Annex. Short-term effects: Control variables and time effects

	Total current spending per capita		*Revenues from taxes per capita*		*Current non-social services spending per capita*		*Current social spending per capita*		*Current administrative spending per capita*	
	LSDVC[(1)]	QML[(2) (a)]	LSDVC[(1)]	QML[(2) (a)]	LSDVC[(1)]	QML[(2) (a)]	LSDVC[(1)]	QML[(2) (a)]	LSDVC[(1)]	QML[(2) (b)]
Control Variables										
Demographic structure										
Population.Dif1	-710.480***	-678.831***	-681.428***	-610.355**	-382.923***	-318.134**	-83.703	-50.273	-173.135*	-143.913**
	[144.992]	[172.932]	[259.415]	[273.685]	[118.104]	[144.476]	[85.446]	[89.455]	[88.945]	[67.523]
Female population.Dif1	-156.909	48.811	-2681.824	-2454.574	202.452	584.012	-327.510	-193.502	-585.524	-637.831
	[1029.437]	[1009.456]	[1806.011]	[1894,000]	[825.906]	[807.300]	[604.897]	[531.512]	[633.615]	[481.580]
Youth population.Dif1	-157.668	-629.328	-288.412	153.565	-531.149	-864.856	808.951*	423.590	-37.065	252.890
	[729.758]	[863.335]	[1283.202]	[1394.341]	[592.334]	[675.051]	[435.630]	[445.462]	[454.686]	[457.178]
Elderly.Dif1	140.316	112.484	-1703.199	-1656.184	698.439	687.990	398.182	282.682	-297.648	247.856
	[646.801]	[644.417]	[1138.193]	[1231.734]	[521.864]	[531.297]	[385.023]	[465.974]	[396.968]	[430.883]
Immigrants.Dif1	-65.987	-185.608	-221.318	-287.505	-34.522	-64.623	-278.260***	-312.639***	68.718	-42.506
	[175.848]	[140.402]	[312.428]	[272.527]	[142.882]	[120.978]	[102.872]	[119.227]	[107.477]	[83.336]
Density.Dif1	-0.014	-0.021	-0.096	-0.119	0.047	0.024	-0.051**	-0.059***	-0.028	-0.010
	[0.041]	[0.033]	[0.074]	[0.072]	[0.033]	[0.030]	[0.024]	[0.022]	[0.025]	[0.019]
Economic activity										
Economic level.Dif1	-0.003	-0.003	0.001	0.002	0.001	0.001	-0.003*	-0.002	-0.002	-0.002
	[0.002]	[0.004]	[0.005]	[0.004]	[0.002]	[0.003]	[0.001]	[0.001]	[0.001]	[0.002]
Unemployment.Dif1	-208.056	-264.457	-353.954	-340.361	90.410	63.004	-243.043***	-304.553***	-91.522	-77.443
	[144.352]	[226.290]	[257.584]	[261.573]	[117.184]	[178.520]	[84.084]	[94.223]	[88.804]	[101.544]
