THEMA
théorie économique, modélisation et applications

THEMA Working Paper n°2022-20
CY Cergy Paris Université, France

Inequality, Corruption and Support for Democracy

Lourdes Rojas Rubio

November 2022

Inequality, Corruption and Support for Democracy

Lourdes ROJAS RUBIO[†*]

November 2022

Abstract

Do inequality and corruption erode support for democracy? Scholars have long theorised that long-term experience with a political system influences its support. However, the empirical evidence provided is weak. This study examines the effect of inequality and corruption on support for democracy in 119 countries over 30 years. It shows that inequality and corruption have a negative effect on support for democracy. These findings highlight the importance of inequality and corruption as determinants of support for democracy. Furthermore, this article investigates whether the effect of inequality on support for democracy differs between autocratic and democratic countries. It found a positive effect of inequality on support for democracy in autocratic countries. This empirical evidence suggests that the negative effect of inequality on support for democracy comes from long-term experience with a political system that has continually failed to accomplish its principles. The results are robust to different measures of inequality and corruption.

JEL Classification: C23, C26, D31, D63, D73, H11, Z10, Z18

Keywords: Inequality, corruption, political culture, democracy, support for democracy.

[†] CY Cergy Paris Université, THEMA. Email: lourdes.rojas-rubio@cyu.fr.

[*] I am grateful to Thierry Verdier for his comments. I acknowledge financial support from the Labex MME-DII (ANR-11-LBX-0023-01). All remaining errors are my own.

1. Introduction

In theory, in democratic systems, rulers have strong incentives to implement policies that benefit the majority of citizens since the system of checks and balances in a democracy provides a balance of power in society. They are accountable to the entire population through free and fair elections, which, in turn, helps create and maintain support for a democratic system. As scholars have long argued, support for democracy is essential for the survival of democracy because as long as citizens remain committed to democratic political values, they will tolerate and defend institutional structures based on democratic principles that allow for regime stability (Easton, 1965, 1975; Lipset, 1959; Norris, 2011). However, the general decline in support for democracy, which has been even more severe in regions with high inequality, has increased the investigation of how inequality affects citizens' support for democracy. Arguably, if inequality matters when studying democratic support, then the study of corruption should matter as well since both issues are closely linked when explaining the malfunctioning of democracy (Acemoglu & Robinson, 2006; Acemoglu et al., 2015; Dahl, 1971; Hellman, 1998; Hellman et al., 2003; Houle, 2018; Uslaner & Brown, 2005). Corruption, it is argued, threatens democracy by undermining its legitimacy and eroding its support (Anderson & Tverdova, 2003; Bratton et al., 2005; Seligson, 2002).

The theoretical predictions in the literature examining the effect of inequality and corruption on support for democracy can be summarised as follows. Political economy theory suggests that, in highly unequal countries, citizens will prefer democracy because it gives them political power to make redistribution possible (Acemoglu & Robinson, 2006; Boix, 2003; Meltzer & Richard, 1981). Performance theory, which focuses on the performance of the democratic political system, points out that inequality and corruption generate disillusionment with democracy, leading to lower levels of democratic support (Anderson & Tverdova, 2003; Krieckhaus et al., 2014). Rojas Rubio's (2022) theoretical model predicts that, in autocratic countries, inequality increases the preference for a democratic political system when citizens believe in its principles as they expect it to work accordingly (perfect democracy). Nevertheless, in democratic countries, when citizens' experience with democracy increases and inequality, corruption or both remain important issues (imperfect democracy), citizens' preferences for democracy will decrease.

Although inequality and corruption are recognised to undermine the principles of democracy and thus the support for democracy, studying the effect of those issues on support for democracy has little empirical testing. This study contributes to this literature by investigating the effects

of inequality and corruption on diffuse support for democracy in a sample of 119 countries over 30 years. The main empirical results show that inequality and corruption have a negative effect on support for democracy. To see whether the negative effects come from long-term experience with democracy, I go further and test, in countries with no democratic experience, the effect of inequality on support for democracy. The findings show that inequality increases the support for democracy in countries with no democratic experience. It suggests that the negative effect of inequality and corruption on diffuse support for democracy is the result of long experience with a political system that has continually failed to accomplish its principles. That is, as Lipset (1959) and Easton (1965, 1975) hypothesised more than 50 years ago, long-term experiences with a political system influence the evolution of its support.

This research provides the most extensive empirical test of the effect of inequality and corruption on support for democracy. It accounts for reverse causality, unobserved country-specific factors, heterogeneity and serial correlation. Earlier studies only focus on the effect of inequality or corruption on support for democracy. These studies are mainly cross-sectional studies with samples limited to a few countries. Moreover, the most commonly used measures of support for democracy are democracy satisfaction and other democracy support indices. The former is a very narrow measure of democratic support. The latter measures correspond to some forms of democratic support from the World Values Survey database. This study, in contrast, uses a more reliable and valid measure of democratic support (diffuse support for democracy), which is available from Claassen (2020). He used a Bayesian latent variable model since data were heavily fragmented across time, country, and disparate survey items and generated a smooth index of support for democracy from 14 survey projects for 150 countries over 30 years.

Furthermore, this investigation goes beyond the previous studies by testing the effect of inequality in countries without democratic experience. Thus, seeking to contribute to a better understanding of the decline of support for democracy by examining if the relationship between inequality and support for democracy changes from the former results when considering countries with no democratic experience. Besides, whereas the existing studies mostly use the Gini index as a measure of inequality, this research incorporates alternative measures of inequality, the Palma ratio and the Share of the top 1%. Lastly, in this study, the principal indicator of corruption is the Political Corruption index, which has coverage across countries and over time since 1900 from the Varieties of Democracy Project (V-Dem). The Political Corruption Index (PCI) is a more reliable measure than the Corruption Perceptions Index (CPI) in which the comparison over time it is only possible since 2012. Moreover, in autocratic countries, alternative measures of corruption are also proposed for analysis.

Section 2 describes the literature on the relationship between inequality and support for democracy or corruption and support for democracy. Subsequently, section 3 presents the hypotheses. Section 4 discusses measurement issues, data analyses and methodology. Section 5 presents the empirical strategy. Then section 6 shows the results. Lastly, section 7 presents the conclusion and some avenues for future research.

2. Contextual factor and Support for Democracy

Existing literature about Inequality, Corruption and Democracy

Inequality and corruption are among the most studied phenomena to understand why some countries democratise and consolidate while others do not. The political economy literature on inequality and democratisation builds on the seminal work of Meltzer & Richard (1981), Roberts (1977) and Romer (1975). The idea is that extending voting rights to the poor will lead to progressive distribution since when it occurs, the median voter's income is lower than the country's average income, incentivising the median voter to support high-tax progressive distribution policies. Boix (2003) and Acemoglu & Robinson (2006) make several extensions of the above model and incorporate social unrest. The former found a negative relationship between inequality and democracy. The latter develops a framework to explain under which conditions democratic transition and consolidation occur. They found that inequality follows an inverted U-shaped pattern with democracy and its consolidation happening at intermediate levels of inequality. Ansell & Samuels (2014) develop an alternative approach to explain democratisation. They use an elite competition approach to argue that the increase in inequality reveals a newly emerging but politically disenfranchised capitalist class that challenges the landed elites and drives democratisation. Despite all the arguments favouring a positive relationship between inequality and democratisation, empirical attempts to test it have found mixed results. Boix (2003) found a positive relationship between inequality and democracy. Answell & Samuels (2014) found a negative relationship between them. Houle (2009), Przeworki et al. (2000) and Teorell (2010) found no relationship between inequality and democratisation.

There has been considerable discussion about the importance of corruption when studying democratic consolidation since high levels of corruption are expected to hinder democracy. However, to my knowledge, existing empirical work focuses on the effect of democracy in curbing corruption rather than how corruption affects democracy and its consolidation.

Moreover, existing literature has not reached a consensus on the pattern of the relationship between corruption and democracy. For instance, Paldam (2002) and Sandholtz & Koetzle (2000) study the impact of democracy on corruption and found a negative relationship between the two. Martinola & Jackman (2002) found a negative relationship between corruption and democracy. Their results also suggested that there may be a non-linear relationship since when introducing the square term of democracy, they found that democracy leads to less corruption.

Mohtadi & Roe (2003) develop an endogenous growth model of two-sector to explain the inverted U relationship between corruption and democracy. The general idea of this model is that democracy, in its early years, is not sufficiently developed (low checks and balances), so rent-seeking increases, but only to a certain point because as the number of rent-seekers increases, the returns per rent-seeker decreases. Simultaneously, as time goes on, democracies become more mature and transparency increases, raising the cost of rent-seeking. Manow's (2005) empirical results showed that corruption follows an inverted U-shape relationship with democracy. Rock (2009, 2017) found strong support for an inverted U-pattern between corruption and democracy duration.

Inequality, Corruption and Support for Democracy

A long-standing argument, found in the seminal contributions made by Lipset (1959), Almond & Verba (1963) and Easton (1965, 1975), holds that support for democracy matters for democratic survival and consolidation.[1] Lipset (1959) argues that the legitimacy of a political system is a principal requirement for its stability. In his own words, "Legitimacy involves the capacity of a political system to engender and maintain the belief that existing political institutions are the most appropriate or proper ones for the society" (Lipset, 1959, p. 86). Almond & Verba (1963) suggest that for a democratic political system to survive, its citizens must generally accept it as the proper form of government. Easton (1965, 1975) differentiates between two types of regime support systems. Specific support for a political system is object-specific and directed at political authorities and authoritative institutions. It is related to citizens' satisfaction with the functioning of government and institutions. On the contrary, diffuse support – the most enduring form of support – is the evaluation of what a

[1] See Alexander (2002), Diamond (1999; 2008), Inglehart & Wenzel (2005) and Linz & Stepan (1996). Claassen (2020) empirically tests this hypothesis and shows that there is a positive effect of support for democracy on subsequent changes towards democracy. He found that diffuse support for democracy matter more for the permanence of democracy than for its emergence.

system is or represents. It is generated through socialisation and evolves with citizens' long-term experience with a political system. Diffuse support is expressed in citizens' trust in the system and belief in its legitimacy.

Despite the wide acceptance of democratic support theory by political scientists (e.g. Booth & Seligson, 2009; Bratton et al., 2005; Gibson, 1996; Norris, 2011), the study of the effect of long-standing issues such as inequality and corruption on support for democracy has received little empirical attention. It must be due to data requirements to measure support for democracy. It was only with the inclusion of items measuring some forms of democratic support in the third wave of the World Values Survey (WVS) that the relationship between democratic support and other variables could be empirically possible to test. It has also allowed researchers to generate aggregate measures of support for democracy that have contributed to the development of additional research on support for democracy (e.g. Claassen, 2020; Dalton & Ong, 2005; Inglehart & Welzel, 2005; Klingemann, 1999; Magalhães, 2014; Mattes & Bratton, 2007).

Seeking to answer the question of how income inequality erodes democracy led researchers to explore how inequality affects the behaviour and attitudes of citizens towards a democratic system. Income inequality has a corrosive effect on civic cooperation (Pickett & Wilkinson, 2009), political participation (Booth & Seligson, 2009; Solt, 2008, 2010), and on tolerance and generalised social trust (Andersen & Fetner, 2008; Barone & Mocetti, 2016; Booth & Seligson, 2009; Gustavsson & Jordahl, 2008; Stephany, 2017; Uslaner & Brown, 2005). Some scholars have also argued that economic inequality undermines the most notorious principle of democracy by generating political inequality (Bartels, 2008; Dahl, 2006; Houle, 2018). The general idea that emerges from these studies is that inequality affects citizens' behaviour and attitudes in such ways that it erodes citizens' trust in democracy and delegitimises the democratic system. Although income inequality matters in studying why support for democracy declines, it has received little empirical attention.

Previous empirical research suggests a negative relationship between inequality and democratic support. Anderson & Singer (2008) claim that in countries with higher levels of inequality, individuals evaluate the performance of the democratic political system more negatively and trust in democratic institutions less. They differentiated the electorate by ideology and concluded that leftist voters evaluate a democratic system more negatively than the rest of the electorate. Andersen (2012) found that countries with high levels of inequality support less democracy than countries with a low level of inequality, even in former Communist societies. He emphasises that economic growth needs to be accompanied by redistributive policies to nurture democratic values, which will consolidate democracy; otherwise, it will

hinder the support for democracy. Krieckhaus et al. (2014) argue that inequality affects democratic support depending on how individuals evaluate the democratic system. They distinguish between prospective evaluations versus retrospective evaluations as well as between egocentric evaluations versus sociotropic evaluations. Their finding suggests that citizens are retrospective when supporting democracy. According to the authors, high inequality would explain the higher demand for democratisation but leads to lower levels of democratic support. Wu & Chang (2019), using subjective (perceived unfairness) and objective (Gini index) measures of inequality, found that democratic support decreased with inequality in 28 East Asian and Latin American democracies in 2013 and 2015.

