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Selection of Public Servants into Politics*

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Abstract

Countries differ substantially in how they deal with politicians that come from the public sector. Most constitutions include incompatibility and ineligibility rules due to concerns about conflicts of interest and the politicization of the public service. We study how these rules affect the attractiveness of parliamentary mandates for public servants and thus the selection into politics. We compile a novel dataset that captures the fraction of public servants in 76 national legislatures as well as the respective (in)compatibility regimes. On average, there are seven percentage points fewer public servants in parliaments where a strict regime is in force. Supplementary evidence based on IV estimations shows that the fraction of public servants in parliament is positively correlated with government consumption, but not correlated with government effectiveness.

Keywords: political selection, public servants, incompatibility, political representation, compensation of politicians, government consumption

JEL classifications: D72, K39

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1 Introduction

The identity of politicians matters for the political process and good government. This seems to be self-evident as political control and the credibility of policy commitments in the democratic process are limited. A careful selection of representatives is thus important to bring the outcomes of the political process as closely as possible in line with citizens' preferences when delegating decision-making power. An important aspect of politicians' identity is their professional background. It determines the personal socio-economic conditions that influence an individual's decision to run for office. It also shapes their private economic interests influencing the behavior once elected. Moreover, it comes with specific knowledge and expertise that is more or less valuable in the parliamentary process.

In this paper, we concentrate on the single largest professional group present in most national legislatures; i.e., the parliamentarians who are recruited from the public sector.[1] An extensive presence of this group poses several challenges when assessing political selection into national legislatures. First, it raises concerns regarding political representation.[2] An obvious disproportionality in descriptive representation with respect to occupational background is considered critical as work as well as life experiences of the representatives might systematically differ from those of the represented. For instance, experiences on how to do business in the private market are represented less. Regarding substantive representation, the question arises whether the politicians with a public service background serve the interest of their constituents better or worse than politicians with other backgrounds. A strong presence of public servants in parliament might well systematically affect the political process and its outcomes. A reason might be the second challenge. Public servants in parliament compromise the (personal) separation of powers due to their double role as agents in public service and as principals that supervise the executive branch. This generates a conflict of interest. Individuals holding both a legislative and an executive position may face decisions as legislators that affect their role in the executive branch, for instance, when voting on the budget of their department. As a consequence, government expenditure might turn out higher than without this tie. Third, and in contrast to these latter concerns, politicians with a public service background embody relative independence from specific business interests. Furthermore, they constitute a pool of people with first-hand information on public service issues and a revealed interest in these matters. Accordingly, where public servants in parliament are made accountable to the electorate, their expertise may serve as

[1] In this group, we include all employees that receive public pay and have a work contract under public law; i.e., for example, many professionals from the education sector such as teachers or university professors, public servants and other employees in the public administration or police officials.

[2] Concepts of political representation (e.g., descriptive and substantive representation) are central in political science (see, e.g., Pitkin 1967).

a check in the political decision making process.[3] Fourth, public servants elected to parliament may differ in (public service) motivation. If they get relatively higher motivational rewards from engaging in parliamentary work than striving for rents, conflicts of interests may arise less.[4]

In response to the challenges, countries adopted different regimes to regulate the involvement of public servants in national legislatures. Some countries chose a compatibility regime, while many other countries have instituted specific rules for politicians from the public sector to deal with alleged conflict of interest. These rules either specify the incompatibility of a public sector position with a legislative mandate or even declare public servants ineligible for candidacy. We hypothesize that these rules not only structure the legal relationship between public servants in politics and their (prior) position in the executive branch but also systematically change the pool of available candidates and elected politicians. Anecdotal evidence for the U.S. subnational level, for instance, suggests that ineligibility rules adversely affect political competition as they aggravate the shortage of candidates (Miller 2010).

We pursue three goals with our contribution. First, we aim to document the phenomenon of the strong presence of public servants in national legislatures. We present a newly compiled data set on the composition of the first parliamentary chamber in 76 countries for the years 2000 to 2011. Interestingly, there are large differences in the fraction of members with a public sector background. In the UK, for example, the fraction is 23%, while it is 49% in Denmark. Second, we analyze the determinants of the variation in their presence. In particular, we study legal provisions that are primarily targeted at the inhibition of conflicts of interest; i.e., the different regimes that define and deal with the (in)compatibility of public service employment with a mandate in the legislature. Accordingly, data is collected on the (in)compatibility regimes for the same 76 countries. It is hypothesized that incompatibility provisions reduce the attractiveness of a political mandate for public servants and are thus related to a lower fraction of them in parliament. The hypothesis is scrutinized taking alternative institutional determinants as well as financial incentives into account. Third, in a supplementary analysis, we study the possible consequences of a strong presence of public servants in national parliaments on the political process in terms of government effectiveness and the size of the government sector.

As main results, we find that the average fraction of politicians with a public sector background

[3]Both aspects, the conflict of interest, for example in budgetary priorities, as well as the problems with asymmetric information in government oversight relate to Niskanen's (1971) influential work on the economics of the bureaucracy. Here, an extension is proposed that takes into account the identity of the politicians who interact with the government bureaucracy.

[4]In recent work by Fedele and Naticchioni (2015), public-fit individuals are defined as agents who have value congruence with the public sector environment and market-fit individuals as those who have work values and goals that are market oriented. The former group is assumed to get higher motivational rewards from entering politics. Approximating public-fit type with occupational background, they find that public servants elected to parliament are more committed to their parliamentary duties and engage relatively less in moonlighting.

is 31.3% in our sample. With regard to incompatibility rules, we observe seven countries with a compatibility regime, 28 countries with a soft incompatibility, and 35 countries with a strict incompatibility regime. Six countries apply an ineligibility rule. The application of stricter incompatibility rules (strict incompatibility or ineligibility), signifying higher opportunity costs of a political mandate, is statistically significantly related to a smaller fraction of public servants in parliament by roughly seven percentage points. This difference is robust when we restrict the sample to partly free and free democracies. The restrictive effect of incompatibility rules is also robust to the inclusion of potentially correlated institutional conditions. Moreover, the results hold if the institutional regimes are coded as indexes. The analysis of the interaction of the incompatibility regime with the material incentives that potentially affect the cost-benefit calculus of a political career is limited to a reduced sample of countries. While the results are suggestive, no strong findings emerge. Regarding the effect on political outcomes, we find that the fraction of public servants in parliament is not systematically related to government effectiveness, but positively correlated with the level of government consumption. The latter correlation holds if an instrumental variable approach is applied and thus the variation in public servants in parliament is restricted to the one due to the different incompatibility and ineligibility regimes. The effect is economically sizeable. For a legislature with a seven percentage points lower presence of public servants, a 1.75 percentage points lower level of government expenditures is estimated. Additional evidence based on longitudinal data of selected European countries suggests a similar relationship.

This study contributes to and benefits from recent research on the economics of political selection. Important aspects have been modeled in the citizen candidate framework proposed by Besley and Coate (1997) and Osborne and Slivinski (1996). Fearon (1999), Brennan and Hamlin (2000), Besley (2005), Mansbridge (2009), and Padovano (2013) provide reviews of some general ideas on the importance of selection in politcs. Our study particularly contributes to a better understanding of the institutional determinants of the selection of people with different characteristics into politics (see Braendle 2015b for an overview). Previous research along this line is scarce and scattered. Research on the gender dimension highlights gender quotas (see, e.g., Chattopadhyay and Duflo 2004 on political reservations in India) or the different selection effects of alternative electoral rules (see Norris and Franklin 1997). Heterogeneity in the competence of politicians is often approximated by the level of formal education. Better educated politicians are observed more frequently as leaders in democracies than in autocracies (Besley and Reynal-Querol 2011). First analyses on the relationship between parties under alternative electoral rules and the quality of politicians is presented by Mattozzi and Merlo (2011) and Galasso and Nannicini (2011). Regarding the professional background of politicians, Gehlbach et al. (2010) find more businessmen as governors in Russian provinces and republics where there is low media freedom and government transparency. Rosenson (2006) observes that disclosure rules are asso-

ciated with a lower presence of businessmen and lawyers in U.S. state legislatures. Van Aaken and Voigt (2011) find no such effect at the country level though. Dreher et al. (2009) present evidence that former entrepreneurs are more likely to implement market-liberalizing reforms as national leaders. In contrast, lawyer-legislators are less likely to support reforms restricting tort law in the US (Matter and Stutzer 2015). The political scientists Best and Cotta (2000) address the long-term trends in the professional composition in several European countries. With regard to the presence of public servants, they argue that changes over time might have been mainly induced by changing demands for political competence. In particular, they claim that public servants are specialists in redistributive politics. We complement this work with a systematic analysis of institutional conditions specific to candidates with a public sector background. With the focus on rules of incompatibility as a fundamental facet of the separation of powers principle, our study is also related to work on this principle pioneered by Persson et al. (1997) and Persson and Tabellini (2005).

Section 2 presents the rationale for (in)compatibility rules from a historical perspective and derives hypotheses regarding the presence of public servants in national parliaments. We thereby also take material incentives into account. In Section 3, we provide a detailed description of the compiled dataset. Section 4 presents our main econometric analysis of the statistical relationship between the institutional factors and the political selection of public servants. In Section 5, we supplement the analysis and study the consequences of a strong presence of public servants for political outcomes. We adapt a longitudinal perspective for seven countries and a cross country perspective for our main set of countries. Section 6 offers concluding remarks.

2 The rationale and some history behind (in)compatibility regimes

In a democracy, government functions are usually assigned to different bodies. This separation of powers is pursued in order to reduce conflicts of interest and prevent the abuse of sovereign authority. Interestingly, the separation of powers principle is implemented rather differently with regard to individual people being allowed to hold multiple offices. One major constitutional decision dealing with inherent (intrapersonal) conflicts of interest is the degree of compatibility of an employment in the public sector with an election to a legislative assembly.[5]

[5]Besides, there are also provisions on holding simultaneously different elected offices. For example, the logic of bicameralism excludes the simultaneous holding of a seat in the first and second chamber of a representative democracy. The same rationale is sometimes applied to incompatibilities between different federal levels (i.e., a mandate in the national parliament and in a regional assembly). Some European countries impose the same rules to prohibit seats being held jointly in the European Parliament and the national assembly. Moreover, the incompatibility of a ministerial office and parliamentary duties is the general rule in presidential regimes. It is, for example, found in countries like Brazil, Portugal, the United States and Switzerland.

2.1 A short recapitulation of (in)compatibility regimes

Rules that declare employment in the public service incompatible with parliamentary mandates have been justified for three main reasons.[6] First, incompatibility rules should prevent legislative assemblies from being composed of persons who are subject to government control due to their ties to the state or their economic dependence on it. This rationale dates back to eighteenth-century Britain and was aimed at protecting the independence of parliament from the strong influence of the crown. In the United Kingdom, this concern is reflected in the House of Commons Disqualification Act of 1975. The latter act constitutes the basis for the ineligibility rule that still holds today.[7] A second motivation for introducing incompatibility or even ineligibility provisions is the concern that the public service will become politicized by allowing public servants to assume seats in parliament; where the public service is supposed to be an institution above the political arena. The enactment of tight restrictions on the political activity of public servants in the United States, for example, is explained mainly by the desire to maintain the (party-)political neutrality of the public service. These restrictions date back to the 19th century and were defined in the Civil Service Act of 1883 for the first time. These provisions were reassessed in the Hatch Act which still holds today. In the 20th century, a third reason came up: Rules of incompatibility should prevent the legislature from being dominated by people with a public sector background and thus public service interests (Stadelmann et al. 2014).

