Replication Codebook for Taxing the Tails

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Data and Sources

1) redistribution2.xlsx (Figure 1)
   Original Source: OECD Income Distribution Database (IDD)
   https://www.oecd.org/social/income-distribution-database.htm

Variables:
1) Total: total redistribution by tax and transfer
2) Inequality and Redistribution: type of redistribution (categorical)
3) Redistribution: Amount of Redistribution by type indicated with (2)
4) Tax: Amount of Redistribution by Tax
5) Market: Market Inequality
6) Post: Post Tax and Transfer Inequality

2) lm_enp_7389.xlsx and lm_enp_9014.xlsx (Figure 2)
   Original Sources:
   Armingeon, Klaus, Virginia Wenger, Fiona Wiedemeier, Christian Isler, Laura Knöpfel, David Weisstanner and Sarah Engler. 2017. Comparative Political Data Set 1960-2014. Bern: Insti-tute of Political Science, University of Berne.
   https://www.cpds-data.org/
   Bormann, Nils-Christian & Matt Golder. 2013. "Democratic Electoral Systems Around the World, 1946-2011," Electoral Studies.
   http://mattgolder.com/elections
   J. Visser, ICTWSS Database. version 6.1. Amsterdam: Amsterdam Institute for Advanced Labour Studies (AIAS), University of Amsterdam. November 2019.
   https://www.ictwss.org/downloads

Variables:
1) System: Wage or Party
2) Score: Level of Wage Bargaining Coordination or Effective Number of Parties
3) Redistribution: Party Score - Wage Score
4) Maj: Majoritarian Electoral System Indicator

3) consumption.dta (Figure 3)
   Original Sources:
   OECD National Accounts Data. Final Consumption Expenditures of Households.
   https://stats.oecd.org/Index.aspx?DataSetCode=SNA_TABLE5
   Revenue Statistics - OECD countries: Comparative tables (Central Government, Tax Revenue, General Taxes on Goods and Services, 5110)
   https://stats.oecd.org/Index.aspx?DataSetCode=REV

Variables:
1) con_tr: Effective Consumption Tax Rate (Revenues / Expenditures)
2) mix: PR and Mixed PR Electoral System indicator

4) capital.dta (Figure 4)
Original Source: OECD Taxation of Corporate and Capital Income.
https://stats.oecd.org/Index.aspx?DataSetCode=TABLE_II4

Variables:
1) dividend: Overall (corporate plus personal) tax rate on distributed profit
2) mixed: PR and Mixed PR Electoral System indicator

5) final_analysis_data.dta (Regression Analysis)
Armingeon, Klaus, Virginia Wenger, Fiona Wiedemeier, Christian Isler, Laura Knöpfel, David Weisstanner and Sarah Engler. 2017. Comparative Political Data Set 1960-2014. Bern: Insti-tute of Political Science, University of Berne.
https://www.cpds-data.org/

Gygli, Savina, Florian Haelg, Niklas Potrafke and Jan–Egbert Sturm (2019): The KOF Globalisation Index – Revisited, Review of International Organizations, 14(3), 543–574.
https://kof.ethz.ch/en/forecasts-and-indicators/indicators/kof-globalisation-index.html

Variables:
1) openc_new: Openness of the economy, measured as total trade as a percentage of GDP, in current prices.
2) gov_left1: cabinet posts of social democratic and other left parties in percentage of total cabinet posts.
3) sstran: Social security transfers as a percentage of GDP.
4) interest: Long-term interest rate on government bonds.
5) lfirstp: time-variant proxy for Lijphart's first 'parties-executives' dimension.
6) lfed: Index of Federalism.
7) kaopen: Chinn and Ito index for the degree of openness in capital account transactions.
8) eu: Indicator variable for EU member states from year of accession.
9) emu: Indicator variable for EMU member states from year of accession.
10) gov_right1: cabinet posts of right-wing parties in percentage of total cabinet posts.
11) inflation: Growth of harmonised consumer price index (CPI) from previous year.
12) unemp: Unemployment rate. Percentage of civilian labor force.
13) ele_lag: Election indicator variable, one-year lagged.
14) KOFFiGI: KOF Financial Globalisation Index

Replication

Figure 1 (TEXT)

```
data <- read.xlsx("redistribution2.xlsx", sheet = 1)
data2 <- data[1:57, ]
x_title <- expression(paste("(", bold("Majoritarian"),
    " / ", italic("Proportional"), ")"))

v2 <- ggplot(data2, aes(x = reorder(Country, Total),
    y = Redistribution, fill = factor(Inequality.and.Redistribution,
        levels = c("Redistribution by Transfer", "Redistribution by Tax",
            "Post-T&T Inequality")))) + geom_bar(stat = "identity",
    width = 0.6, color = "Black") + coord_flip() +
    labs(title = "", x = x_title, y = "") + theme(axis.text = element_text(size = 18)) +
    scale_y_continuous(breaks = c(0, 10000, 20000,
        30000, 40000, 50000), labels = c("0", "$10,000",
        "$20,000", "$30,000", "$40,000", "$50,000")) +
    theme(plot.title = element_text(hjust = 0.5), axis.ticks = element_blank()) +
    theme_classic() + theme(axis.text.y = element_text(face = c("italic",
    "italic", "italic", "italic", "bold", "bold", "italic",
    "italic", "bold", "bold", "bold", "italic", "italic",
```

```
    "italic", "italic", "italic", "italic", "italic",
    "italic"))) + theme(legend.position = "bottom",
    legend.text = element_text(size = 10), legend.spacing.x = unit(0.1,
        "cm"), legend.title = element_blank()) + theme(axis.text.x = element_text(angle = 45,
    hjust = 1)) + scale_fill_brewer(palette = "Greys")
print(v2)
```

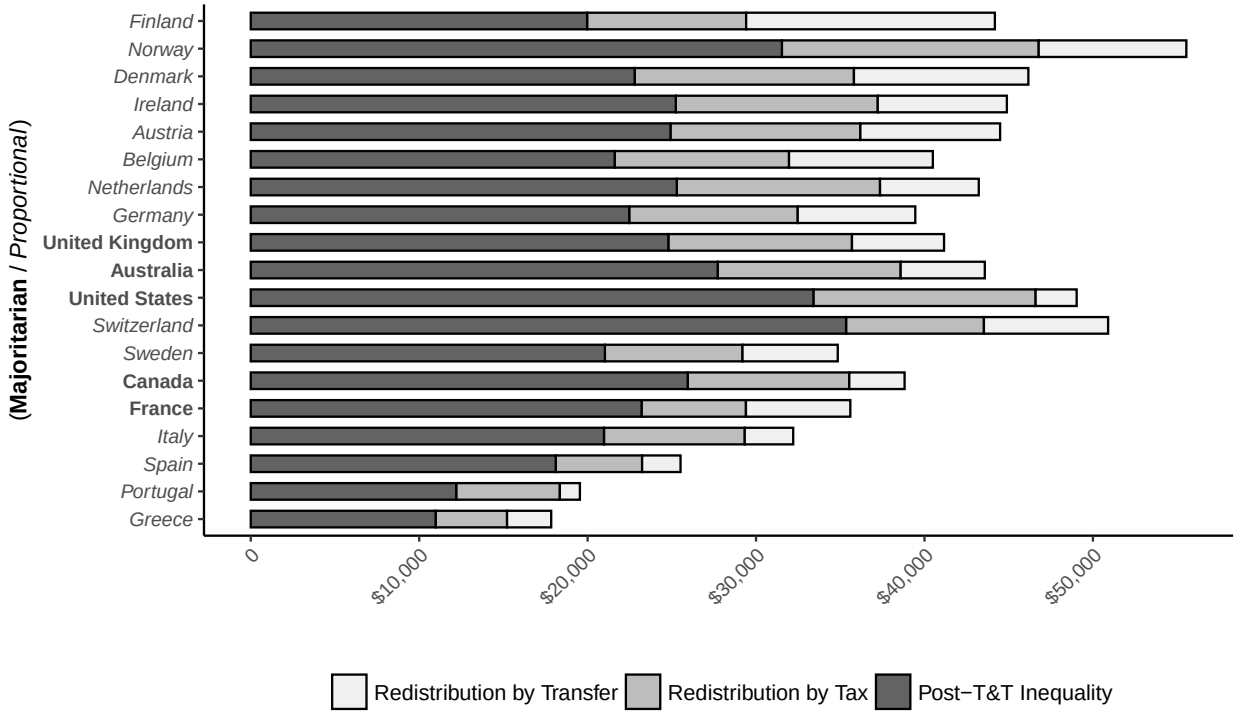


Figure 2 (TEXT)

```
data <- read.xlsx("lm_enp_7389.xlsx", sheet = 1)

x_title <- expression(paste("(", bold("Majoritarian"),
    " / ", italic("Proportional"), ")"))
v1 <- ggplot(data, aes(x = reorder(Country, Range),
    y = Score, fill = System)) + geom_bar(stat = "identity",
    width = 0.6, color = "Black") + coord_flip() +
    labs(title = "1973-1989", x = x_title, y = "") +
    scale_y_continuous(breaks = c(-5, -3, -1, 0, 2,
        4, 6), labels = c("Economy", "Sector", "Firm",
        "0", "2", "4", "6")) + theme(plot.title = element_text(hjust = 0.5),
    axis.ticks = element_blank()) + theme_classic() +
    theme(axis.text.y = element_text(face = c("bold",
        "bold", "bold", "italic", "italic", "bold",
        "italic", "bold", "italic", "italic", "italic",
        "italic", "italic", "italic", "italic", "italic",
        "italic", "italic", "italic"))) + theme(legend.position = "bottom") +
    theme(axis.text.x = element_text(angle = 45, hjust = 1)) +
    scale_fill_brewer(palette = "Greys")
```

```
data2 <- read.xlsx("lm_enp_9014.xlsx", sheet = 1)

# x_title
# <-expression(paste('(',bold('Majoritarian'),' /
# ',italic('Proportional'),')'))
v2 <- ggplot(data2, aes(x = reorder(Country, Range),
    y = Score, fill = System)) + geom_bar(stat = "identity",
    width = 0.6, color = "Black") + coord_flip() +
    labs(title = "1990-2014", y = "") + scale_y_continuous(breaks = c(-5,
    -3, -1, 0, 2, 4, 6), labels = c("Economy", "Sector",
    "Firm", "0", "2", "4", "6")) + theme(plot.title = element_text(hjust = 0.5),
    axis.ticks = element_blank()) + theme_classic() +
    theme(axis.text.y = element_text(face = c("bold",
        "bold", "bold", "bold", "italic", "italic",
        "bold", "italic", "italic", "italic", "italic",
        "italic", "italic", "italic", "italic", "italic",
        "italic", "italic", "italic"))) + theme(axis.title.y = element_blank()) +
    theme(legend.position = "bottom") + theme(axis.text.x = element_text(angle = 45,
    hjust = 1)) + scale_fill_brewer(palette = "Greys")

v3 <- grid.arrange(v1, v2, ncol = 2)
```

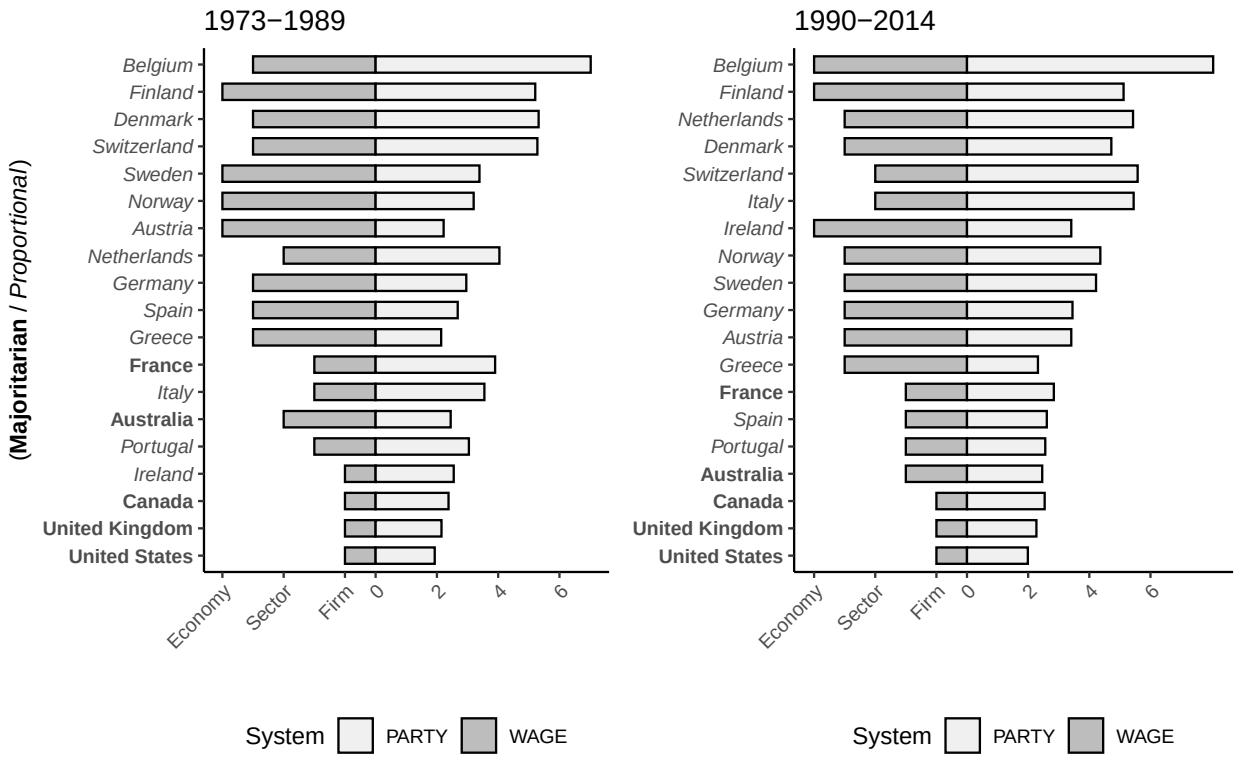


Figure 3 (TEXT)

```
consumption <- read_dta("consumption.dta")
consumption_maj <- as.data.frame(consumption[which(consumption$year >
    1979 & consumption$country == "France" | consumption$year >
    1979 & consumption$mix == 0 & (consumption$country !=
    "New Zealand" & consumption$country != "Japan")),
```

```
    ])
consumption_pr <- as.data.frame(consumption[which(consumption$year >
    1979 & consumption$mix == 1 & (consumption$country !=
    "New Zealand" & consumption$country != "Japan")),
    ])
consumption_maj_mean <- aggregate(consumption_maj,
    by = list(consumption_maj$year), FUN = mean, na.rm = TRUE)
consumption_maj_mean <- consumption_maj_mean[, c("year",
    "con_tr")]
consumption_maj_mean$electoral <- "Majoritarian"
consumption_pr_mean <- aggregate(consumption_pr, by = list(consumption_pr$year),
    FUN = mean, na.rm = TRUE)
consumption_pr_mean <- consumption_pr_mean[, c("year",
    "con_tr")]
consumption_pr_mean$electoral <- "PR"
consumption_mean <- rbind(consumption_maj_mean, consumption_pr_mean)

consumption_plot <- ggplot(data = consumption_mean,
    aes(x = year, y = con_tr, group = electoral)) +
    geom_line(aes(linetype = electoral), size = 1) +
    theme_classic() + xlab("Year") + ylab("Consumption Tax Rate") +
    ggtitle("Consumption Tax Rates in Majoritarian and PR Democracies, 1970-2014") +
    theme(plot.title = element_text(hjust = 0.5)) +
    labs(linetype = "Electoral System")

print(consumption_plot)
```

