

Appendix

Labor Relations Index

The index is derived following the formula:

gen lrcat4by4 = ud_cat4 + cent_cat4 + adj_cov_int_cat4 + wcoord_cat4, where:

ud_cat4: (0/25=0) (25/36=1) (36/52=2) (52/100=3)

adj_cov_int: (0/50=0) (50/77=1) (77/85=2) (85/100=3)

wcoord: (1=0) (2 3=1) (4=2) (5=3)

cent_int: (0/.31=0)(.31/.46=1)(.46/.70=2)(.70/1.21=3)

Pairwise correlations

Variables	(1)	(2)	(3)	(4)
(1) ud	1.000			
(2) cent_int	0.586	1.000		
(3) adj_cov	0.441	0.510	1.000	
(4) wcoord	0.468	0.647	0.293	1.000

Pairwise correlations

Variables	(1)	(2)	(3)	(4)
(1) ud_cat4	1.000			
(2) cent_cat4	0.520	1.000		
(3) adj_cov_int_cat4	0.301	0.445	1.000	
(4) wcoord_cat4	0.410	0.587	0.134	1.000

Table A1: Financialization Impact on the Top 1% Income Share by Labor Strength (Prais Winsten regressions, stripped form)

VARIABLES	Model 1	Model 2	Model 3	Model 3
Stock market capitalization	0.0147*** (0.00380)	0.0163*** (0.00381)		
Stock market capitalization # labor relations index	-0.000313 (0.000565)			
Stock market capitalization # workers councils' rights		-0.00195 (0.00216)		
NFC financial assets			0.496 (0.559)	1.561** (0.622)
NFC financial assets # labor relations index			0.0236 (0.0833)	
NFC financial assets # workers councils' rights				-0.334 (0.322)
Labor relations index	-0.0128 (0.0562)		-0.122 (0.135)	
Workers councils' rights		-0.373 (0.231)		-1.709*** (0.641)
Individuals	0.530 (0.504)	0.589 (0.498)	0.628 (0.625)	0.946 (0.608)
Golden age	-0.178 (0.349)	-0.302 (0.346)	-0.782 (0.898)	-1.629* (0.847)
Seventies	-0.108 (0.285)	-0.201 (0.282)	-0.618 (0.699)	-1.361** (0.668)
Single market	-0.329* (0.195)	-0.391** (0.194)	-0.379 (0.356)	-0.660* (0.342)
Crisis	0.0115 (0.190)	0.0443 (0.188)	-0.283 (0.214)	-0.197 (0.213)
Constant	11.95*** (0.801)	12.12*** (0.750)	13.09*** (1.121)	13.57*** (0.876)
Observations	690	697	348	348
R-squared	0.545	0.568	0.371	0.494

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

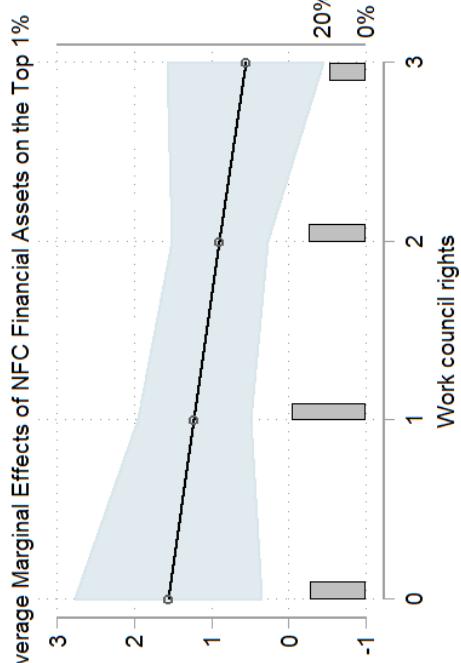
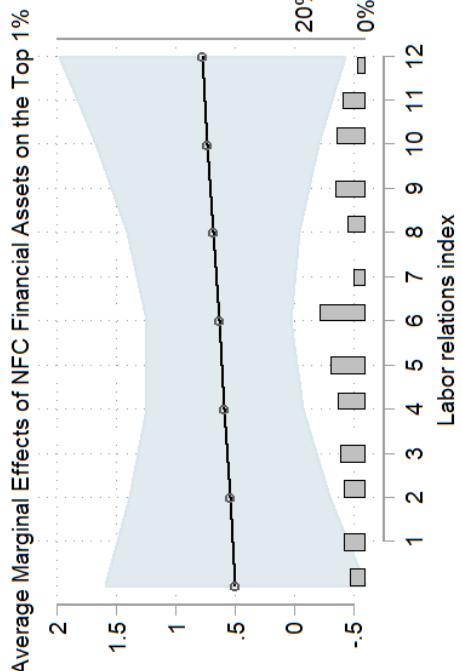
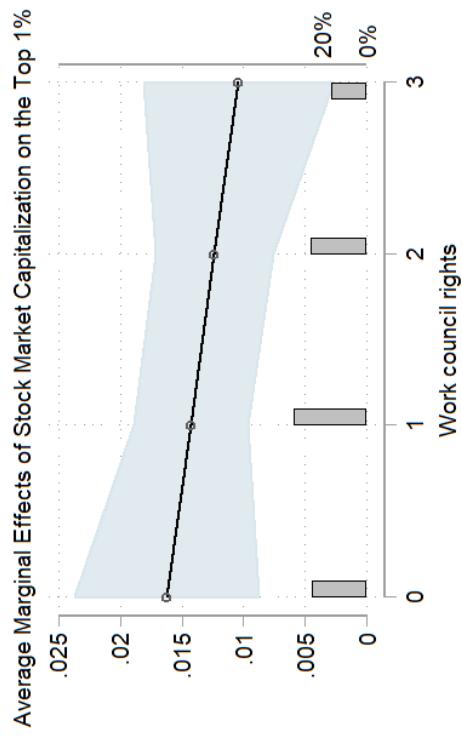
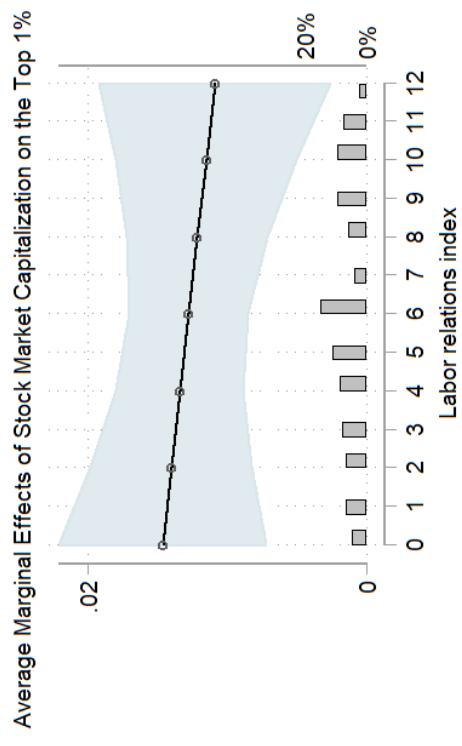


Table A2: Financialization Impact on the Next 9% Income Share by Labor Strength (Prais Winsten regressions, stripped form)

VARIABLES	Model 1	Model 2	Model 3	Model 4
Stock market capitalization	0.000100 (0.00219)	0.00132 (0.00234)		
Stock market capitalization #	0.000150			
labor relations index	(0.000320)			
Stock market capitalization #		-0.000257 (0.00131)		
works councils' rights				
NFC financial assets			0.573** (0.253)	0.284 (0.313)
NFC financial assets #			-0.0465 (0.0372)	
labor relations index				
NFC financial assets #				0.00684 (0.164)
works councils' rights				
Labor relations index	-0.0336 (0.0316)		0.0662 (0.0595)	
Works councils' rights		-0.0271 (0.148)		0.266 (0.459)
Individuals	0.784*** (0.297)	0.789** (0.311)	0.795*** (0.274)	0.786*** (0.274)
Golden age	0.315 (0.226)	0.321 (0.237)	-0.154 (0.414)	-0.150 (0.415)
Seventies	0.0927 (0.173)	0.0957 (0.182)	-0.266 (0.315)	-0.259 (0.315)
Single market	-0.243** (0.112)	-0.241** (0.118)	-0.167 (0.158)	-0.172 (0.158)
Crisis	-0.0364 (0.108)	-0.0331 (0.113)	-0.0532 (0.0930)	-0.0532 (0.0933)
Constant	23.96*** (1.602)	23.84*** (1.851)	22.98*** (1.164)	23.06*** (1.301)
Observations	682	689	348	348
R-squared	0.764	0.713	0.879	0.867

