sociological science

Supplement to:

Godechot, Olivier. 2016. "Financialization is marketization! A study of the respective impacts of various dimensions of financialization on the increase in global inequality." Sociological Science 3: 495-519.

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1 Variables

Table A1: Description of variables

Variables	Sources	Definition	Field
Gini index	Standardized World Income Inequality Database v4. (Solt 2009) http://myweb.uiowa.edu/fsolt/swiid/swiid.html	Gini index before taxes (gini_market variable) is based on diverse sources, notably the Luxembourg Income Study.	Australia 1970-2010, Canada 1970-2011, Denmark 1970-2011, Finland 1970-2012, France 1970-2011, Germany 1970-2011, Ireland 1973-2011, Italy 1970-2011, Japan 1970-2010, Netherlands 1970-2011, New Zealand 1970-2012, Norway 1970-2011, Portugal 1973-2011, Spain 1973-2011, Sweden 1970-2011, Switzerland 1971-2011, United Kingdom 1970-2012, United States 1970-2011
D5/D1, D9/D1 and D9/D5	OECD, http://stats.oecd.org/Index.aspx?DataSetCode=DEC_I	Decile ratios of gross earnings: D5/D1, D9/D1 and D9/D5.	Australia 1975-2012, Canada 1997-2012, Denmark 1980-2011, Finland 1977-2011, France 1995-2010, Germany 1992-2011, Ireland 1994-2011, Italy 1986-2010, Japan 1975-2012, Netherlands 2002-2010, New Zealand 1984-2012, Norway 1997-2012, Portugal 2004-2011, Spain 2004-2011, Sweden 1975-2011, Switzerland 1996-2010, United Kingdom 1970-2012, United States 1973-2012
Top 10% share	World Top Incomes Database: http://topincomes.parisschoolofeconomics.eu/ I add corrections brought by Piketty (2013). When year t is missing and the surrounding years t+1 and t-1 are not, I replace missing data with the average of the surrounding years.	Top 10% income (wages + property income) share	Australia 1970-2010, Canada 1970-2010, Denmark 1970-2010, Finland 1990-2009, France 1970-2010, Germany 1971-2010, Ireland 1975-2009, Italy 1974-2009, Japan 1970-2010, Netherlands 1970-2012, New Zealand 1970-2011, Norway 1970-2011, Portugal 1976-2005, Spain 1981-2010, Sweden 1970-2012, Switzerland 1971-2009, United Kingdom 1970-2010, United States 1970-2012

Top 1% share	*Idem*	Top 1% income share	Australia 1970-2010, Canada 1970-2010, Denmark 1970-2010, Finland 1970-2009, France 1970-2010, Germany 1971-2010, Ireland 1975-2009, Italy 1974-2009, Japan 1970-2010, Netherlands 1970-2012, New Zealand 1970-2011, Norway 1970-2011, Portugal 1976-2005, Spain 1971-2010, Sweden 1970-2012, Switzerland 1971-2009, United Kingdom 1970-2010, United States 1970-2012
Top 0.1% share	*Idem*	Top 0.1% income share	Australia 1970-2010, Canada 1970-2010, Denmark 1971-2010, France 1970-2010, Germany 1971-2010, Ireland 1970-1990, Italy 1974-2009, Japan 1970-2010, Netherlands 1970-1999, New Zealand 1970-1989, Norway 1970-2011, Portugal 1970-2005, Spain 1971-2010, Sweden 1970-2012, Switzerland 1971-2009, United Kingdom 1970-2010, United States 1970-2012
Top 0.01% income share	*Idem*	Top 0.01% income share	Australia 1970-1998, Canada 1970-2010, Denmark 1980-2010, France 1970-2006, Germany 1971-1998, Italy 1974-2009, Japan 1970-2010, Netherlands 1970-1975, , Portugal 1970-2005, Spain 1971-2010, Sweden 1970-2012, Switzerland 1971-2009, United Kingdom 1970-1979, United States 1970-2012
GDP per capita	World Bank. http://data.worldbank.org/indicator/NY.GDP.PCAP.CD	GDP per capita is gross domestic product divided by midyear population	All 18 countries 1970-2012

Union rate	OECD http://stats.oecd.org/Index.aspx?DataSetCode=UN_DEN	Trade union density corresponds to the ratio of wage and salary earners that are trade union members, divided by the total number of wage and salary earners (OECD Labor Force Statistics)	Australia 1970-2012, Canada 1970-2011, Denmark 1970-2010, Finland 1970-2011, France 1970-2010, Germany 1970-2011, Ireland 1970-2012, Italy 1970-2011, Japan 1970-2012, Netherlands 1970-2011, New Zealand 1970-2012, Norway 1970-2012, Portugal 1978-2010, Spain 1981-2010, Sweden 1970-2012, Switzerland 1970-2010, United Kingdom 1970-2012, United States 1970-2012
Import rate	World Bank http://data.worldbank.org/indicator/NE.IMP.GNFS.ZS	Imports of goods and services as a share of GDP. NE.IMP.GNFS.ZS series	All 18 countries 1970-2012
Information and communications technologies investment	EUKlems v3 (1970-2007), http://www.euklems.net/euk09i.shtml completed for countries for which they are available with EUKlems v4, http://www.euklems.net/eukISIC4.shtml	ICT capital compensation (share in total capital compensation) (CAPIT series)	Australia 1970-2007, Canada 1970-2004, Denmark 1970-2007, Finland 1970-2012, France 1970-2009, Germany 1970-2009, Ireland 1988-2007, Italy 1970-2009, Japan 1970-2009, Netherlands 1970-2010, Spain 1970-2009, Sweden 1993-2007, United Kingdom 1970-2009, United States 1970-2007
Education	EUKlems March 2008 (1970-2005) http://www.euklems.net/data/08i/all_labour_input_08I.txt completed with World Bank files http://data.worldbank.org/indicator/SL.TLF.TERT.ZS and with EUKlems V4 files http://www.euklems.net/eukISIC4.shtml	Share of active population with tertiary education	Australia 1982-2008, Canada 1994-2008, Denmark 1980-2012, Finland 1970-2012, France 1993-2012, Germany 1991-2012, Ireland 1992-2012, Italy 1970-2012, Japan 1973-2008, Netherlands 1979-2012, New Zealand 1995-2008, Norway 1996-2012, Portugal 1992-2012, Spain 1980-2012, Sweden 1995-2012, Switzerland 1991-2012, United Kingdom 1970-2012, United States 1997-2001

Stock exchange indexes	World Bank, *World Development Indicators* http://data.worldbank.org/indicator/CM.MKT.INDX.ZG	CM.MKT.INDX.ZG series. This evolution variable is transformed into levels.	Australia 1989-2012, Canada 1989-2012, Denmark 1989-2012, Finland 1989-2012, France 1989-2012, Germany 1989-2012, Ireland 1989-2012, Italy 1989-2012, Japan 1989-2012, Netherlands 1989-2012, New Zealand 1989-2012, Norway 1989-2012, Portugal 1994-2012, Spain 1989-2012, Sweden 1989-2012, Switzerland 1989-2012, United Kingdom 1989-2012, United States 1989-2012
Finance and insurance / GDP	Based in priority on 1) OECD STAN V3 http://stats.oecd.org/Index.aspx?DataSetCode=STAN08BIS 2) Euroklems V3 http://www.euklems.net/euk09ii.shtml 3) STAN V4 http://stats.oecd.org/Index.aspx?DataSetCode=STAN14 I correct the final variable additively in order to avoid gaps between different series.	Share of value added achieved in sector and insurance sector. (VALU (OECD) and VA (EUKlems) series)	Australia 1970-2007, Canada 1970-2006, Denmark 1970-2011, Finland 1970-2012, France 1970-2011, Germany 1970-2011, Ireland 1970-2009, Italy 1970-2011, Japan 1970-2009, Netherlands 1970-2011, New Zealand 1971-2006, Norway 1970-2011, Portugal 1970-2006, Spain 1970-2010, Sweden 1970-2011, Switzerland 1990-2008, United Kingdom 1970-2010, United States 1970-2010
Industry decomposition	OECD STAN V3 http://stats.oecd.org/Index.aspx?DataSetCode=STAN08BIS	VALU series: agriculture 01-05, manufacturing and mining 10-37, energy 40-41, construction 45, trade 50-55, transport and communication 60-64, finance and insurance 65-67, business services 70-74, community, personal and social services 75-99.	Australia 1982-2006, Canada 1970-2006, Denmark 1970-2009, Finland 1975-2009, France 1970-2008, Germany 1970-2009, Ireland 1990-2009, Italy 1970-2009, Japan 1970-2009, Netherlands 1970-2009, New Zealand 1971-2006, Norway 1970-2009, Portugal 1977-2006, Spain 1980-2009, Sweden 1980-2009, Switzerland 1990-2008, United Kingdom 1985-2007, United States 1970-2009
Share of labor in value added	OECD, Calculated with STAN V3 and STAN V4 http://stats.oecd.org/Index.aspx?DataSetCode=STAN08BIS	Share of labor in value added in the whole economy and in the banking and insurance sectors. (OECD Series: LABR and VALU)	Australia 1982-2006, Canada 1970-2005, Denmark 1970-2011, Finland 1975-2011, France 1970-2010, Germany 1970-2011, Ireland 1990-2009, Italy 1970-2011, Japan 1970-2009, Netherlands 1970-2011, New Zealand 1971-2006, Norway 1970-2011, Portugal 1977-2006, Spain 1985-2009, Sweden 1980-2011, United Kingdom 1989-2007, United States 1970-2010

Net distributed income / Operating surplus	OECD. National accounts, Table 14 A. http://stats.oecd.org/Index.aspx?DataSetCode=SNA_TABLE14A	Net distributed dividends in non-financial firms (series NFD42P, sector S11, Table 14A) to the Gross Operating Surplus (OECD, NFB2G B3GP series, Sector S11, Table 14A)	Denmark 1995-2012, Finland 1975-2012, France 1970-2012, Germany 1995-2012, Ireland 2002-2012, Italy 1990-2012, Japan 1994-2012, Netherlands 1990-2012, Norway 1978-2012, Portugal 1995-2012, Spain 2000-2012, Sweden 1995-2012, Switzerland 1995-2011, United Kingdom 1990-2012, United States 1998-2012
- Business debt - Household debt	Data kindly provided by Moritz Schularick (Jordà, Schularick, and Taylor 2014)	Household and business to GDP	Australia 1970-2012, Canada 1970-2012, Denmark 1970-2012, Finland 1970-2012, France 1970-2012, Germany 1970-2012, Ireland 0-0, Italy 1970-2012, Japan 1970-2012, Netherlands 1990-2012, Norway 1978-2012, Portugal 1979-2012, Spain 1970-2012, Sweden 1975-2012, Switzerland 1970-2012, United Kingdom 1970-2012, United States 1970-2012
Non-financial firms' financial income / gross operating surplus	OECD. National accounts, Table 14A. http://stats.oecd.org/Index.aspx?DataSetCode=SNA_TABLE14A	Received property income (series NFD4R, Sector S11, Table 14A) to gross operating surplus (OECD, series NFB2G B3GP, Sector S11, Table 14A)	Denmark 1995-2012, Finland 1975-2012, France 1970-2012, Germany 1995-2012, Ireland 2002-2012, Italy 1990-2012, Japan 1994-2012, Netherlands 1990-2012, Norway 1978-2012, Portugal 1995-2012, Spain 2000-2012, Sweden 1995-2012, Switzerland 1995-2011, United Kingdom 1990-2012, United States 1998-2012
Non-financial firms' financial assets /GDP	OECD. Financial balance sheets - non-consolidated. http://stats.oecd.org/Index.aspx?DataSetCode=SNA_TABLE720	Non-financial firms' financial assets (non-consolidated financial assets series, sector S11, Table 720) to GDP (OECD, Table B1_GA, Base 1)	Canada 1970-2012, Denmark 1994-2012, Finland 1995-2012, France 1995-2012, Germany 1991-2012, Ireland 2001-2012, Italy 1995-2012, Japan 1980-2012, Netherlands 1990-2012, Norway 1995-2012, Portugal 1995-2012, Spain 1980-2012, Sweden 1995-2012, Switzerland 1999-2011, United Kingdom 1987-2012, United States 1970-2012

- Households' shares and other equity, except mutual funds shares /GDP - Households' mutual funds shares /GDP	OECD. Financial balance sheets - non-consolidated. http://stats.oecd.org/Index.aspx?DataSetCode=SNA_TABLE720	Financial assets of households and of non-profit institutions serving households (*Shares and other equity, except mutual funds shares* and *Mutual funds shares*) to GDP (OECD, Table B1_GA, Base 1)	Canada 1990-2012, Denmark 2003-2012, Finland 1995-2012, France 1995-2012, Germany 1991-2012, Ireland 0-0, Italy 1995-2012, Japan 1980-2012, Netherlands 1994-2012, Norway 1995-2012, Portugal 1995-2012, Spain 1980-2012, Sweden 1995-2012, Switzerland 1999-2012, United Kingdom 1987-2012, United States 1970-2012
Volume of stocks traded /GDP	World Bank, *World Development Indicators* http://data.worldbank.org/indicator/CM.MKT.TRAD.GD.ZS	Total value of shares traded during a year to GDP. Series MKT.TRAD.GD.ZS	Australia 1988-2010, Canada 1988-2010, Denmark 1988-2010, Finland 1988-2009, France 1988-2009, Germany 1988-2010, Ireland 1994-2009, Italy 1988-2009, Japan 1988-2010, Netherlands 1988-2012, New Zealand 1988-2011, Norway 1988-2011, Portugal 1988-2005, Spain 1988-2010, Sweden 1988-2012, Switzerland 1991-2009, United Kingdom 1988-2011, United States 1988-2012
Loans in assets / GDP & Shares and related equity assets / GDP	OECD. Financial balance sheets - non-consolidated. http://stats.oecd.org/Index.aspx?DataSetCode=SNA_TABLE720	Financial firms' financial assets (series *Loans* and *Actions Shares and other equity*) to GDP (OECD, Table B1_GA, Base 1)	Canada 1970-2012, Denmark 1994-2012, Finland 1995-2012, France 1995-2012, Germany 1991-2012, Ireland 2001-2012, Italy 1995-2012, Japan 1980-2012, Netherlands 1990-2012, Norway 1995-2012, Portugal 1995-2012, Spain 1980-2012, Sweden 1995-2012, Switzerland 1999-2011, United Kingdom 1987-2012, United States 1970-2012
Banking concentration	World Bank Global Financial Development Database (GFDD), 11 Nov 2013. http://data.worldbank.org/data-catalog/global-financial-development	Assets of five largest banks as a share of total commercial banking assets. GFDD.OL06 series from Bankscope, Bureau van Dijk (BvD).	All 18 countries from 1998 to 2011 except New Zealand (2006-2011)

Financial deregulation	International Monetary Fund. Database of Financial Reforms (Abiad, Detragiache, and Tressel 2010) http://www.imf.org/external/pubs/cat/longres.cfm?sk=22485.0	finreform_n variable: Financial Reform Index, normalized to be between 0 and 1, summing credit control deregulation, lift of interest rates controls, suppression of barriers to entrance, banking supervision relief, privatization, and lift of international capital flows restrictions.	All 18 countries from 1973 to 2005

2 Note on figures and constant perimeter averages

In order for the figures to stay readable, I present evolutions for only five contrasted countries of contemporary financialization: two countries at its forefront, the United States and the United Kingdom; two "continental" economies, France and Germany; and a more equalitarian and less financialized country, Denmark. I also calculate the simple average of the evolutions for the 18 countries (when series are available for the 18 countries). When data is missing, I correct this average additively in order to measure constant perimeter evolutions. I proceed as follows:-

When the number of countries is complete:

$$\overline{X}_t = \sum_i \frac{X_{it}}{n},$$

here X_{it} represents series X for country i and year t.

When the number of countries is no longer complete:

$$\overline{X}_t = \overline{X}_{t-1} + \sum_i \frac{\Delta X_{it}}{n}$$

$$\text{Where } \Delta X_{it} = X_{it} - X_{i(t-1)}$$

When the number of country is not yet complete:

$$\overline{X}_t = \overline{X}_{t+1} - \sum_i \frac{\Delta X_{it+1}}{n}$$

This corrected average is calculated only when series are available for at least three countries for the year t.

