.M2cycle				0.613***	
				(0.023)	
L.M1					0.114*
					(0.062)
N	1436.000	1354.000	1404.000	994.000	1334.000
j	32.000	32.000	32.000	32.000	23.000
ar1p	0.000	0.000	0.000	0.005	0.000
ar2p	0.236	0.819	0.395	0.375	0.890
sarganp	0.001	0.012	0.006	0.000	0.086
hansenp	0.465	0.415	0.541	0.307	0.206

Original:

M2 growth (% of GDP)	(13)	(14)	(15)	(16)	(17)	(18)
M2(t-1)	0.210***	0.210***	0.211***	0.211***	0.210***	0.212***
	(0.061)	(0.061)	(0.060)	(0.060)	(0.061)	(0.060)
End.D	0.963		1.081			
	(0.782)		(0.774)			
Ex.D		1.358	1.412*			
		(0.852)	(0.847)			
End.I				0.862		0.884
				(0.963)		(0.958)
Ex.I					1.922**	1.917**
					(0.951)	(0.946)
CBI	-4.906	-4.897	-4.897	-4.900	-4.673	-4.681
	(3.422)	(3.505)	(3.446)	(3.492)	(3.492)	(3.461)
Ygap	6.826***	6.770***	6.768***	6.829***	6.796***	6.797***
	(1.379)	(1.383)	(1.374)	(1.382)	(1.359)	(1.354)
Inflation	0.374***	0.372***	0.370***	0.374***	0.376***	0.374***
	(0.074)	(0.074)	(0.074)	(0.074)	(0.074)	(0.074)
Credit	-0.016	-0.020	-0.019	-0.016	-0.019	-0.017
	(0.033)	(0.034)	(0.033)	(0.033)	(0.034)	(0.033)
Fix	1.044	1.128	1.115	1.039	1.134	1.115
	(0.988)	(0.992)	(0.989)	(0.990)	(0.976)	(0.977)
Nbr.observations	1436	1436	1436	1436	1436	1436
Nbr. instruments	32	32	33	32	32	33
AR(1) test	0.000	0.000	0.000	0.000	0.000	0.000
AR(2) test	0.481	0.497	0.504	0.477	0.498	0.501
Sargan C-test	0.009	0.010	0.010	0.009	0.010	0.010
Hansen J-test	0.508	0.523	0.549	0.504	0.550	0.568

Reproduced:

	ABOND27 b/se	ABOND28 b/se	ABOND29 b/se	ABOND30 b/se	ABOND31 b/se	ABOND32 b/se
L.M2	0.210***	0.210***	0.211***	0.210***	0.210***	0.211***
	(0.061)	(0.061)	(0.061)	(0.060)	(0.061)	(0.060)
ElectionEn..	0.929		1.049			
	(0.774)		(0.766)			
CBI	-4.911	-4.899	-4.904	-4.886	-4.686	-4.675
	(3.423)	(3.506)	(3.448)	(3.440)	(3.494)	(3.455)
Ygap	6.825***	6.768***	6.765***	6.826***	6.794***	6.793***
	(1.379)	(1.382)	(1.373)	(1.382)	(1.360)	(1.354)
Inflation	0.374***	0.372***	0.370***	0.374***	0.376***	0.374***
	(0.074)	(0.074)	(0.074)	(0.073)	(0.074)	(0.074)
Credit	-0.016	-0.020	-0.019	-0.016	-0.019	-0.017
	(0.033)	(0.034)	(0.033)	(0.033)	(0.034)	(0.033)
Fix	1.042	1.130	1.116	1.039	1.134	1.116
	(0.989)	(0.991)	(0.988)	(0.989)	(0.977)	(0.976)
ElectionEx..		1.366	1.420*			
		(0.858)	(0.853)			
ElectionEn..				0.908		0.938
				(0.963)		(0.959)
ElectionEx..					1.928**	1.930**
					(0.952)	(0.946)
N	1436.000	1436.000	1436.000	1436.000	1436.000	1436.000
j	32.000	32.000	33.000	32.000	32.000	33.000
ar1p	0.000	0.000	0.000	0.000	0.000	0.000
ar2p	0.481	0.493	0.499	0.477	0.498	0.501
sarganp	0.009	0.010	0.010	0.009	0.010	0.010
hansenp	0.507	0.524	0.549	0.503	0.548	0.566

Original:

M2 growth (% of GDP)

