esid Effective States and Inclusive Development
identifying routes to social justice

ESID Working Paper No. 165

*The political settlements dataset: An introduction with illustrative applications**

Nicolai Schulz[1] and Tim Kelsall[2]

January 2021

[1] Humboldt-Universität zu Berlin
Email correspondence: nicolai.schulz@hu-berlin.de

[2] Overseas Development Institute, London
Email correspondence: t.kelsall@odi.org.uk

ISBN: 978-1-912593-83-5

*The political settlements dataset codebook can be accessed here.

Abstract

The social sciences have long been invested in answering the question of whether and how different configurations of de facto political power affect economic, political and social development. So far, however, a lack of adequate data has made it difficult to test the validity of contending frameworks and hypotheses across time and space. The Political Settlements (PolSett) dataset aims to fill this gap. This original expert-survey-based dataset covers over 200 political economy variables coded for 42 countries in the Global South from 1946 or independence to 2018 (totalling 2,718 country-years). Allowing the detailed mapping of countries' configurations of power, it captures information on the relative size, strength and social composition of contending political blocs in society, their internal cohesion, accountability relations and benefit distribution. The dataset further adds novel variables related to systemic threats, the strength of domestic capitalists, and the character of social and economic policy. Following a description of the dataset's major features, validity and limitations, the paper applies one of its key indices – the Power Concentration Index – to five distinct political and economic outcomes to illustrate its potential.

The political settlements dataset codebook can be accessed here.

Keywords: political settlements, political economy of development, political power concentration, coup, corruption reduction, industrial growth, quantitative methods, economic policy, threats

Acknowledgements: First, we want to thank Whitney Banyai-Becker and Anthony Bladen for their excellent research assistance. We are also grateful to Julia Brunt and Julie Rafferty for their administrative support. We are indebted to Kunal Sen, Samuel Hickey and David Hulme, who, alongside critical substantial and methodological input, gave us the opportunity to conduct this project at ESID. We also want to thank the participants at numerous workshops, who helped us sharpen the survey design, validate expert replies and interpret first findings. Finally, our particular thanks go to the 135 country experts who agreed to share their knowledge and time with us to create this dataset.

Schulz, N. and Kelsall, T. (2021) The political settlements dataset: An introduction with illustrative applications. ESID Working Paper No.165. Manchester, UK: The University of Manchester. Available at www.effective-states.org

The background research for this paper was funded by the Effective States and Inclusive Development Research Centre (ESID), based at The University of Manchester, UK. This document is an output from a project funded by UK Aid from the UK government for the benefit of developing countries. However, the views expressed and information contained in it are not necessarily those of, or endorsed by the UK government, which can accept no responsibility for such views or information or for any reliance placed on them.

1. Introduction

The social sciences have long been invested in answering the question of whether and how different configurations of political power affect economic, political and social developments. Are governments that concentrate power in the top leadership more or less able and willing to promote economic growth? Do they face fewer challenges to their rule than leaders of regimes in which power is more balanced within and beyond the ruling elite? Will broader and deeper coalitions underpinning a regime motivate it to invest more in comprehensive social policy? And can domestic and/or foreign threats shape whether powerful rulers become developmental?

Over recent decades, these and related questions have been the subject of vigorous debates in the comparative political economy of development literature. Regarding the question of power and economic growth, for example, a more institutionalist scholarship has argued that high levels of power concentration in the top leadership of the country reduces leaders' accountability to partners in the ruling coalition and the wider population, thereby ultimately undermining development (Bizzarro et al., 2018; Bueno de Mesquita, 2005; Cox and Weingast, 2018; Knutsen, 2012; Miller, 2015; Olson, 1993; Wilson and Wright, 2015; Wright, 2008). Specifically, given their consolidated power, such leaders are unlikely to be deposed when underperforming and therefore also have little incentive to perform well in the first place. Moreover, it is argued that investors tend to avoid such concentrated power settings, as they fear the exit of incumbents might leave a vacuum or result in a radical change that could seriously disrupt the economy.

A more historical-structuralist strand in the literature, however, sees power concentration in a more positive light. Captivated by the developmental success of East Asian regimes and disappointed by the failure to repeat it in more fragmented societies in the Global South, it argues that cohesive and powerful ruling coalitions might possess a greater ability and willingness to promote economic growth (Boone, 1992; Kohli, 2004; Leftwich, 2005; Migdal, 1988; Waldner, 1999). Over the last decade, this position has been researched particularly by scholars affiliated with UK institutions under the banner of 'Political Settlement Analysis' (Abdulai and Hickey, 2016; Behuria et al., 2017; Ferguson, 2020; Gray, 2018; Kelsall et al., forthcoming; Kelsall, 2013, 2018; Khan, 2018; Levy, 2014; Sen, 2013; Whitfield et al., 2015).[2] As per its pioneer in development studies, Mushtaq Khan, political settlements can be understood as relatively stable combinations of power and institutions, in which institutions deliver rents or benefits to powerful groups that are in line with their expectations (Khan, 2010).[3] At the heart of Khan's approach stands his influential typology

[2] The concept made its debut in development studies in 1995, via Mushtaq Khan's critique of New Institutional Economics (NIE) (Khan (1995)). Khan argued that NIE struggled to explain why identical market- and good governance-enhancing institutions worked well in some but not in other countries because it failed to incorporate the underlying 'balance of power between the classes and groups affected' by such institutions. Specifically, that where new institutions threatened the interests of powerful groups they would be resisted.

[3] We define political settlements as *an ongoing agreement among a society's most powerful groups over a set of political and economic institutions expected to generate for them a minimally acceptable level of benefits, which thereby ends or prevents generalised civil war.* In political science, the concept most closely related is arguably that of a 'political order'.

of the configuration of ruling coalition power in 'clientelist' political settlements.[4] In its essence, Khan argued that (a) the stronger the ruling coalition vis-à-vis the opposition, the longer its time horizon and thus the greater the motivation to engage in long-term (i.e. developmental) planning. And (b) that the more cohesive the ruling coalition and the weaker the internal lower-level factions, the less pressure there will be on leaders to permit unproductive rent-seeking in the interests of ruling coalition unity.

There has been little attempt to date, however, to code such characteristics of countries' configurations of power cross-nationally or -temporally. Existing efforts have been limited to the use of proxies like regime type or leader duration predictions (Bueno de Mesquita, 2005; Wright, 2008); to specific social groups like ethno-religious groups (Cederman et al., 2010); to fairly generalised levels of inequality between social and socio-economic groups (Coppedge et al., 2020b); or to authoritarian contexts and ruling coalitions (Gandhi and Sumner, 2020; Svolik, 2012). The lack of more direct measures of political power for a more comprehensive set of contexts and areas of power makes it difficult to rigorously address the questions introduced above and to test contending explanatory frameworks.

The Political Settlements (PolSett) Dataset aims to fill this gap. Constructed over three years at the University of Manchester's Effective States and Inclusive Development (ESID) research centre, this expert-survey-based dataset covers over 200 political economy variables coded for 42 countries in the Global South from 1946 or independence to 2018 (totalling 2,718 country-years). For each country, at least three experts in its political economy and/or political history were invited to participate in our survey. We asked them about the relative size, strength and social composition of contending political blocs in society, their internal cohesion, accountability relations and benefit distribution. We also collected data on additional variables, such as foreign relations, systemic threats, the strength of domestic capitalists and the character of social and economic policy. We hope to convince readers that the PolSett dataset will allow studying central questions of power, coalitions, threats, economic policy-making and development more directly.

The remainder of this paper is structured as follows. The next section describes the construction of the data and illustrates patterns of two key variables across our sample countries, namely the Social Foundation Size Index (measuring the share of the population that is both mostly co-opted and potentially threatening to the country's top leadership) and the Power Concentration Index (which measures the degree to which power in the country is concentrated in its top leadership). The section shows that political settlements are distinct from classical regime types. On average, democracies tend to have broader social foundations and less concentrated power configurations than autocracies. Zooming in on power concentration, we show, however, that degrees of power concentration often vary strongly during periods where the regime type remains constant. Moreover, we list a range of cases from our dataset where autocrats fail to concentrate power

[4] Khan starts from the premise that by the nature of their poverty all developing country states are clientelist or neopatrimonial to a considerable extent. In contrast to wealthy states, ruling coalitions in developing countries do not have the resources to spend universally and impartially, but only to a limited number of societal actors whose support is necessary to consolidate the regime.

while democrats succeed in doing so. This not only demonstrates that political settlements and regime type are very distinct concepts but also opens avenues to understanding variation in development outcomes *within* democracies and autocracies. Section 3 then discusses our strategy to check the validity as well as limitations of the dataset. To illustrate the dataset's potential use, in Section 4 we apply its Power Concentration Index to five outcomes: leader duration, leader exit, coup attempts, corruption change and industrial growth. We conclude with a short section on potential future uses of the data.

The political settlements dataset codebook can be accessed here.

2. Data construction

Motivated by the desire to explore political settlement and related theories of de facto power configurations quantitively, we set out in early 2017 to survey the literature for the existence of suitable data. After compiling a list of nearly 300 potentially relevant variables, we concluded that none of them adequately captured the essence of these approaches and concepts. Consequently, we decided to create our own operationalisations of the concept and to collect the data ourselves.

To appreciate the composition and geometry of a society's more and less powerful groups, in-depth knowledge of its political history is required. For this reason, we chose an expert survey as our approach to capturing data. For each country, the survey relies on the assessment of at least three experts in its political economy and/or political history, identified through personal networks or web searches. With data quality a function of the quality of the experts, we considered only scholars with a documented and widely reputed expertise on a country's modern political history.

