

## Appendix: Tables

Note to all tables:

Non-extreme data have  $-50 < \Delta D < 150$ , or  $D$  initial  $< 150$ , as is appropriate.

The various data sets contain 1-8% extreme values.

The  $AR^2$  values are the  $R^2$  adjusted for degrees of freedom.

The  $MAR^2(x)$  is the change in  $AR^2$  due to the  $x$ -term.

Bolded coefficients have a (numerical) t-ratio of 2 or more.

Bolded and italicized coefficients have a (numerical) t-ratio between 1.6 and 2.

All tables are run for 4 debt-series: Total debt, public debt, long run debt and short run debt. Public debt includes publicly guaranteed debt. The 3 first debt measures give closely related results. The calculations are made for 5 years averages and 10 years averages.

The debt data are calculated as a fraction of GDP. When the coefficient to  $\Delta D$  is -1.382 in model (1) in Table 1a, it means that if the debt burden rises by 100% of GDP in a 5 years period this is associated with a growth loss of 1.4 percentage points (per year).

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### Section 1: Countries covered

Countries with a \* are the 88 countries with sufficiently complete series.

The column G gives gaps in the series in years. Thus for e.g. Liberia the data from the period of the civil war are missing.

Table 1.1. Countries for which  $D_7$ -data are available

Nr	Country Name	From	To	G	Nr	Country Name	From	To	G	Nr	Country Name	From	To	G
1	Albania	1991	2005		46	Gabon*	1970	2005		91	Panama*	1970	2005	
2	Algeria*	1970	2005		47	Gambia*	1970	2005		92	Papua New Guinea*	1970	2005	
3	Angola	1989	2005		48	Georgia	1992	2005		93	Paraguay*	1970	2005	
4	Argentina*	1970	2005		49	Ghana*	1970	2005		94	Peru*	1970	2005	
5	Armenia	1993	2005		50	Grenada	1977	2005	6	95	Philippines*	1970	2005	
6	Azerbaijan	1993	2005		51	Guatemala*	1970	2005		96	Poland	1990	2005	
7	Bangladesh*	1973	2005		52	Guinea	1986	2005		97	Romania	1990	2005	
8	Barbados*	1970	2005		53	Guinea-Bissau*	1970	2005		98	Russia	1992	2005	
9	Belarus	1993	2005		54	Guyana*	1970	2005		99	Rwanda*	1970	2005	
10	Belize*	1970	2005		55	Haiti*	1970	2005		100	Samoa*	1982	2005	
11	Benin*	1970	2005		56	Honduras*	1970	2005		101	Senegal*	1970	2005	
12	Bhutan	1981	2005		57	Hungary*	1982	2005		102	Serbia &	1997	2005	
13	Bolivia*	1970	2005		58	India*	1970	2005		103	Seychelles*	1980	2005	
14	Bosnia &	1999	2005		59	Indonesia*	1970	2005		104	Sierra Leone*	1970	2005	
15	Botswana*	1970	2005		60	Iran*	1971	2005	2	105	Slovak R	1993	2005	
16	Brazil*	1970	2005		61	Jamaica*	1970	2005		106	Solomons*	1978	2005	
17	Bulgaria	1991	2005		62	Jordan*	1970	2005		107	Somalia*	1970	1990	
18	Burkina Faso*	1970	2005		63	Kazakhstan	1992	2005		108	South Africa	1994	2005	
19	Burundi*	1970	2005		64	Kenya*	1970	2005		109	Sri Lanka*	1970	2005	
20	Cambodia	1987	2005		65	Kyrgyz R	1992	2005		110	St. Kitts &	1984	2005	
21	Cameroon*	1970	2005		66	Laos	1984	2005		111	St. Lucia*	1981	2005	
22	Cape Verde	1986	2005		67	Latvia	1992	2005		112	St. Vincent &*	1970	2005	
23	CAR*	1970	2005		68	Lebanon	1989	2005		113	Sudan*	1970	2005	
24	Chad*	1970	2005		69	Lesotho*	1970	2005		114	Swaziland*	1970	2005	
25	Chile*	1970	2005		70	Liberia	1970	2005	7	115	Syria*	1970	2005	
26	China*	1981	2005		71	Lithuania	1992	2005		116	Tajikistan	1992	2005	
27	Colombia*	1970	2005		72	Macedonia	1993	2005		117	Tanzania	1988	2005	
28	Comoros*	1970	2005		73	Madagascar*	1970	2005		118	Thailand*	1970	2005	
29	Congo, Br*	1970	2005		74	Malawi*	1970	2005		119	Togo*	1970	2005	
30	Congo, Ki*	1970	2005		75	Malaysia*	1970	2005		120	Tonga	1985	2005	
31	Costa Rica*	1970	2005		76	Maldives	1985	2005		121	Trinidad &*	1970	2005	
32	Cote d'Ivoire*	1970	2005		77	Mali*	1970	2005	1	122	Tunisia*	1970	2005	
33	Croatia	1993	2005		78	Mauritania*	1970	2005		123	Turkey*	1970	2005	
34	Czech R	1992	2005		79	Mauritius*	1980	2005		124	Turkmenistan	1993	2005	
35	Djibouti	1991	2005		80	Mexico*	1970	2005		125	Uganda*	1970	2005	
36	Dominica*	1981	2005		81	Moldova	1992	2005		126	Ukraine	1992	2005	
37	Dominican R*	1970	2005		82	Mongolia	1996	2005		127	Uruguay*	1970	2005	
38	Ecuador*	1970	2005		83	Morocco*	1970	2005		128	Uzbekistan	1992	2005	
39	Egypt*	1970	2005		84	Mozambique	1984	2005		129	Vanuatu*	1981	2005	
40	El Salvador*	1970	2005		85	Nepal*	1970	2005		130	Venezuela*	1970	2005	
41	Equatorial Guinea	1970	2005	7	86	Nicaragua*	1970	2005		131	Vietnam	1989	2005	
42	Eritrea	1995	2005		87	Niger*	1970	2005		132	Yemen	1990	2005	
43	Estonia	1992	2005		88	Nigeria*	1970	2005		133	Zambia*	1970	2005	
44	Ethiopia*	1981	2005		89	Oman*	1972	2004	1	134	Zimbabwe*	1970	2005	
45	Fiji*	1970	2005		90	Pakistan*	1970	2005						

## Section 2: Explaining growth, $G$ , by borrowing, $\Delta D$

Table 2.1. Results for total external debt, 5 years averages

5 years	All 684 observations				The 629 non-extreme observations			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
$\Delta D$	<b>-1.382</b>	<b>-1.342</b>	<b>-1.142</b>	<b>-1.103</b>	<b>-3.185</b>	<b>-3.225</b>	<b>-2.553</b>	<b>-2.517</b>
(t-ratio)	(-7.0)	(-6.7)	(-5.7)	(-5.4)	(-7.5)	(-5.1)	(-5.6)	(-3.8)
$\Delta D^2$		-0.047		-0.043		0.068		-0.057
(t-ratio)		(-1.3)		(-1.2)		(0.1)		(-0.1)
Constant	<b>1.797</b>	<b>1.814</b>	<b>2.770</b>	<b>2.784</b>	<b>2.007</b>	<b>2.005</b>	<b>2.818</b>	<b>2.823</b>
(t-ratio)	(14.0)	(14.0)	(9.6)	(9.6)	(15.2)	(14.9)	(9.5)	(9.3)
P1: 1970-75			-0.460	-0.474			-0.447	-0.453
(t-ratio)			(-1.0)	(-1.0)			(-1.0)	(-1.0)
P2: 1975-80			<b>-0.930</b>	<b>-0.946</b>			-0.706	-0.712
(t-ratio)			(-2.0)	(-2.0)			(-1.5)	(-1.5)
P3: 1980-85			<b>-2.447</b>	<b>-2.462</b>			<b>-1.977</b>	<b>-1.981</b>
(t-ratio)			(-5.1)	(-5.2)			(-4.1)	(-4.0)
P4: 1985-90			<b>-1.321</b>	<b>-1.295</b>			<b>-1.313</b>	<b>-1.313</b>
(t-ratio)			(-2.9)	(-2.9)			(-2.9)	(-2.9)
P5: 1990-95			<b>-1.581</b>	<b>-1.552</b>			<b>-1.263</b>	<b>-1.267</b>
(t-ratio)			(-3.6)	(-3.6)			(-2.9)	(-2.8)
P6: 1995-00			<b>-0.692</b>	<b>-0.691</b>			<b>-0.706</b>	<b>-0.710</b>
(t-ratio)			(-1.7)	(-1.7)			(-1.7)	(-1.7)
AR <sup>2</sup>	0.066	0.067	0.102	0.102	0.080	0.079	0.103	0.101
MAR <sup>2</sup> ( $\Delta D$ )	0.066	0.066	0.032	0.032	0.080	0.080	0.043	0.043
MAR <sup>2</sup> ( $\Delta D^2$ )		0.001		0.000		-0.002		-0.001

Table 2.2. Results for public debt, 5 years averages

5 years	All 683 observations				The 647 non-extreme observations			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
$\Delta D$	<b>-1.800</b>	<b>-1.760</b>	<b>-1.505</b>	<b>-1.467</b>	<b>-4.295</b>	<b>-4.406</b>	<b>-3.526</b>	<b>-3.557</b>
(t-ratio)	(-7.4)	(-7.1)	(-6.0)	(-5.8)	(-8.9)	(-6.8)	(-6.7)	(-5.0)
$\Delta D^2$		-0.052		-0.048		0.244		0.065
(t-ratio)		(-0.9)		(-0.8)		(0.3)		(0.1)
Constant	<b>1.787</b>	<b>1.800</b>	<b>2.733</b>	<b>2.743</b>	<b>1.948</b>	<b>1.939</b>	<b>2.655</b>	<b>2.649</b>
(t-ratio)	(13.9)	(13.9)	(9.4)	(9.5)	(15.4)	(14.7)	(9.2)	(8.8)
P1: 1970-75			-0.395	-0.406			-0.241	-0.235
(t-ratio)			(-0.8)	(-0.8)			(-0.5)	(-0.5)
P2: 1975-80			<b>-0.915</b>	<b>-0.927</b>			-0.573	-0.567
(t-ratio)			(-1.9)	(-1.9)			(-1.2)	(-1.2)
P3: 1980-85			<b>-2.394</b>	<b>-2.407</b>			<b>-1.714</b>	<b>-1.709</b>
(t-ratio)			(-5.0)	(-5.0)			(-3.5)	(-3.5)
P4: 1985-90			<b>-1.195</b>	<b>-1.175</b>			<b>-1.057</b>	<b>-1.055</b>
(t-ratio)			(-2.6)	(-2.6)			(-2.4)	(-2.4)
P5: 1990-95			<b>-1.570</b>	<b>-1.549</b>			<b>-1.248</b>	<b>-1.245</b>
(t-ratio)			(-3.6)	(-3.6)			(-2.9)	(-2.9)
P6: 1995-00			<b>-0.705</b>	<b>-0.704</b>			<b>-0.689</b>	<b>-0.685</b>
(t-ratio)			(-1.7)	(-1.7)			(-1.7)	(-1.7)
AR <sup>2</sup>	0.073	0.073	0.107	0.107	0.109	0.107	0.125	0.123
MAR <sup>2</sup> ( $\Delta D$ )	0.073	0.073	0.038	0.038	0.109	0.109	0.060	0.060
MAR <sup>2</sup> ( $\Delta D^2$ )		-0.000		-0.000		-0.001		-0.001

Table 2.3. Results for long run debt, 5 years averages

5 years	All 683 observations				The 644 non-extreme observations			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
$\Delta D$	<b>-1.686</b>	<b>-1.644</b>	<b>-1.383</b>	<b>-1.343</b>	<b>-3.689</b>	<b>-3.368</b>	<b>-2.838</b>	<b>-2.364</b>
(t-ratio)	(-7.0)	(-6.7)	(-5.6)	(-5.4)	(-7.7)	(-5.1)	(-5.4)	(-3.3)
$\Delta D^2$		-0.057		-0.053		-0.687		-0.958
(t-ratio)		(-0.9)		(-0.9)		(-0.7)		(-1.0)
Constant	<b>1.795</b>	<b>1.809</b>	<b>2.754</b>	<b>2.765</b>	<b>1.936</b>	<b>1.961</b>	<b>2.700</b>	<b>2.784</b>
(t-ratio)	(13.9)	(14.0)	(9.5)	(9.5)	(14.9)	(14.6)	(9.3)	(9.2)
P1: 1970-75			-0.427	-0.438			-0.324	-0.411
			(-0.9)	(-0.9)			(-0.7)	(-0.9)
P2: 1975-80			<b>-0.954</b>	<b>-0.967</b>			-0.712	<b>-0.798</b>
			(-2.0)	(-2.0)			(-1.5)	(-1.7)
P3: 1980-85			<b>-2.434</b>	<b>-2.448</b>			<b>-1.928</b>	<b>-1.993</b>
			(-5.1)	(-5.1)			(-3.9)	(-4.0)
P4: 1985-90			<b>-1.258</b>	<b>-1.235</b>			<b>-1.162</b>	<b>-1.188</b>
			(-2.8)	(-2.7)			(-2.6)	(-2.6)
P5: 1990-95			<b>-1.566</b>	<b>-1.543</b>			<b>-1.309</b>	<b>-1.353</b>
			(-3.6)	(-3.5)			(-3.0)	(-3.1)
P6: 1995-00			<b>-0.679</b>	<b>-0.678</b>			<b>-0.661</b>	<b>-0.728</b>
			(-1.7)	(-1.7)			(-1.6)	(-1.7)
RA <sup>2</sup>	0.066	0.066	0.101	0.101	0.083	0.082	0.103	0.103
MAR <sup>2</sup> ( $\Delta D$ )	0.066	0.066	0.032	0.032	0.083	0.082	0.040	0.040
MAR <sup>2</sup> ( $\Delta D^2$ )		-0.000		-0.000		-0.001		0.000

Table 2.4. Results for short run debt, 5 years averages

5 years	All 682 observations				The 675 non-extreme observations			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
$\Delta D$	-0.016	-0.175	-0.016	-0.109	<b>-3.953</b>	<b>-3.836</b>	<b>-3.371</b>	<b>-2.967</b>
(t-ratio)	(-0.3)	(-1.1)	(-0.4)	(-0.7)	(-3.5)	(-2.5)	(-3.0)	(-2.0)
$\Delta D^2$		0.002		0.001		-0.210		-0.713
(t-ratio)		(1.1)		(0.6)		(-0.1)		(-0.4)
Constant	<b>1.734</b>	<b>1.729</b>	<b>2.947</b>	<b>2.931</b>	<b>1.801</b>	<b>1.803</b>	<b>2.970</b>	<b>2.985</b>
(t-ratio)	(13.1)	(13.0)	(10.0)	(9.9)	(13.5)	(13.5)	(10.1)	(10.0)
P1: 1970-75			-0.667	-0.650			-0.673	-0.690
			(-1.4)	(-1.3)			(-1.4)	(-1.4)
P2: 1975-80			<b>-1.232</b>	<b>-1.212</b>			<b>-1.096</b>	<b>-1.127</b>
			(-2.5)	(-2.5)			(-2.3)	(-2.3)
P3: 1980-85			<b>-3.056</b>	<b>-3.036</b>			<b>-2.958</b>	<b>-2.967</b>
			(-6.4)	(-6.4)			(-6.2)	(-6.2)
P4: 1985-90			<b>-1.739</b>	<b>-1.721</b>			<b>-1.618</b>	<b>-1.633</b>
			(-3.8)	(-3.8)			(-3.5)	(-3.6)
P5: 1990-95			<b>-1.725</b>	<b>-1.709</b>			<b>-1.687</b>	<b>-1.694</b>
			(-3.9)	(-3.8)			(-3.8)	(-3.8)
P6: 1995-00			<b>-0.794</b>	<b>-0.783</b>			<b>-0.844</b>	<b>-0.850</b>
			(-1.9)	(-1.9)			(-2.0)	(-2.0)
AR <sup>2</sup>	-0.001	-0.001	0.059	0.059	0.016	0.015	0.071	0.070
MAR <sup>2</sup> ( $\Delta D$ )	-0.001	-0.001	-0.010	-0.010	0.016	0.016	0.011	0.011
MAR <sup>2</sup> ( $\Delta D^2$ )		0.000		-0.001		-0.001		-0.001

