

Supplementary Appendix to “Windows of Opportunity”

September 1, 2014

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1 Data Description

- Table A1 provides the summary statistics and a correlation matrix. The PMR index for each country shown in Figure A1 is calculated by taking the average per year of the PMR index for each of the seven industries.
- Figure A1 shows the average PMR score across the seven industries for a given country and year.
- Figure A2 shows the correlation between partisanship and the mean annual change in deregulation in different sectors.

Variable	Industry	N	Mean	Median	SD	Min	Max	Range
Frac	All	5901	0.64	0.67	0.18	0.00	0.90	0.90
GDP Growth	All	5859	2.93	2.92	2.72	-14.57	11.49	26.07
Gov Frac	All	5971	0.27	0.21	0.27	0.00	0.83	0.83
Parliamentary	All	5565	0.87	1.00	0.34	0.00	1.00	1.00
Plurality	All	5936	0.56	1.00	0.50	0.00	1.00	1.00
PMR	All	5708	4.09	4.50	1.87	0.00	6.00	6.00
PMR	Airlines	810	3.74	4.26	2.02	0.00	6.00	6.00
PMR	Telecom	858	4.14	5.00	2.03	0.14	6.00	5.86
PMR	Electricity	862	4.45	5.00	1.71	0.00	6.00	6.00
PMR	Gas	858	4.10	4.45	1.49	0.25	6.00	5.75
PMR	Post	752	4.14	3.92	1.15	0.72	6.00	5.28
PMR	Rail	830	5.16	6.00	1.20	0.38	6.00	5.63
PMR	Road	738	2.77	1.75	2.33	0.00	6.00	6.00
ln(Checks)	All	5798	1.39	1.30	0.45	0.00	2.77	2.77
Polcon 3	All	5796	0.45	0.46	0.13	0.00	0.72	0.72
Right	All	5544	0.43	0.00	0.50	0.00	1.00	1.00
Unemployment	All	4886	7.46	6.95	4.05	1.50	23.90	22.40

	Frac	GDP Gr.	Gov. Frac	ln(Checks)	Parl.	Plurality	PMR	Polcon 3	Right	Unemp.
Frac	1.00	0.01	0.66	0.72	0.32	-0.47	-0.17	0.83	0.15	-0.03
GDP Gr.	0.01	1.00	-0.09	-0.07	-0.14	-0.08	-0.04	-0.02	-0.06	-0.05
Gov. Frac	0.66	-0.09	1.00	0.41	0.25	-0.46	-0.02	0.56	0.13	-0.02
ln(Checks)	0.72	-0.07	0.41	1.00	0.18	-0.26	-0.20	0.58	0.14	0.10
Parl.	0.32	-0.14	0.25	0.18	1.00	-0.20	0.01	0.40	0.04	0.09
Plurality	-0.47	-0.08	-0.46	-0.26	-0.20	1.00	-0.08	-0.35	0.07	0.00
PMR	-0.17	-0.04	-0.02	-0.19	0.01	-0.08	1.00	-0.20	-0.05	0.11
Polcon 3	0.83	-0.02	0.56	0.58	0.40	-0.35	-0.20	1.00	0.19	-0.08
Right	0.15	-0.06	0.13	0.14	0.04	0.07	-0.05	0.19	1.00	-0.05
Unemp.	-0.03	-0.05	-0.02	0.10	0.09	0.00	0.11	-0.08	-0.05	1.00

Table A1: Summary statistics and a correlation matrix.

