

Supplementary Information for  
**Political equality and quality of government**  
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## **A1 Data**

### **A1.1 Political equality**

As pointed out in section 3, the V-Dem measure of political equality used in the paper is based on the information provided by numerous country experts, who code one or several countries according to expertise. Before being asked about how political power is distributed across income groups, country experts receive the following instructions (Coppedge *et al.*, 2018a, p. 186):

This section pertains to political equality, that is, the extent to which members of a polity possess equal political power. It does not refer to the inevitable differentiation in power that occurs in all large societies between those who hold positions of power within the state (political elites) and lay citizens. It is, rather, about the distribution of political power among identifiable groups within the population. What does it mean for a group of individuals to wield real political power? Although political power cannot be directly observed, one can infer that groups possess power to the extent that they: (a) actively participate in politics (by voting, etc.), (b) are involved in civil society organizations, (c) secure representation in government, (d) are able to set the political agenda, (e) influence political decisions, and (f) influence the implementation of those decisions. Please consider all these factors when answering the following questions. (Of course, the picture across these different dimensions may be mixed; your response should indicate the overall picture, taking all aspects of political power into account.)

Country experts must then answer the following question (Coppedge *et al.*, 2018a, p. 186):

*Question:* Is political power distributed according to socioeconomic position?

*Clarification:* All societies are characterized by some degree of economic (wealth and income) inequality. In some societies, income and wealth are distributed in a grossly unequal fashion. In others, the difference between rich and poor is not so great. Here, we are concerned not with the degree of social inequality but rather with the political effects of this inequality. Specifically, we are concerned with the extent to which wealth and income translates into political power.

*Responses:*

0: Wealthy people enjoy a virtual monopoly on political power. Average and poorer people have almost no influence.

1: Wealthy people enjoy a dominant hold on political power. People of average income have little say. Poorer people have essentially no influence.

2: Wealthy people have a very strong hold on political power. People of average or poorer income have some degree of influence but only on issues that matter less for wealthy people.

3: Wealthy people have more political power than others. But people of average income have almost as much influence and poor people also have a significant degree of political power.

4: Wealthy people have no more political power than those whose economic status is average or poor. Political power is more or less equally distributed across economic groups.

As described in section 3, the ratings provided by country experts are aggregated using a measurement model based on Bayesian item response theory (IRT) modeling techniques, which produces a probability distribution over country-year scores on a standardized interval scale. See Coppedge *et al.* (2018b) for further details.

## **A1.2 Quality of government**

The four WGI measures used to construct our main index of quality of government are defined as follows (Kaufmann *et al.*, 2010, p. 223):

- *Government effectiveness*: Measuring perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies.
- *Regulatory quality*: Measuring perceptions of the ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development.
- *Rule of law*: Measuring perceptions of the extent to which agents have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence.
- *Control of corruption*: Measuring perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as "capture" of the state by elites and private interests.

### A1.3 Control variables

We now present the definitions and sources of the different control variables used throughout the paper:

- *Democracy (polity2)*: Democracy index ranging between -10 (full autocracy) and 10 (full democracy). The index is based on information about the degree of competitiveness and openness of elections, the nature of political participation in general, and the extent of checks on executive authority. Source: Polity IV Project.
- *Democracy (Vanhanen's index)*: Vanhanen's index of democracy. The index is obtained by combining data on political participation and electoral competition. Source: V-Dem dataset.
- *Economic inequality*: Gini index calculated using data on household disposable (post-tax, post-transfer) income. Source: Standardized World Income Inequality Database (SWIID).
- *Legal origins*: Set of dummy variables that identify the legal origin of the Company Law or Commercial Code of a country. The four legal origins considered are: (i) English Common Law, (ii) French Commercial Code, (iii) German legal origin, and (iv) Socialist or Communist Laws. Source: Ashraf and Galor (2013).
- *Former colony*: Dummy variable that takes the value of one if the country is a former European colony, zero otherwise. Source: Own elaboration based on data drawn from Nunn and Puga (2012).
- *Protestant*: Share of Protestants in the total population in the year 2000. Source: Barro and McCleary (2003).
- *Catholic*: Share of Roman Catholics in the total population in the year 2000. Source: Barro and McCleary (2003).
- *Muslim*: Share of Muslims in the total population in the year 2000. Source: Barro and McCleary (2003).

- *Latitude*: Absolute value of the latitude of a country's approximate geodesic centroid. Source: Ashraf and Galor (2013).
- *Surface*: Natural log of a country's total area, including areas under inland bodies of water and some coastal waterways. Source: World Development Indicators (World Bank).
- *Elevation*: Mean elevation of a country in kilometres above sea level, calculated using geospatial data. Source: Ashraf and Galor (2013).
- *Roughness*: Degree of terrain roughness of a country, calculated using geospatial data. Source: Ashraf and Galor (2013).
- *Ethnolinguistic fractionalization*: Index of ethnolinguistic fractionalization that captures the probability that two individuals randomly drawn from the population belong to different ethnolinguistic groups. See Desmet *et al.* (2012) for further details. Although Desmet *et al.* (2012) consider different levels of aggregation of linguistic groups in a country's population (based on hierarchical linguistic trees), the specific fractionalization measure used in our analysis is the one corresponding to their most disaggregated level. Source: Desmet *et al.* (2012).
- *Ethnolinguistic polarization*: Index of ethnolinguistic polarization that quantifies the extent to which the ethnolinguistic composition of a country's population resembles a perfectly polarized distribution, in which the national population is composed of two groups of equal size. See Desmet *et al.* (2012) for further details. Although Desmet *et al.* (2012) consider different levels of aggregation of linguistic groups in a country's population (based on hierarchical linguistic trees), the specific polarization measure used in our analysis is the one corresponding to their most disaggregated level. Source: Desmet *et al.* (2012).
- *GDP per capita*: Natural log of GDP per capita based on purchasing power parity (PPP). Data are in constant 2011 international dollars. Source: World Development Indicators (World Bank).

- *Natural resources*: Total natural resources rents expressed as a percentage of GDP. Source: World Development Indicators (World Bank).
- *Globalization*: KOF globalization index. The index is constructed using different variables that capture the economic, social and political dimensions of globalization. See Dreher (2006) for further details. Source: Dreher (2006).
- *Education*: Measure which captures to what extent is high quality basic education guaranteed to all, sufficient to enable them to exercise their basic rights as adult citizens. Basic education refers to ages typically between 6 and 16 years of age but this varies slightly among countries. The method used to construct this variable is similar to that described in section 3 in relation to the measure of political equality. See Coppedge *et al.* (2018a) for further details. Source: V-Dem dataset.

## References

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## A2 Additional Tables

Table A1: Summary statistics.

Variable	Mean	Std. Dev.	Min	Max
Quality of government	-0.051	0.968	-1.511	2.037
Political equality	0.498	0.974	-2.237	2.642
Democracy (polity2)	4.489	5.732	-10.000	10.000
Democracay (Vanhanen's index)	17.393	11.375	0	44.433
Economic inequality	0.394	0.082	0.238	0.613
English legal origin	0.269	0.445	0.000	1.000
French legal origin	0.462	0.500	0.000	1.000
German legal origin	0.034	0.183	0.000	1.000
Socialist legal origin	0.207	0.406	0.000	1.000
Former colony	0.655	0.477	0.000	1.000
Protestant	0.115	0.179	0.000	0.897
Catholic	0.294	0.334	0.000	0.943
Muslim	0.221	0.332	0.000	0.991
Latitude	26.496	17.497	1.000	64.000
Surface (log)	12.144	1.835	6.550	16.654
Elevation	0.547	0.496	0.024	2.674
Roughness	0.200	0.185	0.013	1.242
Ethn. fractionalization	0.476	0.306	0.000	0.990
Ethn. polarization	0.457	0.250	0.000	0.958
GDP per capita (log)	9.004	1.256	6.337	11.691
Natural resources	9.379	12.324	0.000	50.865
Globalization	58.238	17.596	23.759	91.973
Education	0.571	1.416	-2.224	3.361

Table A2: Political equality and quality of government in the sample countries.

