Readme (Menzie Chinn, 7/30/2013)

For Chinn, Wei, A Faith Based Initiative, Review of Economics and Statistics, March 2013.

Stata SE/10.1

CA_wERR.dta

careg1a.do results for Tables 1, 5

careg1b.do results for Table 2

careg2a.do results for Table 3

newreg1a.do results for Table 4

careg1az.do results for Tables 6, 7

careg5b.do results for Table 8

careg1iv1.do results for Table 9

xrreg1.do results for Table 10

xrreg2.do results for Table 11

Data Appendix

The data used in this paper were drawn from a number of different sources. We provide below a listing of the mnemonics for the variables used in the analysis, descriptions of these variables and the source(s) from which the primary data for constructing these variables were taken. A listing of the countries in the final sample, along with the country groupings used in the analysis, is provided in the working paper version of this paper. For most countries, data were available from 1971 through 2005.

Mnemonic	Source*	Variable description
CAGDP	WDI	Current account to GDP ratio
REER	IFS	Real effective exchange rate, CPI deflated
OPEN	WDI	Openness indicator: ratio of exports plus imports of goods and nonfactor services to GDP
RYUS	WDI	Real GDP in USD
RYPPP	WDI	Real GDP in PPP terms
RER	IFS	Real effective exchange rate
KAOPEN**	CI	Capital account openness
LYS	LYS	Levy-Yeyati/Sturzenegger de facto exchange rate regime measure
RR	RR	Reinhart/Rogoff de facto exchange rate regime measure
AREA	Rose	Area in square km
ISLAND	Rose	Island dummy
Reserves	IFS	Foreign exchange reserves ex. gold

* These are mnemonics for the sources used to construct the corresponding. CI: Chinn and Ito (2006); WDI: *World Development Indicators* (2006). IFS: *International Financial Statistics*. LYS: Levy-Yeyati and Sturzenegger (2003), updated to 2004 from http://200.32.4.58/~fsturzen/Base_2005.zip . RR:

Reinhart and Rogoff (2004), updated to 2004 by Eichengreen and Razo-Garcia from http://www.econ.berkeley.edu/~eichengr/updated_rr_nat_class.pdf .

Rose denotes data set downloaded from http://faculty.haas.berkeley.edu/arose/StabData.zip .

RR is an aggregated version of the Reinhart Rogoff index, with a reversed ordering. RR1 encompasses regimes from freely floating to managed floating; RR2 encompasses regimes from moving band that is narrower than or equal to ± 2% to pre announced crawling peg to; RR3 encompasses regimes from de facto peg to no legal tender.

** *KAOPEN* is the first principal component of four indices; in order to simplify interpretation, this variable is adjusted such that the minimum value is zero, i.e., *KAOPEN* ranges between zero and some positive value.