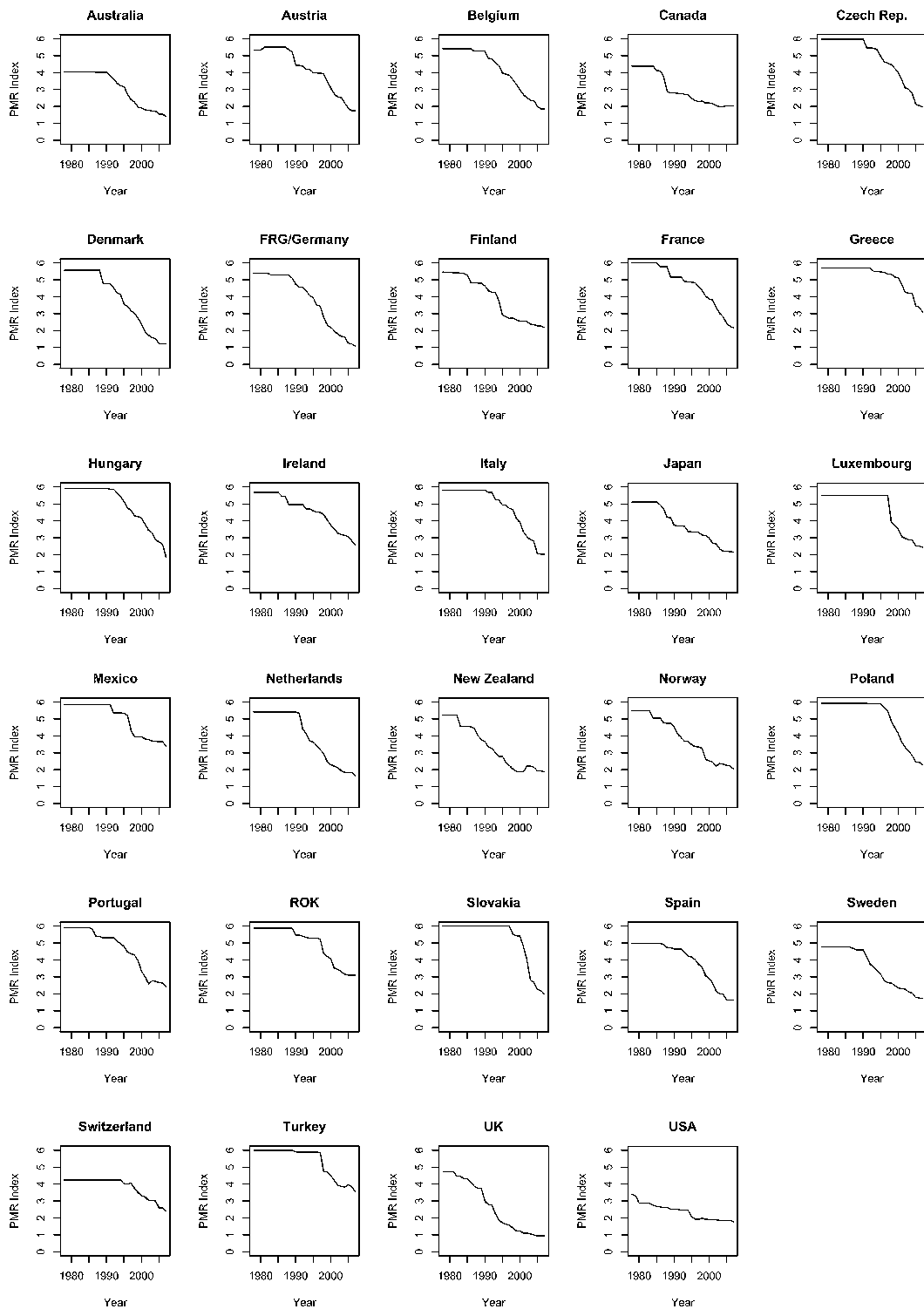


Figure A1: Historical trend in PMR by country. The figure shows the average PMR score across the seven industries for a given country and year.

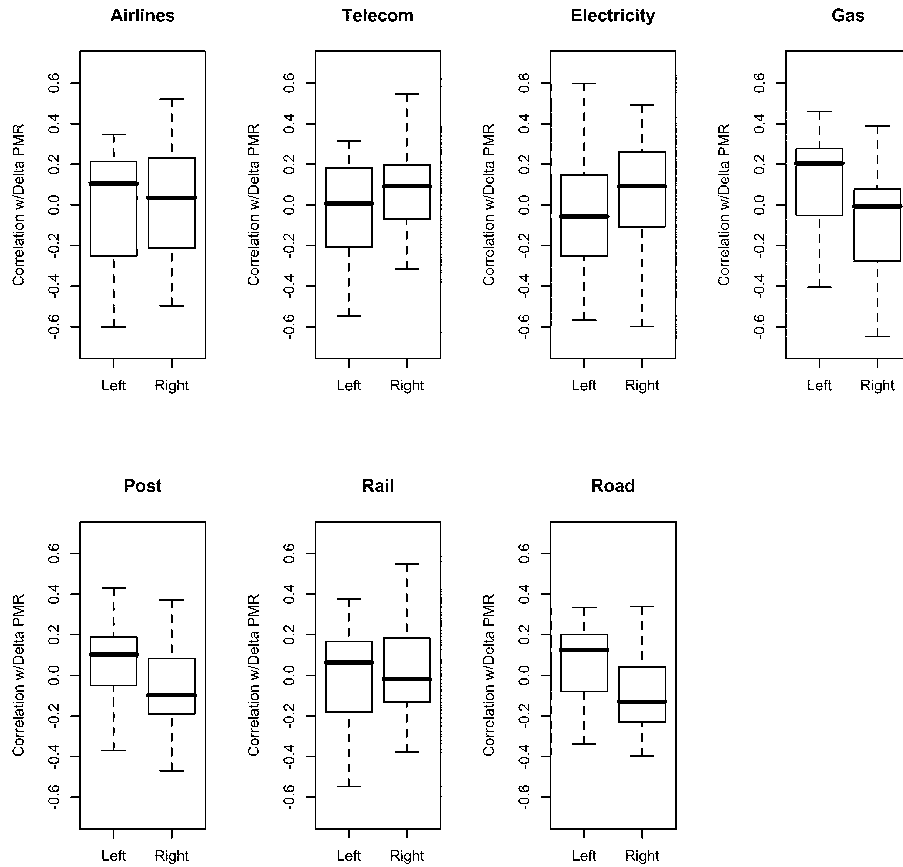
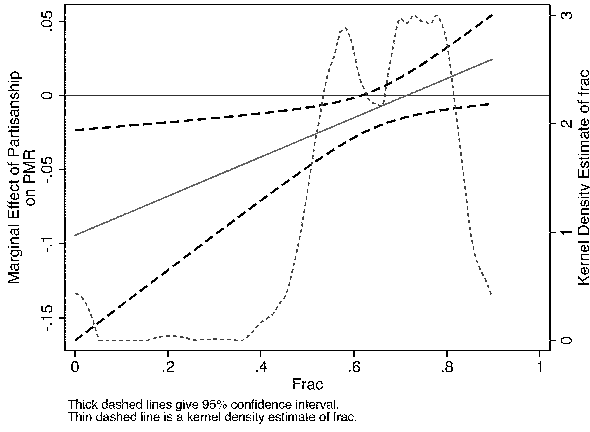


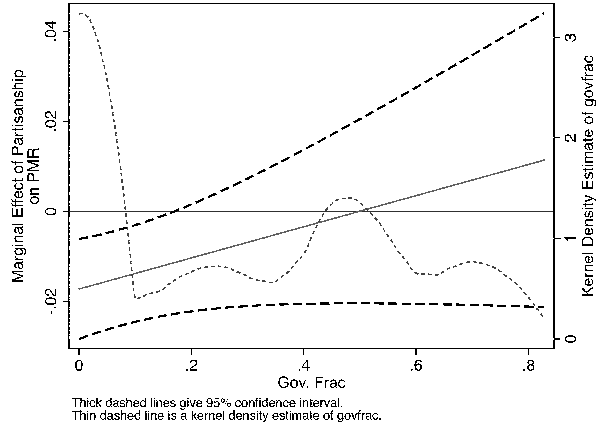
Figure A2: Correlation between partisanship and change in regulation. Each panel shows the distribution of the country-specific correlation between partisanship and the annual change in the PMR index across the 29 countries in the dataset. Higher (lower) values indicate that a given partisanship is associated with less (more) deregulation. Each box plot shows the median, the 25th and 75th percentiles, and the minima and maxima of the correlation.

2 Marginal Effects Plots for Table 2

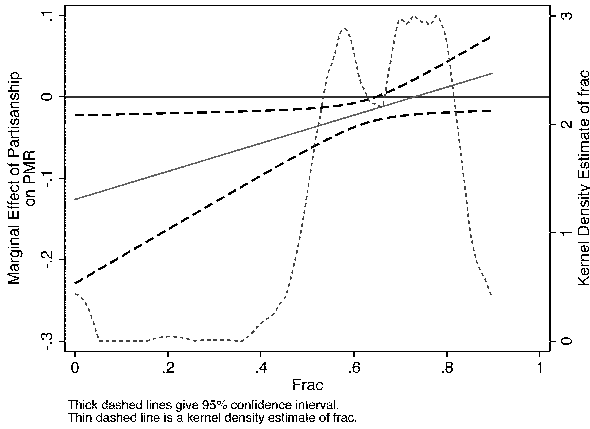
Figure A3 graphically represents the interaction terms that are included in the models estimated in Table 2 of the main paper. These models use an alternative coding method of government partisanship. The interaction terms plotted in panels (a) and (b) come from models 2 and 3 of Table 2, while the interaction terms plotted in panels (c) and (d) come from models 5 and 6. The plots are virtually identical to those shown in Figure 4 of the paper, which involve the same exercise but with the preferred coding method for partisanship.