Today, almost all democracies adhering to the principle of the separation of powers stipulate some rules of incompatibility in their constitutional provisions. In some countries, there is a movement to extend this kind of incompatibility rules to occupations beyond the public sector. In France and Italy, for example, holding a parliamentary mandate is incompatible with being a public contractor or major supplier of publicly provided goods and services, or being the employee of a former public enterprise. Such rules mostly apply to management staff. Furthermore, in some countries incompatibility rules also restrict lawyers from continuously receiving mandates from public authorities, as is the case in Belgium. There are also countries with legislation stipulating the incompatibility of a political mandate with employment in foreign enterprises or international organizations. This is the case in Egypt, for example. In general, however, the incompatibility rules that affect types of private sector employment constitute exceptions.[8]

[6] For a detailed description of the historical evolution of incompatibility rules and for discussions from a comparative constitutional law perspective, see Tsatsos (1970) and Sturm (1967).

[7] In some instances, the concern that parliamentarians may become beholden to a government that might appoint them to certain posts after their term of office has led to incompatibility rules which are extended beyond the period of serving as a parliamentarian. Thus, similar arguments apply as is the case of revolving door arrangements for regulators. In the United States, for example, no member of Congress may be appointed to an administrative office that has been created or for which the salary has been granted during his or her term of office. A similar incompatibility rule exists in the Philippines.

[8] For a general discussion of various legal aspects of a parliamentary mandate from a comparative perspective, see van der Hulst (2000).

2.2 Selection effects of incompatibility rules

The process of selecting public servants as politicians can be divided into at least three stages that are linked by institutions and the strategic considerations of the agents involved: The entry decision of candidates, citizens' decision on whom to vote for and the elected politicians' policy decisions. In our main analysis, we focus on the first stage and analyze the conditions under which candidates with a public service background are allowed to take office in a legislature and the conditions they face as members of legislatures. These conditions affect their cost-benefit calculus to run for a parliamentary mandate. The relative attractiveness of political mandates to public servants compared to private sector candidates is finally reflected in the fraction of public servants in parliament.

The law may declare that parliamentary membership is incompatible with a position in the public service. This obliges candidates, once elected, to relinquish their public service office. If public servants face an ineligibility rule, they are obliged to resign prior to running for the political mandate and risk having neither a seat in the legislative assembly nor a position in the public service. This increases the opportunity cost of running for a political mandate.

In contrast to ineligibility, rules of incompatibility constitute weaker restrictions. With strict incompatibility, all public servants have to hold their office in abeyance but may remain in office until they are elected for a mandate; they often have guaranteed reemployment (in varying degrees) subsequent to the termination of their mandate.[9]

With soft incompatibility, only some categories of public servants are restricted, whereas all other public servants can further pursue their public service career, often with a guaranteed reduced workload. Some countries confine incompatibilities only to specific public offices, regardless of the rank in the hierarchy. In other countries, the restriction affects only high-ranking public servants. While strict incompatibility increases the opportunity costs for all public servants, soft incompatibility increases costs only for some of them.

If a compatibility regime is applied, public servants elected to the legislature are free to juggle with their job in the public sector. In most cases, they face favorable conditions in terms of pay and time.

In sum, we expect that the opportunity costs for public servants running for a political mandate are higher if stricter incompatibility rules are applied. Accordingly, we expect to find the smallest

[9] In some countries, public servants facing incompatibility restrictions are compensated with specific privileges. Guaranteed reemployment is the most important and widespread one. In France, for example, public servants, once elected to parliament, get a special status *(position de détachment)* which assures that they can return to a position (at least) equivalent to the one they left. Another privilege is the compensation for holding a public office in abeyance. Further specific privileges are discussed in Braendle and Stutzer (2010) for the institutional context of the German subnational parliaments.

fraction of citizens with a public sector background elected to parliaments in countries where ineligibility rules are in force.

2.3 Interaction of incompatibility rules and material incentives

There are potentially numerous other forces that might help to explain why the incentives for the self-selection into politics differ between people from different sectors. Moreover, these factors might also interact with the (in)compatibility regimes. While the compensation of a political mandate seems an obvious one, the differential effects on the attractiveness of a political career for people from different sectors are not straightforward. The literature so far concentrates on whether higher pay attracts better educated politicians[10] and on general aspects of remuneration.[11] Moreover, official pay might only be part of the material compensation if politicians can extract bribes. However, some initial hypotheses can still be derived on material incentives, sector-specific selection and the interaction with (in)compatibility regimes.

a) Official pay: If public servants are more likely to live off their salary as public sector employees than people from the private sector, public servants can "afford" a political career less if politicians' compensation is low. Accordingly, a more generous compensation attracts more candidates from the public sector. Eventually, this is reflected in a larger fraction of public servants in politics in a country which offers higher official pay to its parliamentarians ceteris paribus. If the compensation matters for the sector-specific attractiveness of a political career, a differential effect of the (in)compatibility regime is to be expected. With low pay and few public servants in politics, the regime is of limited relevance. However, with high pay and a potentially large fraction of public servants in parliament, a strict incompatibility (or even an ineligibility) rule has the potential to substantially lower the presence of public servants.

b) Illegal compensation from corruption: A similar reasoning is possible if politicians from the private sector have more opportunities to strike corrupt deals and to benefit from bribes. In an environment with low corruption, politics is relatively less attractive for people from the private sector and public servants hold a larger fraction of political mandates. A strict incompatibility regime bites and has comparatively large effects on the presence of public servants. In contrast, in a country with widespread corruption, the (in)compatibility regime is expected to matter less.

c) Relative income between people employed in the public and the private sector: The financial attractiveness of jobs across sectors is one component of the opportunity costs involved in

[10] This aspect is theoretically analyzed by Caselli and Morelli (2004) as well as Messner and Pohlborn (2004), and empirically studied by Braendle (2015a), Ferraz and Finan (2009), Fisman et al. (2015), Gagliarducci and Nannicini (2013), and Kotakorpi and Poutvaara (2010). The theoretically modeled countervailing forces echo the mixed empirical results.

[11] See, for example, the work on outside earnings (Gagliarducci et al. 2010) or post office returns (Diermeier et al. 2005, Eggers and Hainmueller 2009).

pursuing a political career. In particular in countries with comparatively low salaries in the public sector, a political mandate is attractive for its members. Accordingly, we would expect to see a larger fraction of public servants in parliament and also larger dampening effects of an incompatibility or ineligibility regime.

We address these complementary hypotheses at the end of Section 3.2.

3 Data

The empirical analysis is based on a newly collected dataset. It captures the fraction of public servants in 76 national parliaments for recent elections between 2000 and 2011 and the rules of (in)compatibility applied in the respective countries. Other data used in this study are introduced sequentially. For an overview, see Table A.4 in the Appendix.

3.1 Occupational composition of national legislatures

For election periods between 2000 and 2010, the Inter-Parliamentary Union (IPU) published many occupational statistics in the annual series *Chronicle of Parliamentary Elections*. The series is based on information supplied by parliamentary information services, whereby the IPU tries to make the information comparable across countries.[12] We took the fraction of public servants in parliament for 66 countries from this source. The series was discontinued in 2011. For another ten parliaments, we collected data from parliamentary online services if they offered systematic information about individual politicians' professions prior to entering parliament. Out of these ten countries, we complied our information based on individual MP's entries for Canada, Finland, Ireland, Israel and Spain. For the U.S., no systematic information on the occupational background of the members of congress is available. We therefore coded information retrieved from various sources; i.e., in particular, the homepage of individual parliamentarians and the internet site votesmart.org. Whenever more detailed information was available on the national parliamentary service web pages, we gave it priority over the information supplied by the IPU. We consider the following occupational titles as public servants or employees of the public sector: teacher, professor, educational profession, researcher, scientist, civil or public servant and employee of the local, state or federal authority administration, judge, public prosecutor, employee of the judiciary, armed services or military, police official, social worker, and employee of a public enterprise (if indicated). Two typical examples for the IPU statistics present the occupational composition of the United Kingdom House of Commons elected in 2005 in Table

[12]The IPU typically reports country-specific statistics for different occupations within the public service. We aggregate these subcategories.

A.1a and the Algerian parliament elected in 2007 in Table A.1b.[13] For the United Kingdom, the statistics indicate that 140 out of 615 members (i.e., a fraction of 22.8%) have a public service occupational background. Of these members, 98 hold a position in the educational or research sector. 28 indicate a prior employment in the public administration and 14 members indicate military service or police service as occupation held prior to entering parliament. The background of the other 475 members is linked to eleven categories in the private sector, one category of professions related to political activities and one category for others. More detailed information offers the occupational statistics of the German parliamentary online service for the 17th German parliament (*Bundestag*) elected in 2009 (see Table A.1c in the Appendix). It indicates that 199 out of 622 members (i.e., a fraction of 32%), have a public sector background. Of these 199 members, 86 (43.2%) hold a position in the educational and research sector. The other 113 members hold the following functions: administration (62 members or 31.2%), judiciary (13 members or 6.5%), municipal public servants (13 members or 6.5%), medical professions (9 members or 4.5%), police (7 members or 3.5%), military service (3 members or 1.5%) and 3% execute other functions in the public service.

On average, the fraction of public servants elected to the 76 national parliaments in our sample is 31.3%. This number takes into account that in many statistics there is a category of parliamentarians with unknown professional background. The adjusted fraction is expressed relative to those politicians whose occupation is specified. The unadjusted or raw fraction is 29.4% in the sample. The fraction is lowest in Singapore in 2001 with 6.5% (unadj. 6%) and highest in Djibouti in 2008 with 73.9%. A complete list of the data sources and the fraction of public servants for every country is provided in Table A.2 in the Appendix.

In collecting and compiling data on the fraction of public servants in parliament, we encountered several methodological challenges. First, existing statistics on the socio-economic composition of parliaments differ as to their intended purpose. In contrast to our study, which concentrates on the last occupation held before election to parliament, some national statistics focus more on educational background, or occupation learned.[14] Second, if the statistics did not contain one coherent category for the public sector, we had to rearrange or to aggregate categories in order to gain comparable data. A frequent case is separate categories for members of parliament who are from the judicial branch, the administration, the education or the public security sector. Due to the variation in the degree of differentiation, we abstained from a refined data collection and generated aggregate data on the fraction of public servants.

[13]The information about the United Kingdom House of Commons is very similar to the one provided by the national parliamentary service.

[14]This is, e.g., the case for Canada, Bulgaria and Slovenia. In the case of Canada, we were able to retrieve the necessary information for our study based on the investigation of individual MPs' curricula vitae.

3.2 Institutional conditions

Rules of incompatibility are either written down in the national constitution, the electoral law or in one of the various laws governing the parliament, the judiciary and the public service. We are not aware of any study that systematically compares (in)compatibility regimes across countries. For the present study, we mainly collected and coded information provided by the IPU. Where no information was available (or where the information was contradictory), we looked for national provisions as far as information was available in English, German, Italian, or Spanish. We coded four different types of (in)compatibility or ineligibility regimes:

Ineligibility is given if all or most occupational categories of public servants have to resign from public service when they decide to become a candidate.
Strict incompatibility is given if all public servants have to hold their office in abeyance while in parliament.
Soft incompatibility is given if (some) broader occupational categories of public servants have to hold their office in abeyance while in parliament. Broader categories of public servants involve; e.g, senior public officials, judges and personal of the judicial branch, police officials and members of the army, or educational professionals.
Compatibility is given if public servants elected to parliament may stay in their public service office. We also code a system a compatibility regime if only single and particular positions are covered by incompatibility provisions, such as judge at the constitutional court, head of the parliamentary information services, or head of the audit court.
Table A.3 in the Appendix gives an overview of the institutional conditions holding in each country as well as the data sources. Table S.1 in the Supplementary Material provides the underlying institutional information.

Three challenges in collecting the data on the incompatibility regimes have to be mentioned. First, the countries' information supplied to the IPU differs in detailedness. We therefore limit our main coding to four general regimes (but see the alternative regime indexes applied in the robustness analysis). Second, the ineligibility regimes, for example, in the U.S. and in the UK are not covering all public servants. In the UK, ineligibility does not apply to educational professions, arguably an important group within the public service. In the U.S., the rules which define ineligibility are not fully transparent. Miller (2010) presents anecdotal evidence that the ambiguities about the coverage of the Hatch Act are abused by incumbents to deter potential competitors. They threaten them with the loss of their public service position at the local or state level. A priori it is difficult to judge whether strict incompatibility for all public servants has overall a more restrictive effect on the political selection of public servants than an ineligibility rule with legal uncertainty and/or exceptions for particular positions in the public sector. Third, depending on the rule of law, the enforcement of incompatibility rules might differ. We address

this issue in the empirical analysis restricting the sample to more democratic countries with a supposedly stronger adherence to the rule of law.