Table 2.5 Results for total external debt, 10 years averages

10 years	All 258 observations				The 237 non-extreme observations			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
$\Delta D$	<b>-0.714</b>	<b>-0.699</b>	<b>-0.638</b>	<b>-0.625</b>	<b>-2.134</b>	-0.976	<b>-2.085</b>	-0.985
(t-ratio)	(-4.6)	(-4.5)	(-4.0)	(-3.9)	(-4.3)	(-1.1)	(-4.1)	(-1.1)
$\Delta D^2$		-0.023		-0.018		<b>-1.540</b>		-1.398
(t-ratio)		(-1.1)		(-0.9)		(-1.7)		(-1.5)
Constant	<b>1.472</b>	<b>1.497</b>	<b>1.517</b>	<b>1.543</b>	<b>1.745</b>	<b>1.734</b>	<b>1.591</b>	<b>1.633</b>
(t-ratio)	(8.8)	(8.8)	(5.9)	(5.9)	(9.4)	(9.4)	(6.3)	(6.4)
P1: 70-80			<b>0.698</b>	<b>0.671</b>			<b>0.974</b>	<b>0.871</b>
(t-ratio)			(1.7)	(1.7)			(2.5)	(2.2)
P2: 80-90			<b>-0.831</b>	<b>-0.829</b>			-0.513	-0.606
(t-ratio)			(-2.0)	(-2.0)			(-1.3)	(-1.5)
$RA^2$	0.073	0.074	0.111	0.110	0.069	0.076	0.118	0.123
$MAR^2(\Delta D)$	0.073	0.073	0.089	0.089	0.069	0.069	0.058	0.058
$MAR^2(\Delta D^2)$		0.001		-0.001		0.007		0.005

Table 2.6. Results for public debt, 10 years averages

10 years	All 257 observations				The 239 non-extreme observations			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
$\Delta D$	<b>-0.780</b>	<b>-0.851</b>	<b>-0.685</b>	<b>-0.749</b>	<b>-2.104</b>	<b>-1.982</b>	<b>-1.764</b>	<b>-1.863</b>
(t-ratio)	(-4.6)	(-4.9)	(-3.9)	(-4.2)	(-4.1)	(-2.3)	(-3.2)	(-2.0)
$\Delta D^2$		<b>-0.052</b>		<b>-0.044</b>		-0.167		0.131
(t-ratio)		(-2.1)		(-1.7)		(-0.2)		(0.1)
Constant	<b>1.460</b>	<b>1.520</b>	<b>1.508</b>	<b>1.554</b>	<b>1.706</b>	<b>1.705</b>	<b>1.572</b>	<b>1.568</b>
(t-ratio)	(8.7)	(9.0)	(5.8)	(6.0)	(9.4)	(9.3)	(6.2)	(6.1)
P1: 70-80			<b>0.714</b>	<b>0.681</b>			<b>0.821</b>	<b>0.831</b>
(t-ratio)			(1.8)	(1.7)			(2.2)	(2.1)
P2: 80-90			<b>-0.844</b>	<b>-0.800</b>			-0.550	-0.543
(t-ratio)			(-2.1)	(-2.0)			(-1.4)	(-1.3)
$RA^2$	0.072	0.084	0.112	0.119	0.057	0.099	0.099	0.095
$MRA^2(\Delta D)$	0.072	0.072	0.090	0.090	0.057	0.057	0.036	0.036
$MRA^2(\Delta D^2)$		0.012		0.007		0.042		-0.004

Table 2.7. Results for long run debt, 10 years averages

10 years	All 257 observations				The 245 non-extreme observations			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
$\Delta D$	<b>-0.879</b>	<b>-0.860</b>	<b>-0.765</b>	<b>-0.751</b>	<b>-2.216</b>	<b>-1.781</b>	<b>-1.977</b>	<b>-1.781</b>
(t-ratio)	(-4.6)	(-4.5)	(-3.9)	(-3.8)	(-4.3)	(-2.1)	(-3.6)	(-2.0)
$\Delta D^2$		-0.031		-0.023		-0.616		-0.268
(t-ratio)		(-1.0)		(-0.7)		-0.6		-0.3
Constant	<b>1.483</b>	<b>1.505</b>	<b>1.518</b>	<b>1.541</b>	<b>1.669</b>	<b>1.672</b>	<b>1.459</b>	<b>1.470</b>
(t-ratio)	(8.8)	(8.9)	(5.9)	(5.9)	(9.3)	(9.3)	(5.8)	(5.8)
P1: 70-80			<b>0.712</b>	<b>0.689</b>			<b>0.957</b>	<b>0.936</b>
(t-ratio)			(1.8)	(1.7)			(2.5)	(2.4)
P2: 80-90			<b>-0.814</b>	<b>-0.813</b>			-0.366	-0.381
(t-ratio)			(-2.0)	(-2.0)			(-0.9)	(-0.9)
$AR^2$	0.074	0.074	0.112	0.110	0.067	0.064	0.102	0.099
$MAR^2(\Delta D)$	0.074	0.074	0.090	0.090	0.067	0.067	0.044	0.044
$MAR^2(\Delta D^2)$		-0.000		-0.002		-0.002		-0.004

Table 2.8. Results for short debt, 10 years averages

10 years	All 257 observations				The 255 non-extreme observations			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
$\Delta D$	<b>-1.911</b>	<b>-1.895</b>	<b>-1.777</b>	<b>-1.756</b>	<b>-4.797</b>	<b>-3.351</b>	<b>-5.286</b>	<b>-3.697</b>
(t-ratio)	(-2.5)	(-2.5)	(-2.3)	(-2.3)	(-2.9)	(-2.0)	(-3.2)	(-2.2)
$\Delta D^2$		<b>-0.662</b>		-0.581		<b>-11.150</b>		<b>-10.589</b>
(t-ratio)		(-1.7)		(-1.5)		(-2.8)		(-2.7)
Constant	<b>1.401</b>	<b>1.434</b>	<b>1.581</b>	<b>1.618</b>	<b>1.481</b>	<b>1.577</b>	<b>1.591</b>	<b>1.777</b>
(t-ratio)	(8.2)	(8.3)	(6.0)	(6.2)	(8.5)	(9.0)	(6.1)	(6.7)
P1: 70-80			0.628	0.592			0.807	0.592
(t-ratio)			(1.5)	(1.4)			(1.9)	(1.4)
P2: 80-90			<b>-1.159</b>	<b>-1.156</b>			<b>-1.069</b>	<b>-1.191</b>
(t-ratio)			(-2.9)	(-2.9)			(-2.7)	(-3.0)
$RA^2$	0.020	0.027	0.078	0.082	0.029	0.055	0.092	0.114
$MAR^2(\Delta D)$	0.020	0.020	0.056	0.056	0.029	0.029	0.034	0.034
$MAR^2(\Delta D^2)$		0.007		0.005		0.026		0.022

### Section 3: Explaining growth, G, by the initial debt burden, D

Table 3.1. Results for initial total external debt, 5 years averages

5 years	All 687 observations				The 633 non-extreme observations			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
D, initial	<b>-0.379</b>	<b>-0.769</b>	<b>-0.486</b>	<b>-1.112</b>	<b>-1.188</b>	-1.165	<b>-1.706</b>	<b>-2.710</b>
(t-ratio)	(-2.2)	(-2.5)	(-2.8)	(-3.5)	(-3.0)	(-0.9)	(-4.1)	(-1.9)
D <sup>2</sup> , initial		0.069		<b>0.105</b>		-0.018		0.744
(t-ratio)		(1.5)		(2.3)		(-0.0)		0.8
Constant	<b>1.942</b>	<b>2.126</b>	<b>3.331</b>	<b>3.712</b>	<b>2.335</b>	<b>2.330</b>	<b>4.127</b>	<b>4.392</b>
(t-ratio)	(11.1)	(10.1)	(10.2)	(10.2)	(10.1)	(6.4)	(10.7)	(8.4)
P1: 1970-75			<b>-0.962</b>	<b>-1.212</b>			<b>-1.487</b>	<b>-1.584</b>
(t-ratio)			(-1.9)	(-2.3)			(-3.0)	(-3.1)
P2: 1975-80			<b>-1.585</b>	<b>-1.815</b>			<b>-2.067</b>	<b>-2.146</b>
(t-ratio)			(-3.2)	(-3.6)			(-4.3)	(-4.3)
P3: 1980-85			<b>-3.224</b>	<b>-3.356</b>			<b>-3.475</b>	<b>-3.510</b>
(t-ratio)			(-6.7)	(-6.9)			(-7.6)	(-7.6)
P4: 1985-90			<b>-1.951</b>	<b>-1.951</b>			<b>-1.711</b>	<b>-1.721</b>
(t-ratio)			(-4.3)	(-4.3)			(-3.8)	(-3.8)
P5: 1990-95			<b>-1.631</b>	<b>-1.683</b>			<b>-1.726</b>	<b>-1.735</b>
(t-ratio)			(-3.6)	(-3.7)			(-3.9)	(-3.9)
P6: 1995-00			<b>-0.794</b>	<b>-0.812</b>			<b>-1.143</b>	<b>-1.173</b>
(t-ratio)			(-1.9)	(-1.9)			(-2.8)	(-2.8)
AR <sup>2</sup>	0.006	0.008	0.070	0.076	0.013	0.011	0.093	0.093
MAR <sup>2</sup> (D)	0.006	0.006	0.000	0.000	0.013	0.013	0.034	0.034
MAR <sup>2</sup> (D <sup>2</sup> )		0.002		0.006		-0.002		-0.001

Table 3.2. Results for initial public debt, 5 years averages

5 years	All 686 observations				The 647 non-extreme observations			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
D, initial	<b>-0.457</b>	<b>-1.118</b>	<b>-0.582</b>	<b>-1.556</b>	<b>-1.618</b>	-1.953	<b>-2.218</b>	<b>-2.923</b>
(t-ratio)	(-2.2)	(-3.0)	(-2.7)	(-3.9)	(-3.9)	(-1.5)	(-5.1)	(-2.1)
D <sup>2</sup> , initial		<b>0.150</b>		<b>0.209</b>		0.280		0.565
(t-ratio)		(2.1)		(2.9)		(0.3)		(0.5)
Constant	<b>1.930</b>	<b>2.171</b>	<b>3.293</b>	<b>3.744</b>	<b>2.364</b>	<b>2.426</b>	<b>4.197</b>	<b>4.343</b>
(t-ratio)	(11.2)	(10.5)	(10.2)	(10.5)	(11.1)	(7.7)	(11.6)	(9.7)
P1: 1970-75			<b>-0.914</b>	<b>-1.207</b>			<b>-1.538</b>	<b>-1.590</b>
(t-ratio)			(-1.8)	(-2.3)			(-3.1)	(-3.2)
P2: 1975-80			<b>-1.554</b>	<b>-1.821</b>			<b>-2.127</b>	<b>-2.165</b>
(t-ratio)			(-3.1)	(-3.6)			(-4.4)	(-4.5)
P3: 1980-85			<b>-3.211</b>	<b>-3.378</b>			<b>-3.578</b>	<b>-3.591</b>
(t-ratio)			(-6.6)	(-7.0)			(-7.8)	(-7.8)
P4: 1985-90			<b>-1.943</b>	<b>-1.932</b>			<b>-1.987</b>	<b>-1.972</b>
(t-ratio)			(-4.2)	(-4.2)			(-4.5)	(-4.5)
P5: 1990-95			<b>-1.595</b>	<b>-1.645</b>			<b>-1.750</b>	<b>-1.735</b>
(t-ratio)			(-3.5)	(-3.6)			(-4.0)	(-3.9)
P6: 1995-00			<b>-0.768</b>	<b>-0.770</b>			<b>-1.148</b>	<b>-1.155</b>
(t-ratio)			(-1.8)	(-1.8)			(-2.8)	(-2.8)
AR <sup>2</sup>	0.005	0.010	0.069	0.079	0.022	0.020	0.106	0.105
MAR <sup>2</sup> (D)	0.005	0.005	0.000	0.000	0.022	0.022	0.041	0.041
MAR <sup>2</sup> (D <sup>2</sup> )		0.005		0.010		-0.001		-0.001

Table 3.3. Results for initial long run debt, 5 years averages

5 years	All 686 observations				The 645 non-extreme observations			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
D, initial	<b>-0.413</b>	<b>-1.045</b>	<b>-0.556</b>	<b>-1.541</b>	<b>-1.625</b>	-1.268	<b>-2.290</b>	<b>-2.759</b>
(t-ratio)	(-2.0)	(-2.8)	(-2.6)	(-3.9)	(-3.9)	(-1.0)	(-5.2)	(-2.0)
D <sup>2</sup> , initial		<b>0.143</b>		<b>0.210</b>		-0.290		0.366
(t-ratio)		(2.0)		(2.9)		(-0.3)		(0.4)
Constant	<b>1.921</b>	<b>2.167</b>	<b>3.310</b>	<b>3.809</b>	<b>2.406</b>	<b>2.334</b>	<b>4.309</b>	<b>4.420</b>
(t-ratio)	(10.8)	(10.1)	(10.0)	(10.3)	(10.8)	(6.9)	(11.5)	(9.1)
P1: 1970-75			<b>-0.917</b>	<b>-1.231</b>			<b>-1.566</b>	<b>-1.604</b>
(t-ratio)			(-1.8)	(-2.4)			(-3.2)	(-3.2)
P2: 1975-80			<b>-1.562</b>	<b>-1.853</b>			<b>-2.166</b>	<b>-2.197</b>
(t-ratio)			(-3.1)	(-3.7)			(-4.5)	(-4.5)
P3: 1980-85			<b>-3.223</b>	<b>-3.416</b>			<b>-3.612</b>	<b>-3.628</b>
(t-ratio)			(-6.6)	(-7.0)			(-7.8)	(-7.8)
P4: 1985-90			<b>-1.958</b>	<b>-1.969</b>			<b>-1.988</b>	<b>-1.990</b>
(t-ratio)			(-4.3)	(-4.3)			(-4.5)	(-4.5)
P5: 1990-95			<b>-1.623</b>	<b>-1.702</b>			<b>-1.776</b>	<b>-1.776</b>
(t-ratio)			(-3.6)	(-3.8)			(-4.0)	(-4.0)
P6: 1995-00			<b>-0.785</b>	<b>-0.814</b>			<b>-1.168</b>	<b>-1.180</b>
(t-ratio)			(-1.9)	(-1.9)			(-2.8)	(-2.9)
AR <sup>2</sup>	0.004	0.009	0.068	0.079	0.022	0.021	0.107	0.106
MAR <sup>2</sup> (D)	0.004	0.004	-0.001	-0.001	0.022	0.022	0.044	0.044
MAR <sup>2</sup> (D <sup>2</sup> )		0.004		0.010		-0.001		-0.001

Table 3.4. Results for initial short run debt, 5 years averages

5 years	All 685 observations				The 680 non-extreme observations			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
D, initial	0.008	-0.042	0.001	-0.043	-1.764	<b>-5.550</b>	-1.969	<b>-4.748</b>
(t-ratio)	(0.4)	(-0.5)	(0.1)	(-0.5)	(-1.4)	(-2.1)	(-1.5)	(-1.8)
D <sup>2</sup> , initial		0.000		0.000		<b>6.827</b>		4.847
(t-ratio)		(0.6)		(0.5)		(1.7)		(1.2)
Constant	<b>1.700</b>	<b>1.705</b>	<b>2.944</b>	<b>2.942</b>	<b>1.848</b>	<b>2.013</b>	<b>3.177</b>	<b>3.324</b>
(t-ratio)	(12.6)	(12.6)	(9.8)	(9.8)	(11.2)	(10.5)	(9.9)	(9.6)
P1: 1970-75			-0.664	-0.661			<b>-0.861</b>	<b>-0.960</b>
(t-ratio)			(-1.3)	(-1.3)			(-1.7)	(-1.9)
P2: 1975-80			<b>-1.230</b>	<b>-1.227</b>			<b>-1.418</b>	<b>-1.509</b>
(t-ratio)			(-2.5)	(-2.5)			(-2.8)	(-3.0)
P3: 1980-85			<b>-3.053</b>	<b>-3.048</b>			<b>-3.145</b>	<b>-3.139</b>
(t-ratio)			(-6.3)	(-6.3)			(-6.5)	(-6.5)
P4: 1985-90			<b>-1.939</b>	<b>-1.933</b>			<b>-1.986</b>	<b>-1.968</b>
(t-ratio)			(-4.2)	(-4.2)			(-4.3)	(-4.3)
P5: 1990-95			<b>-1.721</b>	<b>-1.714</b>			<b>-1.747</b>	<b>-1.723</b>
(t-ratio)			(-3.8)	(-3.8)			(-3.9)	(-3.8)
P6: 1995-00			<b>-0.801</b>	<b>-0.783</b>			<b>-0.844</b>	<b>-0.887</b>
(t-ratio)			(-1.9)	(-1.8)			(-2.0)	(-2.1)
AR <sup>2</sup>	-0.001	-0.002	0.060	0.058	0.001	0.004	0.064	0.065
MAR <sup>2</sup> (D)	-0.001	-0.001	-0.010	-0.010	0.001	0.001	0.005	0.005
MAR <sup>2</sup> (D <sup>2</sup> )		-0.001		-0.001		0.003		0.001