Country	Political equality	Quality of government	Country	Political equality	Quality of government
Albania	0.096	-0.256	Lao PDR	-0.134	-0.836
Algeria	0.879	-0.770	Latvia	0.658	0.773
Angola	-1.267	-1.164	Lebanon	-0.632	-0.554
Argentina	1.260	-0.570	Lesotho	1.179	-0.245
Armenia	-0.654	-0.196	Liberia	0.727	-0.955
Australia	0.840	1.791	Lithuania	0.993	0.847
Austria	1.289	1.590	Luxembourg	1.940	1.847
Azerbaijan	-1.417	-0.672	Macedonia	-0.272	0.029
Bangladesh	-0.834	-0.847	Madagascar	0.357	-0.838
Belarus	1.619	-0.802	Malawi	0.295	-0.527
Belgium	2.085	1.458	Malaysia	0.656	0.606
Benin	1.018	-0.558	Mali	0.982	-0.711
Bhutan	0.501	0.189	Mauritania	-0.039	-0.864
Bolivia	2.467	-0.752	Mauritius	0.397	0.810
Botswana	0.517	0.631	Mexico	-0.069	-0.097
Brazil	0.819	-0.080	Moldova	0.140	-0.418
Bulgaria	1.147	0.090	Mongolia	1.159	-0.420
Burkina Faso	0.815	-0.434	Morocco	-0.504	-0.177
Burundi	1.105	-1.098	Mozambique	-0.314	-0.613
Cabo Verde	1.370	0.373	Myanmar	0.968	-1.347
Cambodia	-1.137	-0.838	Namibia	0.771	0.171
Cameroon	-0.463	-0.982	Nepal	0.985	-0.792
Canada	1.634	1.803	Netherlands	2.217	1.877
Central African Rep.	0.435	-1.383	New Zealand	1.177	1.997
Chad	-1.549	-1.299	Nicaragua	-0.374	-0.679
Chile	0.324	1.384	Niger	1.315	-0.630
China	0.107	-0.238	Nigeria	-0.293	-1.016
Colombia	-0.027	-0.060	Norway	2.124	1.921
Comoros	1.260	-1.125	Pakistan	-0.712	-0.804
Congo, Dem. Rep.	-0.620	-1.474	Panama	1.034	0.041
Congo, Rep.	-0.880	-1.177	Papua New Guinea	0.296	-0.740
Costa Rica	0.595	0.536	Paraguay	-0.059	-0.721
Cote d'Ivoire	1.013	-0.803	Peru	0.927	-0.168
Croatia	1.082	0.367	Philippines	-0.400	-0.221
Cyprus	0.979	1.136	Poland	1.727	0.788
Czech Republic	1.560	0.866	Portugal	1.401	0.988
Denmark	2.642	2.009	Qatar	-1.585	0.866
Djibouti	-0.642	-0.723	Romania	0.502	0.098
Dominican Rep.	0.277	-0.495	Russia	-0.521	-0.617
Ecuador	0.737	-0.816	Rwanda	-0.580	0.127
Egypt	-2.237	-0.645	Senegal	0.786	-0.249

(Continued...)

Table A2: Political equality and quality of government in the sample countries.

Country	Political equality	Quality of government	Country	Political equality	Quality of government
El Salvador	-0.744	-0.196	Sierra Leone	0.388	-0.938
Equatorial Guinea	-0.790	-1.478	Singapore	1.197	2.013
Estonia	1.764	1.244	Slovak Rep.	1.146	0.610
Fiji	0.487	-0.439	Slovenia	1.864	0.866
Finland	2.505	2.037	Solomon Islands	0.231	-0.705
France	1.290	1.342	South Africa	0.686	0.205
Gabon	0.944	-0.673	Spain	1.566	0.982
Gambia, The	0.137	-0.586	Sri Lanka	0.786	-0.158
Georgia	1.882	0.469	Suriname	1.016	-0.273
Germany	1.918	1.694	Swaziland	-0.931	-0.468
Ghana	0.589	-0.036	Sweden	1.944	1.994
Greece	1.797	0.295	Switzerland	1.623	1.902
Guatemala	-0.139	-0.645	Tajikistan	-1.494	-1.071
Guinea	0.425	-1.144	Tanzania	0.515	-0.550
Guinea-Bissau	-0.684	-1.335	Thailand	0.573	-0.009
Guyana	0.702	-0.495	Togo	0.720	-0.995
Haiti	-0.940	-1.329	Trinidad and Tobago	1.139	0.053
Honduras	-0.832	-0.703	Tunisia	-0.090	-0.136
Hungary	0.975	0.584	Turkey	0.966	0.184
India	1.024	-0.263	Turkmenistan	-1.152	-1.511
Indonesia	-0.010	-0.380	Uganda	1.222	-0.534
Iran, Islamic Rep.	0.644	-0.896	Ukraine	-1.958	-0.764
Iraq	1.218	-1.262	United Arab Emirates	0.378	0.954
Ireland	1.233	1.626	United Kingdom	0.968	1.705
Israel	0.407	1.112	United States	0.785	1.441
Italy	0.820	0.396	Uruguay	1.340	0.740
Japan	1.606	1.457	Venezuela	1.083	-1.498
Jordan	-0.159	0.180	Vietnam	-0.320	-0.427
Kazakhstan	-1.549	-0.514	Yemen, Rep.	-0.164	-1.195
Kenya	0.518	-0.599	Zambia	0.535	-0.410
Korea, Rep.	1.067	0.917	Zimbabwe	-0.881	-1.509
Kyrgyz Rep.	0.403	-0.833			

Notes: See section A1.1 for further details on the definition of the measures of political equality and quality of government. The value of the measure of political equality is the average of the period 2005-2010. The value of the measure of quality of government is the average of the period 2011-2015.

Table A3: Robustness analysis: Alternative democracy index.

