On-line Appendix:
Rounding the Corners of the Policy Trilemma: Sources of monetary policy autonomy
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The data set is an unbalanced panel based on data availability for exchange rates, interest rates, and capital control data. Regressions using the Chinn-Ito data set are limited to 3126 observations across 134 countries for the years 1973 to 2011. The only limitation other than data availability is that the United States is not included as it has no logical base country.

Interest rate data are short term money market interest rates most indicative of a policy rate and similar to the Fed Funds rate in the United States. The source is the IMF International Financial Statistics database (line 60b) for nearly all countries. For a few countries national sources were used to fill in gaps in the IFS data. If short term money market data is not available for a long stretch of time, we use short term treasury bill data from the IFS (line 60c). The interest rate used for the base country is always the same type of rate (money market or treasury bill) used for the local country.

Observations representing large swings in local interest rates are excluded since, in a handful of extreme cases, rates change by over 9 percentage points in a year and these observations would dominate the results. Leaving out changes of 50 percentage points or more represents roughly 1% of the observations, leaving out changes of 9 percentage points represents roughly 5% of the observations. In small samples, changes between 9 and 50 percentage points can also be large enough for one observation to dominate the estimates. We thus use the 9 percentage point cutoff for our baseline results. All main results are consistent if using the 50 percentage point change cutoff. Two other possible restrictions – dropping very small countries or dropping countries with clearly non-market interest rates (ones that do not change for multiple years) – tend to strengthen the results, but these results are not reported.

There are nine base countries used in our sample. For roughly 60% of the observations, the United States dollar is the base. For roughly 20%, the deutsche mark or euro , another 13% the French franc, with the remaining 7% spread across the UK, South Africa, Australia, India, Portugal, and Malaysia. The following table shows countries used along with the relevant base country. In some cases, the base country changes when a country pegs to a new country (for example, Ireland switched from pegging to the UK to pegging to Germany in 1979). In cases like this, both base countries are listed. In a few cases, a country may have more than one base, but not during the time it is in our sample, so it is listed as having just one base (for example, Poland is based to the U.S. in the 1970s and 1980s, but switches to being based to Germany in the 1990s, but it is only in our sample form 1993 forward, so the list below only shows Germany as a base). The exchange rate regime data for all countries from 1973-2011 along with a description of the data is available at http://www.gwu.edu/~iiep/jshambaugh/data.cfm.

The division of countries into the Open – Gates – Walls categories is described in the text. The list of countries for the five-asset categorization is provided in Appendix Table A4.

Table A3: List of countries and corresponding base countries

country	base country	country	base country	country	base country
Albania	Germany	Hong Kong, China	US	Pakistan	US
Algeria	France	Hungary	US / Germany	Panama	US
Antigua and Barbuda	US	Iceland	US / Germany	Papua New Guinea	Australia / US
Argentina	US	India	UK/US	Paraguay	US
Armenia	US	Indonesia	US	Peru	US
Australia	US	Iraq	US	Philippines	US
Austria	Germany	Ireland	UK / Germany	Poland	Germany
Azerbaijan	US	Israel	US	Portugal	Germany
Bahamas, The	US	Italy	Germany	Qatar	US
Bahrain	US	Jamaica	US	Romania	US / Germany
Barbados	UK/US	Japan	US	Russian Federation	US
Belgium	Germany	Jordan	US	Rwanda	US
Belize	US	Kazakhstan	US	Senegal	France
Benin	France	Kenya	US	Seychelles	US
Bolivia	US	Korea, Rep.	US	Sierra Leone	UK / US
Brazil	US	Kuwait	US	Singapore	Malaysia
Bulgaria	Germany	Kyrgyz Republic	US	Slovak Republic	Germany
Burkina Faso	France	Lao PDR	US	Slovenia	Germany
Burundi	US	Latvia	US / Germany	Solomon Islands	Australia / US
Canada	US	Lebanon	US	South Africa	US
Chile	US	Lesotho	South Africa	Spain	Germany
Colombia	US	Libya	US	Sri Lanka	US / India
Cote d'Ivoire	France	Lithuania	US / Germany	St. Kitts and Nevis	US
Croatia	Germany	Madagascar	France	St. Lucia	US
Cyprus	France	Malawi	US	St. Vincent & Gr.	US
Czech Republic	Germany	Malaysia	US	Swaziland	South Africa
Denmark	Germany	Maldives	US	Sweden	Germany
Dominica	US	Mali	France	Switzerland	Germany
Dominican Republic	US	Malta	France	Tajikistan	US
Egypt, Arab Rep.	US	Mauritania	US	Tanzania	US
El Salvador	US	Mauritius	UK	Thailand	US
Estonia	Germany	Mexico	US	Togo	France
Ethiopia	US	Moldova	US	Trinidad & Tobago	UK / US
Fiji	US	Mongolia	US	Tunisia	France
Finland	Germany	Morocco	France	Turkey	US
France	Germany	Mozambique	US	Uganda	US
Gambia, The	UK/US	Namibia	South Africa	Ukraine	US
Georgia	US	Nepal	US	United Kingdom	Germany
Germany	US	Netherland Antilles	US	Uruguay	US
Ghana	US	Netherlands	Germany	Venezuela	US
Greece	US / Germany	New Zealand	Australia	Vietnam	US
Grenada	US	Niger	France	Yemen, Rep.	US
Guatemala	US	Nigeria	US	Zambia	US
Guinea-Bissau	Portugal / France	Norway	Germany	Zimbabwe	US
Guyana	UK/US	Oman	US		

Table A4: Classification of Countries into Open / Gates / Walls Categories (Five-Asset Categories)*

Open (29)	Gates (46)	Walls (15)
Armenia	Algeria	
Bolivia	Argentina	Cote d'Ivoire[2]
Canada	Australia	India[2]
Denmark	Austria	Malaysia
Estonia	Bahrain	Morocco
Finland	Belgium	Pakistan
United Kingdom	Brazil	Philippines[2]
Greece	Bulgaria	South Africa
Guatemala	Burkina Faso[3]	Sri Lanka
Hong Kong	Chile	Swaziland
Ireland[1]	Colombia	Tanzania
Italy	Croatia[3]	Thailand
Japan	Cyprus	Togo
Jordan	Czech Republic	Tunisia
Latvia	Dominican Republic	Ukraine
Mauritius	Egypt	Vietnam
Netherlands	France	
New Zealand	Georgia	*See below for differences in classification based on two-asset categories:
Norway	Germany	
Oman	Ghana[3]	
Panama	Hungary	
Paraguay	Iceland	
Peru[1]	Indonesia	
Slovenia	Israel	
Spain	Jamaica	
Switzerland	Kazakhstan	
Uruguay	Kenya[3]	
Yemen	Korea	
Zimbabwe	Kuwait	
	Kyrgyz Republic	
	Lebanon	
	Lithuania	
	Malta	
	Mexico	
	Moldova[3]	
	Poland	
	Portugal	
	Qatar	
	Romania	
	Russia	
	Singapore	
	Slovenia	
	Sweden	
	Turkey	
	Uganda	
	Venezuela	

1. Changes from Open in classification based on five-asset categories to Gates in classification based on two asset categories.
2. Changes from Walls in classification based on five-asset categories to Gates in classification based on two asset categories.
3. Changes from Gates in classification based on five-asset categories to Walls in classification based on two asset categories.