

Democratization, Personal Wealth of Politicians and Voting Behavior

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Motivation

Motivation

- Between 1850 to 1920, a wave of democratization and liberalization swept over Western Europe, bringing about universal suffrage and an expansion of government.
- The double transition from autocracy to parliamentary democracy, and from passive government to engagement in social spending, has been widely studied in various disciplines.
 - Threat of revolution (Acemoglu and Robinson, 2000)
 - Electoral expedience (Lizzeri and Perisco, 2004)
 - Electoral competition (Llavador and Oxoby, 2005)
- The conception of politicians' self-interest in these studies revolves around safeguarding political power.
- However, politicians might also care about a more superficial form of self-interest: their personal wealth (Ferraz and Finan, 2009; Tahoun and Van Lent, 2019).

This study

- I use the setting of the Netherlands to analyze politicians' voting behavior in parliament on all suffrage extensions and major fiscal legislation between 1872-1921
 - Inheritance taxation (*Successiewet*)
 - Income taxation (*Inkomstenbelasting*)
- I employ probate inventories collected from archival sources to identify the relationship between politicians' personal wealth and their voting behavior.
- Using data on the portfolio composition of politicians' wealth, I estimate politicians' net wealth at the time of voting, and relate this to the voting outcome.
- I provide instrumental variable (IV) estimates of personal wealth on the propensity to vote for reforms.
 - Politician's wealth is instrumented by parental wealth and by an indicator whether the politician's father was also politically active.

Results - Overview

- Major finding: richer politicians are more likely to vote against fiscal legislation than *ceteris paribus* poorer politicians
 - Instrumental variable analyses suggest there is a direct effect of politicians' personal wealth on accepting fiscal legislation.
- The effects are absent in suffrage extensions
- Consistent with the historiography, ideology and party are major determinants of voting behavior
 - But the effect of personal wealth is strong enough to materially influence the voting outcome
- Paradigm-shifting laws are the primary drivers for the effect
 - Consistent with the effect being more pronounced when expected costs of acceptance are higher

Background

Legislation and Politicians

- **Suffrage extensions:** Initially, very few enfranchised: based on tax burden.
 - Failed attempt at expansion in 1872, extensions in 1887, 1896 and 1917 (universal male suffrage).
 - Main causes of disagreement: specific numbers and precise criteria. Not a debate dominated by abstract principles.
 - Large effect on the electorate, but likely no effect for politicians personally.
- **Fiscal legislation:** 1850-1870: government size was very limited, no structural increase in government expenditures.
 - In 1878, a law project passed which introduced inheritance taxation for lineal descendants.
 - In 1893, first income taxation introduced. Precedents for successive increases in rates.
 - Potentially large effect on politicians' personal finances.