4 Results of the empirical analysis

The presentation of results starts with some descriptive evidence. In order to deal with correlated and confounding factors that might drive the raw correlation, the remainder of this section then focuses on the partial correlations from multiple regressions between institutional conditions for public servants as members of parliament and their actual presence in them. We report the results for a series of estimation specifications in order to uncover as much information as possible about our data pool. In a first step, we present the results for the different regimes restricting the sample once to "at least partly free democracies" and once to "free democracies" (according to the democracy rating published by Freedom House). Regarding the second step, we test the robustness of our results including and excluding various institutional control variables. Next, we look at the interaction of material incentives and incompatibility regimes. In particular, we study the parliamentary wage, corruption and the relative wage between the private and the public sector. Finally, we report the results of a robustness check based on alternative regime indexes.

4.1 Descriptive evidence

(In)compatibility regimes are expected to modify the attractiveness of a political mandate for public servants and thus to systematically affect the (self-)selection of citizens with different professional backgrounds into national parliaments. First evidence is presented in Figure 1. It shows the fraction of public servants elected to parliament under different (in)compatibility regimes in the period 2000-2011. Consistent with the theoretical hypothesis, the stricter the applied incompatibility rule, the smaller is the presence of public servants in parliament. For the compatibility regime, we observe an average fraction of public servants in parliament of 41.4% in the full sample. With soft incompatibility, the respective fraction is 32.8%. With strict incompatibility or ineligibility, it is 28.4%, and 29.5% respectively. A similar but more pronounced picture emerges if we restrict the sample either to at least partly free democracies or to free democracies. For instance, in the latter sample the fraction of public servants in parliament is 44.2% on average under a compatibility regime, 26.2% with strict incompatibility and only 24.8% with ineligibility.

[Figure 1 about here]

4.2 Basic regressions

Table 1 presents the basic results in a regression framework applying ordinary least squares estimations. Due to the challenges regarding the definition of (in)eligibility rules, we present results both for the disaggregated regime indicator as well as for the dichotomous one that compares strict incompatibility or ineligbility regimes to compatibility and soft incompatibility regimes. Results in columns I and II are based on the full sample of 76 countries. In correspondence with Figure 1, a soft incompatibility regime is related to a 11.1 percentage points smaller fraction of public servants in parliament than a compatibility regime (i.e., the reference regime). For strict incompatibility the coefficient is -15.8 percentage points, and for ineligibility the coefficient is -15.5 percentage points, respectively. These effects are quantitatively substantial and statistically precisely measured. In both specifications the log of GDP per capita in 2005 as a control variable for economic development and the Freedom House democracy rating of 2000 as a control for the development of democratic institutions in general are included. Both control variables show no clear correlation with the fraction of public servants in national parliaments. In columns III and IV, we restrict our sample to "at least partly free democracies" and in V and VI to "free democracies" according to the Freedom House democracy rating. We expect a stronger adherence to the rule of law in more democratic regimes. Correspondingly, the enforcement of political institutions in general, and of incompatibility rules in particular, is expected to be more stringent in the restricted sample of countries. The estimations confirm the negative partial correlations between the strictness of the incompatibility rule and the presence of public servants. Looking at the dichotomous regime indicator in columns II, IV and VI, we find that a strict incompatibility regime or ineligibility regime is statistically significantly related to a smaller presence of public servants in parliament by about seven percentage points (the reference being a compatibility or soft incompatibility regime).

[Table 1 about here]

4.3 Alternative institutional determinants of political selection

In Table 2, we analyze whether the (in)compatibility regimes are just place holders for other specific institutions (observed and unobserved), which are the actual drivers of occupation-specific political selection. As a benchmark, column I repeats the findings for the baseline estimation. We concentrate on the form of government, the electoral system, freedom of the press, disclosure rules, and legal origins. The variables are described in detail in Table A.4 in the Appendix.

a) Presidential and parliamentary systems adopt different approaches to the separation of powers and the checks and balances between them. In particular, in a presidential system the head of the executive branch is directly elected, and citizens can vote for different parties for the two branches in order to have a so-called divided government. However, they might also elect less public servants to curb the influence of the executive branch. If the indirect influence of the president on the legislature via elected public servants is meant to be restricted institutionally, this might take the form of a strict incompatibility or even an ineligibility regime.

Estimation II tests for an independent effect of the (in)compatibility regime on the presence of public servants. The form of government is captured based on a presidential system indicator provided by Persson and Tabellini (2005) and extended on the basis of Borman and Golder (2013). Out of our country sample with 76 observations, 17 countries are categorized as presidential regimes. The results for the full sample in column II indicate a robust effect of the (in)compatibility regimes and a smaller fraction of public servants present in presidential systems. However, the latter effect is not statistically significant.

b) The electoral system is often characterized by the rule that translates votes into seats; i.e., either a plurality rule or a proportional representation rule, and the district magnitude; i.e., the number of politicians who acquire a seat in an electoral district. The two aspects are related as proportional representation systems tend to have larger electoral districts or even just a single nation-wide electoral district. Majority voting systems are more often characterized by single-member districts. Smaller electoral districts are likely to be more candidate-centered rather than party-centered, thus increasing the barriers to enter the political competition (Persson and Tabellini 2005).[15]

In a majority voting system, public servants who aspire to a political career might be in an advantageous position relative to competitors from the private sector. This is the case if they have already gained some (local) prominence due to their position in the public service (for instance, as senior official, judge or university professor). While this may also hold for some trial lawyers or entrepreneurs, the former group might particularly benefit from flexible work conditions and a secure salary during their campaign. According to these arguments, a larger fraction of public servants is expected to be present in national parliaments. However, if a

[15]Term limits might be another institution that affects the costs and benefits of a political career and thus potentially the differential selection across professions (see Lopez 2003 on the causes and consequences of term limits in general). It can be hypothesized that term limits decrease the payoff from engaging in politics and increase the economic risks associated with a political career. This is particularly relevant for public servants' competitors from the private sector as they often face less favorable conditions of re-employment after a political career than public servants (except for the case of an ineligibility regime). Accordingly, term limits are expected to increase the presence of public servants in politics. To the best of our knowledge, however, term limits are rarely applied to legislatures at the national level (but focus on presidents). An empirical application might be possible for U.S. states.

candidacy in a majority voting system or in a small electoral district requires more resources, public servants might be at a disadvantage relative; e.g., to businessmen and lawyers from the private sector.

Information on the voting rule and district magnitude is taken from Norris (2009) and the data base on political institutions (DPI) provided by the World Bank for the year 2005. The latter variable ranges from 1 in systems with pure single-member districts to 150 in the Slovak Republic, where there are 150 parliamentary seats and a single country-wide electoral district. For 69 out of 76 countries in our data set, this information is available with an average of 14.6.

Taking into account either aspect of the electoral system in columns III and IV, the effects of the (in)compatibility regimes remain robust. The stricter the applied regime is, the smaller is the presence of public servant in parliament. For countries with a majority voting system, a statistically significantly larger presence of public servants by about 6.6 percentage points is observed in parliament. For countries with larger electoral districts, no conclusion can be drawn given the imprecisely measured partial correlation.

c) Generally relevant for political selection are institutions that increase the transparency in politics. Some of them are reflected in a free and politically independent press. A free press disseminates more politically relevant information in general and more information concerning the background and the potential (mis-)behavior of politicians in particular. This should ease and improve the political selection process whereby it is ex ante open whether candidates from the public or the private sector benefit. We take an index from Freedom House to measure freedom of the press. We find in column V that more press freedom is positively related to the fraction of public servants present across parliaments. The partial correlations for the (in)compatibility regime variables remain robust.

Disclosure rules are another set of institutions that affect transparency. If politicians have to disclose the sources of their outside income, a political mandate might become less attractive. This might, in particular, hold for public servants' competitors from the private sector; e.g., lawyers and businessmen. In order to control for this potentially correlated institutional feature of legislatures, we include a disclosure rule index for income sources (Djankov et al. 2010) in the regression estimation in column VI. Contrary to the reasoning, we find no effect. The effects for the (in)compatibility variables are almost unchanged.

d) There are potentially many more democratic institutions that affect the (self-)selection of public servants into national parliaments - institutions that might also be correlated with the (in)compatibility regimes. If these institutions are part of a bundle of institutions that follow a specific legal tradition, we can control for these unobserved factors by including legal origins as control variables (La Porta et al. 2008). Column VII reports the results. As to legal origin, no

clear picture emerges. In any case, legal origin does not explain the negative partial correlations for strict incompatibility and ineligibility.[16]

[Table 2 about here]

4.4 Interaction of material incentives and incompatibility rules

Table 3 presents the findings for a set of refined hypotheses taking into account material incentives to pursue a political career.

a) In order to test the hypothesis that a more generous remuneration of a parliamentary mandate is particularly attractive for public servants, we collected information on parliamentary wages for 29 countries. These data refer to the base remuneration.[17] In order to make the information comparable across countries, we set the base remuneration in relation to a country's GDP per capita. The ratio ranges from 0.78 in Switzerland to 7.76 in Romania.

According to the specification in column I, a higher remuneration seems - in contrast to our expectation - negatively, though not statistically significantly correlated with the presence of public servants in politics. In line with our extended hypothesis, the effect of a stricter incompatibility regime seems stronger for countries with a comparatively higher parliamentary compensation. Figure A.1 in the Appendix depicts the marginal effects of a strict incompatibility regime conditional on parliamentary remuneration as implied by the results in column II. For higher parliamentary compensation, a stricter regime seems to reduce the presence of public servants in parliament more. However, these estimates come with a wide confidence band and do not allow strong conclusions.

b) The possibility to strike deals in a corrupt environment is expected to make a political mandate more attractive for people from the private sector. For the empirical test, we rely on the standardized measure of corruption from Kaufmann et al. (2008). Consistent with the expectation, we find a smaller presence of public servants when corruption is widespread. The results in column III imply that in a country that is more corrupt by one standard deviation, the fraction of public servants is statistically significantly lower by 6.46 percentage points. Contrary to our hypothesis, the effect of the strict incompatibility or ineligibility regime seems not to systematically depend on the level of corruption according to the results in column IV. Figure A.2 in the Appendix provides a graphical representation of the marginal effects.

[16] We find rather similar results for the specifications in Table 2 if we restrict the sample to "at least partly free democracies". The results are presented in Table A.5 in the Appendix.

[17] For several member countries of the European Union, we rely on the information provided by Corbett et al. (2005). For Australia, Canada, Norway, Peru, Switzerland and the United States, data are from the national parliamentary official web pages.

c) The opportunity costs of a political career in terms of the foregone compensation in the sector of original employment are approximated and taken into account in the estimations in columns V and VI. Thereby data on relative salaries for 28 countries are from the ILO. In contrast to our expectation that a comparatively more attractive private sector makes it easier and more attractive for pubic servants to pursue a political career, the salary of an accountant relative to a teacher does not statistically significantly positively enter into the estimation. In order to allow a simple interpretation of the estimation with the interaction effect in column VI, the ratio for the relative salary is adjusted by subtracting one. This leads to a variable ranging from -0.11 to 2.23 and mean 0.63. In line with the finding for the parliamentary base remuneration, a stricter (in)compatibility regime reduces the fraction of public servants in politics more where the material conditions seem to favor their presence in parliament. However, given the large standard errors of the estimation, the result has to be considered with caution. Figure A.3 in the Appendix presents the marginal effects implied by the estimation in column VI.

