THE POWER OF EXAMPLE: CORRUPTION SPURS CORRUPTION: ONLINE APPENDIX

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1 Appendix

1.1 Additional Tables and Figures

Table A1: Cheating Descriptive Statistics

Year	Grade	Obs.	Mean %	SD %	Min	P99	Max
2006	3	16,466	2.5	7.2	0	35.3	95.7
2007	3	17,586	2.9	9.2	0	46.2	100
2008	3	17,041	6.6	18.2	0	100	100
2009	1	18,515	1.7	7.2	0	35	100
	2	18,801	3.7	10.7	0	60	100
	3	18,443	6.1	14.2	0	78	100
2010	1	19,417	1.9	7.9	0	40	100
	2	19,368	5.0	13.5	0	76.5	100
	3	19,052	6.2	14.7	0	80	100
2011	1	20,343	3.4	11.1	0	63.6	100
	2	20,343	2.9	10.1	0	55.6	100
	3	20,343	3.5	11.1	0	65.3	100
2012	1	19,545	4	13.2	0	80	100
	2	19,384	6.3	16.6	0	93	100
	3	18,978	6.7	16.6	0	92	100
2013	1	20,793	1.9	8.1	0	43	100
	2	20,585	4.2	12.8	0	75	100
	3	20,298	4.1	12.4	0	72	100

Figure A1: Kernel Estimation - Cheating Rate Secondary School All Grades 2006-2013

kernel = epanechnikov, bandwidth = 0.0400
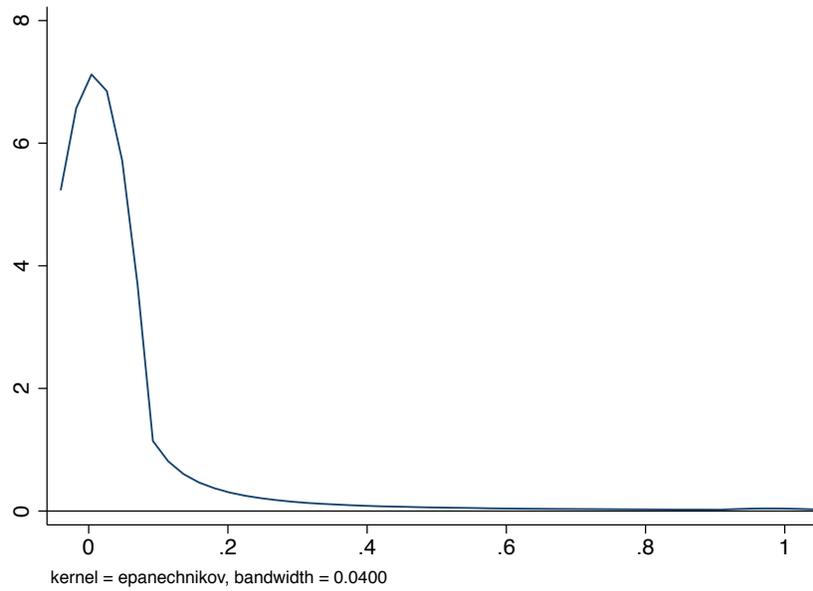
Table A2: Audit Descriptive Statistics

Year	Number Audits	Mean Not Authorized	SD Not Authorized	Proportion of Corrupt	Min. Not Authorized	Max. Not Authorized
2006	32	12.64	16.55	0.66	0	56.8
2007	94	9.21	13.1	0.57	0	46
2008	100	6.46	10.89	0.56	0	64
2009	111	11.15	15.71	0.61	0	87.5
2010	142	9.013	13.52	0.63	0	65.4
2011	130	6.96	14.27	0.52	0	100
2012	161	3.93	8.84	0.4	0	53.5
2013	160	3.2	7.95	0.38	0	52
Mean	116.25	7.82	12.61	0.54	0	65.65

