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TABLE 1 Capital Account Liberalization, Financial Structure, and Domestic Financial Reform

	1	2	3	4	5	6
Financial Openness	0.94**	0.96**	0.94***	0.96***	0.94*	0.96*
	[0.41]	[0.37]	[0.35]	[0.36]	[0.56]	[0.56]
Concentration	1.35	1.20	1.35	1.20	1.35	1.20
	[1.00]	[1.00]	[1.23]	[1.24]	[1.20]	[1.25]
Financial Openness x Concentration	-1.59*	-1.67**	-1.59**	-1.67**	-1.59*	-1.67*
	[0.82]	[0.76]	[0.67]	[0.67]	[0.95]	[0.96]
GDP per capita		1.94		1.94		1.94**
		[1.57]		[1.68]		[0.78]
Trade Openness		0.41		0.41		0.41
		[0.91]		[0.89]		[0.83]
Polity		-0.07		-0.07		-0.07
		[0.40]		[0.23]		[0.31]
y(t-1)	0.65***	0.65***	0.65***	0.65***	0.65***	0.65***
	[0.06]	[0.07]	[0.07]	[0.07]	[0.05]	[0.05]
y(t-2)	-0.02	-0.02	-0.02	-0.02	-0.02	-0.02
	[0.05]	[0.05]	[0.06]	[0.06]	[0.04]	[0.03]
Sargan test [p-value]			0.09	0.08	0.09	0.08
Hansen test [p-value]					1.00	1.00
AR2 [p-value]			0.36	0.16	0.21	0.21
Observations	215	215	215	215	215	215

Notes: Outcome variable is Reform. Models 1-2 estimated via least squares. Country and year fixed effects estimated but not reported. Driscoll-Kraay standard errors in brackets. Models 3-6 estimated via System GMM. Year dummies estimated but not reported. Standard errors clustered by country in Columns 5 and 6. The Hansen test and Sargan test of overidentifying restrictions tests the null hypothesis that the instruments as a group are exogenous. The null hypothesis of the AR2 test is that there is no second order serial correlation in the differenced residuals. *** p<0.01, ** p<0.05, * p<0.1

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TABLE 2 Capital Account Liberalization, Financial Structure, and Access to Private Credit by Governments and SOEs

	1	2	3	4	5	6
Financial Openness	-0.19	-0.19*	-0.19*	-0.19*	-0.19	-0.19
	[0.11]	[0.11]	[0.10]	[0.10]	[0.15]	[0.16]
Concentration	0.05	0.04	0.05	0.04	0.05	0.04
	[0.38]	[0.36]	[0.37]	[0.38]	[0.58]	[0.57]
Financial Openness x Concentration	0.41**	0.41**	0.41**	0.41**	0.41	0.41
	[0.19]	[0.18]	[0.17]	[0.17]	[0.32]	[0.33]
GDP per capita		-0.14		-0.14		-0.14
		[0.43]		[0.49]		[0.64]
Trade Openness		-0.01		-0.01		-0.01
		[0.22]		[0.24]		[0.40]
Polity		0.10*		0.10		0.10*
		[0.05]		[0.07]		[0.06]
y(t-1)	0.65***	0.64***	0.65***	0.64***	0.65***	0.64***
	[0.11]	[0.11]	[0.06]	[0.06]	[0.08]	[0.08]
y(t-2)	0.00	0.01	0.00	0.01	0.00	0.01
	[0.07]	[0.07]	[0.05]	[0.05]	[0.05]	[0.04]
Sargan test [p-value]			0.03	0.02	0.03	0.02
Hansen test [p-value]					1.00	1.00
AR2 [p-value]			1.00	0.90	1.00	0.80
Observations	252	252	252	252	252	252

