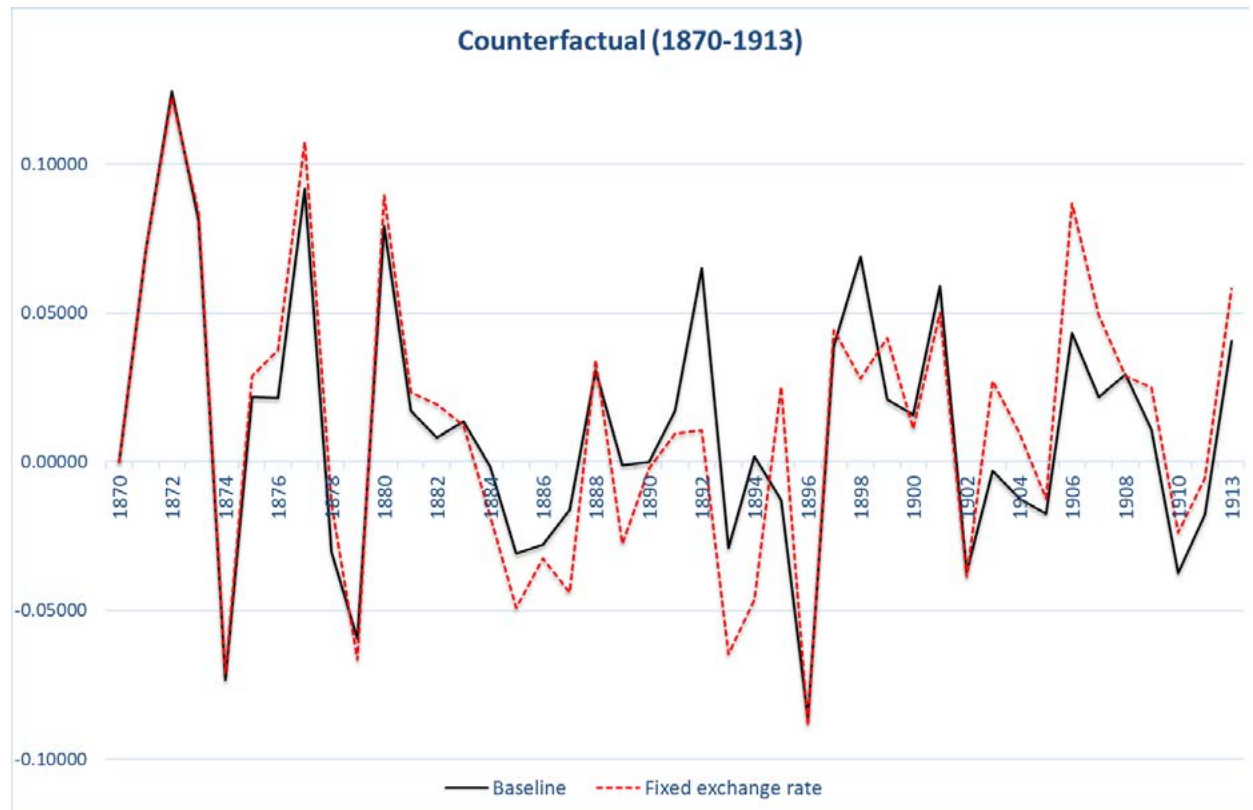


Appendix

Figure 1 shows the counterfactual analysis done in section V changing nominal effective exchange rate by the real effective exchange rate constructed as it is explained in section III. I pretend to show that the main conclusion do not change even when the analysis is done with real effective exchange rate.

