Data and Statistical Appendix

How Do Budget Deficits and Economic Growth Affect Reelection Prospects? Evidence from a Large Panel of Countries

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Data Appendix

The data used in this study were collected from several sources covering economic, fiscal and political data. We also used information on institutional characteristics of countries, the timing of elections and data related to the party association and career circumstances of country leaders. The data sources which were used in this study are listed in Table A-1.

The Sample

The fiscal and economic data from the *IFS* and *GFS* are available for the years 1960-2003, and for many countries the period covered is shorter. We therefore restrict our sample to that period, even though election years and election results data are available for a longer period.

To restrict our sample only to democracies, we include only the years in which the country has a non-negative score in the *POLITY* democracy index. That index is calculated as the sum of the scores that each country receives in each year on two scales: the degree of democracy (a 0 to 10 scale) and the degree of autocracy (a 0 to -10 scale).

In the former socialist economies in Eastern Europe and the former Soviet Union we exclude the observations for the first two years after transition, as they may represent the simultaneous effect of the shift to democracy and the collapse of central planning, rather than political manipulation of fiscal variables. The countries and the years which are included in the sample are listed in Table A-2.

Our final sample, used for the estimation, consists only of election years in the sample period. The information on election dates were collected from the IDEA dataset "Voter Turnout Since 1945" and complemented by data from the CDP, IFES and the CIA's "World Factbook".[1] In Presidential systems, we used only presidential elections and in Parliamentary systems only parliamentary ones. The identification of the political system was according to whether the chief executive responsible for economic policy is elected directly by the public (presidential) or by parliament (*Parliamentary)*, as in Persson and Tabellini (2002). For example, France is defined as parliamentary since it is the government and the prime-minister – elected by the legislature - which are dominant in determining economic policy, rather than the president. These definitions are based on the variable SYSTEM in the *DPI* dataset. All the election years in the sample are listed in Table A-3.

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[1] Additional sources that were used to complement the data on election dates were: **Wikipedia**, the free encyclopedia (www.wikipedia.org); **African Elections Database** http://africanelections.tripod.com/index.html) and **Lijphart Elections Archive**, in University of California, San Diego (http://dodgson.ucsd.edu/lij).

Fiscal Years

In those countries in which the fiscal years are not the calendar years, we adjusted all the data to the fit the fiscal years. For example, in Canada the fiscal year starts on April 1st and ends at March 31st the following year. Hence, elections on March 2009 will be in the 2008 fiscal year. Data about fiscal years are from the *IFS*, supplemented by GFS data when information is missing in the IFS data.

The Reelection Variable

The dependent variable is **Reelect** – A binary variable receiving the value 1 if an incumbent leader is reelected in the elections. Data on the names of leaders and their party association were primarily based on ZPC data. The DPI provides data on the term of the leader in office, which allowed us to identify points of change in the leadership of the country, and whether those were election dates or not.

We built the variable in two different ways, constructing a narrow sample and an expanded one (in the *expanded sample* we add observations that were missing values in the Narrow Sample but we do not change any of the observations in the *narrow sample*).

The *Narrow Sample* includes observations in which:

∗ The leader has been in office, at least, in the two budgetary years preceding the election year.

∗ The leader stayed in office at least until one month before the elections; if he quits within the month before the elections **Reelect** receives the value 0.

∗ There is no legal *limit* on the leader's term (based on the variable **MULTPL** in the DPI[2]), otherwise the observation is excluded. Data on legal limits on leaders' term in office are taken from the DPI.

The *Expanded Sample* also includes:

∗ Leaders who left their position less than 365 days before the elections. In these cases **Reelect** receives the value 0.

∗ Candidates replacing leaders that were subject to a legal limit, forcing them to quit at the end of their term. In these cases, **Reelect** receives the value 1 if the reigning leader's party is winning in the elections and 0 if it loses.

∗ Leaders replacing a previous leader who died in the election year or in the preceding it. In these cases the replacing leader is considered as continuing the original leader's term.

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[2] For missing years we assumed that the legal limit remained as in the closest year in the sample.

Fiscal Policy Variables

The fiscal policy variables are calculated on the basis of *IFS* variables, supplemented by GFS data when needed. In some cases we used alternative sources, as detailed in Bank of Israel discussion paper version of Brender and Drazen (2005a), Table A-I-1.

Balance is the difference between the central government's *Total Revenue & Grants* and *Total Expenditure* (*i.e.*, the fiscal surplus) for each country in each year. All these variables are presented as a percentage of *GDP* which is also taken from the IFS.

Using **Balance** we calculated **BALCH_term**, **BALCH_ey** and **BALCH_term+ey**, in the following way:

BAL_0 is the value of **Balance** in the election year and BAL_{-i} is the value of **Balance** i years before the elections.

- **BALCH_term** = ½ * (BAL_{-1} + BAL_{-2}) – ½ * (BAL_{-3} + BAL_{-4}); which is the change in the average central government balance in the two years preceding the elections (not including the election year) compared to the previous two years.
  * Where there are no data on BAL_{-3} and BAL_{-4} then: **BALCH_term** = BAL_{-1} - BAL_{-2}

- **BALCH_ey** = BAL_0 - BAL_{-1}; which is the change in the balance in the election year relative to the previous year.

- **BALCH_term+ey** = ⅓ * (BAL_0 + BAL_{-1} + BAL_{-2}) – ⅓ * (BAL_{-3} + BAL_{-4} + BAL_{-5}); which is the change in the average balance to GDP ratio in the last 3 years of the term, including the elections year, compared to the previous 3 years.
  * if there are no data on BAL_{-3} , BAL_{-4} and BAL_{-5} then:
      BALCH_term+ey = ½ * (BAL_0 + BAL_{-1}) – BAL_{-2}

Economic Variables

The economic growth calculation is based on: **GDPPC,** real per-capita GDP for each country in each year, which is taken from the WDI dataset of the World Bank.

Using **GDPPC** we calculate: **GDPPC_gr** and **GDPPC_gr_ey** in the following way:

$GDPPC_0$ is the value of **GDPPC** in the election year, $GDPPC_{-1}$ is the value of **GDPPC** in the previous year and $GDPPC_{-x}$ is the value of **GDPPC** in the year in which the leader assumed his office (usually the previous election year), where *x* is the number of years in office:

- **GDPPC_gr** = $100 \bullet \left(\sqrt[x]{\left(\dfrac{GDPPC_0}{GDPPC_{-X}} \right)} - 1 \right)$

- $GDPPC\_gr\_ey = 100 \bullet \left(\dfrac{GDPPC_0}{GDPPC_{-1}} - 1 \right)$

* In the Expanded sample $GDPPC_0$ receives the value of $GDPPC_{-1}$ if the leader left his office in the year preceding the election year.

Economic Control Variables

GDP_trend is the trend of real GDP (country specific) which was computed using the Hodrick-Prescott filter on the "GDP in constant 1995 US$" series of the WDI. Using this variable we calculated for each country in every year the deviation of real GDP from its trend, and used it in the following way to compute the change in this deviation in the election year:

GDP_0 and GDP_trend_0 are the values of GDP and GDP_trend in the election year, and GDP_{-1} and GDP_trend_{-1} are the values of these variables in the year preceding the election year:

- $GDPD\_trend\_ey = \left(\dfrac{GDP_0}{GDP\_trend_0} - \dfrac{GDP_{-1}}{GDP\_trend_{-1}} \right)$

INF is the inflation rate for each country in each year, which is taken from the WDI dataset of the World Bank, supplemented by IFS data when needed.

Using **INF** we calculated **INFCH_ey** and **Average_INF** in the following way:

INF_0 is the value of **INF** in the election year, INF_{-i} is the value of **INF** i years before the elections and INF_{-x} is the value of **INF** in the year in which the leader assumed his office (usually the previous election year), where x is the number of years in office:

- **INFCH_ey** = $INF_0 - INF_{-1}$; which is the change in the inflation rate in the election year relative to the previous year.

- **Average_INF** = $100 \bullet \left(\sqrt[x]{\left[\prod\limits_{i=-X+1}^{0} \left(1 + \dfrac{INF_i}{100} \right) \right]} - 1 \right)$; which is the average inflation rate during the

  leader's term.

* In the Expanded sample INF_0 receives the value of INF_{-1} if the leader left his office in the year preceding the election year.

In the final dataset we truncated the extreme values, and gave all values above the truncation point of a variable the value of the truncation point. The truncation points are:

For *INF* – in developed countries: 20%, in less developed countries: 60%.

For *INFCH_ey* – in less developed countries: 60%.

For *Average_INF* – in less developed countries: 80%.

In those cases where the inflation variable was truncated we added a binary variable with a value of 1 in the countries with high inflation. However, where these variables turned out not to be significant and not to affect the other coefficients, we dropped them from the final specification.

Political Strength Control Variables

The political strength variables for each country in each election year are mainly based on *DPI* data about the number of seats that the leader's party holds in parliament and the percent of votes that the president received in the previous elections (both in the first and the last rounds).These variables (GOVSEAT, OPPSEAT, PERCENT1, PERCENTL in *DPI*) are available for the period 1975-2000. For the other years: 1961-1975 and 2001-2003, we used data from *IDEA* and completed missing information from *CDP*:

PARTY - the percent of seats in the parliament held by the leader's party in the year preceding the election year. It receives the value 0 in a presidential system (in cases where data are from *IDEA* it is the proportion of the public's votes received by the party).

VOTES - the percent of votes for the leader in a presidential system in the first round of the previous elections; receives the value 0 in a parliamentary system.

VOTES_R2 - the percent of the votes for the leader in a presidential system in the last round of the previous elections (usually the second round); receives the value 0 in a parliamentary system and the value of *VOTES* if there was no second round.

D_R2 - A binary variable receiving the value 1 for a leader in a presidential system who had to run in a second round in the previous elections.

New vs. Old Democracies

New_Democracy – A binary variable, for each country in each election year, receiving the value 1 for the period of the first 4 elections after a country with a negative *polity* value in the *POLITY IV* dataset shifted

to non-negative values, not counting the elections in the transition year. Otherwise, the country is defined as an *Old Democracy* and the variable receives a value of 0.

Old – A binary variable, for each country in each election year, receiving the value 1 if country is defined as an *Old Democracy* in that year. The years in which countries are defined as *New Democracies* are listed in Table A-2.

Developed vs. Less Developed Countries

Developed – A binary variable, for each country, receiving the value 1 for OECD economies that were members of the organization during the entire sample period.

