

Development, Democracy, and Corruption - Online Appendix

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Variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
ICRG_TT	O	NMA	SA	WCE	ESE	CA	SoA	NA	A	AO
GDP per Capita	-0.0539*** (0.0160)	-0.0536** (0.0209)	-0.0548*** (0.0158)	-0.0566*** (0.0175)	-0.0637*** (0.0164)	-0.0601*** (0.0165)	-0.0408** (0.0174)	-0.110*** (0.0253)	0.0161 (0.0220)	-0.0566*** (0.0165)
Democracy	-0.0576** (0.0250)	-0.0671*** (0.0258)	-0.0315 (0.0272)	-0.0458* (0.0254)	-0.0608** (0.0268)	-0.0651** (0.0284)	-0.0510* (0.0284)	-0.0947*** (0.0316)	-0.0635** (0.0274)	-0.0791*** (0.0253)
Democracy *	-0.00408** (0.00192)	-0.00394 (0.00246)	-0.00339* (0.00190)	-0.00488** (0.00233)	-0.00276 (0.00196)	-0.00318 (0.00196)	-0.00507** (0.00207)	0.00178 (0.00279)	-0.0116*** (0.00244)	-0.00280 (0.00196)
GDP per Capita										
Observations	1,598	1,435	1,407	1,334	1,432	1,468	1,437	1,431	1,374	1,523

Robust standard error in parenthesis; * significant at 5%; ** significant at 1%. O = Original; NMA = North & Middle America ; SA = South America; WCE = Western & Central Europe; ESE = East & Southeast Europe; CA = Central Africa; SoA = Southern Africa; NA = North Africa; A = Asia; AO = Australia & Oceania

Table S.1. Groupwise Jackknife (excluding regions) for Model 4

Table S.2. The Interaction Effect of Democracy and GDP per Capita on Political Corruption (ICRG Corruption Index) (1984-2006)

	(1) Original Model	(2) Government Stability	(3) OECD Dummy	(4) Trade	(5) Cluster Option	(6) Ordered Probit
GDP p.c.	-0.054** (0.016)	-0.063** (0.016)	-0.084** (0.019)	-0.040 (0.021)	-0.054 (0.038)	-0.035** (0.010)
Democracy	-0.058* (0.025)	-0.043 (0.026)	-0.060* (0.025)	-0.067** (0.025)	-0.058 (0.049)	-0.041** (0.014)
GDP p.c. × democracy	-0.004* (0.002)	-0.004 (0.002)	0.003 (0.002)	-0.005* (0.002)	-0.004 (0.005)	-0.002 (0.001)
Presidential	0.605** (0.128)	0.618** (0.128)	0.315* (0.135)	0.596** (0.134)	0.605 (0.314)	0.311** (0.070)
Proportional representation/ plurality system	-0.423** (0.116)	-0.398** (0.115)	-0.388** (0.115)	-0.402** (0.118)	-0.423 (0.270)	-0.231** (0.063)
Energy dependency	0.033** (0.005)	0.032** (0.005)	0.033** (0.005)	0.030** (0.005)	0.033** (0.010)	0.017** (0.003)
Percentage of women ^b	0.020** (0.007)	0.018* (0.007)	0.017* (0.007)	0.022** (0.008)	0.020 (0.016)	0.013** (0.004)
Military spending	-0.037* (0.016)	-0.033* (0.015)	-0.051 (0.032)	-0.032* (0.014)	-0.037 (0.023)	-0.023* (0.009)
Percentage of Protestants	-2.227** (0.330)	-2.204** (0.332)	-2.521** (0.322)	-2.190** (0.329)	-2.227* (0.901)	-1.227** (0.186)
Government consumption	-0.073** (0.010)	-0.074** (0.010)	-0.067** (0.010)	-0.081** (0.010)	-0.073** (0.020)	-0.043** (0.006)
Time since last CorChange	0.191 (0.182)	0.194 (0.179)	0.177 (0.184)	0.166 (0.181)	0.191 (0.115)	0.092 (0.100)
Government stability		0.095** (0.028)				
OECD Dummy			-1.358** (0.228)			
Trade				0.002 (0.001)		
Observations	1598	1598	1598	1585	1598	1598
Pseudo R^2	0.21	0.21	0.22	0.21	0.21	0.21
LR χ^2	1005.64	1022.40	1024.65	1018.27	237.39	1113.33
Prob > χ^2	0.00	0.00	0.00	0.00	0.00	0.00
Count R^2	0.44	0.44	0.46	0.44	0.44	0.44
McFadden R^2	0.21	0.21	0.22	0.21	0.21	0.21
Adjusted McFadden R^2	0.20	0.21	0.21	0.20	0.20	0.21
AIC	4328.87	4316.91	4286.29	4284.30	4328.87	4314.57
BIC	4436.40	4429.81	4399.20	4397.03	4436.40	4422.10

Coefficients with robust standard errors in parentheses; ordered probit (OPROBIT) estimation;

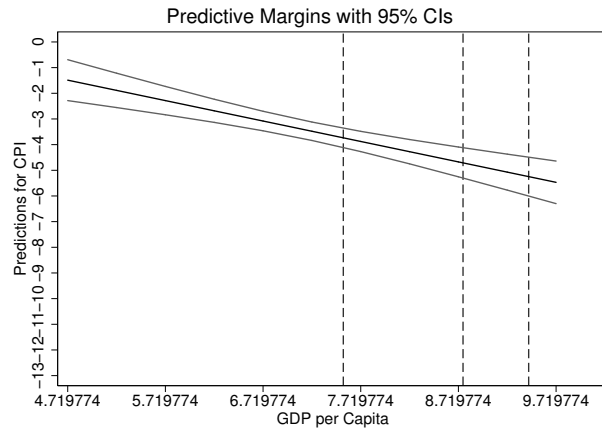
% of women in the labour force; all models with splines; cut-off points suppressed;

