Table S1: Construct Validity Tests for StateHist

	(1) Roads	(2) Water	(3) Hospitals	(4) Doctors	(5) Mort5	(6) LifeExp
GDP/cap$_{60}$	5.12^	6.49**	0.56*	0.69**	−23.62**	6.80**
	(2.72)	(1.55)	(0.22)	(0.09)	(4.63)	(0.84)
Democracy	19.86^	14.98*	2.21**	0.35	−43.37*	6.59*
	(10.39)	(5.93)	(0.83)	(0.33)	(17.71)	(3.22)
TaxRev	1.41**	0.23	0.05^	0.02*	−0.34	−0.10
	(0.34)	(0.20)	(0.03)	(0.01)	(0.58)	(0.11)
StateHist	57.08**	12.26*	2.18**	1.17**	−46.17**	13.98**
	(8.18)	(4.67)	(0.65)	(0.26)	(13.95)	(2.53)
Constant	−56.50**	16.16^	−4.97**	−5.18**	286.23**	6.45
	(16.74)	(9.56)	(1.34)	(0.54)	(28.54)	(5.18)
N	98	98	96	98	98	98
R^2	0.60	0.54	0.49	0.72	0.59	0.72

^ $p < 0.10$, * $p < 0.05$, ** $p < 0.01$

Cross-sectional OLS regression with standard errors in parentheses. The dependent variables are Roads (% of roads that are paved), Water (% of population with access to an improved water source), Hospitals (number of hospital beds per 1,000 people), Doctors (number of physicians per 1,000 people), Mort5 (under-5 mortality rate), and LifeExp (level of life expectancy). The independent variables are GDP/cap$_{60}$ (log level of GDP per capita in 1960), Democracy (mean level during the period 1960-2007), TaxRev (mean level of tax revenue as a percentage of GDP over the period 1960-2007), and StateHist. These tests indicate that StateHist has a strong effect on several indicators of public service delivery even after controlling for initial country wealth, the level of democracy over a long period, and the level of tax revenue.

Table S2: Construct Validity Tests for StateHist

	(1) Roads	(2) Water	(3) Hospitals	(4) Doctors	(5) Mort5	(6) LifeExp
GDP/cap$_{60}$	−3.49	1.34	−0.11	0.29^	−0.16	2.41^
	(4.56)	(2.23)	(0.41)	(0.15)	(5.29)	(1.23)
Democracy	0.77	−2.17	1.71	−0.20	7.51	−1.12
	(13.23)	(6.47)	(1.19)	(0.45)	(15.35)	(3.58)
TaxRev	1.99**	0.24	0.04	0.01	−0.02	−0.11
	(0.48)	(0.23)	(0.04)	(0.02)	(0.56)	(0.13)
SocDev	16.90**	10.53**	0.18	0.56**	−36.36**	6.12**
	(5.72)	(2.80)	(0.51)	(0.19)	(6.63)	(1.55)
Comms	−0.30	0.04	0.03	0.00	−0.23	0.05
	(0.21)	(0.10)	(0.02)	(0.01)	(0.24)	(0.06)
StateHist	53.25**	9.78^	2.63**	0.41	−37.19**	13.87**
	(10.77)	(5.27)	(0.97)	(0.37)	(12.50)	(2.92)
Constant	21.55	62.66**	−1.20	−1.67	85.69*	40.84**
	(33.25)	(16.27)	(2.98)	(1.13)	(38.58)	(9.01)
N	57	57	57	57	57	57
R^2	0.55	0.67	0.40	0.64	0.80	0.78

^ $p < 0.10$, * $p < 0.05$, ** $p < 0.01$

Cross-sectional OLS regression with standard errors in parentheses. The dependent variables are Roads (% of roads that are paved), Water (% of population with access to an improved water source), Hospitals (number of hospital beds per 1,000 people), Doctors (number of physicians per 1,000 people), Mort5 (under-5 mortality rate), and LifeExp (level of life expectancy). The independent variables are GDP/cap$_{60}$ (log level of GDP per capita in 1960), Democracy (mean level during the period 1960-2007), TaxRev (mean level of tax revenue as a percentage of GDP over the period 1960-2007), SocDev (a measure of socioeconomic development from the 1998 article from Temple and Johnson), Comms (the extent of mass communications from Temple and Johnson), and StateHist. These tests indicate that StateHist has a strong effect on several indicators of public service delivery even after controlling for initial country wealth, the level of democracy over a long period, and the level of tax revenue.

