

**Appendix 3. Test statistics regarding the identification of lag structure and main assumptions, such as stationarity, stability, and residual autocorrelation**

<i>County</i>	<b>Identification of lag structure</b>			<b>Test of stationarity and stability<sup>b</sup></b>		<b>resid autocorr<sup>b</sup></b>	
	<i>Lag</i>	<i>AIC</i>	<i>HQIC</i>	<i>ADF PRs</i>	<i>ADF media</i>	<i>Eigenvalues inside unit circle</i>	<i>Lagrange- multiplier test</i>
Austria	2	12.223*	12.343*	-6.392	-6.331	yes	3.697
France	1	10.763*	10.835*	-6.435	-4.914	yes	6.429
Germany	1	11.276*	11.350*	-5.551	-6.586	yes	3.706
Germany (maxlag 14)	3	10.870*	11.072*	-5.452	-4.742	yes	6.460
Greece	1	11.354*	11.426*	-5.856	-5.491	yes	5.302
Netherlands	1	9.942*	10.015	-5.845	-5.589	yes	1.834
Portugal	1	11.093*	11.165*	-4.030	-5.387	yes	3.599
UK	1	9.589*	9.662*	-4.305	-5.923	yes	5.295

Notes: \*\*\*=p<.001. \*\*=p<.01. \*=p<.05;

<sup>a</sup> ADF tests and Lagrange-multiplier tests indicate stationarity, non-unit-root, and no residual autocorrelation by confirming the null hypothesis (i.e., not being significant)

Reading example for Austria: Two days are needed for changes in one variable to be reflected in the other, whereas AIC and HQIC are both significant at p<.05. ADF and Lagrange tests (testing the remaining autocorrelation) are non-significant; stationarity and stability are given. Eigenvalues inside the unit circle indicate non-unit-root, i.e., stability.

Source: Own data.