* p<0.05 (significant at the 5% level or lower); * p<0.01 (significant at the 1% level or lower)

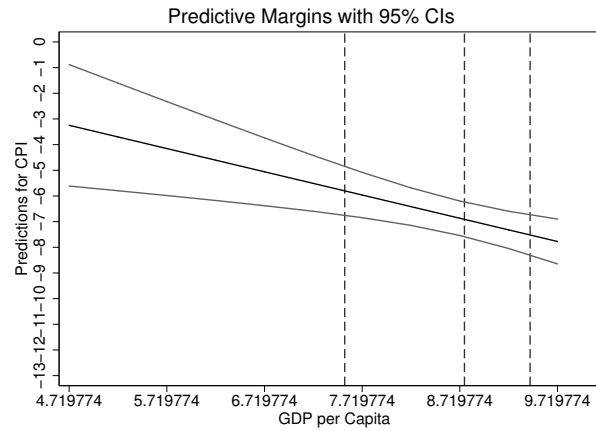
Table S.3. Bootstrap Robustness Check for Model 4

<i>Variable</i>	<i>Reps</i>	<i>Observed</i>	<i>Bias</i>	<i>Std. Err.</i>	<i>[95 percent Conf. Interval]</i>	
b_GDP per Capita		0.0031235	0.01747368	-0.0881896	-0.0196941	(N)
				-0.0845772	-0.0192792	(P)
				-0.095243	-0.0223043	(BC)
				-0.095243	-0.0223273	(BCa)
b_Democracy		-0.0004502	0.02497869	-0.106533	-0.0086183	(N)
				-0.1065256	-0.011031	(P)
				-0.1014466	-0.0087269	(BC)
				-0.1014466	-0.0087269	(BCa)
b_Democracy * GDP per Capita		-0.0003172	0.00202631	-0.0080477	-0.0001047	(N)
				-0.0082265	-0.0003403	(P)
				-0.0077626	0.0005657	(BC)
				-0.0077626	0.00121	(BCa)

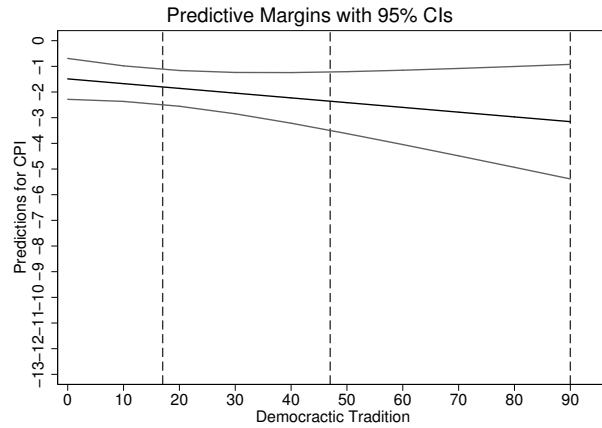
Note: N = normal; P = percentile; BC = bias-corrected; BCa = bias-corrected and accelerated



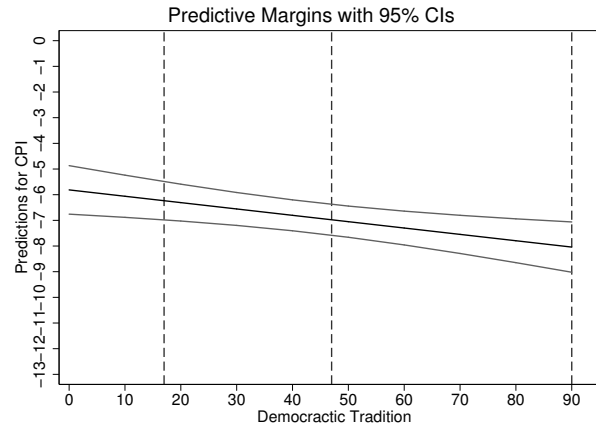
(a) Varying levels of GDP p.c. (from minimum to maximum). Democracy at its minimum.



(b) Varying levels of GDP p.c. (from minimum to maximum). Democracy at its maximum.

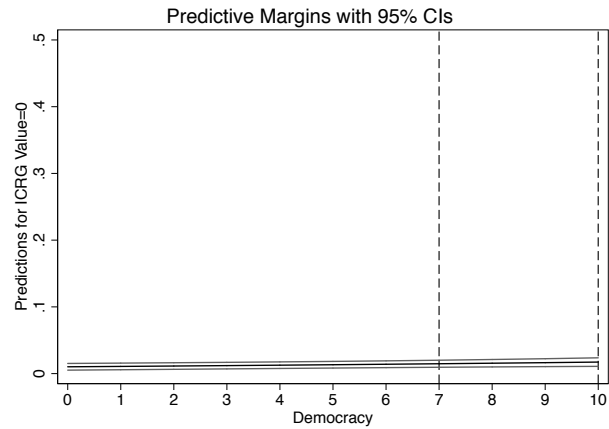


(c) Varying levels of democracy (from minimum to maximum). GDP p.c. at its minimum.

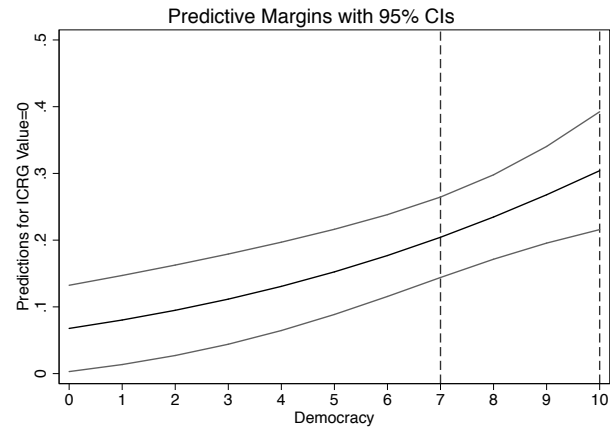


(d) Varying levels of democracy (from minimum to maximum). GDP p.c. at its maximum.

