Appendix

Below, we present results from several additional analyses mentioned in the main text.

1. In Table A1, we show that the results are robust to using interest rates on ten-year U.S. government bonds, which capture longer-term borrowing costs and are less variable over time than the interest rates on one-year U.S. government bonds.

2. In Table A2, we report results when controlling for expected U.S. inflation rates instead of actual inflation rates. We use one-year inflation expectations, from the last month of the preceding year. Data are from the Federal Reserve Bank of Cleveland. Including this variable cuts down on the sample size, because the variable is only available after 1982. The results remain robust to this change.

3. In Tables A3 and A4, we report results when replicating Table 2 from the main text with the alternative measures of credit conditions, using changes in global credit availability in Table A3 and changes in domestic credit availability in Table A4.

4. In Table A5, we present results using the log ratio, as suggested by Lowe et al. (2011) as an improvement over the simple difference in proportions.

5. In Table A6, we present results using the measure of 'policy importance' developed by Lowe et al. (2011), which measures total references to a specific topic, rather than the difference between supporting and opposing statements.

6. In Table A7, we maintain the measure of policy importance from the previous table, and present results for the interaction between partisanship and U.S. interest rates when examining the policy importance, or salience, of pro-business statements as well as the different components of the index.

7. In Table A8, we return to pro-business statements and the components of the index and present results for the interaction between partisanship and U.S. interest rates.

8. In Table A9, in column 1 we collapse the data by election (with one observation for each country-election year); in column 2 we collapse the data by election and weigh observation by each party's vote share in that election; in column 3, we retain the disaggregated format but weigh observations by vote shares, to give larger weight to larger parties.

9. In Table A10, we control for a variety of institutional variables. In column 1, we control for Central Bank Independence from Garriga (2025). In column 2, we control for whether a country is a democracy, based on polity scores (using a score of at least 6 as cut-off). In column 3, we control for whether a country receives the full score on the index of electoral competitiveness from the Database of Political Institutions. In column 4, we control for differences within democratic institutions: the electoral system (plurality rule versus proportional representation), the system of government (presidential versus

parliamentary system), obtained from the Database of Political Institutions, and the number of parties, based on the Manifesto Project data.

10. In Table A11, in column 1, we limit the sample to non-OECD countries; in column 2, we limit the sample to countries with presidential systems, where election timing is largely exogenous; in column 3, we limit the sample to left-wing parties (according to the left-right scale of the Manifesto Project, with a left-right score of less than 0); in column 4, we limit the sample to the three largest parties in each election; in column 5, we limit the sample to democracies based on polity scores (using a score of at least 6 as cut-off); in column 6, we limit the sample to countries that receive the full score on the index of electoral competitiveness from the Database of Political Institutions (most the change in sample size comes from missing information on this indicator).

11. In Table A12, we first replace our main predictor, U.S. interest rates, with a binary variable that takes the value 1 in years in which U.S. interest rates are above 5% (which corresponds to the sample median across all observations), and 0 in all other years. We plot in Figure A1 how the coefficient estimate changes when we move this cut-off across the range from 1% to 8%. The results lose statistical significance when choosing a threshold of 7% or 8%. In those cases, less than 20% of observations are coded 1, and generally yield stronger associations for lower cut-offs. In column 2, we include a cubic year trend together with the binary variable to control for non-linear time trends. In column 3, we return to our continuous measure of U.S. interest rates and include a linear time trend. In column 4, we explicitly control for neo-liberal party statements to capture trends in neo-liberal politics over time. In column 5, we present results when using a first-difference model, using election-to-election changes for all variables.

12. In Table A13, we replicate Table 1 from the main text and include a cubic year trend. U.S. interest rates follow a roughly quadratic trend, and the results accordingly lose statistical significance when controlling for year trends. For the other two variables, the results remain statistically significant and similar in size.