Inequality is certainly not the only factor to consider in evaluating attitudes and values associated with democracy. In this regard, Seligson (2002) empirically shows that corruption erodes trust in the institutions and the legitimacy of a political system. Moreover, scholars have found a negative effect of corruption on the evaluation of government performance and trust in institutions (Anderson & Tverdova, 2003; Bratton et al., 2005; Della Porta, 2000; Mishler & Rose, 2001). Also, much of the literature links inequality and corruption in explaining why democratisation does not necessarily bring redistribution (e.g. Acemoglu & Robinson, 2006; Acemoglu et al., 2015; Hellman, 1998; Hellman et al., 2003; Houle, 2018; Uslaner & Brown, 2005). While corruption is theoretically known to harm the democratic political system, there is little evidence about its impact on democratic support. For instance, Collins & Gambrel (2017) found a negative relationship between corruption and popular support for democracy in the hybrid regime of Kyrgyzstan. They analysed the following four elements of democratic support. Support for democracy as a political system, support for the main democratic institutional components, trust in state institutions, and support for the government. They found that corruption undermines all four forms of democratic support. Linde & Erlingsson (2013) show that the increase in the public perception of corruption has a detrimental effect on support for democracy in Sweden. Erlingsson et al. (2016), using survey data before and after the 2009 financial crisis in Iceland, found that the increase in the perception of corruption decreases democratic system support.

The main differences between the existing studies and this work are as follows. Previous studies have analysed the relationship between either inequality and democratic support or corruption and democratic support. However, such investigations do not study the effect of inequality and corruption on support for democracy, which is what this article investigates. Most importantly, earlier studies neither consider the possibility of omitted factors affecting inequality, corruption and support for democracy nor reverse causality between the explanatory

variables, inequality and corruption, and support for democracy. This study attempts to overcome these problems using the instrumental variables approach. Furthermore, this article explores how inequality affects support for democracy in non-democratic countries.

Another limitation is that most of the research focuses on either a single country or a small number of countries (e.g. Andersen, 2012; Anderson & Singer, 2008; Collins & Gambrel, 2017; Linde & Erlingsson, 2013; Erlingsson et al., 2016; Wu & Chang, 2019). One of the most extensive studies is the one of Krieckhaus et al. (2014), who cover 40 countries taking into account the third, fourth and fifth waves of the World Value Survey, giving them a sample of 57 country-years. Moreover, those who study a limited number of countries mainly use a cross-sectional research design, which does not allow controlling for idiosyncratic country-specific factors (e.g. Andersen, 2012; Anderson & Singer, 2008). However, to my knowledge, there is not a single panel data study of the effect of inequality and corruption on support for democracy. In contrast, this research covers 119 countries over 30 years, including a large sample of non-democracies. In each estimated regression, a fixed effects model with the robust and cluster option is used to control for unobserved country-specific factors, heterogeneity among countries and serial correlation.

The existing test of the relationship of either inequality or corruption on democratic support is further limited since the results relied on a small fraction of opinion data (support for democracy measure). Previous studies use limited and specific measures of support for democracy, such as satisfaction with democracy. Others have constructed indexes of democratic support based on a few items from the World Value Survey database (e.g. Andersen, 2012; Krieckhaus et al., 2014). In addition, at the macro level, the Gini index and the Corruption Perception Index (CPI) are the measures of inequality and corruption used. In contrast, this research uses a more reliable and valid measure of support for democracy, available from Claassen (2020). He generated an aggregated normalised index from 14 survey projects for 150 countries and 30 years. As alternative measures of inequality, this paper uses the share of total income accruing to the top 1% of the population and the Palma ratio to corroborate the estimates. Besides, the measure of corruption used here is the Political Corruption Index (PCI) from the V-Dem project, which is a more reliable measure than the CPI index in which comparison over time is only possible since 2012.

3. Hypotheses

The theory of support for a political system suggests that long-term experience with a political system influences the evolution of its support (e.g. Almond & Verba, 1963; Easton, 1965, 1975; Lipset, 1959).[2] Easton (1965, p. 445) explains, "If discontent with perceived performance continues over a long enough time, it may gradually erode even the strongest underlying bonds of attachment towards a political system". Furthermore, Rojas Rubio (2022) develops a theoretical model in which inequality and corruption affect the socialisation process when remaining long enough by decreasing the cultural transmission of democratic preferences, which can continually diminish citizens' support for democracy. Therefore, long-term experiences of how a democratic political system handles issues such as economic inequality and corruption may influence support for democracy.

Following previous studies (Andersen, 2012; Anderson & Singer, 2008; Krieckhaus et al., 2014; Wu & Chang, 2019), this paper tests the general hypothesis that economic inequality erodes support for democracy. It assumes that the effect of inequality does not manifest immediately, but that is through the long-term experience of how inequality evolves under a determined political system that democratic support is affected. Namely, this leads to testing whether income inequality erodes the most stable form of democratic support, the diffuse support for democracy.

H1: Income inequality has a negative effect on the most enduring form of support for a democratic political system.

Like inequality, corruption negatively affects individuals' beliefs system, resulting in low levels of trust (Anderson & Tverdova, 2003; Bratton et al., 2005; Seligson, 2002; Mishler & Rose, 2001). It also erodes the legitimacy of a democratic political system (Seligson, 2002). Existing research studying the effect of corruption on democratic satisfaction and democratic support has recognised its corrosive influence on those variables (Collins & Gambrel, 2017; Erlingsson et al., 2016; Linde & Erlingsson, 2013). In line with the existing research, this paper test the hypothesis of whether corruption undermines democratic support.

[2] The learning about a political system is not only cognitive in nature but involves feelings, expectations and political evaluations that result largely from political experiences and not from the simple projection into political orientation of basic needs and attitudes that are the product of childhood socialisation (Almond & Verba, 1963, 34).

H2: Corruption negatively affects support for democracy.

The Eastonian diffuse support builds on the idea that citizens accept a political regime as the best for their country when it conforms to their moral principles (Easton, 1965, p. 278). The generation of this kind of support comes first through socialisation towards the political values and principles of the political regime (Easton, 1965; Eckstein, 1988; Rokeach, 1973) and then evolves with citizens' long-term experience with that regime (Easton, 1965; Lipset, 1959). This article tests in H1 and H2 the effect of citizens' long-term experience with the way a democratic political system tackles inequality and corruption on their support for democracy. In addition, Rojas Rubio's (2022) model implicitly predicts that for countries without democratic experiences, inequality increases socialisation towards a democratic system and, therefore, its support since socialisation increases the share of citizens who prefer democracy. Following the culturalist approach, it is through socialisation towards the values and principles of the democratic political system that support for democracy is engendered. This research tests whether, in countries without democratic experience, there is an effect of inequality on support for democracy.

H3: Income inequality increases the support for democracy in non-democratic countries.

4. Data and Methodology

I construct a yearly panel for 119 countries from 1975 to 2020. Nevertheless, for the empirical analysis, I restrict the dataset to the period 1987-2017, as it is for that period that the annual data for support for democracy is available. The sample of countries by the political system is composed as follows. Twenty-seven consolidated democracies. Twenty-seven countries have remained democratic after a transition occurred before 1980 or during the period 1987-2017 from autocracy to democracy. Nine countries have undergone more than one transition but have at least 25 years of experience as a democracy. Twenty-one countries have an unstable political system and less than 20 consecutive years of democratic or autocratic experience. Eight countries have experienced more than one transition but have at least 25 years of experience as autocracies. Twenty-seven consolidated autocracies. Appendix A1 shows a complete list of countries.

Dependent variable

Support for democracy measure used in this research comes from Claassen (2020), which has, to my knowledge, the largest country-yearly dataset available for support for democracy. He collected national aggregate responses focusing on public support for democracy, specifically diffuse support, from cross-national survey projects that fielded nationally representative samples of citizens. The total dataset has 3765 aggregated responses per country drawn from 1390 nationally representative survey samples, covering 150 countries and going back to 1988.[3] He develops a dynamic Bayesian latent trait model, which allows the measurement of "smooth" panel opinion on a country-by-year basis, using all available data sources, even when these are fragmented in time and space, to obtain a standardised aggregate measure of support for democracy.[4] Measures of support for democracy are estimated only for 137 countries to ensure that at least two separate survey data were available. In the current analysis, Belize and Malta are left out of the dataset since V-Dem data are unavailable for countries with a population of less than one million. Taiwan is also left out, as the data for their GDP per capita in constant 2010 US dollars are unavailable. The dataset left is composed of 2547 support for democracy estimates for 133 countries over 30 years (time series ranging from 5 to 30 years).[5] Table 1 presents general descriptive statistics on the measure of support for democracy and other main variables. However, since the sample used in each regression changes depending on the data availability of the inequality measure and all other variables used by regression, Appendix A2 provides detailed summary statistics by samples and inequality measures.[6]

[3] The survey projects used by Claassen (2020) were the World and European Values Surveys, the Afrobarometer, Arab Barometer, Latinobarometer, Asiabarometer, Asian Barometer, South Asia Barometer, New Europe Barometer, Latin American Public Opinion Project, Eurobarometer, European Social Survey, Pew Global Attitudes Project, and the Comparative Study of Electoral Systems.

[4] Claassen (2020) provides an explanation of the model. See the supporting information of his article for further details.

[5] The dataset is of 2535 support for democratic estimates for 133 countries over 30 years when using the Gini index as a measure of income inequality. Bahrain has been excluded from the dataset because the inequality index is available for only one period.

[6] I use the standard deviation from Appendix A2 to interpret the results of Table 2 and Table 3.

Table 1: Summary Statistics

	Democracies		Autocracies		Total	
	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.
Support for Democracy	0.21	0.89	-0.39	0.72	0.03	0.89
Gini Index	37.24	9.69	40.74	7.60	38.44	9.16
Palma Ratio	5.47	3.97	6.33	3.99	5.79	4.00
Share top 1%	0.15	0.06	0.17	0.06	0.16	0.06
Political Corruption	0.33	0.27	0.68	0.20	0.48	0.30
Judicial Corruption Index	0.88	1.45	-0.68	1.03	0.22	1.50
Clientelism Index	0.33	0.24	0.59	0.20	0.44	0.26
GDP p.c. (2010 US$)	18053	20470	4388	7690	12232	17650
GDP p.c. growth	0.02	0.04	0.02	0.08	0.02	0.06
Primary G. S. E.	102.56	12.76	97.38	19.87	100.39	16.32
Secondary G. S. E.	85.03	28.65	56.98	29.92	73.70	32.32
Tertiary S. E.	38.48	24.68	17.70	18.22	29.67	24.33
Unemployment Rate	8.58	5.94	7.98	7.08	8.38	6.49
Electoral Democracy	0.75	0.13	0.29	0.12	0.55	0.26
Liberal Democracy	0.64	0.17	0.18	0.09	0.44	0.27
State Capacity	1.05	0.88	-0.01	0.61	0.59	0.93
Natural Resources Dep.	4.64	6.49	11.15	14.15	6.92	10.35
N	2355		1754		4185	

Explicative variables

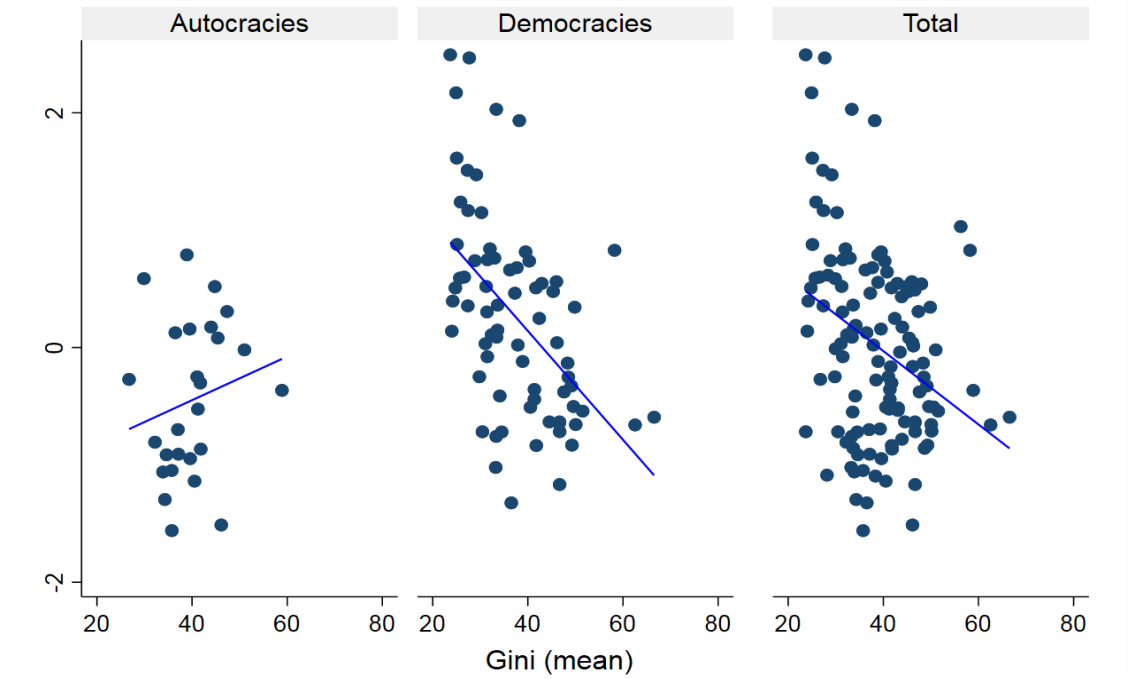
I use three measures of income inequality. The principal inequality measure is the Gini index (Gini) of the Standardized World Income Inequality Database (SWIID, version 9) created by Solt (2020).[7] The Gini coefficient ranges from 0 to 100 (between 17.5 and 67.2, in the data of this study). A country with a coefficient of 100 would be one in which the richest own all of the country's income. SWIID remains the best option for measuring income inequality, as it has the highest coverage and the best comparability across countries and over time. The SWIID Gini measures evolve and improve with each new version.[8] The two alternative measures of income inequality used are the share of total income accruing to the top 1% of the population (Share Top 1%) and the Palma ratio. The former comes from the World Income Database (WID). It captures the income inequality between the 1% richest member of society and the rest of the population. The latter is the ratio of "the pre-tax national income of the richest 10% of

[7] It takes a Bayesian approach to standardise observations collected from various sources and uses the Luxembourg Income Survey data as the standard. The principal sources are the OECD income distribution database, the socio-economic database for Latin America and the Caribbean generated by CEDLAS and the World Bank, Eurostat, the World Bank's PovcalNet, the United Nations Economic Commission for Latin America and the Caribbean, national statistical offices around the world and many other sources.