Parliamentary Wealth over Time

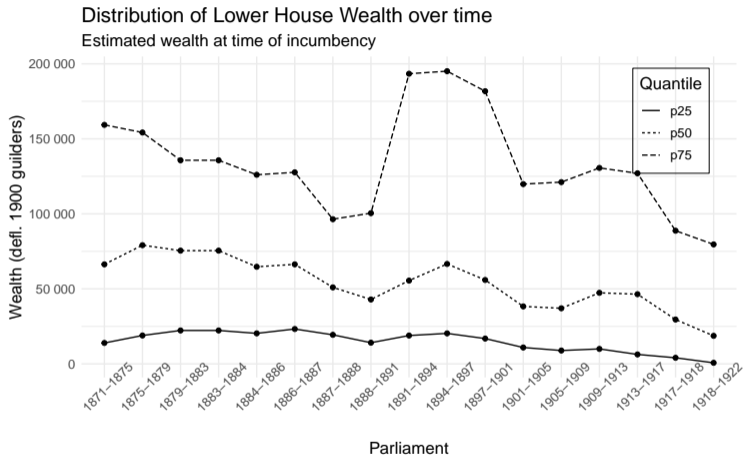


Figure 1: Parliamentary Wealth over Time

Personal Impact on Politicians

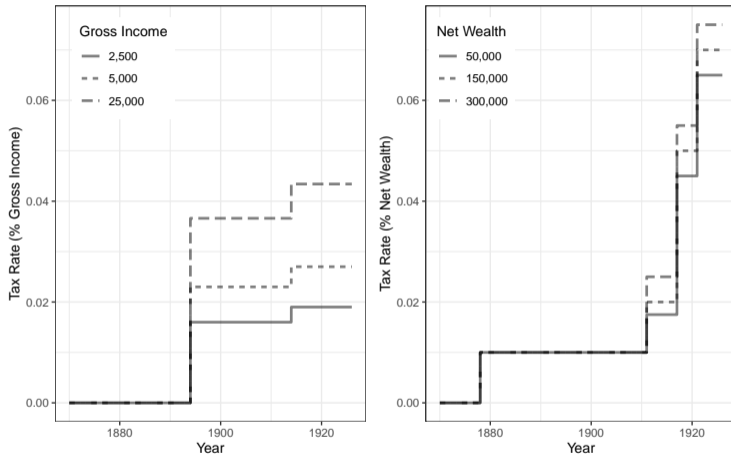


Figure 2: Tax Rates on Income (Left) and Wealth (Right)

Method

Empirical Model

- I firstly pool all laws, and model $V = \Pr(p_i = 1)$ as a function of a politician's wealth and party, augmented by controls:

$$V_{i,j} = \alpha + \beta \cdot \text{Wealth}_{i,j} + \delta \cdot \text{Party}_i + \gamma \cdot \text{Law}_j + \eta \cdot \text{Controls}_{i,j} + \varepsilon_{i,j}$$

- In other specifications, I separately estimate regressions for suffrage extensions and fiscal legislation.
- I use the following recursive relationship to estimate a politician's wealth at the time of voting on law k as a function of their (deflated) wealth at death:

$$\text{Wealth}_{i,t+1} = \sum_J \text{AssetShare}_{i,j,t} \cdot \text{AssetReturn}_{i,j,[t,t+1]}$$

Two Ways to Address Endogeneity

- Even after correcting for differential wealth returns, politicians' wealth could be endogenously determined.
 - Particular voting behavior might be rewarded by interest groups (Fisman et al., 2014, Tahoun and van Lent, 2019)
 - I test whether there is a difference in the personal wealth - voting behavior relationship between politicians who died shortly after having voted and those who did not.
- There might still be many reasons why this approach does not isolate the effect of personal wealth on voting behavior.
 - E.g. politicians' consumption and investment behavior might be correlated with their voting behavior: politicians who vote against might have consumed more of their income, reducing the observed correlation between personal wealth and voting behavior.
 - More generally, unobserved politician fixed effects might be correlated with wealth.
- I use instrumental variable estimation to address this.
 - Two unrelated instruments: *Father Politician* and *Expected Inheritance*

Results

Descriptive Statistics

Table 1: Dissent in Voting Behavior in Key Laws

Category	Law	Year	N	Pct. In Favor	Status	Party Line			Dissent		
						Confessional	Liberal	Socialist	Confessional	Liberal	Socialist
Electoral Law	Kieswet 1872	1874	71	0.45	Rejected	Con	Pro	-	0.04	0.30	-
	Kieswet 1887	1887	83	0.82	Accepted	Pro	Pro	-	0.39	0.02	-
	Kieswet 1892	1894	98	0.42	Rejected	Con	Pro	Pro	0.16	0.37	0.00
	Kieswet 1896	1896	88	0.74	Accepted	Pro	Pro	Pro	0.41	0.17	0.00
	Kieswet 1918	1919	68	0.85	Accepted	Pro	Pro	Pro	0.30	0.00	0.00
Fiscal Law	Inkomstenbelasting 1872	1872	78	0.35	Rejected	Con	Pro	-	0.04	0.49	-
	Inkomstenbelasting 1893	1893	89	0.62	Accepted	Con	Pro	Con	0.26	0.08	0.00
	Inkomstenbelasting 1914	1914	80	0.85	Accepted	Pro	Pro	Pro	0.34	0.00	0.00
	Successiewet 1878	1878	80	0.60	Accepted	Con	Pro	-	0.04	0.10	-
	Successiewet 1911	1911	69	0.93	Accepted	Pro	Pro	Pro	0.14	0.00	0.00
	Successiewet 1916	1916	77	0.62	Accepted	Con	Pro	Pro	0.15	0.04	0.00
	Successiewet 1921	1921	70	0.77	Accepted	Pro	Con	Pro	0.26	0.17	0.00