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

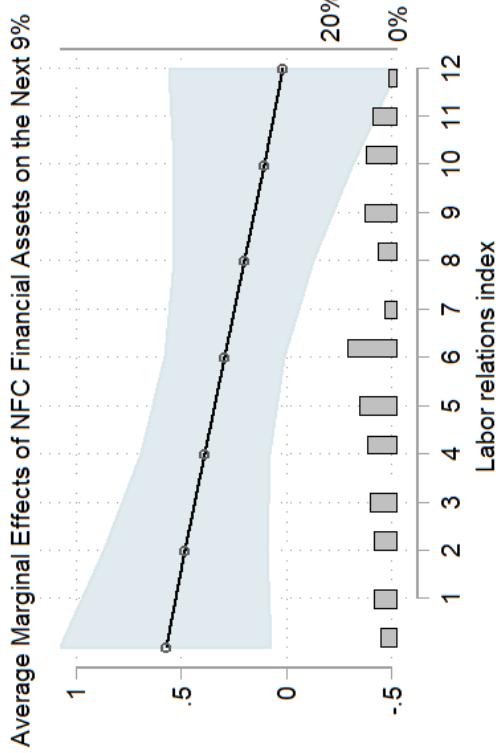
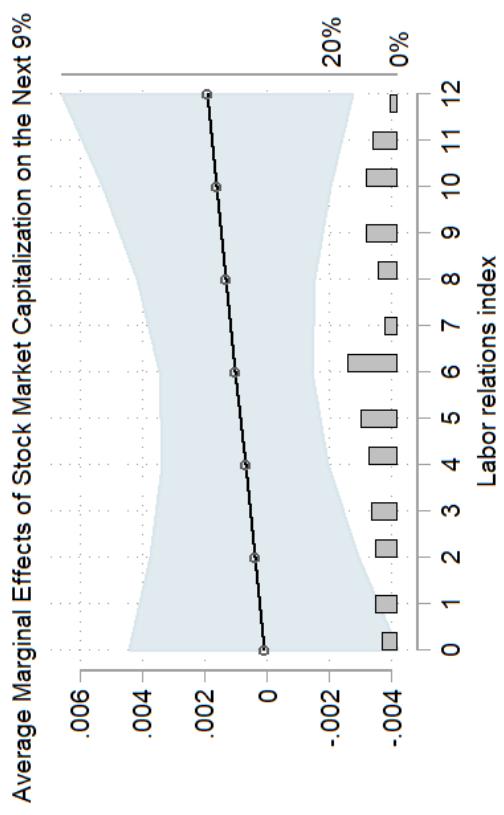
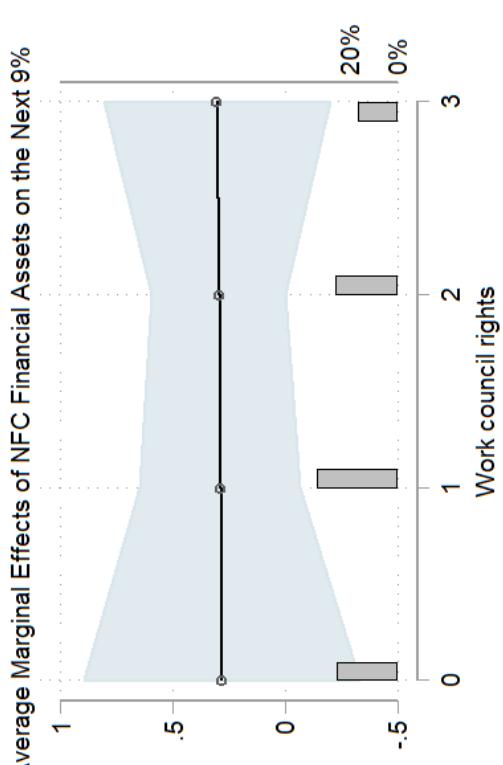
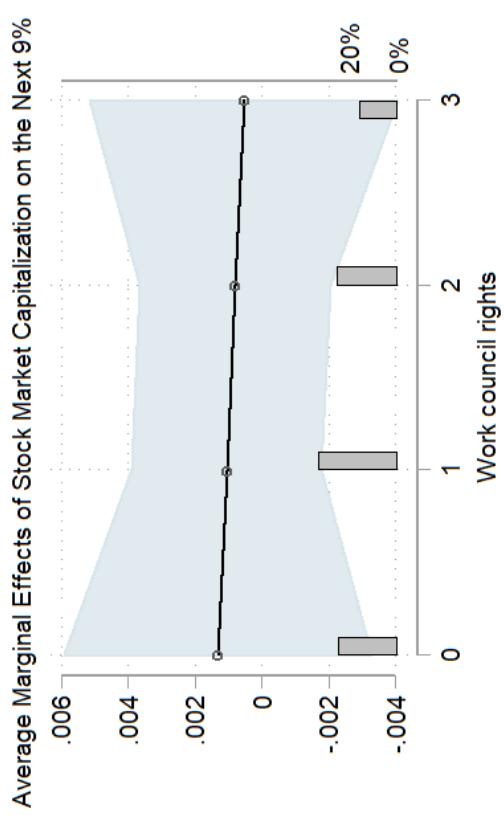


Table A3: Financialization Impact on the Top 1% Income Share by Labor Strength (Fixed Effects Models)

VARIABLES	Model 1	Model 2	Model 3	Model 4
Stock market capitalization	0.00977*** (0.00252)	0.00530** (0.00234)		
Stock market capitalization * labor relations index	-0.00151*** (0.000405)			
Stock market capitalization * work councils rights		-0.00192 (0.00141)		
NFC financial assets			2.590*** (0.440)	3.232*** (0.393)
NFC financial assets * labor relations index			-0.324*** (0.0614)	
NFC financial assets * work councils rights				-1.630*** (0.199)
Labor relations index	-0.0197 (0.0557)		0.408*** (0.128)	
Work councils rights		-0.961*** (0.180)		1.237* (0.686)
Union density		-0.0517*** (0.00923)		-0.194*** (0.0221)
Centralization		1.469** (0.711)		-0.809 (1.232)
Secular center and right government	-0.00211 (0.00218)	-0.00232 (0.00202)	0.00587** (0.00245)	-0.000692 (0.00233)
Veto points	-0.479 (0.504)	-2.457*** (0.531)		
GDP per capita	1.65e-07*** (1.76e-08)	1.46e-07*** (1.65e-08)	1.90e-07*** (2.23e-08)	1.09e-07*** (2.21e-08)
Individuals	1.526*** (0.282)	1.893*** (0.266)	1.376*** (0.393)	0.523 (0.372)
Golden age	1.967*** (0.346)	1.473*** (0.326)	-0.291 (0.632)	0.164 (0.571)
Seventies	-0.176 (0.286)	-0.222 (0.268)	-1.370*** (0.482)	-0.524 (0.440)
Eighties	-0.597*** (0.208)	-0.555*** (0.195)	0.235 (0.292)	0.100 (0.259)
Crisis	-0.373* (0.213)	-0.453** (0.203)	-0.703*** (0.202)	-0.767*** (0.184)
Constant	5.177*** (0.939)	10.92*** (1.156)	1.211 (0.957)	10.94*** (1.471)
Observations	690	695	337	337
R-squared	0.517	0.569	0.646	0.711
Number of countries	18	18	16	16

Standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.1

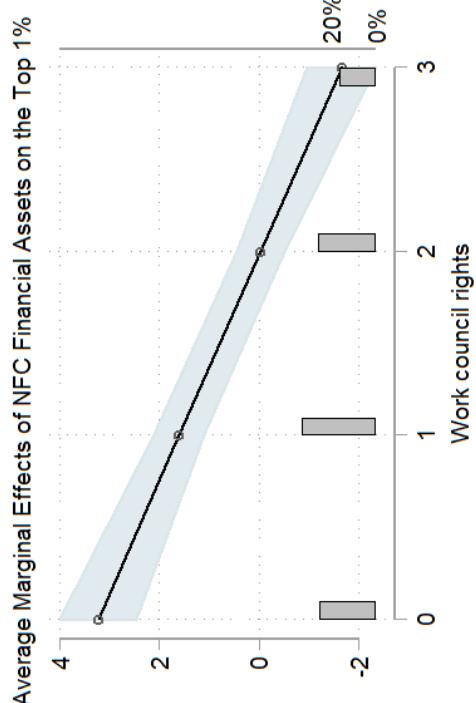
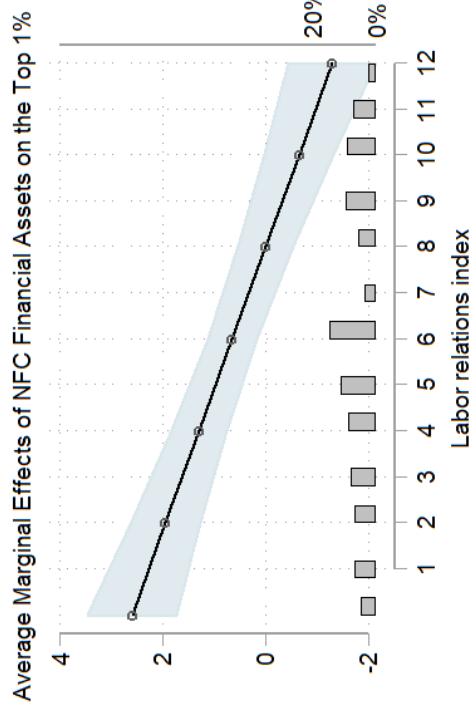
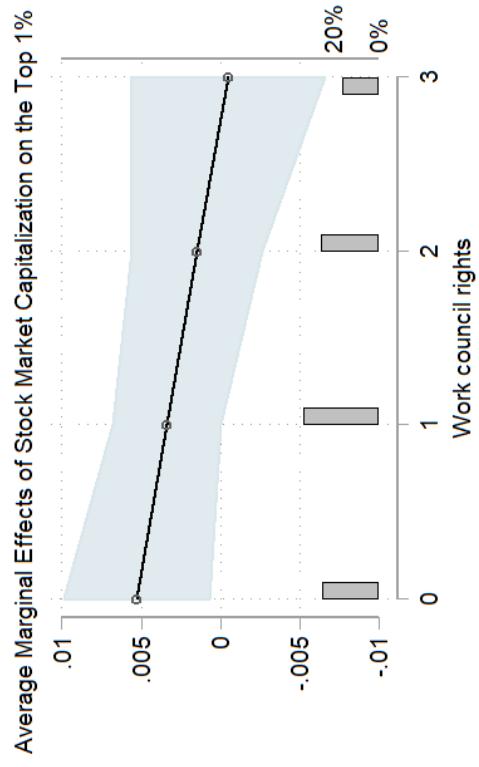
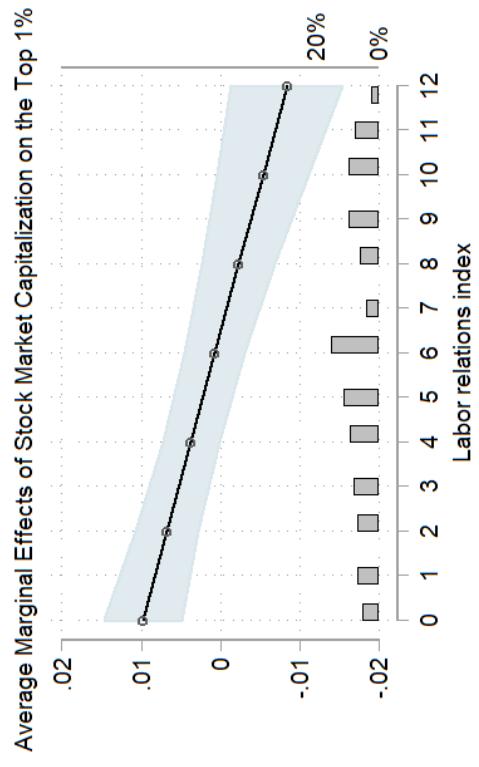