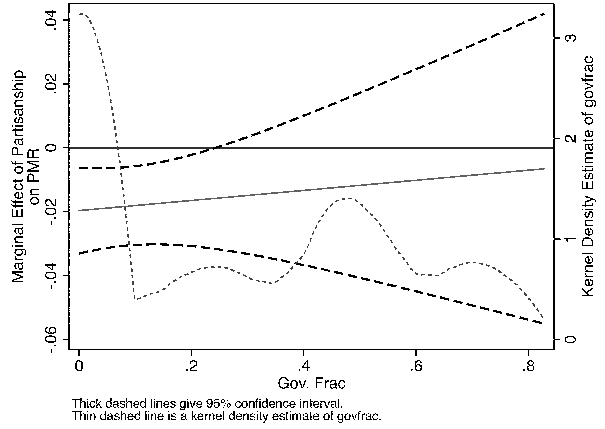
(a) Pooled



(b) Pooled



(c) Fixed Effects



(d) Fixed Effects

Figure A3: Marginal effects of the alternative coding of right-wing partisanship. The hypotheses predict the marginal effect to be negative and statistically distinguishable from zero at low levels of the conditioning variable (Frac or Gov. Frac). In addition to the marginal effect and the 95% confidence intervals, the figure shows the distribution of the conditioning variable (Frac or Gov. Frac).

3 Robustness Tests

- Table A2 summarizes additional robustness tests. Models 1 and 2 of Table A2 employ panel-corrected standard errors with a correction for AR(1) serial correlation, a method generally deemed appropriate for use with a lagged dependent variable (Beck and Katz, 1995). Models 3 and 4 examine the impact of different electoral systems and sets of political institutions to see if they overpower the impact of the fractionalization measures. In these models country dummies are omitted due to the time-invariant nature of the electoral and institutional dummies. Models 5 and 6 examine whether the interactive effect of partisanship and fractionalization is eroded in the presence of economic shocks. Both models include country, year, and sector dummies as well as annual GDP growth and unemployment rate control variables. The remaining robustness checks examine the impact of removing outliers. Models 7 and 8 exclude countries in the sample that were socialist for at least some of the period covered by the analysis while models while model 9 and 11 exclude relatively poorer countries.¹ Models 11 and 12 keep all countries but instead drop all years prior to 1990.
- Table A3 replicates the main results using the Potrafke (2010) measure of partisan ideology. In this table, the variable is recoded such that governments with an ideology score of 1 are 2 are coded as being right-wing, while those with higher values are coded otherwise. Table A4 replicates this exercise, this time using the Potrafke measure in its full form as a categorical variable that spans from 1 (most liberal) through 5 (most conservative). In both tables, we see again that the impact of right-wing governments and ideology is decreasing in both measures of fractionalization. The results therefore hold even with this alternative measure of partisanship.
- Table A5 excludes countries with presidential systems: Mexico, Poland, Portugal, South Korea, Turkey, and the United States. Figure A4 shows plots of the marginal effects of the interaction terms estimated in these models.
- Table A6 reports our results using a first-differenced dependent variable and independent variables lagged by one year. The results are very similar to those reported in the main text.

¹Model 7 and 8 exclude the Czech Republic, Hungary, Poland, Slovakia, and Turkey, while models 9 and 11 also exclude Portugal, South Korea, and Spain.

- Table A7 replicates the main including the DPI's executive-legislature polarization variable as a control to further test for the impact of ideologically divided governments. The variable is equal to the maximum difference between the chief executive's party's ideology value and the values of the three largest government parties and the opposition party. The results are very similar to those reported in the main text.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	PCSEs	PCSEs	Pooled DK	Pooled DK	FE DK	FE DK	Non-Soc'st	Non-Soc'st	Wealthy	Wealthy	Post 89	Post 89	est13
PMR Lag	0.94*** (0.01)	0.94*** (0.01)	0.95*** (0.01)	0.95*** (0.01)	0.90*** (0.02)	0.90*** (0.02)	0.91*** (0.02)	0.91*** (0.02)	0.91*** (0.02)	0.91*** (0.02)	0.84*** (0.02)	0.85*** (0.02)	0.85*** (0.02)
Right	-0.20* (0.09)	-0.03 (0.02)	-0.19* (0.07)	-0.04* (0.01)	-0.28** (0.09)	-0.07** (0.02)	-0.22 (0.12)	-0.08** (0.03)	-0.27* (0.13)	-0.10** (0.03)	-0.31 (0.17)	-0.06 (0.03)	-0.06 (0.03)
Right x Frac	0.30* (0.14)		0.25* (0.11)		0.40** (0.13)		0.29 (0.18)		0.36 (0.19)		0.46 (0.24)		
Frac	0.08 (0.10)		0.04 (0.08)		0.45** (0.15)		0.38* (0.16)		0.41** (0.15)		0.40 (0.30)		
Right x Gov. Frac		0.11 (0.07)		0.06 (0.05)		0.18* (0.08)		0.13 (0.09)		0.17 (0.09)		0.12 (0.09)	0.12 (0.09)
Gov. Frac		0.01 (0.05)		0.02 (0.04)		0.09 (0.05)		0.09 (0.06)		0.10 (0.05)		0.15* (0.07)	0.15* (0.07)
Polcon 3	0.03 (0.12)	0.10 (0.09)	-0.18* (0.07)	-0.14 (0.07)	-0.22* (0.11)	-0.05 (0.09)	-0.23 (0.14)	-0.11 (0.11)	-0.19 (0.16)	-0.10 (0.12)	-0.20 (0.14)	0.02 (0.12)	0.02 (0.12)
PR			0.04 (0.02)	0.04 (0.02)									
Plurality			0.00 (0.02)	-0.00 (0.02)									
Parliamentary			-0.03 (0.02)	-0.03 (0.02)									
GDP Growth					0.00 (0.00)	0.00 (0.00)							
Unemployment					-0.00 (0.00)	-0.01* (0.00)							
Constant			0.27*** (0.08)	0.27*** (0.08)	0.34** (0.11)	0.51*** (0.12)	-0.03 (0.10)	0.52*** (0.12)	-0.07 (0.11)	0.52*** (0.13)	0.49*** (0.14)	0.61*** (0.09)	0.61*** (0.09)
Observations	4795	4865	4543	4613	4261	4331	4082	4152	3581	3651	3092	3155	3155
R ²	0.99	0.99	0.96	0.96									
Within R ²					0.93	0.92	0.94	0.93	0.93	0.93	0.89	0.89	0.89
Prob > F	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Standard errors in parentheses