Less_Developed – A binary variable, for each country, receiving the value 1 for all the countries that are not defined as developed. The *Developed* countries are listed in Table A-2.

Presidential vs. Parliamentary Constitutional Rules

Based on the constitutional rules defined above we calculated the following variables:

Pres - A binary variable, for each country in each election year, receiving the value 1 in a country with a *Presidential* system, and 0 otherwise.

Parl - A binary variable, for each country in each election year, receiving the value 1 in a country with a *Parliamentary* system, and 0 otherwise.

The constitutional rules of the various countries are listed in Table A-2.

Proportional vs. Majoritarian Electoral Rules

The *DPI* provides information, in each country and in each election year, whether candidates for presidency or parliament are elected based on the total share of votes received by their party or on the majority of votes in each voting zone (e.g., district). In the former case the electoral system is defined in the *DPI* as *Proportional* representation (PR in the *DPI*) and in the latter as *Majoritarian* representation.

Prop – A binary variable, for each country in each election year, receiving the value 1 in a country with a *Proportional* electoral system and 0 otherwise.

Maj – A binary variable, for each country in each election year, receiving the value 1 in a country with a *Majoritarian* electoral system, and 0 otherwise.

The electoral systems of the countries are listed in Table A-2.

Level of Democracy

We split the sample between countries with a *polity* score (in the *DPI*) of 0 to 9 and those with a score of 10. More than 50 percent of the data points represent countries with a score of 10. Where the score changed during the covered period, we split the data points for that country according to the score in each year. Based on the distinction between the two levels we computed the following variables:

High – A binary variable, for each country in each election year, receiving the value 1 where the *polity* score is 10.

Low – A binary variable, for each country in each election year, receiving the value 1 where the *polity* score is between 0 and 9.

Predetermined vs. Early Elections

Based on the legally determined frequency of elections in a country (from the *CIA's "World Factbook")*, we identified when the next elections should have been held. If the elections were held in the expected year we classified them as *predetermined*; otherwise they were classified as *early* (or endogenous).

Pred – A binary variable, for each country in each election year, receiving the value 1 if the elections are defined as *predetermined*.

Early – A binary variable, for each country in each election year, receiving the value 1 if the elections are defined as *early*.

Table A-1: Data Sources

Source Name	Code	Dataset Producer	Date	Variables	Available Years
International Financial Statistics	IFS	International Monetary Fund	2003	central government total expenditure and total revenue and grants; nominal GDP	1960-2003
Government Financial Statistics	GFS	International Monetary Fund	2003	central government total expenditure and total revenue and grants	1960-2003
World Development Indicators	WDI	The World Bank	2003	GDP per capita in constant 1995 US$, GDP in constant 1995 US$	1960-2003
POLITY IV	POLITY	University of Maryland	2003	Level of Democracy index	1800-2003
Database of Political Institutions	DPI	The World Bank	2000	political system, term limits, election results and the allocation of seats in parliament, election system.	1975-2000
Voter Turnout Since 1945 to Date	IDEA	Institute for Democracy and Electoral Assistance	Current	election years, election results	1945-2001
The Center on Democratic Performance	CDP	Binghamton University	Current	election years, election results, election dates	1974-2000
Electionguide.org	IFES	International Foundation for Electoral Systems	Current	election dates	1998-2005
World Political Leaders	ZPC	Zárate's Political Collections	Current	leaders' names and their party association	1945-2005
The World Factbook	CIA	Central Intelligence Agency	Current	election dates, frequency of elections in a country, political system	1960-2005

Table A2: Sample Characteristics.

No.	Country	Years Included in the Expanded Sample	Elections in the Narrow sample [1]	Additional Elections in the Expanded sample [1]	Developed Economy	Parliamentary System	Proprotional System	Years as a New Democracy in the Sample
1	Argentina	1983-2003	3 (3)	1 (1)			X	1983-2003
2	Australia	1961-2002	13	1	X	X	X	
3	Austria	1960-1999	7	1	X	X	X	
4	Belgium	1960-1998	8	1	X	X	X	
5	Bolivia	1985-2003	0	4 (3)			X	1982-1997
6	Brazil	1985-1994	0	1 (1)			X	1985-1994
7	Bulgaria	1990-2003	1 (1)	0			X	1990-2003
8	Canada	1965-2001	7	2	X	X		
9	Chile	1960-1972, 1989-2000	0	3 (2)				1989-2000
10	Colombia	1971-2003	0	7			X	
11	Costa Rica	1972-2002	0	8			X	
12	Cyprus	1975-2003	5 (1)	0			X	1975-1983
13	Czech Republic	1993-2003	2 (2)	0		X	X	1993-2002
14	Denmark	1960-2000	11	0	X	X	X	
15	Dominican Republic	1978-2000	2 (2)	4 (2)			X	1978-1994
16	Ecuador	1979-2003	0	5 (4)			X	1979-1996
17	El Salvador	1984-2000	0	3 (3)			X	1984-2000
18	Estonia	1991-2001	0	1 (1)		X	X	1991-2001
19	Fiji	1970-1986, 1990-1999	4 (4)	0		X		1970-1986, 1990-1999
20	Finland	1960-1998	7	0	X	X	X	
21	France	1972-1997	5	0	X	X	X+	
22	Georgia	1998-2002	1 (1)	0			X	1998-2002
23	Germany	1971-1998	6	1	X	X	X	
24	Greece	1960-1966, 1975-1999	4 (2)	1	X	X*	X	1975-1989
25	Guatemala	1966-1973, 1986-2003	0	4 (4)			X	1966-1973, 1986-2003
26	Guyana	1966-1979, 1992-1997	2 (2)	1 (1)		X*	X	1966-1979, 1992-1997
27	Honduras	1982-2000	0	3 (3)			X	1982-1997
28	Hungary	1990-2003	2 (2)	1 (1)		X	X	1990-2003
29	Iceland	1972-2003	8	0	X	X	X	
30	India	1960-2001	5	3		X	X	1960-1967
31	Ireland	1960-2002	10	0	X	X	X	
32	Israel	1961-1972, 1974-1984, 1986-2001	6	3		X*	X	
33	Italy	1960-1998	6	0	X	X	X	
34	Jamaica	1975-1985, 2000-2002	2	0		X		
35	Japan	1970-1993	5	1	X	X	X	
36	Korea	1963-1971, 1988-1997	1 (1)	1 (1)		X*	X	1963-1971, 1988-1997
37	Lithuania	1993-2002	2 (2)	0			X	1993-2002
38	Luxembourg	1970-1974, 1976-1997	5	0	X	X	X	
39	Madagascar	1992-2001	2 (2)	0			X	1992-2001

Table A2: Cont.

No.	Country	Years Included in the Expanded Sample	Elections in the Narrow sample [1]	Additional Elections in the Expanded sample [1]	Developed Economy	Parliamentary System	Proprotional System	Years as a New Democracy in the Sample
40	Malaysia	1960-1999	7 (3)	1		X		1960-1978
41	Mali	1992-2003	1 (1)	1 (1)				1992-2003
42	Mauritius	1981-2003	5	0		X		
43	Mexico	1988-2003	0	2 (2)			X	1988-2003
44	Moldova	1997-2001	1 (1)	0			X	1997-2001
45	Mongolia	1990-1992, 1994-2003	2 (2)	0				1990-2003
46	Nepal	1990-2001	1 (1)	0		X		1990-2001
47	Netherlands	1960-1998	7	0	X	X	X	
48	New zealand	1960-1988, 1990-2001	10	2	X	X	X+	
49	Nicaragua	1990-2003	2 (2)	0			X	1990-2003
50	Norway	1960-2003	5	2	X	X	X	
51	Pakistan	1988-1998	2 (2)	1 (1)		X		1988-1998
52	Panama	1989-2000	0	2 (2)			X	1989-2000
53	Papua new Guinie	1975-2002	5 (3)	0		X		1975-1992
54	Paraguay	1989-2003	2 (2)	1 (1)			X	1989-2003
55	Peru	1980-1999	1 (1)	2 (2)			X	1980-1999
56	Philipines	1960-1971, 1987-2003	2	1 (1)				1987-2003
57	Poland	1991-2001	2 (2)	0			X	1989-2001
58	Portugal	1976-1998	5 (3)	0	X	X*	X	1976-1987
59	Romania	1990-2001	1 (1)	0		X	X	1990-2001
60	Russia	1995-2001	0	1 (1)			X	1992-2001
61	Slovak Republic	1994-2003	2 (2)	0		X	X	1994-2003
62	Slovenia	1993-2003	0	1 (1)		X	X	1993-2003
63	Solomon Islands	1978-1990, 1993-1999	2 (1)	0		X		1978-1990
64	South Africa	1994-2003	1	0			X	
65	Spain	1978-2003	5 (2)	0	X	X	X	1978-1989
66	Sri Lanka	1960-2001	5 (1)	1		X*	X+	1960-1965
67	Sweden	1961-2000	10	1	X	X	X	
68	Thailand	1978-1990, 1992-2003	4 (2)	0		X		1978-1990
69	Trinidad & Tobago	1962-1972, 1976-1989, 1993-1995	3	1		X		
70	Turkey	1976-1979, 1983-2001	5 (4)	0	X	X	X	1976-1979, 1983-1995
71	United Kindom	1960-1999	8	0	X	X		
72	United States	1960-2003	7	3	X			
73	Uruguay	1985-2001	0	2 (2)			X	1985-2001
74	Venezuela	1960-2001	0	6 (3)			X	1960-1978

[1] The number in the parentheses indicates the number of elections that took place in a country during the years it is defined as a "new democracy".

* Some of the Elections are in a Presidential System

+ Some of the Elections are in a Majoritarian System

Table A3: Detailed Sample and Data Characteristics.

