

# APPENDIX (FOR ONLINE PUBLICATION)

## Supplementary Tables

Table I: Summary of Variables

	Variable	Definition and Sources	Statistics
Legal traditions:	<i>Common-Law-Ap:</i>	See the text. Source: Guerriero (2016d).	0.374 (0.344)
	<i>Common-Law-E:</i>	See the text. Source: Guerriero (2016d).	0.336 (0.344)
	<i>Common-Law-Ad:</i>	See the text. Source: Guerriero (2016d).	0.379 (0.337)
	<i>Common-Law-O:</i>	See the text. Source: Guerriero (2016d).	0.327 (0.363)
Culture:	<i>First-Person:</i>	Product of dummy for first person pronoun that cannot be dropped and <i>Plurality</i> . Sources: <a href="https://muse.union.edu/davis/">https://muse.union.edu/davis/</a> ; <a href="https://cadmus.eui.eu/handle/1814/64606">https://cadmus.eui.eu/handle/1814/64606</a>	0.149 (0.320)
	<i>Second-Person:</i>	Product of dummy for second person pronoun not varying according to social proximity and <i>Plurality</i> . Sources: <a href="https://muse.union.edu/davis/">https://muse.union.edu/davis/</a> ; <a href="https://cadmus.eui.eu/handle/1814/64606">https://cadmus.eui.eu/handle/1814/64606</a>	0.093 (0.252)
Political institutions:	<i>Democracy:</i>	1-to-7 Polity V constraints on the executive score. Source: <a href="http://www.systemicpeace.org">http://www.systemicpeace.org</a>	4.653 (2.260)
Other controls:	<i>Property-Rights:</i>	1-10 index increasing with the clarity with which property rights, including those over financial assets, are defined and protected by law. Source: <a href="http://www.fraserinstitute.org">www.fraserinstitute.org</a>	6.032 (2.182)
	<i>Rule-of-Law:</i>	Rule of law indicator ranging between 2.5 and - 2.5. Source: World Bank, Worldwide Governance Indicators.	0.342 (0.969)

Note: 1. The last column lists mean value and, in parentheses, the standard deviation calculated for the sample of 51 transplants described in table 1.