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Figure A2: Kernel Estimation - Unauthorized Expenditure 2006-2013, in %

kernel = epanechnikov, bandwidth = 5.0000
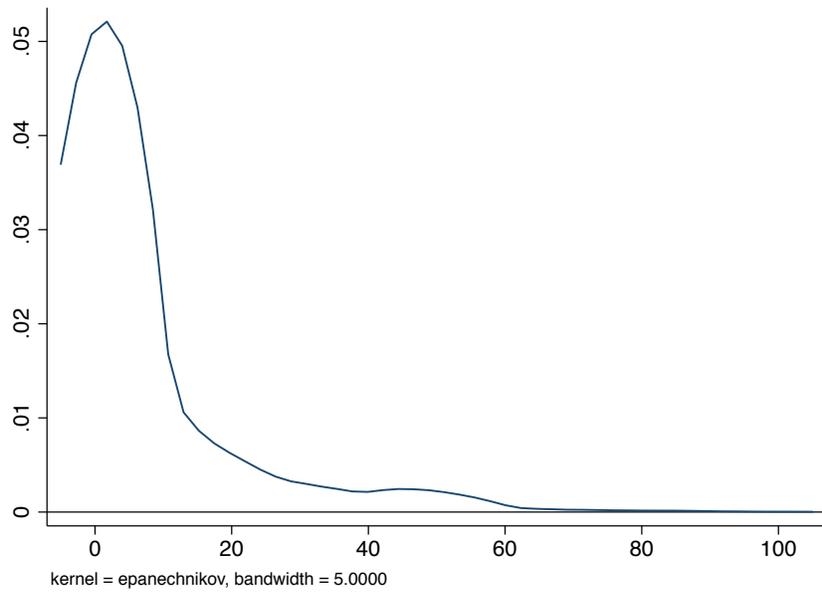
Table A3: Survey Descriptive Statistics (Mean and Standard Deviation)

	Count Index	At Least 1	At Least 2	PC	Cheat to get ahead	Not Trust-worthy	Break Rules	Steal	Not Return Wallet
Mean	0.74	0.49	0.19	0.16	0.21	0.05	0.21	0.06	0.22
SD	(0.91)	(0.50)	(0.39)	(0.20)	(0.41)	(0.21)	(0.41)	(0.24)	(0.41)
Min	0	0	0	0	0	0	0	0	0
Max	4	1	1	0.87	1	1	1	1	1
Obs.	9,150	9,150	9,150	9,150	9,415	9,492	9,406	9,432	9,443

Definitions: "Count Index": sum of incivic answers, "At Least 1": at least one incivic unswer, "At Least 2": at least two incivic answers, "PC": First component of a PCA (normalized to a 0-1 scale). The exact wording of the individual questions and the criteria to build the indices can be found in the Appendix.

Table A4: Public Opinion Descriptive Statistics

State	% Answering Corrupt			Corruption Ranking		
	PAN	PRI	PRD	1st	2nd	3rd
Aguascalientes	34	48	20	PRI	PAN	PRD
Baja California	13	100	4	PRI	PAN	PRD
Baja California Sur	0	66	28	PRI	PRD	PAN
Campeche	9	2	27	PRI	PRD	PAN
Coahuila	28	46	30	PRI	PRD	PAN
Chihuahua	11	59	21	PRI	PRD	PAN
Colima	5	85	27	PRI	PRD	PAN
Chiapas	2.5	88	14	PRI	PRD	PAN
Durango	11	58	23	PRI	PRD	PAN
Guanajuato	6	79	27	PRI	PRD	PAN
Guerrero	4	81	32	PRI	PRD	PAN
Hidalgo	11	57	32	PRI	PRD	PAN
Jalisco	20	77	21	PRI	PRD	PAN
Mexico (State)	25	72	30	PRI	PRD	PAN
Michoacan	11	55	36	PRI	PRD	PAN
Morelos	8	78	19	PRI	PRD	PAN
Nayarit	15	56	16	PRI	PRD	PAN
Nuevo Leon	9	70	23	PRI	PRD	PAN
Oaxaca	0	97	19	PRI	PRD	PAN
Puebla	19	85	9	PRI	PAN	PRD
Queretaro	2	80	39	PRI	PRD	PAN
Quintana Roo	5	66	29	PRI	PRD	PAN
San Luis Potosi	6	82	24	PRI	PRD	PAN
Sinaloa	13	70	10	PRI	PAN	PRD
Sonora	8	67	23	PRI	PRD	PAN
Tabasco	5	40	45	PRD	PRI	PAN
Tamaulipas	12	62	19	PRI	PRD	PAN
Tlaxcala	12	51	12	PRI	PRD	PAN
Veracruz	32	40	24	PRI	PAN	PRD
Yucatan	32	58	15	PRI	PAN	PAN
Zacatecas	2	34	56	PRI	PAN	PAN