Table A4: Financialization Impact on the Next 9% Income Share by Labor Strength (Fixed Effects Models)

VARIABLES	Model 1	Model 2	Model 3	Model 4
Stock market capitalization	0.00597* (0.00328)	-0.00626** (0.00278)		
Stock market capitalization *		-0.00162*** (0.000540)		
labor relations index				
Stock market capitalization *		0.00317* (0.00168)		
work councils rights				
NFC financial assets			-0.475 (0.386)	-0.813** (0.327)
NFC financial assets *			-0.0219 (0.0539)	
labor relations index				-0.0121 (0.165)
NFC financial assets *				
work councils' rights				
Labor relations index	-0.289*** (0.0726)		-0.324*** (0.112)	
Work councils' rights		-1.353*** (0.215)		1.635*** (0.569)
Union density		-0.150*** (0.0111)		-0.186*** (0.0183)
Centralization		3.338*** (0.843)		0.449 (1.023)
Secular center and right government	0.00636** (0.00284)	0.00365 (0.00240)	0.00731*** (0.00215)	0.00111 (0.00193)
Veto points	2.220*** (0.656)	-1.349** (0.630)		
GDP per capita	2.74e-08 (2.29e-08)	-2.55e-08 (1.96e-08)	5.59e-08*** (1.95e-08)	-1.22e-08 (1.83e-08)
Individuals	0.0745 (0.367)	1.312*** (0.316)	-0.688** (0.345)	-1.006*** (0.309)
Golden age	0.683 (0.452)	0.113 (0.389)	0.801 (0.555)	-0.125 (0.474)
Seventies	-0.255 (0.373)	-0.107 (0.319)	0.503 (0.423)	-0.00819 (0.365)
Eighties	-0.752*** (0.274)	-0.589** (0.234)	-0.409 (0.256)	-0.920*** (0.215)
Crisis	0.102 (0.277)	-0.143 (0.240)	0.438** (0.177)	0.230 (0.153)
Constant	20.88*** (1.224)	31.80*** (1.375)	24.92*** (0.840)	29.89*** (1.221)
Observations	682	687	337	337
R-squared	0.205	0.406	0.251	0.453
Number of countries	18	18	16	16

Standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.1

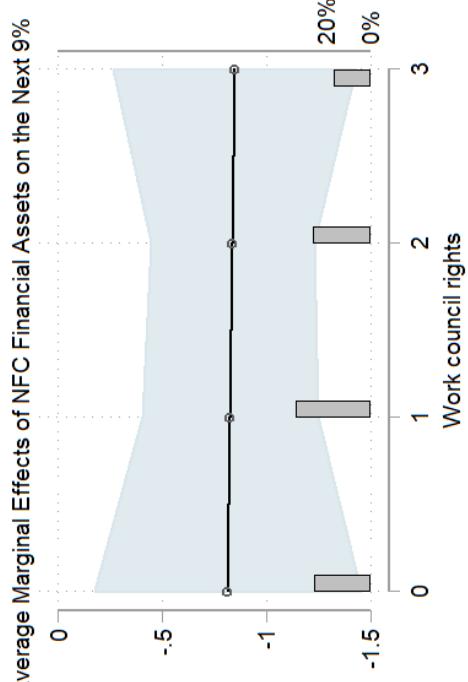
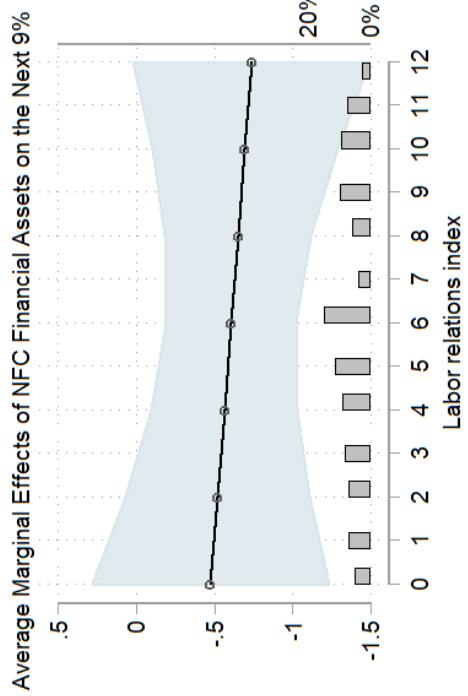
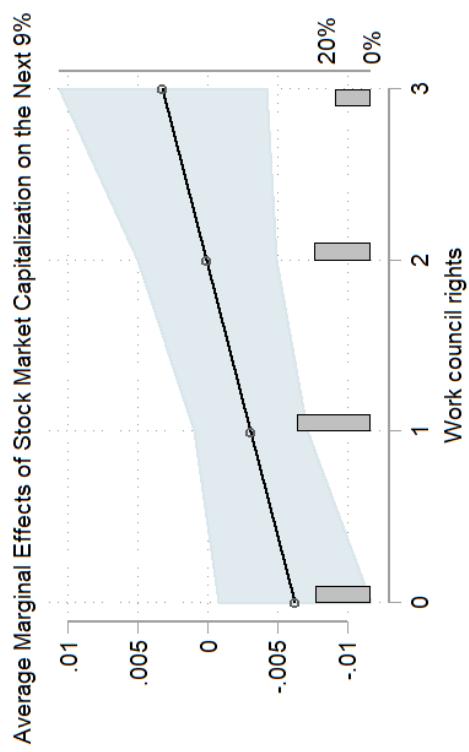
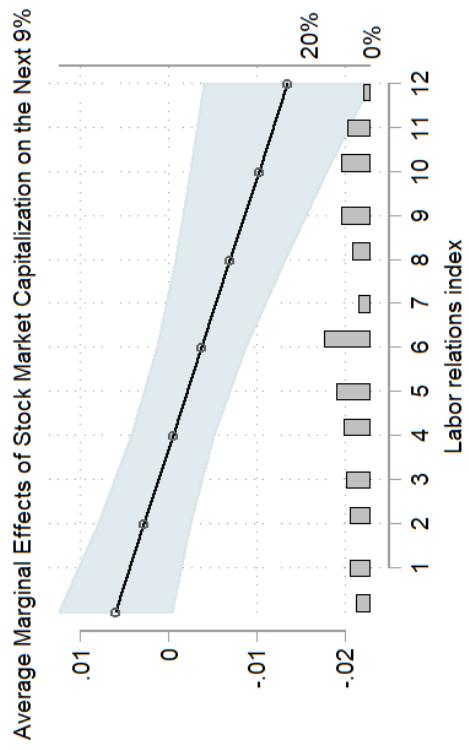


Table A5: Financialization Impact on the Top 1% Income Share by Labor Strength (Random Effects Models)

VARIABLES	Model 1	Model 2	Model 3	Model 4
Stock market capitalization	0.00962*** (0.00251)	0.00605** (0.00236)		
Stock market capitalization * labor relations index	-0.00139*** (0.000402)			
Stock market capitalization * works councils rights		-0.00190 (0.00143)		
NFC financial assets			2.453*** (0.434)	2.349*** (0.379)
NFC financial assets * labor relations index			-0.304*** (0.0609)	
NFC financial assets * works councils rights				-1.097*** (0.190)
Labor relations index	-0.0618 (0.0535)		0.226* (0.119)	
Works councils rights		-0.638*** (0.163)		1.100** (0.478)
Union density		-0.0495*** (0.00860)		-0.103*** (0.0157)
Centralization		0.692 (0.652)		-1.542 (1.190)
Center and right government	-0.00151 (0.00216)	-0.00184 (0.00204)	0.00595** (0.00246)	0.00163 (0.00238)
Veto players	0.188 (0.218)	-0.0912 (0.199)	0.509* (0.265)	0.0582 (0.249)
GDP per capita	1.58e-07*** (1.73e-08)	1.41e-07*** (1.65e-08)	1.81e-07*** (2.20e-08)	1.47e-07*** (2.15e-08)
Individuals	1.430*** (0.279)	1.785*** (0.267)	1.350*** (0.385)	1.068*** (0.369)
Golden age	1.837*** (0.340)	1.384*** (0.328)	-0.160 (0.628)	-0.168 (0.597)
Seventies	-0.200 (0.284)	-0.201 (0.271)	-1.218** (0.476)	-1.015** (0.456)
Eighties	-0.602*** (0.207)	-0.537*** (0.197)	0.248 (0.289)	0.0830 (0.270)
Crisis	-0.344 (0.213)	-0.413** (0.206)	-0.682*** (0.205)	-0.697*** (0.194)
Constant	4.631*** (0.784)	7.453*** (0.858)	1.071 (1.156)	7.017*** (1.299)
Observations	690	695	337	337
Number of countries	18	18	16	16

