Files Included

Industrial - This is a stata data file that contains data for industrial countries.

Developing - This is a stata data file that contains data for developing countries.

Pooled - This is a stata data file that contains data for the pooled sample.

Code - A pdf file that contains the stata code used to obtain the empirical results in the paper.

Variable Dictionary and Sources of Raw Data

IT (inflation targeting) - A dummy variable for an inflation targeting regime. Source: Rose (2007).

REERVOL (real exchange rate volatility) – Standard deviation of 12 monthly observation of real effective exchange rate based on relative CPIs. Source: International Financial Statistics.

NEERVOL (nominal exchange rate volatility) – Standard deviation of 12 monthly observation of nominal effective exchange rate. Source: International Financial Statistics.

RESIMP (reserves in months of imports) – Total reserves in months of imports. Source: World Development Indicators.

RESM2 (reserves to M2 ratio) – 1/Money and quasi money (M2) to Reserves ratio. Source: World Development Indicators.

CAGDP (current account to GDP ratio) – Current account in current million US dollars*exchange rate (national currency per dollar)*1 million/GDP in current national currency. Source: International Financial Statistics.

INF_1 (lagged inflation rate) – Inflation, Consumer prices (annual %)/100 in one year lag. Source: World Development Indicators.

BMG (broad money growth) – Money and quasi money growth (annual %)/100. Source: World Development Indicators.

GDPPCG (real per capita GDP growth) – Growth rate of GDP per capita in 2000 constant US Dollars. Source: World Development Indicators.

FSGDP (fiscal surplus to GDP ratio) – Cash surplus (+)/deficit (-) divided by GDP. Source: International Financial Statistics.

OPEN (trade openness) – Trade (% GDP). Source: World Development Indicators.

FIX (fixed exchange rate) - A dummy variable for a fixed exchange rate regime defined as either a hard peg or a soft pg according to Reinhart and Rogoff (2004). Sources: Reinhart and Rogoff (2004) and the IMF's Annual Report on Exchange Arrangements and Exchange Restrictions.