Limited in the number of experts we could compensate,[5] we restricted our survey population to 42 countries in the Global South (illustrated in Figure 2 below). We selected only countries that in the 1960s had predominantly rural populations with more than five million inhabitants, an agricultural sector that contributed at least 10 percent of GDP, and a GDP per capita (in 2010 constant US$) of less than US$3,500. Furthermore, except for four landlocked countries that were critical to the ESID project – Ethiopia, Rwanda, Uganda and Zambia – all selected countries are coastal. Hereby the dataset permits small- or medium-N focused researchers to minimise the number of several typical confounding variables that need to be held constant.

The survey instrument itself was designed over the course of one year. Before being disseminated to all 129 experts, it was exposed to three rounds of piloting and subsequent feedback discussions and workshops with a dozen ESID scholars and ESID-external country experts, respectively. The final survey then consisted of two distinct phases. In Phase 1 of the survey, we asked experts to corroborate or interrogate a list of *political periods* into which we had provisionally split countries' political history (since 1946 or independence, whichever was later).[6] The key goal of this exercise

[5] Given the considerable time invested in the survey, coders were recompensated with an honorarium of £500.

[6] The periods identified are in many cases identical to what we would term 'political settlement periods' – but not always, which is why we simply call them 'periods' or 'political periods'.

was to create a periodisation that closely tracks variation in major de facto changes in the political and/or economic rules of the game, the configuration of power and the degree of agreement around the settlement, serving as temporal units of coding in the second part of the survey. This process included several iterations of back-and-forth discussions with and between coders, typically taking between one and three months.

As described in more detail below, at a macro level we divide society into three main blocs, based on their relationship to a country's de facto leader and the governing coalition. Following this conceptualisation, we decided to use leadership change as a good initial proxy for changes in the configuration of powerful groups. Using the Archigos data base[7] of (de facto) political leaders (Goemans et al., 2009), each change in the leadership of a country was consequently identified as a basic break-point.

Thereafter, we used additional data bases and web resources to identify other potential break-points which might signify major change or evolution in the de facto rules of the game and/or the configuration of power, namely:

1. the composition and power of the governing coalition;[8]
2. formal political institutions;[9]
3. the degree of violent contestation and/or the propensity of the government losing a war;[10]
4. the economic and social ideology of the head of government;[11] and/or
5. the degree to which the state can conduct domestic policy autonomously of foreign states or organisations.[12]

We then asked coders to question and suggest changes to our initial periodisation. When doing so, we encouraged them to think of other criteria that might be relevant for tracking changes in the configuration of power (e.g. changes in informal institutions, movements of very powerful sub-groups from one bloc to another) and to overrule de jure changes we have suggested if they were not major de facto changes.

This process resulted in a fine-grained periodisation system. The average country in our dataset is covered for 61.77 years, had 8.59 distinct leaders, and 14.31 political periods (resulting in an average period length of 4.31 years). Importantly, it goes beyond merely using leader transitions

[7] http://www.rochester.edu/college/faculty/hgoemans/data.htm
[8] For example using the Ethnic Power Relations dataset (Cederman et al. (2010)).
[9] Here, for example, we used the Polity IV dataset (Marshall et al. (2019)) to identify changes in political and economic institutions. The former would be signified by such things as transitions from autocracy to democracy, changes in the electoral system, changes to the separation of powers, transitions from unitary to federal constitutions, and so on, although in all cases we asked coders to concentrate on de facto institutional change.
[10] Here primarily using the Major Episodes of Political Violence dataset (Marshall 2018).
[11] We asked coders to think about major changes to economic policies or systems, such as might be proxied by a change in the leadership's ideology and policy programme, with an emphasis, on de facto changes.
[12] A foreign occupation or peacekeeping mission, for example, would signify, for us, a potential break in the settlement.

as break-points, as exemplified by the example of Cameroon. The nation only had two de facto leaders in its post-independence history – Ahmadou Ahidjo and Paul Biya – yet our methodology splits it into 10 distinct political periods.

Finally, we asked coders to assess our database- and research-generated classification of whether a country-period was best described as one of the following types:[13]

- **Unsettled:** periods in which civil war was so all-encompassing and the possibility of the government losing militarily so serious and tangible, that all it could engage in was consolidating authority and securing its imminent military survival (rather than also engaging in economic or social policy, etc.).
- **Challenged:** periods where there are serious and prolonged violent or disorderly challenges to the regime but in which it is not under tangible threat of being militarily overthrown by oppositional groups.
- **Settled**: periods lasting at least two years, where there appears to be a substantial agreement or truce among the most powerful groups around the basic rules of the political game, even though there may be extensive repression of less powerful groups, minor insurgencies or sporadic violence and disorder.
- **Semi-Settled:** short periods in which there is a lack of agreement among the most powerful groups over the basic rules of the political game and/or the general composition of the governing coalition, even if this is not manifested as substantial or prolonged warfare or disorder.
- **Transitional:** periods in which there is a planned transition from war to peace, autocracy to democracy, or to organise elections.

Having established when countries had a political settlement, in Phase II of the survey we asked experts to characterise all 'settled', 'challenged', and 'transitional' periods that lasted at least two years in more detail, via a set of 27 mostly closed-ended questions, resulting in a total of 101 raw variables.[14] Implemented using the online survey tool, Qualtrics, it took experts a full day on average to complete the survey, spanning six sections, covering areas from the settlement's configuration of power to a characterisation of the government's economic and social policy. A list of all other quantitative indicators of the dataset is presented alongside simple descriptive statistics in the Appendix below.[15]

[13] Please see Section 2.1.2.1 in our code book (Appendix) for more details on the exact construction and definitions of the respective types.

[14] Thus, periods that were unsettled, semi-settled, or shorter than two years are coded as missing in the dataset. We did so for two reasons. One, for theoretical reasons, that is, because we argue that in short-termed periods or unsettled periods the variables we are looking for could hardly have formed in a stable manner. Two, for practical reasons, namely that countries with frequent short leader periods would imply significant extra work for coders. We wanted to avoid unnecessarily fatiguing coders and herewith risking the quality of data coding for periods we perceived as more meaningful.

[15] Note that the dataset also contains the list of most powerful and relatively weak groups that experts perceived each bloc in each period to be made up of.

The reason we have significantly more variables than questions is because, for many questions, experts were asked to provide data for three distinct political blocs. Political settlements' major claim to date in making a distinctive contribution to politics and development studies rests on the way it dissects political groups in a way that goes beyond conventional regime theory. It is not only interested in the power of the governing coalition vis-à-vis oppositional groups (Khan's so-called horizontal dimension of power), but also the degree of power that the country's top leader has, as compared to rival elites and lower-level factions within the governing coalition (subsumed under Khan's vertical dimension of power). To capture these distinctions, we divided society into three distinct blocs:

- **the leader's bloc (LB):** That is, the segment of the population whose political loyalty the current de facto leader can be reasonably assured of, at least in the short term (by political loyalty, we mean a determination to defend the leader against challenges and/or to not defect from or make serious political trouble for him/her, where serious political trouble refers to deliberate actions that might directly or indirectly threaten the leader's political survival);
- **the contingently loyal bloc (CLB):** The segment of the population that is currently aligned with the de facto leader (and therefore has some representation in government) but whose political loyalty s/he cannot be assured of (in other words, there is a realistic possibility that it could defect from the leader and/or make serious political trouble for him/her); and
- **the opposition bloc (OB):** The segment of the population that is not currently aligned with the LB or the CLB and does not feel represented by government. Note that this will include both members of the official and outlawed political opposition, including those in exile. For convenience, it is also where we place individuals who have no political alignment, no interest in politics and no prospect of being mobilised into politics.

The governing coalition, then, would comprise those members of the LB and the CLB that control political authority and state power, but not the OB.

Using this distinction, we asked a range of questions on the character of these blocs and their relationship to the settlement at large. Specifically: which share of the population they represented; their level of political power; whether they were likely to join or leave the governing coalition; what their most and least powerful groups were; what share of their members were powerless; how powerful high-level leaders were vis-à-vis intermediate-level leaders and ordinary followers; whether the bloc was cohesive or fragmented; how important different methods of repression or incorporation were as a strategy by the country's de facto leader to incorporate his/her and other blocs' elites and followers into or under the settlement; and how equally material benefits generated by the settlement where distributed across and within the blocs.

