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Financial settlement modes and corruption:
Evidence from developed nations



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All opinions expressed are those of the authors and do not necessarily reflect the views of the Bank of Finland.

Rajeev K. Goel* and Aaron Mehrotra

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Abstract

Using recent pooled data from several developed nations, the paper uniquely examines whether the composition of payment instruments has a bearing on the prevalence of corruption in a country. Our results suggest that the choice of instruments matters. Paper credit transfer transactions are consistently associated with corrupt activities, while credit card transactions tend to reduce them. Cheques generally increase corruption, the results with respect to nonpaper credit transfers are mixed, while direct debits fail to show significant effects on corruption. These findings hold for alternative corruption measures and when allowance is made for endogeneity of payment instruments.

Keywords: Corruption; Cheques; Credit card; Cash; Direct debit; Payment instruments

JEL classification codes: K4; G3; H3; F3

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Tiivistelmä

Tässä tutkimuksessa tarkastellaan kehittyneiden maiden paneeliaineistoa käyttäen, onko käytetyillä maksutavoilla merkitystä korruption yleisyyden kannalta eri maissa. Tulosten mukaan maksutavoilla on merkitystä. Paperipohjaisten tilisiirtojen yleisyydellä on positiivinen yhteys korruption kanssa, kun taas luottokorttitapahtumien yleisyys vähentää korruptiota. Sekkien käyttö yleensä lisää korruptiota, ei-paperipohjaisten tilisiirtojen merkitys vaihtelee ja suoraveloituksen yleisyydellä ei ole merkitystä korruption kannalta. Tulokset ovat robusteja kestäviä käytetystä korruption indikaattorista riippumatta ja kun mahdollinen maksutavan endogeenisuus otetaan huomioon.

Avainsanat: korruptio, sekkit, luottokortti, käteinen, suoraveloitus, maksutavat

1 Introduction

The nature of payment instruments in financial transactions may generally affect illegal activity in a given country. Agents engaging in illegal activities try to hide their gains by various means to avoid detection and punishment. Obviously, cash transactions are the most difficult to trace for law enforcement purposes, but face the drawback of being bulky and thus difficult to haul in large quantities. Thus cash payments decrease the transactions costs of corrupt acts, but may be associated with the possibility of the bribe taker (i.e., government officials with monopoly powers) reneging on the commitment, since cash transactions are less traceable. Even other modes, such as cheques and credit cards have qualitative differences that affect their usefulness to criminals and other law breakers. For instance, cheques may be relatively more difficult to trace than credit card payments.

Whereas the economics literature has examined numerous determinants of cross-national corruption, we formally investigate, to our knowledge for the first time in the literature (see Aidt (2003), Lambsdorff (2006a), Svensson (2005), Treisman (2000) for literature reviews), whether the prevalence of different types of payment instruments affects the prevalence of corruption (see La Porta et al. (1997) for a broader discussion). Specifically, using recent pooled data from a number of developed nations, this paper examines whether the composition of payment instruments (e.g., paper versus nonpaper credit transfers, cheques versus credit cards) has a bearing on the prevalence of corruption in a country. Corrupt transactions involving bribe payments between corrupt officials and bribers may be a bigger problem in nations where cash transactions are more common. Corrupt officials prefer cash payments for their anonymity, but storing large amounts of cash can be problematic. Thus they might use bank accounts under pseudo names to facilitate acceptance of bribe payments by cheque. In contrast, credit card or direct debit transactions are rather difficult to conduct anonymously (clandestinely). Besides contributing to the literature, our findings may have value for policymakers looking to control corruption.

The rest of the paper is structured as follows. The next section discusses data issues and presents the methodology of the study. This is followed by the estimation results in Section 3 and robustness checks in Section 4. The final section provides concluding remarks.

2 Theoretical background and data

Scholars investigating the causes of corruption routinely borrow from the broader literature on crime and punishment that considers lawbreakers (bribe takers and bribe givers) as economic agents weighing the relative costs and benefits of their actions (see Becker (1968), Shleifer and Vishny (1993)).

Cash transactions may also be prevalent in the countries with large shadow economies. Dreher and Schneider (2010) suggest that corruption and the shadow economy may be complements in countries with low income. Related research on corruption and the financial system has identified a link between corruption and capital account restrictions (Dreher and Siemers, 2009). These authors note that corrupt countries may be more likely to impose capital controls because they are less able to collect taxes. In the presence of capital controls, individuals who want to make international transactions may offer bribes to avoid such restrictions, which adds to corruption. In a recent related study, Takala and Viren (2010) evaluate whether the behavior of cash balances can be useful in monitoring changes in the shadow economy. Their results indicate that cash demand in the euro area can be well explained by economic and institutional factors, without including an important role for the shadow economy.