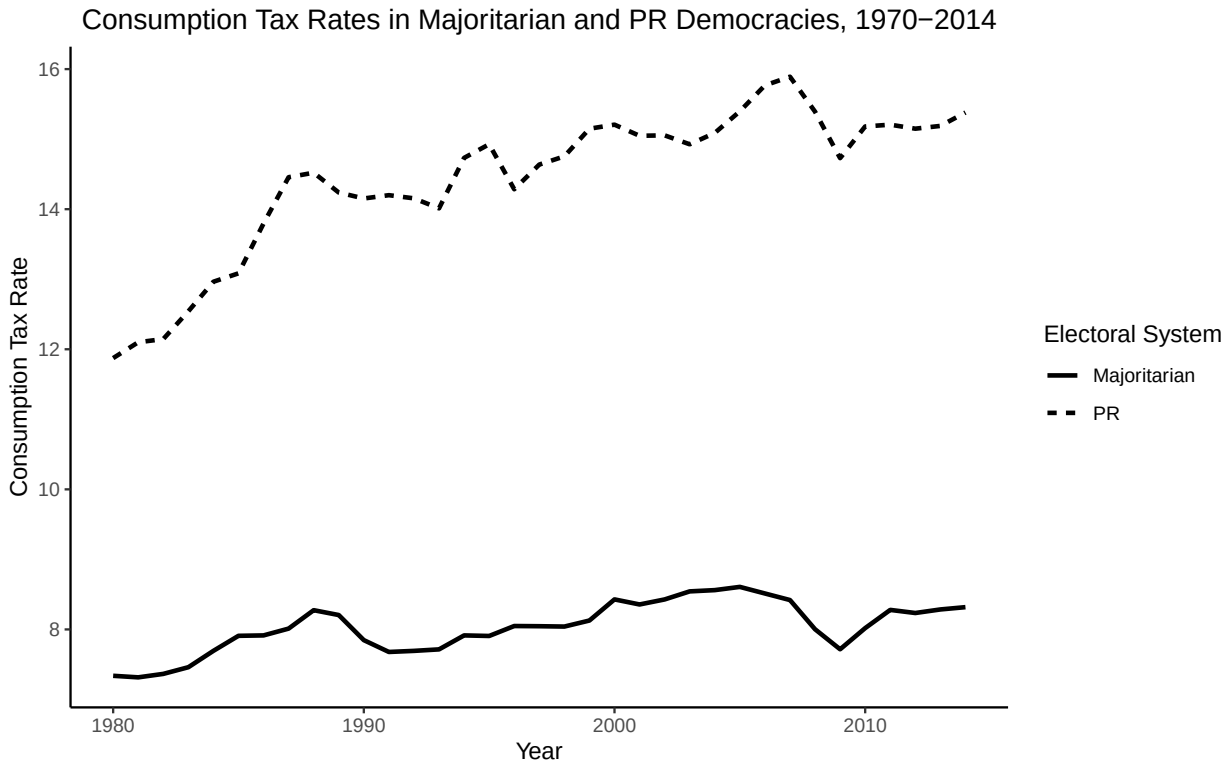
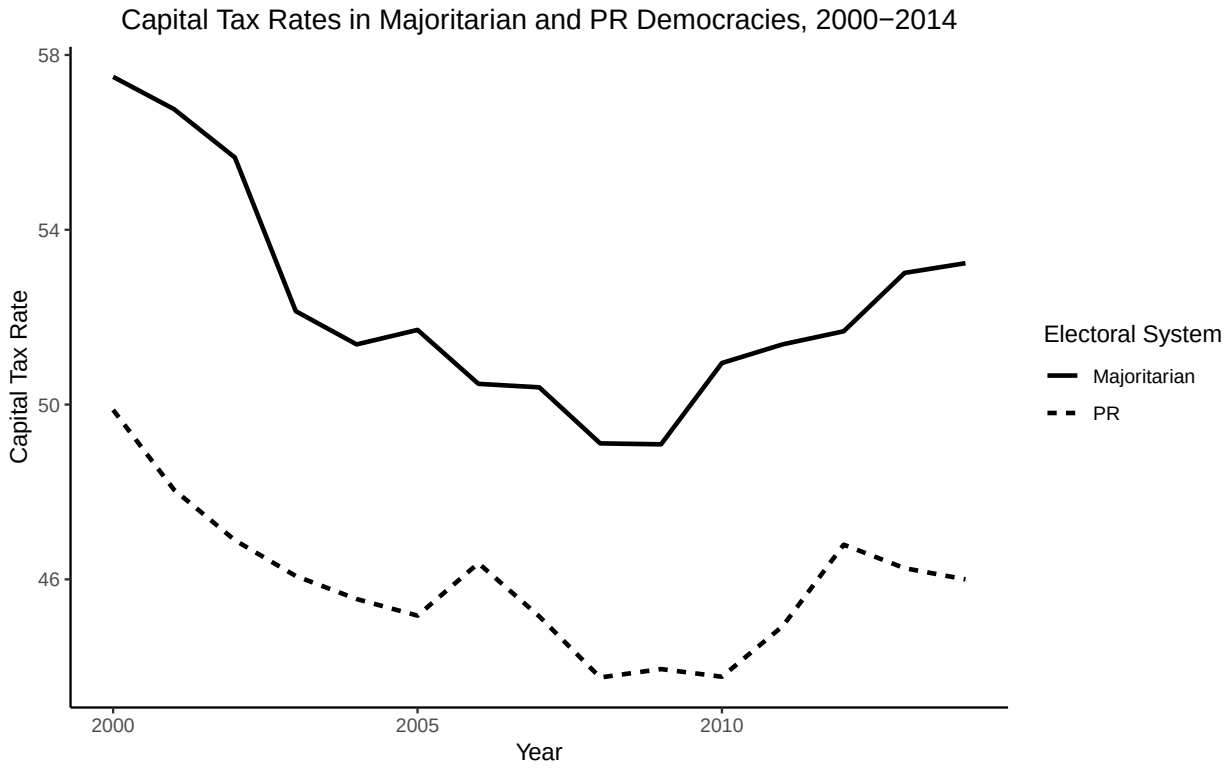


Figure 4 (TEXT)

```r
capital <- read_dta("capital.dta")
capital_maj <- as.data.frame(capital[which(capital$year >
    1999 & capital$mixed == 0 & capital$country !=
    "New Zealand"), ])
capital_pr <- as.data.frame(capital[which(capital$year >
    1999 & capital$mixed == 1 & (capital$country !=
    "New Zealand" & capital$country != "Japan")), ])
capital_maj_mean <- aggregate(capital_maj, by = list(capital_maj$year),
    FUN = mean, na.rm = TRUE)
capital_maj_mean <- capital_maj_mean[, c("year", "dividend")]
capital_maj_mean$electoral <- "Majoritarian"
capital_pr_mean <- aggregate(capital_pr, by = list(capital_pr$year),
    FUN = mean, na.rm = TRUE)
capital_pr_mean <- capital_pr_mean[, c("year", "dividend")]
capital_pr_mean$electoral <- "PR"
capital_mean <- rbind(capital_maj_mean, capital_pr_mean)

capital_plot <- ggplot(data = capital_mean, aes(x = year,
    y = dividend, group = electoral)) + geom_line(aes(linetype = electoral),
    size = 1) + theme_classic() + xlab("Year") + ylab("Capital Tax Rate") +
    ggtitle("Capital Tax Rates in Majoritarian and PR Democracies, 2000-2014") +
    theme(plot.title = element_text(hjust = 0.5)) +
    labs(linetype = "Electoral System")

print(capital_plot)
```