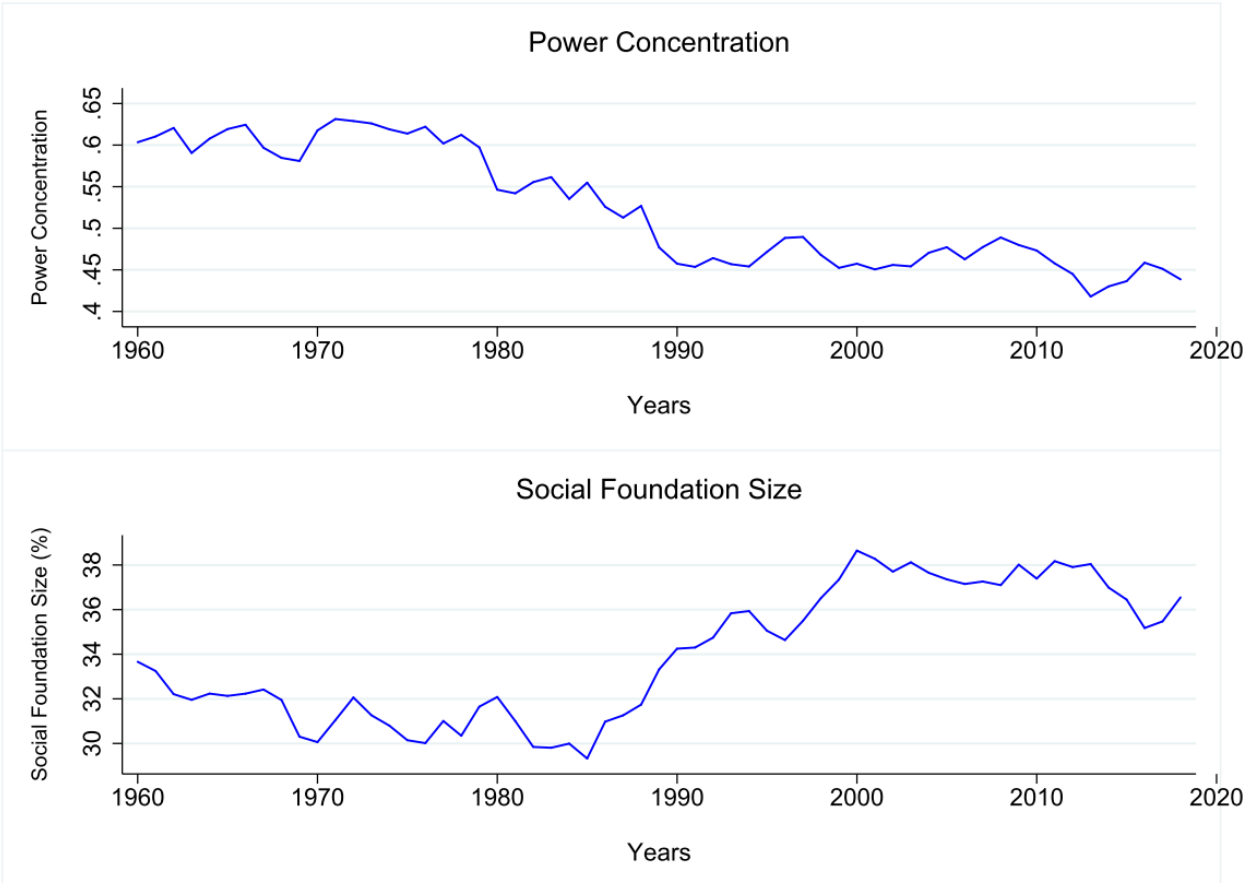
Based on these, as well as our other sections' variables, we constructed over 100 indices.[16] Two indices stand out, in particular. First, the Power Concentration Index. This index aims to have a

[16] For more detail, please consult Section 2.1.4 and 4 in the online-appended codebook.

unified measure of the degree to which de facto power is concentrated in a country's leader. Put simply, we argue that power is more concentrated in the leader's bloc the weaker the OB, the greater the power of the LB vis-à-vis the CLB, the smaller the likelihood that the CLB would leave the governing coalition, the greater the power of the leader vis-à-vis his/her own bloc's followers, and the more cohesive the leader's bloc.[17]

The second key index is the Social Foundation Size Index. The aim of this index is a measurement that captures what percentage of the population is both potentially disruptive *and* co-opted by the country's leadership. The underlying assumption is that in settlements with a larger social foundation, leaders might feel a greater pressure to deliver widespread development. To operationalise this index, we multiplied for each bloc the share of the total population it accounts for with the share of its powerful members. This bloc-level powerful population share was further multiplied by an estimate ranging from 0 to 1 of whether the bloc's followers and leaders were primarily repressed or co-opted. Aggregating all blocs' scores resulted in the final index score.

Figure 1: Power concentration and social foundation size across time



[17] For more detail, please consult p. 47 in the online-appended codebook, downloadable here.

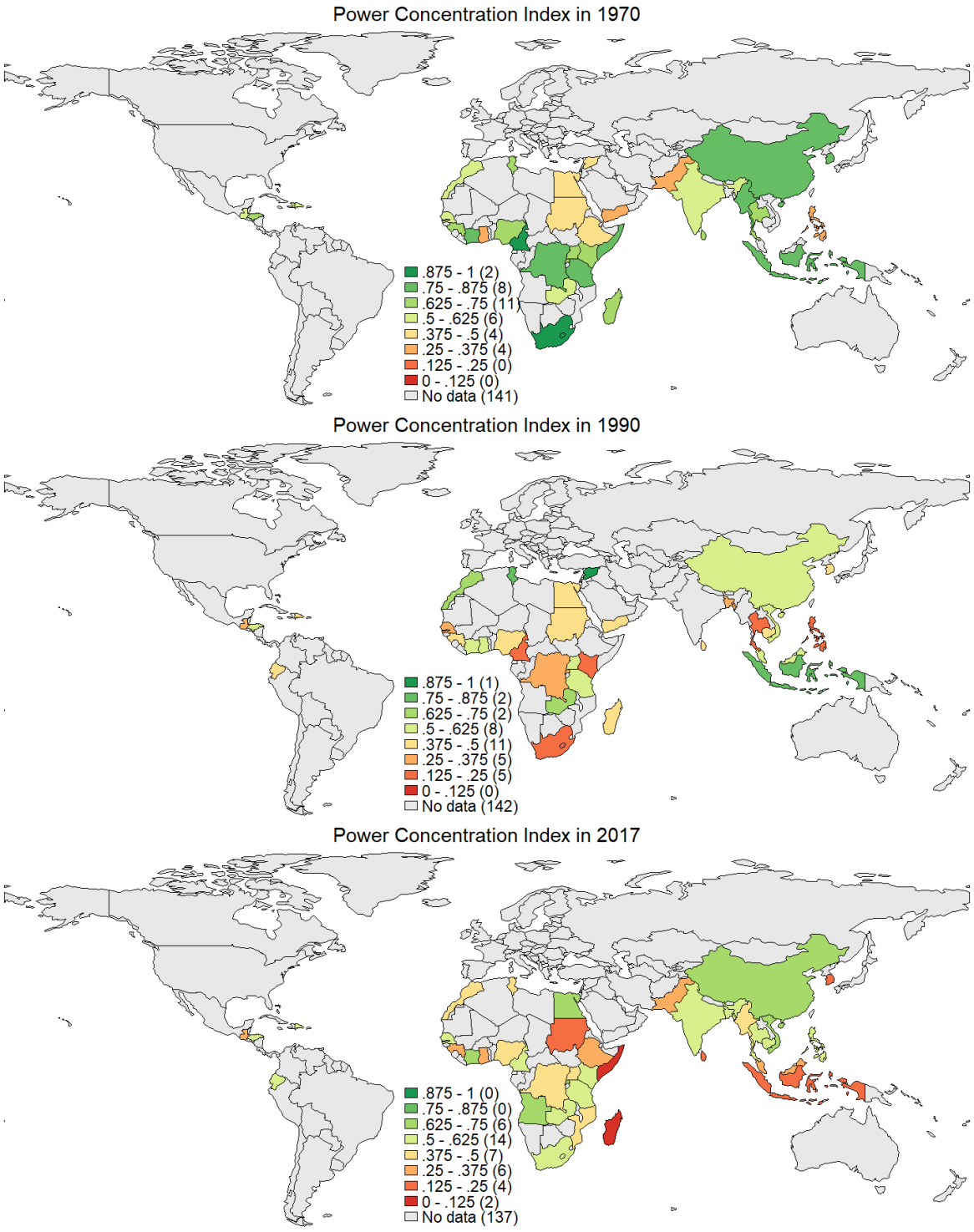


Figure 2: Power Concentration Index illustrated over time and space

Note: Green colour (i.e. higher numbers) indicates greater power concentration; yellow towards red colours (i.e. lower numbers) indicate lower levels of power concentration. The number of countries falling into each concentration range is indicated in parentheses in the legend.