Table II: Cross-Validating the Measure of Legal Traditions

	(1)	(2)	(3)	(4)
	Panel A. The dependent variable is:			
	<i>Common-Law-Ap</i>	<i>Stock-Market-to-GDP</i>	<i>Private-Credit-to-GDP</i>	<i>Unemployment-Rate</i>
<i>Genetic-Distance</i>	3.539 (0.356)***	- 15.083 (7.751)**	2.993 (10.810)	- 23.640 (24.909)
<i>Self-Reliance</i>	- 0.641 (0.127)***	9.056 (2.565)***	- 8.627 (4.634)*	53.892 (9.117)***
<i>Common-Law-Ap</i>		1.371 (0.934)	- 0.919 (0.554)*	- 9.518 (2.232)***
<i>Genetic-Distance*Common-Law-Ap</i>		- 0.978 (0.967)	1.379 (1.223)	- 15.468 (3.708)***
<i>Self-Reliance*Common-Law-Ap</i>		0.115 (0.482)	- 0.353 (0.449)	8.124 (1.270)***
	OLS			
Within R <sup>2</sup>	0.13	0.45	0.17	0.28
Number of Observations	2,989	665	1,051	1,113
	Panel B. The dependent variable is:			
	<i>Common-Law-E</i>	<i>Stock-Market-to-GDP</i>	<i>Private-Credit-to-GDP</i>	<i>Unemployment-Rate</i>
<i>Genetic-Distance</i>	2.199 (0.354)***	- 12.659 (7.786)	2.888 (10.694)	- 11.452 (25.052)
<i>Self-Reliance</i>	0.715 (0.127)***	7.390 (2.685)***	- 7.814 (4.641)*	41.370 (9.633)***
<i>Common-Law-E</i>		1.716 (0.723)**	- 0.301 (0.510)	- 4.498 (2.018)**
<i>Genetic-Distance*Common-Law-E</i>		0.374 (0.713)	1.226 (1.125)	- 12.809 (2.821)***
<i>Self-Reliance*Common-Law-E</i>		- 0.380 (0.312)	- 0.480 (0.372)	5.490 (0.913)***
	OLS			
Within R <sup>2</sup>	0.18	0.45	0.17	0.28
Number of Observations	2,989	665	1,051	1,113
	Panel C. The dependent variable is:			
	<i>Common-Law-Ad</i>	<i>Stock-Market-to-GDP</i>	<i>Private-Credit-to-GDP</i>	<i>Unemployment-Rate</i>
<i>Genetic-Distance</i>	3.493 (0.377)***	- 17.487 (8.086)**	5.094 (11.095)	- 18.137 (25.441)
<i>Self-Reliance</i>	- 0.681 (0.135)***	9.372 (2.565)***	- 9.296 (4.852)*	58.169 (9.486)***
<i>Common-Law-Ad</i>		1.889 (0.742)**	- 0.953 (0.477)**	- 5.851 (1.837)***
<i>Genetic-Distance*Common-Law-Ad</i>		- 0.460 (0.991)	- 0.201 (1.261)	- 10.661 (3.498)***
<i>Self-Reliance*Common-Law-Ad</i>		- 0.185 (0.451)	0.250 (0.487)	5.000 (1.283)***
	OLS			
Within R <sup>2</sup>	0.10	0.45	0.17	0.26
Number of Observations	2,989	665	1,051	1,113
	Panel D. The dependent variable is:			
	<i>Common-Law-O</i>	<i>Stock-Market-to-GDP</i>	<i>Private-Credit-to-GDP</i>	<i>Unemployment-Rate</i>
<i>Genetic-Distance</i>	3.264 (0.357)***	- 16.799 (7.775)**	5.298 (10.800)	- 22.308 (25.126)
<i>Self-Reliance</i>	- 0.011 (0.127)	8.940 (2.585)***	- 7.338 (4.683)	51.403 (9.410)***
<i>Common-Law-O</i>		1.511 (0.650)**	- 0.175 (0.500)	- 6.032 (1.797)***
<i>Genetic-Distance*Common-Law-O</i>		- 0.120 (0.692)	0.256 (1.183)	- 11.241 (2.806)***
<i>Self-Reliance*Common-Law-O</i>		- 0.189 (0.321)	- 0.254 (0.444)	5.460 (0.947)***
	OLS			
Within R <sup>2</sup>	0.15	0.46	0.17	0.27
Number of Observations	2,989	665	1,051	1,113

Notes: 1. Standard errors in parentheses. \*\*\* denotes significant at the 1% confidence level; \*\*, 5%; \*, 10%.  
2. All specifications include transplant and year fixed effects as well as *Plurality*.

Table III: 2SLS

	(1)	(2)	(3)	(4)	(5)
	<i>Common-Law</i>	<i>Common-Law</i>	The dependent variable is:		
			<i>Stock-Market-to-GDP</i>	<i>Private-Credit-to-GDP</i>	<i>Unemployment-Rate</i>
<i>Genetic-Distance</i>	3.211 (0.460)***	3.154 (0.457)***	- 25.316 (14.434)*	77.001 (218.820)	- 333.958 (160.300)**
<i>Democracy</i>	- 0.003 (0.011)	- 0.001 (0.011)	0.079 (0.341)	- 1.702 (6.329)	1.157 (1.489)
<i>Common-Law</i>			- 15.319 (7.113)**	18.175 (46.725)	- 90.032 (38.335)**
<i>Genetic-Distance*Common-Law</i>			18.014 (6.569)***	- 25.581 (63.296)	37.081 (29.174)
<i>Democracy*Common-Law</i>			1.946 (0.907)**	- 1.260 (2.636)	13.951 (6.142)**
First-Stage for <i>Democracy</i>					
<i>Self-Reliance</i>	11.312 (1.529)***				
<i>First-Person</i>		9.411 (2.902)***	15.124 (5.390)***	- 3.839 (14.305)	31.784 (6.685)***
<i>Second-Person</i>		13.391 (3.100)***	- 10.857 (12.491)	9.100 (21.577)	- 53.340 (12.257)***
First-Stage for <i>Democracy*Common-Law</i>					
<i>First-Person</i>			0.670 (1.589)	14.641 (6.656)**	5.311 (3.203)*
<i>Second-Person</i>			11.375 (3.682)***	- 10.946 (10.040)	6.326 (5.872)
2SLS					
P-value of Anderson test	0.00	0.00	0.01	0.75	0.01
P-value of Sargan statistic		0.10			
Number of Observations	2,989	2,989	664	1,051	1,112

