Economic Integration and the Transmission of Democracy*

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Abstract

In this paper, we study if exposure to the institutions of trade partners changes individuals' attitudes towards democracy and favors the process of democratization. We combine survey data with country-level measures of democracy from 1960 to 2015, and exploit the improvement in air, relative to sea, transportation to derive a time-varying instrument for trade. Relying on within-country variation across cohorts, we find that individuals who grew up when their country was more integrated with democracies are, at the time of the survey, more supportive of democracy. In line with the change in citizens' preferences, economic integration with democratic partners has a large, positive effect on a country's democracy score. Instead, economic integration with non-democratic partners has no impact on either individuals' attitudes or countries' institutions. We provide evidence consistent with the transmission of democratic capital from more to less democratic countries.

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1 Introduction

The post-1960 surge in globalization coincided with the spread of democracy across the world (Figure 1). As a result, citizens of non-democratic countries might have been increasingly exposed to the institutions and the values of their more democratic partners. Do trade and, more broadly, economic integration with democratic partners favor the transmission of democratic values and the consolidation of democracy across countries? Several papers have documented that longer exposure to domestic democratic institutions improves individuals' attitudes towards democracy and favors the stability of the latter (Besley and Persson, 2019; Fuchs-Schündeln and Schündeln, 2015; Persson and Tabellini, 2009), especially when the country is economically and socially successful (Acemoglu et al., 2021).[1] Yet, less is known about the extent to which democratic institutions and values can travel across countries, through economic integration. This issue is particularly important today, as globalization seems to be on retreat and countries are increasingly trading with partners that share their institutional and geopolitical stance.[2]

In this paper, we study the effects of economic integration with democracies on individuals' support for democracy and on the development of democratic institutions, using a large panel dataset of countries from 1960 to 2015. We begin by exploiting within-country, across-cohort variation in individuals' exposure to democracy of a country's trade partners during their impressionable years (Giuliano and Spilimbergo, 2014; Krosnick and Alwin, 1989). Using data from the Integrated Value Surveys (IVS), we test whether individuals who grew up while their country was trading more with democratic partners were, at the time of the survey, more supportive of democracy. In a nutshell, we compare individuals' attitudes towards democracy between age cohorts that were more (or less) exposed to trade with democratic partners, relative to other cohorts in the same country and to the same cohorts in other countries over time. Then, we examine the effects of economic integration with democratic and non-democratic partners on democracy, measured with the *Polity2* score from the Polity5 project. We leverage within country variation over time, thereby absorbing country-specific, time-invariant differences as well as shocks common to all countries that may be correlated with both democracy and trade openness.

Identifying the causal effect of trade with democratic partners on citizens' democratic values and on a country's level of democracy is challenging for several reasons. First,

[1] A large literature has analyzed the forces that contribute to the development of democracy (Acemoglu and Robinson, 2006; Barro, 1999; Lipset, 1959; Przeworski et al., 2000; Murtin and Wacziarg, 2014).

[2] See, for instance, the *Wall Street Journal* at https://www.wsj.com/articles/economic-blacklist-of-russia-marks-new-blow-for-globalization-11646940040.

political reforms, including democratic transitions, are often followed by economic liberalizations (Giavazzi and Tabellini, 2005; Giuliano et al., 2013). Second, institutions might themselves be important determinants of trade (Costinot, 2009; Nunn, 2007). Finally, broader trends, such as income growth or human capital accumulation, may be simultaneously correlated with individuals' beliefs and regime transition on the one hand, and with economic integration on the other.

To address these and similar concerns, we build on Feyrer (2019), and construct an instrument for trade that exploits the rise in the importance of air, relative to sea, transportation over the last 60 years. Our strategy exploits the fact that, because of their geographic location, different country-pairs were differentially affected by technological change in air transportation, which led to a drastic increase in the share of air freight (Hummels, 2007). To formalize this intuition, we estimate a time-varying gravity equation (Anderson and Van Wincoop, 2003) that allows the elasticity of trade with respect to sea and air distance between countries to change over time. We then use the estimated elasticities to predict bilateral trade flows between 1960 and 2015, which we aggregate at the country level to obtain instruments for trade with democratic and non-democratic partners.

The time-varying instrument for trade, which is likely exogenous to any specific country and, within a country, to any specific age cohort, allows us to control for unobserved country-, time-, and (in the survey analysis) cohort-specific factors potentially correlated with changes in both trade openness and support for democracy. To address the possibility that economic integration predicted by improvements in air transportation coincided with regional democratization trends, our preferred specification further controls for democratization waves occurring in a country's neighbors, similar to Acemoglu et al. (2019).

Starting from the survey-level analysis, we find that individuals who grew up when their country was trading more with democratic partners were, at the time of the survey, more supportive of democracy. Instead, exposure to trade with autocracies has no effect on individuals' attitudes. These results are robust to using alternative versions of the instrument, to measuring support for democracy in different ways, and to including survey-year by country fixed effects (in addition to cohort, survey-year, and country fixed effects), which absorb any country-specific shock across survey years that might change respondents' attitudes towards democracy. They are also robust to including data from the Afrobarometer for the countries not covered by the IVS, and to dropping specific groups of countries (e.g., members of the European Union) or excluding trade with

selected partners (e.g., the US or China).

The magnitude of our estimates is large: according to our preferred specification, doubling economic integration with democracies (a change in exposure equivalent to the inter-quartile range in our sample) increases an individual's support for democracy by .48 points on a 1 to 4 scale. This is similar to the difference in attitudes towards democracy between China and Sweden, or that between Colombia and France.

These findings are consistent with exposure to trade with democracies favoring the flow of democratic capital from more to less democratic countries, improving views about democracy among citizens in autocratic regimes. A related mechanism might be that trade with democratic partners induces countries to switch to democracy first, and then the experience with own democracy—rather than that of trade partners—influences individuals' beliefs. In contrast with this possibility, we document that results are unchanged when controlling for the average democracy score of the country (or the probability of switching to democracy) during both the impressionable years and an individual's life-time. This suggests that our findings capture citizens' exposure to democracy in other countries rather than in their own.

Another possibility is that trade with democratic partners promotes economic development and favors human capital accumulation. These, and not the exposure to trade partners' institutions, may influence individuals' attitudes over the course of their lives, making them more supportive of democracy (Glaeser et al., 2007; Lipset, 1959). We provide evidence against this mechanism in two ways. First, we show that the effect of trade with democracies remains unchanged when controlling for a country's GDP growth or human capital accumulation, both during an individual's impressionable years and during her life-time. Second, and more directly, we find that cohorts more exposed to economic integration with democracies are not more educated or richer at the time of the survey.

In the second part of the paper, we show that the effects of trade with democracies on citizens' beliefs are reflected in changes in countries' institutions. In particular, trade with democratic partners has a positive and large effect on the *Polity2* democracy score. Instead, as for the survey-level analysis, trade with non-democracies has no impact on a country's democracy score. Perhaps not surprisingly, the effects are driven by countries that are non-democratic at baseline. Our estimates indicate that increasing trade with democratic partners over a 5-year period by 80% (approximately its inter-quartile range) raises a country's *Polity2* score by around 4 points. This is equivalent to the difference in the score between Malaysia and Canada in 2010, or that between Turkey and Senegal

in 2015.

As for surveys, results are robust to using different measures of democracy and versions of the instrument. They are also unchanged when: interacting year dummies with several country-specific characteristics to allow for differential trends; dropping specific countries, such as member countries of the European Union or the former Soviet Union bloc; and, considering trade with democratic (resp., non-democratic) countries excluding the US (resp., China).[3]

Our preferred interpretation, consistent with results from the survey-level analysis, is that the trade-induced increase in democracy captures a process of transmission of democratic capital from more to less democratic countries. We corroborate this idea by constructing a measure of trade-induced democratic capital, which is very similar in spirit to that of Persson and Tabellini (2009) for domestic democratic capital. Weighing each democratic partner's *Polity2* score by its trade share (relative to a country's total trade), we document that trade-induced democratic capital improves a country's democracy score.

We then explore the conditions under which trade with democracies promotes institutional change. First, democratization is more likely to take place when trade occurs with (democratic) partners that have a longer experience with democracy themselves, and may thus become "role models" for their less democratic partners. Second, our results are driven by trade with democratic partners that are growing faster and that have higher levels of public spending relative to GDP. These findings resonate with the idea that trade with democracies changes the perceived desirability of democracy among less democratic partners—a process that should happen especially when democracies deliver, in terms of either economic growth or public goods provision, or both (Acemoglu et al., 2021).[4] Third, consistent with cultural similarity facilitating the transmission of ideology and norms, the effects are larger when trade occurs with democracies that are culturally closer.

We also provide different pieces of evidence against alternative channels. First, we replicate the analysis controlling for lagged population, lagged GDP, and lagged or instrumented GDP per capita, and we document that trade with democracies does not lead to human capital accumulation. This weighs against the possibility that trade with democratic partners might promote democracy by spurring growth or increasing educational

[3]Importantly, results are unchanged when accounting for the fact that the sample is unbalanced, and that countries entering later might be on differential trends.

[4]These findings are also consistent with those in Buera et al. (2011), who show that countries learn from the experience of their neighbors, and that policymakers update their beliefs about the desirability of different policies based on other countries' performance.

attainment. Second, we show that the trade-induced increase in democracy is stronger for countries with higher rents from natural resources, and does not depend on the share of GDP accruing to services and manufacturing at baseline. This suggests that trade with democracies did not favor the emergence of democracy by strengthening the middle-class (Acemoglu et al., 2005; Puga and Trefler, 2014). Third, we document that trade with democracies does not increase income inequality, reducing concerns that our results may be driven by poorer citizens pushing for institutional change. Fourth, we allow countries that experienced a CIA intervention during the Cold War to be on differential trends, and verify that economic integration with democracies is uncorrelated with several measures of foreign influence used in the literature. These findings reduce concerns that our estimates may reflect democratic partners' pressure to implement political or economic reforms. Finally, we show that economic integration does not increase the probability of signing Preferential Trade Agreements (PTAs), which may in turn influence a country's democratic trajectory (Liu and Ornelas, 2014).

In the last part of the paper, we seek to isolate the components of economic integration that might drive our results. We show that trade with democracies is uncorrelated with important variables that may foster the process of democratization, such as migration (Barsbai et al., 2017), foreign direct investment (FDI), and the presence of students abroad (Spilimbergo, 2009). We also do not find any relationship between trade with democracies and the number of book translations (overall and by topic), which may proxy for idea flows not embedded in trade in goods (Abramitzky and Sin, 2014). While these patterns suggest that trade in goods is likely to play an important role in the process of democratization, data limitations prevent us from considering additional mechanisms, including business travel, tourism, and, more broadly, ideas flows. For this reason, we interpret the results as the effects of economic integration, although sometimes we refer to "trade" for brevity.

Our paper is related to different strands of the literature. First, it complements works on the importance of experience with own democracy for the stability and the well-functioning of the latter (Acemoglu et al., 2021; Besley and Persson, 2019; Fuchs-Schündeln and Schündeln, 2015; Persson and Tabellini, 2009) by providing evidence that individuals can accumulate democratic capital also through economic integration with other (democratic) countries.[5]

Second, our findings speak to papers studying the effects of trade on institutions. Ace-

[5]Our findings are also consistent with those in Bursztyn and Cantoni (2016) for the effects of information transmission through Western media on consumption patterns in Eastern Germany after 1990.

moglu et al. (2005) and Puga and Trefler (2014) document that, by altering the economic power of different groups in the society, trade can trigger institutional change, and that the direction of the latter depends on the groups that benefit from trade. Levchenko (2007) shows that trade can promote or hinder democratization depending on the similarity of the institutions of trade partners.[6] Liu and Ornelas (2014) find that free trade agreements increase the longevity of democracy by lowering protectionist rents and, in turn, elites' incentives to seek power. We complement these papers by shedding light on a different channel through which trade can lead to institutional change: namely, the transmission of democracy from more to less democratic partners. In this respect, our findings contribute to a vast literature that, since at least Grossman and Helpman (1991), has shown that the trade-induced spread of ideas can foster economic growth (Grossman and Helpman, 2015; Sampson, 2016).

Finally, from a methodological standpoint, our work builds on Feyrer (2019) to derive a time-varying instrument for trade that exploits improvements in air (relative to sea) transportation.[7] A similar approach is used in Pascali (2017), who leverages variation induced by the introduction of steam technology in shipping. Both Feyrer (2019) and Pascali (2017) use the time-varying instrument obtained from a gravity equation to estimate the "gains from trade", as first done by Frankel and Romer (1999) in a cross-sectional, time-invariant setting. We complement these works by focusing on institutional change, rather than economic growth.[8]

The remainder of the paper proceeds as follows. Section 2 presents the data. Section 3 describes the empirical strategy and introduces the instrument for trade. Section 4 and Section 5 present the results on the effects of economic integration with democracies on individuals' attitudes and on countries' democracy, respectively. Section 6 disentangles some of the components of economic integration. Section 7 concludes.

[6]Consistent with the ambiguous (theoretical and empirical) effects of trade on institutions documented in these papers, Rigobon and Rodrik (2005) and López-Córdova and Meissner (2008) find, respectively, a negative and a positive relationship between trade openness and democracy.

[7]Aksoy et al. (2018) use a version of the instrument developed by Feyrer (2019) to estimate the effects of skill composition of trade on political approval across countries.

[8]In related work, Ellingsen (2021) relies on improvements to maritime technology in the nineteenth century to test how the composition of trade influences institutional convergence across countries.

2 Data

This section presents the key variables used in the analysis. Appendix B reports all variables considered in the paper, together with their description and source (Tables B.1, B.2, and B.3).

Actual and predicted trade. Bilateral trade flows come from the IMF Direction of Trade Statistics. For each exporter-importer pair, in each year, there are four measures of trade, namely exports and imports reported by both countries. Following the literature (Baldwin and Taglioni, 2007), we consider the average of these four measures.

We use air and sea distances to derive an instrument for trade. Air distance between each country-pair is the great circle distance between the most important cities in a country, reported by the CEPII (Mayer and Zignago, 2011). We calculate sea distances by first identifying the main commercial port for each country, and then collecting data on the sea-routes between ports of each pair of countries from the website vesseldistance.org.[9] Landlocked countries are not included, since there is no sea distance between them.

Actual and predicted trade data cover the period between 1960 and 2015, although we use 1955 data (when available) to construct pre-determined bilateral trade shares and other lagged variables. To express (actual and predicted) trade relative to the size of a country's economy, we collect GDP data from the Penn World Table, version 9.1.

Attitudes towards democracy. We measure individuals' attitudes towards democracy using data from the Integrated Value Survey (IVS), which harmonizes the European Value Survey (EVS) and the World Value Survey (WVS). The survey was first conducted in 1981, and includes socio-demographic and economic characteristics of respondents, as well as their political preferences and ideology. We restrict attention to waves conducted between 1995 and 2019, when questions on attitudes towards democracy are available. Not all countries were included in the earlier waves, leaving us with an unbalanced sample of 74 countries for a total of around 225,000 individuals. Table B.4 lists the set of countries covered by the survey-level analysis, with the corresponding number of waves as well as the first and the last interview year for which respondents from each country were included.

In measuring attitudes towards democracy, we select questions typically considered

[9]The website vesseldistance.org was last accessed in July 2014. For Canada, we compute sea distances as the shortest sea-route from the main port on either the East or the West coast. We consider three ports for the US (on the East Coast, the West Coast, and the gulf of Mexico), and Russia (on the Baltic Sea, the Black Sea, and the Pacific Ocean). See Table B.1 for more details.

in the literature (Acemoglu et al., 2021; Fuchs-Schündeln and Schündeln, 2015; Persson and Tabellini, 2009). Our main variable, labelled *Democratic system*, is derived from the question: "Would you say having a democratic political system is a very good, fairly good, fairly bad or very bad way of governing this country?" Respondents can answer on a 1 to 4 scale. We consider both the full scale and, for robustness, a dummy version of the variable equal to one if a respondent viewed democracy as a "very good" or "fairly good" system. We also look at the extent to which respondents agree with the statement: "Democracy may have problems but is better than any other form of government," which we label *Democracy better*. As for *Democratic system*, we consider both the full 1-to-4 scale and a dummy equal to one if respondents "strongly agree" or "agree" with the previous statement. Finally, following Acemoglu et al. (2021), we create a *Support democracy index*, which is constructed by taking the average of four separate questions from the IVS that elicit respondents' attitudes towards different political systems. We always code answers so that higher values refer to stronger support for democracy. Table B.2 reports the exact wording, the answer range, and the survey year in which each question is available.

For robustness, we complement the IVS with data from the Afrobarometer, including the 16 African countries that are present in the latter but not in the former (Table B.5). We create a dummy equal to one if a respondent thinks that "Democracy is preferable to any other kind of government", to make it as comparable as possible to the dummy described above for *Democratic system* from the IVS.[10]

Democracy score. To analyze the effects of trade on a country's democracy, we use the *Polity2* score from the Polity5 project. This variable, which is widely used in the literature (Besley and Persson, 2019; Burke and Leigh, 2010; Fuchs-Schündeln and Schündeln, 2015), is an index ranging from -10 to 10, with more positive values capturing stronger democratic institutions. We also define an indicator variable for countries with a *Polity2* score strictly positive, which we use both as an alternative outcome and to define democratic and non-democratic trade partners. The *Polity2* score is available for a larger set of countries and years than survey data from the IVS. In particular, our sample consists of an unbalanced sample of 116 countries for the period from 1960 to 2015 (Table B.6). As a robustness check, we also use the democracy index from Freedom House, available from 1975 onwards.

Table 1 reports summary statistics for the main individual-level (Panel A) and country-level (Panel B) variables used in the analysis. Survey respondents hold relatively positive views towards democracy, as reflected in the average value of the variable *Democratic*

[10] See Table B.2 for more details.

system (3.4 on a 1-to-4 scale). However, there is substantial variation across countries. For instance, the average value of *Democratic system* ranges from 3.23 and 3.25 in China and South Africa to 3.70 and 3.71 in Norway and Sweden. The other proxies for citizens' views towards democracy display similar patterns. Average exposure to trade with democracies (scaled by GDP) during the formative years is more than four times larger than exposure to trade with autocracies (.17 vs .04). There is also more variation in exposure to democratic partners relative to autocratic partners (with standard deviations of .13 and .05 respectively). To account for such differences, when presenting the results, we also report standardized beta coefficients. The *Polity2* score is, on average, 2.06; as for individual attitudes, it exhibits large variation both across countries in a given period and within countries over time. The average trade-to-GDP ratio is .3. Trade with democracies accounts for almost 80% of total trade, though large variation exists across countries and over time. Trade with democracies declines since the 2000s, with the steady integration of China with the rest of the world.

3 Empirical Strategy

3.1 Individual-Level Analysis: Attitudes Towards Democracy

We begin the analysis by estimating the effects of trade with democratic and non-democratic partners on citizens' attitudes towards democracy. We build on a large literature in psychology (Krosnick and Alwin, 1989; Sears, 1975) and, more recently, economics (Carreri and Teso, 2022; Giuliano and Spilimbergo, 2014) that documents that individuals' political preferences are formed during early adulthood. For individuals living in country i, born in year b, and interviewed in year t, we define exposure to trade with partners of institutional type p as:

$$T^p_{ibt} = \frac{1}{N_t} \sum_{r=1}^{N_t} \frac{trade^p_{i,b+15+r}}{GDP_{i,b+15+r}} \tag{1}$$

where $trade^p_i$ is country i's trade with democratic ($p = D$) and non-democratic ($p = A$) partners during the impressionable years (from the age of 16 to the age of 24), scaled by the corresponding GDP.[11] To obtain individuals' average trade exposure, we divide the cumulated exposure during the impressionable age by the number of years of exposure,

[11] We define a trade partner democratic if its *Polity2* score is strictly positive.

N_t, which for some individuals may depend on the year of interview t.[12] Questions on attitudes towards democracy are available in the IVS between 1995 and 2019, but exposure to economic integration can be calculated from 1960 (when trade data becomes systematically available).

We estimate individual-level regressions of the form:

$$y_{kibt} = \lambda_{it} + \zeta_b + \beta^D \log(T_{ibt}^{demo}) + \beta^A \log(T_{ibt}^{auto}) + W_{ib} + X_{kibt} + \epsilon_{kibt} \quad (2)$$

where y_{kibt} is a proxy for attitudes towards democracy of individual k from country i born in year b and interviewed in survey-year t; X_{kibt} is a vector of individual controls (gender, income, and education); and, T_{ibt}^p is trade exposure with partners of type p defined in equation (1).[13] To account for the possibility that exposure to trade with democracies coincided with regional democratization trends, which may influence citizens' attitudes, we include a measure of democratization waves occurring in a country's influence set (Acemoglu et al., 2019) during the impressionable age period of individuals born in year b, W_{ib}.[14] Finally, we include country by survey-year and birth-year fixed effects (λ_{it} and ζ_b). Standard errors are clustered at the country level.

The inclusion of country by survey-year and birth-year fixed effects implies that β^D and β^A are estimated from changes across birth cohorts *within* a country, as compared to changes across the same age groups in other countries, in a given survey-year. Note, also, that country by survey-year fixed effects absorb any country-specific shock occurring in any given survey-year.

3.2 Country-Level Analysis: Democracy

In the second part of the paper, we examine the effects of economic integration with democratic and non-democratic partners on a country's democracy score. We conduct

[12] In most cases, $N_t = 9$, covering the whole 16-to-24 age span. For the subset of individuals who are either too young or too old, we use all available years over the 9-year impressionable age window. Results are robust to dropping these individuals and to using alternative definitions of impressionable years.

[13] Individual controls for income and education are dummies for: income deciles; and, primary, secondary, and higher than secondary level of education attained.

[14] Following Acemoglu et al. (2019), we construct this variable as follows. First, we divide the world in 6 regions; then, within each region and for each country i, we define the share of countries other than i with a *Polity2* score strictly positive during year b and that were in the same institutional group as i at baseline (where an institutional group is either democratic, for *Polity2* > 0, or autocratic, for *Polity2* < 1). In our preferred specification, we lag this measure by one year, to reduce endogeneity concerns. Results are unchanged when using the contemporaneous version or 2, 3, 4, or 5-year lags. As for trade exposure, we calculate the average of this variable over the entire impressionable-year window.

the analysis at the country level using 5-year intervals, to account both for the gradual diffusion of new technologies across countries and over time (the key source of variation behind our instrument) and for the sticky nature of institutions. Specifically, for the period from 1960 to 2015, we estimate:

$$D_{it} = \gamma_i + \lambda_t + \beta^D \log(T_{it}^{demo}) + \beta^A \log(T_{it}^{auto}) + W_{it} + \epsilon_{it} \tag{3}$$

where D_{it} is the democracy score of country i in year t, and T_{it}^{demo} (resp., T_{it}^{auto}) is trade with democracies (resp., autocracies) over GDP. W_{it} refers to democratization waves in country i's influence set during year t, and γ_i and λ_t are country and year fixed effects. Standard errors are clustered at the country level.

3.3 Instrument for Economic Integration

Even when controlling for the fixed effects included in equations (2) and (3), a simple OLS regression of citizens' beliefs or countries' democracy scores on economic integration may be biased for several reasons. First, free trade agreements or broader economic liberalization episodes might lead to political reforms and institutional change (Giavazzi and Tabellini, 2005; Giuliano et al., 2013; Liu and Ornelas, 2014). Second, the pattern of specialization can be influenced by the quality of a country's institutions (Costinot, 2009; Nunn, 2007). Finally, individuals' beliefs and the quality of a country's democracy may be correlated with a host of other factors—such as income or education—that are also related to economic integration.

To address these and related concerns, we construct an instrument for economic integration that exploits the rise in the importance of air, relative to sea, transportation. Our strategy builds on recent work by Feyrer (2019), and rests on the following intuition. Improvements in air shipping occurring since the mid-1960s, especially the adoption of the jet engine, have reshaped the geography of international trade, leading to a dramatic increase in the share of air freight (Hummels, 2007). For instance, the trade costs incurred when shipping goods by air were 10 times lower in 2004 than in 1955. The reduction in sea transportation costs over the same period was instead much more limited. This resulted in an unprecedented surge in the share of goods traveling by air—from less than 10% prior to 1960 to more than 50% by 2004, for the US.[15]

These patterns were not homogeneous across countries, but, rather, affected different

[15]Detailed statistics for most countries other than the US going back in time are not available.

country-pairs differently, depending on their geographic location. Specifically, the trade surge induced by improvements in air transportation is lower for country-pairs for which air and sea distances are fairly similar (e.g., Japan and China) than for countries for which the two distances are very different (e.g., Japan and France).

3.3.1 The Gravity Step: Deriving Predicted Trade

To operationalize the previous intuition, we estimate a time-varying gravity equation (Anderson and Van Wincoop, 2003) with both air and sea distances, allowing the elasticity of trade with respect to each distance to change every five years between 1960 and 2015. We then use the estimated elasticities to predict bilateral trade flows, which we aggregate at the country level, to obtain instruments for economic integration with democratic and non-democratic partners, respectively.