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

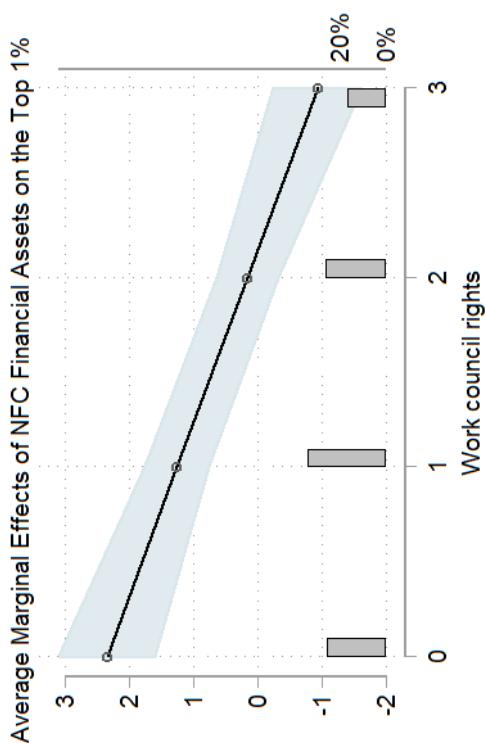
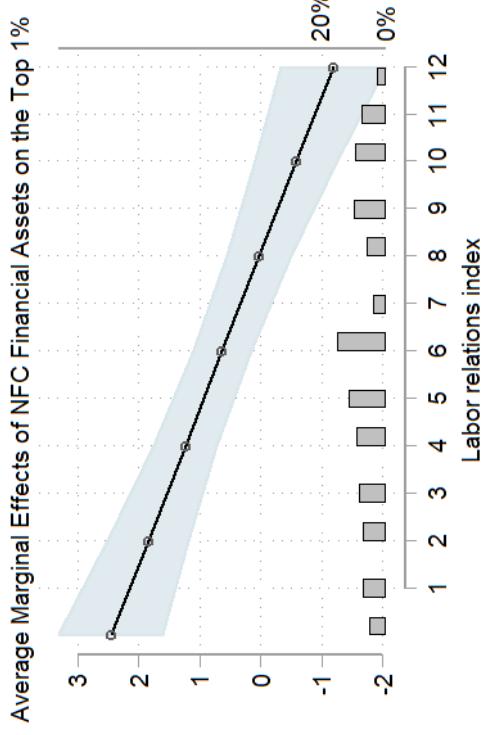
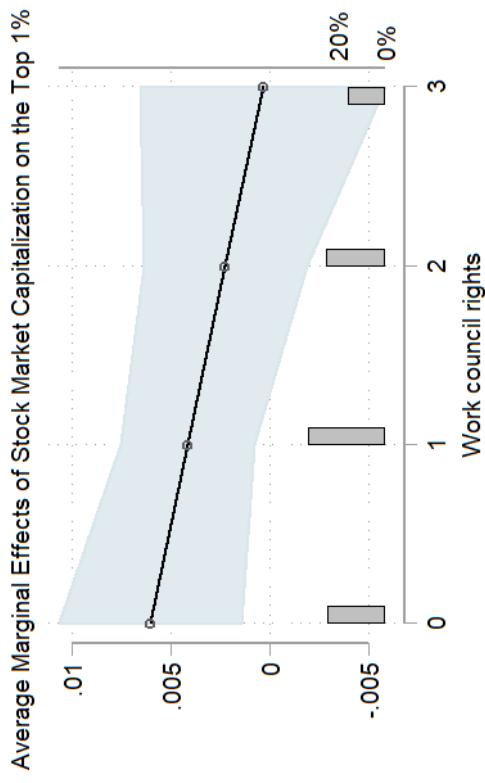
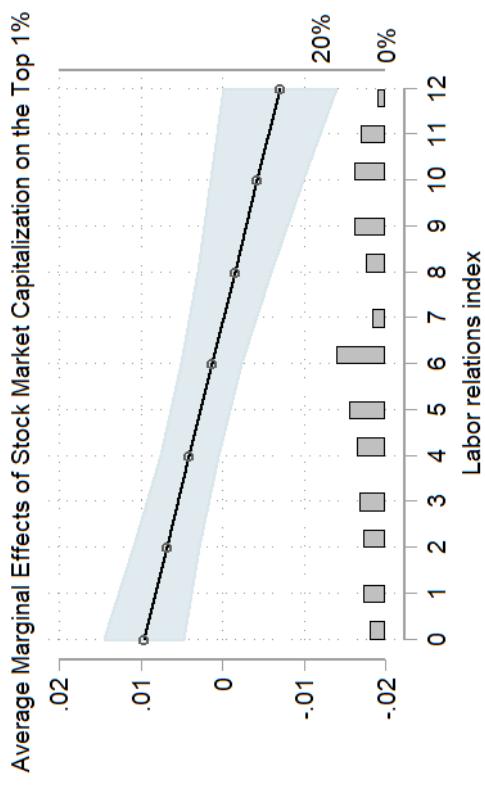


Table A6: Financialization Impact on the Next 9% Income Share by Labor Strength (Random Effects Models)

VARIABLES	Model 1	Model 2	Model 3	Model 4
Stock market capitalization	0.00579* (0.00328)	-0.00491* (0.00278)		
Stock market capitalization *	-0.00182*** (0.000536)			
labor relations index				
Stock market capitalization *		0.00284* (0.00169)		
works councils rights				
NFC financial assets			-0.433 (0.382)	-0.916*** (0.318)
NFC financial assets *			-0.0258 (0.0536)	
labor relations index				
NFC financial assets *				0.108 (0.161)
works councils' rights				
Labor relations index	-0.297*** (0.0682)		-0.463*** (0.104)	
Works councils' rights		-1.155*** (0.189)		0.598 (0.468)
Union density		-0.134*** (0.00991)		-0.158*** (0.0156)
Centralization		3.491*** (0.744)		-0.110 (1.007)
Center and right government	0.00585** (0.00281)	0.00423* (0.00240)	0.00726*** (0.00217)	0.00202 (0.00195)
Veto points	0.0188 (0.234)	-0.400** (0.203)	-0.399* (0.216)	-0.643** (0.326)
GDP per capita	2.51e-08 (2.25e-08)	-2.35e-08 (1.93e-08)	3.92e-08** (1.93e-08)	-4.26e-09 (1.80e-08)
Individuals	0.146 (0.362)	1.301*** (0.313)	-0.724** (0.338)	-0.809*** (0.307)
Golden age	0.813* (0.442)	0.115 (0.386)	0.821 (0.553)	-0.199 (0.484)
Seventies	-0.328 (0.370)	-0.124 (0.319)	0.568 (0.418)	-0.127 (0.371)
Eighties	-0.806*** (0.272)	-0.633*** (0.234)	-0.437* (0.254)	-0.890*** (0.219)
Crisis	0.0989 (0.278)	-0.109 (0.243)	0.476*** (0.181)	0.283* (0.157)
Constant	24.25*** (0.927)	29.30*** (0.938)	26.41*** (0.991)	30.78*** (1.383)
Observations	682	687	337	337
Number of countries	18	18	16	16

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

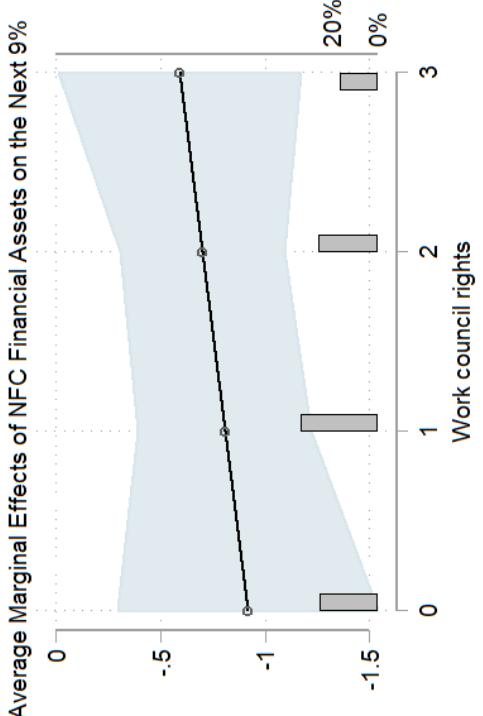
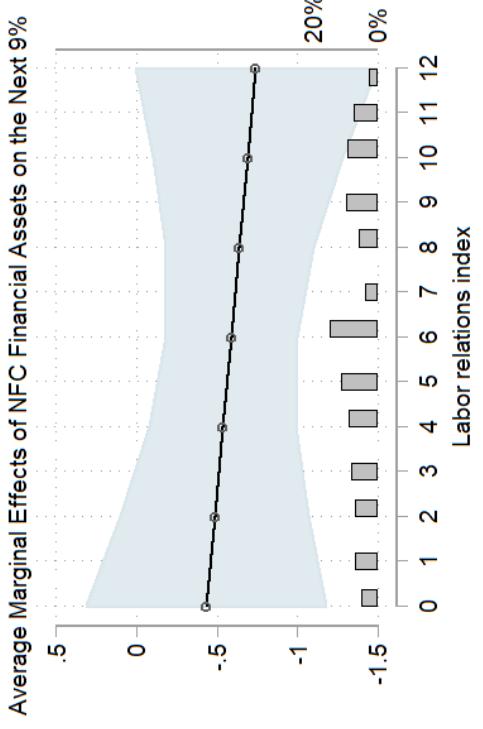
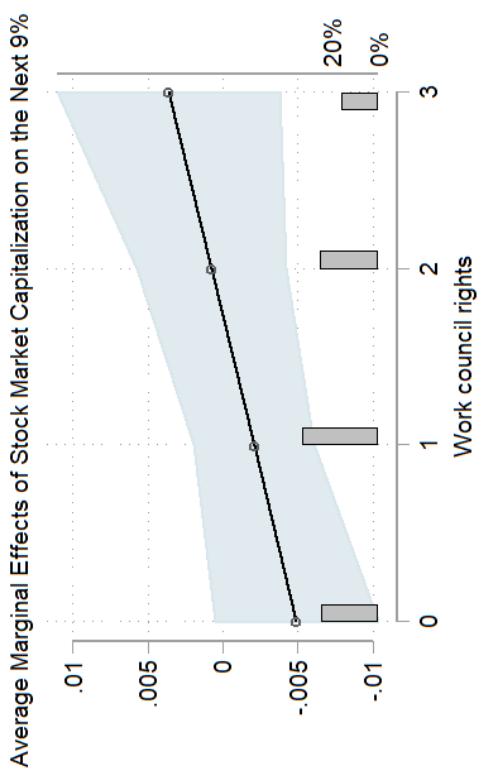
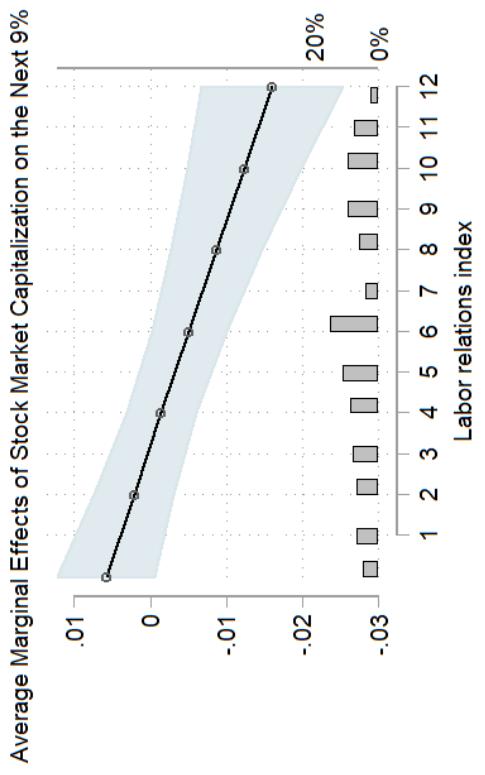