3 Figures

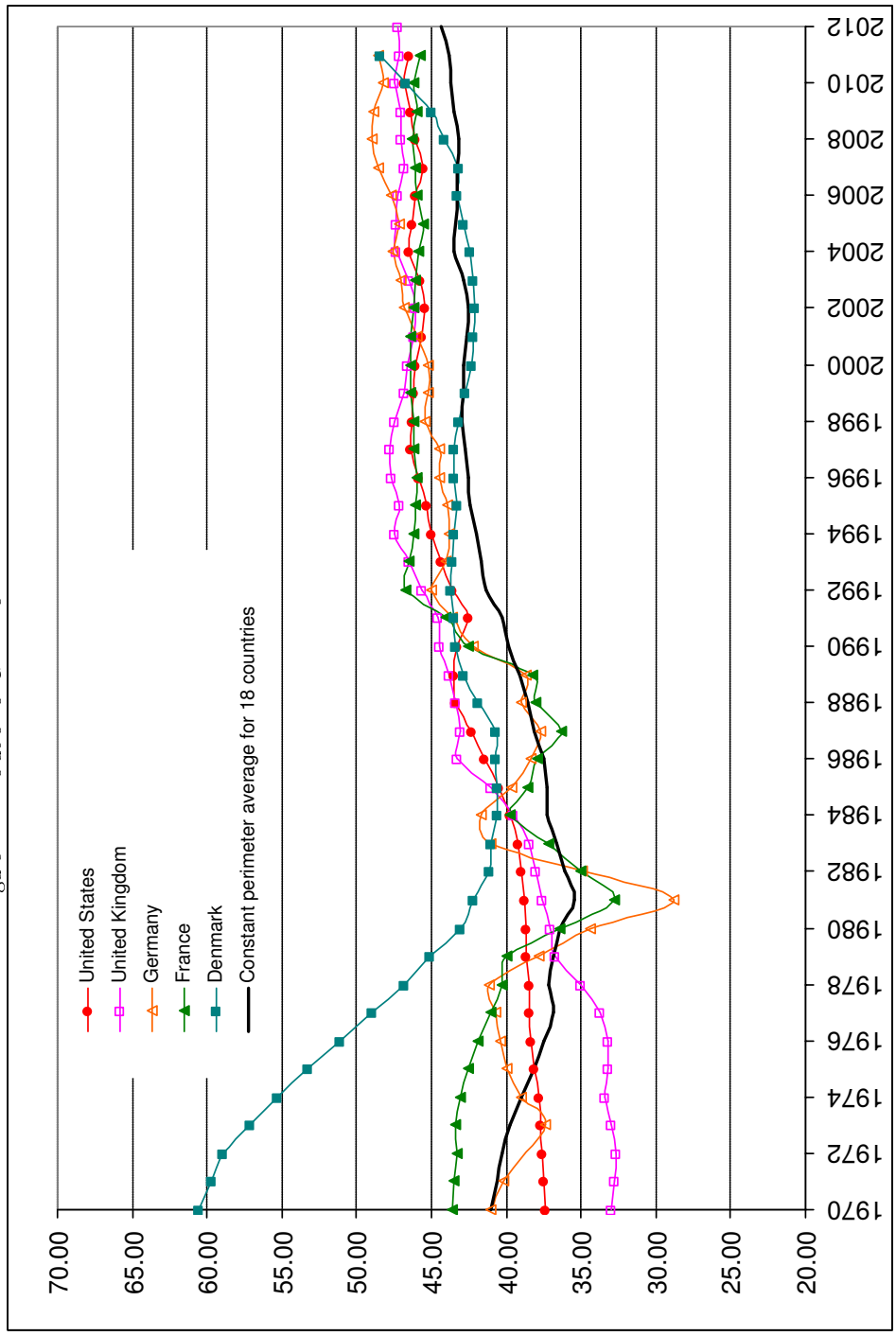

Figure A1: Evolution of Gini index

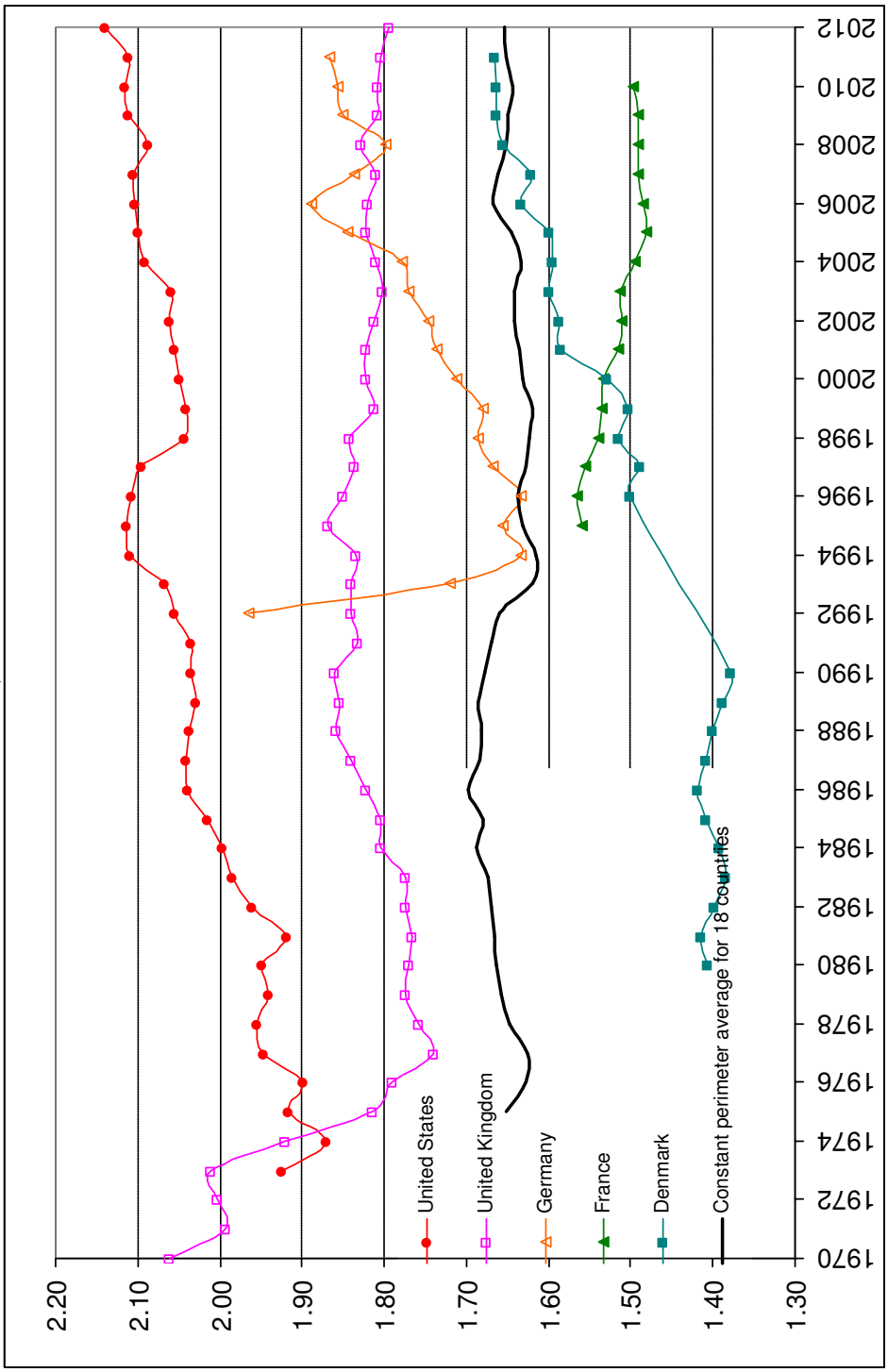

Figure A2: Evolution of D5/D1 ratio

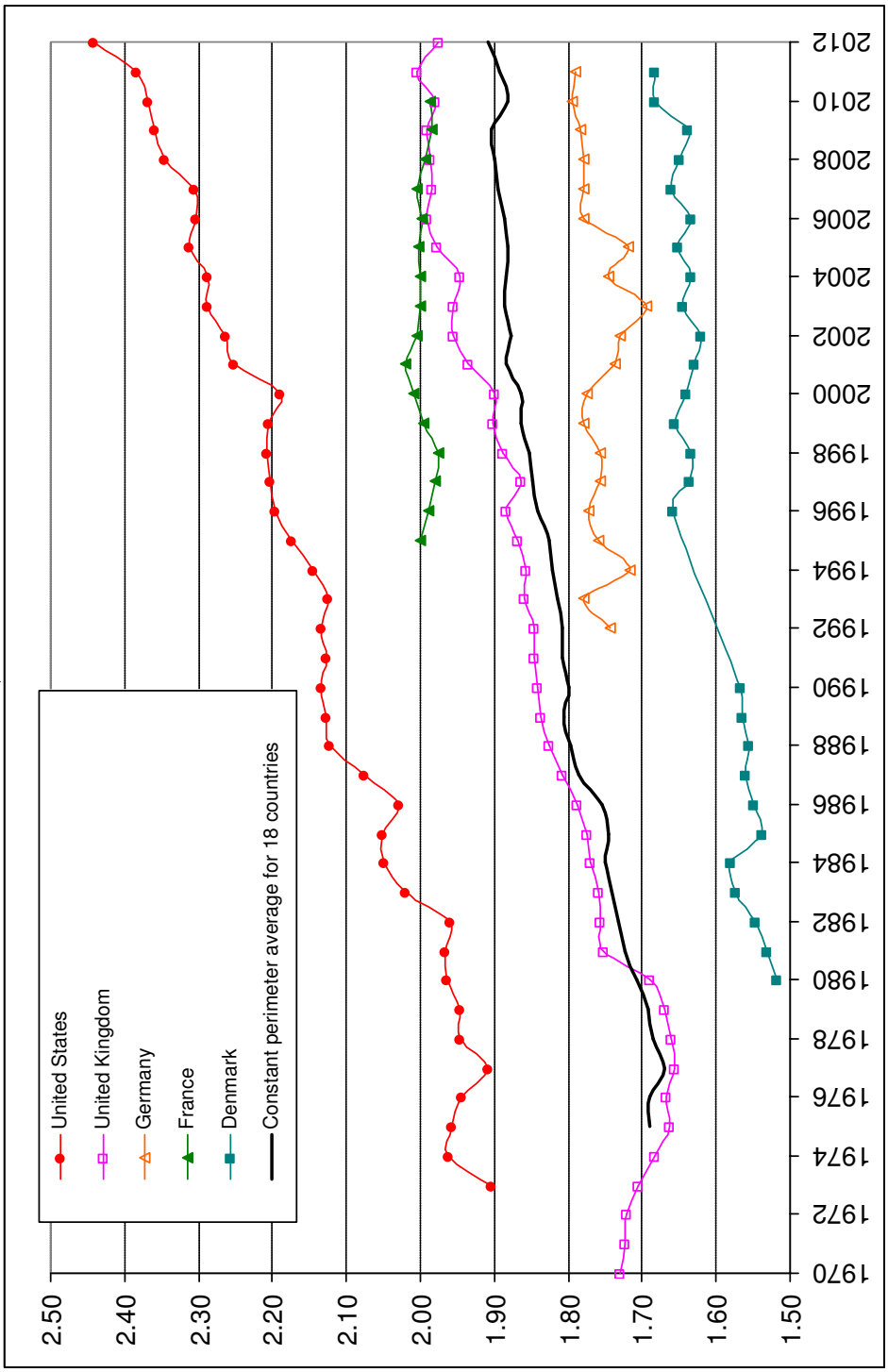

Figure A3: Evolution of D9/D5 ratio

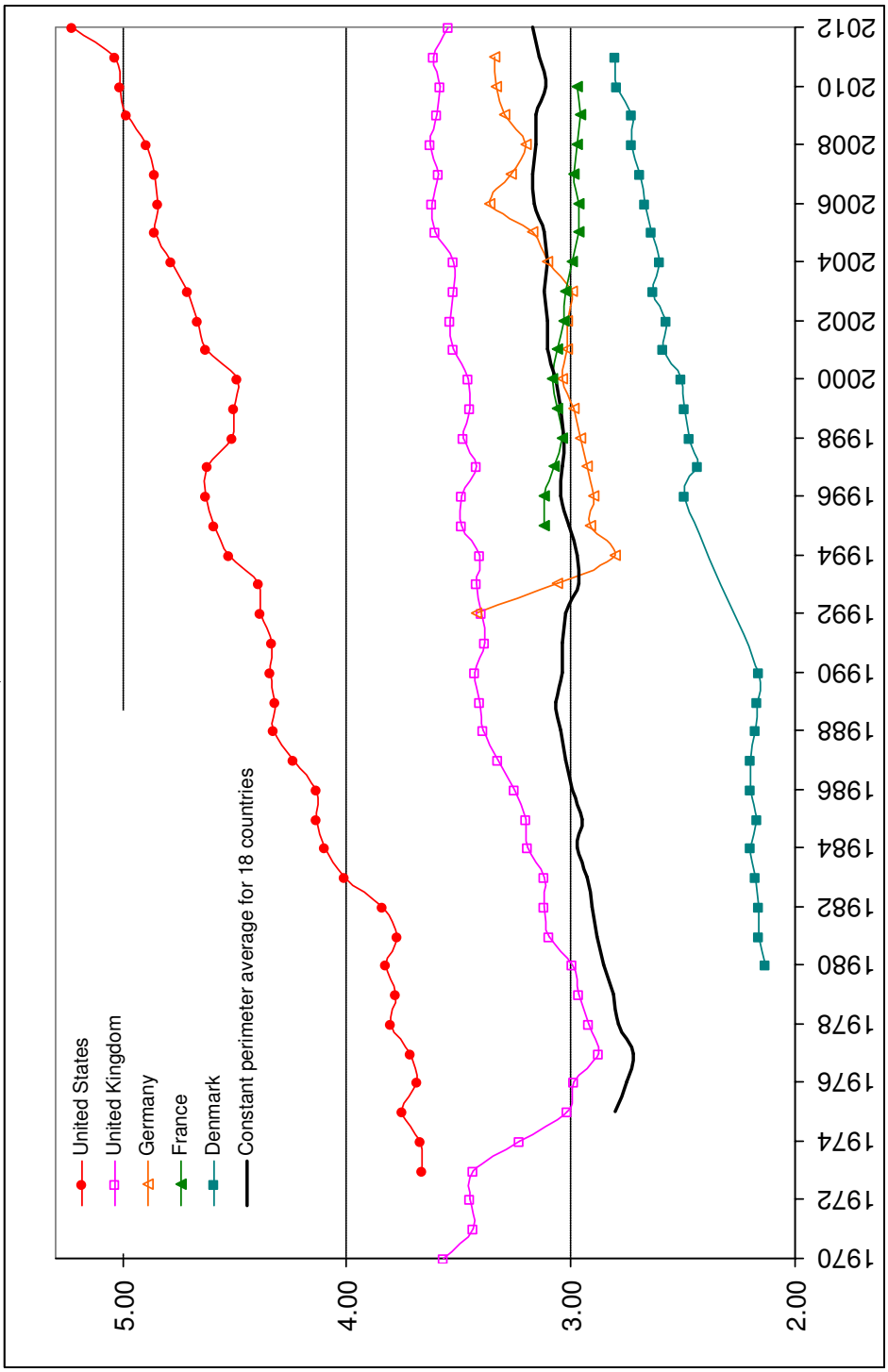

Figure A4: Evolution of D9/D1 ratio

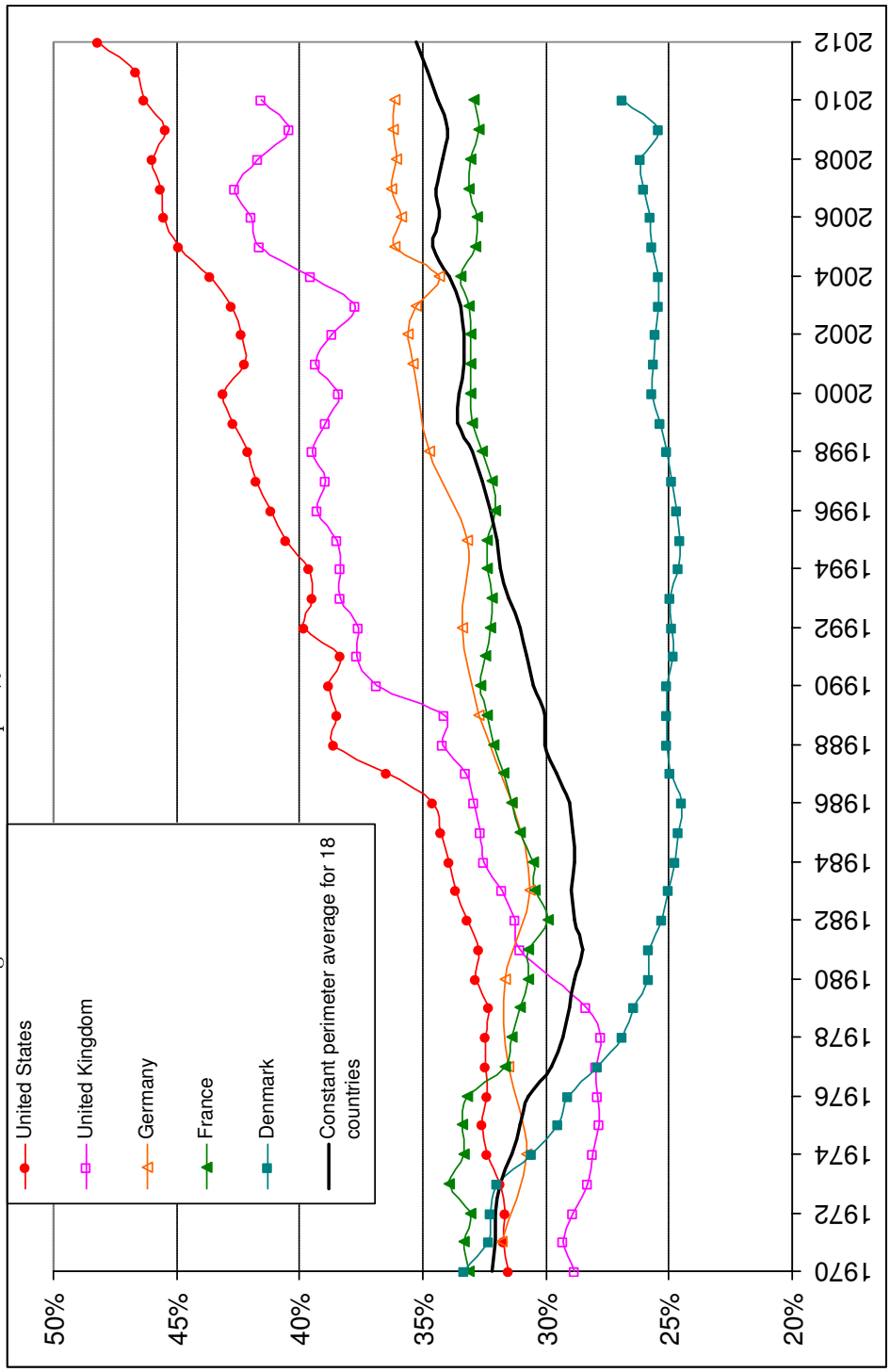

Figure A5: Evolution of top 10% income share

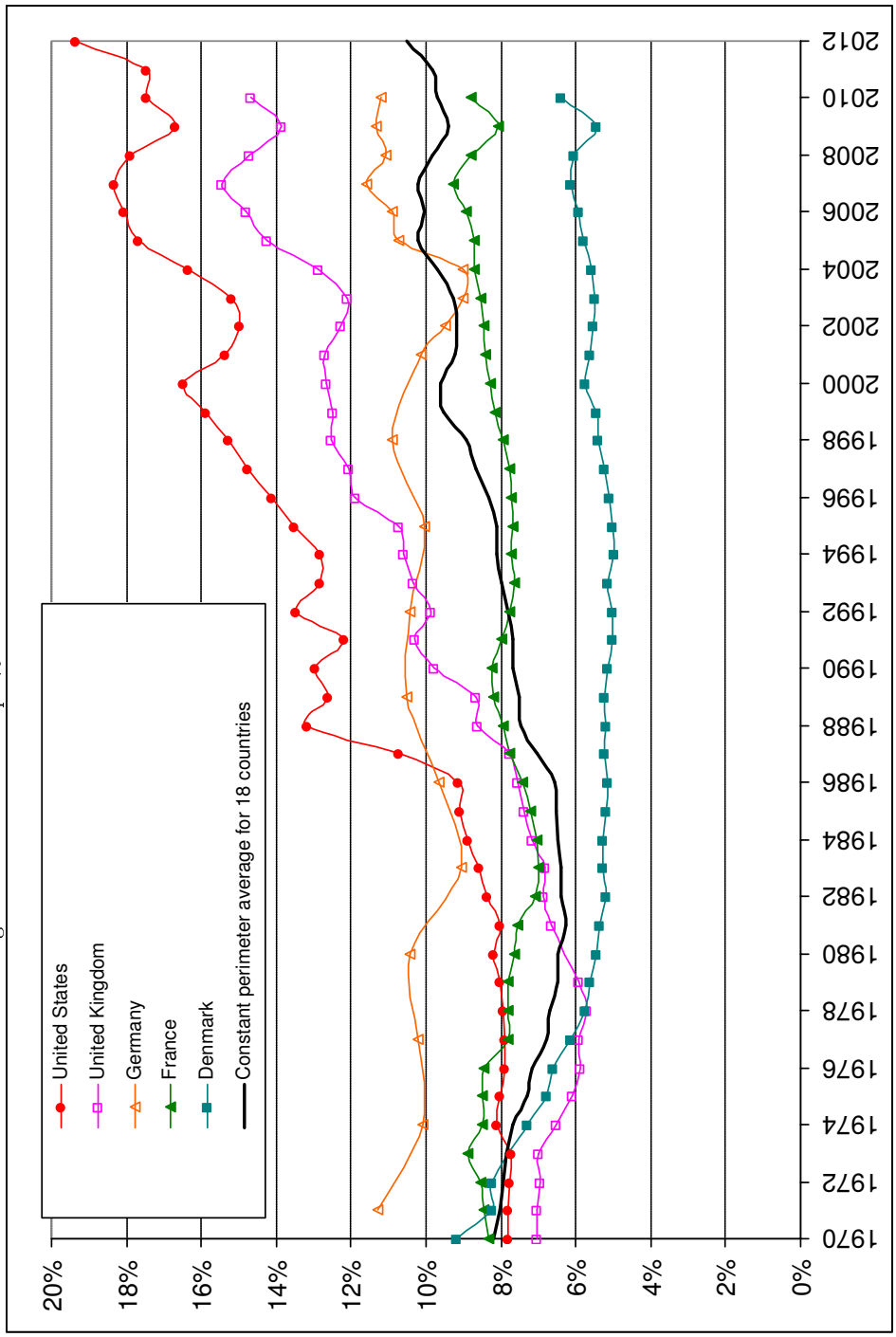

Figure A6: Evolution of top 1% income share

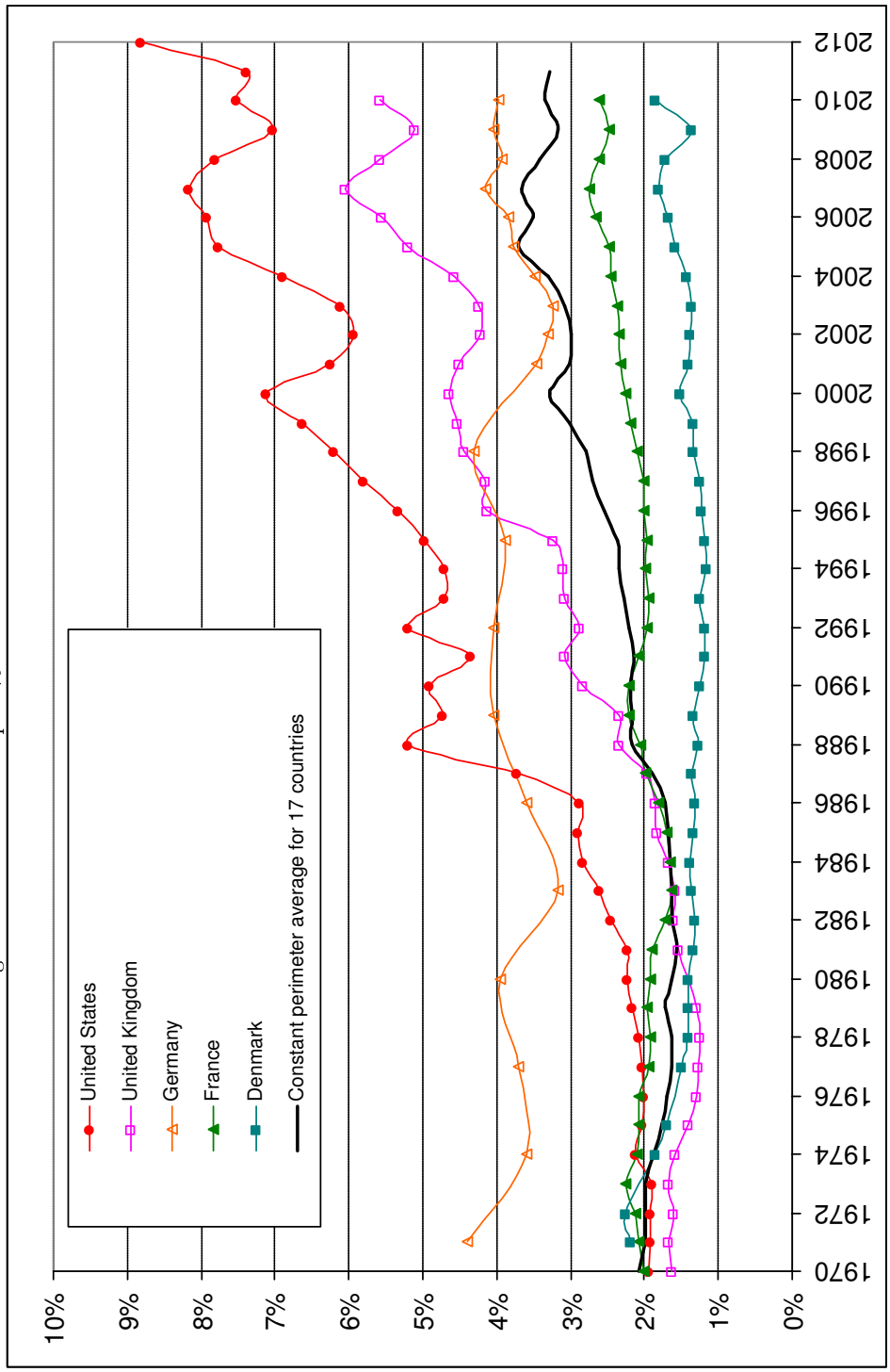

Figure A7: Evolution of top 0.1% income share

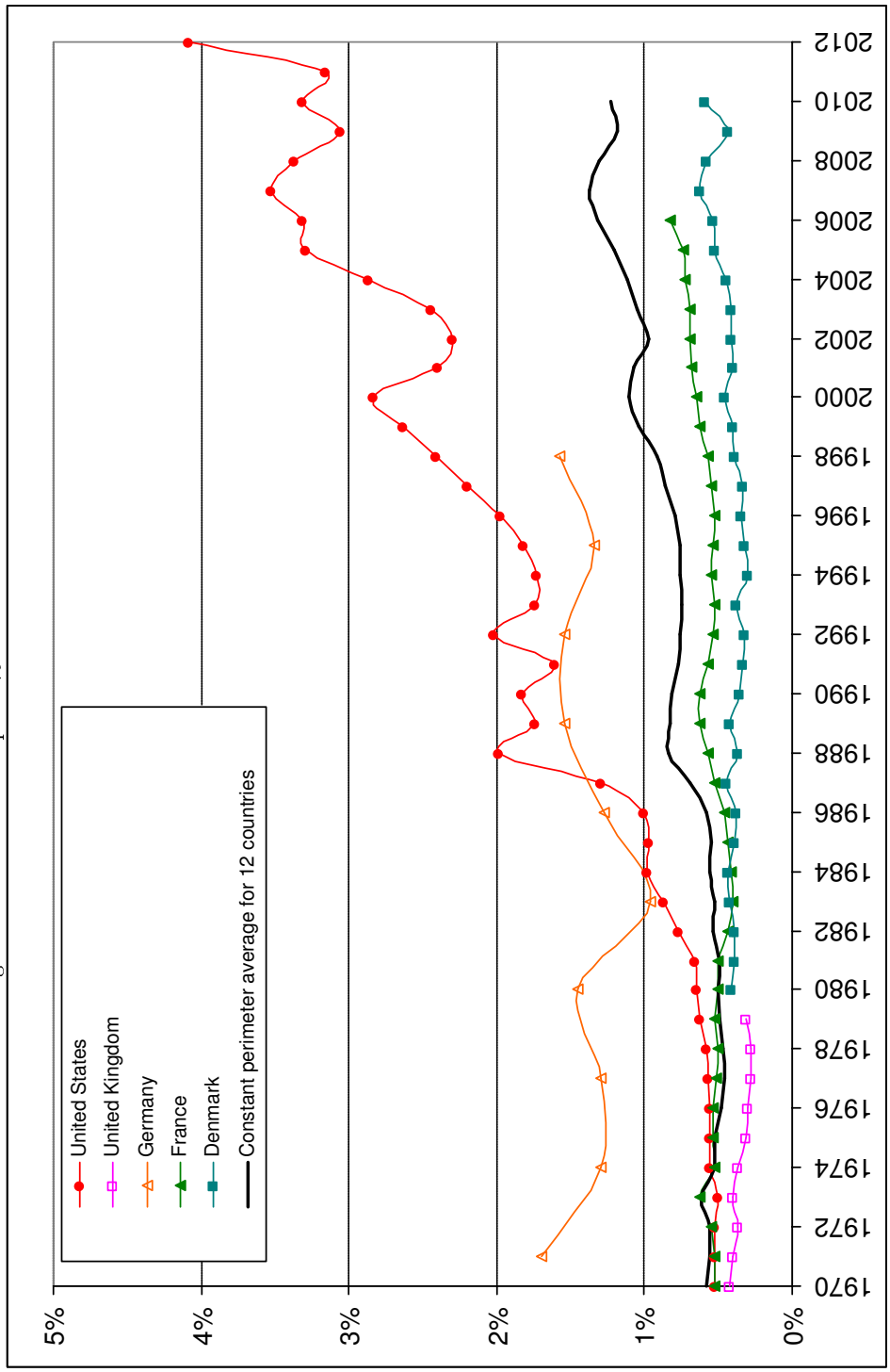

Figure A8: Evolution of top 0.01% income share

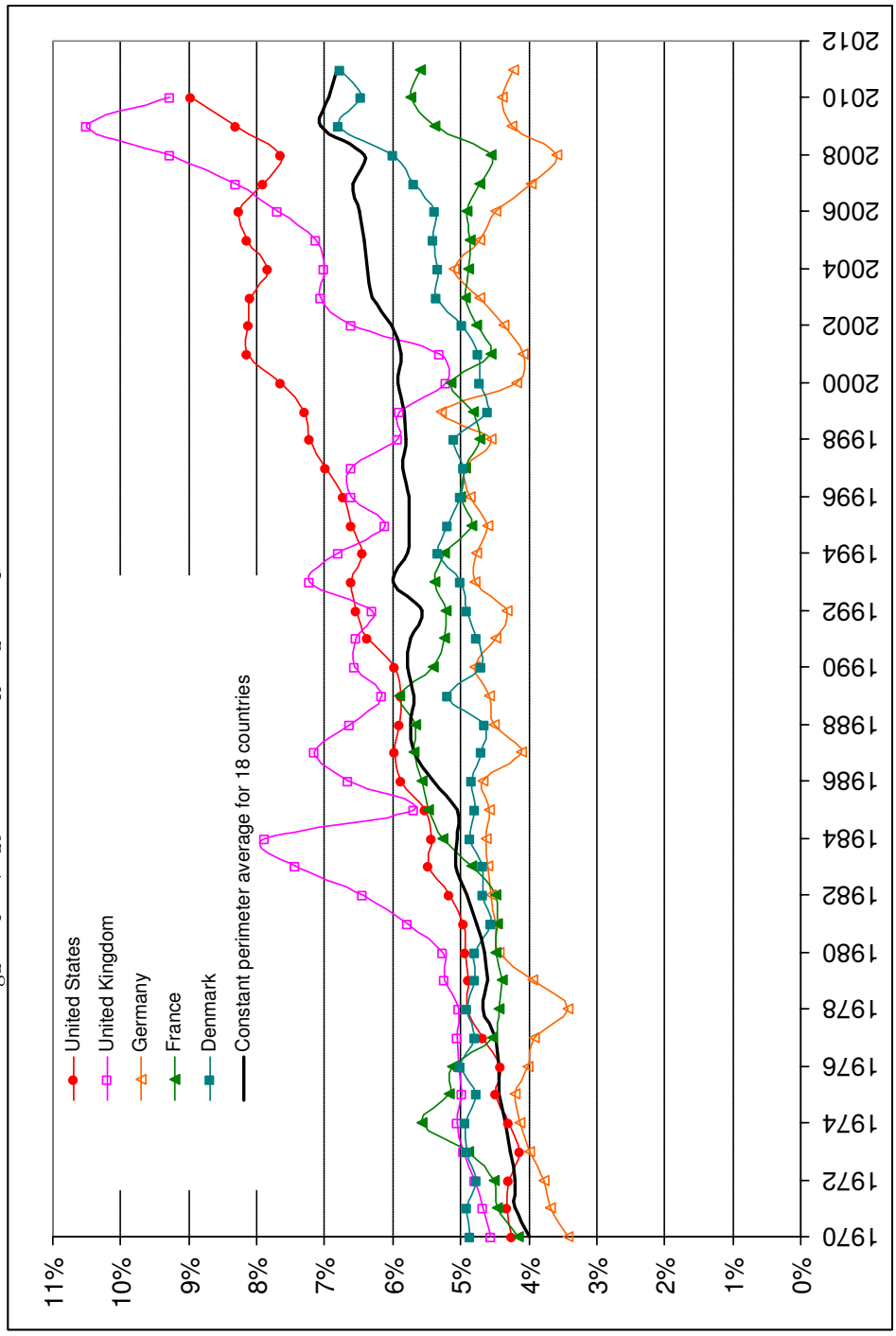

Figure A9: Evolution of finance & insurance GDP share