[8] SWIID data collection and methodology are detailed and freely available for each new version. See https://fsolt.org/ for further detail.

the population" to "the pre-tax national income of the poorest 40% of the population". Also, the pre-tax income for the top 10% and the bottom 40% of the population come from WID. Palma (2011) was the first to propose this ratio. According to him, changes in inequality are determined exclusively by changes in the income level of the richest 10% and the poorest 40%, as those within the top 50% and 90% of income levels (middle group) hold a stable share of GNI (around 50%).[9] A Palma ratio of five indicates that the richest 10% hold five times the income of the poorest 40% of the nation.[10]

Figure 1: Support for Democracy and Inequality



Note: Figure 1 displays the association between Inequality and Support for Democracy. Both variables are measured as the mean per country from 1987 to 2017.

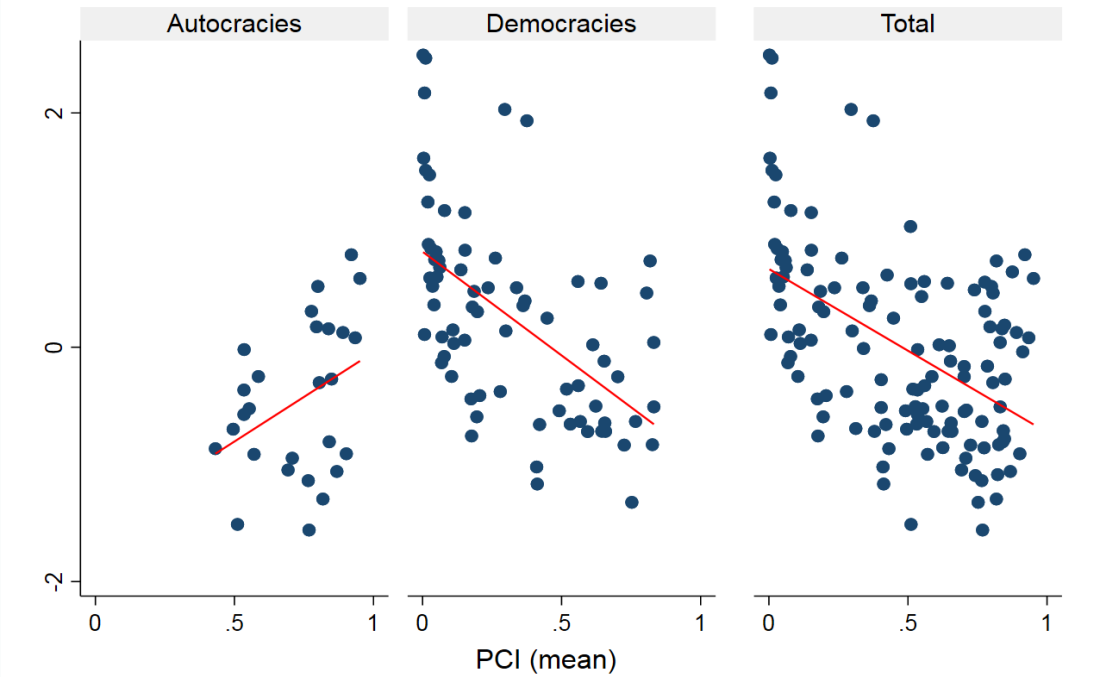
The principal measure of corruption is the PCI index from the Varieties of Democracy dataset (V-Dem, version 11.1). It includes the following types of corruption executive,

[9] Cogham et al. (2016) tested the validity of the Palma ratio as proposed by Palma (2011). They found that the data for 141 counties between 1990 and 2012 reaffirms the Palma proposition and that it is getting stronger over time. Palma (2014) examines whether there is a remarkable current homogeneity in the income shares of the middle and upper-middle strata across the world in 131 countries at different times. He tests whether the foundation of Palma's ratio, the 50/50 rule, in which half of each country's population within deciles 5 to 9 tends to appropriate around 50% of national income, is a historically stable stylised fact or whether it is a new phenomenon. Their results suggest those countries that were already in the 50/50 rule remain there, and those that were not, converge in that direction.

[10] Cobham et al. (2016) and Cobham & Sumner (2014) give two main arguments for why the Palma ratio is a good measure of inequality. First, the Palma ratio points to where the inequality issue is most sensitive: at the top (10%) and bottom (40%) of the income scale. The Gini index is not well equipped to address this type of inequality, as it is overly sensitive to the middle of the distribution. Second, it is a measure easier to understand and interpret.

legislative, judicial and bureaucratic, as well as grand and petty corruption. Furthermore, it covers a wide range of corrupt behaviours such as bribes, undocumented extra payments, kickbacks, contracts for personal gain, future employment, theft, embezzlement and misappropriation of public funds or other state resources while also considering the catch-all term of "material inducements". The political corruption index captures the relevant meaning of corruption through its various conceptualisations.[11] It also resonates with the academic use of the term corruption as the use of public office for private gain since each indicator links public officials to corrupt acts.[12] The political corruption index ranges from 0 to 1, where 0 is the lowest and 1 is the highest level of corruption.

Figure 2: Support for Democracy and Corruption



Note: Figure 2 exhibits the association between the Political Corruption Index and Support for Democracy. Both variables are measured as the mean per country from 1987 to 2017.

This research uses the index of clientelism as a corruption alternative measure, whose data also come from the V-Dem dataset, to test H3. The clientelism index range is from 0 to 1,

[11] Other corruption indicators - Transparency International's Corruption Perception Index (CPI) and the World Bank's Business Environment and Enterprise Performance Survey (BEEPS), among others - relied on the information on public sector or bureaucratic corruption but ignored executive, legislative and judicial corruption (McMann et al., 2021, p. 9).

[12] It includes "granting favours in exchange," "stealing, embezzling, or misappropriating public funds," or "abusing their position."

where higher scores indicate a higher degree of clientelism.[13] Clientelism is chosen as an alternative measure of corruption because, after the political corruption index, it better captures overall corruption in highly unstable or autocratic countries.

While some scholars will say that clientelism is not a good measure of corruption because it involves practices other than vote-buying that are not necessarily considered corrupt and are culturally accepted by citizens (e.g. patronage). I argue that clientelism is a good measure of corruption for the following reasons. In autocratic systems, patronage is a widely used recruitment method in which patrons exchange posts for money, goods or services. This hierarchical network built on patronage allows the regime to regulate opportunities for corruption, generate loyalty and create socio-economic dependence (Hicken, 2011; Hollyer & Wantchekon, 2015). It allows the use of corruption rents as an incentive mechanism, assigning more lucrative positions (high rents extraction) to those who are with the government and punishing for investigations and prosecution those who are not (Hollyer & Wantchekon, 2015). Electoral autocratic regimes use clientelist networks to maintain their hold on power, which perpetuates or increases their corrupt practices (Lust-Okar, 2006, 2009). In young democracies, as political candidates cannot credibly commit to delivering goods and services for all, they rely on clientelistic networks to make credible appeals to narrow groups to win elections (Keefer, 2007; Keefer & Vlaicu, 2008). In democracies, clientelism is an instrument for building networks of loyal support, which tend to be more transactional (vote-buying, targeting the delivery of goods and services) and less hierarchical than in autocracies (Hicken, 2011). As we can see, clientelism generates a greater possibility of future corrupt exchanges, even when these practices are opaque to the citizenry as a whole.

Control variables

The economic, socioeconomic and political variables included in this study are as follows.

Economic Development is the log of GDP per capita in 2010 US dollars. Per capita GDP data were drawn from the World Bank World Development Indicators (WDI) database.

[13] Clientelistic relations include the selective and contingent distribution of resources (goods, services, jobs, money, etc.) in exchange for political support. A Bayesian factor analysis model is used to form this index, in which the indicators taken into account are vote buying, private versus public goods, and whether there are clientelistic or programmatic party linkages (Coppedge et al., 2021).

Modernisation theorist suggests that democracy is more likely to emerge as countries develop, and once established, democracy is more likely to survive in wealthy countries (Lipset, 1959).[14]

Economic growth is the growth of GDP per capita. Scholars argued that economic growth and, in particular, economic crisis affect regime survival, implicitly suggesting that it may affect support for democracy (Diamond & Linz, 1989; Haggard & Kaufman, 1995; Przeworski & Limongi, 1997; Teorell, 2010).

*The **educational background*** variables are primary, secondary and tertiary school enrolment rates taken from the WDI database. Missing values for tertiary school enrolment were supplemented with the updated data set from Barro & Lee (2021). Missing values between two point estimates within each country were replaced by the interpolated estimate found using Stata ipolate command. The relationship between the level of education and support for democracy has mixed results, with some studies finding a positive relationship and others a negative one (e.g. Andersen, 2012; Krieckhaus et al., 2014; Magalhães, 2014; Norris, 1999; Wu & Chang, 2019).

*The **unemployment rate*** comes from the International Labour Organization (ILOSTAT) database. The unemployment rate may erode democratic support. First, it affects specific support for democracy, "satisfaction with democracy" (Wagner et al., 2009). It may then erode diffuse support if the unemployment rate remains high for a period long enough (Boräng et al., 2016).

Democracy measure comes from the V-Dem project.[15] The two main measures of democracy used are electoral democracy (polyarchy) and liberal democracy (LibDem) index.[16] The empirical literature suggests a positive relationship between democracy and democratic support (Claassen, 2020; Inglehart, 2003). Other democratic indicators, such as democratic

[14] Other scholars argue that economic development matters once democracy is established but do not validate the idea that democracy is a by-product of economic development as Lipset believed, instead, they consider that political actors pursuing their goals may or may not establish democracy at any level of development (Przeworski & Limongi, 1997; O'Donnell et al., 1986).

[15] V-Dem measures of democracy have several advantages with respect to Polity IV, Freedom House and the dichotomous indicator of democracy. First, it derives its different conceptualisation of democracy from the political economy literature on democracy, taking into account its multiple nature. It considers five indices of democracy electoral, liberal, participatory, egalitarian, egalitarian and deliberative democracy. Second, each democracy index is disaggregated into its main subcomponents, which also are measured by multiple indicators. Third, multiple independent national experts code each indicator collected by V-Dem, and then an inter-coder reliability test is incorporated into a Bayesian measurement model to reduce measurement error. Fourth, each item is combined using Bayesian factor analysis, which allows for a consistency check between the data and theory. The democracy indices are then aggregated using an additive or multiplicative approach, depending on the particular conceptualisation of each index. The index aggregation rules are clear and well-defined (Coppedge et al., 2020). Finally, V-Dem has a broader coverage across countries and over time. See also (Coppedge et al., 2015).

