

**Political Institutions, State Capabilities, and Public Policy.
An International Dataset. 2013 Update.^f**

Maria Franco Chuaire*

Carlos Scartascini*

With Heather Berkman, Diego Focanti, Ernesto Stein, and Mariano Tommasi

*Inter-American Development Bank

Abstract

This document presents the codebook for an updated version of the 2008 database. This database includes indicators on the key features of public policies (such as stability, adaptability, coordination, efficiency, and public regardedness) and on government capabilities (such as congress capabilities, judicial independence, political party institutionalization, and civil service). The value added of this database is not so much having generated new data as having compiled and aggregated existing data in a useful manner for empirical analysis. These data has been used for studying the workings of the policymaking process in Latin America, the impact of government capabilities on the quality of public policies, and the determinants of institutionalization, among other purposes.

****Note:** this database updates the following previous publication:

Berkman, H. Scartascini, C., Stein, E. and Tommasi, M. 2008. "Political Institutions, State Capabilities, and Public Policy: An International Dataset." Washington, DC: Inter-American Development Bank. **

Keywords: Policymaking processes, public policies, government capabilities, database.

JEL Codes: D72, D73, D78

This version: June 9, 2014

^f This database is the result of work some of the authors have been developing for almost a decade. As such, they are extremely grateful to the many people who have contributed with comments and suggestions over the years, and particularly to the colleagues who have contributed to this research endeavor. In particular, Fabiana Machado provided extremely valuable assistance for launching the original version of the database. The information and opinions presented in this publication are entirely those of the author(s), and no endorsement by the Inter-American Development Bank, its Board of Executive Directors, or the countries they represent is expressed or implied.

Contents

1. Introduction	3
2. Features of Public Policies	3
3. Government Capabilities	13
4. Other Variables	19
4.1 Executive Branch	19
4.2 Legislative Branch	23
4.3 Political Parties	26
4.4 Constitution, Elections	27
4.5 Judicial Branch	29
4.6 Civil Service	30
5. Research that has used the data presented in Berkman et al. 2008	31
6. Appendix - Method for Index Construction	33
7. Bibliography	33

1. Introduction

This document presents the codebook for an updated version of the 2008 database. This database includes indicators on the key features of public policies (such as stability, adaptability, coordination, implementation and enforcement, efficiency, and public regardedness) and on government capabilities (such as congress capabilities, judicial independence, political party institutionalization, and civil service). The value added of this database is not so much having generated new data as having compiled and aggregated existing data in a useful manner for empirical analysis. We have now gathered information from the cited sources and updated all variables subject to the availability of the data. These data have been used for studying the workings of the policymaking process in Latin America, the impact of government capabilities on the quality of public policies, and the determinants of institutionalization, among other purposes.

Details on how the indexes were constructed are presented in the Appendix.

2. Features of Public Policies

In this section we include the sources and details of certain characteristics or key features of public policies that affect their quality such as *Stability* (the extent to which policies are stable over time), *Adaptability* (the extent to which policies can be adjusted when they fail or when circumstances change), *Coordination and Coherence* (the degree to which policies are consistent with related policies, and result from well-coordinated actions among the actors who participate in their design and implementation), *Quality of Implementation and Enforcement* (the degree to which policies are implemented and enforced properly after the approval in Congress), *Public-regardedness* (the degree to which policies pursue the public interest), *Efficiency* (the extent to which policies reflect an allocation of scarce resources that ensures high returns), and an overall Index of Quality of Public Policies (*Policy Index*), which summarizes the information from the previous six (IADB 2005).

2.1 Decisiveness and Adaptability: *decisiveness_2013, adaptability_2013*

The decisiveness index is based on the following four variables. The adaptability index is based on the first three only:

a. BTI Adaptability : *bti_adapt*

Source: Bertelsmann Transformations Index; average 2006, 2008, 2010, 2012.

Values and Details: Originally on a scale from 1-10 (10 representing higher values according to expert ratings), this index is based on the question: How innovative and flexible is the government? Experts are advised to evaluate whether there are institutionalized mechanisms that facilitate innovation and flexibility in policy-making, including monitoring and evaluation, knowledge exchange, and consultancy. The index includes the ability of the

political leaders to learn from previous experience, act flexibly, and replace failing measures with innovative policies.

b. CUSCS Effective Response: *cuscs_effective_resp*

Source: Columbia University State Capacity Survey; average 1990, 1999, 2000, 2002

Values and Details: Question 29 where experts (from academia, government, and media) rate the state's ability to respond effectively to domestic economic problems. Originally on a scale from 1- 10 (10 representing higher values according to expert ratings).

c. Decision Making Capacity: *decision_making_cap*

Source: Profils Institutionnels; 2006.

Values and Details: Item A5100 where experts evaluate the decision-making capacity of the political authorities in economic matters (responsibility, rapidity, etc). Ranked 1 to 4, 4 being the highest score.

d. CUSCS Decisiveness: *cuscs_decisiveness*

Source: Columbia University State Capacity Survey; average 1990, 1999, 2000, 2002

Values and Details: Question 21 rating the state's ability to formulate and implement national policy initiatives. The implementation component was included in order to reflect Cox and McCubbins theory of polity decisiveness. Ranked from 0 (low) to 10 (high).

Table 1: Decisiveness and Adaptability: Components and Index Summary

Variable	Obs	Mean	Std. Dev	Min	Max
bti_adapt	129	5.08	1.74	1.00	9.00
cuscs_effective_resp	131	3.37	2.67	0.00	10.00
decision_making_cap	85	2.55	0.94	1.00	4.00
cuscs_decisiveness	131	5.45	2.16	0.00	10.00
decisiveness_2013	156	2.02	0.81	0.17	3.84
adaptability_2013	156	1.82	0.83	0.13	4.00

Table 2: Decisiveness and Adaptability: Components and Index Correlations with p values

	bti_ad	cuscs_effect	decision_mak	cuscs_decisiv	decisiv_2013	adapt_2013
bti_adapt	1.000 0.000					
cuscs_effect	0.350 0.000	1.000 0.000				
decision_mak	0.480 0.000	0.584 0.000	1.000 0.000			
cuscs_decisiv	0.313 0.001	0.737 0.000	0.579 0.000	1.000 0.000		
decisiveness_2013	0.772 0.000	0.883 0.000	0.865 0.000	0.849 0.000	1.000 0.000	
adaptability_2013	0.840 0.000	0.874 0.000	0.883 0.000	0.691 0.000	0.973 0.000	1.000 0.000

2.2 Stability: *stability_2013*

The stability index is the average of the following four variables:

a. SD of Fraser Index: *fraser1_all*

Source: Fraser Institute; 1999-2010

Values and Details: Standard deviation of the detrended Fraser Index of Economic Freedom (quadratic trend) (1999-2010). This variable had its scale reversed to compute the index. The reverse version is *fraserSDallr*.¹

b. GCR Legal and Political Changes: *gcr_chg1*

Source: Global Competitiveness Report; 2002.

¹ The Fraser Index of Economic Freedom was detrended in order to calculate the variation of the values within the index. Higher levels of variation of the data indicate more changes in policies than contribute to the country scores, and hence, less policy stability. In order to detrend the data, the Fraser Index was regressed on time and time squared for each observation (country-year), the residuals of the model were predicted, and the standard deviation of the residuals was then calculated.

Values and Details: This variable measures whether legal or political changes over the past five years have (1=severely undermined your firm's planning capacity, 7=had no effect).

c. GCR Commitment: *gcr_commit*

Source: Global Competitiveness Report; average 1998, 1999, 2000, 2002.

Values and Details: Measures whether new governments honor the contractual commitments and obligations of previous regimes (1=not true, 7=true).

d. Government Consistency: *govt_consistency*

Source: Profils Institutionnels; 2006.

Values and Details: Item A5101 where experts evaluate the "Consistency and continuity of government action in economic matters", Ranked 1 to 4, 4 being the highest score (high levels of capability, consistency, authority, rapidity, and confidence).

Table 3: Stability: Components and Index Summary

Variable	Obs	Mean	Std. Dev	Min	Max
gcr_chg1	75	4.49	1.00	1.90	6.60
fraserSD_allr	141	0.29	0.07	0.00	0.40
gcr_commit	75	4.70	0.96	2.20	6.60
govt_consistency	85	2.80	0.87	1.00	4.00
stability_2013	148	2.50	0.78	0.25	3.79

Table 4: Stability: Components and Index Correlations with p values

	gcr_chg1	fraserSD_allr	gcr_commit	govt_consistency	stability_2013
gcr_chg1	1.000 0.000				
fraserSD_allr	0.465 0.000	1.000 0.000			
gcr_commit	0.729 0.000	0.175 0.134	1.000 0.000		
govt_consistency	0.552 0.000	0.257 0.022	0.418 0.002	1.000 0.000	
stability_2013	0.900 0.000	0.799 0.000	0.805 0.000	0.810 0.000	1.000 0.000

2.3 Coordination and Coherence: *coordination*²

The coordination and coherence index is based on the following two variables:

a. CUSCS Coordination: *cuscs_coord*

Source: Columbia University State Capacity Survey; average 1990, 1999, 2000, 2002

Values and Details: Question 18 rating the effectiveness of coordination between the central government and local-level government organizations. Ranked from 0 (low) to 10 (high).

b. Profils Coordination: *a508_2006*

Source: Profils Institutionnels; 2006.

Values and Details: Item A508 rating co-ordination and co-operation between ministries and within the administrations. Ranked 1 to 4, 4 being the highest score.

Table 5: Coordination: Components and Index Summary

Variable	Obs	Mean	Std. Dev	Min	Max
<i>cuscs_coord</i>	131	4.19	2.41	0.00	10.00
<i>a508_2006</i>	85	2.31	0.87	1.00	4.00
<i>coordination</i>	138	1.63	0.93	0.00	4.00

Table 6: Coordination: Components and Index Correlations with p values

	<i>cuscs_coord</i>	<i>a508_2006</i>	<i>coordination</i>
<i>cuscs_coord</i>	1.000 0.000		
<i>a508_2006</i>	0.552 0.000	1.000 0.000	
<i>coordination</i>	0.937 0.000	0.902 0.000	1.000 0.000

2.4 Implementation and Enforcement: *imp_enf_2013*

The implementation and enforcement index was created based on the following sources:

a. Minimum Wage: *gcr_minwage*

Source: Global Competitiveness Report; 2002.

Values and Details: Expert evaluation of whether the minimum wage set by law in the country is (1=never enforced, 7=strongly enforced)

² The components of in this index have not been updated given the lack of available data.

- b. Tax Evasion:** *gcr_tax*
Source: Global Competitiveness Report; 2002.
Values and Details: Expert evaluation of whether tax evasion in the country is (1=rampant, 7=minimal)
- c. Environmental Regulation:** *gcr_env*
Source: Global Competitiveness Report; average 2002-2006
Values and Details: Expert evaluation of whether environmental regulation in the country is (1=not enforced or enforced erratically, 7=enforced consistently and fairly)
- d. BTI Implementation :** *bti_ie*
Source: Bertelsmann Transformations Index; average 2006, 2008, 2010, 2012
values and Details: Originally on a scale from 1-10 (10 representing higher values according to expert ratings), this index is based on the question: How effective is the government in implementing its own policies? It assesses the extent to which the government has been able to achieve its own strategic priorities focusing on the normative framework of the BTI in terms of striving for democracy and a market economy.
- e. CUSCS Decisiveness:** *cuscs_decisiveness*
Source: Columbia University State Capacity Survey; average 1990, 1999, 2000, 2002
Values and Details: Question 21 rating the state's ability to formulate and implement national policy initiatives. Ranked from 0 (low) to 10 (high).
- f. Tax Collection:** *cuscs_taxes*
Source: Columbia University State Capacity Survey; average 1990, 1999, 2000, 2002
Values and Details: Question 22, rating the state's effectiveness at collecting taxes or other forms of government revenue. Ranked from 0 (low) to 10 (high).

Table 7: Implementation and Enforcement: Components and Index Summary

Variable	Obs	Mean	Std. Dev	Min	Max
gcr_minwage	75	5.05	0.76	3.10	6.50
gcr_tax	75	3.39	1.11	1.90	6.30
gcr_env	115	3.70	1.02	1.30	5.96
bti_ie	129	5.07	1.84	1.00	9.00
cuscs_decisiveness	131	5.45	2.16	0.00	10.00
cuscs_taxes	131	5.19	2.51	0.00	10.00
imp_enf_2013	161	2.02	0.70	0.24	3.70

Table 8: Implementation and Enforcement: Components and Index Correlations with p values

	<i>gcr_minwage</i>	<i>gcr_tax</i>	<i>gcr_env</i>	<i>bti_ie</i>	<i>cuscs_decisiv</i>	<i>cuscs_taxes</i>	<i>imp_enf_2013</i>
<i>gcr_minwage</i>	1.000 0.000						
<i>gcr_tax</i>	0.385 0.001	1.000 0.000					
<i>gcr_env</i>	0.474 0.000	0.746 0.000	1.000 0.000				
<i>bti_ie</i>	0.356 0.011	0.256 0.073	0.477 0.000	1.000 0.000			
<i>cuscs_decisiv</i>	0.481 0.000	0.680 0.000	0.744 0.000	0.316 0.001	1.000 0.000		
<i>cuscs_taxes</i>	0.544 0.000	0.764 0.000	0.819 0.000	0.203 0.036	0.744 0.000	1.000 0.000	
<i>imp_enf_2013</i>	0.680 0.000	0.818 0.000	0.887 0.000	0.653 0.000	0.861 0.000	0.876 0.000	1.000 0.000

2.5 Efficiency: *efficiency_2013*

The efficiency index was built based on the following three variables:

a. Composition of Public Spending: *gcr_spend*

Source: The Global Competitiveness Report- World Economic Forum; average 2001-2012

Values and Details: How would you rate the composition of public spending in your country? [1 = extremely wasteful; 7 = highly efficient in providing necessary goods and services]

b. BTI Efficiency: *bti_efficiency*

Source: Bertelsmann Transformations Index; 2006, 2008, 2010, 2012

Values and Details: Originally on a scale from 1-10 (10 representing higher values according to expert ratings), this index is based on the question: To what extent does the government make efficient use of available human, financial, and organizational resources? Experts are advised to evaluate whether there is an efficient use of administrative personnel (expenses, services, recruitment procedures), of budget resources (balanced state budget, · transparent budget planning and implementation, effective and independent auditing), and of the administrative organization (public administration that enables effective management under criteria of professional rationality, existence of procedures and institutions to reform and modernize the public administration)

c. EIU Efficiency: *eiw_efficiency*

Source: Country Risk Model, Economist Intelligence Unit; average 1997-2006

Values and Details: Originally on a scale from 0-4 (very poor), this variables reflects the experts' assessment of the effectiveness of the political system in formulating and executing policy. (Rescaled so that higher values represent higher levels of effectiveness).

Table 9: Efficiency: Components and Index Summary

Variable	Obs	Mean	Std. Dev	Min	Max
gcr_spend	147	3.34	0.85	1.71	5.96
btw_efficiency	129	4.72	1.80	1.00	9.50
eiw_efficiency	100	2.32	0.84	1.00	4.90
efficiency_2013	169	1.67	0.70	0.00	3.75

Table 10: Efficiency: Components and Index Correlations with p values

	gcr_spend	btw_efficiency	eiw_efficiency	efficiency_2013
gcr_spend	1.000 0.000			
btw_efficiency	0.365 0.000	1.000 0.000		
eiw_efficiency	0.485 0.000	0.671 0.000	1.000 0.000	
efficiency_2013	0.826 0.000	0.865 0.000	0.871 0.000	1.000 0.000

2.6 Public Regardedness: *publicreg_2013*

The public regardedness index was created based on the following three variables:

a. Government Officials' Favoritism: *gcr_favorit*

Source: The Global Competitiveness Report- World Economic Forum; average 2001-2012

Values and Details: To what extent do government officials in your country show favoritism to well-connected firms and individuals when deciding upon policies and contracts? [1 = always show favoritism; 7 = never show favoritism]

b. Government Social Transfers: *govtsocr*

Source: The Global Competitiveness Report- World Economic Forum; 2002

Values and Details: Expert evaluation of whether government social transfers go primarily to (1=poor people, 7=rich people). This variable had its scale reversed to compute the index. The reverse version is *govtsocr*.

c. Corruption Perceptions Index: *cpi*

Source: Transparency International Corruption Perceptions Index; average 1995-2012

Values and Details: Countries are ranked based on how corrupt their public sector is perceived to be by observers from around the world and experts in the countries evaluated. This index ranges between 0 (highly corrupt) and 10 (highly clean).

Table 11: Public Regardedness: Components and Index Summary

Variable	Obs	Mean	Std. Dev	Min	Max
<i>gcr_favorit</i>	147	3.24	0.86	1.91	5.48
<i>cpi</i>	188	4.02	2.05	0.90	9.50
<i>govtsocr</i>	75	3.92	0.55	2.10	5.00
<i>publicr~2013</i>	188	1.74	0.77	0.33	3.86

Table 12: Public Regardedness: Components and Index Correlations with p values

	<i>gcr_favorit</i>	<i>cpi</i>	<i>govtsocr</i>	<i>publicreg_2013</i>
<i>gcr_favorit</i>	1.000 0.000			
<i>cpi</i>	0.819 0.000	1.000 0.000		
<i>govtsocr</i>	0.465 0.000	0.565 0.000	1.000 0.000	
<i>publicreg_2013</i>	0.929 0.000	0.947 0.000	0.720 0.000	1.000 0.000

2.7 Policy Index: *policy_index_2013*, *policy_index_5comp*

The policy index was created based on the six variables presented above (Decisiveness, Stability, Coordination, Implementation and Enforcement, Efficiency, and Public Regardedness). Table 13 presents the summary of all indexes while Table 14 displays the correlations among them. An alternative Index was built including only those countries for which at most one of the components was missing (*policy_index_5comp*).

Table 13: Summary of all Indexes

Variable	Obs	Mean	Std. Dev	Min	Max
decisiveness_2013	156	2.02	0.81	0.17	3.84
stability_2013	148	2.50	0.78	0.25	3.79
coordination_2013	138	1.63	0.93	0.00	4.00
imp_enf_2013	161	2.02	0.70	0.24	3.70
efficiency_2013	169	1.67	0.70	0.00	3.75
publicreg_2013	188	1.74	0.77	0.33	3.86
policy_index2013	188	1.94	0.73	0.16	3.69

Table 14: Indexes Correlations and p values

	decisiveness	stability	coordination	imp_enf	efficiency	publicreg	policy_index
decisiveness	1.000 0.000						
stability	0.432 0.000	1.000 0.000					
coordination	0.701 0.000	0.449 0.000	1.000 0.000				
imp_enf	0.847 0.000	0.482 0.000	0.763 0.000	1.000 0.000			
efficiency	0.734 0.000	0.481 0.000	0.651 0.000	0.778 0.000	1.000 0.000		
publicreg	0.709 0.000	0.498 0.000	0.764 0.000	0.799 0.000	0.839 0.000	1.000 0.000	

policy_index	0.876	0.676	0.854	0.921	0.883	0.910	1.000
	0.000	0.000	0.000	0.000	0.000	0.000	0.000

3. Government Capabilities

In this section we include the sources and details of certain characteristics or key features of public policies that affect their quality such as *Stability*

3.1 Congress Capabilities Index: *congress_inst_2013*

Created similarly to other indexes based on two variables:

a. Legislative efficiency: *legis_eff*

Source: The Global Information Technology Report- World Economic Forum; average 2002 -2012
Values and Details: How effective is your national parliament/congress as a law-making institution? [1 = very ineffective; 7 = very effective—among the best in the world].

b. Confidence in Parliament: *confidence_parliament*

Source: World Values Survey; average 1994-1999, 1999-2004, and 2005-2007 waves.
Values and Details: Average response to the question: how much confidence do you have in the Parliament? A great deal of confidence (4), quite a lot of confidence (3), not very much confidence (2), or none at all (1). (Originally ranked 1 to 4, 4 being the lowest score, but the scale was reversed in order to match the rest of the dataset).

Table 15: Congress Capabilities Index: Components and Index Summary

Variable	Obs	Mean	Std. Dev	Min	Max
gcr_legis	143	3.47	0.96	1.39	6.21
confidence_parliament	82	2.30	0.41	1.62	3.75
congress_inst_2013	145	1.62	0.69	0.00	3.77

Table 16: Congress Capabilities Index: Components and Index Correlations with p values

	gcr_legis	confidence_parliament	congress_inst_2013
gcr_legis	1.000 0.000		
confidence_parliament	0.402 0.000	1.000 0.000	

congress_inst_2013	0.926	0.826	1.000
	0.000	0.000	0.000

3.2 Party System Institutionalization Index: party institutionalization

Created similarly to other indexes based on the following five variables:

- a. Stable, moderate, rooted party system (*bti_parties*)
- b. Confidence in Political Parties (*confidence_in_parties*)
- c. Vote Volatility (*vote_volatility*)
- d. Party Age (*partyage90*)
- e. Fairness of Elections (*fair_elections*)

a. Stable, moderate, rooted party system: *bti_parties*

Source: Bertelsmann Transformations Index; average 2006, 2008, 2010, 2012

Values and Details: Originally on a scale from 1-10 (10 representing higher values according to expert ratings), this index is based on the question: To what extent is there a stable and socially rooted party system able to articulate and aggregate societal interests? It assesses the extent to which parties are socially rooted and organizationally institutionalized, the level of polarization, and the degree of voter volatility.

b. Confidence in Parties: *confidence_in_parties*

Source: World Values Survey; average 1994-1999, 1999-2004, and 2005-2007 waves.

Values and Details: Average response to the question: how much confidence do you have in the political parties? A great deal of confidence (4), quite a lot of confidence (3), not very much confidence (2), or none at all (1). (Originally ranked 1 to 4, 4 being the lowest score, but the scale was reversed in order to match the rest of the dataset).

c. Vote volatility: *vote_volatility*

Source: From Berkman et al. (2008). Data for Argentina, Australia, Austria, Belgium, Bolivia, Brazil, Bulgaria, Canada, Chile, Colombia, Czech Republic, Denmark, Ecuador, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, India, Ireland, Israel, Italy, Japan, South Korea, Latvia, Lithuania, Mexico, Netherlands, Norway, Philippines, Poland, Portugal, Romania, Russia, Slovenia, Spain, Sweden, Switzerland, Taiwan, Thailand, Ukraine, UK, US, and Venezuela come from Mainwaring and Zoco (2007).

Data for Benin, Burkina Faso, Botswana, Cameroon, Malawi, Cote d'Ivoire, Congo, Central African Republic, Gabon, Gambia, Ghana, Kenya, Lesotho, Mali, Madagascar, Mauritania, Mauritius, Namibia, Niger, Senegal, South Africa, Togo, Zambia, and Zimbabwe come from Kuenzi and Lambright (2001).

Data for Latin American countries not listed under Mainwaring and Zoco (2007) come from Jones (2005).

Values and Details: All data follows Pederson (1984) method for calculating vote volatility: volatility is calculated by subtracting the percentage of the vote/seats won by every party in an

election from that won in the previous election, taking the absolute value of this result, summing the results for all parties, and then dividing this total by two.

d. Average Age of Parties: *partyage00 (partyage90) {partyage80}*

Source: Database of Political Institutions, average 2000-2010 (1990-2010) {1980-2010}

Values and Details: The average of the ages of the first largest government party, second largest government party and first largest opposition party, or the subset of these for which age of party is known.

e. Fairness of Elections: *fair_elections*

Source: Bertelsmann Transformations Index; average 2006, 2008, 2010, 2012

Values and Details: Originally on a scale from 1-10 (10 representing higher values according to expert ratings), this index is based on the question: To what extent are political representatives determined by general, free, and fair elections? It assesses whether general elections are regularly conducted on the national level, universal suffrage with secret ballot is ensured, different parties are allowed to run, and the electoral management body is impartial and effective, among other considerations.

Table 17: Party Institutionalization:: Components and Index Summary

Variable	Obs	Mean	Std. Dev	Min	Max
bti_parties	129	4.76	2.28	1.00	9.25
confidence_in_parties	83	2.05	0.33	1.58	3.52
vote_volatility	80	25.19	18.55	3.00	99.00
partyage90	167	30.13	26.41	1.50	148.76
fair_elections	129	6.09	2.82	1.00	10.00
party_inst_2013	184	1.29	0.53	0.00	3.33

Table 18: Party Institutionalization: Components and Index Correlations with p values

	bti_parties	confidence	vote_volat	partyage90	fair_elections	party_inst_2013
bti_parties	1.000 0.000					
confidence	-0.350 0.005	1.000 0.000				
vote_volat	-0.076 0.580	-0.276 0.057	1.000 0.000			
partyage90	0.083 0.376	0.114 0.326	-0.473 0.000	1.000 0.000		

fair_elections	0.849	-0.486	0.105	-0.027	1.000	
	0.000	0.000	0.441	0.779	0.000	
party_inst_2013	0.875	0.148	0.309	0.486	0.849	1.000
	0.000	0.183	0.005	0.000	0.000	0.000

3.3 Judicial Independence: *judicial_indep_2013*

Created similarly to other indexes based on the following two variables:

a. GCR Judicial: *gcr_judicial*

Source: The Global Competitiveness Report- World Economic Forum; average 2001-2012

Values and Details: To what extent is the judiciary in your country independent from influences of members of government, citizens, or firms? [1 = heavily influenced; 7 = entirely independent]

b. BTI Judicial: *bti_jud*

Source: Bertelsmann Transformations Index; average 2006, 2008, 2010, 2012

Values and Details: Originally on a scale from 1-10 (10 representing higher values according to expert ratings), this index is based on the question: To what extent does an independent judiciary exist? It assesses whether the judiciary has the ability and autonomy to interpret and review existing laws and policies, pursue its own reasoning, free from the influence of political groups, among other considerations.

Table 19: Judicial Independence: Components and Index Summary

Variable	Obs	Mean	Std.Dev	Min	Max
gcr_judicial	147	3.88	1.31	1.40	6.45
bti_jud	129	5.12	2.22	1.00	10.00
judicial_indep2013	169	1.94	0.96	0.02	3.89

Table 20: Judicial Independence: Components and Index Correlations with p values

	gcr_judicial	bti_jud	judicial_indep
gcr_judicial	1.000 0.000		
bti_jud	0.380 0.000	1.000 0.000	
judicial_indep	0.908 0.000	0.892 0.000	1.000 0.000

3.4 Bureaucracy index: *bureaucracy_index*

This index was created using the same method used in all other indexes and is based on the following variables.

- a. **Bureaucratic Merit Index:** *cuscs_merit_bur*
Source: Columbia University State Capacity Survey; 1990, 1999, 2000, 2002
Values and Details: Question 14 measuring the degree to which effective guarantees of professionalism in the civil service are in place and the degree to which civil servants are effectively protected from arbitrariness, politicization, and rent-seeking. Index on a scale of 0 to 10, with higher levels indicating more autonomous bureaucratic systems.
- b. **Bureaucratic Functional Capacity Index:** *cuscs_fca_bur*
Source: Columbia University State Capacity Survey; 1990, 1999, 2000, 2002.
Values and Details: Question 13 measuring the degree to which the bureaucracy has salary compensation systems and systems for evaluating the performance of public officials. Index on a scale of 0 to 10, with higher levels indicating systems with higher technical capacities and more incentives for good performance.
- c. **Bureaucratic Efficiency Index:** *effic_bur*
Source: Columbia University State Capacity Survey; 1990, 1999, 2000, 2002.
Values and Details: Question 16 measuring the degree to which the bureaucracy is efficient in assigning human capital, given a fiscal policy constraint. Index on a scale of 0 to 10, with higher levels indicating more efficient bureaucratic systems.
- d. **Bureaucratic Quality Index:** *icrg_bur00* (*icrg_bur90*) {*icrg_bur80*}
Source: International Country Risk Guide 2000-2005 (1990-2005) {1980-2005}
Values and Details: 0 (low) to 6 (high). High points are given to countries where the bureaucracy has the strength and expertise to govern without drastic changes in policy or interruptions in government services. In these low-risk countries, the bureaucracy tends to be somewhat autonomous from political pressure and to have an established mechanism for recruitment and training. Countries that lack the cushioning effect of a strong bureaucracy receive low points because a change in government tends to be traumatic in terms of policy formulation and day-to-day administrative functions.

Table 21: Bureaucracy Index: Components and Index Summary

Variable	Obs	Mean	Std.Dev	Min	Max
cuscs_merit_bur	131	2.61	2.81	0.00	10.00
cuscs_fca_bur	131	4.82	2.85	0.00	10.00
effic_bur	131	4.22	2.66	0.00	10.00
icrg_bur80	144	2.09	1.09	0.00	4.00
bureaucracy_index	161	1.80	0.99	0.29	4.00

Table 22: Bureaucracy Index: Components and Index Correlations and p values

	cuscs_meri	cuscs_fca	effic_b	icrg_bur	bureaucracy_index
cuscs_merit_bu	1.000 0.000				
cuscs_fca_bur	0.790 0.000	1.000 0.000			
effic_bur	0.809 0.000	0.850 0.000	1.000 0.000		
icrg_bur80	0.740 0.000	0.794 0.000	0.791 0.000	1.000 0.000	
bureaucracy_i	0.906 0.000	0.937 0.000	0.937 0.000	0.920 0.000	1.000 0.000

3.5 Government Capabilities Index: *gov_capabilities*

The Government Capabilities Index was built taking into account the four variables presented above (Congress Capabilities Index, Party System Institutionalization, Judicial Independence, and Bureaucracy Index) which summarize some characteristics of key players and arenas of the policymaking process associated to intertemporal cooperation.³

Table 23: Government Capabilities Index: Components and Index Summary

Variable	Obs	Mean	Std. Dev.	Min	Max
congress_inst_2013	145	1.620	0.693	0.000	3.767
judicial_indep_2013	169	1.941	0.965	0.017	3.888
party_inst_2013	184	1.288	0.533	0.000	3.331
bureaucracy_index	161	1.804	0.989	0.290	3.995
gov_capabilities	191	1.677	0.702	0.112	3.463

³ See IADB 2005 and Stein and Tommasi 2007.

Table 24: Government Capabilities Index: Components and Index Correlations and p values

	congress_inst	judicial_indep	party_inst	bureaucracy_ind	gov_capab
congress_inst_2013	1.000 0.000				
judicial_indep_2013	0.545 0.000	1.000 0.000			
party_inst_2013	0.127 0.133	0.524 0.000	1.000 0.000		
bureaucracy_index	0.526 0.000	0.790 0.000	0.324 0.000	1.000 0.000	
gov_capabilities	0.717 0.000	0.928 0.000	0.647 0.000	0.883 0.000	1.000 0.000

4. Other Variables

In this section we describe other variables that were updated from the Berkman et al. (2008) dataset and that provide information about the executive, legislative, and judicial branches, political parties, constitutions, elections, and civil service. All the descriptions come from the cited sources.

4.1 Executive Branch

System of Government: system00 (system90) {system80}

Source: Database of Political Institutions; average 2000-2010 (1990-2010) {1980-2010}

Values: Parliamentary (2), Assembly-elected President (1), Presidential (0).

Details: Systems with unelected executives get a 0. Systems with presidents who are elected directly or by an electoral college (whose only function is to elect the president), in cases where there is no prime minister, also receive a 0. In systems with both a prime minister and a president, the following factors are considered:

(a) Veto power: president can veto legislation and the parliament needs a supermajority to override the veto.

(b) Appoint prime minister: president can appoint and dismiss prime minister and / or other ministers.

(c) Dissolve parliament: president can dissolve parliament and call for new elections.

(d) Mentioning in sources: If the sources mention the president more often than the prime minister then this serves as an additional indicator to call the system presidential (Romania, Kyrgyzstan, Estonia, Yugoslavia).

The system is presidential if (a) is true, or if (b) and (c) are true. If no information or ambiguous

information on (a), (b), (c), then (d) is taken into account. Countries in which the legislature elects the chief executive are parliamentary (2), with the following exception: if the assembly or group cannot easily recall him (if they need a 2/3 vote to impeach, or must dissolve themselves while forcing him out) then the system gets a 1.

Constraints on executive power: *xconst_um00 (xconst_um 90) {xconst_um 80}*

Source: University of Maryland-Polity IV Project, Political Regime Characteristics and Transitions, average 2000-2010 (1990-2010) {1980-2010}

Values: Unlimited Authority (1), Slight to Moderate Limitation on Executive Authority (3), Substantial Limitations on Executive Authority (5), Executive Parity or Subordination (7). Those polities described with a (3) or above also contain an independent judiciary.

Details: Refers to the extent of institutionalized constraints on the decision-making powers of chief executives, whether individuals or collectivities. The concern is therefore with the checks and balances between the various parts of the decision-making process.

Constraints on executive power 2: *xconst_pol 00 (xconst_pol 90) {xconst_pol 80}*

Source: Henisz Dataset, average 2000-2007 (1990-2007) {1980-2007}

Values and Details: A seven-category scale is used: (1) Unlimited Authority: There are no regular limitations on the executive's actions, to (3) Slight to Moderate Limitations on Executive Authority, to (7) Executive Parity or Subordination: accountability groups have effective authority equal to or greater than the executive in most areas of activity. Those polities described with a (3) or above also contain an independent judiciary.

Veto players and policy change feasibility: *polconv00 (polconv90) {polconv80}*

Source: Henisz Dataset, average 2000-2007 (1990-2007) {1980-2007}

Values: Data ranges from 0-1.

Details: This measure of political constraints estimates the feasibility of policy change (the extent to which a change in the preferences of any one actor may lead to a change in government policy). It is constructed by identifying the number of independent branches of government with veto power over policy change and is then modified to take into account the extent of alignment across branches of government using data on the party composition of the executive and legislative branches. This variable includes the following branches of government: executive, legislature (upper and lower house), judiciary and sub-federal entities.

Veto players and policy change feasibility 2: *polconiii00 (polconiii90) {polconiii80}*

Source: Henisz Dataset, average 2000-2007 (1990-2007) {1980-2007}

Values and Details: Data ranges from 0-1 as above, but excludes the judiciary and sub-federal entities.⁴

Checks and balances: *checks00 (checks90) {checks80}*

Source: Database of Political Institutions; average 2000-2010 (1990-2010) {1980-2010}

Values and Details: Equals 1 in countries where legislatures are not competitively elected (countries where only the executive wields a check). Incremented by one if there is a chief executive (missing if

⁴ For more detail, see Henisz (2002).

not). Incremented by one if the chief executive is competitively elected. Incremented by one if the opposition controls the legislature.

In presidential systems, *checks* is incremented by one for each chamber of the legislature unless the president's party has a majority in the lower house and a closed list system is in effect (implying stronger presidential control of his/her party, and therefore of the legislature) for each party coded as allied with the president's party and which has an ideological (left-right-center) orientation closer to that of the main opposition party than to that of the president's party.

In parliamentary systems, *checks* is incremented by one for every party in the government coalition as long as the parties are needed to maintain a majority for every party in the government coalition that has a position on economic issues (right-left-center) closer to the largest opposition party than to the party of the executive. In parliamentary systems, the prime ministers party is not counted as a check if there is a closed rule in place (the prime minister is presumed in this case to control the party fully).

Drop in number of Veto Players: *stabs00 (stabs90) {stabs80}*

Source: Database of Political Institutions; average 2000-2010 (1990-2010) {1980-2010}

Values and Details: This variable counts the percent of veto players who drop from the government in any given year. Veto players are defined as in checks.

Drop in number of Veto Players 2: *stabns00 (stabns90) {stabns80}*

Source: Database of Political Institutions; average 2000-2010 (1990-2010) {1980-2010}

Values and Details: Calculated like STABS, but ignores the presence of a second chamber in the calculation of *checks* in period t-1.

Veto Players: *l1_00 (l1_90) {l1_80}; l2_00 (l2_90) {l2_80}; f2_00 (f2_90) {f2_80}*

Source: Henisz Dataset, average 2000-2007 (1990-2007) {1980-2007}

Values and Details: Dummy for whether the particular branch is present or not. *l1* refers to lower house, *l2* to upper house and *f* to sub-federal units.

Tsebelis Veto Player data: *tsebelis_1980on, tsebelis_veto_all*

Source: Tsebelis, G. (2002). *Veto Players: How Political Institutions Work*. Princeton UP and Russell Sage Foundation. Available at http://sitemaker.umich.edu/tsebelis/veto_players_data

Values and Details: The number of veto players in a given country. *tsebelis_1980on* only includes data from 1980 to 2000. *tsebelis_veto_all* includes all years for which data is available.

Executive Power Change: *exec_chg00 (exec_chg90) {exec_chg90}*

Source: Cross National Time Series database (S22f3), average 2000-2008 (1990-2008) {1980-2008}

Values and Details: The number of times in a year that effective control of the executive power changes hands. Such a change requires that the new executive be independent of his predecessor.

Method of effective executive selection: *select_exec00 (select_exec90) {select_exec 80}*

Source: Cross National Time Series dataset (S21f6), average 2000-2008 (1990-2008) {1980-2008}.

Values and Details: (1) Direct election: Election of the effective executive by popular vote or the election of committed delegates for the purpose of executive selection. (2) Indirect election: Selection of the effective executive by an elected assembly or by an elected but uncommitted electoral college. (3) Nonelective: Any means of executive selection not involving a direct or indirect mandate from an electorate.

Executive Party Control of Government: *allhouse00 (allhouse90) {allhouse80}*

Source: Database of Political Institutions, average 2000-2010 (1990-2010) {1980-2010}.

Details: Does party of executive control all relevant houses? Does the party of the executive have an absolute majority in the houses that have lawmaking powers? The case of an appointed Senate is considered as controlled by the executive.

Years in Office: *yrsoffc00 (yrsoffc90) {yrsoffc80}*

Source: Database of Political Institutions, average 2000-2010 (1990-2010) {1980-2010}.

Values and Details: How many years has the chief executive been in office?

Standard Deviation: Years in Office: *yrsoffc_var00 (yrsoffc_var90) {yrsoffc_var80}*

Source: Database of Political Institutions, standard deviation 2000-2010 (1990-2010) {1980-2010}.

Values and Details: The value is the standard deviation of the years in office (*yrsoffc*) for which data is available.

Executive Finite Term in Office: *finittrm00 (finittrm90) {finittrm80}*

Source: Database of Political Institutions, average 2000-2010 (1990-2010) {1980-2010}.

Values: Is there a finite term in office? (1 if yes, 0 if no).

Is there a constitutional limit on the number of years the executive can serve before new elections must be called? Deviating from the convention, a 0 is recorded if a limit is not explicitly stated. This gets a 0 in the cases where the constitution with year limits is suspended or unenforced.

Details: Many of the values are between 0 and 1, signifying that there was a change in term limits of the executive at some point.

Size of cabinet: *size_cabinet00 (size_cabinet90) size_cabinet80}*

Source: Cross National Time Series database (S22f1), average 2000-2008 (1990-2008) {1980-2008}.

Values and Details: number of ministers of “cabinet rank” excluding undersecretaries, parliamentary secretaries, and ministerial alternates, etc.

Major cabinet changes: *cabinet_changes 00 (cabinet_changes 90) {cabinet_changes 80}*

Source: Cross National Time Series database (S22f1), average 2000-2008 (1990-2008) {1980-2008}.

Values and Details: Defined as the number of times in a year that a new premier is named and/or 50% of the cabinet posts are occupied by new ministers.

Military executive head: *military00 (military90) {military80}*

Source: Database of Political Institutions, average 2000-2010 (1990-2010) {1980-2010}.

Values and Details: Is Chief Executive a military officers? (1 if yes, 0 if no).

Votes for President first round: *percent100 (percent190) {percent180}*

Source: Database of Political Institutions, average 2000-2010 (1990-2010) {1980-2010}.

Values and Details: President got what % of votes in the 1st/only round?

Missing if *system* gets a 1 or 2. If there is a prime minister who is considered the chief executive, but there is a president with some powers (e.g., France) then the president’s vote % is recorded. If not an election year, most recent election is recorded. If a vice president is completing a president’s term in office, he gets the same score as the former president. If a president is prevented from taking office and later returns without an election (but within the limits of his original term) he gets the same score as his original election.

Votes for President final round: *percentl00 (percentl90) {percentl80}*

Source: Database of Political Institutions, average 2000-2010 (1990-2010) {1980-2010}.

Values and Details: President got what % of votes in the final round? Missing for the same reasons in *percent1*. If not an election year, this variable records most recent election.

Variation of % of votes won in final round by president: *percentl_var00 (percentl_var90) {percentl_var80}*

Source: Database of Political Institutions, standard deviation 2000-2010 (1990-2010) {1980-2010}.

Values and Details: The value is the standard deviation of *percentl*.

Age of executive party: *execage00 (execage90) {execage80}*

Source: Database of Political Institutions, average 2000-2010 (1990-2010) {1980-2010}.

Values and Details: Time since formation of the chief executive's party (under the actual name). Missing if executive is not affiliated with a party. Party age is recorded from the first year that the party was founded under its current name (which can be before a country achieves independence).

4.2 Legislative Branch

Confidence in Congress LAC: *confidence_congressLAC*

Source: Latinobarometer; average 1996-2010

Values and Details: Average percentage of respondents who stated they had "a lot of" or "some" confidence in congress.

Nominating process for legislature: *legis_compete00 (legis_compete90) {legis_compete80}*

Source: Cross National Time Series database (S19F4), average 2000-2008 (1990-2008) {1980-2008}.

Values and Details: Ranked on a scale from 0 to 3, where: (0) No legislature; (1) Essentially non-competitive; (2) Partially competitive; (3) Competitive.

Legislature coalitions: *legis_coalitions 00 (legis_coalitions 90) {legis_coalitions 80}*

Source: Cross National Time Series database (S19F5), average 2000-2008 (1990-2008) {1980-2008}.

Values and Details: Ranked on a scale from 0 to 3, where: (0) No coalition, no opposition; (1) More than one party, government coalition, no opposition; (2) More than one party, government coalition, opposition; (3) More than one party, no coalition.

Legislative selection: *legis_select 00 (legis_select90) {legis_select80}*

Source: Cross National Time Series database (S22f5), average 2000-2008 (1990-2008) {1980-2008}.

Values and Details: Ranked on a scale from 0 to 2, where: (0) No legislature exists; (1) Non-elective: Examples would be the selection of legislators by the effective executive, or on the basis of heredity or ascription. (2) Elective: Legislators (or members of the lower house in a bicameral system) are selected by means of either direct or indirect popular election.

Fragmentation of Legislature: *frac00 (frac90) {frac80}*

Source: Database of Political Institutions, average 2000-2010 (1990-2010) {1980-2010}.

Values and Details: The probability that two deputies picked at random from the legislature will be of different parties.

Legislative Reelection Rate: *legis_reelection_rate*

Source: Berkman et al. (2008) compilation using data from Matland and Studlar (2004) and IPES 2006.

Longest tenure of a veto player: *tenlong00 (tenlong90) {tenlong80}*

Source: Database of Political Institutions, average 2000-2010 (1990-2010) {1980-2010}.

Values and Details: Measures the tenure of the veto player with the longest tenure. If there is no legislature, unelected legislature, elected legislature with one candidate, one party with multiple candidates, or multiple parties are legal but only one party one seats, then only the chief executive's years in office are counted. Otherwise, in presidential systems, veto players are defined as the president and the largest party in the legislature. In parliamentary systems, the veto players are defined as the prime minister and the three largest government parties.

Shortest tenure of a veto player: *tenshort00 (tenshort90) {tenshort80}*

Source: Database of Political Institutions, average 2000-2010 (1990-2010) {1980-2010}.

Values and Details: Measures the tenure of the veto player with the shortest tenure. If there is no legislature, unelected legislature, elected legislature with one candidate, one party with multiple candidates, or multiple parties are legal but only one party one seats, then only the chief executive's years in office are counted. In presidential systems, veto players are defined as the president and the largest party in the legislature. The shorter tenure between these two is taken as the value of this variable. In parliamentary systems, the veto players are defined as the prime minister and the three largest government parties.

Opposition holds majority on House: *oppmajh00 (oppmajh90) {oppmajh80}*

Source: Database of Political Institutions, average 2000-2010 (1990-2010) {1980-2010}.

Values and Details: Does one opposition party have an absolute majority in House? Missing if no House.

Opposition holds majority in Senate: *oppmajs00 (oppmajs90) {oppmajs80}*

Source: Database of Political Institutions, average 2000-2010 (1990-2010) {1980-2010}.

Values and Details: Does one opposition party have absolute majority in Senate? Missing if no Senate or if Senate is neither appointed nor based on parties (based instead on tribal chiefs, professional representatives, etc.).

Executive Legislative polarization: *polariz00 (polariz90) {polariz80}*

Source: Database of Political Institutions, average 2000-2010 (1990-2010) {1980-2010}.

Values and Details: Maximum polarization between the executive party and the four principle parties of the legislature. This variable is equal to zero if elections are not competitive or if the chief executive's party has an absolute majority in the legislature. Otherwise, it is equal to the maximum difference between the chief executive's party's value and the values of the three largest government parties and the largest opposition party.

Mean District Magnitude (mdm), House and Senate: *mdmh00 (mdmh90) {mdmh80}; mdms00 (mdms90) {mdms80}*

Source: Database of Political Institutions, average 2000-2010 (1990-2010) {1980-2010}.

Values and Details: The weighted average of the number of representatives elected by each constituency size, if available. If not, DPI uses the number of seats divided by the number of constituencies (if both are known). If the constituencies are the provincial or state divisions, the

number of states or provinces is used to make this calculation as long as this number and the number of seats are known. If the only information available on the number of constituencies comes from the Inter Parliamentary Union (IPU), and the constituencies are not the states/provinces, then they use IPU's number to calculate the Mean

District Magnitude for 1995, and leave all unknowns blank. If there is no positive data on district magnitude, they extrapolate backwards from the last year that they do have positive data until they run into a constitutional overhaul or an electoral law change that is either a) mentioned in both sources or b) explicitly says that *mdmh* changed, but does not tell how it changed. If there is no information about district magnitude, if there is no legislature, or if legislature is appointed or members are described as indirectly elected, *mdmh* is coded blank.

Senate size vis-a-vis House: *s_s_h00 (s_s_h90) {s_s_h80}*

Source: Database of Political Institutions, average 2000-2010 (1990-2010) {1980-2010}.

Values and Details: ratio:

$numbersenatemembers = (numbersenatemembers + numberhousemembers)$ It gets a missing value if no Senate or if Senate is made up of appointees, tribal chiefs, dignitaries, members of professional organizations or lower house members. Districts that are organized by race (Zimbabwe) are also missing.

Plurality Systems: *plurality00 (plurality90) {plurality80}*

Source: Database of Political Institutions, average 2000-2010 (1990-2010) {1980-2010}.

Values and Details: (1 if yes, 0 if no). In "plurality" systems, legislators are elected using a winner-take-all / first past

the post rule. "1" if this system is used, 0 if it is not. "1" if there is competition for the seats in a one-party state, blank if it is unclear whether there is competition for seats in a one-party state, if there is no competition for seats in a one-party state, or if legislators are appointed.

Proportional Representation Systems: *pr00 (pr90) {pr80}*

Source: Database of Political Institutions, average 2000-2010 (1990-2010) {1980-2010}

Values and Details: (1 if yes, 0 if no). "1" if candidates are elected based on the percent of votes received by their party and/or if DPI's sources specifically call the system "proportional representation". "0" otherwise, except if there is no legislature, unelected legislature, elected legislature with one candidate, or one party with multiple candidates, when a missing value is reported.

House seat allocation rule: *housesys00 (housesys90) {housesys80}*

Source: Database of Political Institutions, average 2000-2010 (1990-2010) {1980-2010}

Values and Details: If both Plurality and Proportional Representation, then which governs the majority of the House seats? This is coded 1 if most seats are Plurality, zero if most seats are Proportional. In cases where the majority of legislators are appointed or indirectly elected, it is coded as blank.

Senate seat allocation rule: *sensys00 (sensys90) {sensys80}*

Source: Database of Political Institutions, average 2000-2010 (1990-2010) {1980-2010}

Values and Details: If Plurality and Proportional Representation, which governs the majority/all of the Senate seats?

This is coded 1 if most seats are Plurality, zero if most seats are Proportional.

Party alignment executive and house: *align_e_l1_00 (align_e_l1_90) {align_e_l1_80}*

Source: Henisz Dataset, average 2000-2007 (1990-2007) {1980-2007}

Values and Details: Alignment between the executive and the lower legislative chamber is coded (1) when the party controlling the executive branch is either the largest party in the lower legislative chamber or is a member of a ruling coalition in that chamber.

Party alignment executive and senate: *align_e_l2_00 (align_e_l2_90) {align_e_l2_80}*

Source: Henisz Dataset, average 2000-2007 (1990-2007) {1980-2007}

Values and Details: Alignment between the executive and the upper legislative chamber is coded (1) when the party controlling the executive branch is either the largest party in the upper legislative chamber or is a member of a ruling coalition in that chamber.

Party alignment house and senate: *align_l1_l2_00 (align_l1_l2_90) {align_l1_l2_80}*

Source: Henisz Dataset, average 2000-2007 (1990-2007) {1980-2007}

Values and Details: Alignment between the legislative chambers is coded (1) when the same party or coalition of parties (when available) controls a majority in both legislative chambers.

Legislature party fractionalization: *legfra_lower 00 (legfra_lower 90) {legfra_lower 80};
legfra_upper 00 (legfra_upper 90) {legfra_upper 80}*

Source: Henisz Dataset, average 2000-2007 (1990-2007) {1980-2007}

Values and Details: Legislative fractionalization is approximately the probability that two random draws from the lower (upper) legislative chamber will be from the same party. The formula includes a modest adjustment to reflect the difficulty of maintaining a coalition as the number of parties in that coalition increases. The exact formula is:

$$1 - \sum_{i=1}^n \left[\frac{(n_i - 1)^{\frac{n_i}{N}}}{N - 1} \right]$$

where n = the number of parties, n_i = seats held by n th party, and N = total seats.

4.3 Political Parties

Fragmentation of Government: *govfrac00 (govfrac90) {govfrac80}*

Source: Database of Political Institutions, average 2000-2010 (1990-2010) {1980-2010}

Values and Details: The probability that two deputies picked at random from among the government parties will be of different parties. Missing value is there is no parliament, if there are any government parties where seats are unknown, or if there are no parties in the legislature.

Fragmentation of Opposition: *oppfrac00 (oppfrac90) {oppfrac80}*

Source: Database of Political Institutions, average 2000-2010 (1990-2010) {1980-2010}

Values and Details: The probability that two deputies picked at random from among the opposition parties will be of different parties. Missing value is there is no parliament, if there are any opposition parties where seats are unknown, or if there are no parties in the legislature.

Closed Lists: *cl00 (cl90) {cl80}*

Source: Database of Political Institutions, average 2000-2010 (1990-2010) {1980-2010}

Values and Details: Are closed lists used? (1 if yes, 0 if no)

Candidate selection: *select00 (select90) {select80}*

Source: Database of Political Institutions, average 2000-2010 (1990-2010) {1980-2010}

Values and Details: (1) National (by national executive, party leader, interest groups or party factions); (2) Sub-national (by subset of constituency party members e.g. on conventions); (3) Primary (including party primary and primaries using all the votes of a constituency)

State Constituencies: *stconst00 (stconst90) {stconst80}*

Source: Database of Political Institutions, average 2000-2010 (1990-2010) {1980-2010}

Values and Details: Are the constituencies of the senators the states/provinces? If the senate is appointed or elected on a national basis, this gets a 0. If no senate or no states/provinces this is recorded as a missing value. If the senate is only partially elected through the constituencies, DPI scores according to how the majority is elected.

2.4 Constitution, Elections

Major constitutional changes: *const_chg00 (const_chg90) {const_chg80}*

Source: Cross National Time Series database (S21F2), average 2000-2008 (1990-2008) {1980-2008}.

Values and Details: The number of basic alterations in a state's constitutional structure, the extreme case being the adoption of a new constitution that significantly alters the prerogatives of the various branches of government. Examples of the latter might be the substitution of presidential for parliamentary government or the replacement of monarchical by republican rule. Constitutional amendments which do not have significant impact on the political system are not counted.

Authority at State level: *author00 (author90) {author80}*

Source: Database of Political Institutions, average 2000-2010 (1990-2010) {1980-2010}

Values and Details: Do the state/provinces have authority over taxing, spending, or legislating? If yes for any of these, category gets a 1. Authority over "cultural affairs", or "planning" in Communist systems, does not qualify.

Election of municipal governments: *muni00 (muni90) {muni80}*

Source: Database of Political Institutions, average 2000-2010 (1990-2010) {1980-2010}

Values and Details: Are municipal governments locally elected? 0 if neither local executive nor local legislature are locally elected. 1 if the executive is appointed, but the legislature elected. 2 if they are both locally elected. If there are multiple levels of sub-national government, DPI considers the lowest level as the "municipal" level.

Election of state/provincial governments: *state00 (state90) {state80}*

Source: Database of Political Institutions, average 2000-2010 (1990-2010) {1980-2010}

Values and Details: Are the state/province governments locally elected? 0 if neither local executive nor local legislature are locally elected. 1 if the executive is appointed, but the legislature elected. 2 if they are both locally elected. If there are multiple levels of sub-national government, DPI considers the highest level as the "state/province" level. Indirectly elected state/province

governments, where directly elected municipal bodies elect the state/province level, are not considered locally elected. Indirectly elected state/province governments elected by directly elected state/province bodies are considered locally elected.

Democracy Level:

Gastil Criterion: The Quality of Government (QoG) Institute. Ranked 1 to 7 (most democratic).

D_Gastil00r: Average of reversed Gastil Index 2000-2010.

D_Gastil90r: Average of reversed Gastil Index 1990-2010.

D_Gastil80r: Average of reversed Gastil Index 1980-2010.

var_Gastil00: Standard deviation of Gastil Index 2000-2010.

var_Gastil90: Standard deviation of Gastil Index 1990-2010.

var_Gastil80: Standard deviation of Gastil Index 1980-2010.

dem_broad00: Dummy variable equal to 1 if Gastil Index ≤ 5 (broad definition of democracy) in every year since 2000.

dem_broad90: Dummy variable equal to 1 if Gastil Index ≤ 5 in every year since 1990.

dem_broad80: Dummy variable equal to 1 if Gastil Index ≤ 5 in every year since 1980.

dem_narrow00: Dummy variable equal to 1 if Gastil Index ≤ 3.5 (narrow definition of democracy) in every year since 2000.

dem_narrow90: Dummy variable equal to 1 if Gastil Index ≤ 3.5 in every year since 1990.

dem_narrow80: Dummy variable equal to 1 if Gastil Index ≤ 3.5 in every year since 1980.

Polity2 Criterion: University of Maryland-Polity IV Project, Political Regime Characteristics and Transitions. Ranges from +10 (strongly democratic) to -10 (strongly autocratic).

D_Polity00: Average Polity2 index 2000-2010.

D_Polity90: Average Polity2 index 1990-2010.

D_Polity80: Average Polity2 index 1980-2010.

var_Polity00: Standard deviation of Polity2 index 2000-2010.

var_Polity90: Standard deviation of Polity2 index 1990-2010.

var_Polity80: Standard deviation of Polity2 index 1980-2010.

Polity2_00: dummy variable equal to 1 if Polity1>0 in every year since 2000.

Polity2_90: dummy variable equal to 1 if Polity1>0 in every year since 1990.

Polity2_80: dummy variable equal to 1 if Polity1>0 in every year since 1980.

4.5 Judicial Branch

Polarization of the ministries and administrations towards the executive: *polarization*

Source: Profils Institutionnels; 2006.

Values and Details: Item A509 where experts evaluate the level of polarization of the administrations. Ranked 1 to 4, 4 denoting the highest level of polarization.

Supreme Court Tenure: *SupremeCourt_tenure*

Source: La Porta et al. (2004)

Values and Details: Measures the tenure of judges in the highest court in any country. The variable takes three possible values: 2 if tenure is life-long, 1 if tenure is more than six years but not life-long, and 0 if tenure is less than six years.

Judicial Review: *Judicial_review*

Source: La Porta et al. (2004)

Values and Details: Measures the extent to which judges (either supreme court or constitutional court) have the power to review the constitutionality of laws in a given country. The variable takes three values: 2 if there is full review of the constitutionality of laws, 1 if there is limited review of the constitutionality of laws, and 0 if there is no review of the constitutionality of laws.

Legal Origin: Dummy variables for country's legal origin

Source: Dataset for the paper "The Quality of Government" by La Porta et al. (1999)

Values and Details: Dummy variables for each origin:

- *legal_o_British*
- *legal_o_French*
- *legal_o_Germany*
- *legal_o_Scand*
- *legal_o_socialist*

Law and Order: *law_order00* (*law_order90*) {*law_order80*}

Source: Henisz Dataset, average 2000-2007 (1990-2007) {1980-2007}

Details: "This indicator reflects the degree to which the citizens of the country are willing to accept the established institutions to make and implement laws and adjudicate disputes. A high point total

means that there is a strong law and order tradition, while a low point total means that there is a tradition of depending on physical force or illegal means to setting claims.” (Henisz Codebook from *Political Risk Services*, 1996).

4.6 Other Civil Service Variables

New Bureaucracy Index: *bureaucracy__new_2013*

This index was created using the same method used in all other indexes and is based on the following variables.⁵

- a. **Bureaucratic Quality Index:** *icrg_bur90*
- b. **Confidence in Civil Service** *confidence_in_bureaucracy*

a. Confidence in Civil Service: *confidence_in_bureaucracy*

Source: World Values Survey; 1994-1999, 1999-2004, and 2005-2007 waves.

Values and Details: Average response to the question: how much confidence do you have in the civil service? A great deal of confidence (4), quite a lot of confidence (3), not very much confidence (2), or none at all (1). (Originally ranked 1 to 4, 4 being the lowest score, but the scale was reversed in order to match the rest of the dataset).

Table 23: New Bureaucracy Index: Components and Index Summary

Variable	Obs	Mean	Std. Dev	Min	Max
icrg_bur90	144	2.163	1.064	0.000	4.000
confidence_in_bureaucracy	83	2.412	0.314	1.594	3.330
bureaucracy_new_2013	153	1.969	0.772	0.208	3.567

Table 24: New Bureaucracy Index: Components and Index Correlations and p values

⁵ This is an alternative measure of Bureaucratic Quality which includes the ICRG component that represents the experts’ view of the Bureaucracy and the WVS component that reflects the citizens’ perceptions.

	icrg_bur90	confidence_in_bureaucracy	bureaucracy_new_2013
icrg_bur90	1.000 0.000		
confidence_in_bureaucracy	-0.043 0.716	1.000 0.000	
bureaucracy_new_2013	0.911 0.000	0.604 0.000	1.000 0.000

Table 25: Bureaucracy Indexes' Correlations and p values

	bureaucracy_index	bureaucracy_new_2013
bureaucracy_index	1.000 0.000	
bureaucracy_new_2013	0.821 0.000	1.000 0.000

5. Research that has used the data presented in Berkman et al. 2008

The following papers have used the original database from Berkman et al. 2008

Becerra, O., Cavallo, E., & Scartascini, C. (2012). The politics of financial development: The role of interest groups and government capabilities. *Journal of Banking & Finance*, 36(3), 626-643.

Cárdenas, M. (2010). State Capacity in Latin America. *Economia*, 10(2), 1-45.

Carnes, M., & Mares, I. (2010, April). Deindustrialization and the rise of non-contributory social programs in Latin America. In *Conference on Redistribution, Public Goods Political Market Failures*, Yale University.

Caruso, G., Scartascini, C., & Tommasi, M. (2010). Are we all playing the same game? The economic effects of constitutions depend on the degree of institutionalization. *Washington, DC, Estados Unidos: Banco Interamericano de Desarrollo. Mimeo.*

Dayton-Johnson, J., & Parra, S. N. (2011). *The Process of Reform in Latin America: A Review Essay* (No. 304). OECD Publishing.

Hanson, J. K., & Sigman, R. (2011, September). Measuring state capacity: Assessing and testing the options. In *Annual Meeting of the American Political Science Association*.[\[Links\]](#).

Machado, F., Scartascini, C., & Tommasi, M. (2011). Political institutions and street protests in Latin America. *Journal of Conflict Resolution*, 55(3), 340-365.

Mejía Cubillos, J. (2011). Reflexión Sobre los Sistemas Partidistas, la Estabilidad de las Políticas y el Desarrollo Económico (Reflections on Party Systems, Policy Stability and Economic Development). *Contribuciones a las Ciencias Sociales*, 11.

Palanza, M. V., Scartascini, C. G., & Tommasi, M. (2012). *On the Institutionalization of Congress (es) in Latin America and Beyond* (No. 4817). Inter-American Development Bank, Research Department.

Scartascini, C., Stein, E., & Tommasi, M. (2010). Veto Players and Policy Trade-Offs: An Intertemporal Approach to Study the Effects of Political Institutions on Policy. *Inter-American Development Bank Working Paper Series No. IDB-WP-159*.

Scartascini, C., Stein, E., & Tommasi, M. (2013). Political institutions, intertemporal cooperation, and the quality of public policies. *Journal of Applied Economics*, 16(1), 1-32.

Scartascini, C., & Tommasi, M. (2012). The Making of Policy: Institutionalized or Not?. *American Journal of Political Science*, 56(4), 787-801.

Viñuela, L. (2011). *Rents to Riches?: The Political Economy of Natural Resource-led Development*. N. Barma, K. Kaiser, & T. M. Le (Eds.). World Bank-free PDF.

6. Appendix - Method for Index Construction ⁶

All of the indexes created for this project were calculated based on the average of their respective components. Before calculating this average some variables were rescaled so that their values would go from low levels of the measure of interest to high ones. Observations for which data was missing, but for which data on at least one component of an index was available, had data imputed according to the following procedure:

⁶ From Berkman et al. (2008)

- a. Create new variables, one for each component of the index, with values corresponding to how many standard deviations away from the mean (of the given component) each observation was.
- b. Input the average standard deviation (calculated over the components of the index) to the missing data.
- c. Transform these new variables back to the original scale.
- d. Rescale all components (now with inputted values in place of missing ones) to range between 0 and 4.

This method was chosen so that inputted data would take the position of each country vis-a-vis other countries in each of the distributions taken into account. Stata code available upon request.

7. Bibliography

Banks, Arthur S. CROSS-NATIONAL TIME SERIES, 1815-2009. [Computer file]. ICPSR ed. Ann Arbor, MI: Inter-University Consortium for Political and Social Research [producer and distributor], 1976.

Berkman, H. Scartascini, C., Stein, E. and Tommasi, M. 2008. "Political Institutions, State Capabilities, and Public Policy: An International Dataset." Washington, DC: Inter-American Development Bank.

Bertelsmann Transformation Index (2012). Country Reports. Gütersloh: Bertelsmann Stiftung, 2012. Available at: <http://www.bertelsmann-transformation-index.de/11.0.html?&L=1>

Corruption Perceptions Index (2012). Transparency International. Available at: http://www.transparency.org/policy_research/surveys_indices/cpi

Country Risk Model (2006). Economist Intelligence Unit. Available at : <https://eiu.bvdep.com/cgi/>

Henisz, Witold, The Political Constraint Index (POLCON) Dataset, 2010 release. Available at: <http://www-management.wharton.upenn.edu/henisz/>.

Henisz, W. J. (2002). "The Institutional Environment for Infrastructure Investment". *Industrial and Corporate Change* 11(2): Forthcoming.

Inter-American Development Bank (IADB). 2005. The Politics of Policies: Economic and Social Progress in Latin America and the Caribbean 2006 Report. Washington, DC: Inter-American Development Bank and David Rockefeller Center for Latin American Studies, Harvard University. Available online at: <http://www.iadb.org/res/ipes/2006/index.cfm?language=english>

La Porta, Rafael, Florencio López-de-Silanes, Cristian Pop-Eleches, Andrei Shleifer (2004). "Judicial Checks and Balances". *Journal of Political Economy* 112(2).

La Porta, Rafael, Florencio López-de-Silanes, Andrei Shleifer, Robert Vishny (1999). "The Quality of Government". *Journal of Law, Economics and Organization*.

Latinobarometro Corporation. (2010). "Latinobarometro / Latinobarometer Data Files".
<http://hdl.handle.net/1902.29/10528> Latinobarometro Corporation [Distributor] V1 [Version].

Profils Institutionnels-database (2006) Centre D'Etudes Prospectives et D'Informations Internationales. Available at : <http://www.cepii.fr/ProfilsInstitutionnelsDatabase.htm>

PRS Group, Inc. International country risk guide (ICRG) researchers' dataset. [computer file]. 2005 ed. East Syracuse, NY: The PRS Group, Inc. [producer and distributor], 2005

Stein, E., and M. Tommasi. 2007. "The Institutional Determinants of State Capabilities in Latin America." In Annual World Bank Conference on Development Economics Regional: Beyond Transition, ed. Francois Bourguignon and Boris Pleskovic. Washington, DC: World Bank, 193–225.

World Economic Forum (various years), Global Competitiveness Report–Executive Opinion Survey. Available at <http://www.weforum.org>.