Table 3.5. Results for total external debt, 10 years averages

10 years	All 260 observations				The 245 non-extreme observations			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
D, initial (t-ratio)	-0.042 (-0.2)	-0.560 (-1.3)	-0.074 (-0.4)	-0.683 (-1.4)	<b>-1.831</b> (-3.5)	-2.309 (-1.3)	<b>-1.987</b> (-3.4)	-2.334 (-1.3)
D <sup>2</sup> , initial (t-ratio)		0.066 (1.4)		0.072 (1.4)		0.380 (0.3)		0.261 (0.2)
Constant (t-ratio)	<b>1.341</b> (6.3)	<b>1.572</b> (5.8)	<b>1.707</b> (5.1)	<b>2.108</b> (4.8)	<b>2.079</b> (7.3)	<b>2.177</b> (5.0)	<b>2.792</b> (6.2)	<b>2.879</b> (4.6)
P1: 70-80 (t-ratio)			0.370 (0.8)	0.098 (0.2)			-0.293 (-0.6)	-0.321 (-0.7)
P2: 80-90 (t-ratio)			<b>-1.432</b> (-3.4)	<b>-1.582</b> (-3.6)			<b>-1.660</b> (-4.2)	<b>-1.668</b> (-4.2)
AR <sup>2</sup>	-0.004	0.000	0.058	0.062	0.045	0.041	0.112	0.109
MAR <sup>2</sup> (D)	-0.004	-0.004	0.037	0.037	0.045	0.045	0.040	0.040
MAR <sup>2</sup> (D <sup>2</sup> )		0.003		0.004		0.004		-0.004

Table 3.6. Results for public debt, 10 years averages

10 years	All 259 observations				The 244 non-extreme observations			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
D, initial (t-ratio)	0.023 (0.1)	-0.279 (-0.7)	-0.035 (-0.2)	-0.521 (-1.1)	<b>-1.315</b> (-2.5)	-1.789 (-1.0)	<b>-1.851</b> (-3.0)	-2.393 (-1.3)
D <sup>2</sup> , initial (t-ratio)		0.039 (0.8)		0.057 (1.1)		0.399 (0.3)		0.424 (0.3)
Constant (t-ratio)	<b>1.316</b> (6.4)	<b>1.436</b> (5.6)	<b>1.669</b> (5.0)	<b>1.991</b> (4.4)	<b>1.793</b> (6.7)	<b>1.876</b> (4.8)	<b>2.708</b> (5.7)	<b>2.835</b> (4.5)
P1: 70-80 (t-ratio)			0.450 (1.0)	0.208 (0.4)			-0.279 (-0.6)	-0.333 (-0.6)
P2: 80-90 (t-ratio)			<b>-1.415</b> (-3.3)	<b>-1.587</b> (-3.5)			<b>-1.856</b> (-4.3)	<b>-1.879</b> (-4.3)
AR <sup>2</sup>	-0.004	-0.005	0.061	0.061	0.021	0.017	0.105	0.102
MAR <sup>2</sup> (D)	-0.004	-0.004	0.039	0.039	0.021	0.021	0.032	0.032
MAR <sup>2</sup> (D <sup>2</sup> )		-0.001		0.001		-0.004		-0.003

Table 3.7. Results for long run debt, 10 years averages

10 years	All 259 observations				The 246 non-extreme observations			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
D, initial (t-ratio)	-0.010 (-0.0)	-0.726 (-1.4)	-0.062 (-0.3)	<b>-0.954</b> (-1.6)	<b>-2.048</b> (-3.6)	<b>-2.952</b> (-1.6)	<b>-2.378</b> (-3.8)	<b>-3.225</b> (-1.7)
D <sup>2</sup> , initial (t-ratio)		0.118 (1.5)		<b>0.137</b> (1.7)		0.782 (0.5)		0.700 (0.5)
Constant (t-ratio)	<b>1.334</b> (6.2)	<b>1.595</b> (5.8)	<b>1.686</b> (5.0)	<b>2.171</b> (4.9)	<b>2.049</b> (7.5)	<b>2.213</b> (5.3)	<b>2.822</b> (6.5)	<b>3.007</b> (5.2)
P1: 70-80 (t-ratio)			0.439 (1.0)	0.126 (0.3)			-0.229 (-0.5)	-0.286 (-0.6)
P2: 80-90 (t-ratio)			<b>-1.422</b> (-3.3)	<b>-1.618</b> (-3.7)			<b>-1.741</b> (-4.4)	<b>-1.760</b> (-4.4)
AR <sup>2</sup>	-0.004	0.001	0.061	0.068	0.046	0.043	0.123	0.121
MAR <sup>2</sup> (D)	-0.004	-0.004	0.039	0.039	0.046	0.046	0.048	0.048
MAR <sup>2</sup> (D <sup>2</sup> )		0.005		0.007		-0.003		-0.003

Table 3.8. Results for short debt, 10 years averages

10 years	All 259 observations				The 258 non-extreme observations			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
D, initial	-0.678	-3.465	-0.493	-2.097	-2.704	<b>-13.627</b>	-1.631	-8.841
(t-ratio)	(-0.7)	(-1.4)	(-0.5)	(-0.8)	(-1.3)	(-2.6)	(-0.7)	(-1.5)
D <sup>2</sup> , initial		1.388		0.771		<b>32.948</b>		20.711
(t-ratio)		(1.2)		(0.7)		(2.2)		(1.4)
Constant	<b>1.380</b>	<b>1.541</b>	<b>1.693</b>	<b>1.822</b>	<b>1.508</b>	<b>1.859</b>	<b>1.794</b>	<b>2.076</b>
(t-ratio)	(7.1)	(6.6)	(5.7)	(5.1)	(6.6)	(6.7)	(5.2)	(5.1)
P1: 70-80			0.429	0.328			0.349	0.178
(t-ratio)			(1.0)	(0.7)			(0.8)	(0.4)
P2: 80-90			<b>-1.416</b>	<b>-1.437</b>			<b>-1.435</b>	<b>-1.403</b>
(t-ratio)			(-3.4)	(-3.5)			(-3.5)	(-3.4)
AR <sup>2</sup>	-0.002	-0.000	0.062	0.059	0.002	0.017	0.063	0.066
MAR <sup>2</sup> (D)	-0.002	-0.002	0.040	0.040	0.002	0.002	-0.002	-0.002
MAR <sup>2</sup> (D <sup>2</sup> )		0.002		-0.002		0.015		0.003

## Section 4: Mixed models for all observations

Table 4.1. Results for total external debt, 5 years averages

<b>5 years</b>	All available observations see last row of table						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
G lagged	<b>0.122</b>	<b>0.151</b>	<b>0.149</b>	<b>0.155</b>	<b>0.153</b>	<b>0.136</b>	<b>0.140</b>
(t-ratio)	(3.9)	(4.9)	(4.8)	(4.8)	(4.8)	(4.4)	(4.6)
$\Delta D$		<b>-1.118</b>	<b>-1.091</b>			<b>-1.568</b>	<b>-2.368</b>
(t-ratio)		(-5.7)	(-5.4)			(-7.4)	(-8.0)
$\Delta D^2$			-0.030				<b>0.223</b>
(t-ratio)			(-0.9)				(4.0)
D, initial				<b>-0.405</b>	<b>-0.993</b>	<b>-0.920</b>	<b>-0.755</b>
(t-ratio)				(-2.4)	(-3.1)	(-5.2)	(-2.5)
$D^2$ , initial					<b>0.098</b>		<b>-0.158</b>
(t-ratio)					(2.2)		(-2.8)
Constant	<b>2.543</b>	<b>2.385</b>	<b>2.400</b>	<b>2.870</b>	<b>3.235</b>	<b>3.089</b>	<b>2.958</b>
(t-ratio)	(7.7)	(8.1)	(8.1)	(8.6)	(8.7)	(9.7)	(8.4)
P1: 1970-75	<b>-0.879</b>	-0.454	-0.465	<b>-0.919</b>	<b>-1.157</b>	<b>-0.898</b>	<b>-0.763</b>
(t-ratio)	(-1.7)	(-0.9)	(-1.0)	(-1.8)	(-2.2)	(-1.9)	(-1.6)
P2: 1975-80	<b>-1.109</b>	<b>-1.020</b>	<b>-1.032</b>	<b>-1.624</b>	<b>-1.842</b>	<b>-1.365</b>	<b>-1.139</b>
(t-ratio)	(-2.2)	(-2.2)	(-2.2)	(-3.3)	(-3.7)	(-2.9)	(-2.4)
P3: 1980-85	<b>-3.012</b>	<b>-2.406</b>	<b>-2.418</b>	<b>-3.135</b>	<b>-3.262</b>	<b>-2.500</b>	<b>-2.171</b>
(t-ratio)	(-5.9)	(-5.1)	(-5.1)	(-6.5)	(-6.8)	(-5.4)	(-4.6)
P4: 1985-90	<b>-1.433</b>	<b>-0.944</b>	<b>-0.930</b>	<b>-1.559</b>	<b>-3.262</b>	<b>-0.847</b>	<b>-0.776</b>
(t-ratio)	(-3.0)	(-2.1)	(-2.0)	(-3.4)	(-6.8)	(-1.9)	(-1.8)
P5: 1990-95	<b>-2.490</b>	<b>-1.439</b>	<b>-1.420</b>	<b>-1.505</b>	<b>-1.564</b>	<b>-1.232</b>	<b>-1.067</b>
(t-ratio)	(-5.3)	(-3.3)	(-3.3)	(-3.3)	(-3.5)	(-2.9)	(-2.5)
P6: 1995-00	-0.228	-0.239	-0.245	-0.318	-0.337	-0.219	-0.112
(t-ratio)	(-0.5)	(-0.6)	(-0.6)	(-0.7)	(-0.8)	(-0.5)	(-0.3)
$AR^2$	0.076	0.136	0.136	0.103	0.108	0.169	0.186
$MAR^2(\text{all}^a)$		0.060	0.060	0.026	0.032	0.092	0.110
N	825	665	668	668	668	665	665

a) All debt terms.

Table 4.2. Results for public debt, 5 years averages

<b>5 years</b>	All available observations see last row of table						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
G lagged	<b>0.122</b>	<b>0.148</b>	<b>0.147</b>	<b>0.154</b>	<b>0.152</b>	<b>0.126</b>	<b>0.121</b>
(t-ratio)	(3.9)	(4.8)	(4.7)	(4.8)	(4.7)	(4.1)	(4.0)
$\Delta D$		<b>-1.478</b>	<b>-1.457</b>			<b>-2.065</b>	<b>-3.610</b>
(t-ratio)		(-6.0)	(-5.8)			(-7.7)	(-8.8)
$\Delta D^2$			-0.027				<b>0.523</b>
(t-ratio)			(-0.5)				(5.2)
D, initial				<b>-0.447</b>	<b>-1.380</b>	<b>-1.153</b>	<b>-1.118</b>
(t-ratio)				(-2.1)	(-3.5)	(-5.2)	(-3.0)
D <sup>2</sup> , initial					<b>0.198</b>		<b>-0.323</b>
(t-ratio)					(2.8)		(-3.4)
Constant	<b>2.543</b>	<b>2.356</b>	<b>2.365</b>	<b>2.818</b>	<b>3.257</b>	<b>3.020</b>	<b>2.946</b>
(t-ratio)	(7.7)	(8.0)	(8.0)	(8.5)	(8.9)	(9.6)	(8.6)
P1: 1970-75	<b>-0.879</b>	-0.405	-0.412	<b>-0.879</b>	<b>-1.170</b>	<b>-0.804</b>	-0.642
(t-ratio)	(-1.7)	(-0.8)	(-0.9)	(-1.7)	(-2.3)	(-1.7)	(-1.3)
P2: 1975-80	<b>-1.109</b>	<b>-1.004</b>	<b>-1.011</b>	<b>-1.583</b>	<b>-1.841</b>	<b>-1.310</b>	<b>-1.040</b>
(t-ratio)	(-2.2)	(-2.1)	(-2.2)	(-3.2)	(-3.7)	(-2.8)	(-2.2)
P3: 1980-85	<b>-3.012</b>	<b>-2.357</b>	<b>-2.365</b>	<b>-3.116</b>	<b>-3.279</b>	<b>-2.431</b>	<b>-1.930</b>
(t-ratio)	(-5.9)	(-5.0)	(-5.0)	(-6.5)	(-6.8)	(-5.3)	(-4.1)
P4: 1985-90	<b>-1.433</b>	<b>-0.833</b>	<b>-0.824</b>	<b>-1.556</b>	<b>-1.554</b>	<b>-0.695</b>	-0.563
(t-ratio)	(-3.0)	(-1.8)	(-1.8)	(-3.4)	(-3.4)	(-1.6)	(-1.3)
P5: 1990-95	<b>-2.490</b>	<b>-1.438</b>	<b>-1.427</b>	<b>-1.484</b>	<b>-1.541</b>	<b>-1.158</b>	<b>-0.874</b>
(t-ratio)	(-5.3)	(-3.3)	(-3.3)	(-3.3)	(-3.4)	(-2.7)	(-2.1)
P6: 1995-00	-0.228	-0.264	-0.267	-0.303	-0.307	-0.219	-0.087
(t-ratio)	(-0.5)	(-0.6)	(-0.6)	(-0.7)	(-0.7)	(-0.5)	(-0.2)
AR <sup>2</sup>	0.076	0.141	0.140	0.101	0.110	0.173	0.204
MAR <sup>2</sup> (all <sup>a)</sup> )		0.065	0.064	0.025	0.034	0.097	0.128
N	825	665	665	668	668	665	665

a) All debt terms.

Table 4.3. Results for long run debt, 5 years averages

<b>5 years</b>	All available observations see last row of table						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
G lagged	<b>0.122</b>	<b>0.149</b>	<b>0.147</b>	<b>0.155</b>	<b>0.153</b>	<b>0.128</b>	<b>0.124</b>
(t-ratio)	(3.9)	(4.8)	(4.7)	(4.8)	(4.8)	(4.2)	(4.1)
$\Delta D$		<b>-1.354</b>	<b>-1.331</b>			<b>-1.931</b>	<b>-3.229</b>
(t-ratio)		(-5.6)	(-5.4)			(-7.3)	(-8.0)
$\Delta D^2$			-0.031				<b>0.461</b>
(t-ratio)			(-0.5)				(4.6)
D, initial				<b>-0.424</b>	<b>-1.371</b>	<b>-1.116</b>	<b>-1.212</b>
(t-ratio)				(-2.0)	(-3.5)	(-5.0)	(-3.2)
D <sup>2</sup> , initial					<b>0.200</b>		<b>-0.256</b>
(t-ratio)					(2.8)		(-2.7)
Constant	<b>2.543</b>	<b>2.375</b>	<b>2.385</b>	<b>2.826</b>	<b>3.313</b>	<b>3.080</b>	<b>3.102</b>
(t-ratio)	(7.7)	(8.1)	(8.1)	(8.4)	(8.8)	(9.5)	(8.7)
P1: 1970-75	<b>-0.879</b>	-0.438	-0.445	<b>-0.880</b>	<b>-1.189</b>	<b>-0.853</b>	<b>-0.781</b>
(t-ratio)	(-1.7)	(-0.9)	(-0.9)	(-1.7)	(-2.3)	(-1.8)	(-1.6)
P2: 1975-80	<b>-1.109</b>	<b>-1.043</b>	<b>-1.051</b>	<b>-1.587</b>	<b>-1.869</b>	<b>-1.374</b>	<b>-1.205</b>
(t-ratio)	(-2.2)	(-2.2)	(-2.2)	(-3.2)	(-3.8)	(-3.0)	(-2.5)
P3: 1980-85	<b>-3.012</b>	<b>-2.396</b>	<b>-2.405</b>	<b>-3.123</b>	<b>-3.311</b>	<b>-2.495</b>	<b>-2.106</b>
(t-ratio)	(-5.9)	(-5.1)	(-5.1)	(-6.5)	(-6.8)	(-5.4)	(-4.4)
P4: 1985-90	<b>-1.433</b>	<b>-0.893</b>	<b>-0.882</b>	<b>-1.565</b>	<b>-1.582</b>	<b>-0.790</b>	<b>-0.717</b>
(t-ratio)	(-3.0)	(-2.0)	(-1.9)	(-3.4)	(-3.4)	(-1.8)	(-1.6)
P5: 1990-95	<b>-2.490</b>	<b>-1.433</b>	<b>-1.420</b>	<b>-1.505</b>	<b>-1.589</b>	<b>-1.195</b>	<b>-0.965</b>
(t-ratio)	(-5.3)	(-3.3)	(-3.3)	(-3.3)	(-3.5)	(-2.8)	(-2.3)
P6: 1995-00	-0.228	-0.234	-0.237	-0.314	-0.342	-0.202	-0.064
(t-ratio)	(-0.5)	(-0.6)	(-0.6)	(-0.7)	(-0.8)	(-0.5)	(-0.2)
AR <sup>2</sup>	0.076	0.135	0.134	0.101	0.110	0.165	0.189
MAR <sup>2</sup> (all <sup>a)</sup> )		0.059	0.058	0.024	0.034	0.089	0.113
N	825	665	665	668	668	665	665

a) All debt terms.