Table S3: Robustness Tests for Growth in Capital Stock Using Annual Data

	(1)	(2)	(3)	(4)
kixwkrgrowth$_{t-1}$	0.63**	0.62**	0.52**	0.52**
	(0.02)	(0.02)	(0.02)	(0.02)
EthnicFrac	−1.11**	−1.15**	−1.39**	−1.41**
	(0.30)	(0.30)	(0.46)	(0.45)
Landlock	−0.60**	−0.60**	−0.74**	−0.72*
	(0.22)	(0.22)	(0.28)	(0.28)
TropicArea	0.10	0.09	0.17	0.14
	(0.21)	(0.21)	(0.30)	(0.30)
Gap	0.21**	0.11	0.23*	0.08
	(0.07)	(0.12)	(0.10)	(0.18)
StateHist	1.38**	0.05	1.77**	0.19
	(0.28)	(0.40)	(0.44)	(0.76)
StateHist·Gap		0.60**		0.71*
		(0.16)		(0.28)
Checks	−0.03	0.42*	−0.10	0.36
	(0.11)	(0.21)	(0.14)	(0.31)
Checks·Gap		−0.19*		−0.19^
		(0.09)		(0.11)
Constant	0.11	0.31	0.26	0.57
	(0.26)	(0.36)	(0.39)	(0.57)
N	2435	2435	2435	2435
Countries	84	84	84	84
R^2	0.45	0.46	0.49	0.49
Effects	Random	Random	FEVD	FEVD

^ $p < 0.10$, * $p < 0.05$, ** $p < 0.01$

Table S3. The dependent variable is the growth rate of capital stock per worker ($\dot{k}$). All models include time-period dummy variables to capture worldwide trends (coefficients not reported). Standard errors in parentheses.

Table S4: Robustness Tests for Productivity Growth Using Annual Data

	(1)	(2)	(3)	(4)
TFPgrowth_{t-1}	0.14**	0.14**	0.10**	0.10**
	(0.03)	(0.03)	(0.02)	(0.02)
EthnicFrac	−0.52	−0.52	−0.54	−0.54
	(0.47)	(0.47)	(0.61)	(0.61)
Landlock	−0.04	−0.08	−0.03	−0.08
	(0.34)	(0.33)	(0.39)	(0.39)
TropicArea	−1.09**	−1.08**	−1.13**	−1.11**
	(0.29)	(0.30)	(0.41)	(0.41)
Gap	0.41**	0.45*	0.42**	0.45^
	(0.11)	(0.21)	(0.14)	(0.25)
StateHist	0.37	−0.74	0.40	−0.77
	(0.43)	(0.62)	(0.59)	(1.04)
StateHist·Gap		0.50^		0.52
		(0.28)		(0.38)
Checks	0.62**	1.32**	0.64**	1.36**
	(0.18)	(0.34)	(0.20)	(0.43)
Checks·Gap		−0.30*		−0.30^
		(0.15)		(0.16)
Constant	−0.88*	−1.09*	−0.92^	−1.11
	(0.40)	(0.54)	(0.54)	(0.78)
N	2397	2397	2397	2397
Countries	84	84	84	84
R^2	0.04	0.04	0.09	0.09
Effects	Random	Random	FEVD	FEVD

^ $p < 0.10$, * $p < 0.05$, ** $p < 0.01$

Table S4. The dependent variable is the growth rate of productivity ($\dot{A}$). Standard errors in parentheses.

Table S5: Robustness Tests for Growth in Capital Stock Using 10-Year Time-Periods

	(1)	(2)	(3)	(4)
kixwkrgrowth$_{t-1}$	0.44**	0.44**	0.15^	0.17^
	(0.06)	(0.06)	(0.09)	(0.08)
EthnicFrac	−3.48*	−3.54**	−4.43**	−4.44**
	(1.35)	(1.31)	(1.68)	(1.64)
Landlock	−2.07**	−1.95*	−2.33*	−2.12*
	(0.78)	(0.80)	(1.04)	(1.04)
TropicArea	0.20	0.14	0.71	0.57
	(0.74)	(0.74)	(1.12)	(1.09)
Gap	0.83**	0.28	0.58	−0.15
	(0.28)	(0.54)	(0.43)	(0.75)
StateHist	3.53**	−1.60	5.99**	0.35
	(1.12)	(1.78)	(1.76)	(2.99)
StateHist·Gap		2.18**		2.31*
		(0.71)		(1.04)
Checks	0.55	1.82	−0.10	0.84
	(0.58)	(1.21)	(0.74)	(1.48)
Checks·Gap		−0.52		−0.36
		(0.42)		(0.50)
Constant	0.89	2.05	0.43	4.53^
	(1.24)	(1.83)	(1.71)	(2.51)
N	251	251	251	251
Countries	84	84	84	84
R^2	0.47	0.49	0.67	0.68
Effects	Random	Random	FEVD	FEVD

^ $p < 0.10$, * $p < 0.05$, ** $p < 0.01$

Table S5. The dependent variable is the growth rate of capital stock per worker ($\dot{k}$). All models include time-period dummy variables to capture worldwide trends (coefficients not reported). Standard errors in parentheses.

Table S6: Robustness Tests for Productivity Growth Using 10-Year Time-Periods

	(1)	(2)	(3)	(4)
TFPgrowth_{t-1}	−0.08	−0.08	−0.35**	−0.36**
	(0.09)	(0.09)	(0.06)	(0.06)
EthnicFrac	−1.26	−1.30	−1.57	−1.60
	(1.14)	(1.11)	(1.60)	(1.57)
Landlock	−0.34	−0.31	−0.52	−0.50
	(0.71)	(0.71)	(1.02)	(1.03)
TropicArea	−2.65**	−2.67**	−2.96**	−2.97**
	(0.69)	(0.68)	(1.08)	(1.07)
Gap	1.25**	0.99^	1.33**	1.10
	(0.31)	(0.57)	(0.40)	(0.70)
StateHist	0.87	−2.90*	1.30	−2.50
	(0.89)	(1.38)	(1.55)	(2.82)
StateHist·Gap		1.60*		1.61
		(0.66)		(0.98)
Checks	2.12**	3.46**	2.39**	3.83**
	(0.53)	(1.04)	(0.65)	(1.34)
Checks·Gap		−0.55		−0.59
		(0.38)		(0.45)
Constant	−2.16^	−1.62	−2.53	−3.77^
	(1.10)	(1.66)	(1.56)	(2.25)
N	248	248	248	248
Countries	83	83	83	83
R^2	0.22	0.24	0.64	0.64
Effects	Random	Random	FEVD	FEVD

^ $p < 0.10$, * $p < 0.05$, ** $p < 0.01$

Table S6. The dependent variable is the growth rate of productivity ($\dot{A}$). All models include time-period dummy variables to capture worldwide trends (coefficients not reported). Standard errors in parentheses.

Table S7: Robustness Tests for Growth in Capital Stock using AgEmp for Gap

	(1)	(2)	(3)	(4)
kixwkrgrowth$_{t-1}$	0.48**	0.46**	0.22**	0.23**
	(0.05)	(0.05)	(0.06)	(0.05)
EthnicFrac	−1.70**	−1.87**	−2.24**	−2.40**
	(0.53)	(0.51)	(0.74)	(0.72)
Landlock	−0.66^	−0.59	−1.00*	−0.86^
	(0.35)	(0.37)	(0.49)	(0.48)
TropicArea	0.23	0.36	0.50	0.60
	(0.33)	(0.33)	(0.48)	(0.47)
AgEmp	0.03**	0.00	0.03**	−0.00
	(0.01)	(0.01)	(0.01)	(0.02)
StateHist	1.15*	−0.33	2.29**	0.25
	(0.51)	(0.62)	(0.74)	(0.98)
StateHist·AgEmp		0.07**		0.09**
		(0.03)		(0.03)
Checks	0.15	0.59^	0.12	0.58
	(0.24)	(0.31)	(0.32)	(0.44)
Checks·AgEmp		−0.02^		−0.02
		(0.01)		(0.01)
Constant	−1.03^	−0.72	−0.96	−0.48
	(0.57)	(0.59)	(0.72)	(0.83)
N	386	386	386	386
Countries	83	83	83	83
R^2	0.46	0.48	0.63	0.63
Effects	Random	Random	FEVD	FEVD

^ $p < 0.10$, * $p < 0.05$, ** $p < 0.01$

Table S7. The dependent variable is the growth rate of capital stock per worker $\dot{k}$. All models include time-period dummy variables to capture worldwide trends (coefficients not reported). Standard errors in parentheses.

Table S8: Robustness Tests for Productivity Growth using AgEmp for Gap

	(1)	(2)	(3)	(4)
TFPgrowth$_{t-1}$	0.00	−0.02	−0.21**	−0.21**
	(0.06)	(0.07)	(0.06)	(0.06)
EthnicFrac	−0.21	−0.29	−0.26	−0.36
	(0.49)	(0.48)	(0.70)	(0.69)
Landlock	−0.09	−0.09	−0.16	−0.13
	(0.32)	(0.33)	(0.47)	(0.46)
TropicArea	−0.88**	−0.78*	−1.00*	−0.86^
	(0.32)	(0.32)	(0.45)	(0.44)
AgEmp	0.02**	0.01	0.02*	0.01
	(0.01)	(0.01)	(0.01)	(0.01)
StateHist	0.46	−0.42	0.60	−0.63
	(0.47)	(0.61)	(0.67)	(0.95)
StateHist·AgEmp		0.04^		0.06*
		(0.02)		(0.03)
Checks	0.69**	1.17**	0.78**	1.34**
	(0.23)	(0.34)	(0.30)	(0.42)
Checks·AgEmp		−0.02^		−0.02*
		(0.01)		(0.01)
Constant	−0.79	−0.90	−1.19^	−1.18
	(0.55)	(0.62)	(0.69)	(0.80)
N	379	379	379	379
Countries	82	82	82	82
R^2	0.14	0.16	0.40	0.40
Effects	Random	Random	FEVD	FEVD

^ $p < 0.10$, * $p < 0.05$, ** $p < 0.01$

Table S8. The dependent variable is the growth rate of capital stock per worker $\dot{k}$. All models include time-period dummy variables to capture worldwide trends (coefficients not reported). Standard errors in parentheses.

Table S9: Robustness Tests for Growth in Capital Stock using PolCon for Checks

	(1)	(2)	(3)	(4)
kixwkrgrowth$_{t-1}$	0.59**	0.59**	0.45**	0.45**
	(0.04)	(0.04)	(0.04)	(0.04)
EthnicFrac	−1.27**	−1.27**	−1.54*	−1.53**
	(0.47)	(0.47)	(0.60)	(0.59)
Landlock	−0.67*	−0.68*	−0.73^	−0.74^
	(0.30)	(0.30)	(0.38)	(0.38)
TropicArea	0.06	0.07	0.12	0.14
	(0.28)	(0.29)	(0.40)	(0.40)
Gap	0.41**	0.26	0.38*	0.24
	(0.14)	(0.23)	(0.19)	(0.32)
StateHist	1.09**	0.02	1.65**	0.54
	(0.41)	(0.63)	(0.60)	(1.04)
StateHist·Gap		0.56*		0.56
		(0.28)		(0.43)
PolCon	0.38	0.91	0.16	0.76
	(0.40)	(0.67)	(0.52)	(0.87)
PolCon·Gap		−0.29		−0.32
		(0.31)		(0.37)
Constant	−1.28*	−1.03	−1.05	−0.83
	(0.53)	(0.63)	(0.67)	(0.86)
N	654	654	654	654
Countries	84	84	84	84
R^2	0.53	0.53	0.59	0.59
Effects	Random	Random	FEVD	FEVD

^ $p < 0.10$, * $p < 0.05$, ** $p < 0.01$

Table S9. The dependent variable is the growth rate of capital stock per worker ($\dot{k}$). All models include time-period dummy variables to capture worldwide trends (coefficients not reported). Standard errors in parentheses.

Table S10: Robustness Tests for Productivity Growth using PolCon for Checks

	(1)	(2)	(3)	(4)
TFPgrowth_{t-1}	0.06	0.06	−0.08*	−0.08*
	(0.05)	(0.05)	(0.04)	(0.04)
EthnicFrac	−0.68	−0.68	−0.74	−0.73
	(0.44)	(0.44)	(0.59)	(0.59)
Landlock	−0.19	−0.19	−0.21	−0.22
	(0.25)	(0.25)	(0.38)	(0.39)
TropicArea	−0.72**	−0.71*	−0.80*	−0.78^
	(0.28)	(0.28)	(0.40)	(0.40)
Gap	0.53**	0.41^	0.53**	0.41
	(0.14)	(0.23)	(0.19)	(0.32)
StateHist	0.51	−0.33	0.59	−0.29
	(0.37)	(0.60)	(0.58)	(1.03)
StateHist·Gap		0.43		0.46
		(0.28)		(0.44)
PolCon	1.40**	1.78**	1.46**	1.89*
	(0.40)	(0.68)	(0.50)	(0.88)
PolCon·Gap		−0.21		−0.24
		(0.30)		(0.36)
Constant	−0.90^	−0.70	−1.12^	−0.92
	(0.51)	(0.65)	(0.65)	(0.87)
N	645	645	645	645
Countries	83	83	83	83
R^2	0.15	0.16	0.32	0.32
Effects	Random	Random	FEVD	FEVD

^ $p < 0.10$, * $p < 0.05$, ** $p < 0.01$

Table S10. The dependent variable is the growth rate of productivity ($\dot{A}$). All models include time-period dummy variables to capture worldwide trends (coefficients not reported). Standard errors in parentheses.

Table S11: Robustness Tests for Growth in Capital Stock using PolCon and AgEmp

	(1)	(2)	(3)	(4)
kixwkrgrowth$_{t-1}$	0.48**	0.46**	0.21**	0.21**
	(0.05)	(0.05)	(0.06)	(0.05)
EthnicFrac	−1.77**	−1.94**	−2.33**	−2.50**
	(0.51)	(0.50)	(0.74)	(0.72)
Landlock	−0.65^	−0.58	−1.00*	−0.85^
	(0.35)	(0.37)	(0.50)	(0.49)
TropicArea	0.22	0.37	0.50	0.63
	(0.34)	(0.34)	(0.48)	(0.48)
AgEmp	0.02**	0.00	0.02*	−0.00
	(0.01)	(0.01)	(0.01)	(0.02)
StateHist	1.18*	−0.23	2.36**	0.42
	(0.51)	(0.62)	(0.75)	(0.99)
StateHist·AgEmp		0.06**		0.08**
		(0.02)		(0.03)
PolCon	−0.15	0.79	−0.46	0.53
	(0.51)	(0.69)	(0.67)	(0.90)
PolCon·AgEmp		−0.03		−0.03
		(0.02)		(0.02)
Constant	−0.75	−0.57	−0.51	−0.16
	(0.58)	(0.62)	(0.77)	(0.88)
N	387	387	387	387
Countries	83	83	83	83
R^2	0.47	0.49	0.63	0.64
Effects	Random	Random	FEVD	FEVD

^ $p < 0.10$, * $p < 0.05$, ** $p < 0.01$

Table S11. The dependent variable is the growth rate of capital stock per worker ($\dot{k}$). All models include time-period dummy variables to capture worldwide trends (coefficients not reported). Standard errors in parentheses.

Table S12: Robustness Tests for Productivity Growth using PolCon and AgEmp

	(1)	(2)	(3)	(4)
TFPgrowth_{t-1}	0.02	−0.00	−0.21**	−0.20**
	(0.07)	(0.07)	(0.06)	(0.06)
EthnicFrac	−0.46	−0.56	−0.56	−0.67
	(0.49)	(0.49)	(0.71)	(0.70)
Landlock	−0.12	−0.09	−0.19	−0.13
	(0.32)	(0.33)	(0.48)	(0.48)
TropicArea	−0.68*	−0.57^	−0.80^	−0.66
	(0.33)	(0.33)	(0.46)	(0.46)
AgEmp	0.01^	0.01	0.01	0.00
	(0.01)	(0.01)	(0.01)	(0.02)
StateHist	0.58	−0.28	0.75	−0.48
	(0.47)	(0.61)	(0.68)	(0.96)
StateHist·AgEmp		0.04^		0.05*
		(0.02)		(0.03)
PolCon	0.68	1.51*	0.62	1.59^
	(0.52)	(0.74)	(0.63)	(0.86)
PolCon·AgEmp		−0.03		−0.03
		(0.02)		(0.02)
Constant	−0.36	−0.45	−0.60	−0.61
	(0.59)	(0.68)	(0.72)	(0.84)
N	380	380	380	380
Countries	82	82	82	82
R^2	0.12	0.14	0.39	0.40
Effects	Random	Random	FEVD	FEVD

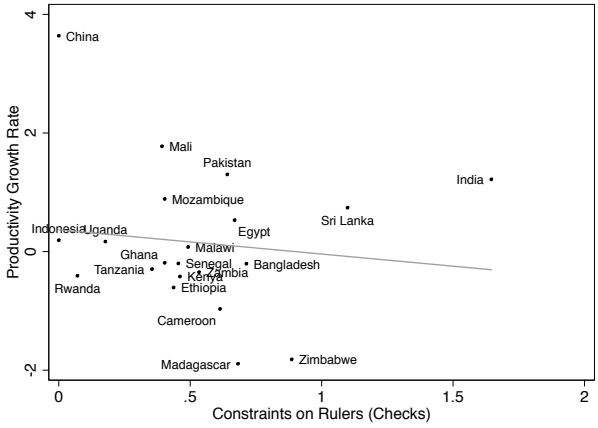
^ $p < 0.10$, * $p < 0.05$, ** $p < 0.01$

Table S12. The dependent variable is the growth rate of productivity ($\dot{A}$). All models include time-period dummy variables to capture worldwide trends (coefficients not reported). Standard errors in parentheses.

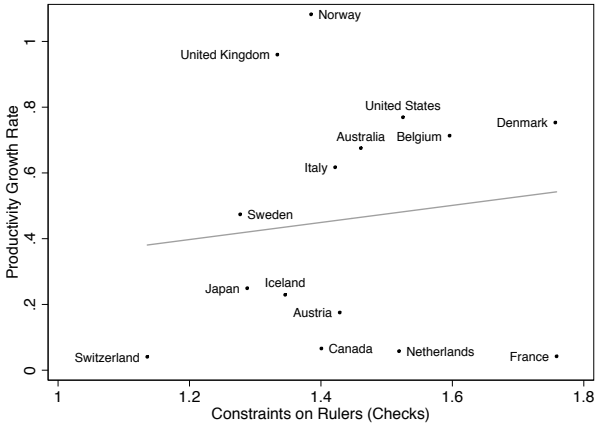
Table S13: Country Coverage

Country	Years	Country	Years
Algeria	1961-2005	Korea, South	1961-2005
Argentina	1961-2005	Madagascar	1961-2005
Australia	1961-2005	Malawi	1966-2005
Austria	1961-2005	Malaysia	1961-2005
Bangladesh	1966-2005	Mali	1961-2005
Belgium	1961-2005	Mauritius	1971-2005
Bolivia	1961-2005	Mexico	1961-2005
Brazil	1961-2005	Morocco	1961-2005
Cameroon	1961-2005	Mozambique	1976-2005
Canada	1961-2005	Netherlands	1961-2005
Chile	1961-2005	New Zealand	1961-2005
China	1961-2005	Nicaragua	1961-2005
Colombia	1961-2000	Nigeria	1961-2000
Costa Rica	1961-2005	Norway	1961-2005
Cote d'Ivoire	1961-2005	Pakistan	1961-2005
Cyprus	1961-2005	Panama	1961-2005
Denmark	1961-2005	Paraguay	1961-2005
Dominican Rep.	1961-2005	Peru	1961-2005
Ecuador	1961-2005	Philippines	1961-2005
Egypt	1961-2005	Portugal	1961-2005
El Salvador	1961-2005	Rwanda	1961-2000
Ethiopia	1961-2005	Senegal	1961-2005
Finland	1961-2005	Sierra Leone	1961-2000
France	1961-2005	Singapore	1961-2005
Germany	1980-2005	South Africa	1961-2005
Ghana	1961-2005	Spain	1961-2005
Greece	1961-2005	Sri Lanka	1961-2005
Guatemala	1961-2005	Sweden	1961-2005
Guyana	1966-2000	Switzerland	1961-2005
Haiti	1961-2000	Taiwan	1961-2000
Honduras	1961-2005	Tanzania	1961-2005
Iceland	1966-2005	Thailand	1961-2005
India	1961-2005	Trinidad-Tobago	1966-2005
Indonesia	1961-2005	Tunisia	1961-2005
Iran	1961-2005	Turkey	1961-2005
Ireland	1961-2005	Uganda	1966-2005
Israel	1961-2005	United Kingdom	1961-2005
Italy	1961-2005	United States	1961-2005
Jamaica	1961-2000	Uruguay	1961-2005
Japan	1961-2005	Venezuela	1961-2005
Jordan	1961-2005	Zambia	1966-2005
Kenya	1966-2005	Zimbabwe	1971-2005

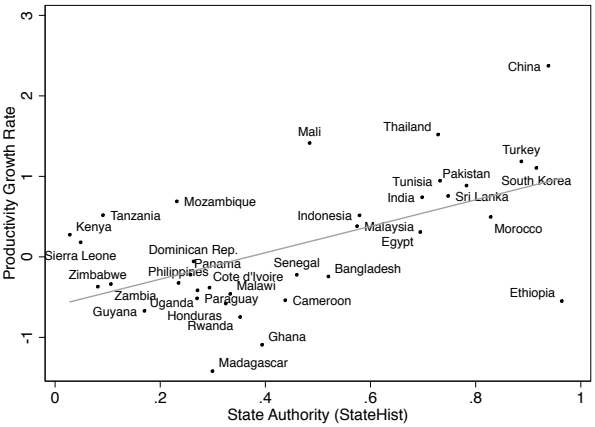
Figure S1: Productivity Growth Rate



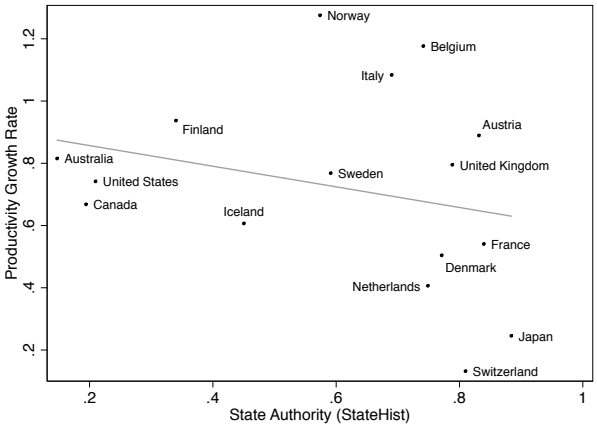
(a) Low-Income Countries



(b) Leading-Edge Countries

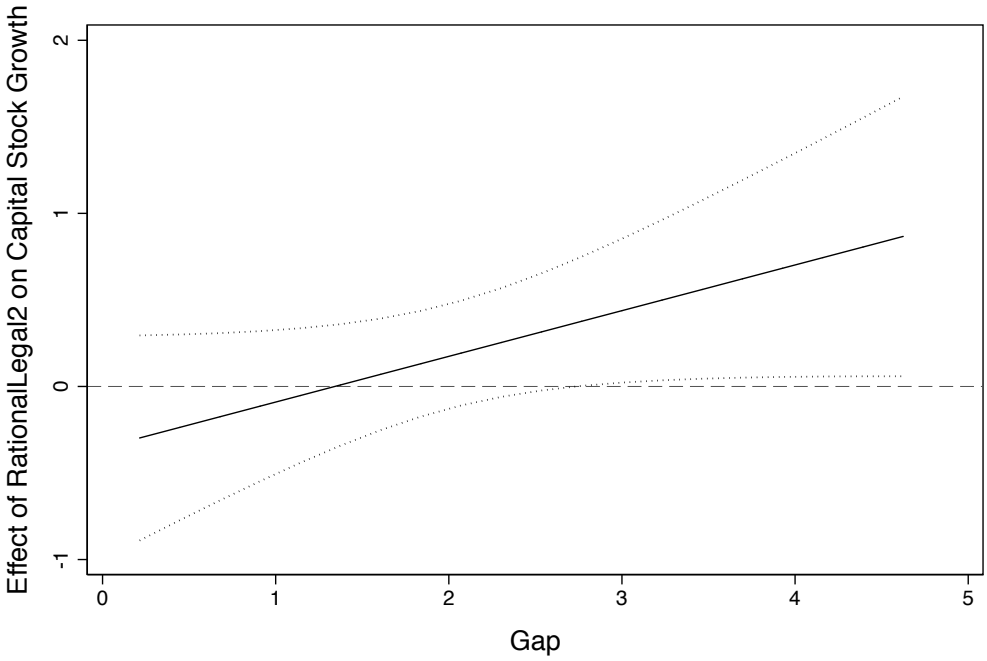


(c) Low-Income Countries

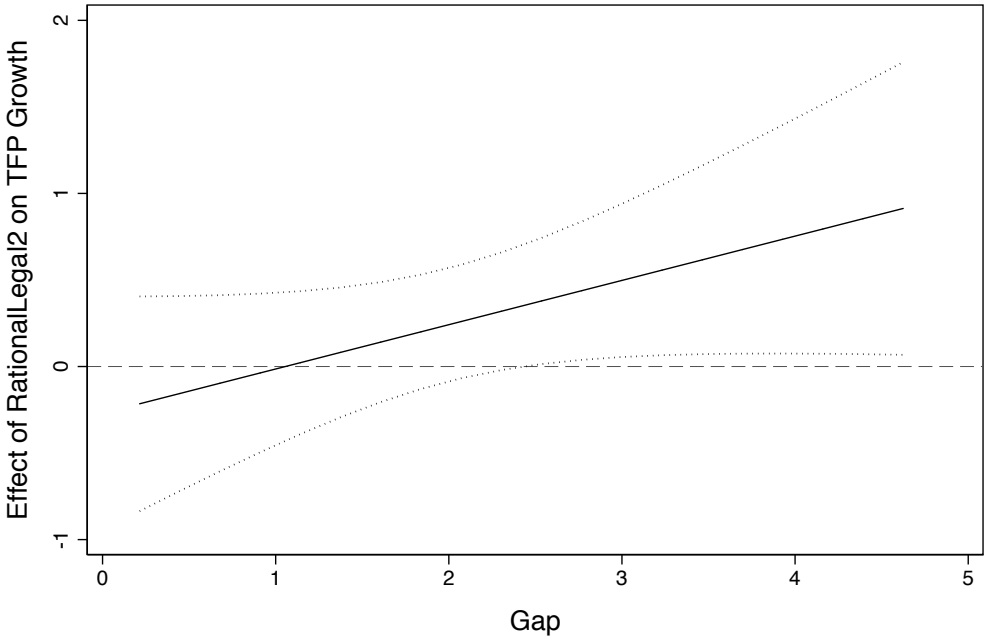


(d) Leading-Edge Countries

Figure S2: Marginal Effect Plots of RationalLegal and Checks on Growth Factors



(a) This figure shows the effect on the capital stock growth rate from a one-unit change in RationalLegal at different levels of Gap according to the estimates in Table 1, Model 5. The dotted lines represent the 95% confidence interval.



(b) This figure shows the effect on the productivity growth rate from a one-unit change in RationalLegal at different levels of Gap according to the estimates in Table 2, Model 5. The dotted lines represent the 95% confidence interval.