REGRESSION ANALYSIS

```
use final_analysis_data.dta, clear

*Rescale a few variables.
qui gen openc2 = openc_new/100
qui gen gov_left12 = gov_left1/100
qui gen sstran2 = sstran/100
qui gen interest2 = interest/100

xtset cc year

tab cc, gen(c)
tab year, gen(y)

gen party = mix
replace party = 0 if country == "Greece" | country == "Portugal" | ///
  country == "Spain" | country == "Switzerland" | country == "New Zealand"

gen prnot3 = 0
replace prnot3 = 1 if country == "Greece" | country == "Portugal" | ///
  country == "Spain" | country == "Switzerland" | country == "New Zealand" & mix==1

qui gen  wc_cent = wcoord - 3
qui gen inter_party_scale = wc_cent*party
qui gen lag_con_tr = l.con_tr
qui gen lag_dividend = l.dividend
qui gen left_scale = gov_left12*wc_cent
qui gen inter_party_left = party*gov_left12
qui gen triple_party_scale_left = inter_party_scale*gov_left12

bysort cc: center lag_con_tr, c g(lag_con_tr_cen)
gen lag_con_tr_bar = lag_con_tr - lag_con_tr_cen

bysort cc: center lag_dividend, c g(lag_dividend_cen)
gen lag_dividend_bar = lag_dividend - lag_dividend_cen

*Consumption Tax Regressions With Controls


bysort cc: center prnot3, c g(prnot3_cen)
gen prnot3_bar = prnot3 - prnot3_cen

bysort cc: center party, c g(party_cen)
gen party_bar = party - party_cen

bysort cc: center wc_cent, c g(wc_cent_cen)
gen wc_cent_bar = wc_cent - wc_cent_cen

bysort cc: center inter_party_scale, c g(inter_party_scale_cen)
gen inter_party_scale_bar = inter_party_scale - inter_party_scale_cen

bysort cc: center triple_party_scale_left, c g(triple_party_scale_left_cen)
gen triple_party_scale_left_bar = triple_party_scale_left - triple_party_scale_left_cen
```

```
bysort cc: center gov_left12, c g(gov_left12_cen)
gen gov_left12_bar = gov_left12 - gov_left12_cen

gen party_wc_cent_inter = party_cen*wc_cent_cen

gen party_wc_cent_bar_inter = party_bar*wc_cent_bar

gen party_bar_wc_cent_inter = party_bar*wc_cent_cen

*center control variables

bysort cc: center lfirstp, c g(lfirstp_cen)
gen lfirstp_bar = lfirstp - lfirstp_cen

bysort cc: center lfed, c g(lfed_cen)
gen lfed_bar = lfed - lfed_cen

bysort cc: center kaopen, c g(kaopen_cen)
gen kaopen_bar = kaopen - kaopen_cen

bysort cc: center openc2, c g(openc2_cen)
gen openc2_bar = openc2 - openc2_cen

bysort cc: center sstran, c g(sstran_cen)
gen sstran_bar = sstran - sstran_cen

bysort cc: center eu, c g(eu_cen)
gen eu_bar = eu - eu_cen

bysort cc: center emu, c g(emu_cen)
gen emu_bar = emu - emu_cen

bysort cc: center interest, c g(interest_cen)
gen interest_bar = interest - interest_cen


*******CONSUMPTION TAX REGRESSIONS*************************

eststo clear

/*Table 3, Column 1 (TEXT); Table 4-5, Column 1 (APPENDIX)*/

eststo: mixed con_tr lag_con_tr_cen party_bar party_cen prnot3_bar ///
  prnot3_cen wc_cent_bar wc_cent_cen gov_left12_bar gov_left12_cen ///
  inter_party_scale_bar inter_party_scale_cen lfed_bar || cc:, vce(robust) ///

/*Table 3, Column 1 (TEXT); Figure 6 (TEXT)*/

estat icc
lincom wc_cent_cen + inter_party_scale_cen

/*TABLE 4-5, Column 2 (APPENDIX)*/
```

```
eststo: mixed con_tr lag_con_tr_cen party_bar party_cen prnot3_bar ///
  prnot3_cen wc_cent_bar wc_cent_cen gov_left12_bar gov_left12_cen ///
  inter_party_scale_bar inter_party_scale_cen lfirstp_cen lfed_cen ///
  kaopen_cen openc2_cen sstran_cen eu_cen emu_cen interest_cen || ///
  cc: wc_cent_cen, covariance(un) ///

/*Figure 6 (TEXT)*/

estat icc
lincom wc_cent_cen + inter_party_scale_cen

/*Table 4-5, Column 3 (APPENDIX)*/

eststo: mixed con_tr lag_con_tr_cen party_bar party_cen prnot3_bar ///
  prnot3_cen wc_cent_bar wc_cent_cen gov_left12_bar gov_left12_cen ///
  inter_party_scale_bar inter_party_scale_cen || cc: if kaopen > .9, vce(robust)

/*Figure 7 (TEXT)*/
estat icc
lincom wc_cent_cen + inter_party_scale_cen

/*Table 4-5, Column 4 (APPENDIX)*/

eststo: mixed con_tr lag_con_tr_cen party_bar party_cen prnot3_bar ///
  prnot3_cen wc_cent_bar wc_cent_cen gov_left12_bar gov_left12_cen ///
  inter_party_scale_bar inter_party_scale_cen lfirstp_cen lfed_cen ///
  kaopen_cen openc2_cen sstran_cen eu_cen emu_cen interest_cen || ///
  cc: wc_cent_cen if kaopen > .9, vce(robust) covariance(un)

/*Figure 7 (TEXT)*/
estat icc
lincom wc_cent_cen + inter_party_scale_cen


/*estout, style(tex) cells(b(star fmt(3)) t(par fmt(2)))*/

***** CAPITAL TAX REGRESSIONS**********************************

eststo clear

/*TABLE 3, COLUMN 2 (TEXT); TABLE 6-7, COLUMN 1 (APPENDIX)*/

eststo: mixed dividend lag_dividend_cen party_bar party_cen prnot3_bar ///
  prnot3_cen wc_cent_bar wc_cent_cen inter_party_scale_bar inter_party_scale_cen ///
  gov_left12_bar gov_left12_cen kaopen_bar sstran_bar || cc: wc_cent_cen , ///
  vce(robust) covariance(un)

/*Table 3, Column 2 (TEXT); Figure 8 (TEXT)*/

estat icc
lincom wc_cent_cen + inter_party_scale_cen
lincom wc_cent_bar + inter_party_scale_bar
```

```
/*TABLE 6-7, COLUMN 2 (APPENDIX)*/

eststo: mixed dividend lag_dividend_cen party_bar party_cen prnot3_bar ///
  prnot3_cen wc_cent_bar wc_cent_cen inter_party_scale_bar inter_party_scale_cen ///
  gov_left12_bar gov_left12_cen lfirstp_cen lfed_cen kaopen_cen openc2_cen ///
  sstran_cen eu_cen emu_cen interest_cen || cc: wc_cent_cen , vce(robust) covariance(un)

/*Figure 8 (TEXT)*/

estat icc
lincom wc_cent_cen + inter_party_scale_cen

/*estout, style(tex) cells(b(star fmt(3)) t(par fmt(2)))*/


***** PARTISAN GOVERNMENT REGRESSIONS ************************

gen rightgov = 0 if gov_right1 !=.
replace rightgov = 1 if gov_right1 !=0 & gov_right1 !=.

gen gov_right12 = gov_right1/100
gen triple_party_scale_ko = inter_party_scale*kaopen
gen triple_party_scale_eu = inter_party_scale*eu

bysort cc: center triple_party_scale_ko, c g(triple_party_scale_ko_cen)
gen triple_party_scale_ko_bar = triple_party_scale_ko - triple_party_scale_ko_cen

bysort cc: center inflation, c g(inflation_cen)
gen inflation_bar = inflation - inflation_cen

bysort cc: center unemp, c g(unemp_cen)
gen unemp_bar = unemp - unemp_cen


eststo clear

/*TABLE 8, COLUMN 1 (APPENDIX)*/

eststo: mixed rightgov party_bar party_cen prnot3_bar prnot3_cen wc_cent_bar ///
  wc_cent_cen kaopen_cen  inter_party_scale_cen triple_party_scale_ko_cen || ///
  cc: kaopen_cen if ele_lag == 1, vce(robust) covariance(un)

/*FIGURE 9 (TEXT)*/

*One s.d. increase in kaopen_cen
lincom .25*kaopen_cen + .5*triple_party_scale_ko_cen

/*TABLE 8, COLUMN 2 (APPENDIX)*/

eststo: mixed rightgov party_bar party_cen prnot3_bar prnot3_cen wc_cent_bar ///
  wc_cent_cen kaopen_cen  inter_party_scale_cen triple_party_scale_ko_cen ///
  inflation_bar unemp_bar inflation_cen unemp_cen || cc: kaopen_cen if ///
  ele_lag == 1, vce(robust) covariance(un)
```

```
lincom .25*kaopen_cen + .5*triple_party_scale_ko_cen

/*TABLE 8, COLUMN 3 (APPENDIX)*/
eststo: mixed gov_right12 party_bar party_cen prnot3_bar prnot3_cen wc_cent_bar ///
  wc_cent_cen kaopen_cen  inter_party_scale_cen triple_party_scale_ko_cen || ///
  cc: kaopen_cen if ele_lag == 1, vce(robust) covariance(un)

/*FIGURE 9 (TEXT)*/

lincom .25*kaopen_cen + .5*triple_party_scale_ko_cen


/*TABLE 8, COLUMN 4 (APPENDIX)*/

eststo: mixed gov_right12 party_bar party_cen prnot3_bar prnot3_cen wc_cent_bar ///
  wc_cent_cen kaopen_cen  inter_party_scale_cen triple_party_scale_ko_cen ///
  inflation_bar unemp_bar inflation_cen unemp_cen || cc: kaopen_cen if ele_lag == 1, ///
  vce(robust) covariance(un)

lincom .25*kaopen_cen + .5*triple_party_scale_ko_cen
/*estout, style(tex) cells(b(star fmt(3)) t(par fmt(2)))*/


*******Extensions: SUR and Partisan Interactions and KOF Globalization*************

eststo clear

/*TABLE 9-10, COLUMNS 1-2*/
eststo: sureg (con_tr lag_con_tr_cen party_bar party_cen prnot3_bar prnot3_cen ///
    wc_cent_bar wc_cent_cen gov_left12_bar gov_left12_cen inter_party_scale_bar ///
    inter_party_scale_cen lfirstp_cen lfed_cen kaopen_cen openc2_cen sstran_cen ///
    eu_cen emu_cen interest_cen) (dividend lag_dividend_cen party_bar party_cen ///
        prnot3_bar prnot3_cen wc_cent_bar wc_cent_cen inter_party_scale_bar ///
        inter_party_scale_cen gov_left12_bar gov_left12_cen lfirstp_cen ///
        lfed_cen kaopen_cen openc2_cen sstran_cen eu_cen emu_cen interest_cen), corr

/*TABLE 9-10, COLUMNS 3*/
eststo: mixed con_tr lag_con_tr_cen party_bar party_cen prnot3_bar prnot3_cen ///
  wc_cent_bar wc_cent_cen gov_left12_bar gov_left12_cen inter_party_scale_bar ///
  inter_party_scale_cen triple_party_scale_left_cen lfirstp_cen lfed_cen kaopen_cen ///
  openc2_cen sstran_cen eu_cen emu_cen interest_cen || cc: wc_cent_cen if kaopen>.9, ///
  covariance(un)

lincom wc_cent_cen + inter_party_scale_cen + triple_party_scale_left_cen

/*TABLE 9-10, COLUMNS 4*/
eststo: mixed dividend lag_dividend_cen party_bar party_cen prnot3_bar prnot3_cen ///
  wc_cent_bar wc_cent_cen inter_party_scale_bar inter_party_scale_cen ///
  triple_party_scale_left_cen gov_left12_bar gov_left12_cen lfirstp_cen ///
  lfed_cen kaopen_cen openc2_cen sstran_cen eu_cen emu_cen interest_cen || cc: ///
  wc_cent_cen , vce(robust) covariance(un)

lincom wc_cent_cen + inter_party_scale_cen
```

```
/*estout, style(tex) cells(b(star fmt(3)) t(par fmt(2)))*/

gen triple_party_scale_KOF = inter_party_scale*KOFFiGI


bysort cc: center triple_party_scale_KOF, c g(triple_party_scale_KOF_cen)
gen triple_party_scale_KOF_bar = triple_party_scale_KOF - triple_party_scale_KOF_cen

bysort cc: center KOFFiGI, c g(KOFFiGI_cen)
gen KOFFiGI_bar = KOFFiGI - KOFFiGI_cen


eststo clear

/*TABLE 11, COLUMN 1 (APPENDIX)*/

eststo: mixed rightgov party_bar party_cen prnot3_bar prnot3_cen wc_cent_bar ///
  wc_cent_cen KOFFiGI_cen  inter_party_scale_cen triple_party_scale_KOF_cen || ///
  cc:  if ele_lag == 1, vce(robust)

/* CF. FIGURE 9 (TEXT)*/

*25 Point increase in KOFFiGI_cen
lincom 25*KOFFiGI_cen + 50*triple_party_scale_KOF_cen

/*TABLE 11, COLUMN 2 (APPENDIX)*/

eststo: mixed rightgov party_bar party_cen prnot3_bar prnot3_cen wc_cent_bar ///
  wc_cent_cen KOFFiGI_cen  inter_party_scale_cen triple_party_scale_KOF_cen ///
  inflation_bar unemp_bar inflation_cen unemp_cen || cc:  if ///
  ele_lag == 1, vce(robust)

lincom 25*KOFFiGI_cen + 50*triple_party_scale_KOF_cen

/*TABLE 11, COLUMN 3 (APPENDIX)*/
eststo: mixed gov_right12 party_bar party_cen prnot3_bar prnot3_cen wc_cent_bar ///
  wc_cent_cen KOFFiGI_cen  inter_party_scale_cen triple_party_scale_KOF_cen || ///
  cc:  if ele_lag == 1, vce(robust)

/*CF. FIGURE 9 (TEXT)*/

lincom 25*KOFFiGI_cen + 50*triple_party_scale_KOF_cen


/*TABLE 11, COLUMN 4 (APPENDIX)*/

eststo: mixed gov_right12 party_bar party_cen prnot3_bar prnot3_cen wc_cent_bar ///
  wc_cent_cen KOFFiGI_cen  inter_party_scale_cen triple_party_scale_KOF_cen ///
  inflation_bar unemp_bar inflation_cen unemp_cen || cc:  if ele_lag == 1, ///
  vce(robust)

lincom 25*KOFFiGI_cen + 50*triple_party_scale_KOF_cen
/*estout, style(tex) cells(b(star fmt(3)) t(par fmt(2)))*/
```

```
       panel variable:  cc (strongly balanced)
        time variable:  year, 1970 to 2014
                delta:  1 unit

         cc |      Freq.     Percent        Cum.
------------+-----------------------------------
          1 |         45        4.76        4.76
          2 |         45        4.76        9.52
          3 |         45        4.76       14.29
          4 |         45        4.76       19.05
          5 |         45        4.76       23.81
          6 |         45        4.76       28.57
          7 |         45        4.76       33.33
          8 |         45        4.76       38.10
          9 |         45        4.76       42.86
         10 |         45        4.76       47.62
         11 |         45        4.76       52.38
         12 |         45        4.76       57.14
         13 |         45        4.76       61.90
         14 |         45        4.76       66.67
         15 |         45        4.76       71.43
         16 |         45        4.76       76.19
         17 |         45        4.76       80.95
         18 |         45        4.76       85.71
         19 |         45        4.76       90.48
         20 |         45        4.76       95.24
         21 |         45        4.76      100.00
------------+-----------------------------------
      Total |        945      100.00

       year |      Freq.     Percent        Cum.
------------+-----------------------------------
       1970 |         21        2.22        2.22
       1971 |         21        2.22        4.44
       1972 |         21        2.22        6.67
       1973 |         21        2.22        8.89
       1974 |         21        2.22       11.11
       1975 |         21        2.22       13.33
       1976 |         21        2.22       15.56
       1977 |         21        2.22       17.78
       1978 |         21        2.22       20.00
       1979 |         21        2.22       22.22
       1980 |         21        2.22       24.44
       1981 |         21        2.22       26.67
       1982 |         21        2.22       28.89
       1983 |         21        2.22       31.11
       1984 |         21        2.22       33.33
       1985 |         21        2.22       35.56
       1986 |         21        2.22       37.78
       1987 |         21        2.22       40.00
       1988 |         21        2.22       42.22
       1989 |         21        2.22       44.44
```

```
       1990 |         21        2.22       46.67
       1991 |         21        2.22       48.89
       1992 |         21        2.22       51.11
       1993 |         21        2.22       53.33
       1994 |         21        2.22       55.56
       1995 |         21        2.22       57.78
       1996 |         21        2.22       60.00
       1997 |         21        2.22       62.22
       1998 |         21        2.22       64.44
       1999 |         21        2.22       66.67
       2000 |         21        2.22       68.89
       2001 |         21        2.22       71.11
       2002 |         21        2.22       73.33
       2003 |         21        2.22       75.56
       2004 |         21        2.22       77.78
       2005 |         21        2.22       80.00
       2006 |         21        2.22       82.22
       2007 |         21        2.22       84.44
       2008 |         21        2.22       86.67
       2009 |         21        2.22       88.89
       2010 |         21        2.22       91.11
       2011 |         21        2.22       93.33
       2012 |         21        2.22       95.56
       2013 |         21        2.22       97.78
       2014 |         21        2.22      100.00
------------+-----------------------------------
      Total |        945      100.00

(16 missing values generated)

(198 real changes made)


(199 real changes made)




(generated variables: lag_con_tr_cen)

(63 missing values generated)

(generated variables: lag_dividend_cen)

(301 missing values generated)

(generated variables: prnot3_cen)


(generated variables: party_cen)
```

```
(generated variables: wc_cent_cen)

(15 missing values generated)

(generated variables: inter_party_scale_cen)

(15 missing values generated)

(generated variables: triple_party_scale_left_cen)

(19 missing values generated)

(generated variables: gov_left12_cen)

(17 missing values generated)

(15 missing values generated)

(15 missing values generated)

(15 missing values generated)

(generated variables: lfirstp_cen)

(44 missing values generated)

(generated variables: lfed_cen)

(12 missing values generated)

(generated variables: kaopen_cen)

(44 missing values generated)

(generated variables: openc2_cen)

(12 missing values generated)

(generated variables: sstran_cen)

(15 missing values generated)

(generated variables: eu_cen)

(12 missing values generated)

(generated variables: emu_cen)

(12 missing values generated)

(generated variables: interest_cen)
```

```
(16 missing values generated)


Performing EM optimization:

Performing gradient-based optimization:

Iteration 0:   log pseudolikelihood = -993.34436
Iteration 1:   log pseudolikelihood = -993.34436

Computing standard errors:

Mixed-effects regression                        Number of obs     =        880
Group variable: cc                              Number of groups  =         21

                                                Obs per group:
                                                              min =         18
                                                              avg =       41.9
                                                              max =         44

                                                Wald chi2(12)     =   3.85e+11
Log pseudolikelihood = -993.34436               Prob > chi2       =     0.0000

                                  (Std. Err. adjusted for 21 clusters in cc)
------------------------------------------------------------------------------
             |               Robust
      con_tr |      Coef.   Std. Err.      z    P>|z|     [95% Conf. Interval]
-------------+----------------------------------------------------------------
lag_con_tr~n |   .9218182   .0146365    62.98   0.000     .8931311    .9505052
   party_bar |   5.509872   2.279719     2.42   0.016     1.041705     9.97804
   party_cen |   .2722105   .0992583     2.74   0.006     .0776678    .4667532
  prnot3_bar |   2.076621   2.155997     0.96   0.335    -2.149055    6.302297
  prnot3_cen |   .2144918   .1210479     1.77   0.076    -.0227578    .4517413
 wc_cent_bar |  -2.941179   .7950385    -3.70   0.000    -4.499425   -1.382932
 wc_cent_cen |  -.0469564   .0399686    -1.17   0.240    -.1252935    .0313806
gov_left12~r |   8.889756   4.977313     1.79   0.074    -.8655985    18.64511
gov_left12~n |   .0652314   .0731202     0.89   0.372    -.0780815    .2085443
inter_part~r |   7.453643   2.110265     3.53   0.000       3.3176    11.58969
inter_part~n |    .024508   .0464962     0.53   0.598    -.0666228    .1156388
    lfed_bar |  -1.079089   .4172774    -2.59   0.010    -1.896938   -.2612408
       _cons |   5.358541   2.153752     2.49   0.013     1.137264    9.579817
------------------------------------------------------------------------------

------------------------------------------------------------------------------
                             |               Robust
  Random-effects Parameters  |   Estimate   Std. Err.     [95% Conf. Interval]
-----------------------------+------------------------------------------------
cc: Identity                 |
                  var(_cons) |   13.74317   5.672593      6.119944    30.86218
-----------------------------+------------------------------------------------
               var(Residual) |   .4726005   .0705296      .3527469     .633177
------------------------------------------------------------------------------
(est1 stored)
```

```
Residual intraclass correlation

------------------------------------------------------------------------------
                       Level |        ICC   Std. Err.      [95% Conf. Interval]
-----------------------------+------------------------------------------------
                          cc |   .9667552   .0127429      .9304065    .9844365
------------------------------------------------------------------------------


 ( 1)  [con_tr]wc_cent_cen + [con_tr]inter_party_scale_cen = 0

------------------------------------------------------------------------------
      con_tr |      Coef.   Std. Err.      z    P>|z|     [95% Conf. Interval]
-------------+----------------------------------------------------------------
         (1) |  -.0224485   .0268919    -0.83   0.404    -.0751556    .0302586
------------------------------------------------------------------------------


Performing EM optimization:

Performing gradient-based optimization:

Iteration 0:   log likelihood = -941.27087
Iteration 1:   log likelihood = -941.04215
Iteration 2:   log likelihood = -941.02899
Iteration 3:   log likelihood = -941.01788
Iteration 4:   log likelihood = -941.01709
Iteration 5:   log likelihood = -941.01709

Computing standard errors:

Mixed-effects ML regression                     Number of obs     =        848
Group variable: cc                              Number of groups  =         21

                                                Obs per group:
                                                              min =         18
                                                              avg =       40.4
                                                              max =         44

                                                Wald chi2(19)     =    7954.09
Log likelihood = -941.01709                     Prob > chi2       =     0.0000

------------------------------------------------------------------------------
      con_tr |      Coef.   Std. Err.      z    P>|z|     [95% Conf. Interval]
-------------+----------------------------------------------------------------
lag_con_tr~n |   .8670688   .0158693    54.64   0.000     .8359657     .898172
   party_bar |   8.040765   3.594305     2.24   0.025      .996056    15.08547
   party_cen |   .4602576   .2219395     2.07   0.038     .0252643    .8952509
  prnot3_bar |   5.343283   3.292948     1.62   0.105    -1.110776    11.79734
  prnot3_cen |   .2573405   .2613531     0.98   0.325    -.2549022    .7695832
 wc_cent_bar |  -2.834634   1.589894    -1.78   0.075    -5.950769    .2815014
 wc_cent_cen |  -.0720669   .0499298    -1.44   0.149    -.1699274    .0257936
```

```
gov_left12~r |   8.216943   5.131259     1.60   0.109    -1.840139    18.27403
gov_left12~n |   .0471682   .0703415     0.67   0.503    -.0906987     .185035
inter_part~r |   6.168435   2.975578     2.07   0.038     .3364094    12.00046
inter_part~n |   .0510642   .0651066     0.78   0.433    -.0765425    .1786709
 lfirstp_cen |  -.0146802   .0644051    -0.23   0.820    -.1409118    .1115514
    lfed_cen |  -.6996182   .3418268    -2.05   0.041    -1.369586     -.02965
  kaopen_cen |   .4548562   .1490685     3.05   0.002     .1626873    .7470251
  openc2_cen |   .5288417   .2505892     2.11   0.035      .037696    1.019988
  sstran_cen |  -.0231543   .0120548    -1.92   0.055    -.0467812    .0004726
      eu_cen |   .3282609   .1240523     2.65   0.008     .0851228    .5713989
     emu_cen |  -.1265568   .0957605    -1.32   0.186    -.3142439    .0611302
interest_cen |   .0074962   .0088867     0.84   0.399    -.0099213    .0249138
       _cons |   1.255842   2.747772     0.46   0.648    -4.129693    6.641377
------------------------------------------------------------------------------

------------------------------------------------------------------------------
  Random-effects Parameters  |   Estimate   Std. Err.     [95% Conf. Interval]
-----------------------------+------------------------------------------------
cc: Unstructured             |
            var(wc_cent_cen) |   .0040139   .0063795      .0001781      .09045
                  var(_cons) |    16.8741   5.506691      8.901017    31.98907
      cov(wc_cent_cen,_cons) |  -.2602527   .2260951     -.7033909    .1828854
-----------------------------+------------------------------------------------
               var(Residual) |   .4495992    .022143      .4082286    .4951623
------------------------------------------------------------------------------
LR test vs. linear model: chi2(3) = 2953.93              Prob > chi2 = 0.0000

Note: LR test is conservative and provided only for reference.
(est2 stored)


Conditional intraclass correlation

------------------------------------------------------------------------------
                       Level |        ICC   Std. Err.     [95% Conf. Interval]
-----------------------------+------------------------------------------------
                          cc |   .9740472   .0083649      .9515071    .9862616
------------------------------------------------------------------------------
Note: ICC is conditional on zero values of random-effects covariates.


 ( 1)  [con_tr]wc_cent_cen + [con_tr]inter_party_scale_cen = 0

------------------------------------------------------------------------------
      con_tr |      Coef.   Std. Err.      z    P>|z|     [95% Conf. Interval]
-------------+----------------------------------------------------------------
         (1) |  -.0210027   .0449394    -0.47   0.640    -.1090823    .0670769
------------------------------------------------------------------------------


Performing EM optimization:

Performing gradient-based optimization:
```

```
Iteration 0:   log pseudolikelihood = -470.16807
Iteration 1:   log pseudolikelihood = -470.16807

Computing standard errors:

Mixed-effects regression                        Number of obs     =        530
Group variable: cc                              Number of groups  =         21

                                                Obs per group:
                                                              min =         10
                                                              avg =       25.2
                                                              max =         44

                                                Wald chi2(11)     =   6.78e+07
Log pseudolikelihood = -470.16807               Prob > chi2       =     0.0000

                                  (Std. Err. adjusted for 21 clusters in cc)
------------------------------------------------------------------------------
             |               Robust
      con_tr |      Coef.   Std. Err.      z    P>|z|     [95% Conf. Interval]
-------------+----------------------------------------------------------------
lag_con_tr~n |    .840776   .0474395    17.72   0.000     .7477964    .9337557
   party_bar |    7.23032   2.444884     2.96   0.003     2.438436     12.0222
   party_cen |   .3679854   .1894842     1.94   0.052    -.0033968    .7393677
  prnot3_bar |   2.877515   2.401566     1.20   0.231    -1.829469    7.584498
  prnot3_cen |   -.275922   .1254285    -2.20   0.028    -.5217574   -.0300866
 wc_cent_bar |  -2.947662   .7355954    -4.01   0.000    -4.389402   -1.505921
 wc_cent_cen |   .0096574   .0499655     0.19   0.847    -.0882732    .1075879
gov_left12~r |   10.87632    5.55007     1.96   0.050     -.001619    21.75426
gov_left12~n |  -.1081508   .0492716    -2.19   0.028    -.2047214   -.0115803
inter_part~r |   6.026669   2.315946     2.60   0.009     1.487498    10.56584
inter_part~n |   .1501987   .0528318     2.84   0.004     .0466503    .2537472
       _cons |   1.445929   1.781767     0.81   0.417     -2.04627    4.938128
------------------------------------------------------------------------------

------------------------------------------------------------------------------
             |               Robust
  Random-effects Parameters  |   Estimate   Std. Err.     [95% Conf. Interval]
-----------------------------+------------------------------------------------
cc: Identity                 |
                  var(_cons) |   15.64294    5.98226      7.392603    33.10089
-----------------------------+------------------------------------------------
               var(Residual) |    .258969   .0390436      .1927153    .3480002
------------------------------------------------------------------------------
(est3 stored)


Residual intraclass correlation

------------------------------------------------------------------------------
                       Level |        ICC   Std. Err.     [95% Conf. Interval]
-----------------------------+------------------------------------------------
                          cc |   .9837146   .0059049      .9670305    .9920254
------------------------------------------------------------------------------
```

```
 ( 1)  [con_tr]wc_cent_cen + [con_tr]inter_party_scale_cen = 0

------------------------------------------------------------------------------
      con_tr |      Coef.   Std. Err.      z    P>|z|     [95% Conf. Interval]
-------------+----------------------------------------------------------------
         (1) |   .1598561   .0294422     5.43   0.000     .1021504    .2175618
------------------------------------------------------------------------------


Performing EM optimization:

Performing gradient-based optimization:

Iteration 0:   log pseudolikelihood = -434.48629
Iteration 1:   log pseudolikelihood = -434.08279
Iteration 2:   log pseudolikelihood = -433.76356
Iteration 3:   log pseudolikelihood = -433.74911
Iteration 4:   log pseudolikelihood = -433.74907
Iteration 5:   log pseudolikelihood = -433.74906

Computing standard errors:

Mixed-effects regression                        Number of obs     =        524
Group variable: cc                              Number of groups  =         21

                                                Obs per group:
                                                              min =         10
                                                              avg =       25.0
                                                              max =         44

                                                Wald chi2(19)     =   5.67e+08
Log pseudolikelihood = -433.74906               Prob > chi2       =     0.0000

                                  (Std. Err. adjusted for 21 clusters in cc)
------------------------------------------------------------------------------
             |               Robust
      con_tr |      Coef.   Std. Err.      z    P>|z|     [95% Conf. Interval]
-------------+----------------------------------------------------------------
lag_con_tr~n |   .7519791   .0573987    13.10   0.000     .6394798    .8644785
   party_bar |   9.142243   2.831918     3.23   0.001     3.591786     14.6927
   party_cen |   .5099581   .1963694     2.60   0.009     .1250812     .894835
  prnot3_bar |   3.962046   2.478826     1.60   0.110     -.896364    8.820455
  prnot3_cen |  -.2607208   .1300253    -2.01   0.045    -.5155658   -.0058758
 wc_cent_bar |  -3.102923    .990169    -3.13   0.002    -5.043619   -1.162228
 wc_cent_cen |  -.0114902   .0435888    -0.26   0.792    -.0969227    .0739422
gov_left12~r |   14.47797   4.700897     3.08   0.002     5.264386    23.69156
gov_left12~n |  -.1078966   .0635084    -1.70   0.089    -.2323709    .0165776
inter_part~r |   4.570343   1.957888     2.33   0.020     .7329518    8.407733
inter_part~n |   .1714533   .0847437     2.02   0.043     .0053586    .3375479
 lfirstp_cen |  -.0080838   .0514957    -0.16   0.875    -.1090135    .0928458
    lfed_cen |  -8.435656   6.837181    -1.23   0.217    -21.83628    4.964972
  kaopen_cen |  -.7036845   1.797287    -0.39   0.695    -4.226302    2.818933
```

```
  openc2_cen |   .7314614   .2943361     2.49   0.013     .1545732     1.30835
  sstran_cen |  -.0320188   .0145575    -2.20   0.028     -.060551   -.0034865
      eu_cen |  -1.120875   .4875278    -2.30   0.021    -2.076412   -.1653377
     emu_cen |   .0427834   .1162974     0.37   0.713    -.1851553    .2707222
interest_cen |  -.0210516   .0129371    -1.63   0.104    -.0464079    .0043047
       _cons |    .125991    1.93461     0.07   0.948    -3.665775    3.917757
------------------------------------------------------------------------------

------------------------------------------------------------------------------
                             |               Robust
  Random-effects Parameters  |   Estimate   Std. Err.     [95% Conf. Interval]
-----------------------------+------------------------------------------------
cc: Unstructured             |
            var(wc_cent_cen) |   .0234709   .0235875      .0032742    .1682513
                  var(_cons) |   14.93809   5.703832      7.067721    31.57261
      cov(wc_cent_cen,_cons) |  -.5921233   .3905931     -1.357672    .1734251
-----------------------------+------------------------------------------------
               var(Residual) |   .2285073   .0319247      .1737715     .300484
------------------------------------------------------------------------------
(est4 stored)


Conditional intraclass correlation

------------------------------------------------------------------------------
                       Level |        ICC   Std. Err.     [95% Conf. Interval]
-----------------------------+------------------------------------------------
                          cc |   .9849335   .0055709      .9690608    .9927242
------------------------------------------------------------------------------
Note: ICC is conditional on zero values of random-effects covariates.


 ( 1)  [con_tr]wc_cent_cen + [con_tr]inter_party_scale_cen = 0

------------------------------------------------------------------------------
      con_tr |      Coef.   Std. Err.      z    P>|z|     [95% Conf. Interval]
-------------+----------------------------------------------------------------
         (1) |    .159963   .0849547     1.88   0.060    -.0065451    .3264711
------------------------------------------------------------------------------



Performing EM optimization:

Performing gradient-based optimization:

Iteration 0:   log pseudolikelihood = -1778.9267
Iteration 1:   log pseudolikelihood = -1778.5446
Iteration 2:   log pseudolikelihood = -1778.5392
numerical derivatives are approximate
nearby values are missing
Iteration 3:   log pseudolikelihood = -1778.5392

Computing standard errors:
```

```
Mixed-effects regression                        Number of obs     =        627
Group variable: cc                              Number of groups  =         21

                                                Obs per group:
                                                              min =         14
                                                              avg =       29.9
                                                              max =         33

                                                Wald chi2(13)     =  116848.27
Log pseudolikelihood = -1778.5392               Prob > chi2       =     0.0000

                                  (Std. Err. adjusted for 21 clusters in cc)
------------------------------------------------------------------------------
             |               Robust
    dividend |      Coef.   Std. Err.      z    P>|z|     [95% Conf. Interval]
-------------+----------------------------------------------------------------
lag_divide~n |   .8920482    .014434    61.80   0.000     .8637582    .9203383
   party_bar |   7.212796     5.6841     1.27   0.204    -3.927835    18.35343
   party_cen |  -4.485457   .7582214    -5.92   0.000    -5.971544   -2.999371
  prnot3_bar |  -1.267067   4.355766    -0.29   0.771    -9.804213    7.270078
  prnot3_cen |   3.664468   .1828476    20.04   0.000     3.306094    4.022843
 wc_cent_bar |   -2.00478   1.944146    -1.03   0.302    -5.815237    1.805677
 wc_cent_cen |   .5898463   .4628219     1.27   0.203    -.3172679    1.496961
inter_part~r |  -7.066706   5.254272    -1.34   0.179    -17.36489    3.231478
inter_part~n |  -1.312153   .6327999    -2.07   0.038    -2.552418   -.0718875
gov_left12~r |  -20.00466   8.904847    -2.25   0.025    -37.45784   -2.551478
gov_left12~n |  -.2515746   .3835405    -0.66   0.512      -1.0033    .5001509
  kaopen_bar |    21.7348   10.55499     2.06   0.039     1.047406     42.4222
  sstran_bar |     1.1741   .5825789     2.02   0.044     .0322667    2.315934
       _cons |   28.29881   11.13606     2.54   0.011     6.472544    50.12508
------------------------------------------------------------------------------

------------------------------------------------------------------------------
                             |               Robust
  Random-effects Parameters  |   Estimate   Std. Err.     [95% Conf. Interval]
-----------------------------+------------------------------------------------
cc: Unstructured             |
            var(wc_cent_cen) |     .40201   .4568412      .0433449    3.728516
                  var(_cons) |   39.77889   11.63157      22.42624    70.55841
      cov(wc_cent_cen,_cons) |  -3.998939   2.681974     -9.255511    1.257634
-----------------------------+------------------------------------------------
               var(Residual) |   14.69744   2.342289      10.75445    20.08609
------------------------------------------------------------------------------
(est1 stored)


Conditional intraclass correlation

------------------------------------------------------------------------------
                       Level |        ICC   Std. Err.     [95% Conf. Interval]
-----------------------------+------------------------------------------------
                          cc |    .730205   .0645258      .5875169    .8372102
------------------------------------------------------------------------------
```

```
Note: ICC is conditional on zero values of random-effects covariates.


 ( 1)  [dividend]wc_cent_cen + [dividend]inter_party_scale_cen = 0

------------------------------------------------------------------------------
    dividend |      Coef.   Std. Err.      z    P>|z|     [95% Conf. Interval]
-------------+----------------------------------------------------------------
         (1) |  -.7223062   .3778881    -1.91   0.056    -1.462953    .0183409
------------------------------------------------------------------------------


 ( 1)  [dividend]wc_cent_bar + [dividend]inter_party_scale_bar = 0

------------------------------------------------------------------------------
    dividend |      Coef.   Std. Err.      z    P>|z|     [95% Conf. Interval]
-------------+----------------------------------------------------------------
         (1) |  -9.071485   4.791925    -1.89   0.058    -18.46349     .320515
------------------------------------------------------------------------------


Performing EM optimization:

Performing gradient-based optimization:

Iteration 0:   log pseudolikelihood = -1748.6919
Iteration 1:   log pseudolikelihood = -1748.1316
Iteration 2:   log pseudolikelihood = -1748.1293
Iteration 3:   log pseudolikelihood = -1748.1293

Computing standard errors:

Mixed-effects regression                        Number of obs     =        620
Group variable: cc                              Number of groups  =         21

                                                Obs per group:
                                                              min =         14
                                                              avg =       29.5
                                                              max =         33

                                                Wald chi2(19)     =  165085.31
Log pseudolikelihood = -1748.1293               Prob > chi2       =     0.0000

                                  (Std. Err. adjusted for 21 clusters in cc)
------------------------------------------------------------------------------
             |               Robust
    dividend |      Coef.   Std. Err.      z    P>|z|     [95% Conf. Interval]
-------------+----------------------------------------------------------------