Table 4.4. Results for short run debt, 5 years averages

<b>5 years</b>	All available observations see last row of table						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
G lagged	<b>0.122</b>	<b>0.160</b>	<b>0.160</b>	<b>0.165</b>	<b>0.165</b>	<b>0.160</b>	<b>0.170</b>
(t-ratio)	(3.9)	(5.0)	(5.1)	(5.1)	(5.1)	(5.0)	(5.4)
$\Delta D$		-0.017	-0.119			-0.019	<b>-3.234</b>
(t-ratio)		(-0.4)	(-0.8)			(-0.4)	(-4.0)
$\Delta D^2$			0.002				<b>0.079</b>
(t-ratio)			(0.7)				(4.8)
D, initial				0.002	-0.046	0.004	<b>-3.573</b>
(t-ratio)				(0.1)	(-0.5)	(0.2)	(-4.2)
D <sup>2</sup> , initial					0.000		<b>0.019</b>
(t-ratio)					(0.6)		(3.8)
Constant	<b>2.543</b>	<b>2.536</b>	<b>2.517</b>	<b>2.521</b>	<b>2.519</b>	<b>2.530</b>	<b>2.865</b>
(t-ratio)	(7.7)	(8.5)	(8.4)	(8.3)	(8.3)	(8.4)	(9.3)
P1: 1970-75	<b>-0.879</b>	-0.683	-0.665	-0.680	-0.677	-0.677	<b>-0.952</b>
(t-ratio)	(-1.7)	(-1.4)	(-1.4)	(-1.4)	(-1.4)	(-1.4)	(-2.0)
P2: 1975-80	<b>-1.109</b>	<b>-1.302</b>	<b>-1.280</b>	<b>-1.299</b>	<b>-1.296</b>	<b>-1.296</b>	<b>-1.421</b>
(t-ratio)	(-2.2)	(-2.7)	(-2.7)	(-2.7)	(-2.7)	(-2.7)	(-3.0)
P3: 1980-85	<b>-3.012</b>	<b>-2.991</b>	<b>-2.969</b>	<b>-2.985</b>	<b>-2.980</b>	<b>-2.985</b>	<b>-2.961</b>
(t-ratio)	(-5.9)	(-6.4)	(-6.3)	(-6.3)	(-6.2)	(-6.3)	(-6.4)
P4: 1985-90	<b>-1.433</b>	<b>-1.318</b>	<b>-1.297</b>	<b>-1.525</b>	<b>-1.518</b>	<b>-1.312</b>	<b>-1.235</b>
(t-ratio)	(-3.0)	(-2.9)	(-2.8)	(-3.3)	(-3.3)	(-2.9)	(-2.7)
P5: 1990-95	<b>-2.490</b>	<b>-1.574</b>	<b>-1.556</b>	<b>-1.565</b>	<b>-1.558</b>	<b>-1.568</b>	<b>-1.516</b>
(t-ratio)	(-5.3)	(-3.6)	(-3.5)	(-3.5)	(-3.5)	(-3.5)	(-3.5)
P6: 1995-00	-0.228	-0.307	-0.294	-0.301	-0.281	-0.303	-0.316
(t-ratio)	(-0.5)	(-0.7)	(-0.7)	(-0.7)	(-0.7)	(-0.7)	(-0.8)
AR <sup>2</sup>	0.076	0.096	0.095	0.097	0.096	0.095	0.125
MAR <sup>2</sup> (all <sup>a)</sup> )		0.020	0.019	0.021	0.020	0.019	0.048
N	825	664	664	667	667	664	664

a) All debt terms.

Table 4.5. Results for total external debt, 10 years averages

<b>10 years</b>	All available observations see last row of table						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
G lagged	<b>0.214</b>	<b>0.292</b>	<b>0.291</b>	<b>0.318</b>	<b>0.309</b>	<b>0.262</b>	<b>0.268</b>
(t-ratio)	(4.3)	(4.8)	(4.7)	(4.7)	(4.6)	(4.1)	(4.4)
$\Delta D$		<b>-0.615</b>	<b>-0.614</b>			<b>-0.801</b>	<b>-2.160</b>
(t-ratio)		(-4.1)	(-4.1)			(-4.5)	(-6.2)
$\Delta D^2$			-0.002				<b>0.195</b>
(t-ratio)			(-0.1)				(4.4)
D, initial				0.127	-0.322	<b>-0.405</b>	-0.045
(t-ratio)				(0.7)	(-0.7)	(-1.9)	(-0.1)
$D^2$ , initial					0.052		<b>-0.281</b>
(t-ratio)					(1.1)		(-3.9)
Constant	<b>0.873</b>	<b>1.248</b>	<b>1.251</b>	<b>1.212</b>	<b>1.512</b>	<b>1.631</b>	<b>1.552</b>
(t-ratio)	(3.5)	(5.0)	(5.0)	(3.7)	(3.5)	(5.1)	(4.0)
P1: 70-80	0.594	0.222	0.221	0.034	-0.151	0.037	0.328
(t-ratio)	(1.4)	(0.6)	(0.6)	(0.1)	(-0.3)	(0.1)	(0.8)
P2: 80-90	<b>-0.916</b>	<b>-1.228</b>	<b>-1.226</b>	<b>-1.729</b>	<b>-1.825</b>	<b>-1.258</b>	<b>-0.867</b>
(t-ratio)	(-2.3)	(-3.1)	(-3.1)	(-4.2)	(-4.3)	(-3.2)	(-2.1)
$AR^2$	0.086	0.183	0.179	0.133	0.134	0.191	0.247
$MAR^2$ (all <sup>a</sup> )		0.097	0.094	0.046	0.045	0.057	0.057
N	334	248	248	250	250	248	248

Table 4.6. Results for public debt debt, 10 years averages

<b>10 years</b>	All available observations see last row of table						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
G lagged	<b>0.214</b>	<b>0.301</b>	<b>0.290</b>	<b>0.322</b>	<b>0.316</b>	<b>0.264</b>	<b>0.281</b>
(t-ratio)	(4.3)	(4.9)	(4.7)	(4.8)	(4.7)	(4.2)	(4.6)
$\Delta D$		<b>-0.698</b>	<b>-0.731</b>			<b>-0.994</b>	<b>-2.485</b>
(t-ratio)		(-4.3)	(-4.4)			(-4.7)	(-6.6)
$\Delta D^2$			-0.023				<b>0.278</b>
(t-ratio)			(-1.0)				(4.4)
D, initial				0.177	-0.089	<b>-0.522</b>	0.133
(t-ratio)				(0.9)	(-0.2)	(-2.2)	(0.3)
$D^2$ , initial					0.031		<b>-0.380</b>
(t-ratio)					(0.6)		(-4.5)
Constant	<b>0.873</b>	<b>1.228</b>	<b>1.261</b>	<b>1.161</b>	<b>1.340</b>	<b>1.711</b>	<b>1.473</b>
(t-ratio)	(3.5)	(4.9)	(5.0)	(3.5)	(3.0)	(5.2)	(3.7)
P1: 70-80	0.594	0.196	0.192	0.075	-0.048	-0.074	0.255
(t-ratio)	(1.4)	(0.5)	(0.5)	(0.2)	(-0.1)	(-0.2)	(0.6)
P2: 80-90	<b>-0.916</b>	<b>-1.229</b>	<b>-1.191</b>	<b>-1.687</b>	<b>-1.772</b>	<b>-1.314</b>	<b>-0.879</b>
(t-ratio)	(-2.3)	(-3.1)	(-3.0)	(-4.1)	(-4.0)	(-3.3)	(-2.1)
$AR^2$	0.086	0.187	0.186	0.135	0.133	0.200	0.260
$MAR^2$ (all <sup>a</sup> )		0.101	0.101	0.052	0.050	0.067	0.060
N	334	248	248	250	250	248	248

Table 4.7. Results for long run debt, 10 years averages

<b>10 years</b>	All available observations see last row of table						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
G lagged	<b>0.214</b>	<b>0.292</b>	<b>0.293</b>	<b>0.318</b>	<b>0.309</b>	<b>0.265</b>	<b>0.266</b>
(t-ratio)	(4.3)	(4.8)	(4.7)	(4.8)	(4.6)	(4.2)	(4.3)
$\Delta D$		<b>-0.751</b>	<b>-0.753</b>			<b>-0.969</b>	<b>-2.438</b>
(t-ratio)		(-4.1)	(-4.1)			(-4.4)	(-5.7)
$\Delta D^2$			0.003				<b>0.279</b>
(t-ratio)			(0.1)				(4.0)
D, initial				0.169	-0.581	<b>-0.467</b>	-0.265
(t-ratio)				(0.7)	(-1.0)	(-1.8)	(-0.5)
D <sup>2</sup> , initial					0.113		<b>-0.361</b>
(t-ratio)					(1.5)		(-3.2)
Constant	<b>0.873</b>	<b>1.248</b>	<b>1.244</b>	<b>1.195</b>	<b>1.606</b>	<b>1.622</b>	<b>1.686</b>
(t-ratio)	(3.5)	(5.0)	(4.9)	(3.6)	(3.7)	(5.0)	(4.2)
P1: 70-80	0.594	0.199	0.200	0.044	-0.204	0.011	0.133
(t-ratio)	(1.4)	(0.5)	(0.5)	(0.1)	(-0.4)	(0.0)	(0.3)
P2: 80-90	<b>-0.916</b>	<b>-1.204</b>	<b>-1.206</b>	<b>-1.716</b>	<b>-1.865</b>	<b>-1.245</b>	<b>-0.946</b>
(t-ratio)	(-2.3)	(-3.0)	(-3.0)	(-4.2)	(-4.4)	(-3.1)	(-2.3)
AR <sup>2</sup>	0.086	0.182	0.179	0.134	0.138	0.190	0.235
MAR <sup>2</sup> (all <sup>a</sup> )		0.097	0.094	0.045	0.059	0.052	0.046
	334	248	248	250	250	248	248

Table 4.8. Results for short run debt, 10 years averages

<b>10 years</b>	All available observations see last row of table						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
G lagged	<b>0.214</b>	<b>0.294</b>	<b>0.286</b>	<b>0.313</b>	<b>0.312</b>	<b>0.274</b>	<b>0.283</b>
(t-ratio)	(4.3)	(4.7)	(4.5)	(4.7)	(4.7)	(4.3)	(4.4)
$\Delta D$		<b>-1.854</b>	<b>-1.842</b>			<b>-2.666</b>	<b>-6.494</b>
(t-ratio)		(-2.6)	(-2.6)			(-3.0)	(-3.3)
$\Delta D^2$			-0.290				<b>2.271</b>
(t-ratio)			-0.8				(2.1)
D, initial				0.425	0.051	-1.766	-2.058
(t-ratio)				0.4	0.0	-1.5	-0.8
D <sup>2</sup> , initial					0.178		<b>-3.258</b>
(t-ratio)					0.2		-2.0
Constant	<b>0.873</b>	<b>1.300</b>	<b>1.325</b>	<b>1.289</b>	<b>1.320</b>	<b>1.496</b>	<b>1.529</b>
(t-ratio)	3.5	5.1	5.2	4.4	3.8	5.2	4.5
P1: 70-80	0.594	0.124	0.119	-0.013	-0.034	0.048	0.196
(t-ratio)	1.4	0.3	0.3	-0.0	-0.1	0.1	0.5
P2: 80-90	<b>-0.916</b>	<b>-1.537</b>	<b>-1.523</b>	<b>-1.771</b>	<b>-1.773</b>	<b>-1.515</b>	<b>-1.462</b>
(t-ratio)	-2.3	-3.9	-3.9	-4.4	-4.4	-3.9	-3.7
AR <sup>2</sup>	0.086	0.149	0.148	0.133	0.129	0.153	0.164
MAR <sup>2</sup> (all <sup>a</sup> )		0.064	0.063	0.015	0.011	0.024	0.011
	334	248	248	250	250	248	248



## Section 5: Mixed models for non extreme observations

Table 5.1. Results for total external debt, 5 years averages

<b>5 years</b>	All non extreme observations see last row of table						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
G lagged	<b>0.159</b>	<b>0.133</b>	<b>0.135</b>	<b>0.144</b>	<b>0.145</b>	<b>0.115</b>	<b>0.124</b>
(t-ratio)	(5.0)	(4.1)	(4.2)	(4.5)	(4.6)	(3.6)	(3.9)
$\Delta D$		<b>-2.134</b>	<b>-2.404</b>			<b>-2.252</b>	<b>-3.457</b>
(t-ratio)		(-4.4)	(-3.5)			(-4.7)	(-4.8)
$\Delta D^2$			0.442				<b>1.950</b>
(t-ratio)			(0.5)				(2.3)
D, initial				<b>-1.814</b>	<b>-2.799</b>	<b>-1.938</b>	<b>-3.152</b>
(t-ratio)				(-3.9)	(-1.9)	(-4.3)	(-2.2)
$D^2$ , initial					0.785		0.648
(t-ratio)					(0.7)		(0.6)
Constant	<b>2.612</b>	<b>2.614</b>	<b>2.572</b>	<b>3.644</b>	<b>3.898</b>	<b>3.717</b>	<b>3.972</b>
(t-ratio)	(8.4)	(8.5)	(8.1)	(9.0)	(7.2)	(9.3)	(7.5)
P1: 1970-75	<b>-0.758</b>	-0.585	-0.543	<b>-1.361</b>	<b>-1.457</b>	<b>-1.220</b>	<b>-1.246</b>
(t-ratio)	(-1.6)	(-1.3)	(-1.1)	(-2.8)	(-2.9)	(-2.5)	(-2.5)
P2: 1975-80	<b>-1.479</b>	<b>-1.012</b>	<b>-0.969</b>	<b>-2.010</b>	<b>-2.089</b>	<b>-1.553</b>	<b>-1.542</b>
(t-ratio)	(-3.2)	(-2.2)	(-2.0)	(-4.2)	(-4.3)	(-3.3)	(-3.2)
P3: 1980-85	<b>-3.023</b>	<b>-2.233</b>	<b>-2.203</b>	<b>-3.239</b>	<b>-3.281</b>	<b>-2.420</b>	<b>-2.361</b>
(t-ratio)	(-6.6)	(-4.6)	(-4.5)	(-7.1)	(-7.1)	(-5.0)	(-4.9)
P4: 1985-90	<b>-1.267</b>	<b>-1.078</b>	<b>-1.073</b>	<b>-1.218</b>	<b>-1.242</b>	<b>-1.016</b>	<b>-1.001</b>
(t-ratio)	(-2.7)	(-2.4)	(-2.3)	(-2.7)	(-2.7)	(-2.3)	(-2.2)
P5: 1990-95	<b>-1.407</b>	<b>-1.262</b>	<b>-1.237</b>	<b>-1.348</b>	<b>-1.369</b>	<b>-1.191</b>	<b>-1.081</b>
(t-ratio)	(-3.1)	(-2.8)	(-2.7)	(-3.0)	(-3.0)	(-2.7)	(-2.4)
P6: 1995-00	-0.504	-0.333	-0.296	-0.577	-0.612	-0.402	-0.281
(t-ratio)	(-1.2)	(-0.8)	(-0.7)	(-1.3)	(-1.4)	(-1.0)	(-0.7)
$AR^2$	0.106	0.134	0.133	0.128	0.127	0.159	0.164
$MAR^2$ (all <sup>a)</sup> )		0.027	0.026	0.022	0.021	0.052	0.057
N	592	592	592	592	592	592	592

a) All debt terms.

Table 5.2. Results for public debt, 5 years averages

<b>5 years</b>	All non extreme observations see last row of table						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
G lagged	<b>0.169</b>	<b>0.137</b>	<b>0.140</b>	<b>0.145</b>	<b>0.145</b>	<b>0.111</b>	<b>0.116</b>
(t-ratio)	(5.3)	(4.4)	(4.4)	(4.6)	(4.6)	(3.6)	(3.7)
$\Delta D$		<b>-3.450</b>	<b>-3.768</b>			<b>-3.585</b>	<b>-5.075</b>
(t-ratio)		(-6.3)	(-5.1)			(-6.7)	(-6.8)
$\Delta D^2$			0.651				<b>2.986</b>
(t-ratio)			(0.7)				(2.8)
D, initial				<b>-2.178</b>	<b>-2.463</b>	<b>-2.328</b>	<b>-3.038</b>
(t-ratio)				(-4.6)	(-1.7)	(-5.1)	(-2.1)
D <sup>2</sup> , initial					0.247		0.147
(t-ratio)					(0.2)		(0.1)
Constant	<b>2.571</b>	<b>2.384</b>	<b>2.323</b>	<b>3.634</b>	<b>3.692</b>	<b>3.513</b>	<b>3.531</b>
(t-ratio)	(8.6)	(8.2)	(7.6)	(9.7)	(7.9)	(9.7)	(7.8)
P1: 1970-75	<b>-0.739</b>	-0.314	-0.251	<b>-1.395</b>	<b>-1.416</b>	<b>-0.998</b>	<b>-0.882</b>
(t-ratio)	(-1.6)	(-0.7)	(-0.5)	(-2.9)	(-2.9)	(-2.1)	(-1.8)
P2: 1975-80	<b>-1.459</b>	<b>-0.749</b>	-0.692	<b>-2.030</b>	<b>-2.046</b>	<b>-1.332</b>	<b>-1.214</b>
(t-ratio)	(-3.2)	(-1.6)	(-1.5)	(-4.4)	(-4.3)	(-2.9)	(-2.6)
P3: 1980-85	<b>-3.042</b>	<b>-1.787</b>	<b>-1.739</b>	<b>-3.347</b>	<b>-3.355</b>	<b>-2.064</b>	<b>-1.915</b>
(t-ratio)	(-6.7)	(-3.7)	(-3.6)	(-7.5)	(-7.4)	(-4.4)	(-4.0)
P4: 1985-90	<b>-1.276</b>	<b>-0.758</b>	<b>-0.734</b>	<b>-1.295</b>	<b>-1.291</b>	<b>-0.757</b>	-0.646
(t-ratio)	(-2.8)	(-1.7)	(-1.6)	(-2.9)	(-2.9)	(-1.7)	(-1.5)
P5: 1990-95	<b>-1.535</b>	<b>-1.124</b>	<b>-1.091</b>	<b>-1.446</b>	<b>-1.443</b>	<b>-1.013</b>	<b>-0.833</b>
(t-ratio)	(-3.5)	(-2.6)	(-2.5)	(-3.3)	(-3.3)	(-2.4)	(-1.9)
P6: 1995-00	-0.483	-0.222	-0.174	-0.585	-0.589	-0.320	-0.125
(t-ratio)	(-1.1)	(-0.5)	(-0.4)	(-1.4)	(-1.4)	(-0.8)	(-0.3)
AR <sup>2</sup>	0.111	0.165	0.164	0.140	0.139	0.198	0.206
MAR <sup>2</sup> (all <sup>a)</sup> )		0.053	0.052	0.029	0.027	0.086	0.094
N	611	611	611	611	611	611	611

a) All debt terms.