No.	Country	Election Years in the Narrow Sample	Additional Election Years in the Expanded Sample	Cases in Which the Leader was Reelected in the Narrow Sample [1]	Additional Cases in Which the Leader was Reelected in the Expanded Sample [1]	Budget Balance [2]	BALCH_ey [3]
1	Argentina	1995, 1999, 2003	1989	1 / 3	0 / 1	-2.4	0.1
2	Australia	1964, 1970, 1973, 1976, 1978, 1981, 1983, 1985, 1988, 1990, 1996, 1999, 2002	1967	9 / 13	0 / 1	-0.8	0.0
3	Austria	1966, 1970, 1979, 1983, 1990, 1994, 1999	1986	4 / 7	0 / 1	-4.3	0.2
4	Belgium	1965, 1968, 1971, 1977, 1985, 1987, 1991, 1995	1981	6 / 8	0 / 1	-5.3	-0.2
5	Bolivia	..	1989, 1993, 1997, 2002	..	0 / 4	-3.5	-1.9
6	Brazil	..	1994	..	0 / 1	-3.3	4.2
7	Bulgaria	2001	..	0 / 1	0 / 0	-3.8	0.6
8	Canada	1968, 1972, 1974, 1979, 1988, 1997, 2000	1984, 1993	6 / 7	0 / 2	-1.8	0.2
9	Chile	..	1970, 1993, 1999	..	1 / 3	-1.1	-1.8
10	Colombia	..	1974, 1978, 1982, 1986, 1990, 1994, 1998	..	3 / 7	-3.7	0.4
11	Costa Rica	..	1974, 1978, 1982, 1986, 1990, 1994, 1998, 2002	..	3 / 8	3.6	-0.4
12	Cyprus	1983, 1988, 1993, 1998, 2003	..	2 / 5	0 / 0	-4.3	-0.7
13	Czech Republic	1996, 2002	..	1 / 2	0 / 0	-1.4	-0.2
14	Denmark	1964, 1966, 1968, 1971, 1975, 1977, 1979, 1984, 1987, 1990, 1998	..	8 / 11	0 / 0	0.7	-0.2
15	Dominican Republic	1990, 1994	1982, 1986, 1996, 2000	2 / 2	1 / 4	-0.3	0.2
16	Ecuador	..	1984, 1988, 1992, 1996, 2002	..	0 / 5	-0.4	1.1
17	El Salvador	..	1989, 1994, 1999	..	2 / 3	-1.4	-0.2
18	Estonia	..	1995	..	0 / 1	0.8	-2.5
19	Fiji	1977, 1982, 1994, 1999	..	3 / 4	0 / 0	-3.8	-1.8
20	Finland	1966, 1970, 1975, 1979, 1987, 1991, 1995	..	0 / 7	0 / 0	-0.6	-1.3
21	France	1978, 1981, 1986, 1988, 1997	..	1 / 5	0 / 0	-1.8	-0.3
22	Georgia	2000	..	1 / 1	0 / 0	-1.3	0.6
23	Germany	1976, 1980, 1987, 1990, 1994, 1998	1983	4 / 6	0 / 1	-1.1	0.1
24	Greece	1963, 1985, 1989, 1993	1996	1 / 4	0 / 1	-5.8	-1.8
25	Guatemala	..	1970, 1995, 1999, 2003	..	0 / 4	-1.2	-0.2
26	Guyana	1968, 1973	1997	2 / 2	0 / 1	-8.2	-4.2
27	Honduras	..	1989, 1993, 1997	..	1 / 3	-4.5	-1.1
28	Hungary	1998, 2002	1994	0 / 2	0 / 1	-5.0	-2.0
29	Iceland	1974, 1978, 1983, 1987, 1991, 1995, 1999, 2003	..	3 / 8	0 / 0	-1.1	-0.4
30	India	1970, 1976, 1989, 1996, 1999	1967, 1979, 1984	2 / 5	2 / 3	-1.8	-0.2
31	Ireland	1965, 1969, 1973, 1977, 1981, 1987, 1989, 1992, 1997, 2002	..	4 / 10	0 / 0	-5.8	-0.3
32	Israel	1965, 1977, 1981, 1992, 1999, 2001	1969, 1984, 1996	2 / 6	1 / 3	-6.0	-0.2
33	Italy	1963, 1967, 1972, 1979, 1987, 1992	..	1 / 6	0 / 0	-6.0	0.5
34	Jamaica	1980, 1983	..	1 / 2	0 / 0	-6.6	-4.5
35	Japan	1972, 1976, 1986, 1989, 1993	1979	1 / 5	0 / 1	-3.4	-0.7
36	Korea	1967	1997	1 / 1	0 / 1	1.2	0.1
37	Lithuania	1997, 2002	..	0 / 2	0 / 0	-1.9	0.5
38	Luxembourg	1974, 1979, 1984, 1989, 1994	..	1 / 5	0 / 0	2.7	0.8
39	Madagascar	1996, 2001	..	0 / 2	0 / 0	-4.4	-0.2

Table A3: Cont.

No.	Country	Election Years in the Narrow Sample	Additional Election Years in the Expanded Sample	Cases in Which the Leader was Reelected in the Narrow Sample [1]	Additional Cases in Which the Leader was Reelected in the Expanded Sample [1]	Budget Balance [2]	BALCH_ey [3]
40	Malaysia	1969, 1974, 1978, 1986, 1990, 1995, 1999	1982	7 / 7	0 / 1	-4.5	-0.8
41	Mali	1997	2002	1 / 1	0 / 1	-3.4	0.3
42	Mauritius	1984, 1988, 1992, 1996, 2001	..	3 / 5	0 / 0	-2.1	-0.9
43	Mexico	..	1994, 2000	..	1 / 2	-1.6	-0.1
44	Moldova	2001	..	0 / 1	0 / 0	-1.8	1.5
45	Mongolia	1997, 2001	..	1 / 2	0 / 0	-1.8	0.1
46	Nepal	1995	..	0 / 1	0 / 0	-5.7	0.0
47	Netherlands	1971, 1977, 1981, 1986, 1989, 1994, 1998	..	4 / 7	0 / 0	-2.0	0.2
48	New zealand	1963, 1966, 1969, 1978, 1981, 1984, 1987, 1994, 1997, 2000	1972, 1975	8 / 10	0 / 2	-1.3	-0.4
49	Nicaragua	1996, 2001	..	0 / 2	0 / 0	-2.6	-1.8
50	Norway	1965, 1969, 1985, 1989, 1993	1981, 1997	3 / 5	0 / 2	2.9	0.6
51	Pakistan	1991, 1997	1994	2 / 2	0 / 1	-5.9	-0.8
52	Panama	..	1994, 1999	..	0 / 2	0.5	0.1
53	Papua new Guinie	1982, 1987, 1992, 1997, 2002	..	1 / 5	0 / 0	-1.9	-0.5
54	Paraguay	1993, 2003	1998	0 / 2	1 / 1	-0.1	0.8
55	Peru	1995	1985, 1990	1 / 1	0 / 2	-3.3	-0.2
56	Philipines	1965, 1969	1998	1 / 2	0 / 1	-1.3	-1.8
57	Poland	1995, 2000	..	1 / 2	0 / 0	-3.5	-0.2
58	Portugal	1980, 1985, 1987, 1991, 1995	..	3 / 5	0 / 0	-6.1	-0.7
59	Romania	1996	..	0 / 1	0 / 0	-2.3	-1.3
60	Russia	..	2000	..	0 / 1	-2.3	2.7
61	Slovak Republic	1998, 2002	..	1 / 2	0 / 0	-2.2	-1.5
62	Slovenia	..	2000	..	1 / 1	-1.0	-0.6
63	Solomon Islands	1989, 1997	..	0 / 2	0 / 0	-4.0	-3.0
64	South Africa	1999	..	0 / 1	0 / 0	-3.1	0.4
65	Spain	1986, 1989, 1993, 1996, 2000	..	4 / 5	0 / 0	-3.6	0.6
66	Sri Lanka	1965, 1970, 1977, 1988, 1999	1994	1 / 5	0 / 1	-7.4	0.4
67	Sweden	1965, 1969, 1974, 1977, 1983, 1986, 1989, 1992, 1994, 1998	1980	6 / 10	0 / 1	0.0	0.0
68	Thailand	1983, 1986, 1995, 2000	..	2 / 4	0 / 0	-0.8	1.0
69	Trinidad & Tobago	1971, 1986, 1995	1981	1 / 3	1 / 1	-0.6	-1.4
70	Turkey	1977, 1987, 1991, 1995, 1999	..	2 / 5	0 / 0	-5.8	-2.1
71	United Kindom	1966, 1970, 1974, 1979, 1983, 1987, 1992, 1997	..	4 / 8	0 / 0	-1.0	0.0
72	United States	1968, 1972, 1976, 1980, 1984, 1992, 1996	1964, 1988, 2000	3 / 7	2 / 3	-2.0	0.2
73	Uruguay	..	1994, 1999	..	1 / 2	-1.4	-2.5
74	Venezuela	..	1968, 1973, 1978, 1983, 1993, 1998	..	0 / 6	1.5	-0.9

* Some of the Elections are in a Presidential System

+ Some of the Elections are in a Majoritarian System

[1] The figure on the left hand side is the number of elections where the leader was reelected. The figure on the right hand side is the total number of elections.

[2] Average for all the years included in the sample.

[3] BALCH_ey -The average change in the government deficit ratio to GDP in the election year, compared to the previous year.

Table A-4:Descriptive Statistics Narrow Sample

	All Countries			Developed Countries			Developing Countries		
	All	Reelect=1	Reelect=0	All	Reelect=1	Reelect=0	All	Reelect=1	Reelect=0
Observations	255	126	129	164	86	78	91	40	51
of which Established	194	95	99	153	79	74	41	16	25
BALCH_term [1] mean	0.161	0.370	-0.043	0.021	0.269	-0.252	0.413	0.588	0.275
standard deviation	2.102	2.134	2.058	2.140	2.206	2.044	2.020	1.982	2.059
BALCH_ey [1] mean	-0.383	-0.127	-0.634	-0.144	0.230	-0.557	-0.815	-0.894	-0.753
standard deviation	1.877	1.826	1.898	1.700	1.439	1.872	2.101	2.301	1.950
GDPPC_gr [1] mean	2.458	2.810	2.113	2.565	2.668	2.451	2.265	3.117	1.596
standard deviation	2.033	1.713	2.257	1.817	1.620	2.018	2.372	1.884	2.514
GDPPC_gr_ey [2] mean	2.622	2.803	2.445	2.782	3.042	2.496	2.333	2.291	2.367
standard deviation	2.955	2.570	3.289	2.504	2.003	2.947	3.628	3.468	3.782
INFCH_ey [3] mean	-0.808	-0.728	-0.888	-0.008	-0.456	0.487	-2.252	-1.311	-2.990
standard deviation	5.172	3.593	6.361	4.513	2.527	5.965	5.944	5.190	6.428
Average_INF [4] mean	10.780	8.932	12.585	8.564	6.907	10.392	14.773	13.287	15.939
standard deviation	15.544	14.864	16.033	12.300	11.340	13.109	19.567	19.984	19.352

[1] **BALCH_term** - The change in the ratio of the government deficit to GDP in the two years preceding the election year, relative to the two previous years. **BALCH_ey** -The change in the government deficit ratio to GDP In the election year, compared to the previous year. **GDPPC_gr** - The average growth rate of real per-capita GDP during the leader's current term.