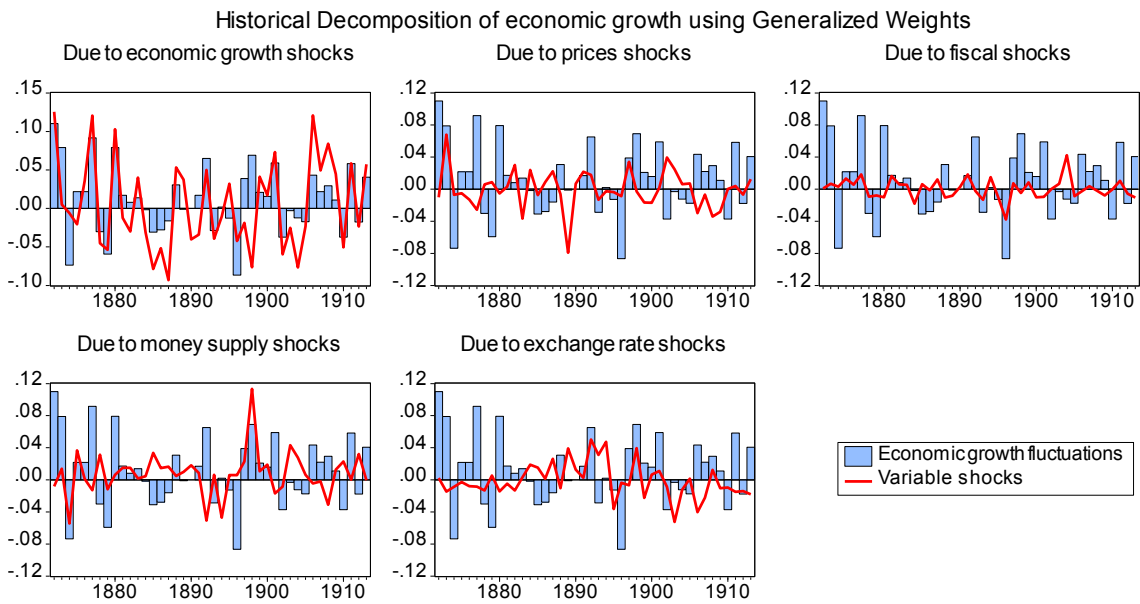
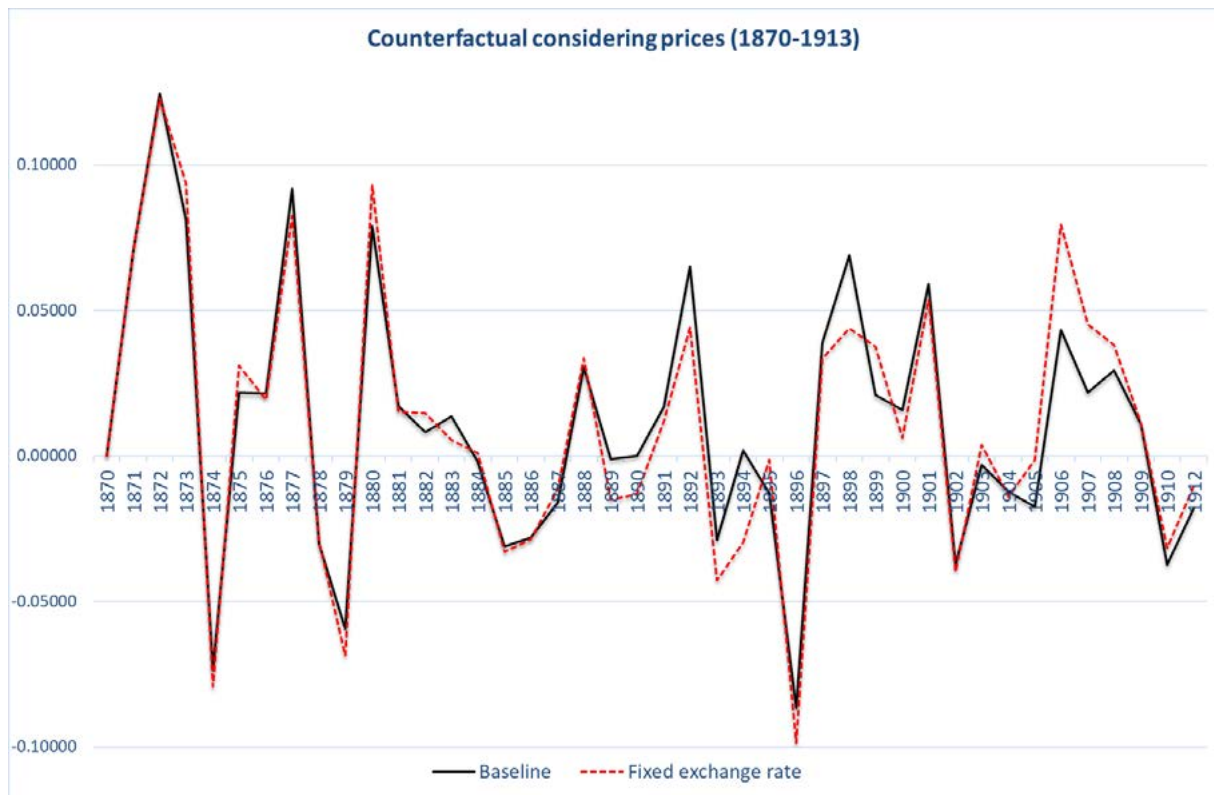
Figure 1. Counterfactual considering real effective exchange rate.