Table A7: Financialization Impact on the Top 1 / Next 9 Ratio by Labor Strength (Fixed effects models)

VARIABLES	Model 1	Model 2	Model 3	Model 4
Stock market capitalization	0.000241** (0.000106)	0.000209** (0.000103)		
Stock market capitalization * labor relations index	-2.81e-05 (1.75e-05)			
Stock market capitalization * work councils' rights		-6.96e-05 (6.23e-05)		
NFC financial assets			0.0988*** (0.0183)	0.128*** (0.0173)
NFC financial assets * labor relations index			-0.0106*** (0.00255)	
NFC financial assets * work council rights				-0.0568*** (0.00873)
Labor relations index	0.00250 (0.00234)		0.0195*** (0.00532)	
Work council rights		-0.0194** (0.00795)		0.0144 (0.0301)
Union density		-0.000509 (0.000411)		-0.00477*** (0.000970)
Centralization		-0.0190 (0.0312)		-0.0347 (0.0541)
Secular centre and right government	-0.000157* (9.18e-05)	-0.000140 (8.88e-05)	0.000115 (0.000102)	-4.60e-05 (0.000102)
Veto points	-0.0523** (0.0212)	-0.0840*** (0.0233)		
GDP per capita	6.88e-09*** (7.41e-10)	6.70e-09*** (7.24e-10)	6.90e-09*** (9.25e-10)	4.78e-09*** (9.68e-10)
Individuals	0.0498*** (0.0119)	0.0496*** (0.0117)	0.0590*** (0.0163)	0.0315* (0.0163)
Golden age	0.0842*** (0.0146)	0.0750*** (0.0144)	-0.0139 (0.0263)	0.0167 (0.0251)
Seventies	-0.000566 (0.0121)	-0.00184 (0.0118)	-0.0544*** (0.0200)	-0.0147 (0.0193)
Eighties	-0.0120 (0.00884)	-0.00973 (0.00867)	0.0172 (0.0121)	0.0197* (0.0114)
Crisis	-0.0209** (0.00896)	-0.0213** (0.00890)	-0.0368*** (0.00839)	-0.0367*** (0.00810)
Constant	0.255*** (0.0395)	0.369*** (0.0509)	0.0567 (0.0398)	0.365*** (0.0646)
Observations	682	687	337	337
R-squared	0.428	0.441	0.575	0.613
Number of countries	18	18	16	16

Standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.1

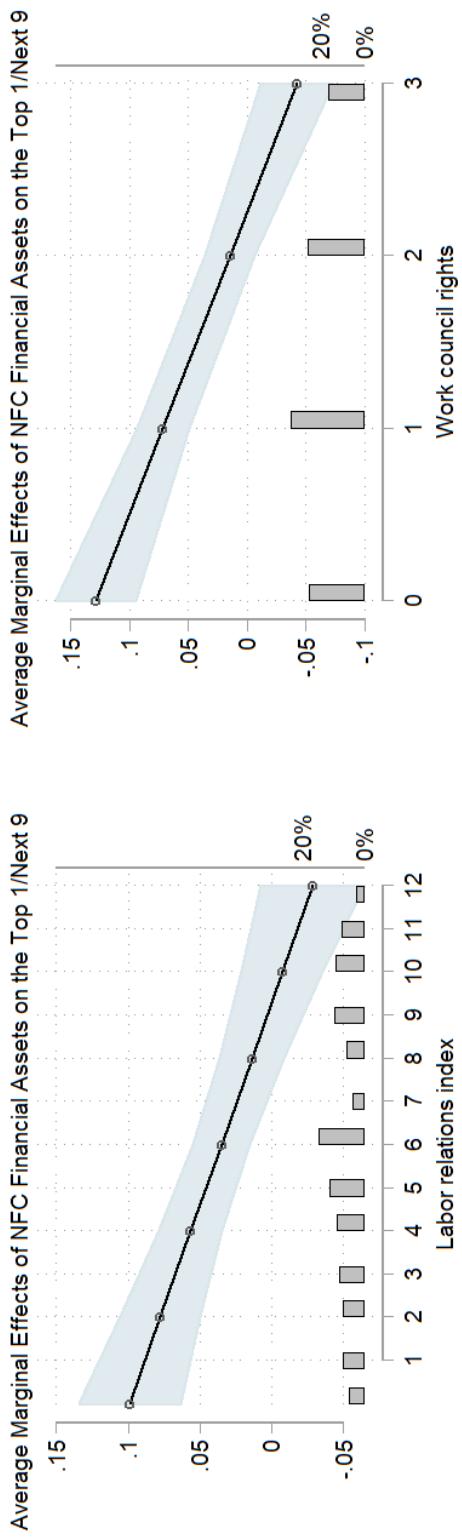
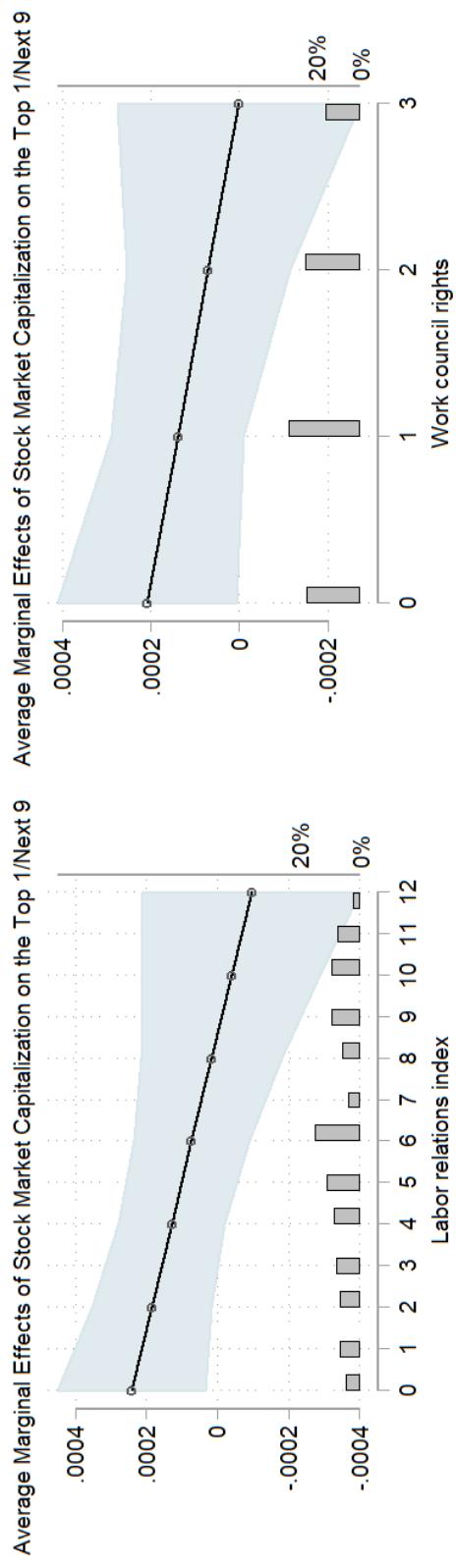
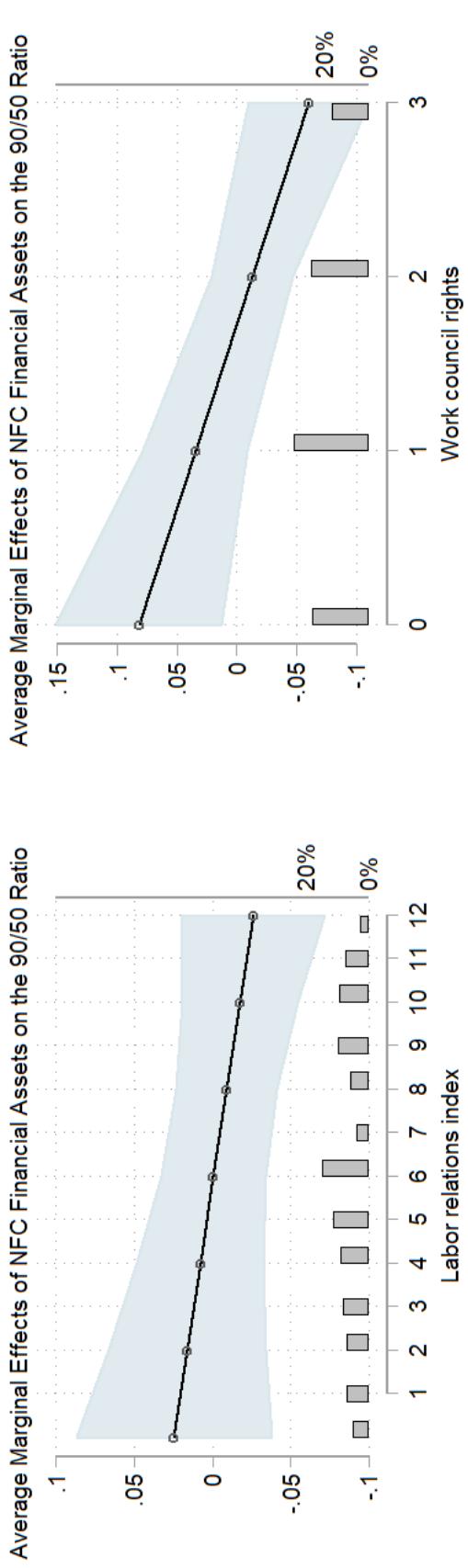
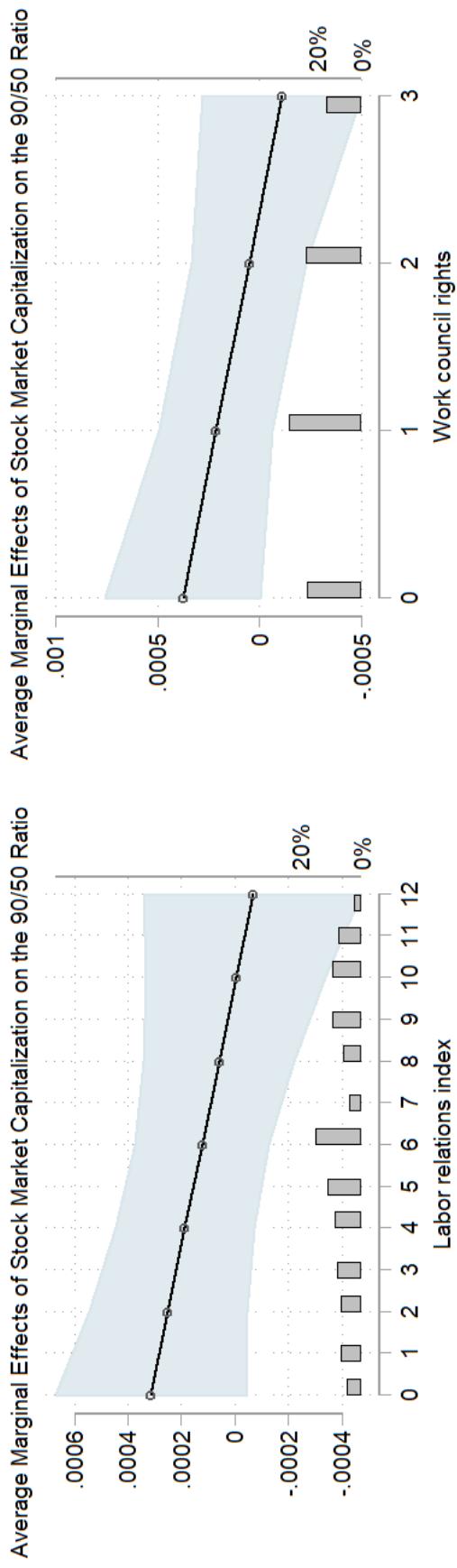