[2] **GDPPC_gr_ey** - Per-capita GDP growth in the last year of the leader's term.

[3] **INFCH_ey** - The increase in the inflation rate from the year preceding the election year to the election year.

[4] **Average_INF** - The average rate of inflation during the leader's current term.

Table A-5: Fisher Unit Root Test [1]

Variable		Narrow Sample	Expanded Sample
BALCH_term [2]	chi^2	140.88	88.06
	p-value	[0.000]	[0.034]
BALCH_ey [2]	chi^2	79.57	157.92
	p-value	[0.091]	[0.000]
GDPPC_gr	chi^2	92.05	119.89
	p-value	[0.012]	[0.004]
INFCH_ey [5]	chi^2	109.06	236.57
	p-value	[0.000]	[0.000]
Average_INF [6]	chi^2	113.42	159.31
	p-value	[0.000]	[0.000]

Table A-6: Correlations

		BALCH_term	BALCH_ey	INFCH_ey	Average_INF	GDPPC_gr_ey	GDPPC_gr
Narrow Samplw							
BALCH_term	correlation	1.000					
	p-value						
BALCH_ey	correlation	-0.193	1.000				
	p-value	(0.002)					
INFCH_ey	correlation	0.054	0.002	1.000			
	p-value	(0.387)	(0.977)				
Average_INF	correlation	0.033	-0.191	-0.136	1.000		
	p-value	(0.602)	(0.002)	(0.030)			
GDPPC_gr_ey	correlation	-0.139	0.329***	-0.032	-0.099	1.000	
	p-value	(0.026)	(0.000)	(0.616)	(0.115)		
GDPPC_gr	correlation	-0.017	0.226***	0.251***	-0.163	0.615***	1.000
	p-value	(0.794)	(0.000)	(0.000)	(0.009)	(0.000)	
Expanded Sample							
		BALCH_term	BALCH_ey	INFCH_ey	Average_INF	GDPPC_gr_ey	GDPPC_gr
BALCH_term	correlation	1.000					
	p-value						
BALCH_ey	correlation	-0.169	1.000				
	p-value	(0.002)					
INFCH_ey	correlation	-0.103	0.106**	1.000			
	p-value	(0.794)	(0.000)				
Average_INF	correlation	0.021	-0.087	0.245***	1.000		
	p-value	(0.699)	(0.105)	(0.000)			
GDPPC_gr_ey	correlation	-0.067	0.287***	-0.251	-0.165	1.000	
	p-value	(0.211)	(0.000)	(0.000)	(0.002)		
GDPPC_gr	correlation	-0.048	0.178***	-0.064	-0.266	0.641***	1.000
	p-value	(0.374)	(0.001)	(0.237)	(0.000)	(0.000)	

Table A-7: The Effects of Budget Balances and Growth on the Probability of Reelection in Developed and Less Developed Economies [1]

Dependent variable: **REELECT**	Narrow Sample				Expanded Sample			
	Developed		Less Developed		Developed		Less Developed	
	Logit	Random	Logit	Random	Logit	Random	Logit	Random
BALCH_term [2]	20.036** [0.017]	19.722** [0.026]	15.835 [0.188]	15.835 [0.202]	13.225* [0.096]	13.047* [0.087]	13.483* [0.060]	13.483* [0.085]
BALCH_ey [2]	39.846*** [0.001]	38.765*** [0.002]	-3.451 [0.773]	-3.451 [0.757]	35.188*** [0.001]	35.038*** [0.002]	1.210 [0.902]	1.210 [0.892]
GDPPC_gr [2]	-5.684 [0.560]	-2.160 [0.845]	37.068*** [0.001]	37.068*** [0.002]	-0.755 [0.937]	1.276 [0.904]	34.468*** [0.000]	34.468*** [0.000]
New Democracies	1.189** [0.046]	1.362* [0.093]	0.601 [0.229]	0.601 [0.211]	1.266** [0.033]	1.373* [0.075]	0.191 [0.591]	0.191 [0.589]
Majoritarian Electoral System	0.694 [0.136]	0.853 [0.121]	0.779 [0.106]	0.779 [0.103]	0.586 [0.142]	0.655 [0.147]	0.703* [0.059]	0.703* [0.060]
Constant	0.101 [0.750]	-0.076 [0.853]	-1.923*** [0.000]	-1.923*** [0.001]	-0.182 [0.555]	-0.286 [0.458]	-1.739*** [0.000]	-1.739*** [0.000]
Pseudo R^2	0.085		0.128		0.071		0.112	
LR test of rho=0		1.160 [0.141]		0.000 [.999]		0.320 [0.285]		0.000 [1.000]
Hausman test	-0.41		0.00		0.21		-0.00	
	-		[1.000]		[0.999]		-	
Observations	164	164	91	91	180	180	167	167

[1] For variables definitions see the text section of the appendix. The figures in the table are logit coefficients and the figures in the parantheses are P-values.

[2] **BALCH_term** - The change in the ratio of the government deficit to GDP in the two years preceding the election year, relative to the two previous years. **BALCH_ey** - The change in the government deficit ratio to GDP In the election year, compared to the previous year. **GDPPC_gr** - The average growth rate of real per-capita GDP during the leader's current term.

* - Significant at the 10 percent level; ** - Significant at the 5 percent level; *** - Significant at the 1 percent level.

Table A-8: Separate Effects of Global and Domestic Induced Growth, Inflation and Initial Political Strength on the Probability of Reelection - FIXED EFFECTS [1]

Dependent variable: REELECT	Narrow Sample		Explanded Sample	
	(2)	(3)	(5)	(6)
BALCH_term * developed [2]	16.840* [0.085]	15.084 [0.132]	10.705 [0.205]	8.834 [0.307]
BALCH_term * less_developed [2]	15.045 [0.513]	14.651 [0.530]	25.730** [0.042]	26.203** [0.041]
BALCH_ey * developed [2]	25.080* [0.077]	23.734* [0.087]	26.137** [0.048]	24.566* [0.060]
BALCH_ey * less_developed [2]	-2.840 [0.901]	-5.505 [0.812]	7.376 [0.611]	5.873 [0.686]
GLOBAL_gr * Developed [3]	36.095 [0.579]	52.980 [0.427]	62.050 [0.348]	69.734 [0.296]
GLOBAL_gr * Less_Developed [3]	-510.221 [0.238]	-548.677 [0.209]	61.545 [0.440]	63.298 [0.428]
DOMESTIC_gr * developed [3]	23.886 [0.131]	20.943 [0.190]	29.304* [0.057]	26.423* [0.088]
DOMESTIC_gr * less_developed [3]	85.225** [0.021]	89.510** [0.018]	52.164*** [0.003]	53.988*** [0.003]
INFCH_ey * Developed [4]	-13.834** [0.049]	-23.978** [0.017]	-16.098** [0.036]	-24.977*** [0.010]
INFCH_ey * Less_Developed [4]	-2.029 [0.815]	-2.713 [0.758]	-0.725 [0.794]	-0.532 [0.848]
Average_INF * Developed [5]		-8.308** [0.041]		-8.110** [0.033]
PARTY [6]	1.463 [0.465]	1.961 [0.342]	1.569 [0.371]	1.877 [0.291]
VOTES [7]	0.279 [0.923]	1.098 [0.704]	-2.312 [0.298]	-1.798 [0.417]
New Democracies	1.721 [0.252]	2.067 [0.158]	3.490** [0.012]	3.655*** [0.009]
Majoritarian Electoral System	1.558 [0.187]	2.158* [0.077]	0.655 [0.538]	1.205 [0.282]
Pseudo R[2]	0.159	0.188	0.179	0.199
LR(chi2)	27.476	32.432	44.475	49.479
Akaike's criteria	173.48	170.52	232.54	229.54
Schwartz's criteria	219.65	219.99	283.07	283.68
Observations	200	200	273	273

[1] For variables definitions see the statistical Appendix. The figures in the table are logit coefficients and the figures in the parantheses are P-values calculated on the basis of robust standard errors. An asterisk (*) indicates multiplication by the binary variable that follows.**developed** - A binary variable with a value of 1 for developed countries, **less_developed** - A binary variable with a value of 1 for less developed countries. ~~BALCH_term~~ - The change in the ratio of the government deficit to GDP in the two years preceding the election year, relative to the two previous years.**BALCH_ey** -The change in the government deficit ratio to GDP In the election year, compared to the previous year.

[3] DOMESTIC_gr , GLOBAL_gr - The average growth rate of real per-capita GDP during the leader's current term.

[4] INFCH_ey - The increase in the inflation rate from the year preceding the election year to the election year.

[5] Average_INF - The average rate of inflation rate during the leader's current term.

[6] PARTY - The percent of seats in the parliament held by the leader's party, receives the value 0 in a presidential system.

[7] VOTES - The percent of the votes received by a leader in a presidential system in the first round of the previous elections.

* - Significant at the 10 percent level; ** - Significant at the 5 percent level; *** - Significant at the 1 percent level.

