

Table 6, Column (1): Controlling for Government Expenditures

VEC REPRESENTATION

endogenous variables: govbond_10_real GDP GovExpenditure Inequality
 exogenous variables:
 deterministic variables: CONST TREND
 endogenous lags (diffs): 1
 exogenous lags: 0
 sample range: [1952, 1991], T = 40
 estimation procedure: One stage. Johansen approach

Lagged endogenous term:

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=====
                                d(govbond_10_real)    d(GDP)    d(GovExpenditure)
d(Inequality)
-----
d(govbond_10_real) (t-1) |    0.086    -0.473    0.297    -0.002
                        |    (0.088)   (9.233)   (0.312)   (0.027)
                        |    {0.332}   {0.959}   {0.341}   {0.930}
                        |    [0.971]  [-0.051]  [0.952]  [-0.088]
d(GDP) (t-1) |    -0.002    0.229    0.008    0.000
                        |    (0.001)   (0.124)   (0.004)   (0.000)
                        |    {0.038}   {0.065}   {0.059}   {0.595}
                        |    [-2.075]  [1.846]   [1.885]  [-0.532]
d(GovExpenditure) (t-1) |    -0.181   -23.428    0.623    0.000
                        |    (0.047)   (4.955)   (0.168)   (0.015)
                        |    {0.000}   {0.000}   {0.000}   {0.982}
                        |    [-3.808]  [-4.729]  [3.714]   [0.022]
d(Inequality) (t-1) |    -0.360   -48.594    4.765    0.423
                        |    (0.535)  (55.810)  (1.888)   (0.165)
                        |    {0.501}   {0.384}   {0.012}   {0.010}
                        |    [-0.673]  [-0.871]  [2.524]  [2.560]
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Loading coefficients:

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=====
                                d(govbond_10_real)    d(GDP)    d(GovExpenditure)    d(Inequality)
-----
ec1(t-1) |    -0.749    -1.188    -0.440    0.025
          |    (0.115)  (12.018)  (0.407)  (0.036)
          |    {0.000}   {0.921}   {0.279}   {0.484}
          |    [-6.506]  [-0.099]  [-1.082]  [0.700]
ec2(t-1) |    -0.001    -0.302    -0.003    0.001
          |    (0.000)   (0.050)   (0.002)   (0.000)
          |    {0.087}   {0.000}   {0.132}   {0.000}
          |    [-1.712]  [-6.051]  [-1.507]  [3.633]
ec3(t-1) |    0.050     -3.391    -0.014    0.023
          |    (0.017)   (1.761)   (0.060)   (0.005)
          |    {0.003}   {0.054}   {0.820}   {0.000}
          |    [2.958]  [-1.925]  [-0.228]  [4.485]
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Estimated cointegration relation(s):

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=====
                                ec1(t-1)  ec2(t-1)  ec3(t-1)
-----
govbond_10_real(t-1) |    1.000    0.000    0.000
                    |   (0.000)   (0.000)   (0.000)
                    |  {0.000}   {0.000}   {0.000}
                    |  [0.000]   [0.000]   [0.000]
GDP (t-1)           |    0.000    1.000    0.000
                    |   (0.000)   (0.000)   (0.000)
                    |  {0.000}   {0.000}   {0.000}
                    |  [0.000]   [0.000]   [0.000]
GovExpenditure (t-1) |    0.000    0.000    1.000
                    |   (0.000)   (0.000)   (0.000)
                    |  {0.000}   {0.000}   {0.000}
                    |  [0.000]   [0.000]   [0.000]
Inequality (t-1)   |   -0.691   -40.391   -27.100
                    |   (0.291)  (87.606)   (3.220)
                    |  {0.018}   {0.645}   {0.000}
                    | [-2.376]  [-0.461]  [-8.416]
CONST              |   17.461  -4809.422   741.328
                    |   (7.846) (2363.809) (86.891)
                    |  {0.026}   {0.042}   {0.000}
                    |  [2.225]  [-2.035]   [8.532]
TREND(t-1)         |   -0.181  -390.670   -12.075
                    |   (0.127)  (38.236)   (1.406)
                    |  {0.153}   {0.000}   {0.000}
                    | [-1.429] [-10.217]  [-8.591]
-----

```

VAR REPRESENTATION

modulus of the eigenvalues of the reverse characteristic polynomial:
 $|z| = (\begin{matrix} 2.2854 & 2.2854 & 1.5927 & 1.5927 & 1.6973 & 1.6973 \\ 0.9838 & 1.0000 & & & & \end{matrix})$

Legend:

```

=====
                                Equation 1  Equation 2  ...
-----
Variable 1 | Coefficient          ...
            | (Std. Dev.)
            | {p - Value}
            | [t - Value]
Variable 2 | ...
...
-----