Table 5.3. Results for long run debt, 5 years averages

<b>5 years</b>	All non extreme observations see last row of table						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
G lagged	<b>0.171</b>	<b>0.145</b>	<b>0.143</b>	<b>0.150</b>	<b>0.150</b>	<b>0.119</b>	<b>0.124</b>
(t-ratio)	(5.3)	(4.6)	(4.5)	(4.7)	(4.7)	(3.8)	(3.9)
$\Delta D$		<b>-2.646</b>	<b>-2.454</b>			<b>-2.926</b>	<b>-3.969</b>
(t-ratio)		(-4.9)	(-3.3)			(-5.5)	(-5.2)
$\Delta D^2$			-0.384				<b>2.018</b>
(t-ratio)			(-0.4)				(1.9)
D, initial				<b>-2.192</b>	<b>-2.763</b>	<b>-2.441</b>	<b>-3.104</b>
(t-ratio)				(-4.7)	(-2.0)	(-5.3)	(-2.2)
D <sup>2</sup> , initial					0.471		0.239
(t-ratio)					(0.4)		(0.2)
Constant	<b>2.520</b>	<b>2.405</b>	<b>2.441</b>	<b>3.713</b>	<b>3.840</b>	<b>3.722</b>	<b>3.803</b>
(t-ratio)	(8.4)	(8.1)	(7.9)	(9.5)	(7.8)	(9.8)	(7.9)
P1: 1970-75	-0.693	-0.402	-0.437	<b>-1.411</b>	<b>-1.455</b>	<b>-1.171</b>	<b>-1.128</b>
(t-ratio)	(-1.5)	(-0.9)	(-0.9)	(-2.9)	(-2.9)	(-2.5)	(-2.3)
P2: 1975-80	<b>-1.413</b>	<b>-0.896</b>	<b>-0.929</b>	<b>-2.060</b>	<b>-2.094</b>	<b>-1.563</b>	<b>-1.511</b>
(t-ratio)	(-3.1)	(-2.0)	(-2.0)	(-4.4)	(-4.4)	(-3.4)	(-3.2)
P3: 1980-85	<b>-2.994</b>	<b>-2.023</b>	<b>-2.049</b>	<b>-3.377</b>	<b>-3.395</b>	<b>-2.347</b>	<b>-2.270</b>
(t-ratio)	(-6.6)	(-4.2)	(-4.2)	(-7.5)	(-7.5)	(-4.9)	(-4.7)
P4: 1985-90	<b>-1.218</b>	<b>-0.851</b>	<b>-0.865</b>	<b>-1.315</b>	<b>-1.310</b>	<b>-0.920</b>	<b>-0.857</b>
(t-ratio)	(-2.7)	(-1.9)	(-1.9)	(-2.9)	(-2.9)	(-2.1)	(-1.9)
P5: 1990-95	<b>-1.487</b>	<b>-1.179</b>	<b>-1.199</b>	<b>-1.476</b>	<b>-1.475</b>	<b>-1.134</b>	<b>-1.023</b>
(t-ratio)	(-3.4)	(-2.7)	(-2.7)	(-3.4)	(-3.4)	(-2.6)	(-2.4)
P6: 1995-00	-0.431	-0.166	-0.196	-0.597	-0.607	-0.323	-0.198
(t-ratio)	(-1.0)	(-0.4)	(-0.5)	(-1.4)	(-1.4)	(-0.8)	(-0.5)
AR <sup>2</sup>	0.111	0.144	0.142	0.141	0.140	0.181	0.183
MAR <sup>2</sup> (all <sup>a)</sup> )		0.033	0.032	0.030	0.029	0.070	0.072
	609	609	609	609	609	609	609

a) All debt terms.

Table 5.4. Results for short run debt, 5 years averages

<b>5 years</b>	All non extreme observations see last row of table						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
G lagged	<b>0.189</b>	<b>0.184</b>	<b>0.184</b>	<b>0.187</b>	<b>0.188</b>	<b>0.180</b>	<b>0.180</b>
(t-ratio)	(5.8)	(5.6)	(5.6)	(5.7)	(5.7)	(5.5)	(5.5)
$\Delta D$		<b>-2.084</b>	-1.754			<b>-2.667</b>	<b>-3.679</b>
(t-ratio)		(-1.8)	(-1.2)			(-2.2)	(-2.1)
$\Delta D^2$			-0.615				1.723
(t-ratio)			(-0.3)				(0.8)
D, initial				<b>-2.231</b>	-4.168	<b>-3.014</b>	-4.634
(t-ratio)				(-1.6)	(-1.3)	(-2.1)	(-1.5)
D <sup>2</sup> , initial					4.258		2.016
(t-ratio)					(0.7)		(0.3)
Constant	<b>2.557</b>	<b>2.561</b>	<b>2.572</b>	<b>2.752</b>	<b>2.844</b>	<b>2.824</b>	<b>2.898</b>
(t-ratio)	(8.5)	(8.6)	(8.5)	(8.5)	(8.1)	(8.7)	(8.3)
P1: 1970-75	<b>-0.773</b>	<b>-0.755</b>	<b>-0.767</b>	<b>-0.920</b>	<b>-0.984</b>	<b>-0.948</b>	<b>-0.988</b>
(t-ratio)	(-1.6)	(-1.6)	(-1.6)	(-1.9)	(-2.0)	(-1.9)	(-2.0)
P2: 1975-80	<b>-1.388</b>	<b>-1.284</b>	<b>-1.308</b>	<b>-1.525</b>	<b>-1.583</b>	<b>-1.441</b>	<b>-1.441</b>
(t-ratio)	(-2.9)	(-2.7)	(-2.7)	(-3.2)	(-3.2)	(-3.0)	(-2.9)
P3: 1980-85	<b>-3.064</b>	<b>-2.984</b>	<b>-2.989</b>	<b>-3.091</b>	<b>-3.087</b>	<b>-2.997</b>	<b>-2.985</b>
(t-ratio)	(-6.6)	(-6.4)	(-6.4)	(-6.6)	(-6.6)	(-6.4)	(-6.4)
P4: 1985-90	<b>-1.247</b>	<b>-1.227</b>	<b>-1.238</b>	<b>-1.262</b>	<b>-1.251</b>	<b>-1.242</b>	<b>-1.211</b>
(t-ratio)	(-2.7)	(-2.7)	(-2.7)	(-2.8)	(-2.7)	(-2.7)	(-2.6)
P5: 1990-95	<b>-1.625</b>	<b>-1.586</b>	<b>-1.592</b>	<b>-1.616</b>	<b>-1.612</b>	<b>-1.562</b>	<b>-1.538</b>
(t-ratio)	(-3.7)	(-3.6)	(-3.6)	(-3.7)	(-3.7)	(-3.5)	(-3.5)
P6: 1995-00	-0.328	-0.340	-0.344	-0.324	-0.352	-0.338	-0.340
(t-ratio)	(-0.8)	(-0.8)	(-0.8)	(-0.8)	(-0.8)	(-0.8)	(-0.8)
AR <sup>2</sup>	0.110	0.113	0.111	0.112	0.111	0.117	0.116
MAR <sup>2</sup> (all <sup>a)</sup> )		0.003	0.002	0.002	0.001	0.007	0.006
	656	656	656	656	656	656	656

a) All debt terms.

Table 5.5. Results for total external debt, 10 years averages

<b>10 years</b>	All non extreme observations see last row of table						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
G lagged	<b>0.332</b>	<b>0.320</b>	<b>0.318</b>	<b>0.307</b>	<b>0.308</b>	<b>0.293</b>	<b>0.293</b>
(t-ratio)	(5.6)	(5.5)	(5.5)	(5.1)	(5.1)	(5.0)	(4.9)
$\Delta D$		<b>-1.939</b>	<b>-1.411</b>			<b>-1.977</b>	<b>-1.913</b>
(t-ratio)		(-4.0)	(-1.7)			(-4.1)	(-2.2)
$\Delta D^2$			-0.706				-0.084
(t-ratio)			(-0.8)				(-0.1)
D, initial				<b>-1.092</b>	-1.616	<b>-1.182</b>	-1.163
(t-ratio)				(-1.8)	(-0.9)	(-2.0)	(-0.7)
$D^2$ , initial					0.433		0.000
(t-ratio)					(0.3)		(0.0)
Constant	<b>1.306</b>	<b>1.426</b>	<b>1.447</b>	<b>1.964</b>	<b>2.082</b>	<b>2.141</b>	<b>2.131</b>
(t-ratio)	(5.3)	(5.9)	(6.0)	(4.5)	(3.6)	(5.1)	(3.8)
P1: 70-80	-0.062	0.287	0.240	-0.423	-0.459	-0.097	-0.096
(t-ratio)	(-0.2)	(0.8)	(0.7)	(-1.0)	(-1.1)	(-0.2)	(-0.2)
P2: 80-90	<b>-1.654</b>	<b>-1.126</b>	<b>-1.158</b>	<b>-1.818</b>	<b>-1.826</b>	<b>-1.293</b>	<b>-1.294</b>
(t-ratio)	(-4.6)	(-3.0)	(-3.1)	(-4.9)	(-4.9)	(-3.4)	(-3.4)
$AR^2$	0.181	0.233	0.231	0.189	0.186	0.244	0.237
$MAR^2$ (all <sup>a</sup> )		0.052	0.051	0.009	0.005	0.063	0.056
N	224	224	224	224	224	224	224

Table 5.6. Results for public debt, 10 years averages

<b>10 years</b>	All non extreme observations see last row of table						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
G lagged	<b>0.316</b>	<b>0.303</b>	<b>0.313</b>	<b>0.308</b>	<b>0.308</b>	<b>0.296</b>	<b>0.297</b>
(t-ratio)	(5.4)	(5.2)	(5.4)	(5.0)	(5.0)	(4.9)	(4.9)
$\Delta D$		<b>-1.617</b>	<b>-2.529</b>			<b>-1.610</b>	<b>-2.867</b>
(t-ratio)		(-3.2)	(-3.0)			(-3.2)	(-3.2)
$\Delta D^2$			1.210				<b>1.676</b>
(t-ratio)			(1.4)				(1.7)
D, initial				-0.302	-0.652	-0.234	-0.426
(t-ratio)				(-0.5)	(-0.4)	(-0.4)	(-0.3)
$D^2$ , initial					0.288		-0.247
(t-ratio)					(0.2)		(-0.2)
Constant	<b>1.320</b>	<b>1.424</b>	<b>1.383</b>	<b>1.504</b>	<b>1.584</b>	<b>1.565</b>	<b>1.739</b>
(t-ratio)	(5.4)	(5.8)	(5.6)	(3.3)	(2.7)	(3.5)	(3.0)
P1: 70-80	-0.043	0.143	0.218	-0.157	-0.192	0.054	0.000
(t-ratio)	(-0.1)	(0.4)	(0.6)	(-0.4)	(-0.4)	(0.1)	(0.0)
P2: 80-90	<b>-1.571</b>	<b>-1.105</b>	<b>-1.061</b>	<b>-1.643</b>	<b>-1.660</b>	<b>-1.163</b>	<b>-1.207</b>
(t-ratio)	(-4.4)	(-2.9)	(-2.8)	(-4.3)	(-4.2)	(-2.9)	(-2.9)
$AR^2$	0.171	0.204	0.207	0.169	0.165	0.201	0.204
$MAR^2$ (all <sup>a</sup> )		0.032	0.035	-0.003	-0.006	0.029	0.032
N	227	227	227	227	227	227	227

Table 5.7. Results for long run debt, 10 years averages

<b>10 years</b>	All non extreme observations see last row of table						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
G lagged	<b>0.335</b>	<b>0.314</b>	<b>0.317</b>	<b>0.304</b>	<b>0.309</b>	<b>0.281</b>	<b>0.281</b>
(t-ratio)	(5.6)	(5.3)	(5.3)	(5.0)	(5.0)	(4.6)	(4.6)
$\Delta D$		<b>-1.608</b>	<b>-1.859</b>			<b>-1.640</b>	<b>-2.934</b>
(t-ratio)		(-3.2)	(-2.2)			(-3.2)	(-3.1)
$\Delta D^2$			0.342				<b>1.745</b>
(t-ratio)			(0.4)				(1.7)
D, initial				<b>-1.259</b>	-2.406	<b>-1.316</b>	-2.031
(t-ratio)				(-2.0)	(-1.4)	(-2.2)	(-1.2)
D <sup>2</sup> , initial					0.990		0.090
(t-ratio)					(0.7)		(0.1)
Constant	<b>1.201</b>	<b>1.291</b>	<b>1.276</b>	<b>1.896</b>	<b>2.132</b>	<b>2.019</b>	<b>2.299</b>
(t-ratio)	(4.9)	(5.4)	(5.2)	(4.5)	(3.9)	(4.9)	(4.3)
P1: 70-80	0.035	0.241	0.263	-0.340	-0.419	-0.147	-0.220
(t-ratio)	(0.1)	(0.7)	(0.7)	(-0.8)	(-1.0)	(-0.4)	(-0.5)
P2: 80-90	<b>-1.491</b>	<b>-0.999</b>	<b>-0.985</b>	<b>-1.697</b>	<b>-1.729</b>	<b>-1.204</b>	<b>-1.231</b>
(t-ratio)	(-4.1)	(-2.6)	(-2.5)	(-4.6)	(-4.6)	(-3.0)	(-3.1)
AR <sup>2</sup>	0.170	0.201	0.198	0.181	0.179	0.214	0.217
MAR <sup>2</sup> (all <sup>a</sup> )		0.031	0.028	0.011	0.009	0.044	0.048
N	232	232	232	232	232	232	232

Table 5.8. Results for short run debt, 10 years averages

<b>10 years</b>	All non extreme observations see last row of table						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
G lagged	<b>0.286</b>	<b>0.295</b>	<b>0.273</b>	<b>0.290</b>	<b>0.293</b>	<b>0.281</b>	<b>0.273</b>
(t-ratio)	(4.4)	(4.7)	(4.3)	(4.4)	(4.5)	(4.4)	(4.3)
$\Delta D$		<b>-5.664</b>	<b>-4.468</b>			<b>-6.519</b>	-3.361
(t-ratio)		(-3.7)	(-2.7)			(-3.9)	(-1.4)
$\Delta D^2$			<b>-7.693</b>				<b>-9.723</b>
(t-ratio)			(-2.1)				(-2.0)
D, initial				0.765	-6.229	-2.812	-5.419
(t-ratio)				(0.4)	(-1.2)	(-1.2)	(-1.0)
D <sup>2</sup> , initial					19.873		17.476
(t-ratio)					(1.4)		(1.1)
Constant	<b>1.348</b>	<b>1.309</b>	<b>1.457</b>	<b>1.274</b>	<b>1.539</b>	<b>1.575</b>	<b>1.665</b>
(t-ratio)	(5.2)	(5.2)	(5.6)	(3.9)	(4.1)	(4.8)	(4.5)
P1: 70-80	-0.004	0.316	0.192	0.046	-0.114	0.178	0.022
(t-ratio)	(-0.0)	(0.8)	(0.5)	(0.1)	(-0.3)	(0.4)	(0.1)
P2: 80-90	<b>-1.637</b>	<b>-1.455</b>	<b>-1.509</b>	<b>-1.626</b>	<b>-1.591</b>	<b>-1.466</b>	<b>-1.508</b>
(t-ratio)	(-4.1)	(-3.7)	(-3.9)	(-4.1)	(-4.0)	(-3.8)	(-3.9)
AR <sup>2</sup>	0.122	0.165	0.122	0.119	0.122	0.166	0.173
MAR <sup>2</sup> (all <sup>a</sup> )		0.043	0.000	-0.003	0.000	0.045	0.051
N	246	246	246	246	246	246	246