	(1)	(2)	(3)	(4)	(5)
Political equality	0.218*** (0.063)	0.178*** (0.056)	0.193*** (0.065)	0.150*** (0.042)	0.127*** (0.040)
Democracy (Vanhanen's index)	0.015 (0.009)	0.016** (0.007)	0.014 (0.009)	0.003 (0.006)	0.006 (0.006)
Economic inequality	1.346 (1.051)	0.824 (0.856)	0.895 (1.037)	1.176 (0.744)	0.606 (0.714)
English legal origin	-0.416 (0.405)	-0.178 (0.318)	-0.373 (0.395)	-0.262 (0.254)	-0.134 (0.238)
French legal origin	-0.763 (0.465)	-0.346 (0.351)	-0.716 (0.455)	-0.341 (0.295)	-0.176 (0.279)
German legal origin	-0.200 (0.357)	-0.039 (0.276)	-0.197 (0.349)	0.047 (0.209)	0.078 (0.207)
Socialist legal origin	-1.426*** (0.453)	-0.750** (0.321)	-1.338*** (0.442)	-0.456 (0.290)	-0.256 (0.274)
Former colony	0.398** (0.179)	0.365** (0.182)	0.302 (0.191)	0.109 (0.149)	0.102 (0.164)
Protestant	-0.570 (0.542)	-0.140 (0.380)	-0.357 (0.546)	0.268 (0.332)	0.444 (0.324)
Catholic	0.246 (0.195)	0.001 (0.200)	0.297 (0.190)	-0.046 (0.171)	-0.077 (0.179)
Muslim	-0.116 (0.224)	0.067 (0.207)	-0.055 (0.223)	0.076 (0.175)	0.174 (0.176)
Latitude	0.026*** (0.007)	0.018** (0.007)	0.022*** (0.007)	0.012** (0.005)	0.009 (0.005)
Surface (log)	-0.118*** (0.043)	-0.114*** (0.031)	-0.099** (0.044)	-0.114*** (0.025)	-0.100*** (0.024)
Elevation	0.096 (0.138)	0.241** (0.112)	0.093 (0.135)	0.143 (0.104)	0.213** (0.096)
Roughness	-0.847** (0.396)	-0.712** (0.307)	-0.846** (0.398)	-0.280 (0.320)	-0.352 (0.298)
Ethn. fractionalization	-0.194 (0.263)	-0.058 (0.223)	-0.166 (0.240)	-0.062 (0.185)	0.002 (0.166)
Ethn. polarization	-0.172 (0.259)	-0.372* (0.215)	-0.136 (0.262)	-0.211 (0.178)	-0.294* (0.170)
GDP per capita (log)		0.354*** (0.078)			0.209*** (0.061)
Natural resources			-0.011** (0.005)		-0.007** (0.004)
Globalization				0.041*** (0.004)	0.030*** (0.005)
Constant	1.038 (0.885)	-2.535*** (0.882)	1.082 (0.855)	-1.843*** (0.593)	-3.154*** (0.712)
Regional fixed effects	Yes	Yes	Yes	Yes	Yes
R-squared	0.757	0.819	0.768	0.878	0.890
Observations	143	143	143	143	143

Notes: The dependent variable is in all cases the measure of quality of government described in section 3. The estimation method is OLS. Robust standard errors in parentheses. \* Significant at the 10% level, \*\* significant at the 5% level, \*\*\* significant at the 1% level.

Table A4: Robustness analysis: The impact of democracy and economic development.

	(1)	(2)	(3)	(4)	(5)	(6)
Political equality	0.045 (0.068)	0.143 (0.090)	0.298 (0.206)	0.024 (0.140)	0.110** (0.047)	0.374** (0.124)
Democracy	0.009 (0.018)	0.019 (0.088)		0.022 (0.020)	0.014 (0.010)	0.006 (0.079)
Economic inequality	0.367 (1.135)	-0.079 (1.631)	4.510 (3.459)	0.951 (3.355)	2.548** (1.182)	4.144 (4.652)
English legal origin			0.193 (0.466)	-0.038 (0.226)	-0.386 (0.275)	0.038 (0.475)
French legal origin	0.157 (0.209)	-0.119 (0.199)	0.061 (0.533)		-0.333 (0.245)	-0.107 (0.426)
German legal origin			0.134 (0.417)			0.076 (0.269)
Socialist legal origin	0.265 (0.410)	-0.466 (0.321)	0.079 (0.528)	-0.349 (1.099)		-0.026 (0.393)
Former colony	-0.108 (0.212)	0.427 (0.562)	-0.445 (0.503)	-1.092** (0.450)	0.316 (0.245)	0.324 (0.291)
Protestant	0.701 (0.813)	-0.371 (0.645)	1.525* (0.670)	1.416 (1.169)	-0.905 (0.619)	0.362 (0.391)
Catholic	-0.771** (0.353)	-0.549 (0.390)	0.933** (0.284)	0.893 (1.256)	-0.355 (0.291)	0.201 (0.365)
Muslim	0.050 (0.291)	-0.434 (0.400)	6.436* (3.241)	0.940** (0.416)	0.129 (0.302)	0.938 (1.636)
Latitude	-0.005 (0.007)	0.002 (0.014)	0.022* (0.009)	0.004 (0.014)	0.009 (0.009)	0.024** (0.010)
Surface (log)	-0.144*** (0.038)	-0.085 (0.050)	-0.024 (0.053)	-0.010 (0.059)	-0.086** (0.038)	-0.018 (0.075)
Elevation	0.326* (0.176)	0.137 (0.173)	0.188 (0.379)	0.065 (0.143)	0.115 (0.137)	0.328 (0.589)
Roughness	-0.918 (0.685)	-0.083 (0.535)	-0.219 (0.516)	-0.505 (0.631)	0.072 (0.470)	-0.747 (1.204)
Ethn. fractionalization	0.102 (0.315)	0.029 (0.384)	-2.347** (0.867)	-0.441 (0.414)	0.198 (0.225)	-1.234 (0.698)
Ethn. polarization	-0.507* (0.265)	-0.151 (0.459)	1.541 (0.849)	-0.391 (0.574)	-0.358 (0.223)	0.762 (0.521)
GDP per capita (log)	0.206** (0.082)	0.370** (0.151)	0.606** (0.243)	-0.017 (0.214)	0.286*** (0.105)	0.700* (0.337)
Natural resources	-0.005 (0.004)	0.006 (0.018)	-0.037* (0.018)	-0.022* (0.011)	-0.006 (0.007)	-0.042 (0.029)
Globalization	0.027*** (0.006)	0.024* (0.014)	0.022 (0.017)	0.030* (0.015)	0.029*** (0.009)	0.037** (0.015)
Constant	-2.058* (1.044)	-3.628*** (1.312)	-10.610* (4.535)	-2.219 (2.305)	-4.696*** (1.276)	-12.153** (3.947)
Sample	Non-demo- cracies	Democracies	Full demo- cracies	Low-income countries	Middle-income countries	High-income countries
Regional fixed effects	Yes	Yes	Yes	Yes	Yes	Yes
R-squared	0.821	0.836	0.978	0.785	0.744	0.979
Observations	62	52	31	36	73	36

Notes: The dependent variable is in all cases the measure of quality of government described in section 3. The estimation method is OLS. Robust standard errors in parentheses. \* Significant at the 10% level, \*\* significant at the 5% level, \*\*\* significant at the 1% level.

Table A5: Robustness analysis: Influential countries.