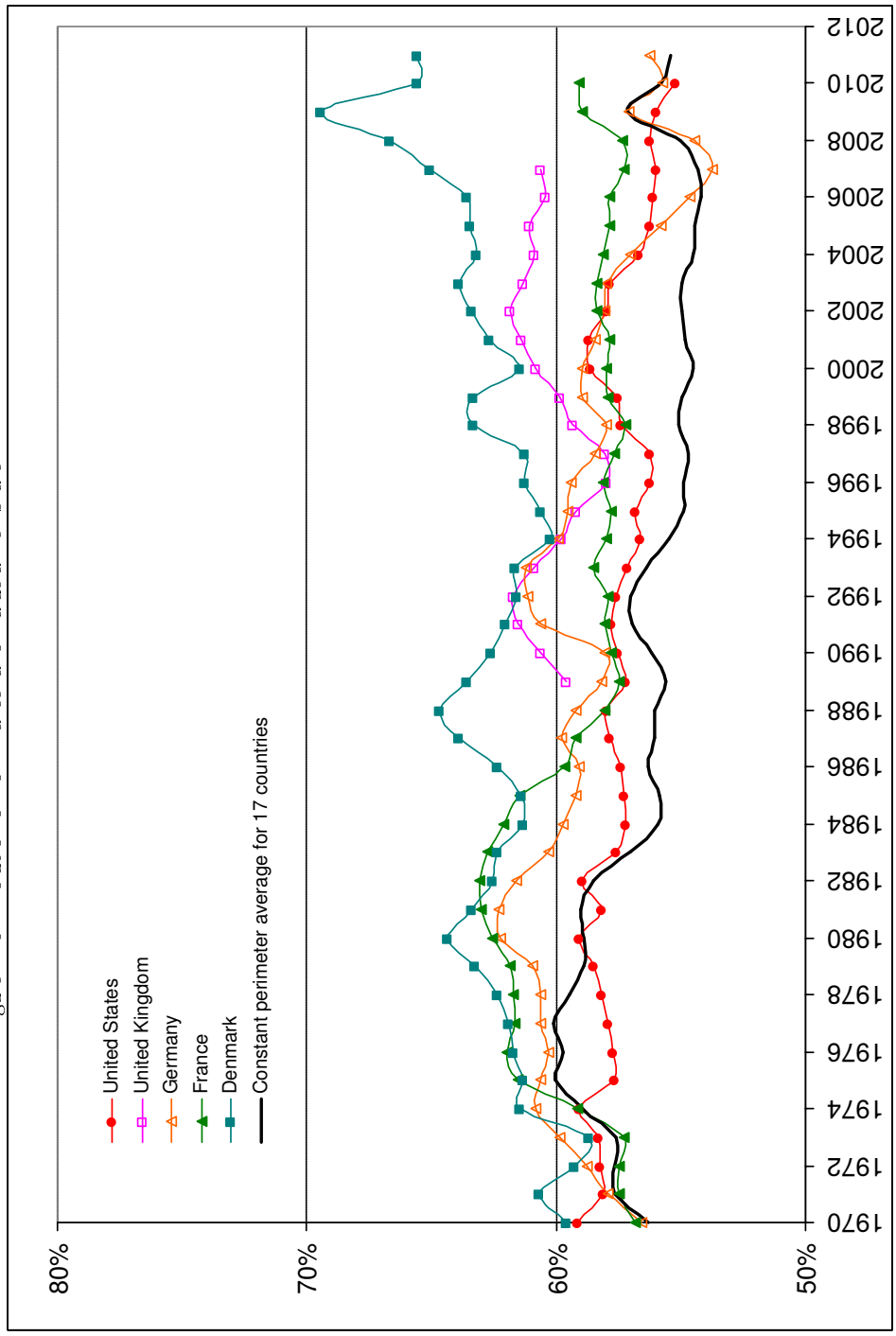

Figure A10: Evolution of non-finance labor value added share

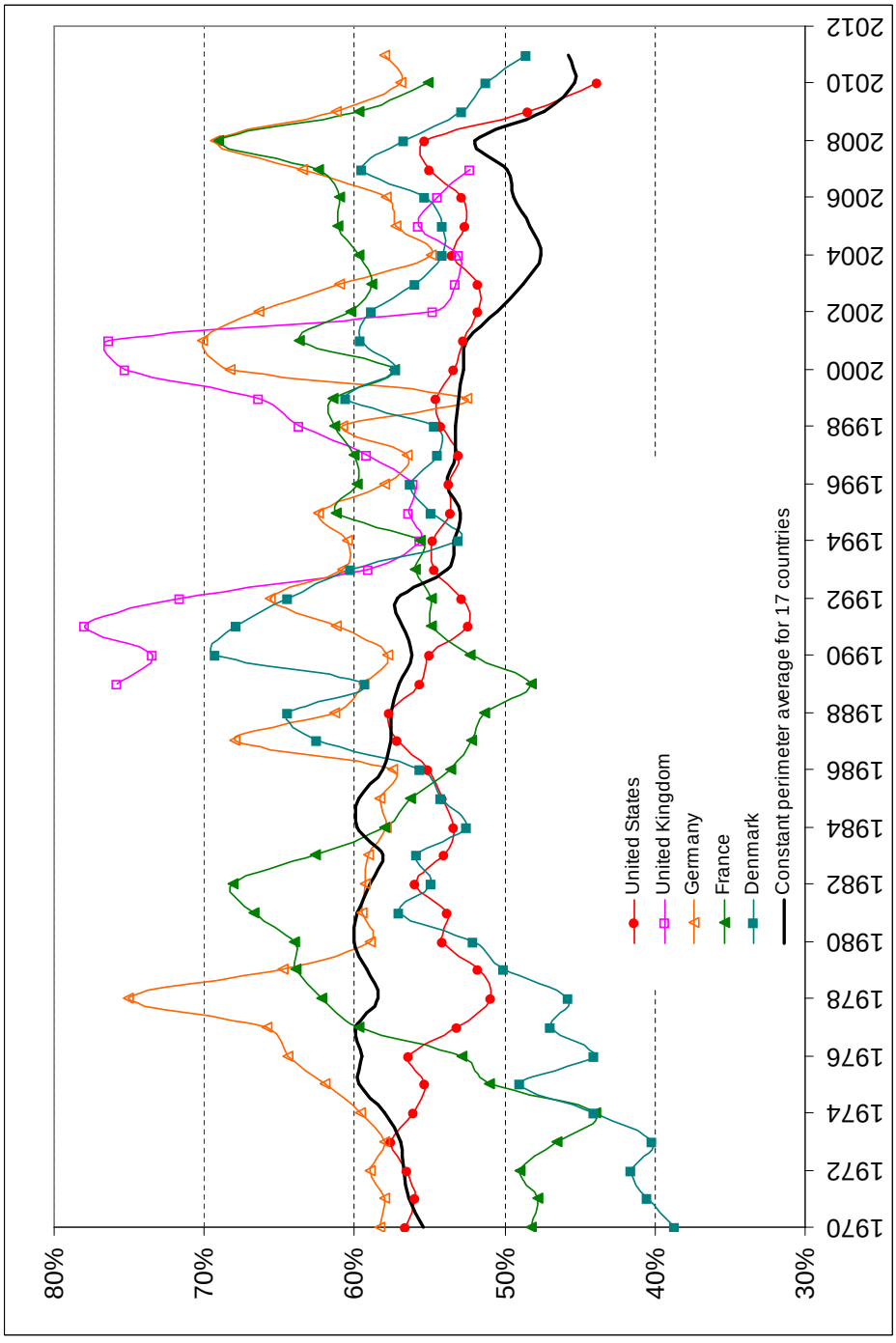

Figure A11: Evolution of finance labor value added share

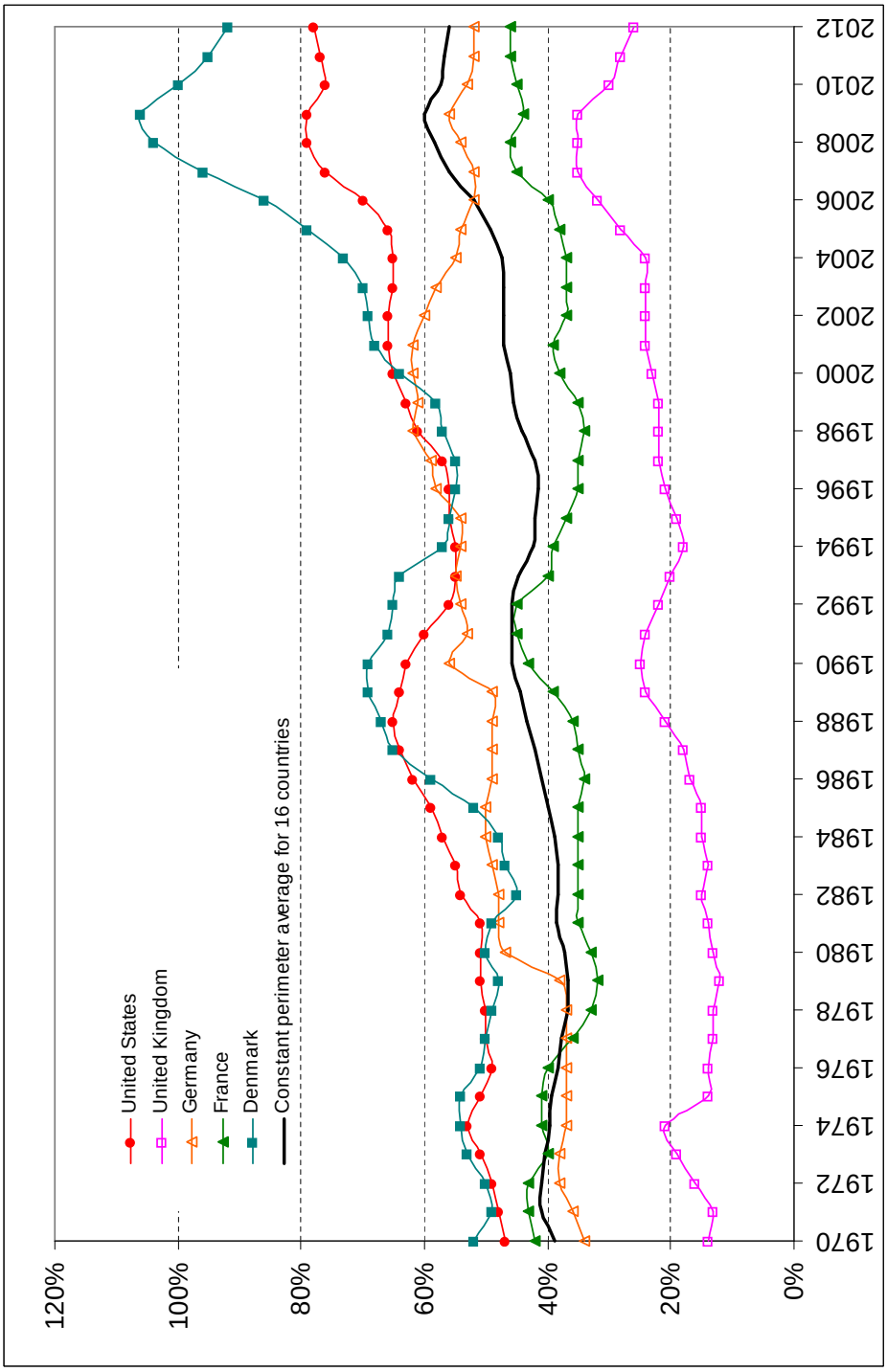

Figure A12: Evolution of corporate debt to GDP

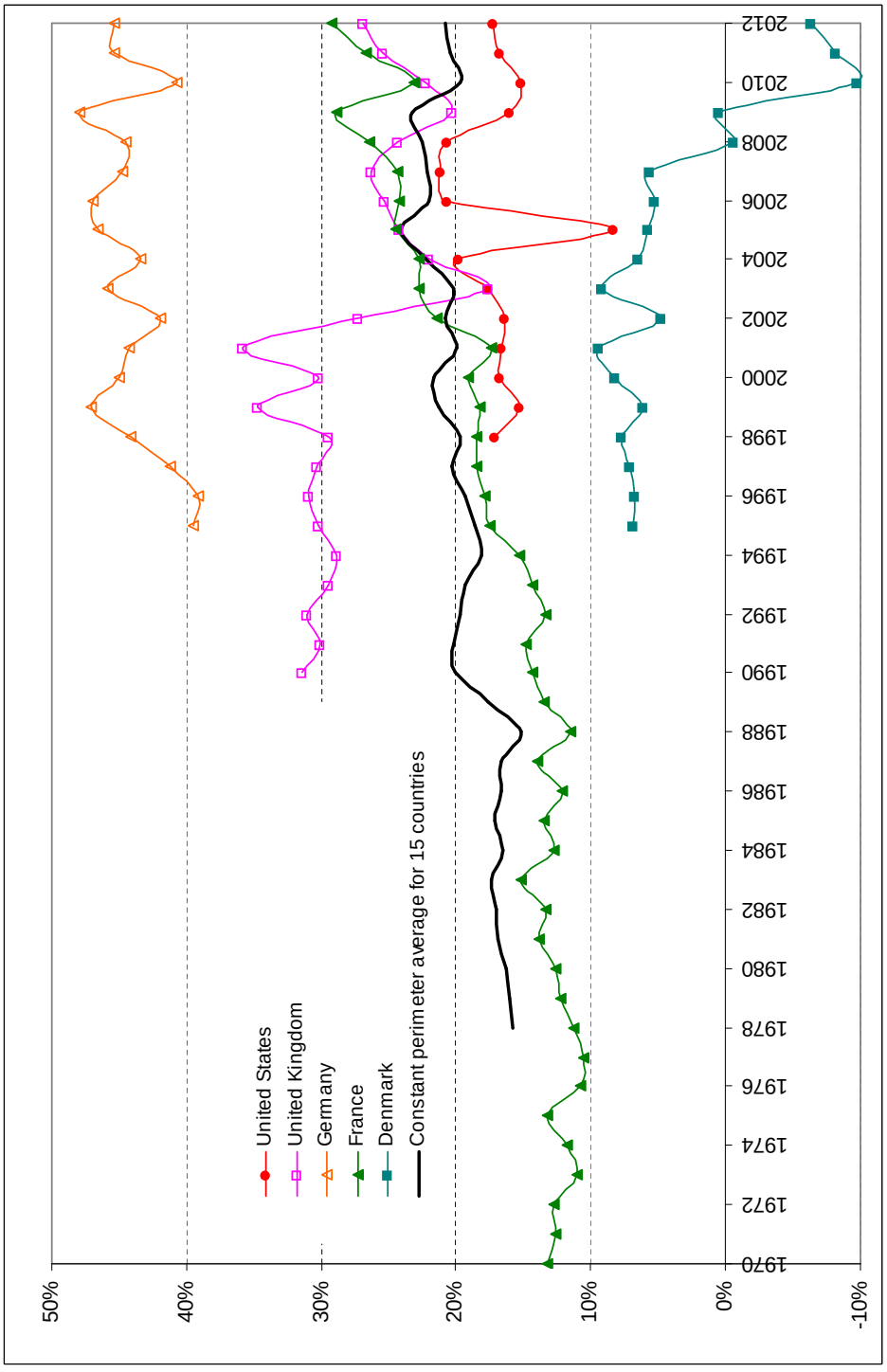

Figure A13: Evolution of non-financial firms' dividend distribution

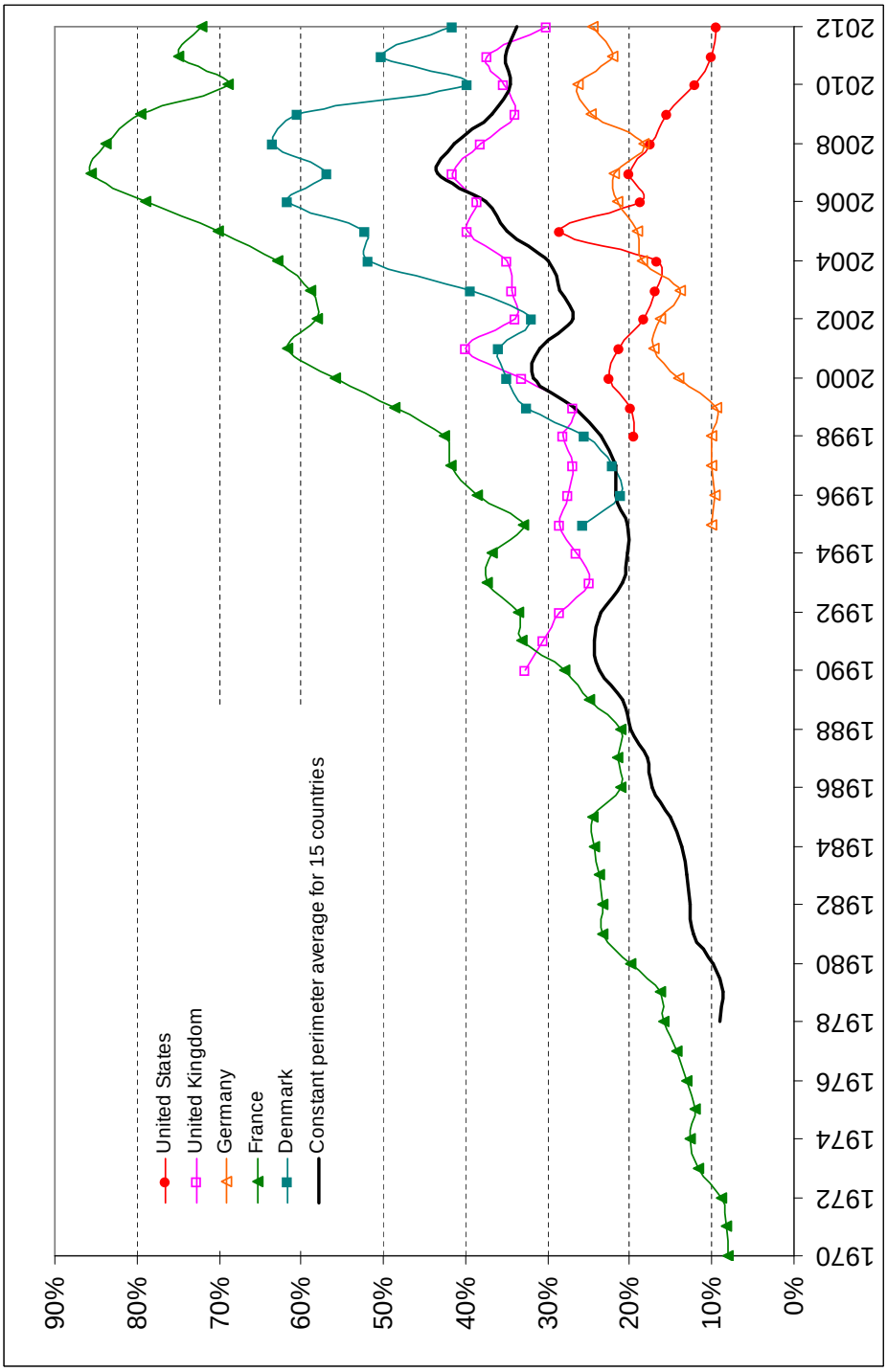

Figure A14: Evolution of financial income to gross surplus output in non-financial firms

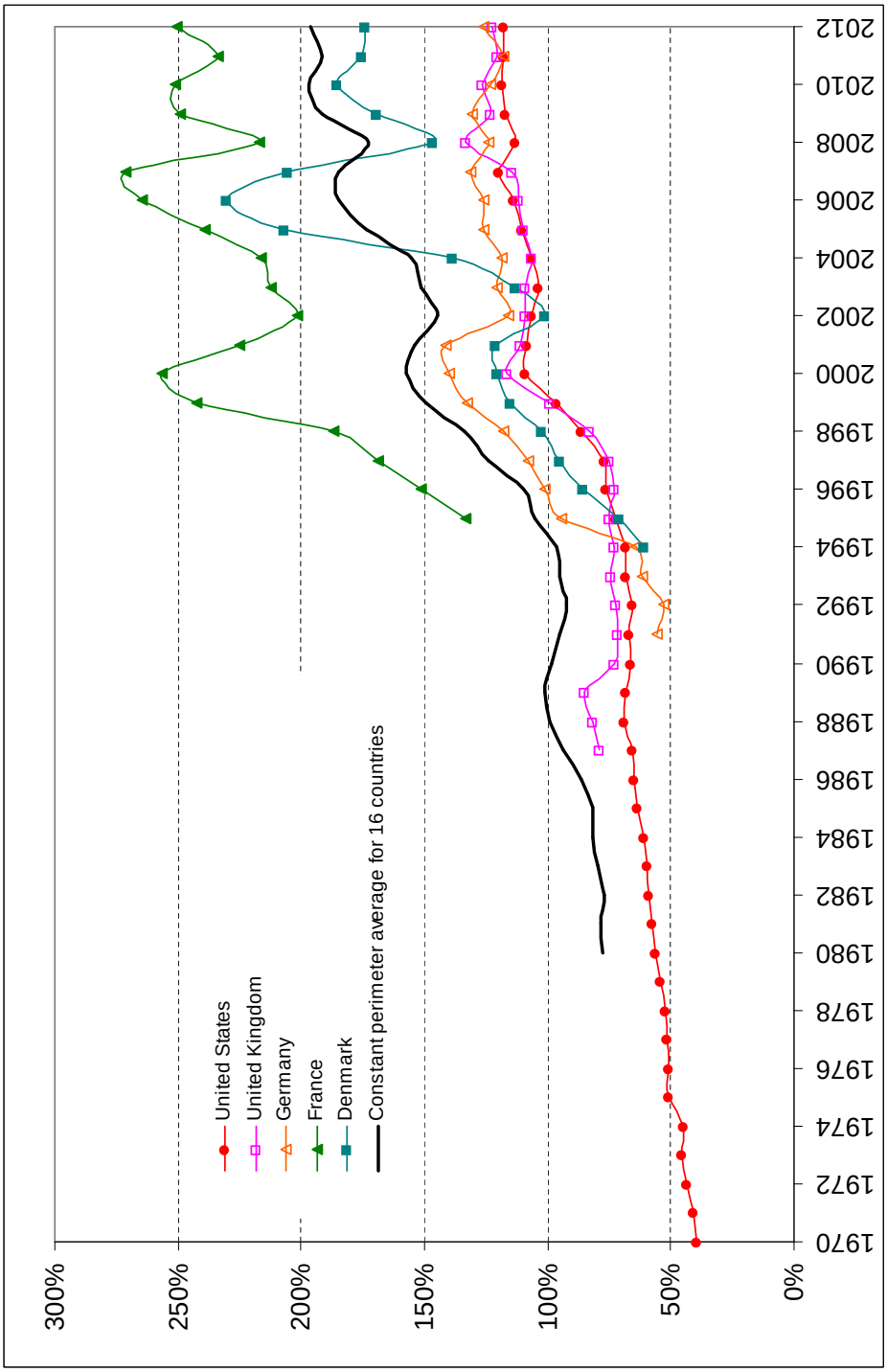

Figure A15: Evolution of financial assets to GDP in non-financial firms

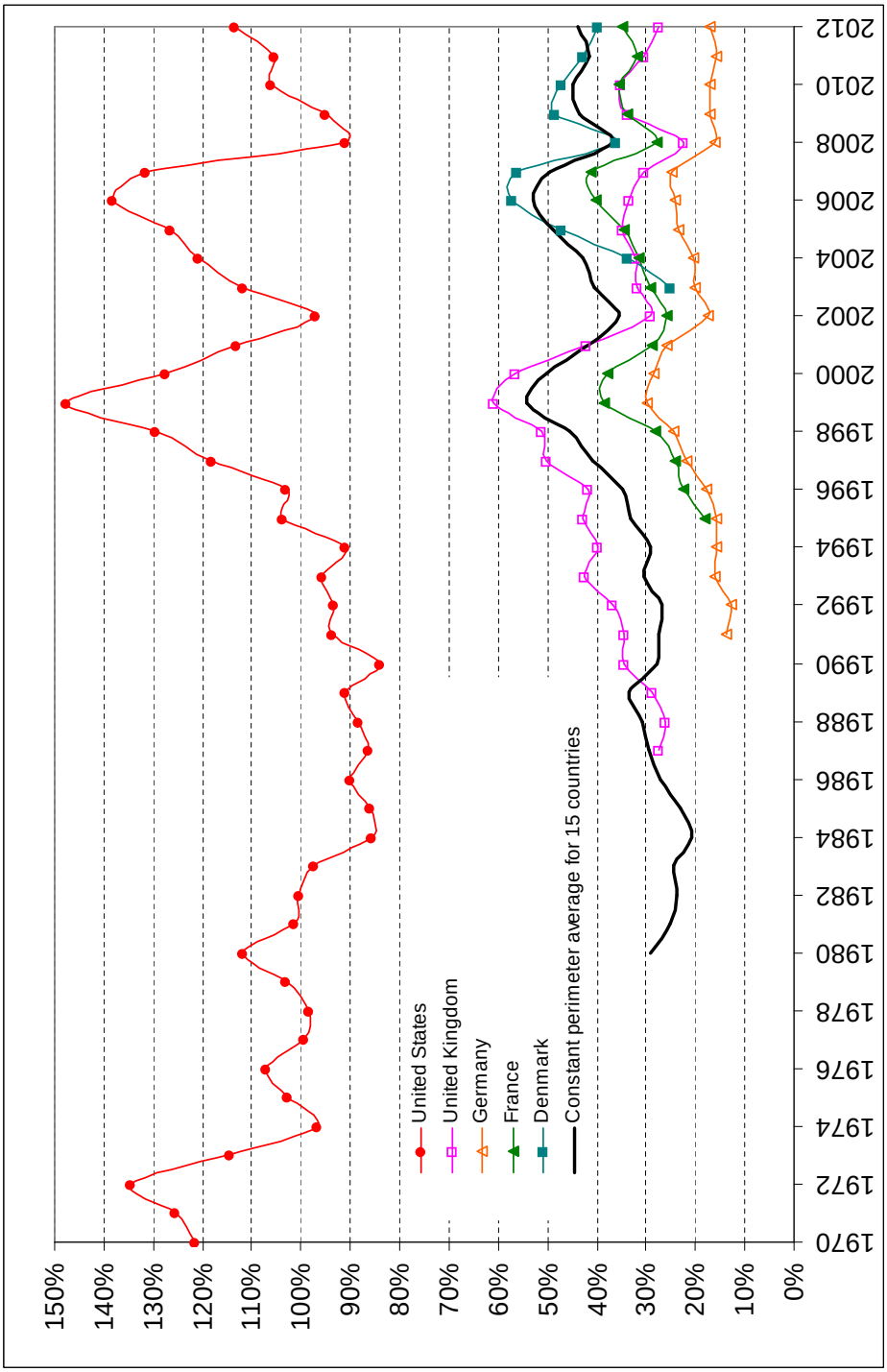

Figure A16: Evolution households' shares and other equity (except mutual funds) shares to GDP