[Table 3 about here]

4.5 Robustness analysis based on alternative regime indexes

In a supplementary analysis, we calculated regime indexes trying to capture the fractions of potential candidates from the public sector that are covered by institutional restrictions of incompatibility or ineligibility. Instead of characterizing the regime in a country as such, we thus determine the fractions of compatible, incompatible, and ineligible public servants. We rely on the specific information about the different institutional conditions for various categories of public servants across countries as available and listed in Table S.1 in the Supplementary Material. The different categories are roughly weighted according to their presence in national legislatures that apply a compatibility regime for all the public servants (see the Supplementary Material for more details).

The robustness checks for the specifications in Tables 1 to 3 including the incompatibility index as well as the ineligibility index (with compatibility being the reference regime) reveal qualitatively as well as quantitatively similar results. If 100% of public servants are incompatible, their presence in parliament is estimated to be between 7 and 8 percentage points lower than if everybody is compatible. If 100% are ineligible, the respective fraction of public servants is between 7 and 9 percentage points lower. Table S.2 in the Supplementary Material presents these main results. Tables S.3 and S. 4 document the robustness if additional institutional variables and material incentives are taken into account.

4.6 Summary

Whether we take additional institutional determinants or the interaction with material incentives into account or apply an alternative regime indicator, the different (in)compatibility regimes are correlated with the fraction of public servants in a statistically robust way. The findings indicate that stricter incompatibility rules increase the opportunity costs of a political mandate for public servants and thus systematically affect political selection into national parliaments. These findings are theoretically and quantitatively consistent with the results obtained in Braendle and Stutzer (2010) for the subfederal level in a single country; i.e., the German Laender. In a time-series cross-sectional analysis, it is found that institutional restrictions in terms of incompatibility rules substantially reduce the selection of public servants into parliament and that institutionally granted privileges increase the fraction of public servants. While their longitudinal framework allows a differences-in-differences approach, the analysis is restricted to the introduction of incompatibility regimes. Here, the evidence is based on a much wider variation in (in)compatibility regimes and for rather different institutional environments.

5 Consequences for political outcomes

5.1 Public servants as legislators

A strong presence of public servants in parliament raises countervailing arguments regarding its possible consequences for government effectiveness and government size. On the one hand, there is the concern for conflicts of interest that rests on the personal union and affiliations between the legislative and executive body as well as the perk of guaranteed reemployment. In particular, the private interests of public servants might lead to slack that is less forcefully counteracted by committees that are largely composed of public servants.[18] A case in point is their involvement in drafting and revising civil service law. Moreover, public servants are likely to have an information advantage with regard to legislative procedures. This allows for more leeway to manoeuvre, especially in areas they are professionally acquainted with such as administration, security, public finance, or education. Related to Niskanen's theory of the bureaucracy (1971), especially senior officials elected to parliament might systematically sway legislative decisions in favor of expansionary public sector budgets when they expect to return to their previous senior official position in the public sector.[19] As proponents and representatives of

[18] Couch et al. (1992) point in this direction. For Alabama, they find that public funding per student at the junior and senior colleges that employ legislators as educators is significantly higher than that received by comparable institutions.

[19] This is not to say that other members of parliament would not also pursue their own goals (and thus experience conflicts of interest). However, the authority of the legislature with regard to the duties of the public sector and the conditions governing public service are more concrete and immediate than for the private sector. Many aspects

the public service, public servants may also favor policy choices that grant more competencies to the state and provide more services through the public sector, resulting in a larger government sector. A strong presence of public servants in parliament is thus expected to result in lower government effectiveness and a larger public sector.

On the other hand, however, politics is more than a platform for the exchange of private interests. This perspective takes into account the expert knowledge possessed by public servants and their ties with the state that might rather contribute to productive policy choices in parliament. The vocation of a career in the public service might reflect particular loyalty to an organization set up to provide public services. Given that public servants enjoy institutional privileges, such as reemployment guarantees and often favorable terms for leave of absence, they might be considered relatively independent of outside pressure and free to dedicate themselves to parliamentary duties until the end of their mandate. These aspects of the presence of public servants in parliament are particularly attractive if the information asymmetry between the executive and the legislative branch is severe (as emphasized by Niskanen 1971). Electing insiders to parliament who become accountable to the electorate might consequently help to align interests between principals and agents. One effect might be stricter parliamentary oversight, since public servants face lower control costs due to their experience and information advantage (for a detailed discussion see Braendle and Stutzer 2013). The increased oversight activity induces the government and its subordinate public service to provide public goods and services more efficiently. According to this line of reasoning, public servants as legislators have a positive impact on the execution of sovereign authority. A stronger presence of public servants in parliament is thus expected to increase government effectiveness and decrease the waste of public funds.

Overall, the net effect of a strong presence of public servants in legislative assemblies on political outcomes is theoretically open and invites an explorative empirical investigation.

5.2 Empirical analysis

Following the theoretical reasoning, we analyze the statistical relationship between the presence of public servants in parliament and broad measures for political outcomes. In a first step, we relate the long run development of the presence of public servants in parliament with government final consumption for selected countries. In a second step, we analyze the relationship between the presence of public servants in parliament and a) government effectiveness and b) government consumption in a cross-country perspective. We present two estimation specifications for both

are more explicitly and more comprehensively regulated than in any other regulated market. While there are specific ordinances, e.g., regulating the business of pharmacies or the fees of attorneys, there are a multitude of laws and ordinances regulating the public service such as its internal training, pay, pension scheme and legal status.

outcome measures. The first studies the correlation based on a multiple regression including standard control variables from previous research. The second applies an instrumental variable approach taking information about the (in)compatibility regimes into account on the first stage.

A longitudinal perspective

Little is known about the presence of public servants in parliaments over time across countries. In order to address this gap, pioneering work had been undertaken by the research consortium compiling the data basis for the compendium on parliamentary representatives in Europe edited by Best and Cotta (2000). We draw on this data source and relate the fraction of public servants observed in seven European countries to the respective development in government final consumption (in % of GDP). The latter data series compiled by the World Bank starts in 1961.

Figure 2 presents the long-term relationship for Denmark, Finland, France, Italy, the Netherlands, Norway and the United Kingdom.[20] In all the countries but Denmark, the fraction of public servants increased between 1961 and the years around 2000 as is the case for government final consumption. The increase in government expenditure over this time period was particularly large in Denmark, which had already back in 1961 a fraction of public servants in parliament that was close to 50%.

[Figure 2 about here]

A cross-country perspective

Columns I and II in Table 4 report the correlations between the parliamentary presence of public servants and government effectiveness based on an index from Kaufmann et al. (2008). This index synthesizes a rich base of data which capture the perceptions of the quality of public services. Based on the OLS estimation, no clear partial correlation between the two variables is found. The specification also includes the log of GDP per capita and the Freedom House democracy rating. These indicators for economic development and democracy are statistically significantly related to more government effectiveness. In addition, the sum of exports and imports as a percentage of GDP and the legal origin of a country's legal system are included. The former variable serves as a proxy for the extent of openness to foreign competition. The coefficients of the control variables are consistent with prior results in empirical research. Together, the factors account for 88.7% of the variation in the dependent variable.

Note that the partial correlation for the fraction of public servants might well be the result of a causal relationship running from perceived government effectiveness to political selection rather than the direction discussed in the theoretical part. In particular, candidates from the public

[20] Detailed graphs are presented in Figure S.1 in the Supplementary Online Material.

sector might get more electoral support in countries that have a relatively higher quality of public services. In this situation, an instrumental variable approach is recommended. However, we are not aware of an ideal instrument with which to perform our preferred analysis separating the selection channel from potentially other channels and reversed causation. Instead, we take the variables covering the soft incompatibility regime, the strict incompatibility and the ineligibility regime as instruments. We do this assuming that there is no direct institutional effect on government effectiveness. The effect is rather indirect. As analyzed in the Sections 2 and 4, the incompatibility regime indicators are theoretically and empirically strong predictors of the presence of public servants in parliament. In addition, the incompatibility of a public service office with a parliamentary mandate can be considered a long-standing institution that is basically unrelated to current political outcomes. Column II presents the results of the second stage of the two-stage least squares estimation at the top and the partial correlation for the instrument at the bottom.[21] If we only exploit the variation in the presence of public servants that is due to the (in)compatibility regimes, we find no statistically significant partial correlation.

[Table 4 about here]

Columns III and IV show the results for general government final consumption as a share of GDP. We take the average over the years 2000 to 2008 in order to smooth out short-run shocks to the supply and demand for public goods. We find that the adjusted fraction of public servants is strongly and statistically significantly positively correlated with government consumption. In countries with a 10 percentage points higher presence of public servants, government consumption is about 2 percentage points higher. We thereby control for four further predictors of the size of government: openness to trade, two demographic variables that capture the fraction of the population under 15 and over 65 years of age, and an indicator of ethnic fractionalization. The four variables have been identified as basic variables in empirical research on government size (see, e.g., Shelton 2007).

Obviously, a larger government also offers a larger pool of political candidates and more voters potentially favoring candidates with a public service background. The partial correlation for the fraction of public servants might thus reflect effects in both directions. Again a two-stage estimation approach is recommended. The partial correlation in column IV for the fraction of public servants is based on the variation that is due to differences in the (in)compatibility regimes. A positive and statistically significant effect of a slightly bigger size is estimated.[22]

[21] The results for the further variables in the first stage regression are as follows (standard errors in parentheses): 0.192 x ln(GDP per capita) (1.475) - 2.01 x democracy rating (1.397) - 0.032 x trade (% of GDP) (0.032) - 1.333 x UK legal origin (4.124) - 1.064 x German legal origin (4.969) + 6.167 x Scandinavian legal origin (9.152).

[22] The results for the further variables on the first stage are as follows (standard errors in brackets): + 2.475

In sum, the phenomenon of a strong presence of public servants in parliament seems not systematically correlated with government effectiveness. However, it seems to be a significant driver of government consumption. The instrumental variable estimation implies that in a country with a strict incompatibility or ineligibility regime (and thus roughly a seven percentage points lower fraction of public servants in parliament) government financial consumption expenditure (in % of GDP) is lower by about 1.75 percentage points. This is substantial given the average level of 16.78% in our sample of countries.

6 Concluding remarks

In this paper, we adopt a comparatively person-centered view of the political process. We argue that the individual characteristics of politicians matter for public policy choices and government outcomes. This contrasts with the reasoning of many political philosophers and political economists that good governance is (solely) the result of institutions which allow holding politicians accountable for their behavior. According to this latter view, it is useless to call for more competent and honest politicians in order to remedy malfunctions such a low quality of public services.

Obviously, the two views are not mutually exclusive. As political control and the credibility of policy commitments are always limited, a careful selection of representatives is important to bring the outcomes of the political process closer in line with citizens' preferences when delegating decision-making power. We think that a comparative institutional analysis of political selection bridges the two views and emphasizes questions that have been neglected so far in political economics. First, which are the institutions that systematically affect political selection; i.e., the composition of the pool of politicians with regard to identity or quality? Second, are there consequences for political outcomes stemming from institutions that are primarily set up with the intention of holding politicians accountable? On the one hand, institutions which focus on reducing agency problems might not only tame the potential misbehavior of politicians in office, but also deter some citizens from entering politics in the first place; for instance, those citizens who seek to abuse their political power for private interests. Some outcome observations from the political process that are attributed to accountability mechanisms might thus, in fact, be due to political selection. On the other hand, an emphasis on control mechanisms could also backfire if it systematically changes the pool of candidates for the worse.

The incompatibility of a public sector position with a political mandate is one such institution. It

x ln(GDP per capita) (1.754) - 1.936 x democracy rating (1.403) - 0.022 x trade (% of GDP) (0.032) + 0.779 x population under 15 years (%)(0.391) + 0.714 x population over 65 years (0.727) + 3.673 x ethnic fractionalization (8.097).

is introduced in various forms to prevent conflicts of interest and thus to reduce agency problems. We have argued that this institution also systematically changes the pool of available candidates and elected politicians because a strict incompatibility regime increases the opportunity costs incurred by public servants when pursuing political mandates. Our main analysis is consistent with this hypothesis. We find in a cross-country analysis based on a novel dataset that, on average, there are seven percentage points fewer public servants in parliaments in which a strict incompatibility or an ineligibility regime is applied. This effect is robust to the inclusion of other potential institutional determinants of political selection as well as to the interaction with the material attractiveness of a political mandate and of a position in the private compared to the public sector.

