

Democracy, Elite Bias, and Financial Development in Latin America
By Victor Menaldo and Daniel Yoo

Supplementary Appendix

Supplementary Appendix Table 1, Jackknife Panel Regressions using Liquidity

Panel regressions estimated using Driscoll Kraay Standard Errors

Country Omitted	Democracy with Autocratic Constitution (Dem w/ Aut Const vs. Dem w/ Dem Const)				Democracy + Amend Constitution (Dem w/ Dem Const vs. Aut)				Dem. + Amend Const. + Democracy with Autocratic Const. (Dem w/ Aut Const vs. Aut)			
	Coefficient	p-value	95% CI		Coefficient	p-value	95% CI		Coefficient	p-value	95% CI	
Argentina	-6.822	0.00	-9.807	-3.836	10.586	0.00	7.644	13.529	3.765	0.00	2.337	5.192
Bolivia	-0.546	0.73	-3.711	2.618	3.458	0.05	0.089	6.827	2.912	0.00	1.286	4.537
Brazil	-1.941	0.14	-4.563	0.681	5.995	0.00	2.916	9.073	4.054	0.00	2.435	5.673
Chile	-2.877	0.06	-5.823	0.069	7.053	0.00	4.133	9.973	4.176	0.00	2.413	5.938
Colombia	-2.244	0.13	-5.134	0.647	6.522	0.00	3.593	9.452	4.279	0.00	2.563	5.995
Costa Rica	-2.057	0.13	-4.801	0.688	4.994	0.00	2.119	7.869	2.937	0.00	1.384	4.491
Dominican Republic	-3.069	0.03	-5.888	-0.250	6.600	0.00	3.497	9.703	3.531	0.00	1.913	5.149
Ecuador	-3.053	0.08	-6.495	0.389	6.708	0.00	3.154	10.262	3.655	0.00	1.846	5.424
El Salvador	-5.140	0.00	-8.342	-1.938	8.562	0.00	5.389	11.734	3.422	0.00	1.637	5.171
Guatemala	-4.169	0.00	-6.813	-1.524	8.277	0.00	5.387	11.167	4.108	0.00	2.503	5.713
Guyana	-3.068	0.03	-5.796	-9.341	6.629	0.00	3.747	9.510	3.560	0.00	1.966	5.155
Haiti	-3.079	0.03	-5.814	-0.345	6.578	0.00	3.667	9.488	3.498	0.00	1.937	5.060
Honduras	-3.723	0.01	-6.476	-0.971	7.480	0.00	4.422	10.538	3.756	0.00	2.077	5.436
Jamaica	-2.958	0.04	-5.708	-0.208	6.384	0.00	3.543	9.224	3.426	0.00	1.905	4.947
Mexico	-3.058	0.03	-5.844	-0.273	6.274	0.00	2.986	9.562	3.216	0.00	1.272	5.160
Nicaragua	-3.074	0.03	-5.804	-0.345	6.536	0.00	3.630	9.442	3.462	0.00	1.885	5.039
Panama	-2.599	0.06	-5.262	0.064	4.723	0.00	1.734	7.713	2.124	0.02	0.417	3.832
Paraguay	-1.994	0.17	-4.860	-0.972	5.222	0.00	2.061	8.383	3.228	0.00	1.618	4.839
Peru	-2.073	0.18	-5.128	0.983	5.814	0.00	1.984	9.643	3.741	0.00	2.092	5.390
Trinidad and Tobago	-3.989	0.01	-6.783	-1.172	6.909	0.00	3.894	9.923	2.931	0.00	1.208	4.654
Uruguay	-2.756	0.05	-5.449	-0.063	6.135	0.00	3.465	8.806	3.379	0.00	1.760	4.998
Venezuela, RB	-3.377	0.02	-6.262	-0.492	6.083	0.00	3.061	9.106	2.706	0.00	1.339	4.074

Country fixed effects, year fixed effects and country specific time trends included across each regression. All control variables included in Table 2 regressions (see text) also included. None of these coefficients reported to conserve space.