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table A2: Robustness checks. In each model, the hypotheses predict that the coefficient for Right is negative while the interaction with Frac or Gov.Frac is positive.

	(1)	(2)	(3)	(4)	(5)	(6)
	Pooled	Pooled	Pooled	FE	FE	FE
PMR Lag	0.95*** (0.01)	0.95*** (0.01)	0.95*** (0.01)	0.91*** (0.02)	0.91*** (0.02)	0.91*** (0.02)
Right (Potrafke)	-0.05*** (0.01)	-0.25** (0.10)	-0.07** (0.02)	-0.05** (0.02)	-0.24* (0.10)	-0.09*** (0.03)
Right (P) x Frac		0.31* (0.14)			0.30* (0.14)	
Frac		0.02 (0.09)			0.40** (0.15)	
Right (P) x Gov. Frac			0.08 (0.06)			0.15* (0.06)
Gov. Frac			0.02 (0.03)			0.08 (0.05)
Polcon 3	-0.01 (0.08)	-0.10 (0.07)	-0.09 (0.08)	-0.02 (0.10)	-0.20 (0.12)	-0.07 (0.10)
Constant	0.21** (0.07)	0.02 (0.06)	0.24*** (0.07)	0.11 (0.06)	0.29* (0.12)	0.12 (0.07)
Observations	4258	4188	4258	4258	4188	4258
R ²	0.96	0.96	0.96			
Within R ²				0.93	0.94	0.93
Prob > F	0.00	0.00	0.00	0.00	0.00	0.00

Standard errors in parentheses

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table A3: Potrafke robustness models. In each model, the hypotheses predict that the coefficient for Right is negative while the interaction with Frac or Gov.Frac is positive.

	(1)	(2)	(3)	(4)	(5)	(6)
	Pooled	Pooled	Pooled	FE	FE	FE
PMR Lag	0.96*** (0.01)	0.95*** (0.01)	0.95*** (0.01)	0.91*** (0.02)	0.91*** (0.02)	0.91*** (0.02)
Ideology (Potrafke)	-0.03*** (0.01)	-0.15** (0.05)	-0.04*** (0.01)	-0.03*** (0.01)	-0.13** (0.04)	-0.05*** (0.01)
Ideology (P) x Frac		0.20** (0.07)			0.16* (0.07)	
Frac		-0.45* (0.21)			0.02 (0.22)	
Ideology (P) x Gov. Frac			0.07* (0.03)			0.09** (0.04)
Gov. Frac			-0.13 (0.10)			-0.13 (0.11)
Polcon 3	0.03 (0.08)	-0.11 (0.07)	-0.10 (0.08)	-0.02 (0.10)	-0.21 (0.12)	-0.10 (0.10)
Constant	0.02 (0.04)	0.31* (0.15)	0.35*** (0.08)	0.18** (0.06)	0.58** (0.18)	0.63*** (0.14)
Observations	4258	4188	4258	4258	4188	4258
R ²	0.96	0.96	0.96			
Within R ²				0.93	0.94	0.93
Prob > F	0.00	0.00	0.00	0.00	0.00	0.00

Standard errors in parentheses

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table A4: Potrafke robustness models. In each model, the hypotheses predict that the coefficient for Right is negative while the interaction with Frac or Gov.Frac is positive.

	(1)	(2)	(3)	(4)	(5)	(6)
	Pooled	Pooled	Pooled	FE	FE	FE
PMR Lag	0.95*** (0.01)	0.95*** (0.01)	0.95*** (0.01)	0.90*** (0.02)	0.90*** (0.02)	0.90*** (0.02)
Right	-0.03*** (0.01)	-0.27*** (0.07)	-0.06*** (0.01)	-0.03* (0.01)	-0.33*** (0.09)	-0.09*** (0.03)
Right x Frac		0.35** (0.10)			0.46*** (0.13)	
Frac		0.02 (0.07)			0.27* (0.13)	
Right x Gov. Frac			0.08 (0.04)			0.20* (0.08)
Gov. Frac			0.04 (0.03)			0.07 (0.04)
Polcon 3	0.05 (0.09)	-0.13 (0.09)	-0.08 (0.08)	0.18 (0.10)	-0.01 (0.11)	0.08 (0.09)
Constant	0.18** (0.07)	0.28*** (0.05)	0.24*** (0.07)	0.45*** (0.10)	0.36** (0.11)	0.49*** (0.12)
Observations	4089	4019	4089	4089	4019	4089
R ²	0.96	0.96	0.96			
Within R ²				0.93	0.93	0.93
Prob > F	0.00	0.00	0.00	0.00	0.00	0.00

Standard errors in parentheses

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table A5: Results excluding countries with presidential systems. As the table shows, the main results remain unaltered.