13. In Table A14, in column 1 we present results when using a Hodrick-Prescott filter to detrend interest rates. In column 2, we replace our measure of U.S. interest rates with deviations from the predicted interest rate based on monthly interest in the previous 12 months. To arrive at this measure, we use monthly interest rate data and regress interest rates on a quadratic time trend. We then use this model to predict interest rates for the next month and calculate deviations from that prediction. We insert the annual average deviation from the predicted interest rate in our main model. In column 3, we create a variable of interest rate shocks. To do so, we estimate the same model of interest rate trends based on the previous 12 months, and code a variable as "1" if the interest rate in the next month is outside the 95% confidence interval of the predicted interest rate (and specifically, above the upper end of the confidence interval). This model identifies sharp discontinuities and takes into account both the trend over the past 12 months and the variability of the trend. We then aggregate the data back to the year level and use it as predictor in our main model.

Table A1: 10-Year Interest Rates

	Pro-Business	Regulation	Welfare states	Labor markets	Right-left index	Right-left index (pro-business excluded)	Neo-liberal index
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
U.S. interest rate	0.790***	0.291***	0.305***	0.194***	1.263***	0.257	0.139
	(0.10)	(0.05)	(0.06)	(0.05)	(0.24)	(0.18)	(0.09)
Log GDP	-0.381**	-0.266***	-0.015	-0.100*	-1.152**	-0.718**	-0.313*
	(0.17)	(0.07)	(0.10)	(0.06)	(0.50)	(0.34)	(0.16)
GDP per capita	-0.028	0.005	-0.030***	-0.003	-0.004	0.000	-0.022
	(0.02)	(0.01)	(0.01)	(0.01)	(0.05)	(0.03)	(0.01)
GDP growth	-0.091**	-0.026	-0.122***	0.057***	-0.343***	-0.165*	-0.101**
	(0.04)	(0.02)	(0.03)	(0.02)	(0.11)	(0.09)	(0.04)
Inflation	0.508**	-0.123	0.217	0.414***	1.546*	1.806**	-0.881***
	(0.26)	(0.11)	(0.18)	(0.11)	(0.86)	(0.70)	(0.33)
U.S. GDP growth	0.049	0.059	0.064	-0.074*	-0.379*	-0.464***	0.025
	(0.09)	(0.04)	(0.06)	(0.04)	(0.23)	(0.15)	(0.08)
U.S. inflation	-0.143	-0.094**	0.057	-0.106**	-1.063***	-0.769***	-0.093
	(0.09)	(0.04)	(0.06)	(0.04)	(0.22)	(0.15)	(0.08)
Constant	-4.156	4.849***	-8.247***	-0.757	23.626*	25.170***	11.688***
	(4.10)	(1.71)	(2.32)	(1.49)	(12.08)	(8.21)	(4.00)
Observations	3,335	3,355	3,335	3,355	3,335	3,301	3,301
Countries	57	57	57	57	57	53	53

Linear regression models, coefficient estimates and standard errors. Significance: *** 1%, ** 5%, * 10%. Robust standard errors, clustered by party.

Table A2: Expected Inflation Rates as Control Variable

	Pro-Business	Regulation	Welfare states	Labor markets	Right-left index	Right-left index (pro-business excluded)	Neo-liberal index
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
U.S. interest rate	0.508***	0.215***	0.210***	0.082*	0.573**	0.008	0.113
	(0.10)	(0.04)	(0.07)	(0.04)	(0.25)	(0.18)	(0.09)
Log GDP	-0.304*	-0.221***	0.059	-0.143**	-1.463***	-0.947***	-0.443***
	(0.16)	(0.07)	(0.10)	(0.06)	(0.43)	(0.30)	(0.15)
GDP per capita	-0.024	0.004	-0.024**	-0.003	-0.047	-0.039	-0.037**
	(0.02)	(0.01)	(0.01)	(0.01)	(0.05)	(0.03)	(0.01)
GDP growth	-0.139***	-0.030*	-0.153***	0.044**	-0.469***	-0.238***	-0.086*
	(0.05)	(0.02)	(0.03)	(0.02)	(0.11)	(0.09)	(0.05)
Inflation	0.540**	-0.064	0.244	0.360***	0.594	0.988	-0.997***
	(0.25)	(0.10)	(0.18)	(0.11)	(0.85)	(0.71)	(0.34)
U.S. GDP growth	-0.080	0.056	-0.073	-0.062	-0.104	-0.233	0.245***
	(0.11)	(0.05)	(0.07)	(0.05)	(0.26)	(0.18)	(0.08)
U.S. Inflation	69.046**	6.666	42.338**	20.042*	46.852	-23.033	-44.151
	(30.42)	(12.26)	(20.21)	(11.45)	(74.42)	(54.60)	(27.70)
Constant	-6.047	4.007**	-10.319***	0.265	33.666***	32.427***	16.519***
	(4.00)	(1.64)	(2.36)	(1.46)	(10.38)	(7.22)	(3.76)
Observations	2,609	2,609	2,609	2,609	2,609	2,555	2,555
Countries	56	56	56	56	56	52	52