	(1) CB created less than 50 years ago	(2) CB created less than 60 years ago	(3) CB created less than 70 years ago	(4) CB created less than 80 years ago	(5) CB created less than 90 years ago	(6) CB created less than 100 years ago
M2(t-1)	0.120*	0.171**	0.137*	0.136*	0.180***	0.184***
	(0.071)	(0.076)	(0.076)	(0.078)	(0.066)	(0.066)
ElectionIpre	2.921**	2.892***	2.079**	2.132**	2.013**	2.007**
	(1.289)	(0.949)	(0.946)	(0.905)	(0.811)	(0.790)
CBI	-10.763	-14.352**	-14.108**	-8.038	-7.030	-7.600
	(7.528)	(6.117)	(5.868)	(5.862)	(4.857)	(4.918)
Ygap	6.872***	6.122***	5.735***	6.844***	6.900***	6.788***
	(1.577)	(1.589)	(1.706)	(1.511)	(1.382)	(1.435)
Inflation	0.320***	0.315***	0.314***	0.378***	0.384***	0.376***
	(0.111)	(0.113)	(0.112)	(0.094)	(0.082)	(0.082)
Credit	-0.013	0.000	-0.003	-0.005	-0.020	-0.018
	(0.077)	(0.063)	(0.066)	(0.059)	(0.045)	(0.042)
Fix	0.861	0.953	0.696	0.644	1.041	1.132
	(1.479)	(1.549)	(1.557)	(1.309)	(1.069)	(1.094)
Nbr. observations	822	980	1083	1171	1274	1295
Nbr. instruments	32	32	32	32	32	32
AR(1) test	0.000	0.000	0.000	0.000	0.000	0.000
AR(2) tes	0.688	0.666	0.588	0.541	0.452	0.428
Sargan C-test	0.044	0.051	0.071	0.042	0.031	0.032
Hansen J-test	0.352	0.257	0.288	0.341	0.585	0.587

Reproduced:

	ABOND33 b/se	ABOND34 b/se	ABOND35 b/se	ABOND36 b/se	ABOND37 b/se	ABOND38 b/se
L.M2	0.120*	0.171**	0.137*	0.136*	0.180***	0.184***
	(0.071)	(0.076)	(0.076)	(0.078)	(0.066)	(0.066)
ElectionIpre	2.921**	2.892***	2.079**	2.132**	2.013**	2.007**
	(1.289)	(0.949)	(0.946)	(0.905)	(0.811)	(0.790)
CBI	-10.763	-14.352**	-14.108**	-8.038	-7.030	-7.600
	(7.528)	(6.117)	(5.868)	(5.862)	(4.857)	(4.918)
Ygap	6.872***	6.122***	5.735***	6.844***	6.900***	6.788***
	(1.577)	(1.589)	(1.706)	(1.511)	(1.382)	(1.435)
Inflation	0.320***	0.315***	0.314***	0.378***	0.384***	0.376***
	(0.111)	(0.113)	(0.112)	(0.094)	(0.082)	(0.082)
Credit	-0.013	0.000	-0.003	-0.005	-0.020	-0.018
	(0.077)	(0.063)	(0.066)	(0.059)	(0.045)	(0.042)
Fix	0.861	0.953	0.696	0.644	1.041	1.132
	(1.479)	(1.549)	(1.557)	(1.309)	(1.069)	(1.094)
N	822.000	980.000	1083.000	1171.000	1274.000	1295.000
j	32.000	32.000	32.000	32.000	32.000	32.000
ar1p	0.000	0.000	0.000	0.000	0.000	0.000
ar2p	0.688	0.666	0.588	0.541	0.452	0.428
sarganp	0.044	0.051	0.071	0.042	0.031	0.032
hansenp	0.352	0.257	0.288	0.341	0.585	0.587

Original:

M2 growth (% of GDP)