Source: own elaboration

Figure 2 shows the counterfactual analysis run in section V adding prices as a variable to explain economic growth as Shibamoto and Shizume (2014). It can be seen that results remain the same. It can also be found the historical decomposition of economic growth, again, adding the variable prices. Please, note that the counterfactual analysis is always done with nominal effective exchange rate as it has been explained while the historical decomposition is run considering the real effective exchange rate to understand in which way macroeconomic policies helped to explain the evolution of economic growth.

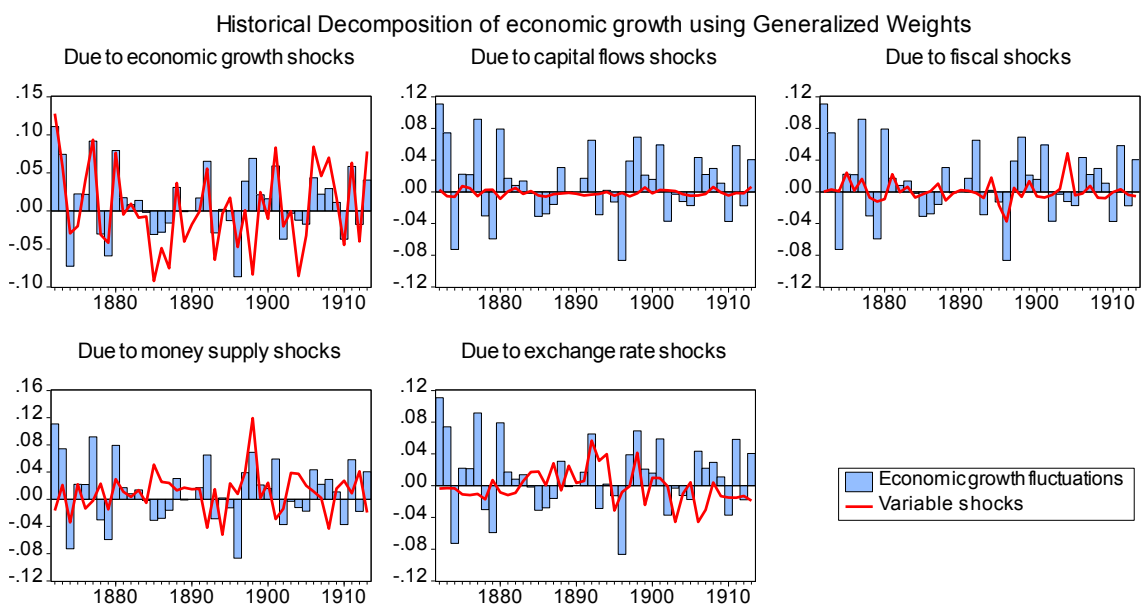
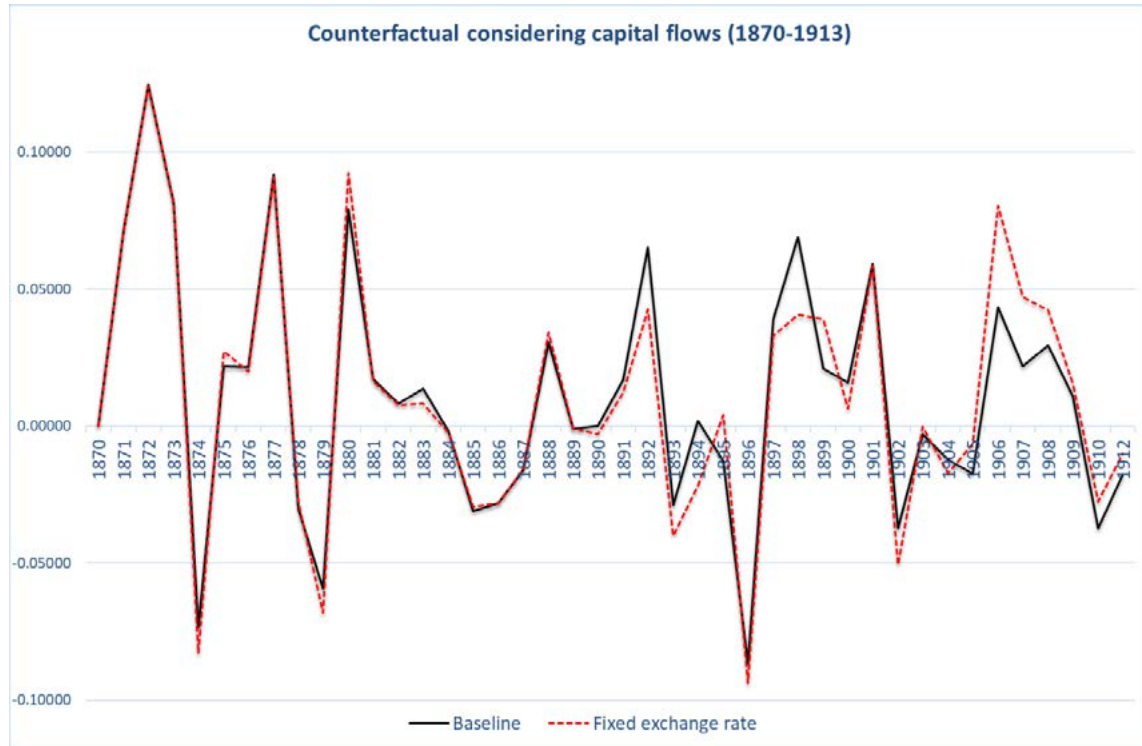
Figure 2. Results considering prices.



Source: our own data

Figure 3 shows that adding capital flows as a variable to explain economic growth does not change the counterfactual results. The figure also displays the historical decomposition analysis considering capital flows.