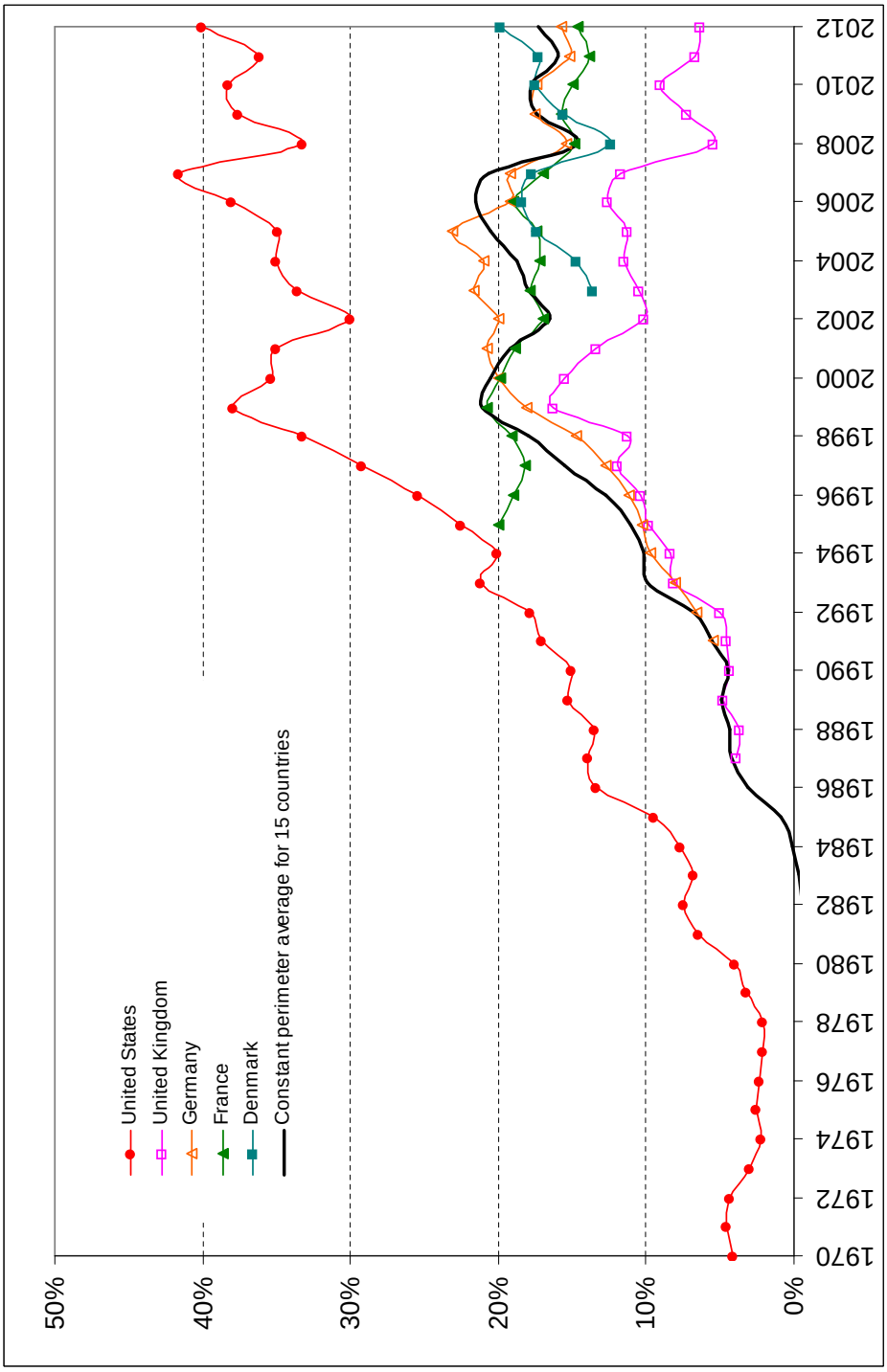

Figure A17: Evolution of households' mutual funds shares to GDP

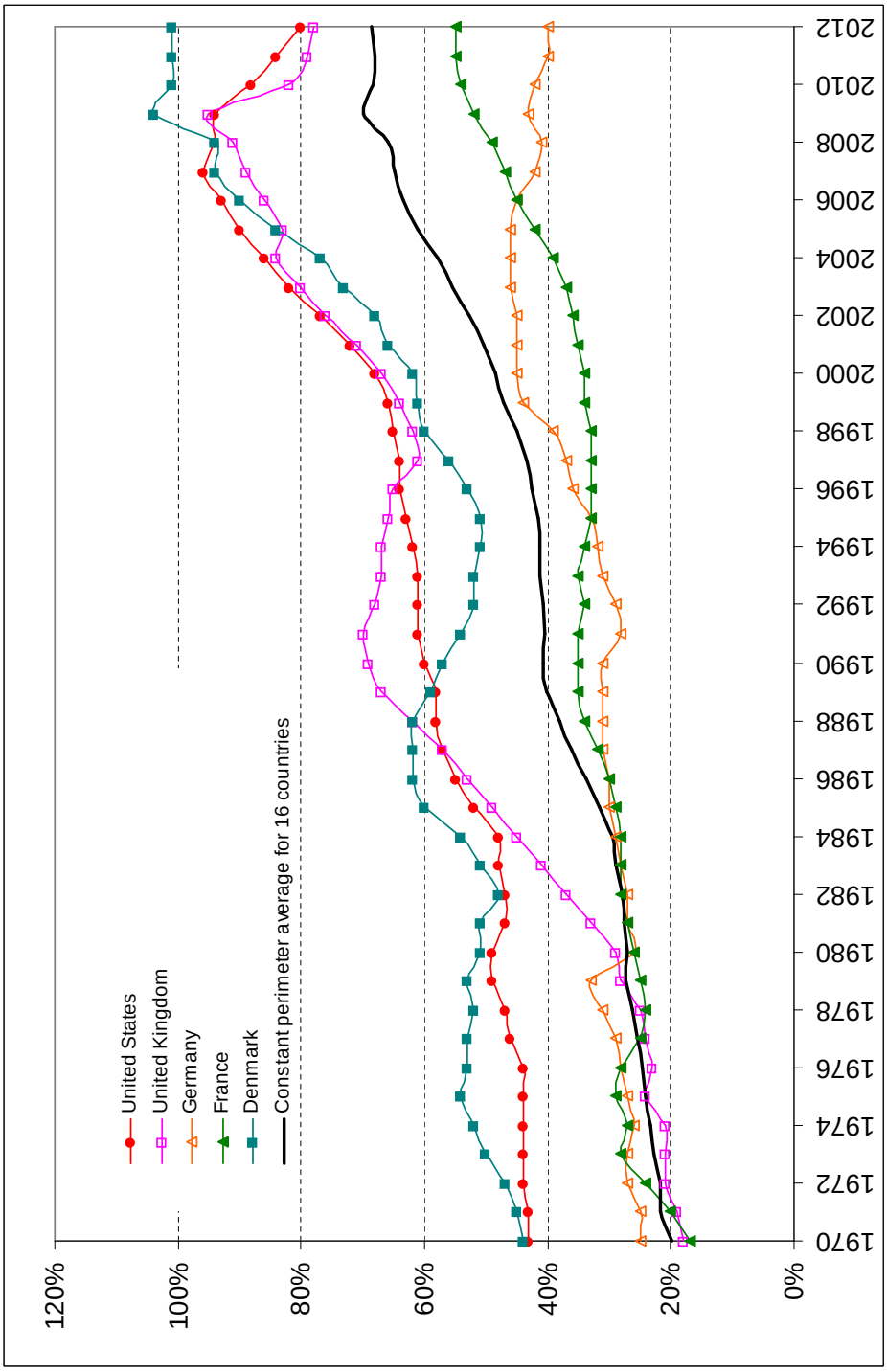

Figure A18: Evolution of household debt to GDP

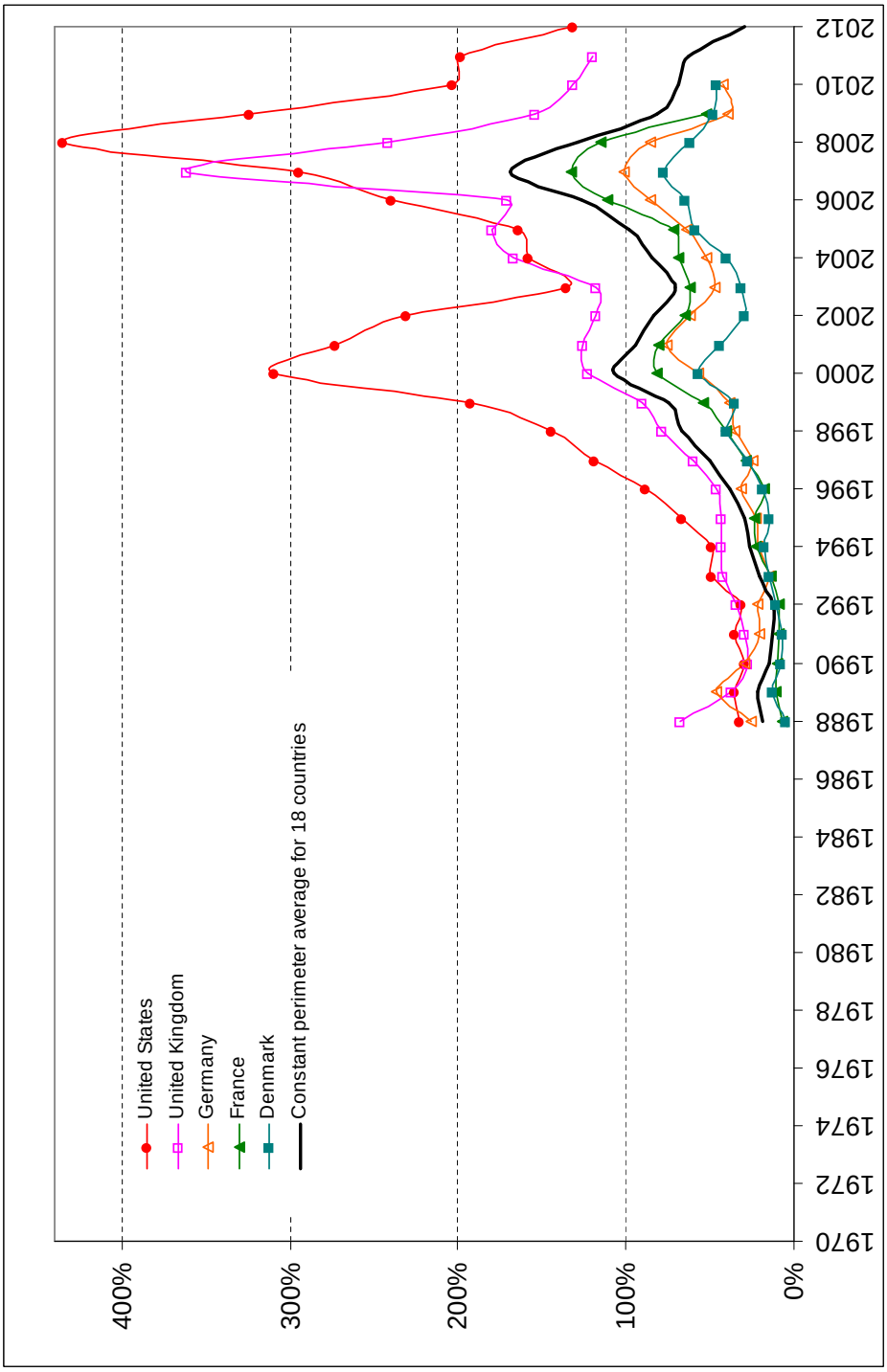

Figure A19: Volume of annual stocks traded to GDP

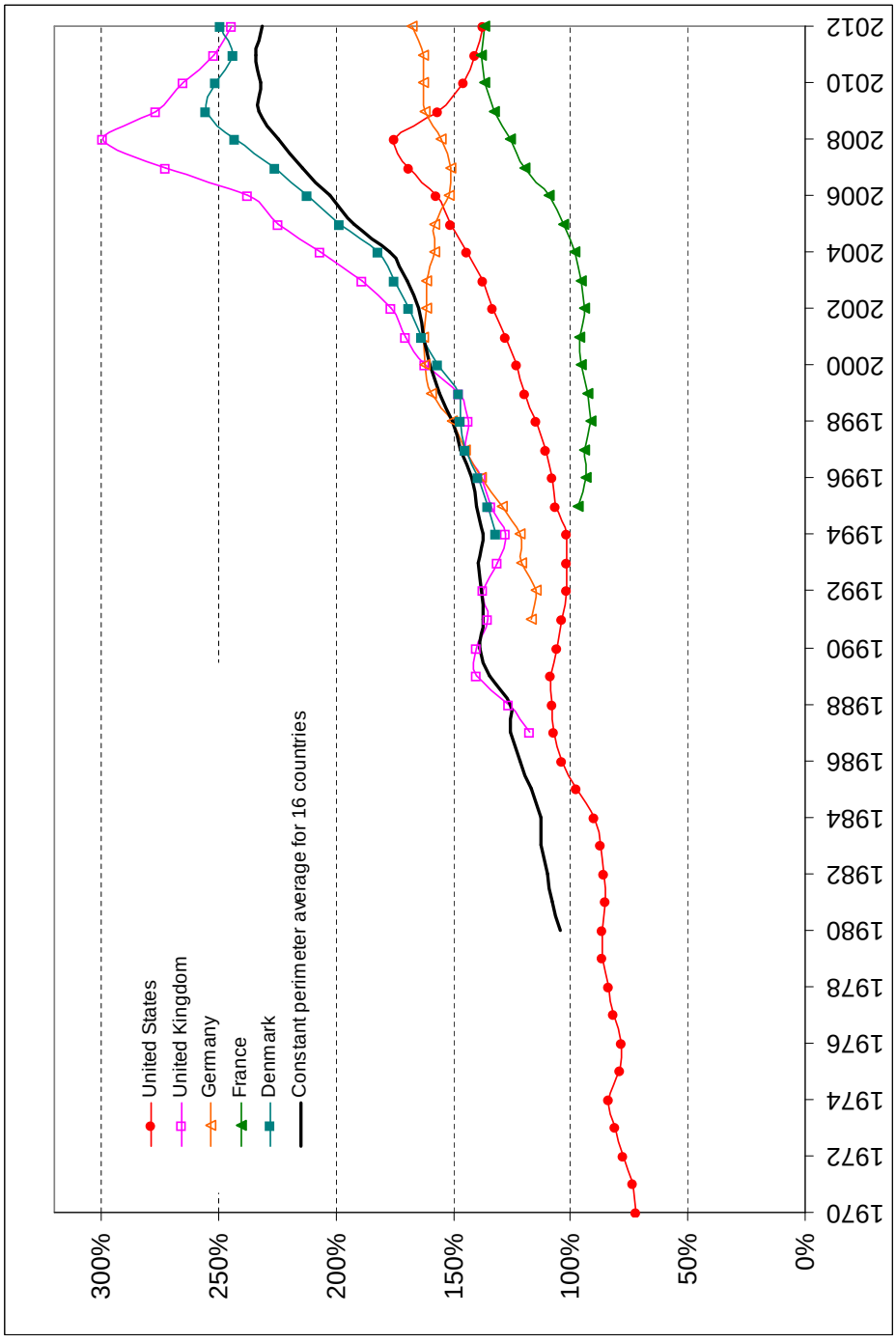

Figure A20: Loans assets in financial firms' balance sheet to GDP

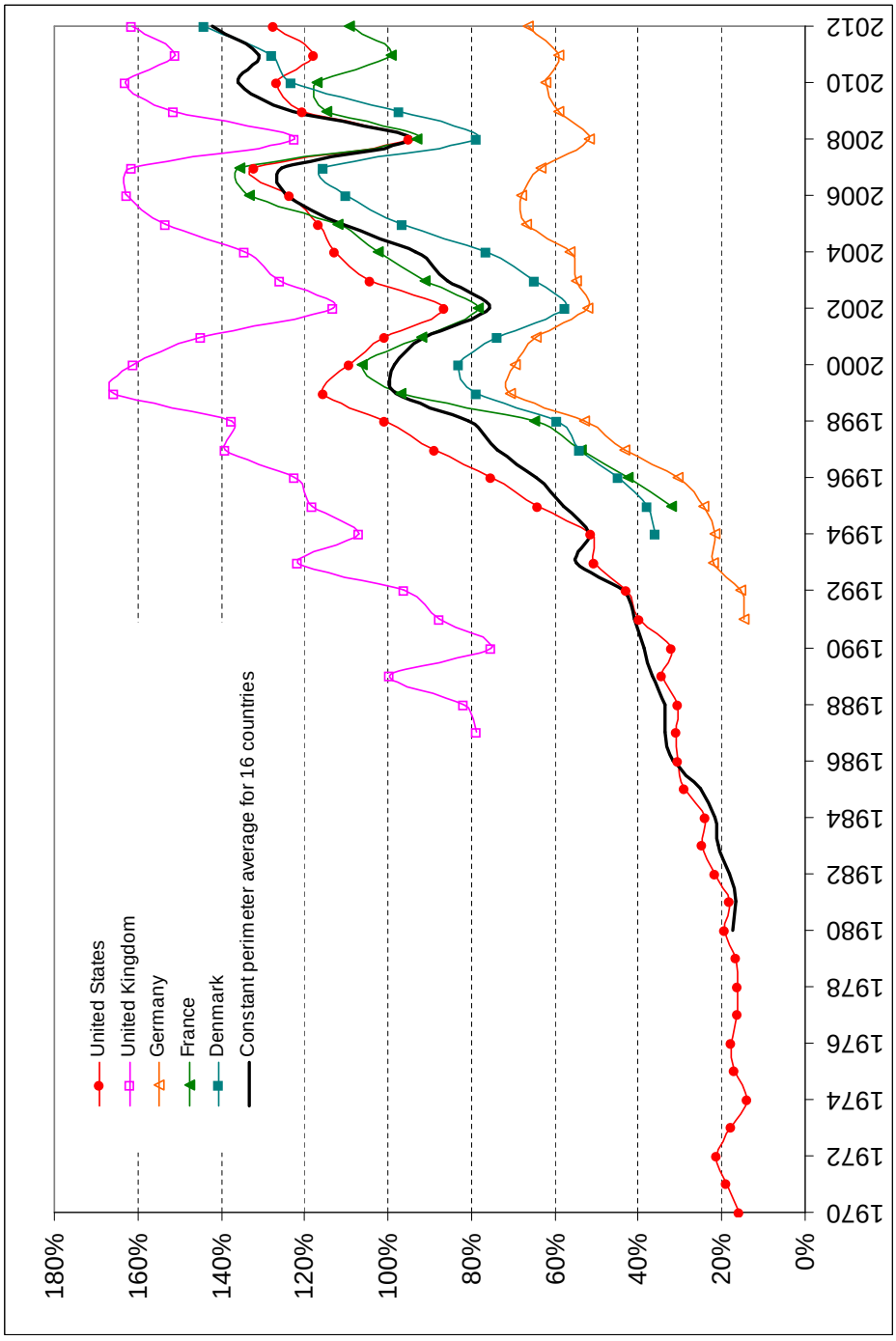

Figure A21: Shares and related equity on financial firms' balance sheet asset side to GDP

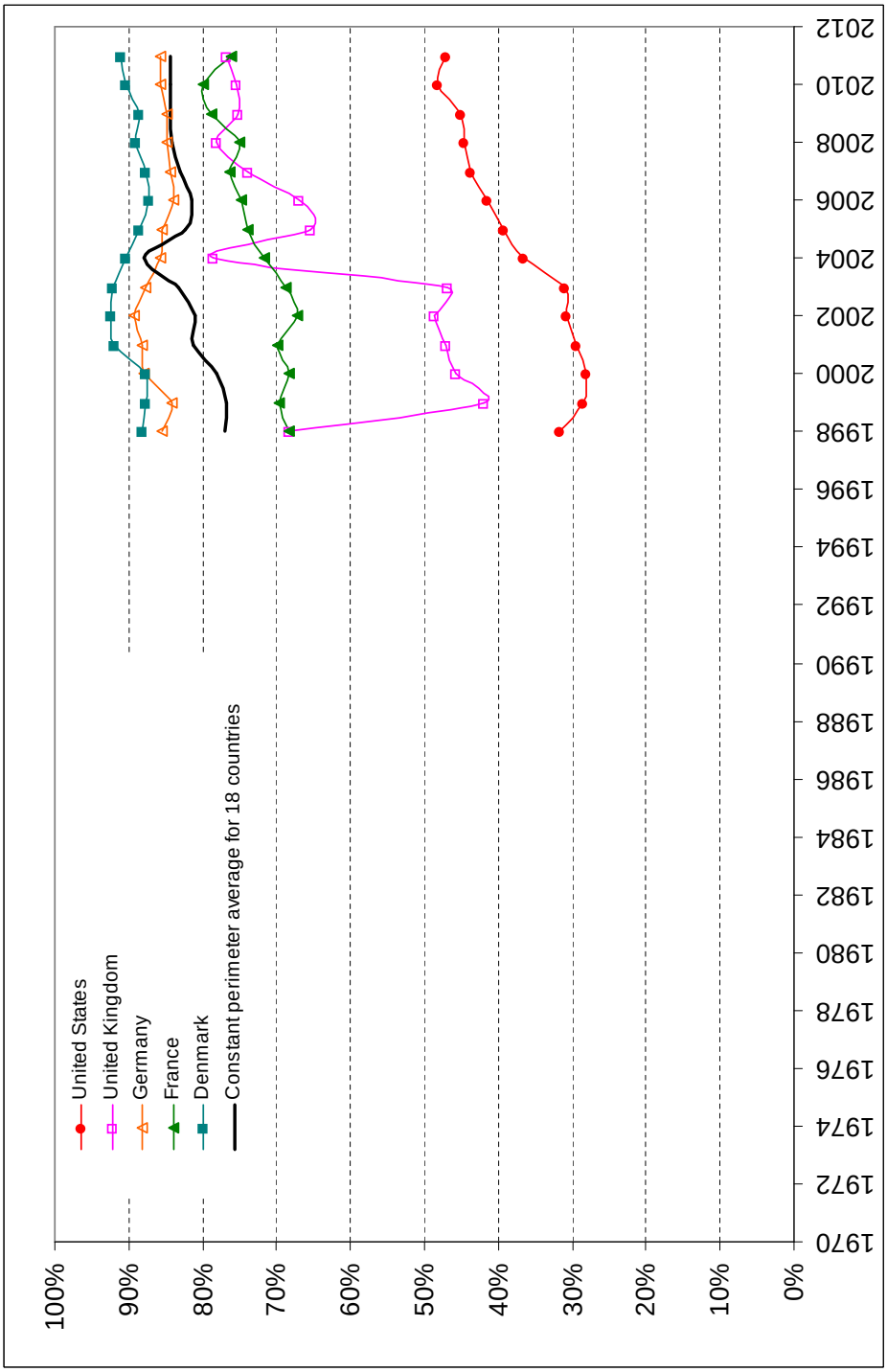

Figure A22: Assets of five largest banks as a share of total commercial banking assets