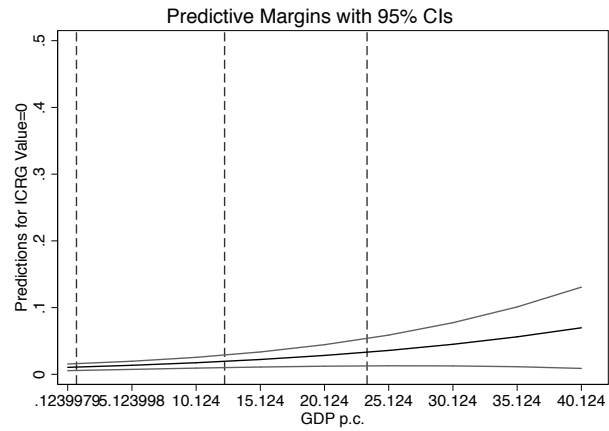
Figure S.1. **Margins Plots** for Hypotheses Based on Model 2 in Table 3. Influence of the Interaction Effect (GDP per Capita and Democracy) on Corruption (CPI).



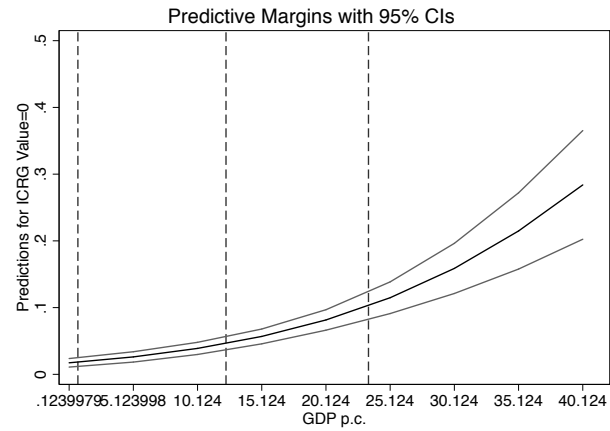
(a) Varying levels of democracy (from minimum to maximum). GDP p.c. at its minimum.



(b) Varying levels of democracy (from minimum to maximum). GDP p.c. at its maximum.

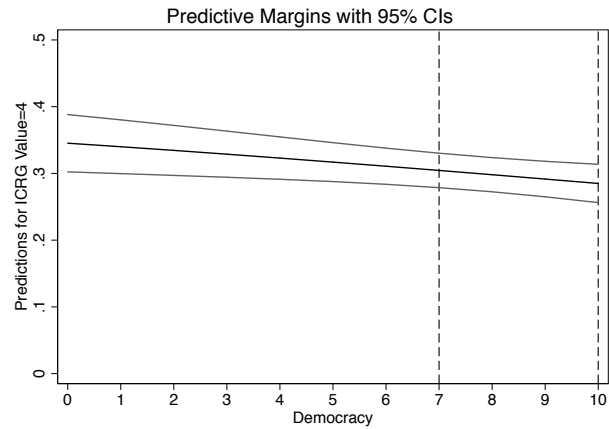


(c) Varying levels of GDP p.c. (from minimum to maximum). Democracy at its minimum.

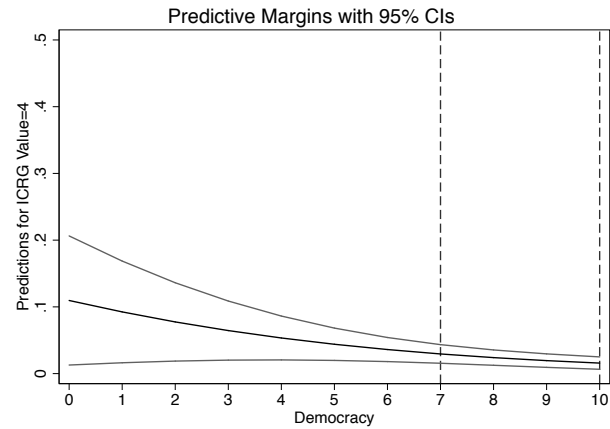


(d) Varying levels of GDP p.c. (from minimum to maximum). Democracy at its maximum.

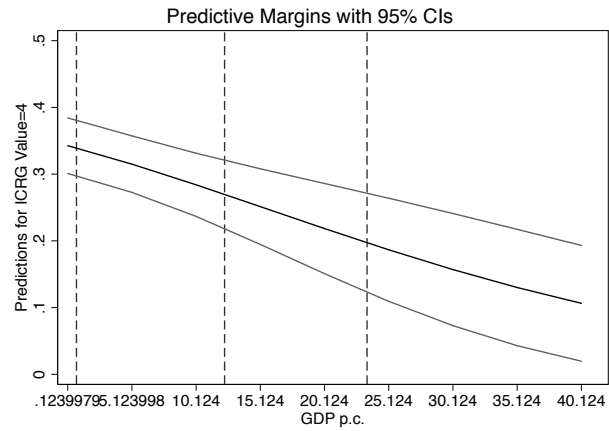
Figure S.2. **Margins Plots** for Hypotheses Based on Model 4 in Table 3. Influence of the Interaction Effect (GDP per Capita and Democracy) on a Low Level of Corruption (ICRG Value 0).



