**The Power of Ranking:**

**The Ease of Doing Business Indicator and Global Regulatory Behavior**

Appendix

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## Control Variables

|  |  |  |
| --- | --- | --- |
| Variable | Definition | Source |
| sb\_days | Number of days required to start a business | World Bank |
| sb\_cost | Cost (% of income per capita) of starting a business | World Bank |
| sb\_capital | Paid-in minimum capital (% of income per capita) required to start a business | World Bank |
| sb\_proced | Number of procedures required for an entrepreneur to legally operate a business | World Bank |
| con\_proced | Number of procedures required to resolve a dispute | World Bank |
| con\_days | Number of days required for the process of dispute resolution | World Bank |
| gdp | GDP (constant 2005 USD) | World Development Indicators |
| gdpcap | GDP per capita | World Development Indicators |
| gdpgrowth | GDP growth | World Development Indicators |
| pop\_ln | Log of population | World Development Indicators |
| polity | Polity IV score | Polity IV Project |
| inttot | Magnitude of international conflict | Center for Systemic Peace |
| civtot | Magnitude of civil conflict | Center for Systemic Peace |
| loan\_ln | Log of the sum of all loans from the IBRD since 2005, constant for all years |  |

## Summary of Variables

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Variable | N | Mean | Std. Dev | Min | Max | |
| sb\_days | 2,368 | 39.55 | 52.8 | 0.5 | 697 | |
| sb\_cost | 2,368 | 57.27 | 123.1 | 0 | 1,540 | |
| sb\_capital | 2,258 | 114.2 | 434.5 | 0 | 7,445 | |
| sb\_proced | 2,368 | 8.55 | 3.474 | 1 | 20 | |
| con\_proced | 2,339 | 36.77 | 8.006 | 0 | 62 | |
| con\_days | 2,338 | 590.8 | 313.3 | 7 | 1,800 | |
| gdp | 2,468 | 2.65E+11 | 1.12E+12 | 97,813,220 | 1.45E+13 | |
| gdpcap | 2,480 | 10,591 | 16,385 | 108 | 113,739 | |
| gdpgrowth | 2,468 | 2.476 | 5.478 | -62.47 | 102.8 | |
| pop\_ln | 2,512 | 15.56 | 2.068 | 9.861 | 21.03 | |
| polity | 2,138 | 3.918 | 6.238 | -10 | 10 | |
| inttot | 2,182 | 0.06279 | 0.4875 | 0 | 6 | |
| civtot | 2,182 | 0.4216 | 1.279 | 0 | 9 | |
| loan\_ln | 3,016 | 13.97 | 10.78 | 0 | 26.46 |

## List of Countries in Initial 2001 Report

\* indicates country has an EDB reform committee by 2015

|  |  |  |  |
| --- | --- | --- | --- |
| Albania | Ecuador | Lithuania | Serbia |
| Algeria\* | Egypt | Madagascar | Singapore |
| Argentina | Ethiopia | Malawi\* | Slovakia |
| Armenia | Finland | Malaysia\* | Slovenia |
| Australia | France | Mali\* | South Africa |
| Austria | Georgia\* | Mexico\* | Spain |
| Azerbaijan\* | Germany | Moldova \* | Sri Lanka\* |
| Bangladesh | Ghana | Mongolia | Sweden |
| Belarus | Greece | Morocco\* | Switzerland |
| Belgium | Guatemala\* | Mozambique | Syria |
| Benin | Honduras | Nepal | Taiwan |
| Bhutan | Hong Kong | Netherlands | Tanzania |
| Bolivia | Hungary | New Zealand | Thailand |
| Bosnia-Herzegovina | India | Nicaragua | Tunisia |
| Botswana\* | Indonesia\* | Niger | Turkey |
| Bulgaria | Iran | Nigeria\* | Uganda |
| Burkina Faso | Ireland | Norway | Ukraine\* |

## How Control Variables Relate to Being in the Sample and to the Outcomes

**Table A1**

|  |  |
| --- | --- |
|  | (1) |
| VARIABLES | Model 1 |
|  |  |
| GDP per capital (log) | -0.197 |
|  | (0.205) |
| GDP growth | 0.00747 |
|  | (0.0246) |
| Policy | -0.0107 |
|  | (0.0358) |
| Population (log) | 0.130 |
|  | (0.124) |
| WB Loans (log) | 0.0260 |
|  | (0.0300) |
| Published Rank | -0.00246 |
|  | (0.00466) |
| Constant | -1.320 |
|  | (2.627) |
|  |  |
| Observations | 1,267 |
| N | 1267 |
| ll | -771.5 |

Robust standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.

**Table A2 – Model A2-A5**

|  |  |  |  |
| --- | --- | --- | --- |
| sb\_days\_ln\_lead | sb\_proced\_lead | sb\_cost\_ln\_lead | sb\_capital\_ln\_lead |
|  | A2 | A3 | A4 | A5 |
|  | | | | |
| sb\_days\_ln | 0.911\*\*\* |  |  |  |
|  | (0.014) |  |  |  |
|  |  |  |  |  |
| sb\_proced |  | 0.929\*\*\* |  |  |
|  |  | (0.015) |  |  |
|  |  |  |  |  |
| sb\_cost\_ln |  |  | 0.941\*\*\* |  |
|  |  |  | (0.010) |  |
|  |  |  |  |  |
| sb\_capital\_ln |  |  |  | 0.915\*\*\* |
|  |  |  |  | (0.011) |
|  |  |  |  |  |
| gdpcap\_ln | -0.025\*\* | -0.045 | -0.051\*\*\* | -0.042\* |
|  | (0.011) | (0.044) | (0.013) | (0.023) |
|  |  |  |  |  |
| gdpgrowth | -0.007\*\*\* | -0.020\*\*\* | -0.014\*\*\* | -0.004 |
|  | (0.002) | (0.007) | (0.002) | (0.006) |
|  |  |  |  |  |
| polity | 0.0002 | 0.003 | 0.003\* | 0.012\*\*\* |
|  | (0.001) | (0.006) | (0.001) | (0.004) |
|  |  |  |  |  |
| pop\_ln | 0.011 | 0.074\*\*\* | 0.011\* | 0.007 |
|  | (0.007) | (0.025) | (0.006) | (0.014) |
|  |  |  |  |  |
| inttot | -0.006 | 0.039 | 0.011 | -0.003 |
|  | (0.015) | (0.062) | (0.010) | (0.027) |
|  |  |  |  |  |
| civtot | 0.006 | 0.021 | 0.003 | -0.004 |
|  | (0.005) | (0.030) | (0.007) | (0.017) |
|  |  |  |  |  |
| loan\_ln | -0.001 | 0.002 | -0.001 | -0.003 |
|  | (0.001) | (0.006) | (0.001) | (0.003) |
|  |  |  |  |  |
| Constant | 0.247 | -0.533 | 0.359\*\* | 0.232 |
|  | (0.168) | (0.537) | (0.166) | (0.319) |
|  |  |  |  |  |
|  | | | | |
| Observations | 1,310 | 1,310 | 1,310 | 1,209 |
| R2 | 0.887 | 0.912 | 0.957 | 0.895 |
| Adjusted R2 | 0.887 | 0.911 | 0.957 | 0.894 |
|  | | | | |
| *Note:* | \*p<0.1; \*\*p<0.05; \*\*\*p<0.01 | | | |
|  | OLS models. Robust standard errors clustered by country. | | | |

**Table A3: Average Rankings, 2007 and 2014, by presence of reform bureau**

|  |  |  |
| --- | --- | --- |
|  | **2007** | **2014** |
| Ranking, normalized |  |  |
| Reform Bureau | 58.12 (48) | 48.82 (51) |
| No Reform Bureau | 45.82 (115) | 50.42 (138) |
| Ranking |  |  |
| Reform Bureau | 103.95 (48) | 92.78 (51) |
| No Reform Bureau | 82.10 (115) | 95.79 (138) |

*Number of observations in parentheses*

## Starting a Business Indicators

|  |  |
| --- | --- |
| *Variable name and First year collected* | *Definition* |
| sb\_capital  2002 | **Paid-in Min. Capital (% of income per capita)**  The paid-in minimum capital requirement reflects the amount that the entrepreneur needs to deposit in a bank before registration starts. This amount is typically specified in the commercial code or the company law. |
| sb\_proced  2001 | **Procedures (number)**  All the procedures that are officially required for an entrepreneur to obtain all necessary permits, and to notify and file with all requisite authorities, in order to legally operate a business. There are a number of procedures necessary to legally operate industrial or commercial businesses. These include (i) obtaining all the necessary permits and licenses, and (ii) completing all the required inscriptions, verifications and notifications to enable the company to start operation. A "procedure" is defined as any interaction of the company founder with external parties (government agencies, lawyers, auditors, notaries, etc). Interactions between company founders or company officers and employees are not considered as separate procedures. All procedures that are required for establishing a business are recorded, even if they may be avoided in exceptional cases or for exceptional types of business. In general, there are four types of procedures: (i) procedures that are always required; (ii) procedures that are generally required but that can be avoided in exceptional cases or for exceptional types of businesses; (iii) mandatory procedures that are not generally required (industry-specific and procedures specific to large companies), and (iv) voluntary procedures. The data cover only procedures within the first two categories. |
| sb\_days  2001 | **Time (days)**  Time in calendar days required to start a business. For the sake of uniformity, for all countries it is assumed that the minimum time required to fulfill a procedural requirement is minimum half a day for online procedures and otherwise minimum one day for other procedures. Therefore, the shortest procedure lasts one calendar day. The time variable captures the average duration which incorporation lawyers estimate is necessary to complete a procedure. If a procedure can be speeded up at additional cost, the fastest procedure, independent of cost, is chosen. |
| sb\_cost  2001 | **Cost (% of income per capita)**  Cost of starting a business. The text of the Company Law, the Commercial Code, or specific regulations are used as a source. In all cases, the cost estimate excludes bribes. In the absence of express legal fee schedules, we take a governmental officer’s estimate as an official source. If several sources have different estimates, the median reported value is used. In the absence of government officer's estimates, estimates of incorporation lawyers are used instead. If several incorporation lawyers have different estimates, the median reported value is computed. |

## Enforcing Contracts Indicators

|  |  |
| --- | --- |
| *Variable name and year Collected since* | *Definition* |
| con\_days  2001 | **Time (days)**  an estimate – in calendar days – of duration of the process of dispute resolution by the lawyers who completed the questionnaires. Duration is measured as the number of calendar days counted from the moment the plaintiff files the lawsuit in court, until the moment of actual payment. This measure includes both the days where actions take place and waiting periods between actions. The participating firms make separate estimates of the average duration until the completion of service of process, the issuance of judgment (duration of trial), and the moment of payment or repossession (duration of enforcement). |
| con\_cost  2002 | **Cost (% of claim)**  the cost - in attorney fees and court costs - of resolution. The cost does not include any illegal payments. |
| con\_proced  2001 | **Procedures (number)**  the number of independent procedural actions, where each action is defined as a step of the procedure, mandated by law or court regulation, that demands interaction between the parties or between them and the judge or court officer. |

## Days to Start a Business and Procedures to Start a Business

**Date for Figure 3: Days to Start a Business**

**Number of States Improving Versus Number of States Getting Worse**

|  |  |  |
| --- | --- | --- |
|  | Improving | Getting Worse |
| 2000 | 16 | 63 |
| 2001 | 16 | 63 |
| 2002 | 53 | 13 |
| 2003 | 41 | 25 |
| 2004 | 23 | 1 |
| 2005 | 28 | 3 |
| 2006 | 31 | 4 |
| 2007 | 30 | 3 |
| 2008 | 38 | 8 |
| 2009 | 26 | 5 |
| 2010 | 27 | 1 |
| 2011 | 27 | 3 |
| 2012 | 18 | 7 |
| 2013 | 25 | 11 |
| 2014 | 26 | 3 |

**Data for Figure 4: Procedures to Start a Business**

**Number of States Improving Versus Number of States Getting Worse**

|  |  |  |
| --- | --- | --- |
|  | Improving | Getting worse |
| 2000 | 24 | 13 |
| 2001 | 24 | 13 |
| 2002 | 19 | 15 |
| 2003 | 26 | 28 |
| 2004 | 12 | 0 |
| 2005 | 8 | 1 |
| 2006 | 17 | 1 |
| 2007 | 16 | 4 |
| 2008 | 20 | 3 |
| 2009 | 22 | 1 |
| 2010 | 16 | 1 |
| 2011 | 21 | 1 |
| 2012 | 7 | 2 |
| 2013 | 18 | 4 |
| 2014 | 10 | 3 |

## Policy Reform: OLS Models

**Summary of Coefficients for 8 OLS Models**

**Full Models in Tables B.1-3 below**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | *ln\_sbproced* | *sb\_cost\_ln* | *ln\_sbdays* | *sb\_capital\_ln* |
| All Countries | ranked.2005 | |  | | --- | | -0.176\*\* | | |  | | --- | | -0.081\*\*\* | | |  | | --- | | -0.040\* | | -0.030 |
| ranked.2006 | |  | | --- | | -0.240\*\*\* | | |  | | --- | | -0.049\*\* | | |  | | --- | | -0.071\*\*\* | | |  | | --- | | -0.097\* | |

**Table B.1: 2005 Analysis, Full OLS Model**

|  |  |  |  |
| --- | --- | --- | --- |
|  |  |  |  |
|  | sb\_proced | sb\_days\_ln | sb\_cost\_ln | sb\_capital\_ln |
|  | (1) | (2) | (3) | (4) |
|  | | | | |
| sb\_proced\_lag | 0.939\*\*\* |  |  |  |
|  | (0.013) |  |  |  |
|  |  |  |  |  |
| sb\_days\_ln\_lag |  | 0.922\*\*\* |  |  |
|  |  | (0.012) |  |  |
|  |  |  |  |  |
| sb\_cost\_ln\_lag |  |  | 0.973\*\*\* |  |
|  |  |  | (0.004) |  |
|  |  |  |  |  |
| sb\_capital\_ln\_lag |  |  |  | 0.915\*\*\* |
|  |  |  |  | (0.011) |
|  |  |  |  |  |
| ranked\_2005 | -0.176\*\* | -0.040\* | -0.081\*\*\* | -0.030 |
|  | (0.078) | (0.024) | (0.022) | (0.058) |
|  |  |  |  |  |
| Constant | 0.365\*\*\* | 0.180\*\*\* | 0.053\*\* | 0.032 |
|  | (0.110) | (0.048) | (0.025) | (0.057) |
|  |  |  |  |  |
|  | | | | |
| Observations | 1,427 | 1,427 | 1,427 | 1,318 |
| R2 | 0.909 | 0.887 | 0.953 | 0.895 |
| Adjusted R2 | 0.909 | 0.887 | 0.952 | 0.895 |
|  | | | | |
| *Note:* | \*p<0.1; \*\*p<0.05; \*\*\*p<0.01 | | | |
|  | OLS models. Robust standard errors clustered by country. | | | |

**Table B.2: 2006 Analysis, Full OLS Model**

|  |  |  |  |
| --- | --- | --- | --- |
|  |  |  |  |
|  | sb\_proced | sb\_days\_ln | sb\_cost\_ln | sb\_capital\_ln |
|  | (1) | (2) | (3) | (4) |
|  | | | | |
| sb\_proced\_lag | 0.935\*\*\* |  |  |  |
|  | (0.013) |  |  |  |
|  |  |  |  |  |
| sb\_days\_ln\_lag |  | 0.919\*\*\* |  |  |
|  |  | (0.012) |  |  |
|  |  |  |  |  |
| sb\_cost\_ln\_lag |  |  | 0.973\*\*\* |  |
|  |  |  | (0.004) |  |
|  |  |  |  |  |
| sb\_capital\_ln\_lag |  |  |  | 0.913\*\*\* |
|  |  |  |  | (0.011) |
|  |  |  |  |  |
| ranked\_2006 | -0.240\*\*\* | -0.049\*\* | -0.071\*\*\* | -0.097\* |
|  | (0.068) | (0.022) | (0.019) | (0.052) |
|  |  |  |  |  |
| Constant | 0.424\*\*\* | 0.193\*\*\* | 0.041\* | 0.087\* |
|  | (0.113) | (0.048) | (0.022) | (0.049) |
|  |  |  |  |  |
|  | | | | |
| Observations | 1,427 | 1,427 | 1,427 | 1,318 |
| R2 | 0.910 | 0.887 | 0.952 | 0.895 |
| Adjusted R2 | 0.909 | 0.887 | 0.952 | 0.895 |
|  | | | | |
| *Note:* | \*p<0.1; \*\*p<0.05; \*\*\*p<0.01 | | | |
|  | OLS models. Robust standard errors clustered by country. | | | |

**Table B3: Cutpoints at Every Possible Year, OLS Model**

Summary of ß2 coefficients (i.e. “ranked.200x”) for difference models for all years

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Subset | Year | Procedures | Cost (log) | Days (log) | Capital (log) |
| All countries | 2003 | -0.074 | -0.114\*\* | 0.002 | NA |
| All countries | 2004 | -0.261\*\*\* | -0.107\*\*\* | -0.04 | 0.096 |
| All countries | 2005 | -0.176\*\* | -0.081\*\*\* | -0.04\* | -0.03 |
| All countries | 2006 | -0.24\*\*\* | -0.071\*\*\* | -0.049\*\* | -0.097\* |
| All countries | 2007 | -0.239\*\*\* | -0.046\*\*\* | -0.051\*\* | -0.126\*\* |
| All countries | 2008 | -0.209\*\*\* | -0.034\*\* | -0.04\*\* | -0.133\*\*\* |
| All countries | 2009 | -0.11\* | -0.008 | -0.007 | -0.101\*\* |
| All countries | 2010 | -0.06 | 0.002 | 0.005 | -0.035 |
| All countries | 2011 | -0.093 | -0.024 | -0.002 | -0.073\* |
| All countries | 2012 | -0.027 | -0.015 | 0.008 | -0.073\* |
| All countries | 2013 | -0.108 | -0.028 | -0.014 | -0.09\* |
| No EDB reform committee | 2003 | -0.2 | -0.11\* | 0.003 | NA |
| No EDB reform committee | 2004 | -0.234\*\* | -0.096\*\* | -0.045 | -0.055 |
| No EDB reform committee | 2005 | -0.161\*\* | -0.077\*\*\* | -0.036 | -0.096 |
| No EDB reform committee | 2006 | -0.201\*\*\* | -0.068\*\*\* | -0.034 | -0.155\*\*\* |
| No EDB reform committee | 2007 | -0.185\*\*\* | -0.031 | -0.04 | -0.175\*\*\* |
| No EDB reform committee | 2008 | -0.167\*\* | -0.014 | -0.031 | -0.194\*\*\* |
| No EDB reform committee | 2009 | -0.044 | 0.007 | 0.004 | -0.125\*\* |
| No EDB reform committee | 2010 | 0.022 | 0.012 | 0.017 | -0.044 |
| No EDB reform committee | 2011 | -0.018 | -0.013 | 0.009 | -0.084 |
| No EDB reform committee | 2012 | 0.046 | 0 | 0.022 | -0.056 |
| No EDB reform committee | 2013 | -0.001 | -0.011 | -0.004 | -0.078 |
| Special EDB reform committee | 2003 | 0.151 | -0.122\* | 0 | NA |
| Special EDB reform committee | 2004 | -0.361\* | -0.129\*\*\* | -0.029 | 0.405\* |
| Special EDB reform committee | 2005 | -0.254 | -0.089\*\*\* | -0.049 | 0.105 |
| Special EDB reform committee | 2006 | -0.373\*\* | -0.078\*\*\* | -0.082\*\*\* | 0.02 |
| Special EDB reform committee | 2007 | -0.411\*\*\* | -0.076\*\*\* | -0.074\*\*\* | -0.027 |
| Special EDB reform committee | 2008 | -0.36\*\*\* | -0.074\*\*\* | -0.06\*\* | -0.008 |
| Special EDB reform committee | 2009 | -0.313\*\* | -0.039 | -0.029 | -0.055 |
| Special EDB reform committee | 2010 | -0.299\*\* | -0.017 | -0.02 | -0.018 |
| Special EDB reform committee | 2011 | -0.316\*\* | -0.046\* | -0.024 | -0.052 |
| Special EDB reform committee | 2012 | -0.245\* | -0.046 | -0.017 | -0.111 |
| Special EDB reform committee | 2013 | -0.399\*\* | -0.063 | -0.032 | -0.117 |

## Policy Reform: ITS Models

**Summary of Coefficients for 8 ITS Models**

**Full Models in Tables B.4-6 Below**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | interaction term | *ln\_sbproced* | *sb\_cost\_ln* | *ln\_sbdays* | *sb\_capital\_ln* |
| All countries | ranked.2005 | -0.088 | -0.059\*\* | 0.009 | -0.085\* |
| ranked.2006 | -0.105 | -0.041\*\* | 0.008 | -0.114\*\*\* |

**Table C1: 2005 Analysis, Full ITS Model**

|  |  |  |  |
| --- | --- | --- | --- |
|  |  |  |  |
|  | sb\_proced | sb\_days\_ln | sb\_cost\_ln | sb\_capital\_ln |
|  | (1) | (2) | (3) | (4) |
|  | | | | |
| year\_centered\_2005 | -0.256\*\*\* | -0.108\*\*\* | -0.037\* | -0.244\*\*\* |
|  | (0.085) | (0.019) | (0.022) | (0.052) |
|  |  |  |  |  |
| ranked\_2005 | 0.010 | -0.036 | -0.135\*\*\* | 0.236\*\*\* |
|  | (0.142) | (0.045) | (0.044) | (0.089) |
|  |  |  |  |  |
| year\_centered\_2005:ranked\_2005 | -0.088 | 0.009 | -0.059\*\* | 0.054 |
|  | (0.092) | (0.022) | (0.024) | (0.059) |
|  |  |  |  |  |
| Constant | 9.350\*\*\* | 3.419\*\*\* | 3.101\*\*\* | 2.515\*\*\* |
|  | (0.345) | (0.078) | (0.140) | (0.244) |
|  |  |  |  |  |
|  | | | | |
| Observations | 1,538 | 1,538 | 1,538 | 1,428 |
| R2 | 0.130 | 0.235 | 0.076 | 0.088 |
| Adjusted R2 | 0.128 | 0.233 | 0.074 | 0.087 |
|  | | | | |
| *Note:* | \*p<0.1; \*\*p<0.05; \*\*\*p<0.01 | | | |
|  | ITS models. Robust standard errors clustered by country. | | | |

**Table C2: 2006 Analysis, Full ITS Model**

|  |  |  |  |
| --- | --- | --- | --- |
| sb\_proced | sb\_days\_ln | sb\_cost\_ln | sb\_capital\_ln |
|  | (1) | (2) | (3) | (4) |
|  | | | | |
| year\_centered\_2006 | -0.228\*\*\* | -0.101\*\*\* | -0.048\*\*\* | -0.170\*\*\* |
|  | (0.068) | (0.016) | (0.017) | (0.037) |
|  |  |  |  |  |
| ranked\_2006 | -0.242 | -0.082\* | -0.185\*\*\* | 0.040 |
|  | (0.162) | (0.048) | (0.051) | (0.101) |
|  |  |  |  |  |
| year\_centered\_2006:ranked\_2006 | -0.105 | 0.008 | -0.041\*\* | -0.019 |
|  | (0.077) | (0.019) | (0.019) | (0.046) |
|  |  |  |  |  |
| Constant | 9.203\*\*\* | 3.336\*\*\* | 3.020\*\*\* | 2.518\*\*\* |
|  | (0.349) | (0.079) | (0.138) | (0.239) |
|  |  |  |  |  |
|  | | | | |
| Observations | 1,538 | 1,538 | 1,538 | 1,428 |
| R2 | 0.130 | 0.236 | 0.077 | 0.088 |
| Adjusted R2 | 0.128 | 0.234 | 0.075 | 0.086 |
|  | | | | |
| *Note:* | \*p<0.1; \*\*p<0.05; \*\*\*p<0.01 | | | |
|  | ITS models. Robust standard errors clustered by country. | | | |

**Table C3: Cutpoints at Every Possible Year, ITS models**

Summary of β3 coefficients (i.e. “year.centered.200x × ranked.200x”) for ITS models, all years

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Subset | Year | Procedures | Cost (log) | Days (log) | Capital (log) |
| All countries | 2003 | 0.072 | -0.094\* | 0.053 | — |
| All countries | 2004 | -0.124 | -0.085\*\*\* | 0.011 | 0.200\* |
| All countries | 2005 | -0.088 | -0.059\*\* | 0.009 | 0.054 |
| All countries | 2006 | -0.105 | -0.041\*\* | 0.008 | -0.019 |
| All countries | 2007 | -0.077 | -0.017 | 0.017 | -0.033 |
| All countries | 2008 | -0.025 | 0.002 | 0.032\*\* | -0.019 |
| All countries | 2009 | 0.028 | 0.014 | 0.047\*\*\* | 0.012 |
| All countries | 2010 | 0.049 | 0.010 | 0.052\*\*\* | 0.019 |
| All countries | 2011 | 0.081 | 0.011 | 0.055\*\*\* | 0.019 |
| All countries | 2012 | 0.045 | 0.001 | 0.041\*\* | 0.002 |
| All countries | 2013 | 0.158\*\* | -0.006 | 0.043\*\* | -0.038 |
| No EDB reform committee | 2003 | -0.039 | -0.079 | 0.068 | — |
| No EDB reform committee | 2004 | -0.117 | -0.068 | 0.018 | 0.049 |
| No EDB reform committee | 2005 | -0.082 | -0.047 | 0.022 | -0.020 |
| No EDB reform committee | 2006 | -0.090 | -0.030 | 0.027 | -0.079 |
| No EDB reform committee | 2007 | -0.053 | -0.000 | 0.035 | -0.078\* |
| No EDB reform committee | 2008 | 0.006 | 0.020 | 0.050\*\* | -0.053 |
| No EDB reform committee | 2009 | 0.070 | 0.031\* | 0.065\*\*\* | -0.002 |
| No EDB reform committee | 2010 | 0.096 | 0.027 | 0.070\*\*\* | 0.018 |
| No EDB reform committee | 2011 | 0.136\* | 0.031\* | 0.074\*\*\* | 0.037 |
| No EDB reform committee | 2012 | 0.116 | 0.020 | 0.055\*\* | 0.025 |
| No EDB reform committee | 2013 | 0.144 | -0.001 | 0.043 | 0.012 |
| Special EDB reform committee | 2003 | 0.321 | -0.125\* | 0.024 | — |
| Special EDB reform committee | 2004 | -0.138 | -0.120\*\*\* | -0.004 | 0.527\*\* |
| Special EDB reform committee | 2005 | -0.103 | -0.084\*\* | -0.019 | 0.214\* |
| Special EDB reform committee | 2006 | -0.137 | -0.065\*\* | -0.031 | 0.109 |
| Special EDB reform committee | 2007 | -0.130 | -0.052\*\* | -0.022 | 0.065 |
| Special EDB reform committee | 2008 | -0.093 | -0.036\* | -0.006 | 0.054 |
| Special EDB reform committee | 2009 | -0.064 | -0.022 | 0.007 | 0.044 |
| Special EDB reform committee | 2010 | -0.054 | -0.026 | 0.012 | 0.022 |
| Special EDB reform committee | 2011 | -0.036 | -0.030 | 0.016 | -0.019 |
| Special EDB reform committee | 2012 | -0.109 | -0.041 | 0.011 | -0.046 |
| Special EDB reform committee | 2013 | 0.188\* | -0.016 | 0.043\* | -0.145 |

## Country Fixed Effects for OLS Models

**Table D1: “Ranked” Coefficients with and without Country Fixed Effects**

Summary of coefficients for the lagged “Ranked” variable with and without country fixed effects

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Outcome | Main | Main + civtot\_lag + inttot\_lag + loan\_ln\_lag | Main + civtot\_lag + inttot\_lag + loan\_bin\_lag | Main + fixed effects | | Main - 2001 | Main - 2001 & 2002 |
| sb\_proced | -0.233\*\*\* | -0.247\*\*\* | -0.251\*\*\* | | -0.237\*\* | -0.237\*\* | -0.225\*\* |
| sb\_days\_ln | -0.029 | -0.027 | -0.029 | | -0.061\*\* | -0.061\*\* | -0.057\*\* |
| sb\_cost\_ln | -0.074\*\*\* | -0.078\*\*\* | -0.079\*\*\* | | -0.064\*\* | -0.064\*\* | -0.046\* |
| sb\_capital\_ln | -0.003 | 0.005 | 0.003 | | -0.032 | -0.032 | -0.032 |
| con\_proced | -1.339\*\*\* | -1.293\*\*\* | -1.279\*\*\* | | -0.045 | -0.045 | -0.204\*\*\* |
| con\_days | -67.590\*\*\* | -67.839\*\*\* | -67.357\*\*\* | | -9.040\* | -9.040\* | -14.108\*\* |
| Fixed country effects | No | No | No | | Yes | Yes | Yes |

**Table D2: Sub-Indicators for “Starting a Business” with and without Country Effects**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | | | | | | | | |
|  | sb\_proced | | sb\_days\_ln | | sb\_cost\_ln | | sb\_capital\_ln | |
|  | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|  | | | | | | | | |
| sb\_proced\_lag | 0.920\*\*\* | 0.741\*\*\* |  |  |  |  |  |  |
|  | (0.013) | (0.026) |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| sb\_days\_ln\_lag |  |  | 0.931\*\*\* | 0.751\*\*\* |  |  |  |  |
|  |  |  | (0.011) | (0.022) |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| sb\_cost\_ln\_lag |  |  |  |  | 0.948\*\*\* | 0.695\*\*\* |  |  |
|  |  |  |  |  | (0.009) | (0.041) |  |  |
|  |  |  |  |  |  |  |  |  |
| sb\_capital\_ln\_lag |  |  |  |  |  |  | 0.924\*\*\* | 0.742\*\*\* |
|  |  |  |  |  |  |  | (0.009) | (0.025) |
|  |  |  |  |  |  |  |  |  |
| ranked\_lag | -0.251\*\*\* | -0.237\*\* | -0.029 | -0.061\*\* | -0.079\*\*\* | -0.064\*\* | 0.003 | -0.032 |
|  | (0.069) | (0.096) | (0.019) | (0.029) | (0.018) | (0.029) | (0.045) | (0.063) |
|  |  |  |  |  |  |  |  |  |
| gdpcap\_ln\_lag | -0.017 | -0.420\*\*\* | -0.015 | -0.125\*\*\* | -0.027\*\* | -0.232\*\*\* | -0.030\* | -0.224\*\* |
|  | (0.037) | (0.152) | (0.009) | (0.043) | (0.012) | (0.044) | (0.018) | (0.106) |
|  |  |  |  |  |  |  |  |  |
| gdpgrowth\_lag | -0.021\*\*\* | -0.008 | -0.007\*\*\* | -0.005\*\*\* | -0.013\*\*\* | -0.007\*\*\* | -0.008 | 0.002 |
|  | (0.006) | (0.007) | (0.002) | (0.002) | (0.002) | (0.002) | (0.005) | (0.006) |
|  |  |  |  |  |  |  |  |  |
| polity\_lag | -0.005 | -0.020 | -0.002 | -0.005 | 0.0004 | -0.011\* | 0.004 | 0.018 |
|  | (0.006) | (0.018) | (0.001) | (0.005) | (0.001) | (0.006) | (0.004) | (0.019) |
|  |  |  |  |  |  |  |  |  |
| pop\_ln\_lag | 0.041\* | -1.244\*\* | 0.006 | -0.172 | 0.008 | -0.416\*\*\* | -0.009 | -0.294 |
|  | (0.024) | (0.540) | (0.006) | (0.116) | (0.005) | (0.158) | (0.012) | (0.688) |
|  |  |  |  |  |  |  |  |  |
| civtot\_lag | 0.028 |  | 0.004 |  | 0.004 |  | 0.014 |  |
|  | (0.026) |  | (0.005) |  | (0.006) |  | (0.014) |  |
|  |  |  |  |  |  |  |  |  |
| inttot\_lag | 0.076\* |  | -0.004 |  | 0.031\*\* |  | -0.087 |  |
|  | (0.041) |  | (0.016) |  | (0.012) |  | (0.118) |  |
|  |  |  |  |  |  |  |  |  |
| loan\_bin\_lag | 0.103 |  | -0.006 |  | 0.036 |  | -0.063 |  |
|  | (0.119) |  | (0.029) |  | (0.032) |  | (0.058) |  |
|  |  |  |  |  |  |  |  |  |
| Constant | 0.038 | 30.747\*\*\* | 0.204 | 5.258\*\* | 0.213 | 10.979\*\*\* | 0.432\* | 7.993 |
|  | (0.457) | (10.189) | (0.137) | (2.340) | (0.159) | (3.055) | (0.258) | (12.806) |
|  |  |  |  |  |  |  |  |  |
|  | | | | | | | | |
| Country fixed effects | No | Yes | No | Yes | No | Yes | No | Yes |
| Observations | 1,659 | 1,660 | 1,659 | 1,660 | 1,659 | 1,660 | 1,558 | 1,559 |
| R2 | 0.909 | 0.926 | 0.902 | 0.919 | 0.963 | 0.970 | 0.904 | 0.918 |
| Adjusted R2 | 0.909 | 0.919 | 0.902 | 0.911 | 0.963 | 0.968 | 0.903 | 0.910 |
|  | | | | | | | | |
| *Note:* | \*p<0.1; \*\*p<0.05; \*\*\*p<0.01 | | | | | | | |
|  | OLS models. Robust standard errors clustered by country. | | | | | | | |

**Table D3: Sub-Indicators for "Enforcing Contracts" with and without Country Fixed Effects**



## Year Fixed Effects for OLS Models

**Table E1: “Ranked” Coefficients with and without Year Fixed Effects**

*Summary of coefficients for the lagged “Ranked” variable with and without country fixed effects*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Outcome | Main | Main + civtot\_lag + inttot\_lag + loan\_ln\_lag | Main + civtot\_lag + inttot\_lag + loan\_bin\_lag | Main + fixed effects | Main - 2001 | Main - 2001 & 2002 |
| sb\_proced | -0.233\*\*\* | -0.247\*\*\* | -0.251\*\*\* | 0.102 | 0.102 | 0.109 |
| sb\_days\_ln | -0.029 | -0.027 | -0.029 | 0.053 | 0.053 | 0.058 |
| sb\_cost\_ln | -0.074\*\*\* | -0.078\*\*\* | -0.079\*\*\* | 0.033 | 0.033 | 0.034 |
| sb\_capital\_ln | -0.003 | 0.005 | 0.003 | 0.320 | 0.320 | 0.320 |
| con\_proced | -1.339\*\*\* | -1.293\*\*\* | -1.279\*\*\* | 0.348 | 0.348 | 0.395 |
| con\_days | -67.590\*\*\* | -67.839\*\*\* | -67.357\*\*\* | -1.605 | -1.605 | -1.585 |
| Fixed year effects | No | No | No | Yes | Yes | Yes |

**Table E2: “Ranked” Coefficients with and without Year Fixed Effects**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | sb\_proced | | sb\_days\_ln | | sb\_cost\_ln | | sb\_capital\_ln | |
|  | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|  | | | | | | | | |
| sb\_proced\_lag | 0.920\*\*\* | 0.920\*\*\* |  |  |  |  |  |  |
|  | (0.013) | (0.015) |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| sb\_days\_ln\_lag |  |  | 0.931\*\*\* | 0.932\*\*\* |  |  |  |  |
|  |  |  | (0.011) | (0.012) |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| sb\_cost\_ln\_lag |  |  |  |  | 0.948\*\*\* | 0.950\*\*\* |  |  |
|  |  |  |  |  | (0.009) | (0.009) |  |  |
|  |  |  |  |  |  |  |  |  |
| sb\_capital\_ln\_lag |  |  |  |  |  |  | 0.924\*\*\* | 0.926\*\*\* |
|  |  |  |  |  |  |  | (0.009) | (0.009) |
|  |  |  |  |  |  |  |  |  |
| ranked\_lag | -0.251\*\*\* | 0.102 | -0.029 | 0.053 | -0.079\*\*\* | 0.033 | 0.003 | 0.320 |
|  | (0.069) | (0.335) | (0.019) | (0.083) | (0.018) | (0.052) | (0.045) | (0.281) |
|  |  |  |  |  |  |  |  |  |
| gdpcap\_ln\_lag | -0.017 | -0.038\* | -0.015 | -0.014\*\* | -0.027\*\* | -0.032\*\*\* | -0.030\* | -0.017 |
|  | (0.037) | (0.022) | (0.009) | (0.006) | (0.012) | (0.009) | (0.018) | (0.012) |
|  |  |  |  |  |  |  |  |  |
| gdpgrowth\_lag | -0.021\*\*\* | -0.020\*\*\* | -0.007\*\*\* | -0.007\*\*\* | -0.013\*\*\* | -0.011\*\*\* | -0.008 | -0.009\* |
|  | (0.006) | (0.006) | (0.002) | (0.002) | (0.002) | (0.002) | (0.005) | (0.005) |
|  |  |  |  |  |  |  |  |  |
| polity\_lag | -0.005 | -0.006 | -0.002 | -0.002\* | 0.0004 | 0.0001 | 0.004 | 0.004 |
|  | (0.006) | (0.006) | (0.001) | (0.001) | (0.001) | (0.001) | (0.004) | (0.004) |
|  |  |  |  |  |  |  |  |  |
| pop\_ln\_lag | 0.041\* | 0.058\*\* | 0.006 | 0.008\* | 0.008 | 0.011\*\* | -0.009 | -0.003 |
|  | (0.024) | (0.023) | (0.006) | (0.005) | (0.005) | (0.005) | (0.012) | (0.011) |
|  |  |  |  |  |  |  |  |  |
| civtot\_lag | 0.028 |  | 0.004 |  | 0.004 |  | 0.014 |  |
|  | (0.026) |  | (0.005) |  | (0.006) |  | (0.014) |  |
|  |  |  |  |  |  |  |  |  |
| inttot\_lag | 0.076\* |  | -0.004 |  | 0.031\*\* |  | -0.087 |  |
|  | (0.041) |  | (0.016) |  | (0.012) |  | (0.118) |  |
|  |  |  |  |  |  |  |  |  |
| loan\_bin\_lag | 0.103 |  | -0.006 |  | 0.036 |  | -0.063 |  |
|  | (0.119) |  | (0.029) |  | (0.032) |  | (0.058) |  |
|  |  |  |  |  |  |  |  |  |
| Constant | 0.038 | -0.095 | 0.204 | 0.112 | 0.213 | 0.257\* | 0.432\* | -0.004 |
|  | (0.457) | (0.426) | (0.137) | (0.121) | (0.159) | (0.140) | (0.258) | (0.238) |
|  |  |  |  |  |  |  |  |  |
|  | | | | | | | | |
| Year fixed effects | No | Yes | No | Yes | No | Yes | No | Yes |
| Observations | 1,659 | 1,660 | 1,659 | 1,660 | 1,659 | 1,660 | 1,558 | 1,559 |
| R2 | 0.909 | 0.910 | 0.902 | 0.903 | 0.963 | 0.963 | 0.904 | 0.906 |
| Adjusted R2 | 0.909 | 0.909 | 0.902 | 0.902 | 0.963 | 0.963 | 0.903 | 0.905 |
|  | | | | | | | | |
| *Note:* | \*p<0.1; \*\*p<0.05; \*\*\*p<0.01 | | | | | | | |
|  | OLS models. Robust standard errors clustered by country. | | | | | | | |

**Table E3: Sub-Indicators for “Enforcing Contracts” with and without Year Fixed Effects**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | | | | |
|  | con\_proced | | con\_days | |
|  | (1) | (2) | (3) | (4) |
|  | | | | |
| con\_proced\_lag | 0.708\*\*\* | 0.780\*\*\* |  |  |
|  | (0.023) | (0.032) |  |  |
|  |  |  |  |  |
| con\_days\_lag |  |  | 0.903\*\*\* | 0.971\*\*\* |
|  |  |  | (0.015) | (0.008) |
|  |  |  |  |  |
| ranked\_lag | -1.279\*\*\* | 0.348 | -67.357\*\*\* | -1.605 |
|  | (0.258) | (0.506) | (5.427) | (3.386) |
|  |  |  |  |  |
| gdpcap\_ln\_lag | -0.383\*\*\* | -0.167 | -5.263 | -3.550\*\* |
|  | (0.145) | (0.104) | (3.237) | (1.559) |
|  |  |  |  |  |
| gdpgrowth\_lag | -0.038 | -0.016 | -2.627\*\*\* | -1.292\*\*\* |
|  | (0.024) | (0.025) | (0.676) | (0.463) |
|  |  |  |  |  |
| polity\_lag | -0.112\*\*\* | -0.083\*\* | 1.219\*\* | 0.573 |
|  | (0.039) | (0.032) | (0.525) | (0.376) |
|  |  |  |  |  |
| pop\_ln\_lag | 0.023 | 0.124 | 2.358 | 3.673\*\* |
|  | (0.109) | (0.087) | (2.561) | (1.839) |
|  |  |  |  |  |
| civtot\_lag | 0.208\*\* |  | 9.935\*\* |  |
|  | (0.101) |  | (4.295) |  |
|  |  |  |  |  |
| inttot\_lag | 0.292 |  | -2.168 |  |
|  | (0.393) |  | (3.915) |  |
|  |  |  |  |  |
| loan\_bin\_lag | -0.371 |  | 3.842 |  |
|  | (0.487) |  | (11.148) |  |
|  |  |  |  |  |
| Constant | 15.702\*\*\* | 4.800\*\*\* | 124.001\*\*\* | 17.250 |
|  | (2.421) | (1.757) | (42.007) | (35.766) |
|  |  |  |  |  |
|  | | | | |
| Year fixed effects | No | Yes | No | Yes |
| Observations | 1,634 | 1,635 | 1,633 | 1,634 |
| R2 | 0.725 | 0.836 | 0.868 | 0.923 |
| Adjusted R2 | 0.723 | 0.834 | 0.867 | 0.922 |
|  | | | | |
| *Note:* | \*p<0.1; \*\*p<0.05; \*\*\*p<0.01 | | | |
|  | OLS models. Robust standard errors clustered by country. | | | |

## Description of Reform Coding

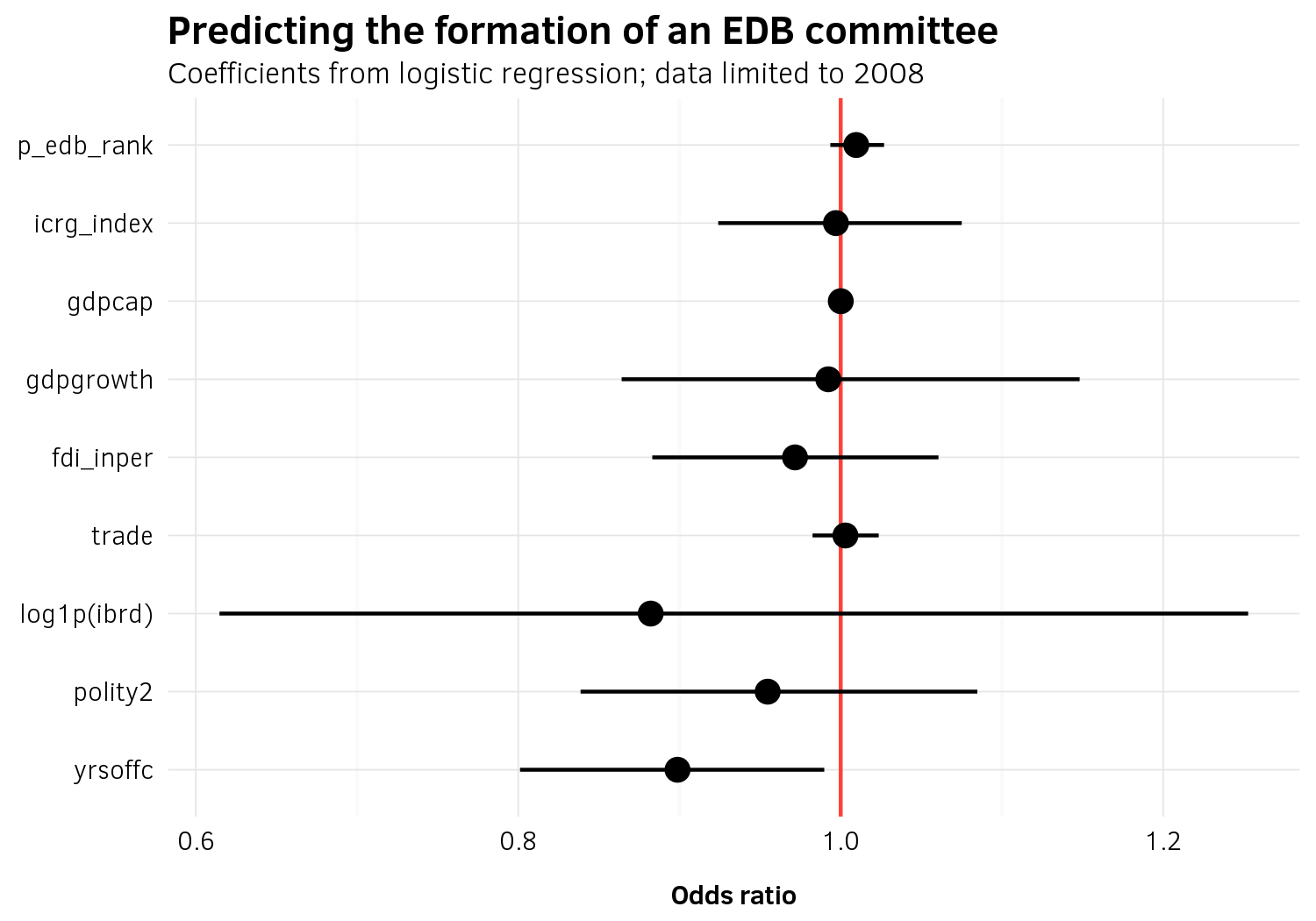
Since 2007, the World Bank has kept a tally of the reforms states have taken with respect to the ease of doing business. We used the narrative description of reforms made by state, because it records both progress (increased ease of doing business) and retrogression (reforms noted for making business costlier or otherwise harder to conduct).[[1]](#footnote-1) All of the reform variables were coded in the following way. For each economy, we counted the number of reforms each year that had a positive (+) or negative (-) effect on the ease of doing business. Unlike the World Bank's tally of reforms, we coded reforms that make it harder to conduct business as negative numbers (e.g., -1).[[2]](#footnote-2) However, when the Bank mentions offsetting reforms within one indicator category (e.g., raising one type of tax but reducing another), we defer to Bank judgment as to whether it is on net positive or negative. We did not attempt to code depth per se, but did count reforms separately when there were distinct measures listed with commas or with the conjunction "and." We listed a measure as only one reform, even if it had multiple consequences (for example, if removing a tax is described as lowering the tax burden *and* reducing filing costs). Similarly, we counted as one reform any measure that reduced, the "time and cost" of doing business because we assumed, in the absence of further explanation, for a firm these are essentially the same thing. We also counted as only one reform a provision applying to separately listed actors, such as "introducing a requirement for greater disclosure to the Board of Directors *and* to the public." (Belarus DB2012). Finally, we made the (somewhat arbitrary) decision to limit the number of reforms in any given year to five. The justification for this decision is that reform packages would sometimes be listed in more detail than in other cases, and we judged that when reforms exceeded five that a major package had been put in place, but that higher numbers would misrepresent the independent importance of these reforms when listed reforms exceeded approximately five.

## What explains Reform Committees?

**Table F1: Correlates of Reform Committee Presence**

|  |  |
| --- | --- |
|  | |
|  | has\_bureau |
|  | |
| p\_edb\_rank | 0.010 |
|  | (0.009) |
|  |  |
| icrg\_index | -0.003 |
|  | (0.041) |
|  |  |
| gdpcap | 0.00005 |
|  | (0.0001) |
|  |  |
| gdpgrowth | -0.008 |
|  | (0.067) |
|  |  |
| fdi\_inper | -0.029 |
|  | (0.043) |
|  |  |
| trade | 0.003 |
|  | (0.011) |
|  |  |
| log1p(ibrd) | -0.125 |
|  | (0.185) |
|  |  |
| polity | -0.046 |
|  | (0.071) |
|  |  |
| yrsoffc | -0.107\*\* |
|  | (0.053) |
|  |  |
| Constant | 2.241 |
|  | (5.395) |
|  |  |
|  | |
| Observations | 68 |
| Log Likelihood | -43.531 |
| Akaike Inf. Crit. | 107.063 |
|  | |
| *Note:* | \*p<0.1; \*\*p<0.05; \*\*\*p<0.01 |
|  | Logsitic regression model. Year restricted to 2008. Robust standard errors clustered by country. |

**Figure F1: Correlates of Reform Committee Presence**



**Table F2: Correlates of Control Variables from Models A1–A5**

*Correlates of relevant variables with selection into 2001 sample and with outcomes*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Model Ain\_2001 | Model Bsb\_days\_ln | Model Csb\_proced | Model Dsb\_cost\_ln | Model Esb\_capital\_ln |
| gdpcap\_ln | + | − |  | − | − |
| gdpgrowth |  | − | − | − |  |
| polity | + |  |  | + | + |
| pop\_ln | + |  | + | + |  |
| inttot | − |  |  |  |  |
| civtot | − |  |  |  |  |
| loan\_ln |  |  |  |  |  |

**Table F3: Rankings in 2005 and 2014**

|  |  |  |  |
| --- | --- | --- | --- |
|  | | | |
|  | 2014 | | Change in ranking |
|  | (1) | (2) | (3) |
|  | | | |
| 2005 ranking | 1.041\*\*\* | 1.069\*\*\* |  |
|  | (0.062) | (0.071) |  |
|  |  |  |  |
| Has reform committee | -20.647\*\*\* | -10.934 | -19.737\*\*\* |
|  | (5.963) | (13.842) | (5.790) |
|  |  |  |  |
| 2005 ranking × has reform committee |  | -0.112 |  |
|  |  | (0.143) |  |
|  |  |  |  |
| Constant | 14.496\*\*\* | 12.555\*\* | 17.374\*\*\* |
|  | (5.409) | (5.964) | (3.212) |
|  |  |  |  |
|  | | | |
| Observations | 143 | 143 | 143 |
| R2 | 0.670 | 0.671 | 0.076 |
| Adjusted R2 | 0.665 | 0.664 | 0.070 |
|  | | | |
| *Note:* | \*p<0.1; \*\*p<0.05; \*\*\*p<0.01 | | |
|  | OLS models. Non-robust standard errors. | | |

## India Experiment Survey Results

One avenue through which GPIs affect state behavior, according to the framing paper, is through domestic politics, at times by generating competitive status concerns for those living in the rated country that in turn create pressures for policy change. To examine the plausibility of this mechanism, we conducted an online survey experiment of 217 Indian participants. We varied China’s EDB rank relative to India’s EDB rank and measured Indian support for economic reforms, hypothesizing that a higher Chinese rank would lead Indians to be more supportive of an improved business climate and a higher EDB ranking.

We selected China as a status comparison because it is highly salient to the Indian public. India shares a physical border and variety of traits with China: both countries have populations of over one billion, post-colonial legacies, and civilizations that date back millennia. Yet, despite similar levels of development in the 1950s, China’s stunning growth has left many Indians anxious. As the *New York Times* notes, "it seems to be a national obsession in India to measure the country's economic development against China's yardstick…Indian executives refer to China as a template for development.” [[3]](#footnote-3)

The respondents were gathered through Amazon mTurk, which has a significant Indian user base. We screened for Indian workers and offered a modest incentive for their participation. The sample came from fifteen Indian states, was roughly 70% male, and had a median household income of between 180,000 and 200,000 rupees (approximately $2,900). Respondent age ranged from twenty-two to sixty-nine with a median of thirty-two. Roughly 90% possessed a college degree or higher. Participants supported 10 different political parties, with roughly half supporting the ruling BJP and the other half supporting parties opposed to the BJP and/or outside its ruling coalition. As a caveat, we do not claim to have a representative sample or that our findings extend to India’s population; we claim only that the experiment illustrates that rankings can trigger status concerns that change policy preferences in an important (educated, somewhat well-off, technically savvy, predominantly male) segment of the Indian population.

Respondents were randomly assigned to one of five groups. Group 1 (No Rank) received no information on India’s rank or the Ease of Doing Business indicator. The other four groups were all given India’s true ranking of 130, told that this ranking was out of 189 countries, and were clearly informed that 1 was the best ranking and 189 the worst. Of these four groups, the only variation was China’s rank. Group 2 (India’s Rank Only) received information on India’s rank but no information on China’s rank (which is 78). Group 3 (China Higher) was told China’s rank was 30 and India’s 130. Group 4 (Equal Ranks) was told that China and India had equal ranks of 130. Finally, Group 5 (India Higher) received information that India’s rank was 130 and China’s 180.

Respondents were then asked how important it was to them to improve India’s business climate and EDB ranking, respectively, and their answers were scored on a five-point Likert Scale and then converted into a numeric with 5 serving as the highest measure of importance and 1 the lowest. Thus, higher-value means and positive-value coefficients reflect an *increase* in importance.

The results in Table 7 suggest that the EDB shapes domestic policy preferences by facilitating status comparisons. First, and most conclusively, Indians who were told that China is ranked 100 places ahead of India on the EDB indicator rated an improved business climate and an improved EDB ranking as more important to them (by .46 and .45 points on a five-point scale; or roughly 10% more important) than respondents who were told China places fifty ranks behind India. Because India’s ranking was held constant at 130 in these comparison groups, the results suggest that the manipulation of China’s rank alone significantly affected the policy preferences of Indian respondents. These results are consistent with a hypothesis that status concerns play a role in framing Indian policy views, and that relative EDB rankings successfully stimulate status concerns. They are robust across OLS, a bootstrapped Welch’s T-Test, and a Wilcoxon Rank Sum Test.

**Experimental Results Status Comparisons on Importance of EBD and Business Climate Improvements**

|  |  |  |  |
| --- | --- | --- | --- |
|  | OLS | Bootstrapped  T-Test | Wilcoxon Rank Sums Test |
| China Higher vs. India Higher:  Business Climate Importance | .462\*\*\*  (.1292)  p=.0006 | .4603\*\*\*  (.1322)  p=.0005 | W=672\*\*\*  p=.0007 |
| China Higher vs. India Higher: EDB Importance | .4515\*\*\*  (.1628)  p=.007 | .4513\*\*\*  (.1623)  p=.005 | W=707.5\*\*\*  p=.003 |
| India Rank Only vs. No Rank: EDB Importance | .2884  (.1746)  p=.102 | .2893  (.1772)  p=.17 | W=674\*  p=.0615 |

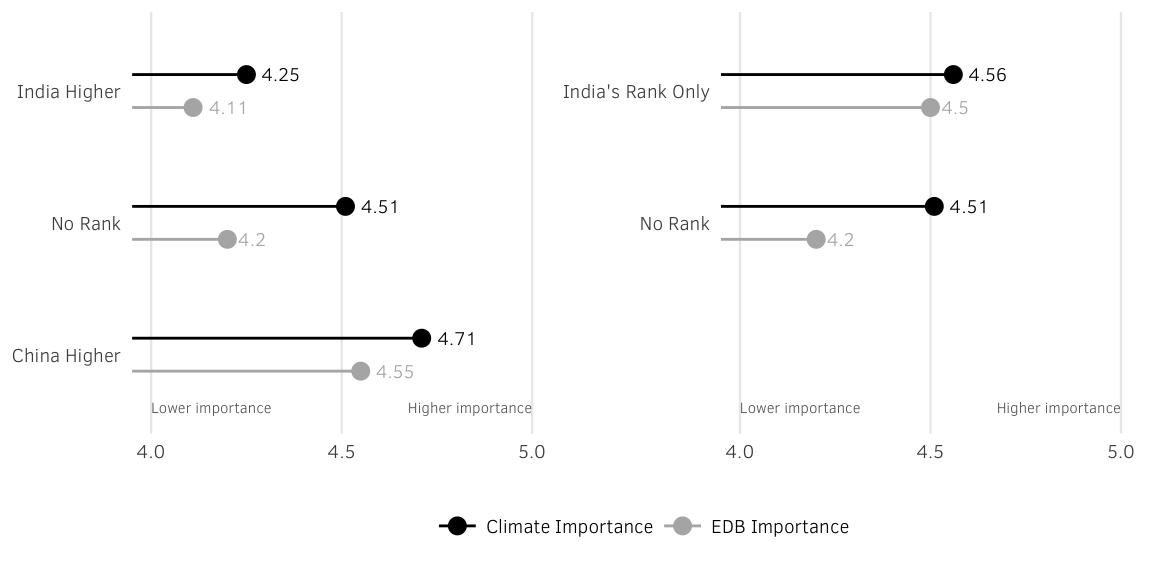
\*p<.1, \*\*p<.05, \*\*\*p<.01

A positive coefficient entails a higher Likert score and a greater willingness to invest in the first group relative to the second.

Second, India’s ranking was influential even when it was not explicitly compared with other countries and when the comparative element of the ranking was left implicit by situating India among all countries. Respondents who were provided only India’s ranking of 130 out of 189 rated both an improved business climate and an improved ranking as more important to them than those who received no information on the EDB ranking.

Finally, across our five comparison groups, the average importance respondents attached to improving India’s business climate and EDB ranking varied systematically and as expected with the information provided about China’s rank. Figure 5 shows that respondents rated these goals as most important when China’s rank was higher than India’s, less important when China and India’s ranks were equal, and least important when India ranked above China. This suggests that the sample population displayed a discernible competitive causal effect, consistent with claims that the EDB Index draws attention to policies on which the public believe a competitor outperforms their own country.

**Assessments of Importance of Improving India’s Business Climate and EDB Rankings, by Exposure to EDB Information**



## India Experiment Survey Text

**Control [No EDB]**

Q2.1 How important is it to you that the Indian government improve India's business and investment climate?

* Extremely important (1)
* Very important (2)
* Moderately important (3)
* Slightly important (4)
* Not at all important (5)

Q2.2 Please complete the sentence according to your personal opinion. Improving India's business and investment climate should be...

* the government's first priority. (1)
* one of the government's top-five priorities. (2)
* an important government priority. (3)
* a government priority. (4)
* not a priority. (5)

Q2.3 Please explain your answer to the two preceding questions in one sentence.

Q2.4 How important is it to you that the Indian government improve India's ranking on the World Bank's Ease of Doing Business indicator?

* Extremely important (1)
* Very important (2)
* Moderately important (3)
* Slightly important (4)
* Not at all important (5)

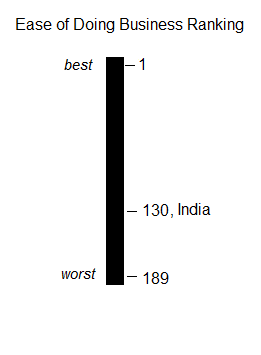
Q2.5 Please complete the sentence according to your personal opinion. Improving India's rank on the World Bank's Ease of Doing Business ranking should be...

* the government's first priority. (1)
* one of the government's top-five priorities. (2)
* an important government priority. (3)
* a government priority. (4)
* not a priority. (5)

Q2.6 Please explain your answer to the two preceding questions in one sentence.

**[Control 2 – India EDB Rank Only]**

Q3.1 The World Bank, the world's leading source of economic assistance and advice to developing countries, publishes a ranking of 189 countries each year called the Ease of Doing Business ranking.  Countries are ranked from best to worst for starting and operating a business, with 1 being the best ranking and 189 being the worst ranking. India currently ranks at 130 on the Ease of Doing Business ranking.



Q3.2 What is India's Ease of Doing Business rank?

Q3.3 [Graph reappears]

Q3.4 The graph above shows that India is ranked 130 out of 189 countries on the Ease of Doing Business indicator. Taking this information into account, how important is it to you that the Indian government improve India's business and investment climate?

* Extremely important (1)
* Very important (2)
* Moderately important (3)
* Slightly important (4)
* Not at all important (5)

Q3.5 The graph above shows that India is ranked 130 out of 189 countries on the Ease of Doing Business indicator. Taking this information into account, complete the sentence below according to your personal opinion. Improving India's business and investment climate should be...

* the government's first priority. (1)
* one of the government's top-five priorities. (2)
* an important government priority. (3)
* a government priority. (4)
* not a priority. (5)

Q3.6 Please explain your answer to the two preceding questions in one sentence.

Q3.7 [Graph reappears]

Q3.8 The graph above shows that India is ranked 130 out of 189 countries on the Ease of Doing Business indicator. Taking into account the information above, how important is it to you that the Indian government improve India's ranking on the Ease of Doing Business indicator?

* Extremely important (1)
* Very important (2)
* Moderately important (3)
* Slightly important (4)
* Not at all important (5)

Q3.9 The graph above shows that India is ranked 130 out of 189 countries on the Ease of Doing Business indicator. Taking this information into account, complete the sentence below according to your personal opinion. Improving India's rank on the Ease of Doing Business ranking should be...

* the government's first priority. (1)
* one of the government's top-five priorities. (2)
* an important government priority. (3)
* a government priority. (4)
* not a priority. (5)

Q3.10 Please explain your answer to the two preceding questions in one sentence.

Q3.11

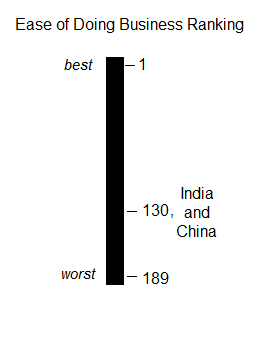
Q3.12 Does the rank the World Bank gave India on the Ease of Doing Business Ranking seem accurate to you?

* Seems accurate (1)
* Seems neither inaccurate nor inaccurate (2)
* Seems inaccurate (3)
* I don't know (4)

Q3.13 Please explain your answer to the previous question in one sentence.

**[Treatment 1 – Both Rank 130]**

Q5.1 The World Bank, the world's leading source of economic assistance and advice to developing countries, publishes a ranking of 189 countries each year called the Ease of Doing Business ranking. Countries are ranked from best to worst for starting and operating a business, with 1 being the best ranking and 189 being the worst ranking. The Ease of Doing Business ranking suggests that China and India are equal on the ease of doing business, with both countries tied at a rank of 130.



Q5.2 Based on the information above, please write China's Ease of Doing Business rank in the box below.

Q5.3 Based on the information above, please write India's Ease of Doing Business rank in the box below.

Q5.4 Based on the information above, which country has a better rank on the Ease of Doing business ranking?

* China (1)
* India (2)
* Neither - they both have the same ranking (3)

Q5.5 [Graph reappears]

Q5.6 The graph above shows that both India and China have a ranking of 130 out of 189 countries on the Ease of Doing Business ranking. Taking this information into account, how important is it to you that the Indian government improve India's business and investment climate?

* Extremely important (1)
* Very important (2)
* Moderately important (3)
* Slightly important (4)
* Not at all important (5)

Q5.7 The graph above shows that both India and China have a ranking of 130 out of 189 countries on the Ease of Doing Business ranking. Taking this information into account, complete the sentence according to your personal opinion. Improving India's business and investment climate should be...

* the government's first priority. (1)
* one of the government's top-five priorities. (2)
* an important government priority. (3)
* a government priority. (4)
* not a priority. (5)

Q5.8 Please explain your answer to the two preceding questions in one sentence.

Q5.9 [Graph reappears]

Q5.10 The graph above shows that both India and China have a ranking of 130 out of 189 countries on the Ease of Doing Business ranking. Taking this information into account, how important is it to you that the Indian government improve India's ranking on the Ease of Doing Business indicator?

* Extremely important (1)
* Very important (2)
* Moderately important (3)
* Slightly important (4)
* Not at all important (5)

Q5.11 The graph above shows that both India and China have a ranking of 130 out of 189 countries on the Ease of Doing Business ranking. Taking this information into account, how important is it to you that the Indian government improve India's business and investment climate? Improving India's rank on the Ease of Doing Business ranking should be...

* the government's first priority. (1)
* one of the government's top-five priorities. (2)
* an important government priority. (3)
* a government priority. (4)
* not a priority. (5)

Q5.12 Please explain your answer to the two preceding questions in one sentence.

Q5.13 [Graph reappears]

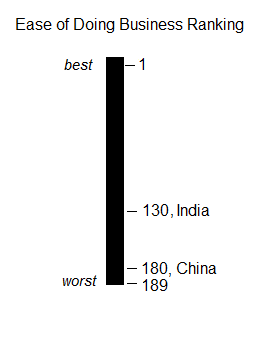
Q5.14 Does the rank the World Bank gave India on the Ease of Doing Business Ranking seem accurate to you?

* Seems accurate (1)
* Seems neither accurate nor inaccurate (2)
* Seems inaccurate (3)
* I don't know (4)

Q5.15 Please explain your answer to the previous question in one sentence.

**[Treatment 2: India Higher; China Lower]**

Q6.1 The World Bank, the world's leading source of economic assistance and advice to developing countries, publishes a ranking of 189 countries each year called the Ease of Doing Business ranking. Countries are ranked from best to worst for starting and operating a business, with 1 being the best ranking and 189 being the worst ranking. The Ease of Doing Business ranking suggests that India is a much easier place to do business than China. India is ranked 130 on the Ease of Doing Business indicator while China is ranked 180.



Q6.2 Based on the information above, please write India's Ease of Doing Business rank in the box below.

Q6.3 Based on the information above, please write China's Ease of Doing Business rank in the box below.

Q6.4 Based on the information above, which country has a better rank on the Ease of Doing business ranking?

* China (1)
* India (2)

Q6.5 [Graph reappears]

Q6.6 The graph above shows that India is ranked ahead of China by fifty places on the Ease of Doing Business ranking. India is ranked 130 out of 189 countries while China is ranked 180 out of 189 countries. Taking this information into account, how important is it to you that the Indian government improve India's business and investment climate?

* Extremely important (1)
* Very important (2)
* Moderately important (3)
* Slightly important (4)
* Not at all important (5)

Q6.7 The graph above shows that India is ranked ahead of China by fifty places on the Ease of Doing Business ranking. India is ranked 130 out of 189 countries while China is ranked 180 out of 189 countries. Taking this information into account, complete the sentence according to your personal opinion. Improving India's business and investment climate should be...

* the government's first priority. (1)
* one of the government's top-five priorities. (2)
* an important government priority. (3)
* a government priority. (4)
* not a priority. (5)

Q6.8 Please explain your answer to the two preceding questions in one sentence.

Q6.9 [Graph reappears]

Q6.10 The graph above shows that India is ranked ahead of China by fifty places on the Ease of Doing Business ranking. India is ranked 130 out of 189 countries while China is ranked 180 out of 189 countries. Taking this information into account, how important is it to you that the Indian government improve India's ranking on the Ease of Doing Business indicator?

* Extremely important (1)
* Very important (2)
* Moderately important (3)
* Slightly important (4)
* Not at all important (5)

Q6.11 The graph above shows that India is ranked ahead of China by fifty places on the Ease of Doing Business ranking. India is ranked 130 out of 189 countries while China is ranked 180 out of 189 countries. Taking this information into account, complete the sentence according to your personal opinion. Improving India's rank on the Ease of Doing Business ranking should be...

* the government's first priority. (1)
* one of the government's top-five priorities. (2)
* an important government priority. (3)
* a government priority. (4)
* not a priority. (5)

Q6.12 Please explain your answer to the two preceding questions in one sentence.

Q6.13

Q6.14 Does the rank the World Bank gave India on the Ease of Doing Business Ranking seem accurate to you?

* Seems accurate (1)
* Seems neither accurate nor inaccurate (2)
* Seems inaccurate (3)
* I don't know (4)

Q6.15 Please explain your answer to the previous question in one sentence.

**[Post-Treatment]**

Q7.1 Had you heard of the World Bank's Ease of Doing Business indicator before taking this survey?

* Yes (1)
* No (2)

If No Is Selected, Then Skip To End of Block

Q7.2 Where did you hear about the World Bank's Ease of Doing Business indicator? Select all that apply.

* Indian government (1)
* Traditional media (Newspapers, Television) (2)
* Social media (Facebook, Twitter) (3)
* Political parties and campaigns (4)
* Not sure (5)
* Other (please specify) (6) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Q8.1 This is the last set of questions. We will now ask you roughly fifteen basic questions about yourself.

Q8.2 What is your gender?

* Male (1)
* Female (2)

Q8.3 What year were you born?

Q8.4 What is the highest level of education you have completed?

* Eighth Standard or Less (1)
* Twelfth Standard (2)
* Some College (3)
* Bachelors Degree (4)
* Masters Degree (5)
* Doctoral Degree (6)
* Professional Degree (JD, MD) (7)

Q8.5 Please indicate your marital status:

* Single (1)
* Married (2)
* Separated (3)
* Divorced (4)
* Widowed (5)
* Never Married (6)

Q8.6 How many children do you have (including step-children)?

* 0 (1)
* 1 (2)
* 2 (3)
* 3 (4)
* 4 (5)
* 5 (6)
* 6 (7)
* 7 (8)
* 8 (9)
* 9 (10)
* 10 (11)
* 11 (12)
* 12+ (13)

Q8.7 6. What is your combined annual household income?

* under ₹20,000 (1)
* ₹20,000-39,999 (2)
* ₹40,000-59,999 (3)
* ₹60,000-79,999 (4)
* ₹80,000-1 Lakh (5)
* ₹1 Lakh - 1.2 Lakh (6)
* ₹1.2 Lakh - 1.4 Lakh (7)
* ₹1.4 Lakh - 1.6 Lakh (8)
* ₹1.6 Lakh - 1.8 Lakh (9)
* ₹1.8 Lakh - 2.0 Lakh (10)
* ₹2.0 Lakh - 2.2 Lakh (11)
* ₹2.2 Lakh - 2.4 Lakh (12)
* ₹2.2 Lakh - 2.6 Lakh (13)
* ₹2.6 Lakh - 2.8 Lakh (14)
* ₹2.8 Lakh- 3.0 Lakh (15)
* ₹3.0 Lakh + (16)

Q8.8 What is your main occupation?

* Farmer, cattle, or fishery (1)
* Commerce, service trade worker (2)
* Self-owned business (3)
* Laborer (4)
* Government (5)
* Manager (6)
* Serviceman or police officer (7)
* Professional/technical (8)
* Clerk (9)
* Student (10)
* Military (11)

Q8.9 Which of the following political parties do you most often agree with or support in elections?

* Bharatiya Janata Party (1)
* Indian National Congress (2)
* Communist Party of India (Marxist) (3)
* Communist Party of India (4)
* Bahujan Samaj Party (5)
* Nationalist Congress Party (6)
* Other (State party) (7)
* None (8)

Display This Question:

If Which of the following political parties do you most often agree with or support in elections?&nbsp; Other (State party) Is Selected

Q8.10 Which of the following state parties do you most often agree with or support in elections?

* Aam Aadmi Party (1)
* All India Anna Dravida Munnetra Kazhagam (2)
* All India Forward Bloc (3)
* All India Majlis-e-Ittehadul Muslimeen (4)
* All India N.R. Congress (5)
* All India Trinamool Congress (6)
* All India United Democratic Front (7)
* All Jharkhand Students Union (8)
* Asom Gana Parishad (9)
* Biju Janata Dal (10)
* Bodoland People's Front (11)
* Desiya Murpokku Dravidar Kazhagam (12)
* Dravida Munnetra Kazhagam (13)
* Haryana Janhit Congress (BL) (14)
* Hill State People's Democratic Party (15)
* Indian National Lok Dal (16)
* Indian Union Muslim League (17)
* Jammu & Kashmir National Conference (18)
* Jammu & Kashmir National Panthers Party (19)
* Jammu and Kashmir People's Democratic Party (20)
* Janata Dal (Secular) (21)
* Janata Dal (United) (22)
* Jharkhand Mukti Morcha (23)
* Jharkhand Vikas Morcha (Prajatantrik) (24)
* Kerala Congress (M) (25)
* Lok Janshakti Party (26)
* Maharashtra Navnirman Sena (27)
* Maharashtrawadi Gomantak Party (28)
* Manipur State Congress Party (29)
* Mizo National Front (30)
* Mizoram People's Conference (31)
* Naga People's Front (32)
* National People's Party (33)
* Pattali Makkal Katchi (34)
* People's Party of Arunachal (35)
* Rashtriya Janata Dal (36)
* Rashtriya Lok Dal (37)
* Rashtriya Lok Samta Party (38)
* Revolutionary Socialist Party (39)
* Samajwadi Party (40)
* Shiromani Akali Dal (41)
* Shiv Sena (42)
* Sikkim Democratic Front (43)
* Sikkim Krantikari Morcha (44)
* Telangana Rashtra Samithi (45)
* Telugu Desam Party (46)
* United Democratic Party (47)
* YSR Congress Party (48)
* Samajwadi Janata Party (Rashtriya) (49)

Q8.11 Even if I could choose to be a citizen of any country in the world, I would most like to be a citizen of India.

* Strongly agree (1)
* Agree (2)
* Somewhat agree (3)
* Neither agree nor disagree (4)
* Somewhat disagree (5)
* Disagree (6)
* Strongly disagree (7)

Q8.12 Overall, India is better than most other countries.

* Strongly agree (1)
* Agree (2)
* Somewhat agree (3)
* Neither agree nor disagree (4)
* Somewhat disagree (5)
* Disagree (6)
* Strongly disagree (7)

Q8.13 Everyone should support their own government, even if it is doing something wrong.

* Strongly agree (1)
* Agree (2)
* Somewhat agree (3)
* Neither agree nor disagree (4)
* Somewhat disagree (5)
* Disagree (6)
* Strongly disagree (7)

Q8.14 What state are you from?

* Andaman and Nicobar Islands (1)
* Andhra Pradesh (2)
* Arunachal Pradesh (3)
* Assam (4)
* Bihar (5)
* Chandigarh (6)
* Chhattisgarh (7)
* Dadra and Nagar Haveli (8)
* Daman and Diu (9)
* National Capital Territory of Delhi (10)
* Goa (11)
* Gujarat (12)
* Haryana (13)
* Himachal Pradesh (14)
* Jammu and Kashmir (15)
* Jharkhand (16)
* Karnataka (17)
* Kerala (18)
* Lakshadweep (19)
* Madhya Pradesh (20)
* Maharashtra (21)
* Manipur (22)
* Meghalaya (23)
* Mizoram (24)
* Nagaland (25)
* Odisha (26)
* Puducherry (27)
* Punjab (28)
* Rajasthan (29)
* Sikkim (30)
* Tamil Nadu (31)
* Telangana (32)
* Tripura (33)
* Uttar Pradesh (34)
* Uttarakhand (35)
* West Bengal (36)

Q8.15 What is your six-digit PIN Code (i.e., your Postal Index Number)?

## Investor Experiment Survey Text

Investor EDB Experiment - Extended - Coding - Test Final

**[Screening Questions]**

Q9.45 Which of the following best describes your occupation?

* Investment Professional (1)
* Management Consultant (2)
* Professional Accountant (3)
* Real Estate Professional (4)
* Tax Professional (5)
* Other (please specify) (6) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Condition: Investment Professional Is Not Selected. Skip To: End of Block.

Q9.46 Which of the following best approximates your title?

* President/CEO (1)
* Managing Director (9)
* Partner (10)
* Vice President (2)
* Principal (3)
* Senior Director (4)
* Director (5)
* Senior Associate (6)
* Associate (7)
* Analyst (8)

Q9.5 How many years have you worked in the investment industry?

* 0 Years (8)
* 1-5 Years (1)
* 6-10 Years (3)
* 11-15 Years (4)
* 16-20 Years (5)
* 20-25 Years (6)
* 26+ Years (7)

Condition: 1-5 Years Is Selected. Skip To: End of Block.Condition: 0 Years Is Selected. Skip To: End of Block.

Q2.1 Section 1 of 11  Imagine you are considering an investment in an emerging market country. You are given the following information about that country.

[Note: order of information for each group was randozed]

**[Control]**

|  |  |
| --- | --- |
| Unemployment Rate | 10% |
| Real GDP Growth | 7% |
| Inflation Rate | 6% |
| Per Capita Income | $6000 |

**[Treatment 1]**

|  |  |
| --- | --- |
| Unemployment Rate | 10% |
| Real GDP Growth | 7% |
| Inflation Rate | 6% |
| Per Capita Income | $6000 |
| World Bank Ease of Doing Business Rank | 30 of 190 countries |

**[Treatment 2]**

|  |  |
| --- | --- |
| Unemployment Rate | 10% |
| Real GDP Growth | 7% |
| Inflation Rate | 6% |
| Per Capita Income | $6000 |
| World Bank Ease of Doing Business Rank | 130 of 190 countries |

Exp1Q1 Based only on the information above, how likely would you be to invest in this emerging market country?

* Extremely Unlikely (1)
* Moderately Unlikely (2)
* Slightly Unlikely (3)
* Neither Likely nor Unlikely (4)
* Slightly Likely (5)
* Moderately Likely (6)
* Extremely Likely (7)

Exp1Q1.1In one sentence, please explain the rationale behind your answer to the previous question.

Exp1Q2 Section 2 of 11 For your convenience, the relevant country information from earlier is reproduced

Based only on the information above, what kind of real return would you need to justify the risk that comes with investing in this emerging market country?

* 1% (1)
* 2% (2)
* 3% (3)
* 4% (4)
* 5% (5)
* 6% (6)
* 7% (7)
* 8% (8)
* 9% (9)
* 10% (10)
* 11% (11)
* 12% (12)
* 13% (13)
* 14% (14)
* 15% (15)
* 15%+ (please specify the precise amount below) (16)

Exp1Q2.1In one sentence, please explain the rationale behind your answer to the previous question.

Exp1Q3 Section 3 of 11For your convenience, the relevant country information from earlier is reproduced below.

Exp1Q3.1-3.4 Based only on the information above, how likely do you think it would be for this emerging market country to...

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Extremely Unlikely (1) | Moderately Unlikely (2) | Slightly Unlikely (3) | Neither Likely nor Unlikely (4) | Slightly Likely (5) | Moderately Likely (6) | Extremely Likely (7) |
| govern competently? (8) |  |  |  |  |  |  |  |
| have corruption levels that affect your investments? (15) |  |  |  |  |  |  |  |
| attract investment from your competitors? (10) |  |  |  |  |  |  |  |
| treat foreign investment at least as well as domestic investment? (11) |  |  |  |  |  |  |  |

Exp1Q4 Section 4 of 11For your convenience, the relevant country information from earlier is reproduced below.

Exp1Q4.1-4.4 Previously, you noted that you would be "${q://QID188/ChoiceGroup/SelectedChoices}" to invest in the country described in the hypothetical example. How useful were the following pieces of information in formulating your decision?

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Not useful (1) | Slightly useful (2) | Moderately useful (3) | Extremely useful (4) |
| Real GDP Growth (1) |  |  |  |  |
| Inflation (2) |  |  |  |  |
| Unemployment Rate (3) |  |  |  |  |
| Per Capita Income (4) |  |  |  |  |
| Ease of Doing Business (5) |  |  |  |  |

Exp1Q5 Section 5 of 11 For your convenience, the relevant country information from earlier is reproduced below.

Exp1Q5.1-5.6 In thinking about whether to invest in this emerging market country, how much effort would you expend to acquire information about it in each of the categories listed below?

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | None at all (1) | A little (2) | A moderate amount (3) | A lot (4) | A great deal (5) |
| Costs and Requirements of Starting a Business (19) |  |  |  |  |  |
| Costs and Procedures for Transferring Property (20) |  |  |  |  |  |
| Efficiency and Quality of Contract Enforcement (21) |  |  |  |  |  |
| Corruption Levels and Related Business Costs (22) |  |  |  |  |  |
| Government Competency (23) |  |  |  |  |  |
| Treatment of Foreign Capital Relative to Domestic Capital (24) |  |  |  |  |  |

Exp1Q6 Section 6 of 11For your convenience, the relevant country information from earlier is reproduced below.

Exp1Q6 In which regions of the world would you expect to find this emerging market country?

* South America, Central America, and the Caribbean (2)
* Eastern Europe and Russia (4)
* Sub-Saharan Africa (5)
* North Africa and the Middle East (6)
* Central Asia (7)
* East Asia and Southeast Asia (8)
* South Asia (9)
* Australia and Oceania (10)

Exp1UseEDB [For those receiving the control] In making your investment decisions regarding this hypothetical country, would you have found it useful to consult the World Bank's Ease of Doing Business indicator?

* Yes (1)
* Maybe (2)
* No (3)

**[Post-Treatment]**

Q9.1 Section 11 of 11This is the last set of questions. We will now ask you some basic questions about yourself.

Q9.2 What is your gender?

* Male (1)
* Female (2)

Q9.3 What year were you born?

Q9.4 What is the highest level of education you have completed?

* High School (2)
* Some College (3)
* Bachelors Degree (4)
* Masters Degree (5)
* Doctoral Degree (6)
* Professional Degree (JD, MD, MBA) (7)

Q9.6 Which of the following options best reflects the specific investment industry in which you work?

* Portfolio Investment (1)
* Private Equity/Venture Capital (2)
* Corporate Foreign Direct Investment (3)
* Bank Lending (4)
* Other (5) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Q9.7 Which of the following best captures your investment strategy? Select all that apply.

* Macro-focused Investing (1)
* Fundamentals/Value Investing (2)
* Activist Investing (3)
* Distressed Investing (4)
* Long/Short Investing (5)
* Stock Investing (6)
* Bond Investing (7)
* Other (8) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Q9.8 Each year, the World Bank publishes a report and ranking that rates each country on its "Ease of Doing Business." Have you ever read one of these annual reports or consulted the rankings?

* I have read both the report and the ranking. (1)
* I have read only the report. (2)
* I have read only the ranking. (3)
* I have read neither the report nor the ranking. (4)

Q9.10 At the beginning of this survey, for Hypothetical 1 Scenario, you were given five statistics about an emerging market country. To the best of your memory, please reenter the values of statistics you were given here. [EDB option is not visible for those receiving the control]

Inflation (percentage) (1)

Per Capita Income (in dollars) (2)

GDP Growth (percentage) (3)

Unemployment Rate (percentage) (4)

Ease of Doing Business indicator (rank) (5)

Q9.11 Without consulting online sources, what rank do you think India might occupy on the World Bank's Ease of Doing Business ranking? Your answer can range from 1 to 190, where a rank of 1 is best (easiest country to do business in) and 190 is worst (hardest country to do business in)

[slider]

Q9.12 Without consulting online sources, what rank do you think Kenya might occupy on the World Bank's Ease of Doing Business ranking? Your answer can range from 1 to 190, where a rank of 1 is best (easiest country to do business in) and 190 is worst (hardest country to do business in)

[slider]

Q92 Imagine that several organizations publish a Global Competitiveness Ranking. Which organization’s ranking would you be most likely to use?

* the Economist Magazine’s Ranking (4)
* the World Bank’s Ranking (5)
* the Brookings Institution’s Ranking (6)
* the Heritage Foundation’s Ranking (7)

Q9.13 Thank you for participating in our survey.  The survey is now complete.

1. Source: 2007-2014: <http://www.doingbusiness.org/reforms/reforms-count>. (Last accessed 1 March 2015.) Note that DB2008 was since the data are reported in the following year. [↑](#footnote-ref-1)
2. This is in contrast to the World Bank’s accounting of reforms, whereby the cumulative tally appears to refer to the reform year rather than the number or depth of reform. [↑](#footnote-ref-2)
3. Bajaj 2011. [↑](#footnote-ref-3)