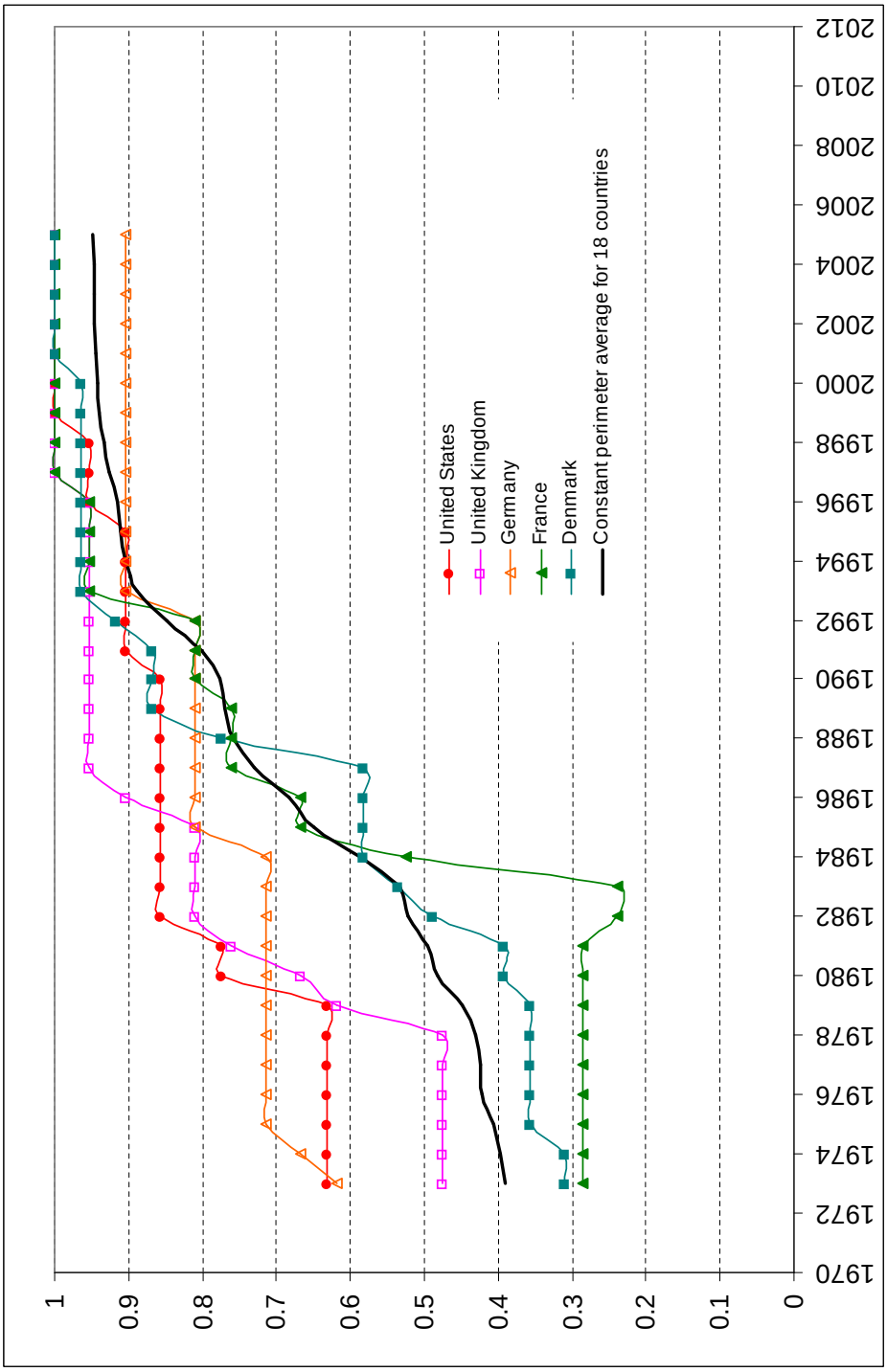

Figure A23: Financial deregulation index

4 Tables

Table A2: Impact of the finance share of the GDP on income inequality

	A. Classical panel regression models (Equation 1)							
	Gini Index	D5/D1	D9/D1	D9/D5	Top 10% share	Top 1% share	Top 0.1% share	Top 0.01% share
GDP per capita (t-1)	-0.039*	0.053*	0.029*	0.011	-0.016	0.003	-0.002	0.002
	(0.006)	(0.015)	(0.010)	(0.005)	(0.008)	(0.008)	(0.011)	(0.012)
Union rate (t-1)	-0.037*	-0.025*	-0.036*	-0.039*	-0.049*	-0.031*	-0.017*	-0.030*
	(0.004)	(0.009)	(0.006)	(0.006)	(0.005)	(0.004)	(0.005)	(0.007)
Import rate (t-1)	-0.152*	0.408*	0.170	-0.028	-0.106*	-0.127*	-0.153*	0.167
	(0.045)	(0.103)	(0.067)	(0.042)	(0.041)	(0.044)	(0.054)	(0.067)
Finance & insurance/GDP (t-1)	-0.039	-0.039	0.161*	0.181*	0.122*	0.226*	0.279*	0.409*
	(0.041)	(0.064)	(0.050)	(0.034)	(0.035)	(0.037)	(0.043)	(0.045)
Adj. within R2	0.150	0.081	0.086	0.152	0.174	0.147	0.127	0.229
Nb. obs./countries/ years	673/18/42	391/18/42	391/18/42	391/18/42	604/18/42	623/18/42	538/17/42	368/14/42

	B. Error correction models (Equation 2)							
	ΔGini	$\Delta \frac{D5}{D1}$	$\Delta \frac{D9}{D1}$	$\Delta \frac{D9}{D5}$	Δ Top 10%	Δ Top 1%	Δ Top 0.1%	Δ Top 0.01%
Δ GDP per capita	Δ Gini	Δ D5/D1	Δ D9/D1	Δ D9/D5	Δ Top 10%	Δ Top 1%	Δ Top 0.1%	Δ Top 0.01%
	-0.196	0.380	0.172†	0.052	0.009	0.154	0.160	-0.071
	(0.082)	(0.147)	(0.095)	(0.101)	(0.134)	(0.176)	(0.225)	(0.127)
Δ Union rate	-0.026	0.117	0.033	-0.039	-0.220†	-0.175	-0.078	0.044
	(0.075)	(0.194)	(0.129)	(0.139)	(0.126)	(0.138)	(0.117)	(0.073)
Δ Import rate	-0.075†	0.270*	0.156	0.067	-0.035	-0.009	0.006	0.021
	(0.038)	(0.102)	(0.063)	(0.066)	(0.055)	(0.065)	(0.078)	(0.064)
Δ Finance & insurance/GDP	-0.048†	0.017	0.006	-0.015	0.069	0.080	0.070	0.014
	(0.027)	(0.058)	(0.038)	(0.043)	(0.034)	(0.036)	(0.043)	(0.038)
Lagged dependent variable (t-1)	-0.107*	-0.306*	-0.191*	-0.255*	-0.096*	-0.168*	-0.170*	-0.087
	(0.019)	(0.046)	(0.033)	(0.048)	(0.026)	(0.035)	(0.046)	(0.037)
GDP per capita (t-1)	-0.071	0.299*	0.112	0.045	-0.049	-0.075	-0.109	0.011
	(0.036)	(0.079)	(0.043)	(0.040)	(0.058)	(0.075)	(0.112)	(0.059)
	-0.663	*0.978**	*0.586**	*0.175*	*-0.516*	*-0.448*	*-0.640*	*0.128*
	(0.332)	*(0.215)*	*(0.208)*	*(0.155)*	*(0.591)*	*(0.449)*	*(0.655)*	*(0.670)*
Union rate (t-1)	-0.011	-0.003	-0.031	-0.069	-0.022	-0.016	-0.017	-0.023
	(0.013)	(0.042)	(0.029)	(0.034)	(0.028)	(0.027)	(0.026)	(0.021)
	-0.101	*-0.009*	*-0.161*	*-0.270*	*-0.234*	*-0.098*	*-0.101*	*-0.366*
	(0.115)	*(0.139)*	*(0.151)*	*(0.130)*	*(0.261)*	*(0.140)*	*(0.149)*	*(0.245)*
Import rate (t-1)	-0.004	0.250*	0.093*	0.012	-0.018	-0.021	-0.023	0.053†
	(0.017)	(0.061)	(0.033)	(0.032)	(0.027)	(0.031)	(0.043)	(0.032)
	-0.038	*0.818**	*0.498**	*0.048*	*-0.188*	*-0.125*	*-0.133*	*0.610†*
	(0.165)	*(0.178)*	*(0.166)*	*(0.125)*	*(0.277)*	*(0.185)*	*(0.255)*	*(0.369)*
Finance & insurance/GDP (t-1)	0.005	0.038	0.060	0.054	0.012	0.054*	0.057	0.048
	(0.015)	(0.032)	(0.024)	(0.026)	(0.018)	(0.020)	(0.027)	(0.021)
	0.043	*0.125*	*0.315**	*0.212*	*0.122*	*0.321**	*0.334*	*0.554*
	(0.145)	*(0.101)*	*(0.118)*	*(0.094)*	*(0.179)*	*(0.110)*	*(0.136)*	*(0.256)*
Adj. within R2	0.091	0.166	0.116	0.117	0.059	0.094	0.085	0.044
Nb. obs./countries/years	655/18/41	351/17/41	351/17/41	351/17/41	576/18/41	596/18/41	513/17/41	347/13/41

Note: OLS models (country demeaned standardized estimates) with country and year fixed effects and panel corrected standard errors.
For error correction models, I display long term equilibrium effects obtained with Bewley's transformation (Equation 3) in italics.
*p < 0.01, †p < 0.1.

Table A3: Impact of the finance share of the GDP on income inequality. Lagged dependent variables model

	Gini Index	D5/D1	D9/D1	D9/D5	Top 10% share	Top 1% share	Top 0.1% share	Top 0.01% share
Lagged dependent variable (t-1)	0.885*	0.717*	0.808*	0.742*	0.900*	0.836*	0.825*	0.901*
	(0.0280)	(0.0562)	(0.033)	(0.044)	(0.025)	(0.034)	(0.045)	(0.035)
GDP per capita (t-1)	-0.0683*	0.0534	0.091	0.035	-0.031	-0.054	-0.086	0.024
	(0.034)	(0.078)	(0.041)	(0.035)	(0.054)	(0.070)	(0.102)	(0.053)
Union rate (t-1)	-0.009	-0.016	-0.035	-0.066	-0.009	-0.005	-0.009	-0.022
	(0.013)	(0.042)	(0.027)	(0.031)	(0.027)	(0.025)	(0.024)	(0.018)
Import rate (t-1)	0.007	0.184*	0.054†	-0.007	0.005	-0.001	-0.010	0.048†
	(0.016)	(0.051)	(0.028)	(0.027)	(0.025)	(0.028)	(0.037)	(0.028)
Finance & insurance/GDP (t-1)	0.011	0.025	0.056*	0.059*	0.000	0.037	0.044†	0.044
	(0.015)	(0.029)	(0.021)	(0.022)	(0.017)	(0.019)	(0.025)	(0.019)
Adj. within R2	0.800	0.563	0.639	0.530	0.753	0.674	0.643	0.740
Nb. obs.	668/18/42	363/18/42	363/18/42	363/18/42	584/18/42	604/18/42	519/17/42	352/13/42

Note: OLS models (country demeaned standardized estimates) with country and year fixed effects and panel corrected standard errors.
*p < 0.01, †p < 0.1.
Explanation: Using lagged dependent variables as independent variables in a group fixed effects model leads to some inconsistency and to a endogeneity bias due to the fact that the lagged dependent variable is not orthogonal to errors. Nevertheless this bias becomes negligible when the number of periods is sufficient (T>20), which can justify its use here (Beck and Katz 2011).

Table A4: Impact of the finance share of the GDP on income inequality. Lagged dependent variables model with Blundell-Bond correction

	Gini Index	D5/D1	D9/D1	D9/D5	Top 10% share	Top 1% share	Top 0.1% share	Top 0.01% share
Lagged dependent variable (t-1)	0.885*	0.717*	0.828*	0.793*	0.881*	0.819*	0.804*	0.921*
	(0.028)	(0.056)	(0.053)	(0.057)	(0.036)	(0.066)	(0.094)	(0.021)
GDP per capita (t-1)	-0.082	0.179	0.039	0.023	-0.041	-0.078	-0.151	0.035
	(0.042)	(0.110)	(0.063)	(0.054)	(0.036)	(0.037)	(0.106)	(0.055)
Union rate (t-1)	-0.001	-0.030	-0.029	-0.050	-0.021	-0.017	-0.008	-0.010
	(0.023)	(0.056)	(0.030)	(0.033)	(0.036)	(0.024)	(0.034)	(0.032)
Import rate (t-1)	0.014	0.129	0.010	-0.024	0.0024	-0.014	-0.033	0.059
	(0.016)	(0.089)	(0.062)	(0.056)	(0.020)	(0.034)	(0.072)	(0.024)
Finance & insurance/GDP (t-1)	0.008	-0.020	0.034	0.047†	0.0047	0.043*	0.044	0.049*
	(0.013)	(0.030)	(0.015)	(0.026)	(0.014)	(0.014)	(0.020)	(0.019)
Nb. obs.	668/18/42	363/18/42	363/18/42	363/18/42	584/18/42	604/18/42	519/17/42	352/13/42

Note: Blundell-Bond models estimated with the general methods of moments. I use as instruments of the independent variables their t-2 to t-5 lags and their t-2 to t-5 evolutions (Blundell and Bond 1998). Models are estimated with country fixed and year effects and robust standard errors (Roodman 2009).
*p < 0.01, †p < 0.1.
Explanation: A possible method for handling the endogeneity bias due to the use of lagged dependent variables as independent variables consists of using their lags and their evolutions as instruments. Blundell's and Bond's method (1998) provides a flexible way of doing this without reducing the sample thanks to the general method of moments. Nevertheless, the estimations rest on a strong hypothesis of the absence of correlation between instruments - i.e., lagged variables and lagged variables' evolutions - and the group fixed effects. Moreover, the method fits well to data where the number of groups is high and that of periods is small (Roodman 2009). But here, the opposite is true. In the end, I are not sure of having a more trustworthy estimation than I would without this correction (Table A3). However, the qualitative results of both estimations converge.

Table A5: Contribution of financialization to the 1980-2007 period of increasing inequality

				A. Classical panel regression models (Equation 1)		B. Error correction models (Equation 2)	
	1980	2007	Evolution	Counterfactual 2007 in the absence of financialization	Contribution of financialization	Counterfactual 2007 in the absence of financialization	Contribution of financialization
Finance / GDP	4.66	6.59	1.93				
Gini	36.86	43.31	6.45	.	.	.	.
D5/D1	1.65	1.66	.	.	.	.	.
D9/D1	2.83	3.17	0.34	3.10	20%	3.04	40%
D9/D5	1.71	1.89	0.19	1.87	15%	1.86	19%
Top 10% share	28.96	34.48	5.52	33.81	12%	33.81	12%
Top 1% share	6.46	10.23	3.77	9.47	20%	9.17	28%
Top 0.1% share	1.61	3.62	2.01	3.07	27%	3.02	32%
Top 0.01% share	0.50	1.37	0.87	1.01	41%	0.89	55%

Note: I use Table A2 parameters to calculate the average evolution of inequality for 18 countries (17 for the top 0.1% and 12 for the top 0.01%) that would have prevailed in the absence of financialization between 1980 and 2007. Between 1980 and 2007, the top 1% share increased from 6.46% of income to 10.23%: that is, a 3.77 percentage-point increase. Based on previous regression, the counterfactual share of finance in the absence of financialization would have been 9.47% according to classical panel regression and 9.17% according to error correction models. Financialization accounts for between 20% (panel regression model) and 28% (ECM) of this indicator of inequality.

Table A6: Impact of the finance share of the GDP on income inequality when excluding US and UK from the sample.

A. Classical panel regression models (Equation 1)

	Gini Index	D5/D1	D9/D1	D9/D5	Top 10% share	Top 1% share	Top 0.1% share	Top 0.01% share
GDP per capita (t-1)	-0.039*	0.052*	0.039*	0.020*	-0.012	0.008	-0.016	-0.037*
	(0.006)	(0.017)	(0.014)	(0.007)	(0.008)	(0.010)	(0.015)	(0.011)
Union rate (t-1)	-0.034*	-0.028*	-0.060*	-0.061*	-0.059*	-0.033*	-0.003	-0.023
	(0.004)	(0.009)	(0.009)	(0.009)	(0.005)	(0.005)	(0.007)	(0.010)
Import rate (t-1)	-0.136*	0.398*	0.245	0.022	-0.018	-0.058	-0.202*	0.442*
	(0.048)	(0.125)	(0.102)	(0.061)	(0.047)	(0.049)	(0.073)	(0.083)
Finance & insurance/GDP (t-1)	-0.077†	-0.151	-0.035	0.059	-0.015	0.118*	0.135*	0.218*
	(0.043)	(0.068)	(0.057)	(0.044)	(0.033)	(0.035)	(0.040)	(0.030)
Adj. within R2	0.150	0.086	0.111	0.163	0.195	0.109	0.044	0.239
Nb. obs./countries/ years	591/16/42	311/16/38	311/16/38	311/16/38	523/16/42	542/16/42	457/15/42	318/12/42

B. Error correction models (Equation 2)

	ΔGini	$\Delta \frac{D5}{D1}$	$\Delta \frac{D9}{D1}$	$\Delta \frac{D9}{D5}$	ΔTop 10%	ΔTop 1%	ΔTop 0.1%	ΔTop 0.01%
Δ GDP per capita	Δ Gini	Δ D5/D1	Δ D9/D1	Δ D9/D5	Δ Top 10%	Δ Top 1%	Δ Top 0.1%	Δ Top 0.01%
	-0.230	0.475	0.399*	0.192	0.051	0.391	0.441	0.008
	(0.092)	(0.186)	(0.147)	(0.150)	(0.175)	(0.245)	(0.348)	(0.181)
Δ Union rate	-0.043	0.186	0.069	-0.081	-0.297†	-0.301	-0.203	-0.071
	(0.083)	(0.239)	(0.198)	(0.210)	(0.161)	(0.183)	(0.173)	(0.140)
Δ Import rate	-0.089	0.275†	0.278	0.129	-0.013	0.023	0.012	0.090
	(0.044)	(0.141)	(0.110)	(0.111)	(0.072)	(0.089)	(0.118)	(0.095)
Δ Finance & insurance/GDP	-0.050†	0.057	-0.002	-0.077	0.077†	0.090†	0.087	0.028
	(0.030)	(0.064)	(0.051)	(0.059)	(0.042)	(0.049)	(0.062)	(0.051)
Lagged dependent variable (t-1)	-0.110*	-0.316*	-0.295*	-0.380*	-0.134*	-0.285*	-0.297*	-0.221*
	(0.022)	(0.054)	(0.050)	(0.065)	(0.037)	(0.053)	(0.075)	(0.044)
GDP per capita (t-1)	*-0.670†*	*1.196**	*0.887**	*0.290†*	*-0.483*	*-0.284*	*-0.747*	*-0.407*
	(0.345)	*(0.246)*	*(0.211)*	*(0.151)*	*(0.516)*	*(0.343)*	*(0.549)*	*(0.392)*
Union rate (t-1)	*-0.112*	*-0.024*	*-0.370*	*-0.475**	*-0.350*	*-0.180†*	*-0.023*	*-0.140*
	(0.124)	*(0.162)*	*(0.154)*	*(0.133)*	*(0.227)*	*(0.107)*	*(0.122)*	*(0.144)*
Import rate (t-1)	*-0.081*	*1.005**	*0.788**	*0.150*	*-0.185*	*-0.107*	*-0.249*	*0.566*
	(0.181)	*(0.220)*	*(0.177)*	*(0.144)*	*(0.256)*	*(0.145)*	*(0.223)*	*(0.233)*
Finance & insurance/GDP (t-1)	*0.058*	*0.125*	*0.199†*	*0.072*	*0.045*	*0.202*	*0.180†*	*0.300*
	(0.153)	*(0.122)*	*(0.113)*	*(0.099)*	*(0.159)*	*(0.083)*	*(0.109)*	*(0.129)*
Adj. within R2	0.087	0.165	0.165	0.176	0.071	0.148	0.142	0.097
Nb. obs./countries/years	575/16/41	274/15/36	274/15/36	274/15/36	496/16/41	516/16/41	433/15/41	298/11/41

Note: OLS models (country demeaned standardized estimates) with country and year fixed effects and panel corrected standard errors.
For error correction models, I display long term equilibrium effects obtained with Bewley's transformation (Equation 3) in italics.
*p < 0.01, †p < 0.1.

Table A7: Impact of the finance share of the GDP on income inequality controlling for computerization

	A. Classical panel regression models (Equation 1)								
	Gini Index	D5/D1	D9/D1	D9/D5	Top 10% share	Top 1% share	Top 0.1% share	Top 0.01% share
GDP per capita (t-1)	-0.063*	0.018	0.023	0.021	-0.035*	-0.020	0.007	0.007
	(0.009)	(0.023)	(0.017)	(0.010)	(0.009)	(0.008)	(0.012)	(0.013)
Union rate (t-1)	-0.062*	-0.028†	-0.038*	-0.042*	-0.072*	-0.047*	-0.027*	-0.025*
	(0.008)	(0.014)	(0.010)	(0.007)	(0.006)	(0.006)	(0.006)	(0.010)
Import rate (t-1)	-0.161*	0.439*	0.232	0.019	-0.282*	-0.078†	0.009	0.214*
	(0.053)	(0.133)	(0.094)	(0.056)	(0.047)	(0.047)	(0.055)	(0.064)
Investment in information and communication tec.(t-1)	-0.099*	-0.293*	-0.201*	-0.019	-0.088	-0.074†	-0.058	-0.081
	(0.023)	(0.065)	(0.065)	(0.044)	(0.043)	(0.040)	(0.043)	(0.052)
Finance & insurance/GDP (t-1)	0.056	-0.034	0.166	0.212*	0.254*	0.374*	0.453*	0.523*
	(0.047)	(0.085)	(0.068)	(0.045)	(0.038)	(0.043)	(0.048)	(0.050)
Adj. within R2	0.222	0.132	0.128	0.152	0.31	0.276	0.267	0.324
Nb. obs./countries / years	492/14/42	300/14/41	300/14/41	300/14/41	437/14/41	456/14/41	387/13/40	298/12/40

	B. Error correction models (Equation 2)							
	ΔGini	$\Delta \frac{D5}{D1}$	$\Delta \frac{D9}{D1}$	$\Delta \frac{D9}{D5}$	ΔTop 10%	ΔTop 1%	ΔTop 0.1%	ΔTop 0.01%
Δ GDP per capita	-0.064	0.349†	0.176	0.091	-0.165†	-0.105	-0.068	-0.065
	(0.117)	(0.211)	(0.143)	(0.148)	(0.096)	(0.103)	(0.122)	(0.158)
Δ Union rate	0.094	0.277	0.046	-0.202	-0.291*	-0.184	-0.129	0.047
	(0.089)	(0.216)	(0.149)	(0.169)	(0.087)	(0.085)	(0.085)	(0.087)
Δ Import rate	-0.050	0.289	0.137†	0.028	-0.140*	-0.092	-0.045	0.007
	(0.042)	(0.132)	(0.082)	(0.082)	(0.047)	(0.046)	(0.054)	(0.069)
Δ Investment in information and communication tec.	-0.016	-0.075	0.034	0.103	0.001	0.011	-0.054	-0.093†
	(0.018)	(0.059)	(0.050)	(0.047)	(0.023)	(0.031)	(0.041)	(0.054)
Δ Finance & insurance/GDP	-0.056†	-0.005	-0.011	-0.005	0.068	0.049	0.015	0.006
	(0.033)	(0.077)	(0.053)	(0.058)	(0.031)	(0.030)	(0.030)	(0.040)
Lagged dependent variable (t-1)	-0.138*	-0.345*	-0.220*	-0.298*	-0.067*	-0.066*	-0.048†	-0.089
	(0.021)	(0.055)	(0.038)	(0.055)	(0.021)	(0.024)	(0.029)	(0.043)
GDP per capita (t-1)	*-0.496†*	*0.673*	*0.792**	*0.567*	*-0.256*	*-1.326*	*-0.688*	*-0.067*
	(0.300)	*(0.289)*	*(0.283)*	*(0.223)*	*(0.641)*	*(0.589)*	*(0.980)*	*(0.743)*
Union rate (t-1)	*-0.175*	*0.011*	*-0.101*	*-0.203*	*-0.230*	*0.155*	*-0.114*	*-0.033*
	(0.112)	*(0.150)*	*(0.193)*	*(0.153)*	*(0.253)*	*(0.255)*	*(0.389)*	*(0.331)*
Import rate (t-1)	*-0.088*	*0.911**	*0.743**	*0.271*	*-0.865**	*-0.235*	*0.282*	*0.478*
	(0.153)	*(0.206)*	*(0.198)*	*(0.137)*	*(0.317)*	*(0.303)*	*(0.503)*	*(0.402)*
Investment in information and communication tec.(t-1)	*-0.058*	*-0.028*	*0.172*	*0.197*	*-0.215*	*-0.225*	*-0.493*	*-0.240*
	(0.078)	*(0.107)*	*(0.132)*	*(0.090)*	*(0.177)*	*(0.226)*	*(0.391)*	*(0.288)*
Finance & insurance/GDP (t-1)	*0.035*	*0.157*	*0.460**	*0.415**	*-0.105*	*0.398*	*0.419*	*0.748*
	(0.136)	*(0.125)*	*(0.141)*	*(0.110)*	*(0.268)*	*(0.273)*	*(0.491)*	*(0.347)*
Adj. within R2	0.112	0.178	0.137	0.146	0.101	0.070	0.035	0.055
Nb. Observations	475	266	266	266	407	427	359	277

Note: OLS models (country demeaned standardized estimates) with country and year fixed effects and panel corrected standard errors. For error correction models, I display long term equilibrium effects obtained with Bewley's transformation (Equation 3) in italics. *p < 0.01, †p < 0.1.