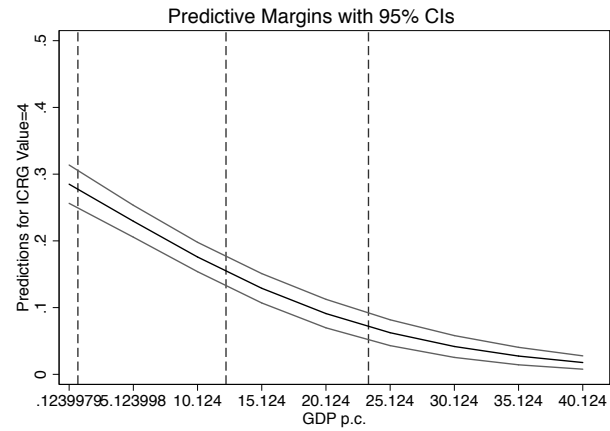
(a) Varying levels of democracy (from minimum to maximum). GDP p.c. at its minimum.



(b) Varying levels of democracy (from minimum to maximum). GDP p.c. at its maximum.



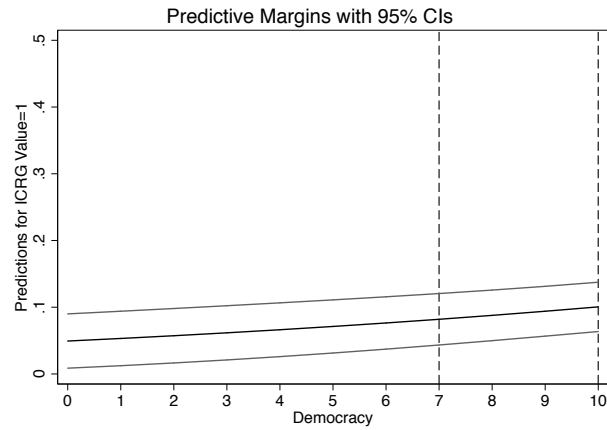
(c) Varying levels of GDP p.c. (from minimum to maximum). Democracy at its minimum.



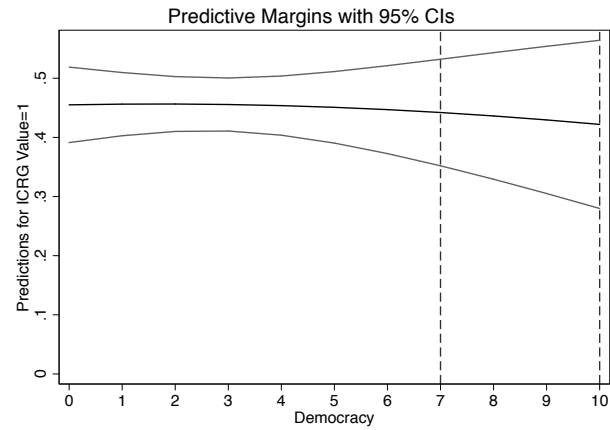
(d) Varying levels of GDP p.c. (from minimum to maximum). Democracy at its maximum.

Figure S.3. **Margins Plots** for Hypotheses Based on Model 4 in Table 3. Influence of the Interaction Effect (GDP per Capita and Democracy) on a High Level of Corruption (ICRG Value 4).

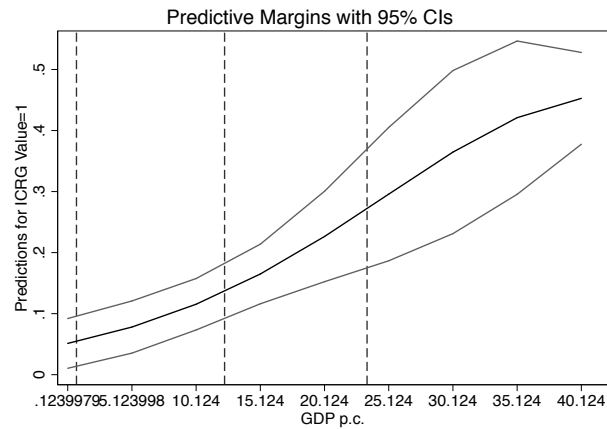
Results excluding the region North Africa from Model 4 in Table 3: low corruption.



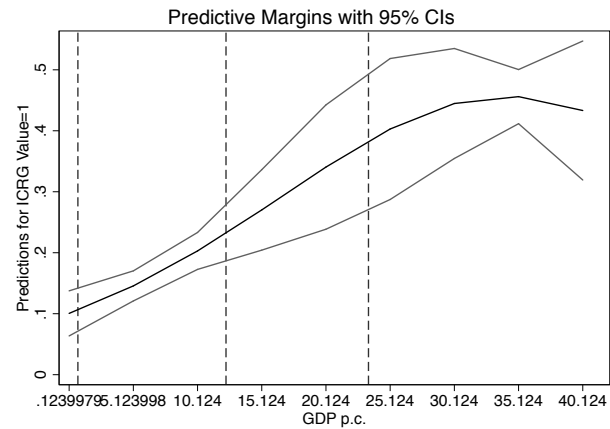
(a) Varying levels of democracy (from minimum to maximum). GDP p.c. at its minimum.



(b) Varying levels of democracy (from minimum to maximum). GDP p.c. at its maximum.