The general gravity model can be expressed as:

$$\ln\left(trade_{ijt}\right) = \ln\left(y_{it}\right) + \ln\left(y_{jt}\right) - \ln\left(y_{wt}\right) + (1-\sigma)[\ln\left(\tau_{ijt}\right) + \ln\left(P_{it}\right) + \ln\left(P_{jt}\right)] + \epsilon_{ijt} \quad (4)$$

where $trade_{ijt}$ is bilateral trade between country i and country j at time t; y_{it}, y_{jt}, and y_{wt} are the GDP of countries i and j and of the world; P_{it} and P_{jt} are country-specific multilateral resistance terms that capture a weighed average of trade barriers of any given country; and, τ_{ijt} is the bilateral resistance term, which captures all pair-specific trade barriers (e.g., distance, common language, shared border, and colonial ties).

We depart from the canonical gravity equation by modeling the bilateral resistance term as a function of sea and air distances, while absorbing all other factors in a large set of fixed effects. As in Feyrer (2019), we assume the following functional form for τ_{ijt}:

$$\ln\left(\tau_{ijt}\right) = \beta_q^{sea} \ln\left(seadist_{ij}\right) + \beta_q^{air} \ln\left(airdist_{ij}\right) \quad (5)$$

where $seadist_{ij}$ and $airdist_{ij}$ are sea and air distances between countries i and j. Coefficients on distances in expression (5) are allowed to vary across time-periods q, capturing the differential effect over time of technological change in air relative to sea transportation discussed above. We allow q to have a frequency lower than t (in particular, 5 years), since improvements in technology take time to be developed and diffuse.[16]

Replacing expression (5) in equation (4), we predict bilateral trade flows between

[16]Pascali (2017) uses a similar strategy to estimate the elasticity of trade with respect to sail versus steamship distances.

countries i and j at time t by estimating:

$$\ln\left(trade_{ijt}\right) = \chi_{ij} + \varphi_{it} + \psi_{jt} + \beta_q^{sea} \ln\left(seadist_{ij}\right) + \beta_q^{air} \ln\left(airdist_{ij}\right) + u_{ijt} \qquad (6)$$

where χ_{ij}, φ_{it}, and ψ_{jt} are country-pair and country by year fixed effects, respectively. Country-pair fixed effects absorb any bilateral (time invariant) characteristic between countries, such as common language, colonial relationship, and common border. The inclusion of country-year fixed effects instead controls for any country-time specific variation that may affect bilateral trade and confound the effect of geographic distance, such as the construction of a new port or a cargo airport.[17] Our preferred instrument is obtained by estimating equation (6) with OLS. However, results are similar when using the Poisson Pseudo Maximum Likelihood (PPML) estimator, which reduces concerns of potential inconsistency in the estimation of multiplicative models in log-linearized form, and addresses the issue that OLS estimates may be biased due to many zeros in bilateral trade flows (Silva and Tenreyro, 2006).

After estimating equation (6), we take the exponential of predicted bilateral log trade, and sum it over all partners j of country i. In formulas:

$$\begin{aligned} \widehat{trade}_{it} &= \sum_{j \neq i} \omega_{ij} \exp\left(\ln \widehat{trade}_{ijt}\right) \\ &= \sum_{j \neq i} \omega_{ij} \left[e^{\hat{\beta}_q^{sea}(\ln seadist_{ij}) + \hat{\beta}_q^{air}(\ln airdist_{ij})} \right] \end{aligned} \qquad (7)$$

To predict economic integration with democratic and non-democratic partners, we sum bilateral trade flows in equation (7) separately for partners of either institutional type. In the baseline specification, we define a partner as democratic if its 5-year lagged *Polity2* score is strictly positive. In Appendix C, we also replicate the analysis using the *Polity2* score at baseline to classify the institutions of trade partners.

By omitting the estimated fixed effects from equation (6) in the summation in (7), we increase confidence that the instrument only captures the variation in economic integration induced by changes in the importance of air relative to sea transportation. Yet, this comes at the cost of potentially reducing the predictive power of the instrument. To tackle this

[17] Controlling for this battery of fixed effects is consistent with the suggestions in Baldwin and Taglioni (2007) and Head and Mayer (2014). We follow Baldwin and Taglioni (2007) also in calculating $\log(trade_{ijt})$ as the average of the log of the two flows between i and j (instead of the log of the mean), and by expressing trade in current US dollars, while controlling for time fixed-effects (instead of deflating by the US CPI).

trade-off, when aggregating bilateral predicted trade flows in (7), we weigh by the average trade share between countries i and j, relative to total trade of country i during the first 5-years for which trade data are available.[18] As documented below, results are robust to using other weights that depend only on country j's baseline characteristics—such as trade over GDP, population, and share of trade relative to world trade—and to aggregating bilateral predicted flows without weights.

Figure 2 plots OLS coefficients (with 95% confidence intervals) obtained from the estimation of gravity equation (6). The elasticity of trade with respect to sea distance (red, dashed line) remains flat throughout the entire 1960 to 2015 period. Instead, the elasticity of trade with respect to air distance (blue, solid line) becomes more negative over time, in line with the trends described above and documented in Feyrer (2019) and Hummels (2007). That is, as technological progress makes air transportation cheaper and more available, the importance of air distance (relative to sea distance) rises. Table A.1, column 1, reports the corresponding formal estimates. In column 2, we present results obtained by estimating equation (6) with PPML. Reassuringly, the patterns of the estimated elasticities are similar across models. As anticipated above, in our baseline specification, we use the instrument derived from OLS estimates, but we document that our findings are robust to using that constructed from PPML.[19]

3.3.2 Actual and Predicted Trade: First Stage

In Table A.2, we present the relationship between actual and predicted trade to test the strength of the first stage. In columns 1 and 2, we regress the log of trade with democracies over GDP against the log of predicted trade with democratic and non-democratic partners, again scaled by GDP. In columns 3 and 4, we consider the log of trade with non-democratic partners. As explained before, the instruments for trade are scaled by 5-year lagged GDP, and democratic partners are defined using a 5-year lag in the *Polity2* score. Columns 1 and 3 only include country and year fixed effects, while columns 2 and 4 further control

[18] We use the first 5-years to limit concerns of endogeneity, and take the average over them to smooth out any possible noise in yearly trade data.

[19] Standard errors in 2SLS regressions are adjusted to take into account the estimation procedure involved in building the instruments for economic integration. We use the numerical procedure described in footnote 15 in Frankel and Romer (1999) and footnote 18 in Pascali (2017). Specifically, we add the term $\left(\frac{\partial \hat{\beta}^{demo}}{\partial \hat{\beta}^{gravity}}\right) \hat{\Omega} \left(\frac{\partial \hat{\beta}^{demo}}{\partial \hat{\beta}^{gravity}}\right)'$ to the variance-covariance matrix of the 2SLS regressions, where $\hat{\beta}^{demo}$ is the vector of estimated coefficients of the various regressions of interest (equations (2), (3), and their variations), $\hat{\beta}^{gravity}$ is the vector of the estimated coefficients of the gravity regression (equation (6)), and $\hat{\Omega}$ is the estimated variance-covariance matrix of the gravity regression.

for democratization waves.[20]

Trade with democracies is strongly and positively correlated with its predicted counterpart. Instead, the coefficient on predicted trade with autocracies is very close to zero, unstable, and imprecisely estimated. A similar picture holds for trade with autocracies, which is strongly correlated with predicted trade with non-democratic partners and weakly (and negatively) correlated with the instrument for trade with democracies. Figure A.1 displays the graphical analogue of columns 2 and 4 in a residualized binscatterplot that partials out country and year fixed effects, democratization waves, and predicted trade with autocratic (resp., democratic) partners in Panel A (resp., Panel B).

3.3.3 Identifying Assumption and Instrument Validity

The variation underlying the instrument, namely relative improvements in air transportation technology, is likely exogenous to any single country and, within countries, to any specific age cohort. Possible exceptions might be countries that play an important role in the aerospace industry, such as the US and France, but we show that results are unchanged when predicting trade omitting these (and other) partners. Moreover, since the instrument rests on variation that is solely induced by geography, it is free from reverse causation. Finally, the time-varying nature of the instrument allows us to absorb any country-specific, time-invariant factor and any shock common to all countries that might be correlated with both trade openness and democracy. In the individual-level analysis, country by survey-year fixed effects additionally control for country-specific shocks that may influence support for democracy among citizens interviewed in the same year (in the same country) and may also be correlated with the history of trade exposure.

One remaining concern may be that, relative to other cohorts in their country, and relative to individuals in the same cohort in other countries, cohorts more exposed to economic integration with democracies because of improvements in air transportation also experienced shocks that influenced their attitudes towards democracy. We address this possibility in different ways. First, we replicate the individual-level analysis controlling for factors specific to each cohort (within each country) that might be correlated with the instrument and may also shape attitudes through channels other than trade, such as GDP growth, educational attainment, and democracy. Second, we include different sets of fixed effects (e.g., country by survey-year and age by survey-year fixed effects).

A second potential concern, specific to the country-level analysis, is that countries for

[20]Standard errors are adjusted as explained in footnote 19.

which bilateral distances predict larger economic integration with democracies because of technological progress in air shipping were already on differential trends for institutional change. For instance, one may be worried that less democratic or more peripheral countries were more likely to get connected to democracies because of improvements in air transportation, and that these countries were already undergoing a process of democratization. Moreover, due to the unbalanced nature of the sample, one may be concerned that countries entering later in our analysis did so precisely when becoming more democratic, and that they are also predicted to experience faster integration because of their geography.

We tackle these and similar concerns by interacting year dummies with the number of years a country is in the sample as well as with baseline country characteristics—such as democracy, economic structure (including the share of GDP accruing to different sectors), measures of geographic remoteness, and trade exposure—to allow for differential trends. We also verify that results are robust to dropping specific groups of countries that underwent particularly fast episodes of political and economic liberalizations (e.g., member countries of the European Union), and to constructing trade excluding partners like the US and China. In addition, we show that neither the initial democracy score nor the baseline democratic capital of a country predicts economic integration with democracies in subsequent years.[21] We provide more details about these and additional robustness checks below, after presenting the results.

Finally, note that, by exploiting variation driven by changes in air transportation technologies (interacted with geography), the instrument might capture not only trade in goods, but also the movement of other factors. In Section 6 below, we seek to unbundle the components of integration that might drive our results. Our findings are not explained by migration, FDI, the presence of students abroad, and the number of book translations. However, we cannot rule out that other forces—including tourism, the formation of business linkages, and the flow of ideas—might be at play. For this reason, we interpret our results as the effects of economic integration broadly defined, rather than trade specifically, although we often refer to trade for brevity.

[21] The unbalanced nature of our sample and the fact that many variables become available for countries when the latter enter the sample prevent us from conducting formal "pre-trends" exercises.

4 Economic Integration and Citizens' Attitudes

4.1 Main Results

Table 2 presents our main results for the effects of exposure to economic integration with democratic and non-democratic partners during individuals' impressionable years. The dependent variable, which is multiplied by 100 for readability, captures individuals' agreement with the idea that democracy is a good political system (on a 1 to 4 scale, with higher values reflecting more positive views). We report OLS and 2SLS estimates in columns 1 and 2 and 3 to 6, respectively, presenting standardized beta coefficients in square brackets to ease comparisons. In columns 1 and 3, we only control for individual characteristics and for country, survey-year, and birth-year fixed effects. All remaining columns further include the measure of democratization waves described in Section 3.1.

OLS estimates reveal a positive and statistically significant correlation between economic integration with democratic partners during an individual's impressionable age and her attitudes towards democracy at the time of the survey. The opposite relationship holds for exposure to economic integration with non-democratic countries. Turning to 2SLS estimates, the F-stats for each separate first stage (reported at the bottom of the table) confirm the strength of each instrument already shown in Table A.2.[22] Consistent with OLS estimates, 2SLS coefficients indicate that economic integration with democratic partners has a strong, positive effect on individuals' attitudes towards democracy (column 3). 2SLS estimates become somewhat smaller in magnitude, relative to column 3, when controlling for democratization waves (column 4) and when adding region by survey-year (column 5) and country by survey-year (column 6) fixed effects.[23] However, they remain quantitatively large and, in our most stringent specification (column 6), statistically significant at the 5% level. Instead, and in contrast with their OLS counterparts, 2SLS estimates for economic integration with non-democracies are no longer statistically significant, and become positive and quantitatively small.

According to the coefficient of our preferred specification (column 6), doubling ex-

[22]For completeness, we also report the Kleibergen-Paap (KP) F-stat for the joint significance of all instruments. However, the threshold values used for 2SLS regressions with one instrument do not apply to the case of multiple endogenous regressors and, in fact, no critical values exist for the KP F-stat in the case of multiple instruments and non-homoskedastic errors (Andrews et al., 2019).

[23]Regions are defined following the IMF World Economic Outlook Database as: Emerging and Developing Europe; Emerging and Developing Asia; Latin America and the Caribbean; Middle East and Central Asia; Sub-Saharan Africa; Advanced Europe; North America (USA and Canada); and, Advanced Asia.

posure to economic integration with democracies (about the inter-quartile range in our sample) increases an individual's attitudes towards democracy by .48 points on a 1 to 4 scale. This is similar to the difference in support for democracy between China and Sweden, or between Colombia and France. Figure A.2 plots the graphical analogue of results in column 6, reporting the 2SLS coefficient on exposure to economic integration with democracy, after partialling out all other controls and fixed effects.[24]

It should be noted that the magnitude of 2SLS coefficients for the effects of exposure to economic integration with democracies is substantially larger than that of OLS ones. One potential explanation, besides measurement error in trade, is that we may be identifying a local average treatment effect (LATE) for countries that benefited more from improvements in air shipping, and whose citizens were more likely to update their beliefs about democracy. Another possibility is that the instrument might capture not only trade in goods, but also the flow of other factors. We return to this point in Section 6.

Summary of robustness checks. In Appendix C.1, we perform several robustness checks, which we briefly summarize here. First, we document that results are robust to measuring citizens' attitudes towards democracy in different ways (Table C.1), such as: defining a dummy equal to one if an individual views democracy as a very good or a fairly good political system; considering the extent to which individuals agree with democracy being better than other political arrangements; and, using the support for democracy index constructed in Acemoglu et al. (2021). Second, we verify that our findings are unchanged when including African countries that are not present in the IVS but for which citizens' preferences can be measured in Afrobarometer (Table C.2). Third, we replicate the analysis excluding potential outliers as well as individuals that: *i*) were either too young or too old to be fully exposed to trade during their formative years; and, *ii*) were living in countries that underwent swift episodes of integration and political liberalization (Table C.3). Fourth, we document that results are robust to excluding trade with particularly influential countries, such as the US and China, or with countries involved in the development of air transportation technologies, such as France and the UK (Table C.4). Fifth, we replicate the analysis with versions of the instrument that: *i*) aggregate predicted bilateral trade with baseline partners' characteristics (e.g., population, and trade over GDP or world trade), or without any weights; *ii*) estimate the gravity equation (4) with PPML; and, *iii*) use baseline *Polity2* score to define democratic and autocratic partners (Table C.5).[25] Finally, we show that results are unchanged when using different age

[24]Table A.3 replicates Table 2 reporting coefficients on all individual controls.

[25]Table C.5 also replicates results including a more stringent set of fixed effects.

windows to define the impressionable years (Table C.6).

4.2 Mechanisms

Our interpretation of results is that exposure to economic integration with democracies during the impressionable years favors the transmission of democratic capital (Persson and Tabellini, 2009) from more to less democratic countries. This may in turn shape citizens' views about democracy through a process similar to that documented in the literature for exposure to own country's institutions (Acemoglu et al., 2021; Fuchs-Schündeln and Schündeln, 2015).

Another channel might be that economic integration with democracies leads to faster democratic transitions, either because of stronger demand for democracy among citizens (Acemoglu and Robinson, 2006) or because autocratic leaders perceive democracy as growth enhancing (Buera et al., 2011), or both. In turn, a longer experience with democracy in their own country—and not that acquired through trade exposure—might influence citizens' attitudes towards democracy. To test this possibility, in column 2 of Table 3, we replicate our preferred specification (reported in column 1 to ease comparisons) by controlling for the average *Polity2* score of a country during an individual's impressionable age. The coefficient on exposure to economic integration with democracies remains quantitatively similar to that in column 1, albeit somewhat less precisely estimated. In column 3, we replace the average democracy score during the formative years with that between the age of 16 and the year of the interview. Even though the precision and the size of the coefficient falls, the effect of economic integration with democracies remains positive, large, and statistically significant at the 10% level (with a p-value of .08).[26]

Our baseline specification already includes the set of democratization waves occurring in a country's neighbors during respondents' impressionable years. This rules out the possibility that individuals may change their beliefs because of changes in their neighbors' institutions (which may be correlated with trade exposure with democracies). In column 4, we check that democratization waves occurring in neighboring countries after an individual's impressionable years are not responsible for changes in her beliefs. Specifically, we control for the average democratization waves (in a country's neighbors) experienced by an individual from the age of 16 until the time of the interview. Results remain similar to those in the baseline specification.

[26]Results are unchanged when using a dummy equal to one if the *Polity2* score is strictly positive.

A third possible mechanism is that economic integration with democratic partners fosters growth (Donaldson, 2015), and this—rather than the exposure to partners' institutions—improves citizens' views of democracy. This idea resonates with the branch of the literature that posits a causal nexus from economic growth to democracy (Barro, 1999; Lipset, 1959); moreover, it would be consistent with the positive correlation between income and attitudes towards democracy that we observe in our sample (Table A.3).[27] To test this channel, we augment the preferred specification by controlling for average income growth of the country during: an individual's impressionable years (column 5); and the period between the time she was 16 and the year of the interview (column 6). Also in this case, the coefficient on exposure to trade with democracies remains positive, large, and statistically significant.

Yet another possibility is that trade with democratic partners increases citizens' level of education, which, in turn, ameliorates their attitudes towards democracy (Glaeser et al., 2007). Even though it is *ex-ante* unclear whether economic integration with democracies fosters the accumulation of human capital, we nonetheless consider this potential mechanism.[28] In columns 7 and 8 of Table 3, we replicate the previous analysis controlling for the average years of schooling in the country both for the impressionable years and for the period between the year in which an individual was 16 and the year of the interview. Once again, the point estimate on exposure to economic integration with democracies remains positive and statistically significant.

In Table A.4, we provide more direct evidence against the possibility that trade with democracies increased income or human capital of cohorts that were more exposed during their impressionable years. In column 1, we replicate the baseline specification (Table 2, column 6), omitting controls for income and education, and using as dependent variable a dummy equal to one if an individual's income is above the sample median at the time of the survey. The coefficient on exposure to trade with democracies is positive, but quantitatively small and not statistically significant, suggesting that cohorts that grew up while their country was trading more with democracies did not experience faster income growth during their lifetime.[29] In columns 2 to 4, we replace the above-median income

[27] A related mechanism is that income growth favors the transition to democracy, which in turn makes individuals more supportive of democratic institutions. Columns 2 and 3 in Table 3 weigh against this possibility.

[28] In fact, results in Atkin (2016) and Blanchard and Olney (2017) as well as our own evidence below (Table 7) suggest the opposite. A negative effect of trade with democracies on human capital accumulation for less democratic countries is consistent with the latter specializing in the production of low-skilled intensive goods.

[29] Results are similar when using as dependent variable dummies for income quintiles (Table A.5).

dummy with dummies for having, respectively, primary, secondary, or tertiary education. If anything, cohort that were more exposed to economic integration with democracies during their impressionable years have lower education, relative to less exposed cohorts.[30]

Finally, changes in citizens' beliefs may be influenced by democratic partners' pressure on less-democratic ones to democratize, once they start to trade with each other. Indeed, a long-standing idea in American foreign policy is that "democracy can be exported" (Eichengreen and Leblang, 2008).[31] Pressure from trade partners may, in turn, induce citizens of non-democratic countries to change their perceptions about democracy not because they observe their partners' institutions, but rather because they are exposed to campaigns that are designed to change their attitudes. To test this possibility, we create cohort-specific variables that count the number of years (relative to the impressionable age period) in which the country was subject to an intervention by the CIA or by the KGB during the Cold War. This exercise is motivated by evidence in Berger et al. (2013b) that the US used its influence to increase the size of its export markets during the Cold War. One may thus imagine a similar scenario where, following an (exogenous) increase in trade, the US exerted pressure on its partners to change their institutions.[32]

In Table A.6, we augment the baseline specification (reported in column 1 to ease comparisons) by controlling for the number of years, during the impressionable age window, that a country was exposed to an intervention by the CIA (column 2), by the KGB (column 3), or by either organization (column 4). The coefficient on exposure to trade with democracies remains positive and statistically significant. It is possible that democratic countries exert pressure on their less-democratic partners in ways that we cannot capture. Yet, given the importance of foreign policy during the Cold War, we interpret these trends as suggestive evidence that pressure from trade partners is unlikely to explain our main results. We provide additional evidence against this specific channel in Section 5.3 below.

[30]This result is consistent with the country-level analysis presented below (Section 5.3), which shows that trade with democracies reduces educational attainment.

[31]For example, in May 2001, George W. Bush claimed that when "we [the US] promote open trade, we are promoting political freedom", and that "societies that open to commerce across their borders will open to democracy within their borders." See https://georgewbush-whitehouse.archives.gov/news/releases/2001/05/20010507-6.html.

[32]Yet, Berger et al. (2013a) have documented that CIA and KGB interventions had a negative effect on democracy during the Cold War.

5 Economic Integration and Democracy

5.1 Main Results

Having documented that economic integration with democracies influences citizens' beliefs, we now examine whether it also leads to changes in countries' institutions. In Table 4, we report OLS (columns 1 and 2) and 2SLS (columns 3 and 4) results for equation (3), where we estimate country-level panel regressions that control for country and period fixed effects.[33] Both OLS and 2SLS coefficients on trade with democracies are positive and statistically significant, and remain stable when controlling for democratization waves (columns 2 and 4).[34] Figure A.3 displays the graphical analogue of column 4, plotting the relationship between economic integration with democracies and the *Polity2* score, after partialling out democratization waves, trade with non-democracies, and country and year fixed effects. Instead, the OLS coefficient on trade with non-democracies is negative and statistically significant, while the 2SLS one is positive and imprecisely estimated (and smaller relative to that on trade with democracies).

The estimated effects of economic integration with democracies are quantitatively large. According to our preferred specification (column 4), an 80% increase in economic integration with democracies (about the inter-quantile range in our sample) raises the *Polity2* score of a country by 4 points. This corresponds to the difference in the democracy score between Malaysia and Canada in 2010, or that between Turkey and Senegal in 2015.

In columns 5 and 6 of Table 4, we split the sample in baseline non-democracies and democracies, respectively, defining a country democratic if its *Polity2* score is strictly positive. Due to the smaller sample sizes, the SW F-stats become lower than in our preferred specification, suggesting that results should be interpreted with some caution. However, the picture that emerges is clear: trade with democratic partners has a large and positive effect only among countries that are non-democratic at baseline. Instead, the coefficient on trade with democracies is negative and very imprecisely estimated for democratic countries.

An interesting pattern emerging from both the individual-level and the country-level analyses is the asymmetric effect of economic integration by trade partners' institutions. Specifically, economic integration with democracies fosters individuals' democratic values

[33] As explained in Section 3.2, this analysis is conducted using 5-year periods. We report standardized beta coefficients in square brackets to ease comparisons, and present SW and KP F-stats at the bottom of the table.

[34] Also in this case, 2SLS estimates are an order of magnitude larger than OLS ones.

and favors the process of democratization across countries. Instead, economic integration with autocratic partners does not lead either to lower attitudes towards democracy or to less democratic institutions. One possible explanation is that citizens of less democratic countries are not fully aware of the defining features of democracy. When exposed to the institutions of another autocratic regime, citizens of non-democratic countries may thus not update their beliefs about the (perceived or actual) desirability of democracy. This is likely to occur only when individuals living in autocratic regimes are exposed for the first time to democratic institutions.

Summary of robustness checks. Results are robust to a large number of checks, which are presented in detail in Appendix C.2 and are briefly summarized here. First, we replicate the analysis using alternative measures of democracy (Table C.7). Second, we verify that results are robust to interacting period dummies with several baseline or time-invariant country characteristics (Table C.8), and that baseline levels of democracy are uncorrelated with subsequent changes in predicted economic integration with democracies (Figures C.1, C.2, and C.3).[35] Third, we check that results are unchanged when dropping members of the European Union or former members of the Soviet Union, and when defining trade excluding the US, China, or countries involved in the development and the production of air transportation technologies (Tables C.9 and C.10). Finally, we document that results are robust to using different versions of the instrument, to defining trade partners' institutions using baseline (rather than 5-year lag) *Polity2* score, and to estimating regressions at yearly (rather than 5-year) frequency (Table C.11).

5.2 Evidence on the Transmission of Democracy

Trade-induced democratic capital. Results in Table 4 are consistent with the patterns documented in Section 4. There, we argued that exposure to trade with democratic partners raises support for democracy among citizens of less democratic countries through the transmission of democratic capital. This may, in turn, increase demand for democracy and lead to institutional change.