Table A8: Impact of the finance share of the GDP on income inequality controlling for education

	A. Classical panel regression models (Equation 1)								
	Gini Index	D5/D1	D9/D1	D9/D5	Top 10% share	Top 1% share	Top 0.1% share	Top 0.01% share
GDP per capita (t-1)	-0.046*	0.048*	0.032	0.014	-0.049*	-0.038*	-0.048*	-0.034*
	(0.007)	(0.017)	(0.014)	(0.007)	(0.008)	(0.012)	(0.018)	(0.013)
Union rate (t-1)	-0.074*	-0.008	-0.053*	-0.055*	-0.115*	-0.105*	-0.096*	-0.044*
	(0.013)	(0.016)	(0.014)	(0.010)	(0.009)	(0.009)	(0.012)	(0.017)
Import rate (t-1)	-0.040	0.305	0.145	-0.039	-0.276*	-0.075	-0.125	0.108
	(0.064)	(0.124)	(0.100)	(0.051)	(0.051)	(0.054)	(0.082)	(0.084)
Tertiary education share of workforce (t-1)	0.269*	-0.128	-0.216*	-0.198*	0.362*	0.344*	0.225*	-0.352*
	(0.062)	(0.080)	(0.064)	(0.046)	(0.053)	(0.046)	(0.057)	(0.089)
Finance & insurance/GDP (t-1)	0.047	-0.125	0.037	0.171*	0.107*	0.167*	0.174*	0.219*
	(0.042)	(0.077)	(0.069)	(0.045)	(0.031)	(0.032)	(0.040)	(0.042)
Adj. within R2	0.161	0.070	0.109	0.217	0.325	0.281	0.199	0.203
Nb. obs./countries / years	425/18/42	313/18/42	313/18/42	313/18/42	377/18/42	396/18/42	319/15/42	234/13/42

	B. Error correction models (Equation 2)							
	ΔGini	$\Delta \frac{D5}{D1}$	$\Delta \frac{D9}{D1}$	$\Delta \frac{D9}{D5}$	ΔTop 10%	ΔTop 1%	ΔTop 0.1%	ΔTop 0.01%
Δ GDP per capita	-0.227	0.515*	0.341	0.031	-0.019	0.159	0.253	0.027
	(0.105)	(0.173)	(0.139)	(0.138)	(0.231)	(0.328)	(0.441)	(0.214)
Δ Union rate	0.182†	0.040	-0.323	-0.617*	-0.353*	-0.404*	-0.375	-0.009
	(0.095)	(0.228)	(0.196)	(0.198)	(0.125)	(0.137)	(0.188)	(0.177)
Δ Import rate	-0.052	0.284	0.257	0.064	-0.098	-0.114	-0.082	0.183
	(0.049)	(0.129)	(0.103)	(0.099)	(0.080)	(0.097)	(0.167)	(0.146)
Δ Tertiary education share of Workforce	-0.088	0.176	0.066	-0.086	-0.054	-0.016	0.065	-0.089
	(0.059)	(0.089)	(0.079)	(0.084)	(0.083)	(0.110)	(0.118)	(0.138)
Δ Finance & insurance/GDP	-0.029	0.071	0.031	-0.028	0.104	0.133*	0.149	0.027
	(0.029)	(0.065)	(0.054)	(0.058)	(0.040)	(0.047)	(0.066)	(0.077)
Lagged dependent variable (t-1)	-0.155*	-0.294*	-0.290*	-0.439*	-0.338*	-0.396*	-0.449*	-0.527*
	(0.025)	(0.054)	(0.048)	(0.067)	(0.062)	(0.082)	(0.127)	(0.083)
GDP per capita (t-1)	*-0.568†*	*1.135**	*0.881**	*0.266*	*-0.680*	*-0.724*	*-0.817†*	*-0.356*
	(0.297)	*(0.248)*	*(0.208)*	*(0.134)*	*(0.294)*	*(0.363)*	*(0.458)*	*(0.223)*
Union rate (t-1)	*-0.150*	*-0.057*	*-0.432**	*-0.428**	*-0.616**	*-0.534**	*-0.612**	*-0.177*
	(0.142)	*(0.182)*	*(0.164)*	*(0.130)*	*(0.105)*	*(0.096)*	*(0.105)*	*(0.130)*
Import rate (t-1)	*0.135*	*1.091**	*0.754**	*-0.002*	*-0.361**	*-0.081*	*-0.079*	*0.150*
	(0.172)	*(0.219)*	*(0.167)*	*(0.110)*	*(0.134)*	*(0.137)*	*(0.188)*	*(0.147)*
Tertiary education share of workforce (t-1)	*0.004*	*-0.067*	*-0.131*	*-0.159*	*0.348**	*0.323*	*0.306*	*-0.336*
	(0.201)	*(0.166)*	*(0.156)*	*(0.121)*	*(0.123)*	*(0.127)*	*(0.123)*	*(0.170)*
Finance & insurance/GDP (t-1)	*0.139*	*0.199*	*0.306**	*0.183*	*0.124*	*0.238**	*0.201**	*0.231*
	(0.117)	*(0.134)*	*(0.116)*	*(0.083)*	*(0.061)*	*(0.057)*	*(0.064)*	*(0.092)*
Adj. within R2	0.138	0.159	0.178	0.218	0.185	0.214	0.205	0.217
Nb. observations	408	276	276	276	355	375	304	223

Note: OLS models (country demeaned standardized estimates) with country and year fixed effects and panel corrected standard errors. For error correction models, I display long term equilibrium effects obtained with Bewley's transformation (Equation 3) in italics. *p < 0.01, †p < 0.1.

Table A9: Impact of the finance share of the GDP on income inequality controlling for the full industry composition

	A. Classical panel regression models (Equation 1)								
	Gini Index	D5/D1	D9/D1	D9/D5	Top 10% share	Top 1% share	Top 0.1% share	Top 0.01% share
	Gini	D5/D1	D9/D1	D9/D5	Top 10%	Top 1%	Top 0.1%	Top 0.01%
GDP per capita (t-1)	-0.034*	0.045*	0.018†	-0.003	0.002	-0.015	-0.028	-0.010
	(0.008)	(0.016)	(0.011)	(0.008)	(0.010)	(0.010)	(0.013)	(0.011)
Union rate (t-1)	-0.037*	-0.002	0.001	-0.015†	-0.057*	-0.021*	-0.034*	-0.043*
	(0.005)	(0.015)	(0.010)	(0.008)	(0.007)	(0.005)	(0.006)	(0.010)
Import rate (t-1)	-0.067	0.497*	0.339*	0.082†	-0.015	-0.057	-0.058	0.049
	(0.043)	(0.104)	(0.071)	(0.049)	(0.053)	(0.056)	(0.065)	(0.058)
Agriculture (t-1)	-0.240*	0.679*	0.712*	0.461*	-0.080	0.080	0.337*	0.484*
	(0.057)	(0.136)	(0.096)	(0.066)	(0.092)	(0.058)	(0.075)	(0.074)
Manufacturing and mining (t-1)	-0.146†	0.384	0.221†	0.218	-0.279*	0.054	0.038	0.103
	(0.082)	(0.154)	(0.118)	(0.096)	(0.105)	(0.110)	(0.121)	(0.104)
Energy (t-1)	0.122*	0.260*	0.036	-0.088	0.093	-0.092*	-0.100*	-0.206*
	(0.036)	(0.068)	(0.048)	(0.038)	(0.038)	(0.030)	(0.037)	(0.041)
Construction (t-1)	-0.064	0.091	0.216*	0.240*	-0.154*	0.116	0.235*	0.229*
	(0.052)	(0.092)	(0.064)	(0.047)	(0.058)	(0.054)	(0.059)	(0.052)
Wholesale and retail trade, restaurants and hotels (t-1)	0.024	-0.121†	-0.143*	-0.068	-0.014	-0.086	-0.189*	-0.168*
	(0.044)	(0.067)	(0.053)	(0.042)	(0.055)	(0.056)	(0.060)	(0.039)
Transport and communication (t-1)	-0.224*	-0.073	-0.135*	-0.102*	-0.151*	-0.158*	-0.185*	-0.209*
	(0.046)	(0.062)	(0.042)	(0.034)	(0.051)	(0.055)	(0.060)	(0.033)
Finance and insurance (t-1)	-0.016	0.079	0.163	0.176*	0.030	0.179*	0.167*	0.207*
	(0.043)	(0.090)	(0.068)	(0.059)	(0.040)	(0.038)	(0.047)	(0.047)
Service to business (t-1)	-0.110	-0.020	0.107	0.299†	-0.250	0.168	0.126	0.279
	(0.103)	(0.247)	(0.185)	(0.154)	(0.120)	(0.116)	(0.113)	(0.126)
Adj. within R2	0.239	0.261	0.325	0.336	0.2	0.188	0.26	0.495
Nb. obs./countries/years	598/18 /40	351/18 /38	351/18 /38	351/18 /38	541/18 /40	555/18 /40	473/16 /40	340/13/40

	B. Error correction models (Equation 2)							
	Δ Gini	Δ $\frac{D5}{D1}$	Δ $\frac{D9}{D1}$	Δ $\frac{D9}{D5}$	Δ Top 10%	Δ Top 1%	Δ Top 0.1%	Δ Top 0.01%
Δ GDP per capita	-0.088	0.449	0.177	-0.088	-0.007	0.044	0.062	-0.164
	(0.090)	(0.192)	(0.125)	(0.118)	(0.152)	(0.209)	(0.254)	(0.133)
Δ Union rate	-0.096	0.053	0.007	0.065	-0.257†	-0.177	-0.164	-0.065
	(0.085)	(0.224)	(0.153)	(0.170)	(0.146)	(0.160)	(0.129)	(0.102)
Δ Import rate	-0.028	0.350*	0.297*	0.197	-0.036	-0.012	-0.008	-0.034
	(0.035)	(0.129)	(0.081)	(0.088)	(0.067)	(0.084)	(0.100)	(0.072)
Δ Agriculture	-0.026	-0.026	0.117	0.197†	-0.038	0.048	0.111	0.085
	(0.071)	(0.148)	(0.096)	(0.114)	(0.103)	(0.128)	(0.098)	(0.105)
Δ Manufacturing and mining	-0.006	0.244	0.288	0.178	0.174	0.303	0.153	0.220
	(0.093)	(0.228)	(0.142)	(0.150)	(0.148)	(0.188)	(0.240)	(0.154)
Δ Energy	0.049	0.024	0.044	-0.010	0.047	0.071	-0.018	0.027
	(0.030)	(0.088)	(0.055)	(0.057)	(0.051)	(0.057)	(0.074)	(0.046)
Δ Construction	-0.074	0.024	0.090	0.102	0.104	0.163	0.109	0.131†
	(0.050)	(0.134)	(0.085)	(0.079)	(0.066)	(0.078)	(0.091)	(0.077)
Δ Wholesale and retail trade, restaurants and hotels	0.003	-0.142	-0.044	-0.034	0.041	0.067	-0.023	0.018
	(0.046)	(0.095)	(0.060)	(0.060)	(0.067)	(0.082)	(0.084)	(0.046)
Δ Transport and communication	-0.035	0.021	0.044	-0.001	-0.031	-0.029	-0.145	0.010
	(0.038)	(0.080)	(0.052)	(0.057)	(0.068)	(0.088)	(0.114)	(0.037)
Δ Finance and insurance	-0.017	0.111	0.083	-0.017	0.151*	0.171*	0.096	0.038
	(0.036)	(0.107)	(0.067)	(0.070)	(0.051)	(0.055)	(0.061)	(0.060)
Δ Service to business	0.018	0.659	0.500†	0.080	0.365†	0.525	0.284	0.213
	(0.148)	(0.447)	(0.290)	(0.302)	(0.191)	(0.223)	(0.239)	(0.204)
Lagged dependent variable (t-1)	-0.120*	-0.360*	-0.249*	-0.444*	-0.111*	-0.208*	-0.252*	-0.207*
	(0.023)	(0.058)	(0.049)	(0.068)	(0.031)	(0.046)	(0.062)	(0.05)
GDP per capita (t-1)	*-0.309*	*0.877**	*0.412*	*-0.135*	*0.070*	*-0.300*	*-0.611*	*0.158*
	(0.363)	*(0.284)*	*(0.265)*	*(0.169)*	*(0.651)*	*(0.447)*	*(0.534)*	*(0.368)*
Union rate (t-1)	*-0.198*	*-0.290†*	*-0.261†*	*-0.085*	*-0.220*	*-0.058*	*-0.226*	*-0.174*
	(0.128)	*(0.160)*	*(0.146)*	*(0.094)*	*(0.277)*	*(0.133)*	*(0.103)*	*(0.163)*
Import rate (t-1)	*-0.105*	*0.955**	*0.742**	*0.200*	*-0.252*	*-0.024*	*0.088*	*0.208*
	(0.182)	*(0.168)*	*(0.154)*	*(0.094)*	*(0.290)*	*(0.184)*	*(0.208)*	*(0.197)*
Agriculture (t-1)	*-0.484*	*0.223*	*0.423*	*0.545*	*-0.727†*	*-0.038*	*0.420*	*0.419*
	(0.201)	*(0.322)*	*(0.308)*	*(0.212)*	*(0.373)*	*(0.168)*	*(0.181)*	*(0.264)*
Manufacturing and mining (t-1)	*-0.055*	*0.331*	*0.307*	*0.392†*	*-1.158*	*-0.404*	*-0.533*	*-0.151*
	(0.365)	*(0.359)*	*(0.360)*	*(0.219)*	*(0.543)*	*(0.348)*	*(0.345)*	*(0.320)*
Energy (t-1)	*0.248†*	*0.481**	*0.133*	*-0.183*	*0.156*	*-0.093*	*-0.152*	*-0.259*
	(0.132)	*(0.160)*	*(0.145)*	*(0.092)*	*(0.192)*	*(0.107)*	*(0.123)*	*(0.125)*
Construction (t-1)	*-0.235*	*-0.002*	*0.204*	*0.361**	*-0.627**	*-0.044*	*0.159*	*0.221*
	(0.198)	*(0.161)*	*(0.152)*	*(0.098)*	*(0.222)*	*(0.136)*	*(0.130)*	*(0.140)*
Wholesale and retail trade,	*0.172*	*-0.141*	*-0.096*	*-0.046*	*-0.311*	*-0.265*	*-0.533**	*-0.338*

restaurants and hotels (t-1)	*(0.162)*	*(0.152)*	*(0.148)*	*(0.089)*	*(0.293)*	*(0.180)*	*(0.173)*	*(0.138)*		
Transport and communication (t-1)	0.033	-0.099	-0.134	-0.083	-0.245	-0.276	-0.399	-0.251		
	(0.149)	*(0.121)*	*(0.123)*	*(0.081)*	*(0.277)*	*(0.197)*	*(0.194)*	*(0.103)*		
Finance and insurance (t-1)	0.264†	0.320	0.396	0.148	0.129	0.231	0.068	0.214		
	(0.148)	*(0.197)*	*(0.200)*	*(0.127)*	*(0.244)*	*(0.141)*	*(0.140)*	*(0.162)*		
Service to business (t-1)	-0.313	0.075	0.341	0.473	-0.594	0.117	-0.032	0.406		
	(0.384)	*(0.509)*	*(0.507)*	*(0.327)*	*(0.593)*	*(0.375)*	*(0.324)*	*(0.366)*		
Adj. within R2	0.122	0.222	0.172	0.209	0.106	0.128	0.141	0.105		
Nb. obs.	577	309	309	309	508	523	442	317		

Note: OLS models (country demeaned standardized estimates) with country and year fixed effects and panel corrected standard errors. Reference sector is community, personal and social services. For error correction models, I display long term equilibrium effects obtained with Bewley's transformation (Equation 3) in italics. *p < 0.01, †p < 0.1.

Table A10: Impact of financial sector's share of GDP and labor's share of value added on inequality

A. Classical panel regression models (Equation 1)

	Gini Index	D5/D1	D9/D1	D9/D5	Top 10% share	Top 1% share	Top 0.1% share	Top 0.01% share
GDP per capita (t-1)	Gini	D5/D1	D9/D1	D9/D5	Top 10%	Top 1%	Top 0.1%	Top 0.01%
	-0.030*	0.038*	0.012	0.002	-0.017†	-0.005	-0.009	-0.013
	(0.005)	(0.014)	(0.009)	(0.006)	(0.009)	(0.008)	(0.011)	(0.011)
Union rate (t-1)	-0.044*	-0.008	-0.024*	-0.039*	-0.047*	-0.009†	0.002	-0.016
	(0.005)	(0.008)	(0.007)	(0.007)	(0.007)	(0.006)	(0.006)	(0.010)
Import rate (t-1)	-0.121*	0.339*	0.117	-0.080	-0.119	-0.173*	-0.245*	-0.044
	(0.039)	(0.113)	(0.075)	(0.050)	(0.046)	(0.051)	(0.063)	(0.061)
Finance & insurance /GDP (t-1)	-0.017	0.291*	0.546*	0.456*	0.174*	0.369*	0.563*	0.852*
	(0.041)	(0.085)	(0.069)	(0.047)	(0.045)	(0.052)	(0.073)	(0.065)
Labor share of value-added in finance (t-1)	-0.022	0.458*	0.504*	0.355*	0.098*	0.109*	0.246*	0.391*
	(0.029)	(0.065)	(0.050)	(0.035)	(0.032)	(0.033)	(0.046)	(0.041)
Labor of value-added outside finance (t-1)	0.008	-0.081	-0.166*	-0.196*	-0.005	-0.195*	-0.201*	-0.259*
	(0.035)	(0.065)	(0.042)	(0.033)	(0.042)	(0.039)	(0.046)	(0.038)
Adj. within R2	0.169	0.181	0.293	0.301	0.159	0.157	0.202	0.463
Nb. obs./countries/years	581/17/42	340/17/40	340/17/40	340/17/40	520/17/42	534/17/42	450/15/42	319/12/42

B. Error correction models (Equation 2)

	ΔGini	$\Delta\frac{D5}{D1}$	$\Delta\frac{D9}{D1}$	$\Delta\frac{D9}{D5}$	ΔTop 10%	ΔTop 1%	ΔTop 0.1%	ΔTop 0.01%
Δ GDP per capita	-0.168†	0.412	0.144	-0.064	-0.033	0.079	0.060	-0.116
	(0.086)	(0.162)	(0.102)	(0.114)	(0.155)	(0.208)	(0.268)	(0.132)
Δ Union rate	-0.100	0.100	0.013	-0.034	-0.314	-0.205	-0.086	0.056
	(0.085)	(0.210)	(0.136)	(0.159)	(0.146)	(0.162)	(0.136)	(0.096)
Δ Import rate	-0.043	0.276	0.187	0.055	-0.031	-0.028	-0.038	-0.019
	(0.036)	(0.130)	(0.076)	(0.089)	(0.063)	(0.079)	(0.103)	(0.070)
Δ Finance & insurance /GDP	0.031	-0.127	0.003	0.092	0.116†	0.148	0.126†	0.039
	(0.044)	(0.122)	(0.079)	(0.097)	(0.064)	(0.065)	(0.075)	(0.064)
Δ Labor share of value-added in finance	0.066†	-0.108	0.004	0.094	0.031	0.040	0.021	-0.001
	(0.038)	(0.093)	(0.060)	(0.074)	(0.046)	(0.053)	(0.055)	(0.041)
Δ Labor of value-added outside finance	-0.057†	-0.003	-0.057	-0.084	-0.084	-0.151	-0.106	-0.045
	(0.030)	(0.062)	(0.037)	(0.042)	(0.055)	(0.072)	(0.084)	(0.048)
Lagged dependent variable (t-1)	-0.112*	-0.347*	-0.298*	-0.379*	-0.106*	-0.204*	-0.200*	-0.138*
	(0.022)	(0.057)	(0.042)	(0.064)	(0.03)	(0.043)	(0.057)	(0.043)
GDP per capita (t-1)	*-0.441*	*0.963**	*0.514**	*0.156*	*-0.536*	*-0.439*	*-0.646*	*-0.031*
	(0.281)	*(0.188)*	*(0.120)*	*(0.113)*	*(0.583)*	*(0.400)*	*(0.625)*	*(0.470)*
Union rate (t-1)	*-0.283*	*-0.111*	*-0.281**	*-0.346**	*-0.354*	*-0.009*	*0.024*	*-0.072*
	(0.130)	*(0.134)*	*(0.102)*	*(0.098)*	*(0.291)*	*(0.148)*	*(0.156)*	*(0.230)*
Import rate (t-1)	*-0.029*	*0.852**	*0.527**	*0.071*	*-0.372*	*-0.163*	*-0.219*	*0.235*
	(0.154)	*(0.199)*	*(0.125)*	*(0.107)*	*(0.277)*	*(0.180)*	*(0.234)*	*(0.238)*
Finance & insurance /GDP (t-1)	*0.113*	*0.506**	*0.865**	*0.676**	*0.267*	*0.430**	*0.572**	*0.888**
	(0.147)	*(0.128)*	*(0.111)*	*(0.096)*	*(0.224)*	*(0.138)*	*(0.189)*	*(0.290)*
Labor share of value-added in finance (t-1)	*0.112*	*0.391**	*0.555**	*0.452**	*0.282*	*0.134*	*0.218*	*0.297*
	(0.115)	*(0.112)*	*(0.089)*	*(0.079)*	*(0.186)*	*(0.106)*	*(0.148)*	*(0.187)*	
Labor of value-added outside finance (t-1)	*0.105*	*-0.137*	*-0.283**	*-0.321**	*0.228*	*-0.142*	*-0.146*	*-0.387*
	(0.159)	*(0.115)*	*(0.078)*	*(0.074)*	*(0.219)*	*(0.136)*	*(0.168)*	*(0.156)*
Adj. within R2	0.138	0.159	0.178	0.218	0.185	0.214	0.205	0.217
Nb. observations	408	276	276	276	355	375	304	223

Note: OLS models (country demeaned standardized estimates) with country and year fixed effects and panel corrected standard errors. For error correction models, I display long term equilibrium effects obtained with Bewley's transformation (Equation 3) in italics. *p < 0.01, †p < 0.1.