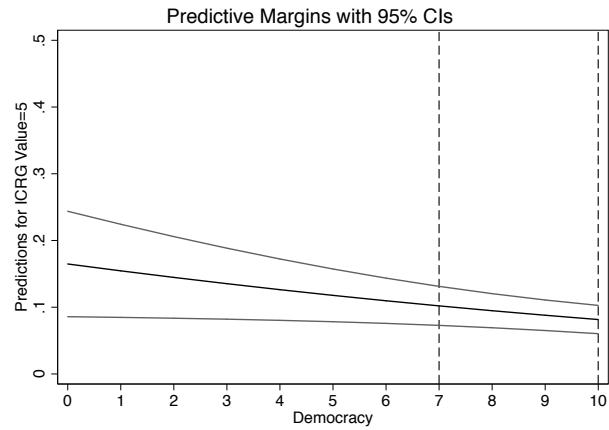
(c) Varying levels of GDP p.c. (from minimum to maximum). Democracy at its minimum.



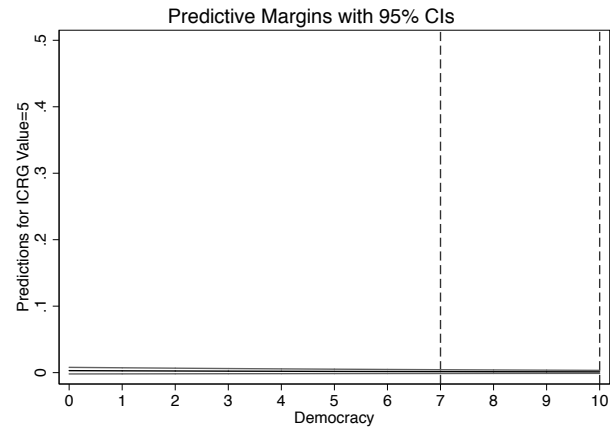
(d) Varying levels of GDP p.c. (from minimum to maximum). Democracy at its maximum.

Figure S.4. **Margins Plots** for Hypotheses Based on Model 4 in Table 3. Influence of the Interaction Effect (GDP per Capita and Democracy) on a Low Level of Corruption (ICRG Value 1).

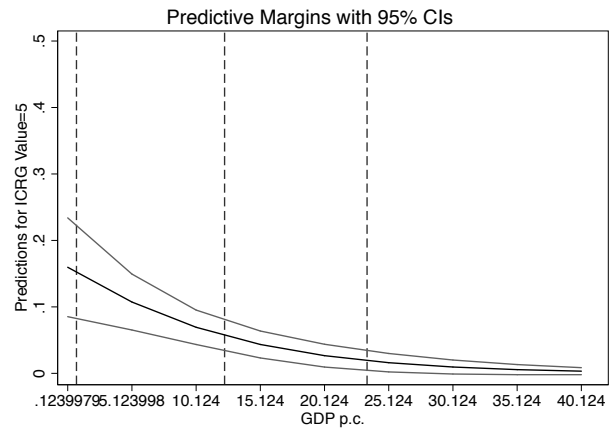
Results excluding the region North Africa from Model 4 in Table 3: high corruption



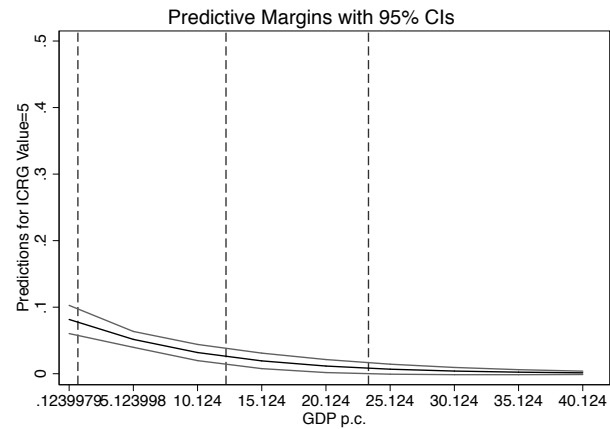
(a) Varying levels of democracy (from minimum to maximum). GDP p.c. at its minimum.



(b) Varying levels of democracy (from minimum to maximum). GDP p.c. at its maximum.



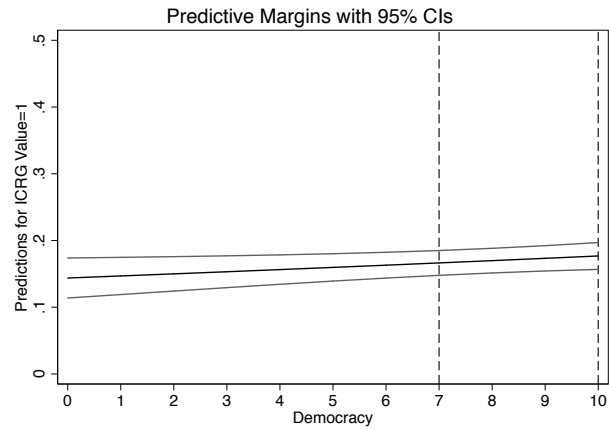
(c) Varying levels of GDP p.c. (from minimum to maximum). Democracy at its minimum.



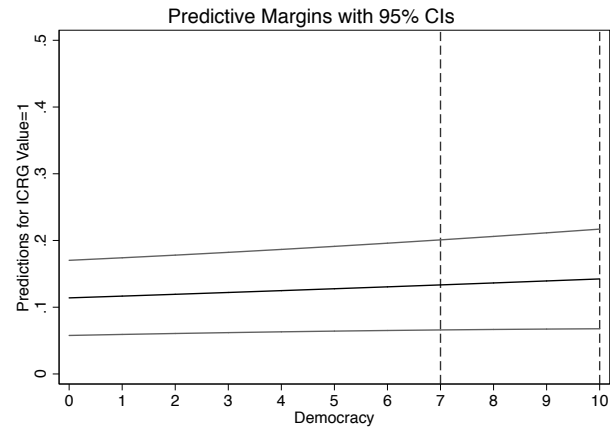
(d) Varying levels of GDP p.c. (from minimum to maximum). Democracy at its maximum.