Table A8: Financialization Impact on the 90/50 Ratio by Labor Strength (Fixed effects models)

Standard	VARIABLES	Model 1	Model 2	errors in
	NFC financial assets	0.0247 (0.0319)	0.0817** (0.0353)	
	NFC financial assets * labor relations index	-0.00423 (0.00371)		
	NFC financial assets * work council rights		-0.0472*** (0.0167)	
	Labor relations index	0.0205** (0.00904)		
	Work council rights		0.00110 (0.0570)	
	Union density		-0.00286 (0.00211)	
	Centralization		-0.0287 (0.0918)	
	Secular center and right government	-4.13e-05 (0.000189)	-8.91e-05 (0.000190)	
	Veto points			
	GDP per capita	7.87e-09*** (1.60e-09)	6.70e-09*** (1.87e-09)	
	Golden age			
	Seventies	-0.142*** (0.0392)	-0.0799* (0.0410)	
	Eighties	-0.0123 (0.0223)	0.00682 (0.0219)	
	Crisis	0.0199 (0.0131)	0.0130 (0.0133)	
	Constant	1.517*** (0.0695)	1.761*** (0.138)	
	Observations	307	307	
	R-squared	0.325	0.334	
	Number of countries	19	19	

parentheses. *** p<0.01, ** p<0.05, * p<0.1



Granger Causality Test

Next 9 and Non-Financial Corporation's Financial Assets (1 lag)

Panel vector autoregression

GMM Estimation

Final GMM Criterion Q(b) = 1.17e-32

Initial weight matrix: Identity

GMM weight matrix: Robust

No. of obs	=	312
No. of panels	=	16
Ave. no. of T	=	19.500

	Coef.	Std.Err.	z	P>z	[95%Conf.	Interval]
top90to99pct						
top90to99pct						
L1.	1.016	0.052	19.440	0.000	0.914	1.119
nfcfagdp						
L1.	0.062	0.106	0.580	0.559	-0.146	0.270
nfcfagdp						
top90to99pct						
L1.	0.025	0.025	1.020	0.308	-0.023	0.073
nfcfagdp						
L1.	0.958	0.056	17.210	0.000	0.849	1.067

Instruments : l(1/1).(top90to99pct nfcfagdp)

```

panel VAR-Granger causality Wald test
Ho: Excluded variable does not Granger-cause Equation variable
Ha: Excluded variable Granger-causes Equation variable

```

Equation \ Excluded	chi2	df	Prob > chi2
top90to99pct	0.341	1	0.559
	0.341	1	0.559
nfcfagdp	1.039	1	0.308
	1.039	1	0.308

Next 9 and Non-Financial Corporation's Financial Assets (2 lags)

Panel vector autoregression

GMM Estimation

Final GMM Criterion Q(b) = 1.28e-31

Initial weight matrix: Identity

GMM weight matrix: Robust

No. of obs = 296
 No. of panels = 16
 Ave. no. of T = 18.500

	Coef.	Std.Err.	z	P>z	[95%Conf.	Interval]
top90to99pct						
top90to99pct						
L1.	1.011	0.131	7.690	0.000	0.753	1.268
L2.	0.030	0.117	0.260	0.797	-0.199	0.259
nfcfagdp						
L1.	0.273	0.187	1.460	0.144	-0.093	0.639
L2.	-0.241	0.137	-1.750	0.080	-0.510	0.029
nfcfagdp						
top90to99pct						
L1.	0.021	0.033	0.630	0.528	-0.044	0.086
L2.	0.031	0.027	1.140	0.256	-0.022	0.085
nfcfagdp						
L1.	1.148	0.111	10.330	0.000	0.930	1.366
L2.	-0.231	0.068	-3.410	0.001	-0.364	-0.098

Instruments : l(1/2).(top90to99pct nfcfagdp)

```
panel VAR-Granger causality Wald test
Ho: Excluded variable does not Granger-cause Equation variable
Ha: Excluded variable Granger-causes Equation variable
```

Equation \ Excluded	chi2	df	Prob > chi2
top90to99pct			
nfcfagdp	3.082	2	0.214
ALL	3.082	2	0.214
nfcfagdp			
top90to99pct	1.881	2	0.390
ALL	1.881	2	0.390

Next 9 and Non-Financial Corporation's Financial Assets (3 lags)

Panel vector autoregression

GMM Estimation

Final GMM Criterion Q(b) = 3.93e-31

Initial weight matrix: Identity

GMM weight matrix: Robust

No. of obs	=	280
No. of panels	=	16
Ave. no. of T	=	17.500

	Coeff.	Std.Err.	z	P>z	[95%Conf.	Interval]
top90to99pct						
top90to99pct						
L1.	0.993	0.117	8.500	0.000	0.764	1.221
L2.	0.142	0.081	1.750	0.079	-0.017	0.300
L3.	-0.122	0.073	-1.660	0.097	-0.266	0.022
nfcfagdp						
L1.	0.348	0.177	1.960	0.050	0.000	0.695
L2.	-0.407	0.210	-1.940	0.053	-0.819	0.005
L3.	0.143	0.110	1.300	0.194	-0.072	0.357
top90to99pct						
L1.	-0.015	0.021	-0.680	0.496	-0.056	0.027
L2.	0.046	0.039	1.170	0.241	-0.031	0.122
L3.	-0.016	0.026	-0.620	0.533	-0.067	0.035
nfcfagdp						
L1.	1.184	0.075	15.890	0.000	1.038	1.330
L2.	-0.432	0.116	-3.710	0.000	-0.660	-0.204
L3.	0.221	0.065	3.400	0.001	0.094	0.349

Instruments : l(1/3).(top90to99pct nfcfagdp)

```
panel VAR-Granger causality Wald test
Ho: Excluded variable does not Granger-cause Equation variable
Ha: Excluded variable Granger-causes Equation variable
```

Equation \ Excluded	chi2	df	Prob > chi2
top90to99pct	4.662	3	0.198
nfcfagdp			
ALL	4.662	3	0.198
nfcfagdp			
top90to99pct	1.709	3	0.635
ALL			

Next 9 and Non-Financial Corporation's Financial Assets (4 lags)

Panel vector autoregression

GMM Estimation

Final GMM Criterion Q(b) = 6.62e-31

Initial weight matrix: Identity

GMM weight matrix: Robust

No. of obs = 264
 No. of panels = 16
 Ave. no. of T = 16.500

	Coef.	Std.Err.	z	P>z	[95%Conf.	Interval]
top90to99pct						
top90to99pct						
L1.	0.965	0.110	8.730	0.000	0.748	1.181
L2.	0.157	0.080	1.950	0.051	-0.001	0.314
L3.	-0.081	0.081	-1.000	0.316	-0.239	0.077
L4.	-0.061	0.055	-1.110	0.269	-0.170	0.047
nfcfagdp						
L1.	0.471	0.195	2.410	0.016	0.088	0.855
L2.	-0.508	0.232	-2.190	0.028	-0.962	-0.054
L3.	-0.075	0.158	-0.480	0.633	-0.385	0.234
L4.	0.249	0.102	2.440	0.015	0.049	0.449
nfcfagdp						
top90to99pct						
L1.	-0.020	0.026	-0.800	0.425	-0.071	0.030
L2.	0.033	0.036	0.920	0.357	-0.038	0.105
L3.	-0.030	0.028	-1.090	0.277	-0.084	0.024
L4.	0.028	0.017	1.620	0.105	-0.006	0.061
nfcfagdp						
L1.	1.157	0.078	14.800	0.000	1.004	1.310
L2.	-0.441	0.097	-4.560	0.000	-0.630	-0.251
L3.	0.176	0.082	2.130	0.033	0.014	0.337
L4.	0.074	0.080	0.920	0.357	-0.083	0.230

Instruments : l(1/4).(top90to99pct nfcfagdp)

panel VAR-Granger causality Wald test
 Ho: Excluded variable does not Granger-cause Equation variable
 Ha: Excluded variable Granger-causes Equation variable