Table A11: Impact of non-financial firms' debt on inequality

	A. Classical panel regression models (Equation 1)								
	Finance/ GDP	Gini Index	D5/D1	D9/D1	D9/D5	Top 10% share	Top 1% share	Top 0.1% share	Top 0.01% share
GDP per capita (t-1)	-0.018	-0.045*	0.083*	0.044*	0.015	-0.027*	-0.024*	-0.020*	-0.004
	(0.009)	(0.007)	(0.010)	(0.007)	(0.006)	(0.007)	(0.009)	(0.010)	(0.011)
Union rate (t-1)	-0.018	-0.069*	-0.014	-0.036*	-0.041*	-0.085*	-0.050*	-0.028*	-0.020
	(0.007)	(0.006)	(0.012)	(0.009)	(0.007)	(0.005)	(0.005)	(0.005)	(0.010)
Import rate (t-1)	0.020	-0.085†	0.698*	0.277*	-0.036	-0.253*	-0.209*	-0.160	0.137†
	(0.061)	(0.047)	(0.076)	(0.055)	(0.048)	(0.040)	(0.055)	(0.063)	(0.081)
Business debt/ GDP (t-1)	0.170*	-0.030	0.130	0.086	0.036	-0.065	0.012	0.046†	0.047
	(0.045)	(0.032)	(0.061)	(0.054)	(0.043)	(0.026)	(0.022)	(0.025)	(0.031)
Adj. within R2	0.031	0.279	0.225	0.108	0.074	0.308	0.144	0.052	0.015
Nb. obs./countries/years	563/16 /42	600/16 /42	373/16 /42	373/16 /42	373/16 /42	536/16 /42	555/16 /42	503/15 /42	384/13/42

	B. Error correction models (Equation 2)								
	$\Delta \frac{Fi.}{GDP}$	ΔGini	$\Delta \frac{D5}{D1}$	$\Delta \frac{D9}{D1}$	$\Delta \frac{D9}{D5}$	ΔTop 10%	ΔTop 1%	ΔTop 0.1%	ΔTop 0.01%
Δ GDP per capita	-0.382	-0.081	0.428*	0.155†	-0.003	-0.128	-0.070	0.001	-0.053
	(0.165)	(0.085)	(0.151)	(0.085)	(0.106)	(0.130)	(0.183)	(0.232)	(0.137)
Δ Union rate	0.026	-0.006	0.261	0.031	-0.164	-0.187	-0.168†	-0.133	0.032
	(0.131)	(0.076)	(0.193)	(0.123)	(0.154)	(0.090)	(0.099)	(0.123)	(0.068)
Δ Import rate	0.127†	-0.007	0.193†	0.115	0.076	-0.070	-0.078	-0.033	0.049
	(0.074)	(0.040)	(0.098)	(0.057)	(0.063)	(0.048)	(0.062)	(0.081)	(0.061)
Δ Business debt/GDP	0.029	-0.018	0.014	0.011	0.030	-0.009	0.006	-0.012	0.005
	(0.070)	(0.042)	(0.097)	(0.059)	(0.080)	(0.046)	(0.058)	(0.077)	(0.051)
Lagged dependent variable (t-1)	-0.143*	-0.134*	-0.264*	-0.126*	-0.230*	-0.098*	-0.131*	-0.147*	-0.049
	(0.028)	(0.02)	(0.042)	(0.03)	(0.044)	(0.024)	(0.034)	(0.045)	(0.036)
GDP per capita (t-1)	*0.217*	*-0.806**	*1.009**	*0.298*	*-0.054*	*-0.540*	*-0.825*	*-0.825*	*-0.090*
	(0.503)	*(0.280)*	*(0.245)*	*(0.312)*	*(0.185)*	*(0.666)*	*(0.714)*	*(0.773)*	*(1.259)*
Union rate (t-1)	*-0.191*	*-0.264**	*0.205*	*0.084*	*-0.142*	*-0.353*	*-0.172*	*-0.167*	*-0.064*
	(0.172)	*(0.098)*	*(0.167)*	*(0.229)*	*(0.149)*	*(0.169)*	*(0.117)*	*(0.152)*	*(0.471)*
Import rate (t-1)	*0.052*	*0.001*	*0.870**	*0.466*	*-0.043*	*-0.275*	*-0.125*	*-0.005*	*0.765*
	(0.243)	*(0.148)*	*(0.199)*	*(0.221)*	*(0.114)*	*(0.256)*	*(0.254)*	*(0.291)*	*(0.591)*
Business debt/GDP (t-1)	*0.376*	*-0.039*	*0.114*	*0.328†*	*0.252*	*0.008*	*0.060*	*0.124*	*0.441*
	(0.191)	*(0.096)*	*(0.130)*	*(0.179)*	*(0.121)*	*(0.142)*	*(0.123)*	*(0.116)*	*(0.324)*
Adj. within R2	0.093	0.106	0.140	0.074	0.113	0.062	0.077	0.074	0.024
Nb. observations	559	590	347	347	347	519	539	487	368

Note: OLS models (country demeaned standardized estimates) with country and year fixed effects and panel corrected standard errors. For error correction models, I display long term equilibrium effects obtained with Bewley's transformation (Equation 3) in italics. *p < 0.01, †p < 0.1.

Table A12: Impact of non-financial firms' net dividends on inequality

	A. Classical panel regression models (Equation 1)								
	Finance/ GDP	Gini Index	D5/D1	D9/D1	D9/D5	Top 10% share	Top 1% share	Top 0.1% share	Top 0.01% share
GDP per capita (t-1)	0.01	-0.073*	0.004*	0.007*	0.001*	-0.081*	-0.039	-0.027	-0.007
	(0.006)	(0.018)	(0.001)	(0.001)	(0)	(0.021)	(0.015)	(0.011)	(0.003)
Union rate (t-1)	0.056*	-0.169*	-0.001	-0.006†	-0.001	-0.06	0.015	-0.018	0.017
	(0.011)	(0.033)	(0.001)	(0.003)	(0.001)	(0.048)	(0.02)	(0.03)	(0.011)
Import rate (t-1)	-0.01	0.059	0.007*	0.011*	-0.001	-0.135*	-0.100*	-0.084*	0.003
	(0.012)	(0.047)	(0.001)	(0.003)	(0.001)	(0.035)	(0.024)	(0.025)	(0.008)
Net distributed income	-1.410*	0.094	-0.001	-0.041†	-0.015†	0.810	0.639†	0.302	0.144†
/ Operating surplus (t-1)	(0.186)	(0.368)	(0.009)	(0.022)	(0.009)	(0.393)	(0.336)	(0.272)	(0.074)
Adj. within R2	0.231	0.147	0.203	0.1	0.026	0.092	0.081	0.07	0.041
Nb. obs./countries/years	289/15 /42	304/15 /42	224/15 /30	224/15 /30	224/15 /30	266/15 /42	280/15 /42	226/13 /42	150/10/42

	B. Error correction models (Equation 2)								
	$\Delta \frac{Fi.}{GDP}$	ΔGini	$\Delta \frac{D5}{D1}$	$\Delta \frac{D9}{D1}$	$\Delta \frac{D9}{D5}$	ΔTop 10%	ΔTop 1%	ΔTop 0.1%	ΔTop 0.01%
Δ GDP per capita	-0.568	-0.117	0.231	0.057	-0.095	0.055	0.131	0.293	-0.039
	(0.257)	(0.124)	(0.179)	(0.152)	(0.177)	(0.263)	(0.303)	(0.370)	(0.262)
Δ Union rate	0.085	-0.126	-0.124	-0.185	-0.213	-0.479	-0.465	-0.445	-0.330
	(0.215)	(0.107)	(0.219)	(0.192)	(0.232)	(0.189)	(0.203)	(0.302)	(0.323)
Δ Import rate	-0.032	-0.057	-0.074	-0.043	0.038	-0.176	-0.219†	-0.187	-0.053
	(0.136)	(0.070)	(0.191)	(0.184)	(0.192)	(0.112)	(0.132)	(0.216)	(0.195)
Δ Net distributed income	-0.098	-0.015	-0.008	-0.035	-0.033	0.125*	0.089	0.175	-0.102
/ Operating surplus	(0.072)	(0.026)	(0.055)	(0.053)	(0.048)	(0.041)	(0.044)	(0.074)	(0.075)
Lagged dependent variable (t-1)	-0.355*	-0.217*	-0.299*	-0.258*	-0.454*	-0.390*	-0.440*	-0.467*	-0.343
	(0.063)	(0.054)	(0.078)	(0.08)	(0.084)	(0.088)	(0.101)	(0.125)	(0.145)
GDP per capita (t-1)	*0.111*	*-0.480**	*1.088**	*0.661**	*0.131*	*-0.566†*	*-0.509†*	*-0.576†*	*-0.498*
	(0.283)	*(0.257)*	*(0.200)*	*(0.199)*	*(0.127)*	*(0.293)*	*(0.291)*	*(0.338)*	*(0.332)*
Union rate (t-1)	*0.228†*	*-0.374**	*-0.090*	*-0.061*	*-0.019*	*-0.142*	*0.024*	*-0.184*	*0.274*
	(0.125)	*(0.124)*	*(0.257)*	*(0.297)*	*(0.179)*	*(0.190)*	*(0.091)*	*(0.243)*	*(0.471)*
Import rate (t-1)	*-0.220*	*0.146*	*0.778*	*0.349*	*-0.185*	*-0.188*	*-0.280†*	*-0.308*	*-0.018*
	(0.225)	*(0.175)*	*(0.362)*	*(0.370)*	*(0.227)*	*(0.181)*	*(0.169)*	*(0.239)*	*(0.399)*
Net distributed income	*-0.336†*	*-0.262*	*0.223*	*0.145*	*-0.066*	*0.240†*	*0.113*	*0.196*	*-0.298*
/ Operating surplus (t-1)	*(0.186)*	*(0.116)*	*(0.218)*	*(0.228)*	*(0.120)*	*(0.138)*	*(0.133)*	*(0.182)*	*(0.224)*
Adj. within R2	0.093	0.106	0.140	0.074	0.113	0.062	0.077	0.074	0.024
Nb. observations	559	590	347	347	347	539	487	368	

Note: OLS models (country demeaned standardized estimates) with country and year fixed effects and panel corrected standard errors. For error correction models, I display long term equilibrium effects obtained with Bewley's transformation (Equation 3) in italics. *p < 0.01, †p < 0.1.

Table A13: Impact of non-financial firms' financial income on inequality

	A. Classical panel regression models (Equation 1)								
	Finance/ GDP	Gini Index	D5/D1	D9/D1	D9/D5	Top 10% share	Top 1% share	Top 0.1% share	Top 0.01% share
GDP per capita (t-1)	-0.012	-0.028*	0.091*	0.057*	0.019	-0.042*	-0.024	-0.031	-0.034†
	(0.010)	(0.007)	(0.012)	(0.009)	(0.009)	(0.012)	(0.011)	(0.013)	(0.017)
Union rate (t-1)	0.070*	-0.066*	-0.033	-0.047	-0.025	-0.037	0.015	-0.038	0.042
	(0.018)	(0.013)	(0.028)	(0.028)	(0.032)	(0.028)	(0.017)	(0.041)	(0.051)
Import rate (t-1)	-0.183†	0.064	0.635*	0.325*	-0.088	-0.266*	-0.281*	-0.368*	-0.024
	(0.101)	(0.070)	(0.098)	(0.085)	(0.089)	(0.084)	(0.079)	(0.127)	(0.160)
Financial income/ Operating surplus (t-1)	-0.365*	-0.043	0.031	-0.085	-0.134	0.142*	0.086	0.134	-0.072
	(0.091)	(0.039)	(0.066)	(0.066)	(0.060)	(0.053)	(0.060)	(0.087)	(0.078)
Adj. within R2	0.044	0.159	0.259	0.144	0.025	0.184	0.119	0.086	0.029
Nb. obs./countries/years	289/15/42	304/15/42	224/15/30	224/15/30	224/15/30	266/15/42	280/15/42	226/13/42	150/10/42

	B. Error correction models (Equation 2)								
	$\Delta \frac{Fi.}{GDP}$	ΔGini	$\Delta \frac{D5}{D1}$	$\Delta \frac{D9}{D1}$	$\Delta \frac{D9}{D5}$	ΔTop 10%	ΔTop 1%	ΔTop 0.1%	ΔTop 0.01%
Δ GDP per capita	-0.555	-0.125	0.217	0.030	-0.123	0.038	0.121	0.278	-0.008
	(0.260)	(0.123)	(0.179)	(0.150)	(0.176)	(0.270)	(0.310)	(0.399)	(0.261)
Δ Union rate	0.156	-0.125	-0.090	-0.122	-0.159	-0.487*	-0.492	-0.607†	-0.349
	(0.214)	(0.109)	(0.237)	(0.207)	(0.239)	(0.184)	(0.199)	(0.320)	(0.390)
Δ Import rate	-0.034	-0.029	-0.055	-0.039	0.025	-0.165	-0.220†	-0.208	-0.005
	(0.135)	(0.069)	(0.188)	(0.181)	(0.194)	(0.109)	(0.127)	(0.217)	(0.203)
Δ Financial income/ Operating surplus	0.120	-0.067	-0.012	0.007	0.035	-0.101†	-0.081	-0.132	-0.063
	(0.073)	(0.043)	(0.072)	(0.064)	(0.066)	(0.060)	(0.061)	(0.088)	(0.109)
Lagged dependent variable (t-1)	-0.315*	-0.228*	-0.329*	-0.292*	-0.452*	-0.454*	-0.482*	-0.494*	-0.368
	(0.06)	(0.054)	(0.08)	(0.082)	(0.081)	(0.093)	(0.108)	(0.134)	(0.149)
GDP per capita (t-1)	*0.254*	*-0.450†*	*1.125**	*0.732**	*0.190*	*-0.604*	*-0.519†*	*-0.630†*	*-0.439*
	(0.317)	*(0.240)*	*(0.185)*	*(0.164)*	*(0.127)*	*(0.258)*	*(0.275)*	*(0.353)*	*(0.322)*
Union rate (t-1)	*0.304*	*-0.379**	*-0.133*	*-0.109*	*-0.032*	*-0.197*	*-0.052*	*-0.182*	*0.394*
	(0.144)	*(0.114)*	*(0.222)*	*(0.244)*	*(0.170)*	*(0.159)*	*(0.090)*	*(0.219)*	*(0.459)*
Import rate (t-1)	*-0.012*	*0.349*	*0.942**	*0.540†*	*-0.103*	*-0.198*	*-0.290†*	*-0.331*	*0.194*
	(0.208)	*(0.171)*	*(0.345)*	*(0.322)*	*(0.228)*	*(0.180)*	*(0.164)*	*(0.279)*	*(0.356)*
Financial income/ Operating surplus (t-1)	*0.141*	*-0.148*	*-0.490*	*-0.495*	*-0.156*	*-0.457**	*-0.296**	*-0.252*	*0.085*
	(0.167)	*(0.156)*	*(0.188)*	*(0.202)*	*(0.124)*	*(0.121)*	*(0.109)*	*(0.168)*	*(0.251)*
Adj. within R2	0.163	0.155	0.156	0.121	0.217	0.199	0.203	0.187	0.100
Nb. observations	286	298	209	209	209	261	276	223	148

Note: OLS models (country demeaned standardized estimates) with country and year fixed effects and panel corrected standard errors. For error correction models, I display long term equilibrium effects obtained with Bewley's transformation (Equation 3) in italics. *p < 0.01, †p < 0.1.

Table A14: Impact of non-financial firms' financial assets on inequality

	A. Classical panel regression models (Equation 1)								
	Finance/ GDP	Gini Index	D5/D1	D9/D1	D9/D5	Top 10% share	Top 1% share	Top 0.1% share	Top 0.01% share
GDP per capita (t-1)	0.013	-0.040*	0.093*	0.058*	0.020†	-0.057*	-0.052*	-0.050	0.030
	(0.014)	(0.011)	(0.015)	(0.011)	(0.011)	(0.014)	(0.019)	(0.025)	(0.027)
Union rate (t-1)	0.054	-0.163*	0.050	0.083	0.058†	-0.111*	-0.068*	-0.045†	0.044
	(0.027)	(0.036)	(0.034)	(0.035)	(0.034)	(0.018)	(0.022)	(0.023)	(0.027)
Import rate (t-1)	-0.350*	0.068	0.846*	0.440*	-0.119	-0.178*	-0.243*	-0.179	0.077
	(0.085)	(0.093)	(0.106)	(0.074)	(0.073)	(0.062)	(0.079)	(0.114)	(0.078)
Stock exchange index (t-1)	0.079	-0.128	0.067	0.173	0.194*	-0.078	0.131†	0.145	0.045
	(0.101)	(0.079)	(0.072)	(0.070)	(0.072)	(0.076)	(0.076)	(0.146)	(0.180)
Financial assets / GDP (t-1)	-0.087	-0.168†	-0.303*	-0.163†	0.044	-0.353*	-0.190*	-0.147†	-0.177*
	(0.056)	(0.100)	(0.077)	(0.076)	(0.079)	(0.061)	(0.051)	(0.086)	(0.104)
Adj. within R2	0.091	0.161	0.27	0.128	0.072	0.257	0.125	0.07	0.034
Nb. obs./countries/years	267/16 /23	287/16 /23	236/16 /23	236/16 /23	236/16 /23	260/16 /23	260/16 /23	225/14 /23	165/11/23

	B. Error correction models (Equation 2)								
	$\Delta \frac{F_{t-}}{GDP}$	ΔGini	$\Delta \frac{D5}{D1}$	$\Delta \frac{D9}{D1}$	$\Delta \frac{D9}{D5}$	ΔTop 10%	ΔTop 1%	ΔTop 0.1%	ΔTop 0.01%
Δ GDP per capita	-0.230†	-0.224	0.522	0.191	-0.124	-0.010	0.083	0.155	0.225
	(0.137)	(0.153)	(0.204)	(0.142)	(0.166)	(0.283)	(0.353)	(0.414)	(0.161)
Δ Union rate	-0.105	-0.105	0.276	0.180	-0.017	-0.347	-0.257	-0.132	0.024
	(0.132)	(0.130)	(0.247)	(0.183)	(0.238)	(0.155)	(0.159)	(0.191)	(0.137)
Δ Import rate	0.007	-0.040	0.346	0.172	0.049	-0.046	-0.176	-0.134	0.184
	(0.088)	(0.093)	(0.162)	(0.128)	(0.140)	(0.129)	(0.158)	(0.239)	(0.137)
Δ Stock exchange index	0.094†	-0.032	0.076	0.103	0.119	0.027	0.121	0.047	-0.003
	(0.053)	(0.038)	(0.074)	(0.064)	(0.076)	(0.073)	(0.083)	(0.143)	(0.077)
Δ Financial assets / GDP	-0.110†	0.016	-0.049	0.044	0.081	-0.047	-0.048	-0.122	-0.144
	(0.057)	(0.082)	(0.116)	(0.117)	(0.124)	(0.078)	(0.085)	(0.102)	(0.094)
Lagged dependent variable (t-1)	-0.298*	-0.144*	-0.469*	-0.287*	-0.369*	-0.415*	-0.532*	-0.512*	-0.135†
	(0.065)	(0.054)	(0.076)	(0.064)	(0.079)	(0.1)	(0.137)	(0.152)	(0.077)
GDP per capita (t-1)	*0.267*	*-0.644*	*0.954**	*0.478*	*0.020*	*-0.611*	*-0.641*	*-0.632*	*0.298*
	(0.210)	*(0.582)*	*(0.185)*	*(0.197)*	*(0.159)*	*(0.393)*	*(0.389)*	*(0.541)*	*(0.948)*
Union rate (t-1)	*0.217*	*-1.431**	*-0.105*	*0.203*	*0.404†*	*-0.322**	*-0.293**	*-0.215†*	*0.269*
	(0.139)	*(0.360)*	*(0.175)*	*(0.271)*	*(0.227)*	*(0.110)*	*(0.105)*	*(0.114)*	*(0.396)*
Import rate (t-1)	*-0.225*	*0.130*	*0.979**	*0.641**	*-0.050*	*-0.058*	*-0.182*	*-0.025*	*1.018*
	(0.156)	*(0.371)*	*(0.212)*	*(0.229)*	*(0.173)*	*(0.151)*	*(0.130)*	*(0.192)*	*(0.471)*
Stock exchange index (t-1)	*0.345†*	*0.067*	*0.052*	*0.342*	*0.437*	*-0.135*	*0.136*	*0.182*	*0.020*
	(0.179)	*(0.331)*	*(0.156)*	*(0.224)*	*(0.205)*	*(0.183)*	*(0.164)*	*(0.282)*	*(0.750)*
Financial assets / GDP (t-1)	*-0.270*	*-0.450*	*-0.278*	*-0.124*	*0.014*	*-0.423**	*-0.209*	*-0.264†*	*-0.696*
	(0.122)	*(0.343)*	*(0.198)*	*(0.310)*	*(0.214)*	*(0.127)*	*(0.096)*	*(0.142)*	*(0.621)*
Adj. within R2	0.166	0.118	0.241	0.139	0.175	0.193	0.247	0.225	0.085
Nb. Observations	264	281	221	221	221	254	254	220	161

Note: OLS models (country demeaned standardized estimates) with country and year fixed effects and panel corrected standard errors. For error correction models, I display long term equilibrium effects obtained with Bewley's transformation (Equation 3) in italics. *p < 0.01, †p < 0.1.

Table A15: Impact of households' financial assets on inequality

					A. Classical panel regression models (Equation 1)					
	Finance/ GDP	Gini Index	D5/D1	D9/D1	D9/D5	Top 10% share	Top 1% share	Top 0.1% share	Top 0.01% share
GDP per capita (t-1)	-0.003	-0.055*	0.085*	0.049*	0.017†	-0.065*	-0.051*	-0.043†	0.054
	(0.016)	(0.011)	(0.016)	(0.011)	(0.010)	(0.015)	(0.019)	(0.025)	(0.022)
Union rate (t-1)	0.058	-0.139*	0.071†	0.090*	0.045	-0.120*	-0.070*	-0.036	0.068
	(0.029)	(0.035)	(0.037)	(0.032)	(0.031)	(0.019)	(0.023)	(0.024)	(0.031)
Import rate (t-1)	-0.437*	0.042	0.704*	0.342*	-0.098	-0.287*	-0.290*	-0.203†	0.102
	(0.103)	(0.096)	(0.114)	(0.076)	(0.070)	(0.080)	(0.085)	(0.111)	(0.086)
Stock exchange index (t-1)	0.074	-0.101	0.023	0.156	0.224*	-0.081	0.085	-0.034	-0.254†
	(0.105)	(0.068)	(0.078)	(0.064)	(0.062)	(0.087)	(0.087)	(0.142)	(0.143)
Shares and related equity except mutual	-0.285*	-0.247*	-0.161	-0.255*	-0.244*	-0.176*	-0.039	0.057	0.099
funds / GDP (t-1)	(0.071)	(0.083)	(0.065)	(0.063)	(0.061)	(0.049)	(0.055)	(0.074)	(0.098)
Households' mutual funds shares	0.100	0.407*	0.298*	0.553*	0.496*	0.066	0.112	0.167*	0.356*
/ GDP (t-1)	(0.081)	(0.073)	(0.077)	(0.079)	(0.074)	(0.065)	(0.055)	(0.055)	(0.071)
Adj. within R2	0.138	0.231	0.236	0.266	0.224	0.209	0.099	0.076	0.144
Nb. obs./countries/years	245/15 /23	263/15 /23	219/15 /23	219/15 /23	219/15 /23	238/15 /23	238/15 /23	211/14 /23	155/11/23

				B. Error correction models (Equation 2)					
	$\Delta \frac{Fi}{GDP}$	ΔGini	$\Delta \frac{D5}{D1}$	$\Delta \frac{D9}{D1}$	$\Delta \frac{D9}{D5}$	ΔTop 10%	ΔTop 1%	ΔTop 0.1%	ΔTop 0.01%
Δ GDP per capita	-0.464	-0.253†	0.559	0.172	-0.223	-0.036	0.070	0.188	0.227
	(0.233)	(0.152)	(0.215)	(0.141)	(0.156)	(0.285)	(0.346)	(0.403)	(0.152)
Δ Union rate	0.127	-0.093	0.182	0.117	-0.032	-0.313†	-0.202	-0.033	0.079
	(0.217)	(0.142)	(0.226)	(0.174)	(0.248)	(0.169)	(0.178)	(0.213)	(0.133)
Δ Import rate	0.003	-0.139	0.405	0.264	0.038	-0.122	-0.208	-0.113	0.117
	(0.144)	(0.103)	(0.165)	(0.108)	(0.120)	(0.149)	(0.180)	(0.249)	(0.129)
Δ Stock exchange index	0.094	-0.043	0.053	0.085	0.100	0.016	0.130	0.035	-0.121
	(0.084)	(0.036)	(0.073)	(0.055)	(0.068)	(0.079)	(0.090)	(0.146)	(0.088)
Δ Shares and related equity except	-0.005	-0.083	0.008	-0.019	-0.047	-0.096	-0.142†	-0.139	0.119
mutual funds / GDP	(0.092)	(0.067)	(0.084)	(0.074)	(0.084)	(0.069)	(0.085)	(0.111)	(0.115)
Δ Households' mutual funds shares	0.037	0.083	-0.034	-0.147	-0.152	0.172	0.129	0.155	0.051
/ GDP	(0.137)	(0.092)	(0.140)	(0.102)	(0.107)	(0.105)	(0.105)	(0.111)	(0.093)
Lagged dependent variable (t-1)	-0.323*	-0.141	-0.386*	-0.284*	-0.413*	-0.396*	-0.548*	-0.536*	-0.152†
	(0.07)	(0.064)	(0.073)	(0.062)	(0.087)	(0.102)	(0.144)	(0.162)	(0.085)
GDP per capita (t-1)	*0.168*	*-0.918*	*0.940**	*0.365*	*-0.053*	*-0.692†*	*-0.626†*	*-0.549*	*0.526*
	(0.322)	*(0.595)*	*(0.247)*	*(0.231)*	*(0.142)*	*(0.410)*	*(0.370)*	*(0.525)*	*(0.863)*
Union rate (t-1)	*0.250*	*-1.424**	*-0.131*	*0.198*	*0.296*	*-0.312**	*-0.265**	*-0.183*	*0.400*
	(0.222)	*(0.432)*	*(0.190)*	*(0.245)*	*(0.189)*	*(0.119)*	*(0.102)*	*(0.117)*	*(0.393)*
Import rate (t-1)	*-0.580*	*-0.048*	*0.951**	*0.560*	*-0.111*	*-0.170*	*-0.180*	*-0.025*	*0.808*
	(0.269)	*(0.429)*	*(0.262)*	*(0.222)*	*(0.154)*	*(0.165)*	*(0.130)*	*(0.188)*	*(0.381)*
Stock exchange index (t-1)	*0.428*	*-0.296*	*0.047*	*0.357†*	*0.415*	*-0.064*	*0.184*	*0.062*	*-0.355*
	(0.265)	*(0.320)*	*(0.198)*	*(0.205)*	*(0.181)*	*(0.206)*	*(0.174)*	*(0.284)*	*(0.742)*
Shares and related equity except	*-0.462*	*-0.026*	*-0.299*	*-0.435**	*-0.279*	*-0.280**	*-0.152†*	*-0.071*	*0.039*
mutual funds / GDP (t-1)	*(0.179)*	*(0.280)*	*(0.115)*	*(0.145)*	*(0.109)*	*(0.101)*	*(0.086)*	*(0.119)*	*(0.465)*
Households' mutual funds shares	*0.151*	*0.167*	*0.413**	*0.663**	*0.473**	*0.075*	*0.110*	*0.207*	*0.416*
/ GDP (t-1)	*(0.203)*	*(0.278)*	*(0.154)*	*(0.188)*	*(0.139)*	*(0.102)*	*(0.078)*	*(0.090)*	*(0.340)*
Adj. within R2	0.173	0.120	0.229	0.187	0.208	0.182	0.242	0.225	0.084
Nb. observations	242	257	206	206	206	232	232	206	151

Note: OLS models (country demeaned standardized estimates) with country and year fixed effects and panel corrected standard errors. For error correction models, I display long term equilibrium effects obtained with Bewley's transformation (Equation 3) in italics. *p < 0.01, †p < 0.1.