Figure S.5. **Margins Plots** for Hypotheses Based on Model 4 in Table 3. Influence of the Interaction Effect (GDP per Capita and Democracy) on a High Level of Corruption (ICRG Value 5).

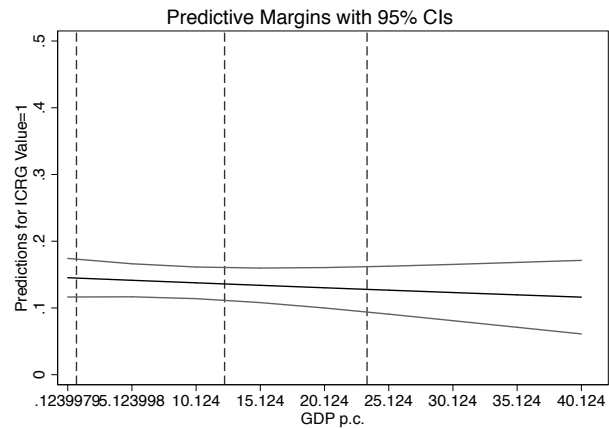
Results excluding the region Asia from Model 4 in Table 3: low corruption.



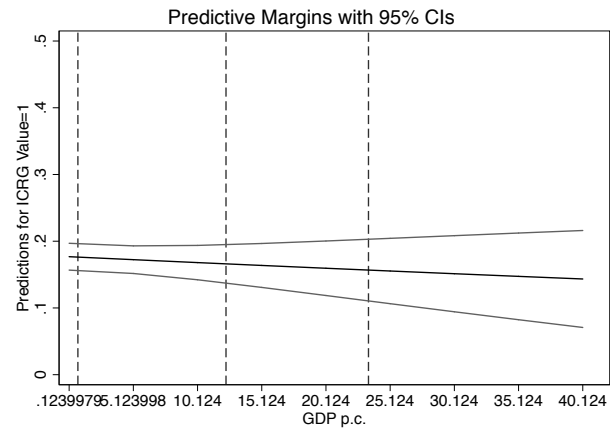
(a) Varying levels of democracy (from minimum to maximum). GDP p.c. at its minimum.



(b) Varying levels of democracy (from minimum to maximum). GDP p.c. at its maximum.



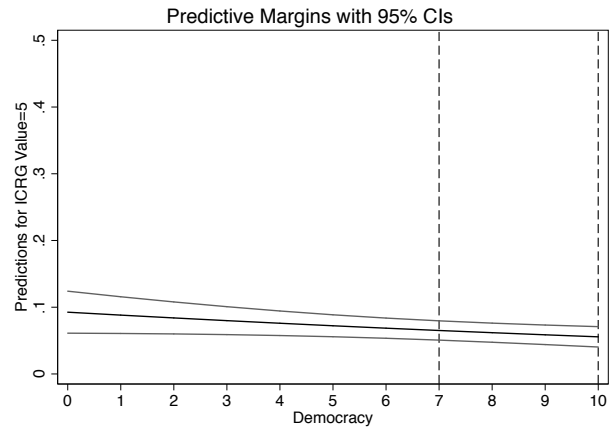
(c) Varying levels of GDP p.c. (from minimum to maximum). Democracy at its minimum.



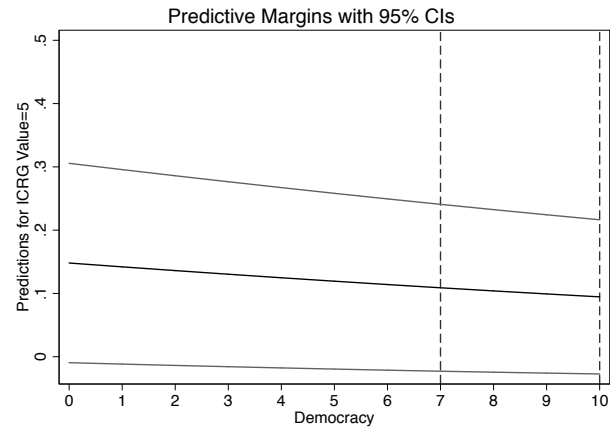
(d) Varying levels of GDP p.c. (from minimum to maximum). Democracy at its maximum.

Figure S.6. **Margins Plots** for Hypotheses Based on Model 4 in Table 3. Influence of the Interaction Effect (GDP per Capita and Democracy) on a Low Level of Corruption (ICRG Value 1).

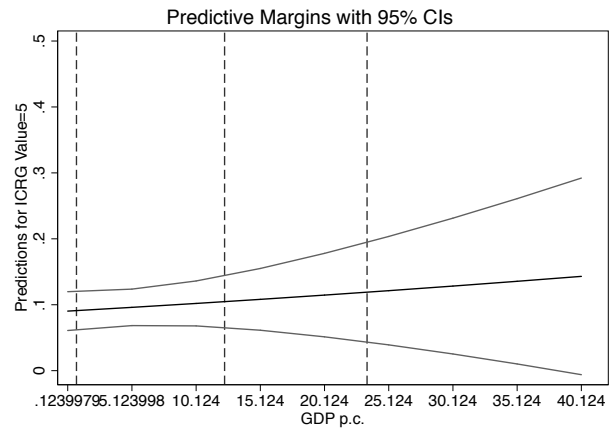
Results excluding the region Asia from Model 4 in Table 3: high corruption



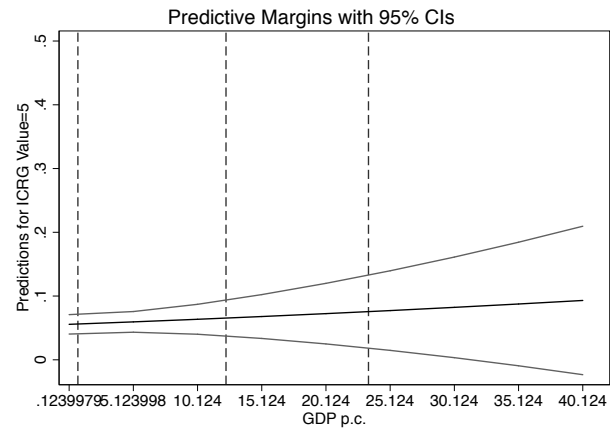
(a) Varying levels of democracy (from minimum to maximum). GDP p.c. at its minimum.