In Table 5, we provide additional evidence consistent with this mechanism using a measure of "trade-induced" democratic capital similar in spirit to that defined in Persson and Tabellini (2009) for exposure to own democracy. For each country, we construct

[35] Among other controls, we include interactions between year dummies and the number of years that a country is in the sample. This is particularly important to rule out the possibility that our findings may be driven by countries that are on differential trends for democratization and that entered the sample in a way that is spuriously correlated with predicted economic integration.

a weighed average of their partners' democracy scores, with weights equal to the trade shares. Formally, we define:

$$TD_{it} = \sum_{j \neq i} \omega_{ijt} D_{jt} \tag{8}$$

where ω_{ijt} is the trade share of countries i and j in period t, relative to total trade of country i; and D_{jt} is the 5-year lagged *Polity2* score of country j (set equal to zero when negative).

In column 1, we estimate equation (3) with OLS, controlling for democratization waves and for country and year fixed effects, and replacing trade with democratic and non-democratic partners with TD_{it} defined in (8). In column 2, we turn to 2SLS estimation, instrumenting the trade shares in TD_{it} with their analogues derived from predicted trade constructed in Section 3.3. In both columns, the coefficient on TD_{it} is positive and statistically significant, indicating that a more democratic pool of partners is associated with a higher increase in a country's *Polity2* score. According to the coefficient in column 2, one standard deviation increase in trade-induced democratic capital (.14) raises a country's *Polity2* score by about 1.5 points.

In column 3, we add interactions between year dummies and baseline (domestic) democratic capital to allow countries to be on differential trends depending on their historical exposure to own democracy. Results are virtually unchanged. Finally, in column 4, we replace the 5-year lagged *Polity2* score of a country's partners with baseline democratic capital from Persson and Tabellini (2009).[36] If anything, the 2SLS coefficient becomes larger, consistent with democratic capital capturing the history of democracy in a country's partners more precisely than the more recent democracy score.

Heterogeneity by partners' characteristics. Next, we examine the conditions under which trade with democracies is more likely to promote democratization. We begin by building on the analysis presented in Table 4, splitting democratic partners between those with baseline domestic democratic capital above and below the median. We expect the trade-induced transmission of democracy to be stronger when countries interact with partners with a longer history of democracy. In column 1 of Table 6, we test this prediction, and replicate our preferred 2SLS specification (Table 4, column 4), considering separately the two groups of democratic partners (while also controlling for trade with autocratic partners).[37] Consistent with our conjecture, the effects of trade with democracies are driven by democratic partners with higher democratic capital.

[36]Democratic capital is not available for Belgium and Serbia.

[37]In each period, we lag the set of democratic partners considered by 5-years.

If democracy is transmitted from more to less democratic countries, one may expect this process to be stronger when democratic partners are economically successful. Indeed, both citizens and elites of non-democracies may update their beliefs about the desirability of democracy upwards especially when they observe that democratic countries grow faster.[38] In columns 2 and 3, we split democratic partners of each country into "good" and "bad". We define a country as a "good" democratic partner if it records a growth rate of real GDP per capita that is higher than the median growth rate of all democratic partners of a given country in a given year (column 2) or up to a given year (column 3). Our estimates indicate that trade with democracies favors democratization only when it happens with partners that do relatively well economically.[39] As noted in Acemoglu et al. (2021), democracies may be perceived as successful not only when they deliver economic growth, but also when they provide public goods and services to their citizens. In column 4, we thus define "good" those democratic partners with government spending over GDP above the median of the set of democratic partners in a given year.[40] Also in this case, the increase in the *Polity2* score is driven by trade with "good" democracies. Results in columns 2 to 4 resonate with those obtained by Acemoglu et al. (2021) for exposure to own democracy, and suggest that successful economic performance and public goods provision (within a country and among its partners) are important factors in driving support for democracy.

Finally, we test the role of cultural similarity. The existing literature has documented that lack of trust and higher cultural distance hinder economic exchange (Guiso et al., 2009). If our findings were due to a process of (cultural or institutional) transmission, one would expect democracy to increase more when trade occurs with democratic partners that are culturally closer. In column 5, we split democratic partners as culturally close and far, using the measure of genetic distance from Spolaore and Wacziarg (2009) as proxy for cultural distance. In line with our prediction, the coefficient on trade with democracies is quantitatively large and statistically significant only for democratic partners with cultural similarity above the median computed within the set of democratic partners (in a given

[38] Buera et al. (2011) provide evidence for a similar learning mechanism, where countries observe the policies implemented by other countries, and update beliefs about the desirability of such policies.

[39] The number of observations in columns 2 and 3 is lower than in the baseline specification, since for a handful of countries actual or predicted trade with good or bad partners is equal to zero. In unreported results, we estimated regressions similar to those in columns 2 and 3, also splitting autocratic partners in "good" and "bad". Consistent with our main results, the (null) effect of trade with autocracies was very similar for either group of partners.

[40] Data on government spending, taken from the IMF, is not available for all countries in all years.

year).[41]

5.3 Alternative Channels

Economic growth and human capital accumulation. As discussed in Section 4.2, an alternative mechanism for our results is a version of the "modernization hypothesis" (Lipset, 1959): economic integration with democracies might lead to faster income growth or human capital accumulation, and these forces—rather than the direct exposure to partners' institutions—might foster democratization. We already showed above that our findings for citizens' attitudes are unchanged when controlling for exposure to their country's GDP growth or human capital accumulation (Table 3), and that cohorts more exposed to trade with democracies are not richer or more educated (Table A.4).

In Table 7, we provide additional evidence against the modernization hypothesis in our context. First, in columns 2 to 4, we replicate the baseline specification by controlling for 5-year lagged (log of) GDP, population, and GDP per capita, respectively. 2SLS coefficients on economic integration with democratic and non-democratic partners remain very similar to those in our preferred specification, reported in column 1 to ease comparisons.[42] Columns 5 and 6 confirm these patterns instrumenting the level and the growth rate of GDP per capita with the measure of commodity prices from Burke and Leigh (2010).

In column 7, we test whether economic integration favors human capital accumulation, replacing the *Polity2* score with the average number of years of schooling as dependent variable.[43] If anything, economic integration with democracies is associated with lower educational attainment. This pattern is in line with results in Atkin (2016) and Blanchard and Olney (2017), and suggests that economic integration may induce (especially less developed) countries to specialize in the production of unskilled-intensive goods.

Redistribution of resources and the middle class. A second channel for our findings may be that trade with democracies benefits groups that are more supportive of democracy, which, in turn, mobilize resources to promote democratization (Acemoglu et al., 2005; Puga and Trefler, 2014). Note that this mechanism would be consistent with the effects of trade on citizens' attitudes documented in Section 4.1. For example, the

[41] We use genetic distance computed with the plurality method. Results are similar when using weighed genetic distance. Data on genetic distance is missing for Belgium and Luxembourg (which constitutes a single country-entity before 2000 in the rest of our analysis), Serbia, and Yemen.

[42] We refrain from interpreting the coefficients on GDP and population since, even when using a 5-year lag, they may not be exogenous to changes in democracy (Acemoglu et al., 2019).

[43] Data for years of schooling is from Barro and Lee (2013) and is not available consistently for all countries in the main analysis. See Table B.1 for more details.

groups benefiting from economic integration (and more supportive of democracy) may coordinate their efforts to influence the attitudes of the population at large, through information campaigns. If redistribution of resources were a key mechanism, one would expect results to be stronger for countries with lower rents from natural resources, and with a higher share of GDP accruing to services and manufacturing. This is because, there, the elites should be less likely to benefit from trade, while the middle-class may be better positioned to gain economic and political clout as the economy becomes more integrated with the rest of the (democratic) world.

To test this idea, in Figure 3, we split the sample in countries with baseline rents from natural resources and value added from manufacturing and services (all expressed as a share of GDP) above (orange bars) and below (blue bars) the median, respectively.[44] The effects of economic integration with democracies are quantitatively larger in countries with rents from natural resources above the median (first set of bars). They are instead similar in countries with higher and lower GDP share in manufacturing (second set of bars). Economic integration has a larger effect in countries with a higher service share at baseline, but estimates are imprecisely estimated in both samples (third set of bars). These findings are not consistent with trade making groups that are more likely to benefit from democratization stronger.

A related possibility is that trade with democracies increases income inequality, leading to democratization as citizens demand redistribution. To examine this possibility, we replicate our preferred specification using different proxies for the distribution of income as dependent variables. Relying on data from World Inequality Database and following the literature (Autor et al., 2008), we calculate the ratio of the log of income at different percentiles of the (pre-tax) income distribution (see Table B.1 for more details). We report results in Table A.8, considering the ratio of the (log of the) following income percentiles: *i*) 5th to 90th (column 1); *ii*) 5th to 50th (column 2); *iii*) 10th to 90th (column 3); *iv*) 10th to 50th (column 4); and, *v*) 50th to 90th (columnn 5). In all cases, the coefficient on trade with democracies is small and imprecisely estimated, suggesting that the trade-induced democratization documented above is unlikely to be explained by changes in income inequality.[45]

[44]Formal estimates are reported in Table A.7. Especially for manufacturing and services as a share of GDP, the SW F-stats are lower than in the baseline specification, suggesting that results should be interpreted with caution.

[45]Results, not reported for brevity, are very similar when considering the ratio of other income percentiles, and when measuring inequality using the share of income accruing to the top 1, 5, or 10% of the distribution.

Pressure from trade partners. A third mechanism through which economic integration with democracies may promote democratization is that more democratic countries push their less-democratic partners to implement political liberalizations, once they trade with each other. Weighing against this channel, we already showed that results are unchanged when controlling for individuals' exposure to CIA or KGB interventions during their impressionable years (see Section 4.2). In what follows, we provide additional evidence against this mechanism.

First, we allow countries that experienced CIA or KGB interventions during the Cold War to be on differential trends. Panel A of Table A.9 shows that results are unchanged when interacting year dummies with a dummy equal to one if, during the Cold War, the country had at least one: *i*) CIA intervention (column 2); *ii*) KGB intervention (column 3); and, *iii*) CIA or KGB intervention (column 4). Our findings remain similar when controlling for a time varying indicator equal to one if an intervention took place in a given 5-year period (Panel B).

Second, we rely on data from Bailey et al. (2017) to measure countries' voting behavior in the United Nations General Assembly (UNGA)—a proxy for countries' political alignment (Kleinman et al., 2020). We construct the absolute value of the difference between the vote of any country and that of full democracies (defined as in Besley and Persson, 2019) on UN resolutions. For robustness, we construct the same measure using only the US as a "reference point".[46] Table A.10 documents that trade with democracies has no effect on the similarity of voting patterns, either contemporaneously (column 1) or with a 5-year lag (column 2). Results are unchanged when considering separately baseline democracies and non-democracies (columns 3 and 4), and when defining the distance of a country's voting behavior from that of the US (Panel B).[47]

Third, as in Camboni and Porcellacchia (2021), we rely on GDELT data to proxy for a country's political alignment, which may directly or indirectly capture pressure exerted from its partners.[48] For each country, we measure the number of economic, military, and diplomatic offers received or made in a given year. These can be interpreted, respectively, as attempts made by other countries to influence a country's policies, and as a country's

[46] See Table B.1 for more details. Results are identical when defining democracies as countries with a *Polity2* score strictly positive at baseline. Since multiple resolutions may occur within a 5-year period, we take the closest to the beginning of each period. Results are unchanged when selecting the closest to the last year of a 5-year period.

[47] In Panel B, the US is excluded from the regression sample.

[48] GDELT records the number of interactions between country pairs between 1979 and 2012. See Table B.1 and Leetaru and Schrodt (2013) for more details.

alignment with other countries. Table A.11 replicates our baseline specification using the log of (one plus) the number of offers received (columns 1 to 4) and sent (columns 5 to 8) for the period 1980-2010 as dependent variable. In most cases, the coefficient on trade with democracies is negative and imprecisely estimated.[49]

Finally, we use the Formal Bilateral Influence Capacity (FBIC) index, which measures bilateral influence of a source country on a target country (Moyer et al., 2021) and is described in detail in Table B.1. We collapse the bilateral index to derive a measure of total and average influence received by any given country in each 5-year period between 1960 and 2015. In Panel A of Table A.12, we consider the overall influence received by a country from all countries (column 1) and from democratic countries (column 2). Coefficients on trade with democracies are negative, small, and imprecisely estimated. Similar patterns hold when: *i*) considering the FBIC sub-component index that captures a country's dependence on others (columns 3 and 4); *ii*) using the average FBIC index (columns 5 to 8); and, *iii*) measuring foreign influence using Camboni and Porcellacchia (2021)'s Weaker Power Index (Panel B).

Preferential trade agreements. Finally, we consider the possibility that the (exogenous) increase in economic integration with democracies makes it more appealing for countries to sign preferential trade agreements (PTAs). If this were to be the case, our estimates may, at least in part, capture the "pro-democracy" effect of PTAs (Liu and Ornelas, 2014), rather than our proposed transmission channel. To address this possibility, we use data from Facchini et al. (2021) and study whether economic integration with democracies is associated with a larger number of PTAs signed by a country.[50] We report 2SLS estimates from our preferred specification in Table A.13, replacing the *Polity2* score with proxies for the presence of PTAs. In columns 1 to 3 (resp., 4 to 6), we define the dependent variable as PTAs that a country has in place with any partner (resp., with democratic partners only). In columns 1 and 4, we consider the full sample, while in columns 2−5 and 3−6, we focus on baseline democracies and autocracies, respectively. The coefficient on economic integration with democracies is never statistically significant and, except for column 6, negative.[51] This evidence weighs against the idea that eco-

[49]Regressions include 115 (rather than 116) countries, because there is no data on offers for Belgium and Luxembourg. Very similar results, not reported for brevity, hold when considering aid and agreements (political, economic, military, diplomatic, and judiciary) recorded in the GDELT dataset.

[50]PTAs data is not available for Serbia and for Belgium and Luxembourg. Namibia also drops from our regressions with country fixed effects, since PTA data is reported for a single time period.

[51]Results (not reported for brevity) remain very similar when considering PTAs in place in the following 5-year period, and when defining the dependent variable as the number of PTAs signed in a given 5-year

nomic integration with democracies might lead to democratic transitions as a result of trade agreements.

6 Unbundling Economic Integration

As already noted, since the instrument exploits variation driven by changes in air transportation, it might capture not only trade in goods, but also the movement of other factors. These, in turn, may independently influence attitudes towards democracy and lead to institutional change. Moreover, it is possible that the connections created by trade spill over into other forms of economic (and non-economic) exchange, such as migration or FDIs, which may reinforce the direct effects of trade on democracy. In this section, we seek to unbundle some of the components of economic integration. We report results in Table 8, where we replicate our preferred country-level specification using different outcomes.

We begin from migration, which has been shown to favor the transmission of democracy, and more broadly culture and ideology, across countries (Barsbai et al., 2017; Giuliano and Tabellini, 2020; Rapoport et al., 2020). In column 1, the dependent variable is the number of in- and out-migrants to and from a country, scaled by population, in each 5-year period from 1965 to 2015 (see Table B.1 for more details). In columns 2 and 3, we consider migration separately to (or from) democratic and non-democratic countries. In all cases, the coefficient on trade with democracies is imprecisely estimated and quantitatively small.[52]

Next, we turn to the flow of students from less to more democratic countries, which might be conducive to the process of democratization (Spilimbergo, 2009). Using data from Spilimbergo (2009), we estimate the effects of trade with democracies on the number of students (relative to sending country population) abroad, regardless of their destination (column 4) and separately to democratic (column 5) and non-democratic (column 6) countries. Again, the coefficient on trade with democracies is small and imprecisely estimated, suggesting that the trade-induced democratization estimated above is not accompanied by higher flows of students across countries.[53]

period and separately controlling for PTAs in place in the previous period.

[52]Migration data is not available for all years and countries in our sample. Results (not reported for brevity) are similar when using the log number of migrants, and when considering separately in- and out-migration.

[53]Data on the number of students abroad is always missing for Belgium and Luxembourg, Myanmar, and Serbia. It is also present with gaps for other countries.

In column 7, we use data from the World Bank World Development Indicators to examine the relationship between trade with democracies and the (log of) FDI to GDP ratio. Differently from migration and the number of students abroad, for most countries FDI data exist only at the country, rather than at the country-pair, level. For this reason, we cannot consider FDIs to or from democracies and non-democracies separately. As before, the coefficient on trade with democracies is imprecisely estimated and quantitatively small.

Finally, in column 8, we consider the (log of) the number of foreign book translations—a proxy used in Abramitzky and Sin (2014) to capture the flow of ideas across countries. Once again, the coefficient on trade with democracies is small and imprecisely estimated (and, if anything, negative). In Table A.14, we consider separately translations of books that were written: *i*) in English; *ii*) in languages spoken in democratic countries; and, *iii*) on different topics. In all cases, results are unchanged.[54]

Taken together, Table 8 suggests that migration, people studying abroad, FDIs, and book translations are not driving our results. However, data limitation prevents us from examining additional forces. Business travel represents one specific example. Campante and Yanagizawa-Drott (2018) document that international long-distance flights have a positive effect on local economic activity, and promote the formation of business linkages. It is thus conceivable that our instrument partly captures changes in business travel, which may in turn favor the transmission of ideas and, possibly, democratic capital across countries.[55] A similar process may be at play for tourism and other non-permanent movements of people, which would not be recorded in migration statistics. More broadly, improvements in air transportation are likely to foster the flow of ideas across countries. While some of these flows are embedded in the goods exchanged by countries, others are likely to occur through means we are unable to measure.

Therefore, even though we are able to narrow down the number of potential integration-related drivers of democratization, we acknowledge that some of our findings might be explained by forces that we cannot measure in the data. Thus, as already noted above, our

[54]To classify book translations in groups *i*) to *iii*), we follow Abramitzky and Sin (2014). The number of observations for humanistic and scientific books is lower than in other columns because, for some countries and years, no translations were reported for these categories.

[55]However, in unreported results we verified that the effects of economic integration with democracies are driven by partners that are more than 6,000 miles away. This is the cut-off exploited in Campante and Yanagizawa-Drott (2018) above which direct flights can no longer take place, and which thus creates a discontinuity in air (and business) linkages across countries. While only suggestive, the fact that our results are driven by far-away partners is inconsistent with business linkages being the primary mechanism in our setting.

results should be interpreted as the effects of economic integration—including tourism, the formation of business linkages, and the flow of ideas.

7 Conclusions

Between 1960 and 2010, the world witnessed a dramatic increase in globalization and the simultaneous spread of democracy across countries. Over the last decade, however, both economic integration and democracy have been on retreat. Is this relationship causal? In this paper, we tackle this question, and study the effects of economic integration with democratic partners on individuals' attitudes towards democracy and on countries' institutions between 1960 and 2015. Building on work by Feyrer (2019), we exploit improvements in air (relative to sea) transportation to derive instruments for economic integration with democratic and non-democratic partners.

We find that individuals who grew up when their country was more integrated with democracies (relative to other cohorts in their own country, and relative to the same cohorts in other countries) are, at the time of the survey, more supportive of democracy. Mirroring the changes in citizens' beliefs, economic integration favors the adoption of more democratic institutions in initially less-democratic countries. Instead, economic integration with non-democratic partners has no effect on either citizens' beliefs or countries' institutions. We provide evidence that these effects are driven by the transmission of democratic values from more to less democratic countries.

Our findings might have important implications for the future of democracy, especially at a time when economic integration is slowing down and trade is becoming increasingly fragmented along institutional and geopolitical blocs. They also open the door to several fascinating questions. First, a deeper analysis of the channels through which economic integration favors the transmission of political preferences and institutions may be particularly relevant at a time when the rise of China into the global economy is providing less democratic countries with an alternative role model to the democratic, Western-based one. Second, future work might examine whether the exchange of specific goods (e.g., "institutionally intensive" products, Nunn, 2007) is more conducive to the transmission of democratic values. We leave these, and more, questions for future research.

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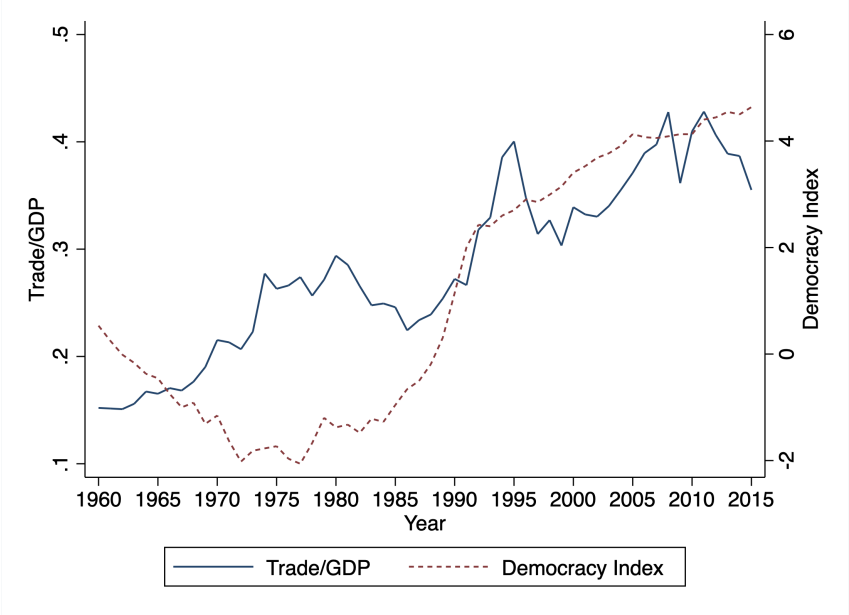
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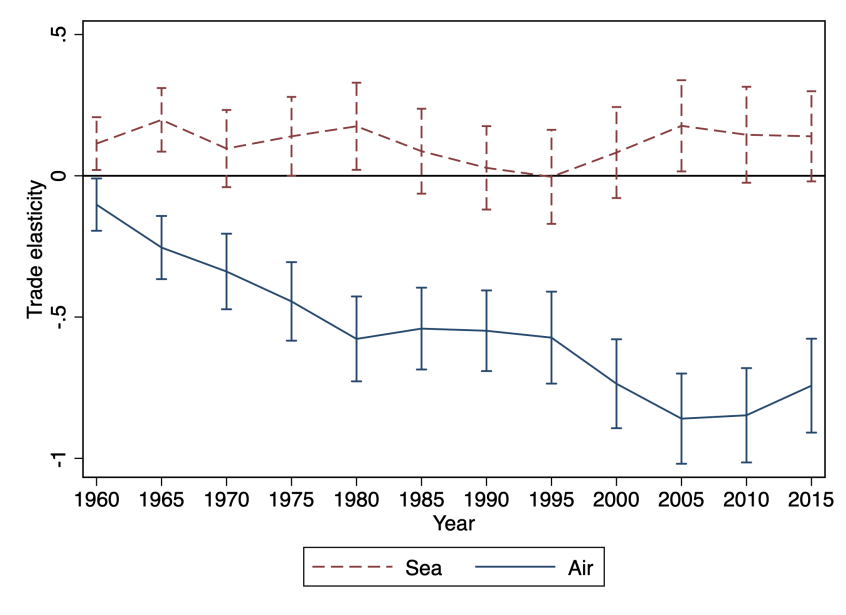
Figures and Tables

Figure 1. Economic Integration and Democracy: Aggregate Trends



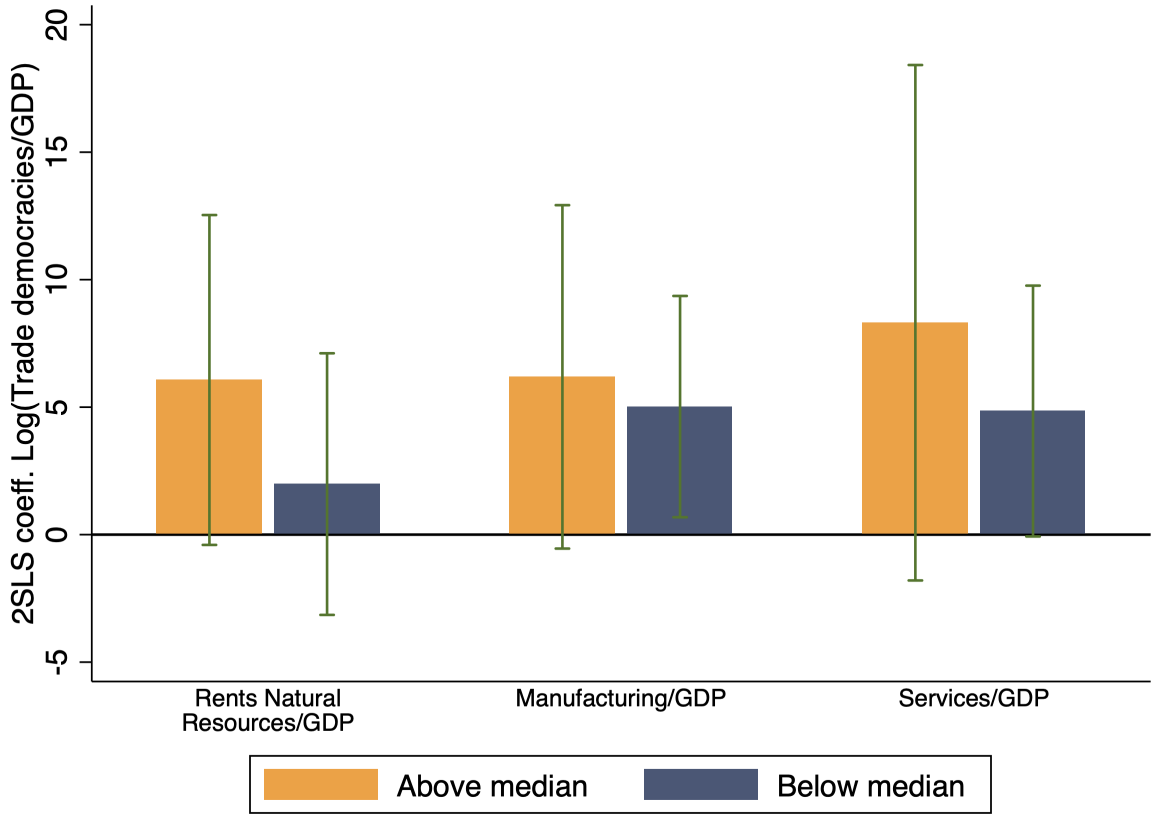
Notes: The figure plots the average trade-to-GDP ratio (blue solid line) and *Polity2* democracy score (red dotted line, secondary y-axis) across countries between 1960 and 2015. See Table B.1 for more details on the variables plotted.