Corrupt exchanges between bribe takers and bribe givers might be more prevalent when financial payments are less easy to trace – as in the case of cash transactions. This aspect is examined in the empirical analysis that follows.

Hypothesis: Corruption will be more prevalent in economies where there is greater use of paper transactions

2.1 Empirical setup

Two widely used measures of cross-national corruption, from Transparency International and the World Bank, are employed as our dependent variables. These corruption indices provide a reasonable cross-section comparison of the prevalence of corruption, but they are less amenable to time series interpretation (see www.transparency.de; Lambsdorff (2006b)). To partially overcome this shortcoming, we use a three-year moving average of each corruption index. The indices were further modified via a logarithmic transformation to unbind them (for consistency with the underlying estimation methodology employed) and for ease of interpretation (i.e., higher values of the transformed indices mean more corruption).

The baseline model follows the literature by including “established” controls for corruption, including economic prosperity, democracy and government size (Gundlach and Paldam (2009), Serra (2006)). Economic prosperity has been shown to reduce corruption (by increasing the opportunity costs of illegal acts (see Bardhan (1997)), while the findings in the literature for the effects of democracy and government size are mixed (Lambsdorff (2006a)). The sum of the country’s political rights and civil liberties provided by Freedom House are included as a measure of democracy. Goel and Nelson (2005) and Tavares (2007) have shown that the level of democracy has an impact on the perception of corruption, while Montinola and Jackman (2002) note that the relation between political competition and corruption may be nonlinear. See also the cross-country studies by Jain (2001) and Lambsdorff (2006a). Finally, the GDP-share of general government final consumption expenditure captures the size of the government. Government size contributes to corruption by increasing bureaucracy and red tape, and can reduce corruption if a larger government is associated with greater checks and balances (Rose-Ackerman (1999)).

The baseline model is augmented to focus on the objective of this study, by including several different financial instruments. These include paper and nonpaper credit transfers by nonbanks, credit card transactions, cheques and direct debits. These different measures capture the qualitative differences in payment instruments in terms of their impact on corruption. Allowance is also made for possible reverse causality between corruption and some payment instruments, e.g. the prevalence of corruption might dictate the choice of payment instruments.

The estimated equations take the general forms

$$\text{Corruption}_{ijt} = f(\text{Economic prosperity } (GDP_{it}), \text{ Government size } (GOVT_{it}), \text{ Democracy } (DEM_{it}), \text{ Financial payment instruments}_{imt}) \quad (3)$$

i = Belgium, Canada, France, Germany, Italy, Japan, Netherlands, Singapore, Sweden, Switzerland, United Kingdom, United States

j = CPIavg, WBavg

m = Share of nonpaper based credit transfers (ShNPAPR), Paper based credit transfers (ShPAPR), Cheque transactions (ShCHQ), Credit card transactions (ShCC), Direct debit transactions (ShDrDbt)

t = 2004, ..., 2008

The dependent variable in all our regressions is a corruption perceptions index, from either Transparency International or the World Bank. These indices have been widely used in cross-

national studies of corruption (see Lambsdorff (2006a,b)). We estimate the models initially by pooled OLS. All estimated models include as controls GDP per capita, size of government, and various combinations of the financial payment instruments.¹ In order to control for possible endogeneity between corruption and credit transactions, we conduct additional estimations by two-stage least squares, using economic freedom and population as instruments for the share of paper and nonpaper based credit transfers, respectively.

2.2 Data

In order to tackle the main research question at hand, we use data on financial payment instruments provided by the Bank for International Settlements. Data on payment instruments cover the following: paper (*ShPAPR*) and nonpaper (*ShNPAPR*) based credit transfers, cheque transactions (*ShCHQ*), credit card transactions (*ShCC*) and direct debit transactions (*ShDrDbt*). In this context, paper transactions include, but are not limited to, cheques; while nonpaper transactions include credit cards and direct debits, among other payment instruments. All variables are expressed as the instrument's share of total transactions and concern the transfers by the non-banking sector.