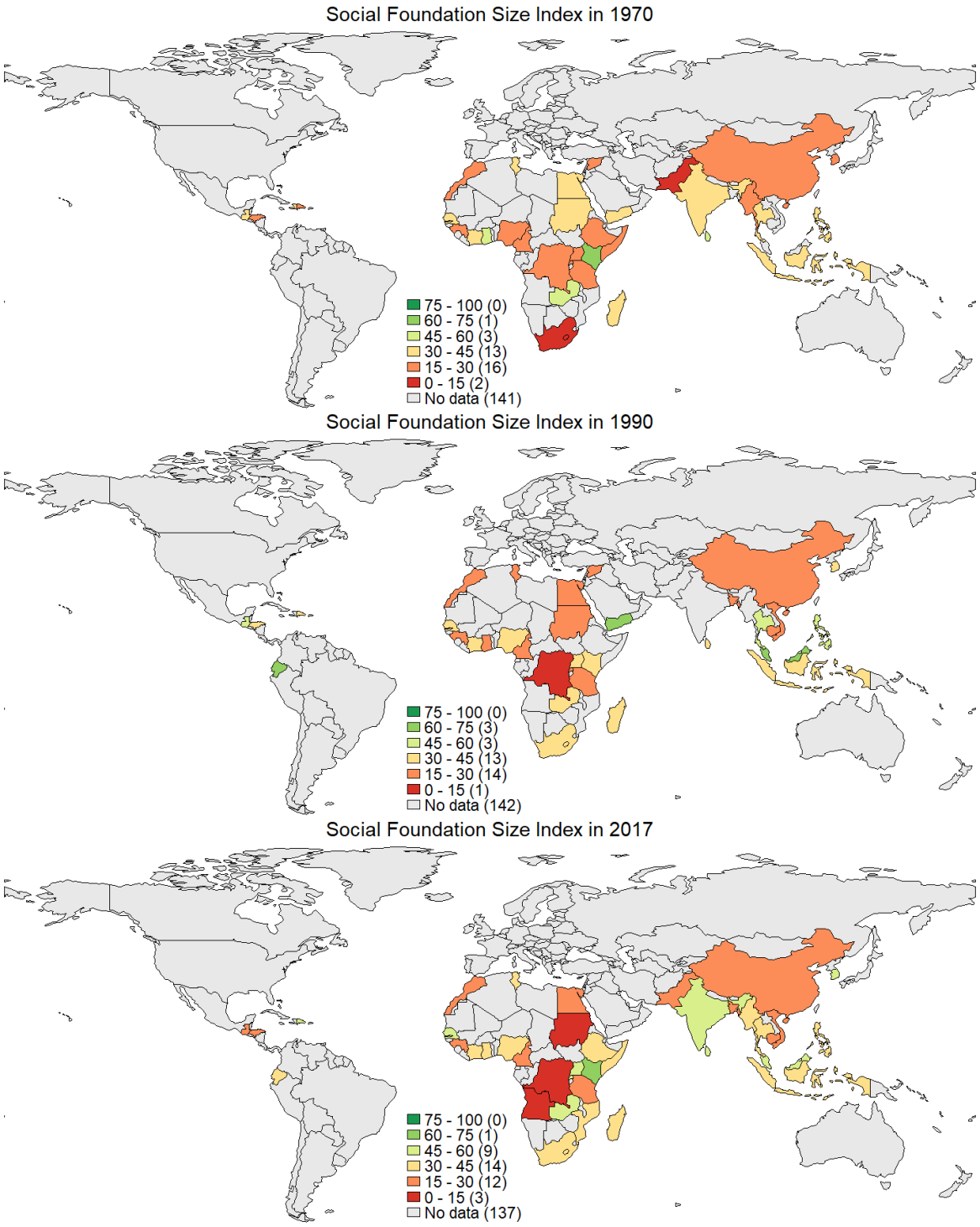
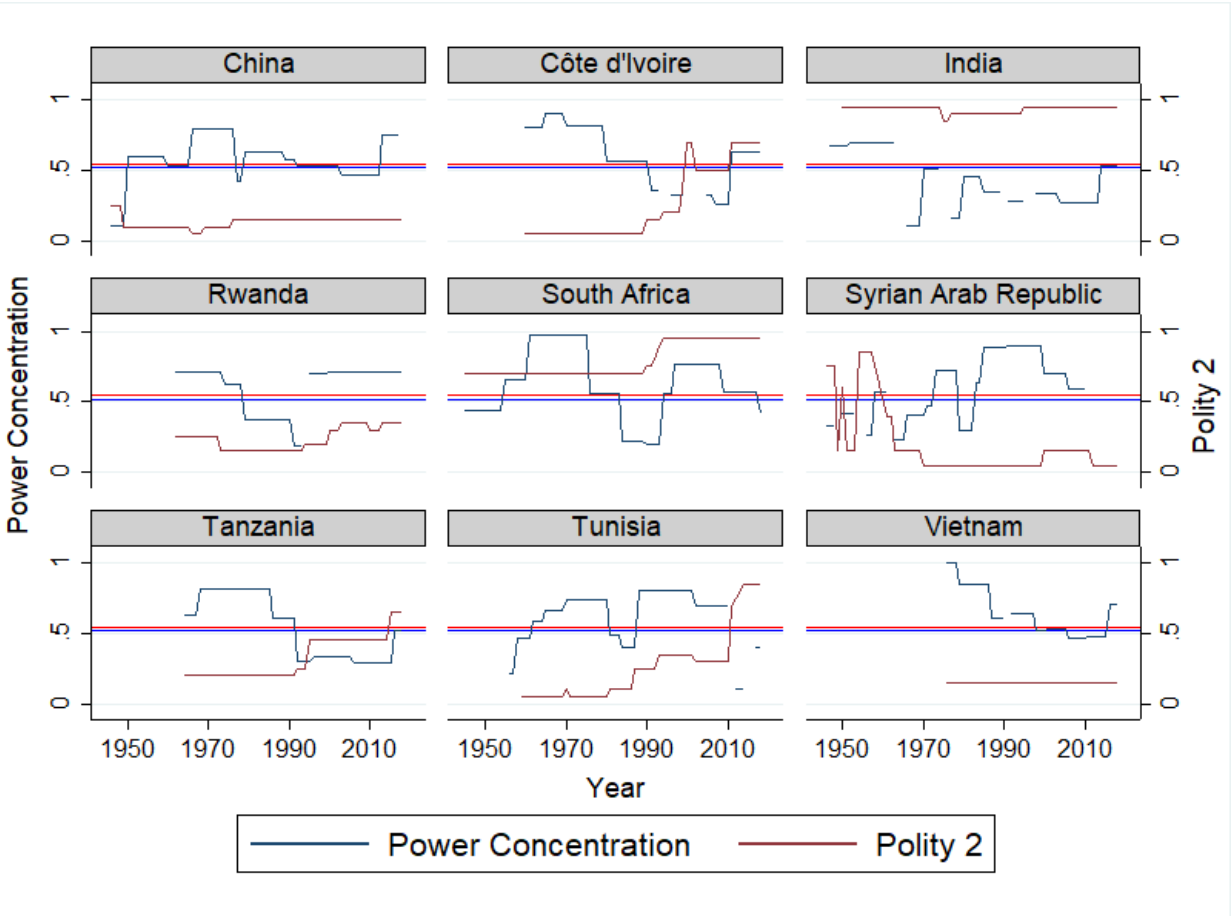


Figure 3: **Social Foundation Size Index illustrated over time and space**

Note: Green colour (i.e. higher numbers) indicates greater social foundation sizes; yellow towards red colours (i.e. lower numbers) indicate lower social foundation sizes. The number of countries falling into each range is indicated in parentheses in the legend.

Figure 1 illustrates the trend in these two indices averaged across countries over the last 60 years. What becomes apparent is that whereas the degree of power concentration has decreased over time, the average Social Foundation Size has increased.[18] Given the respective reversals occurring parallel to the third wave of democratisation in the late 1980s and 1990s, it becomes clear that both variables are likely related to countries' regime types. Indeed, empirically, democracies tend to distribute power more widely, reduce repression and increase broader cooptation (both essential parts of the Social Foundation Index). As shown in Table 2, this is further underpinned by significant correlation sizes between the two indices and Marshall et al.'s (2019) Polity2 variable (-0.32 and 0.52, respectively).

Figure 4: Developments of power concentration vis-à-vis regime type over time in nine countries



Note: The blue and red lines running horizontally at around 0.5 represent the sample means of the Power Concentration Index and Polity 2 variable, respectively.

[18] It should be further noted that Figure 1 restricts the scale of the Power Concentration Index to 0.4 to 0.6 (although it ranges from 0 to 1 in the full sample) and that of the Social Foundation Index to 30 percent to 40 percent (although it ranges from 5.27 percent to 80.63 percent across countries and years in the full sample). Thus, especially for the Social Foundation Size Index, Figure 1's illustration might somewhat exaggerate the actual extent of the temporal movement (which is also less visible in Figure 3).

Table 1. Exemplary cases of high power concentration in democracies and low power concentration in autocracies

Country	Leader	Period	Polity 2	Power conc.
	High power concentration and democracy			
India	Nehru	1952-1963	9	0.69
South Africa	Mbeki	1997-2008	9	0.77
Ecuador	Febres Cordaro	1985-1988	8.25	0.78
Malaysia	Tunku Abdul Rahman	1964-1965	10	0.86
Sri Lanka	Jayewardene	1978-1983	6	0.88
	Low power concentration and autocracy			
China	Chiang Kai-shek	1946-1949	-5.75	0.11
Kenya	Moi	1989-1992	-6	0.13
Rwanda	Habyarimana	1991-1993	-7	0.19
Haiti	Duvalier, Francois	1963-1964	-9	0.19
Syrian Arab Republic	Al-Hafiz	1963-1965	-7	0.24
Ghana	Acheampong	1972-1978	-6	0.24

At the same time, it is crucial to note that these indices are distinct from countries' regime types. This is clearly illustrated in Figure 4, plotting the development of our Power Concentration Index against Polity 2 (where Polity 2 is min-max normalised to range from values of 0 = highly autocratic to 1 = very democratic). All nine graphed countries have decades with constant regime type scores, whereas the degree of power concentration fluctuates strongly. In line with common interpretations of their political histories, constantly autocratic Vietnam, for example, has seen a strong reduction in the concentration of power over time, whereas in China it has fluctuated across leaders, with the recent consolidation of power under Xi Jinping captured well by the data. Moreover, periods such as Côte d'Ivoire after 2011, South Africa after 1994, or Tanzania in 2015 show that increases in democracy as per Polity 2 can go hand in hand with increases in power concentration, rather than the reverse. Numerous cases of high power concentration in democratic contexts alongside many cases of low power concentration in authoritarian contexts, exemplified in Table 1, further demonstrate that our variables go far beyond the classical democracy–autocracy divide. Specifically, they can play a crucial

role in helping future research understand diverging developments *within* autocracies and democracies.

3. Validity and limitations

Several approaches and measures to test the validity of the data were conducted at different stages of the data production chain. First, after submission, we checked each survey for missing values and common misinterpretations that we had identified in earlier coder replies. Second, after all coder replies were received, cleaned, aggregated and first indices constructed, we asked seven regional experts from within and outside of ESID to systematically review whether the temporal movements and cross-country position of their countries of expertise seemed in line with their and broader research findings. Coder-level replies for the fairly few countries assessed as outliers were then inspected and coders asked to reply to our expert-based assessment and invited to review their scores.