Table A-9: Characteristics of Election Campaigns in Developed Countries and New Democracies

	Less Developed	Developed	Old	New	Total
Narrow Sample					
Observations	91	164	194	61	255
Developed	..	..	153	11	164
Less developed	..	..	41	50	91
New	50	11	..	..	61
Old	41	153	..	..	194
Parliamentry	57	154	175	36	211
Presidential	34	10	19	25	44
Proportional	48	133	140	41	181
Majoritarian	43	31	54	20	74
Predetermined Election	60	96	117	39	156
Early Election	31	68	77	22	99
High Level of Democracy	28	151	162	17	179
Low Level of Democracy	63	13	32	44	76
Expanded Sample					
Observations	167	180	242	105	347
Developed	..	..	169	11	180
Less developed	..	..	73	94	167
New	94	11	..	..	105
Old	73	169	..	..	242
Parliamentry	68	167	195	40	235
Presidential	99	13	47	65	112
Proportional	116	142	178	80	258
Majoritarian	51	38	64	25	89
Predetermined Election	120	106	152	74	226
Early Election	47	74	90	31	121
High Level of Democracy	40	167	186	21	207
Low Level of Democracy	127	13	56	84	140

[1] For definition of the various charactaristics see the text section of the appendix. For a list of the country categories see

Table A-10: Additional Effects of the Political System, the Timing of the Elections and the Level of Democracy on the Probability of Reelection [1]

Dependent variable: REELECT	Narrow Sample			Expanded Sample		
	(1)	(2)	(3)	(4)	(5)	(6)
BALCH_term * developed [2]	19.275** [0.019]	20.077** [0.018]	19.556** [0.017]	12.262 [0.115]	12.659* [0.094]	12.515 [0.106]
BALCH_term * less_developed [2]	17.409 [0.156]	16.360 [0.173]	16.975 [0.162]	14.655** [0.047]	13.527* [0.062]	13.576* [0.066]
BALCH_ey * developed [2]	38.450*** [0.001]	40.051*** [0.001]	38.286*** [0.001]	32.974*** [0.002]	33.095*** [0.002]	32.179*** [0.002]
BALCH_ey * less_developed [2]	-1.905 [0.874]	-4.477 [0.709]	-3.455 [0.773]	3.086 [0.750]	0.796 [0.935]	1.247 [0.900]
GDPPC_gr * developed [2]	-5.507 [0.567]	-5.901 [0.542]	-5.205 [0.589]	-0.343 [0.971]	-0.176 [0.985]	0.020 [0.998]
GDPPC_gr * less_developed [2]	36.645*** [0.001]	37.948*** [0.000]	37.038*** [0.000]	33.595*** [0.000]	35.119*** [0.000]	34.630*** [0.000]
Parliamentary System [3]	0.374 [0.358]			0.556* [0.078]		
Predetermined Elections [3]		-0.291 [0.311]			-0.111 [0.652]	
High Level of Democracy [3]			-0.001 [0.999]			0.196 [0.576]
Developed Countries	2.011*** [0.000]	2.144*** [0.000]	2.115*** [0.000]	1.421*** [0.002]	1.692*** [0.000]	1.578*** [0.001]
New Democracies	0.847** [0.036]	0.795** [0.042]	0.788* [0.055]	0.489 [0.125]	0.421 [0.176]	0.465 [0.148]
Majoritarian Electoral System	0.701** [0.037]	0.712** [0.035]	0.727** [0.030]	0.555** [0.043]	0.620** [0.023]	0.628** [0.021]
Constant	-2.247***	-1.843***	-2.009***	-2.079***	-1.783***	-1.926***
	[0.000]	[0.000]	[0.000]	[0.000]	[0.000]	[0.000]
Pseudo R^2	0.106	0.106	0.103	0.105	0.099	0.099
LR(chi2)	34.11	34.42	34.00	41.47	40.62	41.31
Akaike's criteria	338.07	337.86	338.91	445.41	448.33	448.21
Schwartz's criteria	377.02	376.82	377.87	487.75	490.68	490.56
Observations	255	255	255	347	347	347

[1] For variables definitions see the text section of the appendix. The figures in the table are logit coefficients and the figures in the parantheses are P-values calculated on the basis of robust standard errors. An asterisk (*) indicates multiplication by the binary variable that follows. **developed** - A binary variable with a value of 1 for developed countries,**less_developed** - A binary variable with a value of 1 for less developed countries.

[2] **BALCH_term** - The change in the ratio of the government deficit to GDP in the two years preceding the election year, relative to the two previous years. **BALCH_ey** -The change in the government deficit ratio to GDP In the election year, compared to the previous year. **GDPPC_gr** - The average growth rate of real per-capita GDP during the leader's current term.

[3] Binary variables indicating whether the country has a parliamentary political system, whether the elections took place in their predetermined date and whether the country was classified as having a high level of democracy in the year of the election campaign, respectively.

* - Significant at the 10 percent level; ** - Significant at the 5 percent level; *** - Significant at the 1 percent level.

Table A-11: Varying Effects of Budget Balances and Growth on the Probability of Reelection in Different Categories of Developed and Less Developed Economies [1]

Dependent variable: **REELECT**	Developed Countries			Less Developed Countries		
	$Balch\_term^2$	$Balch\_ey^2$	$GDPPC\_gr^2$	$Balch\_term^2$	$Balch\_ey^2$	$GDPPC\_gr^2$
1) **Parliamentary System[3]**	20.252**	39.312***	-4.046	25.924*	-1.115	38.190***
	[0.017]	[0.001]	[0.678]	[0.061]	[0.940]	[0.002]
2) **Presidential System[3]**	-7.052	27.725	-39.578	-8.948	-6.698	37.272**
	[0.871]	[0.599]	[0.119]	[0.718]	[0.775]	[0.014]
3) **Proportional Electoral System[3]**	21.957**	46.739***	-18.066	-1.624	-18.066	39.537***
	[0.014]	[0.000]	[0.250]	[0.938]	[0.250]	[0.007]
4) **Majoritarian Electoral System[3]**	15.225	3.479	19.048	39.415**	19.048	32.892**
	[0.427]	[0.902]	[0.218]	[0.023]	[0.218]	[0.027]
5) **High Level of Democracy[3]**	20.635**	37.089***	-2.614	3.933	21.471	36.984**
	[0.013]	[0.002]	[0.794]	[0.911]	[0.311]	[0.035]
6) **Low Level of Democracy[3]**	-69.947	41.785*	-19.485	23.485*	-15.953	45.501***
	[0.442]	[0.084]	[0.305]	[0.077]	[0.218]	[0.003]
7) **Predetermined Elections[3]**	23.070*	26.947*	-10.793	5.645	-4.136	34.510***
	[0.058]	[0.069]	[0.341]	[0.695]	[0.759]	[0.001]
8) **Early Elections[3]**	20.404*	59.127***	3.124	55.450	15.300	40.065*
	[0.09]	[0.001]	[0.777]	[0.169]	[0.655]	[0.093]

[1] For variables and country definitions see the text section of the appendix. The figures in the table are logit coefficients and the figures in the parantheses are P-values calculated on the basis of robust standard errors. The equations were estimated for the narrow sample but there is no qualitative difference

[2] **BALCH_term** - The change in the ratio of the government deficit to GDP in the two years preceding the election year, relative to the two previous years. **BALCH_ey** -The change in the government deficit ratio to GDP In the election year, compared to the previous year. **GDPPC_gr** - The average growth rate of real per-capita GDP during the leader's current term.

[3] The coefficients in each column are for the interaction of the variable on the top of column - including a binary variable for developed or less developed countries, respectively - with the variable on the left column. The coefficients were estimated jointly in equations that included also a constant term and binary variables for developed countries, new democracies and countries with a majoritarian electoral system.
* - Significant at the 10 percent level; ** - Significant at the 5 percent level; *** - Significant at the 1 percent level.

Table A-12: Elasticities for Different Groups of Countries [1]

Narrow Sample	BALCH_term [2]	BALCH_ey [2]	GDPPC_gr [2]
Developed Countries	4.83	9.33	..
Less Developed Countries	..	..	9.20
Old Democracies	4.37	4.21	..
New Democracies	..	..	8.72
Old & Developed Democracies	4.87	7.95	..
Old & Less Developed Democracies	..	..	6.45
Expanded Sample			
	A	B	D
Developed Countries	3.12	8.09	..
Less Developed Countries	3.07	..	8.08
Old Democracies	3.02	4.13	4.06
New Democracies	..	..	6.95
Old & Developed Democracies	3.33	7.24	..
Old & Less Developed Democracies	..	..	7.60

[1] The elasticity is the change (in percentage points) in the probability for reelection for an increase of 1 percentage point in the variable. For a definition of the country categories see Appendix I. For a list of the countries in each category see Table A-2.

[2] **BALCH_term** - The change in the ratio of the government deficit to GDP in the two years preceding the election year, relative to the two previous years. **BALCH_ey** -The change in the government deficit ratio to GDP In the election year, compared to the previous year. **GDPPC_gr** - The average growth rate of real per-capita GDP during the leader's current term.

".." - For coefficients with a significant level of more than 10 percent.

Table A-13: The Effects of Budget Balances and Growth on the Probability of Reelection in New and Old Democracies[1]

Dependent variable: **REELECT**	Narrow Sample			Expanded Sample		
	(1)	(2)	(3)	(4)	(5)	(6)
BALCH_term * old [2]	17.518** [0.013]	17.640** [0.013]		12.234** [0.047]	12.483** [0.045]	
BALCH_term * new_democracy [2]	-1.667 [0.929]	-0.739 [0.970]		7.090 [0.435]	10.094 [0.288]	
BALCH_ey * old [2]	16.857* [0.079]	16.967* [0.096]	10.981 [0.232]	16.680* [0.051]	16.137* [0.071]	12.299 [0.135]
BALCH_ey * new_democracy [2]	17.019 [0.344]	15.818 [0.385]	17.421 [0.331]	6.856 [0.574]	8.413 [0.514]	5.519 [0.647]
GDPPC_gr * old [2]	9.948 [0.190]	7.954 [0.476]	7.852 [0.314]	16.401** [0.015]	13.145 [0.189]	14.919** [0.030]
GDPPC_gr * new_democracy [2]	35.190*** [0.001]	45.859*** [0.001]	34.196*** [0.001]	28.835*** [0.000]	39.936*** [0.000]	28.138*** [0.000]
GDPPC_gr_ey * old [3]		1.113 [0.897]			2.529 [0.738]	
GDPPC_gr_ey * new_democracy [3]		-13.189 [0.112]			-12.880* [0.070]	
BALCH_term+ey * old [4]			18.965*** [0.002]			15.144*** [0.009]
BALCH_term+ey * new_democracy [4]			-0.013 [0.999]			2.981 [0.739]
Developed Countries	0.780** [0.021]	0.751** [0.028]	0.805** [0.019]	0.682*** [0.008]	0.658** [0.013]	0.717*** [0.006]
Majoritarian Electoral System	0.739** [0.019]	0.734** [0.021]	0.757** [0.018]	0.701*** [0.007]	0.676** [0.010]	0.712*** [0.007]
Constant	-1.092*** [0.001]	-1.033*** [0.002]	-1.056*** [0.002]	-1.303*** [0.000]	-1.252*** [0.000]	-1.297*** [0.000]
Pseudo R[2]	0.075	0.082	0.082	0.079	0.086	0.084
LR(chi2)	23.292	24.450	26.106	34.265	36.217	36.486
Akaike's criteria	344.84	346.35	342.36	453.71	454.30	451.34
Schwartz's criteria	376.71	385.30	374.23	488.35	496.65	485.98
Observations	255	255	255	347	347	347

[1] For variables definitions see the text of the appendix. The figures in the table are logit coefficients and the figures in the parantheses are P-values calculated on the basis of robust standard errors. An asterisk (*) indicates multiplication by the binary variable that follows. **new_democracy** - A binary variable with a value of 1 for new democracies, **old** - A binary variable with a value of 1 for old democracies.