The instruments paper and nonpaper based credit transfers, together with direct debit transactions, fall into the category of retail funds transfers (see BIS (1999)). These are used for remote payments. Credit transfers are payments initiated by the payer, such as giro payments, and they can be either in paper or electronic form. The latter are represented by our variable "nonpaper based credit transfers". In contrast, direct debit transfers are initiated by the payee (potential bribe taker in our case). These are generally processed in electronic form, often in the context of a preauthorized agreement with the payer (bribe giver).

Cheque transactions involve an instruction to the payer's financial institution to debit the payer's account for a specified amount (see BIS (1999)). In such case, the amount is to be transferred to the payee's financial institution for credit or paid out in cash. Both remote and face-to-face payments by cheque are possible, as are single transactions and recurring payments.

Finally, credit card transactions include those made with charge cards (under a short-term fixed-period credit arrangement) and cards with revolving credit arrangements (BIS (1999)). In the latter case, there is a partial minimum payment at the end of each billing period, with the balance of accumulated credits charged to the cardholder's revolving credit line. Credit card transactions usu-

¹ Following the literature (see Serra (2006)), we also included democracy in all the regressions. However, since most of the countries in the sample are highly democratic, there was not enough variation in the resulting variable in most of the models estimated.

ally involve non-recurring face-to-face payments, but electronic commerce systems, such as those in the internet, are increasingly used.

While all countries in the sample are advanced economies, there is enough variability in the corruption indices and in the use of various payment instruments to make the investigation meaningful. In our sample, Italy was the most corrupt nation, and Singapore was the “cleanest”. The data employed include annual observations over 2004-2008 for the following nations: Belgium, Canada, France, Germany, Italy, Japan, Netherlands, Singapore, Sweden, Switzerland, UK and USA. Government consumption was the highest in Sweden and the lowest in Singapore, as defined by *GOVT* in Table 1. Further, the share of nonpaper credit transactions ranged from a high of 97 percent in the U.K. to a low of 15 percent in Italy. Details on the definitions of variables, summary statistics and data sources are provided in Table 1. The size and scope of the data for the study are constrained by the availability of data on the financial variables.

[Table 1 here]

3 Results

Our estimation results are reported in Table 2. All estimations were performed using the STATA computer software. Table A1 in the Appendix provides the correlation coefficients of the different variables. Not surprisingly, the corruption perception indices by Transparency International and the World Bank are closely correlated with each other. Perhaps more surprising are the rather high correlations (in absolute value) between the shares of paper and nonpaper based credit transfers with the corruption indices. All other correlation coefficients between variables are relatively low. The overall fit of the OLS regressions in Table 2 is quite decent, as shown by the statistically significant *F*-values and R^2 s. The following additional points are noteworthy.

- Panel A of Table 2 provides the results for the case in which the dependent variable is the corruption perception index of Transparency International and the estimations are carried out by pooled OLS. In these regressions, the share of nonpaper transactions is negative and statistically significant. This indicates that an increase in nonpaper based credit transactions is associated with less corruption. Conversely, with equal or higher statistical significance, the share of paper-based transactions is positively linked with the perception of corruption.

Besides the relative ease of hiding paper bribe payments from scrutiny, another aspect that might contribute to a lower corruption measure for nonpaper transactions is that with nonpaper transactions the middleman in corrupt relations is likely to be eliminated (or sidelined) – a corrupt official can send a subordinate or agent to accept a cash bribe, but if the payment comes via an electronic medium, the bribe payer has to deal directly with the bribe taker.

- Nonlinear effects are important for both variables, as both the negative effect of nonpaper based credit transactions and the positive effect of paper-based ones are weakened by taking the squared values. Further, the magnitude of the quadratic term for paper transactions is about double that for nonpaper transactions (Models 2A.4 and 2B.4).
- Increased use of credit cards in transactions is consistently associated with lower corruption. This is because credit card transactions are relatively easy to trace and there is some pre-screening involved in the granting of credit cards.
- The use of cheques appears to have a positive link with the perception of corruption. Cheques share some of the same qualitative attributes as cash since chequing accounts are relatively easy to operate under aliases by bribe takers and bribe givers. In terms of magnitudes, a one percent increase in credit card use reduces corruption by about ten times the amount by which a similar increase in cheque usage increases corruption.
- The share of direct debit does not appear to matter for the perception of corruption. These transactions are quite difficult to conduct anonymously, making them somewhat undesirable for corrupt transactions.
- Regarding the control variables, consistent with the extant literature, economic prosperity is associated with lower corruption (Paldam and Gundlach (2009), Serra (2006)), as is greater democracy (Goel and Nelson (2005)).
- Somewhat less consistent results are obtained for government size, as the sign of the government consumption variable changes when we move from model 2A.4 to model 2A.5. A

plausible explanation is that the role of the government is multifaceted and complex (see Rose-Ackerman (1999)), so that it is difficult for a single aggregate measure to capture the various institutional nuances of government activities. This is consistent with the observation by Montinola and Jackman (2002).