Dissent is defined as the percentage of politicians of each faction having voted against the party line.

Party Line is defined as the median vote per party: 'Pro' if in favor, 'Con' if against, 'None' if no discernible party line (equally split), and '-' if N.A.

Kieswet - Electoral Law, Inkomstenbelasting - Income Tax, Successiewet - Inheritance Tax

OLS Estimates

- OLS Estimates of Wealth on the Propensity to Vote for Suffrage and Fiscal Legislation
 - Results show small but significant relationship

	Pooled	Suffrage Extension			Fiscal Legislation		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Personal Wealth		-0.007*	-0.007**	-0.008*	-0.010***	-0.009**	-0.008*
		(0.004)	(0.004)	(0.004)	(0.004)	(0.004)	(0.004)
Personal Wealth x Fiscal	-0.009**						
	(0.004)						
Personal Wealth x Suffrage	-0.009***						
	(0.003)						
N	633	255	255	238	311	311	301
Adj. R^2	0.40	0.30	0.29	0.35	0.55	0.55	0.53
Law Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Party Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Selection Ratio	-	2.13	12.37	9.75	6.6	27.49	3.65

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Note: Vote is defined as 1 if the politician is in favor of the reform, 0 otherwise. Personal Wealth is defined as $\ln(\text{Wealth at Time of Vote})$. Robust standard errors clustered at the politician-level in parentheses. Controls: (2,5): Religious Decomposition, Economic Characteristics. (3,6) + District Income, Wealth, Strikes. (4,7) + Socialist Vote, Socialist Dummy, Vote Share, Vote Share N.C., Turnout, Seniority, Days since Last Election.

Alternative Explanations

- The effect of personal wealth on the likelihood to vote in favor of fiscal legislation seems to be robust to the inclusion of many controls
- But politicians who voted against could have been rewarded by interest groups
 - Wealth at death is higher because of voting profile → coefficient might be *overestimated*
- Test whether there is a difference in the relationship between wealth and voting behavior for politicians who died early and those who did not
 - The group who died shortly after voting is unlikely to have had opportunities to amass rents
 - If there is a substantial difference, reverse causality could play a large role

Alternative Explanations: Died Shortly After Vote

- The coefficient on personal wealth is significant in both analyses, as well as in the pooled case.

	Pooled	Suffrage			Fiscal		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Personal Wealth	-0.010*** (0.003)	-0.008* (0.004)	-0.008* (0.004)	-0.009* (0.005)	-0.012*** (0.004)	-0.011** (0.004)	-0.010** (0.004)
Died W 2 Yrs	-0.009 (0.085)	0.077 (0.120)	0.092 (0.119)	-0.021 (0.143)	-0.168* (0.100)	-0.144 (0.098)	-0.198** (0.081)
Personal Wealth x Died W 2 Yrs	0.005 (0.006)	0.003 (0.009)	0.003 (0.009)	0.017 (0.011)	0.010 (0.009)	0.008 (0.009)	0.016** (0.008)
N	633	255	255	238	311	311	301
Adj. R^2	0.40	0.29	0.29	0.35	0.55	0.55	0.53
Law Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Party Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Selection Ratio	-	7.16	1.54	1.73	4.05	25.73	13.54

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Note: Vote is defined as 1 if the politician is in favor of the reform, 0 otherwise. Personal Wealth is defined as $\ln(\text{Wealth at Time of Vote})$. Robust standard errors clustered at the politician-level in parentheses. Controls: (2,5): Religious Decomposition, Economic Characteristics. (3,6) + District Income, Wealth, Strikes. (4,7) + Socialist Vote, Socialist Dummy, Vote Share, Vote Share N.C., Turnout, Seniority, Days since Last Election.