**Section 6: Kernel regressions explaining growth,  $G$ , by borrowing,  $\Delta D$**

Figure 6.1. Graphs for total external debt, 5 years and 10 years averages

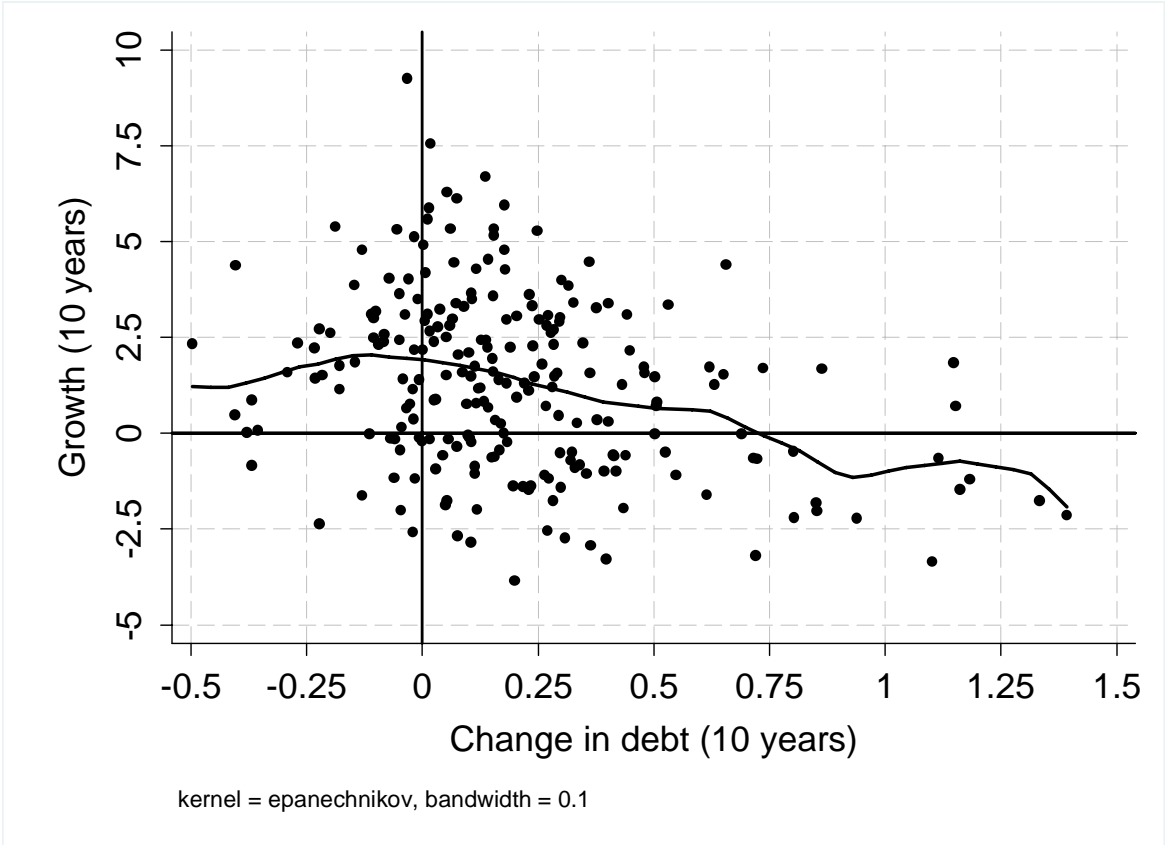
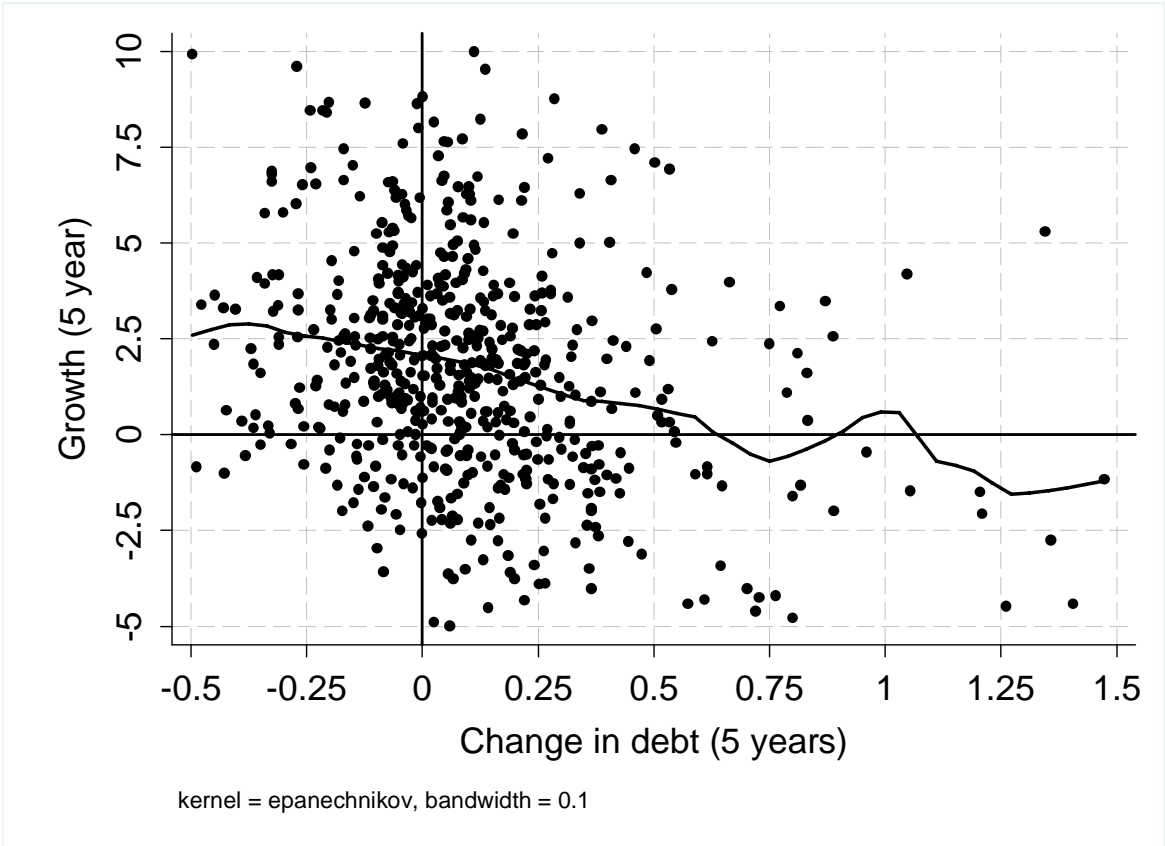


Figure 6.2. Graphs for public debt, 5 years and 10 years averages

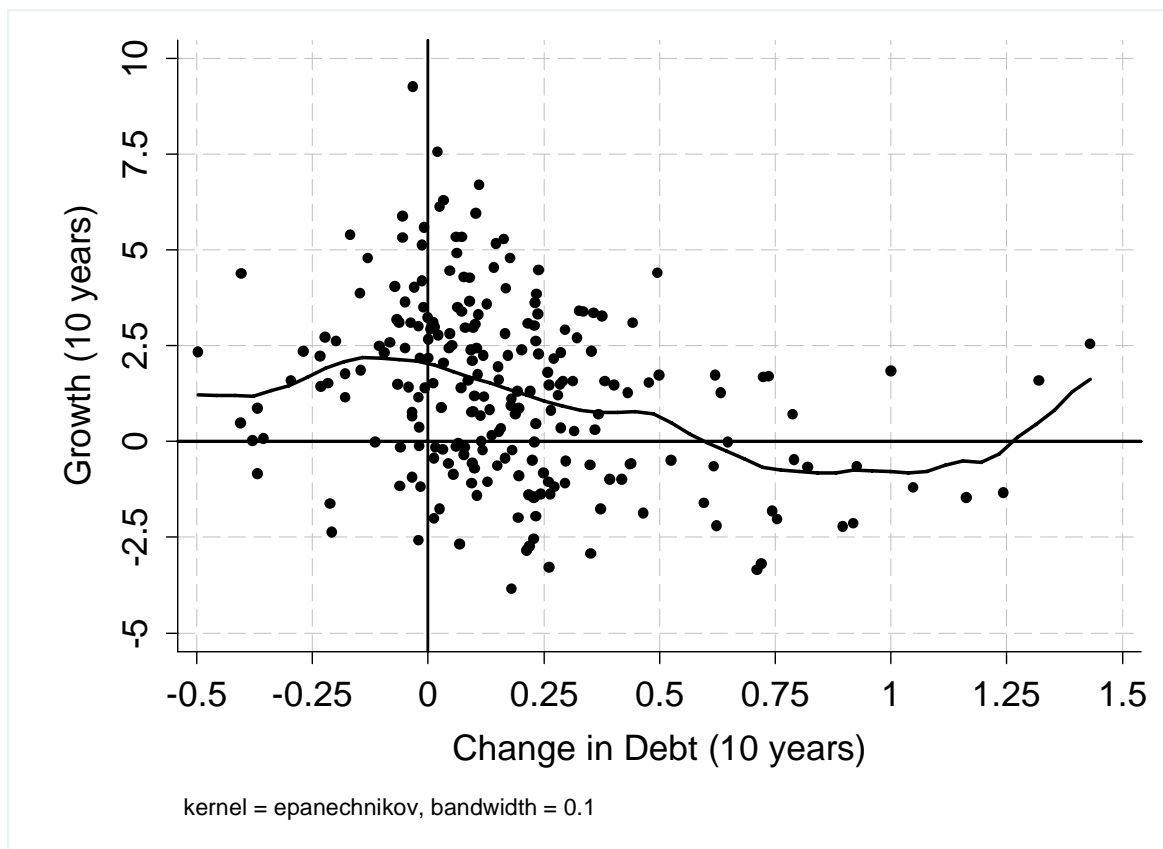
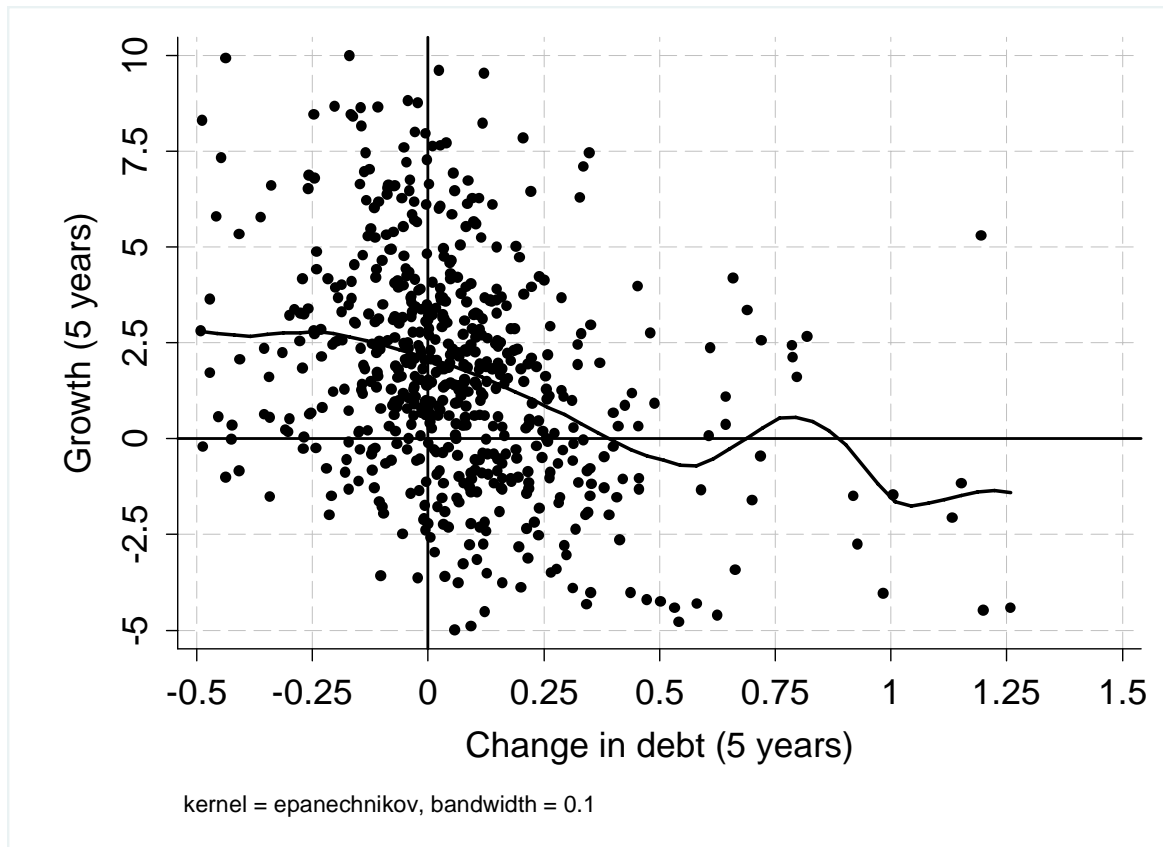