[Table 2 here]

Overall, our results indicate that the choice of instruments matters. Paper credit transfer transactions consistently add to corrupt activities, while credit card transactions restrain them. Cheque usage generally increases corruption, and the results for nonpaper credit transfers are mixed. We are unable to find any significant effects of direct debit transfers on corruption. The contrast between the corruption effects of paper versus nonpaper transactions and cheques versus credit cards is the theme that consistently holds across regressions. The relatively robust findings are especially significant in light of the fact that the countries in our sample are generally the less corrupt nations based on the corruption perception indices.

4 Robustness checks

We performed several robustness checks to test the validity of our findings. These involve an alternate measure of corruption perceptions and allow for possible simultaneity between corruption and payment instruments.

4.1 Using an alternate measure of corruption

In Panel B of Table 2, the results using the World Bank's corruption index are presented. This provides an alternate measure of the dependent variable, although the correlation between the two corruption indices employed is high (see Table A1 in the Appendix). These largely confirm the results of Panel A, even regarding the sizes of the coefficients. Again, the sharp distinction obtains between the effects of paper versus nonpaper transactions and cheques versus credit cards. The results also support the nonlinearities in the effects of paper and nonpaper transactions.

4.2 Allowing for reverse feedback from corruption to financial instruments

We allow for the possibility that the results in Table 2 may suffer from reverse causality, and that the prevalence of corruption may have an impact on the use of various payment instruments in a country. Table 3 accordingly presents two-stage least squares estimates where the share of paper and nonpaper based transactions are instrumented by economic freedom and population, respectively. The first-stage F -value and the Sargan overidentification test largely confirm the validity of this instrument set (the instrument selection is not rejected at the 5% level). The findings for the shares of paper and nonpaper based transactions accord with those reported in Table 2. An increase in the share of nonpaper based transactions reduces corruption, while an increase in the share of paper-based transactions leads to an increase in corruption. The level of economic prosperity is again negatively linked to perceived corruption in a country. In these estimations, government size always has a negative impact on the perception of corruption.

5 Concluding Remarks

In our study, we have examined whether the composition of payment instruments matters for the prevalence of corruption in a country. Participants in the illegal economy may prefer to use cash transactions, as these are the most difficult to trace for law enforcement purposes, but they can be difficult to use where large quantities are involved. Other transaction methods, such as cheques and credit cards, may differ in their usefulness for law breakers or corrupt officials. While previous studies have examined related research questions - such as the nexus between the shadow economy and corruption (Dreher and Schneider (2010)) and the possibility that corruption influences the degree of regulations affecting a country's capital account (Dreher and Siemers (2009)) - the impact of the composition of payment instruments on corruption has not been investigated.

Using cross-country data for 12 advanced economies and panel estimation techniques, we find that the choice of transaction instrument matters for the prevalence of corruption. In particular, an increase in the use of paper-based transactions and cheques adds to corruption. In contrast, transactions with credit cards reduce the prevalence of corruption. The impact of credit cards on corruption is larger than that of cheques. These results hold across various models and when allowance is made for possible simultaneity between corruption and financial instruments (Table 3). The findings with regard to economic prosperity, democracy and government size largely support the

extant literature (see Jain (2001), Lambsdorff (2006a), Monitola and Jackman (2002), Pellegrini and Gerlagh (2008), Serra (2006), Svensson (2005), Treisman (2000)).

The contrast in the corruption effects for paper versus nonpaper transactions and for cheques versus credit cards is the overall story that consistently holds across regressions. The relatively strong findings are especially significant in light of the fact that the countries included in our (rather small) sample are generally the less corrupt nations.

Our results suggest that policymakers seeking to control corruption would be well advised to facilitate the shift of the financial system from paper-based transactions to nonpaper based transactions, including credit cards. In this regard, providing an environment that encourages financial innovation could be important, including allowing the entry of foreign banks with sophisticated payment services for their clientele. Similarly, minimizing the fees for retail transactions conducted via credit or debit cards could support their use in the economy more broadly, and according to our results impact the prevalence of corruption. These results attain added importance with the growing trend towards e-money, such as multipurpose prepaid cards and prepaid software products using computer networks (digital cash).