lag_divide~n |   .8348471   .0167805    49.75   0.000     .8019579    .8677364
   party_bar |   12.37925   4.930089     2.51   0.012     2.716458    22.04205
   party_cen |  -4.836944   1.014129    -4.77   0.000    -6.824601   -2.849287
  prnot3_bar |   2.666667   3.911978     0.68   0.495    -5.000669      10.334
  prnot3_cen |   5.375552   .5831122     9.22   0.000     4.232673     6.51843
 wc_cent_bar |  -4.970338   1.982019    -2.51   0.012    -8.855023   -1.085653
```

```
 wc_cent_cen |    .667904   .5703998     1.17   0.242     -.450059    1.785867
inter_part~r |  -.4554392   5.024418    -0.09   0.928    -10.30312     9.39224
inter_part~n |  -1.612957   .7345421    -2.20   0.028    -3.052633   -.1732807
gov_left12~r |  -26.69491   8.645185    -3.09   0.002    -43.63916   -9.750655
gov_left12~n |   -.317999   .3663068    -0.87   0.385    -1.035947    .3999491
 lfirstp_cen |  -.7176545   .3286753    -2.18   0.029    -1.361846   -.0734628
    lfed_cen |   26.61154   18.51292     1.44   0.151    -9.673122     62.8962
  kaopen_cen |  -.1279781   1.698131    -0.08   0.940    -3.456254    3.200298
  openc2_cen |    2.31182   1.504093     1.54   0.124    -.6361474    5.259787
  sstran_cen |    .165098   .1464226     1.13   0.260    -.1218849     .452081
      eu_cen |   .1467779   .5413822     0.27   0.786    -.9143117    1.207867
     emu_cen |     -1.741   .5656609    -3.08   0.002    -2.849675   -.6323248
interest_cen |   .1555098   .0714977     2.18   0.030     .0153769    .2956426
       _cons |   57.33038   2.905056    19.73   0.000     51.63658    63.02418
------------------------------------------------------------------------------

------------------------------------------------------------------------------
                             |               Robust
  Random-effects Parameters  |   Estimate   Std. Err.      [95% Conf. Interval]
-----------------------------+------------------------------------------------
cc: Unstructured             |
            var(wc_cent_cen) |    .574772   .5953415        .07548    4.376826
                  var(_cons) |   50.15253   13.29383      29.83091    84.31778
      cov(wc_cent_cen,_cons) |   -5.36901   3.246433      -11.7319    .9938827
-----------------------------+------------------------------------------------
               var(Residual) |   14.05463   2.347182       10.1313    19.49727
------------------------------------------------------------------------------
(est2 stored)


Conditional intraclass correlation

------------------------------------------------------------------------------
                       Level |        ICC   Std. Err.      [95% Conf. Interval]
-----------------------------+------------------------------------------------
                          cc |   .7811049   .0550285      .6550516     .870221
------------------------------------------------------------------------------
Note: ICC is conditional on zero values of random-effects covariates.


 ( 1)  [dividend]wc_cent_cen + [dividend]inter_party_scale_cen = 0

------------------------------------------------------------------------------
    dividend |      Coef.   Std. Err.      z    P>|z|     [95% Conf. Interval]
-------------+----------------------------------------------------------------
         (1) |  -.9450528   .4399193    -2.15   0.032    -1.807279   -.0828268
------------------------------------------------------------------------------

(17 missing values generated)

(620 real changes made)

(17 missing values generated)
```

```
(47 missing values generated)

(15 missing values generated)

(generated variables: triple_party_scale_ko_cen)

(47 missing values generated)

(generated variables: inflation_cen)

(12 missing values generated)

(generated variables: unemp_cen)

(12 missing values generated)



Performing EM optimization:

Performing gradient-based optimization:

Iteration 0:   log pseudolikelihood = -161.12496
Iteration 1:   log pseudolikelihood = -160.86872
Iteration 2:   log pseudolikelihood =  -160.8659
Iteration 3:   log pseudolikelihood = -160.86582
numerical derivatives are approximate
nearby values are missing
Iteration 4:   log pseudolikelihood = -160.86582

Computing standard errors:

Mixed-effects regression                        Number of obs     =        263
Group variable: cc                              Number of groups  =         21

                                                Obs per group:
                                                              min =          5
                                                              avg =       12.5
                                                              max =         18

                                                Wald chi2(9)      =    3392.54
Log pseudolikelihood = -160.86582               Prob > chi2       =     0.0000

                                  (Std. Err. adjusted for 21 clusters in cc)
------------------------------------------------------------------------------
             |               Robust
    rightgov |      Coef.   Std. Err.      z    P>|z|     [95% Conf. Interval]
-------------+----------------------------------------------------------------
   party_bar |  -.0478766   .1773645    -0.27   0.787    -.3955047    .2997514
   party_cen |  -.1763198   .2043468    -0.86   0.388    -.5768322    .2241927
  prnot3_bar |  -.2009433   .2027784    -0.99   0.322    -.5983816    .1964951
  prnot3_cen |  -.1672681   .0658512    -2.54   0.011    -.2963341   -.0382021
 wc_cent_bar |   .0326523   .0761521     0.43   0.668    -.1166031    .1819078
 wc_cent_cen |  -.0749433   .0519482    -1.44   0.149    -.1767599    .0268733
```

```
  kaopen_cen |  -.2444803   .1245106    -1.96   0.050    -.4885166    -.000444
inter_part~n |  -.1680941   .0989894    -1.70   0.089    -.3621098    .0259216
triple~o_cen |   .4328367   .1182453     3.66   0.000     .2010801    .6645932
       _cons |    .708581    .119387     5.94   0.000     .4745868    .9425753
------------------------------------------------------------------------------

------------------------------------------------------------------------------
                             |               Robust
  Random-effects Parameters  |   Estimate   Std. Err.     [95% Conf. Interval]
-----------------------------+------------------------------------------------
cc: Unstructured             |
             var(kaopen_cen) |   .0044943   .0189203      1.17e-06    17.22281
                  var(_cons) |    .034774   .0164133      .0137875    .0877045
       cov(kaopen_cen,_cons) |  -.0125013   .0270429     -.0655045    .0405018
-----------------------------+------------------------------------------------
               var(Residual) |   .1803924   .0208684      .1437965    .2263018
------------------------------------------------------------------------------
(est1 stored)


 ( 1)  .25*[rightgov]kaopen_cen + .5*[rightgov]triple_party_scale_ko_cen = 0

------------------------------------------------------------------------------
    rightgov |      Coef.   Std. Err.      z    P>|z|     [95% Conf. Interval]
-------------+----------------------------------------------------------------
         (1) |   .1552983   .0582763     2.66   0.008     .0410788    .2695177
------------------------------------------------------------------------------


Performing EM optimization:

Performing gradient-based optimization:

Iteration 0:   log pseudolikelihood = -159.18626
Iteration 1:   log pseudolikelihood = -158.94879
Iteration 2:   log pseudolikelihood = -158.94832
Iteration 3:   log pseudolikelihood = -158.94831

Computing standard errors:

Mixed-effects regression                        Number of obs     =        263
Group variable: cc                              Number of groups  =         21

                                                Obs per group:
                                                              min =          5
                                                              avg =       12.5
                                                              max =         18

                                                Wald chi2(13)     =   41278.60
Log pseudolikelihood = -158.94831               Prob > chi2       =     0.0000

                                  (Std. Err. adjusted for 21 clusters in cc)
------------------------------------------------------------------------------
             |               Robust
```

```
    rightgov |      Coef.   Std. Err.      z    P>|z|     [95% Conf. Interval]
-------------+----------------------------------------------------------------
   party_bar |   .0369262   .1646457     0.22   0.823    -.2857734    .3596259
   party_cen |  -.1901224   .2104837    -0.90   0.366    -.6026628    .2224181
  prnot3_bar |  -.0715713   .1781797    -0.40   0.688    -.4207971    .2776545
  prnot3_cen |  -.1652471   .0749362    -2.21   0.027    -.3121194   -.0183748
 wc_cent_bar |  -.0136648   .0765785    -0.18   0.858    -.1637559    .1364263
 wc_cent_cen |   -.074142   .0513441    -1.44   0.149    -.1747747    .0264906
  kaopen_cen |  -.2730046   .1684596    -1.62   0.105    -.6031794    .0571702
inter_part~n |  -.1768925   .0972187    -1.82   0.069    -.3674376    .0136527
triple~o_cen |   .4411853   .1209042     3.65   0.000     .2042175    .6781531
inflation_~r |   .0072162   .0261138     0.28   0.782    -.0439658    .0583982
   unemp_bar |  -.0390518   .0214306    -1.82   0.068    -.0810551    .0029515
inflation_~n |   -.001527   .0067726    -0.23   0.822     -.014801     .011747
   unemp_cen |   .0004392   .0132422     0.03   0.974    -.0255149    .0263934
       _cons |   .8711686   .1790389     4.87   0.000     .5202587    1.222078
------------------------------------------------------------------------------

------------------------------------------------------------------------------
                             |               Robust
  Random-effects Parameters  |   Estimate   Std. Err.     [95% Conf. Interval]
-----------------------------+------------------------------------------------
cc: Unstructured             |
             var(kaopen_cen) |   2.35e-06   .0004282      1.5e-161    3.8e+149
                  var(_cons) |   .0278936   .0117907      .0121815    .0638718
       cov(kaopen_cen,_cons) |  -.0002559    .023353      -.046027    .0455151
-----------------------------+------------------------------------------------
               var(Residual) |   .1800571   .0206952      .1437394    .2255509
------------------------------------------------------------------------------
(est2 stored)


 ( 1)  .25*[rightgov]kaopen_cen + .5*[rightgov]triple_party_scale_ko_cen = 0

------------------------------------------------------------------------------
    rightgov |      Coef.   Std. Err.      z    P>|z|     [95% Conf. Interval]
-------------+----------------------------------------------------------------
         (1) |   .1523415   .0579114     2.63   0.009     .0388373    .2658457
------------------------------------------------------------------------------


Performing EM optimization:

Performing gradient-based optimization:

Iteration 0:   log pseudolikelihood = -118.54545
Iteration 1:   log pseudolikelihood = -118.26647
Iteration 2:   log pseudolikelihood = -118.25845
Iteration 3:   log pseudolikelihood = -118.25839
Iteration 4:   log pseudolikelihood = -118.25839

Computing standard errors:

Mixed-effects regression                        Number of obs     =        263
```

```
Group variable: cc                              Number of groups  =         21

                                                Obs per group:
                                                              min =          5
                                                              avg =       12.5
                                                              max =         18

                                                Wald chi2(9)      =    4141.73
Log pseudolikelihood = -118.25839               Prob > chi2       =     0.0000

                                  (Std. Err. adjusted for 21 clusters in cc)
------------------------------------------------------------------------------
             |               Robust
 gov_right12 |      Coef.   Std. Err.      z    P>|z|     [95% Conf. Interval]
-------------+----------------------------------------------------------------
   party_bar |  -.3670417   .1873319    -1.96   0.050    -.7342055    .0001221
   party_cen |  -.2823703    .185416    -1.52   0.128    -.6457789    .0810383
  prnot3_bar |  -.2470298   .1668569    -1.48   0.139    -.5740633    .0800038
  prnot3_cen |  -.1592264    .071308    -2.23   0.026    -.2989875   -.0194654
 wc_cent_bar |   .0713232   .0693995     1.03   0.304    -.0646974    .2073438
 wc_cent_cen |  -.0384524   .0589632    -0.65   0.514    -.1540182    .0771133
  kaopen_cen |  -.1065811   .1182847    -0.90   0.368    -.3384148    .1252527
inter_part~n |  -.1135488   .0785012    -1.45   0.148    -.2674084    .0403107
triple~o_cen |   .2954664   .1030036     2.87   0.004     .0935831    .4973497
       _cons |   .6263771   .1139083     5.50   0.000     .4031209    .8496332
------------------------------------------------------------------------------

------------------------------------------------------------------------------
                             |              Robust
  Random-effects Parameters  |   Estimate   Std. Err.     [95% Conf. Interval]
-----------------------------+------------------------------------------------
cc: Unstructured             |
             var(kaopen_cen) |    .004037   .0133597      6.15e-06    2.648112
                  var(_cons) |   .0221221   .0099315      .0091767     .053329
       cov(kaopen_cen,_cons) |  -.0094502   .0157368     -.0402937    .0213933
-----------------------------+------------------------------------------------
               var(Residual) |   .1314087        .02      .0975155     .177082
------------------------------------------------------------------------------
(est3 stored)


 ( 1)  .25*[gov_right12]kaopen_cen + .5*[gov_right12]triple_party_scale_ko_cen
       = 0

------------------------------------------------------------------------------
 gov_right12 |      Coef.   Std. Err.      z    P>|z|     [95% Conf. Interval]
-------------+----------------------------------------------------------------
         (1) |   .1210879   .0421706     2.87   0.004      .038435    .2037409
------------------------------------------------------------------------------


Performing EM optimization:

Performing gradient-based optimization:
```

```
Iteration 0:   log pseudolikelihood =  -114.6798
Iteration 1:   log pseudolikelihood = -114.43713
Iteration 2:   log pseudolikelihood = -114.42981
Iteration 3:   log pseudolikelihood = -114.42894
Iteration 4:   log pseudolikelihood = -114.42894

Computing standard errors:

Mixed-effects regression                        Number of obs     =        263
Group variable: cc                              Number of groups  =         21

                                                Obs per group:
                                                              min =          5
                                                              avg =       12.5
                                                              max =         18

                                                Wald chi2(13)     =   17504.77
Log pseudolikelihood = -114.42894               Prob > chi2       =     0.0000

                                  (Std. Err. adjusted for 21 clusters in cc)
------------------------------------------------------------------------------
             |               Robust
 gov_right12 |      Coef.   Std. Err.      z    P>|z|     [95% Conf. Interval]
-------------+----------------------------------------------------------------
   party_bar |  -.3728584   .1788688    -2.08   0.037    -.7234348    -.022282
   party_cen |  -.3172202   .1890373    -1.68   0.093    -.6877264     .053286
  prnot3_bar |  -.3361877   .1513023    -2.22   0.026    -.6327347   -.0396407
  prnot3_cen |  -.1896942   .0752959    -2.52   0.012    -.3372715   -.0421169
 wc_cent_bar |   .0762978    .063368     1.20   0.229    -.0479012    .2004968
 wc_cent_cen |  -.0453943   .0558864    -0.81   0.417    -.1549296    .0641411
  kaopen_cen |  -.2229894   .1789494    -1.25   0.213    -.5737237     .127745
inter_part~n |  -.1207819   .0735567    -1.64   0.101    -.2649503    .0233865
triple~o_cen |    .318037    .102173     3.11   0.002     .1177815    .5182924
inflation_~r |   .0522055   .0165849     3.15   0.002     .0196997    .0847113
   unemp_bar |  -.0294803   .0149678    -1.97   0.049    -.0588168   -.0001439
inflation_~n |  -.0094529   .0069102    -1.37   0.171    -.0229967    .0040909
   unemp_cen |  -.0078039   .0085418    -0.91   0.361    -.0245455    .0089376
       _cons |   .5716034   .1757508     3.25   0.001     .2271381    .9160688
------------------------------------------------------------------------------

------------------------------------------------------------------------------
                             |              Robust
  Random-effects Parameters  |   Estimate   Std. Err.     [95% Conf. Interval]
-----------------------------+------------------------------------------------
cc: Unstructured             |
             var(kaopen_cen) |   .0040915   .0151689      2.86e-06    5.856911
                  var(_cons) |   .0145129   .0090088       .004299    .0489932
       cov(kaopen_cen,_cons) |  -.0077058    .014167     -.0354726    .0200611
-----------------------------+------------------------------------------------
               var(Residual) |   .1302587   .0196833      .0968683    .1751586
------------------------------------------------------------------------------
(est4 stored)
```

```
 ( 1)  .25*[gov_right12]kaopen_cen + .5*[gov_right12]triple_party_scale_ko_cen
       = 0

------------------------------------------------------------------------------
 gov_right12 |      Coef.   Std. Err.      z    P>|z|     [95% Conf. Interval]
-------------+----------------------------------------------------------------
         (1) |   .1032711   .0423781     2.44   0.015     .0202116    .1863307
------------------------------------------------------------------------------
```

```
Seemingly unrelated regression
------------------------------------------------------------------------------
Equation             Obs   Parms        RMSE    "R-sq"       chi2         P
------------------------------------------------------------------------------
con_tr               619      19    4.030582    0.6040     943.49    0.0000
dividend             619      19    7.149354    0.7218    1604.80    0.0000
------------------------------------------------------------------------------
```

```
------------------------------------------------------------------------------
             |      Coef.   Std. Err.      z    P>|z|     [95% Conf. Interval]
-------------+----------------------------------------------------------------
con_tr       |
lag_con_tr~n |   .5618933   .1373816     4.09   0.000     .2926303    .8311562
   party_bar |   6.631729   .8945723     7.41   0.000       4.8784    8.385059
   party_cen |    1.35542   2.199976     0.62   0.538    -2.956454    5.667293
  prnot3_bar |   2.767338   .7959921     3.48   0.001     1.207222    4.327453
  prnot3_cen |   1.318009   1.760833     0.75   0.454     -2.13316    4.769179
 wc_cent_bar |  -2.505517   .5006149    -5.00   0.000    -3.486704    -1.52433
 wc_cent_cen |  -.2130213   .4055913    -0.53   0.599    -1.007966    .5819232
gov_left12~r |   10.45083   1.284753     8.13   0.000     7.932765     12.9689
gov_left12~n |   .0265395   .4817987     0.06   0.956    -.9177686    .9708477
inter_part~r |   6.429041   .6526811     9.85   0.000     5.149809    7.708272
inter_part~n |   -.415789    .505155    -0.82   0.410    -1.405875    .5742967
 lfirstp_cen |  -.5804024   .4600727    -1.26   0.207    -1.482128    .3213237
    lfed_cen |  -13.25624   2.505221    -5.29   0.000    -18.16639   -8.346099
  kaopen_cen |   3.340414   1.211626     2.76   0.006     .9656696    5.715158
  openc2_cen |  -2.895662   1.777547    -1.63   0.103    -6.379589    .5882654
  sstran_cen |  -.3829576   .0954948    -4.01   0.000    -.5701239   -.1957912
      eu_cen |  -2.759473   .9655281    -2.86   0.004    -4.651873   -.8670729
     emu_cen |   .0996855   .6218966     0.16   0.873    -1.119209     1.31858
interest_cen |  -.0111219   .0679672    -0.16   0.870    -.1443353    .1220914
       _cons |   2.363756   .9152227     2.58   0.010     .5699525     4.15756
-------------+----------------------------------------------------------------
dividend     |
lag_divide~n |   .7946192   .0354431    22.42   0.000      .725152    .8640863
   party_bar |   6.291428   1.554644     4.05   0.000     3.244382    9.338473
   party_cen |  -9.258978   3.819219    -2.42   0.015    -16.74451   -1.773445
  prnot3_bar |  -2.797083   1.405049    -1.99   0.047    -5.550928   -.0432371
  prnot3_cen |  -4.392492   2.979188    -1.47   0.140    -10.23159    1.446609
 wc_cent_bar |  -1.073537   .8831104    -1.22   0.224    -2.804401     .657328
 wc_cent_cen |   .9631966   .7002868     1.38   0.169    -.4093403    2.335733
inter_part~r |  -3.873322   1.157772    -3.35   0.001    -6.142513    -1.60413
```

```
inter_part~n |  -2.637823   .8656264    -3.05   0.002     -4.33442   -.9412268
gov_left12~r |  -14.35901    2.25808    -6.36   0.000    -18.78477   -9.933254
gov_left12~n |  -.5833587   .8550268    -0.68   0.495     -2.25918    1.092463
 lfirstp_cen |  -1.331571   .8147501    -1.63   0.102    -2.928452      .26531
    lfed_cen |   8.656626   4.397939     1.97   0.049      .036824    17.27643
  kaopen_cen |  -10.13303   2.151884    -4.71   0.000    -14.35065   -5.915419
  openc2_cen |   3.033948   3.080478     0.98   0.325    -3.003678    9.071573
  sstran_cen |  -.1434518   .1656349    -0.87   0.386    -.4680902    .1811866
      eu_cen |  -1.435304   1.651418    -0.87   0.385    -4.672024    1.801416
     emu_cen |  -4.028207   1.105861    -3.64   0.000    -6.195654   -1.860759
interest_cen |   -.273162   .1312918    -2.08   0.037    -.5304891   -.0158348
       _cons |   60.16535   1.623297    37.06   0.000     56.98374    63.34695
------------------------------------------------------------------------------

Correlation matrix of residuals:

            con_tr  dividend
  con_tr    1.0000
dividend   -0.0334    1.0000

Breusch-Pagan test of independence: chi2(1) =     0.692, Pr = 0.4055
(est1 stored)


Performing EM optimization:

Performing gradient-based optimization:

Iteration 0:   log likelihood =  -434.4492
Iteration 1:   log likelihood =  -434.1038
Iteration 2:   log likelihood = -433.73466
Iteration 3:   log likelihood = -433.69928
Iteration 4:   log likelihood = -433.69886
numerical derivatives are approximate
nearby values are missing
Iteration 5:   log likelihood = -433.69886

Computing standard errors:

Mixed-effects ML regression                     Number of obs     =        524
Group variable: cc                              Number of groups  =         21

                                                Obs per group:
                                                              min =         10
                                                              avg =       25.0
                                                              max =         44

                                                Wald chi2(20)     =    2545.14
Log likelihood = -433.69886                     Prob > chi2       =     0.0000

------------------------------------------------------------------------------
      con_tr |      Coef.   Std. Err.      z    P>|z|     [95% Conf. Interval]
-------------+----------------------------------------------------------------
lag_con_tr~n |   .7517657   .0251016    29.95   0.000     .7025675    .8009639
```

```
   party_bar |   9.060704    3.07668     2.94   0.003     3.030523    15.09089
   party_cen |   .4933737   .2754188     1.79   0.073    -.0464373    1.033185
  prnot3_bar |   3.941429   2.688905     1.47   0.143    -1.328728    9.211586
  prnot3_cen |  -.2581153   .2281478    -1.13   0.258    -.7052769    .1890462
 wc_cent_bar |  -3.119113    1.33033    -2.34   0.019    -5.726512   -.5117136
 wc_cent_cen |   -.011866   .0694764    -0.17   0.864    -.1480373    .1243052
gov_left12~r |   14.57578   4.369852     3.34   0.001     6.011022    23.14053
gov_left12~n |  -.0928453   .0846175    -1.10   0.273    -.2586925     .073002
inter_part~r |   4.669684   2.416872     1.93   0.053    -.0672969    9.406666
inter_part~n |   .1850467   .1067451     1.73   0.083    -.0241699    .3942634
triple~t_cen |   -.041069   .1295449    -0.32   0.751    -.2949723    .2128343
 lfirstp_cen |  -.0083701   .0614486    -0.14   0.892    -.1288072     .112067
    lfed_cen |  -8.576706   9.699848    -0.88   0.377    -27.58806    10.43465
  kaopen_cen |   -.713057   1.869955    -0.38   0.703    -4.378101    2.951987
  openc2_cen |   .7289373   .2759921     2.64   0.008     .1880027    1.269872
  sstran_cen |  -.0313036   .0140781    -2.22   0.026    -.0588963    -.003711
      eu_cen |  -1.119886   .3680435    -3.04   0.002    -1.841238   -.3985342
     emu_cen |   .0435997   .0943866     0.46   0.644    -.1413947    .2285941
interest_cen |  -.0210435   .0111341    -1.89   0.059     -.042866    .0007789
       _cons |   .0965313   2.415607     0.04   0.968    -4.637972    4.831034
------------------------------------------------------------------------------

------------------------------------------------------------------------------
  Random-effects Parameters  |   Estimate   Std. Err.     [95% Conf. Interval]
-----------------------------+------------------------------------------------
cc: Unstructured             |
            var(wc_cent_cen) |   .0235568   .0166797      .0058805    .0943672
                  var(_cons) |   14.90545   4.747802       7.98387    27.82765
      cov(wc_cent_cen,_cons) |  -.5925578   .2668079     -1.115492   -.0696238
-----------------------------+------------------------------------------------
               var(Residual) |   .2284823   .0144266      .2018863    .2585819
------------------------------------------------------------------------------
LR test vs. linear model: chi2(3) = 1833.10               Prob > chi2 = 0.0000

Note: LR test is conservative and provided only for reference.
(est2 stored)


 ( 1)  [con_tr]wc_cent_cen + [con_tr]inter_party_scale_cen +
       [con_tr]triple_party_scale_left_cen = 0

------------------------------------------------------------------------------
      con_tr |      Coef.   Std. Err.      z    P>|z|     [95% Conf. Interval]
-------------+----------------------------------------------------------------
         (1) |   .1321117   .1134243     1.16   0.244    -.0901957    .3544192
------------------------------------------------------------------------------


Performing EM optimization:

Performing gradient-based optimization:

Iteration 0:   log pseudolikelihood = -1748.6642
Iteration 1:   log pseudolikelihood = -1748.1015
```

```
Iteration 2:   log pseudolikelihood = -1748.0537
Iteration 3:   log pseudolikelihood = -1748.0387
Iteration 4:   log pseudolikelihood = -1748.0386
Iteration 5:   log pseudolikelihood = -1748.0386
Iteration 6:   log pseudolikelihood = -1748.0386

Computing standard errors:

Mixed-effects regression                        Number of obs     =        620
Group variable: cc                              Number of groups  =         21

                                                Obs per group:
                                                              min =         14
                                                              avg =       29.5
                                                              max =         33

                                                Wald chi2(20)     =   1.68e+06
Log pseudolikelihood = -1748.0386               Prob > chi2       =     0.0000

                                  (Std. Err. adjusted for 21 clusters in cc)
------------------------------------------------------------------------------
             |               Robust
    dividend |      Coef.   Std. Err.      z    P>|z|     [95% Conf. Interval]
-------------+----------------------------------------------------------------
lag_divide~n |   .8349587   .0167488    49.85   0.000     .8021317    .8677857
   party_bar |   12.26462   4.801775     2.55   0.011     2.853313    21.67593
   party_cen |  -4.666771   1.191839    -3.92   0.000    -7.002733   -2.330809
  prnot3_bar |   2.717048   3.986607     0.68   0.496    -5.096558    10.53065
  prnot3_cen |   5.376212   .5920377     9.08   0.000      4.21584    6.536585
 wc_cent_bar |  -4.989091   2.024051    -2.46   0.014    -8.956158   -1.022025
 wc_cent_cen |   .6431065   .5859009     1.10   0.272    -.5052382    1.791451
inter_part~r |  -.3356425   5.004453    -0.07   0.947    -10.14419    9.472905
inter_part~n |  -1.473815   .7949582    -1.85   0.064    -3.031904    .0842748
triple~t_cen |  -.3249628   .5780756    -0.56   0.574     -1.45797    .8080447
gov_left12~r |  -25.94682   8.688916    -2.99   0.003    -42.97678   -8.916853
gov_left12~n |  -.1994449   .5313819    -0.38   0.707    -1.240934    .8420445
 lfirstp_cen |  -.7310915   .3355818    -2.18   0.029     -1.38882   -.0733633
    lfed_cen |   25.96607   18.73003     1.39   0.166    -10.74412    62.67626
  kaopen_cen |  -.1295402    1.70183    -0.08   0.939    -3.465065    3.205984
  openc2_cen |   2.296041    1.48756     1.54   0.123     -.619522    5.211605
  sstran_cen |   .1672284   .1451927     1.15   0.249    -.1173441    .4518008
      eu_cen |   .1186205   .5323853     0.22   0.824    -.9248355    1.162077
     emu_cen |   -1.72822   .5660083    -3.05   0.002    -2.837576    -.618864
interest_cen |   .1553825   .0717412     2.17   0.030     .0147723    .2959927
       _cons |   57.05402   3.048976    18.71   0.000     51.07814    63.02991
------------------------------------------------------------------------------

------------------------------------------------------------------------------
                             |               Robust
  Random-effects Parameters  |   Estimate   Std. Err.     [95% Conf. Interval]
-----------------------------+------------------------------------------------
cc: Unstructured             |
            var(wc_cent_cen) |   .5438572   .5876914      .0654151      4.5216
                  var(_cons) |   49.63297    13.2391       29.4253    83.71818
```

```
      cov(wc_cent_cen,_cons) |    -5.1955    3.25853      -11.5821    1.191101
-----------------------------+------------------------------------------------
               var(Residual) |   14.05591   2.344726      10.13599    19.49178
------------------------------------------------------------------------------
(est3 stored)


 ( 1)  [dividend]wc_cent_cen + [dividend]inter_party_scale_cen = 0

------------------------------------------------------------------------------
    dividend |      Coef.   Std. Err.      z    P>|z|     [95% Conf. Interval]
-------------+----------------------------------------------------------------
         (1) |   -.830708    .435668    -1.91   0.057    -1.684602    .0231855
------------------------------------------------------------------------------

(15 missing values generated)

(generated variables: triple_party_scale_KOF_cen)

(15 missing values generated)

(generated variables: KOFFiGI_cen)



Performing EM optimization:

Performing gradient-based optimization:

Iteration 0:   log pseudolikelihood = -156.16498
Iteration 1:   log pseudolikelihood = -156.16498

Computing standard errors:

Mixed-effects regression                        Number of obs     =        270
Group variable: cc                              Number of groups  =         21

                                                Obs per group:
                                                              min =         10
                                                              avg =       12.9
                                                              max =         18

                                                Wald chi2(9)      =   43025.48
Log pseudolikelihood = -156.16498               Prob > chi2       =     0.0000

                                  (Std. Err. adjusted for 21 clusters in cc)
------------------------------------------------------------------------------
             |               Robust
    rightgov |      Coef.   Std. Err.      z    P>|z|     [95% Conf. Interval]
-------------+----------------------------------------------------------------
   party_bar |   -.059817   .1737707    -0.34   0.731    -.4004013    .2807673
   party_cen |   .0848573   .1379422     0.62   0.538    -.1855045    .3552192
  prnot3_bar |  -.1371053   .2169046    -0.63   0.527    -.5622304    .2880199
```

```
  prnot3_cen |  -.1310136   .0629471    -2.08   0.037    -.2543877   -.0076395
 wc_cent_bar |   .0356364   .0764683     0.47   0.641    -.1142387    .1855116
 wc_cent_cen |  -.1073337   .0506096    -2.12   0.034    -.2065268   -.0081407
 KOFFiGI_cen |  -.0082329   .0021448    -3.84   0.000    -.0124367   -.0040292
inter_part~n |  -.5588574   .1482294    -3.77   0.000    -.8493817   -.2683331
triple~F_cen |   .0101695   .0020618     4.93   0.000     .0061285    .0142106
       _cons |   .7113339   .1174577     6.06   0.000     .4811211    .9415466
------------------------------------------------------------------------------

------------------------------------------------------------------------------
                             |               Robust
  Random-effects Parameters  |   Estimate   Std. Err.     [95% Conf. Interval]
-----------------------------+------------------------------------------------
cc: Identity                 |
                  var(_cons) |   .0408074   .0178458      .0173178    .0961576
-----------------------------+------------------------------------------------
               var(Residual) |   .1667548   .0204676      .1310996    .2121072
------------------------------------------------------------------------------
(est1 stored)


 ( 1)  25*[rightgov]KOFFiGI_cen + 50*[rightgov]triple_party_scale_KOF_cen = 0

------------------------------------------------------------------------------
    rightgov |      Coef.   Std. Err.      z    P>|z|     [95% Conf. Interval]
-------------+----------------------------------------------------------------
         (1) |   .3026535   .0922093     3.28   0.001     .1219267    .4833803
------------------------------------------------------------------------------


Performing EM optimization:

Performing gradient-based optimization:

Iteration 0:   log pseudolikelihood = -153.68891
Iteration 1:   log pseudolikelihood = -153.68891

Computing standard errors:

Mixed-effects regression                        Number of obs     =        270
Group variable: cc                              Number of groups  =         21

                                                Obs per group:
                                                              min =         10
                                                              avg =       12.9
                                                              max =         18

                                                Wald chi2(13)     =   39741.01
Log pseudolikelihood = -153.68891               Prob > chi2       =     0.0000

                                  (Std. Err. adjusted for 21 clusters in cc)
------------------------------------------------------------------------------
             |               Robust
    rightgov |      Coef.   Std. Err.      z    P>|z|     [95% Conf. Interval]
```

```
-------------+----------------------------------------------------------------
   party_bar |   .0606729   .1729301     0.35   0.726     -.278264    .3996097
   party_cen |   .0880943   .1330102     0.66   0.508    -.1726009    .3487895
  prnot3_bar |   .0122675    .170037     0.07   0.942     -.320999     .345534
  prnot3_cen |  -.1345373   .0690833    -1.95   0.051     -.269938    .0008634
 wc_cent_bar |   -.024532   .0791685    -0.31   0.757    -.1796994    .1306354
 wc_cent_cen |   -.105918    .050608    -2.09   0.036     -.205108   -.0067281
 KOFFiGI_cen |  -.0094753   .0028187    -3.36   0.001    -.0149998   -.0039507
inter_part~n |  -.5722971   .1508287    -3.79   0.000    -.8679158   -.2766784
triple~F_cen |   .0103087   .0020543     5.02   0.000     .0062823     .014335
inflation_~r |   .0018374   .0244823     0.08   0.940    -.0461471    .0498219
   unemp_bar |   -.041162   .0216999    -1.90   0.058     -.083693    .0013689
inflation_~n |  -.0046872   .0074922    -0.63   0.532    -.0193716    .0099973
   unemp_cen |  -.0000621   .0113581    -0.01   0.996    -.0223235    .0221993
       _cons |   .8952488   .1684093     5.32   0.000     .5651727    1.225325
------------------------------------------------------------------------------

------------------------------------------------------------------------------
                             |               Robust
  Random-effects Parameters  |   Estimate   Std. Err.      [95% Conf. Interval]
-----------------------------+------------------------------------------------
cc: Identity                 |
                  var(_cons) |   .0305567   .0116462      .0144772    .0644954
-----------------------------+------------------------------------------------
               var(Residual) |   .1664091   .0203371      .1309637     .211448
------------------------------------------------------------------------------
(est2 stored)


 ( 1)  25*[rightgov]KOFFiGI_cen + 50*[rightgov]triple_party_scale_KOF_cen = 0

------------------------------------------------------------------------------
    rightgov |      Coef.   Std. Err.      z    P>|z|     [95% Conf. Interval]
-------------+----------------------------------------------------------------
         (1) |   .2785517    .100721     2.77   0.006     .0811423    .4759611
------------------------------------------------------------------------------


Performing EM optimization:

Performing gradient-based optimization:

Iteration 0:   log pseudolikelihood = -114.95777
Iteration 1:   log pseudolikelihood = -114.95777

Computing standard errors:

Mixed-effects regression                        Number of obs     =        270
Group variable: cc                              Number of groups  =         21

                                                Obs per group:
                                                              min =         10
                                                              avg =       12.9
                                                              max =         18
```