Figure 2. Gravity Equation Coefficients



Notes: The figure shows OLS coefficients (with corresponding 95% confidence intervals) on the log of sea (red, dotted line) and air (blue, solid line) distances interacted with 5-year period dummies from the gravity equation (4). Regressions are estimated at the calendar-year, country-pair level from 1955 to 2015. The 1955 coefficients are not estimated because of collinearity with fixed effects. Standard errors are clustered at the country-pair, calendar-year level. See Table A.1 for formal estimates.

Figure 3. Heterogeneity by Baseline Country Characteristics



Notes: The figure plots 2SLS coefficients (with corresponding 95% confidence intervals) for the effects of the log of trade with democracies over GDP on the *Polity2* democracy score, after partialling out the log of trade with autocracies over GDP, democratization waves, and country and time fixed effects. Orange (resp., blue) bars refer to regressions estimated on the sample of countries with baseline values of each variable reported on the x-axis above (resp., below) the sample median. Standard errors, adjusted to account for the estimation procedure entailed in building the instruments (see footnote 19), are clustered at the country level.

Table 1. Summary Statistics

Variables	Mean	Median	St. Dev.	Min	Max	Obs
Panel A: Individual level analysis						
Democratic system	339.3	400	72.64	100	400	225,811
Dummy democratic system	90.51	100	29.31	0	100	225,811
Democracy better	329.4	300	73.22	100	400	93,629
Dummy democracy better	43.33	0	49.55	0	100	93,629
Support democracy index	296.1	300	61.09	100	400	234,455
Average democratization waves	0.597	0.674	0.365	0	1	225,811
Average trade democracies	0.167	0.141	0.133	0.003	0.983	225,811
Average trade autocracies	0.036	0.021	0.048	0.000	0.485	225811
Gender	0.497	0	0.500	0	1	225,811
Education class	2.074	2	0.673	1	3	225,811
Income quintile	2.719	3	1.190	1	5	225,811
Panel B: Country level analysis						
Polity2	2.060	5	7.281	-10	10	1,192
Dummy *Polity2*	0.589	1	0.492	0	1	1,192
Trade/GDP	0.301	0.216	0.676	0.010	18.625	1,192
Trade with democracies/GDP	0.238	0.178	0.575	0.007	16.863	1,192
Trade with autocracies/GDP	0.057	0.028	0.143	0	3.627	1,192
Democratization waves	0.510	0.467	0.362	0	1	1,192
Trade democratic capital	0.721	0.747	0.143	0.166	0.966	1,192

Notes: All survey answers are multiplied by 100 for presentation purposes.

Table 2. Economic Integration and Citizens' Attitudes

Dep. variable:	Democratic System *(Mean: 339.3)*					
	OLS	OLS	2SLS	2SLS	2SLS	2SLS
	(1)	(2)	(3)	(4)	(5)	(6)
Exposure democracies	2.171**	2.580**	5.243*	4.625*	4.531*	4.755**
	(0.966)	(1.112)	(2.732)	(2.433)	(2.305)	(2.277)
	[0.021]	[0.025]	[0.051]	[0.045]	[0.044]	[0.046]
Exposure autocracies	-1.546**	-1.536**	-0.839	-0.917	0.184	0.257
	(0.653)	(0.652)	(1.497)	(1.426)	(1.507)	(1.495)
	[-0.022]	[-0.022]	[-0.012]	[-0.013]	[0.003]	[0.004]
Observations	225,811	225,811	225,811	225,811	225,811	225,811
Clusters	74	74	74	74	74	74
Democratization waves		X		X	X	X
Country FE	X	X	X	X	X	
Survey year FE	X	X	X	X		
Birth year FE	X	X	X	X	X	X
Survey year X Region FE					X	
Country X Survey year FE						X
K-P F-stat			6.148	8.676	8.862	8.705
F-stat (Demo Trade)			15.72	24.22	23.99	22.93
F-stat (Auto Trade)			19.49	21.74	21.75	21.02

Notes: The table reports OLS (columns 1 and 2) and 2SLS (columns 3 to 6) coefficients on exposure to economic integration with democratic and non-democratic partners estimated in equation (2), measuring support for democracy using the variable *Democratic System* defined in Table B.2. The variable ranges from 1 to 4 (with higher values reflecting more support for democracy, and is multiplied by 100 to improve readability of coefficients). Exposure to economic integration with democratic and non-democratic partners (*Exposure democracies* and *Exposure autocracies*) is the log of the average trade-to-GDP ratio with either type of partner during the formative years (16-24), as defined in equation (1). All columns control for individual characteristics (gender, three categories for education, and dummies for income deciles), and country, survey year, and birth year fixed effects. All columns except columns 1 and 3 also add exposure to democratization waves during formative years. Columns 5 and 6 add, respectively, survey year by region and survey year by country fixed effects. Standard errors, clustered at the country level, in parentheses. 2SLS standard errors are adjusted to account for the estimation procedure entailed in building the instruments (see footnote 19). Standardized beta coefficients are reported in square brackets. KP F-stat is the Kleibergen-Paap F stat for joint significance of instruments. F-stat (Demo Trade) and F-stat (Auto Trade) refer to the Sanderson-Windmeijer F-stats for joint significance of the instruments in the two separate first-stage regressions. Significance levels: *** p< 0.01, ** p< 0.05, * p< 0.1.

Table 3. Citizens' Attitudes: Controlling for Exposure to Other Forces

Dep. variable:	Democratic System *(Mean: 339.3)*							
	2SLS (1)	2SLS (2)	2SLS (3)	2SLS (4)	2SLS (5)	2SLS (6)	2SLS (7)	2SLS (8)
Exposure democracies	4.755**	4.340*	4.087*	5.272*	4.886*	5.096**	5.140*	5.910**
	(2.277)	(2.365)	(2.369)	(2.809)	(2.505)	(2.438)	(2.667)	(2.643)
	[0.046]	[0.042]	[0.039]	[0.051]	[0.047]	[0.049]	[0.050]	[0.058]
Exposure autocracies	0.257	0.188	0.109	0.395	0.275	0.428	-0.298	-0.612
	(1.495)	(1.620)	(1.589)	(1.682)	(1.551)	(1.521)	(1.821)	(1.757)
	[0.004]	[0.003]	[0.002]	[0.006]	[0.004]	[0.006]	[-0.004]	[-0.009]
Observations	225,811	224,468	224,591	225,811	225,811	225,811	212,999	212,999
Clusters	74	74	74	74	74	74	70	70
Democratization waves	X	X	X		X	X	X	X
Birth Year FE	X	X	X	X	X	X	X	X
Country X Survey Year	X	X	X	X	X	X	X	X
Exposure		*Polity2*	*Polity2*	Democratization waves	GDP growth	GDP growth	Education	Education
Years		Formative	16+	16+	Formative	16+	Formative	16+
K-P F-stat	8.705	9.065	8.689	6.668	8.759	7.060	6.045	5.926
F-stat (Demo Trade)	22.93	26.44	25.23	15.59	21.64	17.74	14.19	14.03
F-stat (Auto Trade)	21.02	19.85	19.63	16.88	20.86	19.50	18.67	18.17

Notes: The table replicates column 6 of Table 2 in column 1. Columns 2 and 3 control for average *Polity2* of the country during the formative years and from the age of 15 until the year of the interview of the respondent. Column 4 controls for average democratization waves experienced from the age of 15 until the year of the interview. Columns 5 and 6 replicate columns 2 and 3 replacing average *Polity2* with average per capita GDP growth. Columns 7 and 8 replicate columns 2 and 3 replacing *Polity2* with the average number of years of schooling. Standard errors, clustered at the country level, in parentheses. 2SLS standard errors are adjusted to account for the estimation procedure entailed in building the instruments (see footnote 19). Standardized beta coefficients are reported in square brackets. KP F-stat is the Kleibergen-Paap F stat for joint significance of instruments. F-stat (Demo Trade) and F-stat (Auto Trade) refer to the Sanderson-Windmeijer F-stats for joint significance of the instruments in the two separate first-stage regressions. Significance levels: *** p< 0.01, ** p< 0.05, * p< 0.1.

Table 4. Economic Integration and Democracy

Dep. variable:	Polity2 (Mean: 2.060)					
	OLS (1)	OLS (2)	2SLS (3)	2SLS (4)	2SLS (5)	2SLS (6)
Log(Trade democracy/GDP)	1.743***	1.249**	4.576**	4.977**	6.522**	-3.241
	(0.558)	(0.551)	(2.158)	(2.111)	(2.756)	(5.948)
	[0.183]	[0.148]	[0.480]	[0.504]	[0.689]	[-0.281]
Log(Trade autocracy/GDP)	-0.574**	-0.451*	0.163	0.933	0.793	-0.053
	(0.278)	(0.261)	(1.135)	(1.051)	(1.204)	(2.037)
	[-0.101]	[-0.099]	[0.029]	[0.161]	[0.042]	[0.081]
Sample	Full	Full	Full	Full	Baseline autocracy	Baseline democracy
Observations	1,192	1,192	1,192	1,192	602	590
Clusters	116	116	116	116	60	56
Democratization waves		X		X	X	X
Country FE	X	X	X	X	X	X
Year FE	X	X	X	X	X	X
K-P F-stat			5.312	6.249	3.940	2.406
F-stat (Demo Trade)			12.19	13.78	8.919	5.665
F-stat (Auto Trade)			16.76	19.35	13.85	6.163

Notes: The table reports OLS (columns 1 and 2) and 2SLS (columns 3 to 6) coefficients on the log of trade-to-GDP ratio with democratic and non-democratic partners estimated in equation (3). The dependent variable is the *Polity2* democracy score, which ranges from -10 (full autocracy) to 10 (full democracy). Regressions are estimated on 5-year periods, from 1960 to 2015, and always control for country and period fixed effects. All columns except for columns 1 and 3 also control for democratization waves. Columns 5 and 6 restrict the sample to countries with *Polity2* score at baseline strictly lower than 1 and strictly greater than zero, respectively. Standard errors, clustered at the country level, in parentheses. 2SLS standard errors are adjusted to account for the estimation procedure entailed in building the instruments (see footnote 19). Standardized beta coefficients are reported in square brackets. KP F-stat is the Kleibergen-Paap F stat for joint significance of instruments. F-stat (Demo Trade) and F-stat (Auto Trade) refer to the Sanderson-Windmeijer F-stats for joint significance of the instruments in the two separate first-stage regressions. Significance levels: *** p< 0.01, ** p< 0.05, * p< 0.1.

Table 5. Trade-Induced Democratic Capital and Democracy

Dep. variable:	Polity2 (Mean: 2.060)			
	OLS	2SLS	2SLS	2SLS
	(1)	(2)	(3)	(4)
Trade democratic capital	4.985**	10.67***	11.18***	16.57**
	(2.193)	(3.959)	(4.065)	(7.324)
	[0.252]	[0.464]	[0.503]	[0.615]
Observations	1,192	1,192	1,179	1,179
Clusters	116	116	114	114
Democratization waves	X	X	X	X
Country FE	X	X	X	X
Year FE	X	X	X	X
Year X Democratic capital			X	X
K-P F-stat		23.49	21.89	12.99

Notes: The table reports OLS (column 1) and 2SLS (columns 2 to 4) coefficients on the trade-induced democratic capital (*Trade democratic capital* constructed in equation (8). The dependent variable is the *Polity2* democracy score, which ranges from -10 (full autocracy) to 10 (full democracy). Regressions are estimated on 5-year periods, from 1960 to 2015, and always control for country and period fixed effects, and for democratization waves. Columns 3 and 4 also include interactions between period dummies and baseline domestic democratic capital from Persson and Tabellini (2009). Standard errors, clustered at the country level, in parentheses. 2SLS standard errors are adjusted to account for the estimation procedure entailed in building the instruments (see footnote 19). Standardized beta coefficients are reported in square brackets. KP F-stat is the Kleibergen-Paap F stat for weak instruments. Significance levels: *** p< 0.01, ** p< 0.05, * p< 0.1.

Table 6. Trade with Democracies, Split by Partners' Characteristics

Dep. variable:	Polity2				
	2SLS (1)	2SLS (2)	2SLS (3)	2SLS (4)	2SLS (5)
Log(Above the median trade democracy/GDP)	5.217***	4.327**	3.889**	4.737**	3.876*
	(1.622)	(1.778)	(1.580)	(2.047)	(1.903)
Log(Below the median trade democracy/GDP)	-0.334	-1.956	0.598	1.374	0.833
	(2.117)	(3.651)	(2.527)	(1.241)	(0.933)
Log(Trade autocracy/GDP)	-0.432	0.595	0.120	-0.238	0.446
	(1.208)	(1.146)	(1.282)	(1.417)	(1.214)
Split variable	1960 democratic capital	Current year growth	Up to current year growth	Government expenditure	Genetic proximity
Observations	1,130	1,175	1,175	1,010	1,099
Clusters	116	116	116	116	113
Democratization waves	X	X	X	X	X
Country FE	X	X	X	X	X
Year FE	X	X	X	X	X
K-P F-stat	1.786	1.414	2.211	3.244	2.880
F-stat (Above Median Demo Trade)	12.27	26.15	10.92	13.76	9.050
F-stat (Below Median Demo Trade)	6.782	4.989	7.462	23.10	16.31
F-stat (Auto Trade)	5.741	12.69	12.80	10.35	13.35

Notes: The table replicates column 4 of Table 4 by splitting democratic partners as above-below the median of: *i*) baseline domestic democratic capital (Persson and Tabellini, 2009) in column 1; *ii*) growth rate of GDP per capita in the current year (resp., up to the current year, from 1960) in column 2 (resp., column 3); *iii*) government spending over GDP in column 4; *iv*) the index of weighed genetic proximity from Spolaore and Wacziarg (2009) in column 5. In all cases, the split is performed over the sample of democratic partners 5 years ago (consistent with the timing used to define democratic and non-democratic partners in each period). All regressions control for country and year fixed effects and for democratization waves. Standard errors, clustered at the country level, in parentheses. 2SLS standard errors are adjusted to account for the estimation procedure entailed in building the instruments (see footnote 19). KP F-stat is the Kleibergen-Paap F stat for joint significance of instruments. F-stat (Above Median Demo Trade), F-stat (Below Median Demo Trade), and F-stat (Auto Trade) refer to the Sanderson-Windmeijer F-stats for joint significance of the instruments in the three separate first-stage regressions. Significance levels: *** p< 0.01, ** p< 0.05, * p< 0.1.

Table 7. Controlling for Income Effects and Human Capital Accumulation

Dep. variable:	Polity2						Avg. years of schooling
	2SLS (1)	2SLS (2)	2SLS (3)	2SLS (4)	2SLS (5)	2SLS (6)	2SLS (7)
Log(Trade democracy/GDP)	4.977**	5.330**	5.399**	4.855**	6.905**	4.579**	-1.638*
	(2.111)	(2.311)	(2.341)	(2.038)	(3.332)	(2.134)	(0.830)
Log(Trade autocracy/GDP)	0.933	0.964	0.773	0.909	0.666	0.308	-0.146
	(1.051)	(1.116)	(1.333)	(1.184)	(1.396)	(0.997)	(0.247)
Log(GDP_{t-5})		0.132	0.045				
		(0.574)	(0.623)				
Log($Population_{t-5}$)			0.824				
			(1.877)				
Log(GDP per $capita_{t-5}$)				-0.053			
				(0.659)			
Log(GDP per $capita_t$)					1.852		
					(2.192)		
GDP growth per $capita_t$						-5.084	
						(5.569)	
Observations	1,192	1,192	1,192	1,192	881	881	1,067
Clusters	116	116	116	116	113	113	102
Democratization waves	X	X	X	X	X	X	X
Country FE	X	X	X	X	X	X	X
Year FE	X	X	X	X	X	X	X
K-P F-stat	6.249	5.069	4.701	4.438	2.107	3.802	3.295
F-stat (Demo Trade)	13.78	13.17	13.97	13.47	9.526	16.24	6.878
F-stat (Auto Trade)	19.35	13.87	11.81	10.33	6.517	18.45	14.71
F-stat (GDP per capita)					14.56		
F-stat (GDP growth per capita)						16.74	
Dep. variable mean	2.060	2.060	2.060	2.060	2.060	2.060	6.652

Notes: The table replicates column 4 of Table 4 in column 1. Columns 2 to 4 add, respectively, the log of the 5-year lagged: *i*) GDP; *ii*) population; *iii*) GDP per capita. Columns 5 and 6 control for the log of GDP per capita and GDP per capita growth rate, respectively. Both variables are instrumented using the Commodity Export Price Index as defined in Burke and Leigh (2010). See Table B.1 for more details on the latter variable. Column 7 replicates column 1 using as dependent variable the average years of schooling from Barro and Lee (2013). Standard errors, clustered at the country level, in parentheses. 2SLS standard errors are adjusted to account for the estimation procedure entailed in building the instruments (see footnote 19). KP F-stat is the Kleibergen-Paap F stat for joint significance of instruments. F-stat (Demo Trade) and F-stat (Auto Trade) refer to the Sanderson-Windmeijer F-stats for joint significance of the instruments in the two separate first-stage regressions. Significance levels: *** p< 0.01, ** p< 0.05, * p< 0.1.

Table 8. Unbundling Economic Integration

Dep. variable:	Migration/Pop.			Students abroad/Pop.			Log(FDI/GDP)	Log(book translations)
	All	Demo	Auto	All	Demo	Auto	All	All
	2SLS	2SLS	2SLS	2SLS	2SLS	2SLS	2SLS	2SLS
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Log(Trade demo/GDP)	0.001	-0.004	0.006	-0.021	-0.073	0.058	0.001	-0.843
	(0.005)	(0.005)	(0.004)	(0.050)	(0.051)	(0.039)	(0.022)	(1.444)
Log(Trade auto/GDP)	-0.000	0.000	-0.001	-0.025	-0.006	-0.019	-0.003	-0.496
	(0.002)	(0.002)	(0.001)	(0.021)	(0.016)	(0.014)	(0.005)	(0.598)
Observations	1,118	1,118	1,118	825	826	826	648	495
Clusters	113	113	113	112	112	112	109	86
Democratization waves	X	X	X	X	X	X	X	X
Country FE	X	X	X	X	X	X	X	X
Year FE	X	X	X	X	X	X	X	X
K-P F-stat	6.781	6.781	6.781	7.248	7.505	7.505	2.343	3.024
F-stat (Demo Trade)	13.75	13.75	13.75	15.31	15.99	15.99	4.703	7.164
F-stat (Auto Trade)	21.07	21.07	21.07	25.61	24.99	24.99	22.55	6.656

Notes: The table replicates column 4 of Table 4 using different outcomes. In column 1, the dependent variable is the number of in- and out-migrants over country population in each 5-year period from 1965 to 2015. Columns 2 and 3 separate migration from or to democratic and non-democratic countries, respectively. The dependent variable is: the number of students abroad over (sending) country population from Spilimbergo (2009) between 1960 and 2015 to any country, to democracies, and to autocracies (columns 4 to 6); the log of FDIs over GDP (column 7); and, the log of the number of book translations (column 8). See Table B.1 for more details on variables' definitions. Standard errors, clustered at the country level, in parentheses. 2SLS standard errors are adjusted to account for the estimation procedure entailed in building the instruments (see footnote 19). KP F-stat is the Kleibergen-Paap F stat for joint significance of instruments. F-stat (Demo Trade) and F-stat (Auto Trade) refer to the Sanderson-Windmeijer F-stats for joint significance of the instruments in the two separate first-stage regressions. Significance levels: *** p< 0.01, ** p< 0.05, * p< 0.1.

Appendix

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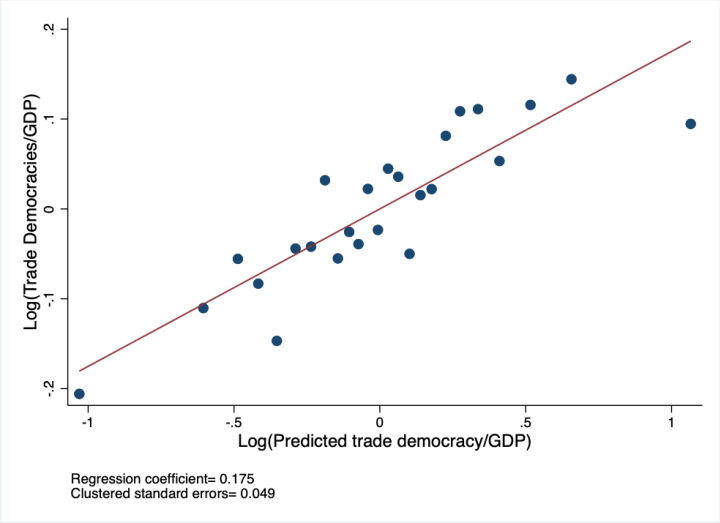
C.1 Robustness Checks for Individual-Level Analysis 77

C.2 Robustness Checks for Country-Level Analysis 79

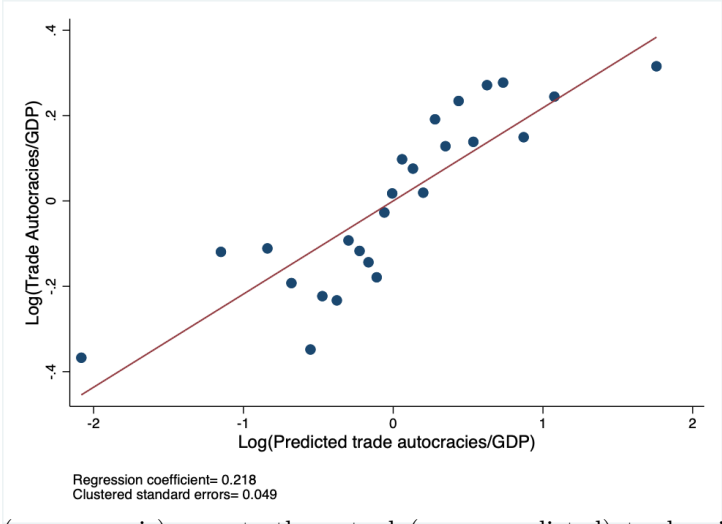
A Additional Tables and Figures

Figure A.1. First Stage: Actual and Predicted Trade

Panel A

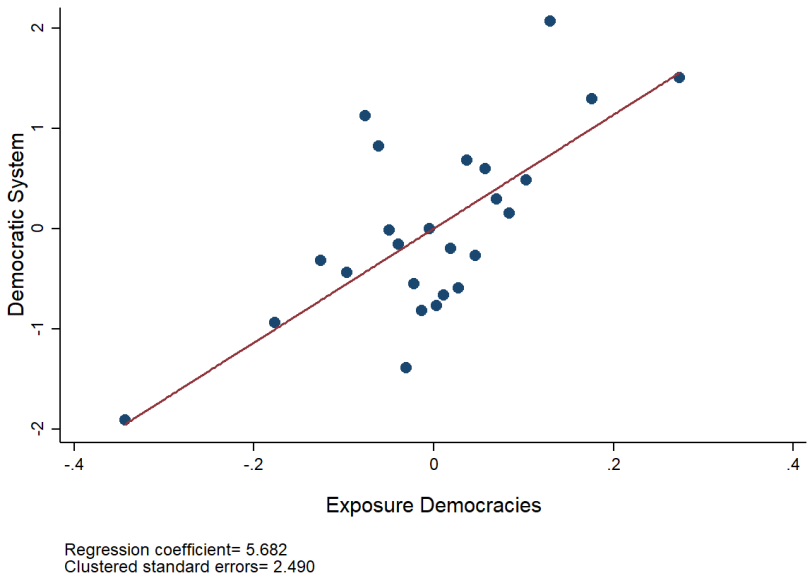


Panel B



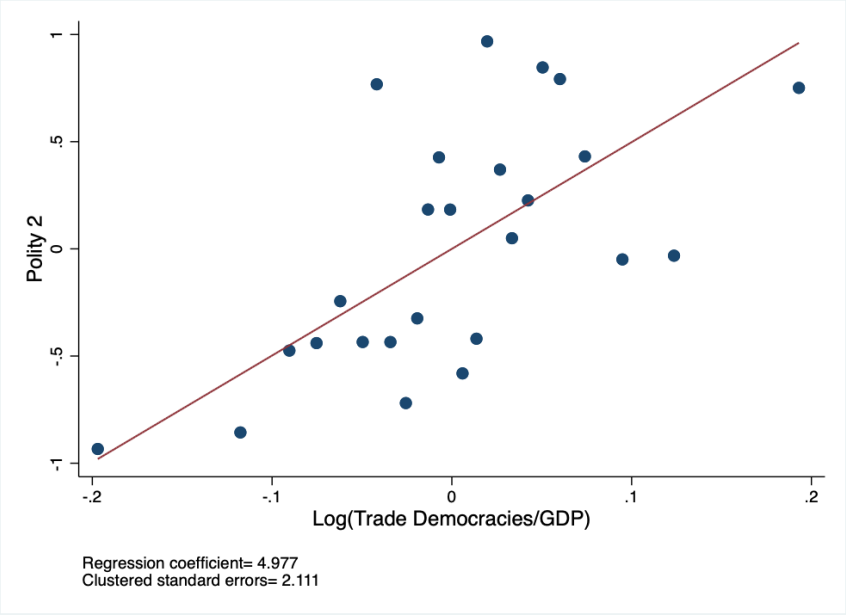
Notes: The y-axis (resp., x-axis) reports the actual (resp., predicted) trade with democratic (resp., autocratic) partners in Panel A (resp., Panel B). The scatterplot pools observations into 25 bins. Each point in the scatter diagram represents the residuals of the two variables, after partialling out country and year fixed effects, democratization waves, and predicted trade with autocratic (resp., democratic) partners in Panel A (resp., Panel B). The red line refers to the slope of the first stage coefficient, which is also reported in the notes (with associated standard errors, clustered at the country level). Standard errors are adjusted to account for the estimation procedure entailed in building the instruments (see footnote 19).