[16] The liberal democracy index is an aggregate index composed of two indexes, the polyarchy index and the liberal index. The liberal component is significant in all specification models when the polyarchy index is used to measure democracy, so I incorporate this index as a control variable in these cases.

duration and regime transition, are positively associated with democracy and democratic support (Anderson & Tverdova, 2003; Houle, 2009; Inglehart & Welzel, 2005).[17]

Other democracy indicators: A dichotomous democracy variable (ad), since 1800, is constructed to determine the number of consecutive years of ***regime duration*** (d_row) and whether a country has transitioned from one regime to another (dtr_row). The information used to generate the dichotomous democracy comes from the Regime of the World (RoW) measure of the V-Dem database. It has a value of 0 if the RoW classification of the regime considers it a "Closed Autocracy" or "Electoral Autocracy" and has a value of 1 if it considers it an "Electoral Democracy" or "Liberal Democracy". If countries were colonies or former blocks, regime duration starts at their independence or separation. Also, coming from V-Dem, the Electoral Democracy Index (EDI) is used to supplement missing values. If the EDI index is superior to 0.5, a country is considered democratic. In the absence of information on the EDI index, the missing values were supplemented with historical information by country. Missing value "." is assigned to the years in which the country is considered "occupied". ***Regime transition*** (dtr_row) is generated as follows. It takes the value of "-1" if there is a democratic breakdown, "0" if there is no change of regime and "1" if there is a transition to democracy. Each time the transition variables change, the regime duration (d_row) starts at 1. ***Democratic (autocratic) duration*** measures the years of consecutive democracy (autocracy) in a country. It is the product of regime duration and the dichotomous democracy variable.

State Capacity measure comes from Hanson & Sigman's (2021) database. Some researchers argue that high levels of state capacity reinforce the legitimacy of a political system through increased provision of public services (Hanson, 2015; Moon & Dixon, 1985). Others also argue that State capacity and democracy are substitutes (Cronert & Hadenius, 2021; Hanson, 2015) or complement each other (Cronert & Hadenius, 2021; Fukuyama, 2005; Wang, 2003).

The ***natural resource dependence*** is composed of summing ores, fuel and metals exports over GDP from the WDI database. There is a consensus in the literature that natural resource dependence has strong anti-democratic effects, as it tends to make states less democratic (Brooks & Kurtz, 2016; Lam & Wantchekon, 2003; Ross, 2001; Wantchekon, 2002).

A ***Crisis*** variable is a dummy constructed using Laeven & Valencia (2020), the Global Crisis Data from the Behavioral Finance and Finance Stability (BFFS) database and Graham et al.

[17] Some studies control for the democratic duration when studying the relationship between democracy and corruption (Rock, 2017; Treisman, 2000).

(2017). It takes the value of 1 if one or more of the following occur; banking, sovereign debt, currency and inflation crises.

5. Empirical Strategy

The hypotheses are tested using an econometric specification of country-year panel data presented below. It includes the endogenous variable Support for democracy (SFD_{it}), the principal explicative variables Inequality (I_{it}) and Corruption (C_{it}), a set of control variables ($CV_{it}{}'$), a fixed effect control (μ_i) and the error term (ε_{it}).

$$SFD_{it} = \phi_1 I_{it} + \phi_2 C_{it} + CV_{it}{}'\Gamma + \mu_i + \varepsilon_{it}$$
$$I_{it} = Z_1{}'_{it}\alpha + CV_{it}{}'\Omega + \mu_{1i} + \varepsilon_{1it}$$
$$C_{it} = Z_2{}'_{it}\beta + CV_{it}{}'\Psi + \mu_{2i} + \varepsilon_{2it}$$

The hypotheses of this study are estimated with a fixed-effect model since the Hausman test rejects the null hypothesis, according to which individual-specific unobserved effects are uncorrelated with the conditioning regressors of the model. Moreover, robust and cluster options are employed to control for heteroskedasticity and autocorrelation.[18] I use an instrumental variables approach to address potential problems of simultaneous causality between explanatory variables and support for democracy. Because support for democracy may decrease inequality and corruption, then OLS estimates may be biased. The vectors $Z_1{}'_{it}$ and $Z_2{}'_{it}$ are the set of instruments of inequality and corruption, respectively.

In the empirical literature, most of the existing instruments for inequality and corruption are time-invariant (e.g. Easterly, 2007; Gallup & Such, 2000; Hofstede et al., 2010; Mauro, 2015). One of the few time-variant instruments used for inequality is "mature cohort size" relative to the adult population (Leigh, 2003; You, 2015; You & Khagram, 2005). As Higgins & Williamson (2002) show, the size of the mature cohort is a powerful predictor of inequality across countries and within the United States.[19] Following this literature, I use "mature cohort size" as an instrument for inequality. However, the former definition of mature cohort size as

[18] The test for heteroskedasticity rejects the null hypothesis of constant variance (homoskedasticity). The Wooldridge test of serial correlation also rejects the null hypothesis of no first-order correlation.

[19] The idea is based on the cohort size hypothesis, according to which fat cohorts tend to have lower rewards as they generate a surplus in the labour market that reduces their incomes. Therefore, when those fat cohorts lie at the top of the life-cycle earnings (middle of the age-earnings curve), inequality is reduced. On the contrary, when the fat cohorts are in the tails (young or old adults), inequality increases.

the ratio of "the population 40 to 59 years old" to "the population 15 to 69 years old" is changed. Instead, I defined it as the ratio of "the population 35 to 59 years old" to "the population 15 to 69 years old" because it is a more significant predictor of inequality than the former in this panel data study. In addition, different lags of inequality measures are also used to instrument it. The year(s) lags of mature cohort and inequality variables used as instruments for inequality changes according to the model specification.[20]

The main instrument of corruption is the 1-year lag of the judicial corruption indicator. I suggest this instrument because it is crucial to have a well-functioning judicial system to deal with corruption problems. The judicial corruption decision indicator is a standardised measure that goes from high to low levels of judicial corruption.[21] The perception of corruption in the judicial system erodes citizens' trust in all its essential functions and perpetuates unfair practices, which undermines democracy and democratic support. (Gloppen, 2014; Danileț, 2009). Judicial corruption indicator differs from the other types of corruption indicators since it links citizens as actors when linking public officials to corrupt acts by asking: How often do individuals or businesses make undocumented extra payments or bribes to speed up or delay the process, or to obtain a favourable judicial decision? Hence, it allows this measure to be used as the main determinant of perceived corruption, as the judicial system is the last resort to which citizens turn to resolve problems, such as conflict resolution, law enforcement, protection of property rights, enforcement of contracts and protection of individual rights against social and governmental oppression.

Moreover, as time-variant instruments are rare and difficult to find, I use the existing literature to see if the lag of other variables highly correlated with inequality and corruption measures can be good instruments for them. Existing literature argues that there is a high correlation between either natural resource dependence and inequality or natural resource dependence and corruption. Bourguignon & Morrisson (1990) found that mineral resources endowment is a significant determinant of inequality in developing countries. Other studies find a strong relationship between natural resources and inequality (e.g. Buccellato & Mickiewicz, 2009; Farzanegan & Krieger, 2019; Goderis & Malone, 2011; Parcero & Papyrakis, 2016; Kim & Lin, 2018). In addition, Leite & Weidmann (1999) argue that natural resources incentivise rent-seeking behaviour and are important determinants of corruption. There is also considerable empirical evidence of the relationship between natural resources and corruption (e.g. Aslaksen, 2007; Busse & Gröning, 2013; Dong et al., 2019; Okada & Samreth, 2017; Vincent, 2010).

[20] See Appendix A3 for the regression used in Table 3.
[21] For further detail, see Pemstein et al. (2021).

Rents from natural resources are composed of minerals, oil, coal, natural gas and forest rents. I carried out an analysis of the correlation between the different types of natural resource rent and inequality, and also with corruption, to determine possible instruments. The years-lag of natural resource rent types used as instruments for inequality and corruption changes according to the model specification. Appendix A3 shows Table 2 first stage regressions and the list of instruments.

To test H3, I use the following linear model. It includes the inequality measure (I_{it}) as the principal variable, a set of control variables ($CV_{it}{}'$), a fixed effect control (μ_i) and the error term (ε_{it}):

$$SFD_{it} = \phi_1 I_{it} + CV_{it}{}'\Gamma + \mu_i + \varepsilon_{it}$$
$$I_{it} = Z_1{}'_{it}\alpha + CV_{it}{}'\Omega + \mu_{1i} + \varepsilon_{1it}$$

A fixed-effect model with the robust option is employed to control for heteroskedasticity.[22] I implement an instrumental variable approach to address the problems of simultaneous causality between inequality and support for democracy. The vectors $Z_1{}'_{it}$ represent the set of instruments used for inequality. The main instrument is the mature cohort size. The lag used of this variable as an instrument depends on the specification of the regression. Appendix A4 provides Table 3 first stage regressions and the list of instruments by regression.

All instruments used in this research to test the three hypotheses are the lags of the variables highly correlated with the main explanatory regressors (i.e. inequality and corruption). I assume that the instrumental variables exert no direct effect on support for democracy.

6. Empirical results

Table 2 shows the results of the first two hypotheses, according to which increases in inequality and corruption are expected to have a negative effect on support for democracy. It presents the IV regression results for different measures of inequality and democracy. All models use an IV panel fixed effect model with the robust and cluster option to control for unobserved country-specific factors, heterogeneity among countries and serial correlation. Inequality and corruption are the instrumented variables in each regression. Appendix A5 and

[22] The countries with non-democratic experience in my dataset are 24-26. The cluster option is not used, as the number of countries is too small with the number of observations of 2-19.

A6 show the pooled OLS and FE estimates, respectively. According to Table 2, inequality and corruption have a negative and significant effect on support for democracy. For instance, in model 1, one standard deviation (9.22) increase in inequality (Gini) is associated with a 0.59 standard deviation (0.90) decline in support for democracy. Likewise, one standard deviation (0.31) increase in the political corruption index is associated with a 0.31 standard deviation (0.90) decrease in support for democracy.[23] Comparing the IV with the OLS and FE results, the magnitude of the standardised coefficients for Gini is -0.59 (IV1), which is larger than the -0.22 (OLS1) and -0.27 (FE1). Moreover, the magnitude of the standardised coefficients for the political corruption index is also larger, -0.31 (IV1) versus -0.07 (OLS1) and -0.005 (FE1), with the IV coefficient being significant and not the OLS nor the FE coefficients. These results suggest that OLS and FE estimates are biased downward for Gini and corruption.

Most control variables, such as democratic duration, school enrolment, natural resource dependence, state capacity and crisis, do not have a significant impact on support for democracy. The empirical test finds no support for the notion that higher economic development increases the support for democracy. Instead, economic development appears to be negatively associated with support for democracy, but its coefficient is not significant. This finding is in line with previous empirical research on support for democracy (e.g. Anderson & Singer, 2008; Magalhães, 2014; Wagner et al., 2009). The control variables, with a significant impact on support for democracy, are the unemployment rate, democracy index and autocratic duration. The unemployment rate, liberal democracy (LDI) and liberal index are negatively associated with support for democracy. Electoral democracy (EDI) has a quadratic relationship with support for democracy. Results suggest that EDI increases support for democracy in countries with EDI inferior to 0.58 and decreases support for democracy in countries with EDI superior to 0.58. Autocratic duration has a significant positive relationship with support for democracy. It suggests that the greater a country's autocratic experience is, the greater its support for democracy will be.

[23] Put differently, one point increase on the Gini index (measured on a 0 to 100 scale) decreases support for democracy by 0.06 standard deviation and 1 point increase in the political corruption index (measured on a 0 to 1 scale) reduces support for democracy by 1 standard deviations. See Appendix A2 for the summary statistics of the samples used for the estimations.