	(1)	(2)	(3)	(4)	(5)	(6)
Political equality	0.108*** (0.039)	0.104** (0.043)	0.131** (0.056)	0.098** (0.045)	0.118** (0.049)	0.117*** (0.041)
Democracy	0.017** (0.008)	0.014 (0.008)	0.015 (0.009)	0.014* (0.008)	0.011 (0.010)	0.015* (0.008)
Economic inequality	-0.459 (0.592)	-0.084 (0.724)	0.487 (0.747)	0.141 (0.681)	0.152 (0.688)	0.915 (0.672)
English legal origin	-0.026 (0.209)	-0.089 (0.301)	-0.169 (0.235)	-0.186 (0.170)	-0.239 (0.252)	
French legal origin	-0.041 (0.244)	-0.141 (0.331)	-0.228 (0.272)	-0.210 (0.181)	-0.274 (0.283)	0.003 (0.123)
German legal origin	0.116 (0.195)	0.096 (0.315)	0.025 (0.204)		-0.005 (0.207)	0.365 (0.288)
Socialist legal origin	-0.301 (0.253)	-0.290 (0.335)	-0.413 (0.255)	-0.404** (0.177)	-0.461* (0.271)	0.023 (0.172)
Former colony	0.192 (0.163)	0.141 (0.158)	0.151 (0.164)	0.116 (0.161)	0.204 (0.157)	0.081 (0.156)
Protestant	0.355 (0.310)	0.503 (0.328)	0.324 (0.323)	0.375 (0.344)	0.292 (0.326)	0.130 (0.396)
Catholic	-0.222 (0.141)	-0.094 (0.162)	-0.145 (0.182)	-0.203 (0.174)	-0.079 (0.179)	-0.130 (0.178)
Muslim	-0.006 (0.141)	0.074 (0.163)	-0.044 (0.174)	0.064 (0.155)	-0.002 (0.160)	0.092 (0.147)
Latitude	0.008 (0.005)	0.007 (0.005)	0.009 (0.005)	0.006 (0.005)	0.007 (0.006)	0.005 (0.006)
Surface (log)	-0.096*** (0.022)	-0.089*** (0.023)	-0.097*** (0.025)	-0.089*** (0.025)	-0.091*** (0.023)	-0.105*** (0.028)
Elevation	0.287*** (0.089)	0.186** (0.086)	0.230** (0.110)	0.226** (0.096)	0.222** (0.094)	0.212** (0.103)
Roughness	-0.528** (0.220)	-0.326 (0.244)	-0.397 (0.294)	-0.317 (0.312)	-0.412 (0.279)	-0.377 (0.321)
Ethn. fractionalization	-0.035 (0.160)	0.004 (0.161)	-0.095 (0.177)	-0.051 (0.167)	-0.109 (0.175)	0.094 (0.177)
Ethn. polarization	-0.364** (0.161)	-0.239 (0.174)	-0.252 (0.178)	-0.320* (0.173)	-0.215 (0.184)	-0.362** (0.174)
GDP per capita (log)	0.246*** (0.053)	0.254*** (0.060)	0.189*** (0.055)	0.240*** (0.059)	0.276*** (0.065)	0.219*** (0.061)
Natural resources	-0.007* (0.004)	-0.009** (0.004)	-0.008* (0.005)	-0.007* (0.004)	-0.004 (0.005)	-0.007* (0.004)
Globalization	0.026*** (0.005)	0.026*** (0.005)	0.029*** (0.005)	0.029*** (0.005)	0.023*** (0.006)	0.028*** (0.005)
Constant	-2.711*** (0.635)	-3.037*** (0.660)	-2.668*** (0.692)	-2.943*** (0.625)	-2.941*** (0.699)	-3.141*** (0.626)
Omitted observations	$\frac{ DFBEJA }{> 2/n}$	None (robust reg.)	Lowest pol. equality	Highest pol. equality	Lowest qual. of govern.	Highest qual. of govern.
Regional fixed effects	Yes	Yes	Yes	Yes	Yes	Yes
R-squared	0.923	0.891	0.890	0.867	0.885	0.823
Observations	132	145	130	131	130	130

Notes: The dependent variable is in all cases the measure of quality of government described in section 3. The estimation method is OLS. With the exception of column (2), robust standard errors in parentheses. \* Significant at the 10% level, \*\* significant at the 5% level, \*\*\* significant at the 1% level.

Table A6: Robustness analysis: Alternative measures of quality of government.

Dependent variable	(1) Quality of government (WGI) <sup>(a)</sup>	(2) Voice and accountability (WGI)	(3) Political stability (WGI)	(4) Government effectiveness (WGI)	(5) Regulatory quality (WGI)	(6) Rule of law (WGI)
Political equality	0.122*** (0.038)	0.142*** (0.037)	0.142** (0.065)	0.104** (0.040)	0.003 (0.048)	0.126*** (0.045)
Democracy	0.022*** (0.008)	0.078*** (0.007)	-0.004 (0.014)	0.011 (0.009)	0.034*** (0.008)	0.016* (0.009)
Economic inequality	0.437 (0.659)	-0.391 (0.677)	1.608 (1.174)	0.169 (0.638)	0.449 (0.747)	0.266 (0.767)
English legal origin	-0.072 (0.207)	0.331* (0.174)	-0.160 (0.341)	-0.291 (0.227)	-0.141 (0.250)	0.010 (0.252)
French legal origin	-0.099 (0.235)	0.294 (0.202)	-0.207 (0.371)	-0.389 (0.270)	-0.114 (0.286)	-0.020 (0.283)
German legal origin	0.156 (0.191)	0.438** (0.171)	0.190 (0.353)	-0.056 (0.191)	0.033 (0.220)	0.284 (0.222)
Socialist legal origin	-0.124 (0.231)	0.216 (0.202)	0.188 (0.392)	-0.402 (0.260)	0.048 (0.300)	-0.166 (0.283)
Former colony	0.154 (0.161)	0.213* (0.126)	0.213 (0.281)	0.139 (0.148)	-0.028 (0.135)	0.103 (0.174)
Protestant	0.507* (0.277)	0.658*** (0.217)	0.533 (0.471)	0.156 (0.316)	0.512 (0.334)	0.613* (0.344)
Catholic	-0.022 (0.143)	0.056 (0.120)	0.298 (0.199)	-0.120 (0.170)	-0.147 (0.166)	-0.081 (0.178)
Muslim	0.088 (0.153)	0.082 (0.151)	-0.037 (0.301)	0.117 (0.157)	0.226 (0.166)	0.093 (0.169)
Latitude	0.010** (0.005)	0.015*** (0.004)	0.016** (0.008)	0.003 (0.005)	0.000 (0.005)	0.009* (0.006)
Surface (log)	-0.102*** (0.022)	-0.035 (0.022)	-0.184*** (0.036)	-0.075*** (0.021)	-0.104*** (0.024)	-0.095*** (0.026)
Elevation	0.158* (0.090)	-0.027 (0.079)	0.050 (0.140)	0.301*** (0.099)	0.225*** (0.082)	0.157 (0.101)
Roughness	-0.341 (0.270)	0.132 (0.241)	-0.589* (0.355)	-0.391 (0.292)	-0.476** (0.229)	-0.344 (0.309)
Ethn. fractionalization	0.046 (0.156)	0.297** (0.135)	-0.010 (0.290)	0.109 (0.171)	0.052 (0.166)	-0.073 (0.171)
Ethn. polarization	-0.275* (0.153)	-0.360** (0.151)	-0.093 (0.273)	-0.377** (0.169)	-0.298* (0.178)	-0.260 (0.200)
GDP per capita (log)	0.223*** (0.055)	0.100** (0.050)	0.288*** (0.087)	0.318*** (0.063)	0.167*** (0.059)	0.245*** (0.062)
Natural resources	-0.005 (0.003)	-0.005 (0.004)	0.000 (0.006)	-0.007** (0.003)	-0.007* (0.004)	-0.007 (0.004)
Globalization	0.023*** (0.005)	0.016*** (0.004)	0.007 (0.007)	0.028*** (0.005)	0.038*** (0.005)	0.026*** (0.006)
Constant	-2.903*** (0.647)	-2.756*** (0.585)	-2.316** (1.086)	-3.642*** (0.576)	-2.844*** (0.664)	-3.231*** (0.727)
Regional fixed effects	Yes	Yes	Yes	Yes	Yes	Yes
R-squared	0.894	0.916	0.685	0.899	0.880	0.874
Observations	145	145	145	145	145	145

Notes: <sup>(a)</sup> Average of the six WGI measures: voice and accountability, political stability and absence of violence, government effectiveness, regulatory quality, rule of law, and control of corruption. The estimation method is OLS. Robust standard errors in parentheses. \* Significant at the 10% level, \*\* significant at the 5% level, \*\*\* significant at the 1% level.