Figure A.2. Economic Integration with Democracies and Citizens' Attitudes



Notes: The y-axis (resp., x-axis) reports individuals' support for democracy, measured with the variable *Democratic system* (resp., the log of the average trade with democracies to GDP ratio during an individual's impressionable years). The scatterplot pools observations into 25 bins. Each point in the scatter diagram represents the residuals of the two variables, after partialling out individual controls, democratization waves, (instrumented) exposure to economic integration with autocracies as well as birth cohort and country by survey year fixed effects. The red line refers to the slope of 2SLS coefficient, which is also reported in the notes (with associated standard errors, clustered at the country level). 2SLS standard errors are adjusted to account for the estimation procedure entailed in building the instruments (see footnote 19).

Figure A.3. Economic Integration with Democracies and Democracy Score



Notes: The y-axis (resp., x-axis) reports a country's *Polity2* score (resp., the log of trade with democracies to GDP ratio). The scatterplot pools observations into 25 bins. Each point in the scatter diagram represents the residuals of the two variables, after partialling out country and year fixed effects, democratization waves, and the log of (instrumented) trade with autocracies to GDP ratio. The red line refers to the slope of 2SLS coefficient, which is also reported in the notes (with associated standard errors, clustered at the country level). 2SLS standard errors are adjusted to account for the estimation procedure entailed in building the instruments (see footnote 19).

Table A.1. Gravity Equation Coefficients

Dep. variable:	Log(Trade)	Trade
	OLS	PPML
	(1)	(2)
Log(Air distance) x 1960	-0.102**	-0.134***
	(0.046)	(0.016)
Log(Air distance) x 1965	-0.254***	-0.313***
	(0.056)	(0.046)
Log(Air distance) x 1970	-0.339***	-0.418***
	(0.067)	(0.061)
Log(Air distance) x 1975	-0.445***	-0.453***
	(0.070)	(0.067)
Log(Air distance) x 1980	-0.577***	-0.449***
	(0.075)	(0.066)
Log(Air distance) x 1985	-0.541***	-0.489***
	(0.072)	(0.069)
Log(Air distance) x 1990	-0.548***	-0.528***
	(0.071)	(0.070)
Log(Air distance) x 1995	-0.573***	-0.540***
	(0.081)	(0.071)
Log(Air distance) x 2000	-0.736***	-0.557***
	(0.079)	(0.072)
Log(Air distance) x 2005	-0.859***	-0.570***
	(0.080)	(0.074)
Log(Air distance) x 2010	-0.848***	-0.537***
	(0.084)	(0.073)
Log(Air distance) x 2015	-0.743***	-0.521***
	(0.083)	(0.073)
Log(Sea distance) x 1960	0.114**	0.149***
	(0.047)	(0.031)
Log(Sea distance) x 1965	0.198***	0.240***
	(0.056)	(0.064)
Log(Sea distance) x 1970	0.096	0.287***
	(0.068)	(0.085)
Log(Sea distance) x 1975	0.140**	0.313***
	(0.070)	(0.095)
Log(Sea distance) x 1980	0.175**	0.257***
	(0.077)	(0.091)
Log(Sea distance) x 1985	0.087	0.260***
	(0.075)	(0.093)
Log(Sea distance) x 1990	0.028	0.291***
	(0.074)	(0.094)
Log(Sea distance) x 1995	-0.004	0.295***
	(0.083)	(0.096)
Log(Sea distance) x 2000	0.082	0.289***
	(0.081)	(0.097)
Log(Sea distance) x 2005	0.177**	0.296***
	(0.081)	(0.100)
Log(Sea distance) x 2010	0.145*	0.262***
	(0.085)	(0.100)
Log(Sea distance) x 2015	0.140*	0.265***
	(0.080)	(0.100)
Observations	407,321	558,247
Country-Year FE	X	X
Country pair FE	X	X

Notes: The table reports coefficients on the log of sea and air distances interacted with 5-year period dummies from the gravity equation (4), omitting the interaction with the 1955 dummy (first year in the estimating sample). Columns 1 and 2 present, respectively, OLS and Pseudo Poisson Maximum Likelihood (PPML) estimates. The dependent variable is the log of bilateral trade between country i and country j in each calendar year in column 1, and bilateral trade (not logged) in column 2. All regressions include country-year and country-pair fixed effects. Standard errors, clustered at the country-pair and year level, in parentheses. Significance levels: *** p< 0.01, ** p< 0.05, * p< 0.1.

Table A.2. First Stage

Dep. variable:	Log(Trade/GDP)			
Partners:	Democracies		Autocracies	
	(1)	(2)	(3)	(4)
Log(Predicted trade democracy/GDP)	0.179***	0.175***	-0.170*	-0.170*
	(0.050)	(0.049)	(0.092)	(0.092)
Log(Predicted trade autocracy/GDP)	-0.001	0.009	0.218***	0.218***
	(0.025)	(0.025)	(0.050)	(0.049)
Observations	1,192	1,192	1,192	1,192
Clusters	116	116	116	116
Democratization waves		X		X
Country FE	X	X	X	X
Year FE	X	X	X	X

Notes: The table reports first stage coefficients for a regression of log actual trade with democracies (resp., autocracies) over GDP in columns 1 and 2 (resp., 3 and 4) against the corresponding instruments. Predicted trade is computed as described in Section 3.3. When constructing the instrument, democratic (resp., autocratic) partners are defined as countries with a 5-year lagged *Polity2* score strictly positive (resp., strictly smaller than 1). Predicted trade is scaled by a 5-year lag in GDP. All regressions control for country and 5-year period fixed effects. Columns 2 and 4 further control for democratization waves. Standard errors, clustered at the country level, in parentheses. Standard errors are adjusted to account for the estimation procedure entailed in building the instruments (see footnote 19). Significance levels: *** $p< 0.01$, ** $p< 0.05$, * $p< 0.1$.

Table A.3. Economic Integration and Citizens' Attitudes: All Controls

Dep. variable:	Democratic System *(Mean: 339.3)*					
	OLS (1)	OLS (2)	2SLS (3)	2SLS (4)	2SLS (5)	2SLS (6)
Exposure democracies	2.171**	2.580**	5.243*	4.625*	4.531*	4.755**
	(0.966)	(1.112)	(2.732)	(2.433)	(2.305)	(2.277)
Exposure autocracies	-1.546**	-1.536**	-0.839	-0.917	0.184	0.257
	(0.653)	(0.652)	(1.497)	(1.426)	(1.507)	(1.495)
Male	2.619***	2.622***	2.617***	2.623***	2.592***	2.582***
	(0.490)	(0.489)	(0.490)	(0.489)	(0.490)	(0.488)
Secondary educ.	5.958***	6.043***	5.894***	6.037***	6.256***	6.369***
	(1.030)	(1.039)	(1.052)	(1.057)	(1.012)	(1.027)
Tertiary or higher educ.	19.655***	19.723***	19.568***	19.693***	19.758***	19.868***
	(1.764)	(1.753)	(1.792)	(1.773)	(1.804)	(1.812)
Second income decile	-0.017	-0.005	-0.026	-0.008	0.312	0.479
	(1.309)	(1.311)	(1.313)	(1.316)	(1.165)	(1.141)
Third income decile	2.662	2.685	2.655	2.688	3.148**	3.151**
	(1.693)	(1.694)	(1.697)	(1.698)	(1.502)	(1.465)
Forth income decile	4.495**	4.532**	4.465**	4.528**	5.031***	4.856***
	(1.937)	(1.938)	(1.945)	(1.943)	(1.711)	(1.663)
Fifth income decile	4.732**	4.770**	4.695**	4.760**	5.232***	5.027***
	(1.835)	(1.834)	(1.847)	(1.842)	(1.653)	(1.587)
Sixth income decile	4.523*	4.565**	4.458*	4.541*	5.237**	4.877**
	(2.286)	(2.287)	(2.298)	(2.297)	(2.047)	(2.018)
Seventh income decile	4.843*	4.884*	4.815*	4.884*	5.575**	5.435**
	(2.622)	(2.620)	(2.624)	(2.623)	(2.354)	(2.352)
Eighth income decile	5.238*	5.282*	5.223*	5.292*	6.176**	6.035**
	(2.927)	(2.928)	(2.928)	(2.930)	(2.602)	(2.599)
Ninth income decile	9.488***	9.536***	9.475***	9.551***	9.908***	9.543***
	(2.970)	(2.970)	(2.968)	(2.969)	(2.636)	(2.665)
Tenth income decile	12.016***	12.070***	11.994***	12.081***	12.549***	12.055***
	(2.507)	(2.497)	(2.519)	(2.504)	(2.320)	(2.330)
Democratization waves		-3.572		-5.276	-4.526	-4.399
		(4.056)		(4.143)	(3.784)	(3.627)
Observations	225,811	225,811	225,811	225,811	225,811	225,811
Clusters	74	74	74	74	74	74
Country FE	X	X	X	X	X	
Survey year FE	X	X	X	X		
Birth year FE	X	X	X	X	X	X
Survey year X Region FE					X	
Country X Survey year FE						X
K-P F-stat			6.148	8.676	8.862	8.705
F-stat (Demo Trade)			15.72	24.22	23.99	22.93
F-stat (Auto Trade)			19.49	21.74	21.75	21.02

Notes: The table replicates Table 2 reporting all controls included in the regressions (except for the fixed effects). Standard errors, clustered at the country level, in parentheses. 2SLS standard errors are adjusted to account for the estimation procedure entailed in building the instruments (see footnote 19). KP F-stat is the Kleibergen-Paap F stat for joint significance of instruments. F-stat (Demo Trade) and F-stat (Auto Trade) refer to the Sanderson-Windmeijer F-stats for joint significance of the instruments in the two separate first-stage regressions. Significance levels: *** p< 0.01, ** p< 0.05, * p< 0.1.

Table A.4. Exposure to Democracy: Income and Education

Dep. variable:	Above Median Income	Education Level		
		Primary	Secondary	Tertiary
	2SLS	2SLS	2SLS	2SLS
	(1)	(2)	(3)	(4)
Exposure democracies	0.028	0.088**	0.038	-0.126**
	(0.023)	(0.042)	(0.082)	(0.055)
Exposure autocracies	-0.013	-0.051**	0.053**	-0.002
	(0.010)	(0.021)	(0.023)	(0.026)
Observations	225,811	225,811	225,811	225,811
Clusters	74	74	74	74
Mean Dep. var.	0.393	0.193	0.540	0.267
Democratization waves	X	X	X	X
Birth Year FE	X	X	X	X
Country X Survey Year FE	X	X	X	X
K-P F-stat	8.687	8.687	8.687	8.687
F-stat (Demo Trade)	22.70	22.70	22.70	22.70
F-stat (Auto Trade)	21.10	21.10	21.10	21.10

Notes: The table replicates column 6 of Table 2 omitting controls for income and education, and using as dependent variable a dummy equal to one if: *i*) an individual's income is above the sample median at the time of the survey (column 1); and if an individual's maximum level of education is *ii*) primary (column 2); *iii*) secondary (column 3); or *iv*) tertiary (column 4). All columns control for gender dummies, and for birth year and survey year by country fixed effects. Standard errors, clustered at the country level, in parentheses. 2SLS standard errors are adjusted to account for the estimation procedure entailed in building the instruments (see footnote 19). KP F-stat is the Kleibergen-Paap F stat for joint significance of instruments. F-stat (Demo Trade) and F-stat (Auto Trade) refer to the Sanderson-Windmeijer F-stats for joint significance of the instruments in the two separate first-stage regressions. Significance levels: *** p< 0.01, ** p< 0.05, * p< 0.1.

Table A.5. Exposure to Democracy and Income (Quintiles)

Dep. variable:	Income Quintile				
	First	Second	Third	Fourth	Fifth
	2SLS (1)	2SLS (2)	2SLS (3)	2SLS (4)	2SLS (5)
Exposure democracies	-0.013	-0.032**	0.021*	0.014	0.010
	(0.018)	(0.014)	(0.012)	(0.013)	(0.009)
Exposure autocracies	-0.003	0.004	0.015**	-0.005	-0.010**
	(0.011)	(0.006)	(0.007)	(0.007)	(0.004)
Observations	225,811	225,811	225,811	225,811	225,811
Clusters	74	74	74	74	74
Mean Dep. Var.	0.183	0.262	0.291	0.185	0.080
Democratization waves	X	X	X	X	X
Birth Year FE	X	X	X	X	X
Country X Survey Year FE	X	X	X	X	X
K-P F-stat	8.687	8.687	8.687	8.687	8.687
F-stat (Demo Trade)	22.70	22.70	22.70	22.70	22.70
F-stat (Auto Trade)	21.10	21.10	21.10	21.10	21.10

Notes: The table replicates column 6 of Table 2 omitting controls for income and education, and using as dependent variable a dummy equal to one if an individual's income is in each quintile of the distribution at the time of the survey. All columns control for gender dummies and for birth year and survey year by country fixed effects. Standard errors, clustered at the country level, in parentheses. 2SLS standard errors are adjusted to account for the estimation procedure entailed in building the instruments (see footnote 19). KP F-stat is the Kleibergen-Paap F stat for joint significance of instruments. F-stat (Demo Trade) and F-stat (Auto Trade) refer to the Sanderson-Windmeijer F-stats for joint significance of the instruments in the two separate first-stage regressions. Significance levels: *** p< 0.01, ** p< 0.05, * p< 0.1.

Table A.6. Controlling for Foreign Interventions during Impressionable Age

Dep. variable:	Democratic system *(Mean: 339.3)*			
	2SLS (1)	2SLS (2)	2SLS (3)	2SLS (4)
Exposure democracies	4.755**	5.482*	4.443*	5.110**
	(2.277)	(2.849)	(2.493)	(2.431)
Exposure autocracies	0.257	0.200	0.316	0.269
	(1.495)	(1.550)	(1.525)	(1.530)
Observations	225,811	225,811	225,811	225,811
Clusters	74	74	74	74
Democratization waves	X	X	X	X
Birth Year FE	X	X	X	X
Country X Survey Year FE	X	X	X	X
K-P F-stat	8.705	7.819	8.504	8.817
F-stat (Demo Trade)	22.93	16.80	20.29	20.67
F-stat (Auto Trade)	21.02	22.64	21.47	22.85

N*otes:* The table replicates column 6 of Table 2 in column 1. Columns 2, 3, and 4 control for number of years, relative to the impressionable age window of the respondent, for which the country was subject to an intervention by: *i*) the CIA; *ii*) the KGB; and, *iii*) either the CIA or the KGB. Standard errors, clustered at the country level, in parentheses. 2SLS standard errors are adjusted to account for the estimation procedure entailed in building the instruments (see footnote 19). KP F-stat is the Kleibergen-Paap F stat for joint significance of instruments. F-stat (Demo Trade) and F-stat (Auto Trade) refer to the Sanderson-Windmeijer F-stats for joint significance of the instruments in the two separate first-stage regressions. Significance levels: *** p< 0.01, ** p< 0.05, * p< 0.1.

Table A.7. Economic Integration and Democracy: Heterogeneous Effects New

Dep. variable:	Polity2					
	2SLS (1)	2SLS (2)	2SLS (3)	2SLS (4)	2SLS (5)	2SLS (6)
	Above Median			Below Median		
Log(Trade democracy/GDP)	6.066*	6.187*	8.310	1.982	5.021**	4.847*
	(3.236)	(3.370)	(5.056)	(2.565)	(2.168)	(2.459)
Log(Trade autocracy/GDP)	2.493	-0.184	2.175	-0.292	0.470	0.023
	(1.846)	(1.851)	(2.332)	(0.961)	(1.766)	(1.240)
Observations	580	622	611	612	570	581
Clusters	58	56	57	58	56	57
Democratization waves	X	X	X	X	X	X
Country FE	X	X	X	X	X	X
Year FE	X	X	X	X	X	X
Split Variable	Rents Natural Resources/GDP	Manufacturing/GDP	Services/GDP	Rents Natural Resources/GDP	Manufacturing/GDP	Services/GDP
K-P F-stat	5.430	2.497	2.215	3.899	4.165	3.724
F-stat (Demo Trade)	6.860	8.207	4.328	16.80	8.095	8.349
F-stat (Auto Trade)	17.16	6.513	6.158	8.312	8.984	16.83

Notes: The table replicates column 4 of Table 4, splitting the sample between observations that score above or below the median for: *i*) baseline share of GDP on rents from natural resources (columns 1-4); *ii*) baseline share of GDP on manufacturing (columns 2-5); *iii*) baseline share of GDP on services (columns 3-6). Standard errors, clustered at the country level, in parentheses. 2SLS standard errors are adjusted to account for the estimation procedure entailed in building the instruments (see footnote 19). KP F-stat is the Kleibergen-Paap F stat for joint significance of instruments. F-stat (Demo Trade) and F-stat (Auto Trade) refer to the Sanderson-Windmeijer F-stats for joint significance of the instruments in the two separate first-stage regressions. Significance levels: *** p< 0.01, ** p< 0.05, * p< 0.1.

Table A.8. Economic integration and Inequality

Dep. variable:	Ratio of log income percentiles				
	$5^{th}/90^{th}$	$5^{th}/50^{th}$	$10^{th}/90^{th}$	$10^{th}/50^{th}$	$50^{th}/90^{th}$
	2SLS	2SLS	2SLS	2SLS	2SLS
	(1)	(2)	(3)	(4)	(5)
Log(Trade democracy/GDP)	0.020	0.009	0.014	0.004	0.006
	(0.037)	(0.013)	(0.032)	(0.009)	(0.019)
Log(Trade autocracy/GDP)	-0.025	-0.014**	-0.017	-0.008*	-0.008
	(0.017)	(0.006)	(0.014)	(0.004)	(0.009)
Observations	850	850	850	850	850
Clusters	109	109	109	109	109
Democratization waves	X	X	X	X	X
Country FE	X	X	X	X	X
Year FE	X	X	X	X	X
K-P F-stat	5.163	5.163	5.163	5.163	5.163
F-stat (Demo Trade)	9.224	9.224	9.224	9.224	9.224
F-stat (Auto Trade)	16.40	16.40	16.40	16.40	16.40

Notes: The table replicates the specification of column 4 of Table 4, using as dependent variable the ratio of the log of the income percentiles reported at the top of each column. For more details see Table B.1. Standard errors, clustered at the country level, in parentheses. 2SLS standard errors are adjusted to account for the estimation procedure entailed in building the instruments (see footnote 19). KP F-stat is the Kleibergen-Paap F stat for joint significance of instruments. F-stat (Demo Trade) and F-stat (Auto Trade) refer to the Sanderson-Windmeijer F-stats for joint significance of the instruments in the two separate first-stage regressions. Significance levels: *** p< 0.01, ** p< 0.05, * p< 0.1.

Table A.9. Controlling for Foreign Interventions

Dep. variable:	Polity2 (Mean: 2.060)			
	2SLS (1)	2SLS (2)	2SLS (3)	2SLS (4)
Panel A. Time Invariant Controls by Period Dummies				
Log(Trade democracy/GDP)	4.977**	7.052***	4.524**	6.286***
	(2.111)	(2.679)	(2.091)	(2.373)
Log(Trade autocracy/GDP)	0.933	1.437	1.128	1.558
	(1.051)	(1.170)	(1.049)	(1.140)
Observations	1,192	1,192	1,192	1,192
Clusters	116	116	116	116
K-P F-stat	6.249	5.139	6.386	5.811
F-stat (Demo Trade)	13.78	11.09	13.56	12.46
F-stat (Auto Trade)	19.35	18.66	18.72	18.90
Panel B. Time-Varying Controls				
Log(Trade democracy/GDP)	4.977**	6.849***	4.752**	6.267***
	(2.111)	(2.598)	(2.224)	(2.373)
Log(Trade autocracy/GDP)	0.933	1.472	0.979	1.571
	(1.051)	(1.119)	(1.059)	(1.103)
Observations	1,192	1,192	1,192	1,192
Clusters	116	116	116	116
K-P F-stat	6.249	5.546	6.065	6.044
F-stat (Demo Trade)	13.78	11.55	12.88	12.78
F-stat (Auto Trade)	19.35	20.33	19.64	20.12
Specification	Baseline	CIA intervention	KGB intervention	Any intervention
Democratization waves	X	X	X	X
Country FE	X	X	X	X
Year FE	X	X	X	X

Notes: The table replicates column 4 of Table 4 in column 1. Columns 2 to 4 of Panel A augment the specification in column 1 by controlling for interactions between period dummies and a dummy equal to one if the country experienced at least one intervention from: *i*) the CIA; *ii*) the KGB; and, *iii*) either the CIA or the KGB. Columns 2 to 4 of Panel B control for time-varying dummies that take the value of one in the period in which an intervention in *i*) to *iii*) took place. Standard errors, clustered at the country level, in parentheses. 2SLS standard errors are adjusted to account for the estimation procedure entailed in building the instruments (see footnote 19). KP F-stat is the Kleibergen-Paap F stat for joint significance of instruments. F-stat (Demo Trade) and F-stat (Auto Trade) refer to the Sanderson-Windmeijer F-stats for joint significance of the instruments in the two separate first-stage regressions. Significance levels: *** p< 0.01, ** p< 0.05, * p< 0.1.

Table A.10. Economic Integration and Votes on UNGA Resolutions

	2SLS (1)	2SLS (2)	2SLS (3)	2SLS (4)
Panel A. Dep. Variable:	Distance between own vote and average democracies' vote			
Log(Trade democracy/GDP)	-0.020	-0.034	-0.082	0.002
	(0.084)	(0.064)	(0.164)	(0.098)
Log(Trade autocracy/GDP)	0.003	0.011	0.033	0.017
	(0.027)	(0.017)	(0.072)	(0.027)
Observations	1,167	1,166	579	588
Clusters	115	115	57	58
K-P F-stat	5.943	5.990	3.027	2.711
F-stat (Demo Trade)	12.34	12.39	12.14	6.681
F-stat (Auto Trade)	17.85	17.96	5.574	12.14
Dep. variable mean	0.931	0.729	0.885	0.976
Panel B. Dep. Variable:	Distance between own vote and US vote			
Log(Trade democracy/GDP)	0.016	0.019	-0.043	0.013
	(0.065)	(0.051)	(0.191)	(0.038)
Log(Trade autocracy/GDP)	-0.030	-0.023**	-0.021	0.009
	(0.022)	(0.011)	(0.061)	(0.014)
Observations	1,155	1,154	567	588
Clusters	114	114	56	58
K-P F-stat	5.824	5.869	3.099	2.711
F-stat (Demo Trade)	11.98	12.03	11.30	6.681
F-stat (Auto Trade)	17.99	18.09	5.668	12.14
Dep. variable mean	0.975	0.975	0.960	0.990
Specification	Baseline	Lagged Trade	Baseline	Baseline
Sample	Full	Full	Baseline Democracies	Baseline Autocracies
Democratization waves	X	X	X	X
Country FE	X	X	X	X
Year FE	X	X	X	X

Notes: The table replicates the specification in column 4 of Table 4 using as dependent variable the distance between the vote of a country on a given United Nation General Assembly (UNGA) resolution and the average vote cast by "full democracies" on the same resolution (resp., the US) in Panel A (resp., Panel B). Column 2 replicates column 1 by considering a 5-year period lag in trade with democracies and autocracies (and extending the UNGA resolutions' sample until 2020). Columns 3 and 4 restrict attention to baseline democracies and autocracies, respectively. Voting on UNGA resolution are taken from Bailey et al. (2017), and are not available for Cape Verde. Full democracies are defined as in Besley and Persson (2019), Table 1. Standard errors, clustered at the country level, in parentheses. 2SLS standard errors are adjusted to account for the estimation procedure entailed in building the instruments (see footnote 19). KP F-stat is the Kleibergen-Paap F stat for joint significance of instruments. F-stat (Demo Trade) and F-stat (Auto Trade) refer to the Sanderson-Windmeijer F-stats for joint significance of the instruments in the two separate first-stage regressions. Significance levels: *** p< 0.01, ** p< 0.05, * p< 0.1.

