

Appendix to Fiscal Consolidation and the Distribution of  
Income: Does the Currency Regime Matter?

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Table 1: Mean Gini

Statistic	Mean	St. Dev.	Observations
Gini Overall Sample	28.25	4.30	536
Gini Pegged	27.65	4.24	361
Gini Floating	29.48	4.15	175

Table 2: SUR Market Gini Output of Table 2

	(1) SUR	(2) SUR	(3) SUR
$LogGDP_{t-1}$	2.109*** (3.68)	2.109*** (3.68)	2.109*** (3.68)
$LogGDP2_{t-1}$	-0.115*** (-3.85)	-0.115*** (-3.85)	-0.115*** (-3.85)
$Education_{t-1}$	-0.0195*** (-3.44)	-0.0195*** (-3.44)	-0.0195*** (-3.44)
$Openness_{t-1}$	-0.000742*** (-4.40)	-0.000742*** (-4.40)	-0.000742*** (-4.40)
$Debt/GDP_{t-1}$	-0.000434* (-2.40)	-0.000434* (-2.40)	-0.000434* (-2.40)
$Consolidation_{t-1}$	Yes		
$Peg_{t-1}$		Yes	
$Consolidation * Peg_{t-1}$			Yes
$N$	526	526	526

$t$  statistics in parentheses

\*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

Dependent Variable is the Log of Market Gini

Table 3: Robustness Check for Regression in Table 2

	(1)	(2)	(3)
	FE	FE	FE
$LogGDP_{t-1}$	3.331*** (6.21)	3.348*** (6.40)	1.493 (1.72)
$LogGDP2_{t-1}$	-0.185*** (-6.33)	-0.185*** (-6.57)	-0.0739 (-1.74)
$Education_{t-1}$	0.0105 (0.97)	0.00943 (0.87)	-0.0269 (-1.42)
$Openness_{t-1}$	-0.00273*** (-7.09)	-0.00272*** (-7.04)	-0.00180** (-3.44)
$Debt/GDP_{t-1}$	-0.0000856 (-0.59)	-0.0000813 (-0.54)	-0.000130 (-0.59)
$Consolidation * Peg_{t-1}$	-0.00442 (-0.35)	-0.00494 (-0.39)	-0.0305* (-2.03)
$Inflation_{t-1}$	-0.000639 (-0.88)		
$Growth_{t-1}$		-0.00121 (-0.51)	
$Unemployment_{t-1}$			0.00148 (0.55)
$N$	526	526	323

$t$  statistics in parentheses

\*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

Dependent Variable is the Log of Gini, Data of the additional control variables taken from the OECD,

Table 4: SUR Market-Gini Output of Table 3

	(1) SUR	(2) SUR
$LogGDP_{t-1}$	2.124*** (3.71)	2.124*** (3.71)
$LogGDP2_{t-1}$	-0.115*** (-3.88)	-0.115*** (-3.88)
$Education_{t-1}$	-0.0199*** (-3.49)	-0.0199*** (-3.49)
$Openness_{t-1}$	-0.000739*** (-4.39)	-0.000739*** (-4.39)
$Debt/GDP_{t-1}$	-0.000439* (-2.43)	-0.000439* (-2.43)
tax	Yes	
spend		Yes
$N$	525	525

$t$  statistics in parentheses

\*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

Dependent Variable is the Log of Market Gini, Column (1) is the output for the Tax Regression, Column (2) is the output of the Spending Regression

Table 5: Limited Samples to contain only Peg, No-Peg Countries, Consolidation Episodes & Regression with both Peg and Consolidation Dummy

	(1)	(2)	(3)	(4)
	FE	FE	FE	FE
$\text{LogGDP}_{t-1}$	4.818*** (4.76)	1.464 (2.27)	3.384*** (6.28)	3.103* (2.39)
$\text{LogGDP2}_{t-1}$	-0.259*** (-4.64)	-0.0746* (-2.41)	-0.187*** (-6.38)	-0.134 (-1.93)
$\text{Education}_{t-1}$	0.0280* (-2.60)	-0.0408 (-1.07)	-0.00948 (0.89)	-0.0689* (-2.70)
$\text{Openness}_{t-1}$	-0.00164 (-1.93)	-0.00132 (-1.22)	-0.00262*** (-7.10)	-0.00246*** (-7.23)
$\text{Debt}/\text{GDP}_{t-1}$	0.000456** (3.07)	-0.00129* (-2.59)	-0.0000715 (-0.49)	-0.00109** (-2.92)
$\text{Consolidation}_{t-1}$	-0.00676 (-0.50)	0.00614 (0.95)	0.00170 (0.18)	
$\text{Peg}_{t-1}$			-0.00990 (-1.25)	-0.0426* (-1.88)
$N$	352	174	526	171

$t$  statistics in parentheses

\*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

Dependent Variable is the Log of Gini, Column (1) is limited to Pegged Countries, Column (2) is limited to Free floating countries, Column (3) shows the complete sample but controls for Peg and Consolidation at the same time, Column (4) limits the sample to include just consolidation episodes

Table 6: Limited Samples to contain only Peg or No-Peg Countries with Tax and Spending Dummy

	(1)	(2)
	FE	FE
$LogGDP_{t-1}$	4.783*** (4.72)	1.342 (2.01)
$LogGDP2_{t-1}$	-0.257*** (-4.60)	-0.0685 (-2.11)
$Education_{t-1}$	0.0281* (2.59)	-0.0277 (-0.74)
$Openness_{t-1}$	-0.00159 (-1.94)	-0.00151 (-1.37)
$Debt/GDP_{t-1}$	0.000452* (2.85)	-0.00140* (-3.00)
$TaxDummy_{t-1}$	-0.00561 (-0.51)	0.0221* (2.18)
$SpendDummy_{t-1}$	-0.00673 (-0.45)	0.00937 (1.39)
$N$	352	173

$t$  statistics in parentheses,

\*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

Dependent Variable is the Log of Gini, Column (1) is limited to Pegged Countries, Column (2) is limited to Free floating countries