Theoretical Appendix for "Redistribution, Power Sharing and Inequality Concern"

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August 26, 2020

1 Introduction

This document contains several theoretical extensions of the baseline model studied in Debowicz, Saporiti and Wang (2020). Following the numeration of the paper, in Proposition 2 we restate the equilibrium transfers to the income groups lifting the assumption of *non-income-sorting*. In Proposition 3 we display the equilibrium when the power sharing rule is given by the *difference-form function* (in the jargon of the contest literature), which implies that the influence of the parties at the policymaking process is determined by the margin of victory or electoral mandate. Finally, in Lemma 1 and Lemma 2 we deal with the equilibrium characterization of the redistributive policy when the two parties have different inequality concerns.

2 Income sorting

In the baseline model, we have assumed that the ranking of disposable incomes after redistribution preserves the ordering of the initial incomes of the groups, i.e., $y_R \geq y_M \geq y_P$, limiting consequently the amount of redistribution among different socio-economic groups that the politicians can propose at the election. Let's suppose now that income sorting is possible. The set of feasible policies is given by

$$X' = \left\{ \mathbf{x} \in \mathbb{R}^N : \sum_{i \in N} n_i x_i = 0, \ \& \ x_i \geq -e_i \ \forall i \in N \right\}.$$

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Let's call $\mathcal{G}' = \left(X', \Pi^C\right)_{C=A,B}$ the redistributive election game determined by the model of the paper and the policy set X'.

Proposition 2 (Income Sorting) Let $\left(\mathbf{x}^A, \mathbf{x}^B\right) \in X' \times X'$ denote the pure-strategy equilibrium of the redistributive election game $\mathcal{G}'$. For all $i \in N$ and all $C = A, B$,

$$x_i^C = \underbrace{(e - e_i)}_{ER} + \underbrace{\beta \cdot (\phi_i - \phi)}_{TR}, \text{ where } \beta = \tfrac{(1-\gamma)\eta}{2\alpha_\phi \eta(1-\gamma)+\gamma}. \tag{1}$$

Proof. Like in the proof to Proposition 1, we consider only the problem of party A, which is (given the policy $\mathbf{x}^B \in X'$ of the other party)

$$\begin{aligned} & \max_{\mathbf{x}^A} \ \Pi^A\left(\mathbf{x}^A, \mathbf{x}^B\right) \\ \text{s.t.} \quad & \sum_{i \in N} n_i x_i^A = 0, & (2) \\ & x_i^A + e_i \geq 0 \text{ for all } i \in N. & (3) \end{aligned}$$

The main difference between this optimization problem and party A's problem under the non-income-sorting constraints is the restrictions (7) and (8) in Appendix A of the paper, which are now lifted. The Lagrange function is $\mathcal{L} = \Pi^A\left(\mathbf{x}^A, \mathbf{x}^B\right) + \lambda[0 - \sum_{i \in N} n_i x_i^A] + \sum_{i \in N} \mu_i \left(x_i^A + e_i\right)$, where λ and μ_i stand for the Lagrange multipliers associated with (2) and (3), respectively. Consider the case where $\lambda > 0$ and $\mu_i = 0$ for all $i \in N$. Apart from equation (2), the first-order conditions include:

$$\begin{aligned} \frac{\partial \Pi^A}{\partial x_R^A} - n_R \lambda &= 0, & (4) \\ \frac{\partial \Pi^A}{\partial x_M^A} - n_M \lambda &= 0, & (5) \\ \frac{\partial \Pi^A}{\partial x_P^A} - n_P \lambda &= 0. & (6) \end{aligned}$$

The first-order partial derivative of the payoff function is: $\frac{\partial \Pi^A}{\partial x_i^A} = (1-\gamma)\eta \cdot \frac{\partial v^A}{\partial x_i^A} - \gamma n_i \left(\tilde{e}_i + x_i^A\right)$, where $\tilde{e}_i = e_i - e$ and $\frac{\partial v^A}{\partial x_i^A} = n_i \phi_i - 2 n_i \left(\tilde{e}_i + x_i^A\right) \alpha_\phi$. Combining (4) and (5) and following the steps in Appendix A, we have that

$$x_R^A = e_M - e_R + x_M^A - \frac{(1-\gamma)\eta(\phi_M - \phi_R)}{(1-\gamma)2\alpha_\phi + \gamma}. \tag{7}$$

By the same token, using (5) and (6), it follows that

$$x_P^A = e_M - e_P + x_M^A - \frac{(1-\gamma)\,\eta\,(\phi_M - \phi_P)}{(1-\gamma)\,2\alpha_\phi + \gamma}. \tag{8}$$

Finally, substituting (7) and (8) into (2), we get the transfer to the middle class:

$$x_M^A = e - e_M + \frac{(1-\gamma)\,\eta\,(\phi_M - \phi)}{(1-\gamma)\,2\alpha_\phi + \gamma}. \tag{9}$$

The transfers to the rich and the poor are obtained by replacing (9) back into (7) and (8), respectively. ∎

Notice in equation (1) above that the main feature of the tax-and-transfer policy, namely, the "two-part structure", with the egalitarian and tactical redistribution components, is the same under sorting and non-sorting. Actually, ER-transfers are the same in both cases. With regard to the TR-transfers, there are some minor differences, but essentially they are very similar. In particular, notice that now the parameter β is positive and the same for all groups; and that it is multiplied by the partisan independence gap of the group, instead of the gap of the poor. The ER- and TR-transfers to the middle class remains positive, which means that this group continues benefiting from redistribution. On the contrary, for the rich both ER and TR are negative, meaning that the group pays for redistribution. The poor finally might benefit or not depending on whether ER is greater or smaller than TR, exactly like before.

Like in the Lindbeck-Weibull model, under sorting the ranking of the groups based on disposable incomes after redistribution changes in such a way that the rich become the lowest income group, the middle class is the richest group, and the poor the new middle class. This ranking is not very realistic. Although some social mobility occurs in practice, non-rich voters do not seem to possess the political power in a western democracy to carry out a level of expropriation that transforms the rich after taxes into the poorest group in society. That's why in the paper we assume that taxation and redistribution are limited by the non-income-sorting conditions.

Regarding the comparative statics effects associated with the equilibrium of Proposition 2, the results are as follows.[1]

Corollary 5 Let $\mathbf{x}^C \in X$ denote party C's equilibrium policy at the redistributive elec-

[1] The numeration of the corollaries is set consecutively to that used in the paper.

tion game $\mathcal{G}'$. For all $i \in N$ and all $C = A, B$,

$$\frac{\partial x_i^C}{\partial \phi_i} = \frac{(1-\gamma)^2 \eta^2 \left[(1-n_i) 2 \sum_{j \neq i} n_j \phi_j \alpha_j + 2 n_i \alpha_i \sum_{j \neq i} n_j \phi_j\right] + (1-n_i)\gamma(1-\gamma)\eta}{(2\alpha_\phi (1-\gamma)\eta + \gamma)^2} > 0.$$

Corollary 5 displays the effect of a change in ϕ_i on x_i^C. As happens in the Lindbeck-Weibull model and in contrast with the result derived under non-income-sorting, equilibrium transfers rise in *all* groups with the density of the swing voters.

Corollary 6 Let $\mathbf{x}^C \in X$ denote party C's equilibrium policy at the redistributive election game $\mathcal{G}'$. For all $i \in N$,

(6.A) $\frac{\partial x_i^C}{\partial \alpha_i} = -\frac{(\phi_i - \phi) 2 n_i \phi_i (1-\gamma)^2 \eta^2}{\left(2\alpha_\phi (1-\gamma)\eta + \gamma\right)^2} \lesseqgtr 0 \Leftrightarrow \phi_i \gtreqless \phi,$

(6.B) $\frac{\partial x_i^C}{\partial \gamma} = -\frac{(\phi_i - \phi)\eta}{\left(2\alpha_\phi (1-\gamma)\eta + \gamma\right)^2} \lesseqgtr 0 \Leftrightarrow \phi_i \gtreqless \phi,$

(6.C) $\frac{\partial x_i^C}{\partial \eta} = \frac{(\phi_i - \phi)\gamma(1-\gamma)}{\left(2\alpha_\phi (1-\gamma)\eta + \gamma\right)^2} \gtreqless 0 \Leftrightarrow \phi_i \gtreqless \phi.$

Given our assumption that $\phi_M > \phi > \phi_P > \phi_R$, Corollaries (6.A) and (6.B) offer a similar conclusion than that derived under non-income-sorting, namely, inequality concern curbs TR-transfers to those benefiting from targeting spending (here the middle class). Egalitarian redistribution isn't directly affected by inequality concern. With respect to (6.C), the power sharing effect on TR-transfers is positive for the middle class, and negative for the other two groups. The interpretation is similar to that given in the paper: as policymaking power gets more concentrated in the majority winning party, electoral spending flows from the less responsive to the more responsive groups of voters. The only difference is that under non-income-sorting the rich benefits even if they are the less responsive group because of the need to keep the ranking of disposable income unchanged after redistribution.

With regard to income inequality, the results shown in Corollary 7 points out that the sign of the comparative statics effects of the main parameters of the model over the after-tax Gini are the same regardless of whether income-sorting is or is not permitted.

Corollary 7 The groups' after-tax equilibrium incomes $y_i = e + \beta \cdot (\phi_i - \phi)$, $i \in N$, determine an estimate of the Gini coefficient equal to $\hat{G} = \beta \cdot K$, where $K = e^{-1}\left[n_M(\phi_M - \phi) + n_R n_P(\phi_R - \phi_P)\right]$. Thus,

(7.A) $\frac{\partial \hat{G}}{\partial \alpha_i} = -K \beta^2 2 n_i \phi_i < 0,\ i \in N,$

(7.B) $\frac{\partial \hat{G}}{\partial \gamma} = -\frac{K \beta^2}{\eta (1-\gamma)^2} < 0,$

(7.C) $\frac{\partial \hat{G}}{\partial \eta} = \frac{\gamma K \beta^2}{(1-\gamma)\eta^2} > 0$,

(7.D) $\frac{\partial \hat{G}}{\partial \phi_i} = \beta\left(\frac{\partial K}{\partial \phi_i} - 2K\beta n_i \alpha_i\right)$, $i \in N$,

where $\frac{\partial K}{\partial \phi_P} = -n_P(n_M+n_R)e^{-1} < 0$, $\frac{\partial K}{\partial \phi_M} = e^{-1} n_M(1-n_M) > 0$, and $\frac{\partial K}{\partial \phi_R} = e^{-1} n_R(n_P-n_M) \gtrless 0$ depending on whether $n_P \gtrless n_M$.[2]

3 Margin of victory

The equilibrium analysis carried out in Debowicz, Saporiti and Wang (2020) rests on the assumption that the influence of the parties at the policymaking process is determined by the ratio of vote shares, as is expressed by the rule

$$\rho^C = \frac{1}{1+\left(\frac{1-v^C}{v^C}\right)^{\eta}}. \tag{10}$$

Although that seems to be in line with other papers in the literature (c.f., Saporiti 2014, Matakos, Troumpounis and Xefteris 2015, and Herrera, Morelli, and Nunnari 2016), an equally significant and intuitive hypothesis sees instead that influence to be determined by the *absolute margin of victory*. In a democracy, that margin, that is, the difference between the parties' vote shares, provides to the winning candidate the "mandate" to pursue its policy goals as being approved by the electorate.

To formalize this argument, let party C's influence on policy be determined by the margin of victory or electoral mandate $v^{-C} - v^C = 1 - 2v^C$, so that

$$\hat{\rho}^C = \frac{1}{1+\exp\left(\eta\left(1-2v^C\right)\right)}, \tag{11}$$

where the circumflex accent mark "hat" over the character ρ is used to distinguished this case from (10). In the theory of conflict, the expression in (11) is known as the difference-form contest success function, due to Hirshleifer (1989), whereas (10) is usually called the Tullock contest success function, after Tullock (1980).

Figure 1 illustrates party A's probability of determining the redistributive policy as a function of the ratio (in red) and the margin (in blue) of victory, as expressed in equations (10) and (11), respectively. The graph shows that both rules determine the same power distribution when the vote shares of the parties are equal. On the contrary, when they are different, the ratio of victory determines a more disproportionate

[2] We assume that $\frac{n_M}{n_P n_R} > \frac{\phi_P - \phi_R}{\phi_M - \phi}$, which ensures that $K > 0$ and the Gini index is well defined.