Table A.11. Economic Integration and Offers from GDELT Data

Dep. variable:	Log(Offers received)				Log(Offers sent)			
	Any	Economic	Military	Diplomatic	Any	Economic	Military	Diplomatic
	2SLS	2SLS	2SLS	2SLS	2SLS	2SLS	2SLS	2SLS
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Panel A. From/To Democratic Countries								
Log(Trade democracy/GDP)	-1.017	-1.200	-0.803	-0.371	-1.175	-1.181	-0.441	-0.875
	(0.688)	(0.737)	(0.521)	(0.610)	(0.769)	(0.767)	(0.443)	(0.713)
Log(Trade autocracy/GDP)	-0.118	-0.176	-0.027	0.209	-0.143	-0.262	0.020	0.052
	(0.356)	(0.384)	(0.197)	(0.274)	(0.350)	(0.365)	(0.185)	(0.271)
Panel B. From/To Autocratic Countries								
Log(Trade democracy/GDP)	-0.667	-0.722	-0.121	-0.648	-1.009	-0.997	0.033	-1.164*
	(0.563)	(0.636)	(0.181)	(0.493)	(0.761)	(0.774)	(0.206)	(0.636)
Log(Trade autocracy/GDP)	0.397	0.293	0.137*	0.384*	0.220	0.201	0.054	0.389
	(0.260)	(0.270)	(0.074)	(0.216)	(0.263)	(0.269)	(0.057)	(0.249)
Observations	762	762	762	762	762	762	762	762
Clusters	115	115	115	115	115	115	115	115
Democratization waves	X	X	X	X	X	X	X	X
Country FE	X	X	X	X	X	X	X	X
Year FE	X	X	X	X	X	X	X	X
K-P F-stat	4.275	4.275	4.275	4.275	4.275	4.275	4.275	4.275
F-stat (Demo Trade)	8.082	8.082	8.082	8.082	8.082	8.082	8.082	8.082
F-stat (Auto Trade)	16.06	16.06	16.06	16.06	16.06	16.06	16.06	16.06

Notes: The table replicates the specification in column 4 of Table 4 using as dependent variable the (log of 1 plus) the number of offers received (resp., sent) by a country in columns 1 to 4 (resp., 5 to 8). Panels A and B consider offers from/to democratic and autocratic countries respectively. Offers are defined as the number of times over a year in which a country sent or received a pledge/offer/promise to or from another country, and are taken from the GDELT dataset (see also Camboni and Porcellacchia, 2021). The sample period is restricted to 1980 to 2010, due to data availability from GDELT. Democratic and autocratic countries in Panels A and B are defined as countries with *Polity2* score strictly positive and strictly lower than 1, respectively. Standard errors, clustered at the country level, in parentheses. 2SLS standard errors are adjusted to account for the estimation procedure entailed in building the instruments (see footnote 19). KP F-stat is the Kleibergen-Paap F stat for joint significance of instruments. F-stat (Demo Trade) and F-stat (Auto Trade) refer to the Sanderson-Windmeijer F-stats for joint significance of the instruments in the two separate first-stage regressions. Significance levels: *** p< 0.01, ** p< 0.05, * p< 0.1.

Table A.12. Economic Integration and International Influence

	2SLS (1)	2SLS (2)	2SLS (3)	2SLS (4)	2SLS (5)	2SLS (6)	2SLS (7)	2SLS (8)
Panel A. Dep. variable:	Total FBIC				Average FBIC			
	All Components (Overall)	All Components (from Democracies)	Dependence (Overall)	Dependence (from Democracies)	All Components (Overall)	All Components (from Democracies)	Dependence (Overall)	Dependence (from Democracies)
Log(Trade democracy/GDP)	-0.337	-0.138	-0.028	0.230	-0.003	0.000	-0.001	0.001
	(0.338)	(0.321)	(0.374)	(0.301)	(0.003)	(0.003)	(0.003)	(0.006)
Log(Trade autocracy/GDP)	-0.331**	-0.487***	-0.041	-0.257**	-0.002**	-0.004**	-0.001	-0.005**
	(0.150)	(0.142)	(0.123)	(0.098)	(0.001)	(0.002)	(0.001)	(0.002)
Dep. Variable mean	1.190	1.020	3.269	2.657	0.011	0.017	0.029	0.044
Panel B. Dep. variable:	Total WPI				Average WPI			
	FBIC (Overall)	FBIC (from Democracies)	Dependence (Overall)	Dependence (from Democracies)	FBIC (Overall)	FBIC (from Democracies)	Dependence (Overall)	Dependence (from Democracies)
Log(Trade democracy/GDP)	-4.643	-2.693	-0.150	2.566	-0.040	-0.033	-0.010	0.005
	(3.764)	(3.329)	(6.695)	(5.434)	(0.031)	(0.035)	(0.060)	(0.089)
Log(Trade autocracy/GDP)	-1.725	-2.999**	2.631	-0.880	-0.012	-0.023*	0.021	-0.013
	(1.275)	(1.173)	(2.120)	(1.631)	(0.010)	(0.012)	(0.018)	(0.027)
Dep. variable mean	8.283	6.802	33.79	26.81	0.072	0.100	0.297	0.414
Observations	1,167	1,167	1,167	1,167	1,167	1,167	1,167	1,167
Clusters	115	115	115	115	115	115	115	115
Democratization waves	X	X	X	X	X	X	X	X
Country FE	X	X	X	X	X	X	X	X
Year FE	X	X	X	X	X	X	X	X
K-P F-stat	5.573	5.573	5.573	5.573	5.573	5.573	5.573	5.573
F-stat (Demo Trade)	11.95	11.95	11.95	11.95	11.95	11.95	11.95	11.95
F-stat (Auto Trade)	20.21	20.21	20.21	20.21	20.21	20.21	20.21	20.21

Notes: The table replicates the specification in column 4 of Table 4 using as dependent variable a measure of total (resp., average) influence received by a country in columns 1 to 4 (resp., 5 to 8), using, respectively, all countries and only democratic countries (defined as countries with *Polity2* score strictly positive). Panel A presents results obtained using the FBIC index collapsed at yearly level, while Panel B employs the WPI index as defined by Camboni and Porcellacchia, 2021, constructed using the FBIC index. The sample period is from 1960 to 2015. Standard errors, clustered at the country level, in parentheses. 2SLS standard errors are adjusted to account for the estimation procedure entailed in building the instruments (see footnote 19). KP F-stat is the Kleibergen-Paap F stat for joint significance of instruments. F-stat (Demo Trade) and F-stat (Auto Trade) refer to the Sanderson-Windmeijer F-stats for joint significance of the instruments in the two separate first-stage regressions. Significance levels: *** p< 0.01, ** p< 0.05, * p< 0.1.

Table A.13. Economic Integration and Preferential Trade Agreements

Dep. variable:	PTA Share			PTA Share Demo		
	2SLS (1)	2SLS (2)	2SLS (3)	2SLS (4)	2SLS (5)	2SLS (6)
Log(Trade democracy/GDP)	-0.018	-0.135	-0.004	-0.006	-0.141	0.025
	(0.036)	(0.150)	(0.039)	(0.034)	(0.153)	(0.030)
Log(Trade autocracy/GDP)	-0.025*	-0.060	-0.010	-0.042***	-0.065	-0.022*
	(0.015)	(0.043)	(0.016)	(0.014)	(0.044)	(0.011)
Sample	Full	Baseline democracies	Baseline autocracies	Full	Baseline democracies	Baseline autocracies
Observations	1,143	557	586	1,143	557	586
Clusters	113	54	59	113	54	59
Democratization waves	X	X	X	X	X	X
Country FE	X	X	X	X	X	X
Year FE	X	X	X	X	X	X
K-P F-stat	4.426	1.386	2.895	4.426	1.386	2.895
F-stat (Demo Trade)	10.03	3.083	6.962	10.03	3.083	6.962
F-stat (Auto Trade)	17.05	3.635	13.93	17.05	3.635	13.93
Dep. variable mean	0.051	0.063	0.040	0.042	0.058	0.028

Notes: The table replicates the specification in column 4 of Table 4 using as dependent variable the number of PTAs every country has in place in any given 5-year period in total (columns 1 to 3) and with democratic countries only (columns 4 to 6), divided by the total number of countries in the world in the 5-year period. Columns 2 and 5 and columns 3 and 6 restrict the sample to countries with *Polity2* score at baseline strictly greater than zero and strictly lower than 1, respectively. Standard errors, clustered at the country level, in parentheses. 2SLS standard errors are adjusted to account for the estimation procedure entailed in building the instruments (see footnote 19). KP F-stat is the Kleibergen-Paap F stat for joint significance of instruments. F-stat (Demo Trade) and F-stat (Auto Trade) refer to the Sanderson-Windmeijer F-stats for joint significance of the instruments in the two separate first-stage regressions. Significance levels: *** p< 0.01, ** p< 0.05, * p< 0.1.

Table A.14. Economic Integration and Book Translations

Dep. variable:	Log(book translations)				
	English	Democratic countries	Humanistic	Scientific	Most Influential
	2SLS (1)	2SLS (2)	2SLS (3)	2SLS (4)	2SLS (5)
Log(Trade democracy/GDP)	-0.646	-0.489	-0.557	-0.065	-0.261
	(1.625)	(1.418)	(1.339)	(1.603)	(0.242)
Log(Trade autocracy/GDP)	-0.490	-0.568	-0.315	-0.535	-0.086
	(0.674)	(0.613)	(0.595)	(0.539)	(0.090)
Observations	495	495	464	421	495
Clusters	86	86	81	81	86
Democratization Waves	X	X	X	X	X
Country FE	X	X	X	X	X
Year FE	X	X	X	X	X
K-P F-stat	3.024	3.024	3.483	2.299	3.024
F-stat (Demo Trade)	7.164	7.164	9.192	5.382	7.164
F-stat (Auto Trade)	6.656	6.656	7.700	4.341	6.656

Notes: The table replicates the specification in column 8 of Table 8, splitting the number of book translations in different (book) categories. The dependent variable is the log number of translations: from English (column 1); from languages spoken by the majority of the population in countries with baseline *Polity2* score strictly positive (column 2); of humanistic books (column 3); of scientific books (column 4); and of books classified in Abramitzky and Sin (2014) as "most influential" (column 5). Standard errors, clustered at the country level, in parentheses. 2SLS standard errors are adjusted to account for the estimation procedure entailed in building the instruments (see footnote 19). KP F-stat is the Kleibergen-Paap F stat for joint significance of instruments. F-stat (Demo Trade) and F-stat (Auto Trade) refer to the Sanderson-Windmeijer F-stats for joint significance of the instruments in the two separate first-stage regressions. Significance levels: *** p< 0.01, ** p< 0.05, * p< 0.1.

B Data Appendix

Table B.1. Variables' Description

Variable	Description	Source
Panel A. Outcomes		
Polity2	Regime authority spectrum on a 21-point scale ranging from -10 (full autocracy) to +10 (full democracy).	Polity5 Project: Regime Authority Characteristics and Transitions Datasets, accessible at https://www.systemicpeace.org
Dummy Polity2	Dummy equal to one if *Polity2* is strictly positive.	Authors' calculation from Polity5 Project: Regime Authority Characteristics and Transitions Datasets, accessible at https://www.systemicpeace.org
Freedom House	Average of the *Political rights* and *Civil liberties* indicators from the Freedom House Freedom in the World Report. Both components range from 1 to 7 and are coded so that higher values indicate greater political rights and civil liberties, respectively.	Freedom House Freedom in the World Report, available at https://freedomhouse.org
Dummy Freedom House	Dummy equal to one if the Freedom House score is strictly greater than three.	Authors' calculation from Freedom House Freedom in the World Report, available at https://freedomhouse.org
Executive constraints	Extent of institutionalized constraints on the decision-making powers of chief executives, whether individuals or collectivities. The variable ranges from 1 (unlimited authority) to 7 (executive parity or subordination). That is, higher values reflect more stringent constraints on the executive.	Polity5 Project: Regime Authority Characteristics and Transitions Datasets, accessible at https://www.systemicpeace.org
Average years of schooling	Average years of schooling attained. The number of years of schooling for the population aged 15 and above in a given country is constructed as the weighed sum of the number of years of schooling of a given age group in a given year, with weights reflecting the population share of each age group in population 15 and above.	Barro and Lee (2013)
Migration	Sum of bilateral migration flows for each origin and destination, calculated as the simple average of in- and out-migration from and to every other country. To increase the temporal coverage of the data, estimates based on migration stock data from Özden et al. (2011), from 1965 to 2000, are combined with those from the United Nations' Trends in international migration stock—the 2015 revision (from 2005 to 2015). Migration flows are estimated at five-year frequency.	Authors' calculations from Abel (2018) using demographic data from the 2015 World Population Prospects
Students abroad	Number of students abroad as a share of total population in the sending country. The number of students in democratic and autocratic host countries is taken from Spilimbergo (2009), who uses the *Polity2* index from the Polity IV project (an earlier version relative to that used in our main analysis). Democratic (resp., autocratic) countries are defined as those with a *Polity2* index strictly greater than zero (resp., strictly lower than one).	Spilimbergo (2009)

Foreign Direct Investment	Direct investment equity flows in each country, defined as the sum of equity capital, reinvestment of earnings, and other capital. Data, in current US dollars and based on IMF Balance of Payments database, available from 1970 to 2000. In the analysis, the variable is defined as the logarithm of one plus the simple average of net inflows and outflows.	Authors' calculation from World Bank World Development Indicators, available at https://databank.worldbank.org
Book Translations	Number of books translated in a given country in each year from 1960 to 2009. The underlying data is collected at the national level through the law of legal deposit that mandates the submission of every book intended for circulation to the national depository. The list of publications is then submitted to UNESCO. In the analysis, the dependent variable is defined as the log of (one plus) the number of book translations.	UNESCO Index Translationum (IT), available at https://www.unesco.org/xtrans/bsform.aspx
Log(X pctile)/ Log(Z pctile)	Ratio of the log of income at different percentiles of the income distribution. Income is defined as pre-tax national income, and is divided equally among spouses. The population considered includes all adults who are 20 or older.	Authors' calculations from the World Inequality Database, accessible at: https://wid.world/data
Difference between country vote and average vote among full democracies	Absolute difference between a country own vote on the first United Nations resolution within each 5-year period and the (leave-out) average vote of full democracies (defined as in Besley and Persson, 2019) on the same resolution. Voting patterns in the original data are recorded as 1 (yea), 2 (abstain), and 3 (nay). We recode votes as either 0 (Yes) or 1 (No), and exclude countries that abstain from voting on a given resolution.	Adapted from Bailey et al. (2017)
Difference between own vote and US vote	Absolute difference between country own vote on the first United Nations resolution within each 5-year period and US vote on the same resolution.	Adapted from Bailey et al. (2017)
Offers	Yearly number of economic, military, and diplomatic offers received or sent by a country from 1980 to 2010. In the analysis, the dependent variable is the log of (one plus) each offer category.	GDELT Event Dataset, accessible at https://www.gdeltproject.org
Formal Bilateral Influence Capacity (FBIC) Index	Normalized measure of the yearly bilateral (economic, political, and security) influence between two countries from 1960 to 2020. It takes values between 0 (no influence) and 1 (maximum influence). It combines two sub-index: *i*) Bandwidth, which measures the size of the relationship between the two countries; and, *ii*) Dependence (see below). The Bandwidth sub-index is determined by economic factors (such as trade agreements and total goods trade), political factors (e.g. diplomatic level of representation) and security factors (arms transfers and military alliances). For the analysis, the index is collapsed at the level of the target country, for each 5-year period.	FBIC Dataset (Moyer et al., 2021), accessible at https://korbel.du.edu/fbic
Dependence (FBIC sub-index)	Sub-component of the FBIC index. It is a normalized measure of the ability of the source country to take advantage of its relationship with the target country (i.e., a measure of dependence of the target country on the source country). It takes values between 0 (no ability to influence the target) and 1 (maximum level of dependence of the target on the source country). The dependence index is itself obtained from two sub-index: *i*) Economic dependence, which is derived from trade and economic aid; and, *ii*) Security dependence, which is evaluated in terms of arm imports. As for the overall FBIC index, the Dependence index is collapsed at the level of the target country, for each 5-year period.	FBIC Dataset, (Moyer et al., 2021) accessible at https://korbel.du.edu/fbic

Weaker Power Index (WPI)	It measures the relative power of countries as the power share of all weaker competitors, defined as countries whose power on the target is lower than the country of analysis. Specifically, the index is computed as the sum of the influence, measured with the FBIC index (or, its dependence sub-component), of all countries on the target country whose influence is lower than that of the source country. In the analysis, the index is collapsed at the level of the target country for each 5-year period, using either the overall FBIC index or its dependence sub-index to proxy for power.	Authors' calculations from Camboni and Porcellacchia (2021)
Preferential trade agreements (PTAs)	PTAs encompass all free trade agreements and custom unions among 187 countries. In the case of custom unions, member countries must have implemented a common external tariff for the vast majority of products, not merely agreed on them. Therefore, PTAs effectively represent arrangements whereby trade among members is substantially duty free.	Facchini et al. (2021)
Panel B. Main Regressors		
Trade democracy Trade autocracy	Trade with democratic (resp., autocratic) partners in a given year. It is derived by aggregating bilateral trade flows for a given country in a given year over all democratic (resp., autocratic) trade partners for which is possible to estimate predicted trade (bilateral trade flows are in turn computed as the simple average of the two directed trade flows involving a pair of countries). Democratic (resp., autocratic) partners are defined as countries with *Polity2* index strictly greater than 0 (resp., strictly lower than 1). In the analysis, both trade with democratic and trade with autocratic partners are scaled by GDP, and then logged.	Authors' calculations from the IMF Direction of Trade Statistics, available at https://data.imf.org
Predicted trade democracy Predicted trade autocracy	Predicted trade with democratic (resp., autocratic) partners in a given year. It is obtained by estimating gravity equations that rely on bilateral air and sea distances between each country pair. Air distances are calculated following the great circle formula, which uses latitudes and longitudes of the most important city (in terms of population) or of its official capital. Sea distances are the shortest maritime distances between the two main commercial ports for each pair of countries, expect for Canada, for which we take the shortest sea-route from either Halifax or Vancouver; the US, for which we consider New York, New Orleans, and San Francisco; and Russia, for which we consider Novorossiysk, Saint Petersburg, and Vladivostok. See the main text (Section 3.3.1) for more details on the construction of predicted trade. Democratic (resp., autocratic) partners are defined as countries with a 5-year lagged *Polity2* index strictly greater than 0 (resp., strictly lower than 1). For the analysis, both predicted trade with democratic and predicted trade with autocratic partners are scaled by 5-year lagged GDP, and then logged.	Authors' calculations from IMF Direction of Trade Statistics, available at https://data.imf.org. Air distances are from CEPII (Mayer and Zignago, 2011). Sea distances are from vesseldistance.org, last accessed in July 2014.
Exposure democracies Exposure autocracies	Log of the country-level average of trade with democratic (resp., autocratic) partners in a given year, scaled by GDP, during formative years (16-24). Democratic (resp., autocratic) partners are defined as countries with a *Polity2* index strictly greater than 0 (resp., strictly lower than 1).	Authors' calculations from IMF Direction of Trade Statistics and Integrated Value Survey
Predicted exposure democracies Predicted exposure autocracies	Log of the country-level average of predicted trade with democratic (resp., autocratic) partners in a given year, scaled by 5-year lag GDP, during formative years (16-24). Democratic (resp., autocratic) partners are defined as countries with a 5-year lagged *Polity2* index strictly greater than 0 (resp., strictly lower than 1).	Authors' calculations from IMF Direction of Trade Statistics and Integrated Value Survey

Democratization waves	The variable is constructed following the approach in Acemoglu et al. (2019). First, we divide the world in 6 regions (using the World Bank's classification); then, within each region and for each country i, we define the share of countries other than i with a *Polity2* score strictly positive during year t and that were in the same institutional group as i at baseline (where an institutional group is either democratic, for *Polity2* > 0, or autocratic, for *Polity2* < 1). For the analysis, this measure is lagged by one year, though results are unchanged when using alternative lags. As for actual and predicted trade, in the survey-level analysis, we calculate the average of this variable over the entire impressionable years window.	Authors' calculations from Acemoglu et al. (2019)
Trade-Induced Democratic Capital	Weighed sum of trade partners' democratic score (5-year lagged normalized *Polity2*, set to zero if a partner's *Polity2* is negative) with weights equal to the share of trade with each partner over total trade. The analysis instruments actual trade-induced democratic capital with its predicted counterpart, constructed using predicted, rather than actual, trade (see definition above).	Authors' calculations from IMF Direction of Trade Statistics and Polity5 Project: Regime Authority Characteristics and Transitions Datasets
GDP	GDP is gross domestic product calculated from the output side. In the analysis, it is used: *i*) at current prices to scale variables, such as actual and predicted trade defined above and FDI; and, *ii*) in real terms at current PPPs as an additional control defined as either the log of GDP or the log of GDP per capita.	Authors' calculations from Penn World Table version 9.1 available at https://www.rug.nl
Population	Population in millions.	Penn World Table version 9.1 available at https://www.rug.nl
Panel C. Additional Variables		
1960 Democratic capital	Value in 1960 of domestic democratic capital, a measure that accumulates as members of society gradually gain experience with democracy. It depends on the historical path experienced by each given country as it grows in years of democracy, and depreciates geometrically in years of autocracy.	Persson and Tabellini (2009)
Per capita GDP growth rate	Yearly growth rate of output-side real GDP per capita at current PPPs in million of 2005 US dollars. In the analysis, the median of this variable is computed considering two reference sets: *i*) democratic trade partners in a given period and *ii*) democratic trade partners up to a given period.	Authors' calculations from Penn World Table version 9.1 available at https://www.rug.nl
Government expenditure	Non-interest government expenditure over GDP.	IMF Public Finance in Modern History Database, Mauro et al. (2015)
Genetic proximity	One minus *Dominant Genetic Distance* from Spolaore and Wacziarg (2016). The latter is defined as the genetic distance between the plurality ethnic group of each country in a pair i.e. the groups with the largest shares of each country's population.	Authors' calculations from Spolaore and Wacziarg (2016)
Commodity Price Index	Country-specific index of commodity export prices. The index is composed of 50 commodities (35 agricultural and 15 non-agricultural), which are aggregated using weights equal to the share of each commodity in the country's exports in 1995. It takes value equal to 100 in 2000. It is then logged and differenced, and interacted with the ratio of the 1995 commodity exports to GDP. Data available from 1960 to 2007.	Burke and Leigh (2010)

Share of GDP on rents from natural resources	Share of a country's GDP accruing to rents from natural resources (measured at baseline). Total natural resources rents are defined as the sum of rents from: oil, natural gas, coal, mineral, and forest. Natural resources rents are calculated as the difference between the price of a commodity and the average cost of producing it, estimating the price of units of specific commodities and subtracting estimates of average unit costs of extraction or harvesting costs. These unit rents are then multiplied by the physical quantities countries extract or harvest to determine the rents for each commodity as a share of gross domestic product (GDP).	World Bank World Development Indicators
Share of GDP on manufacturing	Share of a country's GDP coming from manufacturing (measured at baseline). Manufacturing refers to industries belonging to ISIC divisions 15-37. Value added is the net output of a sector after adding up all outputs and subtracting intermediate inputs.	World Bank World Development Indicators
Share of GDP on services	Share of country's GDP coming from services (measured at baseline). Services correspond to ISIC divisions 50-99 and they include value added in wholesale and retail trade (including hotels and restaurants), transport, and government, financial, professional, and personal services such as education, health care, and real estate services. Value added is the net output of a sector after adding up all outputs and subtracting intermediate inputs.	World Bank World Development Indicators
CIA and/or KGB intervention	Dummy equal to one if a country experienced at least one intervention from : *i*) the CIA; *ii*) the KGB; and, *iii*) either the CIA or the KGB, at least once in a 5-year period.	Berger et al. (2013b)

Notes: The table describes all variables used in the paper, reporting the corresponding source, except for those obtained from the survey datasets, which are instead presented in Tables B.2 and B.3. Unless otherwise specified, data refers to 5-year intervals from 1960 to 2015.