	(1)	(2)	(3)	(4)	(5)	(6)
	Pooled	Pooled	Pooled	FE	FE	FE
PMR Lag	-0.04*** (0.01)	-0.04*** (0.01)	-0.04*** (0.01)	-0.09*** (0.02)	-0.09*** (0.02)	-0.09*** (0.02)
Right Lag	-0.03 (0.02)	-0.18* (0.07)	-0.04* (0.02)	-0.03 (0.01)	-0.31** (0.11)	-0.07** (0.02)
Right x Frac Lag		0.23* (0.10)			0.45** (0.17)	
Frac Lag		-0.09** (0.03)			-0.13* (0.06)	
Right x Gov. Frac Lag			0.06 (0.04)			0.16* (0.07)
Gov. Frac Lag			-0.02 (0.02)			-0.01 (0.04)
Constant	-0.05 (0.04)	0.04 (0.07)	0.19** (0.07)	0.47*** (0.11)	0.55*** (0.12)	0.09 (0.04)
Observations	5016	4942	5012	5016	4942	5012
R ²	0.06	0.06	0.06			
Within R ²				0.08	0.08	0.08
Prob > F	0.00	0.00	0.00	0.00	0.00	0.00

Standard errors in parentheses

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

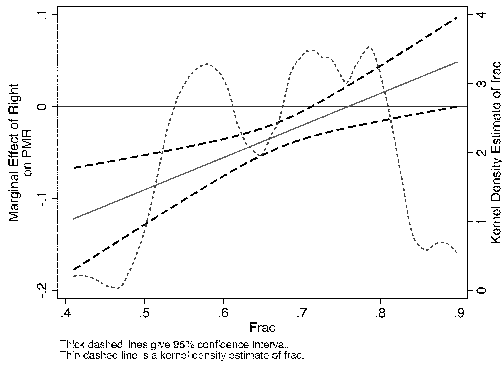
Table A6: Results estimated with a first-difference dependent variable and one-year lagged independent variables. As the table shows, the main result is robust.

	(1)	(2)	(3)	(4)	(5)	(6)
	Pooled	Pooled	Pooled	FE	FE	FE
PMR Lag	0.96*** (0.01)	0.95*** (0.01)	0.96*** (0.01)	0.91*** (0.02)	0.91*** (0.02)	0.91*** (0.02)
Right	-0.02* (0.01)	-0.23*** (0.07)	-0.04** (0.02)	-0.02* (0.01)	-0.36** (0.12)	-0.07** (0.03)
Right x Frac		0.32*** (0.09)			0.52** (0.17)	
Frac		0.04 (0.03)			-0.04 (0.07)	
Right x Gov. Frac			0.07 (0.04)			0.16* (0.08)
Gov. Frac			0.05 (0.03)			0.06 (0.05)
Polarization	0.00 (0.01)	-0.01 (0.01)	-0.01 (0.01)	0.02** (0.01)	0.01 (0.01)	0.00 (0.01)
Polcon 3	-0.08* (0.03)	-0.17** (0.06)	-0.14** (0.05)	-0.07 (0.07)	-0.06 (0.10)	-0.12 (0.08)
Constant	0.20** (0.07)	0.25*** (0.07)	0.25** (0.08)	0.49*** (0.10)	0.11* (0.05)	0.52*** (0.11)
Observations	4869	4795	4865	4869	4795	4865
R ²	0.96	0.96	0.96			
Within R ²				0.93	0.93	0.93
Prob > F	0.00	0.00	0.00	0.00	0.00	0.00

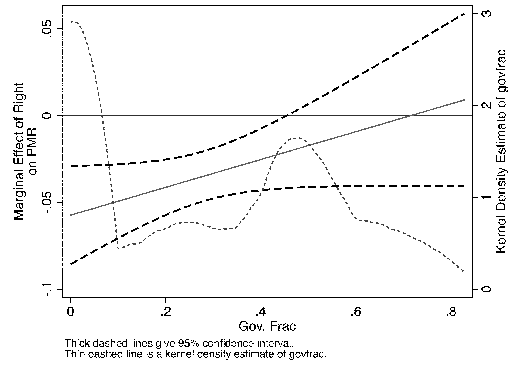
Standard errors in parentheses

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

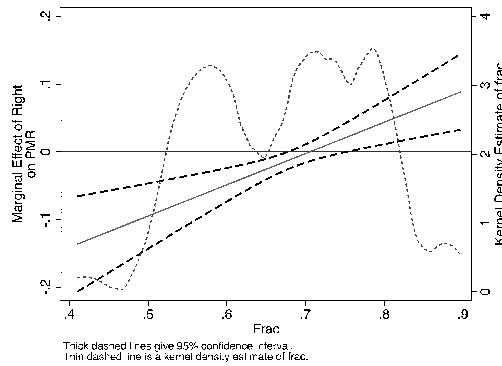
Table A7: Main results replicated with the inclusion of the Polarization control.



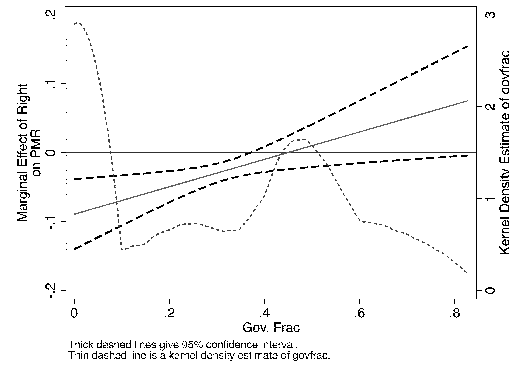
(a) Pooled



(b) Pooled



(c) FE



(d) FE

Figure A4: Marginal effect of interactions between Frac and Right and Gov. Frac and Right from models estimated excluding countries with Presidential systems.

4 Competing Explanations: Fractionalization, Political Constraints, and International Factors

This section examines the relationship between legislative fractionalization and other forms of political constraints as well as the impact of international factors on product market deregulation.

- Table A8 replicates the main results excluding country-years with a value of 0 on **Frac**. Figure A6 shows the corresponding marginal effects. The results in the table and the figure are very similar to those reported in the main text.
- Table A9 replicates the main results using executive constraints instead of fractionalization. Figure A7 shows the corresponding marginal effects. The table and the figure shows that as soon as we remove legislative fractionalization, institutionalized veto points do not change the marginal effect of right-wing governance on deregulation. This is consistent with our theory. Note, however, that the models fail to estimate the constant, implying that they are potentially misspecified. They should therefore be held in limited confidence.
- Table A10 replicates the main results using a minority government dummy instead of fractionalization. Since the interacted variables are binaries, marginal a graphical illustration of the marginal effects is not necessary. Models 1 and 2 show the independent impact of right-wing governance and the presence of a minority governments in a pooled and fixed effects setting. As we see, right wing governments are associated with lower values of PMR, an effect that is statistically significant in both models. Minority governments are no different from non-minority governments. The two terms are interacted (Right x Minority) in Models 3 and 4 and results are again estimated in the pooled and fixed effects setting. The interaction term is statistically significant and positive in both models. However, where Minority is equal to 1, the marginal effect of Right on PMR is statistically insignificant in both models and positive. Where it is equal to 0, the marginal effect of Right on PMR is negative and statistically significant.
- Given that minority governance reduces the importance of right-wing governance for deregulation, it is essential to also test our theory excluding all minority governments. Otherwise it could be that mi-

minority governance, instead of legislative fractionalization, is driving our results. Table A11 shows the main results excluding all minority governments. The interaction terms are plotted in Figure A8. The table and the figure show that even for majority right-wing governments, legislative fractionalization is an obstacle to deregulation.