[2] **BALCH_term** - The change in the ratio of the government deficit to GDP in the two years preceding the election year, relative to the two previous years. **BALCH_ey** -The change in the government deficit ratio to GDP In the election year, compared to the previous year. **GDPPC_gr** - The average growth rate of real per-capita GDP during the leader's current term.

[3] **GDPPC_gr_ey** - Per-capita GDP growth in the last year of the leader's term.

[4] **BALCH_term+ey** - The change in the budget balance ratio to GDP during the leader's term, including the elections year.

* - Significant at the 10 percent level; ** - Significant at the 5 percent level; *** - Significant at the 1 percent level.

Table A-14: The Effects of Budget Balances, Growth and Deviations of GDP from its trend on the Probability of Reelection in Developed, Less Developed and New Democracies[1]

Dependent variable: REELECT	Narrow Sample						Expanded Sample					
	(1)	(1)	(1)	(2)	(2)	(2)	(3)	(3)	(3)	(4)	(4)	(4)
	Old Dev	Old Undev	New	Old Dev	Old Undev	New	Old Dev	Old Undev	New	Old Dev	Old Undev	New
BALCH_term [2]	19.779**	17.287	-3.031	20.093**	15.944	-3.205	13.216*	16.826*	6.689	13.686*	16.838*	8.950
	[0.016]	[0.296]	[0.875]	[0.013]	[0.358]	[0.873]	[0.088]	[0.090]	[0.467]	[0.076]	[0.088]	[0.359]
BALCH_ey [2]	32.610***	-26.062	17.037	27.620**	-22.426	19.298	28.728***	2.147	5.861	25.167**	2.699	9.486
	[0.006]	[0.211]	[0.328]	[0.038]	[0.283]	[0.272]	[0.009]	[0.886]	[0.629]	[0.042]	[0.856]	[0.460]
GDPPC_gr [2]	-3.316	41.554**	31.579**	-6.536	51.633**	33.258**	1.488	40.320***	29.715***	-1.038	42.204***	33.895***
	[0.741]	[0.014]	[0.017]	[0.552]	[0.014]	[0.023]	[0.879]	[0.003]	[0.003]	[0.922]	[0.008]	[0.002]
GDPD_trend_ey [3]				9.102	-15.999	-19.824**				7.203	-3.475	-16.034**
				[0.415]	[0.438]	[0.012]				[0.500]	[0.815]	[0.012]
Majoritarian Electoral System	0.702	0.129	0.637	0.660	0.141	0.508	0.590	0.338	0.663	0.546	0.309	0.477
	[0.123]	[0.872]	[0.262]	[0.147]	[0.862]	[0.384]	[0.133]	[0.565]	[0.159]	[0.167]	[0.603]	[0.331]
Constant	0.033	-1.984***	-0.779	0.097	-2.353***	-0.593	-0.243	-1.807***	-1.251***	-0.192	-1.855***	-1.183***
	[0.917]	[0.004]	[0.110]	[0.772]	[0.007]	[0.273]	[0.435]	[0.000]	[0.000]	[0.551]	[0.001]	[0.001]
Pseudo R[2]	0.069	0.171	0.101	0.071	0.183	0.167	0.054	0.132	0.083	0.056	0.132	0.122
LR(chi2)	11.73	9.75	6.97	12.45	10.87	11.75	10.46	9.42	11.01	10.74	9.75	13.94
Akaike's criteria	207.41	53.09	86.01	208.83	54.46	82.46	231.37	88.16	139.69	232.96	90.10	136.16
Schwartz's criteria	222.56	61.40	96.57	227.02	64.44	95.13	247.02	99.40	153.01	251.74	103.59	152.14
Observations	153.00	39.00	61.00	153.00	39.00	61.00	169.00	70.00	106.00	169.00	70.00	106.00

[1] For variables definitions see the text section of the appendix. The figures in the table are logit coefficients and the figures in the parantheses are P-values calculated on the basis of robust standard errors. An asterisk (*) indicates multiplication by the binary variable that follows. **new_democracy** - A binary variable with a value of 1 for new democracies, **old_developed** - A binary variable with a value of 1 for old and developed democracies, **old_less_developed** - A binary variable with a value of 1 for old and less developed democracies.

[2] **BALCH_term** - The change in the ratio of the government deficit to GDP in the two years preceding the election year, relative to the two previous years. **BALCH_ey** -The change in the government deficit ratio to GDP In the election year, compared to the previous year. **GDPPC_gr** - The average growth rate of real per-capita GDP during the leader's current term.

[3] **GDPD_trend_ey** - The change in the difference between real GDP and its trend, estimated using a Hodrick-Prescott filter, in the last year of the leader's term.

* - Significant at the 10 percent level; ** - Significant at the 5 percent level; *** - Significant at the 1 percent level.

Table A-15: Varying Effects of Budget Balances on the Probability of Reelection in Different Categories of Old and New Democracies [1]

Dependent variable: **REELECT**	Old Democracies[2]		Old Developed Democracies[2]		Old Less Developed Democracies[2]		New Democracies[2]	
	Balch_term	Balch_ey	Balch_term	Balch_ey	Balch_term	Balch_ey	Balch_term	Balch_ey
1) **Parliamentary System**[3]	17.866**	16.384*	19.057**	30.521***	14.518	-11.711	2.903	27.146
	[0.012]	[0.096]	[0.020]	[0.009]	[0.346]	[0.543]	[0.906]	[0.310]
2) **Presidential System**[3]	-15.981	33.833	40.369	149.708	-42.611	9.328	-11.255	-21.834
	[0.724]	[0.467]	[0.399]	[0.209]	[0.430]	[0.824]	[0.675]	[0.434]
3) **Proportional Electoral System**[3]	16.367**	30.724**	22.399**	41.272***	-26.198	-27.263	-4.127	0.841
	[0.043]	[0.012]	[0.013]	[0.001]	[0.407]	[0.376]	[0.830]	[0.959]
4) **Majoritarian Electoral System**[3]	19.957	-8.284	13.358	-3.128	31.701	-0.918	-4.359	60.745**
	[0.118]	[0.608]	[0.470]	[0.907]	[0.111]	[0.965]	[0.937]	[0.036]
5) **High Level of Democracy**[3]	17.235**	26.975**	20.276**	31.871***	9.945	21.716	-4.771	42.668*
	[0.030]	[0.013]	[0.013]	[0.008]	[0.804]	[0.451]	[0.877]	[0.076]
6) **Low Level of Democracy**[3]	10.112	-22.403	-229.355	29.083	6.567	-42.952	6.994	2.057
	[0.526]	[0.288]	[0.182]	[0.497]	[0.678]	[0.141]	[0.753]	[0.918]
7) **Predetermined Elections**[3]	15.151	8.726	24.300*	27.001*	-10.439	-27.516	3.725	6.015
	[0.126]	[0.479]	[0.054]	[0.085]	[0.588]	[0.213]	[0.865]	[0.751]
8) **Early Elections**[3]	22.885**	31.635**	18.786	48.099***	73.639*	13.130	27.527	82.504**
	[0.027]	[0.030]	[0.122]	[0.007]	[0.090]	[0.700]	[0.585]	[0.018]

[1] For variables and country definitions see the text section of the appendix. The figures in the table are logit coefficients and the figures in the parantheses are P-values calculated on the basis of robust standard errors. The equations were estimated for the narrow sample but there is no qualitative difference.

[2] **BALCH_term** - The change in the ratio of the government deficit to GDP in the two years preceding the election year, relative to the two previous years.**BALCH_ey** - The change in the government deficit ratio to GDP In the election year, compared to the previous year.

[3] The coefficients in each column are for the interaction of the variable on the top of column - including a binary variable for old, old developed, old less developed and new democracies, respectively - with the variable on the left column. The coefficients were estimated in equations that included also a constant term the change in GDP per capit during the term and binary variables for developed countries, new democracies and countries with a majoritarian electoral system.
* - Significant at the 10 percent level; ** - Significant at the 5 percent level; *** - Significant at the 1 percent level.

Table A-16: Descriptive Statistics - Party & Votes [1]

	All Countries			Developed Countries			Developing Countries		
	All	Reelect=1	Reelect=0	All	Reelect=1	Reelect=0	All	Reelect=1	Reelect=0
Narrow Sample									
Party									
Observations that are non-zero	199	102	97	154	81	73	45	21	24
mean on non-zero observations	0.441	0.462	0.418	0.419	0.435	0.400	0.517	0.564	0.475
st dev on non-zero observations	0.140	0.152	0.124	0.108	0.113	0.100	0.201	0.225	0.171
Votes									
Observations that are non-zero	39	14	25	8	4	4	31	10	21
mean on non-zero observations	0.507	0.504	0.508	0.531	0.497	0.566	0.500	0.507	0.497
st dev on non-zero observations	0.117	0.141	0.104	0.076	0.087	0.052	0.126	0.162	0.109
Expanded Sample									
Party									
Observations that are non-zero	223	107	116	167	81	86	56	26	30
mean on non-zero observations	0.445	0.463	0.428	0.423	0.435	0.411	0.511	0.550	0.478
st dev on non-zero observations	0.139	0.152	0.124	0.106	0.113	0.098	0.195	0.216	0.172
Votes									
Observations that are non-zero	107	30	77	11	6	5	96	24	72
mean on non-zero observations	0.478	0.503	0.468	0.523	0.499	0.551	0.473	0.504	0.462
st dev on non-zero observations	0.125	0.106	0.131	0.065	0.067	0.055	0.129	0.115	0.133

[1] 17 observations do not have data for these variables and are therefore excluded when they are used.