Table B.2. Questions from Survey Data

Variable Name	Wording	Years
	Panel A. IVS	
Democratic system	Equals 1 if "Very bad", 2 if "Fairly bad", 3 if "Fairly good" and 4 if "Very good" to the question "I'm going to describe various types of political systems and ask what you think about each as a way of governing this country. For each one, would you say it is a very good, fairly good, fairly bad or very bad way of governing this country? Having a democratic political system".	1995 to 2019
Dummy democratic system	Equals 1 if "Very good" or "Fairly good", 0 if "Very bad" or "Fairly bad" to the same question in *Democratic system*	1995 to 2019
Democracy better	Equals 1 if "Disagree strongly", 2 if "Disagree", 3 if "Agree" and 4 if "Agree strongly" to the question "I'm going to read off some things that people sometimes say about a democratic political system. Could you please tell me if you agree strongly, agree, disagree or disagree strongly, after I read each of them? Democracy may have problems but it's better than any other form of government"	1995 to 2009
Dummy democracy better	Equals 1 if if "Agree" or "Agree strongly", 0 if "Disagree strongly" or "Disagree" to the same question in *Democracy better*,	1995 to 2009
Support democracy index	Average of *Democratic system*, *Opposes strong leader*, *Opposes army ruling* and *Government above experts*.	1995 to 2019
	Panel B. Afrobarometer	
Democratic support	Equals 1 if: "Democracy is preferable to any other kind of government", 2 if: "In some circumstances, a non-democratic government can be preferable", 3 if: "For someone like me, it doesn't matter what kind of government we have" to the question: "Which of these three statements is closest to your opinion?"	2000 to 2015

Table B.3. Additional Variables from IVS

Variable	Description	Years
Education level	Self-reported measure of educational attainment. Equals 1 if "No formal education" or "Incomplete primary school" or "Complete primary school"; 2 if "Incomplete secondary school: technical/vocational type" or "Complete secondary school: technical/vocational type" or "Incomplete secondary: university-preparatory type" or "Complete secondary: university-preparatory type"; and, 3 if "Some university-level education, without degree" or "University-level education, with degree"	1995 to 2019
Income level	Self-reported measure of family income. Income deciles, from 1 (poorest) to 10 (richest)	1995 to 2019
Gender	Self-reported gender of respondent. Equals 1 if "Male", 0 if "Female"	1995 to 2019
Employment status	Self-reported employment status. Equals 1 if "Full time Employee" or "Self Employed"; 0 if "Part time employee" or "Unemployed" or "Student" or "Housewife not otherwise employed" or "Retired/Pensioned"	1995 to 2019

Table B.4. Countries in IVS Sample

Countries	Number of periods	First year	Last year
Albania	4	1998	2018
Algeria	2	2002	2014
Argentina	3	1995	2013
Australia	3	1995	2012
Bangladesh	2	1996	2002
Belgium	2	1999	2009
Bosnia Herzegovina	4	1998	2019
Brazil	3	1997	2014
Bulgaria	5	1997	2017
Canada	2	2000	2006
Chile	4	1996	2012
China	3	2001	2013
Colombia	3	1997	2012
Croatia	3	1999	2017
Cyprus	3	2006	2011
Denmark	3	1999	2017
Dominican Rep	1	1996	1996
Ecuador	1	2013	2013
Egypt	3	2001	2013
El Salvador	1	1999	1999
Estonia	5	1996	2018
Finland	5	1996	2017
France	4	1999	2018
Georgia	5	1996	2018
Germany	6	1997	2017
Ghana	2	2007	2012
Greece	2	1999	2008
Guatemala	1	2004	2004
Haiti	1	2016	2016
India	4	1995	2012
Indonesia	2	2001	2006
Iran	2	2000	2007
Iraq	3	2004	2013
Ireland	2	1999	2008
Italy	4	1999	2018
Japan	3	2000	2010
Jordan	3	2001	2014

Countries	Number of periods	First year	Last year
Korea South	4	1996	2010
Kuwait	1	2014	2014
Latvia	3	1996	2008
Lebanon	1	2013	2013
Lithuania	4	1997	2018
Malaysia	2	2006	2012
Mexico	4	1996	2012
Morocco	3	2001	2011
Netherlands	5	1999	2017
New Zealand	3	1998	2011
Nigeria	3	1995	2012
Norway	4	1996	2018
Pakistan	3	1997	2012
Peru	4	1996	2012
Philippines	2	2001	2012
Poland	5	1999	2017
Portugal	1	2008	2008
Romania	6	1998	2018
Russia	6	1995	2017
Serbia	5	1996	2018
Singapore	2	2002	2012
Slovenia	5	1999	2017
South Africa	4	1996	2013
Spain	7	1995	2017
Sweden	6	1996	2017
Tanzania	1	2001	2001
Thailand	2	2007	2013
Trinidad And Tobago	2	2006	2010
Tunisia	1	2013	2013
Turkey	5	1996	2011
Ukraine	5	1996	2011
United Kingdom	5	1999	2018
United States	4	1995	2011
Uruguay	3	1996	2011
Venezuela	2	1996	2000
Vietnam	2	2001	2006
Yemen	1	2014	2014

Table B.5. Countries in *Afrobarometer* Sample

Country	Number of periods	First year	Last year
Benin	4	2005	2014
Cameroon	2	2013	2015
Cape Verde	5	2002	2014
Gabon	1	2015	2015
Guinea	2	2013	2015
Ivory Coast	2	2013	2014
Kenya	5	2003	2014
Liberia	3	2008	2015
Madagascar	4	2005	2014
Mauritius	2	2012	2014
Mozambique	5	2002	2015
Namibia	6	2000	2014
Senegal	5	2002	2014
Sierra Leone	2	2012	2015
Sudan	2	2013	2015
Togo	2	2012	2014

Table B.6. Countries in *Polity2* Sample

Country	Number of periods	First year	Laste year
Albania	9	1975	2015
Algeria	11	1965	2015
Angola	9	1975	2015
Argentina	12	1960	2015
Australia	12	1960	2015
Bahrain	9	1975	2015
Bangladesh	9	1975	2015
Belgium	4	2000	2015
Belgium And Luxembourg	8	1960	1995
Benin	11	1965	2015
Brazil	12	1960	2015
Bulgaria	9	1975	2015
Cambodia	7	1975	2015
Cameroon	11	1965	2015
Canada	12	1960	2015
Cape Verde	9	1975	2015
Chile	12	1960	2015
China	12	1960	2015
Colombia	12	1960	2015
Comoros	9	1975	2015
Congo	11	1965	2015
Costa Rica	12	1960	2015
Croatia	5	1995	2015
Cyprus	12	1960	2015
Dem Rep Congo	12	1960	2015
Denmark	12	1960	2015
Djibouti	8	1980	2015
Dominican Rep	12	1960	2015
Ecuador	12	1960	2015
Egypt	12	1960	2015
El Salvador	12	1960	2015
Equatorial Guinea	10	1970	2015
Estonia	5	1995	2015
Fiji	10	1970	2015
Finland	12	1960	2015
France	12	1960	2015
Gabon	11	1965	2015
Gambia	11	1965	2015
Georgia	5	1995	2015
Germany	12	1960	2015
Ghana	12	1960	2015
Greece	12	1960	2015
Guatemala	12	1960	2015
Guinea	11	1965	2015
Guinea-Bissau	9	1975	2015
Haiti	11	1965	2015
Honduras	12	1960	2015
India	12	1960	2015
Indonesia	11	1965	2015
Iran	12	1960	2015
Iraq	8	1975	2015
Ireland	12	1960	2015
Israel	12	1960	2015
Italy	12	1960	2015
Ivory Coast	11	1965	2015
Jamaica	12	1960	2015
Japan	12	1960	2015
Jordan	12	1960	2015
Kenya	11	1965	2015
Korea South	12	1960	2015
Kuwait	8	1975	2015
Latvia	5	1995	2015
Lebanon	6	1975	2015
Liberia	10	1970	2015
Lithuania	5	1995	2015
Madagascar	11	1965	2015
Malaysia	10	1970	2015
Mauritania	11	1965	2015
Mauritius	10	1970	2015
Mexico	12	1960	2015
Morocco	12	1960	2015
Mozambique	9	1975	2015
Myanmar	10	1970	2015
Namibia	6	1990	2015
Netherlands	12	1960	2015
New Zealand	12	1960	2015
Nicaragua	12	1960	2015
Nigeria	12	1960	2015
Norway	12	1960	2015
Oman	9	1975	2015
Pakistan	12	1960	2015
Panama	12	1960	2015
Peru	12	1960	2015
Philippines	12	1960	2015
Poland	9	1975	2015
Portugal	12	1960	2015
Qatar	9	1975	2015
Romania	11	1965	2015
Russia	5	1995	2015
Saudi Arabia	9	1975	2015
Senegal	11	1965	2015
Serbia	5	1995	2015
Sierra Leone	10	1970	2015
Singapore	10	1970	2015
Slovenia	5	1995	2015
South Africa	12	1960	2015
Spain	12	1960	2015
Sri Lanka	12	1960	2015
Sudan	8	1975	2010
Suriname	9	1975	2015
Sweden	12	1960	2015
Syria	11	1965	2015
Tanzania	11	1965	2015
Thailand	12	1960	2015
Togo	11	1965	2015
Trinidad And Tobago	11	1965	2015
Tunisia	11	1965	2015
Turkey	12	1960	2015
Ukraine	5	1995	2015
United Arab Emirates	9	1975	2015
United Kingdom	12	1960	2015
United States	12	1960	2015
Uruguay	12	1960	2015
Venezuela	12	1960	2015
Vietnam	8	1980	2015
Yemen	5	1995	2015

C Robustness Checks

C.1 Robustness Checks for Individual-Level Analysis

Table C.1 documents that our results are robust to measuring citizens' attitudes towards democracy in different ways. In column 2, the dependent variable is a dummy equal to one if an individual views democracy as a very good or a fairly good political system. In columns 3 and 4, we consider the extent to which individuals agree with democracy being better than other political arrangements.[56] Finally, in column 5, we use the support for democracy index constructed in Acemoglu et al. (2021), which combines four different questions.[57] In all cases, results remain in line with our baseline specification (reported in column 1 to ease comparisons): individuals more exposed to economic integration with democratic partners during their formative years hold substantially more positive views towards democracy later in life.[58]

One potential limitation of the IVS sample is that it does not include several African countries. For this reason, in Table C.2, we replicate the analysis using also information from the Afrobarometer, including the countries for which actual and predicted trade could be computed but that are not covered by the IVS (Table B.5). Since no identical questions on support for democracy exist in the two surveys, we focus on the two most similar items. In particular, we consider the dummy equal to one if an individual thinks that democracy is either a very good or a fairly good political system defined above (Table C.1, column 2), and create a corresponding variable for the Afrobarometer sample. Moreover, since income is available only for 6% of respondents in the Afrobarometer, we estimate regressions that omit this control. In columns 1 to 3 of Table C.2, we report results from the IVS sample only. Column 1 replicates our baseline specification for the *Democratic system* variable. Columns 2 and 3 turn to the dummy version, including and excluding the income control, respectively. Finally, in column 4, we augment the sample with the 16 countries from the Afrobarometer, further controlling for survey source fixed effects. Reassuringly, results remain in line with those from the IVS sample: exposure to trade with democracies has a positive and statistically significant effect on citizens'

[56] Column 4 presents results using a dummy equal to one if a respondent strongly agrees or agrees with the statement.

[57] See Table B.2 for the exact wording of the questions and the range of answers behind the variables used in Table C.1.

[58] The precision of the estimates becomes somewhat lower, with the p-value ranging from .06 and .075 (columns 2−3 and 4, respectively) to .09 (column 5).

attitudes towards democracy.[59]

Next, in Table C.3, we check that results are robust to excluding respondents from countries that experienced sudden episodes of political liberalizations and concomitant integration with democratic blocs. In columns 2 and 3, we exclude the UK and, respectively, the EU-14 and the EU-27 countries; in column 4, we exclude former members of the Soviet Union (Estonia, Georgia, Latvia, Lithuania, Russia, and Ukraine). Then, in column 5, we drop respondents who, given their age at the time of the survey, are either too young or too old to be fully exposed to trade between 1960 and 2015. Lastly, in column 6, we exclude respondents above (resp., below) the 99th (resp., 1st) percentile of the distribution of exposure to democracies. In column 4, the coefficient on exposure to democratic partners becomes lower and is no longer statistically significant at conventional levels. However, it remains positive and statistically indistinguishable from that from the preferred specification (column 1). Also, and reassuringly, in all other cases, results are close to those reported in column 1.

Yet another concern is that results may be driven by integration with particularly influential countries, or with countries that are deeply involved in the production and development of air transportation technologies. In Table C.4, we address this possibility by excluding trade with: *i*) the US (column 2); *ii*) China (column 3); *iv*) both China and the US (column 4); and, *v*) France, the UK, Spain, the US, and Germany (column 5).[60] In all cases, the point estimate on exposure to economic integration with democracies remains positive, statistically significant, and quantitatively large.

In our preferred specification, we derive the instrument by aggregating bilateral predicted flows using baseline trade shares, in order to increase precision. In Table C.5, we document that results are robust to constructing predicted trade without any information from country i. In column 2, we aggregate bilateral flows using trade partners' share of total world population, averaged over the first five available years.[61] In columns 3 and 4, we consider partners' trade-to-GDP ratio and trade share over world trade, again defined over the first five years for which this is available. In column 5, we aggregate trade without any weight. Finally, in column 6, we construct the instrument by estimating the

[59]Some countries are included in both the IVS and Afrobarometer. So as not to double-count them, in column 4 we only add respondents available in Afrobarometer, but not in the IVS. Results remain similar when dropping from the IVS all African countries present in Afrobarometer, using the latter to measure citizens' attitudes for any available African country.

[60]France, Spain, and the UK are among the most important countries in the aerospace industry in Europe.

[61]Due to the unbalanced nature of the sample, this does not correspond to 1960-1964 for all countries.

gravity equation with PPML, to reduce concerns of potential inconsistency in the estimation of multiplicative models in log-linearized form, and to address the issue that OLS estimates may be biased due to many zeros in bilateral trade flows (Silva and Tenreyro, 2006). Reassuringly, results always remain very similar to (if anything, larger and more precisely estimated than) those from the baseline instrument, reported in column 1 to ease comparisons.

In columns 7 and 8 of Table C.5, we perform two additional robustness exercise. First, in column 7, we return to our baseline instrument, augmenting the estimating equation by further controlling for survey-year by birth-year fixed effects (in addition to country by survey-year fixed effects). This assuages the concern that results may be biased due to cohort specific shocks across survey years (note that the inclusion of country by survey-year fixed effects was already absorbing any country-specific, time varying shock across survey waves). Also in this case, results remain positive, precisely estimated, and similar to those in the baseline specification. Second, in column 8, we address the concern that lagging trade partners' institutions by 5 years to define democratic and non-democratic partners may not be enough to address the potential issue of correlated shocks that may simultaneously influence a country's democracy score as well as that of its partners. In particular, we use baseline *Polity2* of trade partners to construct predicted trade with democracies and autocracies. Reassuringly, results are unchanged.

Finally, in Table C.6, we check that results are not sensitive to the age range used to define the impressionable years of an individual. In column 1, we replicate the baseline specification, where the impressionable age window is 16-24, included. In columns 2 to 5, we define the age window as: 16-25, 17-24, 18-25, and 18-24 respectively. In all cases, results remain very similar to those reported in column 1.

C.2 Robustness Checks for Country-Level Analysis

In Table C.7, we replicate our results with different definitions of democracy, reporting the baseline coefficient (Table 4, column 4) in column 1. In column 2, the dependent variable is a dummy for having a *Polity2* score strictly positive. In column 3, we rely on the 1 to 7 democracy score from Freedom House, and in column 4, we define a dummy if the latter score is strictly greater than 3.[62] In all cases, results remain in line with our preferred specification: economic integration with democratic partners has a positive and

[62]The Freedom House index is available only from 1975 onwards, explaining why the number of observations is lower in columns 3 and 4.

strong effect on a country's democracy score. Lastly, in column 5, we consider the quality of constraints on the executive from the Polity5 project, which ranges from 1 to 7, with higher values reflecting more constraints. The coefficient on economic integration with democracies is again positive, quantitatively large, and statistically significant.[63]

Next, in Table C.8, we verify that results are robust to interacting several baseline or time invariant country characteristics with period dummies. In column 1, we report our preferred specification to ease comparisons. In column 2, we interact period dummies with the number of years for which a country is present in the sample. This is important to rule out that our findings may be driven by countries that are on differential trends for democratization and that entered the sample in a way that is spuriously correlated with predicted economic integration. In columns 3 and 4, we interact period dummies with baseline *Polity2* and (log of) trade over GDP, respectively.[64] In columns 5 to 7, we include different measures of baseline economic structure, proxied for by the share of GDP accruing to: *i*) rents from natural resources; *ii*) the manufacturing sector; and, *iii*) services. Reassuringly, in all cases, the point estimate for the effects of economic integration with democratic partners remains positive, statistically significant, and quantitatively close to that in our preferred specification.

Due to the unbalanced nature of our sample, it is complicated to formally test for pre-trends, since countries (and their characteristics) are observed for the first time when entering the sample. However, in Figures C.1, C.2, and C.3 we provide evidence that predicted trade with democracies is orthogonal to the *Polity2* index, a dummy equal to one if *Polity2* is strictly positive, and a country's democratic capital, all measured at baseline. Formally, we regress the instrument for trade in each 5-year period against period dummies interacted with each of the three measures of democracy at baseline, after partialling out country and period fixed effects, and the measure of democratization waves. We omit the interaction between baseline democracy and the 1960 year dummy, and plot the coefficient on all other interactions. Reassuringly, all coefficients are statistically insignificant and quantitatively small. Moreover, we do not observe consistent patterns indicating that baseline democracy might be associated with differential growth in predicted trade with

[63]For the index of executive constraints, the level of statistical significance drops to 10%. The index of executive constraints is missing for some of the countries for which *Polity2* is available. For this reason, the number of observations in column 5 is lower than in columns 1 and 2.

[64]Results are unchanged when replacing *Polity2* with either an indicator for the score to be strictly positive or baseline democratic capital. To reduce noise in the measurement of trade, we consider the average over the first 5 years for which a country enters the sample. However, results are unchanged when measuring trade in the very first year only.

democracies.

Next, as in Table C.4, in Table C.9 we replicate the analysis by dropping selected countries that might have experienced large political changes while becoming simultaneously integrated to other democratic regions. In columns 2 and 3, we omit the UK and countries from the EU-14 and EU-27, respectively; in column 4, we exclude countries that were part of the former Soviet Union. Then, in column 5, we drop observations above (resp., below) the 99th (resp., 1st) percentile of trade with democracies. Reassuringly, results remain similar to those reported in our baseline specification (reported in column 1 to ease comparisons). As for the survey-level results, in Table C.10, we also replicate the analysis defining trade without: *i*) the US (column 2); *ii*) China (column 3); *iii*) both the US and China (column 4); and, *iv*) France, the UK, Spain, the US, and Germany (column 5). Also in this case, the coefficient on trade with democracies remains positive, large, and statistically significant.

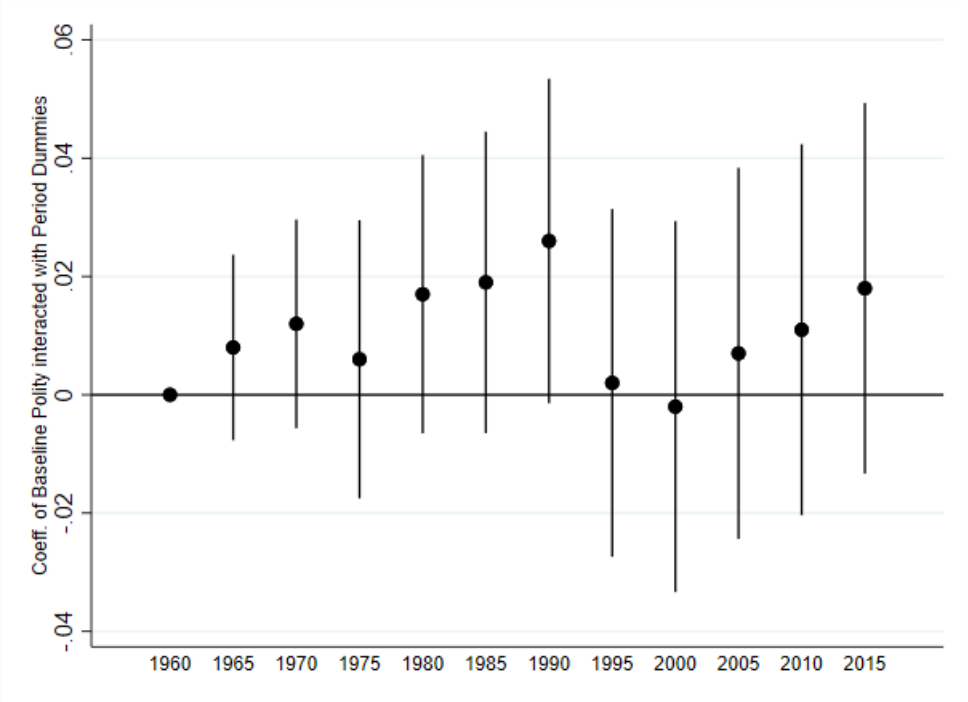
In Table C.11, we document that results are robust to using different versions of the instrument. In columns 2 to 4, we construct the instrument by aggregating predicted bilateral trade flows from equation (7) using as weights baseline partners': *i*) population; and, *ii*) trade over GDP and world trade, respectively. In column 5, we use a version of the instrument that collapses predicted bilateral flows without any weight, while in column 6, we construct the instrument using coefficients obtained when estimating the gravity equation (4) with PPML. Reassuringly, results remain quantitatively close to those from our preferred specification, which is reported in column 1 to ease comparisons.

As discussed in the main text, we classify trade partners using a 5-year lag in their *Polity2* score to construct predicted trade with democracies and autocracies. One may be worried that even a 5-year lag in partners' institutions is not enough to address the concern of correlated shocks that change the democracy score of both a country and its trade partners. In column 7, we thus replicate the baseline specification using baseline *Polity2* to define a partner as democratic or autocratic in the construction of the instrument. Reassuringly, results are almost identical to those in our preferred specification.

Lastly, as described in the paper, when estimating the effects of trade on a country's democracy, we prefer to consider 5-year periods to capture the gradual diffusion of technology and the slow-moving nature of institutions. However, in the individual-level analysis, predicted trade during the impressionable age was computed at the year-level (since we would in any case then average it over the impressionable years of the individual). For robustness, in column 8, we replicate the preferred specification with the

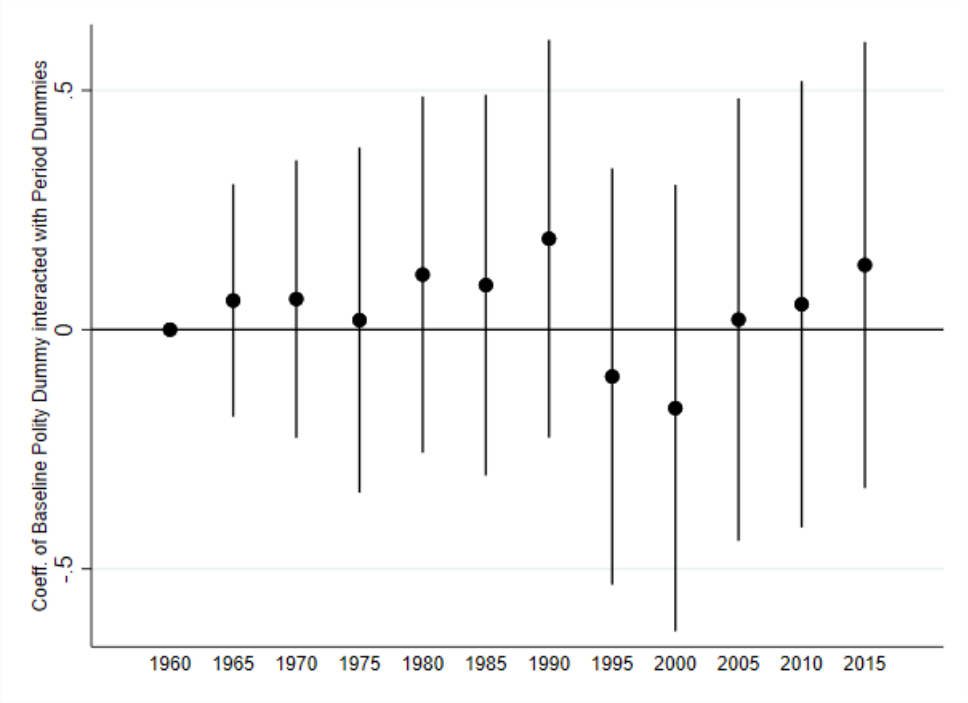
baseline instrument exploiting yearly, rather than 5-year period, variation. Perhaps not surprisingly, results are in line with those reported in column 1.