Notes: Outcome variable is Credit to Government and State-Owned Enterprises as a percentage of GDP. Models 1-2 estimated via least squares. Country and year fixed effects estimated but not reported. Driscoll-Kraay standard errors in brackets. Models 3-6 estimated via System GMM. Year dummies estimated but not reported. Standard errors clustered by country in Columns 5 and 6. The Hansen test and Sargan test of overidentifying restrictions tests the null hypothesis that the instruments as a group are exogenous. The null hypothesis of the AR2 test is that there is no second order serial correlation in the differenced residuals. *** p<0.01, ** p<0.05, * p<0.1

TABLE 3 Capital Account Liberalization, Financial Structure, and Access to Credit by Private Firms and Households

	1	2	3	4	5	6
Financial Openness	0.06***	0.05***	0.06***	0.05***	0.06***	0.05***
	[0.01]	[0.02]	[0.02]	[0.02]	[0.02]	[0.02]
Concentration	0.04	0.02	0.04	0.02	0.04	0.02
	[0.08]	[0.08]	[0.07]	[0.07]	[0.08]	[0.08]
Financial Openness x Concentration	-0.11***	-0.09**	-0.11***	-0.09***	-0.11***	-0.09*
	[0.03]	[0.03]	[0.03]	[0.03]	[0.04]	[0.05]
GDP per capita		0.18		0.18**		0.18*
		[0.12]		[0.09]		[0.11]
Trade Openness		-0.07*		-0.07		-0.07
		[0.03]		[0.04]		[0.06]
Polity		-0.01		-0.01		-0.01
		[0.01]		[0.01]		[0.01]
y(t-1)	1.32***	1.28***	1.32***	1.28***	1.32***	1.28***
	[0.07]	[0.08]	[0.05]	[0.05]	[0.04]	[0.04]
y(t-2)	-0.52***	-0.50***	-0.52***	-0.50***	-0.52***	-0.50***
	[0.05]	[0.06]	[0.05]	[0.05]	[0.03]	[0.03]
Sargan test [p-value]			0.01	0.00	0.01	0.00
Hansen test [p-value]					1.00	1.00
AR2 [p-value]			0.00	0.00	0.01	0.02
Observations	241	241	241	241	241	241

Notes: Outcome variable is Private Credit as a percentage of GDP. Models 1-2 estimated via least squares. Country and year fixed effects estimated but not reported. Driscoll-Kraay standard errors in brackets. Models 3-6 estimated via System GMM. Year dummies estimated but not reported. Standard errors clustered by country in Columns 5 and 6. The Hansen test and Sargan test of overidentifying restrictions tests the null hypothesis that the instruments as a group are exogenous. The null hypothesis of the AR2 test is that there is no second order serial correlation in the differenced residuals. *** p<0.01, ** p<0.05, * p<0.1

TABLE 4 Evaluating the Mechanism

	1	2	3	4	5	6
Financial Openness	1.00**	0.96**	0.96**	0.90**	0.96**	0.96**
	[0.37]	[0.37]	[0.41]	[0.39]	[0.39]	[0.38]
Concentration	1.10	0.78	0.79	1.24	1.20	1.09
	[1.11]	[1.00]	[1.16]	[1.05]	[1.05]	[1.12]
Financial Openness x Concentration	-1.72**	-1.59*	-1.59*	-1.61*	-1.67*	-1.63*
	[0.77]	[0.82]	[0.86]	[0.80]	[0.80]	[0.80]
Banking Crisis	0.30					
	[0.33]					
Currency Crisis		0.82***				
		[0.26]				
Liquid Liabilities			-0.02			
			[0.02]			
Partisanship (Nationalist)				2.37*		
				[1.32]		
PR System					-4.49***	
					[1.26]	
Privatization						-0.16
						[0.34]
Observations	215	215	207	212	215	215

Notes: Outcome variable is Reform. All models estimated via least squares. Country and year fixed effects estimated but not reported. Driscoll-Kraay standard errors in brackets. All control variables from Table 1 included but not reported. *** p<0.01, ** p<0.05, * p<0.1