- Table A12 replicates the main results with interactions between partisanship and both fractionalization and executive constraints. Figure A9 shows the corresponding marginal effects. The table and the figure show that even accounting for possible interactions between institutional veto points and right-wing governments, we see the expected interactions between right-wing government and legislative fractionalization.
- Table A13 replicates the main results while controlling for international diffusion and EU membership. In order to examine whether product market deregulation in one country is a result of a diffusion process whereby deregulation occurring in other countries spills over, the models control for **Neighbors' Avg. PMR**. This variable is constructed in the following manner: first, annual average values of **PMR** are measured for each country-year across all sectors. Next, for a given country, the average of this new measures is calculated for every neighboring country. For countries that have no neighbors, such as Japan, the average is taken for all other countries. Finally, this value is lagged on year. The end result is a measure of the annual average value of **PMR** in the prior year for neighboring countries. It therefore represents the extent of product market deregulation that has occurred in geographically proximate countries that might motivate a given country to do the same through a process of diffusion. In order to examine whether efforts by the European Union to move deregulation forward are the primary cause of changes in **PMR**, a dummy variable, **EU Dummy** is also included in the pooled models as a control. The variable is excluded from the fixed effects models due to its extremely low degree of temporal variability. As we see across all six models, the results remain virtually unchanged from the main ones reported in the paper.

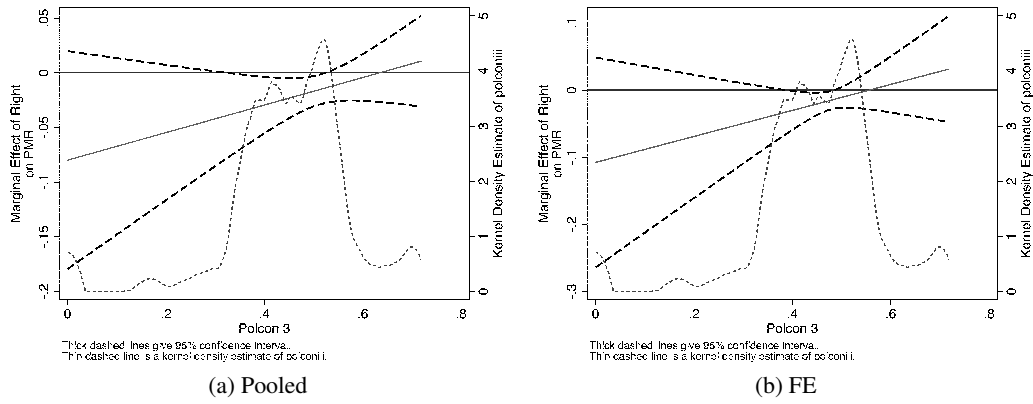


Figure A5: Marginal effect of interaction between Polcon 3 and Right.

	(1)	(2)	(3)	(4)
	Pooled	Pooled	FE	FE
PMR Lag	0.96*** (0.01)	0.95*** (0.01)	0.91*** (0.02)	0.91*** (0.02)
Right	-0.02* (0.01)	-0.21** (0.07)	-0.02* (0.01)	-0.34** (0.12)
Right x Frac		0.29** (0.10)		0.49** (0.17)
Frac		0.02 (0.04)		0.06 (0.11)
Polcon 3	-0.04 (0.05)	-0.17** (0.06)	0.03 (0.07)	-0.06 (0.10)
Constant	0.20** (0.07)	0.27*** (0.07)	0.46*** (0.10)	0.06 (0.06)
Observations	4750	4676	4750	4676
R ²	0.96	0.96		
Within R ²			0.93	0.93
Prob > F	0.00	0.00	0.00	0.00

Standard errors in parentheses

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table A8: Main results replicated excluding country-years with a value of 0 on Frac.

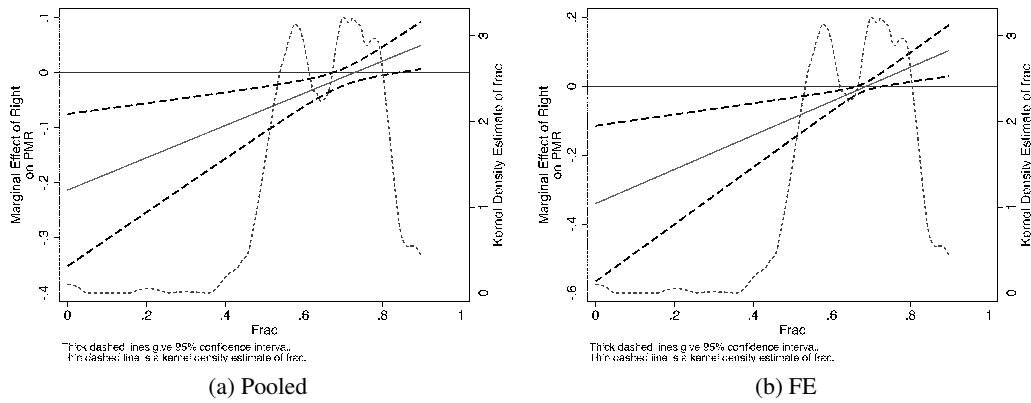


Figure A6: Marginal effect of interaction between Frac and Right, excluding 0 values on Frac.