Table A6: Robustness analysis: Alternative measures of quality of government (*continuation*).

	(7)	(8)	(9)	(10)	(11)
Dependent variable	Control of corruption (WGI)	Quality of government (ICRG) <sup>(b)</sup>	Rule of law (V-Dem)	Rule of law (Freedom House)	Corruption perception (Transparency International)
Political equality	0.213*** (0.051)	0.021** (0.010)	0.107*** (0.017)	0.706*** (0.243)	3.193*** (0.970)
Democracy	-0.001 (0.010)	-0.000 (0.002)	0.012*** (0.004)	0.313*** (0.058)	0.013 (0.199)
Economic inequality	0.523 (0.869)	-0.217 (0.183)	0.564* (0.314)	-1.438 (4.246)	6.343 (17.693)
English legal origin	-0.184 (0.294)	-0.020 (0.044)	0.160* (0.087)	1.945* (1.166)	-7.044 (6.065)
French legal origin	-0.156 (0.354)	-0.072 (0.052)	0.160 (0.110)	1.326 (1.318)	-6.721 (7.167)
German legal origin	0.045 (0.305)	0.006 (0.048)	0.183** (0.089)	2.192** (1.084)	-2.100 (6.030)
Socialist legal origin	-0.629* (0.332)	-0.190*** (0.051)	0.191* (0.104)	1.034 (1.360)	-14.716** (6.738)
Former colony	0.282 (0.250)	0.074 (0.051)	0.054 (0.072)	0.116 (0.853)	4.140 (5.525)
Protestant	0.567 (0.419)	0.092 (0.073)	0.170 (0.130)	2.393 (1.600)	10.086 (8.229)
Catholic	-0.136 (0.240)	0.036 (0.036)	0.016 (0.053)	0.455 (0.877)	-2.236 (4.751)
Muslim	0.048 (0.209)	-0.016 (0.040)	0.044 (0.065)	0.415 (1.006)	1.834 (4.042)
Latitude	0.018** (0.007)	0.003** (0.001)	0.004 (0.002)	0.086*** (0.027)	0.309** (0.136)
Surface (log)	-0.119*** (0.032)	-0.016*** (0.006)	-0.022** (0.011)	-0.229 (0.153)	-2.418*** (0.608)
Elevation	0.245* (0.143)	0.085*** (0.031)	0.043 (0.046)	-0.166 (0.496)	5.559** (2.659)
Roughness	-0.375 (0.435)	-0.206** (0.093)	-0.089 (0.110)	0.513 (1.365)	-10.593 (8.087)
Ethn. fractionalization	-0.101 (0.231)	-0.009 (0.048)	0.099 (0.081)	-0.255 (0.906)	-1.881 (4.207)
Ethn. polarization	-0.262 (0.205)	-0.014 (0.048)	-0.166** (0.072)	-1.177 (0.934)	-4.276 (4.047)
GDP per capita (log)	0.219*** (0.081)	0.030** (0.015)	0.067*** (0.023)	0.637* (0.349)	4.419*** (1.455)
Natural resources	-0.006 (0.005)	-0.001 (0.001)	-0.003** (0.002)	-0.031 (0.029)	-0.084 (0.096)
Globalization	0.022*** (0.006)	0.005*** (0.002)	0.005*** (0.002)	0.052 (0.034)	0.506*** (0.115)
Constant	-2.629*** (0.947)	0.188 (0.180)	-0.747*** (0.266)	-4.026 (3.754)	-6.883 (20.022)
Regional fixed effects	Yes	Yes	Yes	Yes	Yes
R-squared	0.836	0.889	0.791	0.838	0.840
Observations	145	121	145	145	144

Notes: <sup>(b)</sup> Average of the ICRG measures of corruption, law and order, and bureaucratic quality. The estimation method is OLS. Robust standard errors in parentheses. \* Significant at the 10% level, \*\* significant at the 5% level, \*\*\* significant at the 1% level.



Table A7: Robustness analysis: Pooled OLS regressions.

	(1)	(2)	(3)	(4)	(5)
Political equality	0.187*** (0.020)	0.107*** (0.016)	0.175*** (0.020)	0.132*** (0.014)	0.096*** (0.013)
Democracy	0.025*** (0.005)	0.035*** (0.004)	0.022*** (0.005)	0.009*** (0.003)	0.019*** (0.003)
Economic inequality	0.740** (0.314)	0.036 (0.230)	0.389 (0.323)	0.602*** (0.223)	-0.013 (0.215)
English legal origin	-0.321*** (0.118)	-0.182** (0.083)	-0.278** (0.115)	-0.114* (0.068)	-0.073 (0.064)
French legal origin	-0.618*** (0.132)	-0.277*** (0.091)	-0.568*** (0.128)	-0.175** (0.078)	-0.094 (0.072)
German legal origin	-0.117 (0.110)	-0.036 (0.075)	-0.110 (0.107)	0.146** (0.059)	0.106* (0.057)
Socialist legal origin	-1.480*** (0.135)	-0.742*** (0.088)	-1.417*** (0.132)	-0.450*** (0.079)	-0.336*** (0.073)
Former colony	0.433*** (0.055)	0.347*** (0.054)	0.377*** (0.058)	0.164*** (0.045)	0.166*** (0.048)
Protestant	-0.404** (0.169)	0.123 (0.104)	-0.289* (0.164)	0.387*** (0.092)	0.501*** (0.084)
Catholic	0.192*** (0.055)	-0.009 (0.047)	0.204*** (0.055)	-0.054 (0.049)	-0.075 (0.046)
Muslim	-0.255*** (0.060)	0.027 (0.054)	-0.238*** (0.060)	-0.028 (0.053)	0.068 (0.050)
Latitude	0.025*** (0.002)	0.011*** (0.002)	0.023*** (0.002)	0.013*** (0.001)	0.008*** (0.002)
Surface (log)	-0.099*** (0.013)	-0.103*** (0.008)	-0.085*** (0.014)	-0.091*** (0.008)	-0.086*** (0.007)
Elevation	0.104** (0.044)	0.261*** (0.032)	0.107** (0.042)	0.154*** (0.032)	0.229*** (0.027)
Roughness	-0.877*** (0.128)	-0.786*** (0.087)	-0.863*** (0.128)	-0.213** (0.099)	-0.380*** (0.085)
Ethn. fractionalization	-0.365*** (0.083)	-0.162** (0.063)	-0.343*** (0.078)	-0.119** (0.058)	-0.071 (0.052)
Ethn. polarization	-0.078 (0.084)	-0.228*** (0.064)	-0.072 (0.083)	-0.196*** (0.062)	-0.238*** (0.057)
GDP per capita (log)		0.469*** (0.019)			0.269*** (0.020)
Natural resources			-0.008*** (0.002)		-0.006*** (0.001)
Globalization				0.041*** (0.001)	0.027*** (0.002)
Constant	1.301*** (0.233)	-3.087*** (0.219)	1.300*** (0.227)	-2.018*** (0.163)	-3.391*** (0.197)
Regional fixed effects	Yes	Yes	Yes	Yes	Yes
R-squared	0.779	0.864	0.784	0.883	0.899
Observations	1,248	1,248	1,248	1,248	1,248

Notes: The dependent variable is in all cases the measure of quality of government described in section 3. Standard errors clustered at the country level in parentheses. \* Significant at the 10% level, \*\* significant at the 5% level, \*\*\* significant at the 1% level.

Table A8: Robustness analysis: Multiple imputation estimation.