Figure A3: Leads and Lags (robustness) – 95% CI
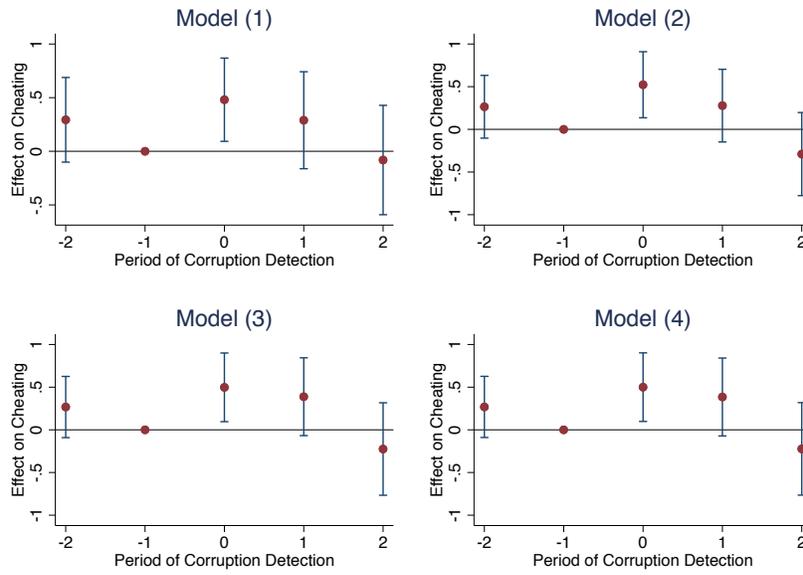
Note: Model (1): excludes municipality linear trends, grade fixed effects, municipality time-varying controls, and political controls. Model (2): same as Model (1) but adds political controls. Model (3): same as Model (2) but adds municipality time-varying controls. Model (4): same as Model (3) but adds grade fixed effects.

Figure A4: Leads and Lags, only with Audit Reports – 95% CI
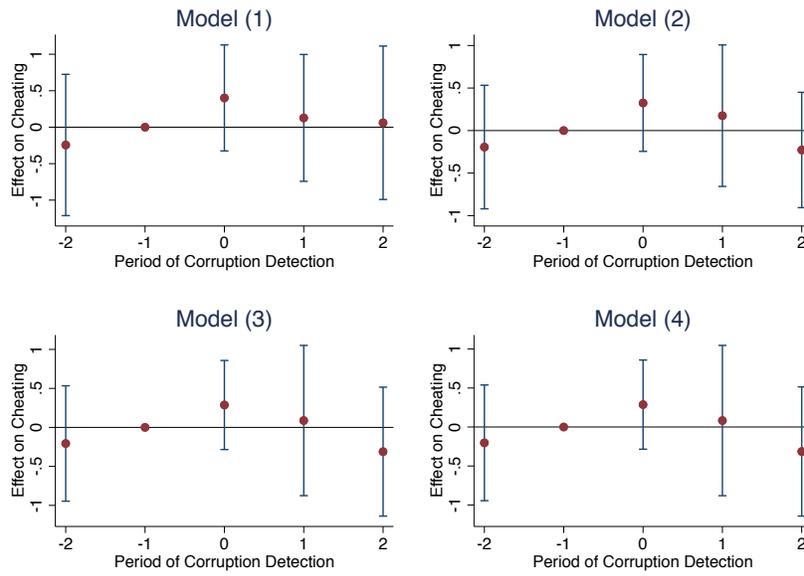
Note: 95% Confidence Intervals, 1st pre-treatment period normalized to 0. Corruption defined as "proportion of unauthorized expenditure greater than zero." Model (1) excludes grade fixed effects, municipality time-varying controls and political controls. Model (2): same as Model (1) but adds political controls. Model (3): same as Model (2) but adds municipality time-varying controls. Model (4): same as Model (3) but adds grade fixed effects.

Table A5: Effect of Corruption on Values: Robustness

	Count Index	At Least 1	At Least 2	PC
CorruptAfter (>0)	0.61	0.19	0.26	0.14
	(0.14)	(0.07)	(0.05)	(0.03)
	[0.67σ]	[0.37σ]	[0.66σ]	[0.71σ]
CorruptAfter (P15)	0.47	0.12	0.21	0.10
	(0.21)	(0.09)	(0.09)	(0.05)
	[0.52σ]	[0.23σ]	[0.54σ]	[0.51σ]
CorruptAfter (P25)	0.50	0.16	0.20	0.10
	(0.21)	(0.09)	(0.09)	(0.04)
	[0.55σ]	[0.31σ]	[0.51σ]	[0.52σ]
CorruptAfter (log)	0.07	0.02	0.03	0.02
	(0.02)	(0.01)	(0.01)	(0.00)
Observations	9,150	9,150	9,150	9,150

Clustered standard errors in parentheses (municipality)

Each row corresponds to a separate regression.