	(1)	(2)	(3)	(4)
	Pooled	FE	Pooled	FE
PMR Lag	0.96*** (0.01)	0.91*** (0.02)	0.96*** (0.01)	0.91*** (0.02)
Right	-0.02* (0.01)	-0.02* (0.01)	0.06 (0.05)	-0.08 (0.05)
X Const	-0.02** (0.01)	-0.01 (0.01)	-0.02** (0.01)	-0.01 (0.01)
Right x X Const			-0.01 (0.01)	0.01 (0.01)
Constant	0.00 (.)	0.00 (.)	0.00 (.)	0.00 (.)
Observations	4735	4735	4735	4735
R ²	0.96		0.96	
Within R ²		0.93		0.93
Prob > F	0.00	0.00	0.00	0.00

Standard errors in parentheses

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table A9: Results Using XConst

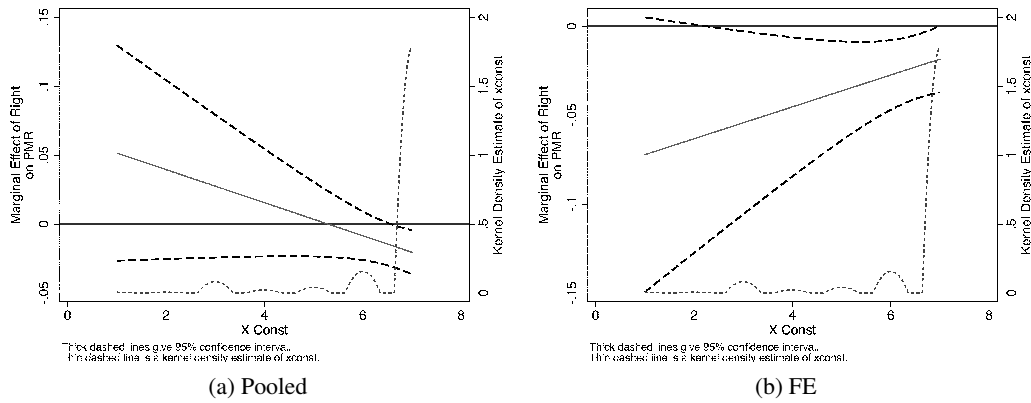


Figure A7: Marginal effect of interaction between XConst and Right.

	(1)	(2)	(3)	(4)
	Pooled	FE	Pooled	FE
PMR Lag	0.96*** (0.01)	0.91*** (0.02)	0.96*** (0.01)	0.91*** (0.02)
Right	-0.03** (0.01)	-0.02** (0.01)	-0.05*** (0.01)	-0.04*** (0.01)
Minority	-0.00 (0.02)	-0.00 (0.02)	-0.04 (0.02)	-0.03 (0.02)
Right x Minority			0.08** (0.02)	0.07*** (0.02)
Constant	0.19** (0.07)	0.47*** (0.10)	0.19** (0.07)	0.47*** (0.10)
Observations	5026	5026	5026	5026
R ²	0.96		0.96	
Within R ²		0.94		0.94
Prob > F	0.00	0.00	0.00	0.00

Standard errors in parentheses

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

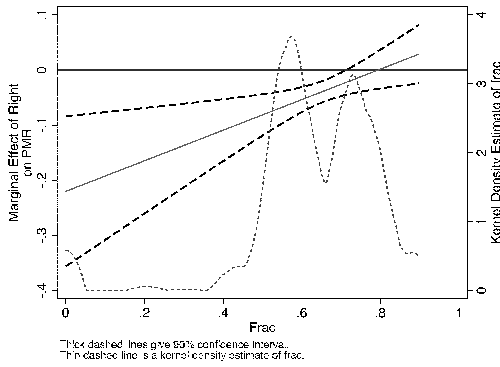
Table A10: Results Using Minority

	(1)	(2)	(3)	(4)	(5)	(6)
	Pooled	Pooled	Pooled	FE	FE	FE
PMR Lag	0.96*** (0.01)	0.95*** (0.01)	0.95*** (0.01)	0.91*** (0.02)	0.91*** (0.02)	0.91*** (0.02)
Right	-0.04*** (0.01)	-0.22** (0.08)	-0.06*** (0.02)	-0.04** (0.01)	-0.38** (0.14)	-0.09*** (0.03)
Right x Frac		0.28* (0.12)			0.54* (0.22)	
Frac		0.05 (0.05)			0.03 (0.09)	
Right x Gov. Frac			0.07 (0.05)			0.19* (0.09)
Gov. Frac			0.05* (0.03)			0.11 (0.06)
Polcon 3	-0.05 (0.03)	-0.17* (0.08)	-0.15*** (0.04)	-0.09 (0.07)	-0.15 (0.10)	-0.18* (0.09)
Constant	-0.01 (0.05)	0.00 (0.06)	0.02 (0.05)	0.52*** (0.08)	0.51*** (0.09)	0.53*** (0.10)
Observations	3638	3610	3638	3638	3610	3638
R ²	0.96	0.96	0.96			
Within R ²				0.93	0.94	0.93
Prob > F	0.00	0.00	0.00	0.00	0.00	0.00

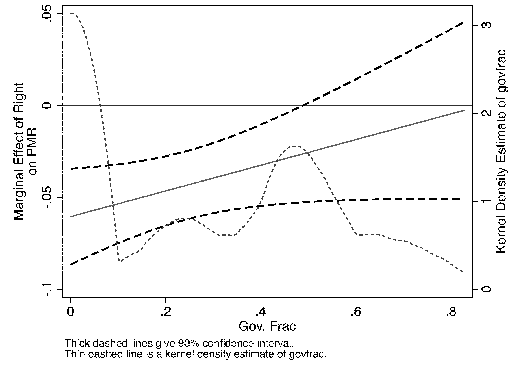
Standard errors in parentheses

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

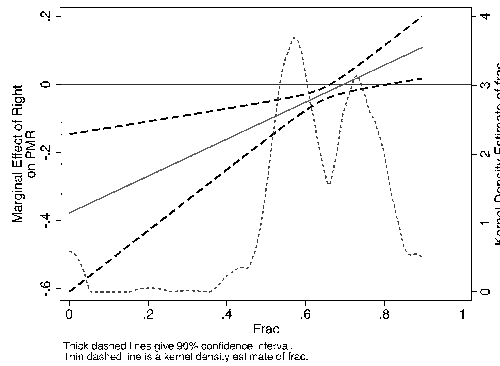
Table A11: Results Excluding Minority Governments