Table A-17: Additional Effects of the Political Strength of the Leader on the Probability of Reelection [1]

Dependent variable: REELECT	Narrow Sample				Expanded Sample			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
BALCH_term * developed [2]	19.883** [0.018]	18.790** [0.024]	18.772** [0.024]	19.389** [0.020]	12.802 [0.106]	11.815 [0.137]	11.848 [0.135]	12.243 [0.122]
BALCH_term * less_developed [2]	18.062 [0.123]	9.803 [0.422]	9.745 [0.425]	8.394 [0.509]	14.480** [0.048]	13.213* [0.066]	13.373* [0.063]	12.971* [0.089]
BALCH_ey * developed [2]	39.869*** [0.001]	41.628*** [0.001]	41.644*** [0.001]	40.780*** [0.001]	34.028*** [0.002]	35.270*** [0.002]	35.184*** [0.002]	35.052*** [0.001]
BALCH_ey * less_developed [2]	1.552 [0.907]	4.284 [0.741]	3.636 [0.784]	6.920 [0.614]	4.589 [0.632]	7.194 [0.449]	8.055 [0.405]	8.665 [0.374]
GDPPC_gr * developed [2]	-5.305 [0.593]	-5.989 [0.537]	-5.973 [0.538]	-3.275 [0.735]	-0.084 [0.993]	0.067 [0.994]	0.070 [0.994]	2.217 [0.816]
GDPPC_gr * less_developed [2]	29.615*** [0.007]	32.964*** [0.002]	33.456*** [0.002]	35.301*** [0.001]	31.301*** [0.000]	31.116*** [0.000]	30.904*** [0.000]	32.067*** [0.000]
PARTY [3]		3.074*** [0.006]	3.164*** [0.007]			2.707*** [0.003]	2.621*** [0.005]	
PARTY * majoritarian [3]				3.413*** [0.002]				2.864*** [0.001]
PARTY * proportional [3]				1.575 [0.220]				1.622 [0.146]
VOTES [4]		1.675 [0.185]		1.168 [0.363]		1.383 [0.171]		0.994 [0.337]
VOTES_R2 [5]			1.774 [0.171]				1.395 [0.176]	
D_R2 [6]			-0.160 [0.848]				-0.670 [0.320]	
Developed Countries	1.631*** [0.001]	1.787*** [0.001]	1.821*** [0.001]	2.120*** [0.000]	1.474*** [0.001]	1.393*** [0.002]	1.349*** [0.003]	1.558*** [0.001]
New Democracies	0.386 [0.320]	0.600 [0.151]	0.589 [0.156]	0.708* [0.098]	0.112 [0.723]	0.328 [0.317]	0.325 [0.320]	0.377 [0.259]
Constant	-1.365*** [0.001]	-2.775*** [0.000]	-2.848*** [0.000]	-2.702*** [0.000]	-1.488*** [0.000]	-2.540*** [0.000]	-2.462*** [0.000]	-2.415*** [0.000]
Pseudo R^2	0.083	0.108	0.109	0.122	0.086	0.109	0.111	0.115
LR(chi2)	25.723	34.476	34.232	34.416	34.434	44.670	44.426	46.225
Akaike's criteria	320.54	316.04	317.92	313.60	427.21	420.90	422.26	420.20
Schwartz's criteria	351.79	354.23	359.59	355.27	461.41	462.69	467.85	465.79
Observations	238	238	238	238	330	330	330	330

[1] For variables definitions see the text section of the appendix. The figures in the table are logit coefficients and the figures in the parantheses are P-values calculated on the basis of robust standard errors. An asterisk (*) indicates multiplication by the binary variable that follows.**developed** - A binary variable with a value of 1 for developed countries, **less_developed** - A binary variable with a value of 1 for less developed countries.

[2] **BALCH_term** - The change in the ratio of the government deficit to GDP in the two years preceding the election year, relative to the two previous years.**BALCH_ey** -The change in the government deficit ratio to GDP In the election year, compared to the previous year.**GDPPC_gr** - The average growth rate of real per-capita GDP during the leader's current term.

[3] PARTY - The percent of seats in the parliament held by the leader's party, receives the value 0 in a presidential system.

[4] VOTES - The percent of the votes received by a leader in a presidential system in the first round of the previous elections.

[5] VOTES_R2 - The percent of the votes received by a leader in a presidential system in the last round of the previous elections.

[6] D_R2 - A binary variable receiving the value 1 for a leader in a presidential system, that had to run in more than one round in the previous elections.

* - Significant at the 10 percent level; ** - Significant at the 5 percent level; *** - Significant at the 1 percent level.

Table A-18: Separate Effects of Global and Domestic Induced Growth on the Probability of Reelection [1]

Dependent variable: REELECT	Narrow Sample						Expanded Sample					
	(1)	(1)	(2)	(2)	(3)	(3)	(4)	(4)	(5)	(5)	(6)	(6)
	Dev	Undev	Dev	Undev	Dev	Undev	Dev	Undev	Dev	Undev	Dev	Undev
BALCH_term [2]	16.896** [0.046]	7.255 [0.570]	20.156** [0.018]	8.302 [0.511]	19.805** [0.021]	7.310 [0.563]	10.773 [0.187]	14.105* [0.069]	13.253 [0.102]	13.852* [0.077]	12.771 [0.116]	14.000* [0.073]
BALCH_ey [2]	29.438** [0.018]	5.922 [0.659]	40.804*** [0.001]	5.512 [0.692]	37.440*** [0.004]	5.962 [0.659]	25.667** [0.026]	8.686 [0.394]	35.193*** [0.002]	8.211 [0.410]	32.139*** [0.007]	8.234 [0.410]
GLOBAL_gr [3]	19.755 [0.517]	27.506 [0.843]	20.518 [0.547]	32.223 [0.814]	15.047 [0.641]	35.532 [0.794]	29.291 [0.340]	6.451 [0.882]	29.959 [0.375]	7.851 [0.856]	25.046 [0.436]	6.545 [0.880]
DOMESTIC_gr [3]	2.821 [0.822]	35.596*** [0.003]	3.075 [0.797]	34.287*** [0.003]	1.910 [0.874]	34.878*** [0.003]	8.192 [0.514]	31.309*** [0.001]	8.650 [0.465]	32.283*** [0.000]	7.797 [0.517]	31.966*** [0.000]
INF_ey [4]	-14.033*** [0.001]	1.101 [0.706]					-12.852*** [0.001]	-0.734 [0.694]				
INFCH_ey [4]	-10.508* [0.054]	1.878 [0.686]	-11.567** [0.025]	2.212 [0.651]	-17.150** [0.014]	2.438 [0.603]	-10.504** [0.045]	0.219 [0.877]	-11.863** [0.018]	-0.087 [0.941]	-17.541** [0.011]	-0.005 [0.997]
Average_INF [4]					-5.215** [0.016]	0.664 [0.646]					-5.053** [0.020]	-0.245 [0.814]
PARTY [5]	2.847 [0.118]	2.913 [0.127]	2.484 [0.146]	2.755 [0.140]	2.540 [0.147]	2.877 [0.123]	1.861 [0.291]	2.969** [0.044]	1.566 [0.346]	3.046** [0.038]	1.585 [0.349]	3.014** [0.040]
VOTES [6]	-0.062 [0.979]	2.038 [0.262]	0.100 [0.964]	1.887 [0.289]	-0.383 [0.866]	1.967 [0.267]	0.052 [0.981]	1.361 [0.305]	0.284 [0.895]	1.416 [0.287]	-0.160 [0.943]	1.390 [0.296]
New Democracies	2.274*** [0.005]	0.581 [0.356]	0.860 [0.147]	0.607 [0.332]	2.124** [0.035]	0.545 [0.400]	2.264*** [0.003]	0.257 [0.528]	0.958* [0.095]	0.261 [0.521]	2.189** [0.027]	0.275 [0.508]
Majoritarian Electoral System	1.271** [0.034]	0.664 [0.413]	0.981* [0.081]	0.612 [0.440]	1.126* [0.052]	0.673 [0.405]	1.030** [0.050]	0.145 [0.806]	0.827* [0.083]	0.167 [0.778]	0.946* [0.058]	0.150 [0.800]
Constant	-1.007 [0.417]	-2.995 [0.353]	-1.616 [0.208]	-2.908 [0.361]	-1.201 [0.339]	-3.130 [0.324]	-1.080 [0.383]	-1.979* [0.099]	-1.654 [0.191]	-2.148* [0.056]	-1.253 [0.315]	-2.064* [0.075]
Pseudo R^2	0.162	0.140	0.120	0.138	0.144	0.141	0.133	0.134	0.097	0.133	0.118	0.133
LR(chi2)	26.202	17.039	18.456	16.596	22.935	17.250	28.120	25.063	19.790	25.085	25.120	25.356
Akaike's criteria	209.92	110.35	217.25	108.55	213.90	110.31	235.81	188.74	242.77	186.93	239.69	188.87
Schwartz's criteria	243.89	135.99	248.12	131.86	247.86	135.94	270.81	222.00	274.58	217.17	274.69	222.14
Observations	162	76	162	76	162	76	178	152	178	152	178	152

[1] For variables definitions see the text section of the appendix. The figures in the table are logit coefficients and the figures in the parantheses are P-values calculated on the basis of robust standard errors. An asterisk (*) indicates multiplication by the binary variable that follows. **developed** - A binary variable with a value of 1 for developed countries, **less_developed** - A binary variable with a value of 1 for less developed countries.

[2] **BALCH_term** - The change in the ratio of the government deficit to GDP in the two years preceding the election year, relative to the two previous years. **BALCH_ey** -The change in the government deficit ratio to GDP In the election year, compared to the previous year.

[3] DOMESTIC_gr , GLOBAL_gr - The average growth rate of real per-capita GDP during the leader's current term.

[4] **INF_ey** - The inflation rate in the election year. **INFCH_ey** - The increase in the inflation rate from the year preceding the election year to the election year. **Average_INF** - The average rate of inflation rate during the leader's current term.

[5] PARTY - The percent of seats in the parliament held by the leader's party, receives the value 0 in a presidential system.

[6] VOTES - The percent of the votes received by a leader in a presidential system in the first round of the previous elections.

* - Significant at the 10 percent level; ** - Significant at the 5 percent level; *** - Significant at the 1 percent level.