(b) Varying levels of democracy (from minimum to maximum). GDP p.c. at its maximum.



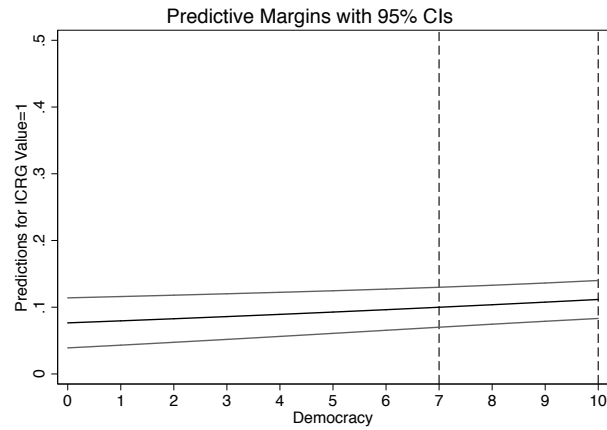
(c) Varying levels of GDP p.c. (from minimum to maximum). Democracy at its minimum.



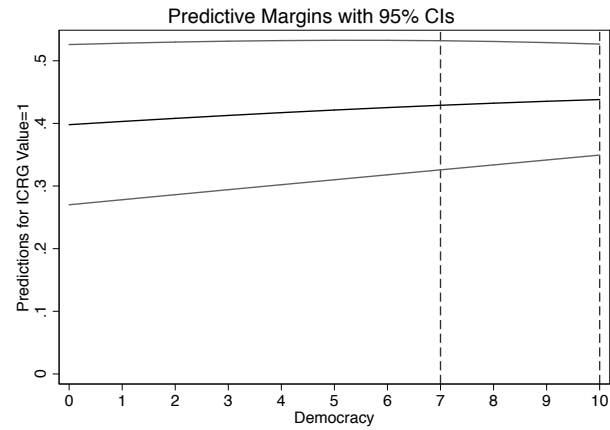
(d) Varying levels of GDP p.c. (from minimum to maximum). Democracy at its maximum.

Figure S.7. **Margins Plots** for Hypotheses Based on Model 4 in Table 3. Influence of the Interaction Effect (GDP per Capita and Democracy) on a High Level of Corruption (ICRG Value 5).

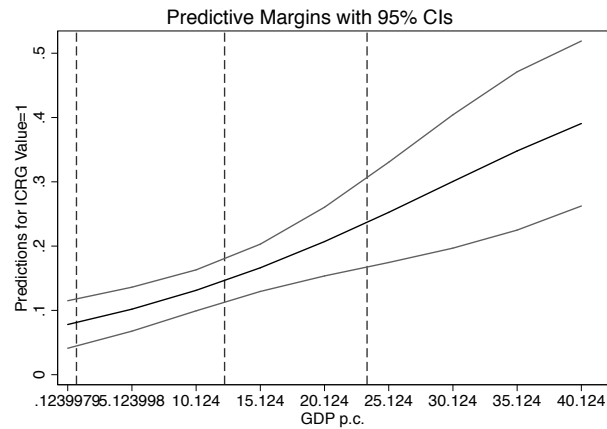
Results including an OECD dummy into Model 4 in Table 3: low corruption.



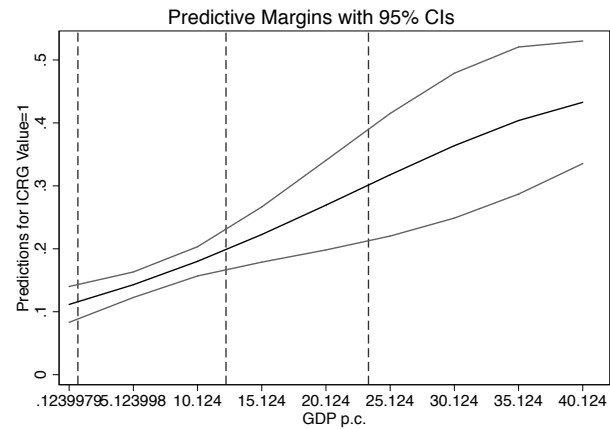
(a) Varying levels of democracy (from minimum to maximum). GDP p.c. at its minimum.



(b) Varying levels of democracy (from minimum to maximum). GDP p.c. at its maximum.



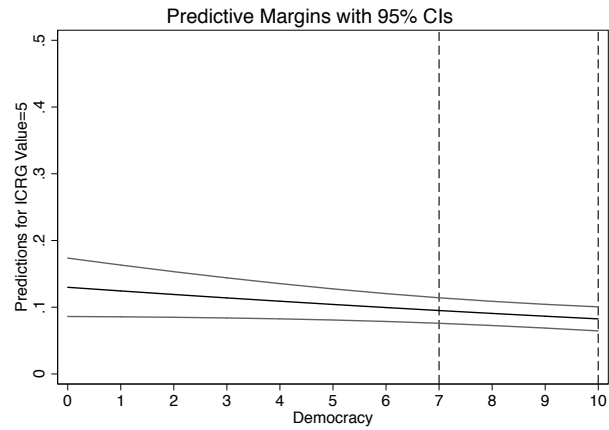
(c) Varying levels of GDP p.c. (from minimum to maximum). Democracy at its minimum.