Linear regression models, coefficient estimates and standard errors. Significance: *** 1%, ** 5%, * 10%.
Robust standard errors, clustered by party.

Table A3: Additional Results – Global credit and pro-business statements

	Party F.E.	Country F.E.	Lagged DV	Double-cluster	Largest parties
	(1)	(2)	(3)	(4)	(5)
ΔGlobal credit	-0.296***	-0.327***	-0.297***	-0.338***	-0.188*
	(0.06)	(0.05)	(0.07)	(0.04)	(0.10)
Log GDP	0.053	-0.008	-0.109	-0.339	-0.095
	(0.40)	(0.30)	(0.10)	(0.22)	(0.23)
GDP per capita	-0.126***	-0.117***	-0.027***	-0.050***	-0.068***
	(0.03)	(0.02)	(0.01)	(0.02)	(0.02)
GDP growth	-0.070	-0.035	-0.119**	-0.127*	-0.131**
	(0.06)	(0.04)	(0.05)	(0.07)	(0.06)
Inflation	1.437***	1.978***	1.024	0.524*	0.960**
	(0.53)	(0.26)	(1.72)	(0.27)	(0.45)
U.S. GDP growth	0.126	0.080	0.150*	0.316*	0.202
	(0.10)	(0.08)	(0.09)	(0.16)	(0.14)
U.S. inflation	0.182**	0.178**	0.308***	0.410***	0.236**
	(0.08)	(0.07)	(0.06)	(0.13)	(0.12)
Lagged DV			0.585***		
			(0.02)		
Constant	-10.345	-8.969	-2.630	-2.641	-7.813
	(9.88)	(7.46)	(2.56)	(5.20)	(5.66)
Observations	3,355	3,355	2,612	3,355	1,528
Countries	57	57	55	57	54

Linear regression models, coefficient estimates and standard errors.
Significance: *** 1%, ** 5%, * 10%. Robust standard errors, clustered by party.

Table A4: Additional Results – Domestic credit and pro-business statements

	Party F.E.	Country F.E.	Lagged DV	Double-cluster	Largest parties
	(1)	(2)	(3)	(4)	(5)
ΔDomestic credit	-2.627	-2.529	-2.575	-2.752	-5.016**
	(2.33)	(1.58)	(1.61)	(2.41)	(2.36)
Log GDP	-0.010	0.005	-0.289***	-0.686***	-0.354
	(0.55)	(0.38)	(0.11)	(0.24)	(0.25)
GDP per capita	-0.130***	-0.121***	-0.022**	-0.038*	-0.057***
	(0.03)	(0.03)	(0.01)	(0.02)	(0.02)
GDP growth	-0.125	-0.118**	-0.133**	-0.191**	-0.181**
	(0.08)	(0.06)	(0.06)	(0.08)	(0.08)
Inflation	0.893	1.397***	2.333	0.075	0.346
	(0.63)	(0.32)	(1.75)	(0.31)	(0.47)
U.S. GDP growth	0.011	-0.047	0.083	0.264	0.185
	(0.12)	(0.10)	(0.12)	(0.23)	(0.19)
U.S. inflation	0.246**	0.260***	0.427***	0.639***	0.488***
	(0.11)	(0.10)	(0.07)	(0.15)	(0.16)
Lagged DV			0.593***		
			(0.03)		
Constant	-8.523	-9.075	1.773	5.509	-2.102
	(13.52)	(9.27)	(2.85)	(5.88)	(6.33)
Observations	2,368	2,368	1,826	2,368	1,083
Countries	56	56	54	56	53

Linear regression models, coefficient estimates and standard errors.
Significance: *** 1%, ** 5%, * 10%. Robust standard errors, clustered by party.