In closing, we add some caveats and possible extensions to this research. Obviously, our sample is limited due to constraints in the availability of comparable financial data across nations. Future work would benefit from expanding the sample to include some emerging economies, although data availability will be an important issue here (see Knack and Keefer (1995), Treisman (2007)). Another interesting avenue would be to investigate whether financial development and innovation in general is hindered by the prevalence of corruption (see Goel and Hasan (2010)).

TABLE 1 Variable definitions, summary statistics, and data sources

Variable	Definition (Mean; Std. dev.)	Source
<i>CPIavg</i>	Three-year moving average of Transparency International corruption perceptions index (CPI), 2002-08, (range: 0 to 10; higher values, less corruption), (7.97; 1.19)	www.transparency.org
<i>WBavg</i>	Three-year moving average from of World Bank corruption perceptions index (WB), 2002-2008, (range: -2.5 to +2.5; higher values, less corruption), (1.69; 0.52)	www.worldbank.org
<i>DEM</i>	Sum of a country's political rights and civil liberties scores, (higher score, more democratic), 2007; (-2.67; 1.94)	www.freedomhouse.org
<i>GDP</i>	Real GDP per capita, (\$16,040.41; 15,450.11)	World Development Indicators
<i>GOVT</i>	General government final consumption expenditure, as % of GDP (19.45; 4.94)	World Development Indicators
<i>ShNPAPR</i>	Share of nonpaper based credit transfers by non-banks in total transactions with payment instruments (0.69; 0.26)	Bank for International Settlements (ww.bis.org); Statistics on payment and settlement systems in select countries.
<i>ShPAPR</i>	Share of paper based credit transfers by non-banks in total transactions with payment instruments (0.15; 0.19)	Bank for International Settlements (ww.bis.org); Statistics on payment and settlement systems in select countries.
<i>ShCHQ</i>	Share of cheque transactions by non-banks in total transactions with payment instruments (0.15; 0.22)	Bank for International Settlements (ww.bis.org); Statistics on payment and settlement systems in select countries.
<i>ShCC</i>	Share of credit card transactions by non-banks in total transactions with payment instruments (0.02; 0.02)	Bank for International Settlements (ww.bis.org); Statistics on payment and settlement systems in select countries.
<i>ShDrDbt</i>	Share of direct debit transactions by non-banks in total transactions with payment instruments (0.04; 0.03)	Bank for International Settlements (ww.bis.org); Statistics on payment and settlement systems in select countries.

Note: Unless otherwise specified, the data comprise annual observations from 2004-2008 for the following countries: Belgium, Canada, France, Germany, Italy, Japan, Netherlands, Singapore, Sweden, Switzerland, United Kingdom, and United States. However, missing data in many instances limited the number of usable observations.