IV Estimates

- There are still various reasons why this coefficient might not reflect the true relationship between personal wealth and voting behavior.
- Politicians' consumption and investment behavior might be correlated with their voting behavior: politicians who vote against might have consumed more of their income, reducing the observed correlation between personal wealth and voting behavior.
- More generally, unobserved politician fixed effects might be correlated with wealth (omitted variable bias)
- I use instrumental variable estimation to address this.
 - Two unrelated instruments: *Father Politician* and *Expected Inheritance*

IV Estimates: Suffrage Extensions

- Father Politician is a good predictor for politicians' wealth.
- No precise relationship between personal wealth and propensity to vote in favor of suffrage extension.

	Personal Wealth	Vote	Personal Wealth	Vote	Personal Wealth	Vote
	(1)	(2)	(3)	(4)	(5)	(6)
Father Politician	1.773* (0.975)		1.665 (1.036)		1.287 (1.149)	
Personal Wealth		-0.026 (0.030)		-0.059 (0.047)		-0.078 (0.081)
N	238	238	210	210	194	194
Adj. R^2	0.08	0.25	0.12	0.01	0.08	-0.15
Law Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes
Party Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes
First-Stage Wald Stat.		3.31		2.59		1.26
Selection Ratio	-	-	-	0.56	-	0.57

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Note: Vote is defined as 1 if the politician is in favor of the reform, 0 otherwise. Robust standard errors clustered at the politician-level in parentheses. Personal Wealth is defined as $\ln(\text{Wealth at Time of Vote})$, and instrumented by Father's profession. Controls: (2): None. (4): Religious Decomposition, Economic Characteristics. (6): District Income, Wealth, Strikes, Socialist Vote, Socialist Dummy, Vote Share, Vote Share N.C., Turnout, Seniority, Days since Last Election

IV Estimates: Fiscal Legislation

- Father Politician is a good predictor for politicians' wealth.
- Significant and negative relationship between personal wealth and propensity to vote in favor of suffrage extension.
 - About 2-3 times the effect size of the OLS analyses.

	Personal Wealth	Vote	Personal Wealth	Vote	Personal Wealth	Vote
	(1)	(2)	(3)	(4)	(5)	(6)
Father Politician	2.484*** (0.596)		2.324*** (0.627)		2.024*** (0.644)	
Personal Wealth		-0.044** (0.020)		-0.057** (0.024)		-0.064** (0.031)
N	337	337	302	302	292	292
Adj. R^2	0.08	0.31	0.06	0.32	0.07	0.23
Law Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes
Party Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes
First-Stage Wald Stat.		17.35		13.75		9.87
Selection Ratio	-	-	-	0.71	-	0.59

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Note: Vote is defined as 1 if the politician is in favor of the reform, 0 otherwise. Robust standard errors clustered at the politician-level in parentheses. Personal Wealth is defined as $ihs(\text{Wealth at Time of Vote})$, and instrumented by Father's profession. Controls: (2): None. (4): Religious Decomposition, Economic Characteristics. (6): District Income, Wealth, Strikes, Socialist Vote, Socialist Dummy, Vote Share, Vote Share N.C., Turnout, Seniority, Days since Last Election

IV Estimates: Fiscal Legislation - Expected Inheritance

- Relationship persists when using a completely unrelated (and plausible) instrument despite small sample size.

