Sovereign debt and regime type:

Re-considering the democratic advantage

Rated: Dummy Variable; takes the value of 1 if a country received a rating by either Moody's or S&P. Otherwise, it takes the value of 0. Sources: Archer, Biglaiser and DeRouen (2007) and own calculations.

Moody's Rating: Rating obtained from Moody's rating agency, reflecting a country's probability of honoring its debt. It ranges from C (the lowest possible) to AAA (the highest possible). Following Archer, Biglaiser and DeRouen (2007), we convert the letter ratings to a 0-16 scale. In addition, we linearly transform these ratings, r, to r' = 1/16+255/256r, and then take the natural logarithm. Sources: Archer, Biglaiser and DeRouen (2007) and own calculations.

S&P Rating: Rating obtained from S&P rating agency, reflecting a country's probability of honoring its debt. It ranges from C (the lowest possible) to AAA (the highest possible). Following Archer, Biglaiser and DeRouen (2007), we convert the letter ratings to a 0-16 scale. In addition, we linearly transform these ratings, r, to r' = 1/16+255/256r, and then take the natural logarithm. Sources: Archer, Biglaiser and DeRouen (2007) and own calculations.

Current Account (lag): Current Account. Lagged by one year. Source: World Development Indicators.

Default (lag): Dummy Variable; takes the value of 1 to indicate if an external default or restructuring of a country's sovereign debt exist. Otherwise, it takes the value of 0. Sources: Archer, Biglaiser and DeRouen (2007), Reinhart (2010), Reinhart and Rogoff (2010), Saiegh (2005), Sturzenegger and Zettelmeier (2006), Suter (1992), Moody's, Standard and Poor's, and news reports.

Democracy: Dummy Variable; takes the value of 1 if a country is considered democratic according to the criteria in Przeworski et. al. (2000). Otherwise, it takes the value of 0. Source: Cheibub et. al. (2010).

Exports to the U. S.: Annual exports to the United Sates measured in current US millions of dollars. Source: Correlates of War Project Trade Data Set

GDP (lag): Gross Domestic Product (expressed in US$ 100,000,000 units). Lagged by one year. Source: World Development Indicators.

GDP/cap (lag): GDP per capita. Lagged by one year. Source: World Development Indicators.

GDP/cap Growth (lag): Annual change in GDP per capita. Lagged by one year. Source: World Development Indicators.

Inflation (lag): Change in CPI. Lagged by one year. Source: World Development Indicators.

Political Stability: This measure is the number of years the party of the chief executive has been in office (logged). Source: Keefer (2009).

Resource Endowment (lag): This measured is constructed by adding annual ores and metals exports (as a percent of merchandise exports) to fuel exports (as a percent of merchandise exports). Lagged by one year. Source: World Development Indicators.

Trade (lag): This measure is the sum of exports and imports of goods and services measured as a share of gross domestic product. Lagged by one year. Source: World Development Indicators.