Variable	Human capital	Economic development	Above median	Below median
Industry's share of total value added in manufacturing in 1980	−0.386 (0.137)	−0.422 (0.134)	−0.437 (0.178)	−6.079 (1.932)
Interaction (external dependence × accounting standards)	0.191 (0.072)	0.149 (0.055)	0.161 (0.065)	0.161 (0.066)
Interaction 2 (external dependence × average years of schooling)	−0.002 (0.003)	—	—	—
Interaction 3 (external dependence × log of per capita income in 1980)	—	0.000 (0.005)	—	—
R^2	0.413	0.418	0.548	0.390
Number of observations	1006	1042	522	545
Differential in real growth rate	1.0	0.9	0.9	1.0

Notes: The dependent variable is the annual compounded growth rate in real value added for the period 1980–1990 for each ISIC industry in each country. The first column adds to the basic specification the interaction between external dependence and a country's human capital. The second column adds to the basic specification the interaction between external dependence and a country's level of economic development (log per capita income). The third column estimates the basic specification for industries that in 1980 were above the median industry in terms of the fraction they accounted for of value added in the manufacturing sector. The fourth column estimates the basic specification for industries that in 1980 were below the median industry in terms of the fraction they accounted for of value added in the manufacturing sector. The differential in real growth rate measures (in percentage terms) how much faster an industry at the 75th percentile level of external dependence grows with respect to an industry at the 25th percentile level when it is located in a country at the 75th percentile of financial development rather than in one at the 25th percentile. All regressions are estimated using instrumental variables and include both country and industry fixed effects (coefficient estimates not reported). Heteroskedasticity robust standard errors are reported in parentheses.