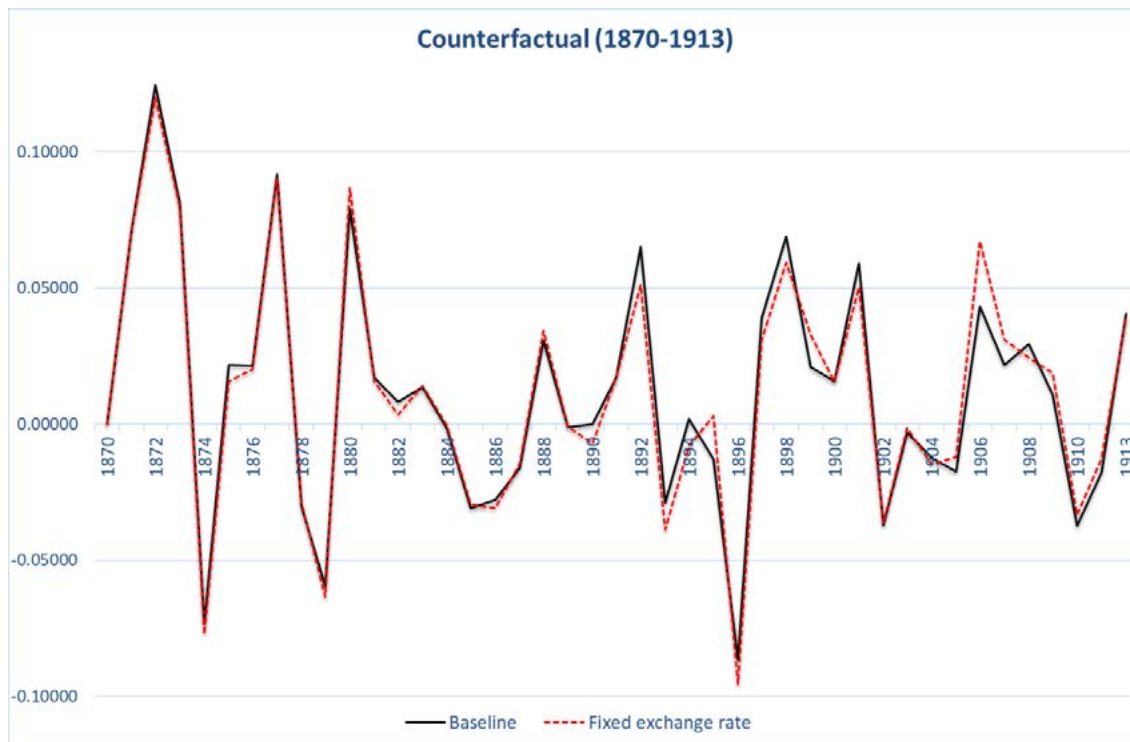
Figure 3. Results considering capital flows.