Supplementary Appendix Table 2, Jackknife Panel Regressions using Total Deposits

Panel regressions estimated using Driscoll Kraay Standard Errors

Country Omitted	Democracy with Autocratic Constitution (Dem w/ Aut Const vs. Dem w/ Dem Const)				Democracy + Amend Constitution (Dem w/ Dem Const vs. Aut)				Dem.+ Amend Const. + Dem. with Autocratic Const. (Dem w/ Aut Const vs. Aut)			
	Coefficient	p-value	95% CI		Coefficient	p-value	95% CI		Coefficient	p-value	95% CI	
Argentina	-5.166	0.01	-8.795	-1.538	8.098	0.00	4.247	11.948	2.931	0.00	1.447	4.416
Bolivia	-0.526	0.77	-4.130	3.077	2.699	0.16	-1.116	6.513	2.172	0.01	0.555	3.789
Brazil	-2.154	0.14	-5.063	0.758	5.424	0.00	2.022	8.826	3.272	0.00	1.583	4.960
Chile	-2.963	0.10	-6.501	0.575	5.039	0.01	1.505	8.573	2.076	0.01	0.481	3.671
Colombia	-0.768	0.61	-3.778	2.241	4.794	0.01	1.376	8.211	4.025	0.00	2.505	5.546
Costa Rica	-1.853	0.28	-5.237	1.531	4.141	0.03	0.514	7.768	2.288	0.00	0.782	3.794
Dominican Republic	-2.274	0.19	-5.730	1.182	4.899	0.01	1.144	8.655	2.625	0.00	1.095	4.156
Ecuador	-2.273	0.27	-6.353	1.806	5.456	0.01	1.361	9.551	3.183	0.00	1.520	4.846
El Salvador	-4.187	0.02	-7.779	-0.595	6.950	0.00	3.090	10.811	2.763	0.00	1.071	4.455
Guatemala	-3.281	0.05	-6.480	-0.081	6.413	0.00	2.931	9.895	3.132	0.00	1.496	4.767
Guyana	-2.542	0.13	-5.856	0.772	5.345	0.00	1.786	8.903	2.802	0.00	1.222	4.383
Haiti	-2.833	0.10	-6.179	0.514	5.571	0.00	1.953	9.189	2.738	0.00	1.154	4.322
Honduras	-3.027	0.08	-6.378	0.325	5.986	0.00	2.267	9.705	2.960	0.00	1.321	4.599
Jamaica	-2.546	0.13	-5.851	0.759	5.267	0.01	1.680	8.854	2.721	0.00	1.154	4.288
Mexico	-2.662	0.12	-6.029	0.705	5.400	0.01	1.658	9.142	2.728	0.00	0.959	4.516
Nicaragua	-2.555	0.13	-5.869	0.758	5.270	0.01	1.681	8.858	2.714	0.00	1.135	4.293
Panama	-1.908	0.22	-5.023	1.208	3.654	0.04	0.157	7.151	1.746	0.07	-0.114	3.606
Paraguay	-1.857	0.33	-5.657	1.944	4.316	0.04	0.258	8.375	2.459	0.00	0.873	4.046
Peru	-2.254	0.20	-5.746	1.237	5.266	0.02	0.994	9.539	3.012	0.00	1.121	4.903
Trinidad and Tobago	-3.153	0.07	-6.513	0.207	5.260	0.01	1.490	9.030	2.107	0.02	0.311	3.902
Uruguay	-2.988	0.06	-6.040	0.065	5.584	0.00	2.618	8.551	2.596	0.00	1.147	4.046
Venezuela, RB	-2.764	0.11	-6.226	0.697	4.811	0.01	1.021	8.601	2.047	0.01	0.609	3.484

Country fixed effects, year fixed effects and country specific time trends included across each regression. All control variables included in Table 2 regressions (see text) also included. None of these coefficients reported to conserve space.