Political situation										
Turnout.Dif1	147.935*	210.090**	-71.522	-93.907	124.191*	137.301*	-4.103	14.488	17.963	-5.370
	[79.967]	[99.404]	[141.882]	[117.236]	[64.798]	[76.853]	[47.085]	[34.995]	[48.635]	[48.005]
Majority.Dif1	0.771	0.986	9.603	9.855	3.905	5.454	-0.705	-1.580	-1.336	-0.5517
	[8.138]	[8.207]	[14.448]	[10.587]	[6.582]	[5.969]	[4.841]	[3.509]	[4.960]	[4.333]
Fragmentation - Herfindhal	-54.506	-60.592	32.272	36.889	8.339	16.478	19.552	35.403	-109.621***	-109.091**
index.Dif1	[46.618]	[81.717]	[82.801]	[95.504]	[38.037]	[53.666]	[27.734]	[30.430]	[28.676]	[49.407]
Ideology.Dif1	11.133	12.932	-4.278	-6.881	4.090	3.592	-6.413	-1.439	8.345*	8.341
	[7.210]	[9.395]	[12.752]	[9.635]	[5.848]	[6.504]	[4.257]	[3.751]	[4.403]	[5.519]
Demographic structure										
Population.Lag1	-341.461***	-325.489***	-465.147***	-334.828***	-176.018***	-118.081**	-91.492***	-114.811***	-28.968	0.232
	[52.425]	[71.669]	[93.078]	[111.943]	[43.228]	[54.071]	[29.415]	[30.136]	[32.644]	[2.068]
Female population.Lag1	-2033.501***	-1421.166**	-1095.904	-1131.222	-910.088	-268.267	-1026.715**	-881.921**	-342.251	183.600
	[784.156]	[676.605]	[1389.331]	[1470.148]	[639.460]	[701.194]	[417.787]	[349.939]	[464.933]	[160.694]
Youth population.Lag1	-167.809	-24.930	54.391	-191.068	-426.015*	-387.107**	226.536	239.172	234.081	36.811
	[300.714]	[288.109]	[531.237]	[576.987]	[250.643]	[196.895]	[162.216]	[173.994]	[185.722]	[68.532]
Elderly.Lag1	612.099*	567.268**	1051.332*	1096.599	436.649*	498.822**	27.960	-38.383	347.610*	-57.796
	[314.593]	[276.602]	[559.117]	[692.161]	[258.290]	[215.854]	[171.868]	[149.615]	[192.861]	[56.424]
Immigrants.Lag1	-100.233	-287.148*	118.174	-61.983	-190.282*	-231.012**	-71.384	-108.453	92.644	50.075**
	[128.212]	[158.494]	[222.855]	[329.972]	[102.998]	[116.293]	[71.574]	[85.636]	[79.345]	[20.798]
Density.Lag1	0.001	0.007	0.010	0.008	0.032*	0.021	-0.023*	-0.005	0.001	-0.000
	[0.022]	[0.016]	[0.040]	[0.037]	[0.018]	[0.014]	[0.012]	[0.010]	[0.013]	[0.000]