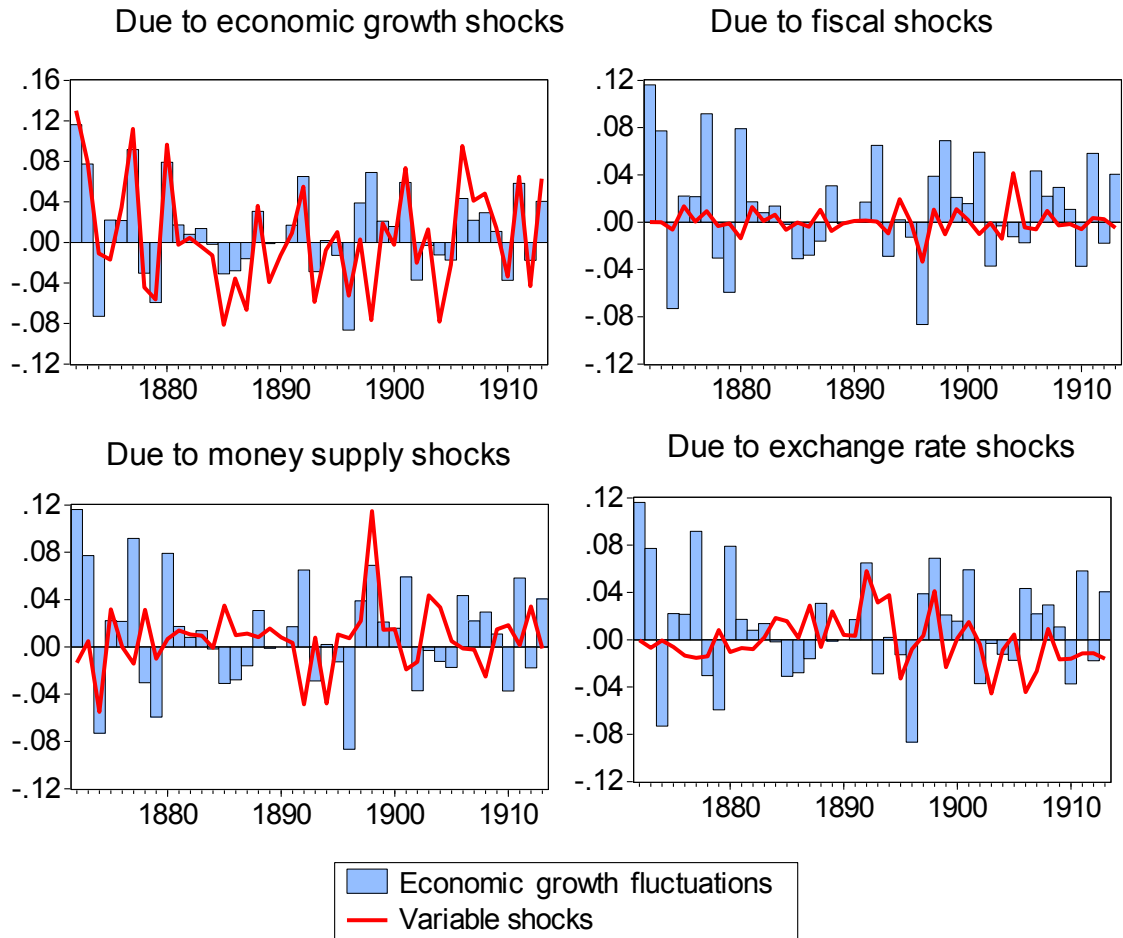
Source: Own elaboration

Figure 4 shows the results considering new data on fiscal balance estimated by Francisco Comín. This data has not been published yet. I pretend to show that, even with the new data, results are very similar. First, it can be found the counterfactual