Table A-19: Additional Effects of Election Year Budget Balances and Growth on the Probability of Reelection - FIXED EFFECTS [1]

Dependent variable: **REELECT**	Narrow Sample			Expanded Sample		
	(1)	(2)	(3)	(4)	(5)	(6)
BALCH_term * developed [2]	16.456* [0.070]		13.037 [0.229]	10.510 [0.178]		6.701 [0.475]
BALCH_term * less_developed [2]	11.678 [0.577]		11.067 [0.618]	15.701 [0.110]		13.591 [0.270]
BALCH_ey * developed [2]	28.876** [0.030]	24.164* [0.064]	36.779** [0.025]	27.793** [0.019]	23.997** [0.043]	35.220** [0.022]
BALCH_ey * less_developed [2]	19.986 [0.277]	17.907 [0.315]	48.749 [0.166]	7.508 [0.489]	3.041 [0.774]	6.274 [0.688]
GDPPC_gr * developed [2]	8.228 [0.481]	6.643 [0.573]	6.864 [0.562]	13.355 [0.232]	11.777 [0.293]	11.972 [0.290]
GDPPC_gr * less_developed [2]	48.848** [0.042]	51.420** [0.031]	48.717** [0.042]	33.009*** [0.010]	29.508** [0.014]	32.701** [0.013]
BALCH_term+ey * developed [3]		19.267** [0.023]			13.673* [0.062]	
BALCH_term+ey * less_developed [3]		21.201 [0.275]			14.592 [0.148]	
BALCH_term * Def_Size * developed [4]			-1.242 [0.571]			-1.568 [0.431]
BALCH_term * Def_Size * less_developed [4]			0.801 [0.729]			-0.474 [0.769]
BALCH_ey * Def_Size * developed [4]			2.288 [0.437]			2.077 [0.448]
BALCH_ey * Def_Size * less_developed [4]			6.123 [0.315]			-0.327 [0.913]
New Democracies	2.457** [0.015]	2.628** [0.011]	2.541** [0.013]	2.306*** [0.003]	2.320*** [0.003]	2.337*** [0.003]
Majoritarian Electoral System	0.688 [0.548]	0.783 [0.503]	0.742 [0.514]	0.318 [0.761]	0.363 [0.732]	0.337 [0.751]
Pseudo R[2]	0.118	0.136	0.130	0.114	0.120	0.119
LR(chi2)	21.787	25.020	23.982	30.52	31.98	31.76
Akaike's criteria	178.21	174.98	184.01	252.13	250.67	258.89
Schwartz's criteria	205.14	201.90	224.41	281.71	280.25	303.26
Observations	214	214	214	298	298	298

[1] For variables definitions see the text of the appendix. The figures in the table are logit coefficients and the figures in the parantheses are P-values calculated on the basis of robust standard errors. An asterisk (*) indicates multiplication by the binary variable that follows.**developed** - A binary variable with a value of 1 for developed countries, **less_developed** - A binary variable with a value of 1 for less developed countries.

[2] **BALCH_term** - The change in the ratio of the government deficit to GDP in the two years preceding the election year, relative to the two previous years. **BALCH_ey** -The change in the government deficit ratio to GDP In the election year, compared to the previous year.**GDPPC_gr** - The average growth rate of real per-capita GDP during the leader's current term.

[3] **BALCH_term+ey** - The change in the budget balance ratio to GDP during the leader's term, including elections year.

[4] **Def_Size -** The budget deficit ratio to GDP at the beginning of the leader's term. An asterisk (*) indicates multiplication by this variable.

* - Significant at the 10 percent level; ** - Significant at the 5 percent level; *** - Significant at the 1 percent level.

Table A-20: Separate Effects of Revenue and Expenditure on the Probability of Reelection [1]

Dependent variable: **REELECT**	Narrow Sample				Expanded Sample			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
REVCH_term * developed [2]	19.501** [0.026]	15.716* [0.081]	18.756** [0.031]	18.291** [0.037]	11.730 [0.156]	8.702 [0.309]	11.079 [0.183]	10.583 [0.204]
REVCH_term * less_developed [2]	15.609 [0.270]	12.430 [0.432]	10.725 [0.472]	11.587 [0.450]	18.391* [0.059]	17.825* [0.072]	17.421* [0.082]	18.027* [0.075]
EXPCH_term * developed [2]	-19.327** [0.028]	-15.376* [0.083]	-19.543** [0.025]	-18.745** [0.032]	-11.727 [0.164]	-8.602 [0.320]	-11.905 [0.158]	-11.122 [0.189]
EXPCH_term * less_developed [2]	-15.482 [0.210]	-9.133 [0.503]	-9.056 [0.481]	-8.960 [0.507]	-14.062* [0.054]	-13.230* [0.086]	-13.330* [0.084]	-13.507* [0.081]
REVCH_ey * developed [2]	54.723*** [0.001]	51.783*** [0.002]	56.879*** [0.001]	55.014*** [0.001]	49.234*** [0.002]	47.273*** [0.003]	49.995*** [0.002]	48.655*** [0.002]
REVCH_ey * less_developed [2]	11.563 [0.449]	15.478 [0.333]	13.793 [0.388]	15.967 [0.323]	7.389 [0.511]	10.884 [0.368]	10.272 [0.376]	10.553 [0.373]
EXPCH_ey * developed [2]	-33.932*** [0.007]	-25.919** [0.042]	-40.713*** [0.001]	-35.165*** [0.006]	-28.866** [0.012]	-22.116* [0.060]	-33.882*** [0.003]	-29.391** [0.012]
EXPCH_ey * less_developed [2]	-2.267 [0.872]	-5.869 [0.673]	-4.262 [0.760]	-5.124 [0.715]	-7.575 [0.508]	-9.891 [0.403]	-9.011 [0.417]	-9.173 [0.421]
GDPPC_gr * developed [2]	2.999 [0.798]	2.707 [0.821]	2.644 [0.816]	1.917 [0.867]	8.925 [0.435]	8.647 [0.457]	8.909 [0.424]	8.203 [0.464]
GDPPC_gr * less_developed [2]	30.477** [0.010]	36.064*** [0.002]	32.774*** [0.005]	33.997*** [0.003]	30.791*** [0.001]	31.041*** [0.000]	31.378*** [0.000]	31.432*** [0.000]
INF_ey * Developed [3]		-12.404*** [0.001]				-10.543*** [0.005]		
INF_ey * Less_Developed [3]		1.354 [0.644]				-0.509 [0.756]		
INFCH_ey * Developed [3]	-14.631** [0.021]	-10.355** [0.038]	-11.058** [0.030]	-16.077*** [0.009]	-15.293** [0.017]	-11.387** [0.026]	-11.853** [0.015]	-16.342*** [0.008]
INFCH_ey * Less_Developed [3]	3.747 [0.415]		2.580 [0.599]	3.316 [0.500]	0.341 [0.792]		0.030 [0.980]	0.168 [0.898]
Average_INF * Developed [3]	-3.426* [0.088]			-3.961** [0.041]	-2.837 [0.184]			-3.288 [0.104]
Average_INF * Less_Developed [3]	0.025 [0.986]			0.631 [0.666]	-0.591 [0.581]			-0.249 [0.817]
PARTY [4]		2.877** [0.023]	2.362** [0.048]	2.735** [0.025]		2.379** [0.022]	2.143** [0.031]	2.298** [0.024]
VOTES [5]		1.144 [0.419]	0.975 [0.476]	1.041 [0.452]		1.007 [0.361]	0.892 [0.411]	0.950 [0.384]
Developed Countries	1.871*** [0.003]	2.722*** [0.000]	1.542*** [0.009]	2.080*** [0.002]	1.396** [0.011]	1.785*** [0.004]	1.141** [0.020]	1.413** [0.012]
New Democracies	0.749 [0.125]	1.052** [0.043]	0.676 [0.139]	0.978* [0.070]	0.287 [0.418]	0.527 [0.151]	0.313 [0.352]	0.490 [0.189]
Majoritarian Electoral System	0.922** [0.016]	0.759* [0.062]	0.671* [0.084]	0.704* [0.077]	0.713** [0.018]	0.472 [0.151]	0.479 [0.137]	0.457 [0.161]
Constant	-1.817*** [0.001]	-3.312*** [0.000]	-2.625*** [0.001]	-3.036*** [0.000]	-1.659*** [0.000]	-2.546*** [0.000]	-2.417*** [0.000]	-2.515*** [0.000]
Pseudo R^2	0.131	0.162	0.135	0.150	0.120	0.145	0.128	0.135
LR(chi2)	37.015	45.201	38.007	41.414	47.997	58.879	51.515	55.474
Akaike's criteria	322.71	314.20	321.20	320.39	430.09	420.93	426.52	427.24
Schwartz's criteria	385.21	380.17	383.70	389.84	498.47	493.11	494.90	503.22
Observations	238	238	238	238	330	330	330	330

[1] For variables definitions see the text section of the appendix. The figures in the table are logit coefficients and the figures in the parantheses are P-values calculated on the basis of robust standard errors. An asterisk (*) indicates multiplication by the binary variable that follows.**developed** - A binary variable with a value of 1 for developed countries, **less_developed** - A binary variable with a value of 1 for less developed countries.

[2] **REVCH_term** - The change in the ratio of the government revenue to GDP in the two years preceding the election year, relative to the two previous years**EXPCH_term** - The change in the ratio of the government expenditure to GDP in the two years preceding the election year, relative to the two previous years.**REVCH_ey** -The change in the government revenue ratio to GDP In the election year, compared to the previous year.**EXPCH_ey** -The change in the government expenditure ratio to GDP In the election year, compared to the previous year.**GDPPC_gr** - The average growth rate of real per-capita GDP during the leader's current term.

[3] **INF_ey** - The inflation rate in the election year.**INFCH_ey** - The increase in the inflation rate from the year preceding the election year to the election year**Average_INF** - The average rate of inflation rate during the leader's current term.

[4] PARTY - The percent of seats in the parliament held by the leader's party, receives the value 0 in a presidential system.

[5] VOTES - The percent of the votes received by a leader in a presidential system in the first round of the previous elections.

* - Significant at the 10 percent level; ** - Significant at the 5 percent level; *** - Significant at the 1 percent level.

Table A-21:Descriptive Statistics - Growth Differential

		All Countries			Developed Countries			Developing Countries		
		All	Reelect=1	Reelect=0	All	Reelect=1	Reelect=0	All	Reelect=1	Reelect=0
Narrow Sample										
Observations		255	126	129	164	86	78	91	40	51
of which Established										
Gdppcdif [1]	mean	0.008	0.010	0.007	0.009	0.008	0.010	0.008	0.015	0.001
	standard deviation	0.021	0.020	0.023	0.019	0.018	0.021	0.024	0.022	0.025
Expanded Sample										
Observations		347	147	200	180	88	92	167	59	108
of which Established										
Gdppcdif [1]	mean	0.008	0.011	0.006	0.009	0.007	0.010	0.006	0.015	0.002
	standard deviation	0.022	0.020	0.022	0.019	0.018	0.020	0.024	0.021	0.024

[1] Gdppcdif - The difference between per-capita GDP growth during the leader's term of office and the growth of global per-capita GDP growth during the same period.