

Extension of the Democracy Does Cause Growth paper's dataset

Review of the paper

https://s3-us-west-2.amazonaws.com/secure.notion-static.com/980a8ab5-5645-4058-b9c1-b6788d1082ca/DemocracyDoesCauseGrowth_Review.pdf

Extending the dataset

- Most of the work should not be too hard.
 - I think we already have data for most of their variables → just need to convert these into long form, because our data (total.dta) is in wide format
 - For example, their main control variables are:
 - GDP per capita ← already in total.dta
 - Investment share of GDP ← already in total.dta
 - TFP ← already in total.dta
 - Trade share of GDP ← already in total.dta
 - Primary enrollment rate ← already in total.dta
 - secondary enrollment rate ← already in total.dta
 - tax revenue share of GDP ← already in total.dta
 - child mortality per 1000 births ← already in total.dta
 - unrest dummy ← not in total.dta

- market reforms index ← not be in total.dta
- We *may* need to get some extra data for some of the control variables that they use → please incorporate them as necessary in panel data form
- The one thing we *do* need to do is code the dichotomous democracy measure for the period not covered in their paper (2010-2022) → please read the details in their online appendix & **I coded halfway in ddcg_add20102020data.do (can use this or not)**
 - Their dichotomous democracy measure based on work by Papaioannou and Siourounis (2008).
 - Their general description of how they construct the measure, from their paper's Section 2. Data and Descriptive Statistics (page 5):

Following Papaioannou and Siourounis (2008), our index combines information from several data sets, including Freedom House and Polity IV, and considers a country democratic only when several sources classify it as such. In the online appendix, we explain in detail the construction of our measure; here, we provide an overview. We code our dichotomous measure of democracy in country c at time t , D_{ct} , as follows. First, we consider a country democratic during a given year if Freedom House codes it as “free” or “partially free” and Polity IV assigns it a positive score. When one of these two sources is unavailable, we verify whether the country is also coded as democratic by Cheibub, Gandhi, and Vreeland (2010) or Boix, Miller, and Rosato (2012). (These two data sets extend the popular Przeworski et al. [2000] dichotomous measure of democracy.) Many of the democratic transitions detected in this manner are studied in detail by Papaioannou and Siourounis (2008), who use

historical sources to date the exact year of the transition. When possible, we also draw on their data to verify the date of a democratization event.

- Details are in their online appendix, section A1
- Suggested steps for coding:
 - Download latest Freedom House and Polity data
 - Code the bulk of the dichotomous democracy measure for 2010-2018 using the two measures - i.e. we code a country as democratic if both Freedom House and Polity considers it to be democratic. Data for both measures exist for the 2010-2018 period (Polity stopped updating their measures beyond 2018).
- Some issues that may arise (that I can think of right now):
 - Polity only covers up to 2018, so we would probably only rely on Freedom House measures for 2019-2021.
 - Sometimes countries in the Democracy Does Cause Growth paper are not covered by Polity and Freedom House ← in the Curse of Democracy paper, such small countries do not play an important role, but if we want to replicate Acemoglu et al. paper's sample strictly, may need to include these countries.
 - Although the Democracy Does Cause Growth paper refers to several works such as the dichotomous measures introduced by Cheibub, Ghandi, and Vreeland (2010) and Boix, Miller, and Rosato (2012) to code data for whether a country is democratic or not given the absence of either the Freedom House or Polity sample, since their works are not updated to cover the 2010-2020 period, we cannot refer to them when generating data for the 2010-2020 period. → Have to think about how to deal with these cases, but maybe we can ignore this issues for now.

Notes:

- they write in page 50 that they rely on the dichotomous measure for most of the analysis but they “also document the robustness of the results to other measures of democracy” in the online appendix
 - more details in page 71