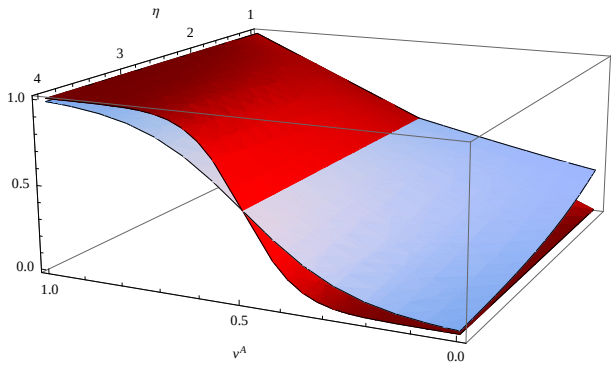

Figure 1: Party influence over policy: vote ratio vs margin of victory

allocation of power, in the sense that the party with the higher vote share receives an even greater influence over policy. This discrepancy between the two expressions tends to narrow as the influence parameter η takes greater values.

For the purpose of the analysis conducted in this work, it is worth mentioning that the different power distribution emerging from (10) and (11) have minor implications on the equilibrium characterization. To see this, let's call $\hat{\mathcal{G}} = \left(X, \hat{\Pi}^C\right)_{C=A,B}$ the redistributive election game determined by the model of the paper and the power sharing rule (11), where the payoffs $\hat{\Pi}^C$ have been appropriately redefined (specifically, $\hat{\Pi}^C\left(\mathbf{x}^A, \mathbf{x}^B\right) = (1-\gamma)\cdot\hat{\rho}^C - \gamma\,\frac{1}{2}\cdot\sum_{i\in N} n_i\left(y_i^C - e\right)^2$).

Proposition 3 (Margin of Victory) Let $\left(\mathbf{x}^A, \mathbf{x}^B\right) \in X\times X$ denote the pure-strategy equilibrium of the redistributive election game $\hat{\mathcal{G}}$. For all $i \in N$ and all $C = A, B$,

$$x_i^C = e - e_i + \hat{\beta}_i \cdot (\phi - \phi_P), \tag{12}$$

where $\hat{\beta}_R = \hat{\beta}_M = \frac{(1-\gamma)\eta\,\sigma_P}{2[(1-\gamma)\eta\,\alpha_\phi + \gamma]}$ and $\hat{\beta}_P = -\frac{(1-\gamma)\eta}{2[(1-\gamma)\eta\,\alpha_\phi + \gamma]}$.

Proof. The proof is identical to the proof of Proposition 2. The only difference is the value of the first-order partial derivative of the power sharing function with respect to the vote share. In the ratio of victory case, this derivative is

$$\frac{\partial\rho^A}{\partial v^A} = \frac{1}{\left(1+\left(\frac{1-v^A}{v^A}\right)^\eta\right)^2}\cdot\eta\left(\frac{1-v^A}{v^A}\right)^{\eta-1}\cdot\frac{1}{\left(v^A\right)^2}, \tag{13}$$

whereas in the margin of victory case is

$$\frac{\partial\hat{\rho}^A}{\partial v^A} = \frac{1}{\left(1+e^{\eta\left(1-2v^A\right)}\right)^2}\cdot e^{\eta\left(1-2v^A\right)}\cdot 2\eta.$$

Since at the equilibrium $\mathbf{x}^A = \mathbf{x}^B$ and $v^A = \frac{1}{2}$, it follows that $\frac{\partial \rho^A}{\partial v^A} = \eta$, and $\frac{\partial \hat{\rho}^A}{\partial v^A} = \frac{1}{2}\eta$. The rest of the proof proceeds in the same manner as the proof of Proposition 2. ∎

The result stated in Proposition 3 shows that under the "margin of victory" power sharing rule, the pure-strategy equilibrium of the election game has the same structure and comparative statics effects than before. The only difference is that the coefficient in (12) that accompanies the partisan independence gap of the poor is smaller. Intuitively, this happens because a less disproportionate allocation of power under (11) diminishes the fierceness of political competition and the prominence of the swing voter group in the election, leading to less tactical redistribution and consequently to a more egalitarian distribution of income among the groups. Despite this, the qualitative results under the two power sharing regimes are similar.

4 Asymmetric inequality concern

So far, the analysis has focused on the symmetric case where the two parties care equally about inequality concern, that is, $\gamma^A = \gamma^B = \gamma$. Obviously, it is possible to imagine an alternative scenario where parties, representing perhaps different socio-economic groups, express distinct concern with economic inequality. In particular, that might be the case if one party is "captured by" the rich and the elite, and the other is heavily influenced by the unions and the working class.

To fix ideas, let's consider a simple case of asymmetric motivation in which party A cares only about power, and party B is only concerned with inequality. Formally, let's assume $0 = \gamma^A \neq \gamma^B = 1$. The payoff functions of the parties in this case are

$$\widetilde{\Pi}^A\left(\mathbf{x}^A, \mathbf{x}^B\right) = \rho^A, \tag{14}$$

and

$$\widetilde{\Pi}^B\left(\mathbf{x}^A, \mathbf{x}^B\right) = -\frac{1}{2} \cdot \sum_{i \in N} n_i \left(y_i^B - e\right)^2. \tag{15}$$

Denote by $\widetilde{\mathcal{G}} = \left(X, \widetilde{\Pi}^C\right)_{C=A,B}$ the resulting redistributive election game, determined by the model of the paper and the payoffs (14) and (15).

Lemma 1 (Asymmetric Inequality Concern) Let $\left(\mathbf{x}^A, \mathbf{x}^B\right) \in X \times X$ be the pure-strategy equilibrium of the election game $\widetilde{\mathcal{G}} = \left(X, \widetilde{\Pi}^C\right)_{C=A,B}$. Assume that for all $i \in N$, θ_i is uniformly distributed over $[\frac{-1}{2\phi_i}, \frac{1}{2\phi_i}]$, with $\phi_M > \sum_{i \in N} n_i \phi_i > \phi_P > \phi_R$. Then,

$$x_i^A = e - e_i + \widetilde{\beta}_i \cdot (\phi - \phi_P), \; i \in N \tag{16}$$

and

$$x_i^B = e - e_i,\ i \in N \tag{17}$$

where $\widetilde{\beta}_M = \widetilde{\beta}_R = \sigma_P(2\alpha_\phi)^{-1} = -\sigma_P\,\widetilde{\beta}_P$.

Proof. First of all, it is immediate to verify that the policy of party B that maximizes its objective function subject to the usual constraints is $x_i^B = e - e_i$, $i \in N$.

Second, party A's optimization problem consists in maximizing with respect to $\mathbf{x}^A$ the power sharing function $\rho^A\left(\mathbf{x}^A, \mathbf{x}^B\right)$, given that $x_i^B = e - e_i\ \forall i \in N$, and subject to the following set of restrictions:

$$\sum_{i \in N} n_i\, x_i^A = 0, \tag{18}$$

$$x_i^A + e_i \geq 0 \text{ for all } i \in N, \tag{19}$$

$$e_R + x_R^A \geq e_M + x_M^A, \tag{20}$$

$$e_M + x_M^A \geq e_P + x_P^A. \tag{21}$$

Suppose that $\lambda > 0$, $\mu_i = 0$ for all $i \in N$, $\delta_1 > 0$ and $\delta_2 = 0$, where λ, μ_i, δ_1, and δ_2 are the Lagrange multipliers associated with (18)–(21). The first-order conditions are (18), (19), (21), together with

$$\frac{\partial \rho^A}{\partial x_R^A} - \lambda n_R + \delta_1 = 0, \tag{22}$$

$$\frac{\partial \rho^A}{\partial x_M^A} - \lambda n_M - \delta_1 = 0, \tag{23}$$

$$\frac{\partial \rho^A}{\partial x_P^A} - \lambda n_P = 0, \tag{24}$$

$$e_R + x_R^A - e_M - x_M^A = 0. \tag{25}$$

Combining (22) and (23), we get

$$\frac{\partial \rho^A}{\partial v^A}\left(\frac{\partial v^A}{\partial x_M^A} + \frac{\partial v^A}{\partial x_R^A}\right) = (n_M + n_R)\,\lambda. \tag{26}$$

Meanwhile, note that (24) can be rewritten as

$$\frac{\partial \rho^A}{\partial v^A}\frac{\partial v^A}{\partial x_P^A} = n_P \lambda, \tag{27}$$

where $\frac{\partial v^A}{\partial x_i^A} = n_i\phi_i - 2n_i\left(\tilde{e}_i + x_i^A\right)\alpha_\phi$. Combining (26) and (27) and after some algebraic manipulation, we have that

$$x_P^A + e_P - e_M + \frac{\phi - \phi_P}{n_M + n_R}\frac{1}{2\alpha_\phi} = x_M^A. \tag{28}$$

Thus, substituting (28) and (25) into (18), we get the transfer to the middle class, namely,

$$x_M^A = e - e_M + \sigma_P \frac{1}{2\alpha_\phi}(\phi - \phi_P),$$

from which we also obtain the transfer to the poor and the rich. ∎

The result shown above offers several interesting insights. First, it shows that when parties have different inequality concerns, their redistributive policies can diverge at the equilibrium. In particular, given that party B has been assumed to be purely egalitarian, (17) dictates that B's equilibrium policy proposes a level of redistribution that equalizes the after-tax incomes of all socio-economic groups. For the policy of party A this is not the case obviously, since the middle class receives in addition an extra bit of positive tactical redistribution transfers.

Second, remember that the implemented policy is a compromise of the electoral proposals done by the parties, each weighted by its corresponding power share. For the equilibrium of Lemma 1 it transpires therefore that for all $i \in N$,

$$x_i = e - e_i + \rho^A \cdot \widetilde{\beta_i} \cdot (\phi - \phi_P), \tag{29}$$

where ρ^A is given by equation (10), with $v^A = 1/2 + \sum_{i\in N} n_i\,\phi_i\left(u_i\left(y^A\right) - u_i\left(y^B\right)\right)$, and $u_i\left(y^A\right) - u_i\left(y^B\right) = \widetilde{\beta_i}\cdot(\phi - \phi_P) - \alpha_i\cdot(\phi - \phi_P)^2 \cdot \sum_{i\in N} n_i \cdot \widetilde{\beta_i^2}$. These are obviously complex expressions that do not allow to say much about what happens with the transfer x_i of each group as the parameters of the model change. To be concrete, the problem is with the TR-transfers (ER-transfers are the same), which depend now on party A's power share, as shown in (29). How these shares respond to the parameters isn't easy to tell without imposing further restrictions on the model structure.

Third, it is interesting to see that (16) and (17) are particular instances of the redistributive policy characterized in the symmetric inequality concern case of the text, namely,

$$x_i^C(\gamma) = (e - e_i) + \beta_i(\gamma)\cdot(\phi - \phi_P), \text{ with } \beta_M(\gamma) = \beta_R(\gamma) = \frac{(1-\gamma)\eta\,\sigma_P}{(1-\gamma)2\eta\,\alpha_\phi + \gamma} = -\sigma_P\,\beta_P(\gamma), \tag{30}$$

when γ takes the values of 0 and 1, respectively. Having noted that, one might be

tempted to think that perhaps the equilibrium of any other asymmetric case can be obtained in the same fashion by replacing the different levels of parties' inequality concern into the symmetric equilibrium shown in (30). We argue, however, that's correct in the limit case $0 = \gamma^A \neq \gamma^B = 1$ considered by Lemma 1, but not otherwise.

To elaborate, suppose party B remains egalitarian (i.e., $\gamma^B = 1$), and let A care about power *and* inequality concern (i.e., $\gamma^A \in (0,1)$). At the equilibrium, party B's redistributive policy continues to be the initial income gap $e - e_i$. By contrast, a closed-form expression for the policy of party A is hard to derive even under the assumption that voters' partisan bias is drawn from a uniform distribution. The problem is that parties do not converge to the same policy, and that transforms the first-order partial derivative of the power share with respect to the expected vote share into a nontrivial expression (see equation (13) above).[3]

Having said that, it can be shown that party A's transfers (specifically, the TR-transfers) to the swing voter group (middle class) are now smaller than that given by (30). The reason is competition for votes in the asymmetric inequality concern case is less intense due to the fact that party B is by assumption less concerned with power sharing than under symmetry (in this example, B is not concerned at all with power). Other things equal, that reduces the level of tactical redistribution that a fair-minded party A is willing to implement and to trade against equity.[4]

Thus, although a closed-form solution for the previous asymmetric inequality concern case is hard to workout, compared with the symmetric case and provided that the relatively more opportunistic party is also fair-minded, the equilibrium transfers imply less targeted spending on the more responsive voter groups. This occurs by the fact that competition among political parties becomes less fierce, to which parties respond by curbing tactical redistribution. Below we state formally this observation and we generalize it for the case where none of the parties is purely egalitarian.