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Lagged endogenous term:

```

=====
                                govbond_10_real      GDP  GovExpenditure  Inequality
-----
govbond_10_real(t-1) |      0.336      -1.661      -0.142      0.023
                       |      (0.145)    (15.155)    (0.513)    (0.045)
                       |      {0.021}    {0.913}    {0.781}    {0.616}
                       |      [2.316]    [-0.110]   [-0.278]   [0.502]
GDP                    (t-1) |     -0.003      0.927      0.005      0.000
                       |      (0.001)    (0.134)    (0.005)    (0.000)
                       |      {0.010}    {0.000}    {0.235}    {0.389}
                       |      [-2.564]    [6.923]    [1.187]    [0.861]
GovExpenditure        (t-1) |     -0.131    -26.819      1.609      0.024
                       |      (0.050)    (5.258)    (0.178)    (0.016)
                       |      {0.009}    {0.000}    {0.000}    {0.128}
                       |      [-2.598]   [-5.100]   [9.044]    [1.523]
Inequality            (t-1) |     -1.163     56.325      5.539      0.750
                       |      (0.702)    (73.266)   (2.479)    (0.217)
                       |      {0.098}    {0.442}    {0.025}    {0.001}
                       |      [-1.656]    [0.769]    [2.235]    [3.455]
govbond_10_real(t-2) |     -0.086      0.473      -0.297      0.002
                       |      (0.088)    (9.233)    (0.312)    (0.027)
                       |      {0.332}    {0.959}    {0.341}    {0.930}
                       |      [-0.971]    [0.051]   [-0.952]   [0.088]
GDP                    (t-2) |      0.002     -0.229     -0.008      0.000
                       |      (0.001)    (0.124)    (0.004)    (0.000)
                       |      {0.038}    {0.065}    {0.059}    {0.595}
                       |      [2.075]    [-1.846]   [-1.885]   [0.532]
GovExpenditure        (t-2) |      0.181     23.428     -0.623      0.000
                       |      (0.047)    (4.955)    (0.168)    (0.015)
                       |      {0.000}    {0.000}    {0.000}    {0.982}
                       |      [3.808]    [4.729]   [-3.714]   [-0.022]
Inequality            (t-2) |      0.360     48.594     -4.765     -0.423
                       |      (0.535)    (55.810)   (1.888)    (0.165)
                       |      {0.501}    {0.384}    {0.012}    {0.010}
                       |      [0.673]    [0.871]   [-2.524]   [-2.560]
-----

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Deterministic term:

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=====
                                govbond_10_real      GDP  GovExpenditure  Inequality
-----
CONST      (t) |      27.874  -1080.680     -5.483     15.202
             |      (0.000)   (0.000)    (0.000)    (0.000)
             |      {0.000}   {0.000}   {0.000}   {0.000}
             |      [0.000]   [0.000]   [0.000]   [0.000]
TREND(t-1) (t) |     -0.147    159.244      1.238     -0.497
             |      (0.000)   (0.000)    (0.000)    (0.000)
             |      {0.000}   {0.000}   {0.000}   {0.000}
             |      [0.000]   [0.000]   [0.000]   [0.000]
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Table 6, column (2): Controlling for Tax Revenues

VEC REPRESENTATION

endogenous variables: govbond_10_real GDP Tax_Revenues Inequality
 exogenous variables:
 deterministic variables: CONST TREND
 endogenous lags (diffs): 1
 exogenous lags: 0
 sample range: [1950, 1991], T = 42
 estimation procedure: One stage. Johansen approach

Lagged endogenous term:

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		d(govbond_10_real)	d(GDP)	d(Tax_Revenues)	d(Inequality)

d(govbond_10_real)	(t-1)	0.159	-4.292	2315.059	-0.013
		(0.150)	(10.708)	(3189.156)	(0.026)
		{0.288}	{0.689}	{0.468}	{0.610}
		[1.062]	[-0.401]	[0.726]	[-0.511]
d(GDP)	(t-1)	0.000	0.160	85.766	0.000
		(0.002)	(0.153)	(45.545)	(0.000)
		{0.903}	{0.296}	{0.060}	{0.653}
		[0.121]	[1.045]	[1.883]	[0.449]
d(Tax_Revenues)	(t-1)	0.000	0.000	0.358	0.000
		(0.000)	(0.001)	(0.173)	(0.000)
		{0.414}	{0.807}	{0.039}	{0.000}
		[0.817]	[0.244]	[2.066]	[-3.987]
d(Inequality)	(t-1)	0.081	25.208	43876.469	-0.019
		(0.803)	(57.413)	(17099.820)	(0.137)
		{0.919}	{0.661}	{0.010}	{0.889}
		[0.101]	[0.439]	[2.566]	[-0.140]

Loading coefficients:

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		d(govbond_10_real)	d(GDP)	d(Tax_Revenues)	d(Inequality)

ec1	(t-1)	-0.879	24.393	-610.777	0.056
		(0.201)	(14.387)	(4285.071)	(0.034)
		{0.000}	{0.090}	{0.887}	{0.100}
		[-4.369]	[1.696]	[-0.143]	[1.644]
ec2	(t-1)	-0.004	-0.159	-3.684	0.000
		(0.001)	(0.054)	(16.073)	(0.000)
		{0.000}	{0.003}	{0.819}	{0.048}
		[-5.497]	[-2.951]	[-0.229]	[1.982]
ec3	(t-1)	0.000	-0.001	-0.105	0.000
		(0.000)	(0.000)	(0.118)	(0.000)
		{0.217}	{0.057}	{0.376}	{0.000}
		[-1.234]	[-1.907]	[-0.886]	[6.520]

Estimated cointegration relation(s):

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=====
                                ec1(t-1)  ec2(t-1)  ec3(t-1)
-----
govbond_10_real(t-1) |    1.000    0.000    0.000
                       | (0.000)   (0.000)   (0.000)
                       | {0.000}   {0.000}   {0.000}
                       | [0.000]   [0.000]   [0.000]
GDP (t-1)             |    0.000    1.000    0.000
                       | (0.000)   (0.000)   (0.000)
                       | {0.000}   {0.000}   {0.000}
                       | [0.000]   [0.000]   [0.000]
Tax_Revenues (t-1)   |    0.000    0.000    1.000
                       | (0.000)   (0.000)   (0.000)
                       | {0.000}   {0.000}   {0.000}
                       | [0.000]   [0.000]   [0.000]
Inequality (t-1)     |   -0.612   166.252  -66519.311
                       | (0.290)   (80.132)  (6248.705)
                       | {0.035}   {0.038}   {0.000}
                       | [-2.109]  [2.075]  [-10.645]
CONST                 |   20.098  -10242.164  1777580.339
                       | (8.143)  (2247.987) (175297.269)
                       | {0.014}   {0.000}   {0.000}
                       | [2.468]  [-4.556]  [10.140]
TREND(t-1)           |   -0.233  -256.204  -31147.450
                       | (0.105)  (29.050)  (2265.299)
                       | {0.027}   {0.000}   {0.000}
                       | [-2.213] [-8.819] [-13.750]
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VAR REPRESENTATION

modulus of the eigenvalues of the reverse characteristic polynomial:
 $|z| = (\begin{matrix} 1.9249 & 1.9249 & 4.8998 & 4.8998 & 1.5462 & 1.5462 \\ 1.1722 & 1.0000 & & & & \end{matrix})$

Legend:

```

=====
                                Equation 1  Equation 2  ...
-----
Variable 1 | Coefficient          ...
            | (Std. Dev.)
            | {p - Value}
            | [t - Value]
Variable 2 | ...
...
-----

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Lagged endogenous term:

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=====
                                govbond_10_real      GDP  Tax_Revenues  Inequality
-----
govbond_10_real(t-1) |      0.280      20.101  1704.282      0.043
                    |      (0.251)    (17.934) (5341.587)    (0.043)
                    |      {0.263}    {0.262}  {0.750}    {0.311}
                    |      [1.118]    [1.121]  [0.319]    [1.014]
GDP      (t-1) |     -0.004      1.001    82.082      0.000
                    |      (0.002)    (0.162)  (48.298)    (0.000)
                    |      {0.086}    {0.000}  {0.089}    {0.279}
                    |     [-1.715]    [6.170]  [1.700]    [1.083]
Tax_Revenues (t-1) |      0.000     -0.001      1.253      0.000
                    |      (0.000)    (0.001)  (0.209)    (0.000)
                    |      {0.983}    {0.383}  {0.000}    {0.703}
                    |     [-0.021]   [-0.873]  [5.981]    [0.381]
Inequality (t-1) |      0.384     34.084  50597.364     0.579
                    |      (0.894)   (63.992) (19059.463)  (0.152)
                    |      {0.667}    {0.594}  {0.008}    {0.000}
                    |     [0.430]    [0.533]  [2.655]    [3.801]
govbond_10_real(t-2) |     -0.159      4.292  -2315.059     0.013
                    |      (0.150)   (10.708) (3189.156)  (0.026)
                    |      {0.288}    {0.689}  {0.468}    {0.610}
                    |     [-1.062]    [0.401]  [-0.726]   [0.511]
GDP      (t-2) |      0.000     -0.160   -85.766      0.000
                    |      (0.002)    (0.153)  (45.545)    (0.000)
                    |      {0.903}    {0.296}  {0.060}    {0.653}
                    |     [-0.121]   [-1.045]  [-1.883]  [-0.449]
Tax_Revenues (t-2) |      0.000      0.000     -0.358      0.000
                    |      (0.000)    (0.001)  (0.173)    (0.000)
                    |      {0.414}    {0.807}  {0.039}    {0.000}
                    |     [-0.817]   [-0.244]  [-2.066]   [3.987]
Inequality (t-2) |     -0.081   -25.208 -43876.469     0.019
                    |      (0.803)   (57.413) (17099.820)  (0.137)
                    |      {0.919}    {0.661}  {0.010}    {0.889}
                    |     [-0.101]   [-0.439]  [-2.566]   [0.140]
-----