analysis and, second, the historical decomposition of economic growth. Both are done in the same way as section 5.

Figure 4. Results considering new data on fiscal balance from Comín (unpublished).



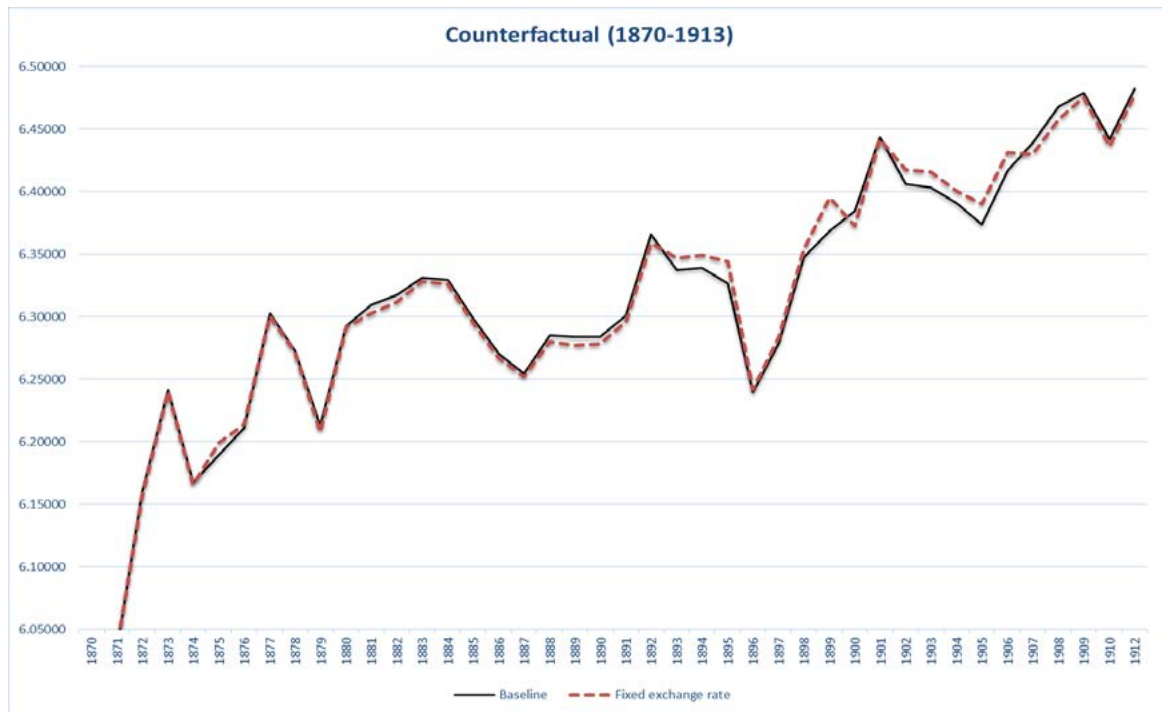
Historical Decomposition of economic growth using Generalized Weights



