<Zimbalist online appendix>

Theodore Kahn and Zack Zimbalist How Do Local Public Spending Decisions Shape Corruption Perceptions? Evidence from Mexico. *Latin American Politics and Society* vol. 64, no. 3, Fall 2022.

**Appendix**

Table A.1: Robustness check with partisanship control variable

|  |  |  |
| --- | --- | --- |
|  | I (Perceptions) | II (Perceptions) |
| Age | 0.008\*\*\*  (0.003) | 0.009\*\*\*  (0.003) |
| Male | 0.098  (0.083) | 0.099  (0.083) |
| White | -0.265\*\*  (0.112) | -0.249\*\*  (0.112) |
| Years schooling | 0.067\*\*\*  (0.016) | 0.068\*\*\*  (0.017) |
| Services index | 0.445\*\*  (0.212) | 0.402  (0.215) |
| Bribe solicitation | 0.489\*\*\*  (0.154) | 0.473\*\*\*  (0.155) |
| PAN | 0.272  (0.145) | 0.245  (0.145) |
| PRI | -0.115  (0.124) | -0.129  (0.124) |
| Other party | 0.161  (0.187) | 0.143  (0.188) |
| **Municipal public investment (per capita)** | 0.376\*\*\*  (0.106) | 0.373\*\*\*  (0.109) |
| Municipal poverty rate |  | -0.011\*\*  (0.005) |
| President-municipal party aligned |  | -0.136  (0.102) |
| Municipal taxes (per capita) |  | -0.573  (0.326) |
| Municipal personnel spending (per capita) |  | -0.028  (0.086) |
| **Years of schooling X Municipal public investment (per capita)** | -0.025\*\*\*  (0.010) | -0.025\*\*\*  (0.010) |
| Municipal-level random intercept (variance) | 0.371\*\*\*  (0.087) | 0.382\*\*\*  (0.090) |
| Observations | 2227 | 2226 |
| Wald chi2 | 56.00 | 62.05 |
| Prob > chi2 | 0.00 | 0.00 |

Notes: MORENA is omitted due to collinearity. \*\* p < 0.05, \*\*\* p < 0.01. Standard errors in parentheses.

As a robustness check, in Table A.1, we include individual-level partisanship as a control variable and replicate our main results for the best-fitting interaction model (columns I and II). We excluded partisanship from the main text because 74% of the sample across all survey years does not self-identify with a political party. We are also skeptical that data on this covariate are reliable given the literature on survey respondents’ high likelihood of misreporting party affiliation (e.g., expressing affiliation with the dominant party in the area or stating unaffiliated) in contexts beset by political conflict and violence (see Zimbalist, 2018).

The party affiliation categories are PAN, PRI, MORENA, other party, and no party. The corresponding questions in the AmericasBarometer are first “Do you identify with a political party?” (yes/no) and then a follow up question if a respondent replies affirmatively, “Which party?”

Columns I and II show that our results in the main text (presented in columns III and IV in Table 4) are unaffected by the inclusion of the partisanship control. Moreover, none of the estimated coefficients on the party affiliation dummy variables is statistically significant relative to the comparison group of no party affiliation.

Table A.2: Descriptive statistics for municipal public finance variables (CDMX vs. non-CDMX)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Mean | Std.Dev. | Min | Max | Obs |
| *Corruption outcome (excluding CDMX)* |  |  |  |  |  |
| Corruption perceptions | 3.29 | 0.78 | 1 | 4 | 3,381 |
| *Corruption outcome (CDMX only)* |  |  |  |  |  |
| Corruption perceptions | 3.34 | 0.80 | 1 | 4 | 357 |
| *Municipal covariates (excluding CDMX)* |  |  |  |  |  |
| Municipal public investment per capita | 1.27 | 1.32 | 0 | 13.39 | 4,876 |
| Municipal taxes per capita | 0.28 | 0.30 | 0 | 2.41 | 5,391 |
| Municipal personnel spending per capita | 1.44 | 1.05 | 0 | 8.69 | 4,876 |
| *Municipal covariates (CDMX only)* |  |  |  |  |  |
| Municipal public investment per capita | 6.77 | 5.04 | 1.66 | 19.46 | 431 |
| Municipal taxes per capita | 53.34 | 34.25 | 15.71 | 123.80 | 431 |
| Municipal personnel spending per capita | 42.50 | 25.97 | 15.00 | 82.85 | 431 |

\*All spending variables are listed in thousands of pesos.

In the main text, we noted that the values for the municipal public finance covariates were extremely different in CDMX compared to other municipalities. Table A.2 presents those data. The three municipal finance variables are again listed in thousands of pesos per capita. For public investment per capita, the mean is more than five times greater in CDMX and the upper bound is 19,460 pesos per capita compared to just 13,390 pesos per capita outside the capital city. For municipal taxes per capita, the difference between CDMX and other municipalities is even more striking; the mean is 53,340 pesos per capita compared to only 280 pesos outside of CDMX. The range is between 15,710 and 123,800 pesos per head in CDMX contrasted with a range of 0 to 2,410 pesos per head in non-CDMX municipalities. For municipal personnel spending, the mean in CDMX of 42,500 pesos per capita is nearly thirty times greater than the average outside of CDMX (1,440 pesos per head). It is also important to note that corruption perceptions are slightly higher in CDMX (compare 3.29 to 3.34). While this difference is small, the substantial differences on the municipal finance covariates still exert considerable leverage on estimated relationships in the regression models.

Table A.3: Robustness check with CDMX observations included

|  |  |  |
| --- | --- | --- |
|  | I (Perceptions) | II (Perceptions) |
| Age | 0.009\*\*\*  (0.003) | 0.009\*\*\*  (0.003) |
| Male | 0.097  (0.077) | 0.092  (0.077) |
| White | -0.228\*\*  (0.104) | -0.218\*\*  (0.105) |
| Years schooling | 0.056\*\*\*  (0.014) | 0.055\*\*\*  (0.014) |
| Services index | 0.508\*\*  (0.203) | 0.495\*\*  (0.205) |
| Bribe solicitation | 0.578\*\*\*  (0.143) | 0.549\*\*\*  (0.144) |
| **Municipal public investment (per capita)** | 0.241\*\*\*  (0.066) | 0.275\*\*\*  (0.077) |
| Municipal poverty rate |  | -0.006  (0.004) |
| President-municipal party aligned |  | -0.138  (0.098) |
| Municipal taxes (per capita) |  | 0.084\*\*\*  (0.029) |
| Municipal personnel spending (per capita) |  | -0.109\*\*\*  (0.034) |
| **Years of schooling X Municipal public investment (per capita)** | -0.015\*\*\*  (0.005) | -0.014\*\*  (0.005) |
| Municipal-level random intercept (variance) | 0.346\*\*\*  (0.079) | 0.338\*\*\*  (0.077) |
| Observations | 2579 | 2578 |
| Wald chi2 | 61.81 | 74.99 |
| Prob > chi2 | 0.00 | 0.00 |

\*\* p < 0.05, \*\*\* p < 0.01. Standard errors in parentheses.

In Table A.3, we present the regression results with Mexico City (CDMX) included, but the reader should focus on the results presented in Table 4 of the main text because the CDMX data are statistical outliers. While our main findings on the relationship between public investment and corruption perceptions hold, we note a few key differences. In particular, the sign on municipal taxes is now positive (in column II). This is not surprising given that tax levels are several orders of magnitude higher in CDMX while perceptions are also higher (See Table A.2). In addition, the negative association between municipal personnel spending and corruption perceptions is now statistically significant (in column II).