Consider the redistributive election game $\widetilde{\widetilde{\mathcal{G}}}\left(\gamma^A, \gamma^B\right) = \left(X, \widetilde{\widetilde{\Pi}}^C\left(\gamma^C\right)\right)_{C=A,B}$, determined by the model of the paper and the payoff functions $\widetilde{\widetilde{\Pi}}^C$, $C = A, B$, where for each $\gamma^C \in [0,1]$, $\widetilde{\widetilde{\Pi}}^C\left(\gamma^C\right) = \left(1-\gamma^C\right)\cdot\rho^C - \gamma^C\frac{1}{2}\cdot\sum_{i\in N} n_i\left(y_i^C - e\right)^2$.

Lemma 2 Let $\left(\mathbf{x}^A\left(\gamma^A,\gamma^B\right), \mathbf{x}^B\left(\gamma^A,\gamma^B\right)\right) \in X \times X$ be the pure-strategy equilibrium of the election game $\widetilde{\widetilde{\mathcal{G}}}\left(\gamma^A,\gamma^B\right)$. If for all $i \in N$, θ_i is uniformly distributed over $[\frac{-1}{2\phi_i}, \frac{1}{2\phi_i}]$, with $\phi_M > \sum_{i\in N} n_i\phi_i > \phi_P > \phi_R$, then

[3]Instead, in the symmetric case, regardless of the nature of the c.d.f. F_i, the expected vote shares are equal to 1/2 at the equilibrium, because parties propose the same redistributive policy. That implies that (13) is simply equal to η, and that simplifies enormously the calculation of the group transfers.

[4]What happens in the limit when party A is not fair-minded is that its willingness to trade votes for equity vanishes, and therefore it behaves independently of the intensity of electoral competition (power sharing regime).

(2.A) For all $0 < \gamma^C < \gamma^{-C}$, $0 < x_M^C\left(\gamma^C, \gamma^{-C}\right) \leq x_M^C\left(\gamma^C\right)$, with strict inequality if $\eta \neq 1$, and $\lim_{\gamma^C \to 0} x_i^C\left(\gamma^C, \gamma^{-C}\right) = x_i^C(0)$;

(2.B) For all $\gamma^C < \gamma^{-C} < 1$, $0 < x_M^{-C}\left(\gamma^C, \gamma^{-C}\right) \leq x_M^{-C}\left(\gamma^{-C}\right)$, with strict inequality if $\eta \neq 1$, and $\lim_{\gamma^{-C} \to 1} x_i^{-C}\left(\gamma^C, \gamma^{-C}\right) = x_i^{-C}(1)$; and

(2.C) For all $0 \leq \gamma^C < \gamma^{-C} \leq 1$, $\left|y_i\left(\gamma^C, \gamma^{-C}\right) - e\right| < \left|y_i\left(\gamma^C\right) - e\right|$.

Proof. To prove (2.A), notice that following the reasoning of the proof to Proposition 2, we can derive an (implicit) expression for the equilibrium transfers of party A, namely,

$$x_i^A(\gamma^A, \gamma^B) = e - e_i + \beta_i^A(\gamma^A, \gamma^B) \cdot (\phi - \phi_P), \text{ for } i \in \mathcal{N}, \tag{31}$$

where $\beta_R^A(\gamma^A, \gamma^B) = \beta_M^A(\gamma^A, \gamma^B) = \frac{(1-\gamma^A)\sigma_P \, \partial\rho^A/\partial v^A}{\partial\rho^A/\partial v^A (1-\gamma^A) 2\alpha_\phi + \gamma^A} = -\sigma_P \beta_P^A(\gamma^A, \gamma^B)$. Note that, since $\frac{\partial\rho^A}{\partial v^A}$ depends on x_i^A (and also on x_i^B), this is not a closed-form solution for $x_i^A(\gamma^A, \gamma^B)$. However, we show below that this partial derivative is bounded. Indeed, differentiating ρ^A, that is, equation (10), with respect to v^A, we have that

$$\frac{\partial\rho^A}{\partial v^A} = \eta \cdot \left(\frac{1}{v^A v^B} \cdot \frac{1}{2 + \left(\frac{v^B}{v^A}\right)^\eta + \left(\frac{v^A}{v^B}\right)^\eta} \right).$$

Let $\Psi(\eta) = \frac{1}{v^A v^B} \frac{1}{2+\left(\frac{v^B}{v^A}\right)^\eta + \left(\frac{v^A}{v^B}\right)^\eta}$. By definition, the disproportionality parameter $\eta \geq 1$. It is easy to see that $\Psi(1) = 1$, and that $\Psi(\cdot)$ is decreasing in η, that is,

$$\frac{\partial\Psi}{\partial\eta} = -\frac{\left(\frac{v^B}{v^A}\right)^\eta \ln\left(\frac{v^B}{v^A}\right) + \left(\frac{v^A}{v^B}\right)^\eta \ln\left(\frac{v^A}{v^B}\right)}{v^B v^A \left[2 + \left(\frac{v^B}{v^A}\right)^\eta + \left(\frac{v^A}{v^B}\right)^\eta\right]^2} < 0. \tag{32}$$

Therefore, if $\eta = 1$, then $\partial\rho^A/\partial v^A = \eta$; whereas if $\eta > 1$, then the expression in (32) implies that $\Psi(\eta) < 1$, and consequently that $\frac{\partial\rho^A}{\partial v^A} = \eta \cdot \Psi(\eta) < \eta$. Altogether this means $0 < \frac{\partial\rho^A}{\partial v^A} < \infty$. Further, since $e > e_M$, the fact that $\frac{\partial\rho^A}{\partial v^A} \leq \eta$ implies from (31) and (30) that $0 < x_M^A\left(\gamma^A, \gamma^B\right) \leq x_M^A\left(\gamma^A\right)$ for all $0 < \gamma^A < \gamma^B$, with strict inequality if $\eta \neq 1$. Taking the limit of (31) when γ^A approaches zero, we see that $\lim_{\gamma^A \to 0} x_i^A\left(\gamma^A, \gamma^B\right) = e - e_i + \beta_i^A(0, \gamma^B) \cdot (\phi - \phi_P) = x_i^A(0)$, where $\beta_R^A(0, \gamma^B) = \beta_M^A(0, \gamma^B) = \sigma_P (2\alpha_\phi)^{-1} = -\sigma_P \beta_P^A(0, \gamma^B)$, which proves (2.A). The proof for (2.B) is done using a similar argument.

Finally, note from (31) and the equivalent for party B that $\left|y_i^C(\gamma^A, \gamma^B) - e\right| = \left|x_i^C(\gamma^A, \gamma^B) + e_i - e\right| = \left|\beta_i^C(\gamma^A, \gamma^B) \cdot (\phi_P - \phi)\right|$, with $C = A, B$. Repeating the step but using instead (30), we also have that $\left|y_i^C(\gamma) - e\right| = \left|x_i^C(\gamma) + e_i - e\right| = \left|\beta_i(\gamma) \cdot (\phi_P - \phi)\right|$. Thus,

appealing to the argument of the previous paragraph, it follows that for all $i \in \mathcal{N}$,

$$\left|y_i^A(\gamma^A, \gamma^B) - e\right| \leq \left|y_i^A(\gamma^A) - e\right|, \tag{33}$$

with strict inequality if $\eta \neq 1$ and $\gamma^A > 0$. By the same token, for all $i \in \mathcal{N}$, $\left|y_i^B(\gamma^A, \gamma^B) - e\right| \leq \left|y_i^B(\gamma^B) - e\right|$, with strict inequality if $\eta \neq 1$ and $\gamma^B < 1$. Moreover, by Corollary 3.B in the paper, $\gamma^A < \gamma^B$ implies that $\left|y_i^B(\gamma^B) - e\right| < \left|y_i^B(\gamma^A) - e\right| = \left|y_i^A(\gamma^A) - e\right|$, where the last identity follows from the fact that parties converge to the same policy under symmetric inequality concern. Thus, for all $i \in \mathcal{N}$,

$$\left|y_i^B(\gamma^A, \gamma^B) - e\right| < \left|y_i^A(\gamma^A) - e\right|. \tag{34}$$

Combining (33) and (34),

$$\left|\rho^A \cdot [y_i^A(\gamma^A, \gamma^B) - e]\right| + \left|\rho^B \cdot [y_i^B(\gamma^A, \gamma^B) - e]\right| < \left|y_i(\gamma^A) - e\right|, \tag{35}$$

which implies using the properties of the absolute value function that

$$\left|\rho^A \cdot [y_i^A(\gamma^A, \gamma^B) - e] + \rho^B \cdot [y_i^B(\gamma^A, \gamma^B) - e]\right| < \left|y_i(\gamma^A) - e\right|. \tag{36}$$

Therefore, by (36), $\left|y_i(\gamma^A, \gamma^B) - e\right| < \left|y_i(\gamma^A) - e\right|$, as is stated in (2.C). ∎

As already said, (2.A) points out that so long as party C is fair-minded, it will redistribute less to the swing voter group than in the case where both parties have the same level of inequality concern because electoral competition is less intense under asymmetric inequality concern (differentiated parties). In addition, (2.A) shows that in the limit, when party C is fully opportunistic, it behaves in the same way regardless of the intensity of competition (power sharing regime). The interpretation of (2.B) is similar. That is, so long as party $-C$ is not purely egalitarian, it will also redistribute less under asymmetric inequality concern; and again, in the limit, when $-C$ becomes purely egalitarian, it chooses the same level of redistribution regardless of the intensity of competition. Finally, (2.C) says that the magnitude of TR-transfers to all income groups is smaller under asymmetric inequality concern, which results compared with the symmetric case in a more egalitarian distribution of the after-tax disposable incomes.

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Empirical Appendix for "Redistribution, Power Sharing and Inequality Concern"

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August 26, 2020

1 Introduction

This appendix contains (i) a brief discussion and overview (in Tables 1–3) of the results obtained under the alternative econometric specifications considered in Debowicz, Saporiti and Wang (2020); (ii) summary statistics (in Tables 4–5) for the regressions of the net transfers and the Gini index; and (iii) a detailed exposition (in Tables 6–33) of all of the regressions carried out in the paper.

Regarding the latter, i.e., item (iii), Tables 6 to 9 provide the regression tables analysed in Section 4 of Debowicz, Saporiti and Wang (2020), but showing the estimates for the full list of controls that are present in the analysis. Tables 10 to 13 are analogous to Tables 6 to 9, but they replace the Taagepera index by the Gallagher index. Tables 14 to 17 consider a non-linear approximation to the relationships under analysis in the paper. Reflecting that the parameters do not enter the determination of the equilibrium transfers in a linear way, these regressions take the natural logarithm of the parameters present in the tactical transfer term.

Tables 18 to 21 present the results for an alternative index of parties' inequality concern that combines the one we use in the paper, that is, MPDS–per503, with MPDS–per504: "Favourable mentions of need to introduce, maintain or expand any public social service or social security scheme", averaging both with equal weights. Finally, Tables 22 to 33 consider alternative definitions of the income groups, which results from employing the other risk-of-poverty lines used by EU-SILC, namely, 40, 50, and 60 percent of the median income.

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In relation to the alternative econometric specifications, that is, item (i) , we conduct a series of regressions analogous to those of Section 4.2 of the paper, but with the following variations of the baseline model:

- Gallagher index instead of the Taagepera index;
- Natural logarithm of the parameters in the tactical transfer term;
- MPDS–per503 and MPDS–per504 to approximate parties' inequality concern;
- Alternative poverty lines used by EU-SILC: 40, 50 and 60% of the median income.

The results of this analysis (summarized for the set of hypotheses involving the transfers in Tables 1 and 2) confirm Hypothesis 1 for the broad definition of the net transfers in all variations, both using OLS and FE, with a statistical significance of 1% in all of them except in the OLS regressions including voters' values (columns 1 to 3 of Table 2) with a poverty line of 40 or 50 percent of the median income, where the Hypothesis is also confirmed, but with a statistical significance of 5%.