Table A5: Log Ratio of Statements Supporting and Opposing

	Pro-Business	Regulation	Welfare states	Labor markets	Right-left index	Right-left index (pro-business excluded)	Neo-liberal index
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
U.S. interest rate	0.086***	0.101***	0.035***	0.044***	0.037***	0.016	0.039**
	(0.01)	(0.02)	(0.01)	(0.01)	(0.01)	(0.01)	(0.02)
Log GDP	-0.062**	-0.111***	0.004	-0.011	-0.038*	-0.044*	-0.051*
	(0.03)	(0.03)	(0.02)	(0.02)	(0.02)	(0.03)	(0.03)
GDP per capita	0.000	-0.000	0.002	-0.001	-0.002	-0.001	-0.005*
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
GDP growth	-0.024***	-0.017**	-0.022***	0.003	-0.014***	-0.013**	-0.014*
	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Inflation	0.027	-0.005	-0.009	0.041	0.091**	0.109**	-0.138**
	(0.05)	(0.06)	(0.04)	(0.04)	(0.04)	(0.05)	(0.06)
U.S. GDP growth	-0.003	-0.001	-0.011	-0.029**	-0.031***	-0.038***	-0.009
	(0.02)	(0.02)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
U.S. inflation	-0.036**	-0.053***	0.002	-0.027*	-0.051***	-0.057***	-0.043***
	(0.02)	(0.02)	(0.02)	(0.01)	(0.01)	(0.01)	(0.02)
Constant	-0.596	2.263***	-2.559***	-1.385***	0.890	1.589**	2.184***
	(0.73)	(0.79)	(0.47)	(0.47)	(0.55)	(0.62)	(0.72)
Observations	3,226	2,766	3,093	2,637	3,268	3,235	3,281
Countries	57	57	57	57	53	53	53

Linear regression models, coefficient estimates and standard errors. Significance: *** 1%, ** 5%, * 10%. Robust standard errors, clustered by party.

Table A6: Policy Importance – Total Mentions of Statements Supporting and Opposing

	Pro-Business	Regulation	Welfare states	Labor markets	Right-left index	Right-left index (pro-business excluded)	Neo-liberal index
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
U.S. interest rate	-2.183***	0.381	-0.023***	-1.710**	-0.591**	1.054**	-2.965***
	(0.51)	(0.67)	(0.01)	(0.72)	(0.24)	(0.45)	(0.77)
Log GDP	1.002	0.385	-0.001	1.037	-0.591	-0.778	0.595
	(0.77)	(1.03)	(0.01)	(1.22)	(0.51)	(0.81)	(1.18)
GDP per capita	0.406***	0.242**	0.004***	0.083	0.097**	0.061	-0.133
	(0.07)	(0.11)	(0.00)	(0.11)	(0.05)	(0.07)	(0.11)
GDP growth	0.009	-0.663**	0.010***	-1.080***	-0.300**	-0.197	-0.622
	(0.29)	(0.32)	(0.00)	(0.36)	(0.15)	(0.26)	(0.40)
Inflation	-7.598***	-0.416	-0.079***	-9.685***	-1.534	5.487***	-15.95***
	(2.24)	(2.77)	(0.03)	(2.76)	(1.38)	(2.04)	(4.74)
U.S. GDP growth	-0.005	1.140	-0.003	1.757**	-0.232	-1.248***	1.021
	(0.53)	(0.73)	(0.01)	(0.83)	(0.28)	(0.47)	(0.74)
U.S. inflation	0.504	-0.522	-0.003	2.169**	-0.244	-2.100***	1.708*
	(0.58)	(0.77)	(0.01)	(0.90)	(0.33)	(0.62)	(0.99)
Constant	243.3***	134.7***	2.18***	102.4***	410.7***	355.1***	219.7***
	(19.28)	(25.37)	(0.21)	(30.13)	(12.28)	(19.82)	(29.04)
Observations	3,252	2,880	3,116	2,652	3,281	3,272	3,281
Countries	57	57	57	57	53	53	53

Linear regression models, coefficient estimates and standard errors. Significance: *** 1%, ** 5%, * 10%. Robust standard errors, clustered by party.

