

Table 1: Investment to GDP (3SLS Estimates)

	Dependent Variable: INVEST (Investment Share of Real per capita GDP, %)									
INVEST t-1	0.8197*** (0.0119)	0.8053*** (0.0127)	0.8174*** (0.0118)	0.8012*** (0.0126)	0.8173*** (0.0118)	0.8018*** (0.0126)	0.7254*** (0.0164)	0.6899*** (0.0181)	0.8049*** (0.0123)	0.7887*** (0.0129)
Trade/GDP (%)	0.0098*** (0.0033)	0.0136*** (0.0035)	0.0104*** (0.0033)	0.0149*** (0.0035)	0.0108*** (0.0033)	0.0150*** (0.0035)	0.0186*** (0.0043)	0.0208*** (0.0044)	0.0081** (0.0032)	0.0126*** (0.0035)
Real GDP (US\$Billion)	0.1163 (0.2094)	0.1861 (0.2073)	0.1317 (0.2097)	0.2017 (0.2075)	0.1338 (0.2097)	0.2013 (0.2075)	0.3874 (0.3328)	0.5207 (0.3288)	0.1313 (0.2047)	0.2112 (0.2027)
Ln GDP Cap.	-0.6589*** (0.2071)	-0.2095 (0.2357)	-0.7552*** (0.2073)	-0.2620 (0.2365)	-0.7801*** (0.2061)	-0.2885 (0.2362)	-0.9192*** (0.3249)	-0.0685 (0.3421)	-0.668*** (0.2018)	-0.2131 (0.2226)
Population (Millions)	0.0019 (0.0019)	0.0031* (0.0019)	0.0021 (0.0019)	0.0033* (0.0019)	0.0024 (0.0019)	0.0035* (0.0019)	-0.0026 (0.0037)	0.0005 (0.0036)	0.0023 (0.0019)	0.0037** (0.0018)
Parcomp	-0.2338*** (0.0623)	-0.1552** (0.0671)								
Parcomp t-1			-0.2182*** (0.0628)	-0.1468** (0.0671)						
Regime t-1					-0.0446*** (0.0122)	-0.0285** (0.0133)				
Not-Free t-1							0.7949*** (0.2790)	0.4803* (0.2779)		
ID t-1									-0.0169** (0.0084)	-0.0074 (0.0089)
Constant	10.2869*** (1.8950)	4.9573** (2.3361)	11.0973*** (1.9002)	4.8644** (2.3399)	10.6102*** (1.9025)	-- --	13.0723*** (3.0621)	3.3617 (3.3247)	9.6672*** (1.8440)	4.3505** (2.0559)
Observations	2882	2882	2878	2878	2878	2878	2067	2067	2979	2979
Groups	91	91	91	91	91	91	90	90	91	91
R-square	0.9438	0.9461	0.9437	0.9460	0.9437	0.9460	0.9375	0.9401	0.9464	0.9483
Country/Year Dummies	Yes/No	Yes/Yes	Yes/No	Yes/Yes	Yes/No	Yes/Yes	Yes/No	Yes/Yes	Yes/No	Yes/Yes

Standard errors in parentheses

* significant at 10%; ** significant at 5%; *** significant at 1%

Years: 1960-1998

Countries: Albania, Argentina, Australia, Austria, Belgium, Benin, Bolivia, Brazil, Bulgaria, Burkina Faso, Burundi, Cambodia, Cameroon, Canada, Chile, China, Colombia, Congo, Costa Rica, Cuba, Denmark, Dominican Republic, Ecuador, Egypt, El Salvador, Estonia, Ethiopia, Finland, France, Ghana, Greece, Guatemala, Guinea, Haiti, Honduras, Hungary, India, Indonesia, Iran, Ireland, Israel, Italy, Ivory Coast, Jamaica, Japan, Latvia, Lebanon, Lithuania, Malaysia, Mali, Mauritania, Mexico, Morocco, Nepal, Netherlands, New Zealand, Nicaragua, Niger, Nigeria, Norway, Pakistan, Panama, Paraguay, Peru, Philippines, Poland, Portugal, Romania, Russia, Rwanda, Senegal, Sierra Leone, Singapore, South Africa, Spain, Sri Lanka, South Korea, Sweden, Switzerland, Syria, Thailand, Togo, Tunisia, Turkey, United Kingdom, United States, Uruguay, Venezuela, Vietnam, Zaire, Zimbabwe.

Descriptive Statistics:

Variable	Unit	Obs	Mean	Std. Dev.	Min	Max
Invest	%	3106	17.52	9.84	0.97	60.07
Trade/GDP	%	3106	55.09	40.49	4.91	473.86
Real GDP	Constant US\$ Billions	3106	0.23	0.66	0.0005	8.41
Capita GDP	Constant US\$ 1,000	3106	6.39	6.19	0.28	31.09
Population	Million	3106	44.31	134.75	1.01	1238.60
Parcomp		3106	2.98	1.58	0	5
Regime		3106	1.47	7.64	-10	10
ID		3080	13.15	13.48	0	47.11
Free		2184	0.42	0.49	0	1