Figure C.1. Predicted Trade with Democracies and Baseline *Polity2*



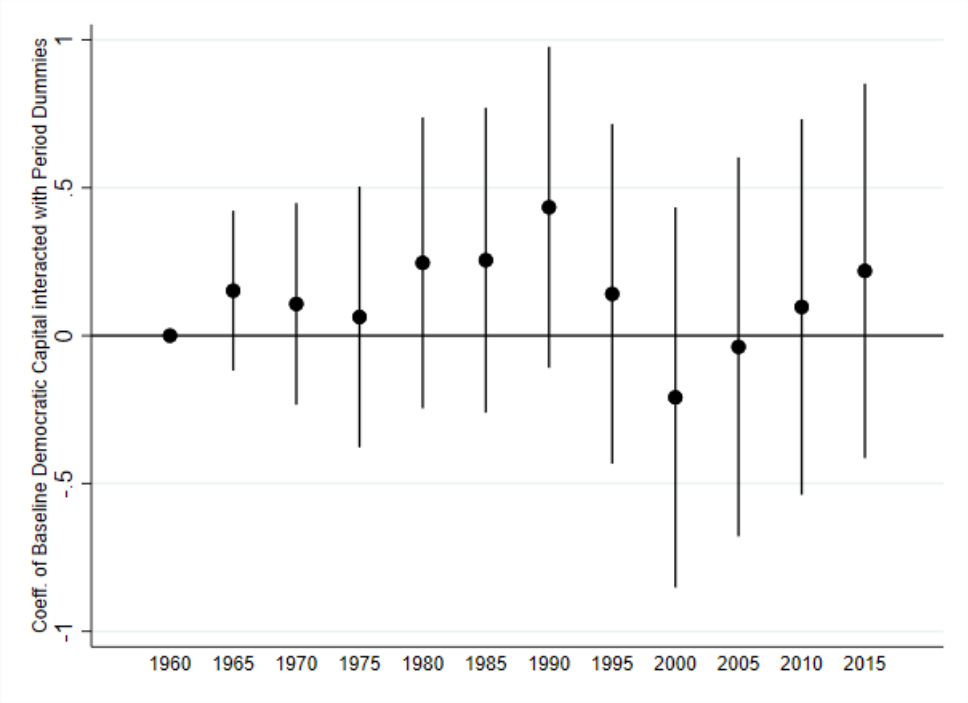
Notes: The figure shows coefficients on the interaction between period dummies and baseline *Polity2* score, in regressions that control for country and period fixed effects and democratization waves. The dependent variable is the log of predicted trade with democracies, scaled by 5-year lagged GDP. The coefficient on the interaction with the 1960 year dummy is omitted. Bars refer to 95% confidence intervals. Standard errors are clustered at the country level.

Figure C.2. Predicted Trade with Democracies and Baseline *Polity2* Dummy



Notes: The figure shows coefficients on the interaction between period dummies and a dummy for having baseline *Polity2* score strictly positive, in regressions that control for country and period fixed effects and democratization waves. The dependent variable is the log of predicted trade with democracies, scaled by 5-year lagged GDP. The coefficient on the interaction with the 1960 year dummy is omitted. Bars refer to 95% confidence intervals. Standard errors are clustered at the country level.

Figure C.3. Predicted Trade with Democracies and Baseline Democratic Capital



Notes: The figure shows coefficients on the interaction between period dummies and baseline democratic capital from Persson and Tabellini (2009), in regressions that control for country and period fixed effects and democratization waves. The dependent variable is the log of predicted trade with democracies, scaled by 5-year lagged GDP. The coefficient on the interaction with the 1960 year dummy is omitted. Bars refer to 95% confidence intervals. Standard errors are clustered at the country level.

Table C.1. Support for Democracy: Alternative Measures

Dep. variable:	Democratic system	Dummy Democratic system	Democracy better	Dummy Democracy better	Support Democracy index
	2SLS	2SLS	2SLS	2SLS	2SLS
	(1)	(2)	(3)	(4)	(5)
Exposure democracies	4.755**	2.997*	4.910*	3.460*	4.546*
	(2.277)	(1.594)	(2.586)	(1.975)	(2.725)
Exposure autocracies	0.257	-0.154	0.311	0.473	1.084
	(1.495)	(0.948)	(1.595)	(1.058)	(1.246)
Observations	225,811	225,811	93,629	93,629	234,455
Clusters	74	74	61	61	74
Democratization waves	X	X	X	X	X
Birth Year FE	X	X	X	X	X
Country X Survey Year FE	X	X	X	X	X
K-P F-stat	8.705	8.705	14.84	14.84	8.683
F-stat (Demo Trade)	22.93	22.93	32.05	32.05	23.16
F-stat (Auto Trade)	21.02	21.02	31.05	31.05	21.05
Dep. Variable Mean	339.3	51.24	329.4	43.33	296.1

Notes: The table replicates column 6 of Table 2 using different definitions of support for democracy. Each variable (reported at the top of the corresponding column) is defined in Table B.2. Standard errors, clustered at the country level, in parentheses. 2SLS standard errors are adjusted to account for the estimation procedure entailed in building the instruments (see footnote 19). KP F-stat is the Kleibergen-Paap F stat for joint significance of instruments. F-stat (Demo Trade) and F-stat (Auto Trade) refer to the Sanderson-Windmeijer F-stats for joint significance of the instruments in the two separate first-stage regressions. Significance levels: *** p< 0.01, ** p< 0.05, * p< 0.1.

Table C.2. Support for Democracy: Including Afrobarometer Data

Dep. variable:	Democratic system	Dummy Democratic system		
	2SLS (1)	2SLS (2)	2SLS (3)	2SLS (4)
Exposure democracies	4.755**	2.997*	3.283**	3.372**
	(2.277)	(1.594)	(1.613)	(1.607)
Exposure autocracies	0.257	-0.154	-0.230	0.310
	(1.495)	(0.948)	(0.970)	(10.975)
Observations	225,811	225,811	225,811	309,759
Clusters	74	74	74	90
Democratization waves	X	X	X	X
Birth Year FE	X	X	X	X
Country X Survey Year FE	X	X	X	X
K-P F-stat	8.705	8.705	8.698	10.80
F-stat (Demo Trade)	22.93	22.93	22.88	29.50
F-stat (Auto Trade)	21.02	21.02	21.04	25.84
Dep. Variable Mean	339.3	51.24	51.24	55.64

Notes: The table replicates column 6 of Table 2 in column 1. In columns 2 and 3, the dependent variable is a dummy equal to one if respondents think that democracy is a "Very good" or a "Fairly good" political system (see also Table B.2 for more details). Column 3 excludes respondents' income among the individual controls. Column 4 replicates column 3 by adding data from the Afrobarometer for the 16 African countries not included in the IVS (see Tables B.2 and B.5 for more details). Standard errors, clustered at the country level, in parentheses. 2SLS standard errors are adjusted to account for the estimation procedure entailed in building the instruments (see footnote 19). KP F-stat is the Kleibergen-Paap F stat for joint significance of instruments. F-stat (Demo Trade) and F-stat (Auto Trade) refer to the Sanderson-Windmeijer F-stats for joint significance of the instruments in the two separate first-stage regressions. Significance levels: *** p< 0.01, ** p< 0.05, * p< 0.1.

Table C.3. Support for Democracy: Dropping Specific Countries

Dep. variable:	Democratic System					
	2SLS (1)	2SLS (2)	2SLS (3)	2SLS (4)	2SLS (5)	2SLS (6)
Exposure democracies	4.755**	5.115**	5.133*	3.734	4.830**	5.226*
	(2.270)	(2.333)	(2.827)	(2.522)	(2.263)	(2.789)
Exposure autocracies	0.257	1.450	2.220	0.070	0.044	0.308
	(1.492)	(1.499)	(1.782)	(1.553)	(1.534)	(1.551)
Sample	Full	Drop EU14+UK	Drop EU27+UK	Drop former USSR	Full impressionable years	Drop outliers
Observations	225,811	174,064	153,721	215,283	223,775	221,136
Clusters	74	61	52	68	74	74
Democratization waves	X	X	X	X	X	X
Birth Year FE	X	X	X	X	X	X
Country X Survey Year FE	X	X	X	X	X	X
K-P F-stat	8.705	8.632	8.227	5.985	8.773	10.05
F-stat (Demo Trade)	22.93	24.28	19.75	13.66	23.11	24.98
F-stat (Auto Trade)	21.02	17.54	14.87	18.15	21.12	20.96
Dep Variable Mean	339.3	335.1	335.9	340.5	339.3	339.5

Notes: The table replicates column 6 of Table 2 in column 1. Columns 2, 3, and 4 replicate column 1 by dropping individuals living in respectively: *i*) country members of the EU-14 and the UK; *ii*) country members of the EU-27 and the UK; and, *iii*) former country members of the Soviet Union. Column 5 includes only individuals that are observed for the entire 9-year window of the impressionable age (from the age of 16 to the age of 24, included). Column 6 excludes observations for which exposure to economic integration with democratic partners is below (resp., above) the 1st (resp., 99th) percentile. Standard errors, clustered at the country level, in parentheses. 2SLS standard errors are adjusted to account for the estimation procedure entailed in building the instruments (see footnote 19). KP F-stat is the Kleibergen-Paap F stat for joint significance of instruments. F-stat (Demo Trade) and F-stat (Auto Trade) refer to the Sanderson-Windmeijer F-stats for joint significance of the instruments in the two separate first-stage regressions. Significance levels: *** p< 0.01, ** p< 0.05, * p< 0.1.

Table C.4. Support for Democracy: Omitting Specific Trade Partners

Dep. variable:	Democratic System				
	2SLS (1)	2SLS (2)	2SLS (3)	2SLS (4)	2SLS (5)
Exposure democracies	4.755**	6.455*	5.712*	6.380*	6.218*
	(2.277)	(3.339)	(2.893)	(3.247)	(3.124)
Exposure autocracies	0.257	0.128	0.679	0.387	0.834
	(1.495)	(1.660)	(1.231)	(1.229)	(1.472)
Observations	225,811	220,927	222,687	217,803	197,716
Clusters	74	73	73	72	69
Democratization waves	X	X	X	X	X
Birth Year FE	X	X	X	X	X
Country X Survey Year FE	X	X	X	X	X
K-P F-stat	8.705	4.935	8.679	6.857	5.001
F-stat (Demo Trade)	22.93	10.36	17.45	13.58	10.96
F-stat (Auto Trade)	21.02	16.20	29.63	29.19	15.37
Dep. variable mean	339.3	339.5	339.5	339.7	338.4

Notes: The table replicates column 6 of Table 2 in column 1. Columns 2 to 6 replicate column 1 by dropping trade with, respectively: *i*) the US (column 2); *ii*) China (column 3); *iii*) the US and China (column 4); and, *iv*) the US, France, Germany, UK, and Spain (column 5). Standard errors, clustered at the country level, in parentheses. 2SLS standard errors are adjusted to account for the estimation procedure entailed in building the instruments (see footnote 19). KP F-stat is the Kleibergen-Paap F stat for joint significance of instruments. F-stat (Demo Trade) and F-stat (Auto Trade) refer to the Sanderson-Windmeijer F-stats for joint significance of the instruments in the two separate first-stage regressions. Significance levels: *** p< 0.01, ** p< 0.05, * p< 0.1.

Table C.5. Support for Democracy: Alternative Instruments and Specifications

Dep. variable:	Democratic System *(Mean: 339.3)*							
	2SLS (1)	2SLS (2)	2SLS (3)	2SLS (4)	2SLS (5)	2SLS (6)	2SLS (7)	2SLS (8)
Exposure democracies	4.755**	5.769**	5.842**	6.067**	5.795**	4.319*	4.165**	5.837**
	(2.277)	(2.226)	(2.318)	(2.379)	(2.297)	(2.195)	(2.063)	(2.568)
Exposure autocracies	0.257	-0.618	0.639	0.296	0.501	-0.603	-0.846	2.041
	(1.495)	(1.653)	(1.758)	(1.738)	(1.545)	(1.763)	(1.462)	(1.917)
Weight	Baseline	Population	Trade-to GDP	Trade-to world trade	No weight	Baseline	Baseline	Baseline
Gravity	OLS	OLS	OLS	OLS	OLS	PPML	OLS	OLS
Observations	225,811	225,811	225,811	225,811	225,811	225,811	225,807	225,807
Clusters	74	74	74	74	74	74	74	74
Democratization waves	X	X	X	X	X	X	X	X
Birth Year FE	X	X	X	X	X	X	X	X
Country X Survey Year FE	X	X	X	X	X	X	X	X
Birth Year X Survey Year FE							X	
Baseline year for partners democracy								X
K-P F-stat	8.705	10.78	13.15	11.35	13.12	8.349	10.45	10.19
F-stat (Demo Trade)	22.93	25	29.32	25.18	26.93	18.19	27.67	24.21
F-stat (Auto Trade)	21.02	25.91	17.22	16.07	28.19	23.53	27.61	28.03

Notes: The table replicates column 6 of Table 2 in column 1. Columns 2 to 4 replicate column 1 using the instrument constructed by using as weights baseline partners': *i*) population; *ii*) trade-to-GDP ratio; and, *iii*) trade relative to world trade. Columns 5 and 6 replicate column 1 using the instrument obtained: *i*) without weights; and, *ii*) estimating the gravity equation with PPML. Columns 7 and 8 replicate column 1 by: *i*) also controlling for survey-year by birth year fixed effects; and, *ii*) defining predicted trade with democracies and autocracies using baseline, rather than 5-year lagged *Polity2*. Standard errors, clustered at the country level, in parentheses. 2SLS standard errors are adjusted to account for the estimation procedure entailed in building the instruments (see footnote 19). KP F-stat is the Kleibergen-Paap F stat for joint significance of instruments. F-stat (Demo Trade) and F-stat (Auto Trade) refer to the Sanderson-Windmeijer F-stats for joint significance of the instruments in the two separate first-stage regressions. Significance levels: *** p< 0.01, ** p< 0.05, * p< 0.1.

Table C.6. Support for Democracy: Alternative Definitions for Impressionable Age

Dep. variable:	Democratic System *(Mean: 339.3)*				
	2SLS (1)	2SLS (2)	2SLS (3)	2SLS (4)	2SLS (5)
Exposure democracies	4.755**	6.396**	5.817**	5.829**	5.563**
	(2.277)	(3.006)	(2.774)	(2.656)	(2.664)
Exposure autocracies	0.257	0.490	0.619	0.390	0.490
	(1.495)	(1.796)	(1.641)	(1.712)	(1.645)
Impressionable age	16-24	16-25	17-24	18-25	18-24
Observations	225,811	225,811	225,377	224,611	224,611
Clusters	74	74	74	74	74
Democratization waves	X	X	X	X	X
Birth Year FE	X	X	X	X	X
Country X Survey Year FE	X	X	X	X	X
K-P F-stat	8.705	5.500	6.469	6.596	6.917
F-stat (Demo Trade)	22.93	12.18	15.22	16.21	17.26
F-stat (Auto Trade)	21.02	15.48	16.42	16.31	16.39

Notes: The table replicates column 6 of Table 2 in column 1. Columns 2, 3, 4, and 5 replicate column 1 by defining the impressionable age window as: 16-25, 17-24, 18-25, and 18-24 respectively. Standard errors, clustered at the country level, in parentheses. 2SLS standard errors are adjusted to account for the estimation procedure entailed in building the instruments (see footnote 19). KP F-stat is the Kleibergen-Paap F stat for joint significance of instruments. F-stat (Demo Trade) and F-stat (Auto Trade) refer to the Sanderson-Windmeijer F-stats for joint significance of the instruments in the two separate first-stage regressions. Significance levels: *** p< 0.01, ** p< 0.05, * p< 0.1.

Table C.7. Alternative Measures of Democracy

Dep. variable:	*Polity2*	1[*Polity2*>0]	Freedom House	1[Freedom House>3]	Executive constraints
	2SLS	2SLS	2SLS	2SLS	2SLS
	(1)	(2)	(3)	(4)	(5)
Log(Trade democracy/GDP)	4.977**	0.402**	1.170**	0.505***	1.069*
	(2.110)	(0.160)	(0.487)	(0.187)	(0.636)
Log(Trade autocracy/GDP)	0.933	0.046	-0.114	-0.086	0.065
	(1.051)	(0.088)	(0.322)	(0.101)	(0.318)
Observations	1,192	1,192	982	982	1,156
Clusters	116	116	116	116	116
Democratization waves	X	X	X	X	X
Country FE	X	X	X	X	X
Year FE	X	X	X	X	X
K-P F-stat	6.255	6.255	9.028	9.028	6.662
F-stat (Demo Trade)	13.79	13.79	14.46	14.46	14.48
F-stat (Auto Trade)	19.37	19.37	18.30	18.30	19.85

Notes: The table replicates column 4 of Table 4 in column 1. Columns 2, 3, 4, and 5 use as dependent variable: *i* a dummy equal to one if *Polity2* is strictly positive; *ii*) the Freedom House index; *iii*) a dummy equal to one if the Freedom House index is strictly greater than 3; *iv*) the index of constraints on the executive (taken from the Polity5 project). The Freedom House index is available from 1975 onwards, explaining why the number of observations in columns 3 and 4 is lower than in the rest of the table. Standard errors, clustered at the country level, in parentheses. 2SLS standard errors are adjusted to account for the estimation procedure entailed in building the instruments (see footnote 19). KP F-stat is the Kleibergen-Paap F stat for joint significance of instruments. F-stat (Demo Trade) and F-stat (Auto Trade) refer to the Sanderson-Windmeijer F-stats for joint significance of the instruments in the two separate first-stage regressions. Significance levels: *** p< 0.01, ** p< 0.05, * p< 0.1.

Table C.8. Democracy Score: Interacting Year Dummies with Baseline Characteristics New

Dep. variable	*Polity2 (Mean: 2.060)*						
	2SLS (1)	2SLS (2)	2SLS (3)	2SLS (4)	2SLS (5)	2SLS (6)	2SLS (7)
Log(Trade Democracies/GDP)	4.977**	4.784**	4.383*	5.951**	5.236**	4.583**	5.606**
	(2.110)	(2.126)	(2.283)	(2.851)	(2.197)	(1.964)	(2.454)
Log(Trade Autocracies/GDP)	0.933	0.941	-0.472	1.288	0.672	0.744	1.043
	(1.051)	(1.132)	(0.950)	(1.092)	(1.112)	(1.252)	(1.202)
Observations	1,192	1,192	1,192	1,192	1,184	1,155	1,173
Country FE	X	X	X	X	X	X	X
Year FE	X	X	X	X	X	X	X
Democratization waves	X	X	X	X	X	X	X
Year Dummies by		Years in Sample	Baseline *Polity2*	Baseline Log(Trade/GDP)	Baseline Share Rents Natural Resources	Baseline Share GDP in Manufacturing	Baseline Share GDP in Services
K-P F-stat	6.255	6.025	5.149	5.296	6.385	6.295	4.771
F-stat (Demo Trade)	13.79	14.23	12.29	11.13	13.52	16.05	11.88
F-stat (Auto Trade)	19.37	17.40	15.15	20.70	17.41	15.07	14.72

Notes: The table replicates column 4 of Table 4 in column 1. Column 2 replicates column 1 by interacting period dummies with the number of years that a country was in the sample. Columns 3 to 7 replicate column 1 by interacting period dummies with baseline: Polity2; Log of trade-to-GDP ratio; rents from natural resources as a share of GDP; and, the share of GDP accruing to manufacturing and to services, respectively. Standard errors, clustered at the country level, in parentheses. 2SLS standard errors are adjusted to account for the estimation procedure entailed in building the instruments (see footnote 19). KP F-stat is the Kleibergen-Paap F stat for joint significance of instruments. F-stat (Demo Trade) and F-stat (Auto Trade) refer to the Sanderson-Windmeijer F-stats for joint significance of the instruments in the two separate first-stage regressions. Significance levels: *** p< 0.01, ** p< 0.05, * p< 0.1.

Table C.9. Dropping Specific Countries

Dep. variable:	*Polity2 (Mean: 2.060)*				
	2SLS (1)	2SLS (2)	2SLS (3)	2SLS (4)	2SLS (5)
Log(Trade democracy/GDP)	4.977**	5.655**	4.570*	5.163**	5.411*
	(2.110)	(2.199)	(2.497)	(2.205)	(2.784)
Log(Trade autocracy/GDP)	0.933	0.308	0.478	0.951	1.263
	(1.051)	(1.220)	(1.271)	(1.072)	(1.143)
Observations	1,192	1,044	978	1,162	1,168
Clusters	116	103	94	110	116
Democratization waves	X	X	X	X	X
Country FE	X	X	X	X	X
Year FE	X	X	X	X	X
Sample	Baseline	Drop EU14+UK	Drop EU27+UK	Drop former USSR	Drop outliers
K-P F-stat	6.255	6.174	4.588	5.782	4.026
F-stat (Demo Trade)	13.79	12.70	9.079	12.80	9.457
F-stat (Auto Trade)	19.37	16.51	13.12	18.49	14.36

Notes: The table replicates column 4 of Table 4 in column 1. Columns 2, 3, and 4 replicate column 1 by dropping: *i*) country members of the EU-14 and the UK; *ii*) country members of the EU-27 and the UK; and, *iii*) former country members of the Soviet Union. Column 5 drops observations with trade with democracies below (resp., above) the 1st (resp., 99th) percentile. Standard errors, clustered at the country level, in parentheses. 2SLS standard errors are adjusted to account for the estimation procedure entailed in building the instruments (see footnote 19). KP F-stat is the Kleibergen-Paap F stat for joint significance of instruments. F-stat (Demo Trade) and F-stat (Auto Trade) refer to the Sanderson-Windmeijer F-stats for joint significance of the instruments in the two separate first-stage regressions. Significance levels: *** p< 0.01, ** p< 0.05, * p< 0.1.

Table C.10. Omitting Specific Trade Partners

Dep. variable:	*Polity2 (Mean: 2.060)*				
	2SLS (1)	2SLS (2)	2SLS (3)	2SLS (4)	2SLS (5)
Log(Trade democracy/GDP)	4.977**	4.831**	4.646**	4.505**	4.579**
	(2.110)	(1.983)	(2.001)	(1.893)	(1.804)
Log(Trade autocracy/GDP)	0.933	0.949	0.912	0.923	0.757
	(1.051)	(1.066)	(0.797)	(0.819)	(0.814)
Observations	1,192	1,180	1,180	1,168	1,131
Clusters	116	115	115	114	111
Democratization waves	X	X	X	X	X
Country FE	X	X	X	X	X
Year FE	X	X	X	X	X
K-P F-stat	6.255	5.774	6.272	5.876	7.371
F-stat (Demo Trade)	13.79	14.44	14.49	15.12	20.94
F-stat (Auto Trade)	19.37	18.62	21.36	19.71	21.71

Notes: The table replicates column 4 of Table 4 in column 1. Columns 2 to 5 replicate column 1 by dropping trade with, respectively: *i*) the US (column 2); *ii*) China (column 3); *iii*) the US and China (column 4); and, *iv*) the US, France, Germany, UK, and Spain (column 5). Standard errors, clustered at the country level, in parentheses. 2SLS standard errors are adjusted to account for the estimation procedure entailed in building the instruments (see footnote 19). KP F-stat is the Kleibergen-Paap F stat for joint significance of instruments. F-stat (Demo Trade) and F-stat (Auto Trade) refer to the Sanderson-Windmeijer F-stats for joint significance of the instruments in the two separate first-stage regressions. Significance levels: *** p< 0.01, ** p< 0.05, * p< 0.1.

Table C.11. Alternative Instruments and Yearly Regression

Dep. variable:	*Polity2*							
	2SLS (1)	2SLS (2)	2SLS (3)	2SLS (4)	2SLS (5)	2SLS (6)	2SLS (7)	2SLS (8)
Log(Trade democracy/GDP)	4.977**	4.597**	5.926**	4.686**	5.209**	4.986**	5.120**	4.685**
	(2.110)	(2.045)	(2.834)	(2.139)	(2.511)	(2.277)	(2.165)	(2.264)
Log(Trade autocracy/GDP)	0.933	-0.079	-0.381	0.646	0.346	0.478	0.404	0.579
	(1.050)	(0.715)	(0.778)	(0.713)	(0.711)	(1.230)	(1.225)	(1.052)
Observations	1,192	1,192	1,192	1,192	1,192	1,192	1,189	5,770
Clusters	116	116	116	116	116	116	116	116
Democratization waves	X	X	X	X	X	X	X	X
Country FE	X	X	X	X	X	X	X	X
Year FE	X	X	X	X	X	X	X	X
Baseline year for partners democracy							X	
Instrument	Baseline	Population	Trade-GDP	Trade-to-world	No weights	Baseline	Baseline	Baseline
Gravity	OLS	OLS	OLS	OLS	OLS	PPML	OLS	OLS
K-P F-stat	6.249	7.576	5.161	6.368	5.959	5.831	6.684	6.755
F-stat (Demo Trade)	13.78	16.48	12.02	13.71	14.23	11.81	12.54	13.84
F-stat (Auto Trade)	19.35	49.72	61.67	46.93	57.62	17.12	13.20	25.26

Notes: The table replicates column 4 of Table 4 in column 1. Columns 2 to 4 replicate column 1 using the instrument constructed by using as weights baseline partners': *i*) population; *ii*) trade-to-GDP ratio; and, *iii*) trade relative to world trade. Columns 5 and 6 replicate column 1 using the instrument obtained: *i*) without weights; and, *ii*) estimating the gravity equation with PPML. Columns 7 and 8 replicate column 1 by: *i*) defining predicted trade with democracies and autocracies using baseline, rather than 5-year lagged *Polity2*; and, *ii*) estimating yearly (rather than 5-year) regressions. Standard errors, clustered at the country level, in parentheses. 2SLS standard errors are adjusted to account for the estimation procedure entailed in building the instruments (see footnote 19). KP F-stat is the Kleibergen-Paap F stat for joint significance of instruments. F-stat (Demo Trade) and F-stat (Auto Trade) refer to the Sanderson-Windmeijer F-stats for joint significance of the instruments in the two separate first-stage regressions. Significance levels: *** p< 0.01, ** p< 0.05, * p< 0.1.