	(7) CEI below 0.25	(8) CEI below 0.5	(9) CEI below 0.75	(10) PolConV below 0.25	(11) PolConV below 0.5	(12) PolConV below 0.75
M2(t-1)	0.212***	0.207***	0.209***	0.220***	0.217***	0.215***
	(0.060)	(0.060)	(0.061)	(0.060)	(0.060)	(0.061)
ElectionIpre	4.561**	3.763**	2.471*	4.421**	2.604**	1.593
	(2.285)	(1.758)	(1.354)	(1.993)	(1.241)	(1.032)
CBI	-4.407	-4.382	-4.477	-3.940	-4.505	-4.967
	(3.398)	(3.338)	(3.450)	(3.411)	(3.460)	(3.503)
Ygap	6.760***	6.726***	6.779***	6.706***	6.691***	6.728***
	(1.353)	(1.353)	(1.368)	(1.352)	(1.366)	(1.385)
Inflation	0.379***	0.381***	0.376***	0.376***	0.369***	0.365***
	(0.072)	(0.072)	(0.073)	(0.072)	(0.074)	(0.076)
Credit	-0.018	-0.021	-0.019	-0.017	-0.020	-0.021
	(0.033)	(0.033)	(0.034)	(0.033)	(0.033)	(0.033)
Fix	0.994	0.983	1.006	0.986	1.051	1.121
	(0.976)	(0.976)	(0.980)	(0.983)	(0.969)	(0.984)
Nbr. observations	1436	1436	1436	1436	1436	1436
Nbr. instruments	32	32	32	32	32	32
AR(1) test	0.000	0.000	0.000	0.000	0.000	0.000
AR(2) test	0.473	0.522	0.505	0.429	0.469	0.481
Sargan C-test	0.012	0.010	0.010	0.011	0.009	0.009
Hansen J-test	0.539	0.538	0.527	0.566	0.578	0.542

Reproduced:

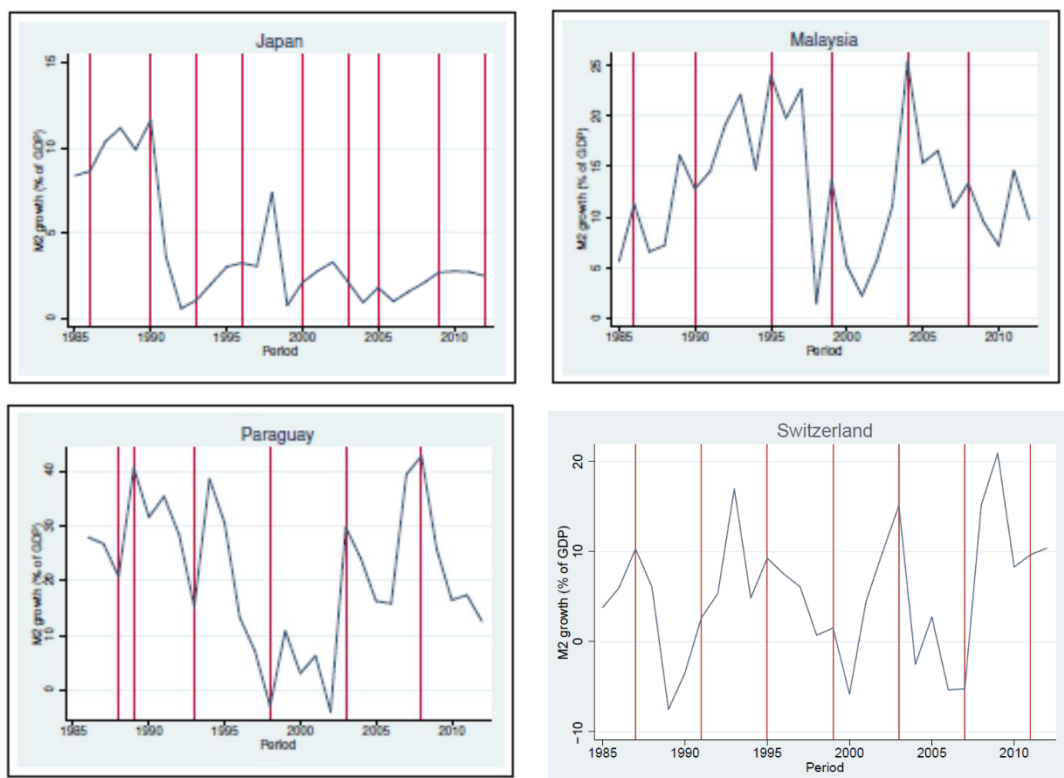|	ABOND39 b/se	ABOND40 b/se	ABOND41 b/se	ABOND42 b/se	ABOND43 b/se	ABOND44 b/se
L.M2	0.212***	0.207***	0.209***	0.220***	0.217***	0.215***
	(0.060)	(0.060)	(0.061)	(0.060)	(0.060)	(0.061)
ElectionIpre	4.561**	3.763**	2.471*	4.421**	2.604**	1.593
	(2.285)	(1.758)	(1.354)	(1.993)	(1.241)	(1.032)
CBI	-4.407	-4.382	-4.477	-3.940	-4.505	-4.967
	(3.398)	(3.338)	(3.450)	(3.411)	(3.460)	(3.503)
Ygap	6.760***	6.726***	6.779***	6.706***	6.691***	6.728***
	(1.353)	(1.353)	(1.368)	(1.352)	(1.366)	(1.385)
Inflation	0.379***	0.381***	0.376***	0.376***	0.369***	0.365***
	(0.072)	(0.072)	(0.073)	(0.072)	(0.074)	(0.076)
Credit	-0.018	-0.021	-0.019	-0.017	-0.020	-0.021
	(0.033)	(0.033)	(0.034)	(0.033)	(0.033)	(0.033)
Fix	0.994	0.983	1.006	0.986	1.051	1.121
	(0.976)	(0.976)	(0.980)	(0.983)	(0.969)	(0.984)
N	1436.000	1436.000	1436.000	1436.000	1436.000	1436.000
j	32.000	32.000	32.000	32.000	32.000	32.000
ar1p	0.000	0.000	0.000	0.000	0.000	0.000
ar2p	0.473	0.522	0.505	0.429	0.469	0.481
sarganp	0.012	0.010	0.010	0.011	0.009	0.009
hansenp	0.539	0.538	0.527	0.566	0.578	0.542