Table A7: Partisan Differences and Policy Importance

	Pro-Business	Regulation	Welfare states	Labor markets
	(1)	(2)	(3)	(4)
U.S. interest rate	-2.083***	-0.153	-0.019***	-0.904
	(0.57)	(0.74)	(0.01)	(0.84)
X right-left (lagged)	0.046***	0.055**	0.000	0.049**
	(0.02)	(0.02)	(0.00)	(0.02)
Right-left (lagged)	-0.539***	0.224*	-0.006***	-0.904***
	(0.10)	(0.13)	(0.00)	(0.15)
Log GDP	-0.024	0.076	-0.013	-0.498
	(0.85)	(1.13)	(0.01)	(1.31)
GDP per capita	0.461***	0.263**	0.005***	0.082
	(0.08)	(0.11)	(0.00)	(0.11)
GDP growth	0.100	-0.578	0.014***	-1.246**
	(0.37)	(0.40)	(0.00)	(0.49)
Inflation	-15.983	-15.881	-0.013	12.454
	(18.52)	(13.22)	(0.14)	(17.97)
U.S. GDP growth	-0.129	1.743**	-0.008	1.554*
	(0.59)	(0.80)	(0.01)	(0.93)
U.S. inflation	0.537	0.917	-0.008	1.021
	(0.63)	(0.85)	(0.01)	(0.99)
Constant	267.211***	139.155***	2.449***	139.258***
	(21.46)	(28.25)	(0.22)	(32.59)
Observations	2,538	2,260	2,432	2,075
Countries	55	55	55	55

Linear regression models, coefficient estimates and standard errors.
Significance: *** 1%, ** 5%, * 10%.
Robust standard errors, clustered by party.

Table A8: Partisan Differences and Pro-Business Statements

	Pro-Business	Regulation	Welfare states	Labor markets
	(1)	(2)	(3)	(4)
U.S. interest rate	0.521***	0.184***	0.214***	0.123***
	(0.09)	(0.04)	(0.06)	(0.04)
x right-left (lagged)	-0.004	0.000	-0.003	-0.001
	(0.00)	(0.00)	(0.00)	(0.00)
Right-left (lagged)	0.203***	0.068***	0.084***	0.051***
	(0.02)	(0.01)	(0.01)	(0.01)
Log GDP	-0.063	-0.206***	0.139	0.004
	(0.13)	(0.06)	(0.10)	(0.06)
GDP per capita	-0.033**	0.008	-0.035***	-0.005
	(0.01)	(0.01)	(0.01)	(0.01)
GDP growth	-0.133**	-0.036	-0.163***	0.066***
	(0.05)	(0.02)	(0.04)	(0.03)
Inflation	-1.648	-1.523	-0.646	0.521
	(3.56)	(2.47)	(1.31)	(0.71)
U.S. GDP growth	0.159*	0.095**	0.124**	-0.059
	(0.10)	(0.04)	(0.06)	(0.05)
U.S. inflation	0.041	-0.009	0.100	-0.050
	(0.11)	(0.05)	(0.08)	(0.05)
Constant	-10.181***	4.067***	-11.353***	-2.895**
	(3.36)	(1.54)	(2.50)	(1.42)
Observations	2,592	2,592	2,592	2,592
Countries	55	55	55	55