In a supplementary study on the consequences for political outcomes, the fraction of public servants in parliament is not systematically related to government effectiveness. However, there is an economically significant positive correlation with government expenditure. Importantly, the correlation holds in an instrumental variable estimation that exploits only the variation in the presence of public servants that is due to countries' incompatibility and ineligibility regime. For a seven percentage points higher fraction of public servants (roughly the difference if a compatibility or soft incompatibility regime is in place rather than a stricter one), government financial consumption expenditure (in % of GDP) is higher by about 1.75 percentage points. This is a first hint that the presence of public servants in parliament is potentially a strong force that moves major policy variables.

Future research will have to explore the specific consequences for politics that the selection of public servants into parliaments might have. These complementary insights are indispensable for a comprehensive understanding of (in)compatibility rules. Moreover, they will provide evidence supporting constitutional decisions on how to develop and implement legislation on the separation of powers.

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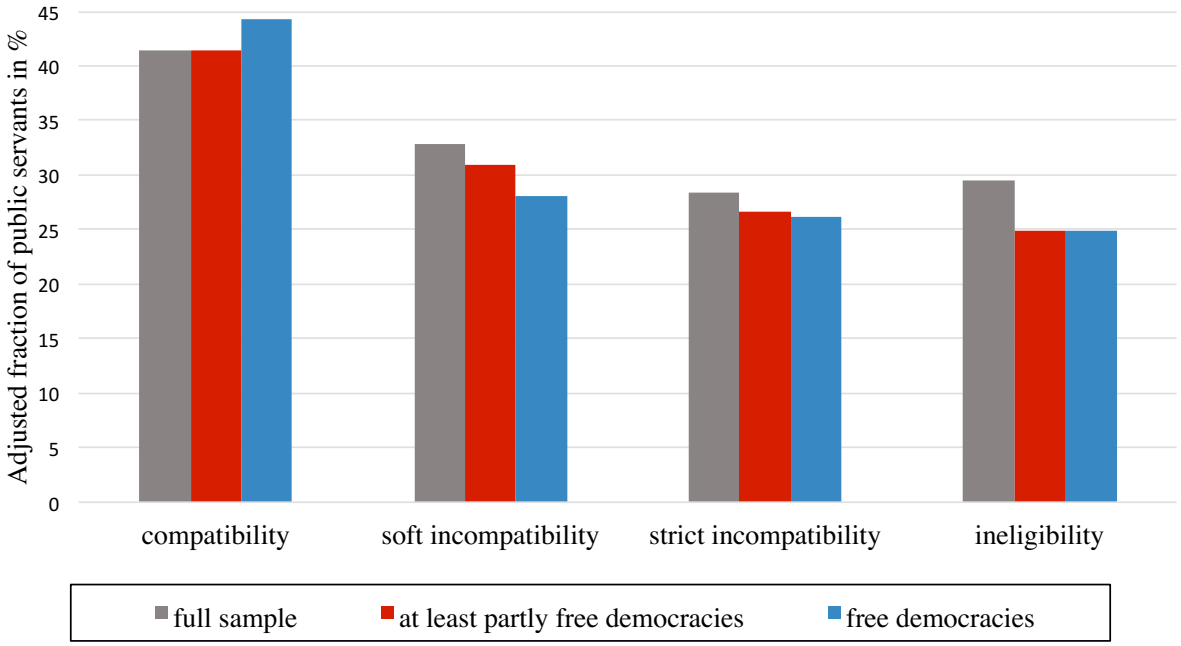
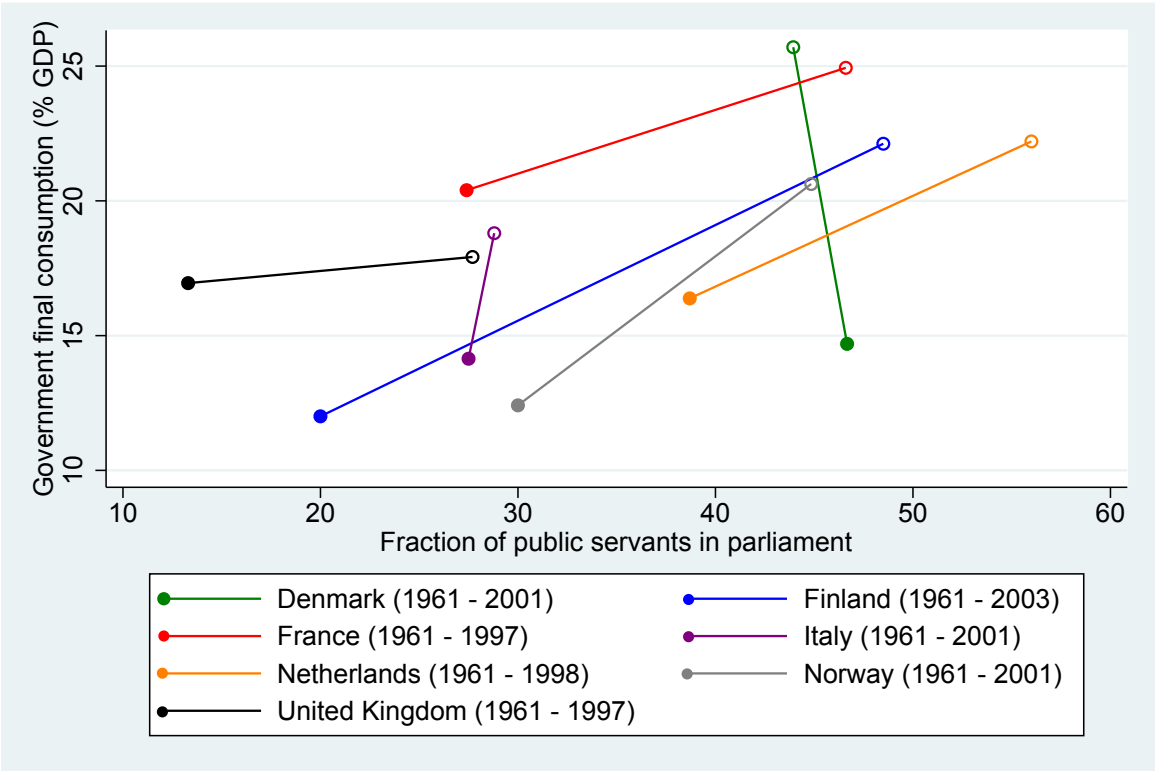
Figures and Tables

Figure 1: (In)compatibility regimes and the fraction of public servants in national parliaments



Notes: Information for 76 countries within the period 2000-2011 is included for the full sample. 63 countries are included in the sample restricted to "at least partly free democracies" and 43 countries in the sample restricted to "free democracies" according to the Freedom House democracy rating.
Sources: Own calculations based on IPU and national parliamentary data services.

Figure 2: Public servants and government expenditure in seven European countries over time



Notes: Dots indicate the initial observations, while small circles indicate the last observation for each country.
Sources: See Table A.4 in addition to Best and Cotta (2000).

Table 1: Determinants of the presence of public servants in national parliaments
Dependent variable: Adjusted fraction of public servants (%)

	I	II	III	IV	V	VI
Soft incompatibility	–11.067*		–10.660*		–16.182***	
	(5.61)		(5.95)		(5.07)	
Strict incompatibility	–15.834***		–15.661***		–17.942***	
	(5.48)		(5.76)		(5.00)	
Ineligibility	–15.456**		–15.315		–19.511**	
	(7.44)		(9.40)		(7.55)	
Strict incompatibility or ineligibility		–6.882**		–7.510**		–6.431*
		(3.07)		(3.48)		(3.55)
Ln(GDP per capita)	–0.666	–0.861	–1.146	–1.439	0.173	–0.022
	(1.22)	(1.21)	(1.50)	(1.48)	(1.29)	(1.39)
Democracy rating	–1.632	–1.162	0.058	0.758		
	(1.19)	(1.16)	(1.91)	(1.88)		
No. of obs.	76	76	63	63	43	43
R^2	0.152	0.104	0.130	0.081	0.272	0.076
$Prop. > F$	0.038	0.046	0.149	0.171	0.015	0.206

Notes: OLS estimations. Standard errors in parentheses. The dependent variable is adjusted for the category "unknown professions" in national statistics. Columns III and IV (V and VI) restrict the sample to "at least partly free democracies" ("free democracies") according to the Freedom House democracy rating. Significance levels: * $.05 < p < .1$, ** $.01 < p < .05$, *** $p < .01$.
Sources: See Tables A.2-A.4.

Table 2: Alternative institutional determinants of political selection
Dependent variable: Adjusted fraction of public servants (%)

	I	II	III	IV	V	VI	VII
Soft incompatibility	–11.067*	–10.518*	–11.525**	–11.906*	–9.840*	–10.025*	–8.294
	(5.61)	(5.58)	(5.52)	(6.25)	(5.49)	(5.82)	(6.22)
Strict incompatibility	–15.834***	–15.746***	–15.667***	–17.246***	–14.082**	–14.716**	–13.109**
	(5.48)	(5.44)	(5.39)	(6.06)	(5.40)	(5.72)	(6.16)
Ineligibility	–15.456**	–14.452*	–18.961**	–17.499**	–16.913**	–15.302*	–12.670
	(7.44)	(7.42)	(7.56)	(7.93)	(7.28)	(8.03)	(8.12)
Presidential system		–5.095					
		(3.64)					
Majority voting system			6.609*				
			(3.61)				
Mean district magnitude				–0.051			
				(0.06)			
Freedom of the press					0.416**		
					(0.19)		
Disclosure rule index						–7.319	
						(6.83)	
UK legal origin							–1.729
							(4.03)
German legal origin							0.367
							(4.78)
Scandinavian legal origin							7.185
							(9.11)
Ln(GDP per capita)	–0.666	–1.010	–0.641	–0.323	–0.937	–0.000	–0.323
	(1.22)	(1.24)	(1.20)	(1.32)	(1.19)	(1.33)	(1.34)
Democracy rating	–1.632	–1.512	–1.094	–1.509	–6.368**	–0.927	–1.703
	(1.19)	(1.19)	(1.21)	(1.27)	(2.46)	(1.39)	(1.30)
No. of obs.	76	76	76	69	76	70	72
R^2	0.152	0.175	0.191	0.151	0.206	0.143	0.146
Prop. $> F$	0.038	0.034	0.020	0.107	0.012	0.123	0.236

Notes: OLS estimations. Standard errors in parentheses. The reference category in column III is a proportional or a mixed member electoral system. In column VII, the reference category is French legal origin. Significance levels: * $.05 < p < .1$, ** $.01 < p < .05$, *** $p < .01$.
Sources: See Tables A.2-A.4.

Table 3: Interaction of incompatibility rules and material incentives
Dependent variable: Adjusted fraction of public servants (%)

	I	II	III	IV	V	VI
Strict incompatibility or ineligibility	–5.458	–7.583	–7.085**	–7.400**	–8.328*	–2.666
	(4.34)	(4.94)	(3.01)	(3.22)	(4.15)	(6.74)
Parliamentary base remuneration	–1.381	1.765				
	(1.51)	(3.79)				
Strict incompatibility or ineligibility		–3.762				
x parliamentary remuneration		(4.15)				
Rents from corruption			–6.456*	–6.221*		
			(3.30)	(3.42)		
Strict incompatibility or ineligibility				–0.833		
x corruption				(2.92)		
Relative salaries betw. private and public sector					0.921	8.163
					(4.27)	(8.02)
Strict incompatibility or ineligibility						–9.210
x relative salaries						(8.65)
Ln(GDP per capita)	1.115	0.838	–3.457*	–3.597*	6.204**	5.867**
	(2.16)	(2.19)	(1.90)	(1.98)	(2.27)	(2.28)
Democracy rating			–2.292*	–2.282*	–2.019	–1.859
			(1.25)	(1.26)	(1.61)	(1.61)
No. of obs.	29	29	75	75	28	28
R^2	0.170	0.197	0.153	0.154	0.382	0.412
$Prob. > F$	0.192	0.242	0.019	0.038	0.021	0.029

Notes: OLS estimations. Standard errors in parentheses. The dependent variable is adjusted for the category "unknown professions" in national statistics. In columns I and II, the variable capturing the parliamentary base remuneration is set in relation to a country's GDP per capita and mean adjusted. Due to the limited variation in the democracy score, the respective variable is not included in columns I and II. In columns III and IV, the Kaufmann corruption index is inverted implying that higher values correspond to higher corruption. In columns V and VI, the relative salary between the private and the public sector is defined as the salary of an accountant relative to a teacher and is adjusted by subtracting 1 from the ratio. Significance levels: * $.05 < p < .1$, ** $.01 < p < .05$, *** $p < .01$.
Sources: See Tables A.2-A.4.

