Read-me File – Schleer, Semmler, Illner (2016)

The following exel sheets can be found in the file "Schleer&Semmler_2016_DataSet.xls"

- cr_gr: contains the variable credit growth, see Chapter 4.1
- gdp_gr: contains gdp growth rate, see Chapter 4.1
- ed : excess debt defined by the difference between optimal (f*) and actual debt, described in Chapter 3.1

The time series are available from 1980Q1 to 2012 / 2013Q4 for all countries and country groups considered in the paper.

By means of these variables you are able to replicate the results of Chapter 4.1 (descriptives).

Using the code "main_VSTAR(sent).m" enables you to analyse the link between gdp and credit (y_t = f{GDP_t; cr_t}) by using excess debt as transition variable (s_t, lagged first difference of excess debt in the banking sector). The Vector STAR model is the basis for the results in Chapter 4.3. Therefore, it is necessary to install the LeSage package (http://www.spatial-econometrics.com/) and the package STVAR estimation (https://www0.gsb.columbia.edu/faculty/sbigio/papers/SSTVAR_Toolkit_Guide.).