Following the final review by coders, we employed additional statistical and case-based methods to check for the construct validity of the data. Specifically, we correlate 28 selected key variables and indices from the PolSett's six sections against 13 dataset-external (and one internal) measures that we assume they would be related to. It is critical to say, however, that we do not think any of these measures attempt to measure the same thing (which, of course, was the original motivation for building the PolSett). Thus, while we check whether our variables correlate significantly and in the expected directions, we usually do not expect them to correlate at very high levels. In that sense, we show here that these variables converge to a significant degree while being discriminate enough to warrant the new measures. Some of the most relevant and illustrative results of the correlational analysis are presented in Table 2, with key correlations emphasised in bold font.

Table 2: Correlational tests of concurrent validity for selected variables sorted by survey section

PART I	*Support coalition size (VDEM)*	*Polity2 (Marshall et al.)*	*CSO repression (VDEM)*	*Clientelism (VDEM)*	*Ideol. legit. (VDEM)*
Section I: Settlement's configuration of power					
LB supporter share	**0.49[c]**	0.09[c]	0.34[c]	-0.15[c]	-0.04[b]
LB power	-0.02	**-0.33[c]**	-0.28[c]	0.01	0.25[c]
OB power	0.10[c]	**0.28[c]**	0.25[c]	0.08[c]	-0.23[c]
Power concentration	-0.07[c]	**-0.32[c]**	-0.32[c]	-0.06[c]	0.29[c]
Section II: Blocs' relationship to the settlement					
OB Follower violent repression	-0.31[c]	**-0.56[c]**	**-0.64[c]**	0.14[c]	0.30[c]
LB Elite clientelistic material cooptation	-0.07[c]	0.11[c]	0.23[c]	**0.40[c]**	-0.18[c]
LB Follower universal ideologic legitimation	0.06[b]	-0.18[c]	-0.21[c]	**-0.38[c]**	**0.43[c]**
OB Follower democratic legitimation	0.34[c]	**0.64[c]**	0.61[c]	-0.09[c]	-0.28[c]
Social foundation size	0.35[c]	**0.52[c]**	0.55[c]	-0.14[c]	-0.19[c]
Section III: Decision-making and implementing power of the leadership					
Policy-making decision concentration	-0.09[c]	**-0.42[c]**	-0.35[c]	0.18[c]	0.22[c]

PART II	*Neigh. rival (Goertz et al.)*	*GDP pc. (PWT)*	*Econ. state ownership (VDEM)*	*Free trade (Fraser Institute)*
Section IV: Foreign influence and internal and external threats				
Neighbouring country political threat	**0.41[c]**	-0.23[c]	-0.35[c]	-0.32[c]
Section V: Economic organisations				
Domestic manufacturing firm capabilities	0.03[a]	**0.63[c]**	0.35[c]	0.46[c]
Domestic manufacturing firm power	0.17[c]	**-0.50[c]**	-0.54[c]	-0.38[c]
Section VI: Economic and social policy				
Industrial policy orientation (ISI, Mix, EOI)	-0.04[a]	0.40[c]	**0.45[c]**	**0.48[c]**
FDI Promotion	-0.17[c]	0.37[c]	**0.58[c]**	**0.53[c]**
Economic state intervention	-0.17[c]	0.26[c]	**0.62[c]**	**0.51[c]**

[a] $p < 0.10$, [b] $p < 0.05$, [c] $p < 0.01$

Checking the concurrent validity of our Section I power configuration variables, we first checked whether our bloc supporter share variables correlate positively with VDEM's support coalition size variable (Coppedge et al., 2020a). Specifically, VDEM asks experts to code the percentage share of the domestic adult population that (i) supports the regime and (ii) would substantially increase the chance that the regime would lose power if it were to retract support, using a five-point scale.[19]

Our bloc population share variable asks which share of the population is aligned with one of the three blocs. That is, while the population's share of supporters supporting either the LB or both the LB and CLB should relate to the first component of VDEM's question, it does not include the power component. Moreover, the PolSett question uses a percentage scale, from 0 to 100, unlike VDEM's five-point scale. Hence, in line with the similarities and differences between these variables, we find that the size of the LB and VDEMs support coalition size variable are significantly and positively correlated at 0.48. Similarly, our Social Foundation Size index correlates at 0.35 with the VDEM measure. Combining information from four questions and effectively 48 variables, the index measures the share of the population that is both powerful, in the sense that (a) it could make a significant difference in power struggles within and between blocs and (b) is more coopted than repressed. While it thus does not focus exclusively on the size of the regime's supporters (as non-supporters might be included), it does include VDEM's power dimension. The finding that the two variables correlate significantly, though moderately, provides support for both the concurrent and discriminant validity of the data.

Similarly, while the PolSett deliberately attempts to capture different phenomena than standard democracy-autocracy-focused regime type datasets, as discussed above, we nevertheless assume that they will and should often correlate highly. On average, we would assume that in more democratic regimes, as measured by Polity2 (Marshall et al., 2019), the power of the LB would, on average, be weaker and that of the OB stronger. Indeed, again on average, one might expect the concentration of power both within the ruling coalition (i.e. what we call vertical power)[20] and generally (as measured by our Power Concentration Index as well as our Section III leader policy-making power concentration variables) to be lower in more democratic contexts. Equally, the repression of the OB should be lower and the attempt to co-opt the OB via democratic means, as well as the Social Foundation Size (given a more mobilisable and coopted population), should be higher. The correlational results in Table 1 support these expectations, while at the same time being low enough to indicate a clear difference between the variables.

[19] 0: Extremely small (about 1 percent of the population or less); 1: Very small (between 1 percent and 5) 2: Small (between 5 percent and 15 percent); 3: Moderate (between 15 percent and 30 percent; 4: Large (more than 30 percent).

[20] At the same time, a one-party state may invite a lot more internal factionalism than a multi-party democracy, in which one assumes party members are already somewhat united. More in-depth research is needed here.

The correlational analyses provide further evidence for the construct validity of core variables in our other five sections. To test the convergent validity of our Section II variables, we correlate them against related measures from VDEM. For example, we find that higher levels violent OB follower repression is associated (at -0.64) with more severe CSO repression, as measured by VDEM's csreprss variable.[21] And VDEM's clientelism index (v2xnp_client) is positively and significantly associated with the degree to which LB elites are incorporated using clientelistic materialist means. And VDEM's measure to which extent the government promotes a specific ideology or societal model to justify the regime (v2exl_legitideol) correlates at 0.41 with our measure to which degree a country's top leadership utilises them to incorporate the leaders' bloc followers.

Lastly, tests of convergent validity were conducted for threat-focused measures, firm capabilities and economic policies. A somewhat more detailed discussion for interested readers can be found in Appendix 2.

Overall, we conclude that both the correlational and case-based analyses create confidence in the validity of our dataset. Nevertheless, we do want to highlight three data limitations and potential strategies to deal with them. First, we recognised that the hard to observe and somewhat subjective nature of power and related variables means that many of our codings are based on expert coders' educated guesstimates or 'judgement calls'; and that it is perhaps a tall order to expect coders to have detailed knowledge of all of the granular and sometimes difficult to discern phenomena across all the political periods we asked about. Consequently, for each question-period, coders were asked to record their degree of confidence in their answer. While not a fail-safe method for eliminating error and bias, we feel this provides some indication of where the evidence is stronger or weaker and a safeguard against making exaggerated claims for our data. Moreover, we employed these confidence ratings as weights during the aggregation of country-coder-period scores to single country-period scores. Specifically, we weighted country-expert-codings lower the less confident they were with their assessment, and lower the more distant their coding was from the simple-average coding of all country-experts.[22] Moreover, to provide users of the data with the possibility to incorporate measures of reliability of the data, we added simple ('_sd'), confidence-weighted ('_wsd'), and relative standard deviations ('_rsd') of expert answers for each indicator in the dataset.

Second, achieving cross-country intercoder equivalence is often difficult in expert surveys, given the lack of a benchmark common to all coders (Knutsen et al., 2019). One attempt to address this is the use of vignettes in the questionnaire as well as employing the same coder for several countries (Coppedge et al., 2020b; King and Wand, 2007). Given the length of the questionnaire and constrained financial resources, adding vignettes to all questions and finding lateral coders proved

[21] Note the negative correlation sign is due to VDEM scaling the variable from more to less severe repression, whereas we scale our variable from less to more severe repression.
[22] For more detail, please see Section 2.1.3 in the online-appended codebook.

unfeasible. Therefore, extra care was given to formulating questions, giving detailed notes and providing empirical examples, where helpful. Also, as described above, ESID-affiliated scholars rigorously reviewed the validity of cross-country patterns. Nevertheless, comparisons through time are apt to be more accurate than comparisons across cases. While we do think the cross-country variation captured by the dataset is rich and valid, as per our checks, PolSett users might consider including country fixed effects in their models where they see fit.

Finally, in very rare cases, country-period-variable scores are based on fewer than three replies. As this renders the intercoder-distance-based aggregation method described above ineffective, we encourage users of the data set to exclude these data points from their analyses. This is facilitated by a variable depicting the number of replies for each variable and country-year.

4. Application

The question of power is at the heart of political science. As such, the possible applications for this data are manifold (while by construction, limited to our 42 countries and their modern history). Intended as an illustration of the dataset, rather than as a thorough test of political settlement theory, we present the application of our Power Concentration Index to five distinct outcomes, covering two interrelated areas. First, debates around the concentration of power have often turned around the question of whether concentrated political economies are more or less stable than fragmented (or accountable) ones. To capture political stability and durability, we employ three outcomes. One, the duration of continuous leader periods measured in years, based on our data.[23] Two, whether a certain country-year has seen a leader exit or not (again measured by our data). And three, whether a country-year experienced a coup attempt (Powell and Thyne, 2011).