	(1)	(2)	(3)	(4)	(5)
Political equality	0.200*** (0.064)	0.131** (0.053)	0.187*** (0.066)	0.145*** (0.044)	0.111*** (0.041)
Democracy	0.023 (0.014)	0.038*** (0.011)	0.017 (0.015)	0.004 (0.008)	0.015* (0.008)
Economic inequality	0.776 (1.021)	0.248 (0.794)	0.433 (1.029)	0.930 (0.706)	0.313 (0.667)
English legal origin	-0.438 (0.403)	-0.266 (0.304)	-0.377 (0.400)	-0.231 (0.251)	-0.147 (0.233)
French legal origin	-0.762 (0.462)	-0.402 (0.343)	-0.698 (0.457)	-0.282 (0.294)	-0.166 (0.274)
German legal origin	-0.179 (0.360)	-0.086 (0.279)	-0.155 (0.354)	0.086 (0.208)	0.078 (0.205)
Socialist legal origin	-1.527*** (0.441)	-0.835*** (0.310)	-1.432*** (0.437)	-0.434 (0.281)	-0.284 (0.265)
Former colony	0.415** (0.178)	0.374** (0.173)	0.333* (0.189)	0.118 (0.147)	0.124 (0.160)
Protestant	-0.516 (0.556)	-0.086 (0.387)	-0.322 (0.561)	0.322 (0.334)	0.465 (0.323)
Catholic	0.166 (0.182)	-0.085 (0.180)	0.216 (0.181)	-0.085 (0.172)	-0.122 (0.171)
Muslim	-0.255 (0.191)	0.028 (0.165)	-0.212 (0.190)	-0.005 (0.164)	0.120 (0.158)
Latitude	0.024*** (0.007)	0.014** (0.006)	0.021*** (0.007)	0.011** (0.005)	0.008 (0.005)
Surface (log)	-0.113*** (0.042)	-0.116*** (0.029)	-0.094** (0.044)	-0.108*** (0.026)	-0.098*** (0.023)
Elevation	0.094 (0.141)	0.282** (0.116)	0.081 (0.137)	0.145 (0.104)	0.233** (0.096)
Roughness	-0.855** (0.407)	-0.836** (0.323)	-0.818** (0.405)	-0.246 (0.319)	-0.394 (0.297)
Ethn. fractionalization	-0.230 (0.259)	-0.062 (0.216)	-0.202 (0.240)	-0.080 (0.182)	-0.004 (0.165)
Ethn. polarization	-0.162 (0.255)	-0.378* (0.198)	-0.135 (0.262)	-0.199 (0.179)	-0.298* (0.165)
GDP per capita (log)		0.397*** (0.070)			0.238*** (0.058)
Natural resources			-0.009* (0.005)		-0.007* (0.004)
Globalization				0.041*** (0.004)	0.029*** (0.005)
Constant	1.616** (0.765)	-2.278*** (0.786)	1.578** (0.736)	-1.752*** (0.536)	-3.083*** (0.667)
Regional fixed effects	Yes	Yes	Yes	Yes	Yes
Observations	145	145	145	145	145

Notes: The estimation considers the underlying uncertainty in the inequality measures introduced by the multiple imputation procedures used by Solt (2016) in order to reduce the number of missing values in the SWIID data set. The dependent variable is in all cases the measure of quality of government described in section 3. Robust standard errors in parentheses. \* Significant at the 10% level, \*\* significant at the 5% level, \*\*\* significant at the 1% level.

Table A9: First stage regressions: QML estimates.

	(1)	(2)	(3)	(4)	(5)
Political equality in neighbouring countries	0.646*** (0.187)	0.648*** (0.186)	0.614*** (0.197)	0.639*** (0.189)	0.586*** (0.202)
Economic inequality	-3.436*** (1.309)	-3.603*** (1.288)	-3.679*** (1.325)	-3.350** (1.303)	-4.222*** (1.326)
Democracy	0.060*** (0.014)	0.065*** (0.014)	0.056*** (0.015)	0.055*** (0.015)	0.063*** (0.015)
English legal origin	-0.702 (0.582)	-0.592 (0.573)	-0.647 (0.582)	-0.644 (0.579)	-0.475 (0.571)
French legal origin	-0.849 (0.635)	-0.643 (0.629)	-0.789 (0.635)	-0.723 (0.637)	-0.523 (0.628)
German legal origin	-0.886 (0.611)	-0.811 (0.601)	-0.856 (0.610)	-0.811 (0.610)	-0.772 (0.597)
Socialist legal origin	-1.394** (0.613)	-1.006 (0.624)	-1.310** (0.616)	-1.115* (0.642)	-0.866 (0.635)
Former colony	-0.376 (0.300)	-0.381 (0.294)	-0.431 (0.303)	-0.442 (0.301)	-0.446 (0.298)
Protestant	-0.231 (0.614)	-0.018 (0.609)	-0.083 (0.627)	-0.028 (0.627)	0.225 (0.625)
Catholic	-0.023 (0.310)	-0.150 (0.310)	0.015 (0.311)	-0.083 (0.312)	-0.088 (0.309)
Muslim	-0.401 (0.307)	-0.253 (0.308)	-0.366 (0.308)	-0.336 (0.309)	-0.163 (0.309)
Latitude	0.002 (0.008)	-0.002 (0.009)	0.001 (0.009)	-0.001 (0.009)	-0.006 (0.009)
Surface (log)	-0.023 (0.043)	-0.024 (0.042)	-0.011 (0.044)	-0.022 (0.042)	0.001 (0.044)
Elevation	0.166 (0.163)	0.255 (0.164)	0.154 (0.162)	0.176 (0.162)	0.262 (0.164)
Roughness	0.128 (0.460)	0.141 (0.452)	0.150 (0.459)	0.271 (0.469)	0.085 (0.464)
Ethn. fractionalization	0.255 (0.311)	0.332 (0.307)	0.270 (0.310)	0.288 (0.309)	0.371 (0.305)
Ethn. polarization	0.109 (0.335)	-0.002 (0.332)	0.130 (0.334)	0.098 (0.333)	-0.002 (0.330)
GDP per capita (log)		0.194** (0.084)			0.281** (0.112)
Natural resources			-0.007 (0.006)		-0.013* (0.007)
Globalization				0.010 (0.007)	-0.007 (0.010)
Constant	2.142** (0.922)	0.153 (1.247)	2.115** (0.921)	1.309 (1.097)	-0.180 (1.258)
Regional fixed effects	Yes	Yes	Yes	Yes	Yes
Pseudo R-squared	0.479	0.500	0.485	0.484	0.515
Observations	145	145	145	145	145

Notes: Quasi-maximum likelihood (QML) estimates. The dependent variable is in all cases the measure of political equality described in section 3. Robust standard errors in parentheses. \* Significant at the 10% level, \*\* significant at the 5% level, \*\*\* significant at the 1% level.

Table A10: Robustness analysis: Alternative definitions of the instrument.