Table A9: Aggregation and Party Weights

	Election	Election (weighted)	Party (weighted)
	(1)	(2)	(3)
U.S. interest rate	0.650***	0.705***	0.704***
	(0.12)	(0.12)	(0.12)
Log GDP	-0.230	-0.191	-0.181
	(0.15)	(0.15)	(0.22)
GDP per capita	-0.034**	-0.024*	-0.023
	(0.01)	(0.01)	(0.02)
GDP growth	-0.147**	-0.162**	-0.160***
	(0.06)	(0.06)	(0.05)
Inflation	0.623*	0.762*	0.752
	(0.37)	(0.40)	(0.60)
U.S. GDP growth	0.000	0.085	0.084
	(0.13)	(0.14)	(0.13)
U.S. inflation	-0.231*	-0.187	-0.176
	(0.14)	(0.15)	(0.13)
Constant	-6.106*	-8.123**	-8.456
	(3.61)	(3.62)	(5.23)
Observations	525	513	3,224
Countries	57	54	54

Linear regression models, coefficient estimates and standard errors.
Significance: *** 1%, ** 5%, * 10%. Robust standard errors (clustered by party in model 3).

Table A10: Institutional Controls

	CBI	Democracy	Electoral Competition	Democratic differences
	(1)	(2)	(3)	(4)
U.S. interest rate	0.627***	0.676***	0.670***	0.609***
	(0.10)	(0.09)	(0.09)	(0.09)
Log GDP	-0.306*	-0.376**	-0.269	-0.352*
	(0.17)	(0.18)	(0.17)	(0.19)
GDP per capita	-0.029	-0.033*	-0.026	-0.047**
	(0.02)	(0.02)	(0.02)	(0.02)
GDP growth	-0.125***	-0.132***	-0.142***	-0.108**
	(0.04)	(0.04)	(0.05)	(0.05)
Inflation	0.563**	0.576**	0.663***	0.410
	(0.25)	(0.25)	(0.25)	(0.37)
U.S. GDP growth	-0.038	-0.006	-0.019	-0.041
	(0.09)	(0.10)	(0.10)	(0.10)
U.S. inflation	-0.203*	-0.232**	-0.183*	-0.194*
	(0.11)	(0.11)	(0.11)	(0.11)
CBI	-1.087			
	(1.31)			
Democracy		0.694		
		(0.73)		
Electoral Competitiveness			0.681	
			(0.82)	
Political System				0.985***
				(0.37)
Electoral Rule House				0.494
				(0.86)
Number Parties				0.280**
				(0.11)
Constant	-3.391	-3.855	-4.151	-6.418
	(4.35)	(4.07)	(4.20)	(4.47)
Observations	3,121	3,280	2,856	2,808
Countries	57	54	54	54

Linear regression models, coefficient estimates and standard errors.
Significance: *** 1%, ** 5%, * 10%. Robust standard errors, clustered by party.

Table A11: Sample Restrictions

	Non-OECD	Presidential system	Left-wing parties	Largest three parties	Democracy	Electorally Competitive
	(1)	(2)	(3)	(4)	(5)	(6)
U.S. interest rate	0.993***	0.485**	0.391***	0.513***	0.661***	0.660***
	(0.18)	(0.21)	(0.10)	(0.13)	(0.09)	(0.09)
Log GDP	-0.671***	-0.829***	-0.237	-0.101	-0.273	-0.246
	(0.23)	(0.25)	(0.15)	(0.23)	(0.19)	(0.18)
GDP per capita	0.148**	-0.116	-0.053***	-0.053***	-0.037*	-0.027
	(0.06)	(0.09)	(0.01)	(0.02)	(0.02)	(0.02)
GDP growth	-0.001	-0.094	-0.110**	-0.122*	-0.189***	-0.152***
	(0.05)	(0.07)	(0.05)	(0.06)	(0.05)	(0.05)
Inflation	1.366***	0.804***	1.269***	0.991**	0.450*	0.596**
	(0.26)	(0.31)	(0.40)	(0.39)	(0.26)	(0.26)
U.S. GDP growth	-0.149	-0.466*	0.107	-0.004	0.075	0.017
	(0.22)	(0.24)	(0.11)	(0.14)	(0.10)	(0.10)
U.S. inflation	-0.452**	-0.694**	0.084	-0.227*	-0.170	-0.169
	(0.22)	(0.30)	(0.11)	(0.14)	(0.11)	(0.12)
Constant	2.564	11.073*	-9.501**	-8.301	-4.847	-5.956
	(5.59)	(6.69)	(3.75)	(5.62)	(4.76)	(4.50)
Observations	904	453	2,002	1,517	3,082	2,757
Countries	36	21	57	54	50	53

Linear regression models, coefficient estimates and standard errors. Significance: *** 1%, ** 5%, * 10%. Robust standard errors, clustered by party.

