

DATA APPENDIX

Dependent variable and weight

CPI = Proxy for Political Corruption and “Grand” Bureaucratic Corruption. Corruption Perceptions Index published by Transparency International, NGO for worldwide fight against corruption, describes the level of perceived corruption in the public sector using a poll of political risk indexes. Original scores range from 0 (completely corrupt) to 10 (clean). Average of *CPI* indexes for years 1997, 1998, and 1999. Source: Transparency International. With regard to the 1997 Corruption Perceptions Index, data for a larger sample were taken from Lambsdorff (1998), although the original limit of four surveys was not satisfied for all the observations. The index is inverted in the scale by subtracting values from 10 to make the results more intuitive.

STDEV = The standard deviation mentioned is referred to the different rankings given to a specific country by the different polls considered in the *CPI*. Its inverse is used as a weight to adjust for measurement error in corruption. Source: Transparency International.

Socio-Economic Variables

EDU = Proxy for the expected level of schooling and education in the country. Data show total enrollment in primary and secondary education, regardless of age, expressed as a percentage of the population age-group corresponding to the national regulations for these two levels of education. Average on the period 1994-96. Source: UNESCO.

ELF = Index of Ethnolinguistic Fractionalization approximates for the level of lack of ethnic and linguistic cohesion within a country. It ranges from 0 (homogeneous) to 1 (strongly fractionalized) and averages 5 different indexes. The components are: 1) Atlas Narodov Mira, 1960; 2) Muller, 1964; Roberts, 1962; 4) and 5) Gunnemark, 1991. Source: La Porta et al. (1999). For Central and Eastern Europe countries computations follow Mauro (1995) with data from Quain (1999).

OPEN = Trade as a share of PPP. GDP is the sum of merchandise exports and imports measured in current U.S. dollars divided by the value of GDP converted to international dollars using purchase power parity conversion factors. It is a proxy for the level of openness of the national market to competition (see Ades and Di Tella, 1999). Data are average for years 1996 and 1997. Source: World Development Indicators (WDI, World Bank). We computed observations for Belgium, Botswana, Iceland, and Tanzania with World Bank’s alternative data and same methodology.

POP = Population in millions. It is based on the de facto definition of population, which counts all residents regardless of legal status or citizenship - except for refugees not permanently settled in the country of asylum, who are generally considered as part of the population of the country of origin. The values shown are the average of midyear estimates for the period 1996-1999. Source: World Development Indicators (WDI, World Bank).

Y = Gross National Product converted to international dollars using purchase power parity rates. An international dollar has the same purchasing power over GNP as a U.S. dollar in the United States. The values shown are the average of midyear estimates for the period 1996-1999. Source: World Development Indicators (WDI, World Bank).

Geographic and institutional variables¹

CATH = Percentage of the total population belonging to the Roman Catholic religion for the period 1980-1990. Source: La Porta et al. (1999).

COLO(ES, FR, or UK) = Dummy variable taking value 1 if the country has, for a significant time, been a colony of Spain (or Portugal) (ES), United Kingdom (UK), or France (FR), and 0 otherwise. Source: Wacziarg (1996). The *COLOTH* dummy was computed as $COLOTH = EVERCOL - COLES - COLUK - COLFR$. In order to weight for the colonial exposition, we multiplied these dummy variables by $(250 - TIME\ IND)/250$, where 250 was the default time of independence value for non-colonies.

CONFU = Religious tradition dummy, taking value 1 if the main religious tradition in the country is Confucianism, 0 otherwise. Source: Wacziarg (1996).

EVERCOL = Dummy variable taking value 1 if the country has ever been a colony since 1776, 0 otherwise. Source: Wacziarg (1996)

LEGOR_(UK, FR, GE, SO, SC) = Dummy variable for the origin of the legal system and, consequently, of the original electoral law for each country. Five possible origins are considered: Anglo-Saxon Common Law (*UK*), French Civil Law (*FR*), German Civil Law (*GE*), Socialist Law (*SO*), and Scandinavian Law (*SC*). Source: La Porta et al. (1999).

OECD = Dummy variable for OECD member countries, taking value 1 if a country is OECD member, 0 otherwise. Source: Persson and Tabellini (1998).

PROT = Percentage of the total population belonging to the Protestant religion for the period 1980-1990. Source: La Porta et al. (1999).

TIME IND = Years of independence of the country since 1748. (Note that we considered the default value of 250 for the non-colonies and the USA). Source: Wacziarg (1996).

Political Variables

CONSTIT = Total number of primary and secondary (plus tertiary, if indicated) electoral districts in the country. Only territorial districts are considered in the computations. A 1 is added only when national district is explicitly mentioned. Sources: Quain (1999).

INSTAB = Average number of government leaders per year (number of government leaders in the recent period divided by the length of period in years).

Recent period: most countries = Jan. 1980 - Dec. 1993; former USSR = Jan. 1991 - Dec. 1994; post communist Europe = Jan. 1990 - Dec. 1994. Must be > 14 days to count. Leader is PM in parliamentary systems, president

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or head of state in presidential or non-democracy. Source Rulers database: <http://www.geocities.com/Athens/1058/rulers.html>.

LISTMPS = Number of legislators in lower or single chamber for the latest legislature that has been appointed through party list voting mechanisms (open and closed) and different formulas (D'Hondt; Saint Lagüe; Hagenbach-Bischoff; LR-Hare; LR-Droop). Note that we had to deal with some ambiguous cases. We included Switzerland's panachage because of the strong weight of party influence, but excluded Chile's dual majority list allocation because of the clear plurality-type rationale. Appointed or ex officio members of the Parliament are excluded. Sources: Quain (1999) and Kurian (1998).

MAJ = Dummy variable taking value 1 in the presence of either a majority or a plurality electoral rule, 0 otherwise. In ambiguous cases we used the presence of party list vote or not to make a distinction between *MAJ* and *SEMI*. For example, dual majority in Chile is classified as 1, while Italy, with a $\frac{1}{4}$ of total seats PR allocated, is classified as 0 (and *SEMI* = 1). Only legislative elections for lower or single house are considered. Sources: Cox (1997), International Institute for Democracy and Electoral Assistance (1997), Quain (1999), and Kurian (1998).

MPS = Number of elected legislators in lower or single chamber for the latest legislature of each country. Appointed or ex officio members of the Parliament are excluded. Source: International Institute for Democracy and Electoral Assistance (1997), Quain (1999), and Kurian (1998).

POLRIGHT = Proxy for the level of respect of the basic political rights (such as the right of free political association). The index ranges from 1 (max freedom) to 7 (complete absence of political liberties). Average of data from 1990/91 to 1998/99 assessments. Source: Freedom House.

SEMI = Dummy variable taking value 1 in the presence of specific types of semi-proportional representation, 0 otherwise. Semi-proportional electoral rule identifies those mixed electoral systems characterized by both PR and FPTP representation for allocating seats (for example Bolivia, Germany, Italy after the reform, etc.). The share of the total number of seats allocated under the Proportional rule can be greater or smaller than the complementary plurality-allocated share. Only legislative elections are considered. Sources: Cox (1997), International Institute for Democracy and Electoral Assistance (1997), Quain (1999), and Kurian (1998).