Measuring economic openness: description of the variables

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Below we describe the variables contained in the data set. In case you find any inconsistencies, please let us know. If you use the data set, please cite Gräbner *et al.* (2020) as well as the original source. You find more information on the data webpage. Information about the own computation steps can also be found in Gräbner *et al.* (2020).

Variable	Description	Unit	Source
`Alcala`	Real trade share	% of GDP at PPP	Alcala & Ciccone (2004)
`CAPITAL`	Text-based index for de jure financial openness.	Index (0-100)	Quinn & Toyoda (2008)
`chinn_ito_normed`	Chinn-Ito-Index, a table-based AREAER measure (normed to 0-1 range).	Index (0-1)	Chinn & Ito (2008)
`ComplexityGroup`	Country classification according to the ECI index (Hidalgo & Hausmann, 2009, see the paper for details).	NA	Gräbner *et al.* (2020)
`CTS`	Composite Trade Share.	Index	Squalli & Wilson (2011)
`EXP_to_GDP`	Exports to GDP	% of GDP	World Bank
`Exports_USD_constant`	Total exports	Constant USD	World Bank
`Exports_USD_current`	Total exports	Current USD	World Bank
`FIN_CUR`	The Financial Current Account, a text-based AREAR measure.	Index (0-100)	Quinn & Toyoda (2008)
`FTI_original`	Freedom to trade international index, sub-index of the Economic Freedom Index.	Index	Fraser Institute
`FTI_original_ipo`	Interpolated version of `FTI_original`.	Index	Own computation
`FTI_panel`	The FTI index optimized for panel use.	Index	Fraser Institute
`FTI_reduced`	`FTI_original` without considering black market exchange rates and capital and people controls.	Index.	Own computation

Variable	Description	Unit	Source
`FTI_reduced_ipo`	Interpolated version of `FTI_reduced`	Index.	Own computation
`HF_econ`	Economic freedom according to the *Index of Economic Freedom*	Index	Heritage Foundation
`HF_fin`	Investment freedom according to the *Index of Economic Freedom*	Index	Heritage Foundation
`HF_trade`	Trade freedom according to the *Index of Economic Freedom*	Index	Heritage Foundation
`IMP_to_GDP`	Imports to GDP.	% of GDP	World Bank
`Imports_USD_constant`	Total imports	Constant USD	World Bank
`Imports_USD_current`	Total imports	Current USD	World Bank
`IncomeGroup`	Income classification of the World Bank.	NA	World Bank
`inflation`	Inflation	Index	World Bank
`inv_share`			
`KAOPEN`	Chinn-Ito-Index, a table-based AREAER measure.	Index (0-1)	Chinn & Ito (2008)
`KOF_defacto`	De facto component of the KOF Economic Globalization Index (`KOFEcGIdf`)	Index	KOF Institute, Gygli *et al.* (2019)
`KOF_dejure`	De jure component of the KOF Economic Globalization Index (`KOFEcGIdj`)	Index	KOF Institute, Gygli *et al.* (2019)
`KOF_econ`	KOF Economic Globalization Index (`KOFEcGI`)	Index	KOF Institute, Gygli *et al.* (2019)
`KOF_finance`	KOF Financial Globalization Index (`KOFFiGI`)	Index	KOF Institute, Gygli *et al.* (2019)
`KOF_finance_df` `KOF_finance_df`	De facto component of the KOF Financial Globalization Index (`KOFFiGIdf`)	Index	KOF Institute, Gygli *et al.* (2019)
`KOF_finance_dj`	De jure component of the KOF Financial Globalization Index (`KOFFiGIdj`)	Index	KOF Institute, Gygli *et al.* (2019)
`KOF_trade`	KOF Trade Globalization Index (`KOFTrGI`)	Index	KOF Institute, Gygli *et al.* (2019)
`KOF_trade_df`	De facto component of the KOF Trade Globalization Index (`KOFTrGIdf`)	Index	KOF Institute, Gygli *et al.* (2019)
`KOF_trade_dj`	De jure component of the KOF Trade Globalization Index (`KOFTrGIdj`)	Index	KOF Institute, Gygli *et al.* (2019)

Variable	Description	Unit	Source
`Lietal`	Adjusted trade share, modification of Frankel (2000) suggested by Li *et al.* (2004).	% of GDP (adjusted)	World Bank, own computation
`LMF_EQ`	Total foreign assets and liabilities (stocks).	% GDP	Lane & Milesi-Ferretti (2017)
`LMF_FDI_total_stocks_GDP`	Sum of inward and outwarf FDI stocks.	% GDP	Lane & Milesi-Ferretti (2017)
`LMF_open`	Portfolio equity assets and liabilities (stocks).	% GDP	Lane & Milesi-Ferretti (2017)
`LMF_open_pv`	Private Financial Openness Index: subtracting official development aid (DA) from foreign liablities (FL) and international reserves (IR) from foreign assets (FA).	% GDP	Lane & Milesi-Ferretti (2017)
`Penn_GDP_PPP`	Per capita GDP in PPP (`rgdpo` / [`population` ·1000])	PPP per person	Feenstra *et al.* (2015)
`period`	Helper to compute 5-year averages.		
`pop_growth`	Growth of `population`	Growth	Own computation
`pop_log`	Log of `population`	Log	Own computation
`population`	Total population.	1000 people	World Bank
`rgdpo`	Output-side real GDP.	Chained PPPs (in mil. 2011 USD)	Feenstra *et al.* (2015)
`Tariff_RES`	100 minus the tariff rate, which is based upon the average of (1) the effective (i.e. tariff revenue divided by import value) and (2) the unweighted tariff rates.	Index (0-100)	Jaumotte *et al.* (2013)
`Tariff_WITS`	100 Mean of Effectively Applied (AHS) and Most-Favored Nation (MFN) weighted average tariff rates.	Index (0-100)	Gräbner *et al.* (2020)
`Tariff_WITS_ipo`	Interpolation of `Tariff_WITS`.	Index (0-100)	Gräbner *et al.* (2020)
`Trade_to_GDP`	Total imports and exports	% GDP	World Bank
`UNC_FDI_in_stock_GDP`	Stock of inward FDI.	% of GDP	UNCTAD
`UNC_FDI_out_stock_GDP`	Stock of outward FDI.	% of GDP	UNCTAD
`UNC_FDI_total_stocks_GDP`	Stock of total FDI.	% of GDP	UNCTAD

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