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CORRECTION TO: 'FINANCE AND GREEN GROWTH'*

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This is a correction to: The Economic Journal, Volume 133, Issue 650, February 2023, Pages 637–668, https://doi.org/10.1093/ej/ueac081

In November 2023, readers identified inconsistencies between the text and Table 2, as well as concerns regarding the coding employed for the generalised method of moments (GMM) regressions.[1] The authors have subsequently responded,[2] clarifying the below issues in the original text and their implications.

(*1*) On page 642, when introducing the exploratory country-level regression framework, the sentence *'We cluster the standard errors by country'* should have read *'We employ heteroskedasticity-robust standard errors'*.
(*2*) On page 648, the notes to Table 2 should have read: *'Heteroskedasticity-robust standard errors [in the OLS and 2SLS case] are included in parentheses [...]'* [underlining added].
(*3*) On page 650, the notes to Table 3 should have read: *'Standard errors clustered at the country-sector level [in the OLS and 2SLS case] are included in parentheses [...]'* [underlining added].
(*4*) On page 653, the notes to Tables 4 and 5 should have read: *'Standard errors clustered at the country-sector level [in the OLS and 2SLS case] are included in parentheses [...]'* [underlining added].
(*5*) On page 655, the notes to Table 6 should have read: *'Standard errors clustered at the country-sector level [in the OLS and 2SLS case] are included in parentheses [...]'* [underlining added].
(*6*) When coding GMM regressions, the endogenous variables were not correctly specified. De Haas and Popov (2025) show that when doing so, the GMM results are similar to those in the original paper, though smaller in magnitude.

The editors have reviewed these revisions and agree with the authors' assertions that while the updated results are smaller in magnitude due to the coding error, the study's primary conclusions remain valid.

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[1] Listo *et al.* (2023).
[2] De Haas and Popov (2025).