Table A12: Binary and Time

	Binary	Binary, cubic trend	Continuous, linear trend	Neoliberal control	First-difference model
	(1)	(2)	(3)	(4)	(5)
U.S. interest rate (binary)	3.214***	0.717*			
	(0.40)	(0.42)			
U.S. interest rate			0.481***	0.643***	0.186**
			(0.10)	(0.09)	(0.09)
Log GDP	-0.340**	-0.277	-0.211	-0.233	0.120
	(0.17)	(0.18)	(0.17)	(0.16)	(0.72)
GDP per capita	-0.036**	-0.005	-0.014	-0.028*	-0.044
	(0.02)	(0.02)	(0.02)	(0.02)	(0.03)
GDP growth	-0.117***	-0.064	-0.104**	-0.105**	-0.093*
	(0.04)	(0.04)	(0.04)	(0.04)	(0.05)
Inflation	0.636**	0.442*	0.716***	0.781***	1.264
	(0.26)	(0.26)	(0.25)	(0.26)	(0.79)
U.S. GDP growth	0.004	-0.229**	-0.167*	-0.008	-0.115
	(0.10)	(0.09)	(0.09)	(0.10)	(0.08)
U.S. inflation	0.092	-0.255***	-0.301***	-0.188*	-0.098
	(0.09)	(0.09)	(0.11)	(0.11)	(0.10)
Neo-liberal statements				0.232***	
				(0.04)	
Constant	-2.589	-2.453	-2.059	-6.815*	-0.526***
	(4.15)	(4.16)	(4.21)	(3.84)	(0.20)
Observations	3,335	3,335	3,335	3,281	2,393
Countries	57	57	57	53	55

Linear regression models, coefficient estimates and standard errors. Significance: *** 1%, ** 5%, * 10%. Robust standard errors, clustered by party.