Supplementary Appendix Table 3, Jackknife Panel Regressions using Private Credit

Panel regressions estimated using Driscoll Kraay Standard Errors

Country Omitted	Democracy with Autocratic Constitution (Dem w/ Aut Const vs. Dem w/ Dem Const)				Democracy + Amend Constitution (Dem w/ Dem Const vs. Aut)				Dem. + Amend Const. + Democracy with Autocratic Const. (Dem w/ Aut Const vs. Aut)			
	Coefficient	p-value	95% CI		Coefficient	p-value	95% CI		Coefficient	p-value	95% CI	
Argentina	-9.079	0.00	-13.414	-4.744	8.083	0.00	3.398	12.769	-0.996	0.29	-2.888	0.896
Bolivia	-6.176	0.00	-9.996	-2.355	4.320	0.04	0.244	8.396	-1.856	0.08	-3.918	0.207
Brazil	-6.589	0.00	-10.039	-3.138	6.103	0.01	1.806	10.400	-0.486	0.64	-2.541	1.569
Chile	-7.127	0.00	-11.372	-2.882	7.355	0.00	3.642	11.068	0.228	0.81	-1.699	2.154
Colombia	-7.216	0.00	-10.942	-3.490	6.698	0.00	2.650	10.747	-0.518	0.56	-2.281	1.246
Costa Rica	-8.088	0.00	-11.709	-4.466	7.383	0.00	3.406	11.360	-0.704	0.49	-2.739	1.330
Dominican Republic	-7.069	0.00	-11.094	-3.044	5.739	0.01	1.474	10.004	-1.331	0.14	-3.123	0.462
Ecuador	-8.355	0.00	-12.501	-4.208	6.911	0.01	2.220	11.602	-1.443	0.19	-3.614	0.727
El Salvador	-9.505	0.00	-13.797	-5.213	9.022	0.00	4.643	13.402	-0.483	0.61	-2.382	1.417
Guatemala	-8.678	0.00	-12.229	-5.127	7.872	0.00	3.874	11.870	-0.806	0.44	-2.897	1.286
Guyana	-7.873	0.00	-11.641	-4.105	7.000	0.00	2.982	11.018	-0.873	0.37	-2.806	1.060
Haiti	-8.126	0.00	-11.895	-4.357	7.208	0.00	3.166	11.250	-0.918	0.34	-2.850	1.013
Honduras	-7.786	0.00	-11.467	-4.105	6.714	0.00	2.681	10.746	-1.073	0.28	-3.038	0.892
Jamaica	-7.879	0.00	-11.628	-4.130	6.999	0.00	3.038	10.959	-0.880	0.93	-2.753	0.993
Mexico	-8.184	0.00	-11.958	-4.411	7.409	0.00	3.229	11.590	-0.775	0.44	-2.762	1.212
Nicaragua	-7.871	0.00	-11.635	-4.107	6.933	0.00	2.906	10.960	-0.938	0.33	-2.861	0.985
Panama	-6.240	0.00	-10.190	-2.290	4.801	0.04	0.179	9.423	-1.439	0.31	-4.242	1.365
Paraguay	-7.403	0.00	-11.759	-3.048	6.236	0.01	1.717	10.756	-1.167	0.24	-3.145	0.811
Peru	-7.730	0.00	-11.510	-3.951	6.507	0.00	2.176	10.838	-1.224	0.28	-3.492	1.045
Trinidad and Tobago	-8.301	0.00	-12.137	-4.464	7.175	0.00	2.924	11.427	-1.126	0.29	-3.256	1.005
Uruguay	-10.239	0.00	-13.501	-6.977	9.638	0.00	6.398	12.877	-0.601	0.51	-2.407	1.204
Venezuela, RB	-7.949	0.00	-11.793	-4.105	6.722	0.00	2.643	10.800	-1.228	0.21	-3.153	0.698

Country fixed effects, year fixed effects and country specific time trends included across each regression. All control variables included in Table 2 regressions (see text) also included. None of these coefficients reported to conserve space.