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Deterministic term:

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=====
                                govbond_10_real      GDP  Tax_Revenues  Inequality
-----
CONST      (t) |     12.656     777.652 -160522.181     9.467
                    |      (0.000)    (0.000)  (0.000)    (0.000)
                    |      {0.000}    {0.000}  {0.000}    {0.000}
                    |     [0.000]    [0.000]  [0.000]    [0.000]
TREND(t-1) (t) |      1.480     58.666  4344.761     -0.270
                    |      (0.000)    (0.000)  (0.000)    (0.000)
                    |      {0.000}    {0.000}  {0.000}    {0.000}
                    |     [0.000]    [0.000]  [0.000]    [0.000]
-----

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Table 6, Column (3): Controlling For Trade Openness

VEC REPRESENTATION

endogenous variables: govbond_10_real GDP Openess Inequality
 exogenous variables:
 deterministic variables: CONST TREND
 endogenous lags (diffs): 1
 exogenous lags: 0
 sample range: [1952, 1991], T = 40
 estimation procedure: One stage. Johansen approach

Lagged endogenous term:

=====

		d(govbond_10_real)	d(GDP)	d(Openess)
d(Inequality)				

--				
d(govbond_10_real)	(t-1)	-0.094	-6.851	0.001
		(0.104)	(11.684)	(0.002)
		{0.362}	{0.558}	{0.557}
		[-0.911]	[-0.586]	[0.588]
d(GDP)	(t-1)	-0.001	0.186	0.000
		(0.001)	(0.151)	(0.000)
		{0.613}	{0.218}	{0.664}
		[-0.506]	[1.232]	[-0.434]
d(Openess)	(t-1)	-23.691	94.595	0.019
		(6.682)	(752.637)	(0.159)
		{0.000}	{0.900}	{0.903}
		[-3.545]	[0.126]	[0.121]
d(Inequality)	(t-1)	-0.156	49.749	-0.009
		(0.551)	(62.008)	(0.013)
		{0.776}	{0.422}	{0.471}
		[-0.284]	[0.802]	[-0.721]

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Loading coefficients:

=====

		d(govbond_10_real)	d(GDP)	d(Openess)	d(Inequality)

ec1	(t-1)	-0.471	31.186	0.004	0.072
		(0.126)	(14.174)	(0.003)	(0.039)
		{0.000}	{0.028}	{0.198}	{0.066}
		[-3.743]	[2.200]	[1.286]	[1.838]
ec2	(t-1)	-0.002	-0.174	0.000	0.000
		(0.000)	(0.044)	(0.000)	(0.000)
		{0.000}	{0.000}	{0.590}	{0.000}
		[-4.436]	[-3.915]	[0.539]	[3.650]
ec3	(t-1)	11.449	331.854	-0.162	2.419
		(4.248)	(478.501)	(0.101)	(1.319)
		{0.007}	{0.488}	{0.111}	{0.067}
		[2.695]	[0.694]	[-1.594]	[1.834]

Estimated cointegration relation(s):

```

=====
                                ec1(t-1)  ec2(t-1)  ec3(t-1)
-----
govbond_10_real(t-1) |      1.000      0.000      0.000
                       |      (0.000)      (0.000)      (0.000)
                       |      {0.000}      {0.000}      {0.000}
                       |      [0.000]      [0.000]      [0.000]
GDP                    (t-1) |      0.000      1.000      0.000
                       |      (0.000)      (0.000)      (0.000)
                       |      {0.000}      {0.000}      {0.000}
                       |      [0.000]      [0.000]      [0.000]
Openess                (t-1) |      0.000      0.000      1.000
                       |      (0.000)      (0.000)      (0.000)
                       |      {0.000}      {0.000}      {0.000}
                       |      [0.000]      [0.000]      [0.000]
Inequality              (t-1) |     -0.589     205.657      0.001
                       |      (0.233)     (71.885)      (0.012)
                       |      {0.011}      {0.004}      {0.929}
                       |     [-2.530]      [2.861]      [0.089]
CONST                   |      17.365    -12654.675      -0.469
                       |      (6.239)   (1925.649)      (0.321)
                       |      {0.005}      {0.000}      {0.144}
                       |      [2.783]     [-6.572]     [-1.460]
TREND(t-1)              |     -0.216    -206.622      -0.003
                       |      (0.076)     (23.584)      (0.004)
                       |      {0.005}      {0.000}      {0.492}
                       |     [-2.823]     [-8.761]     [-0.688]
-----

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VAR REPRESENTATION

modulus of the eigenvalues of the reverse characteristic polynomial:
 $|z| = (3.6765 \quad 3.6765 \quad 1.0000 \quad 1.2593 \quad 1.2593 \quad 9.1598$
 $8.8455 \quad 1.3035 \quad)$

Legend:

```

=====
                                Equation 1  Equation 2  ...
-----
Variable 1 | Coefficient          ...
           | (Std. Dev.)
           | {p - Value}
           | [t - Value]
Variable 2 | ...
...
-----

```


Lagged endogenous term:

```

=====
                                govbond_10_real      GDP      Openess      Inequality
-----
govbond_10_real(t-1) |      0.435      24.335      0.005      0.055
                       |      (0.163)     (18.369)     (0.004)     (0.051)
                       |      {0.008}     {0.185}     {0.172}     {0.281}
                       |      [2.665]     [1.325]     [1.366]     [1.078]
GDP                    (t-1) |     -0.002      1.013      0.000      0.000
                       |      (0.001)     (0.158)     (0.000)     (0.000)
                       |      {0.083}     {0.000}     {0.791}     {0.426}
                       |      [-1.732]     [6.421]     [-0.265]     [0.796]
Openess                (t-1) |     -12.242     426.449      0.858     -0.104
                       |      (7.918)    (891.866)     (0.189)     (2.459)
                       |      {0.122}     {0.633}     {0.000}     {0.966}
                       |      [-1.546]     [0.478]     [4.540]     [-0.042]
Inequality             (t-1) |     -0.226     -3.955     -0.011      0.961
                       |      (0.558)     (62.831)     (0.013)     (0.173)
                       |      {0.686}     {0.950}     {0.414}     {0.000}
                       |      [-0.404]     [-0.063]     [-0.817]     [5.546]
govbond_10_real(t-2) |      0.094      6.851     -0.001      0.017
                       |      (0.104)     (11.684)     (0.002)     (0.032)
                       |      {0.362}     {0.558}     {0.557}     {0.593}
                       |      [0.911]     [0.586]     [-0.588]     [0.535]
GDP                    (t-2) |      0.001     -0.186      0.000      0.000
                       |      (0.001)     (0.151)     (0.000)     (0.000)
                       |      {0.613}     {0.218}     {0.664}     {0.811}
                       |      [0.506]     [-1.232]     [0.434]     [0.240]
Openess                (t-2) |     23.691     -94.595     -0.019      2.523
                       |      (6.682)    (752.637)     (0.159)     (2.075)
                       |      {0.000}     {0.900}     {0.903}     {0.224}
                       |      [3.545]     [-0.126]     [-0.121]     [1.216]
Inequality             (t-2) |      0.156     -49.749      0.009      0.091
                       |      (0.551)     (62.008)     (0.013)     (0.171)
                       |      {0.776}     {0.422}     {0.471}     {0.594}
                       |      [0.284]     [-0.802]     [0.721]     [0.533]
-----

```

Deterministic term:

```

=====
                                govbond_10_real      GDP      Openess      Inequality
-----
CONST      (t) |      8.538     2581.522      0.079     -5.534
            |      (0.000)     (0.000)     (0.000)     (0.000)
            |      {0.000}     {0.000}     {0.000}     {0.000}
            |      [0.000]     [0.000]     [0.000]     [0.000]
TREND(t-1) (t) |      0.431      28.226     -0.001     -0.114
            |      (0.000)     (0.000)     (0.000)     (0.000)
            |      {0.000}     {0.000}     {0.000}     {0.000}
            |      [0.000]     [0.000]     [0.000]     [0.000]
-----

```

Table 6, Column (4): Controlling for High-School Education

VEC REPRESENTATION

endogenous variables: govbond_10_real GDP Secondary_Enrolment Inequality
 exogenous variables:
 deterministic variables: CONST TREND
 endogenous lags (diffs): 1
 exogenous lags: 0
 sample range: [1952, 1991], T = 40
 estimation procedure: One stage. Johansen approach

Lagged endogenous term:

=====

		d(govbond_10_real)	d(GDP)	d(Secondary_Enrolment)	d(Inequality)
d(govbond_10_real)	(t-1)	0.094	-4.357	-0.626	-0.009
		(0.101)	(11.148)	(0.788)	(0.028)
		{0.352}	{0.696}	{0.427}	{0.758}
		[0.931]	[-0.391]	[-0.794]	[-0.308]
d(GDP)	(t-1)	0.000	0.287	-0.016	0.000
		(0.001)	(0.129)	(0.009)	(0.000)
		{0.842}	{0.026}	{0.078}	{0.291}
		[-0.200]	[2.225]	[-1.763]	[1.056]
d(Secondary_Enrolment)	(t-1)	-0.056	-1.472	0.037	0.002
		(0.021)	(2.311)	(0.163)	(0.006)
		{0.007}	{0.524}	{0.819}	{0.732}
		[-2.707]	[-0.637]	[0.229]	[0.343]
d(Inequality)	(t-1)	-0.433	68.917	-4.483	0.065
		(0.493)	(54.692)	(3.868)	(0.140)
		{0.380}	{0.208}	{0.246}	{0.640}
		[-0.878]	[1.260]	[-1.159]	[0.468]

Loading coefficients:

=====

		d(govbond_10_real)	d(GDP)	d(Secondary_Enrolment)	d(Inequality)
ec1(t-1)		-0.683	22.435	-0.041	0.048
		(0.127)	(14.033)	(0.992)	(0.036)
		{0.000}	{0.110}	{0.967}	{0.178}
		[-5.399]	[1.599]	[-0.041]	[1.348]
ec2(t-1)		-0.004	-0.225	-0.024	0.000
		(0.001)	(0.071)	(0.005)	(0.000)
		{0.000}	{0.002}	{0.000}	{0.067}
		[-5.603]	[-3.166]	[-4.731]	[1.833]
ec3(t-1)		0.011	0.294	-0.001	-0.008
		(0.008)	(0.914)	(0.065)	(0.002)
		{0.167}	{0.748}	{0.987}	{0.000}
		[1.383]	[0.322]	[-0.016]	[-3.588]

Estimated cointegration relation(s):

```

=====
                                ec1(t-1)  ec2(t-1)  ec3(t-1)
-----
govbond_10_real  (t-1) |    1.000    0.000    0.000
                  |    (0.000)  (0.000)  (0.000)
                  |    {0.000}  {0.000}  {0.000}
                  |    [0.000]  [0.000]  [0.000]
GDP              (t-1) |    0.000    1.000    0.000
                  |    (0.000)  (0.000)  (0.000)
                  |    {0.000}  {0.000}  {0.000}
                  |    [0.000]  [0.000]  [0.000]
Secondary_Enrolment(t-1) |    0.000    0.000    1.000
                  |    (0.000)  (0.000)  (0.000)
                  |    {0.000}  {0.000}  {0.000}
                  |    [0.000]  [0.000]  [0.000]
Inequality       (t-1) |   -0.837   158.381   30.124
                  |    (0.277)  (38.280)   (6.490)
                  |    {0.002}  {0.000}  {0.000}
                  |   [-3.028]  [4.137]  [4.641]
CONST            |    25.085  -11116.502  -918.637
                  |    (7.597) (1051.700) (178.314)
                  |    {0.001}  {0.000}  {0.000}
                  |    [3.302] [-10.570] [-5.152]
TREND(t-1)      |   -0.341  -228.397   -9.796
                  |    (0.096)  (13.330)   (2.260)
                  |    {0.000}  {0.000}  {0.000}
                  |   [-3.541] [-17.134] [-4.334]
-----

```

VAR REPRESENTATION

modulus of the eigenvalues of the reverse characteristic polynomial:
 $|z| = (\begin{matrix} 4.9822 & 2.1691 & 2.1691 & 1.5202 & 1.5202 & 1.0000 \\ 1.1842 & 22.8021 & & & & \end{matrix})$

Legend:

```

=====
                                Equation 1  Equation 2  ...
-----
Variable 1 | Coefficient          ...
            | (Std. Dev.)
            | {p - Value}
            | [t - Value]
Variable 2 |          ...
...
-----

```

Lagged endogenous term:

=====

govbond_10_real GDP Secondary_Enrolment
 Inequality

govbond_10_real	(t-1)		0.410	18.077	-0.667	0.040
			(0.162)	(17.922)	(1.267)	(0.046)
			{0.011}	{0.313}	{0.599}	{0.388}
			[2.538]	[1.009]	[-0.526]	[0.864]
GDP	(t-1)		-0.004	1.062	-0.040	0.001
			(0.001)	(0.147)	(0.010)	(0.000)
			{0.004}	{0.000}	{0.000}	{0.070}
			[-2.881]	[7.203]	[-3.828]	[1.810]
Secondary_Enrolment	(t-1)		-0.045	-1.178	1.036	-0.006
			(0.022)	(2.485)	(0.176)	(0.006)
			{0.045}	{0.635}	{0.000}	{0.317}
			[-2.009]	[-0.474]	[5.898]	[-1.000]
Inequality	(t-1)		-0.088	23.297	-8.253	0.826
			(0.571)	(63.343)	(4.479)	(0.162)
			{0.878}	{0.713}	{0.065}	{0.000}
			[-0.153]	[0.368]	[-1.842]	[5.103]
govbond_10_real	(t-2)		-0.094	4.357	0.626	0.009
			(0.101)	(11.148)	(0.788)	(0.028)
			{0.352}	{0.696}	{0.427}	{0.758}
			[-0.931]	[0.391]	[0.794]	[0.308]
GDP	(t-2)		0.000	-0.287	0.016	0.000
			(0.001)	(0.129)	(0.009)	(0.000)
			{0.842}	{0.026}	{0.078}	{0.291}
			[0.200]	[-2.225]	[1.763]	[-1.056]
Secondary_Enrolment	(t-2)		0.056	1.472	-0.037	-0.002
			(0.021)	(2.311)	(0.163)	(0.006)
			{0.007}	{0.524}	{0.819}	{0.732}
			[2.707]	[0.637]	[-0.229]	[-0.343]
Inequality	(t-2)		0.433	-68.917	4.483	-0.065
			(0.493)	(54.692)	(3.868)	(0.140)
			{0.380}	{0.208}	{0.246}	{0.640}
			[0.878]	[-1.260]	[1.159]	[-0.468]

Deterministic term:

=====

govbond_10_real GDP Secondary_Enrolment Inequality

CONST	(t)		12.377	2798.226	264.701	5.198
			(0.000)	(0.000)	(0.000)	(0.000)
			{0.000}	{0.000}	{0.000}	{0.000}
			[0.000]	[0.000]	[0.000]	[0.000]
TREND(t-1)	(t)		0.943	40.950	5.464	-0.011
			(0.000)	(0.000)	(0.000)	(0.000)
			{0.000}	{0.000}	{0.000}	{0.000}
			[0.000]	[0.000]	[0.000]	[0.000]

Table 6, Column (5): Controlling for University Education

VEC REPRESENTATION

endogenous variables: govbond_10_real GDP University_Enrolment Inequality
 exogenous variables:
 deterministic variables: CONST TREND
 endogenous lags (diffs): 1
 exogenous lags: 0
 sample range: [1952, 1991], T = 40
 estimation procedure: One stage. Johansen approach

Lagged endogenous term:

=====

		d(govbond_10_real)	d(GDP)	d(University_Enrolment)	d(Inequality)
d(govbond_10_real)	(t-1)	0.057	-6.290	0.364	0.005
		(0.109)	(10.980)	(0.250)	(0.032)
		{0.603}	{0.567}	{0.146}	{0.865}
		[0.520]	[-0.573]	[1.455]	[0.170]
d(GDP)	(t-1)	-0.001	0.284	-0.010	0.000
		(0.001)	(0.136)	(0.003)	(0.000)
		{0.610}	{0.037}	{0.001}	{0.620}
		[-0.509]	[2.090]	[-3.227]	[0.495]
d(University_Enrolment)	(t-1)	-0.049	-3.451	0.725	0.010
		(0.035)	(3.522)	(0.080)	(0.010)
		{0.161}	{0.327}	{0.000}	{0.312}
		[-1.402]	[-0.980]	[9.035]	[1.012]
d(Inequality)	(t-1)	0.364	105.793	-0.413	-0.005
		(0.599)	(60.251)	(1.372)	(0.176)
		{0.543}	{0.079}	{0.763}	{0.978}
		[0.608]	[1.756]	[-0.301]	[-0.027]

Loading coefficients:

=====

		d(govbond_10_real)	d(GDP)	d(University_Enrolment)	d(Inequality)
ec1	(t-1)	-0.601	24.329	-0.318	0.046
		(0.135)	(13.571)	(0.309)	(0.040)
		{0.000}	{0.073}	{0.304}	{0.248}
		[-4.453]	[1.793]	[-1.028]	[1.156]
ec2	(t-1)	-0.002	-0.197	0.002	0.000
		(0.001)	(0.053)	(0.001)	(0.000)
		{0.000}	{0.000}	{0.105}	{0.003}
		[-3.779]	[-3.743]	[1.623]	[2.970]
ec3	(t-1)	-0.002	0.401	-0.188	-0.001
		(0.013)	(1.345)	(0.031)	(0.004)
		{0.860}	{0.766}	{0.000}	{0.844}
		[-0.176]	[0.298]	[-6.142]	[-0.197]

Estimated cointegration relation(s):