For the narrow definition of the net transfers, the robustness analysis validates the main results in a general way, but the support is smaller. For these narrow transfers, while all variations validate the Hypothesis for both the poor and the rich group, both using OLS and FE at least a 5% significance level, the transfers to the middle-class are increasing in the initial gap with statistical significance only with the baseline poverty line and, in OLS, only with the baseline measure of party inequality concern.

Regarding Hypothesis 2.A (Table 2), the results corroborate the expected sign for the coefficient of the transfers to the poor on its partisan independence in all the variations, with statistical significance (at 10%) in those that include the Gallagher index or the broader index of parties' inequality concern. Also, consistently with the baseline regression, an association between the partisan independence of the poor and the transfers to the non-poor remains elusive.

For Hypothesis 2.B, where the main results suggest partial validation regarding the parties' inequality concern, we also get a consistent picture in the robustness analysis. However, in the regression that includes the voters' values (Table 1), we find further validation when using the broad parties' inequality concern than in the main results: the positive association between the parties' inequality concern and the transfers to the poor group is statistically significant (at 10%) in this variation.

Hypothesis 2.C proves to be generally robust to the variations under analysis. The results in the full sample and under OLS confirm its validity – with the caveat mentioned for the main result of the narrow transfers – with statistical significance in all variations

except one (namely, Gallagher index in the broad transfers, and the lowest poverty line in the narrow transfers). The variations in the full sample and under FE also validate the Hypothesis with statistical significance for the broad transfers to a similar extent than the main results, except when using the Gallagher index. The level of statistical significance is in some cases different than in the main regression: when using a non-linear approximation, the significance of the association between the Taagepera index and the transfers to the poor is not 5% in OLS but 10%, and not 5% in FE but 1%.

For the small sample, which controls for the voters' values, the associations in the variations under analysis are at least as high as in the main results, with the transfers to the rich systematically associated with the electoral rule disproportionality at 1% of statistical significance, even when using the Gallagher index or the lowest poverty line to define the groups, and with the broadening of the parties' inequality concern making the positive association between the electoral rule disproportionality and the transfers to the middle class to become statistically significant (at 5%).

The variations are generally confirmatory of the set of hypotheses involving the Gini (Table 3), and provide additional support in some cases. Regarding Hypothesis 3.A, we find that the sign in the relation between the partisan independence of the poor and the Gini is as predicted by the theory when we include a broad measure of parties' inequality concern, a sign that is elusive both in the main result and in other variations.

Regarding Hypothesis 3.B, we find that the statistical significance of the relation between the inequality concern of the rich and the Gini is robust to all variations (even higher when using the broad measure of party inequality concern or the Gallagher index); and that the relation between the parties' inequality concern and the Gini becomes significant in the full sample using OLS when logging the parameters, and that in the small sample the relation has higher statistical significance when using a broad party concern (1%) than in the main result (10%).

Hypothesis 3.C is validated using OLS in all full and small sample variations with statistical significance, in most variations at 1%, and in all cases at least at 5%. Finally, all the FE regressions except the one using the Gallagher index confirm the expected sign of the coefficient but, as in the regression results shown in the paper, the statistical significance is also elusive, consistently with the low within-country variability of both, the electoral rule disproportionality and the Gini.

2 The Tables

Below are the tables referred to and described above.

Table 1: Validation of the Hypotheses in the Regressions of the Net Transfers (Full Sample)

Alternative Model		Hypothesis 1						Hypothesis 2.B						Hypothesis 2.C					
		OLS			FE			OLS			FE			OLS			FE		
		P	MC	R	P	MC	R	P	MC	R	P	MC	R	P	MC	R	P	MC	R
	Baseline	1%	1%	1%	1%	1%	1%	1%	-	sign	sign	-	-	5%	1%	1%	5%	-	-
	Gallagher Index	1%	1%	1%	1%	1%	1%	1%	-	sign	sign	-	-	sign	1%	1%	-	-	-
	Logged Parameters	1%	1%	1%	1%	1%	1%	1%	-	-	sign	-	-	10%	1%	1%	1%	-	-
Broad	Broad party concern	1%	1%	1%	1%	1%	1%	1%	-	-	-	sign	sign	5%	1%	1%	5%	-	-
	Poverty line of 40%	1%	1%	1%	1%	1%	1%	1%	-	sign	sign	-	-	5%	5%	1%	1%	-	-
	Poverty line of 50%	1%	1%	1%	1%	1%	1%	1%	-	sign	sign	-	-	5%	5%	1%	5%	-	-
	Poverty line of 60%	1%	1%	1%	1%	1%	1%	1%	-	-	sign	-	-	5%	5%	1%	5%	-	-
	Baseline	5%	10%	1%	1%	1%	1%	sign	sign	sign	sign	-	sign	b,1%	5%	10%	sign	sign	-
	Gallagher Index	1%	10%	1%	1%	1%	1%	sign	sign	sign	sign	-	sign	b,1%	1%	1%	-	sign	-
	Logged Parameters	5%	10%	1%	1%	1%	1%	sign	sign	sign	-	sign	sign	b,1%	5%	5%	b	sign	sign
Narrow	Broad party concern	5%	-	1%	1%	1%	1%	sign	sign	sign	-	sign	sign	b,1%	5%	10%	sign	sign	-
	Poverty line of 40%	1%	-	1%	1%	-	1%	sign	sign	sign	-	-	-	-	sign	10%	5%	sign	-
	Poverty line of 50%	1%	-	1%	1%	-	1%	sign	sign	sign	-	-	-	b,5%	sign	10%	10%	sign	-
	Poverty line of 60%	1%	-	1%	1%	-	1%	sign	sign	sign	-	sign	-	b,1%	10%	10%	sign	sign	-

A cell with only a % figure indicates the statistical significance with which the hypothesis under analysis is confirmed.
A 'b' indicates that the relevant coefficient of net transfers on electoral system disproportionality for the poor group is lower than those for the non-poor groups, providing partial support to hypothesis 2C.
A % accompanying 'b' informs the statistical significance with which the coefficient under analysis is different from zero.
A 'sign' cell indicates that the sign of the coefficient validates the hypothesis, but without statistical significance.
A '-' cell indicates that the sign of the coefficient does not validate the hypothesis.

Table 2: Validation of the Hypotheses in the Regressions of the Net Transfers (Small Sample)

Alternative Models	Hypothesis 1			Hypothesis 2.A			Hypothesis 2.B							Hypothesis 2.C	
							Voters			Parties					
	P	MC	R	P	MC	R	P	MC	R	P	MC	R	P	MC	R
Baseline	1%	1%	1%	sign	-	-	-	-	-	sign	-	-	-	sign	1%
Gallagher Index	1%	1%	1%	10%	-	-	-	-	-	sign	sign	-	-	sign	1%
Logged Parameters	1%	1%	1%	sign	-	-	-	-	-	sign	-	-	-	sign	1%
Broad party concern	1%	1%	1%	10%	-	-	-	-	-	10%	-	-	b	5%	1%
Poverty line of 40%	1%	5%	1%	sign	-	-	-	-	-	sign	sign	-	-	sign	1%
Poverty line of 50%	1%	5%	1%	sign	-	-	-	-	-	sign	-	-	-	sign	1%
Poverty line of 60%	1%	1%	1%	sign	-	-	-	-	-	sign	-	-	-	sign	1%

A cell with only a % figure indicates the statistical significance with which the hypothesis under analysis is confirmed.
A 'b' indicates that the relevant coefficient of net transfers on electoral system disproportionality for the poor group is lower than those for the non-poor groups, providing partial support to hypothesis 2C.
A 'sign' cell indicates that the sign of the coefficient validates the hypothesis, but without statistical significance.
A '-' cell indicates that the sign of the coefficient does not validate the hypothesis.

Table 3: Validation of the Hypotheses in the Regressions of the Gini

Alternative Models	Hypothesis 3.A	Hypothesis 3.B						Hypothesis 3.C		
		Voters			Parties			Full S		Small S
		P	MC	R	Full S		Small S	OLS	FE	
					OLS	FE				
Baseline	-	-	-	5%	sign	sign	10%	1%	sign	5%
Gallagher Index	-	-	-	1%	sign	sign	10%	1%	-	1%
Logged Parameters	-	-	-	5%	5%	-	10%	1%	sign	5%
Broad party concern	sign	-	-	1%	sign	sign	1%	1%	sign	1%
Poverty line of 40%	-	-	-	5%	-	-	10%	1%	sign	1%
Poverty line of 50%	-	-	-	5%	sign	sign	10%	1%	sign	1%
Poverty line of 60%	-	-	-	10%	sign	sign	10%	1%	sign	1%

A cell with only a % figure indicates the statistical significance with which the hypothesis under analysis is confirmed.
A 'sign' cell indicates that the sign of the coefficient validates the hypothesis, but without statistical significance.
A '-' cell indicates that the sign of the coefficient does not validate the hypothesis.

Table 4: Summary Statistics for the Regressions of the Net Transfers (LIS)

Variable	Obs.	Mean	SD	Min.	Max.
Net Transfers to the Poor – Broad Def.	113	9.53	4.92	1.35	24.76
Net Transfers to the MC – Broad Def.	113	-4.76	3.69	-15.52	3.39
Net Transfers to the Rich – Broad Def.	113	-22.17	12.10	-50.49	1.57
Net Transfers to the Poor – Narrow Def.	90	0.78	1.68	-2.28	8.12
Net Transfers to the MC – Narrow Def.	90	-4.84	3.09	-16.63	-0.14
Net Transfers to the Rich – Narrow Def.	90	-19.25	9.81	-43.50	-0.74
Average Pre-Transfer Gap of the Poor – Broad Def.	113	20.72	8.93	1.89	41.74
Average Pre-Transfer Gap of the MC – Broad Def.	113	-4.51	2.48	-10.86	-0.10
Average Pre-Transfer Gap of the Rich – Broad Def.	113	-49.87	22.13	-96.61	-5.34
Average Pre-Transfer Gap of the Poor – Narrow Def.	90	17.63	7.27	2.08	30.22
Average Pre-Transfer Gap of the MC – Narrow Def.	90	-1.10	1.19	-4.87	2.31
Average Pre-Transfer Gap of the Rich – Narrow Def.	90	-43.96	19.82	-80.21	-5.04
Partisan Independence of the Poor	27	0.59	0.09	0.44	0.84
Partisan Independence of the MC	27	0.59	0.08	0.46	0.78
Partisan Independence of the Rich	27	0.55	0.10	0.37	0.80
Inequality Concern of the Poor	27	0.75	0.04	0.68	0.84
Inequality Concern of the MC	27	0.74	0.04	0.65	0.86
Inequality Concern of the Rich	27	0.73	0.06	0.62	0.90
Party Inequality Concern	113	0.13	0.76	0.01	0.52
Electoral Rule Disproportionality	113	1.79	0.89	1.00	3.30
Per Capita Income between 15K and 20K	113	0.45	0.49	0	1
Per Capita Income above 20K	113	0.47	0.50	0	1

All monetary values measured in thousands of 2005 USD.

Table 5: Summary Statistics for the Regressions of the Gini Index (LIS)

Variable	Obs.	Mean	SD	Min.	Max.
Gini Index	171	28.82	4.04	19.7	37.1
Partisan Independence of the Poor	30	0.59	0.09	0.44	0.84
Partisan Independence of the MC	30	0.59	0.08	0.46	0.78
Partisan Independence of the Rich	30	0.55	0.09	0.37	0.80
Inequality Concern of the Poor	30	0.75	0.04	0.64	0.84
Inequality Concern of the MC	30	0.74	0.05	0.65	0.86
Inequality Concern of the Rich	30	0.73	0.06	0.61	0.90
Party Inequality Concern	171	0.13	0.08	0.01	0.52
Electoral Rule Disproportionality	171	1.62	0.80	1.00	3.30
Real Per Capita GDP (at chained PPPs)	171	25.40	9.51	6.11	66.72
Total Population (in thousands)	171	40.43	61.45	1.33	309.32
Share of the Population with Secondary School	171	0.32	0.15	0.05	0.72
Share of Population between 15 and 64 y.o.	171	66.90	1.91	60.45	72.03
Share of Population with or above 65 y.o.	171	14.51	2.43	8	22.1
Index of Democracy	171	9.84	0.46	7	10
Age of Democracy	171	55.44	26.45	2	91
Openness of the Economy	171	75.48	39.01	17.10	182.84

All monetary values measured in thousands of 2005 USD.