Supplementary Appendix Table 4, Jackknife Panel Regressions using Stock Market

Panel regressions estimated using Driscoll Kraay Standard Errors

Country Omitted	Democracy with Autocratic Constitution (Dem w/ Aut Const vs. Dem w/ Dem Const)				Democracy + Amend Constitution (Dem w/ Dem Const vs. Aut)				Dem. + Amend Const. + Democracy with Autocratic Const. (Dem w/ Aut Const vs. Aut)			
	Coefficient	p-value	95% CI		Coefficient	p-value	95% CI		Coefficient	p-value	95% CI	
Argentina	-9.401	0.29	-27.624	8.822	10.603	0.26	-8.371	29.577	1.202	0.86	-10.182	12.586
Bolivia	-12.862	0.13	-30.066	4.343	14.322	0.09	-2.681	31.325	1.460	0.80	-10.770	13.691
Brazil	-13.265	0.14	-31.093	4.563	13.047	0.12	-3.807	29.901	-0.218	0.97	-13.325	12.889
Chile	-14.687	0.02	-26.959	-2.415	2.325	0.78	-14.631	19.281	-12.362	0.05	-24.685	-0.039
Colombia	-17.282	0.13	-40.207	5.644	16.815	0.07	-1.679	35.309	-0.466	0.95	-15.891	14.958
Costa Rica	-13.421	0.13	-31.069	4.227	13.941	0.10	-2.946	30.829	0.520	0.93	-12.028	13.068
Dominican Republic	-13.871	0.11	-30.983	3.241	14.559	0.08	-1.685	30.802	0.687	0.91	-11.772	13.147
Ecuador	-11.717	0.21	-30.476	7.041	11.646	0.32	-12.169	35.461	-0.071	0.99	-14.604	14.462
El Salvador	-14.036	0.11	-31.414	3.341	14.448	0.08	-2.004	30.899	0.411	0.95	-12.354	13.177
Guatemala	-13.859	0.11	-31.004	3.285	14.569	0.08	-1.737	30.874	0.710	0.91	-11.794	13.213
Guyana	-13.870	0.11	-31.039	3.300	14.547	0.08	-1.753	30.846	0.677	0.91	-11.830	13.183
Haiti	-13.871	0.11	-30.983	3.241	14.559	0.08	-1.685	30.802	0.687	0.91	-11.772	13.147
Honduras	-13.871	0.11	-31.004	3.261	14.559	0.08	-1.705	30.822	0.687	0.91	-11.787	13.162
Jamaica	-13.987	0.10	-30.892	2.917	14.864	0.05	-0.169	29.896	0.876	0.86	-9.666	11.419
Mexico	-14.973	0.06	-30.679	0.732	24.013	0.03	3.119	44.906	9.039	0.26	-7.355	25.433
Nicaragua	-13.871	0.11	-30.983	3.241	14.559	0.08	-1.685	30.802	0.687	0.91	-11.772	13.147
Panama	-13.050	0.13	-30.298	4.197	12.336	0.12	-3.490	28.162	-0.714	0.91	-13.171	11.743
Paraguay	-13.997	0.11	-31.560	3.566	14.808	0.08	-1.830	31.446	0.811	0.90	-11.981	13.603
Peru	-16.763	0.27	-47.839	14.313	19.697	0.12	-0.545	44.846	2.934	0.70	-12.936	18.804
Trinidad and Tobago	-12.434	0.12	-28.551	3.683	13.865	0.05	-0.193	27.924	1.431	0.81	-11.091	13.953
Uruguay	-13.643	0.12	-31.215	3.929	15.268	0.07	-1.484	32.019	1.625	0.79	-11.302	14.551
Venezuela, RB	-13.534	0.13	-31.584	4.517	14.595	0.09	-2.220	31.410	1.061	0.87	-11.896	14.019

Country fixed effects, year fixed effects and country specific time trends included across each regression. All control variables included in Table 2 regressions (see text) also included. None of these coefficients reported to conserve space.

