**Supplementary Material**

**Table S1.** Understanding the lag structure of the dependent variable

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | *Dependent variable: Income inequality (t)* | | | | |
|  | 1 lag of DV | 2 lags of DV | 3 lags of DV | 4 lags of DV | 5 lags of DV |
|  | (1) | (2) | (3) | (4) | (5) |
| Income inequality (t-1) | 0.980\*\*\* | 1.656\*\*\* | 1.584\*\*\* | 1.573\*\*\* | 1.556\*\*\* |
|  | (0.009) | (0.041) | (0.062) | (0.063) | (0.064) |
| Income inequality (t-2) |  | -0.686\*\*\* | -0.524\*\*\* | -0.477\*\*\* | -0.456\*\*\* |
|  |  | (0.041) | (0.115) | (0.123) | (0.123) |
| Income inequality (t-3) |  |  | -0.091 | -0.179 | -0.133 |
|  |  |  | (0.062) | (0.121) | (0.127) |
| Income inequality (t-4) |  |  |  | 0.054 | -0.072 |
|  |  |  |  | (0.063) | (0.122) |
| Income inequality (t-5) |  |  |  |  | 0.078 |
|  |  |  |  |  | (0.063) |
| R2 | 0.999 | 0.999 | 0.999 | 0.999 | 0.999 |
| Observations | 2383 | 2325 | 2259 | 2190 | 2103 |
| Countries | 99 | 99 | 99 | 99 | 99 |

*Note*: Panel-corrected standard errors in parentheses; \* p<0.10, \*\* p<0.05, \*\*\* p<0.01. All models include full controls, country-level fixed effects, time count variables, and a constant.

**Table S2.** Robustness tests with different lags of y

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | *Dependent variable (DV): Income inequality* | | | | | | | | | | | |
|  | Full models with different lags of y | | | | | | | | | | | |
|  | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) |
|  | *Reference category: multiparty* | | | *Reference category: one-party* | | | *Reference category: military* | | | *Reference category: monarchy* | | |
| Monarchy | 0.139\*\*\* | 0.072\*\* | 0.071\*\* | 0.088 | 0.009 | 0.004 | 0.124\*\* | 0.070\*\* | 0.072\*\* |  |  |  |
|  | (0.049) | (0.033) | (0.032) | (0.057) | (0.037) | (0.036) | (0.051) | (0.034) | (0.034) |  |  |  |
| Military | 0.015 | 0.002 | -0.001 | -0.037 | -0.061\*\* | -0.068\*\*\* |  |  |  | -0.124\*\* | -0.070\*\* | -0.072\*\* |
|  | (0.017) | (0.013) | (0.013) | (0.033) | (0.024) | (0.025) |  |  |  | (0.051) | (0.034) | (0.034) |
| One-party | 0.052 | 0.063\*\* | 0.067\*\* |  |  |  | 0.037 | 0.061\*\* | 0.068\*\*\* | -0.088 | -0.009 | -0.004 |
|  | (0.035) | (0.026) | (0.027) |  |  |  | (0.033) | (0.024) | (0.025) | (0.057) | (0.037) | (0.036) |
| Multiparty |  |  |  | -0.052 | -0.063\*\* | -0.067\*\* | -0.015 | -0.002 | 0.001 | -0.139\*\*\* | -0.072\*\* | -0.071\*\* |
|  |  |  |  | (0.035) | (0.026) | (0.027) | (0.017) | (0.013) | (0.013) | (0.049) | (0.033) | (0.032) |
| Other | 0.025 | 0.015 | 0.018 | -0.027 | -0.048\* | -0.049\* | 0.010 | 0.013 | 0.019 | -0.115\*\* | -0.057\* | -0.053 |
|  | (0.016) | (0.012) | (0.012) | (0.040) | (0.028) | (0.029) | (0.023) | (0.016) | (0.016) | (0.050) | (0.034) | (0.034) |
| State capacity | -0.111\*\*\* | -0.054\*\*\* | -0.051\*\*\* | -0.111\*\*\* | -0.054\*\*\* | -0.051\*\*\* | -0.111\*\*\* | -0.054\*\*\* | -0.051\*\*\* | -0.111\*\*\* | -0.054\*\*\* | -0.051\*\*\* |
|  | (0.024) | (0.020) | (0.020) | (0.024) | (0.020) | (0.020) | (0.024) | (0.020) | (0.020) | (0.024) | (0.020) | (0.020) |
| 1 lag of DV | Yes | No | No | Yes | No | No | Yes | No | No | Yes | No | No |
| 2 lags of DV | No | Yes | No | No | Yes | No | No | Yes | No | No | Yes | No |
| 3 lags of DV | No | No | Yes | No | No | Yes | No | No | Yes | No | No | Yes |
| Country FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Time dummies | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| R2 | 0.999 | 0.999 | 0.999 | 0.999 | 0.999 | 0.999 | 0.999 | 0.999 | 0.999 | 0.999 | 0.999 | 0.999 |
| Observations | 2383 | 2325 | 2259 | 2383 | 2325 | 2259 | 2383 | 2325 | 2259 | 2383 | 2325 | 2259 |
| Countries | 99 | 99 | 99 | 99 | 99 | 99 | 99 | 99 | 99 | 99 | 99 | 99 |