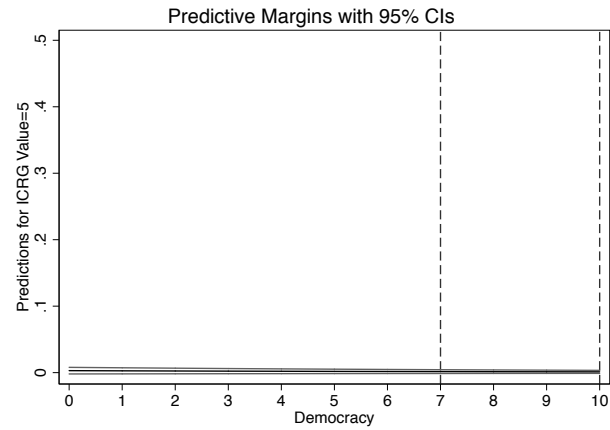
(d) Varying levels of GDP p.c. (from minimum to maximum). Democracy at its maximum.

Figure S.8. **Margins Plots** for Hypotheses Based on Model 4 in Table 3. Influence of the Interaction Effect (GDP per Capita and Democracy) on a Low Level of Corruption (ICRG Value 1).

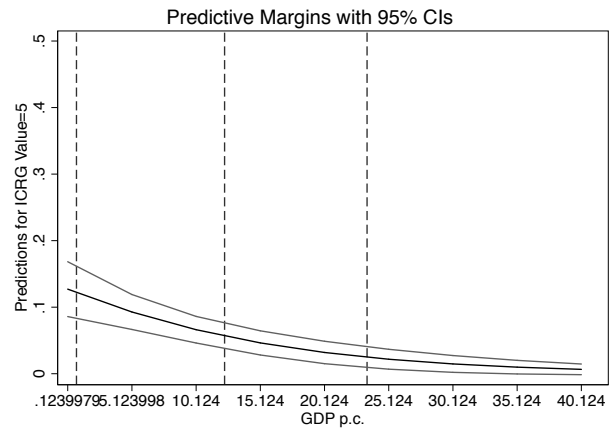
Results including an OECD dummy into Model 4 in Table 3: high corruption



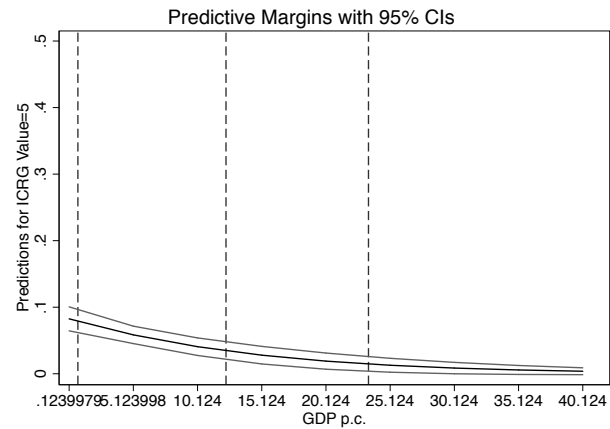
(a) Varying levels of democracy (from minimum to maximum). GDP p.c. at its minimum.



(b) Varying levels of democracy (from minimum to maximum). GDP p.c. at its maximum.



(c) Varying levels of GDP p.c. (from minimum to maximum). Democracy at its minimum.



(d) Varying levels of GDP p.c. (from minimum to maximum). Democracy at its maximum.

Figure S.9. **Margins Plots** for Hypotheses Based on Model 4 in Table 3. Influence of the Interaction Effect (GDP per Capita and Democracy) on a High Level of Corruption (ICRG Value 5).

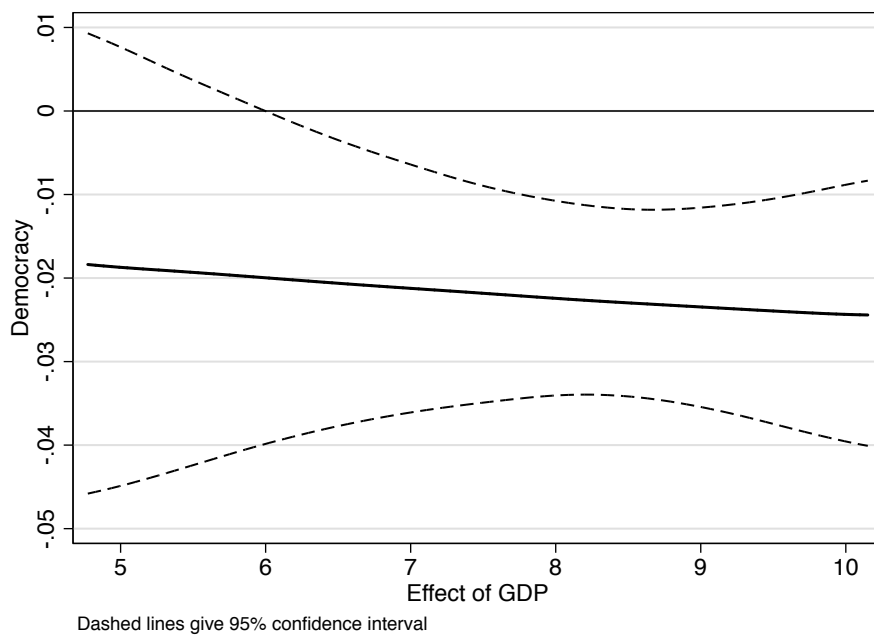


Figure S.10. Effect of GDP per Capita Conditional on Democracy for Model 2 of Table 3