Supplementary Appendix Table 5, Jackknife Panel Regressions using Financial Reforms

Panel regressions estimated using Driscoll Kraay Standard Errors

Country Omitted	Democracy with Autocratic Constitution (Dem w/ Aut Const vs. Dem w/ Dem Const)				Democracy + Amend Constitution (Dem w/ Dem Const vs. Aut)				Dem. + Amend Const. + Democracy with Autocratic Const. (Dem w/ Aut Const vs. Aut)			
	Coefficient	p-value	95% CI		Coefficient	p-value	95% CI		Coefficient	p-value	95% CI	
Argentina	-1.065	0.01	-1.826	-0.303	0.730	0.04	0.050	1.410	-0.334	0.13	-0.769	0.100
Bolivia	-0.613	0.04	-1.193	-0.032	0.182	0.47	-0.330	0.694	-0.431	0.05	-0.852	-0.010
Brazil	-0.725	0.02	-1.321	-0.130	0.313	0.30	-0.288	0.914	-0.412	0.08	-0.870	0.046
Chile	-0.788	0.01	-1.363	-0.212	0.698	0.04	0.022	1.375	-0.089	0.68	-0.523	0.344
Colombia	-0.486	0.10	-1.068	0.096	0.353	0.22	-0.220	0.925	-0.133	0.48	-0.515	0.249
Costa Rica	-0.827	0.01	-1.467	-0.186	0.495	0.11	-0.111	1.015	-0.332	0.11	-0.747	0.084
Dominican Republic	-0.787	0.02	-1.411	-0.164	0.464	0.12	-0.120	1.049	-0.323	0.12	-0.740	0.094
Ecuador	-1.105	0.01	-1.855	-0.355	0.662	0.06	-0.019	1.344	-0.443	0.07	-0.917	0.031
El Salvador	-0.578	0.08	-1.124	0.080	0.111	0.73	-0.531	0.753	-0.467	0.02	-0.861	-0.072
Guatemala	-0.927	0.01	-1.622	-0.231	0.638	0.05	0.013	1.264	-0.288	0.19	-0.728	0.152
Guyana	-0.842	0.01	-1.472	-0.213	0.501	0.09	-0.090	1.093	-0.341	0.10	-0.756	0.074
Haiti	-0.842	0.01	-1.472	-0.213	0.501	0.09	-0.090	1.093	-0.341	0.10	-0.756	0.074
Honduras	-0.842	0.01	-1.372	-0.213	0.501	0.09	-0.090	1.093	-0.341	0.10	-0.756	0.074
Jamaica	-0.845	0.01	-1.495	-0.194	0.523	0.09	-0.095	1.140	-0.322	0.13	-0.744	0.100
Mexico	-0.823	0.01	-1.467	-0.179	0.027	0.92	-0.527	0.581	-0.796	0.00	-1.186	-0.405
Nicaragua	-0.888	0.01	-1.496	-0.279	0.590	0.05	-0.001	1.181	-0.297	0.17	-0.724	0.129
Panama	-0.842	0.01	-1.472	-0.213	0.501	0.09	-0.090	1.093	-0.341	0.10	-0.756	0.074
Paraguay	-1.176	0.00	-1.929	-0.422	0.983	0.01	0.272	1.694	-0.193	0.33	-0.587	0.201
Peru	-1.235	0.00	-1.852	-0.617	1.081	0.01	0.300	1.862	-0.153	0.57	-0.702	0.395
Trinidad and Tobago	-0.842	0.01	-1.472	-0.213	0.501	0.09	-0.090	1.093	-0.341	0.10	-0.756	0.074
Uruguay	-0.588	0.07	-1.226	0.050	0.192	0.54	-0.436	0.820	-0.396	0.07	-0.821	0.030
Venezuela, RB	-0.824	0.01	-1.454	-0.194	0.473	0.12	-0.121	1.066	-0.351	0.10	-0.772	0.069

Country fixed effects, year fixed effects and country specific time trends included across each regression. All control variables included in Table 2 regressions (see text) also included. None of these coefficients reported to conserve space.