- Notes:
- Standard errors in parentheses. \*\*\* denotes significant at the 1% confidence level; \*\*, 5%; \*, 10%.
  - All specifications include transplant and year fixed effects as well as *Plurality*.
  - The endogenous variables are *Democracy* in columns (1) and (2) and both *Democracy* and its interaction with *Common-Law* in columns (3) to (5). The excluded instruments are *Self-Reliance* in column (1) and both *First-Person* and *Second-Person* in columns (2) to (5). The control variables used in the second-stages are also included in the first-stages.
  - The null hypothesis of the Anderson underidentification (Sargan) test is that the excluded instruments are uncorrelated with the endogenous variables (exogenous).

Table IV: Clustered Standard Errors

	(1)	(2)	(3)	(4)	(5)
	Panel A. The dependent variable is:				
	<i>Case-Law</i>	<i>Common-Law</i>	<i>Stock-Market-to-GDP</i>	<i>Private-Credit-to-GDP</i>	<i>Unemployment-Rate</i>
<i>Genetic-Distance</i>	2.573 (1.468)*	3.164 (1.587)**	- 18.942 (14.941)	5.724 (18.608)	5.984 (93.444)
<i>Self-Reliance</i>	- 1.335 (0.907)	- 0.033 (0.653)	6.988 (4.035)*	- 7.644 (8.749)	66.120 (28.768)**
<i>Common-Law</i>			0.813 (0.405)**	- 0.226 (0.889)	0.397 (2.950)
<i>Genetic-Distance*Common-Law</i>			2.262 (2.171)	- 0.615 (2.512)	- 32.495 (19.357)*
<i>Self-Reliance*Common-Law</i>			- 0.043 (0.196)	- 0.601 (1.676)	3.937 (2.291)*
	OLS				
Within R <sup>2</sup>	0.03	0.15	0.45	0.17	0.27
Number of Observations	3,111	2,989	665	1,051	1,113
	Panel B. The dependent variable is:				
	<i>Case-Law</i>	<i>Common-Law</i>	<i>Stock-Market-to-GDP</i>	<i>Private-Credit-to-GDP</i>	<i>Unemployment-Rate</i>
<i>Genetic-Distance</i>	2.573 (2.211)	3.164 (1.540)*	- 18.942 (18.133)	5.724 (22.275)	5.984 (88.087)
<i>Self-Reliance</i>	- 1.335 (0.758)	- 0.033 (0.766)	6.988 (6.078)	- 7.644 (8.196)	66.120 (36.497)
<i>Common-Law</i>			0.813 (0.468)	- 0.226 (0.986)	0.397 (2.181)
<i>Genetic-Distance*Common-Law</i>			2.262 (1.369)	- 0.615 (2.170)	- 32.495 (18.859)
<i>Self-Reliance*Common-Law</i>			- 0.043 (0.212)	- 0.601 (2.325)	3.937 (0.911)***
	OLS				
Within R <sup>2</sup>	0.03	0.15	0.45	0.17	0.27
Number of Observations	3,111	2,989	665	1,051	1,113
	Panel C. The dependent variable is:				
	<i>Case-Law</i>	<i>Common-Law</i>	<i>Stock-Market-to-GDP</i>	<i>Private-Credit-to-GDP</i>	<i>Unemployment-Rate</i>
<i>Genetic-Distance</i>	2.255 (1.324)	- 0.253 (2.583)	- 31.475 (11.493)*	- 7.840 (39.575)	4.371 (193.949)
<i>Self-Reliance</i>	- 0.855 (0.392)*	0.516 (1.126)	24.773 (8.228)*	- 3.145 (17.228)	17.694 (35.374)
<i>Common-Law</i>			0.849 (0.163)**	- 0.960 (0.920)	- 0.243 (1.027)
<i>Genetic-Distance*Common-Law</i>			1.058 (0.528)	- 1.217 (2.047)	- 23.310 (15.931)
<i>Self-Reliance*Common-Law</i>			- 0.430 (0.211)	0.832 (2.014)	6.484 (1.246)***
	OLS				
Within R <sup>2</sup>	0.05	0.33	0.58	0.19	0.12
Number of Observations	1,769	1,708	328	794	617
	Panel D. The dependent variable is:				
	<i>Case-Law</i>	<i>Common-Law</i>	<i>Stock-Market-to-GDP</i>	<i>Private-Credit-to-GDP</i>	<i>Unemployment-Rate</i>
<i>Genetic-Distance</i>	2.573 (2.000)	3.164 (1.080)**	- 18.942 (9.864)*	5.724 (15.659)	5.984 (98.608)
<i>Self-Reliance</i>	- 1.335 (1.244)	- 0.033 (0.642)	6.988 (3.151)*	- 7.644 (6.557)	66.120 (20.607)**
<i>Common-Law</i>			0.813 (0.441)*	- 0.226 (0.797)	0.397 (3.563)
<i>Genetic-Distance*Common-Law</i>			2.262 (1.918)	- 0.615 (3.139)	- 32.495 (19.365)
<i>Self-Reliance*Common-Law</i>			- 0.043 (0.057)	- 0.601 (2.089)	3.937 (0.301)***
	OLS				
Within R <sup>2</sup>	0.03	0.15	0.45	0.17	0.27
Number of Observations	3,111	2,989	665	1,051	1,113