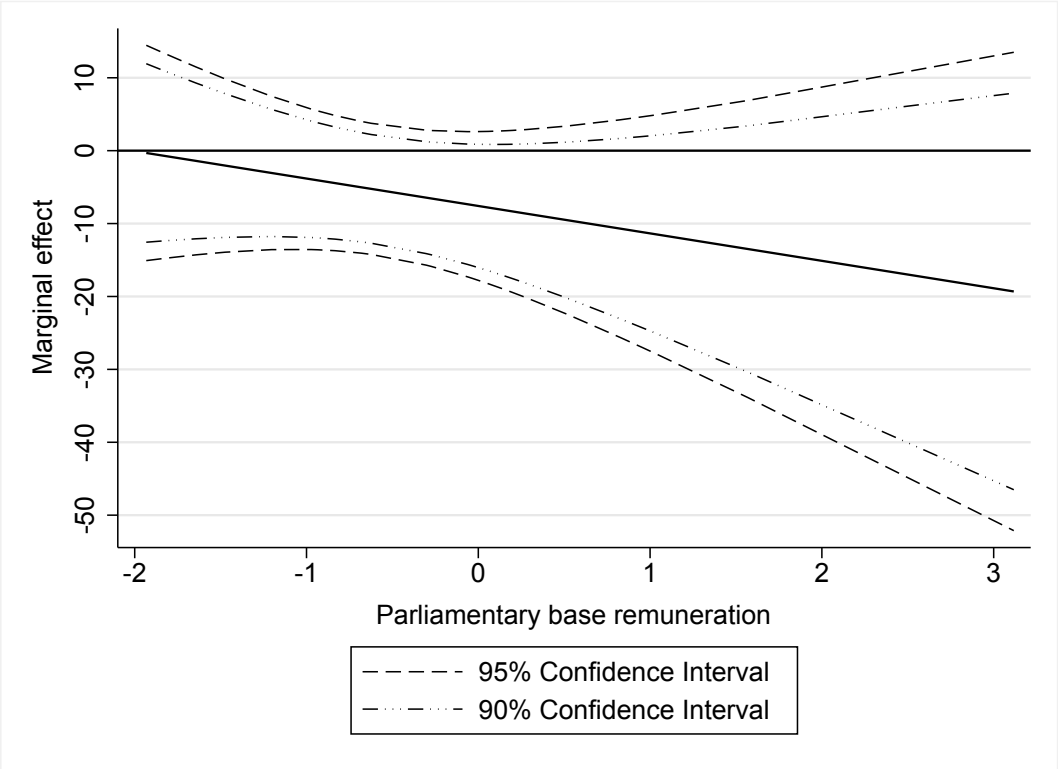
Table 4: Presence of public servants and government effectiveness and goverment size

Dependent variable:	Government effectiveness		Government size	
	I	II	III	IV
Adjusted fraction of public servants	–0.000	–0.014	0.212***	0.250**
	(0.00)	(0.01)	(0.04)	(0.10)
Ln(GDP per capita)	0.409***	0.410***	0.122	0.033
	(0.04)	(0.04)	(0.51)	(0.56)
Democracy rating	0.186***	0.165***	0.355	0.399
	(0.04)	(0.05)	(0.41)	(0.43)
Trade openess	0.002*	0.001	0.001	0.002
	(0.00)	(0.00)	(0.01)	(0.01)
UK legal origin	0.219*	0.186		
	(0.12)	(0.13)		
German legal origin	0.061	0.074		
	(0.14)	(0.16)		
Scandinavian legal origin	0.545**	0.718**		
	(0.25)	(0.33)		
Population under 65 years (%)			0.068	0.042
			(0.12)	(0.14)
Population over 65 years (%)			0.404*	0.385*
			(0.22)	(0.23)
Ethnic fractionalization			–0.765	–0.884
			(2.40)	(2.44)
No. of observations	71	71	67	67
R^2	0.887	0.861	0.447	0.438
$Prob. > F$	0.000	0.000	0.000	0.007
First stage				
Soft incompatibility		-8.899		-12.749**
		(6.28)		(6.18)
Strict incompatibility		-12.852**		-16.700***
		(6.19)		(5.98)
Ineligibility		-14.896*		-21.700**
		(8.52)		(8.46)

Notes: Columns I and III: OLS estimations. Columns II and IV: 2SLS instrumental variable estimations. Standard errors in parentheses. The fraction of public servants is instrumented by the variables soft incompatibility, strict incompatibility and ineligibility. The dependent variable in columns I and II is the average score of the Kaufmann government effectiveness index for the years 2003, 2005 and 2007. The dependent variable in columns III and IV is the average of the government final consumption expenditure for the years 2000 to 2008. The reference category in the columns I and II is "French legal origin". Significance levels: * $.05 < p < .1$, ** $.01 < p < .05$, *** $p < .01$.
Sources: See Tables A.2-A.4.

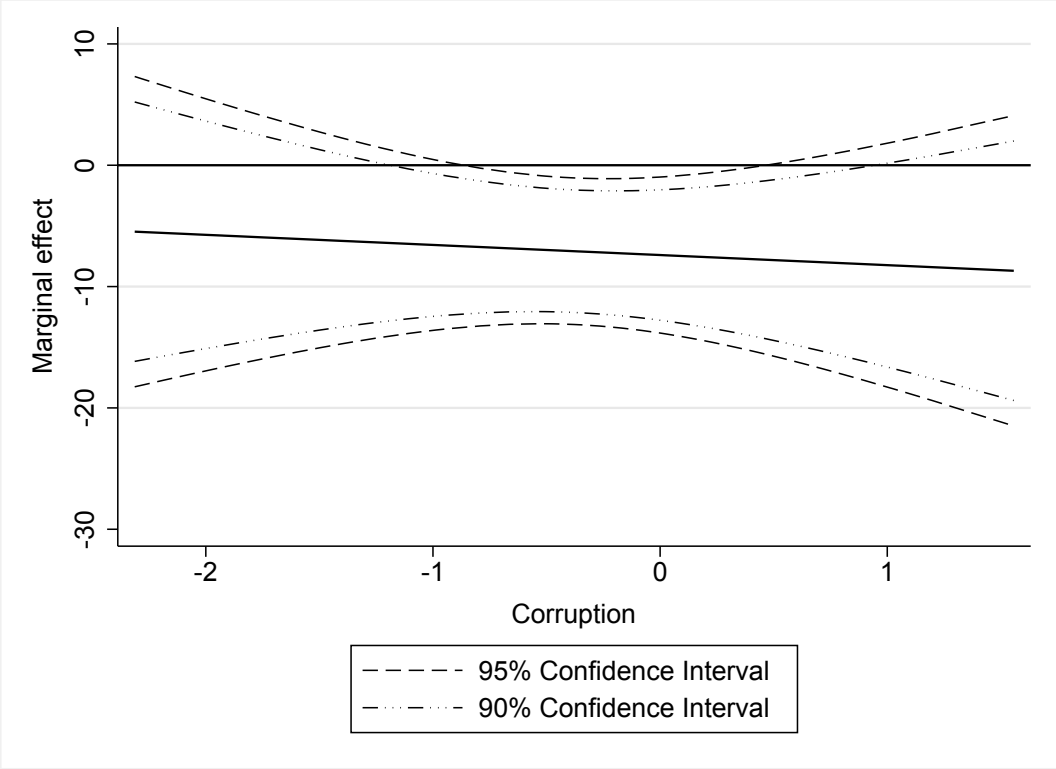
Appendix

Figure A.1: Marginal effects of a strict incompatibility or ineligibility regime conditional on the parliamentary base remuneration



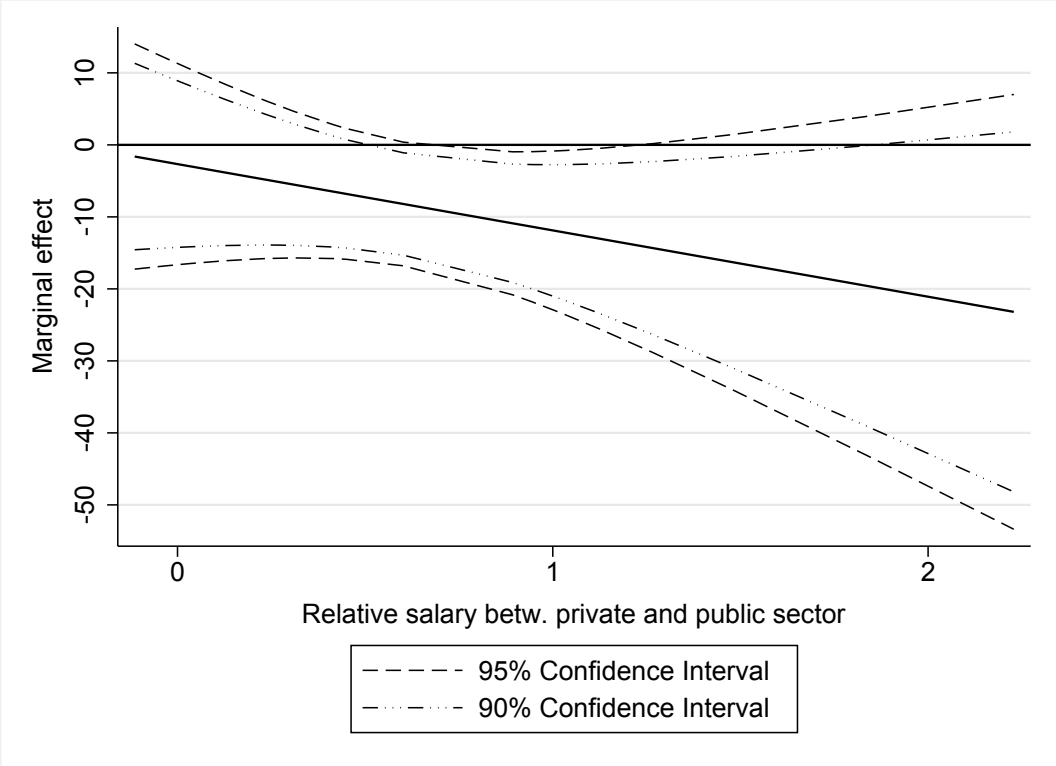
Notes: Marginal effects on the fraction of public servants in parliament based on specification II in Table 3. The variable parliamentary base remuneration is calculated as a ratio that sets the salary in relation to GDP per capita. The variable is mean adjusted.

Figure A.2: Marginal effects of a strict incompatibility or ineligibility regime conditional on the level of corruption



Notes: Marginal effects on the fraction of public servants in parliament based on specification IV in Table 3. The variable corruption is taken from Kaufmann et al. (2008). The index is inverted implying that higher values correspond to higher corruption. Moreover, the variable is standardized with mean zero and standard deviation one.

Figure A.3: Marginal effects of a strict incompatibility or ineligibility regime conditional on the relative salary between the private and the public sector



Notes: Marginal effects on the fraction of public servants in parliament based on specification VI in Table 3. The variable relative salary between the private and the public sector is defined as the salary of an accountant relative to the salary of a teacher. The ratio is adjusted by subtracting one.