Table 2: Support for Democracy

	Gini		Palma ratio		Share top 1%	
	EDI (1)	LDI (2)	EDI (3)	LDI (4)	EDI (5)	LDI (6)
Inequality	-0.058***	-0.059***	-0.104**	-0.103**	-3.577**	-3.706**
	(0.02)	(0.02)	(0.05)	(0.05)	(1.66)	(1.61)
Corruption	-0.894**	-0.938**	-1.082**	-1.083**	-1.442**	-1.368**
	(0.44)	(0.45)	(0.53)	(0.51)	(0.60)	(0.64)
GDP p.c. (2010 US$)	-0.189	-0.240	-0.193	-0.247	-0.137	-0.168
	(0.16)	(0.16)	(0.16)	(0.16)	(0.17)	(0.18)
GDP p.c. growth	0.421*	0.379	0.408*	0.347	0.382	0.356
	(0.24)	(0.24)	(0.24)	(0.24)	(0.23)	(0.23)
Primary G.S.E.	0.001	0.001	0.001	0.001	-0.001	-0.001
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Secondary G.S.E.	-0.003	-0.003	0.001	0.001	-0.002	-0.001
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Tertiary S.E.	0.002	0.002	0.002	0.002	0.004	0.004
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Unemployment rate	-0.019***	-0.020***	-0.023***	-0.024***	-0.023***	-0.024***
	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Democracy Index	3.730**	-1.100***	3.752**	-1.080***	4.651***	-1.145***
	(1.48)	(0.37)	(1.60)	(0.42)	(1.47)	(0.43)
Democracy Index sq.	-3.211**		-3.192**		-4.099***	
	(1.30)		(1.41)		(1.31)	
Liberal Index	-1.214***		-1.244**		-1.284***	
	(0.42)		(0.49)		(0.49)	
State Capacity	-0.005	0.009	-0.112	-0.084	-0.127	-0.097
	(0.14)	(0.14)	(0.16)	(0.16)	(0.14)	(0.14)
Natural res. dep.	-0.001	-0.002	-0.008	-0.009	-0.003	-0.001
	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)
Democratic duration	-0.005	-0.004	-0.005	-0.004	-0.004	-0.004
	(0.00)	(0.01)	(0.00)	(0.01)	(0.01)	(0.01)
Autocratic duration	0.004***	0.003***	0.005**	0.005**	0.004**	0.004**
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Regimen Transition	0.063	0.085*	0.067	0.098*	0.019	0.062
	(0.05)	(0.05)	(0.06)	(0.06)	(0.06)	(0.05)
Crisis	0.002	0.008	0.001	0.007	-0.013	-0.005
	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.05)
N observations	1741	1741	1769	1769	1688	1687
N countries	115	115	115	115	118	118
UnderID test (p-val)	0.006	0.008	0.000	0.000	0.129	0.139
Weak ID test F-stat	28.50	26.71	15.90	15.46	17.26	17.04
S-Y cv IV bias (5%)					11.04	11.04
S-Y cv IV size (10%)	13.43	13.43	7.03	7.03	16.87	16.87
Hansen J (p-val)	0.767	0.676			0.618	0.527
Endog. test (p-val)	0.017	0.013	0.011	0.006	0.011	0.024

Note: Heteroskedasticity-robust standard errors, adjusted for clustering at the country level, are presented in parentheses. Support for Democracy is standardised. All educational background control variables are lagged 1-year.
* p<0.10, ** p<0.05, *** p<0.01.

I find evidence for H1; inequality is negatively associated with support for democracy, using different measures of inequality and democracy. Inequality has the largest causal effect on support for democracy when inequality is measured by the Gini index or the Palma ratio. In model 1, one standard deviation increase in inequality decreases support for democracy by

about three-fifths of a standard deviation, a substantially important effect. I re-scale all inequality variables between 0 and 1 and run specifications (1), (3) and (5) to make the inequality and corruption coefficients comparable. The coefficients are -5.81 for Gini and -4.73 for the Palma ratio, all with a net effect in magnitude higher than any other variable in each regression.[24] However, when inequality is measured by the share of total income accruing to the top 1% of the population, corruption has a largest causal effect than inequality on support for democracy. The standardised coefficients for corruption and inequality in (5) are -0.50 and -0.24, respectively.

Furthermore, the data also confirm H2. Corruption has a significant negative effect on support for democracy. In model 1, one standard deviation increase in corruption decreases support for democracy by about one-third of a standard deviation. The magnitude of the standardised coefficients of corruption becomes larger (0.38 and 0.50) when the Palma ratio (model 3) and Share top 1% (model 5) are the measures of inequality.

H3 examines the effect of inequality in non-democratic countries to test whether the negative effect of inequality on support for democracy comes from citizens' long-term experience with the inefficient way the democratic political system handles this issue. Table 3 shows IV regression results and control for unobserved country-specific factors and heterogeneity. Inequality is the instrumented variable in each regression. Equations with alternative measures of inequality (Palma ratio and Share top 1%) and corruption (Judicial corruption and Clientelism index) are estimated. As expected, in non-democratic countries, inequality has a significant positive effect on support for democracy. The results are robust to the different specifications of inequality and corruption. One standard deviation increase in inequality (Gini, Palma ratio and Share top 1%) increases support for democracy by about (0.84, 0.85 and 0.95) of a standard deviation, respectively.[25] Inequality measures have the strongest effect on support for democracy.

Moreover, all corruption measures have a positive and significant effect on support for democracy. Two other variables with a significant effect across specifications are tertiary school enrolment and state capacity. Tertiary school enrolment is positively associated with support for democracy. Lipset's (1959) classic argument that high levels of education have a positive effect on democracy is valid for non-democratic countries. State capacity is negatively associated with support for democracy. It suggests that greater state capacity (to deliver goods

[24] The results of each regression with the re-scaled inequality measures are presented in Annexe A7.

[25] In Model 1, one standard deviation (6.13) increase in Gini is associated with a 0.98 standard deviation (0.69) increase in support for democracy. In model 4, an increase of one standard deviation (2.01) in the Palma ratio is associated with a 0.68 standard deviation (0.70) increase in support for democracy. In model 7, one standard deviation (0.04) increase in Share top 1% is associated with a 0.46 standard deviation (0.70) increase in support for democracy.

and services, use military force, and extract resources and rents to finance itself) diminishes support for democracy. Countries with more years living as non-democratic tend to have higher support for democracy. Lastly, GDP per capita has a significant positive effect on support for democracy when the Gini index is used to measure inequality.

Table 3: Support for Democracy in Autocratic Countries

	Gini		Palma ratio		Share top 1%	
	PCI (1)	CI (2)	PCI (3)	CI (4)	PCI (5)	CI(6)
Inequality	0.094**	0.104**	0.297**	0.252**	16.546***	16.483***
	(0.05)	(0.05)	(0.13)	(0.10)	(5.41)	(5.68)
Corruption	1.921***	1.717***	1.436**	0.980**	1.615***	1.310**
	(0.48)	(0.41)	(0.70)	(0.46)	(0.61)	(0.44)
GDP p.c. (2010 US$)	0.523***	0.132	0.041	-0.224	0.197	-0.058
	(0.15)	(0.15)	(0.17)	(0.17)	(0.18)	(0.19)
GDP p.c. growth	0.139	0.074	0.046	0.267	0.445	0.371
	(0.30)	(0.32)	(0.29)	(0.30)	(0.43)	(0.43)
Primary G.S.E.	0.007	0.007	0.010***	0.009	0.020***	0.020***
	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Secondary G.S.E.	-0.030***	-0.031***	-0.023***	-0.023***	-0.031***	-0.030***
	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Tertiary S.E.	0.008**	0.012***	0.010*	0.015***	0.003	0.07
	(0.00)	(0.00)	(0.01)	(0.01)	(0.01)	(0.01)
Unemployment rate	-0.038**	-0.027	-0.047***	-0.037*	-0.039**	-0.030
	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)
Democracy Index	0.286	0.638	-0.198	-0.139	1.205	1.606
	(0.75)	(0.69)	(0.86)	(0.80)	(1.02)	(1.00)
State Capacity	-0.556***	-0.428***	-0.690***	-0.657***	-0.840***	-0.753***
	(0.16)	(0.16)	(0.19)	(0.20)	(0.22)	(0.24)
Natural res. dep.	-0.089**	-0.100***	-0.018	-0.030	-0.061	-0.076**
	(0.04)	(0.04)	(0.07)	(0.07)	(0.04)	(0.04)
Autocratic duration	0.007	0.024**	0.024**	0.033***	0.031**	0.037***
	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Crisis	0.040	0.021	0.062	0.036	0.115	0.081
	(0.05)	(0.04)	(0.06)	(0.06)	(0.09)	(0.09)
Reg. of the World	-0.605*	-0.576**	-0.649**	-0.569**	-0.713*	-0.666**
	(0.33)	(0.25)	(0.35)	(0.27)	(0.40)	(0.32)
N observations	225	223	212	209	268	284
N countries	24	24	23	23	27	27
UnderID test (p-val)	0.000	0.000	0.000	0.000	0.000	0.000
Weak ID test F-stat	31.81	24.66	27.00	23.05	26.65	30.20
S-Y cv IV bias (5%)	13.91	16.85		13.91		
S-Y cv IV size (10%)	22.30	24.58	19.93	22.30	16.38	16.38
Hansen J (p-val)	0.274	0.356	0.241	0.270		
Endog. test (p-val)	0.000	0.002	0.012	0.007	0.000	0.002

Note: Heteroskedasticity-robust standard errors are presented in parentheses. CI = Clientelism Index. Support for Democracy is standardised. The Democracy index is the Liberal Democracy Index. All educational background control variables are lagged 1-year. * p<0.10, ** p<0.05, *** p<0.01.

In sum, inequality has the strongest effect on support for democracy. The results are robust for different measures of inequality, democracy and corruption. Inequality increases support for democracy in autocratic countries with no democratic experience. Instead, when the whole sample is considered, it erodes support for democracy. Likewise, corruption increases support for democracy in countries without democratic experience. However, it decreases support for democracies in the whole sample. The empirical results suggest that in countries with long experience as democracies, citizens have decreased their support for democracy because they are discontent with how democratic political systems have been handled and probably continue to handle issues such as inequality and corruption.

7. Conclusions

This research argues and empirically validates the hypothesis that inequality and corruption erode support for democracy. The results are robust across specifications and for alternative measures for inequality, corruption and democracy. Inequality is the most powerful determinant of support for democracy. Corruption is a strong and significant $(p < 0.005)$ determinant of support for democracy across specifications and samples. Furthermore, the sign of the inequality and corruption coefficients change in the same direction. They are positively associated with support for democracy in non-democratic countries and negatively associated with support for democracy in the whole sample (92 countries with large and some experience are democracies and 27 autocracies with no democratic experience). These results highlight that these two longstanding issues matter for the survival of a democratic political system since they play a central role in determining the diffuse support for democracy.

I find evidence that inequality increases support for democracy in autocratic countries with no democratic experience. It is in line with the predictions of the political economy theory. This theory assumes that most individuals are poor and seek to maximise their income. It predicts that democracy is the better political system, as it allows them to use it as a mechanism for redistribution (Acemoglu & Robinson, 2006; Boix, 2003; Meltzer & Richard, 1981). It is also consistent with the model of cultural transmission of political preferences developed by Rojas Rubio (2022). In countries that start as autocracies, her model predicts that high levels of inequality encourage parental socialisation towards a democratic system. Poor-type parents increase their socialisation level towards a democratic political system because they believe in its principles and expect better redistribution. Rich-type parents decrease their socialisation

level towards an autocratic political system since the cost of maintaining it increases with inequality. It implicitly predicts that as socialisation towards a democratic system increases, so does its support, as the proportion of citizens who have democracy as their preferred political system increases.

The findings support what Easton's (1965, 1975) theory suggests. For him, long periods of citizens' discontent with the perceived performance of a political system erode their support for it. I apply it to study how long-standing issues such as inequality and corruption affect support for democracy. This research empirically shows that inequality and corruption have a significant and negative effect on support for democracy. These results are in line with the prediction of Rojas Rubio's (2022) model. When incorporating the degree of effectiveness of democracy and corruption into her model, she found that when democracy is not as effective as expected in fulfilling its principles, citizens decrease their socialisation effort towards a democratic political system. The idea is that inequality and corruption affect the very process of socialisation when they remain long enough, which, in turn, through the erosion of the level of socialisation towards a democratic system, may continually diminish citizens' support for democracy. Furthermore, these findings are consistent with the predictions of performance theories in which inequality and corruption negatively affect support for democracy, as citizens are retrospective when evaluating democracy (Anderson & Tverdova, 2003; Kriechaus et al, 2014).[26]

This study suggests that citizens, in general, seem to be dissatisfied with the functioning of democratic political systems. Not only inequality and corruption but also the democracy level is negatively associated with support for democracy. These findings highlight that the main challenge for a democratic political system is the fulfilment of its principles. Inequality and corruption do not allow the democratic system to function as it should. They erode the most stable form of support, the diffuse support for democracy which, in turn, threatens the survival of democracy. As warned by various researchers, countries with low support for democracy may fail to consolidate or even reverse to autocracy. In other words, a decline in support for democracy may weaken even the most established democracies (Claassen, 2020; Foa & Mounk, 2016, 2017; Plattner, 2017).

While this investigation advocates for addressing issues like inequality and corruption to improve support for democracy, much work remains to be done. It would be interesting to test the following hypothesis. Do the effects of inequality and corruption on support for democracy

[26] In the case of democracy, inequality and corruption have been used as indicators of political system performance (e.g. Anderson & Tverdova, 2003; Cordova & Seligson, 2010; Krieckhaus et al., 2014; Seligson, 2002).

differ among economic classes? Does the effect of inequality on support for democracy differ among people with contrasting political system preferences? Does corruption harm people's attitudes towards any political system? In addition, it may be interesting to test what are the main socialisation channels to build support for a political system. Is parental socialisation one of the major channels? Or is horizontal socialisation (e.g. schooling and the media) a better channel?

References

Acemoglu, D., Naidu, S., Restrepo, P., & Robinson, J. A. (2015). Chapter 21 - Democracy, Redistribution, and Inequality. In Atkinson A., & Bourguignon, F. (Eds.). Handbook of Income Distribution (Volume 2B, pp. 1885-1966). The Netherlands: North-Holland.