Notes: 1. Standard errors clustered at the transplant (regional) level in the parentheses of panel A (B) and at the colonial origins (language family) level in the parentheses of panel C (D). \*\*\* denotes significant at the 1% confidence level; \*\*, 5%; \*, 10%.

2. All specifications include transplant and year fixed effects as well as *Plurality*.

Table V: Evaluating the Error in the Measurement of Norms of Self Reliance

	(1)	(2)	(3)	(4)	(5)
	Panel A. The dependent variable is:				
	<i>Case-Law</i>	<i>Common-Law</i>	<i>Stock-Market-to-GDP</i>	<i>Private-Credit-to-GDP</i>	<i>Unemployment-Rate</i>
<i>Genetic-Distance</i>	1.156 (0.479)**	2.460 (0.361)***	- 35.910 (10.045)***	3.755 (12.401)	2.029 (26.873)
<i>Self-Reliance-D</i>	- 0.393 (0.357)	1.010 (0.270)***	31.753 (9.270)***	- 9.434 (12.389)	- 66.200 (34.845)*
<i>Common-Law</i>			0.952 (0.382)**	- 0.317 (0.410)	- 1.966 (1.281)
<i>Genetic-Distance*Common-Law</i>			1.586 (2.367)	- 1.252 (2.144)	- 8.519 (8.260)
<i>Self-Reliance-D*Common-Law</i>			- 1.546 (0.915)*	- 1.579 (3.221)	24.672 (3.062)***
	OLS				
Within R <sup>2</sup>	0.01	0.16	0.46	0.17	0.27
Number of Observations	3,111	2,989	665	1,051	1,113
	Panel B. The dependent variable is:				
	<i>Case-Law</i>	<i>Common-Law</i>	<i>Stock-Market-to-GDP</i>	<i>Private-Credit-to-GDP</i>	<i>Unemployment-Rate</i>
<i>Genetic-Distance</i>	4.412 (0.475)***	3.001 (0.372)***	- 35.933 (10.047)***	3.270 (12.439)	0.336 (27.344)
<i>Second-Person</i>	- 4.025 (0.287)***	0.140 (0.224)	31.771 (9.270)***	- 7.952 (11.047)	- 34.148 (31.487)
<i>Common-Law</i>			0.952 (0.382)**	- 0.320 (0.410)	- 1.537 (1.269)
<i>Genetic-Distance*Common-Law</i>			1.585 (2.367)	- 1.281 (2.148)	- 12.330 (8.008)
<i>Second-Person*Common-Law</i>			- 1.547 (0.915)*	- 1.864 (3.045)	22.766 (2.922)***
	OLS				
Within R <sup>2</sup>	0.07	0.15	0.46	0.17	0.27
Number of Observations	3,111	2,989	665	1,051	1,113

Notes: 1. Standard errors in parentheses. \*\*\* denotes significant at the 1% confidence level; \*\*, 5%; \*, 10%.  
2. All specifications include transplant and year fixed effects as well as *Plurality*.