Figure 6.3. Graphs for long debt, 5 years and 10 years averages

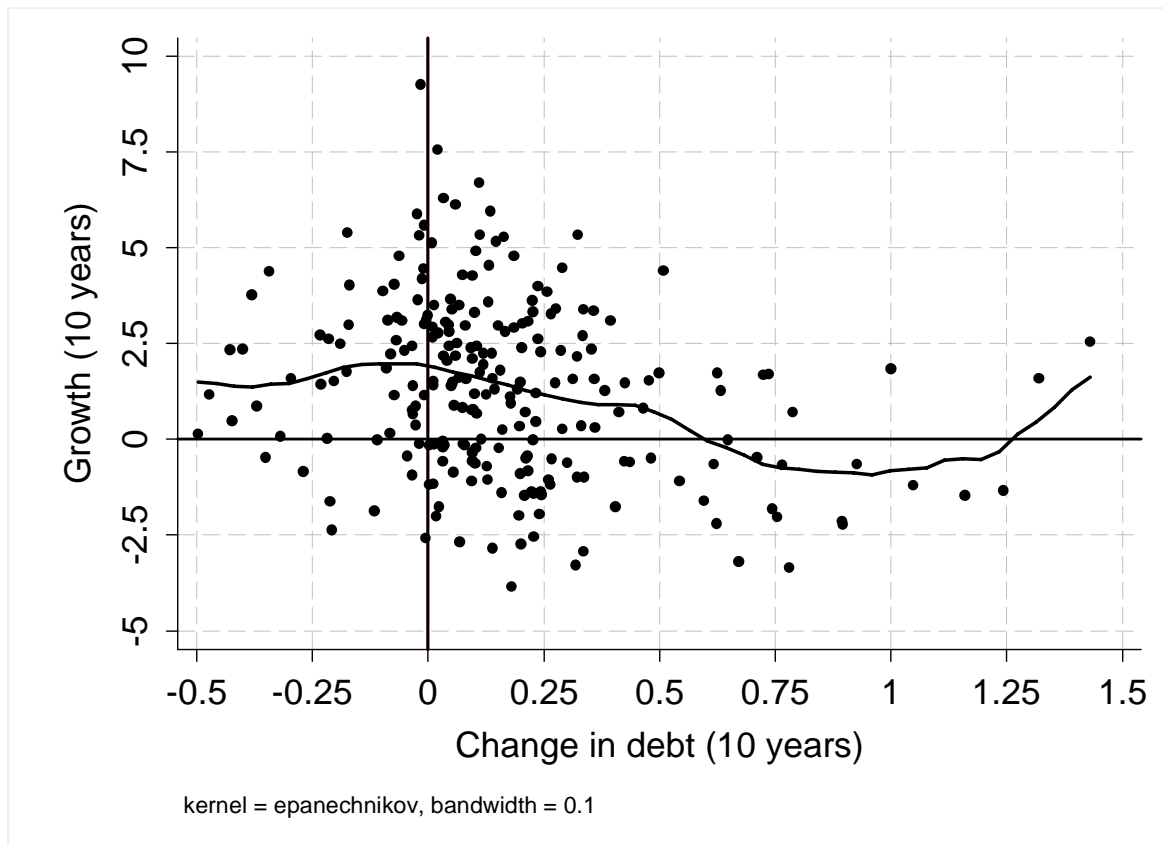
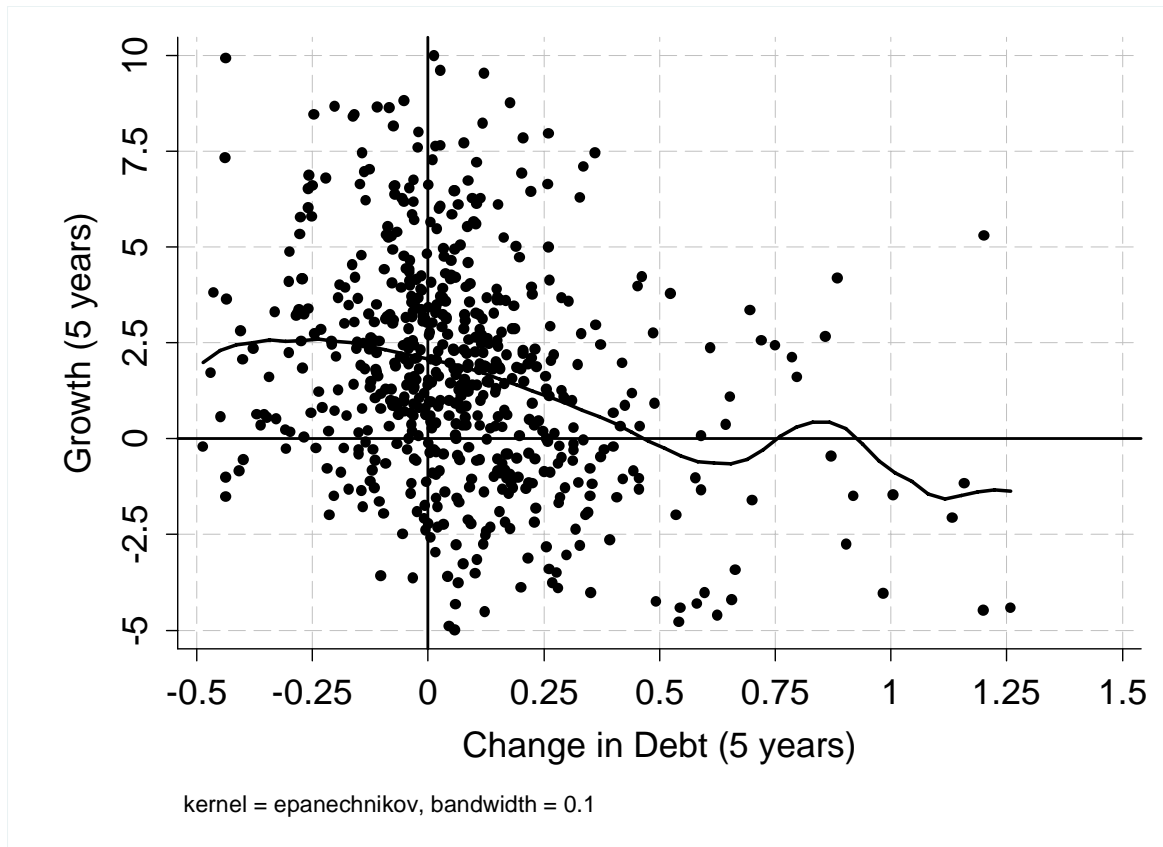
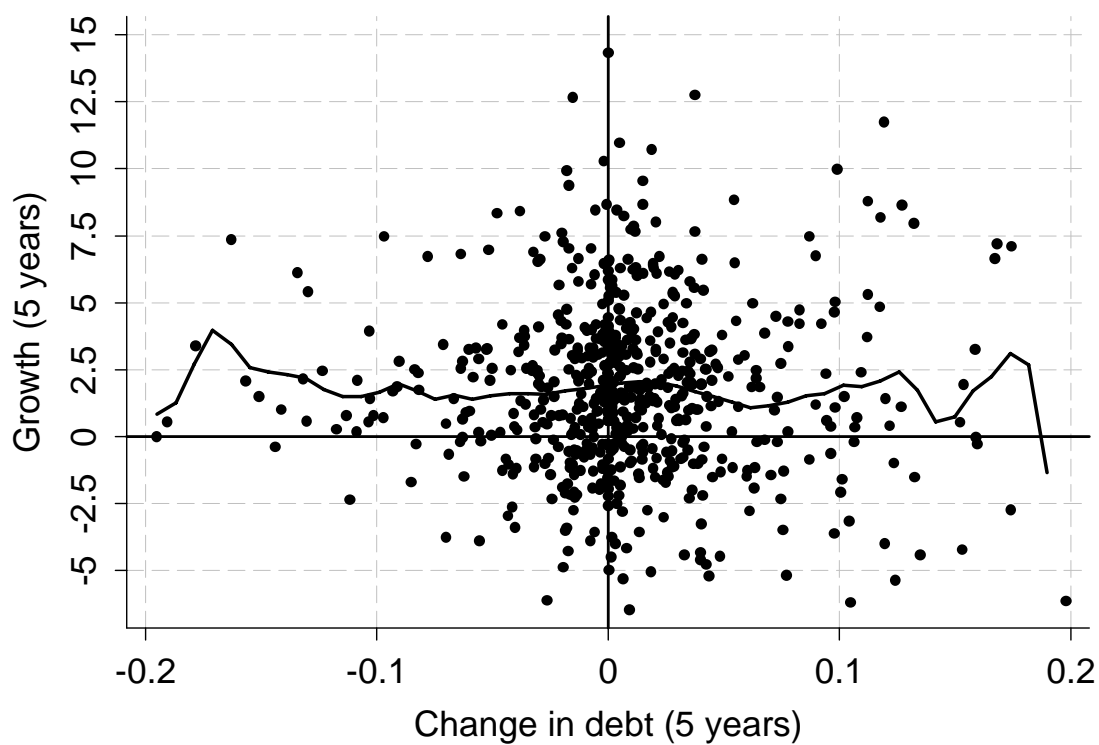
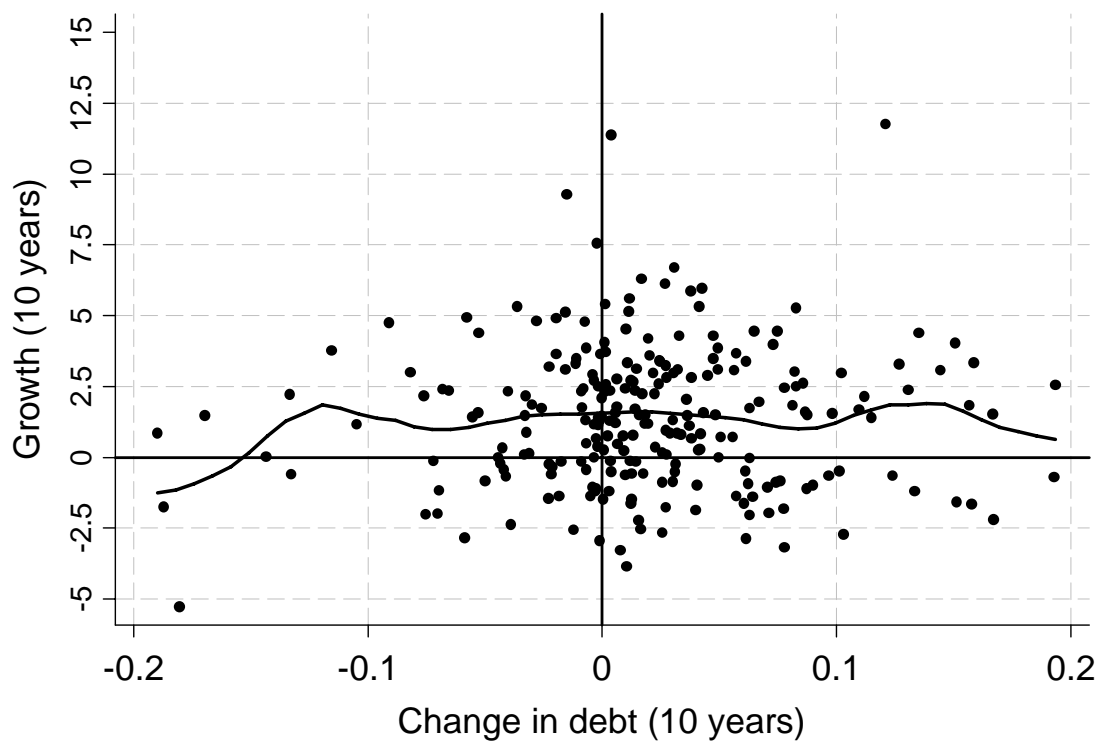


Figure 6.4. Graphs for short debt, 5 years and 10 years averages



kernel = epanechnikov, bandwidth = 0.01



kernel = epanechnikov, bandwidth = 0.02

## Section 7: Kernel regressions explaining growth, $G$ , by the initial debt burden, $D$

Figure 7.1. Graphs for total external debt, 5 years and 10 years averages

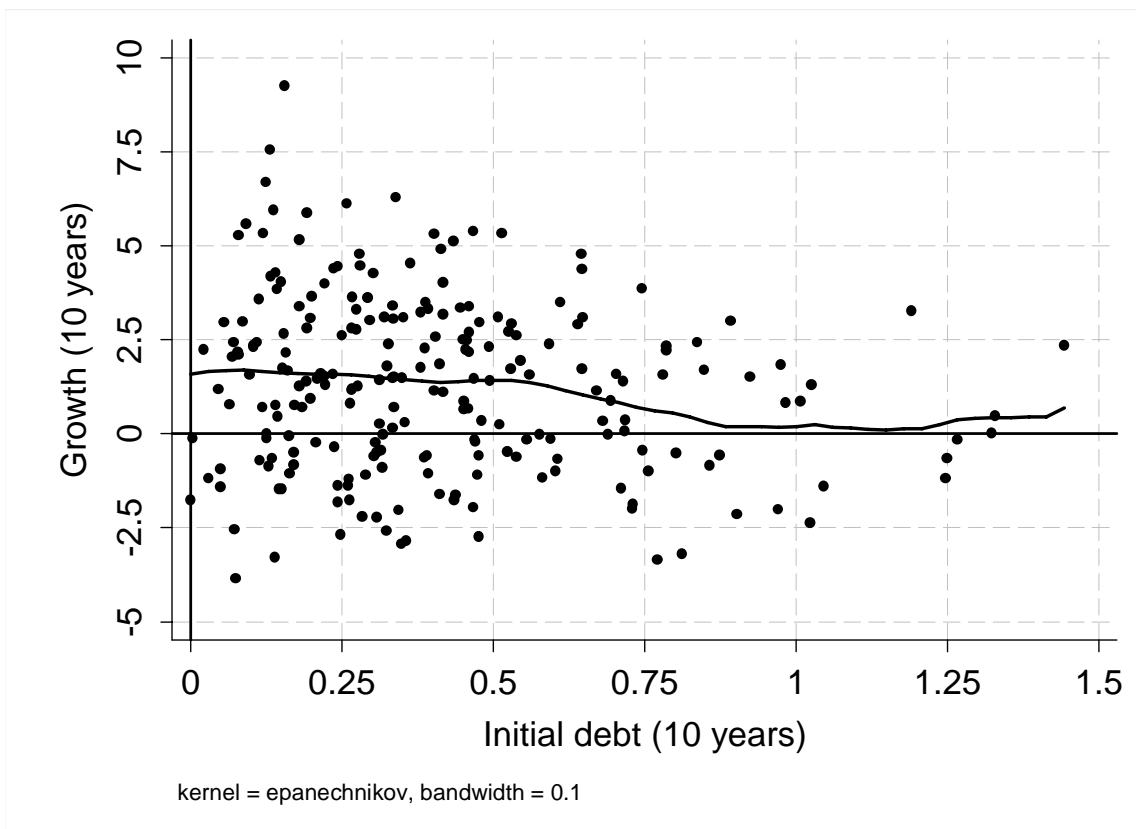
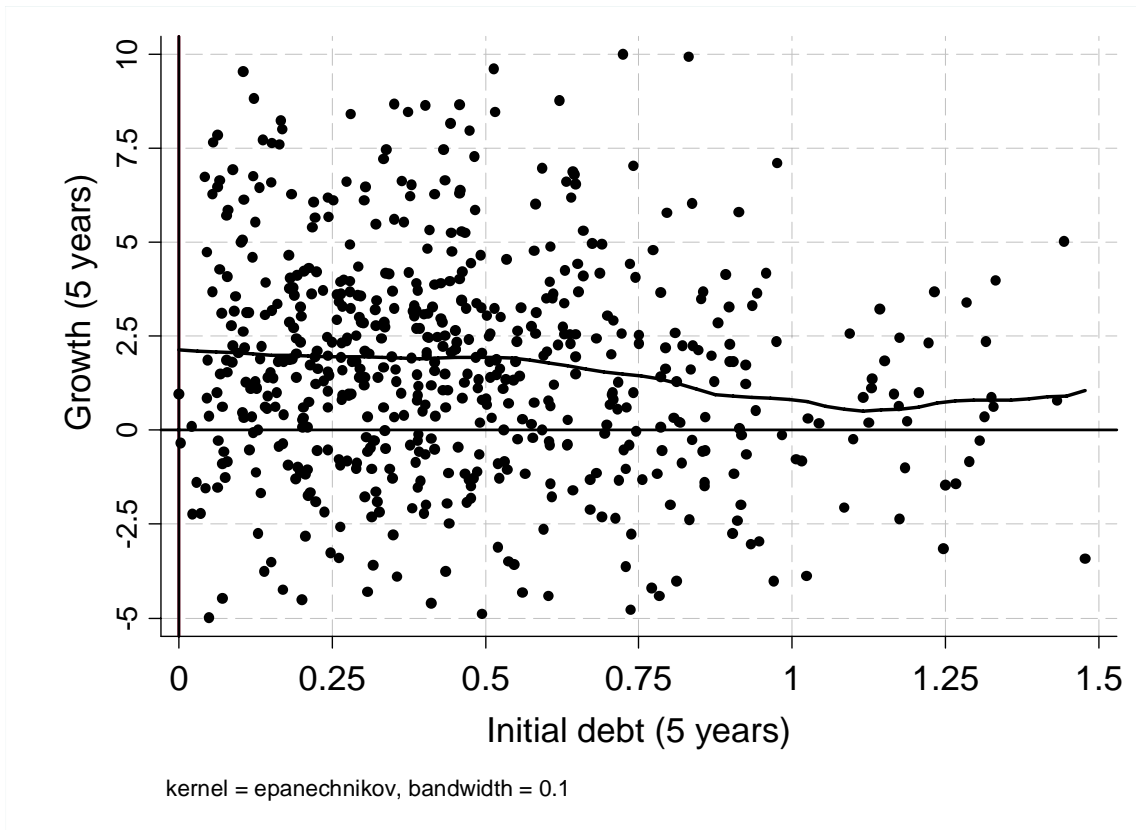
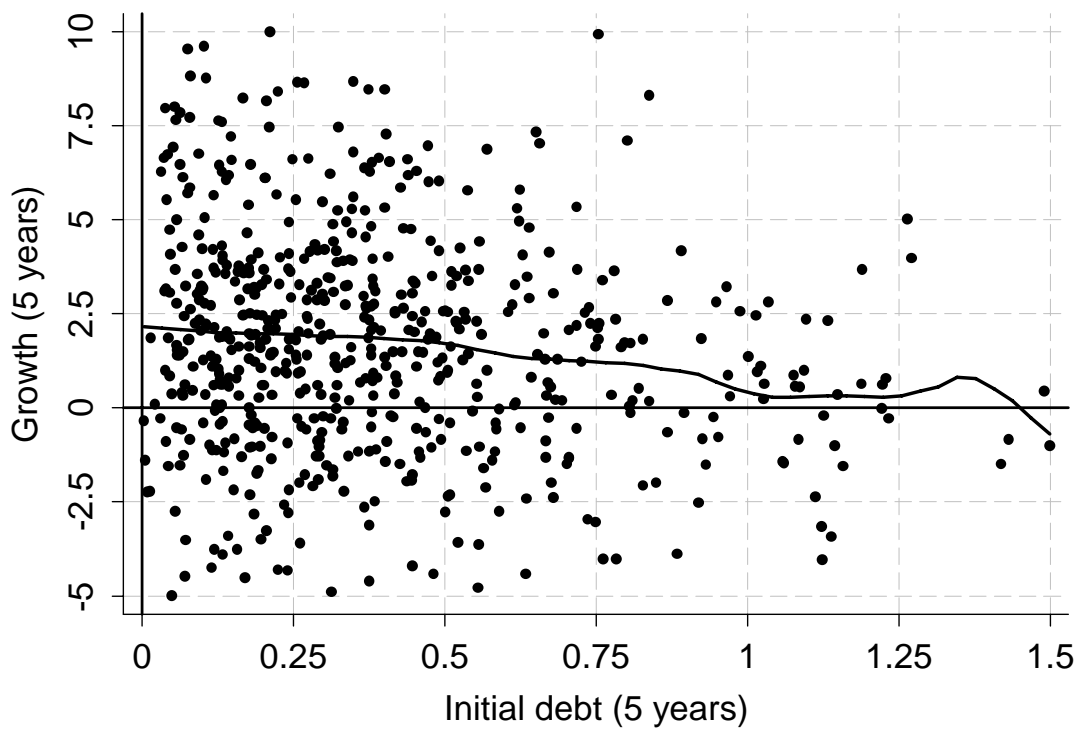
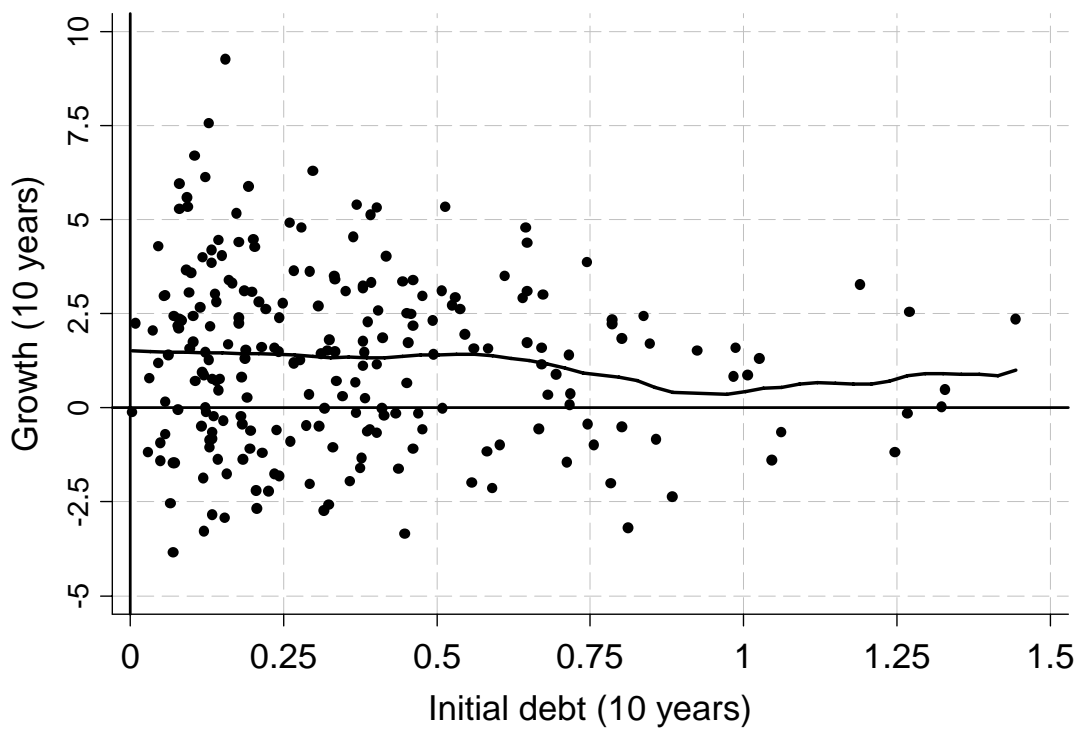