Table 6: Net Transfers - Full Sample

	Least Squares (OLS)			Fixed Effects (FE)		
	Poor	MC	Rich	Poor	MC	Rich
Income Gap of the Poor ($e - e_P$)	0.51***			0.54***		
	(0.03)			(0.04)		
Income Gap of the MC ($e - e_M$)		0.94***			0.61***	
		(0.16)			(0.11)	
Income Gap of the Rich ($e - e_R$)			0.45***			0.39***
			(0.04)			(0.03)
Party Inequality Concern (γ)	9.50***	5.16**	-0.83	3.83	1.95	2.76
	(2.64)	(1.99)	(5.95)	(2.97)	(1.67)	(2.11)
Electoral Rule Disproportionality (η)	-0.91**	1.23***	3.87***	-25.39**	-7.18	-14.21
	(0.43)	(0.38)	(1.14)	(9.26)	(4.45)	(19.43)
Per capita income 15K-20K	-0.74	-1.19	-2.78			
	(0.57)	(0.93)	(2.16)			
Per capita income above 20K	-2.98***	-3.58***	-6.91**			
	(0.78)	(1.17)	(3.11)			
Constant	1.04	-1.14	-2.13	43.51**	10.66	22.56
	(0.71)	(0.84)	(1.95)	(16.17)	(8.10)	(35.33)
N	113	113	113	113	113	113
FE groups	-	-	-	23	23	23
R^2	0.86	0.69	0.84	0.87	0.46	0.85

Cluster-robust standard errors in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.
R^2 is adjusted-R^2 for OLS and within-R^2 for fixed effects.
FE regressions include a set of country-specific dummies.

Table 7: Net Transfers (Narrow Def) - Full Sample

	Least Squares (OLS)			Fixed Effects (FE)		
	Poor	MC	Rich	Poor	MC	Rich
Income Gap of the Poor ($e - e_P$)	0.12**			0.14***		
	(0.05)			(0.04)		
Income Gap of the MC ($e - e_M$)		1.26*			0.99***	
		(0.70)			(0.25)	
Income Gap of the Rich ($e - e_R$)			0.37***			0.37***
			(0.04)			(0.02)
Party Inequality Concern (γ)	0.93	-3.33	-7.13	-0.91	-1.21	0.79
	(2.57)	(4.74)	(9.80)	(1.47)	(2.63)	(4.24)
Electoral Rule Disproportionality (η)	0.80***	1.91**	2.68*	-5.02	6.91	-10.70
	(0.24)	(0.75)	(1.50)	(5.02)	(11.90)	(19.75)
Per capita income 15K-20K	-0.92*	-3.53***	-5.38**			
	(0.46)	(0.90)	(2.48)			
Per capita income above 20K	-2.78***	-5.72***	-7.90*			
	(0.87)	(1.00)	(3.87)			
Constant	-1.12***	-2.15**	-0.72	7.57	-16.09	16.12
	(0.26)	(0.86)	(1.87)	(9.00)	(21.28)	(35.29)
N	90	90	90	90	90	90
FE groups	-	-	-	19	19	19
R^2	0.32	0.43	0.71	0.47	0.25	0.83

Cluster-robust standard errors in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.
R^2 is adjusted-R^2 for OLS and within-R^2 for fixed effects.
FE regressions include a set of country-specific dummies.

Table 8: Net Transfers Including Voters' Values

	Poor	Middle Class	Rich
Income Gap of the Poor ($e - e_P$)	0.46***		
	(0.06)		
Income Gap of the MC ($e - e_M$)		0.96***	
		(0.26)	
Income Gap of the Rich ($e - e_R$)			0.60***
			(0.06)
Partisan Independence of the Poor (ϕ_P)	13.58	11.74	11.84
	(8.85)	(10.68)	(21.10)
Partisan Independence of the MC (ϕ_M)	-4.93	-7.54	-28.17
	(9.45)	(15.85)	(31.35)
Partisan Independence of the Rich (ϕ_R)	-5.36	13.04	31.04
	(8.00)	(10.12)	(19.13)
Inequality Concern of the Poor (α_P)	-5.13		
	(8.70)		
Inequality Concern of the MC (α_M)		7.91	
		(9.63)	
Inequality Concern of the Rich (α_R)			30.99*
			(14.96)
Party Inequality Concern (γ)	3.64	1.21	11.45
	(5.41)	(8.10)	(15.73)
Electoral Rule Disproportionality (η)	1.11	2.18	9.66***
	(1.51)	(1.69)	(1.59)
Per capita income 15K-20K	0.83	1.87	4.66
	(0.92)	(2.31)	(2.86)
Per capita income above 20K	0.06	0.37	5.86
	(1.59)	(3.79)	(5.80)
Constant	0.98	-19.46*	-40.26**
	(6.47)	(9.65)	(16.47)
N	27	27	27
$Adjusted - R^2$	0.87	0.73	0.91

Cluster-robust standard errors are provided in parentheses. *: $p < 0.10$; **: $p < 0.05$; ***: $p < 0.01$.

Table 9: Gini Index

	Full Sample		Small Sample
	OLS	FE	
Partisan Independence of the Poor (ϕ_P)			1.64
			(10.36)
Partisan Independence of the MC (ϕ_M)			33.03**
			(15.12)
Partisan Independence of the Rich (ϕ_R)			-13.73*
			(6.68)
Inequality Concern of the Poor (α_P)			30.53**
			(11.20)
Inequality Concern of the MC (α_M)			9.73
			(15.07)
Inequality Concern of the Rich (α_R)			-26.64**
			(9.69)
Party Inequality Concern (γ)	-6.87	-0.92	-12.70*
	(4.94)	(2.54)	(6.02)
Electoral Rule Disproportionality (η)	2.75***	26.30	3.63**
	(0.81)	(26.44)	(1.26)
Real GDP (th USD)	0.25	0.02	0.03
	(0.20)	(0.18)	(0.04)
Real GDP (th USD) sq	-0.00	-0.00	
	(0.00)	(0.00)	
Completed secondary schooling	-6.36**	-0.96	-10.07**
	(3.09)	(3.56)	(3.42)
Democracy index (0 to 10)	0.42	0.64	
	(0.73)	(0.65)	
Age of democracy (ys)	-0.08**	0.14	
	(0.03)	(0.12)	
Economy's openness	0.02	-0.02	0.01
	(0.02)	(0.02)	(0.02)
Population (mill)	0.02***	0.01	
	(0.01)	(0.03)	
Population 15-64 y.o. (perc)	0.01	-0.26	1.08**
	(0.33)	(0.15)	(0.49)
Population over 65 y.o. (perc)	0.19	-0.12	0.67**
	(0.29)	(0.32)	(0.30)
Constant	17.19	-7.70	-79.18**
	(21.19)	(44.25)	(36.23)
N	171	171	30
FE groups	-	26	-
R^2	0.41	0.22	0.79

Cluster-robust standard errors are provided in parentheses. *: $p < 0.10$; **: $p < 0.05$; ***: $p < 0.01$. R^2 is adjusted-R^2 for OLS; and within-R^2 for FE.

Table 10: Net Transfers - Full Sample - Gallagher

	Least Squares (OLS)			Fixed Effects (FE)		
	Poor	MC	Rich	Poor	MC	Rich
Income Gap of the Poor ($e - e_P$)	0.57***			0.55***		
	(0.04)			(0.04)		
Income Gap of the MC ($e - e_M$)		0.91***			0.60***	
		(0.15)			(0.11)	
Income Gap of the Rich ($e - e_R$)			0.41***			0.39***
			(0.03)			(0.03)
Party Inequality Concern (γ)	10.44***	4.16	-4.31	3.64	1.95	2.31
	(3.26)	(2.48)	(6.22)	(3.35)	(1.71)	(2.25)
Gallagher Electoral Rule Disprop. (η)	-0.01	0.21***	0.61***	0.01	-0.01	-0.05
	(0.07)	(0.07)	(0.16)	(0.05)	(0.03)	(0.08)
Per capita income 15K-20K	-1.73*	-0.50	-1.34			
	(0.85)	(0.77)	(1.77)			
Per capita income above 20K	-4.62***	-1.75*	-2.74			
	(0.99)	(0.86)	(1.94)			
Constant	-0.35	-1.41	-3.11	-2.20*	-2.20***	-2.54
	(1.08)	(0.88)	(2.18)	(1.12)	(0.63)	(1.98)
N	115	115	115	115	115	115
FE groups	-	-	-	23	23	23
R^2	0.83	0.69	0.85	0.85	0.44	0.85

Cluster-robust standard errors in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.
R^2 is adjusted-R^2 for OLS and within-R^2 for fixed effects.
FE regressions include a set of country-specific dummies.

Table 11: Net Transfers (Narrow Def) - Full Sample - Gallagher

	Least Squares (OLS)			Fixed Effects (FE)		
	Poor	MC	Rich	Poor	MC	Rich
Income Gap of the Poor ($e - e_P$)	0.13***			0.14***		
	(0.04)			(0.04)		
Income Gap of the MC ($e - e_M$)		1.06*			1.00***	
		(0.58)			(0.24)	
Income Gap of the Rich ($e - e_R$)			0.34***			0.37***
			(0.04)			(0.03)
Party Inequality Concern (γ)	0.04	-5.18	-8.52	-1.16	-1.23	1.08
	(2.36)	(3.66)	(6.99)	(1.69)	(2.64)	(4.35)
Gallagher Electoral Rule Disprop. (η)	0.12***	0.28***	0.56***	0.03	0.01	-0.08
	(0.03)	(0.09)	(0.16)	(0.02)	(0.03)	(0.06)
Per capita income 15K-20K	-0.46	-2.35**	-4.26**			
	(0.35)	(0.81)	(2.00)			
Per capita income above 20K	-1.68**	-2.90***	-4.45*			
	(0.66)	(0.90)	(2.15)			
Constant	-1.31***	-2.38***	-2.75	-1.70***	-3.67***	-2.72*
	(0.29)	(0.78)	(1.63)	(0.57)	(0.55)	(1.51)
N	89	89	89	89	89	89
FE groups	-	-	-	18	18	18
R^2	0.33	0.44	0.76	0.47	0.24	0.83

Cluster-robust standard errors in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.
R^2 is adjusted-R^2 for OLS and within-R^2 for fixed effects.
FE regressions include a set of country-specific dummies.

Table 12: Net Transfers Including Voters' Values - Gallagher

	Poor	Middle Class	Rich
Income Gap of the Poor ($e - e_P$)	0.49***		
	(0.05)		
Income Gap of the MC ($e - e_M$)		0.83***	
		(0.23)	
Income Gap of the Rich ($e - e_R$)			0.52***
			(0.06)
Partisan Independence of the Poor (ϕ_P)	19.52*	16.68	39.45
	(10.69)	(11.01)	(29.92)
Partisan Independence of the MC (ϕ_M)	-11.13	-14.41	-65.33
	(10.49)	(15.98)	(42.68)
Partisan Independence of the Rich (ϕ_R)	-4.22	12.87	32.86
	(8.59)	(9.42)	(21.05)
Inequality Concern of the Poor (α_P)	-2.23		
	(10.58)		
Inequality Concern of the MC (α_M)		13.97	
		(8.69)	
Inequality Concern of the Rich (α_R)			35.71**
			(14.34)
Party Inequality Concern (γ)	0.25	-2.18	2.61
	(5.36)	(7.24)	(17.40)
Gallagher Electoral Rule Disproportionality (η)	0.10	0.29	1.11***
	(0.17)	(0.21)	(0.24)
Per capita income 15K-20K	1.36	2.57	6.68**
	(1.19)	(1.90)	(2.57)
Per capita income above 20K	0.46	1.29	6.59
	(1.73)	(3.16)	(5.85)
Constant	-1.43	-22.28**	-36.72**
	(8.21)	(8.06)	(15.44)
N	28	28	28
$Adjusted R^2$	0.86	0.74	0.90

Cluster-robust standard errors are provided in parentheses. *: $p < 0.10$; **: $p < 0.05$; ***: $p < 0.01$.

