Notes on Data for Hongbin Cai and Daniel Treisman, "Does competition for capital discipline governments? Decentralization, globalization and public policy" *AER* June 2005.

We have provided an Excel file with the following variables. We calculated the correlations and produced the graph in the text using SPSS for Windows 11.0.

Zindex	Index of regions' initial endowments as of the early 1990s. This is the sum of six standardized variables: 1) Natural log of the region's share in nationwide raw materials as of 1993 (divided by the mean value); 2) Percent of population with higher education as of 1989; 3) Minus the distance from Berlin or Tokyo (whichever nearer) in kms; 4) Percent of roads that were paved as of 1990; 5) Number of research and development organizations as of 1992; 6) Public buses per 10,000 inhabitants as of 1992.
Pav90952	Average number of kms of paved road built in 1995-2000 divided by number of kms of paved road built in 1990 (times 100).
Wat90952	Average number of kms of water mains built in 1995-2000 divided by number of kms of water mains built in 1990 (times 100). Sakha outlier excluded.
Rtr678	Share of regional budget spending on "development of markets", transport, roads, communications, and information technology, averaged for 1996-1998.
Rtr678m	Share of regional budget spending on "development of markets", transport, roads, communications, and information technology, averaged for 1996-1998, *Moscow and St Petersburg excluded.*
Insbck01	*Ekspert* magazine's rating of the "degree of development of the leading institutions of a market economy" as of 2001. Highest development = 89; lowest development = 1.
Is98	Total investment in non-financial assets in the region minus total savings of its population, 1998, as percent of gross regional product.
Cs98	Total bank credits issued in the region minus total savings, 1998, as percent of gross regional product.
Lnfi8820	Natural log of sum of foreign investment in 1998, 1999, 2000 plus one (in million dollars).
Insrat96	*Ekspert* magazine's rating of the "degree of development of the leading institutions of a market economy" as of 1996. Highest development = 89; lowest development = 1.