Partially Independent Central Banks, Politically Responsive Governments, and Inflation
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Appendix: Data Definitions, Sources, and Descriptive Statistics

Data are annual, 1972-90, for 18 countries: US, Japan, Germany, France, Italy, UK, Canada, Austria, Belgium, Denmark, Finland, Ireland, the Netherlands, Norway, Sweden, Switzerland, Australia, and New Zealand. All data available at http://www-personal.umich.edu/~franzese.

π: GDP-Deflator Inflation-Rate (x%). OECD data taken from Layard, et al. (1991).

CBI: Central Bank Independence (0-1). The average of five commonly used indices: LVAU and QVAU from Cukierman (1992), EC and POL from Grilli et al. (1991), and the original index from Bade and Parkin (1982). [N.b. Alesina's frequently-cited index derives from Bade and Parkin's (personal communications).] Cukierman's LVAU and so the average potentially varies by "decade": 1950-9, 1960-72, 1973-9, 1980-9; almost 97% of LVAU's average is cross-national though. The source indices are linearly rescaled 0-1; then available rescaled measures are averaged.

G: Government Partisanship (0-10). Commonly-available "expert" codings of left-right party positions provide a partisanship score for each party (see Appendix B to Laver and Schofield 1991). These are rescaled, 0≡extreme-left to 10≡extreme-right, and averaged. Farthest left in the sample are French Communists: 1.3755; farthest right are Japanese Liberal Democrats: 8.9. US Democrats are 4.8213 and Republicans 7.61. Governments' partisan positions are the average of "government member" party-positions, i.e. cabinet ministers in pure parliamentary systems. US governments are coded as 1/3 the President's score, 1/3 the Senate-average, and 1/3 the House-average. French Vth Republic and Finnish governments' positions are ½ the President's and ½ the Cabinet's. If multiple governments held power in one year, each is weighted by the fraction it reigned.

T: Trade Openness (0-2). Exports plus imports over GDP; from IMF IFS CD-ROM, June 1996.

F: Financial-Sector Employment (x%). Finance, insurance, real estate, and banking employment as a percent of total employment; from OECD National Accounts Volume II, Detailed Tables.

π^a: Inflation Abroad (x%). Created from π. Each country-year's observation on π^a is the average inflation in the *other* 17 countries in that year.

U: Union Density (0-1). Union members as a share of labor force; Golden and Wallerstein (1995).

CWB: Coordination of Wage Bargaining (0-1). A subjective index from Hall and Franzese (1998). The index varies by country: US=UK=Canada=Ireland=0; France=Italy=Australia=New Zealand=.25; Belgium=Netherlands=.5; Japan=Germany=Denmark=Finland=Switzerland=.75; Austria=Norway=Sweden=1.

Table A1: Descriptive Statistics (Sample = 18 OECD Countries, 1972-90)

	π	CBI_{t-1}	G_{t-1}	T_{t-1}	F_{t-1}	π^a_{t-1}	U_{t-1}	CWB
Mean	7.63	.501	5.49	.514	.068	8.04	.450	.486
Median	6.85	0.468	5.51	.470	0.068	8.56	.450	.500
Maximum	27.2	.931	8.90	1.40	.113	13.7	.846	1.00
Minimum	-1.40	.150	2.78	.084	.021	3.73	.102	.000
Std. Dev.	4.69	.196	1.56	.260	.021	2.69	.172	.359