Figure 7.2 Graphs for public debt, 5 years and 10 years averages

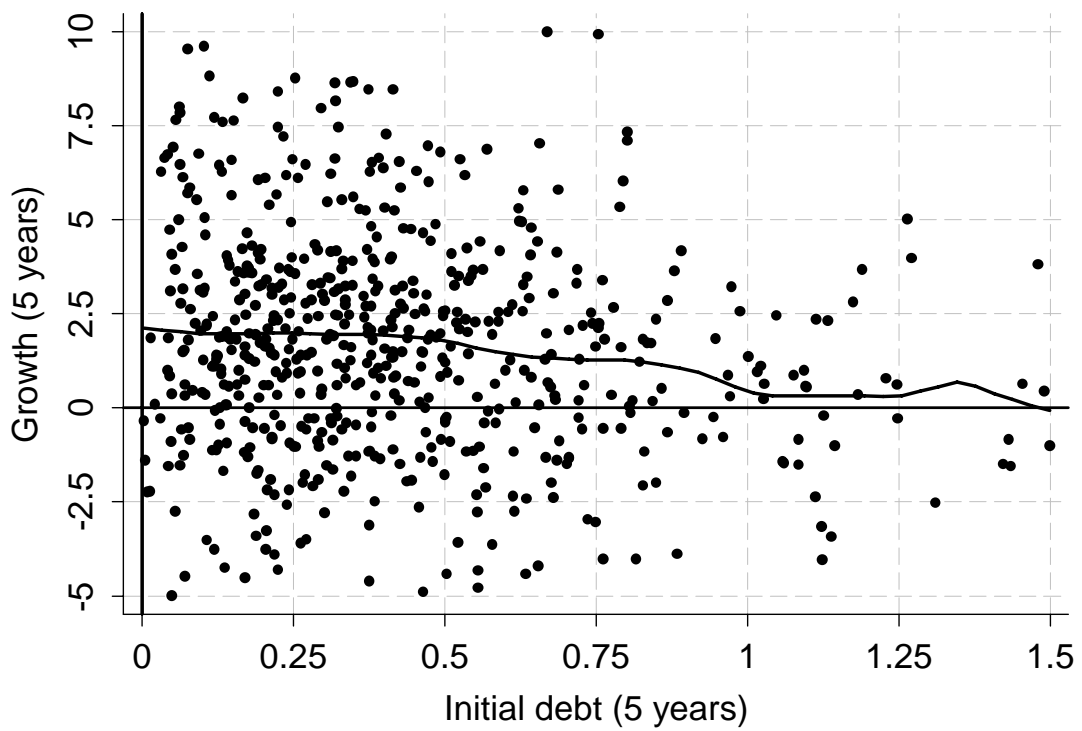


kernel = epanechnikov, bandwidth = 0.1

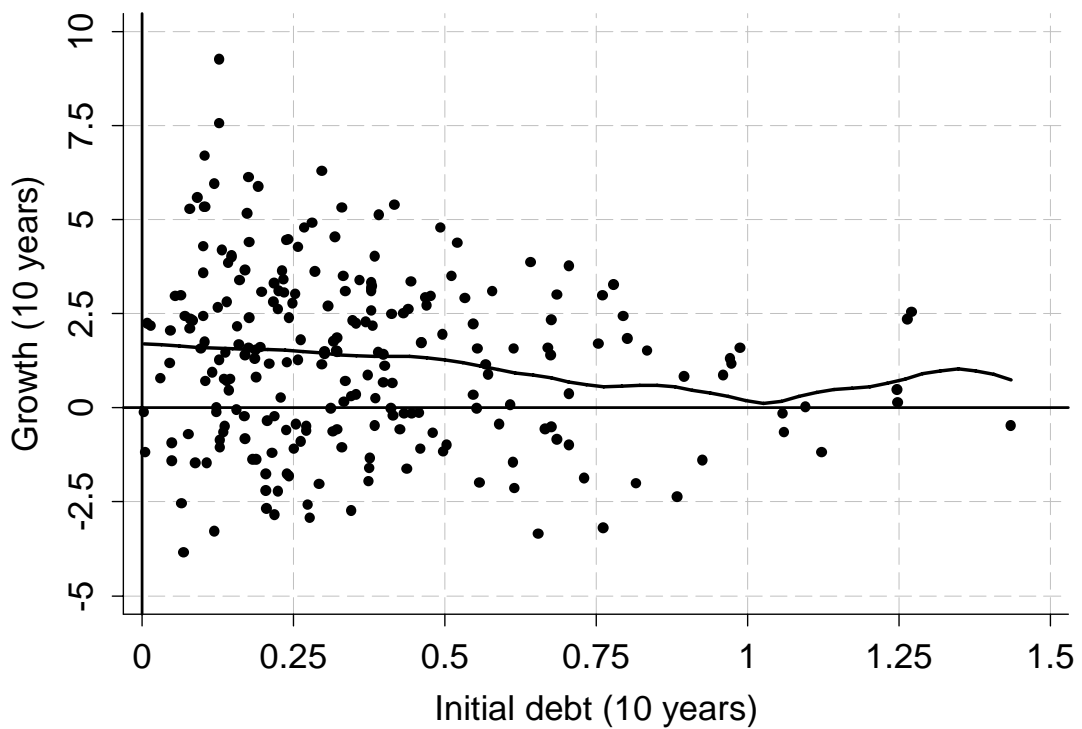


kernel = epanechnikov, bandwidth = 0.1

Figure 7.3. Graphs for long debt, 5 years and 10 years averages

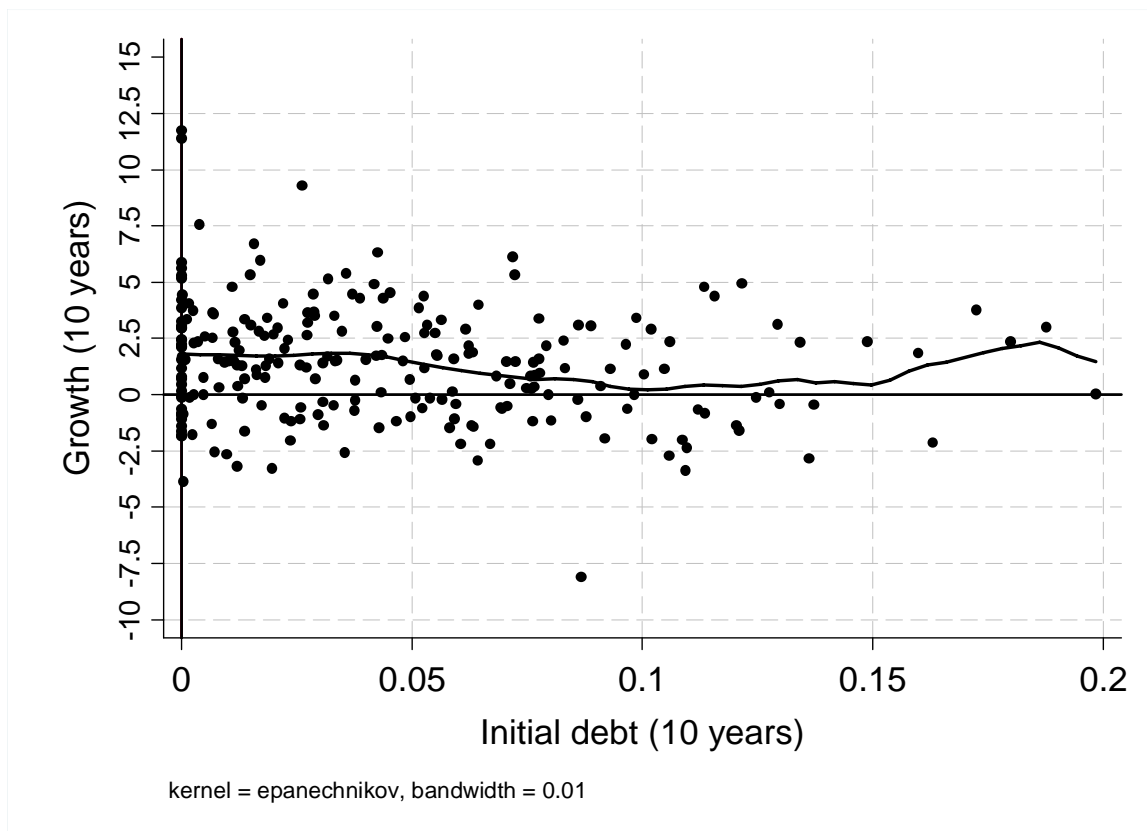
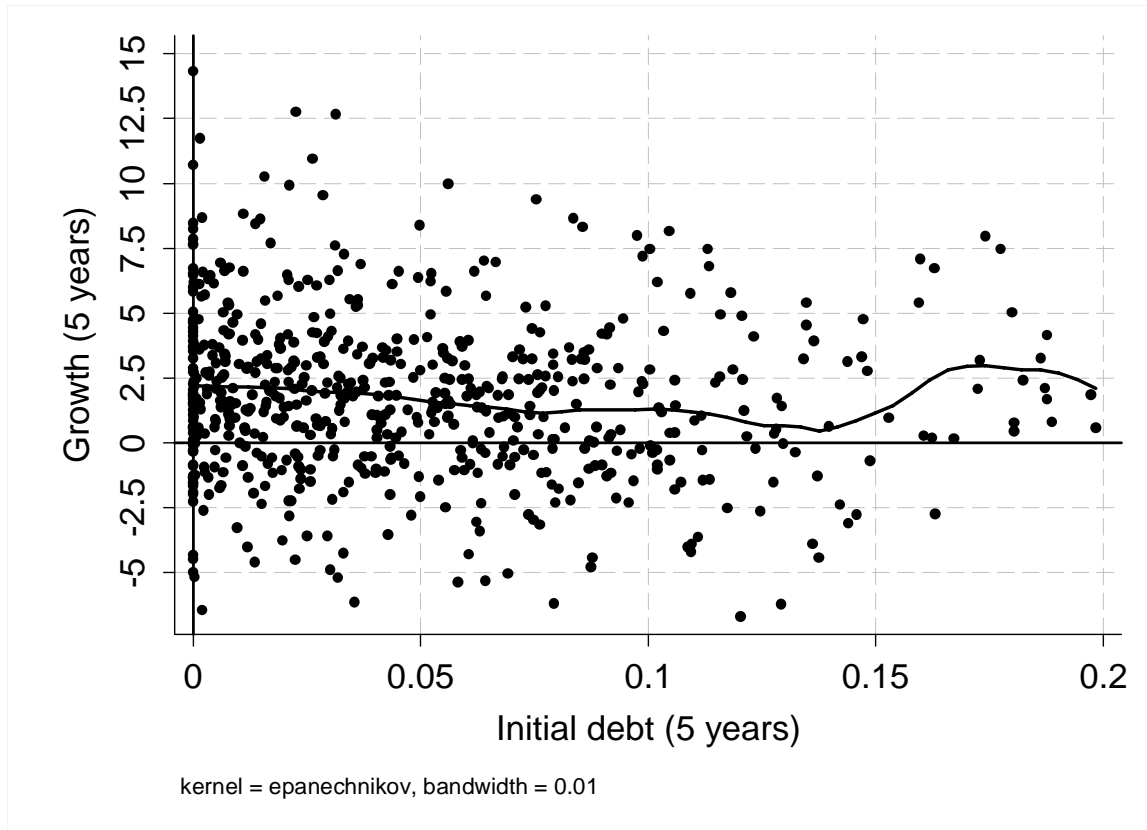


kernel = epanechnikov, bandwidth = 0.1



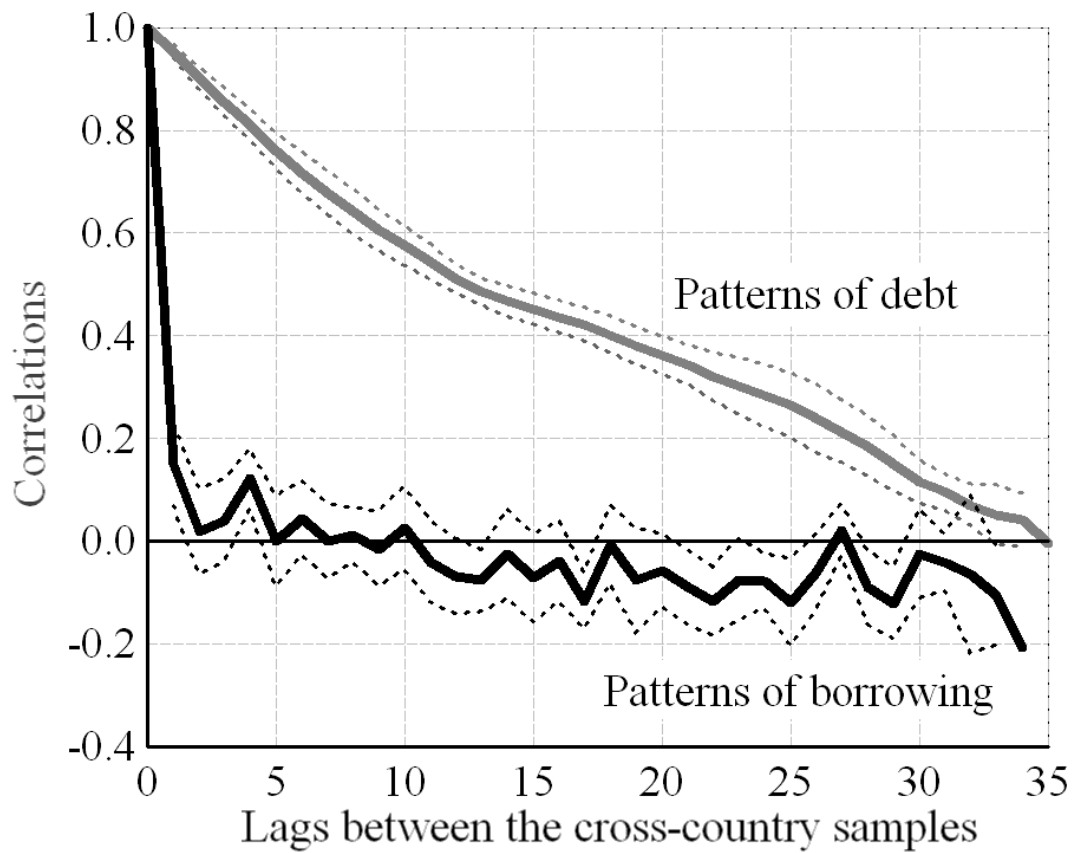
kernel = epanechnikov, bandwidth = 0.1

Figure 7.4 Graphs for short debt, 5 years and 10 years averages



## Section 8: Cross country autocorrelation functions:

In  $D_T$  and  $\Delta D_T$



Calculated as Figure 3 in main paper, but for the autocorrelations. Note that it is not the usual autocorrelation, but the cross-country autocorrelation.