Equation \ Excluded	chi2	df	Prob > chi2
top90to99pct			
nfcfagdp	18.562	4	0.001
ALL	18.562	4	0.001
nfcfagdp			
top90to99pct	3.456	4	0.485
ALL	3.456	4	0.485

Next 9 and Stock market capitalization (1 lag)

Panel vector autoregression

GMM Estimation

Final GMM Criterion Q(b) = 5.09e-33

Initial weight matrix: Identity

GMM weight matrix: Robust

No. of obs = 613
 No. of panels = 18
 Ave. no. of T = 34.056

	Coef.	Std.Err.	z	P>z	[95%Conf.	Interval]
top90to99pct						
top90to99pct						
L1.	1.102	0.114	9.700	0.000	0.879	1.325
stmktcap						
L1.	0.002	0.002	1.240	0.214	-0.001	0.006
stmktcap						
top90to99pct						
L1.	-3.102	3.382	-0.920	0.359	-9.730	3.526
stmktcap						
L1.	0.992	0.043	22.960	0.000	0.907	1.076

Instruments : l(1/1).(top90to99pct stmktcap)

```
panel VAR-Granger causality Wald test
Ho: Excluded variable does not Granger-cause Equation variable
Ha: Excluded variable Granger-causes Equation variable
```

Equation \ Excluded	chi2	df	Prob > chi2
top90to99pct			
stmktcap	1.542	1	0.214
ALL	1.542	1	0.214
stmktcap			
top90to99pct	0.842	1	0.359
ALL	0.842	1	0.359

Next 9 and Stock market capitalization (2 lags)

Panel vector autoregression

GMM Estimation

Final GMM Criterion Q(b) = 9.21e-32

Initial weight matrix: Identity

GMM weight matrix: Robust

No. of obs = 589
 No. of panels = 18
 Ave. no. of T = 32.722

	Coef.	Std.Err.	z	P>z	[95%Conf.	Interval]
top90to99pct						
top90to99pct						
L1.	1.286	0.079	16.340	0.000	1.132	1.441
L2.	-0.195	0.072	-2.700	0.007	-0.336	-0.053
stmktcap						
L1.	0.001	0.002	0.750	0.453	-0.002	0.004
L2.	0.001	0.001	0.750	0.456	-0.001	0.002
stmktcap						
top90to99pct						
L1.	2.309	1.616	1.430	0.153	-0.859	5.477
L2.	-1.773	1.273	-1.390	0.164	-4.268	0.721
stmktcap						
L1.	1.434	0.033	44.100	0.000	1.371	1.498
L2.	-0.496	0.042	-11.740	0.000	-0.579	-0.413

Instruments : l(1/2).(top90to99pct stmktcap)

```
panel VAR-Granger causality Wald test
Ho: Excluded variable does not Granger-cause Equation variable
Ha: Excluded variable Granger-causes Equation variable
```

Equation \ Excluded	chi2	df	Prob > chi2
top90to99pct			
stmktcap	1.320	2	0.517
ALL	1.320	2	0.517
stmktcap			
top90to99pct	3.369	2	0.186
ALL	3.369	2	0.186

Next 9 and Stock market capitalization (3 lags)

Panel vector autoregression

GMM Estimation

Final GMM Criterion Q(b) = 3.45e-32

Initial weight matrix: Identity

GMM weight matrix: Robust

No. of obs	=	566
No. of panels	=	18
Ave. no. of T	=	31.444

	Coef.	Std.Err.	z	P>z	[95%Conf.	Interval]
top90to99pct						
top90to99pct						
L1.	1.247	0.064	19.470	0.000	1.122	1.373
L2.	-0.153	0.099	-1.550	0.121	-0.346	0.040
L3.	-0.036	0.078	-0.460	0.647	-0.189	0.117
stmktcap						
L1.	0.001	0.001	0.740	0.461	-0.002	0.004
L2.	-0.001	0.002	-0.580	0.559	-0.004	0.002
L3.	0.001	0.001	0.970	0.332	-0.001	0.004
stmktcap						
top90to99pct						
L1.	-4.252	4.852	-0.880	0.381	-13.760	5.257
L2.	1.055	3.368	0.310	0.754	-5.546	7.655
L3.	-2.255	3.821	-0.590	0.555	-9.744	5.234
stmktcap						
L1.	1.595	0.111	14.350	0.000	1.377	1.813
L2.	-1.069	0.117	-9.150	0.000	-1.299	-0.840
L3.	0.460	0.067	6.830	0.000	0.328	0.592

Instruments : l(1/3).(top90to99pct stmktcap)

```

panel VAR-Granger causality Wald test
Ho: Excluded variable does not Granger-cause Equation variable
Ha: Excluded variable Granger-causes Equation variable

```

Equation \ Excluded	chi2	df	Prob > chi2
top90to99pct	1.343	3	0.719
stmktcap			
ALL	1.343	3	0.719
ALL			
stmktcap	1.999	3	0.573
top90to99pct			
ALL	1.999	3	0.573
ALL			

Next 9 and Stock market capitalization (4 lags)

Panel vector autoregression

GMM Estimation

Final GMM Criterion Q(b) = 1.72e-31

Initial weight matrix: Identity

GMM weight matrix: Robust

No. of obs = 544
 No. of panels = 18
 Ave. no. of T = 30.222

	Coef.	Std.Err.	z	P>z	[95%Conf.	Interval]
top90to99pct						
top90to99pct						
L1.	1.209	0.086	13.990	0.000	1.040	1.379
L2.	-0.136	0.103	-1.320	0.187	-0.337	0.066
L3.	-0.036	0.047	-0.780	0.435	-0.128	0.055
L4.	0.007	0.050	0.140	0.890	-0.090	0.104
stmktcap						
L1.	0.000	0.001	0.300	0.761	-0.002	0.003
L2.	0.000	0.002	0.130	0.894	-0.003	0.004
L3.	-0.001	0.002	-0.300	0.763	-0.005	0.004
L4.	0.001	0.001	1.380	0.168	-0.001	0.003
stmktcap						
top90to99pct						
L1.	-2.724	4.102	-0.660	0.507	-10.764	5.316
L2.	0.631	3.395	0.190	0.853	-6.023	7.285
L3.	1.322	1.473	0.900	0.369	-1.565	4.210
L4.	-2.305	1.720	-1.340	0.180	-5.676	1.067
stmktcap						
L1.	1.640	0.091	18.030	0.000	1.462	1.818
L2.	-1.234	0.146	-8.470	0.000	-1.520	-0.949
L3.	0.791	0.107	7.400	0.000	0.582	1.000
L4.	-0.242	0.056	-4.300	0.000	-0.353	-0.132

Instruments : l(1/4).(top90to99pct stmktcap)

panel VAR-Granger causality Wald test
 Ho: Excluded variable does not Granger-cause Equation variable
 Ha: Excluded variable Granger-causes Equation variable

Equation \ Excluded	chi2	df	Prob > chi2
top90to99pct	7.735	4	0.102
stmktcap	7.735	4	0.102
stmktcap	4.648	4	0.325
top90to99pct	4.648	4	0.325
ALL			

Top 1 and Non-financial corporations' financial assets (1 lag)

Panel vector autoregression

GMM Estimation

Final GMM Criterion Q(b) = 6.41e-33

Initial weight matrix: Identity

GMM weight matrix: Robust

No. of obs = 312
 No. of panels = 16
 Ave. no. of T = 19.500

	Coef.	Std.Err.	z	P>z	[95%Conf.	Interval]
top1pct						
top1pct						
L1.	1.107	0.095	11.630	0.000	0.921	1.294
nfcfagdp						
L1.	-0.696	0.358	-1.950	0.051	-1.397	0.004
nfcfagdp						
top1pct						
L1.	-0.010	0.008	-1.330	0.183	-0.025	0.005
nfcfagdp						
L1.	1.037	0.027	37.750	0.000	0.983	1.091

Instruments : l(1/1).(top1pct nfcfagdp)

```
panel VAR-Granger causality Wald test
Ho: Excluded variable does not Granger-cause Equation variable
Ha: Excluded variable Granger-causes Equation variable
```

Equation \ Excluded	chi2	df	Prob > chi2
top1pct	3.794	1	0.051
nfcfagdp	3.794	1	0.051
ALL	1.770	1	0.183
top1pct	1.770	1	0.183
ALL	1.770	1	0.183

Top 1 and Non-financial corporations' financial assets (2 lags)

Panel vector autoregression

GMM Estimation

Final GMM Criterion Q(b) = 3.85e-32

Initial weight matrix: Identity

GMM weight matrix: Robust

No. of obs = 296
 No. of panels = 16
 Ave. no. of T = 18.500

	Coeff.	Std.Err.	z	P>z	[95%Conf.	Interval]
top1pct						
top1pct						
L1.	0.885	0.125	7.070	0.000	0.640	1.130
L2.	0.151	0.145	1.040	0.297	-0.133	0.434
nfcfagdp						
L1.	0.848	0.317	2.680	0.007	0.228	1.468
L2.	-1.301	0.396	-3.280	0.001	-2.077	-0.525
nfcfagdp						
top1pct						
L1.	-0.022	0.013	-1.630	0.104	-0.048	0.004
L2.	0.002	0.007	0.240	0.810	-0.012	0.015
nfcfagdp						
L1.	1.305	0.094	13.860	0.000	1.120	1.489
L2.	-0.230	0.079	-2.890	0.004	-0.386	-0.074

Instruments : l(1/2).(top1pct nfcfagdp)

```
panel VAR-Granger causality Wald test
Ho: Excluded variable does not Granger-cause Equation variable
Ha: Excluded variable Granger-causes Equation variable
```

Equation \ Excluded	chi2	df	Prob > chi2
top1pct	10.994	2	0.004
nfcfagdp			
ALL	10.994	2	0.004
ALL			
nfcfagdp	2.704	2	0.259
top1pct			
ALL	2.704	2	0.259
ALL			

Top 1 and Non-financial corporations' financial assets (3 lags)

