

**Appendix Table A3. Measures of Cost of Embargo Violation for Countries of Headquarter of Arms Companies**

OECD Countries								Non-OECD Countries							
Country	Number Of Companies Headquart.	High Corruption (Benchm.)	High Corruption (Alternate)	Low Transp.	Low Press Freedom	High Bribe- Payer	High Self- Dealing	Country	Number Of Companies Headquart.	High Corruption (Benchm.)	High Corruption (Alternate)	Low Transp.	Low Press Freedom	High Bribe- Payer	High Self- Dealing
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Usa	53	No	No	No	No	No	No	China	5	Yes	Yes	Yes	Yes	Yes	No
France	14	No	No	No	Yes	Yes	Yes	Brazil	4	Yes	Yes	Yes	Yes	Yes	Yes
Japan	14	Yes	Yes	Yes	No	No	No	South Korea	4	Yes	Yes	Yes	Yes	Yes	Yes
Uk	10	No	No	No	No	No	No	Malaysia	3	Yes	Yes		Yes	Yes	No
Germany	7	No	No	No	No	No	Yes	South Africa	3	Yes	Yes	Yes	Yes	Yes	No
Australia	6	No	No	No	No	No	No	Czech Rep.	2	Yes	Yes	No	No		Yes
Italy	4	Yes	Yes	No	Yes	Yes	Yes	India	2	Yes	Yes		Yes	Yes	No
Canada	3	No	No	No	No	No	No	Israel	2	No	Yes	Yes	Yes	Yes	No
Switzerland	3	No	No	Yes	No	No	Yes	Peru	2	Yes	Yes		Yes		Yes
Norway	2	No	No	No	No		Yes	Chile	1	No	Yes		Yes		No
Spain	2	Yes	No	No	No	Yes	Yes	Russia	1	Yes	Yes	Yes	Yes	Yes	No
Austria	1	No	No	Yes	No	No	Yes	Singapore	1	No	No	Yes	Yes	No	No
Belgium	1	Yes	No	Yes	No	No	No		30						
Greece	1	Yes	Yes		Yes		Yes								
Netherlands	1	No	No	No	No	No	Yes								
Sweden	1	No	No	No	No	No	Yes								
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**Notes:** The Table lists all the countries in which the arms-producing companies are head-quartered. Columns (1) and (2) list the countries, and the number of companies in each country, for the OECD countries (OECD membership is defined as of 1985, the beginning of our sample). Columns (3) through (7) present information on whether the country is above the median in the corruption level (according to the CPI index), Column (3)), in low transparency (Column (4)), in low press freedom (Column (5)), in high payment of bribes (BPI Index, Column (6)), in high self-dealing (Column (7)). Columns (8) through (14) present the same information for the non-OECD countries. The measures of corruption are defined in the text.