**S2 Appendix. Supplements to the Empirical Illustration**

We use a subset of the data of Sala-i-Martin et al. [1] for the empirical illustration. Table 1 provides an overview of the variables that we use. The variable description is taken from Table 1 in Sala-i-Martin et al. [1].

Table 1: Description of the variables

|  |  |
| --- | --- |
| Variable Name | Description |
|  | Growth of GDP per capita at purchasing power parities between 1960 and 1996. |
|  | Same as but with an effect of that is exactly zero. |
|  | Index of malaria prevalence in 1966. |
|  | Number of years economy has been open between 1950 and 1994. |
|  | Fertility in 1960’s. |
|  | Logarithm of GDP per capita in 1960. |
|  | Enrollment rates in higher education. |
|  | Average investment price level between 1960 and 1964 on  purchasing power parity basis. |
|  | Life expectancy in 1960. |
|  | Enrollment rate in primary education in 1960. |
|  | Political rights index. |
|  | Population in 1960. |
|  | Proportion of country’s land area within geographical tropics. |
|  | Ratio of exports plus imports to GDP, averaged over 1965 to  1974. |
|  | Dummy for former British colony after 1776. |
|  | Dummy variable for former Spanish colonies. |
|  | Proportion of country’s land area within 100 km of ocean or  ocean-navigable river. |
|  | Average share of expenditures on public investment as fraction of  GDP between 1960 and 1965. |

We estimate regression (5) in the article to obtain estimates of how the variables affect economic growth. Table 2 provides the corresponding regression output.

Table 2: Output of regression (5) in the article

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Estimate | Std. Error | *t*-value | *p*-value |  |
| (Intercept) | 1.94E-02 | 3.37E-02 | 0.574 | 0.567345 |  |
| MALARIA | -7.64E-03 | 6.23E-03 | -1.226 | 0.22388 |  |
| OPEN | 1.83E-02 | 5.85E-03 | 3.127 | 0.002447 | \*\* |
| FERTILITY | 1.17E-02 | 7.70E-03 | 1.513 | 0.134033 |  |
| GDP60 | -1.00E-02 | 2.81E-03 | -3.557 | 0.000627 | \*\*\* |
| HIGHER.EDU | -3.64E-02 | 4.45E-02 | -0.818 | 0.415702 |  |
| INV.PRICE | -6.97E-05 | 2.59E-05 | -2.694 | 0.008563 | \*\* |
| LIFE.EXP | 8.18E-04 | 3.58E-04 | 2.285 | 0.024866 | \* |
| PRIM.EDU | 1.30E-02 | 8.06E-03 | 1.61 | 0.111221 |  |
| POL.RIGHTS | 3.75E-04 | 1.18E-03 | 0.317 | 0.752398 |  |
| POP | 6.18E-08 | 3.07E-08 | 2.017 | 0.046985 | \* |
| TROPICA | -7.30E-03 | 5.34E-03 | -1.367 | 0.175311 |  |
| TRADE | 1.13E-02 | 5.32E-03 | 2.116 | 0.037383 | \* |
| BRIT.COL | -3.83E-03 | 3.37E-03 | -1.137 | 0.258884 |  |
| SPAIN.COL | -1.23E-02 | 5.44E-03 | -2.265 | 0.026133 | \* |
| AREA.WATER | 4.53E-03 | 4.23E-03 | 1.071 | 0.287144 |  |
| PUBLIC.INV | 9.96E-05 | 1.03E-04 | 0.967 | 0.336398 |  |
| |  |  |  |  |  | | --- | --- | --- | --- | --- | | Signif. codes: 0 ‘\*\*\*’ 0.001 ‘\*\*’ 0.01 ‘\*’ 0.05 ‘.’ 0.1 ‘ ’ 1 | | | | | |  |  |  |  |  | | Residual standard error: 0.01227 on 82 degrees of freedom | | | | | | Multiple R-squared: 0.6575, Adjusted R-squared: 0.5907 | | | | | | F-statistic: 9.84 on 16 and 82 DF, *p*-value: 3.549e-13 | | | | | | | | | | |

We generate by calculating:

where are the estimates of in regression (5) in the article and are the estimated residuals of regression (5).

**References**

1. Sala-i-Martin X, Doppelhofer G, Miller RI. Determinants of Long-Term Growth: A Bayesian Averaging of Classical Estimates (BACE) Approach. Am Econ Rev 2004;94: 813-835.