Acemoglu, D., & Robinson J. A. (2006). Economic Origins of Dictatorship and Democracy. New York: Cambridge University Press.

Alexander, G. (2002). The Sources of Democratic Consolidation. Ithaca, London: Cornell University Press.

Almond, G., & Verba, S. (1965). The civic culture. Boston: Little, Brown.

Andersen, R. (2012). Support for democracy in cross-national perspective: The detrimental effect of economic inequality. Research in Social Stratification and Mobility, 30(4), 389-402.

Anderson, C. J., & Singer, M. M. (2008). The Sensitive Left and the Impervious Right: Multilevel Models and the Politics of Inequality, Ideology, and Legitimacy in Europe. Comparative Political Studies, 41(4-5), 564–599.

Anderson, C. J., & Tverdova, Y. V. (2003). Corruption, Political Allegiances, and Attitudes toward Government in Contemporary Democracies. American Journal of Political Science 47(1), 91–109.

Ansell, B., & Samuels, D. (2014). Inequality and Democratization: An Elite-Competition Approach. Cambridge Studies in Comparative Politics. Cambridge: Cambridge University Press.

Aslaksen, S. (2007). Corruption and Oil: evidence from panel data. Mimeo, Department of Economics, Norwegian University of Science and Technology, Trondheim.

Barone, G., & Mocetti, S. (2016). Inequality and trust: new evidence from panel data. Economic Inquiry, 54(2), 794-809.

Bartels, L. (2008). Economic Inequality and Political Representation. Princeton University: Working Paper.

Boix, C. (2003). Democracy and Redistribution. New York: Cambridge University Press.

Booth, J., & Seligson, M. (2009). The Legitimacy Puzzle in Latin America: Political Support and Democracy in Eight Nations. Cambridge: Cambridge University Press.

Boräng, F., Nistotskaya, M., & Xezonakis, G. (2017). The quality of government determinants of support for democracy. Journal of Public Affairs, 17 (1-2), e1643.

Bourguignon, F., & Morrisson, C. 1990. Income distribution, development and foreign trade: A cross-sectional analysis. European Economic Review 34(6), 1113–1132.

Bratton, M., Mattes, R., & Gyiman-Boadi, E. (2005) Public Opinion, Democracy, and Market Reform in Africa. Cambridge: Cambridge University Press.

Brooks, S., & Kurtz, M. (2016). Oil and Democracy: Endogenous Natural Resources and the Political "Resource Curse". International Organization, 70(2), 279-311.

Buccellato, T., & Mickiewicz, T. (2009). Oil and gas: a blessing for the few. Hydrocarbons and inequality within regions in Russia. Europe-Asia Studies, 61(3), 385-407.

Busse, M., & Gröning, S. (2013). The resource curse revisited: governance and natural resources. Public Choice, 154(1/2), 1–20.

Claassen, C. (2020), Does Public Support Help Democracy Survive?. American Journal of Political Science, 64(1), 118-134.

Cobham, A., & Sumner, A. (2014). Is inequality all about the tails?: The Palma measure of income inequality. Significance, 11(1), 10-13.

Cobham, A., Schlögl, L., & Sumner, A. (2016). Inequality and the Tails: the Palma Proposition and Ratio. Glob Policy, 7(1), 25-36.

Collins, K., & Gambrel, R. (2017) Corruption and Popular Support for Democracy and Government in Transitional Contexts: The Case of Kyrgyzstan, Europe-Asia Studies, 69(8), 1280-1309.

Coppedge, M., Gerring, J., Knutsen, C. H ., Lindberg, S. I., Teorell, J., Marquardt, K. L., Medzihorsky, J., Pemstein, D., Alizada, N., Gastaldi, L., Hindle, G., von Römer, J., Tzelgov, E., Wang, Y., & Wilson, S. (2020). "V-Dem Methodology v10". Varieties of Democracy (V-Dem) Project.

Coppedge, M., Gerring, J., Lindberg, S. I., Skaaning, S. E., & Teorell, J. (2015). "V-Dem Comparisons and Contrasts with Other Measurement Projects." Varieties of Democracy (V-Dem) Project.

Córdova, A., & Seligson, M. A. (2010). Economic Shocks and Democratic Vulnerabilities in Latin America and the Caribbean. Latin American Politics and Society, 52(2), 1–35.

Cronert A., & Hadenius, A. (2021). Institutional foundations of global well-being: Democracy, state capacity and social protection. International Political Science Review, 42(5), 705-724.

Dahl, R. A. (2006). On Political Equality. New Haven: Yale University Press.

Dahl, R. A. (1971). Polyarchy: Participation and opposition. New Haven, CT: Yale University Press.

Dalton, R. J., & Ong, N.T. (2005).Authority orientations and democratic attitudes: A test of the 'Asian values' hypothesis. Japanese Journal of Political Science 6(2): 211–231.

Danileț, C. (2009). Corruption and Anti-corruption in the Justice System. Editura C.H. Beck.

Della Porta, D. (2000). Social Capital, Beliefs in Government and Political Corruption. In Pharr, S., & Putnam, R. (Eds.), Disaffected Democracies: What's Troubling the Trilateral Countries? (pp. 202-27). Princeton: Princeton University Press.

Diamond L., & Linz, J. J. (1989). Introduction: Politics, Society, and Democracy in Latin America. In Diamond, L., Linz, J. J., & Lipset, S. M. (Eds.), Democracy in Developing Countries: Latin America (pp 1-58). Boulder, Colorado: Lynne Rienner Publisher.

Diamond, L. J. (2008). The Spirit of Democracy: The Struggle to Build Free Societies Throughout the World. New York: Holt.

Diamond, L. J. (1999). Developing Democracy: Toward Consolidation. Baltimore: The Johns Hopkins University Press.

Dong, B., Zhang, Y., & Song, H. 2019. Corruption as a natural resource curse: evidence from the Chinese coal mining. China economic review: an international journal, 57, 1-14.

Easterly, W., & Levine, R. (1997). Africa's Growth Tragedy: Policies and Ethnic Divisions. The Quarterly Journal of Economics, 112(4), 1203–1250.

Easton, D. (1965). A Systems Analysis of Political Life. New York: Wiley.

Easton, D. (1975). A Re-Assessment of the Concept of Political Support. British Journal of Political Science, 5(4), 435– 57.

Eckstein, H. (1988). A Culturalist Theory of Political Change. American Political Science Review, 82 (3), 789-804.

Erlingsson, G., Linde, J., & Öhrvall, R. (2016). Distrust in Utopia? Public Perceptions of Corruption and Political Support in Iceland before and after the Financial Crisis of 2008. Government and Opposition, 51(4), 553-579.

Farzanegan, M. R., and Krieger, T. (2019). Oil booms and inequality in Iran. Review of Development Economics, 23(2), 830-859.

Foa, R., & Mounk, Y. (2017). The Signs of Deconsolidation. Journal of Democracy, 28(1), 5-16.

Foa, R., & Mounk, Y. (2016). The Danger of Deconsolidation: The Democratic Disconnect. Journal of Democracy, 27(3), 5–17.

Fukuyama, F. (2005). Building Democracy After Conflict: 'Stateness' first. Journal of Democracy, 16(1), 84-88.

Gallup, J. L., & Sachs, J. D. (2000). The Economic Burden of Malaria. American Journal of Tropical Medicine and Hygiene, 64(1-2), 85–96.

Gibson, J. L. (1996). A Mile Wide But an Inch Deep (?): The Structure of Democratic Commitments in the Former USSR. American Journal of Political Science, 40(2), 396-420.

Gloppen, S. (2014). Courts, Corruption and Judicial Independence. In T. Søreide & A. Williams (Eds.), Corruption, grabbing and development: Real world challenges (pp. 68-80). Cheltenham and Northampton (MA): Edward Elgar Publishing.

Goderis, B., & Malone, S. W. (2011). Natural Resource Booms and Inequality: Theory and Evidence. The Scandinavian Journal of Economics, 113(2), 388-417.

Graham, B., Miller, M., & Strøm, K. (2017). Safeguarding Democracy: Powersharing and Democratic Survival. American Political Science Review, 111(4), 686-704.

Gustavsson, M., & Jordahl, H. (2008). Inequality and Trust in Sweden: Some inequalities are more harmful than others. Journal of Public Economics, 92(1), 348–365.

Haggard, S., & Kaufman, R. (1995). The Political Economy of Democratic Transitions. Princeton: Princeton University Press.

Hanson J. K., & Sigman, R. (2021). Leviathan's Latent Dimensions: Measuring State Capacity for Comparative Political Research. The Journal of Politics 2021, 83(4), 1495-1510.

Hanson, J. K. (2015). Democracy and State Capacity: Complements or substitutes? Studies in Comparative International Development, 50(3), 304–330.

Hellman, J. S. (1998). Winners Take All: The Politics of Partial Reform in Postcommunist Transitions. World Politics, 50(2), 203–234.

Hellman, J. S., Jones, G., & Kaufman, D. (2003). Seize the state, seize the day: state capture and influence in transition economies. Journal of Comparative Economics 31(4), 751–773.

Hicken, A. (2011). Clientelism. Annual Review of Political Science, 14, 289–310.

Higgins, M., & Williamson, J. G. (2002). Explaining Inequality the World Round: Cohort Size, Kuznets Curves, and Openness. Southeast Asian Studies, 40(3), 268- 302.

Hofstede, G., Hofstede, G., & Minkov, M. (2010). Cultures and Organizations: Software of the Mind, Third Edition. McGraw-Hill Education.

Hollyer, J. R. (2011). Merit Recruitment in 19th and Early 20th Century European Bureaucracies. SSRN Electronic Journal.

Hollyer, J. R., & Wantchekon, L. (2015). Corruption and ideology in autocracies. The Journal of Law, Economics, and Organization, 31(3), 499 533.

Houle, C. (2009). Inequality and democracy: Why inequality harms consolidation but does not affect democratization. World politics, 61(4), 589-622.

Houle, C. (2018). Does economic inequality breed political inequality? Democratization, 25 (8), 1500-1518.

Inglehart, R., & Welzel, C. (2005). Modernization, cultural change and democracy: The human development sequence. Cambridge: Cambridge University Press.

Inglehart, R., & Welzel, C. (2005). Modernization, Cultural Change, and Democracy: The Human Development Sequence. Cambridge: Cambridge University Press.

Inglehart, R. (2003). How Solid Is Mass Support for Democracy - and How Can We Measure It?" PS: Political Science & Politics, 36(1), 51–57.

Keefer, P. (2007). Clientelism, Credibility, and the Policy Choices of Young Democracies. American Journal of Political Science, 51(4), 804–821.

Keefer, P., & Vlaicu, R. (2008). Democracy, Credibility, and Clientelism. Journal of Law, Economics, & Organization, 24(2), 371–406.

Kim, D. H., & Lin, S. C. (2018). Oil abundance and income inequality. Environmental and Resource Economics, 71(4), 825-848.

Klingemann, H. D. (1999). Mapping political support in the 1990s: A global analysis. In Norris, P. (Ed.), Critical citizens: Global support for democratic government (pp. 31-56). Oxford: Oxford University Press.

Krieckhaus, J., Son, B., Bellinger, N. M., & Wells, J. M. (2014). Economic Inequality and Democratic Support. The Journal of Politics, 76(1), 139 - 151.

Laeven, L., & Valencia, F. (2020). Systemic Banking Crises Database II. IMF Economic Review, 68(2), 307–361.

Lam, R., & Wantchekon, L. (2003). Political Dutch disease. Manuscript. New York: Department of Politics, New York University.

Leite, C., & Weidmann, J. (1999). Does mother nature corrupt? Natural resources, corruption and economic growth. IMF Working Paper WP/99/85. International Monetary Fund, Washington, DC.

Linde, J., & Erlingsson, G. (2013). The Eroding Effect of Corruption on System Support in Sweden. Governance, 26(4), 585-603.

Linz, J. J., & Stepan, A. (1996). Problems of Democratic Transition and Consolidation: Southern Europe, South America, and Post-Communist Europe. Baltimore, London: The Johns Hopkins University Press.

Lipset, S. M. (1959). Some social requisites of democracy: economic development and political legitimacy. American Political Science Review 53, 69–105.

Lipset, S. M. (1994). The social requisites of democracy revisited. American Sociological Review, 59, 1-22.

Lust-Okar, E. (2006). Elections under authoritarianism: preliminary lessons from Jordan. Democratization, 13(3), 456–71.

Lust-Okar, E. (2009). Democratization by Elections? Competitive Clientelism in the Middle East. Journal of Democracy, 20(3), 122-35.

Magalhães P. C. (2014). Government Effectiveness and Support for Democracy. European Journal of Political Research, 53(1), 77–97.

Manow, P. (2005). Politische Korruption und politischer Wettbewerb: Probleme der quantitativen Analyse (Political Corruption and Political Competition: Problems of Quantitative Analysis). Dimensionen politischer Korruption, Sonderheft der Politischen Vierteljahresschrift (Dimensions of Political Corruption, Special Issue of Political Quarterly). Wiesbaden: VS Verlag für Sozialwissenschaften (VS Publisher of Social Sciences).