Table A.1a: Occupational composition of the House of Commons of the United Kingdom elected in 2005

	#	Fraction
Public sector		
Professors or lecturers	44	0.0715
Teachers	47	0.0764
Scientists	7	0.0114
Civil servants	28	0.0455
Military/ police officers	14	0.0228
Total	140	0.2276
Professions related to political activities		
Professional politicians or professions related to political activities	87	0.1415
Other sectors		
Barristers, solicitors, lawyers	72	0.1171
Architects	7	0.0114
Engineers	5	0.0081
Medical professions	6	0.0098
Consultants	2	0.0033
Business, trade, and industry employees, including executives	118	0.1919
Media writers, publishers, broadcasters and producers	43	0.0699
Accountants	10	0.0163
Employees of Private Company	78	0.1268
Farmers	8	0.0130
Manual workers	38	0.0618
Total	387	0.6293
Others		
Housewives	1	0.0016
Total	615	1

Notes: The statistic covers 615 seats held by the three main parties (Labour, Conservatives and Liberal Democrats) out of a total of 646 seats.
Source: Inter-Parliamentary Union (2005).

Table A.1b: Occupational composition of the Algerian Parliament in 2007

	#	Fraction
Public sector		
Public servants and public administrators	131	0.3368
Educators	56	0.1440
Military and police officers	3	0.0077
Scientists and researchers	1	0.0026
Total	191	0.4910
Other sectors		
Legal professions	30	0.0771
Medical professions (doctors, dentists, nurses)	20	0.0514
Liberal professions (including artists, authors) and sport professionals	37	0.0951
Consultants (including real estate agents)	13	0.0334
Business, trade, and industry employees, including executives	12	0.0308
Bankers (including investment bankers) and accountants	7	0.0180
Media-related professions (journalists and publishers)	2	0.0051
Farmers and agricultural workers (including wine growers)	2	0.0051
Economists	1	0.0026
Total	124	0.3188
Others		
Retired	31	0.0797
Unemployed	2	0.0051
Total	33	0.0848
Unknown	41	0.1054
Total	389	1

Notes: The category "public servants" and "public administrators" includes social and development workers.
Source: Inter-Parliamentary Union (2007).

Table A.1c: Occupational composition of the 17th German Parliament (*Bundestag*) elected in 2008

	#	Fraction
1. Employed		
1.1 Public service (public servants and employees in the public service)		
Public administration	62	0.0997
Police	7	0.0113
Judiciary	13	0.0209
Military	3	0.0048
Municipal public servants	13	0.0209
Educational professions and researchers	86	0.1383
Medical professions	9	0.0145
Others	6	0.0096
Total	199	0.3199
1.2 Professions related to political activities		
Employees of parties	36	0.0579
Employees of trade unions	24	0.0386
Former employees of parliamentarians	14	0.0225
Others	16	0.0257
Total	90	0.1447
1.3 Private sector employees including employees of professional associations		
Employees in artisanry, manufacturing, industry, sales and services	54	0.0868
Agricultural workers	1	0.0016
Employees in financial sector	6	0.0096
Insurance employees	2	0.0032
Media employees	14	0.0225
Others	20	0.0322
Total	97	0.1559
2. Self-employed		
2.1 Liberal professions		
Legal professions	102	0.1640
Medical professions	4	0.0064
Media-related professions	21	0.0338
Liberal technical professions	4	0.0064
Other liberal professions	7	0.0113
Total	138	0.2219

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Table A.1c – continued

2.2 Other self-employed		
Self-employed in artisanry, manufacturing, industry, sales and services	32	0.0514
Farmers	11	0.0177
Insurance broker	3	0.0048
Others	3	0.0048
Total	49	0.0788
3. Others		
Housewives	2	0.0032
Students or in apprenticeship	8	0.0129
Clerical professions	6	0.0096
Total	16	0.0257
4. Unknown	33	0.0531
Total	622	1

Source: German parliamentary online service.

Table A.2: Data sources and descriptive statistics for the fraction of public servants in national parliaments

Country	Year of election	Fraction of public servants in %	
		Adjusted	Unadjusted
Own coding based on national parliamentary statistics			
Albania	2001	24.42	22.14
Austria	2008	33.88	33.88
Germany	2009	33.78	31.99
Italy	2008	19.97	19.97
Own coding based on the national parliamentary online data bases containing detailed and systematic individual information			
Canada	2006	19.87	19.87
Finland	2008	46.49	43.00
Ireland	2007	31.55	31.55
Israel	2009	29.87	19.17
Spain	2011	43.75	40.11
Own coding based on the individual MP's webpage (without systematic information)			
United States of America	2008	33.10	32.65
Own coding based on Inter-Parliamentary Union statistics for national parliaments			
Algeria	2007	54.88	49.10
Andorra	2005	19.23	17.86
Argentina	2007	18.69	16.86
Armenia	2007	17.56	17.56
Australia	2004	18.00	18.00
Azerbaijan	2005	27.44	26.96
Bahrain	2010	37.50	37.50
Belarus	2004	37.97	27.27
Belgium	2007	25.18	24.00
Bosnia and Herzegovina	2002	9.52	9.52
Bulgaria	2005	20.26	18.08
Burkina Faso	2002	45.05	45.05
Burundi	2005	48.31	48.31
Central African Republic	2005	44.66	43.81
Chile	2009	20.83	20.83
Congo, Rep.	2007	34.45	22.63
Costa Rica	2010	13.00	13.00
Cyprus	2006	21.82	21.43
Czech Republic	2010	45.50	45.50
Denmark	2007	53.99	49.16
Djibouti	2008	73.85	73.85
Dominica	2005	28.58	25.81

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Table A.2 – continued

Egypt, Arab Rep.	2007	26.16	24.61
Estonia	2007	41.23	39.60
France	2007	34.34	29.64
Gambia	2002	48.08	47.17
Greece	2007	18.67	18.67
Haiti	2006	31.03	27.55
Hungary	2006	26.63	25.39
Indonesia	2004	9.58	9.27
Kuwait	2006	56.52	40.00
Latvia	2006	45.00	45.00
Lebanon	2009	34.38	34.38
Liechtenstein	2005	20.00	20.00
Luxembourg	2004	43.33	43.33
Macedonia, FYR	2008	26.41	23.33
Mali	2007	42.23	38.78
Republic of Moldova	2005	25.00	23.76
Monaco	2008	15.00	12.50
Mongolia	2008	21.33	21.33
Netherlands	2010	30.33	30.33
New Zealand	2008	41.66	40.98
Niger	2004	29.20	29.20
Nigeria	2007	36.18	25.83
Norway	2005	26.74	24.08
Peru	2001	16.66	15.83
Philippines	2001	16.04	15.89
Poland	2007	38.91	38.91
Portugal	2005	39.11	38.26
Romania	2008	14.97	14.97
Samoa	2006	20.41	20.41
Senegal	2001	31.67	31.67
Serbia	2007	24.89	22.00
Singapore	2001	6.49	5.95
Slovak Republic	2006	29.58	28.00
Solomon Islands	2006	58.00	58.00
Sri Lanka	2010	12.89	12.89
Suriname	2005	60.41	56.86
Switzerland	2007	22.16	20.50
Syrian Arab Republic	2007	35.54	34.40
Tajikistan	2005	33.33	33.33
Thailand	2007	12.76	11.88
Tunisia	2009	52.34	52.34
Turkey	2007	30.42	27.27
Uganda	2006	36.97	31.63

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Table A.2 – continued

United Kingdom	2005	22.76	22.76

Notes: For Belarus, we report the professional composition for the 80 newly elected parliamentarians (out of 110 parliamentarians).
In Dominica, 9 out of 31 members of parliament are directly appointed by the head of state.
For th UK, the occupational composition is reported only for 615 out of 645 members of parliament, i.e. for the three major parties (Labour, Conservatives and Liberal Democrats).

Table A.3 Incompatibility regimes in nations in 2010

Country	Regime	Source
Albania	Compatibility	Inter-Parliamentary Union
Algeria	Soft incompatibility	Inter-Parliamentary Union
Andorra	Strict incompatibility	Inter-Parliamentary Union
Argentina	Soft incompatibility	Inter-Parliamentary Union
Armenia	Soft incompatibility	Inter-Parliamentary Union
Australia	Strict incompatibility	Inter-Parliamentary Union
Austria	Soft incompatibility	Austrian Constitution Article 59
Azerbaijan	Soft incompatibility	Inter-Parliamentary Union
Bahrain	Soft incompatibility	Inter-Parliamentary Union
Belarus	Soft incompatibility	Inter-Parliamentary Union
Belgium	Strict incompatibility	Inter-Parliamentary Union
Bosnia and Herzegovina	Soft incompatibility	Inter-Parliamentary Union
Bulgaria	Strict incompatibility	Inter-Parliamentary Union
Burkina Faso	Strict incompatibility	Inter-Parliamentary Union
Burundi	Strict incompatibility	Inter-Parliamentary Union
Canada	Soft incompatibility	Inter-Parliamentary Union
Central African Republic	Soft incompatibility	Inter-Parliamentary Union
Chile	Soft incompatibility	Inter-Parliamentary Union
Congo, Rep.	Soft incompatibility	Inter-Parliamentary Union
Costa Rica	Soft incompatibility	Inter-Parliamentary Union
Cyprus	Strict incompatibility	Inter-Parliamentary Union
Czech Republic	Compatibility	Inter-Parliamentary Union
Denmark	Compatibility	Inter-Parliamentary Union
Djibouti	Soft incompatibility	Inter-Parliamentary Union
Dominica	Compatibility	Inter-Parliamentary Union
Egypt, Arab Republic	Strict incompatibility	Inter-Parliamentary Union
Estonia	Strict incompatibility	Inter-Parliamentary Union
Finland	Compatibility	Inter-Parliamentary Union
France	Strict incompatibility	Inter-Parliamentary Union
Gambia	Soft incompatibility	Inter-Parliamentary Union
Germany	Strict incompatibility	German Constitution Article 137 and the Law for the members of the German parliament
Greece	Ineligibility	Hellenic Constitution Articles 55-57
Haiti	Ineligibility	Inter-Parliamentary Union
Hungary	Soft incompatibility	Inter-Parliamentary Union
Indonesia	Strict incompatibility	Inter-Parliamentary Union

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Table A.3 – continued

Ireland	Strict incompatibility	Inter-Parliamentary Union
Israel	Soft incompatibility	Inter-Parliamentary Union
Italy	Strict incompatibility	Inter-Parliamentary Union
Kuwait	Soft incompatibility	Inter-Parliamentary Union
Latvia	Soft incompatibility	Inter-Parliamentary Union
Lebanon	Ineligibility	Inter-Parliamentary Union
Liechtenstein	Soft incompatibility	Inter-Parliamentary Union
Luxembourg	Strict incompatibility	Inter-Parliamentary Union
Macedonia, FYR	Soft incompatibility	Inter-Parliamentary Union
Mali	Soft incompatibility	Inter-Parliamentary Union
Moldova	Strict incompatibility	Inter-Parliamentary Union
Monaco	Soft incompatibility	Inter-Parliamentary Union
Mongolia	Strict incompatibility	Inter-Parliamentary Union
Netherlands	Compatibility	Inter-Parliamentary Union
New Zealand	Soft incompatibility	Inter-Parliamentary Union
Niger	Strict incompatibility	Inter-Parliamentary Union
Nigeria	Strict incompatibility	Inter-Parliamentary Union
Norway	Soft incompatibility	Inter-Parliamentary Union
Peru	Strict incompatibility	Inter-Parliamentary Union
Philippines	Strict incompatibility	Inter-Parliamentary Union
Poland	Strict incompatibility	Inter-Parliamentary Union
Portugal	Strict incompatibility	Inter-Parliamentary Union
Romania	Strict incompatibility	Inter-Parliamentary Union
Samoa	Strict incompatibility	Inter-Parliamentary Union
Senegal	Strict incompatibility	Inter-Parliamentary Union
Serbia	Strict incompatibility	Inter-Parliamentary Union
Singapore	Strict incompatibility	Inter-Parliamentary Union
Slovak Republic	Soft incompatibility	Inter-Parliamentary Union
Solomon Islands	Strict incompatibility	Inter-Parliamentary Union
Spain	Soft incompatibility	Inter-Parliamentary Union
Sri Lanka	Strict incompatibility	Inter-Parliamentary Union
Suriname	Compatibility	Inter-Parliamentary Union
Switzerland	Soft incompatibility	Law for the National Parliament Article 14
Syrian Arab Republic	Strict incompatibility	Inter-Parliamentary Union
Tajikistan	Strict incompatibility	Inter-Parliamentary Union
Thailand	Strict incompatibility	Inter-Parliamentary Union
Tunisia	Strict incompatibility	Inter-Parliamentary Union
Turkey	Strict incompatibility	Inter-Parliamentary Union
Uganda	Ineligibility	Uganda Constitution Articles 77-82
United Kingdom	Ineligibility	House of Commons Disqualification Act