Table 13: Gini Index - Gallagher

	Full Sample		Small Sample
	OLS	FE	
Partisan Independence of the Poor (ϕ_P)			2.47
			(7.35)
Partisan Independence of the MC (ϕ_M)			49.65***
			(12.95)
Partisan Independence of the Rich (ϕ_R)			-35.92***
			(10.90)
Inequality Concern of the Poor (α_P)			56.57***
			(16.17)
Inequality Concern of the MC (α_M)			0.16
			(13.92)
Inequality Concern of the Rich (α_R)			-43.06***
			(12.67)
Party Inequality Concern (γ)	-6.66	-0.46	-14.35*
	(4.64)	(2.27)	(6.88)
Gallagher Electoral Rule Disproportionality (η)	0.28***	-0.03	0.40***
	(0.09)	(0.07)	(0.07)
Real GDP (th USD)	0.30	0.05	0.01
	(0.20)	(0.18)	(0.04)
Real GDP (th USD) sq	-0.00	-0.00	
	(0.00)	(0.00)	
Completed secondary schooling	-4.29	-2.53	-12.12***
	(3.37)	(3.57)	(3.29)
Democracy index (0 to 10)	0.49	0.30	
	(0.75)	(0.91)	
Age of democracy (ys)	-0.05	0.12	
	(0.03)	(0.12)	
Economy's openness	0.01	-0.02	0.01
	(0.02)	(0.02)	(0.01)
Population (mill)	0.03***	0.02	
	(0.01)	(0.03)	
Population 15-64 y.o. (perc)	-0.02	-0.22	0.94**
	(0.32)	(0.16)	(0.44)
Population over 65 y.o. (perc)	-0.07	-0.05	0.35
	(0.24)	(0.30)	(0.24)
Constant	22.23	35.92***	-58.63*
	(19.24)	(10.48)	(29.93)
N	171	171	33
FE groups	-	26	-
R^2	0.38	0.20	0.78

Cluster-robust standard errors are provided in parentheses. *: $p < 0.10$; **: $p < 0.05$; ***: $p < 0.01$. R^2 is adjusted-R^2 for OLS; and within-R^2 for FE.

Table 14: Net Transfers - Full Sample - Logged Parameters

	Least Squares (OLS)			Fixed Effects (FE)		
	Poor	MC	Rich	Poor	MC	Rich
Income Gap of the Poor ($e - e_P$)	0.51***			0.53***		
	(0.03)			(0.04)		
Income Gap of the MC ($e - e_M$)		0.93***			0.61***	
		(0.15)			(0.12)	
Income Gap of the Rich ($e - e_R$)			0.45***			0.39***
			(0.04)			(0.03)
Party Inequality Concern (ln) (γ)	0.82***	0.39*	0.11	0.16	0.10	0.04
	(0.28)	(0.21)	(0.57)	(0.22)	(0.15)	(0.37)
Electoral Rule Disprop. (ln) (η)	-1.73*	2.33***	7.48***	-51.45***	-13.82	-10.87
	(0.84)	(0.76)	(1.98)	(17.53)	(8.74)	(27.98)
Per capita income 15K-20K	-0.53	-1.12	-3.01			
	(0.60)	(0.93)	(2.20)			
Per capita income above 20K	-2.92***	-3.57***	-7.03**			
	(0.83)	(1.19)	(3.00)			
Constant	3.23***	1.44	1.63	23.00**	4.73	2.56
	(0.84)	(0.92)	(2.08)	(8.54)	(4.43)	(12.76)
N	113	113	113	113	113	113
FE groups	-	-	-	23	23	23
R^2	0.85	0.69	0.85	0.87	0.45	0.85

Cluster-robust standard errors in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.
R^2 is adjusted-R^2 for OLS and within-R^2 for fixed effects.
FE regressions include a set of country-specific dummies.

Table 15: Net Transfers (Narrow Def.) - Full Sample - Logged Parameters

	Least Squares (OLS)			Fixed Effects (FE)		
	Poor	MC	Rich	Poor	MC	Rich
Income Gap of the Poor ($e - e_P$)	0.11**			0.14***		
	(0.05)			(0.04)		
Income Gap of the MC ($e - e_M$)		1.30*			0.98***	
		(0.70)			(0.24)	
Income Gap of the Rich ($e - e_R$)			0.37***			0.37***
			(0.05)			(0.02)
Party Inequality Concern (ln) (γ)	0.19	-0.19	-0.14	-0.11	-0.04	-0.04
	(0.20)	(0.35)	(0.79)	(0.14)	(0.28)	(0.48)
Electoral Rule Disprop. (ln) (η)	1.57***	3.70**	5.50**	0.81	27.87	3.94
	(0.42)	(1.31)	(2.53)	(10.05)	(21.44)	(38.29)
Per capita income 15K-20K	-1.04**	-3.70***	-6.15**			
	(0.48)	(0.84)	(2.59)			
Per capita income above 20K	-2.87***	-5.79***	-8.54**			
	(0.93)	(0.93)	(3.64)			
Constant	0.25	-1.16	0.93	-2.30	-17.09	-5.14
	(0.68)	(1.12)	(2.53)	(4.90)	(10.31)	(17.89)
N	90	90	90	90	90	90
FE groups	-	-	-	19	19	19
R^2	0.34	0.44	0.72	0.46	0.27	0.83

Cluster-robust standard errors in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.
R^2 is adjusted-R^2 for OLS and within-R^2 for fixed effects.
FE regressions include a set of country-specific dummies.

Table 16: Net Transfers Including Voters' Values - Logged Parameters

	Poor	Middle Class	Rich
Income Gap of the Poor ($e - e_P$)	0.46***		
	(0.07)		
Income Gap of the MC ($e - e_M$)		0.96***	
		(0.24)	
Income Gap of the Rich ($e - e_R$)			0.61***
			(0.05)
Partisan Independence of the Poor (ln) (ϕ_P)	7.54	8.37	10.83
	(5.08)	(6.46)	(11.21)
Partisan Independence of the MC (ln) (ϕ_M)	-3.11	-8.41	-19.87
	(6.32)	(10.34)	(19.86)
Partisan Independence of the Rich (ln) (ϕ_R)	-1.61	9.97	16.23
	(5.15)	(6.44)	(12.63)
Inequality Concern of the Poor (ln) (α_P)	-3.90		
	(7.39)		
Inequality Concern of the MC (ln) (α_M)		3.98	
		(8.19)	
Inequality Concern of the Rich (ln) (α_R)			18.42
			(11.41)
Party Inequality Concern (ln) (γ)	0.57	0.71	1.99
	(0.75)	(1.27)	(1.86)
Electoral Rule Disproportionality (ln) (η)	1.84	3.93	17.21***
	(2.70)	(2.92)	(2.44)
Per capita income 15K-20K	0.59	1.22	3.65
	(0.94)	(2.26)	(2.86)
Per capita income above 20K	-0.09	-0.39	4.58
	(1.64)	(3.38)	(4.85)
Constant	2.45	7.60*	16.89*
	(3.24)	(3.86)	(7.98)
N	27	27	27
$Adjusted R^2$	0.86	0.76	0.92

Cluster-robust standard errors are provided in parentheses. *: $p < 0.10$; **: $p < 0.05$; ***: $p < 0.01$.

Table 17: Gini Index - Logged Parameters

	Full Sample		Small Sample
	OLS	FE	
Partisan Independence of the Poor (log) (ϕ_P)			0.16
			(5.72)
Partisan Independence of the MC (log) (ϕ_M)			20.28**
			(8.40)
Partisan Independence of the Rich (log) (ϕ_R)			-8.52**
			(3.49)
Inequality Concern of the Poor (log) (α_P)			21.42**
			(8.18)
Inequality Concern of the MC (log) (α_M)			5.78
			(11.32)
Inequality Concern of the Rich (log) (α_R)			-18.28**
			(7.20)
Party Inequality Concern (log) (γ)	-0.96**	0.11	-1.79*
	(0.44)	(0.34)	(0.88)
Electoral Rule Disproportionality (log) (η)	5.10***	38.58	6.35**
	(1.42)	(43.45)	(2.25)
Real GDP (th USD)	0.31	0.02	0.02
	(0.21)	(0.18)	(0.05)
Real GDP (th USD) sq	-0.00	-0.00	
	(0.00)	(0.00)	
Completed secondary schooling	-6.49**	-1.82	-11.01***
	(2.99)	(3.38)	(3.62)
Democracy index (0 to 10)	0.43	0.64	
	(0.76)	(0.73)	
Age of democracy (ys)	-0.09**	0.13	
	(0.03)	(0.12)	
Economy's openness	0.02	-0.02	0.01
	(0.02)	(0.02)	(0.02)
Population (mill)	0.02***	0.01	
	(0.01)	(0.03)	
Population 15-64 y.o. (perc)	0.02	-0.25	1.03*
	(0.34)	(0.15)	(0.53)
Population over 65 y.o. (perc)	0.15	-0.09	0.67*
	(0.26)	(0.33)	(0.34)
Constant	16.10	19.95	-46.44
	(22.53)	(20.46)	(43.13)
N	171	171	30
FE groups	-	26	-
R^2	0.42	0.21	0.80

Cluster-robust standard errors are provided in parentheses. *: $p < 0.10$; **: $p < 0.05$; ***: $p < 0.01$. R^2 is adjusted-R^2 for OLS; and within-R^2 for FE.

Table 18: Net Transfers - Full Sample - Broad Party Inequality Concern

	Least Squares (OLS)			Fixed Effects (FE)		
	Poor	MC	Rich	Poor	MC	Rich
Income Gap of the Poor ($e - e_P$)	0.50***			0.54***		
	(0.03)			(0.04)		
Income Gap of the MC ($e - e_M$)		0.99***			0.57***	
		(0.16)			(0.12)	
Income Gap of the Rich ($e - e_R$)			0.45***			0.38***
			(0.04)			(0.03)
Party Inequality Concern (broad) (γ)	8.39**	10.13**	3.44	-1.78	-5.37	-11.41
	(3.86)	(4.51)	(8.63)	(3.30)	(4.08)	(6.68)
Electoral Rule Disproportionality (η)	-0.97**	1.25***	3.94***	-23.43**	-3.62	-7.48
	(0.43)	(0.34)	(1.12)	(8.58)	(3.82)	(15.21)
Per capita income 15K-20K	-0.06	-0.86	-2.89			
	(0.54)	(0.95)	(2.17)			
Per capita income above 20K	-2.23***	-3.06**	-6.90**			
	(0.77)	(1.19)	(2.95)			
Constant	0.51	-2.42**	-2.81	40.74**	5.25	12.27
	(0.89)	(1.06)	(2.37)	(15.41)	(6.76)	(27.49)
N	113	113	113	113	113	113
FE groups	-	-	-	23	23	23
R^2	0.85	0.71	0.84	0.86	0.47	0.85

Cluster-robust standard errors in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.
R^2 is adjusted-R^2 for OLS and within-R^2 for fixed effects.
FE regressions include a set of country-specific dummies.

Table 19: Net Transfers (Narrow Def) - Full Sample - Broad Party Inequality Concern

	Least Squares (OLS)			Fixed Effects (FE)		
	Poor	MC	Rich	Poor	MC	Rich
Income Gap of the Poor ($e - e_P$)	0.11**			0.14***		
	(0.04)			(0.04)		
Income Gap of the MC ($e - e_M$)		1.21			0.97***	
		(0.72)			(0.22)	
Income Gap of the Rich ($e - e_R$)			0.37***			0.36***
			(0.04)			(0.02)
Party Inequality Concern (broad) (γ)	0.98	-5.87	-8.75	-0.17	-4.47	-2.88
	(3.35)	(5.15)	(10.23)	(1.84)	(5.37)	(8.17)
Electoral Rule Disproportionality (η)	0.80***	1.84**	2.68*	-5.15	9.15	-8.71
	(0.26)	(0.77)	(1.50)	(5.09)	(12.90)	(18.18)
Per capita income 15K-20K	-0.84	-3.69***	-5.91**			
	(0.49)	(0.83)	(2.47)			
Per capita income above 20K	-2.67**	-6.02***	-8.67**			
	(0.94)	(0.84)	(3.47)			
Constant	-1.22*	-1.34	0.27	7.69	-19.58	13.04
	(0.66)	(1.29)	(2.64)	(9.11)	(23.05)	(32.48)
N	90	90	90	91	91	91
FE groups	-	-	-	19	19	19
R^2	0.32	0.44	0.71	0.47	0.26	0.83

Cluster-robust standard errors in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.
R^2 is adjusted-R^2 for OLS and within-R^2 for fixed effects.
FE regressions include a set of country-specific dummies.

