

Appendix

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. xtabond LFDI GDP LLBF TDS LTOPEN TAX, lags(1) artests(2)

Arellano-Bond dynamic panel-data estimation      Number of obs      =          75
Group variable: code                            Number of groups   =           5
Time variable: time

Obs per group:
    min =          15
    avg  =          15
    max  =          15

Number of instruments =          70                Wald chi2(6)       =          132.80
                                                    Prob > chi2        =           0.0000
```

One-step results

	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]	
LFDI						
L1.	.0882391	.0290196	3.04	0.002	.0313618	.1451164
GDP	.0795916	.031439	2.53	0.011	.0179724	.1412109
LLBF	7.634198	1.130795	6.75	0.000	5.417881	9.850516
TDS	-.0140943	.0276094	-0.51	0.610	-.0682078	.0400192
LTOPEN	1.326191	.5103355	2.60	0.009	.325952	2.32643
TAX	-.1057076	.0312519	-3.38	0.001	-.1669602	-.0444549
_cons	-103.5562	18.51892	-5.59	0.000	-139.8526	-67.2598

Instruments for differenced equation

GMM-type: L(2/.)LFDI

Standard: D.GDP D.LLBF D.TDS D.LTOPEN D.TAX

Instruments for level equation

Standard: _cons

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artests not computed for one-step system estimator with vce(gmm)

E(198):

. estat sargan

Sargan test of overidentifying restrictions

H0: overidentifying restrictions are valid

chi2(63) = 81.64477

Prob > chi2 = 0.0572

Arellano-Bond test for zero autocorrelation in first-differenced errors

Order	z	Prob > z
1	-1.9361	0.0529
2	.41143	0.6808

H0: no autocorrelation