Panel vector autoregression

GMM Estimation

Final GMM Criterion Q(b) = 6.30e-32

Initial weight matrix: Identity

GMM weight matrix: Robust

No. of obs = 280
 No. of panels = 16
 Ave. no. of T = 17.500

	Coeff.	Std.Err.	z	P>z	[95%Conf.	Interval]
top1pct						
top1pct						
L1.	0.880	0.127	6.920	0.000	0.630	1.129
L2.	0.150	0.137	1.100	0.271	-0.117	0.418
L3.	0.001	0.043	0.030	0.973	-0.083	0.086
nfcfagdp						
L1.	0.828	0.394	2.100	0.036	0.056	1.600
L2.	-1.304	0.460	-2.830	0.005	-2.207	-0.402
L3.	0.031	0.437	0.070	0.943	-0.825	0.888
nfcfagdp						
top1pct						
L1.	-0.003	0.009	-0.360	0.718	-0.022	0.015
L2.	0.009	0.011	0.850	0.394	-0.012	0.030
L3.	-0.012	0.007	-1.730	0.085	-0.026	0.002
nfcfagdp						
L1.	1.230	0.085	14.390	0.000	1.062	1.397
L2.	-0.439	0.120	-3.650	0.000	-0.674	-0.203
L3.	0.238	0.070	3.420	0.001	0.101	0.375

Instruments : l(1/3).(top1pct nfcfagdp)

panel VAR-Granger causality Wald test
 Ho: Excluded variable does not Granger-cause Equation variable
 Ha: Excluded variable Granger-causes Equation variable

Equation \ Excluded	chi2	df	Prob > chi2	
top1pct	nfcfagdp	11.852	3	0.008
		11.852	3	0.008
nfcfagdp	top1pct	4.316	3	0.229
		4.316	3	0.229

Top 1 and Non-financial corporations' financial assets (4 lags)

Panel vector autoregression

GMM Estimation

Final GMM Criterion Q(b) = 3.44e-32

Initial weight matrix: Identity

GMM weight matrix: Robust

No. of obs = 264
 No. of panels = 16
 Ave. no. of T = 16.500

	Coef.	Std.Err.	z	P>z	[95%Conf.	Interval]
top1pct						
top1pct						
L1.	0.884	0.120	7.390	0.000	0.649	1.118
L2.	0.161	0.136	1.180	0.238	-0.106	0.428
L3.	-0.022	0.073	-0.300	0.768	-0.165	0.122
L4.	0.023	0.072	0.320	0.746	-0.118	0.164
nfcfagdp						
L1.	0.751	0.493	1.520	0.128	-0.215	1.718
L2.	-1.368	0.587	-2.330	0.020	-2.519	-0.217
L3.	-0.473	0.554	-0.850	0.393	-1.560	0.614
L4.	0.531	0.399	1.330	0.184	-0.252	1.313
nfcfagdp						
top1pct						
L1.	-0.003	0.009	-0.370	0.714	-0.022	0.015
L2.	0.009	0.010	0.910	0.360	-0.010	0.028
L3.	-0.018	0.007	-2.590	0.010	-0.032	-0.004
L4.	0.010	0.006	1.680	0.094	-0.002	0.021
nfcfagdp						
L1.	1.179	0.078	15.020	0.000	1.025	1.332
L2.	-0.442	0.100	-4.430	0.000	-0.637	-0.246
L3.	0.179	0.093	1.920	0.055	-0.004	0.361
L4.	0.074	0.086	0.860	0.390	-0.095	0.243

Instruments : l(1/4).(top1pct nfcfagdp)

```
panel VAR-Granger causality Wald test
Ho: Excluded variable does not Granger-cause Equation variable
Ha: Excluded variable Granger-causes Equation variable
```

Equation \ Excluded	chi2	df	Prob > chi2
top1pct	59.844	4	0.000
nfcfagdp	59.844	4	0.000
nfcfagdp	7.526	4	0.111
top1pct	7.526	4	0.111
ALL	7.526	4	0.111

Top 1 and Stock market capitalization (1 lag)

Panel vector autoregression

GMM Estimation

Final GMM Criterion Q(b) = 7.64e-33

Initial weight matrix: Identity

GMM weight matrix: Robust

No. of obs = 619
 No. of panels = 18
 Ave. no. of T = 34.389

	Coef.	Std.Err.	z	P>z	[95%Conf.	Interval]
top1pct						
top1pct						
L1.	0.988	0.025	39.730	0.000	0.939	1.036
stmktcap						
L1.	0.002	0.001	1.250	0.212	-0.001	0.004
stmktcap						
top1pct						
L1.	-1.297	1.424	-0.910	0.362	-4.088	1.494
stmktcap						
L1.	1.023	0.045	22.660	0.000	0.935	1.112

Instruments : l(1/1).(top1pct stmktcap)

```
panel VAR-Granger causality Wald test
Ho: Excluded variable does not Granger-cause Equation variable
Ha: Excluded variable Granger-causes Equation variable
```

Equation \ Excluded	chi2	df	Prob > chi2
top1pct	1.558	1	0.212
stmktcap	1.558	1	0.212
stmktcap	0.829	1	0.362
ALL	0.829	1	0.362

Top 1 and Stock market capitalization (2 lags)

Panel vector autoregression

GMM Estimation

Final GMM Criterion Q(b) = 7.99e-33

Initial weight matrix: Identity

GMM weight matrix: Robust

No. of obs = 594
 No. of panels = 18
 Ave. no. of T = 33.000

	Coef.	Std.Err.	z	P>z	[95%Conf.	Interval]
top1pct						
top1pct						
L1.	0.830	0.070	11.890	0.000	0.693	0.967
L2.	0.174	0.066	2.630	0.008	0.044	0.303
stmktcap						
L1.	0.011	0.004	3.120	0.002	0.004	0.018
L2.	-0.012	0.003	-3.730	0.000	-0.018	-0.006
stmktcap						
top1pct						
L1.	1.327	0.732	1.810	0.070	-0.107	2.761
L2.	-0.988	0.659	-1.500	0.134	-2.280	0.304
stmktcap						
L1.	1.418	0.027	52.700	0.000	1.365	1.471
L2.	-0.488	0.040	-12.190	0.000	-0.567	-0.410

Instruments : l(1/2).(top1pct stmktcap)

```
panel VAR-Granger causality Wald test
Ho: Excluded variable does not Granger-cause Equation variable
Ha: Excluded variable Granger-causes Equation variable
```

Equation \ Excluded	chi2	df	Prob > chi2
top1pct	14.436	2	0.001
stmktcap			
ALL	14.436	2	0.001
ALL			
stmktcap	3.721	2	0.156
top1pct			
ALL	3.721	2	0.156
ALL			

Top 1 and Stock market capitalization (3 lags)

Panel vector autoregression

GMM Estimation

Final GMM Criterion Q(b) = 5.42e-32

Initial weight matrix: Identity

GMM weight matrix: Robust

No. of obs = 570
 No. of panels = 18
 Ave. no. of T = 31.667

	Coef.	Std.Err.	z	P>z	[95%Conf.	Interval]
top1pct						
top1pct						
L1.	0.818	0.081	10.100	0.000	0.659	0.977
L2.	0.193	0.057	3.390	0.001	0.081	0.304
L3.	-0.044	0.059	-0.750	0.451	-0.160	0.071
stmktcap						
L1.	0.013	0.004	3.520	0.000	0.006	0.021
L2.	-0.019	0.005	-3.920	0.000	-0.029	-0.010
L3.	0.007	0.003	2.510	0.012	0.001	0.012
stmktcap						
top1pct						
L1.	0.091	1.133	0.080	0.936	-2.129	2.311
L2.	-1.405	0.976	-1.440	0.150	-3.317	0.507
L3.	-0.875	1.053	-0.830	0.406	-2.939	1.188
stmktcap						
L1.	1.628	0.076	21.390	0.000	1.479	1.777
L2.	-1.071	0.101	-10.640	0.000	-1.269	-0.874
L3.	0.492	0.069	7.140	0.000	0.357	0.627

Instruments : l(1/3).(top1pct stmktcap)

```
panel VAR-Granger causality Wald test
Ho: Excluded variable does not Granger-cause Equation variable
Ha: Excluded variable Granger-causes Equation variable
```

Equation \ Excluded	chi2	df	Prob > chi2
top1pct	18.702	3	0.000
stmktcap	10.880	3	0.012
ALL	18.702	3	0.000
ALL	10.880	3	0.012

Top 1 and Stock market capitalization (4 lags)

Panel vector autoregression

GMM Estimation

Final GMM Criterion Q(b) = 4.78e-33

Initial weight matrix: Identity

GMM weight matrix: Robust

No. of obs = 547
 No. of panels = 18
 Ave. no. of T = 30.389

	Coef.	Std.Err.	z	P>z	[95%Conf.	Interval]
top1pct						
top1pct						
L1.	0.813	0.072	11.270	0.000	0.671	0.954
L2.	0.193	0.061	3.160	0.002	0.073	0.312
L3.	-0.041	0.094	-0.430	0.665	-0.225	0.143
L4.	0.003	0.065	0.040	0.967	-0.125	0.131
stmktcap						
L1.	0.014	0.004	3.710	0.000	0.007	0.021
L2.	-0.021	0.005	-3.880	0.000	-0.032	-0.011
L3.	0.010	0.006	1.700	0.090	-0.002	0.022
L4.	-0.003	0.003	-0.880	0.381	-0.009	0.003
stmktcap						
top1pct						
L1.	0.645	0.739	0.870	0.383	-0.803	2.093
L2.	-1.536	0.873	-1.760	0.079	-3.248	0.176
L3.	-0.566	1.111	-0.510	0.610	-2.743	1.610
L4.	0.186	0.725	0.260	0.798	-1.236	1.607
stmktcap						
L1.	1.650	0.082	20.140	0.000	1.489	1.811
L2.	-1.224	0.137	-8.930	0.000	-1.493	-0.956
L3.	0.808	0.100	8.060	0.000	0.612	1.005
L4.	-0.242	0.054	-4.450	0.000	-0.348	-0.135

Instruments : l(1/4).(top1pct stmktcap)

```
panel VAR-Granger causality Wald test
Ho: Excluded variable does not Granger-cause Equation variable
Ha: Excluded variable Granger-causes Equation variable
```

Equation \ Excluded	chi2	df	Prob > chi2
top1pct	27.953	4	0.000
stmktcap	13.689	4	0.008