A second area of interest in the literature on power concentration has been corruption. On the one hand, some scholars have argued that higher power concentration leads to a lack of check and balances and therefore more room for corruption. On the other hand, a range of scholars theorised that leaders in a concentrated power setting should be able to control more effectively the most economically damaging kinds of corruption, also enabling them to conduct effective industrial policy. This is argued to be the case because they (a) have longer time horizons, due to their higher chances for political survival, allowing them to engage in more long-term and effective (industrial) policy-making and (b) because they face a lower need to distribute rents to cronies and powerful actors to secure their political survival. To take an initial look at these arguments, we operationalise the ability to control corruption by the annual change in corruption, as measured by the Bayesian Corruption Index (Standaert, 2015), which

[23] Any leader spell that was non-interrupted by another leader spell is a continuous leader period. Most leaders only have one continuous leader period in their lifetime, though some have two or more (e.g. Bangladesh's current prime minister, Sheikh Hasina, who had already been prime minister from 1996 to 2001). For this outcome, the continuous leader period – and not the country-year – serves as unit of analysis.

Table 3: Regression application of the Power Concentration Index to six political economy outcomes

	(1) *Leader duration*	***(2)*** *Leader exit (t+1)*	***(3)*** *Coup attempt (t+1)*	***(4)*** *Corruption change (t+1)*	***(5)*** *Industrial growth (t+1)*
Power concentration	5.56***	-2.92***	-3.39***	-0.44**	5.65**
	(1.36)	(0.62)	(1.01)	(0.21)	(2.25)
Economic growth	0.09	0.03	-0.02	-0.00	
	(0.09)	(0.02)	(0.03)	(0.00)	
GDP pc	0.51	-0.08	0.57	0.04	
	(1.09)	(0.39)	(0.78)	(0.17)	
Polity2	-0.25***	0.02	-0.01	-0.01	-0.02
	(0.09)	(0.03)	(0.04)	(0.01)	(0.08)
Natural resources	0.11	-0.04	0.00	0.00	0.13**
	(0.09)	(0.03)	(0.03)	(0.00)	(0.05)
ODA	0.08	-0.05*	0.05*	-0.00	0.03
	(0.08)	(0.03)	(0.03)	(0.00)	(0.07)
Post-Cold War		-14.83	-18.62		
		(647.51)	(2980.10)		
Corruption status				0.04**	
				(0.02)	
Industrial status					-2.85***
					(0.77)
Constant	-7.83			-2.45	14.73***
	(9.03)			(1.56)	(4.41)
Country FE	Yes	Yes	Yes	Yes	Yes
Time FE	Decade	Year	Year	Year	Year
Unit of analysis	Leader-period	Country-year	Country-year	Country-year	Country-year
Observations	216	1557	1046	1143	1370

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$. Standard errors are clustered at the country level.

ranges from 0 to 100 and a decrease in the index corresponds to a decrease in the level of corruption. And to capture the success of industrialisation promotion, we calculate the annual growth rate of a country's industrial value-added per capita.[24]

In total, we calculate six regression models, one for each outcome. We employ logistic regressions for the binary outcome variables (Leader Exit and Coup), and OLS regressions for our continuous outcome variables (Leader Duration, Corruption Change, and Industrial Growth). To control for omitted variable bias from time-invariant variables and temporal shocks, all six models contain country- and year-fixed effects or decade fixed effects, in the case of the periodised Leader Duration variable. All models also employ robust standard errors clustered by country to correct for panel-specific autocorrelation. Moreover, we control for a range of potential time-variant

[24] We use the World Bank 's (2020) World Development Indicators to retrieve a country's annual industry value added in constant US$, divide it by the country's population, log this variable and subtract it from the correspondent value in the previous year (corresponding to the standard way of calculating economic growth).

confounders. Each model controls for Polity2, the rent share of oil, gas, coal and mineral rents in GNI as well as the share of ODA in GNI (both from World Bank, 2020). Furthermore, all models, except for Industrial Growth, also control for annual economic growth and the level of GDP per capita. The Industrial Growth model (6) controls for potential convergence effects more directly by controlling for the current level of industry value added per capita. Similarly, as countries which already have low levels of corruption might be slower in reducing corruption, we also control for the level of corruption in the Corruption Change model (5). Moreover, following Miller (2020), we include a dummy for whether a country-year occurred pre- or post-Cold War (1991 being the cutoff) in our Leader Exit (2), Any Coup (3), and Successful Coup (4) models. And lastly, except for the leader duration outcome, all outcomes are forward-leaded by one year (which is identical to lagging all independent variables) as a measure to address potential reversed causality between de- and independent variables.

The results presented in Table 3 indicate interesting initial correlations. Holding all other variables constant, we find that leaders with the highest level of power concentration in our data are associated, on average, with staying 5.56 years longer in office than leaders with the lowest level of power concentration. Similarly, moving from the lowest to the highest level of power concentration is associated with decreases in the annual odds of seeing a leader exit office or a coup attempt by 94 and 96 percentage points, respectively.[25] Holding all controls constant at their means, Figure 5 illustrates these two propensity changes across the range of the Power Concentration Index.[26] These three findings provide strong evidence for the claim that leaders with more consolidated de facto power are more durable and stable.[27]

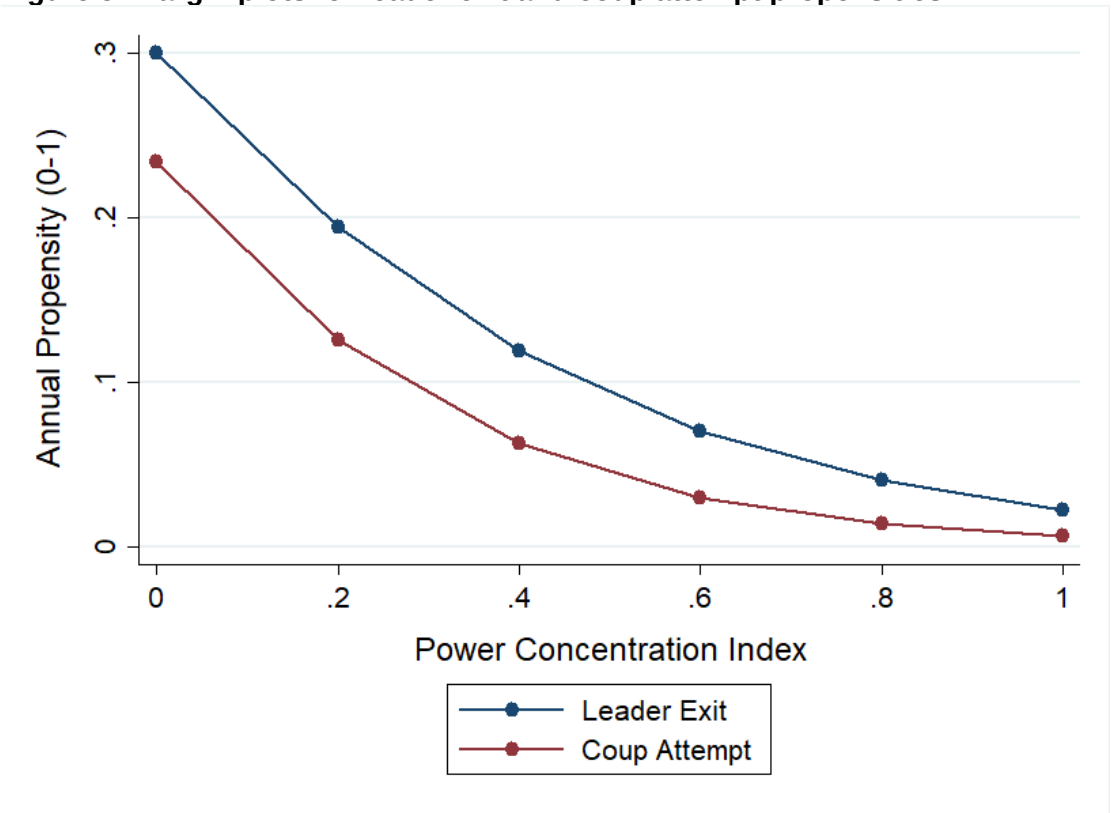
The same holds concerning the reduction of corruption. Looking at Model 5, we find that countries with the highest level of power concentration are significantly associated with a 0.44-point quicker annual reduction in corruption than those with the lowest level of concentration. We further find that industries in countries with the highest level of power concentration grow 5.65 percentage points faster than countries at the lowest level of concentration. To conclude, it appears that higher power concentration is associated with more durable and stable rule as well as quicker reduction in corruption and faster industrial growth. While future research needs to study each of these associations in more detail and employ more robustness checks, we hope this first empirical analysis has raised readers' interest in applying the data to their research fields and questions.

[25] To derive these percentage point values, the log odds presented in Table 3 were transformed into odds ratios.

[26] Note that fixed effects are excluded from these margin plots, as calculating margins for logistical regressions including fixed effects is impossible, or rather, provides nonsensical results.

[27] We acknowledge that there is a considerable risk of coder responses on power concentration indicators to be endogenous to leader duration and stability. That is, coders might perceive leaders that endured longer in office and saw fewer coup attempts than other leaders as more powerful, although this does not correspond to reality. While we explicitly framed questions in a way that should reduce this, users should take this into consideration and employ appropriate empirical approaches.

Figure 5: Margin plots for leader exit and coup attempt propensities



Note: In case the Y-axis does not show on your operating system: the scale has a theoretical range from 0 to 1 and an empirical/illustrated range from 0 to 0.3.

