"Does Trade Cause Growth?" by Jeffrey A. Frankel and David Romer
Data files (in ASCII form) and TSP programs

README file updated 6/18/08

Please contact me (Tess Cyrus, tcyrus@is.dal.ca) if there are any questions. The calculations of the instrumental-variables standard errors, in particular, are complicated, so don't hesitate to ask for clarification.

The files contain the programs and data for the four tables for the final version of "Does Trade Cause Growth?" Most of the files (even those without ".txt " names) are text files. More recent versions of many of these data are available at Professor Frankel's website.

Three text files give additional information. The file country.txt lists the 162 countries used to derive fitted trade shares, specifying which are in the 150-country and 98-country samples. The file country2.txt lists the 62 countries used in the gravity regressions. The file descrip.txt lists the variables included in each data file.

TABLE 1

The TSP program is table1.tsp.
The data files used are trade62.dat, dist62.dat, var62i.dat, var62j.dat, dist162.dat, var162i.dat, and var162j.dat.

TABLE 2

The TSP program is table2.tsp
The data files used are geog150.dat, info150.dat, popwork150.dat, and area150.dat.

TABLE 3

(The instrumental-variables regressions in Tables 3 and 4 require a complicated method of calculating the standard errors, described in the Microsoft Word document stderror.doc, which is included. The TSP program stderror.tsp is the first program used in deriving the IV standard errors.)

The TSP program table3-1.tsp has the OLS regression from column (1), and the IV coefficients from column (2) (plus calculations

used in determining the IV standard errors). The TSP program table3-2.tsp has the IV standard errors from column (2). (The standard errors are the square roots of the diagonal of V, in the last part of the program.)

The data files used are allgeog.dat, area150.dat, popwork150.dat, and info150.dat

The TSP program table3-3.tsp has the OLS regression from column (3), and the IV coefficients from column (4). The TSP program table3-4.tsp has the IV standard errors from column (4).

The data files used are allgeog98.dat, area98.dat, popwork98.dat, and info98.dat.

TABLE 4

The TSP program table4-1.tsp has the OLS regression from column (1), and the IV coefficients from column (2). The TSP program table4-2.tsp has the IV standard errors from column (2).

The TSP program table4-3.tsp has the OLS regression from column (3), and the IV coefficients from column (4). The TSP program table4-4.tsp has the IV standard errors from column (4).

The TSP program table4-5.tsp has the OLS regression from column (5), and the IV coefficients from column (6). The TSP program table4-6.tsp has the IV standard errors from column (6).

The TSP program table4-7.tsp has the OLS regression from column (7), and the IV coefficients from column (8). The TSP program table4-8.tsp has the IV standard errors from column (8).

The TSP program table4-9.tsp has the OLS regression from column (9), and the IV coefficients from column (10). The TSP program table4-10.tsp has the IV standard errors from column (10).

The data files used are allgeog98.dat, area98.dat, popwork98.dat, info98.dat, and hj98.dat.

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Addendum (4/24/01)

I recently encountered the following in a paper that uses these data:

"the common border variable was coded incorrectly between four pairs of countries (eight observations) in the estimation sample. They are (Switzerland, Norway), (Denmark, Sweden), (Spain, France), and (Norway, Sweden). In addition, the area variable for Saudi Arabia is coded differently in the estimation sample and the prediction sample. ... the value used in the prediction sample, which is 865,000 squared miles [, appears to be the correct one.]"

David Romer