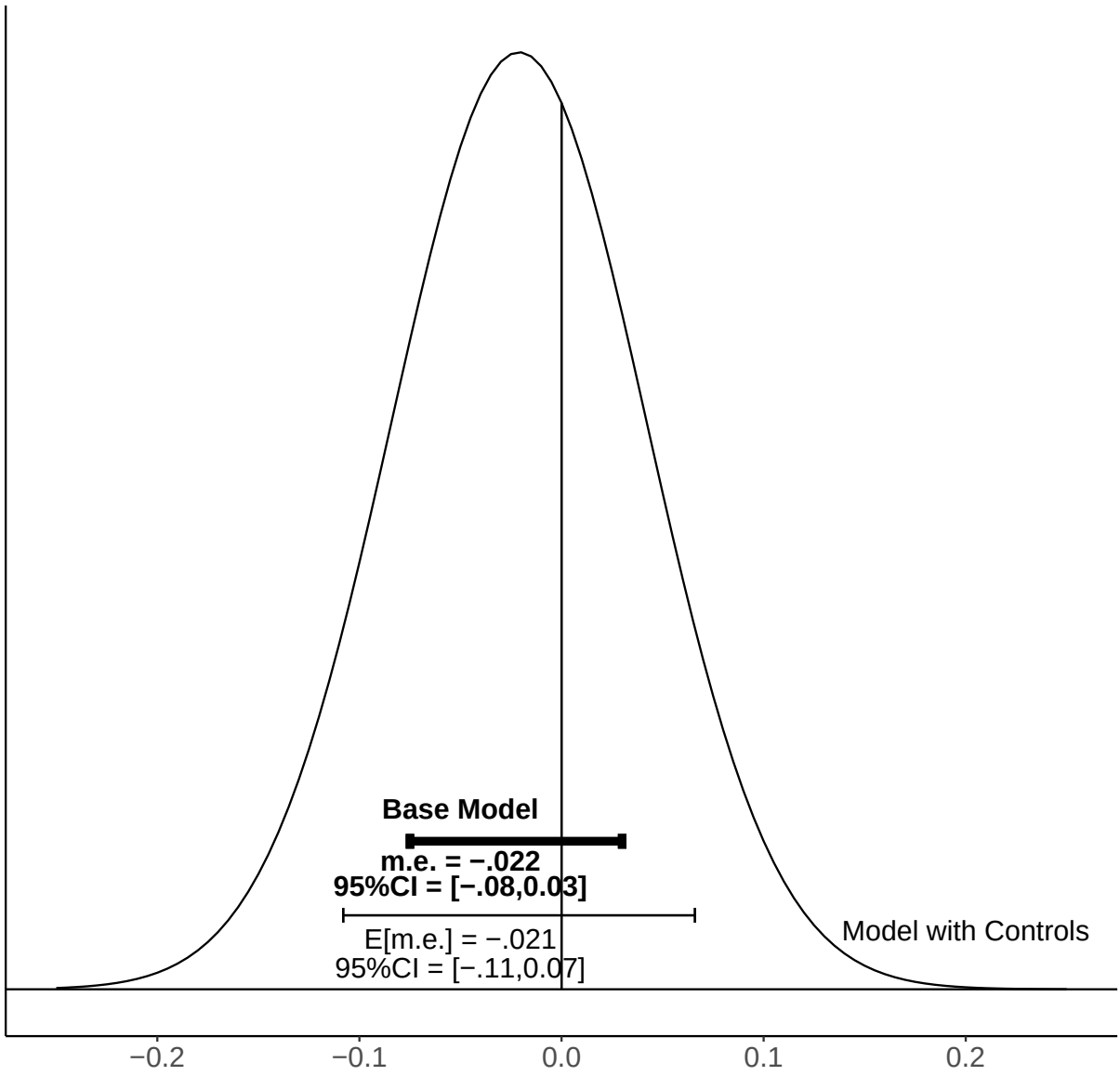
```
                                                Wald chi2(9)      =   93739.72
Log pseudolikelihood = -114.95777               Prob > chi2       =     0.0000

                                  (Std. Err. adjusted for 21 clusters in cc)
------------------------------------------------------------------------------
             |               Robust
 gov_right12 |      Coef.   Std. Err.      z    P>|z|     [95% Conf. Interval]
-------------+----------------------------------------------------------------
   party_bar |  -.3821385   .1941528    -1.97   0.049     -.762671    -.001606
   party_cen |  -.1259942   .1361089    -0.93   0.355    -.3927627    .1407744
  prnot3_bar |  -.2317964   .1757759    -1.32   0.187    -.5763107     .112718
  prnot3_cen |  -.1562252   .0744611    -2.10   0.036    -.3021663   -.0102841
 wc_cent_bar |   .0729764   .0723954     1.01   0.313     -.068916    .2148688
 wc_cent_cen |  -.0596078    .057074    -1.04   0.296    -.1714708    .0522553
 KOFFiGI_cen |  -.0043163   .0021785    -1.98   0.048    -.0085861   -.0000466
inter_part~n |  -.3529452   .1253535    -2.82   0.005    -.5986334   -.1072569
triple~F_cen |   .0065295   .0017536     3.72   0.000     .0030925    .0099665
       _cons |   .6317613   .1170013     5.40   0.000     .4024429    .8610796
------------------------------------------------------------------------------

------------------------------------------------------------------------------
                             |               Robust
  Random-effects Parameters  |   Estimate   Std. Err.     [95% Conf. Interval]
-----------------------------+------------------------------------------------
cc: Identity                 |
                  var(_cons) |   .0231639   .0104767      .0095461     .056208
-----------------------------+------------------------------------------------
               var(Residual) |   .1248336   .0201002      .0910489    .1711544
------------------------------------------------------------------------------
(est3 stored)


 ( 1)  25*[gov_right12]KOFFiGI_cen + 50*[gov_right12]triple_party_scale_KOF_cen
       = 0

------------------------------------------------------------------------------
 gov_right12 |      Coef.   Std. Err.      z    P>|z|     [95% Conf. Interval]
-------------+----------------------------------------------------------------
         (1) |   .2185676    .055609     3.93   0.000      .109576    .3275592
------------------------------------------------------------------------------


Performing EM optimization:

Performing gradient-based optimization:

Iteration 0:   log pseudolikelihood =  -110.7324
Iteration 1:   log pseudolikelihood =  -110.7324

Computing standard errors:

Mixed-effects regression                        Number of obs     =        270
Group variable: cc                              Number of groups  =         21
```

```
                                                Obs per group:
                                                              min =         10
                                                              avg =       12.9
                                                              max =         18

                                                Wald chi2(13)     =  627339.38
Log pseudolikelihood =  -110.7324               Prob > chi2       =     0.0000

                                  (Std. Err. adjusted for 21 clusters in cc)
------------------------------------------------------------------------------
             |               Robust
 gov_right12 |      Coef.   Std. Err.      z    P>|z|     [95% Conf. Interval]
-------------+----------------------------------------------------------------
   party_bar |  -.3786468   .1888778    -2.00   0.045    -.7488405   -.0084531
   party_cen |  -.1291239   .1290899    -1.00   0.317    -.3821355    .1238878
  prnot3_bar |  -.3011301   .1425804    -2.11   0.035    -.5805827   -.0216776
  prnot3_cen |  -.1802316   .0789279    -2.28   0.022    -.3349274   -.0255358
 wc_cent_bar |   .0751101    .067542     1.11   0.266    -.0572698    .2074899
 wc_cent_cen |  -.0663719   .0549012    -1.21   0.227    -.1739762    .0412325
 KOFFiGI_cen |  -.0067908   .0029166    -2.33   0.020    -.0125072   -.0010744
inter_part~n |  -.3765948   .1257958    -2.99   0.003      -.62315   -.1300396
triple~F_cen |    .006912   .0017129     4.04   0.000     .0035547    .0102693
inflation_~r |   .0524932   .0138244     3.80   0.000     .0253979    .0795884
   unemp_bar |  -.0303078   .0143333    -2.11   0.034    -.0584005   -.0022151
inflation_~n |  -.0110622   .0060351    -1.83   0.067    -.0228908    .0007664
   unemp_cen |  -.0070358   .0084676    -0.83   0.406    -.0236319    .0095604
       _cons |   .5757237   .1613378     3.57   0.000     .2595074      .89194
------------------------------------------------------------------------------

------------------------------------------------------------------------------
                             |               Robust
  Random-effects Parameters  |   Estimate   Std. Err.     [95% Conf. Interval]
-----------------------------+------------------------------------------------
cc: Identity                 |
                  var(_cons) |   .0156569    .009379      .0048395    .0506531
-----------------------------+------------------------------------------------
               var(Residual) |   .1233695   .0195949      .0903672    .1684244
------------------------------------------------------------------------------
(est4 stored)


 ( 1)  25*[gov_right12]KOFFiGI_cen + 50*[gov_right12]triple_party_scale_KOF_cen
       = 0

------------------------------------------------------------------------------
 gov_right12 |      Coef.   Std. Err.      z    P>|z|     [95% Conf. Interval]
-------------+----------------------------------------------------------------
         (1) |   .1758307   .0611721     2.87   0.004     .0559357    .2957258
------------------------------------------------------------------------------
```

FIGURES 6-9 (TEXT)

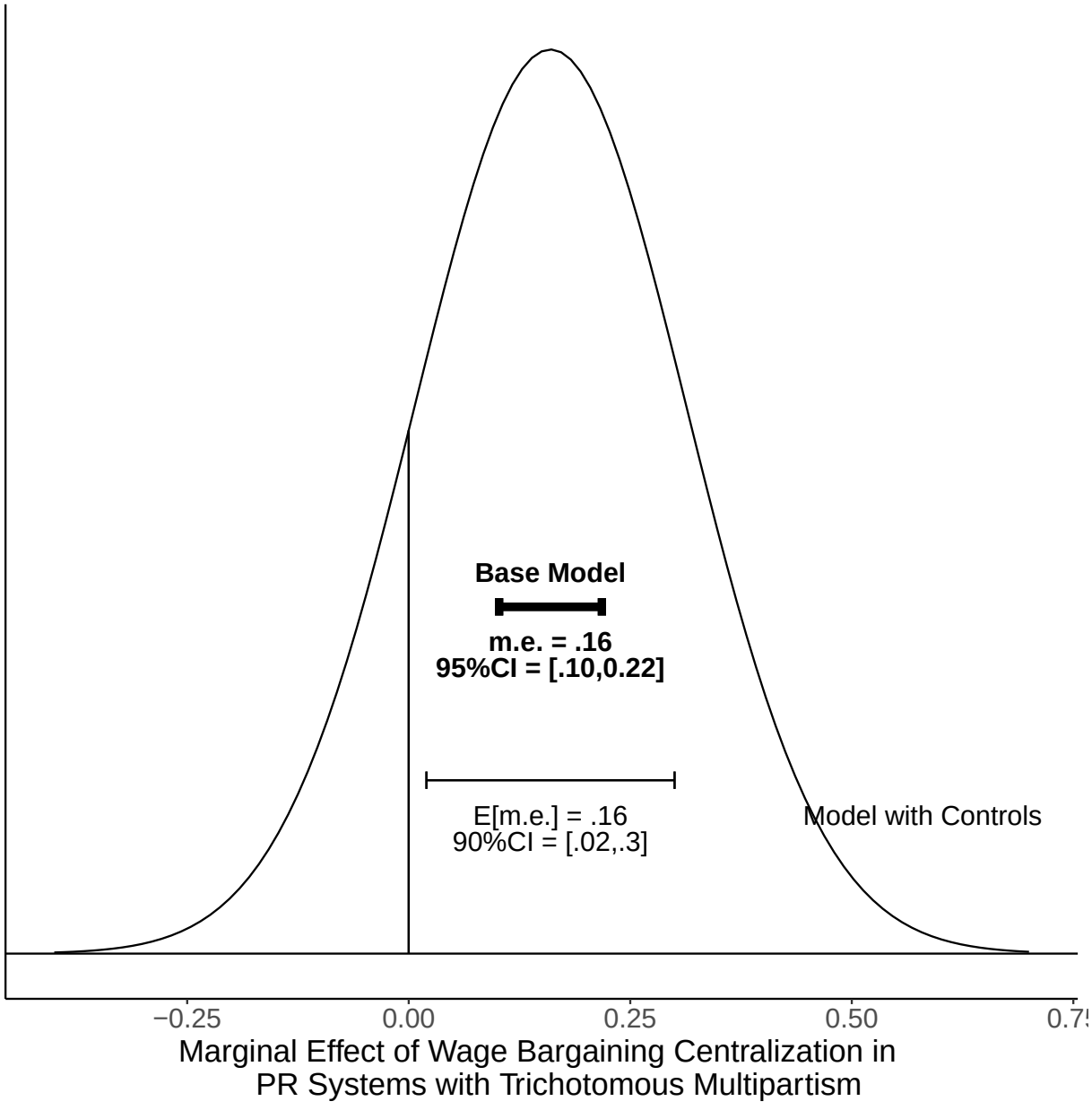
```
theme_set(theme_classic())
con1 <- ggplot(data = data.frame(x = c(-0.25, 0.25)),
```

```
    aes(x)) + stat_function(fun = dnorm, args = list(mean = -0.021,
    sd = 0.063)) + ylab("") + xlab("Marginal Effect of Wage Bargaining Centralization in
    PR Systems with Trichotomous Multipartism") +
    geom_errorbarh(aes(y = 0.5, xmin = -0.108, xmax = 0.066),
        height = 0.1) + annotate("text", x = -0.05,
    y = 0.34, label = "E[m.e.] = -.021", size = 5) +
    annotate("text", x = -0.05, y = 0.15, label = "95%CI = [-.11,0.07]",
        size = 5) + geom_errorbarh(aes(y = 1, xmin = -0.075,
    xmax = 0.03), size = 2, height = 0.1) + annotate("text",
    x = -0.05, y = 0.87, label = "m.e. = -.022", fontface = 2,
    size = 5) + annotate("text", x = -0.05, y = 0.7,
    label = "95%CI = [-.08,0.03]", fontface = 2, size = 5) +
    geom_segment(x = 0, y = 0, xend = 0, yend = 5.99021) +
    geom_hline(yintercept = 0) + scale_y_continuous(breaks = NULL) +
    theme(axis.text.x = element_text(size = 14), axis.title.x = element_text(size = 16)) +
    annotate("text", x = -0.05, y = 1.22, label = "Base Model",
        size = 5, fontface = 2) + annotate("text",
    x = 0.2, y = 0.4, label = "Model with Controls",
    size = 5)
con1
```



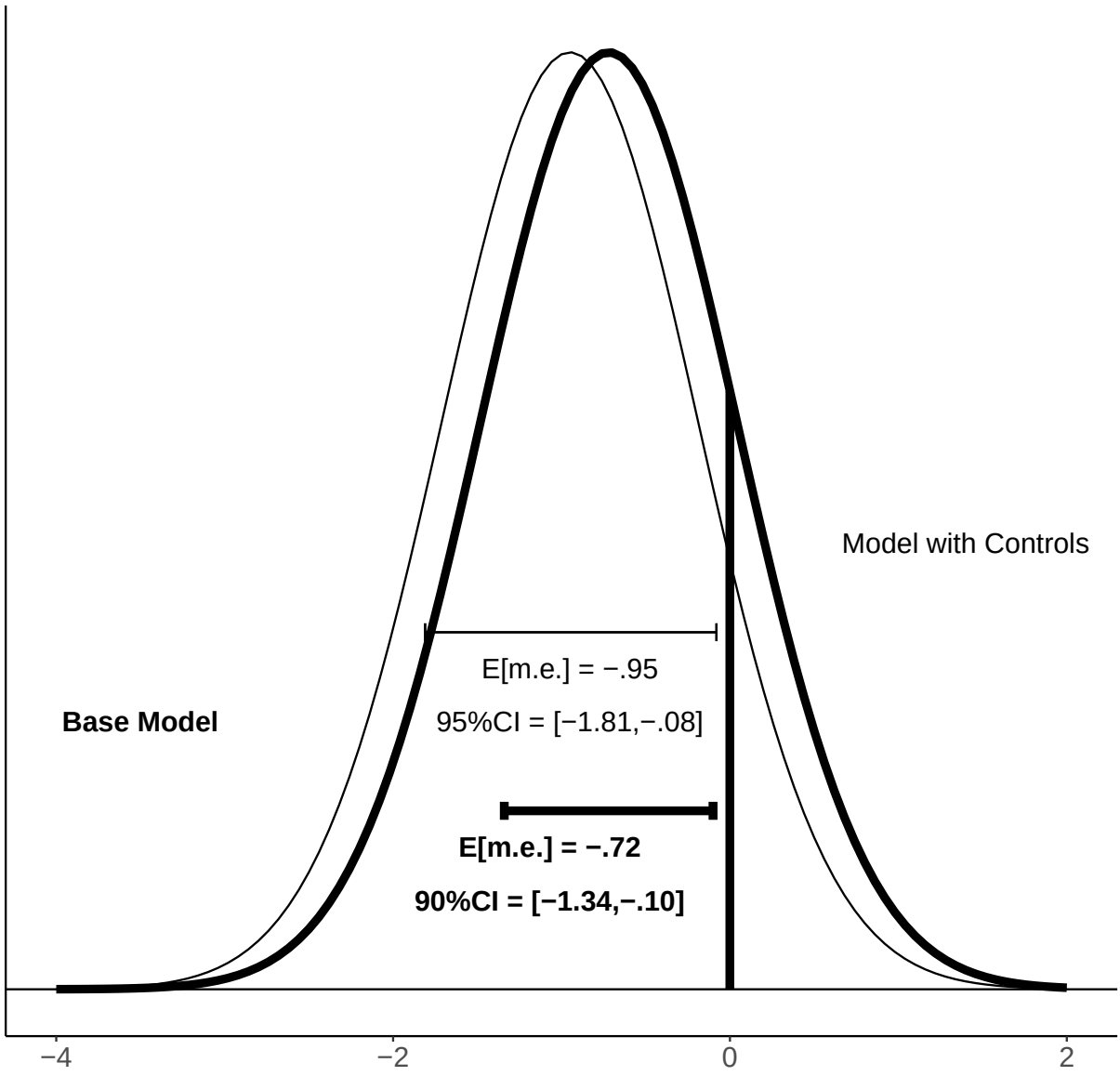

```
con2 <- ggplot(data = data.frame(x = c(-0.4, 0.7)),
    aes(x)) + stat_function(fun = dnorm, args = list(mean = 0.16,
    sd = 0.153)) + ylab("") + xlab("Marginal Effect of Wage Bargaining Centralization in
    PR Systems with Trichotomous Multipartism") +
    geom_errorbarh(aes(y = 0.5, xmin = 0.02, xmax = 0.3),
        height = 0.05) + annotate("text", x = 0.16,
    y = 0.4, label = "E[m.e.] = .16", size = 5) + annotate("text",
    x = 0.16, y = 0.325, label = "90%CI = [.02,.3]",
    size = 5) + geom_errorbarh(aes(y = 1, xmin = 0.102,
    xmax = 0.218), size = 2, height = 0.05) + annotate("text",
    x = 0.16, y = 0.9, label = "m.e. = .16", fontface = 2,
    size = 5) + annotate("text", x = 0.16, y = 0.825,
    label = "95%CI = [.10,0.22]", fontface = 2, size = 5) +
    geom_segment(x = 0, y = 0, xend = 0, yend = 1.5092013) +
```

```
    geom_hline(yintercept = 0) + scale_y_continuous(breaks = NULL) +
    theme(axis.text.x = element_text(size = 14), axis.title.x = element_text(size = 16)) +
    annotate("text", x = 0.16, y = 1.1, label = "Base Model",
        size = 5, fontface = 2) + annotate("text",
    x = 0.58, y = 0.4, label = "Model with Controls",
    size = 5)
con2
```



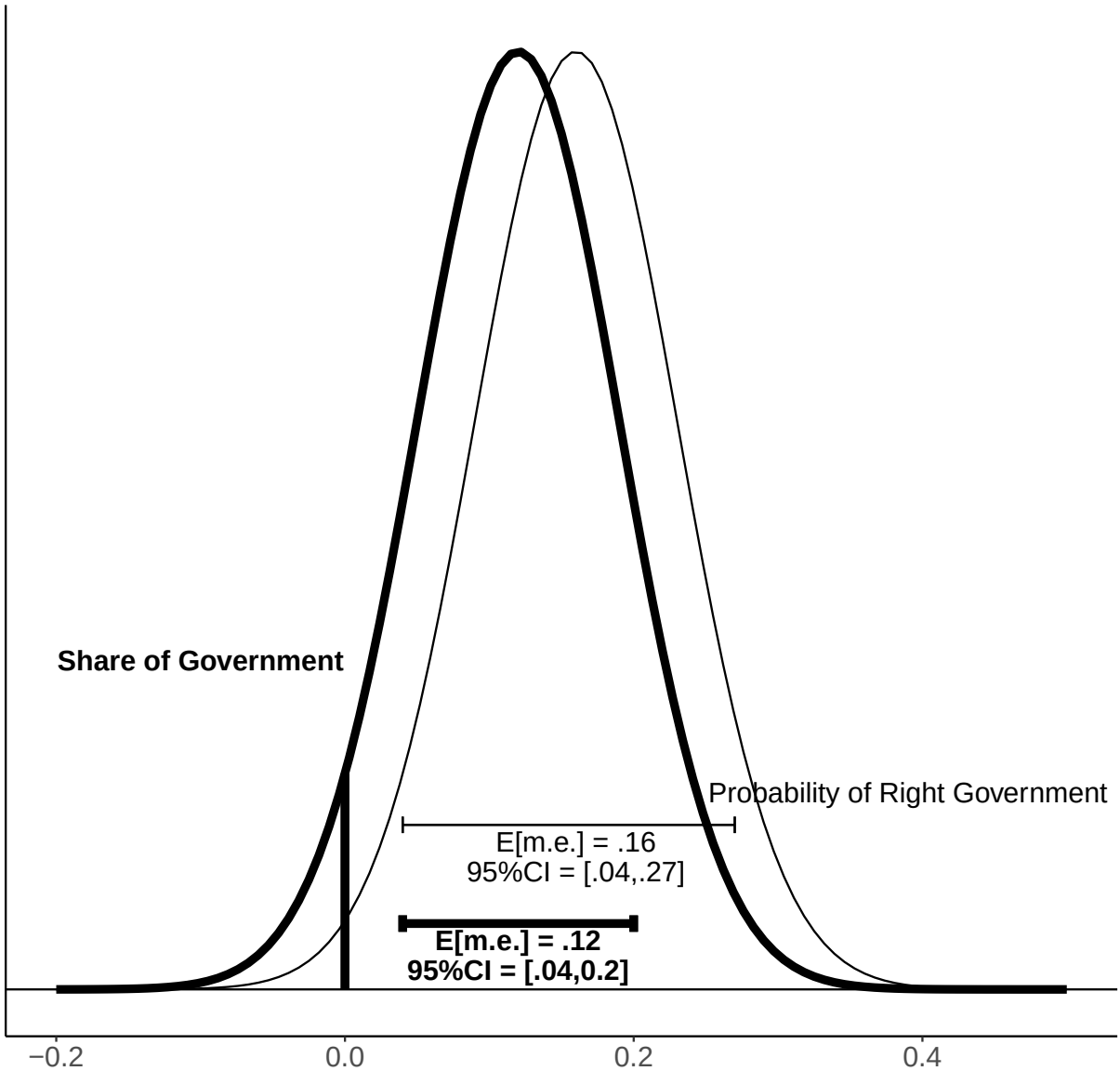

```
cap <- ggplot(data = data.frame(x = c(-4, 2)), aes(x)) +
    stat_function(fun = dnorm, args = list(mean = -0.95,
        sd = 0.76)) + stat_function(fun = dnorm, args = list(mean = -0.72,
    sd = 0.76), size = 2) + ylab("") + xlab("Marginal Effect of Wage Bargaining
  #Centralization in PR Systems with Trichotomous Multipartism") +
    geom_errorbarh(aes(y = 0.2, xmin = -1.81, xmax = -0.08),
```

```
        height = 0.01) + annotate("text", x = -0.95,
    y = 0.18, label = "E[m.e.] = -.95", size = 5) +
    annotate("text", x = -0.95, y = 0.15, label = "95%CI = [-1.81,-.08]",
        size = 5) + geom_errorbarh(aes(y = 0.1, xmin = -1.34,
    xmax = -0.1), size = 2, height = 0.01) + annotate("text",
    x = -1.07, y = 0.08, label = "E[m.e.] = -.72",
    fontface = 2, size = 5) + annotate("text", x = -1.07,
    y = 0.05, label = "90%CI = [-1.34,-.10]", fontface = 2,
    size = 5) + geom_segment(x = 0, y = 0, xend = 0,
    yend = 0.2403277) + geom_segment(x = 0, y = 0,
    xend = 0, yend = 0.335124, size = 2) + geom_hline(yintercept = 0) +
    scale_y_continuous(breaks = NULL) + theme(axis.text.x = element_text(size = 14),
    axis.title.x = element_text(size = 16)) + annotate("text",
    x = -3.5, y = 0.15, label = "Base Model", size = 5,
    fontface = 2) + annotate("text", x = 1.4, y = 0.25,
    label = "Model with Controls", size = 5)
cap
```




```
right <- ggplot(data = data.frame(x = c(-0.2, 0.5)),
    aes(x)) + stat_function(fun = dnorm, args = list(mean = 0.16,
    sd = 0.07)) + stat_function(fun = dnorm, args = list(mean = 0.12,
    sd = 0.07), size = 2) + ylab("") + xlab("Marginal Effect of Capital Account Openness
    in PR-Corporatist Systems with Trichotomous Multipartism") +
    geom_errorbarh(aes(y = 1, xmin = 0.04, xmax = 0.27),
        height = 0.1) + annotate("text", x = 0.16,
    y = 0.9, label = "E[m.e.] = .16", size = 5) + annotate("text",
    x = 0.16, y = 0.72, label = "95%CI = [.04,.27]",
    size = 5) + geom_errorbarh(aes(y = 0.4, xmin = 0.04,
    xmax = 0.2), size = 2, height = 0.1) + annotate("text",
    x = 0.12, y = 0.3, label = "E[m.e.] = .12", fontface = 2,
    size = 5) + annotate("text", x = 0.12, y = 0.12,
    label = "95%CI = [.04,0.2]", fontface = 2, size = 5) +
```

```
    geom_segment(x = 0, y = 0, xend = 0, yend = 0.4181465) +
    geom_segment(x = 0, y = 0, xend = 0, yend = 1.3111882,
        size = 2) + geom_hline(yintercept = 0) + scale_y_continuous(breaks = NULL) +
    theme(axis.text.x = element_text(size = 14), axis.title.x = element_text(size = 16)) +
    annotate("text", x = -0.1, y = 2, label = "Share of Government",
        size = 5, fontface = 2) + annotate("text",
    x = 0.39, y = 1.2, label = "Probability of Right Government",
    size = 5)
right
```



Marginal Effect of Capital Account Openness
in PR−Corporatist Systems with Trichotomous Multipartism