5. Conclusion

Questions about whether and how distinct configurations of power have shaped societies' development in the Global South have occupied the social sciences for a long time. So far, however, a lack of adequate data has made it difficult to test the validity of contending frameworks and hypotheses across time and space. Covering over 100 political economy variables across 2,719 country-years, the Political Settlements Dataset has been a sustained effort, at scale, to help fill this gap. As demonstrated by exemplary regression analyses, key variables of the dataset, such as the Power Concentration Index, appear to possess significant power in explaining political and economic outcomes, such as the propensity of coup attempts, corruption reduction and industrial growth.

What is more, the PolSett promises to be a rich resource for many future comparative political economy analyses. Pushing the causal chain further back, researchers can investigate what predicts the emergence and maintenance of more or less powerful leaders and ruling coalitions. They could, for example, study how distinct levels of party institutionalisation or the introduction of national assemblies affect rulers' consolidation of power. Future research could also employ the dataset's many other variables, such as those on the severity of internal and external threats to, for example, test 'bellicist' theories of development of Doner et al. (2005), Besley and Persson (2009), Knutsen (2011) and others. A further productive avenue for research might be to analyse how

power configurations interact with countries' distinct economic policy choices measured in the dataset to explain patterns of economic development.

The political settlements dataset codebook can be accessed here.

References

Abdulai, A.-G. and Hickey, S. (2016). 'The politics of development under competitive clientelism: Insights from Ghana's education sector', *African Affairs* 115(458): 44-72.

Behuria, P., Buur, L. and Gray, H. (2017). 'Studying political settlements in Africa', *African Affairs* 116(464): 508-525.

Besley, T. and Persson, T. (2009). 'The origins of state capacity: Property rights, taxation and politics', *American Economic Review* 99(4): 1218-1244.

Bizzarro, F., Gerring, J., Knutsen, C. H., Hicken, A., Bernhard, M., Skaaning, S.-E., Coppedge, M. and Lindberg, S. I. (2018). 'Party strength and economic growth', *World Politics* 70(2): 275-320.

Boone, C. (1992). *Merchant Capital and the Roots of State Power in Senegal, 1930-1985*, Cambridge: Cambridge University Press.

Bueno de Mesquita, B. (2005). *The Logic of Political Survival*, Cambridge, MA.: MIT Press.

Cederman, L.-E., Wimmer, A. and Min, B. (2010). 'Why do ethnic groups rebel? New data and analysis', *World Politics* 62(1): 87-119.

Coppedge, M., Gerring, J., Knutsen, C. H., Lindberg, S. I., Teorell, J., Altman, D., Bernhard, M., Fish, M. S., Glynn, A., Hicken, A., Luhrmann, A., Marquardt, K. L., McMann, K., Paxton, P., Pemstein, D., Seim, B., Sigman, R., Skaaning, S.-E., Staton, J., Wilson, S., Cornell, A., Alizada, N., Gastaldi, L., Gjerløw, H., Hindle, G., Ilchenko, N., Maxwell, L., Mechkova, V., Medzihorsky, J., Römer, J. von, Sundström, A., Tzelgov, E., Wang, Y.-t., Wig, T. and Ziblatt, D. (2020a). *V-Dem [Country–Year/Country–Date] Dataset v10*: *Varieties of Democracy (V-Dem) Project*.

Coppedge, M., Gerring, J., Knutsen, C. H., Lindberg, S. I., Teorell, J., Marquardt, K. L., Medzihorsky, J., Pemstein, D., Pernes, J., Römer, J. von, Stepanova, N., Tzelgov, E., Wang, Y.-t. and Wilson, S. L. (2020b). 'V-Dem Methodology V9', *SSRN.* DOI: 10.2139/ssrn.3441063.

Cox, G. W., and Weingast, B. R. (2018). 'Executive constraint, political stability, and economic growth', *Comparative Political Studies* 51(3): 279-303.

Doner, R. F., Ritchie, B. K. and Slater, D. (2005). 'Systemic vulnerability and the origins of developmental states: Northeast and Southeast Asia in comparative perspective', *International Organization* 59(2): 21.

Feenstra, R. C., Inklaar, R. and Timmer C., M. (2015). 'The next generation of the Penn World Table', *American Economic Review* 105(103150-3182.

Ferguson, W. D. (2020). *The Political Economy of Collective Action, Inequality, and Development*, Stanford, CA: Stanford University Press.):

Gandhi, J. and Sumner, J. L. (2020). 'Measuring the consolidation of power in non-democracies', *Journal of Politics* 82(4): 1545-1558.

Goemans, H. E., Gleditsch, K. S. and Chiozza, G. (2009). 'Introducing Archigos: A Dataset of political leaders', *Journal of Peace Research* 46(2): 269–283.

Goertz, G., Diehl, P. F. and Balas, A. (2016). 'Conceptualizing interstate peace and constituting the international system', in G. Goertz, P. F. Diehl and A. Balas

(eds.), *The Puzzle of Peace*: *The Evolution of Peace in the International System*. New York: Oxford University Press, pp. 23–55.

Gray, H. (2018). *Turbulence and Order in Economic Development*: *Institutions and Economic Transformation in Tanzania and Vietnam*. Oxford: Oxford University Press.

Kelsall, T. (2013). *Business, Politics, and the State in Africa*: *Challenging the Orthodoxies on Growth and Transformation*. London, New York: Zed Books.

Kelsall, T. (2018). 'Towards a universal political settlement concept: A response to Mushtaq Khan', *African Affairs* 117(469): 656-669.

Kelsall, T., Schulz, N., Ferguson, W. D., Vom Hau, M., Hickey, S. and Levy, B. D. (forthcoming). *Understanding Development*: *The Promise of Political Settlements Analysis*. Oxford: Oxford University Press.

Khan, M. H. (1995). 'State failure in weak states: A critique of new institutionalist explanations', in J. Harriss, J. Hunter and C. Lewis (eds.), *New Institutional Economics and Third World Development*. London: Routledge, pp. 71–86.

Khan, M. H. (2010). 'Political settlements and the governance of growth-enhancing institutions', *Research Paper Series on 'Growth-Enhancing Governance'*.

Khan, M. H. (2018). 'Political settlements and the analysis of institutions', *African Affairs* 117(469): 636-655.

King, G. and Wand, J. (2007). 'Comparing incomparable survey responses: Evaluating and selecting anchoring vignettes', *Political Analysis* 15(1): 46-66.

Knutsen, C. H. (2011). 'Security threats, enemy-contingent policies, and economic development in dictatorships', *International Interactions* 37(4): 414-440.

Knutsen, C. H. (2012). 'Democracy and economic growth: A survey of arguments and results', *International Area Studies Review* 15(4): 393-415.

Knutsen, C. H., Teorell, J., Wig, T., Cornell, A., Gerring, J., Gjerløw, H., Skaaning, S.-E., Ziblatt, D., Marquardt, K. L., Pemstein, D. and Seim, B. (2019). 'Introducing the historical varieties of democracy dataset: Political institutions in the long 19th century', *Journal of Peace Research* 56(3): 440-451.

Kohli, A. (2004). *State-directed Development*: *Political Power and Industrialization in the Global Periphery*, Cambridge: Cambridge University Press.

Leftwich, A. (2005). 'Democracy and development: Is there institutional incompatibility?' *Democratization* 12(5): 686-703.

Levy, B. D. (2014). *Working with the Grain*: *Integrating Governance and Growth in Development Strategies*, Oxford: Oxford University Press.

Marshall, M., Gurr, T. and Jaggers, K. (2019). *Polity IV Project, Political Regime Characteristics and Transitions, 1800-2017*. Vienna, VA: Center for Systemic Peace.

Migdal, J. S. (1988). *Strong Societies and Weak States*: *State-society Relations and State Capabilities in the Third World*. Princeton, NJ: Princeton University Press.

Miller, M. K. (2015). 'Electoral authoritarianism and human development', *Comparative Political Studies* 48(12): 1526-1562.

Miller, M. K. (2020). 'The autocratic ruling parties dataset: Origins, durability, and death', *Journal of Conflict Resolution* 64(4): 756-782.

Olson, M. (1993). 'Dictatorship, democracy, and d', *American Political Science Review* 87(3): 567-576.

Powell, J. M. and Thyne, C. L. (2011). 'Global instances of coups from 1950 to 2010: A new dataset', *Journal of Peace Research* 48(2): 249-259.

Sen, K. (2013). 'The political dynamics of economic growth, *World Development* 47: 71-86.

Standaert, S. (2015). 'Divining the level of corruption: A Bayesian state-space approach', *Journal of Comparative Economics* 43(3): 782-803.

Svolik, M. W. (2012). *The Politics of Authoritarian Rule*. Cambridge: Cambridge University Press.

Waldner, D. (1999). *State Building and Late Development*, Ithaca, NY: Cornell University Press.

Whitfield, L., Therkildsen, O., Buur, L. and Kjær, A. M. (2015). *The Politics of African Industrial Policy*: *A Comparative Perspective*. New York: Cambridge University Press.

Wilson, M. C. and Wright, J. (2015). 'Autocratic legislatures and expropriation risk', *British Journal of Political Science* 47(1): 1-17.

World Bank (2020). *World Development Indicators*. Online resource: https://data.worldbank.org/ (accessed 2 September 2020).

Wright, J. (2008). 'Do authoritarian institutions constrain? How legislatures affect economic growth and investment', *American Journal of Political Science* 52(2): 322-343.

