

Appendix 1: Explaining Control of Corruption, Models 1-4 (4 is referenced in the text)

Dep. Variable: Control of Corruption ^a	(1)	(2)	(3)	(4)
RESOURCES				
Informality (Shadow Economy Estimate 1996-2006 Average)	-0.0153*** (0.00412)		-0.00643 (0.00406)	
Administrative Discretion (Ease of Doing Business) ^b		- 0.00357*** (0.00116)		- 0.00384*** (0.00100)
Ethnic Particularism (Ethnic Fractionalization) ^e	0.268* (0.148)	0.274* (0.153)	0.166 (0.161)	0.151 (0.156)
CONSTRAINTS				
Partially independent judiciary ^c	0.161 (0.101)	0.149 (0.102)	0.0983 (0.0957)	0.0603 (0.0899)
Generally independent judiciary ^c	0.467*** (0.169)	0.571*** (0.163)	0.369** (0.169)	0.347** (0.169)
Internet users (per 100 people)	0.0185*** (0.00274)	0.0184*** (0.00273)	0.0190*** (0.00363)	0.0163*** (0.00343)
Number of CSOs (per million pop.)	0.00535** (0.00266)	0.00423 (0.00276)	0.00477* (0.00251)	0.00411* (0.00232)
Personal autonomy/ individual rights ^d	0.0563*** (0.0188)	0.0405** (0.0188)	0.0912*** (0.0180)	0.0793*** (0.0175)
REGIONAL CONTROLS				
Eastern Europe and Central Asia ^f			-0.424*** (0.154)	-0.560*** (0.142)
Latin America and the Caribbean			-0.368* (0.207)	-0.413** (0.199)
North Africa & the Middle East			0.283 (0.192)	0.201 (0.182)
Sub-Saharan Africa			0.0697 (0.240)	0.0623 (0.236)
East and South Asia and the Pacific			-0.138 (0.235)	-0.214 (0.230)
Constant	-0.937*** (0.230)	-0.999*** (0.245)	-1.397*** (0.320)	-0.996*** (0.293)
Number of Obs	149	149	149	149
Adjusted R ²	0,797	0,788	0,83	0,843
F-Value	117.522***	99.643***	112.222***	127.661***

Cross country estimations (OLS) for 149 countries using World Bank's 'control of corruption index' in 2008 as dependent variable. Unstandardized regression coefficients reported. Robust standard errors in parentheses. Significance levels: * p<0.1, ** p<0.05, *** p<0.01

^a Source: World Bank - World Governance Indicators, values range between -2.5 and +2.5 (higher values indicate less corruption); ^b Countries ranked (the more business friendly the lower the rank); ^c Reference category is no independent judiciary; ^d Indicator from Freedom House, values lie on a scale from 0 to 16 (higher values reflect high degree of rights); ^e Probability that two randomly selected people from a given country will not belong to the same ethnolinguistic group (the higher the number, the more fractionalized society); ^f Reference category is Western Europe and North America (including Australia and New Zealand)