	(1)	(2)	(3)	(4)	(5)
Cut-off	3,000 km.	4,000 km.	5,000 km.	6,000 km.	7,000 km.
Political equality	0.092* (0.050)	0.113** (0.048)	0.121** (0.052)	0.116** (0.052)	0.138** (0.057)
Democracy	0.016** (0.007)	0.015** (0.007)	0.014* (0.008)	0.015* (0.008)	0.013* (0.008)
Economic inequality	0.259 (0.606)	0.352 (0.614)	0.380 (0.606)	0.363 (0.615)	0.438 (0.621)
English legal origin	-0.143 (0.212)	-0.146 (0.222)	-0.136 (0.215)	-0.145 (0.213)	-0.127 (0.215)
French legal origin	-0.160 (0.250)	-0.164 (0.260)	-0.153 (0.252)	-0.162 (0.251)	-0.143 (0.252)
German legal origin	0.072 (0.192)	0.080 (0.196)	0.089 (0.191)	0.082 (0.191)	0.101 (0.193)
Socialist legal origin	-0.297 (0.243)	-0.283 (0.249)	-0.273 (0.245)	-0.280 (0.245)	-0.255 (0.248)
Former colony	0.117 (0.149)	0.126 (0.146)	0.132 (0.147)	0.127 (0.148)	0.136 (0.148)
Protestant	0.491* (0.298)	0.468 (0.311)	0.479 (0.306)	0.470 (0.301)	0.477 (0.308)
Catholic	-0.111 (0.159)	-0.119 (0.157)	-0.112 (0.158)	-0.117 (0.156)	-0.111 (0.158)
Muslim	0.116 (0.142)	0.121 (0.143)	0.128 (0.149)	0.125 (0.151)	0.130 (0.151)
Latitude	0.008* (0.005)	0.008* (0.005)	0.008* (0.005)	0.008* (0.005)	0.008* (0.005)
Surface (log)	-0.098*** (0.021)	-0.098*** (0.021)	-0.098*** (0.021)	-0.098*** (0.021)	-0.098*** (0.021)
Elevation	0.232** (0.090)	0.231*** (0.089)	0.226** (0.090)	0.229*** (0.087)	0.225** (0.088)
Roughness	-0.405 (0.266)	-0.398 (0.269)	-0.401 (0.270)	-0.398 (0.272)	-0.400 (0.272)
Ethn. fractionalization	-0.011 (0.153)	-0.005 (0.150)	-0.005 (0.148)	-0.004 (0.149)	-0.011 (0.147)
Ethn. polarization	-0.289* (0.151)	-0.298** (0.150)	-0.300** (0.148)	-0.299** (0.148)	-0.300** (0.147)
GDP per capita (log)	0.241*** (0.050)	0.237*** (0.051)	0.234*** (0.051)	0.236*** (0.052)	0.229*** (0.051)
Natural resources	-0.007** (0.003)	-0.007* (0.004)	-0.007** (0.003)	-0.007** (0.003)	-0.007* (0.004)
Globalization	0.029*** (0.004)	0.029*** (0.004)	0.029*** (0.004)	0.029*** (0.004)	0.029*** (0.004)
QoG in neighb. Countries	-0.044 (0.131)	-0.010 (0.150)	-0.037 (0.163)	-0.018 (0.172)	-0.042 (0.177)
Constant	-3.114*** (0.621)	-3.092*** (0.620)	-3.097*** (0.610)	-3.090*** (0.608)	-3.097*** (0.613)
Regional fixed effects	Yes	Yes	Yes	Yes	Yes
Pseudo R-squared	0.893	0.893	0.893	0.893	0.893
Observations	145	145	145	145	145

Notes: The dependent variable is in all cases the measure of quality of government described in section 3. The estimation method is GS2SLS with heteroskedastic innovations of unknown form in the disturbance process. Standard errors in parentheses. \* Significant at the 10% level, \*\* significant at the 5% level, \*\*\* significant at the 1% level.

Table A11: Direct, indirect and total effects for different definitions of the instrument.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Cut off 3,000 km.			Cu off 4,000 km.			Cut-off 5,000 km.		
	Direct	Indirect	Total	Direct	Indirect	Total	Direct	Indirect	Total
Political equality	0.092*** (0.050)	-0.004 (0.012)	0.088** (0.045)	0.113** (0.047)	-0.001 (0.017)	0.111** (0.046)	0.121*** (0.047)	-0.004 (0.020)	0.117*** (0.044)
Democracy	0.016*** (0.008)	-0.001 (0.002)	0.016** (0.008)	0.015* (0.008)	0.000 (0.002)	0.015* (0.008)	0.014* (0.008)	-0.001 (0.002)	0.014* (0.008)
Economic inequality	0.260 (0.655)	-0.011 (0.044)	0.249 (0.626)	0.352 (0.652)	-0.004 (0.054)	0.348 (0.650)	0.380 (0.650)	-0.014 (0.064)	0.366 (0.631)
English legal origin	-0.143 (0.272)	0.006 (0.019)	-0.137 (0.264)	-0.146 (0.278)	0.001 (0.022)	-0.144 (0.282)	-0.136 (0.272)	0.005 (0.022)	-0.131 (0.268)
French legal origin	-0.160 (0.299)	0.007 (0.021)	-0.154 (0.291)	-0.164 (0.305)	0.002 (0.024)	-0.162 (0.310)	-0.153 (0.299)	0.005 (0.024)	-0.148 (0.294)
German legal origin	0.072 (0.282)	-0.003 (0.016)	0.069 (0.269)	0.080 (0.285)	-0.001 (0.013)	0.079 (0.280)	0.089 (0.282)	-0.003 (0.018)	0.086 (0.270)
Socialist legal origin	-0.297 (0.299)	0.012 (0.038)	-0.285 (0.292)	-0.283 (0.302)	0.003 (0.043)	-0.281 (0.310)	-0.273 (0.300)	0.010 (0.043)	-0.263 (0.298)
Former colony	0.117 (0.142)	-0.005 (0.016)	0.112 (0.135)	0.126 (0.142)	-0.001 (0.019)	0.124 (0.139)	0.132 (0.142)	-0.005 (0.022)	0.127 (0.135)
Protestant	0.491 (0.295)	-0.021 (0.064)	0.470 * (0.278)	0.468 (0.303)	-0.005 (0.072)	0.463 (0.288)	0.480 (0.305)	-0.017 (0.080)	0.462 (0.280)
Catholic	-0.111 (0.147)	0.005 (0.014)	-0.107 (0.144)	-0.119 (0.146)	0.001 (0.018)	-0.118 (0.150)	-0.112 (0.149)	0.004 (0.017)	-0.108 (0.149)
Muslim	0.116 (0.144)	-0.005 (0.015)	0.112 (0.140)	0.121 (0.144)	-0.001 (0.019)	0.120 (0.143)	0.128 (0.147)	-0.005 (0.022)	0.123 (0.139)
Latitude	0.008* (0.005)	0.000 (0.001)	0.008** (0.004)	0.008* (0.005)	0.000 (0.001)	0.008* (0.004)	0.008* (0.005)	0.000 (0.001)	0.008* (0.004)
Surface (log)	-0.098*** (0.020)	0.004 (0.012)	-0.094*** (0.024)	-0.098*** (0.020)	0.001 (0.015)	-0.097*** (0.026)	-0.098*** (0.020)	0.004 (0.015)	-0.095*** (0.025)
Elevation	0.232*** (0.079)	-0.010 (0.028)	0.222** (0.086)	0.231*** (0.078)	-0.002 (0.035)	0.229** (0.090)	0.226*** (0.079)	-0.008 (0.035)	0.218** (0.091)
Roughness	-0.405* (0.217)	0.017 (0.052)	-0.388* (0.209)	-0.398* (0.218)	0.004 (0.061)	-0.394* (0.216)	-0.401* (0.217)	0.014 (0.064)	-0.387* (0.212)
Ethn. fractionalization	-0.011 (0.151)	0.000 (0.007)	-0.011 (0.144)	-0.005 (0.146)	0.000 (0.002)	-0.005 (0.144)	-0.005 (0.143)	0.000 (0.005)	-0.005 (0.138)
Ethn. polarization	-0.289* (0.156)	0.012 (0.035)	-0.277* (0.160)	-0.298* (0.155)	0.003 (0.045)	-0.295 * (0.164)	-0.300* (0.154)	0.011 (0.047)	-0.289* (0.156)
GDP per capita (log)	0.241*** (0.055)	-0.010 (0.029)	0.231*** (0.065)	0.237*** (0.054)	-0.002 (0.036)	0.235*** (0.066)	0.234*** (0.054)	-0.008 (0.037)	0.226*** (0.066)
Natural resources	-0.007** (0.003)	0.000 (0.001)	-0.007** (0.003)	-0.007** (0.003)	0.000 (0.001)	-0.007* (0.003)	-0.007** (0.003)	0.000 (0.001)	-0.007* (0.003)
Globalization	0.029*** (0.005)	-0.001 (0.004)	0.028*** (0.005)	0.029*** (0.004)	0.000 (0.004)	0.028*** (0.006)	0.029*** (0.004)	-0.001 (0.005)	0.028*** (0.006)