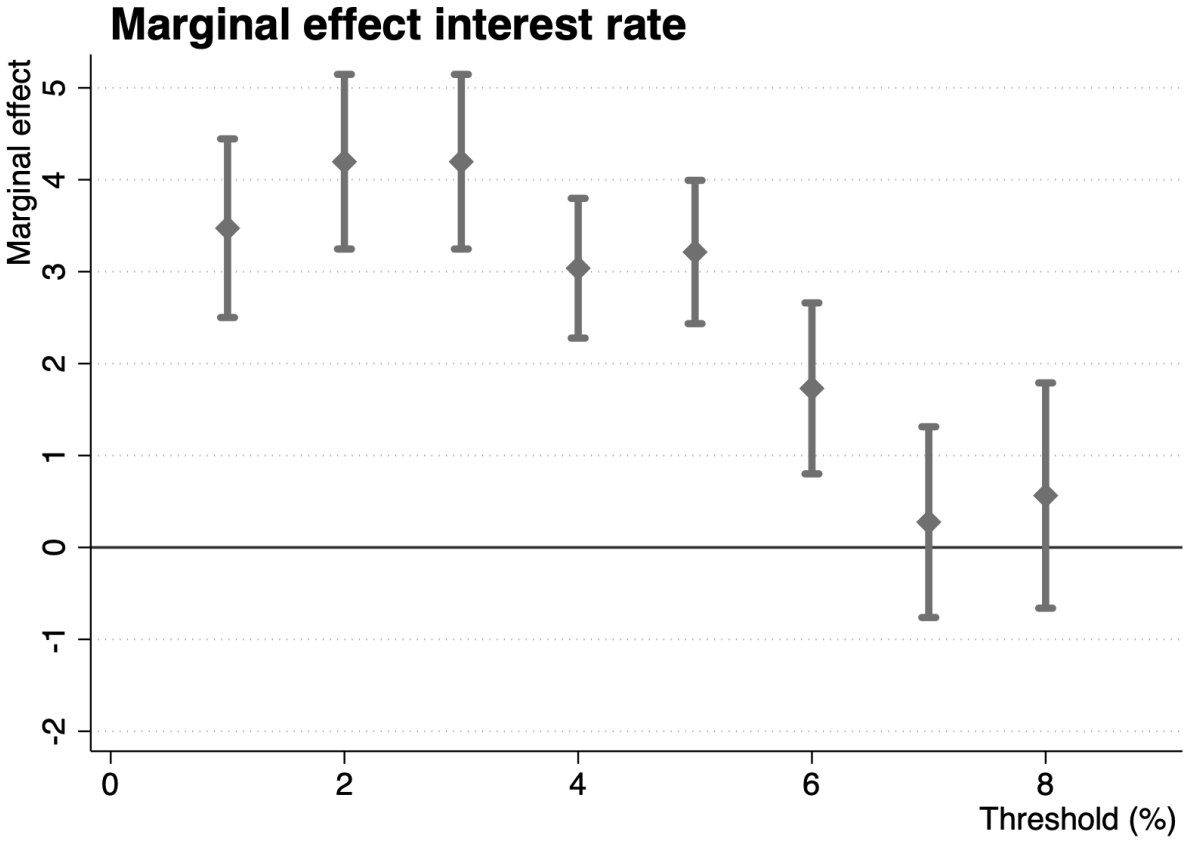


Figure A1: Marginal effect of U.S. interest rate when dichotomizing interest rates at threshold cut-offs from 1% to 8%.

Table A13: Including Cubic Time Trends

	U.S. Interest Rate (1)	Global Credit (2)	Domestic Credit (3)
U.S. interest rate	-0.031		
	(0.10)		
ΔGlobal credit		-0.138**	
		(0.06)	
ΔDomestic credit			-2.809**
			(1.32)
Log GDP	-0.281	-0.282	-0.587***
	(0.18)	(0.18)	(0.19)
GDP per capita	-0.006	-0.006	0.001
	(0.02)	(0.02)	(0.02)
GDP growth	-0.060	-0.059	-0.098*
	(0.04)	(0.04)	(0.05)
Inflation	0.381	0.424*	-0.196
	(0.25)	(0.25)	(0.30)
U.S. GDP growth	-0.205**	-0.173*	-0.249**
	(0.09)	(0.09)	(0.12)
U.S. inflation	-0.231**	-0.226**	-0.238*
	(0.11)	(0.09)	(0.12)
Constant	-2.709	-2.299	3.147
	(4.18)	(4.15)	(4.37)
Observations	3,335	3,355	2,368
Countries	57	57	56

Linear regression models, coefficient estimates and standard errors.
Significance: *** 1%, ** 5%, * 10%. Robust standard errors, clustered by party.

Table A14: Deviations from Trend and Interest Rate Shocks

	HP Filter	Deviation	Shock
	(1)	(2)	(3)
HP filtered	0.837***		
	(0.09)		
Deviation 12-month prediction		4.443***	
		(1.04)	
Outside 12-month prediction			3.855***
			(1.04)
Log GDP	-0.337**	-0.332*	-0.306*
	(0.17)	(0.17)	(0.17)
GDP per capita	-0.019	-0.049***	-0.048***
	(0.02)	(0.02)	(0.02)
GDP growth	-0.091**	-0.135***	-0.147***
	(0.04)	(0.04)	(0.04)
Inflation	0.568**	0.561**	0.667**
	(0.25)	(0.26)	(0.26)
U.S. GDP growth	-0.069	0.329***	0.392***
	(0.09)	(0.10)	(0.11)
U.S. inflation	-0.250***	0.431***	0.426***
	(0.09)	(0.08)	(0.09)
Constant	-4.142	-2.864	-4.299
	(4.15)	(4.19)	(4.21)
Observations	3,335	3,307	3,307
Countries	57	57	57

Linear regression models, coefficient estimates and standard errors.
Significance: *** 1%, ** 5%, * 10%. Robust standard errors, clustered by party.