Applied Economics >

Volume 37, 2005 - Issue 12

Original Articles

Financial development and economic growth: the case of Taiwan

Tsangyao Chang & Steven B. Caudill *

66 Cite this article   ↗ https://doi.org/10.1080/0003684042000338702

Sample our
Economics, Finance,
Business & Industry Journals

📄 Full Ar

🖨 Reprin

Abstra

This pap   conomic
grow   ompeting
hypo   ed. The
results f   s (VECM)
suggest   ured as the
ratio of   ding
hypothe   velopment
in Taiwa

We Care About Your Privacy

We and our 909 partners store and access personal data, like browsing data or unique identifiers, on your device. Selecting "I Accept" enables tracking technologies to support the purposes shown under "we and our partners process data to provide," whereas selecting "Reject All" or withdrawing your consent will disable them. If trackers are disabled, some content and ads you see may not be as relevant to you. You can resurface this menu to change your choices or withdraw consent at any time by clicking the ["privacy preferences"] link on the bottom of the webpage [or the floating icon on the bottom-left of the webpage, if applicable]. Your choices will have effect within our Website. For more details, refer to our Privacy Policy. Here

We and our partners process data to provide:

I Accept

Reject All

Show Purpose

Notes

An alternative measure calculated as the ratio of liquid liability to GDP was also used in this study. Results are similar to those reported here and are available upon request from the authors.

The sample period for the data, 1962–1998, covered two oil-price shocks and the economic liberalization in Taiwan, so structural breaks are expected for the data series studied.

Regarding the KPSS test, Lee et al. (1997) also show that the test suffers from a size distortion problem if a structural break exists but is ignored. The problem parallels the power loss problem of unit root tests when an existing break is ignored.

When the coefficients of both dummy variables are not significantly different from zero, Model C reduces to the standard ADF equation.

Using Monte Carlo simulations, Cheung and Lai (1993) showed that for autoregressive processes, standard selection criteria, like the SIC and Akaike Information Criterion (AIC), can be useful for selecting the correct lag structure for the Johansen's cointegration test. They found that the SIC performs slightly better than the AIC.

Relat

Testi

Sourc

Fin

s

Sourc

The R

Sourc   du

dével

Autor

Sourc

Finan

Source: Review of Development Economics

Further Evidence on the Great Crash, the Oil-Price Shock, and the Unit-Root Hypothesis
Source: Journal of Business and Economic Statistics

Causality tests in econometrics
Source: Journal of Economic Dynamics and Control

Co-integration and Error Correction: Representation, Estimation, and Testing
Source: Unknown Repository

Financial Development and Economic Growth in Underdeveloped Countries
Source: Economic Development and Cultural Change

A Note with Quantiles of the Asymptotic Distribution of the Maximum Likelihood Cointegration Rank Test Statistics[1]
Source: Oxford Bulletin of Economics and Statistics

Financial sector development and economic growth: The South-Asian experience
Source: Journal of Asian Economics

Lag-Length Selection and Tests of Granger Causality Between Money and Income
Source: Journal of money credit and banking

On stationary tests in the presence of structural breaks
Source: Economics Letters

FINITE-SAMPLE SIZES OF JOHANSEN's LIKELIHOOD RATIO TESTS FOR COINTEGRATION
Source: Oxford Bulletin of Economics and Statistics

DEVELOPMENTS IN THE STUDY OF COINTEGRATED ECONOMIC VARIABLES
Source: Oxford Bulletin of Economics and Statistics

MAXIMUM LIKELIHOOD ESTIMATION AND INFERENCE ON COINTEGRATION — WITH APPLI
Sourc

The C
Sourc

A Sim   tent
Cova
Sourc

Some
S

Re   eory
and I
Sourc

Does   n 16
count
Sourc

Finan
Sourc

ARE FINANCIAL DEEPENDING AND ECONOMIC GROWTH CAUSALLY RELATED? ANOTHER LOOK AT THE EVIDENCE

Source: International Economic Journal

Financial Development and Economic Growth: International Evidence

Source: Economic Development and Cultural Change

A new look at the statistical model identification

Source: IEEE Transactions on Automatic Control

A quantitative reassessment of the finance–growth nexus: evidence from a multivariate VAR

Source: Journal of Development Economics

Statistical analysis of cointegration vectors

Source: Journal of Economic Dynamics and Control

Testing for a Unit Root in a Time Series with a Changing Mean

Source: Journal of Business and Economic Statistics

Linking provided by ScholeXplorer

Related research ⓘ

People also read	Recommended articles	Cited by 62

✕