Table 20: Net Transfers Including Voters' Values - Broad Party Inequality Concern

	Poor	Middle Class	Rich
Income Gap of the Poor ($e - e_P$)	0.39***		
	(0.06)		
Income Gap of the MC ($e - e_M$)		1.28***	
		(0.28)	
Income Gap of the Rich ($e - e_R$)			0.65***
			(0.06)
Partisan Independence of the Poor (ϕ_P)	13.89*	14.51	13.09
	(7.38)	(9.60)	(22.00)
Partisan Independence of the MC (ϕ_M)	-5.98	-13.94	-30.53
	(8.93)	(13.94)	(29.41)
Partisan Independence of the Rich (ϕ_R)	-8.66	11.98	27.66
	(7.46)	(9.41)	(19.05)
Inequality Concern of the Poor (α_P)	-0.57		
	(8.95)		
Inequality Concern of the MC (α_M)		6.82	
		(10.37)	
Inequality Concern of the Rich (α_R)			37.56***
			(11.50)
Party Inequality Concern (broad) (γ)	16.84*	23.59*	30.61*
	(8.57)	(11.58)	(14.76)
Electoral Rule Disproportionality (η)	1.52	2.80**	10.64***
	(1.01)	(1.01)	(1.42)
Per capita income 15K-20K	0.53	1.20	4.78
	(0.66)	(1.99)	(2.81)
Per capita income above 20K	0.88	0.81	7.95
	(1.13)	(2.88)	(4.58)
Constant	-1.93	-19.10**	-46.28***
	(6.62)	(6.83)	(12.68)
N	27	27	27
$Adjusted R^2$	0.90	0.81	0.92

Cluster-robust standard errors are provided in parentheses. *: $p < 0.10$; **: $p < 0.05$; ***: $p < 0.01$.

Table 21: Gini Index - Broad Party Inequality Concern

	Full Sample		Small Sample
	OLS	FE	
Partisan Independence of the Poor (ϕ_P)			-5.85
			(7.91)
Partisan Independence of the MC (ϕ_M)			40.97***
			(11.99)
Partisan Independence of the Rich (ϕ_R)			-11.34**
			(4.07)
Inequality Concern of the Poor (α_P)			20.67**
			(9.22)
Inequality Concern of the MC (α_M)			13.02
			(11.58)
Inequality Concern of the Rich (α_R)			-26.70***
			(8.30)
Party Inequality Concern (broad) (γ)	-6.01	-0.02	-16.70***
	(8.10)	(3.28)	(4.36)
Electoral Rule Disproportionality (η)	2.85***	25.91	2.88***
	(0.81)	(26.79)	(0.81)
Real GDP (th USD)	0.19	0.02	0.03
	(0.22)	(0.18)	(0.04)
Real GDP (th USD) sq	-0.00	-0.00	
	(0.00)	(0.00)	
Completed secondary schooling	-6.64*	-1.05	-10.22***
	(3.22)	(3.59)	(2.65)
Democracy index (0 to 10)	0.36	0.65	
	(0.82)	(0.66)	
Age of democracy (ys)	-0.08**	0.14	
	(0.04)	(0.12)	
Economy's openness	0.02	-0.02	-0.00
	(0.02)	(0.02)	(0.01)
Population (mill)	0.02***	0.01	
	(0.01)	(0.03)	
Population 15-64 y.o. (perc)	0.08	-0.25	0.83**
	(0.34)	(0.15)	(0.35)
Population over 65 y.o. (perc)	0.22	-0.13	0.39*
	(0.30)	(0.33)	(0.20)
Constant	13.50	-7.37	-51.01*
	(22.35)	(44.65)	(26.58)
N	171	171	30
FE groups	-	26	-
R^2	0.40	0.22	0.84

Cluster-robust standard errors are provided in parentheses. *: $p < 0.10$; **: $p < 0.05$; ***: $p < 0.01$. R^2 is adjusted-R^2 for OLS; and within-R^2 for FE.

Table 22: Net Transfers with Poverty Line of 40% - Full Sample

	Least Squares (OLS)			Fixed Effects (FE)		
	Poor	MC	Rich	Poor	MC	Rich
Income Gap of the Poor ($e - e_P$)	0.56***			0.57***		
	(0.03)			(0.04)		
Income Gap of the MC ($e - e_M$)		0.86***			0.51**	
		(0.19)			(0.21)	
Income Gap of the Rich ($e - e_R$)			0.45***			0.39***
			(0.04)			(0.03)
Party Inequality Concern (γ)	9.49***	5.60**	-0.83	3.87	2.08	2.76
	(2.79)	(2.03)	(5.95)	(2.82)	(1.54)	(2.11)
Electoral Rule Disproportionality (η)	-1.23**	1.11**	3.87***	-26.90***	-6.99	-14.21
	(0.45)	(0.42)	(1.14)	(9.04)	(4.57)	(19.43)
Per capita income 15K-20K	-0.91	-1.96*	-2.78			
	(0.55)	(1.14)	(2.16)			
Per capita income above 20K	-3.28***	-4.82***	-6.91**			
	(0.76)	(1.24)	(3.11)			
Constant	1.58**	-1.58	-2.13	46.38***	9.70	22.56
	(0.72)	(1.03)	(1.95)	(15.78)	(8.22)	(35.33)
N	113	113	113	113	113	113
FE groups	-	-	-	23	23	23
R^2	0.89	0.57	0.84	0.87	0.17	0.85

Cluster-robust standard errors in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.
R^2 is adjusted-R^2 for OLS and within-R^2 for fixed effects.
FE regressions include a set of country-specific dummies.

Table 23: Net Transfers (Narrow Def) with Poverty Line of 40% - Full Sample

	Least Squares (OLS)			Fixed Effects (FE)		
	Poor	MC	Rich	Poor	MC	Rich
Income Gap of the Poor ($e - e_P$)	0.20***			0.20***		
	(0.04)			(0.04)		
Income Gap of the MC ($e - e_M$)		-0.33			-0.52***	
		(0.29)			(0.18)	
Income Gap of the Rich ($e - e_R$)			0.37***			0.37***
			(0.04)			(0.02)
Party Inequality Concern (γ)	1.92	-3.19	-7.13	-0.89	0.07	0.79
	(3.18)	(5.20)	(9.80)	(1.96)	(2.37)	(4.24)
Electoral Rule Disproportionality (η)	0.49	0.81	2.68*	-11.20**	2.04	-10.70
	(0.32)	(0.66)	(1.50)	(4.73)	(9.59)	(19.75)
Per capita income 15K-20K	-0.84	-2.88**	-5.38**			
	(0.58)	(1.29)	(2.48)			
Per capita income above 20K	-3.27***	-4.11**	-7.90*			
	(0.96)	(1.77)	(3.87)			
Constant	-1.07**	-0.76	-0.72	18.58**	-6.23	16.12
	(0.38)	(0.92)	(1.87)	(8.73)	(17.27)	(35.29)
N	90	90	90	90	90	90
FE groups	-	-	-	19	19	19
R^2	0.53	0.26	0.71	0.63	0.14	0.83

Cluster-robust standard errors in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.
R^2 is adjusted-R^2 for OLS and within-R^2 for fixed effects.
FE regressions include a set of country-specific dummies.

Table 24: Net Transfers with Poverty Line of 40% Including Voters' Values

	Poor	Middle Class	Rich
Income Gap of the Poor ($e - e_P$)	0.48***		
	(0.07)		
Income Gap of the MC ($e - e_M$)		1.04**	
		(0.47)	
Income Gap of the Rich ($e - e_R$)			0.61***
			(0.06)
Partisan Independence of the Poor (ϕ_P)	4.51	9.47	15.08
	(3.83)	(8.61)	(11.48)
Partisan Independence of the MC (ϕ_M)	6.95	-2.01	-28.17
	(6.82)	(14.64)	(25.79)
Partisan Independence of the Rich (ϕ_R)	-12.43	12.11	29.43
	(8.19)	(10.17)	(21.23)
Inequality Concern of the Poor (α_P)	-6.48		
	(4.64)		
Inequality Concern of the MC (α_M)		0.28	
		(11.98)	
Inequality Concern of the Rich (α_R)			30.12*
			(16.20)
Party Inequality Concern (γ)	3.46	-0.41	8.01
	(6.06)	(6.39)	(15.95)
Electoral Rule Disproportionality (η)	0.96	1.83	9.77***
	(1.69)	(1.95)	(1.70)
Per capita income 15K-20K	0.50	1.32	5.14*
	(1.03)	(1.88)	(2.90)
Per capita income above 20K	0.30	-0.77	6.44
	(1.48)	(3.40)	(5.51)
Constant	5.42	-15.04	-40.26**
	(5.10)	(9.70)	(17.05)
N	27	27	27
$Adjusted R^2$	0.94	0.77	0.94

Cluster-robust standard errors are provided in parentheses. *: $p < 0.10$; **: $p < 0.05$; ***: $p < 0.01$.

Table 25: Gini Index with Poverty Line of 40%

	Full Sample		Small Sample
	OLS	FE	
Partisan Independence of the Poor (ϕ_P)			5.86
			(5.11)
Partisan Independence of the MC (ϕ_M)			21.20**
			(8.07)
Partisan Independence of the Rich (ϕ_R)			-5.43
			(5.39)
Inequality Concern of the Poor (α_P)			11.30
			(10.08)
Inequality Concern of the MC (α_M)			24.95
			(17.61)
Inequality Concern of the Rich (α_R)			-24.30**
			(9.09)
Party Inequality Concern (γ)	-6.87	-0.92	-16.02*
	(4.94)	(2.54)	(8.24)
Electoral Rule Disproportionality (η)	2.75***	26.30	3.66***
	(0.81)	(26.44)	(1.22)
Real GDP (th USD)	0.25	0.02	0.01
	(0.20)	(0.18)	(0.03)
Real GDP (th USD) sq	-0.00	-0.00	
	(0.00)	(0.00)	
Completed secondary schooling	-6.36**	-0.96	-8.58**
	(3.09)	(3.56)	(2.97)
Democracy index (0 to 10)	0.42	0.64	
	(0.73)	(0.65)	
Age of democracy (ys)	-0.08**	0.14	
	(0.03)	(0.12)	
Economy's openness	0.02	-0.02	0.02
	(0.02)	(0.02)	(0.02)
Population (mill)	0.02***	0.01	
	(0.01)	(0.03)	
Population 15-64 y.o. (perc)	0.01	-0.26	0.67*
	(0.33)	(0.15)	(0.38)
Population over 65 y.o. (perc)	0.19	-0.12	0.71**
	(0.29)	(0.32)	(0.33)
Constant	17.19	-7.70	-51.59*
	(21.19)	(44.25)	(29.28)
N	171	171	30
FE groups	-	26	-
R^2	0.41	0.22	0.78

Cluster-robust standard errors are provided in parentheses. *: $p < 0.10$; **: $p < 0.05$; ***: $p < 0.01$. R^2 is adjusted-R^2 for OLS; and within-R^2 for FE.

Table 26: Net Transfers with Poverty Line of 50% - Full Sample

	Least Squares (OLS)			Fixed Effects (FE)		
	Poor	MC	Rich	Poor	MC	Rich
Income Gap of the Poor ($e - e_P$)	0.55***			0.56***		
	(0.03)			(0.04)		
Income Gap of the MC ($e - e_M$)		0.90***			0.57***	
		(0.18)			(0.17)	
Income Gap of the Rich ($e - e_R$)			0.45***			0.39***
			(0.04)			(0.03)
Party Inequality Concern (γ)	9.35***	5.66**	-0.83	3.77	2.15	2.76
	(2.71)	(2.02)	(5.95)	(2.95)	(1.58)	(2.11)
Electoral Rule Disproportionality (η)	-1.17**	1.16**	3.87***	-26.47**	-7.49	-14.21
	(0.44)	(0.42)	(1.14)	(9.47)	(4.61)	(19.43)
Per capita income 15K-20K	-0.84	-1.74	-2.78			
	(0.55)	(1.11)	(2.16)			
Per capita income above 20K	-3.19***	-4.47***	-6.91**			
	(0.76)	(1.26)	(3.11)			
Constant	1.44*	-1.53	-2.13	45.58**	10.76	22.56
	(0.71)	(1.00)	(1.95)	(16.55)	(8.32)	(35.33)
N	113	113	113	113	113	113
FE groups	-	-	-	23	23	23
R^2	0.88	0.61	0.84	0.87	0.26	0.85

Cluster-robust standard errors in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.
R^2 is adjusted-R^2 for OLS and within-R^2 for fixed effects.
FE regressions include a set of country-specific dummies.