Mattes, R., & Bratton, M. (2007). Learning about democracy in Africa: Awareness, performance and experience. American Journal of Political Science, 51(1), 192–217.

Mauro, P. (1995). Corruption and Growth. Quarterly Journal of Economics, 110(3), 681-712.

McMann, K., Pemstein, D., Seim, B., Teorell, J., & Lindberg, S. (2021). Assessing Data Quality: An Approach and An Application. Political Analysis, 1-24.

Meltzer, A. H., & Richard, S. F. (1981). A Rational Theory of the Size of Government. Journal of Political Economy, 89(5), 914–927.

Mishler, W., & Rose, R. (2001). What Are the Origins of Political Trust?: Testing Institutional and Cultural Theories in Post-communist Societies. Comparative Political Studies, 34(1), 30–62.

Mohtadi, H., & Roe, T. (2003). Democracy, rent-seeking, public spending and growth. Journal of Public Economics, 87(3-4), 445-466.

Montinola G. R., & Jackman R. W. (2002). Sources of Corruption: A Cross-Country Study. British Journal of Political Science, 32(1), 147-170.

Norris, P. (2011). Democratic Deficit: Critical Citizens Revisited. Cambridge: Cambridge University Press.

Norris, P. (1999) Critical Citizens: Global Support for Democratic Government. : Oxford University Press.

O'Donnell, G., Schmitter, P. C., & Whitehead, L. (1986). Transitions from Authoritarian Rule. Baltimore: Johns Hopkins University Press.

Okada K., & Samreth, S. (2017). Corruption and natural resource rents: evidence from quantile regression, Applied Economics Letters, 24(20), 1490-1493.

Paldam, M. (2002). The Cross-Country Pattern of Corruption Economics, Culture and the Seesaw Dynamics. European Journal of Political Economy, 18(2), 215-240.

Palma, J. G. (2011), Homogeneous Middles vs. Heterogeneous Tails, and the End of the 'Inverted-U': It's All About the Share of the Rich. Development and Change, 42(1), 87-153.

Palma, J. G. (2014). Has the Income Share of the Middle and Upper-middle Been Stable around the '50/50 Rule' or Has it Converged towards that Level? The 'Palma Ratio' Revisited. Development and Change, 45(6), 1416-1448.

Parcero, O. J., & Papyrakis, E. (2016). Income inequality and the oil resource curse. Resource and Energy Economics 45, 159-177.

Pemstein, D., Marquardt, K. M., Tzelgov, E., Wang, Y., Medzihorsky, J., Krusell, J., Farhad, M., von Römer, J. (2021). The V–Dem Measurement Model: Latent Variable Analysis for Cross-National and Cross-Temporal Expert-Coded Data. V-Dem Working Paper 21, 6th edition.

Pickett, K., & Wilkinson, R. (2009). The Spirit Level: Why more equal societies almost always do better. London: Allen Lane.

Plattner, M. F. (2017). Liberal Democracy's Fading Allure. Journal of Democracy, 28(4), 5-14.

Przeworski, A., & Limongi, F. (1997). Modernization: Theories and Facts. World Politics, 49(2), 155-183.

Przeworski, A., Alvarez, M., Cheibub, J., & Limongi, F. (2000). Democracy and Development: Political Institutions and Well-Being in the World, 1950–1990. Cambridge Studies in the Theory of Democracy. Cambridge: Cambridge University Press.

Roberts, K. W. S. (1977). Voting over income tax schedules. Journal of Public Economics, 8(3), 329-340.

Rock, M. T. (2009). Corruption and Democracy. The Journal of Development Studies, 45(1), 55-75.

Rock, M. T. (2017). Dictators, Democrats and Development in Southeast Asia: Implications for the Rest. New York: Oxford University Press.

Rojas Rubio, L. (2022). Political Culture and Democratisation. THEMA Working Papers N° 2022-17. CY Cergy Paris Université.

Rokeach, M. (1973). The Nature of Human Values. New York, London: The Free Press.

Romer, T. (1975). Individual welfare, majority voting and the properties of a linear income tax. Journal of Public Economics, 4(2), 163–185.

Ross, M. L. (2001). Does Oil Hinder Democracy? World Politics, 53(3), 325–61.

Sandholtz, W., & Koetzle, W. (2000). Accounting for Corruption: Economic Structure, Democracy, and Trade. International Studies Quarterly, 44(1), 31–50.

Seligson, M. A. (2002). The Impact of Corruption on Regime Legitimacy: A Comparative Study of Four Latin American Countries. The Journal of Politics, 64(2), 408 - 433.

Solt, F. (2020). Measuring Income Inequality Across Countries and Over Time: The Standardized World Income Inequality Database. Social Science Quarterly. SWIID Version 9.0.

Solt, F. (2010). Does Economic Inequality Depress Electoral Participation? Testing the Schattschneider Hypothesis. Political Behavior, 32(2), 285–301.

Solt, F. (2008). Economic Inequality and Democratic Political Engagement. American Journal of Political Science 52(1), 48–60.

Stephany, F. (2017). Who are Your Joneses? Socio-Specific Income Inequality and Trust. Social Indicator Research. 134(3), 877-898.

Teorell, J. (2010). Determinants of Democratization: Explaining Regime Change in the World, 1972–2006. Cambridge: Cambridge University Press.

Treisman D. (2000). The causes of corruption: a cross-national study. Journal of Public Economics, 76(3), 399-457.

Uslaner, E. M., & Brown, M. (2005). Inequality, trust, and civic engagement. American Politics Research, 33(6), 868-894.

Vicente, P. C. (2010). Does oil corrupt? Evidence from a natural experiment in West Africa, Journal of Development Economics, 92(1): 28–38.

Wagner, A. F., Schneider, F., & Halla, M. (2009). The quality of institutions and satisfaction with democracy in Western Europe: A panel analysis. European Journal of Political Economy, 25(1), 30–41.

Wang, S. (2003). China's Changing of the Guard: The problem of state weakness. Journal of Democracy, 14(1), 36–42.

Wantchekon, L. (2002). "Why do Resource Dependent Countries Have Authoritarian Governments". Journal of African Finance and Economic Development, 5(2), 57-77.

Wu, W. C., & Chang Y. T. (2019). Income inequality, distributive unfairness, and support for democracy: evidence from East Asia and Latin America. Democratization, 26(8), 1475-1492.

You, J. (2015). Democracy, Inequality and Corruption: Korea, Taiwan and the Philippines Compared. Cambridge: Cambridge University Press.

You, J., & Khagram, S. (2005). A Comparative Study of Inequality and Corruption. American Sociological Review, 70(1), 136–57.

Appendices

Appendix A1: List of countries

Consolidates Democracies	Remained Democratic after a Transition (>20 years of D.E.)	With at least 20 years of Democratic Experience
Country	Country	Country
Australia	Argentina	Benin
Austria	Brazil	Bolivia
Belgium	Bulgaria	Dominican Republic
Botswana	Cape Verde	Estonia
Canada	Chile	Hungary
Costa Rica	Colombia	India
Cyprus	Czech Republic	Namibia
Denmark	Ecuador	Peru
Finland	Ghana	Turkey
France	Guatemala	
Germany	Guyana	
Greece	Indonesia	
Ireland	Jamaica	
Israel	Latvia	
Italy	Lithuania	
Japan	Mexico	
Mauritius	Mongolia	
Netherlands	Panama	
New Zealand	Paraguay	
Norway	Poland	
Portugal	Romania	
Spain	Senegal	
Sweden	Slovak Republic	
Switzerland	Slovenia	
Trinidad & Tobago	South Africa	
UK	South Korea	
USA	Uruguay	
N° countries 27	N° countries 27	N° countries 9

Note: D.E. = Democratic Experience

Appendix A1: (Continuation)

Unstable Political System (< 20 years of D.E.)	With at least 20 years of Autocratic Experience	Autocracies
Country	Country	Country
Albania	Armenia	Algeria
Burkina Faso	Bangladesh	Azerbaijan
Croatia	Belarus	Bahrain
El Salvador	Ivory Coast	Burundi
Georgia	Kenya	Cambodia
Honduras	Nepal	Cameroon
Lesotho	Tunisia	China
Madagascar	Zambia	Egypt
Malawi		Eswatini
Mali		Guinea
Moldova		Iran
Nicaragua		Jordan
Niger		Kazakhstan
North Macedonia		Kuwait
Philippines		Kyrgyzstan
Serbia		Malaysia
Sri Lanka		Morocco
Tanzania		Mozambique
Thailand		Pakistan
Ukraine		Russia
Venezuela		Rwanda
		Sudan
		Togo
		Uganda
		Vietnam
		Yemen
		Zimbabwe
N° countries 21	N° countries 8	N° countries 27

Note: D.E. = Democratic Experience

Appendix A2: Summary statistics (by samples and inequality measure)

Table A21: Summary statistics for the total sample

	Total sample					
	Gini Index		Palma Ratio		Share top 1%	
	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.
Support for Democracy	0.05	0.90	0.05	0.89	0.06	0.89
Inequality measure	37.79	9.22	5.33	3.61	0.16	0.06
Political Corruption	0.42	0.31	0.42	0.31	0.42	0.31
Judicial Corruption	0.56	1.54	0.54	1.54	0.53	1.55
Clientelism Index	0.37	0.26	0.38	0.26	0.38	0.26
log[GDP p.c. 2010 US$]	8.86	1.40	8.84	1.40	8.86	1.44
GDP p.c. growth	0.03	0.04	0.03	0.04	0.02	0.04
Primary G. S. E.	92.16	8.49	92.02	8.59	91.93	8.76
Secondary G. S. E.	72.29	23.16	71.87	23.33	71.11	23.78
Tertiary S. E.	39.68	24.22	39.24	24.27	39.07	24.65
Unemployment Rate	8.47	5.71	8.45	5.73	8.09	5.67
Electoral Democracy	0.67	0.22	0.67	0.22	0.66	0.23
Liberal Democracy	0.56	0.25	0.55	0.25	0.55	0.25
Liberal Index	0.75	0.21	0.75	0.21	0.74	0.22
State Capacity	1.02	0.84	1.00	0.84	0.98	0.86
Natural Resources Dep.	0.86	1.52	0.85	1.52	0.06	0.89
Democratic duration	26.50	25.73	26.18	32.64	27.26	33.14
Autocratic duration	9.01	0.15	9.15	25.71	9.83	25.68
Crisis	0.28	0.45	0.29	0.45	0.25	0.43
N	1741		1772		1689	

Table A22: Summary statistics for autocratic countries

	Autocratic Countries					
	Gini Index		Palma Ratio		Share top 1%	
	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.
Support for Democracy	-0.59	0.69	-0.52	0.70	-0.51	0.70
Inequality measure	39.24	6.13	5.48	2.01	0.17	0.04
Political Corruption	0.72	0.15	0.72	0.15	0.72	0.15
Judicial Corruption	-0.75	0.80	-0.79	0.85	-0.79	0.86
Clientelism Index	0.59	0.18	0.59	0.18	0.59	0.18
log[GDP p.c. 2010 US$]	7.69	0.99	7.80	1.16	7.81	1.17
GDP p.c. growth	0.04	0.05	0.03	0.05	0.03	0.05
Primary G. S. E.	87.84	10.81	87.84	10.43	87.97	10.22
Secondary G. S. E.	57.66	25.30	58.67	25.70	58.80	25.62
Tertiary S. E.	24.35	20.09	23.76	19.19	23.85	19.20
Unemployment Rate	7.24	5.04	6.67	4.94	6.66	4.93
Electoral Democracy	0.29	0.09	0.28	0.09	0.28	0.09
Liberal Democracy	0.18	0.07	0.17	0.07	0.17	0.07
Liberal Index	0.43	0.15	0.42	0.16	0.42	0.17
State Capacity	0.27	0.40	0.24	0.41	0.24	0.41
Natural Resources Dep.	1.61	1.59	1.74	1.74	1.76	1.74
Autocratic duration	54.08	39.77	53.35	39.11	53.54	39.07
Crisis	0.19	0.39	0.18	0.39	0.18	0.38
Reg. of the World	0.78	0.41	0.75	0.43	0.75	0.44
N	225		269		268	

Appendix A3: First Stage - Support for Democracy of Table 2

	EDI(1)		EDI(3)		EDI(5)	
	Gini	PCI	Palma-r	PCI	ST1%	PCI
IVs FOR INEQUALITY						
Gini (5-year lag)	0.679***	-0.003				
	(0.06)	(0.00)				
Mature cohort size (1-year lag)	8.204*	0.201				
	(4.84)	(0.17)				
Gini (1-year lag)			0.306***	-0.001		
			(0.05)	(0.00)		
Share top 1% (7-year lag)					0.183***	0.061
					(0.06)	(0.08)
Coal rents %GDP (12-year lag)					-0.012***	-0.010
					(0.00)	(0.01)
IVs FOR CORRUPTION						
Judicial Corruption (1-year lag)	-0.005	-0.116***	0.191	-0.116***		
	(0.20)	(0.02)	(0.18)	(0.02)		
Judicial Corruption (2-year lag)					0.004	-0.083***
					(0.00)	(0.01)
Forest rents %GDP (1-year lag)		-0.003			0.004	-0.002*
		(0.00)	(0.13)	(0.02)	(0.00)	(0.00)
N observations	1741	1741	1769	1769	1687	1687
N countries	115	115	115	115	118	118

Note: IV = Instrumental variable. Palma-r = Palma ratio. ST1% = Share Top 1%. PCI = Political Corruption Index.
* p<0.10, ** p<0.05, *** p<0.01.