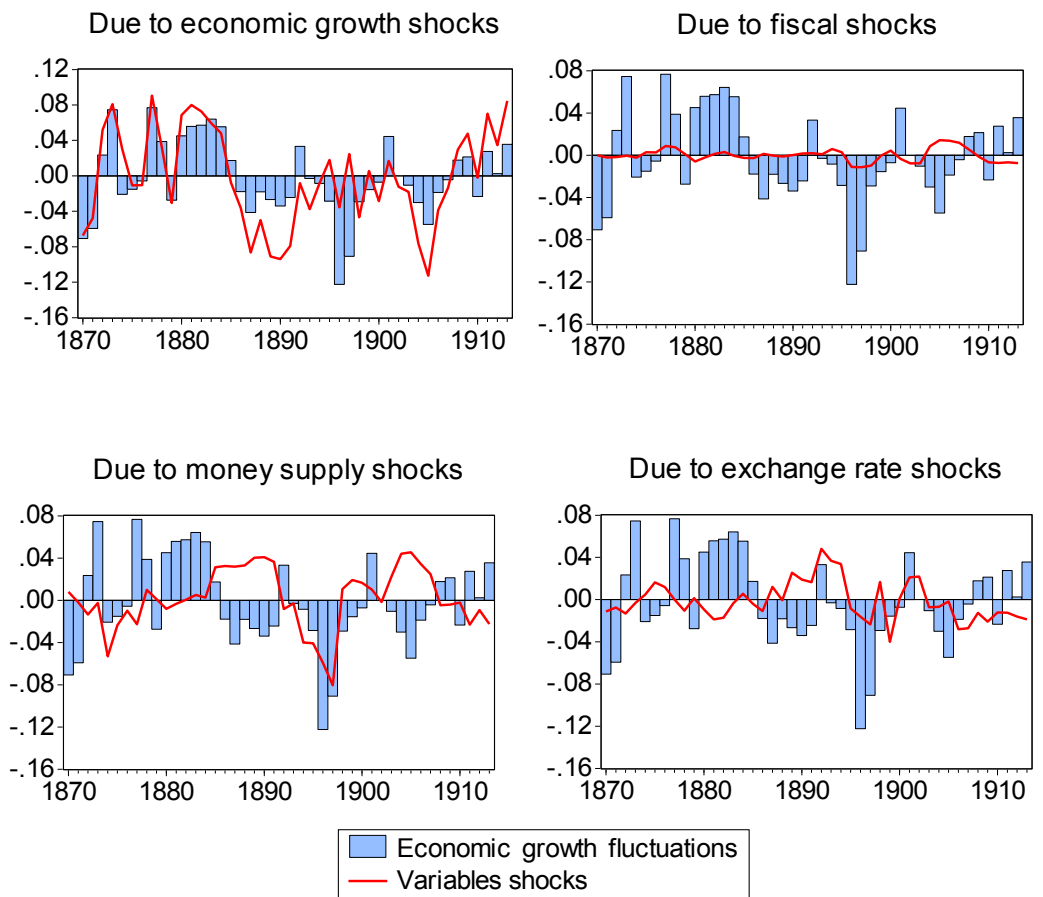
Source: own elaboration

Figure 5 presents the results of counterfactual analysis and historical decomposition considering the estimation run in levels instead of in first differences.

Figure 5. Results taking variables in levels.



Historical Decomposition of Economic Growth using Generalized Weights



Source: Own elaboration

Figure 6 shows the counterfactual analysis adding a dummy variable to consider wars experienced by Spain during that period. It can also be found that the historical decomposition of economic growth do not change when wars dummy is added to the estimation.

Figure 6. Counterfactual analysis and historical decomposition considering wars.