Table 27: Net Transfers (Narrow Def) with Poverty Line of 50% - Full Sample

	Least Squares (OLS)			Fixed Effects (FE)		
	Poor	MC	Rich	Poor	MC	Rich
Income Gap of the Poor ($e - e_P$)	0.16***			0.18***		
	(0.04)			(0.03)		
Income Gap of the MC ($e - e_M$)		0.23			-0.26	
		(0.44)			(0.32)	
Income Gap of the Rich ($e - e_R$)			0.37***			0.37***
			(0.04)			(0.02)
Party Inequality Concern (γ)	2.03	-2.86	-7.13	-0.67	0.26	0.79
	(2.77)	(5.40)	(9.80)	(1.79)	(2.64)	(4.24)
Electoral Rule Disproportionality (η)	0.65**	1.25	2.68*	-8.64*	4.02	-10.70
	(0.25)	(0.83)	(1.50)	(4.36)	(11.28)	(19.75)
Per capita income 15K-20K	-0.84*	-4.16***	-5.38**			
	(0.47)	(1.43)	(2.48)			
Per capita income above 20K	-3.09***	-6.10**	-7.90*			
	(0.85)	(2.13)	(3.87)			
Constant	-1.13***	-1.56	-0.72	13.95*	-11.08	16.12
	(0.29)	(1.19)	(1.87)	(7.94)	(20.37)	(35.29)
N	90	90	90	90	90	90
FE groups	-	-	-	19	19	19
R^2	0.46	0.24	0.71	0.59	0.02	0.83

Cluster-robust standard errors in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.
R^2 is adjusted-R^2 for OLS and within-R^2 for fixed effects.
FE regressions include a set of country-specific dummies.

Table 28: Net Transfers with Poverty Line of 50% Including Voters' Values

	Poor	Middle Class	Rich
Income Gap of the Poor ($e - e_P$)	0.47***		
	(0.07)		
Income Gap of the MC ($e - e_M$)		1.04**	
		(0.41)	
Income Gap of the Rich ($e - e_R$)			0.61***
			(0.06)
Partisan Independence of the Poor (ϕ_P)	4.49	9.48	15.08
	(3.48)	(8.51)	(11.48)
Partisan Independence of the MC (ϕ_M)	6.75	-2.53	-28.17
	(6.56)	(14.42)	(25.79)
Partisan Independence of the Rich (ϕ_R)	-10.88	12.37	29.43
	(7.99)	(9.73)	(21.23)
Inequality Concern of the Poor (α_P)	-8.26*		
	(4.25)		
Inequality Concern of the MC (α_M)		1.51	
		(11.32)	
Inequality Concern of the Rich (α_R)			30.12*
			(16.20)
Party Inequality Concern (γ)	3.99	0.47	8.01
	(5.92)	(6.53)	(15.95)
Electoral Rule Disproportionality (η)	1.03	1.98	9.77***
	(1.64)	(1.92)	(1.70)
Per capita income 15K-20K	0.55	1.53	5.14*
	(0.94)	(1.88)	(2.90)
Per capita income above 20K	0.26	-0.38	6.44
	(1.38)	(3.46)	(5.51)
Constant	5.68	-15.89	-40.26**
	(4.78)	(9.10)	(17.05)
N	27	27	27
$Adjusted R^2$	0.91	0.68	0.91

Cluster-robust standard errors are provided in parentheses. *: $p < 0.10$; **: $p < 0.05$; ***: $p < 0.01$.

Table 29: Gini Index with Poverty Line of 50%

	Full Sample		Small Sample
	OLS	FE	
Partisan Independence of the Poor (ϕ_P)			5.86
			(5.11)
Partisan Independence of the MC (ϕ_M)			21.20**
			(8.07)
Partisan Independence of the Rich (ϕ_R)			-5.43
			(5.39)
Inequality Concern of the Poor (α_P)			11.30
			(10.08)
Inequality Concern of the MC (α_M)			24.95
			(17.61)
Inequality Concern of the Rich (α_R)			-24.30**
			(9.09)
Party Inequality Concern (γ)	-6.87	-0.92	-16.02*
	(4.94)	(2.54)	(8.24)
Electoral Rule Disproportionality (η)	2.75***	26.30	3.66***
	(0.81)	(26.44)	(1.22)
Real GDP (th USD)	0.25	0.02	0.01
	(0.20)	(0.18)	(0.03)
Real GDP (th USD) sq	-0.00	-0.00	
	(0.00)	(0.00)	
Completed secondary schooling	-6.36**	-0.96	-8.58**
	(3.09)	(3.56)	(2.97)
Democracy index (0 to 10)	0.42	0.64	
	(0.73)	(0.65)	
Age of democracy (ys)	-0.08**	0.14	
	(0.03)	(0.12)	
Economy's openness	0.02	-0.02	0.02
	(0.02)	(0.02)	(0.02)
Population (mill)	0.02***	0.01	
	(0.01)	(0.03)	
Population 15-64 y.o. (perc)	0.01	-0.26	0.67*
	(0.33)	(0.15)	(0.38)
Population over 65 y.o. (perc)	0.19	-0.12	0.71**
	(0.29)	(0.32)	(0.33)
Constant	17.19	-7.70	-51.59*
	(21.19)	(44.25)	(29.28)
N	171	171	30
FE groups	-	26	-
R^2	0.41	0.22	0.78

Cluster-robust standard errors are provided in parentheses. *: $p < 0.10$; **: $p < 0.05$; ***: $p < 0.01$. R^2 is adjusted-R^2 for OLS; and within-R^2 for FE.

Table 30: Net Transfers with Poverty Line of 60% - Full Sample

	Least Squares (OLS)			Fixed Effects (FE)		
	Poor	MC	Rich	Poor	MC	Rich
Income Gap of the Poor ($e - e_P$)	0.53***			0.55***		
	(0.03)			(0.04)		
Income Gap of the MC ($e - e_M$)		0.92***			0.61***	
		(0.17)			(0.14)	
Income Gap of the Rich ($e - e_R$)			0.45***			0.39***
			(0.04)			(0.03)
Party Inequality Concern (γ)	9.48***	5.42**	-0.83	3.90	2.01	2.76
	(2.66)	(2.02)	(5.95)	(2.97)	(1.67)	(2.11)
Electoral Rule Disproportionality (η)	-1.06**	1.21***	3.87***	-26.04**	-7.56	-14.21
	(0.43)	(0.41)	(1.14)	(9.50)	(4.58)	(19.43)
Per capita income 15K-20K	-0.77	-1.51	-2.78			
	(0.56)	(1.04)	(2.16)			
Per capita income above 20K	-3.07***	-4.09***	-6.91**			
	(0.76)	(1.25)	(3.11)			
Constant	1.24*	-1.37	-2.13	44.77**	11.13	22.56
	(0.71)	(0.94)	(1.95)	(16.59)	(8.30)	(35.33)
N	113	113	113	113	113	113
FE groups	-	-	-	23	23	23
R^2	0.87	0.65	0.84	0.87	0.37	0.85

Cluster-robust standard errors in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.
R^2 is adjusted-R^2 for OLS and within-R^2 for fixed effects.
FE regressions include a set of country-specific dummies.

Table 31: Net Transfers (Narrow Def) with Poverty Line of 60% - Full Sample

	Least Squares (OLS)			Fixed Effects (FE)		
	Poor	MC	Rich	Poor	MC	Rich
Income Gap of the Poor $(e - e_P)$	0.14***			0.16***		
	(0.04)			(0.04)		
Income Gap of the MC $(e - e_M)$		0.83			0.43	
		(0.60)			(0.44)	
Income Gap of the Rich $(e - e_R)$			0.37***			0.37***
			(0.04)			(0.02)
Party Inequality Concern (γ)	1.52	-3.03	-7.13	-0.81	-0.53	0.79
	(2.53)	(5.15)	(9.80)	(1.68)	(2.81)	(4.24)
Electoral Rule Disproportionality (η)	0.73***	1.69*	2.68*	-6.64	6.96	-10.70
	(0.23)	(0.82)	(1.50)	(4.54)	(13.87)	(19.75)
Per capita income 15K-20K	-0.85*	-4.41***	-5.38**			
	(0.43)	(1.14)	(2.48)			
Per capita income above 20K	-2.86***	-6.69***	-7.90*			
	(0.85)	(1.60)	(3.87)			
Constant	-1.11***	-2.12*	-0.72	10.45	-17.09	16.12
	(0.26)	(1.10)	(1.87)	(8.18)	(24.96)	(35.29)
N	90	90	90	90	90	90
FE groups	-	-	-	19	19	19
R^2	0.38	0.31	0.71	0.54	0.04	0.83

Cluster-robust standard errors in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.
R^2 is adjusted-R^2 for OLS and within-R^2 for fixed effects.
FE regressions include a set of country-specific dummies.

Table 32: Net Transfers with Poverty Line of 60% Including Voters' Values

	Poor	Middle Class	Rich
Income Gap of the Poor ($e - e_P$)	0.46***		
	(0.07)		
Income Gap of the MC ($e - e_M$)		1.04***	
		(0.32)	
Income Gap of the Rich ($e - e_R$)			0.61***
			(0.06)
Partisan Independence of the Poor (ϕ_P)	3.88	9.14	15.82
	(4.00)	(8.58)	(9.90)
Partisan Independence of the MC (ϕ_M)	7.92	-2.27	-30.46
	(6.82)	(15.73)	(24.58)
Partisan Independence of the Rich (ϕ_R)	-9.84	12.32	30.91
	(8.73)	(10.29)	(20.28)
Inequality Concern of the Poor (α_P)	-5.21		
	(5.23)		
Inequality Concern of the MC (α_M)		4.82	
		(11.02)	
Inequality Concern of the Rich (α_R)			31.09*
			(16.08)
Party Inequality Concern (γ)	3.07	0.55	8.77
	(5.71)	(7.11)	(15.99)
Electoral Rule Disproportionality (η)	0.96	2.08	9.77***
	(1.62)	(1.88)	(1.70)
Per capita income 15K-20K	0.76	2.06	5.67*
	(0.99)	(1.86)	(2.92)
Per capita income above 20K	0.52	0.51	7.00
	(1.47)	(3.48)	(5.56)
Constant	2.40	-18.46*	-41.41**
	(4.43)	(9.09)	(17.17)
N	27	27	27
$Adjusted R^2$	0.89	0.70	0.91

Cluster-robust standard errors are provided in parentheses. *: $p < 0.10$; **: $p < 0.05$; ***: $p < 0.01$.

Table 33: Gini Index with Poverty Line of 60%

	Full Sample		Small Sample
	OLS	FE	
Partisan Independence of the Poor (ϕ_P)			8.57
			(5.63)
Partisan Independence of the MC (ϕ_M)			14.66
			(9.29)
Partisan Independence of the Rich (ϕ_R)			-1.86
			(6.28)
Inequality Concern of the Poor (α_P)			14.06
			(11.18)
Inequality Concern of the MC (α_M)			16.89
			(19.72)
Inequality Concern of the Rich (α_R)			-19.93*
			(9.77)
Party Inequality Concern (γ)	-6.87	-0.92	-13.11*
	(4.94)	(2.54)	(6.97)
Electoral Rule Disproportionality (η)	2.75***	26.30	3.83***
	(0.81)	(26.44)	(1.19)
Real GDP (th USD)	0.25	0.02	0.01
	(0.20)	(0.18)	(0.04)
Real GDP (th USD) sq	-0.00	-0.00	
	(0.00)	(0.00)	
Completed secondary schooling	-6.36**	-0.96	-8.90**
	(3.09)	(3.56)	(3.05)
Democracy index (0 to 10)	0.42	0.64	
	(0.73)	(0.65)	
Age of democracy (ys)	-0.08**	0.14	
	(0.03)	(0.12)	
Economy's openness	0.02	-0.02	0.02
	(0.02)	(0.02)	(0.02)
Population (mill)	0.02***	0.01	
	(0.01)	(0.03)	
Population 15-64 y.o. (perc)	0.01	-0.26	0.74*
	(0.33)	(0.15)	(0.41)
Population over 65 y.o. (perc)	0.19	-0.12	0.73**
	(0.29)	(0.32)	(0.34)
Constant	17.19	-7.70	-56.12
	(21.19)	(44.25)	(33.21)
N	171	171	30
FE groups	-	26	-
R^2	0.41	0.22	0.78

Cluster-robust standard errors are provided in parentheses. *: $p < 0.10$; **: $p < 0.05$; ***: $p < 0.01$. R^2 is adjusted-R^2 for OLS; and within-R^2 for FE.