*Note*: Panel-corrected standard errors in parentheses; *\* p<0.10, \*\* p<0.05, \*\*\* p<0.01*. Coefficients for country-level fixed effects, time count variables, and lagged dependent variables estimated but not reported. Constant coefficient measured, but not reported. Maximum time-series is 1974-2015. The time period refers to dependent variable. All time-varying independent variables measured at t–1.

**Table S3.** Robustness tests with an alternative sample: autocratic at any time

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | *Dependent variable (DV): Income inequality* | | | | | | | | | | | |
|  | Baseline | Controls + FE | Full | Baseline | Controls + FE | Full | Baseline | Controls + FE | Full | Baseline | Controls + FE | Full |
|  | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) |
|  | *Reference category: multiparty* | | | *Reference category: one-party* | | | *Reference category: military* | | | *Reference category: monarchy* | | |
| Monarchy | 0.016\* | 0.060\* | 0.066\*\* | -0.013 | 0.0001 | 0.008 | 0.010 | 0.051 | 0.061\* |  |  |  |
|  | (0.009) | (0.032) | (0.033) | (0.012) | (0.037) | (0.037) | (0.009) | (0.033) | (0.034) |  |  |  |
| Military | 0.007 | 0.008 | 0.005 | -0.023\*\* | -0.051\*\* | -0.053\*\* |  |  |  | -0.010 | -0.051 | -0.061\* |
|  | (0.009) | (0.013) | (0.014) | (0.012) | (0.025) | (0.025) |  |  |  | (0.009) | (0.033) | (0.034) |
| One-party | 0.030\*\* | 0.060\*\* | 0.059\*\* |  |  |  | 0.023\*\* | 0.051\*\* | 0.053\*\* | 0.013 | -0.0001 | -0.008 |
|  | (0.012) | (0.026) | (0.026) |  |  |  | (0.012) | (0.025) | (0.025) | (0.012) | (0.037) | (0.037) |
| Multiparty |  |  |  | -0.030\*\* | -0.060\*\* | -0.059\*\* | -0.007 | -0.008 | -0.005 | -0.016\* | -0.060\* | -0.066\*\* |
|  |  |  |  | (0.012) | (0.026) | (0.026) | (0.009) | (0.013) | (0.014) | (0.009) | (0.032) | (0.033) |
| Other | -0.011 | 0.003 | 0.010 | -0.040\*\*\* | -0.056\*\* | -0.049\* | -0.017 | -0.005 | 0.004 | -0.027\*\*\* | -0.057\* | -0.057\* |
|  | (0.010) | (0.011) | (0.012) | (0.014) | (0.028) | (0.029) | (0.012) | (0.016) | (0.018) | (0.010) | (0.034) | (0.034) |
| State capacity |  |  | -0.042\*\* |  |  | -0.042\*\* |  |  | -0.042\*\* |  |  | -0.042\*\* |
|  |  |  | (0.020) |  |  | (0.020) |  |  | (0.020) |  |  | (0.020) |
| Ln(GDP/capita) | -0.010 | 0.322\*\*\* | 0.371\*\*\* | -0.010 | 0.322\*\*\* | 0.371\*\*\* | -0.010 | 0.322\*\*\* | 0.371\*\*\* | -0.010 | 0.322\*\*\* | 0.371\*\*\* |
|  | (0.028) | (0.113) | (0.119) | (0.028) | (0.113) | (0.119) | (0.028) | (0.113) | (0.119) | (0.028) | (0.113) | (0.119) |
| Ln(GDP/capita)2 | 0.0004 | -0.016\*\* | -0.019\*\*\* | 0.0004 | -0.016\*\* | -0.019\*\*\* | 0.0004 | -0.016\*\* | -0.019\*\*\* | 0.0004 | -0.016\*\* | -0.019\*\*\* |
|  | (0.002) | (0.007) | (0.007) | (0.002) | (0.007) | (0.007) | (0.002) | (0.007) | (0.007) | (0.002) | (0.007) | (0.007) |
| Ln(Total pop.) | 0.004 | -0.035 | -0.034 | 0.004 | -0.035 | -0.034 | 0.004 | -0.035 | -0.034 | 0.004 | -0.035 | -0.034 |
|  | (0.003) | (0.042) | (0.041) | (0.003) | (0.042) | (0.041) | (0.003) | (0.042) | (0.041) | (0.003) | (0.042) | (0.041) |
| Trade openness |  | -0.0002 | -0.0002 |  | -0.0002 | -0.0002 |  | -0.0002 | -0.0002 |  | -0.0002 | -0.0002 |
|  |  | (0.0002) | (0.0002) |  | (0.0002) | (0.0002) |  | (0.0002) | (0.0002) |  | (0.0002) | (0.0002) |
| Natural resource |  | -0.002\*\*\* | -0.002\*\*\* |  | -0.002\*\*\* | -0.002\*\*\* |  | -0.002\*\*\* | -0.002\*\*\* |  | -0.002\*\*\* | -0.002\*\*\* |
| rents |  | (0.001) | (0.001) |  | (0.001) | (0.001) |  | (0.001) | (0.001) |  | (0.001) | (0.001) |
| Balance of power |  | -0.001 | 0.0003 |  | -0.001 | 0.0003 |  | -0.001 | 0.0003 |  | -0.001 | 0.0003 |
| among social classes |  | (0.008) | (0.008) |  | (0.008) | (0.008) |  | (0.008) | (0.008) |  | (0.008) | (0.008) |
| 2 lags of DV | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Country FE | No | Yes | Yes | No | Yes | Yes | No | Yes | Yes | No | Yes | Yes |
| Time dummies | No | Yes | Yes | No | Yes | Yes | No | Yes | Yes | No | Yes | Yes |
| Ideology control | No | Yes | Yes | No | Yes | Yes | No | Yes | Yes | No | Yes | Yes |
| R2 | 0.999 | 0.999 | 0.999 | 0.999 | 0.999 | 0.999 | 0.999 | 0.999 | 0.999 | 0.999 | 0.999 | 0.999 |
| Observations | 2871 | 2723 | 2720 | 2871 | 2723 | 2720 | 2871 | 2723 | 2720 | 2871 | 2723 | 2720 |
| Countries | 115 | 114 | 113 | 115 | 114 | 113 | 115 | 114 | 113 | 115 | 114 | 113 |