	Personal Wealth	Vote	Personal Wealth	Vote	Personal Wealth	Vote
	(1)	(2)	(3)	(4)	(5)	(6)
Expected Inheritance	1.345*** (0.478)		1.441*** (0.442)		1.568*** (0.452)	
Personal Wealth		-0.028* (0.015)		-0.026* (0.015)		-0.021* (0.013)
N	176	176	162	162	155	155
Adj. R^2	0.09	0.37	0.04	0.43	0.07	0.43
Clustering	Politician	Politician	Politician	Politician	Politician	Politician
Law Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes
Party Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes
First-Stage Wald Stat.		7.93		10.62		12.03
Selection Ratio	-	-	-	6.56	-	1.04

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Note: Vote is defined as 1 if the politician is in favor of the reform, 0 otherwise. Robust standard errors clustered at the politician-level in parentheses. Personal Wealth is defined as $\text{lhs}(\text{Wealth at Time of Vote})$, and instrumented by Expected Inheritance. Controls: (2): None. (4): Religious Decomposition, Economic Characteristics. (6): District Income, Wealth, Strikes, Socialist Vote, Socialist Dummy, Vote Share, Vote Share N.C., Turnout, Seniority, Days since Last Election

Impact on Probability of Acceptance

- The magnitude of the effect is material: some accepted laws would likely not have been accepted by wealthier parliaments, everything else equal.

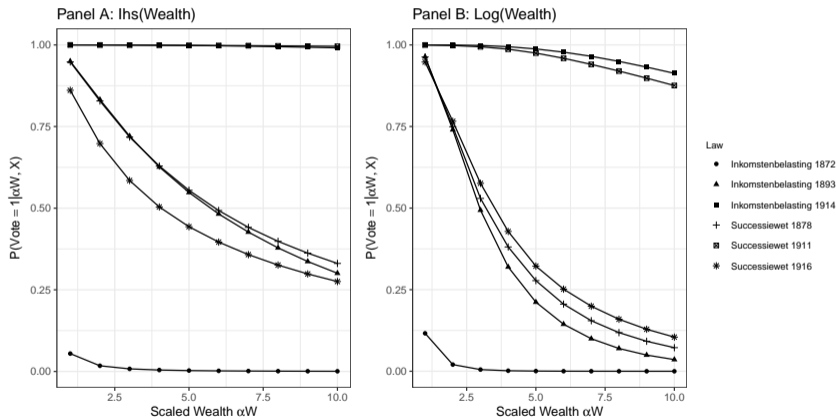


Figure 3: Wealth and Probability of Acceptance

Conclusion

Conclusion

- I find a significant and persistent negative effect of politicians' wealth on the tendency to vote in favor of tax increases
 - Dissenting politicians tend to prioritize their finances
- The effect is economically significant: poorer parliaments would have approved rejected laws sooner, and richer parliaments would have rejected laws increasing taxation that have been accepted.
- Clear relationship between personal wealth and voting behavior is absent in the case of suffrage extension
- Implications for democratization literature
 - Direct evidence that the personal profile of politicians influences government size
 - Partial explanation for why government size increased slowly over the nineteenth century (cf. Lindert, 2004) is the domination of politics by wealthy elites.
 - Exogenous negative wealth shocks facilitated expansion.

