Steps to Assemble a Panel exhibiting Cointegration and Unit Roots:

1. Apply the Engle-Granger two-step method to individual countries. Flag those for which the test indicates cointegration at some level of significance.
2. Apply *xtpedroni* to the flagged countries.
3. If the results of the test suggest cointegration for the panel, examine panel members more closely. Experiment with discarding some that do not seem to fit. When constructing the panel for GDPPerCapRealLCU, I discarded France, Sweden, and Norway from a set of otherwise developing countries.
4. Apply *xtpedroni* again to see if the test statistics more strongly indicate cointegration. If not, continue to experiment until reaching a satisfactory level of confidence.
5. Apply a panel unit root test (I used the *xtunitroot* with the *ips* option to handle unbalanced panels) to the set for both variables. If unit roots are not universally present, apply the test country by country and remove countries from the panel starting with those that most obviously do not contain a unit root. Repeat until the results from the panel unit root tests indicate unit roots.
6. Apply *xtpedroni* to the remaining members to confirm that cointegration is still present.