Table VI: Focusing on Indigenous Populations

	(1)	(2)	(3)	(4)	(5)
	The dependent variable is:				
	<i>Case-Law</i>	<i>Common-Law</i>	<i>Stock-Market-to-GDP</i>	<i>Private-Credit-to-GDP</i>	<i>Unemployment-Rate</i>
<i>Genetic-Distance</i>	2.346 (0.459)***	3.429 (0.399)***	- 11.022 (12.711)	5.470 (17.358)	109.843 (29.388)***
<i>Self-Reliance</i>	- 0.615 (0.221)***	0.806 (0.192)***	7.336 (3.895)*	- 8.707 (6.568)	102.178 (12.519)***
<i>Common-Law</i>			- 0.285 (1.262)	1.257 (1.504)	- 4.739 (2.349)**
<i>Genetic-Distance*Common-Law</i>			5.853 (8.999)	- 6.261 (4.374)	- 16.939 (17.089)
<i>Self-Reliance*Common-Law</i>			0.682 (0.634)	- 0.594 (3.322)	6.980 (1.213)***
	OLS				
Within R <sup>2</sup>	0.05	0.19	0.48	0.21	0.39
Number of Observations	2,135	2,013	457	570	710

Notes: 1. Standard errors in parentheses. \*\*\* denotes significant at the 1% confidence level; \*\*, 5%; \*, 10%.  
2. All specifications include transplant and year fixed effects as well as *Plurality*.

Table VII: Considering Extra Control Variables

	(1)	(2)	(3)	(4)	(5)
	<i>Case-Law</i>	<i>Common-Law</i>	Panel A. The dependent variable is:		
			<i>Stock-Market-to-GDP</i>	<i>Private-Credit-to-GDP</i>	<i>Unemployment-Rate</i>
<i>Genetic-Distance</i>	2.882 (0.477)***	2.455 (0.362)***	- 20.315 (8.456)**	- 0.159 (11.645)	1.403 (26.071)
<i>Self-Reliance</i>	- 1.402 (0.167)***	0.124 (0.127)	7.779 (3.362)**	- 7.023 (4.649)	36.664 (11.518)***
<i>Common-Law</i>			0.802 (0.393)**	- 0.274 (0.512)	- 0.052 (1.493)
<i>Genetic-Distance*Common-Law</i>			2.227 (2.395)	- 0.545 (2.364)	- 25.908 (7.801)***
<i>Self-Reliance*Common-Law</i>			- 0.073 (0.293)	- 0.764 (1.072)	5.244 (0.986)***
<i>Plurality</i>	0.112 (0.041)***	- 0.236 (0.031)***	- 0.429 (0.722)	- 1.759 (0.949)*	12.830 (2.082)***
<i>Plurality(-1)</i>	- 0.105 (0.041)**	0.240 (0.031)***	0.306 (0.713)	1.920 (0.968)**	- 13.720 (2.069)***
OLS					
Within R <sup>2</sup>	0.04	0.17	0.46	0.17	0.30
Number of Observations	3,111	2,989	665	1,051	1,113
	<i>Case-Law</i>	<i>Common-Law</i>	Panel B. The dependent variable is:		
			<i>Stock-Market-to-GDP</i>	<i>Private-Credit-to-GDP</i>	<i>Unemployment-Rate</i>
<i>Genetic-Distance</i>	0.740 (0.632)	3.134 (0.559)***	- 19.850 (7.829)***	4.897 (11.997)	- 9.324 (26.821)
<i>Self-Reliance</i>	- 0.843 (0.204)***	0.714 (0.180)***	7.182 (2.823)***	- 16.289 (5.072)***	63.209 (10.875)***
<i>Common-Law</i>			0.744 (0.394)*	- 0.790 (0.579)	0.744 (1.532)
<i>Genetic-Distance*Common-Law</i>			2.492 (2.399)	0.394 (3.083)	- 32.097 (7.894)***
<i>Self-Reliance*Common-Law</i>			- 0.069 (0.285)	0.940 (1.385)	3.827 (0.985)***
<i>Property-Rights</i>	- 0.026 (0.018)	- 0.094 (0.016)***	- 0.161 (0.141)	0.015 (0.135)	0.128 (0.487)
<i>Rule-of-Law</i>	0.004 (0.026)	0.185 (0.024)***	0.381 (0.228)*	0.062 (0.203)	- 3.008 (0.799)***
OLS					
Within R <sup>2</sup>	0.03	0.23	0.46	0.16	0.27
Number of Observations	1,836	1,764	665	884	1,086

Notes: 1. Standard errors in parentheses. \*\*\* denotes significant at the 1% confidence level; \*\*, 5%; \*, 10%.  
2. All specifications include transplant and year fixed effects except those in panel B, which consider also *Plurality*. The expression (-1) labels a variable lagged one year.