Results with the full set of controls (last column) include year fixed effects and the set of controls at the municipality level described in Section 3, plus the individual level controls described in Section 5.3.

Definitions: "Count Index": sum of incivic answers, "At Least 1": at least one incivic answer, "At Least 2": at least two incivic answers, "PC": First component of a PCA (normalized to a 0-1 scale). The exact wording of the individual questions and the criteria to build the indices can be found in the Appendix.

In brackets: the estimated coefficients divided by the standard deviation of each variable.

Table A6: Effect of Corruption on Values: Placebo

	Tanda	Saving (I)	Saving (II)	Fear (day)	Fear (night)	Enough Money
CorruptAfter >0	0.02	-0.07	805.91	0.07	0.04	0.00
	(0.07)	(0.09)	(498.5)	(0.07)	(0.06)	(0.06)
	[0.04σ]	[0.14σ]	[0.25σ]	[0.19σ]	[0.10σ]	[0.00σ]
CorruptAfter (P15)	0.11	-0.20	1007.65	-0.03	-0.09	-0.07
	(0.10)	(0.10)	(536.50)	(0.09)	(0.09)	(0.09)
	[0.27σ]	[0.40σ]	[0.31σ]	[0.07σ]	[0.21σ]	[0.15σ]
CorruptAfter (P25)	0.11	-0.17	1117.46	-0.03	-0.09	-0.09
	(0.10)	(0.08)	(523.10)	(0.09)	(0.09)	(0.09)
	[0.26σ]	[0.34σ]	[0.35σ]	[0.07σ]	[0.21σ]	[0.18σ]
CorruptAfter (log)	0.00	0.00	110.78	0.01	0.00	-0.01
	(0.01)	(0.01)	(69.84)	(0.01)	(0.01)	(0.01)
Obs.	9,982	9,578	9,579	9,612	9,612	9,982

Clustered standard errors in parentheses (municipality)

Each row corresponds to a separate regression.

Results with the full set of controls (last column) include year fixed effects and the set of controls at the municipality level described in Section 3, plus the individual level controls described in Section 5.3.

Definitions: "Tanda": How likely is it that you will invest all your monthly income in an informal savings group? (0-100). Takes a 1 if the probability is greater than the mean average. "Saving (I)": Do you think about the future when you make decisions about spending and saving?. Takes a 1 if the answer is positive. "Saving (II)": Imagine that you have a rich relative who gives you 20,000 pesos today. How much would you spend in the next 30 days? "Fear (day)": Do you feel scared of being attacked or assaulted during the day?. Takes a 1 if the answer is positive (scared or very scared). "Fear (night)": Do you feel scared of being attacked or assaulted during the night?. Takes a 1 if the answer is positive (scared or very scared). "Enough Money": How likely is it that you will have enough money this year to cover all your household needs?. Takes a 1 if the probability is larger than the mean average. "Involved": No one should get involved in a family's or friends' problems. Takes a value of 1 if the individual agrees or completely agrees.

In brackets: the estimated coefficients divided by the standard deviation of each variable.

1.2 Values Survey: Exact Wording of the Questions

In Section 6 (Interpretation and Channels), I use five questions related to civic values included in the Mexican Family Life Survey, which I combine to construct different indices. The exact wording of the five questions is as follows: (1) "The one who does not cheat, does not get ahead" (Completely Agree, Agree, Disagree, Completely Disagree), (2) "Are you trustworthy?" (Completely Agree, Agree, Disagree, Completely Disagree), (3) "Laws were made to be broken" (Completely Agree, Agree, Disagree, Completely Disagree), (4) "How likely is it that you steal electricity from the public lines (illegally)"? (1 to 100), (5) "How likely is it that you return a wallet with 500 pesos in it?" (1 to 100).

Using these questions, I then construct four synthetic indices of civic-mindedness: (a) Count Index: sum of incivic answers (min=1, max = 5) (b) At Least 1: takes a value of one if there is at least one incivic answer and zero otherwise, (b) At Least 2: takes a value of one if there are at least two incivic answers (c) Principal Component: First component of a principal component analysis of the five questions (normalized to a 0-1 scale). The answers to questions (1) and (3) are considered incivic if the individual agrees or completely agrees with the statements. The answer to question (2) is considered incivic if the individual disagrees or completely disagrees with the statement. The answer to question (4) is considered incivic if the probability is greater than the mean average. The answer to question (5) is considered incivic if the probability is smaller than the mean average.