Notes: The different effects are calculated from the estimates in Table A10. The dependent variable is in all cases the measure of quality of government described in section 3. Standard errors in parentheses. \* Significant at the 10% level, \*\* significant at the 5% level, \*\*\* significant at the 1% level.

Table A11: Direct, indirect and total effects for different definitions of the instrument  
(*continuation*).

	(10)	(11)	(12)	(13)	(14)	(15)
	Cut off 6,000 km.			Cu off 7,000 km.		
	Direct	Indirect	Total	Direct	Indirect	Total
Political equality	0.116** (0.047)	-0.002 (0.020)	0.114** (0.045)	0.138*** (0.047)	-0.006 (0.024)	0.132*** (0.045)
Democracy	0.015* (0.008)	0.000 (0.002)	0.014* (0.008)	0.013* (0.008)	-0.001 (0.002)	0.013 (0.008)
Economic inequality	0.363 (0.652)	-0.007 (0.062)	0.357 (0.647)	0.438 (0.656)	-0.018 (0.076)	0.421 (0.644)
English legal origin	-0.145 (0.271)	0.003 (0.024)	-0.142 (0.272)	-0.127 (0.275)	0.005 (0.022)	-0.122 (0.270)
French legal origin	-0.162 (0.298)	0.003 (0.027)	-0.159 (0.300)	-0.143 (0.303)	0.006 (0.024)	-0.137 (0.297)
German legal origin	0.082 (0.281)	-0.001 (0.015)	0.080 (0.275)	0.101 (0.283)	-0.004 (0.022)	0.097 (0.270)
Socialist legal origin	-0.280 (0.301)	0.005 (0.047)	-0.275 (0.305)	-0.255 (0.304)	0.010 (0.043)	-0.245 (0.304)
Former colony	0.127 (0.141)	-0.002 (0.022)	0.125 (0.138)	0.136 (0.141)	-0.005 (0.024)	0.131 (0.137)
Protestant	0.470 (0.305)	-0.008 (0.082)	0.462 (0.285)	0.477 (0.313)	-0.019 (0.087)	0.458 (0.281)
Catholic	-0.117 (0.150)	0.002 (0.019)	-0.115 (0.154)	-0.111 (0.150)	0.004 (0.018)	-0.107 (0.151)
Muslim	0.125 (0.148)	-0.002 (0.022)	0.123 (0.142)	0.130 (0.148)	-0.005 (0.024)	0.125 (0.139)
Latitude	0.008** (0.004)	0.000 (0.001)	0.008 (0.004)	0.008* (0.004)	0.000 (0.001)	0.008** (0.004)
Surface (log)	-0.098*** (0.020)	0.002 (0.017)	-0.097*** (0.026)	-0.098*** (0.020)	0.004 (0.017)	-0.095*** (0.025)
Elevation	0.229*** (0.078)	-0.004 (0.039)	0.225** (0.093)	0.225* (0.077)	-0.009 (0.038)	0.216** (0.087)
Roughness	-0.398* (0.217)	0.007 (0.068)	-0.391* (0.217)	-0.400 (0.217)	0.016 (0.070)	-0.384* (0.213)
Ethn. fractionalization	-0.004 (0.143)	0.000 (0.003)	-0.004 (0.140)	-0.011 (0.143)	0.000 (0.006)	-0.010 (0.137)
Ethn. polarization	-0.299* (0.154)	0.005 (0.051)	-0.294* (0.160)	-0.300* (0.154)	0.012 (0.051)	-0.288* (0.158)
GDP per capita (log)	0.236*** (0.054)	-0.004 (0.040)	0.231*** (0.070)	0.229*** (0.054)	-0.009 (0.039)	0.220*** (0.067)
Natural resources	-0.007* (0.003)	0.000 (0.001)	-0.007* (0.003)	-0.007* (0.003)	0.000 (0.001)	-0.006* (0.003)
Globalization	0.029*** (0.004)	-0.001 (0.005)	0.028*** (0.006)	0.029*** (0.004)	-0.001 (0.005)	0.028*** (0.006)

Notes: The different effects are calculated from the estimates in Table A10. The dependent variable is in all cases the measure of quality of government described in section 3. Standard errors in parentheses. \* Significant at the 10% level, \*\* significant at the 5% level, \*\*\* significant at the 1% level.

Table A12: Direct, indirect and total effects when education is controlled for.

	Direct effects	Indirect effects	Total effects
Political equality	0.056 (0.055)	0.003 (0.010)	0.059 (0.053)
Education	0.122*** (0.042)	0.007 (0.027)	0.129** (0.058)
Democracy	0.016** (0.007)	0.001 (0.003)	0.017** (0.008)
Economic inequality	0.607 (0.579)	0.034 (0.130)	0.641 (0.614)
English legal origin	-0.155 (0.210)	-0.009 (0.038)	-0.164 (0.233)
French legal origin	-0.170 (0.252)	-0.010 (0.042)	-0.180 (0.279)
German legal origin	0.038 (0.204)	0.002 (0.011)	0.040 (0.212)
Socialist legal origin	-0.285 (0.241)	-0.016 (0.066)	-0.301 (0.282)
Former colony	0.122 (0.141)	0.007 (0.027)	0.129 (0.150)
Protestant	0.556 (0.303)	0.031 (0.112)	0.588 ** (0.298)
Catholic	-0.023 (0.151)	-0.001 (0.010)	-0.024 (0.160)
Muslim	0.218 (0.145)	0.012 (0.044)	0.230 (0.146)
Latitude	0.007 (0.004)	0.000 (0.001)	0.007 (0.005)
Surface (log)	-0.081*** (0.021)	-0.005 (0.017)	-0.086*** (0.026)
Elevation	0.217*** (0.084)	0.012 (0.047)	0.229** (0.104)
Roughness	-0.360 (0.275)	-0.020 (0.075)	-0.380 (0.287)
Ethn. fractionalization	0.000 (0.135)	0.000 (0.008)	0.000 (0.143)
Ethn. polarization	-0.227 (0.166)	-0.013 (0.048)	-0.240 (0.180)
GDP per capita (log)	0.177*** (0.059)	0.010 (0.037)	0.187*** (0.064)
Natural resources	-0.005 (0.003)	0.000 (0.001)	-0.006* (0.003)
Globalization	0.029*** (0.004)	0.002 (0.006)	0.030*** (0.008)

Notes: The different effects are calculated from the estimates in column 6 of Table 5. The dependent variable is in all cases the measure of quality of government described in section 3. Standard errors in parentheses. \* Significant at the 10% level, \*\* significant at the 5% level, \*\*\* significant at the 1% level.