(…)

(…)

	Total current spending per capita		*Revenues from taxes per capita*		*Current non-social services spending per capita*		*Current social spending per capita*		*Current administrative spending per capita*	
	LSDVC[(1)]	QML[(2) (a)]	LSDVC[(1)]	QML[(2) (a)]	LSDVC[(1)]	QML[(2) (a)]	LSDVC[(1)]	QML[(2) (a)]	LSDVC[(1)]	QML[(2) (b)]
Economic activity										
Economic level.Lag1	0.001	0.002	0.002	0.003	0.003*	0.005**	-0.001	-0.001	-0.001	-0.001
	[0.002]	[0.002]	[0.003]	[0.004]	[0.002]	[0.002]	[0.001]	[0.001]	[0.001]	[0.001]
Unemployment.Lag1	49.547	-56.927	-246.773	-127.777	7.680	-20.070	-13.339	-66.077	-156.419**	-116.821**
	[122.838]	[123.272]	[214.767]	[230.623]	[99.521]	[114.823]	[72.511]	[62.995]	[78.014]	[57.357]
Political situation										
Turnout.Lag1	34.192	56.765	-138.245	-233.842*	70.948	42.823	-96.291**	-62.361	41.620	-17.939
	[67.339]	[63.098]	[119.804]	[125.941]	[54.900]	[47.337]	[38.148]	[38.044]	[41.3456]	[17.044]
Electoral year.Lag1	-16.433*	-16.781*	24.752	-197.337***	-15.272**	-4.903	-20.010***	-37.741***	10.475*	-20.955**
	[9.510]	[9.327]	[16.872]	[19.470]	[7.609]	[6.699]	[5.749]	[4.422]	[6.017]	[10.093]
Majority.Lag1	-0.968	-2.734	19.901**	13.894	3.085	1.711	-3.363	-3.615	-0.435	-0.402
	[5.529]	[4.965]	[9.796]	[9.447]	[4.512]	[4.117]	[3.218]	[3.034]	[3.454]	[2.509]
Fragmentation - Herfindhal	52.031	19.368	204.603***	184.836**	29.257	18.456	34.987	37.477	7.457	9.838
index.Lag1	[42.174]	[40.223]	[74.614]	[82.870]	[34.702]	[31.311]	[24.092]	[23.752]	[26.523]	[17.958]
Ideology.Lag1	3.155	6.678	11.937	7.175	1.253	2.456	1.379	3.392	-4.278	-1.344
	[6.155]	[5.157]	[10.935]	[9.814]	[5.023]	[4.280]	[3.608]	[3.285]	[3.815]	[2.657]
Time effects										
2005	-47.986*	(omitted)	-28.763*	(omitted)	-11.372	(omitted)	7.341	(omitted)	-4.228	(omitted)
	[26.151]		[14.904]		[12.167]		[8.687]		[9.324]	
2006	(omitted)	-19.798	(omitted)	-199.210***	(omitted)	15.112	(omitted)	-27.320***	(omitted)	-23.747
		[16.616]		[34.706]		[15.812]		[9.613]		[15.956]
2007	-24.180	12.288	28.563**	-222.863***	10.704	22.788*	36.320***	9.665	3.475	-20.580
	[22.477]	[14.989]	[12.953]	[29.176]	[10.367]	[13.488]	[7.398]	[8.863]	[7.857]	[15.563]
2008	-50.593**	65.333***	69.377***	-32.002	38.950***	42.844***	43.094***	37.668***	-2.114	2.959
	[22.255]	[15.197]	[12.585]	[23.987]	[10.165]	[13.365]	[7.199]	[6.880]	[7.578]	[7.909]
2009	5.897	39.242***	40.491***	-205.726***	19.112*	30.330***	20.066***	2.049	9.301	-21.856
	[21.665]	[14.231]	[12.489]	[26.015]	[9.982]	[10.797]	[7.309]	[7.011]	[7.716]	[14.722]
2010	17.888	6.964	3.769	-198.616***	-29.271***	-17.763**	-2.429	-21.442***	14.053***	-16.345
	[13.706]	[10.460]	[7.735]	[20.446]	[6.276]	[7.956]	[4.509]	[6.304]	[4.746]	[11.297]
2011	-2.950	3.632	0.955	-221.590***	-9.595	1.939	-4.955	-23.940***	9.308	-24.591***
	[19.629]	[7.973]	[11.157]	[19.618]	[8.888]	[5.396]	[6.726]	[3.798]	[7.032]	[9.018]
2012	(omitted)	(omitted)	(omitted)	(omitted)	(omitted)	(omitted)	(omitted)	(omitted)	(omitted)	(omitted)
2013	308.765***	-23.687***	-23.779**	83.839***	-23.034**	-11.722**	82.170***	65.658***	89.351***	57.446***
	[20.512]	[6.033]	[11.455]	[18.848]	[9.227]	[5.070]	[6.930]	[5.072	[7.313]	[9.542]
2014	219.671***	(omitted)	2.9196	(omitted)	-10.434	(omitted)	20.216**	(omitted)	32.934***	(omitted)
	[28.232]		[14.312]		[11.535]		[8.846]		[9.729]	
2015	(omitted)	(omitted)	(omitted)	(omitted)	(omitted)	(omitted)	(omitted)	(omitted)	(omitted)	(omitted)
Const		4582.272***		4800.292***		1483.687*		1786.887***		-7.740
		[892.233]		[1547.749]		[762.321]		[392.025]		[88.094]

[(1)] LSDVC dynamic regression (based on GMM Blundell and Bond estimator) with bootstrapped Std. Err. in parentheses (bootstrap variance-covariance matrix for LSDVC using 100 repetitions), Bias correction up to order O(1/NT^2). [(2)] QML estimation with robust standard errors in parentheses: [(a)] fixed effects; [(b)] random effects

*, **, and *** denote significance at the 90%, 95% and 99%.