*Note*: Panel-corrected standard errors in parentheses; *\* p<0.10, \*\* p<0.05, \*\*\* p<0.01*. Coefficients for country-level fixed effects, time count variables, and lagged dependent variables estimated but not reported. Constant coefficient measured, but not reported. Maximum time-series is 1974-2015. The time period refers to dependent variable. All time-varying independent variables measured at t–1

**Table S4.** Robustness tests with alternative measure of state capacity

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | *Dependent variable (DV): Income inequality* | | | |
|  | (1) | (2) | (3) | (4) |
| Monarchy | 0.068\*\* | 0.011 | 0.064\* |  |
|  | (0.033) | (0.035) | (0.034) |  |
| Military | 0.004 | -0.053\*\* |  | -0.064\* |
|  | (0.013) | (0.023) |  | (0.034) |
| One-party | 0.057\*\* |  | 0.053\*\* | -0.011 |
|  | (0.023) |  | (0.023) | (0.035) |
| Multiparty |  | -0.057\*\* | -0.004 | -0.068\*\* |
|  |  | (0.023) | (0.013) | (0.033) |
| Other | 0.012 | -0.045\* | 0.008 | -0.056\* |
|  | (0.011) | (0.025) | (0.015) | (0.034) |
| State capacity | -0.130\*\* | -0.130\*\* | -0.130\*\* | -0.130\*\* |
|  | (0.058) | (0.058) | (0.058) | (0.058) |
| Reference category | Multiparty | One-party | Military | Monarchy |
| 2 lags of DV | Yes | Yes | Yes | Yes |
| Within R2 | 0.999 | 0.999 | 0.999 | 0.999 |
| Observations | 2325 | 2325 | 2325 | 2325 |
| Countries | 99 | 99 | 99 | 99 |

*Note*: Panel-corrected standard errors in parentheses; *\* p<0.10, \*\* p<0.05, \*\*\* p<0.01*. All models include full controls, country-level fixed effects, time dummies, and a constant. Maximum time-series is 1976-2015. State capacity measured with property rights from V-Dem (2020).