Original:

M2 growth (% of GDP)

	(13) No IT countries	(14) No monetary unions	(15) No monetary unions & ESCB	(16) Only developed countries	(17) No developed countries
M2(t-1)	0.179***	0.206***	0.190***	0.648***	0.126**
	(0.068)	(0.062)	(0.064)	(0.086)	(0.059)
ElectionIpre	1.781*	1.275*	1.304*	0.190	2.474**
	(0.924)	(0.715)	(0.781)	(0.912)	(0.938)
CBI	-5.329	-6.099*	-6.432*	2.444	-8.730
	(3.698)	(3.418)	(3.466)	(2.903)	(7.254)
Ygap	4.991***	6.784***	6.427***	8.020	6.539***
	(1.510)	(1.674)	(1.757)	(5.121)	(1.460)
Inflation	0.302***	0.349***	0.341***	0.051	0.385***
	(0.092)	(0.079)	(0.080)	(0.426)	(0.084)
Credit	-0.043	-0.005	-0.003	0.004	-0.093***
	(0.044)	(0.032)	(0.044)	(0.013)	(0.033)
Fix	0.997	0.950	0.626	1.499	1.519
	(1.294)	(0.905)	(0.960)	(1.434)	(1.242)
Nbr. observations	1157	1269	1177	322	1114
Nbr. instruments	32	32	32	21	26
AR(1) test	0.000	0.000	0.000	0.006	0.000
AR(2) test	0.247	0.635	0.672	0.173	0.441
Sargan C-test	0.003	0.004	0.013	0.000	0.035
Hansen J-test	0.198	0.577	0.619	0.452	0.347

Reproduced:

	ABOND45 b/se	ABOND46 b/se	ABOND47 b/se	ABOND48 b/se	ABOND49 b/se
L.M2	0.179***	0.206***	0.190***	0.648***	0.126**
	(0.068)	(0.062)	(0.064)	(0.086)	(0.059)
ElectionIpre	1.781*	1.275*	1.304*	0.190	2.474**
	(0.924)	(0.715)	(0.781)	(0.912)	(0.938)
CBI	-5.329	-6.099*	-6.432*	2.444	-8.730
	(3.698)	(3.418)	(3.466)	(2.903)	(7.254)
Ygap	4.991***	6.784***	6.427***	8.020	6.539***
	(1.510)	(1.674)	(1.757)	(5.121)	(1.460)
Inflation	0.302***	0.349***	0.341***	0.051	0.385***
	(0.092)	(0.079)	(0.080)	(0.426)	(0.084)
Credit	-0.043	-0.005	-0.003	0.004	-0.093***
	(0.044)	(0.032)	(0.044)	(0.013)	(0.033)
Fix	0.997	0.950	0.626	1.499	1.519
	(1.294)	(0.905)	(0.960)	(1.434)	(1.242)
N	1157.000	1269.000	1177.000	322.000	1114.000
j	32.000	32.000	32.000	21.000	26.000
ar1p	0.000	0.000	0.000	0.006	0.000
ar2p	0.247	0.635	0.672	0.173	0.441
sarganp	0.003	0.004	0.013	0.000	0.035
hansenp	0.198	0.577	0.619	0.452	0.347

4.13. FIGURE 1: M2 GROWTH (% OF GDP) EVERY PERIOD

Original:

Reproduced: