

Supplementary Material for:

**Business Deserts Politics under Weak Institutions: Evidence from Russia, 2003–2010**

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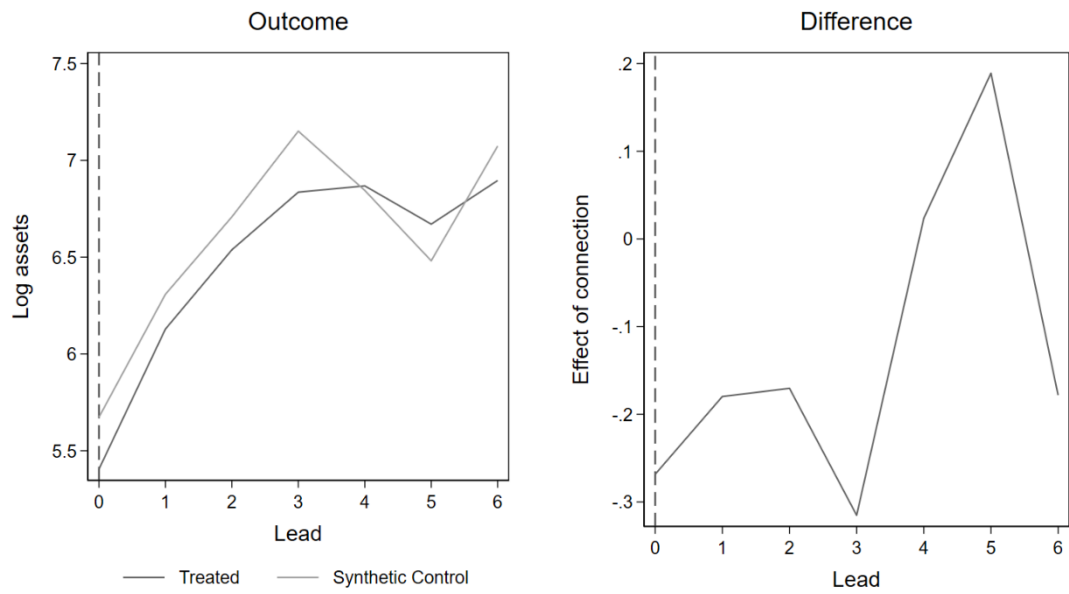
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**Table S1.** Fixed-effects panel regression results predicting log assets with an interaction between time and connectedness

	Estimate
Time	1.30*** (0.05)
Connection	0.44*** (0.12)
Time × Connection	-0.04 (0.15)
Observations	3,501
Groups	997

*Note.* Standard errors in parentheses.

\*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$



**Figure S1.** Results of synthetic control analysis

*Note.* Effect of connection not significant on the 95% confidence level in all time points.

**Table S2.** Full logistic regression results predicting having a political connection

	Model 1	Model 2
Time trend	-2.17*** (0.60)	-2.45** (0.91)
Connection previous year	9.19*** (0.93)	3.79*** (0.65)
Log fortune	1.65 (1.18)	3.69* (1.56)
Industry (Finance = ref.)		
Metallurgy	1.15 (0.73)	
Retail	0.09 (0.67)	
Construction	0.50 (0.69)	
Food	-0.13 (0.63)	
Petroleum	0.64 (0.83)	
Chemical	-0.19 (0.91)	
Communication	-1.11 (1.29)	
Transportation	0.43 (1.02)	
Machinery	1.90* (0.90)	
Agriculture	1.85 (1.15)	
Energy	-0.06 (1.13)	
Other	1.39 (1.21)	

*Note.* Standard errors in parentheses.

\*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

**Table S3.** Results of additional panel logistic regressions

	Model 1	Model 2
Time trend	-1.93** (0.59)	-2.56*** (0.75)
Connection previous year	8.89*** (0.89)	9.33*** (1.02)
Log fortune	1.37 (1.31)	2.32 (1.25)
Industry	included	included
<i>N</i> observations	2,790	3,501
<i>N</i> individuals	771	997

*Note.* Model 1 includes only the first 400 observations for each year. Model 2 introduces indicator variables for years 2003, 2005, and 2008. Standard errors in parentheses.

\*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

**Table S4.** Year indicator variables' effects on propensity to have a political connection

	Estimate
Year (2003 = ref.)	
2004	0.01 (0.52)
2005	-0.12 (0.48)
2006	-1.00* (0.47)
2007	-1.30* (0.63)
2008	-0.65 (0.65)
2009	-1.99** (0.69)
2010	-2.14** (0.67)
Connection previous year	9.32*** (1.01)
Log fortune	2.42 (1.31)
Industry fixed effects	included
<i>N</i> observations	3,501
<i>N</i> individuals	997

*Note.* Standard errors in parentheses.

\*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

**Table S5.** Interactive effect of time and assets on having a political connection

	Estimate
Time trend	-1.97*** (0.58)
Log fortune	3.30* (1.67)
Fortune $\times$ Time	-3.92 (3.10)
Connection previous year	9.29*** (0.96)
Industry fixed effects	included
<i>N</i> observations	3,501
<i>N</i> individuals	997

*Note.* Standard errors in parentheses.

\*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$