Appendix A3: First Stage - Support for Democracy of Table 2 (Continuation)

	LDI(2)		LDI(4)		LDI(6)	
	Gini	PCI	Palma-r	PCI	ST1%	PCI
IVs FOR INEQUALITY						
Gini (5-year lag)	0.679***	-0.003				
	(0.06)	(0.00)				
Mature cohort size (1-year lag)	8.178*	0.184				
	(4.89)	(0.17)				
Gini (1-year lag)			0.306***	-0.001		
			(0.05)	(0.00)		
Share top 1% (7-year lag)					0.182***	0.060
					(0.05)	(0.08)
Coal rents %GDP (12-year lag)					-0.012***	-0.010
					(0.00)	(0.01)
IVs FOR CORRUPTION						
Judicial Corruption (1-year lag)	0.012	-0.115***	0.176	-0.115***		
	(0.21)	(0.02)	(0.17)	(0.02)		
Judicial Corruption (2-year lag)					0.003	-0.084***
					(0.00)	(0.01)
Forest rents %GDP (1-year lag)					0.004	-0.002*
					(0.00)	(0.00)
N observations	1741	1741	1769	1769	1687	1687
N countries	115	115	115	115	118	118

Note: IV = Instrumental variable. Palma-r = Palma ratio. ST1% = Share Top 1%. PCI = Political Corruption Index.
* p<0.10, ** p<0.05, *** p<0.01.

Appendix A4: First Stage - Support for Democracy in Autocratic Countries (Table 3)

	Gini		Palma ratio		Share Top 1%	
	PCI	CI	PCI	Cl	PCI	CI
	(1)	(2)	(3)	(4)	(5)	(6)
Gini (9-year lag)	0.205***	0.187***				
	(0.03)	(0.04)				
Gini (11-year lag)				0.106*		
				(0.06)		
Gini (15-year lag)			-0.042**	-0.091***		
			(0.02)	(0.03)		
Natural res. rents %GDP (9-year lag)	-0.022***	-0.023***				
	(0.01)	(0.01)				
Mature cohort size (21-year lag)	-14.230***					
	(3.95)					
Mature cohort size (23-year lag)		-13.304***			-0.412***	-0.448***
		(4.31)			(0.08)	(0.08)
Mature cohort size (24-year lag)			-13.868***	-14.289***		
			(2.17)	(2.06)		
Clientelism (3-year lag)		1.397**				
		(0.67)				
N observations	225	223	212	209	268	268
N countries	24	24	23	23	27	27

Note: IV = Instrumental variable. PCI = Political Corruption Index. CI=Clientelism Index.
* p<0.10, ** p<0.05, *** p<0.01.

Appendix A5: Support for Democracy OLS Estimates

	(1) EDI	(2) LDI	(3) EDI	(4) LDI	(5) EDI	(6) LDI
Inequality	-0.021***	-0.024***	-0.026***	-0.034***	-2.306***	-2.623***
	(0.00)	(0.00)	(0.01)	(0.01)	(0.33)	(0.33)
Corruption	-0.208	-0.477***	-0.141	-0.409***	-0.185	-0.445***
	(0.13)	(0.13)	(0.13)	(0.12)	(0.13)	(0.12)
GDP p.c. (2010 US$)	0.309***	0.319***	0.259***	0.295***	0.262***	0.295***
	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)
GDP p.c. growth	0.116	0.304	-0.043	0.102	-0.026	0.134
	(0.42)	(0.43)	(0.42)	(0.42)	(0.41)	(0.42)
Primary G.S.E.	0.004*	0.006**	-0.000	0.001	0.001	0.002
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Secondary G.S.E.	-0.013***	-0.012***	-0.010***	-0.010***	-0.011***	-0.010***
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Tertiary S.E.	-0.006***	-0.006***	-0.005***	-0.005***	-0.005***	-0.005***
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Unemployment rate	-0.013***	-0.014***	-0.014***	-0.017***	-0.018***	-0.022***
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Democracy Index	-4.096***	0.470***	-4.227***	0.361**	-4.125***	0.329**
	(0.64)	(0.15)	(0.64)	(0.14)	(0.63)	(0.14)
Democracy Index sq.	3.659***		4.036***		3.960***	
	(0.55)		(0.54)		(0.53)	
Liberal Index	0.522***		0.119		0.079	
	(0.19)		(0.18)		(0.18)	
State Capacity	0.039	0.051	0.201***	0.190***	0.169***	0.164***
	(0.06)	(0.06)	(0.06)	(0.06)	(0.05)	(0.05)
Natural res. dep.	-0.040***	-0.041***	-0.041***	-0.040***	-0.042***	-0.043***
	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Democratic duration	0.001	0.000	0.001	0.000	0.000	0.000
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Autocratic duration	-0.003***	-0.000	-0.003***	-0.000	-0.003***	-0.000
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Regimen Transition	0.031	-0.006	0.045	0.005	0.035	-0.006
	(0.10)	(0.10)	(0.10)	(0.10)	(0.10)	(0.10)
Crisis	-0.012	-0.014	-0.013	-0.010	-0.011	-0.004
	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)
Constant	-0.433	-1.270***	-0.346	-1.586***	-0.186	-1.375***
	(0.34)	(0.30)	(0.33)	(0.29)	(0.33)	(0.29)
N observations	1757	1757	1819	1819	1819	1819
R-squared	0.469	0.458	0.448	0.432	0.456	0.441

Note: Ordinary Least Squares estimates.
* p<0.10, ** p<0.05, *** p<0.01

Appendix A6: Support for Democracy FE Estimates

	(1) EDI	(2) LDI	(3) EDI	(4) LDI	(5) EDI	(6) LDI
Inequality	-0.026***	-0.026***	-0.006	-0.004	-0.357	-0.239
	(0.01)	(0.01)	(0.01)	(0.01)	(0.31)	(0.32)
Corruption	-0.014	0.032	-0.043	0.007	-0.047	0.005
	(0.14)	(0.14)	(0.14)	(0.14)	(0.14)	(0.14)
GDP p.c. (2010 US$)	-0.201***	-0.244***	-0.164***	-0.204***	-0.163***	-0.203***
	(0.07)	(0.07)	(0.06)	(0.06)	(0.06)	(0.06)
GDP p.c. growth	0.399**	0.342*	0.273	0.237	0.284	0.244
	(0.18)	(0.19)	(0.18)	(0.18)	(0.18)	(0.18)
Primary G.S.E.	-0.001	-0.001	-0.001	-0.002	-0.001	-0.002
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Secondary G.S.E.	-0.002	-0.002	0.000	0.001	0.000	0.000
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Tertiary S.E.	0.002*	0.002*	0.001	0.001	0.002*	0.001
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Unemployment rate	-0.019***	-0.020***	-0.022***	-0.023***	-0.022***	-0.023***
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Democracy Index	3.440***	-0.688***	3.409***	-0.644***	3.427***	-0.649***
	(0.56)	(0.15)	(0.55)	(0.15)	(0.55)	(0.15)
Democracy Index sq.	-2.818***		-2.905***		-2.926***	
	(0.50)		(0.49)		(0.49)	
Liberal Index	-0.970***		-0.837***		-0.841***	
	(0.20)		(0.19)		(0.19)	
State Capacity	0.112**	0.139**	0.076	0.098*	0.079	0.101*
	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)
Natural res. dep.	-0.006	-0.007	-0.010	-0.011	-0.010	-0.010
	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Democratic duration	-0.005***	-0.004**	-0.006***	-0.005***	-0.006***	-0.005***
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Autocratic duration	0.004***	0.003***	0.003***	0.003***	0.003***	0.003***
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Regimen Transition	0.071*	0.093**	0.048	0.078**	0.046	0.077*
	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)
Crisis	-0.002	0.002	0.003	0.006	0.003	0.006
	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)
Constant	2.940***	3.806***	1.612***	2.474***	1.630***	2.488***
	(0.59)	(0.58)	(0.54)	(0.52)	(0.54)	(0.53)
N observations	1757	1757	1819	1819	1819	1819
N countries	116	116	119	119	119	119
R-squared	0.074	0.052	0.048	0.027	0.048	0.027
R-sq: within	0.143	0.122	0.119	0.098	0.119	0.098
R-sq: between	0.170	0.144	0.247	0.219	0.247	0.220
R-sq: overall	0.199	0.165	0.309	0.276	0.309	0.276

Note: Fixed Effect estimates.
* p<0.10, ** p<0.05, *** p<0.01.

Appendix A7: Support for Democracy IV Estimates with inequality measures (from 0 to 1)

	Gini		Palma ratio		Share top 1%	
	EDI (1)	LDI (2)	EDI (3)	LDI (4)	EDI (5)	LDI (6)
Inequality 0-1	-5.812***	-5.891***	-4.734**	-4.717**	-2.221**	-2.300**
	(2.04)	(2.08)	(2.25)	(2.27)	(1.03)	(1.00)
Corruption	-0.894**	-0.938**	-1.082**	-1.083**	-1.442**	-1.368**
	(0.44)	(0.45)	(0.53)	(0.51)	(0.68)	(0.64)
GDP p.c. (2010 US$)	-0.189	-0.240	-0.193	-0.247	-0.137	-0.168
	(0.16)	(0.16)	(0.16)	(0.16)	(0.17)	(0.18)
GDP p.c. growth	0.421*	0.379	0.408*	0.347	0.382	0.356
	(0.24)	(0.24)	(0.24)	(0.24)	(0.23)	(0.23)
Primary G.S.E.	0.001	0.001	0.001	0.001	-0.001	-0.001
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Secundary G.S.E.	-0.003	-0.003	0.001	0.001	-0.002	-0.001
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Tertiary S.E.	0.002	0.002	0.002	0.002	0.004	0.004
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Unemployment rate	-0.716***	-0.767***	-0.851***	-0.902***	-0.861***	-0.915***
	(0.26)	(0.27)	(0.28)	(0.28)	(0.27)	(0.28)
Democracy Index	3.730**	-1.100***	3.752**	-1.080***	4.651***	-1.145***
	(1.48)	(0.37)	(1.60)	(0.42)	(1.47)	(0.43)
Democracy Index sq.	-3.211**		-3.192**		-4.099***	
	(1.30)		(1.41)		(1.31)	
Liberal Index	-1.214***		-1.244**		-1.284***	
	(0.42)		(0.49)		(0.49)	
State Capacity	-0.005	0.009	-0.112	-0.084	-0.127	-0.097
	(0.14)	(0.14)	(0.16)	(0.16)	(0.14)	(0.14)
Natural res. dep.	-0.001	-0.002	-0.008	-0.009	-0.003	-0.001
	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)
Democratic duration	-0.005	-0.004	-0.005	-0.004	-0.004	-0.004
	(0.00)	(0.01)	(0.00)	(0.01)	(0.01)	(0.01)
Autocratic duration	0.004***	0.003***	0.005**	0.005**	0.004**	0.004**
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Regimen Transition	0.063	0.085*	0.067	0.098**	0.019	0.062
	(0.05)	(0.05)	(0.06)	(0.06)	(0.06)	(0.05)
Crisis	0.002	0.008	0.001	0.007	-0.013	-0.005
	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.05)
N observations	1741	1741	1769	1800	1688	1687
N countries	115	115	115	115	118	118
UnderID test (p-val)	0.006	0.008	0.000	0.000	0.129	0.139
Weak ID test F-stat	28.50	26.71	15.90	21.37	17.26	17.04
S-Y cv IV bias (5%)					11.04	11.04
S-Y cv IV size (10%)	13.43	13.43	7.03	7.03	16.87	16.87
Hansen J (p-val)	0.767	0.676			0.618	0.527
Endog. test (p-val)	0.017	0.013	0.011	0.007	0.011	0.024

Note: Heteroskedasticity-robust standard errors, adjusted for clustering at the country level, are presented in parentheses. Support for Democracy is standardised. Inequality measures are re-scaled from 0 to 1. All educational background control variables are lagged 1-year.
* p<0.10, ** p<0.05, *** p<0.01.