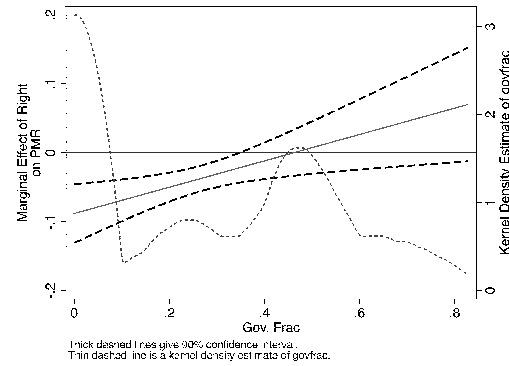
(a) Pooled



(b) Pooled



(c) FE



(d) FE

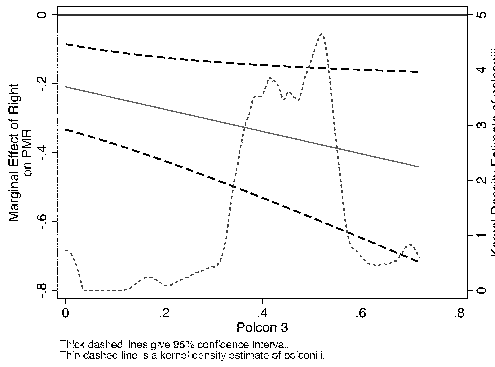
Figure A8: Marginal effect of interactions between Frac and Right and Gov. Frac and Right from Models excluding Minority governments

	(1)	(2)	(3)	(4)
	Pooled	FE	Pooled	FE
PMR Lag	0.96*** (0.01)	0.91*** (0.02)	0.96*** (0.01)	0.91*** (0.02)
Right	-0.02* (0.01)	-0.02* (0.01)	-0.21** (0.06)	-0.34** (0.12)
Polcon 3	-0.15** (0.05)	-0.16 (0.10)	0.04 (0.08)	0.10 (0.12)
Frac	0.09** (0.03)	0.12 (0.07)	-0.13 (0.07)	-0.14 (0.08)
Right x Polcon 3			-0.32* (0.16)	-0.31 (0.18)
Right x Frac			0.51** (0.16)	0.71*** (0.20)
Constant	0.20** (0.07)	0.07* (0.03)	0.26*** (0.07)	0.11* (0.05)
Observations	4795	4795	4795	4795
R ²	0.96		0.96	
Within R ²		0.93		0.93
Prob > F	0.00	0.00	0.00	0.00

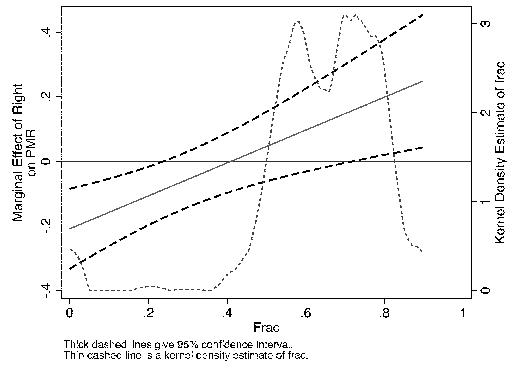
Standard errors in parentheses

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

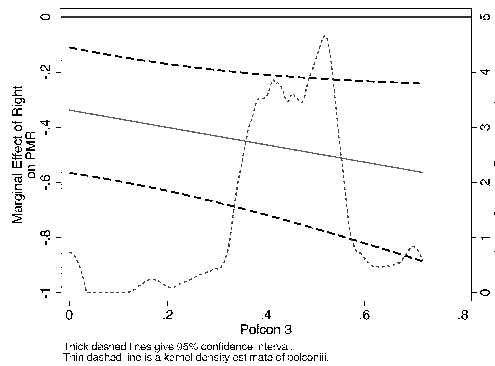
Table A12: Results Using Both Frac and Polcon 3 Interactions



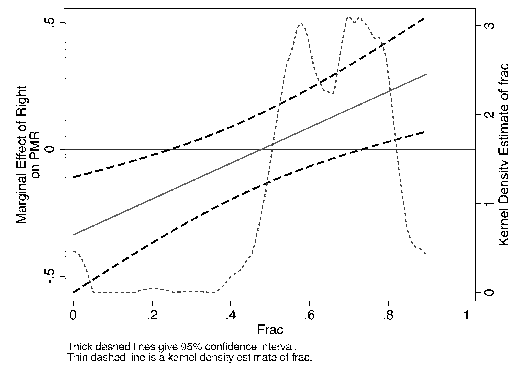
(a) Pooled



(b) Pooled



(c) FE



(d) FE

Figure A9: Marginal effect of interactions between Polcon 3 and Right and Frac and Right from Models where both interaction terms were estimated simultaneously.

	(1)	(2)	(3)	(4)	(5)	(6)
	Pooled	Pooled	Pooled	FE	FE	FE
PMR Lag	0.96*** (0.01)	0.95*** (0.01)	0.95*** (0.01)	0.90*** (0.02)	0.90*** (0.02)	0.90*** (0.02)
Right	-0.03** (0.01)	-0.21*** (0.06)	-0.04** (0.02)	-0.02* (0.01)	-0.31** (0.10)	-0.06* (0.02)
Right x Frac		0.29** (0.09)			0.44** (0.14)	
Frac		0.05 (0.04)			-0.09 (0.08)	
Right x Gov. Frac			0.05 (0.04)			0.11 (0.07)
Gov. Frac			0.05 (0.03)			0.06 (0.04)
Polcon 3	-0.05 (0.03)	-0.18** (0.07)	-0.14** (0.05)	-0.13 (0.07)	-0.06 (0.09)	-0.17* (0.08)
EU Dummy	-0.07*** (0.02)	-0.07*** (0.02)	-0.07*** (0.02)	-0.11*** (0.02)	-0.10*** (0.03)	-0.10*** (0.02)
Neighbor's Avg. PMR	0.01 (0.01)	0.01 (0.01)	0.01 (0.01)	0.06** (0.02)	0.06*** (0.02)	0.06** (0.02)
Constant	-0.01 (0.06)	0.15 (0.10)	0.02 (0.06)	0.24** (0.09)	0.00 (.)	0.25* (0.10)
Observations	4869	4795	4865	4869	4795	4865
R ²	0.96	0.96	0.96			
Within R ²				0.93	0.93	0.93
Prob > F	0.00	0.00	0.00	0.00	0.00	0.00

Standard errors in parentheses

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table A13: Results Controlling for International Diffusion and EU Membership

Supplementary Appendix: References

Beck, Nathaniel, and Jonathan N. Katz. 1995. "What to Do (and Not to Do) with Time-Series Cross-Section Data." *American Political Science Review* 89 (3): 634–647.

Potrafke, Niklas. 2010. "Does Government Ideology Influence Deregulation of Product Markets? Empirical Evidence from OECD Countries." *Public Choice* 143 (1-2): 135–155.