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Table A.3 – continued

United States	Ineligibility	US Constitution, Article 1, Section 6, Clause 2 and Hatch Act and its amendments

Notes: Some countries apply specific incompatibility rules that complement the general rules considered in the coding and which go beyond the public sector.
Persons holding posts for foreign states or for international organizations are incompatible with a parliamentary mandate. This is the case in Burundi, Egypt, Moldova, Niger and Serbia.
Government contractors are incompatible with a parliamentary mandate in Chile, Costa Rica, Haiti, Italy, Philippines, Sri Lanka and Thailand.
Australia: Persons with any financial interest in an agreement with the government are declared incompatible unless the responsible parliamentary commission declares the position to be compatible.
Austria: Executives of joint stock companies, banking, commercial, transport and industrial private limited companies, provincial credit institutes and mutual insurance companies are incompatible with a parliamentary mandate unless the responsible parliamentary commission declares the position to be compatible.
Belgium: Lawyers continuously receiving mandates from public authorities are incompatible with a parliamentary mandate.
Dominica: Certain government contractors are incompatible with a parliamentary mandate.
Finland: Single positions in the public service are covered by rules of incompatibility. Members of the army face ineligibility.
France: Further incompatible offices are 1) posts attributed and remunerated by a foreign state or an international organization and with some exceptions 2) managers or directors of firms i) benefitting from state or local government administration subsidies ii) working principally for or under the control of the state iii) entitled to public savings and iv) involved in real estate.
Greece: The ineligibility rule does not apply to university professors. They face incompatbility. Furthermore, incompatible with a parliamentary mandate are members of a board of directors, general managers, their alternates, or employees of commercial companies or enterprises enjoying special privileges or subsidies by the state.
Haiti: Educational professions appear not to be covered by ineligibility provision.
Lebanon: For educational professions, compatibility is assumed, as, for instance, teaching staff is explicitly exempted from ineligibility rules.
Netherlands: Judges of the Supreme Court, members of the General Board of Auditors and clerks or any other official of either Chamber are incompatible with a parliamentary mandate. Employees of the national parliament as well as public servants of the national public audit institution face an incompatibility rule.
Portugal: Persons holding posts for foreign states or international organizations as well as members of the board of directors of companies in which the state is the majority shareholder are incompatible with a parliamentary mandate.
Senegal: Some positions in the public service, such as governors and their deputies, judges and other senior officials of national services and public institutions are covered by an ineligibility rule. Persons holding posts for international organizations as well as government contractors

are incompatible with a parliamentary mandate.
Switzerland: Public servants at the federal level face incompatibility rules.
Syrian Arab Republic: Government commissioners and police officers can be elected in another constituency than the one where they are working (after obtaining an authorization).
Tunisia: Judges, heads of diplomatic missions and diplomatic and consular posts, governors, governorate first delegates, secretaries general, sector delegates and heads are ineligibile. Persons holding posts for international organizations are incompatible with a parliamentary mandate.
Uganda: Traditional and cultural leaders also face ineligibility.
Unites Kingdom: Educational professions are excluded from the general ineligibility rule applied.

Table A.4: Description of variables

Variable	Description
Control variables	
Democracy rating	The Freedom House democracy rating summarizes the current state of political rights and civil liberties. On a scale from 1 to 7, a rating of 1 indicates the highest degree of freedom and 7 the lowest level of freedom. Moreover, each pair of political rights and civil liberties ratings in 2000 is averaged to determine an overall status of "free", "partly free" or "not free". Countries with averages between 1.0 and 2.5 are considered free, between 3.0 and 5.0 partly free, and between 5.5 and 7.0 not free. We inverted the rating for the year 2000 in order to allow an intuitive interpretation of the results. *Source:* www.freedomhouse.org.
Disclosure rule index	The variable for disclosure is based on the index of sources publicly available out of the disclosure rule indexes constructed by Djankov et al. (2010). The index measures the ratio of all the source items contained in the country's disclosure form available to the public over all the source items potentially disclosed in the artificial universal form. It measures how many conceivable disclosures of source items are publicly available in practice. The range of the variable is between 0 (no disclosure) and 1 (full disclosure). *Source:* Djankov et al. (2010).
Ethnic fractionalization	The index of ethnolinguistic fractionalization approximates the absence of ethnic and linguistic cohesion within a country, ranging from 0 (homogeneous) to 1 (strongly fractionalized) and averaging 5 different indexes. *Source:* Alesina et al. (2003).

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Table A.4 – continued

Freedom of the press	The freedom of the press index assesses the degree of print, broadcast, and internet freedom in every country in the world, analyzing the events and developments of each calendar year. Ratings are determined through an examination of three broad categories: the legal environment in which media operate, political influences on reporting and access to information, and economic pressures on content and the dissemination of news. The inverted score ranges from 0 (worst) to 100 (best). Countries with values between 70 and 100 are considered to have "free" media, between 40 and 69 "partly free" media, and between 0 and 39 "not free" media. The average score of the freedom of the press index for the years 2003, 2005, 2007 and 2009 is taken. *Source:* Freedom House.
Kaufmann corruption index	Average score of the Kaufmann corruption index for the years 2003, 2005 and 2007. Perceived control of corruption captures the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as "capture" of the state by elites and private interests. The index is one of the composite measures of governance generated by the UCM. It is in units of a standard normal distribution with mean zero, a standard deviation of one, and running from approximately -2.5 to 2.5. We apply an inverted scale with higher values corresponding to worse governance; i.e., higher corruption. *Source:* Kaufmann et al. (2008).
Legal origin	Legal origin of the company law or commercial law of each country. Each dummy variable is equal to 1 if the origin of the law of the country is French, German, English, or Scandinavian, respectively, and zero otherwise. *Source:* La Porta et al. (2008).
Ln(GDP per capita)	Natural logarithm of GDP per capita in 2005 converted to international dollars using purchasing power parity rates. *Source:* World Development Indicators (World Bank).
Majority voting system	The dummy variable for majority voting systems equals 1 if all the members of the lower house are elected under plurality rule, 0 otherwise. *Source:* Norris (2009).

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Table A.4 – continued

Mean district magnitude	The variable district magnitude captures the relationship between the number of seats in parliament and the number of electoral districts. It ranges from 1 in countries with all single-member districts to 150, where there are 150 parliamentary seats and a single country-wide electoral district. The information on the district magnitude is taken from the database on political institutions (DPI) for the year 2005. *Source:* World Bank.
Parliamentary remuneration	The national parliamentary base remuneration is expressed relative to the national GDP per capita. The data for the European countries refer to the year 2004. For the remaining countries, the information is taken for years within the period 2009-2012. *Sources:* Corbett et al. (2005), official homepage of the European Parliament, the Australian Government, the Congress of Peru, the Norwegian Parliament, the Office of the Clerk of the U.S. House of Representatives, www.novinite.com, and www.about.com.
Population over 65 years (%)	People aged 65 years and older as a percentage of the total population in 2005. *Source:* World Development Indicators (World Bank).
Population under 15 years (%)	People aged 15 years and younger as a percentage of the total population in 2005. *Source:* World Development Indicators (World Bank).
Presidential system	For the form of government, we follow the definition used by Persson and Tabellini (2005). The countries are classified as presidential if the chief executive is not accountable to the legislature through a vote of confidence. *Source:* Persson and Tabellini (2005) and the dataset on democratic electoral institutions provided by Borman and Goulder (2013).

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Table A.4 – continued

Relative salary between the private and public sector	The variable is defined as the ratio of the salary between occupations in the private and the public sector. For the private sector, the occupation accountant (ILO, occupation code 129) is taken. For the public sector, the occupation teacher in language and literature (ILO occupation code 149) is chosen. The ratios are based on salaries for the year 2005. Due to limited data availability, for some countries, information is taken for the years which are closest to 2005. For an easier interpretation of the empirical analysis, the ratios are adjusted by subtracting one. *Source:* International Labor Organization (Labour Statistics Database).
Trade (% of GDP)	Sum of exports and imports of goods and services measured as a share of gross domestic product in 2005. *Source:* World Development Indicators (World Bank).
Outcome variables	
Government effectiveness	The government effectiveness indicator is measuring perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies. The index is one of the composite measures of governance generated by the UCM. It is in units of a standard normal distribution with mean zero, a standard deviation of one, and running from approximately -2.5 to 2.5, with higher values corresponding to better governance. The average score of the government effectiveness indicator for the years 2003, 2005 and 2007 is used. *Source:* Kaufmann et al. (2008).
Government final consumption expenditure (% of GDP)	Average value for the years 2000-2008. General government final consumption expenditure (formerly general government consumption) includes all government current expenditures for purchases of goods and services (including compensation of employees). It also includes most expenditures on national defense and security, but excludes government military expenditures that are part of government capital formation. *Source:* World Development Indicators (World Bank).

Table A.5: Robustness analysis for alternative institutional determinants of political selection
Sample restriction: At least partly free democracies
Dependent variable: Adjusted fraction of public servants (%)

	I	II	III	IV	V	VI	VII
Soft incompatibility	–10.660*	–10.237*	–11.309*	–10.774	–9.576*	–9.487	–8.127
	(5.95)	(5.84)	(5.73)	(6.60)	(5.67)	(6.17)	(6.65)
Strict incompatibility	–15.661***	–15.239***	–15.526***	–17.212***	–13.255**	–14.474**	–12.931*
	(5.76)	(5.66)	(5.54)	(6.33)	(5.55)	(6.01)	(6.54)
Ineligibility	–15.315	–13.517	–20.826**	–18.360*	–13.525	–14.825	–12.865
	(9.40)	(9.29)	(9.34)	(9.84)	(8.97)	(9.69)	(10.42)
Presidential system		–7.655*					
		(4.30)					
Majority voting system			9.725**				
			(4.10)				
Mean district magnitude				–0.062			
				(0.07)			
Freedom of the press					0.583**		
					(0.22)		
Disclosure rule index						–8.272	
						(7.20)	
UK legal origin							–2.744
							(4.80)
German legal origin							–0.261
							(5.11)
Scandinavian legal origin							5.822
							(9.72)
Ln(GDP per capita)	–1.146	–1.508	–0.833	–0.856	–1.766	–0.473	–0.550
	(1.50)	(1.49)	(1.45)	(1.60)	(1.44)	(1.60)	(1.69)
Democracy rating	0.058	0.410	0.610	0.139	–6.487**	1.033	–0.151
	(1.91)	(1.88)	(1.85)	(1.96)	(3.06)	(2.15)	(2.09)
No. of obs.	63	63	63	58	63	58	59
R^2	0.130	0.177	0.209	0.154	0.228	0.138	0.135
$Prob. > F$	0.149	0.081	0.034	0.181	0.021	0.247	0.468

Notes: OLS estimations. Standard errors in parentheses. The reference category in column III is a proportional or a mixed member electoral system. In column VII, the reference category is French legal origin. Significance levels: * $.05 < p < .1$, ** $.01 < p < .05$, *** $p < .01$.
Sources: See Tables A.2-A.4.