```

=====
                                ec1(t-1)  ec2(t-1)  ec3(t-1)
-----
govbond_10_real    (t-1) |    1.000    0.000    0.000
                   |    (0.000)   (0.000)   (0.000)
                   |    {0.000}   {0.000}   {0.000}
                   |    [0.000]   [0.000]   [0.000]
GDP                (t-1) |    0.000    1.000    0.000
                   |    (0.000)   (0.000)   (0.000)
                   |    {0.000}   {0.000}   {0.000}
                   |    [0.000]   [0.000]   [0.000]
University_Enrolment(t-1) |    0.000    0.000    1.000
                   |    (0.000)   (0.000)   (0.000)
                   |    {0.000}   {0.000}   {0.000}
                   |    [0.000]   [0.000]   [0.000]
Inequality         (t-1) |   -0.779   281.377   12.937
                   |    (0.294)  (78.461)  (2.921)
                   |    {0.008}   {0.000}   {0.000}
                   |   [-2.652]  [3.586]  [4.429]
CONST              |    22.223  -14656.116  -360.777
                   |    (8.073) (2157.372) (80.321)
                   |    {0.006}   {0.000}   {0.000}
                   |    [2.753]  [-6.794]  [-4.492]
TREND(t-1)        |   -0.283  -188.655   -3.171
                   |    (0.096)  (25.664)  (0.955)
                   |    {0.003}   {0.000}   {0.001}
                   |   [-2.944]  [-7.351]  [-3.319]
-----

```

VAR REPRESENTATION

modulus of the eigenvalues of the reverse characteristic polynomial:
 $|z| = (\begin{matrix} 1.0872 & 1.0872 & 1.0000 & 7.3737 & 2.1767 & 2.1767 \\ 1.4637 & 6.6610 & & & & \end{matrix})$

Legend:

```

=====
                                Equation 1  Equation 2  ...
-----
Variable 1 | Coefficient          ...
           | (Std. Dev.)
           | {p - Value}
           | [t - Value]
Variable 2 | ...
...
-----

```

Lagged endogenous term:

=====

		govbond_10_real	GDP	University_Enrolment	Inequality
govbond_10_real	(t-1)	0.456 (0.174) {0.009}	18.039 (17.457) {0.301}	0.046 (0.398) {0.908}	0.051 (0.051) {0.315}
GDP	(t-1)	[2.625] -0.003 (0.001) {0.066}	[1.033] 1.087 (0.146) {0.000}	[0.116] -0.008 (0.003) {0.015}	[1.005] 0.001 (0.000) {0.125}
University_Enrolment	(t-1)	[-1.841] -0.051 (0.037) {0.170}	[7.460] -3.051 (3.770) {0.418}	[-2.423] 1.536 (0.086) {0.000}	[1.535] 0.010 (0.011) {0.382}
Inequality	(t-1)	[-1.373] 0.245 (0.620) {0.693}	[-0.809] 36.586 (62.348) {0.557}	[17.895] -2.053 (1.420) {0.148}	[0.875] 1.078 (0.182) {0.000}
govbond_10_real	(t-2)	[0.395] -0.057 (0.109) {0.603}	[0.587] 6.290 (10.980) {0.567}	[-1.446] -0.364 (0.250) {0.146}	[5.920] -0.005 (0.032) {0.865}
GDP	(t-2)	[-0.520] 0.001 (0.001) {0.610}	[0.573] -0.284 (0.136) {0.037}	[-1.455] 0.010 (0.003) {0.001}	[-0.170] 0.000 (0.000) {0.620}
University_Enrolment	(t-2)	[0.509] 0.049 (0.035) {0.161}	[-2.090] 3.451 (3.522) {0.327}	[3.227] -0.725 (0.080) {0.000}	[-0.495] -0.010 (0.010) {0.312}
Inequality	(t-2)	[1.402] -0.364 (0.599) {0.543}	[0.980] -105.793 (60.251) {0.079}	[-9.035] 0.413 (1.372) {0.763}	[-1.012] 0.005 (0.176) {0.978}

Deterministic term:

=====

		govbond_10_real	GDP	University_Enrolment	Inequality
CONST	(t)	16.494 (0.000) {0.000}	3284.164 (0.000) {0.000}	32.311 (0.000) {0.000}	-5.395 (0.000) {0.000}
TREND	(t-1) (t)	[0.000] 0.551 (0.000) {0.000}	[0.000] 29.027 (0.000) {0.000}	[0.000] 0.319 (0.000) {0.000}	[0.000] -0.097 (0.000) {0.000}