Table 2 Financial payment modes and corruption					
Panel A (Dependent variable: $\ln((10-CPlavg)/CPlavg)$)					
	<u>2A.1</u>	<u>2A.2</u>	<u>2A.3</u>	<u>2A.4</u>	<u>2A.5</u>
<i>ShNPAPR</i>	-2.09** (5.6)		1.01* (1.8)	-18.72** (4.8)	
<i>ShPAPR</i>		3.02** (11.8)	4.05** (5.9)	12.43** (4.2)	
<i>ShCHQ</i>					2.14** (2.1)
<i>ShCC</i>					-30.91** (7.0)
<i>ShDrDbt</i>					0.72 (0.3)
<i>ShNPAPRsq</i>				13.15** (5.0)	
<i>ShPAPRsq</i>				-27.46** (3.6)	
<i>GDP</i>	9.16e-07 (0.1)	-0.00001** (2.1)	-0.00002** (2.5)	-0.00001** (2.1)	-4.92e-06 (1.04)
<i>DEM</i>					0.20* (1.8)
<i>GOVT</i>	-0.03 (0.7)	-0.06** (2.5)	-0.10** (2.7)	-0.10** (3.5)	0.05** (2.2)
<i>R²</i>	0.64	0.81	0.82	0.91	0.63
<i>F-value</i>	21.05**	65.03**	37.86**	45.50**	24.56**
<i>N</i>	27	27	27	27	35
Panel B: (Dependent variable: $\ln((5-(2.5+WBavg))/(2.5+WBavg))$)					
	<u>2B.1</u>	<u>2B.2</u>	<u>2B.3</u>	<u>2B.4</u>	<u>2B.5</u>
<i>ShNPAPR</i>	-1.93** (4.7)		0.82 (1.2)	-23.24** (4.4)	
<i>ShPAPR</i>		2.76** (7.7)	3.60** (4.3)	13.82** (3.8)	
<i>ShCHQ</i>					2.21** (2.3)
<i>ShCC</i>					-26.88** (6.3)
<i>ShDrDbt</i>					-1.41 (0.7)
<i>ShNPAPRsq</i>				16.05** (4.6)	
<i>ShPAPRsq</i>				-33.49** (3.4)	
<i>GDP</i>	-5.79e-06 (0.8)	-0.00002** (3.2)	-0.00002** (3.3)	-0.00001** (3.2)	-5.56e-06 (1.2)
<i>DEM</i>					0.22* (1.9)
<i>GOVT</i>	-0.02 (0.6)	-0.06** (2.3)	-0.08** (2.2)	-0.09** (3.1)	0.05** (2.7)
<i>R²</i>	0.59	0.73	0.74	0.88	0.61
<i>F-value</i>	14.32**	34.98**	21.80**	20.09**	16.67**
<i>N</i>	27	27	27	27	35
Note: See Table 1 for variable definitions. A constant term was included in all OLS regressions, but to save space the corresponding results are not reported. DEM was dropped from some models due to collinearity. The numbers in parentheses are t-statistics in absolute value based on robust standard errors. * denotes statistical significance at the 10% level and ** at the 5% level.					

TABLE 3 2SLS Regressions allowing for endogeneity of financial transactions

	Dependent Variable: $\ln((10-CPI_{avg})/CPI_{avg})$		Dependent Variable: $\ln((5-(2.5+WB_{avg}))/2.5+WB_{avg})$	
	<u>3.1</u>	<u>3.2</u>	<u>3.3</u>	<u>3.4</u>
<i>ShNPAPR</i>		-2.53** (4.7)		-2.31** (4.2)
<i>ShPAPR</i>	2.58** (6.2)		2.33** (5.0)	
<i>GDP</i>	-0.00001* (1.9)	3.11e-06 (0.4)	-0.00002** (2.6)	-3.92e-06 (0.5)
<i>GOVT</i>	-0.08** (2.8)	-0.003 (0.1)	-0.07** (2.2)	-0.0007 (0.01)
<i>F-value</i>	23.96**	13.41**	15.73**	10.77**
<i>N</i>	27	27	27	27
First-stage F-value	46.76**	29.92**	46.76**	29.92**
Sargan over-identification test (p-value)	3.06* (0.08)	0.12 (0.73)	2.82* (0.09)	0.28 (0.60)

Note: Variable definitions appear in Table 1. The reported results are second-stage estimates for 2SLS regression, with economic freedom (EF) and population (POP) as additional instruments for *ShPAPR* and *ShNPAPR*, respectively. The numbers in parentheses are absolute values of z-statistics. ** denotes statistical significance at least at the 5% level and * at the 10% level. The models included a constant term, but to save space those results are not reported here.

APPENDIX

Table A1
Correlation matrix of key variables

	<i>CPIavg</i>	<i>WBavg</i>	<i>GOVT</i>	<i>GDP</i>	<i>ShNPAPR</i>	<i>ShPAPR</i>	<i>ShCHQ</i>	<i>ShCC</i>	<i>ShDrDbt</i>
<i>CPIavg</i>	1.00								
<i>WBavg</i>	0.98	1.00							
<i>GOVT</i>	0.41	0.33	1.00						
<i>GDP</i>	0.01	0.10	-0.43	1.00					
<i>ShNPAPR</i>	0.81	0.77	0.57	-	1.00				
<i>ShPAPR</i>	-0.88	-0.82	-0.42	0.24	-0.86	1.00			
<i>ShCHQ</i>	-0.15	-0.18	-0.44	-	-0.47	-0.02	1.00		
<i>ShCC</i>	0.43	0.35	0.69	-	0.16	-0.36	0.18	1.00	
<i>ShDrDbt</i>	0.03	0.14	-0.49	0.46	-0.33	0.30	-0.04	-0.13	1.00

Note: See Table 1 for variable definitions. (N = 23)

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