

Table 9: Fixed-Effects Estimation of Growth, Investment, and Government Spending Models Including Democracy Variable

	Growth	Investment	Government spending
$\ln y_{it-1}$	-0.035*** (0.009)	1.258** (0.513)	-1.881*** (0.361)
$\ln (open)_{it-1}$	-0.021** (0.009)	4.682*** (0.450)	1.563*** (0.342)
$(//GDP)_{it-1}$	0.002** (0.001)		
$terr\ iter_{it}$	-0.023*** (0.009)	0.111 (0.487)	1.528*** (0.417)
$external_{it}$	-0.006 (0.009)	-0.521 (0.497)	1.083** (0.424)
$internal_{it}$	-0.022*** (0.007)	-0.539 (0.402)	0.986*** (0.348)
$polity_{it}$	0.0002 (0.001)	0.056* (0.034)	-0.086*** (0.029)
Sample size	886	886	886

Notes: Country and time dummies are included in the growth and investment regressions and country dummies are included in the government spending regression. Standard errors are in parentheses. Significance levels: *** is .01, ** is .05, and * is .10.