Appendix I: List of all quantitative indicators of the PolSett Dataset

	N	*mean*	*sd*	*min*	*max*
Section I: The settlement's configuration of power					
Population share (in %) of LB	2,418	35.77	14.48	3.409	74.95
Population share (in %) of CLB	2,418	27.34	9.960	5.210	61.06
Population share (in %) of OB	2,418	36.89	14.55	8.375	83.61
Relative power of LB	2,418	4.051	0.614	2	5
Relative power of CLB	2,418	3.052	0.551	1.366	4.703
Relative power of OB	2,418	2.616	0.728	1	4.348
Likelihood CLB splits from government	2,418	2.222	0.542	1	3
Likelihood OB joins government	2,418	2.094	0.694	1	4
Percentage of relatively powerless in LB	2,418	40.58	17.61	0	75.47
Percentage of relatively powerless in CLB	2,418	44.68	16.82	3.283	91.73
Percentage of relatively powerless in OB	2,418	47.03	18.83	0	93.62
Hierarchical power concentration of LB	2,418	5.406	0.501	2	6
Hierarchical power concentration of CLB	2,418	4.575	0.700	1.422	6
Hierarchical power concentration of OB	2,418	4.383	0.874	1.464	6
Cohesiveness of LB	2,418	3.086	0.597	1	4
Cohesiveness of CLB	2,418	2.505	0.444	1	3.821
Cohesiveness of OB	2,418	2.345	0.550	1.286	4
Section II: Blocs' relationship to the settlement					
Violent repression for leaders of LB	2,418	1.560	0.590	1	3.673
Non-violent repression for leaders of LB	2,418	1.970	0.687	1	3.731
Clientelistic material cooptation for leaders of LB	2,418	3.216	0.564	1.545	4
Clientelistic non-material cooptation for leaders of LB	2,418	3.081	0.571	1	4
Programmatic material legitimation for leaders of LB	2,418	2.482	0.706	1	4
Universalistic ideological legitimation for leaders of LB	2,418	2.560	0.746	1	4
Procedurally democratic legitimation for leaders of LB	2,418	2.007	0.823	1	4
Violent repression for leaders of CLB	2,418	1.803	0.703	1	4
Non-violent repression for leaders of CLB	2,418	2.181	0.714	1	4
Clientelistic material cooptation for leaders of CLB	2,418	3.034	0.626	1	4
Clientelistic non-material cooptation for leaders of CLB	2,418	2.950	0.609	1	4
Programmatic material legitimation for leaders of CLB	2,418	2.381	0.597	1	4
Universalistic ideological legitimation for leaders of CLB	2,418	2.436	0.711	1	4
Procedurally democratic legitimation for leaders of CLB	2,418	2.036	0.800	1	4
Violent repression for leaders of OB	2,418	2.707	0.908	1	4
Non-violent repression for leaders of OB	2,418	2.819	0.733	1	4
Clientelistic material cooptation for leaders of OB	2,418	2.285	0.775	1	4
Clientelistic non-material cooptation for leaders of OB	2,418	2.265	0.680	1	4
Programmatic material legitimation for leaders of OB	2,418	1.996	0.587	1	3.538
Universalistic ideological legitimation for leaders of OB	2,418	2.099	0.696	1	4
Procedurally democratic legitimation for leaders of	2,418	1.911	0.824	1	4

OB					
Violent repression for followers of LB	2,418	1.580	0.630	1	4
Non-violent repression for followers of LB	2,418	1.946	0.670	1	4
Clientelistic material cooptation for followers of LB	2,418	3.056	0.579	1.279	4
Clientelistic non-material cooptation for followers of LB	2,418	2.923	0.563	1	4
Programmatic material legitimation for followers of LB	2,418	2.546	0.595	1	4
Universalistic ideological legitimation for followers of LB	2,418	2.578	0.745	1	4
Procedurally democratic legitimation for followers of LB	2,418	2.080	0.811	1	4
Violent repression for followers of CLB	2,418	1.795	0.706	1	4
Non-violent repression for followers of CLB	2,418	2.172	0.703	1	4
Clientelistic material cooptation for followers of CLB	2,418	2.879	0.653	1	4
Clientelistic non-material cooptation for followers of CLB	2,418	2.711	0.655	1	4
Programmatic material legitimation for followers of CLB	2,418	2.455	0.599	1	4
Universalistic ideological legitimation for followers of CLB	2,418	2.442	0.679	1	4
Procedurally democratic legitimation for followers of CLB	2,418	2.025	0.805	1	4
Violent repression for followers of OB	2,418	2.615	0.924	1	4
Non-violent repression for followers of OB	2,418	2.755	0.776	1	4
Clientelistic material cooptation for followers of OB	2,418	2.218	0.724	1	4
Clientelistic non-material cooptation for followers of OB	2,418	2.183	0.686	1	4
Programmatic material legitimation for followers of OB	2,418	2.074	0.591	1	4
Universalistic ideological legitimation for followers of OB	2,418	2.162	0.713	1	4
Procedurally democratic legitimation for followers of OB	2,418	1.936	0.801	1	4
Relative material benefits received by LB	2,418	1.750	0.525	1	3.293
Relative material benefits received by CLB	2,418	2.596	0.511	1.255	4
Relative material benefits received by OB	2,418	3.940	0.563	1.909	5
Within-bloc egalitarian material distribution of LB	2,418	2.286	0.786	1	4.500
Within-bloc egalitarian material distribution of CLB	2,418	2.589	0.650	1	5
Within-bloc egalitarian material distribution of OB	2,418	2.972	0.692	1	5
Section III: Decision-making and implementing power of the leadership					
Concentration of policy-decision-making power in leader	2,418	3.333	0.608	1.279	4
Concentration of policy-implementation power in leader	2,418	3.149	0.597	1	4
Section IV: Foreign influence and internal and external threats					
Foreign military support importance	2,418	2.035	0.815	1	4
Foreign financial and technical support importance	2,418	2.575	0.780	1	4
Political threat by rural subordinate classes	2,418	1.492	0.497	1	4
Political threat by rural dominant classes	2,418	1.571	0.511	1	3.688
Political threat by urban subordinate classes	2,418	1.769	0.578	1	3.721
Political threat by urban dominant classes	2,418	1.974	0.598	1	4
Political threat by ethnic; regional or religious groups	2,418	2.023	0.733	1	4

Political threat by an opposition group in exile	2,418	1.592	0.642	1	4
Political threat by the military	2,418	1.842	0.809	1	4
Political threat by neighbouring country	2,418	1.649	0.787	1	4
Political threat by a non-neighbouring country	2,418	1.444	0.621	1	4
Physical threat by rural subordinate classes	2,418	1.232	0.331	1	2.944
Physical threat by rural dominant classes	2,418	1.278	0.391	1	3.509
Physical threat by urban subordinate classes	2,418	1.390	0.391	1	3
Physical threat by urban dominant classes	2,418	1.458	0.428	1	3.312
Physical threat by ethnic; regional or religious groups	2,418	1.632	0.616	1	4
Physical threat by an opposition group in exile	2,418	1.460	0.585	1	3.672
Physical threat by the military	2,418	1.737	0.750	1	4
Physical threat by neighbouring country	2,418	1.394	0.634	1	4
Physical threat by a non-neighbouring country	2,418	1.323	0.497	1	4
Section V: Economic organisations					
Manufacturing firms' capabilities	2,418	1.679	0.526	1	3
Manufacturing firms' political power	2,418	1.655	0.474	1	3
Section VI: Economic and social policy					
Industrialisation strategy	2,418	2.385	0.728	1	4
FDI strategy	2,418	3.048	0.852	1	5
Intervention of state in economy	2,418	1.939	0.591	1	3
Government's industry versus agriculture prioritisation	2,418	3.149	0.901	1	5
Government's prioritisation of economic development	2,418	3.618	0.816	1.293	5
Government's prioritisation of social development	2,418	3.092	0.881	1	5

Appendix II: Convergent validity tests of threat, firm capability, and economic policy related variables

We further find that our 'Section IV: Foreign Influence and Internal and External Threats' variables correlate well and as expected with related measures. For example, we find that the degree to which countries are in a serious political rivalry with a neighbouring country (measured with data from Goertz et al., 2016), is correlated at 0.41 with our variable of a country's ruling elite feeling a neighbouring country poses a high threat to their political survival.

As described above, our last two sections are concerned with economic organisations and economic policies. Data on the capabilities and power of economic organisations is rare, hence it is also difficult to find related measures to compare against. Yet, we assume that, naturally, firm capabilities in more developed countries should be higher, whereas the power of companies (given less clientelistic political and business networks) should be lower. And indeed, we find both strongly supported by correlating our respective measures against constant GDP per capita measures (Feenstra et al., 2015).

Fortunately, measures on economic policymaking are more common. As to be expected, we find our measures of Industrial Policy Orientation (whether a country employs more export-oriented rather than import-substituting policies), FDI promotion, and Economic State Intervention to be highly positively correlated with VDEM's measure of Economic State Ownership as well as the Fraser Institute's Free Trade index.

The Effective States and Inclusive Development Research Centre

The Effective States and Inclusive Development Research Centre (ESID) aims to improve the use of governance research evidence in decision-making. Our key focus is on the role of state effectiveness and elite commitment in achieving inclusive development and social justice.

ESID is a partnership of highly reputed research and policy institutes based in Africa, Asia, Europe and North America. The lead institution is the University of Manchester.

The other institutional partners are:

- BRAC Institute of Governance and Development, BRAC University, Dhaka
- Center for Democratic Development, Accra
- Center for International Development, Harvard University, Boston
- Department of Political and Administrative Studies, University of Malawi, Zomba
- Graduate School of Development, Policy & Practice, Cape Town University
- Institute for Economic Growth, Delhi

In addition to its institutional partners, ESID has established a network of leading research collaborators and policy/uptake experts.

email: esid@manchester.ac.uk
Effective States and Inclusive Development Research Centre (ESID)
Global Development Institute, School of Environment, Education and Development,
The University of Manchester, Oxford Road,
Manchester M13 9PL, UK
www.effective-states.org