Appendix

Descriptive Statistics

	Electoral				Fiscal			
	Mean	Median	SD	N	Mean	Median	SD	N
Panel A: Dependent and Main Indep. Vars								
Vote	0.65	1.00	0.48	415	0.67	1.00	0.47	548
Wealth (Time Vote)	197.04	67.97	387.25	287	166.36	55.09	342.11	348
Wealth (Time Vote), Rebalanced	222.95	88.63	437.92	287	183.98	80.05	355.87	348
Panel B: Party Affiliation								
Catholic	0.22	0.00	0.42	412	0.21	0.00	0.41	546
Protestant	0.21	0.00	0.41	412	0.23	0.00	0.42	546
Socialist	0.08	0.00	0.26	412	0.12	0.00	0.33	546
Liberal	0.48	0.00	0.50	412	0.43	0.00	0.50	546
Panel C: District Characteristics								
% District in Agriculture	0.18	0.18	0.12	328	0.17	0.18	0.12	458
% District in Industry	0.42	0.43	0.09	328	0.43	0.43	0.09	458
% District in Services	0.40	0.36	0.19	328	0.40	0.36	0.19	458
Share of District Income Tax	59.85	43.62	53.30	339	53.05	37.39	49.43	472
Share of District Wealth Tax	3.43	2.34	3.13	339	3.05	2.08	2.92	472
District Total Personal Tax Income	238.33	100.64	319.17	339	228.70	94.82	313.15	472
No. of Strikes	3.72	1.00	10.80	339	12.78	1.00	37.01	472
% Catholic	0.37	0.30	0.29	339	0.36	0.31	0.28	472
% Hervormd	0.57	0.63	0.26	339	0.55	0.61	0.24	472
% Gereformeerd	0.07	0.05	0.07	339	0.08	0.07	0.08	472
Panel D: Electoral Characteristics								
Vote Share	0.51	0.50	0.26	338	0.55	0.53	0.19	469
Socialist Dummy	0.22	0.00	0.42	338	0.50	0.00	0.50	470
Socialist Vote Share	541.55	0.00	2022.15	338	1304.70	0.00	2193.76	470
Days Since Last Election	706.29	801.00	592.59	338	710.38	637.00	542.69	470
Turnout	0.65	0.67	0.18	338	0.72	0.75	0.16	469
Vote Share Nearest Competitor	0.25	0.25	0.12	316	0.28	0.29	0.12	458
Seniority	3234.71	2305.00	2942.38	415	3589.90	2767.00	3187.51	548
Panel E: IV-Related Variables								
Father Politician	0.30	0.00	0.46	245	0.27	0.00	0.44	343
Expected Inheritance	158.45	39.82	593.26	131	133.73	18.68	518.50	177

Note: All wealth numbers deflated to 1900, and displayed in units of 1000 guilders. Wealth at time vote represents the wealth of politician i 's at the time of voting for a particular law. Socialist dummy indicates whether a socialist participated in the last election of politician i 's district. Seniority indicates the days since a politician became an MP. Father politician indicates whether father of politician i was a politician.

Robustness Checks

Logit Instead of OLS

- Results show similar pattern as OLS results but a larger magnitude

	Suffrage			Fiscal		
	(1)	(2)	(3)	(4)	(5)	(6)
Personal Wealth	-0.038 (0.028)	-0.033 (0.030)	-0.028 (0.032)	-0.086** (0.034)	-0.101** (0.041)	-0.104** (0.045)
N	286	255	238	347	311	301
Nagelkerke R^2	0.01	0.03	0.20	0.05	0.15	0.22
Party Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes
Law Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Note: Standard errors in parentheses. Results for lower house voting outcomes. The dependent variable, Vote, is defined as 1 if the politician is in favor of the reform, 0 otherwise.

IV Results Fiscal - Raw Wealth

- (Deflated) Wealth at end of life without estimating Wealth at the time of vote
 - Instrumented by *Father Politician*

	Personal Wealth	Vote	Personal Wealth	Vote	Personal Wealth	Vote
	(1)	(2)	(3)	(4)	(5)	(6)
Father Politician	2.872*** (0.718)		2.823*** (0.757)		2.641*** (0.772)	
Personal Wealth		-0.038** (0.018)		-0.047** (0.020)		-0.049** (0.023)
N	337	337	302	302	292	292
Adj. R^2	0.09	0.33	0.08	0.36	0.08	0.32
Law Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes
Party Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes
First-Stage Wald Stat.		15.98		13.92		11.71
Selection Ratio	-	-	-	1.65	-	0.85

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Note: Vote is defined as 1 if the politician is in favor of the reform, 0 otherwise. Robust standard errors clustered at the politician-level in parentheses. Personal Wealth is defined as $\ln(\text{Wealth at Death})$, and instrumented by Father's profession. Controls: (2): None. (4): Religious Decomposition, Economic Characteristics. (6): District Income, Wealth, Strikes, Socialist Vote, Socialist Dummy, Vote Share, Vote Share N.C., Turnout, Seniority, Days since Last Election

IV Results Fiscal - Law and Party Interaction Dummies

- Results using only within-parliament within-law variation are equal to the baseline results

	Personal Wealth	Vote	Personal Wealth	Vote	Personal Wealth	Vote
	(1)	(2)	(3)	(4)	(5)	(6)
Father Politician	2.678*** (0.599)		2.393*** (0.592)		2.076*** (0.631)	
Personal Wealth		-0.040** (0.020)		-0.057** (0.024)		-0.065** (0.031)
N	337	337	302	302	292	292
Adj. R^2	0.06	0.43	0.04	0.35	0.06	0.25
Law x Party Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes
First-Stage Wald Stat.		19.96		16.35		10.83
Selection Ratio	-	-	-	2.2	-	2.08

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Note: Vote is defined as 1 if the politician is in favor of the reform, 0 otherwise. Robust standard errors clustered at the politician-level in parentheses. Personal Wealth is defined as $ihs(\text{Wealth at Time of Vote})$, and instrumented by Father's profession. Controls: (2): None. (4): Religious Decomposition, Economic Characteristics. (6): District Income, Wealth, Strikes, Socialist Vote, Socialist Dummy, Vote Share, Vote Share N.C., Turnout, Seniority, Days since Last Election

Robustness Check - Rebalancing Portfolio

- Results using an estimate of *Wealth at Time Vote* using yearly rebalancing of portfolio asset shares

	Personal Wealth	Vote	Personal Wealth	Vote	Personal Wealth	Vote
	(1)	(2)	(3)	(4)	(5)	(6)
Father Politician	1.165*** (0.257)		1.176*** (0.287)		1.033*** (0.281)	
Personal Wealth		-0.094** (0.044)		-0.113** (0.048)		-0.125** (0.060)
N	337	337	302	302	292	292
Adj. R^2	0.14	0.37	0.09	0.41	0.08	0.32
Clustering	Politician	Politician	Politician	Politician	Politician	Politician
Law Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes
Party Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes
First-Stage Wald Stat.		20.61		16.82		13.53
Selection Ratio	-	-	-	3.78	-	0.39

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Note: Vote is defined as 1 if the politician is in favor of the reform, 0 otherwise. Robust standard errors clustered at the politician-level in parentheses. Personal Wealth is defined as $\text{lhs}(\text{Wealth at Time of Vote})$, constructed using yearly portfolio rebalancing, and instrumented by Father's profession. Controls: (2): None. (4): Religious Decomposition, Economic Characteristics. (6): District Income, Wealth, Strikes, Socialist Vote, Socialist Dummy, Vote Share, Vote Share N.C., Turnout, Seniority, Days since Last Election

Placebo Test

- Placebo test:
 - If Wealth *actually* reflects another component of preferences, it should be apparent on laws that are ideologically charged but have no influence on personal wealth.

	OLS		Personal Wealth	Vote	Personal Wealth	Vote
	(1)	(2)	(3)	(4)	(5)	(6)
Expected Inheritance			0.140*** (0.044)		0.115*** (0.035)	
Personal Wealth	0.000 (0.002)	0.000 (0.002)		-0.001 (0.004)		-0.006 (0.010)
N	623	552	346	346	320	320
Adj. R^2	0.44	0.43	0.15	0.39	0.26	0.37
Clustering	Politician	Politician	Politician	Politician	Politician	Politician
Law Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes
Party Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes
First-Stage Wald Stat.				10.38		10.7
Selection Ratio	-	-	-		-	0.04

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Note: Vote is defined as 1 if the politician is in favor of the reform, 0 otherwise. Robust standard errors clustered at the politician-level in parentheses. Personal Wealth is defined as $\ln(\text{Wealth at Time of Vote})$, and if applicable, instrumented by Expected Inheritance. Controls: (2): None. (4): Religious Decomposition, Economic Characteristics. (6): District Income, Wealth, Strikes, Socialist Vote, Socialist Dummy, Vote Share, Vote Share N.C., Turnout, Seniority, Days since Last Election