Table A16: Impact of household debt on inequality

	A. Classical panel regression models (Equation 1)								
	Finance/ GDP	Gini Index	D5/D1	D9/D1	D9/D5	Top 10% share	Top 1% share	Top 0.1% share	Top 0.01% share
GDP per capita (t-1)	0.002	-0.046*	0.091*	0.050*	0.018*	-0.031*	-0.024*	-0.019	-0.010
	(0.008)	(0.007)	(0.011)	(0.007)	(0.005)	(0.007)	(0.009)	(0.010)	(0.011)
Union rate (t-1)	-0.004	-0.069*	-0.011	-0.017	-0.021	-0.084*	-0.046*	-0.022*	-0.021
	(0.006)	(0.006)	(0.016)	(0.013)	(0.009)	(0.005)	(0.005)	(0.006)	(0.010)
Import rate (t-1)	0.032	-0.087†	0.716*	0.302*	-0.016	-0.264*	-0.223*	-0.182*	0.105
	(0.057)	(0.047)	(0.081)	(0.056)	(0.046)	(0.041)	(0.055)	(0.063)	(0.078)
Household debt / GDP (t-1)	0.520*	-0.002	0.102	0.286*	0.270*	0.025	0.111	0.169*	0.165*
	(0.062)	(0.053)	(0.112)	(0.102)	(0.077)	(0.047)	(0.048)	(0.050)	(0.051)
Adj. within R2	0.104	0.278	0.219	0.126	0.106	0.303	0.15	0.064	0.025
Nb. obs./countries/years	563/16 /42	600/16 /42	373/16 /42	373/16 /42	373/16 /42	536/16 /42	555/16 /42	503/15 /42	384/13/42

	B. Error correction models (Equation 2)								
	$\Delta \frac{Fi.}{GDP}$	ΔGini	$\Delta \frac{D5}{D1}$	$\Delta \frac{D9}{D1}$	$\Delta \frac{D9}{D5}$	ΔTop 10%	ΔTop 1%	ΔTop 0.1%	ΔTop 0.01%
Δ GDP per capita	-0.322	-0.091	0.486*	0.215	0.065	-0.111	-0.031	0.067	-0.040
	(0.158)	(0.085)	(0.150)	(0.083)	(0.107)	(0.125)	(0.176)	(0.218)	(0.131)
Δ Union rate	0.038	-0.007	0.299	0.093	-0.093	-0.205	-0.191†	-0.160	0.016
	(0.131)	(0.076)	(0.185)	(0.120)	(0.160)	(0.090)	(0.098)	(0.121)	(0.066)
Δ Import rate	0.143†	-0.010	0.218	0.138	0.093	-0.061	-0.065	-0.014	0.052
	(0.074)	(0.039)	(0.098)	(0.056)	(0.062)	(0.048)	(0.061)	(0.080)	(0.057)
Δ Household debt/GDP	0.001	-0.013	-0.191	-0.148	-0.113	-0.264*	-0.327*	-0.450*	-0.276
	(0.146)	(0.085)	(0.170)	(0.097)	(0.119)	(0.095)	(0.114)	(0.145)	(0.108)
Lagged dependent variable (t-1)	-0.162*	-0.133*	-0.271*	-0.147*	-0.256*	-0.103*	-0.137*	-0.156*	-0.055
	(0.03)	(0.02)	(0.041)	(0.031)	(0.045)	(0.024)	(0.034)	(0.045)	(0.035)
GDP per capita (t-1)	*0.659*†	*-0.844**	*1.170**	*0.662**	*0.202*	*-0.471*	*-0.737*	*-0.670*	*0.219*
	(0.378)	*(0.265)*	*(0.225)*	*(0.244)*	*(0.149)*	*(0.582)*	*(0.636)*	*(0.690)*	*(1.058)*
Union rate (t-1)	*-0.046*	*-0.284**	*0.413*†	*0.476*†	*0.115*	*-0.417**	*-0.187*†	*-0.154*	*-0.143*
	(0.153)	*(0.103)*	*(0.211)*	*(0.262)*	*(0.165)*	*(0.160)*	*(0.109)*	*(0.139)*	*(0.404)*
Import rate (t-1)	*0.100*	*0.000*	*0.931**	*0.567**	*0.036*	*-0.219*	*-0.116*	*0.006*	*0.763*
	(0.211)	*(0.149)*	*(0.194)*	*(0.186)*	*(0.096)*	*(0.238)*	*(0.231)*	*(0.259)*	*(0.512)*
Household debt/GDP (t-1)	*0.814**	*-0.120*	*0.448*	*0.887**	*0.577**	*-0.108*	*0.141*	*0.225*	*0.359*
	(0.239)	*(0.179)*	*(0.216)*	*(0.277)*	*(0.165)*	*(0.203)*	*(0.154)*	*(0.155)*	*(0.474)*
Adj. within R2		0.106	0.151	0.098	0.129	0.078	0.093	0.095	0.040
Nb. observations	559	590	347	347	347	519	539	487	368

Note: OLS models (country demeaned standardized estimates) with country and year fixed effects and panel corrected standard errors. For error correction models, I display long term equilibrium effects obtained with Bewley's transformation (Equation 3) in italics. *p < 0.01, †p < 0.1.

Table A17: Impact of the volume of stocks traded on inequality

	A. Classical panel regression models (Equation 1)								
	Finance/ GDP	Gini Index	D5/D1	D9/D1	D9/D5	Top 10% share	Top 1% share	Top 0.1% share	Top 0.01% share
GDP per capita (t-1)	0.019	-0.021	0.070*	0.036*	0.006	-0.023	-0.009	-0.023	0.025
	(0.014)	(0.009)	(0.013)	(0.009)	(0.007)	(0.011)	(0.015)	(0.020)	(0.020)
Union rate (t-1)	-0.032	-0.031	-0.021	-0.063*	-0.075*	-0.005	-0.026†	-0.042*	-0.017
	(0.016)	(0.021)	(0.015)	(0.016)	(0.018)	(0.019)	(0.015)	(0.015)	(0.024)
Import rate (t-1)	-0.147	0.145†	0.477*	0.031	-0.290*	-0.152†	-0.168	-0.229	-0.003
	(0.116)	(0.087)	(0.099)	(0.071)	(0.059)	(0.082)	(0.075)	(0.098)	(0.082)
Stock exchange index (t-1)	-0.135	0.001	0.090	0.049	0.021	-0.062	0.087	-0.118	-0.196†
	(0.121)	(0.060)	(0.077)	(0.065)	(0.050)	(0.074)	(0.060)	(0.097)	(0.106)
Volume of stocks traded / GDP (t-1)	0.392*	0.103	-0.057	0.179	0.218*	0.242*	0.277*	0.296*	0.491*
	(0.084)	(0.042)	(0.077)	(0.076)	(0.061)	(0.072)	(0.070)	(0.079)	(0.120)
Adj. within R2	0.074	0.039	0.153	0.095	0.151	0.056	0.068	0.095	0.161
Nb. obs./countries/years	356/18 /23	385/18 /23	308/18 /23	308/18 /23	308/18 /23	355/18 /23	355/18 /23	285/15 /23	206/12/23

	B. Error correction models (Equation 2)								
	$\Delta \frac{F_{t}}{GDP}$	ΔGini	$\Delta \frac{D5}{D1}$	$\Delta \frac{D9}{D1}$	$\Delta \frac{D9}{D5}$	ΔTop 10%	ΔTop 1%	ΔTop 0.1%	ΔTop 0.01%
Δ GDP per capita	-0.330*	-0.273	0.256	0.069	-0.037	-0.103	0.010	0.096	0.012
	(0.125)	(0.120)	(0.169)	(0.112)	(0.119)	(0.215)	(0.262)	(0.314)	(0.136)
Δ Union rate	0.112	-0.233†	0.044	0.069	0.056	-0.595*	-0.523*	-0.238	0.027
	(0.119)	(0.130)	(0.226)	(0.169)	(0.197)	(0.191)	(0.197)	(0.173)	(0.113)
Δ Import rate	-0.017	-0.095	0.099	0.056	0.065	-0.076	-0.123	-0.200	0.000
	(0.094)	(0.074)	(0.149)	(0.101)	(0.111)	(0.093)	(0.109)	(0.183)	(0.118)
Δ Stock exchange index	0.049	-0.043	0.011	0.089	0.126	0.017	0.081	-0.026	-0.070
	(0.062)	(0.038)	(0.066)	(0.056)	(0.055)	(0.064)	(0.066)	(0.111)	(0.074)
Δ Volume of stocks traded / GDP	0.114†	0.049	-0.085	-0.034	0.029	0.104	0.091†	0.028	-0.157
	(0.068)	(0.034)	(0.063)	(0.055)	(0.047)	(0.046)	(0.052)	(0.075)	(0.100)
Lagged dependent variable (t-1)	-0.241*	-0.137*	-0.399*	-0.294*	-0.348*	-0.296*	-0.431*	-0.450*	-0.112
	(0.042)	(0.046)	(0.069)	(0.055)	(0.059)	(0.064)	(0.094)	(0.134)	(0.08)
GDP per capita (t-1)	*0.435*	*-0.497*	*0.816**	*0.353*	*-0.033*	*-0.346*	*-0.266*	*-0.408*	*-0.364*
	(0.272)	*(0.446)*	*(0.180)*	*(0.158)*	*(0.136)*	*(0.397)*	*(0.353)*	*(0.472)*	*(0.949)*
Union rate (t-1)	*-0.099*	*-0.375*	*-0.129*	*-0.281†*	*-0.314*	*-0.059*	*-0.185*	*-0.165†*	*0.399*
	(0.143)	*(0.287)*	*(0.154)*	*(0.168)*	*(0.155)*	*(0.192)*	*(0.138)*	*(0.094)*	*(0.369)*
Import rate (t-1)	*-0.176*	*0.146*	*0.706**	*0.154*	*0.365*	*-0.187*	*-0.159*	*-0.139*	*0.656*
	(0.208)	*(0.275)*	*(0.204)*	*(0.186)*	*(0.147)*	*(0.182)*	*(0.136)*	*(0.199)*	*(0.462)*
Stock exchange index (t-1)	*-0.016*	*0.124*	*0.090*	*0.196*	*0.194*	*-0.212*	*-0.009*	*-0.181*	*0.034*
	(0.235)	*(0.286)*	*(0.155)*	*(0.176)*	*(0.144)*	*(0.208)*	*(0.147)*	*(0.215)*	*(0.731)*
Volume of stocks traded / GDP (t-1)	*0.472*	*0.420*	*-0.171*	*0.104*	*0.202†*	*0.262†*	*0.272*	*0.275†*	*-0.175*
	(0.193)	*(0.201)*	*(0.138)*	*(0.157)*	*(0.113)*	*(0.135)*	*(0.116)*	*(0.142)*	*(0.725)*
Adj. within R2	0.167	0.118	0.232	0.144	0.176	0.177	0.250	0.256	0.130
Nb. observations	264	281	221	221	221	254	254	220	161

Note: OLS models (country demeaned standardized estimates) with country and year fixed effects and panel corrected standard errors. For error correction models, I display long term equilibrium effects obtained with Bewley's transformation (Equation 3) in italics. *p < 0.01, †p < 0.1.

Table A18: Impact of financial firms' balance sheets on inequality

	A. Classical panel regression models (Equation 1)								
	Finance/ GDP	Gini Index	D5/D1	D9/D1	D9/D5	Top 10% share	Top 1% share	Top 0.1% share	Top 0.01% share
GDP per capita (t-1)	-0.011	-0.052*	0.089*	0.053*	0.017	-0.061*	-0.057*	-0.052	0.025
	(0.013)	(0.011)	(0.015)	(0.010)	(0.010)	(0.016)	(0.020)	(0.026)	(0.021)
Union rate (t-1)	0.063	-0.164*	0.064†	0.083	0.047	-0.120*	-0.073*	-0.039†	0.063
	(0.029)	(0.035)	(0.035)	(0.033)	(0.035)	(0.020)	(0.022)	(0.023)	(0.027)
Import rate (t-1)	-0.369*	-0.062	0.761*	0.368*	-0.140†	-0.340*	-0.355*	-0.222	0.008
	(0.103)	(0.099)	(0.105)	(0.073)	(0.072)	(0.079)	(0.086)	(0.112)	(0.082)
Stock exchange index (t-1)	0.071	-0.149†	0.058	0.143	0.162	-0.159†	0.089	-0.196	-0.413*
	(0.093)	(0.087)	(0.069)	(0.062)	(0.071)	(0.082)	(0.072)	(0.131)	(0.145)
Loans in assets/ GDP (t-1)	0.419*	-0.072	-0.046	-0.062	-0.051	-0.140†	-0.063	0.183*	0.083
	(0.090)	(0.084)	(0.076)	(0.078)	(0.096)	(0.078)	(0.060)	(0.067)	(0.076)
Shares and related equity assets / GDP (t-1)	0.116	0.308*	-0.078	0.148	0.256	0.144	0.166	0.430*	0.612*
	(0.114)	(0.111)	(0.086)	(0.097)	(0.105)	(0.072)	(0.070)	(0.085)	(0.089)
Adj. within R2	0.207	0.181	0.24	0.123	0.098	0.213	0.119	0.152	0.198
Nb. obs./countries/years	267/16/23	287/16/23	236/16/23	236/16/23	236/16/23	260/16/23	260/16/23	225/14/23	165/11/23

	B. Error correction models (Equation 2)								
	$\Delta \frac{F_{it}}{GDP}$	ΔGini	$\Delta \frac{D5}{D1}$	$\Delta \frac{D9}{D1}$	$\Delta \frac{D9}{D5}$	ΔTop 10%	ΔTop 1%	ΔTop 0.1%	ΔTop 0.01%
Δ GDP per capita	-0.330†	-0.210	0.524	0.218	-0.125	-0.018	0.064	0.334	0.263†
	(0.200)	(0.154)	(0.206)	(0.137)	(0.164)	(0.298)	(0.360)	(0.404)	(0.158)
Δ Union rate	0.166	-0.082	0.267	0.155	-0.022	-0.313	-0.273†	-0.072	0.077
	(0.200)	(0.129)	(0.251)	(0.180)	(0.237)	(0.157)	(0.159)	(0.179)	(0.129)
Δ Import rate	-0.120	-0.049	0.276	0.158	0.041	-0.114	-0.304†	-0.079	0.218
	(0.158)	(0.094)	(0.169)	(0.132)	(0.151)	(0.136)	(0.168)	(0.229)	(0.132)
Δ Stock exchange index	0.115	-0.045	0.075	0.107†	0.115	0.006	0.117	-0.040	-0.119
	(0.082)	(0.038)	(0.071)	(0.061)	(0.077)	(0.076)	(0.083)	(0.151)	(0.085)
Δ Loans in assets/ GDP	-0.072	0.053	-0.061	0.164	0.122	-0.107	0.033	0.040	-0.054
	(0.239)	(0.130)	(0.298)	(0.250)	(0.240)	(0.148)	(0.142)	(0.193)	(0.209)
Δ Shares and related equity assets / GDP	0.170	0.076	-0.024	0.026	0.085	0.098	-0.019	0.021	0.076
	(0.140)	(0.091)	(0.135)	(0.113)	(0.126)	(0.096)	(0.090)	(0.140)	(0.109)
Lagged dependent variable (t-1)	-0.339*	-0.131	-0.441*	-0.279*	-0.387*	-0.382*	-0.534*	-0.549*	-0.208*
	(0.075)	(0.058)	(0.075)	(0.064)	(0.084)	(0.1)	(0.135)	(0.153)	(0.078)
GDP per capita (t-1)	*0.105*	*-0.636*	*0.852**	*0.264*	*-0.046*	*-0.692*	*-0.773†*	*-0.610*	*0.162*
	(0.274)	*(0.649)*	*(0.207)*	*(0.219)*	*(0.163)*	*(0.489)*	*(0.434)*	*(0.513)*	*(0.656)*
Union rate (t-1)	*0.297*	*-1.551**	*-0.070*	*0.246*	*0.374*	*-0.316**	*-0.287**	*-0.177†*	*0.270*
	(0.194)	*(0.394)*	*(0.185)*	*(0.272)*	*(0.230)*	*(0.119)*	*(0.100)*	*(0.102)*	*(0.277)*
Import rate (t-1)	*-0.462*	*0.059*	*0.881**	*0.544*	*-0.105*	*-0.236*	*-0.344**	*-0.086*	*0.517*
	(0.229)	*(0.406)*	*(0.228)*	*(0.253)*	*(0.179)*	*(0.162)*	*(0.124)*	*(0.184)*	*(0.276)*
Stock exchange index (t-1)	*0.407†*	*-0.013*	*0.092*	*0.357*	*0.396†*	*-0.222*	*0.100*	*-0.344*	*-1.003†*
	(0.233)	*(0.382)*	*(0.168)*	*(0.238)*	*(0.218)*	*(0.198)*	*(0.157)*	*(0.217)*	*(0.545)*
Loans in assets/ GDP (t-1)	*0.310*	*-0.059*	*0.115*	*0.288*	*0.074*	*-0.043*	*0.058*	*0.256*	*0.281*
	(0.224)	*(0.399)*	*(0.199)*	*(0.259)*	*(0.182)*	*(0.177)*	*(0.115)*	*(0.107)*	*(0.319)*
Shares and related equity assets / GDP (t-1)	*0.043*	*-0.354*	*-0.093*	*0.068*	*0.129*	*0.400*	*0.216*	*0.522**	*1.203**
	(0.269)	*(0.471)*	*(0.197)*	*(0.284)*	*(0.219)*	*(0.143)*	*(0.104)*	*(0.132)*	*(0.339)*
Adj. within R2	0.167	0.118	0.232	0.144	0.176	0.177	0.250	0.256	0.130
Nb. observations	264	281	221	221	221	254	254	220	161

Note: OLS models (country demeaned standardized estimates) with country and year fixed effects and panel corrected standard errors. For error correction models, I display long term equilibrium effects obtained with Bewley's transformation (Equation 3) in italics. *p < 0.01, †p < 0.1.

Table A19: Overall view

A. Classical panel regression models (Equation 1)

	Finance/ GDP	Gini Index	D5/D1	D9/D1	D9/D5	Top 10% share	Top 1% share	Top 0.1% share	Top 0.01% share
GDP per capita (t-1)	-0.004	-0.055*	0.090*	0.052*	0.018	-0.062*	-0.057*	-0.044†	0.018
	(0.014)	(0.010)	(0.016)	(0.012)	(0.009)	(0.012)	(0.010)	(0.025)	(0.018)
Union rate (t-1)	0.014	-0.127*	0.106*	0.096*	0.021	0.118*	0.084*	0.049	0.020
	(0.031)	(0.038)	(0.033)	(0.032)	(0.032)	(0.020)	(0.023)	(0.024)	(0.029)
Import rate (t-1)	-0.489*	0.021	0.732*	0.387*	-0.057	-0.248*	-0.324*	-0.194†	-0.036
	(0.101)	(0.107)	(0.111)	(0.078)	(0.074)	(0.081)	(0.097)	(0.108)	(0.078)
Stock exchange index (t-1)	-0.135	-0.190	0.042	0.041	0.036	-0.165†	0.051	-0.186	-0.582*
	(0.114)	(0.082)	(0.081)	(0.064)	(0.070)	(0.091)	(0.080)	(0.141)	(0.148)
Households' mutual funds shares	-0.122	0.282*	0.381*	0.429*	0.242*	-0.076	-0.006	-0.006	0.154
/ GDP (t-1)	(0.088)	(0.061)	(0.073)	(0.076)	(0.079)	(0.058)	(0.054)	(0.056)	(0.069)
Household debt / GDP (t-1)	0.185†	-0.080	-0.282*	-0.135	-0.034	-0.214*	-0.115†	0.045	0.388*
	(0.098)	(0.121)	(0.107)	(0.104)	(0.109)	(0.073)	(0.069)	(0.093)	(0.124)
Volume of stocks traded	0.387*	-0.076	-0.121	0.183†	0.381*	0.218*	0.281*	0.236*	0.208†
/ GDP (t-1)	(0.094)	(0.064)	(0.096)	(0.105)	(0.102)	(0.075)	(0.077)	(0.080)	(0.115)
Shares and related equity	0.263*	0.135	-0.305*	-0.009	0.243*	0.044	0.193	0.439*	0.657*
in banks assets/ GDP (t-1)	(0.090)	(0.101)	(0.091)	(0.080)	(0.089)	(0.055)	(0.074)	(0.104)	(0.134)
Adj. within R2	0.187	0.21	0.278	0.243	0.258	0.224	0.157	0.163	0.288
Nb. obs./countries/years	245/15/23	263/15/23	219/15/23	219/15/23	219/15/23	238/15/23	238/15/23	211/14/23	155/11/23

B. Error correction models (Equation 2)

	$\Delta \frac{Fi}{GDP}$	ΔGini	$\Delta \frac{D5}{D1}$	$\Delta \frac{D9}{D1}$	$\Delta \frac{D9}{D5}$	ΔTop 10%	ΔTop 1%	ΔTop 0.1%	ΔTop 0.01%
Δ GDP per capita	-0.327	-0.197	0.568*	0.259†	-0.154	-0.014	0.012	0.298	0.260†
	(0.220)	(0.155)	(0.212)	(0.138)	(0.148)	(0.286)	(0.338)	(0.387)	(0.151)
Δ Union rate	0.214	-0.089	0.286	0.210	0.045	-0.306†	-0.195	-0.009	0.112
	(0.224)	(0.141)	(0.226)	(0.184)	(0.258)	(0.166)	(0.172)	(0.204)	(0.133)
Δ Import rate	0.035	-0.114	0.401	0.283	0.039	-0.092	-0.272	-0.065	0.234†
	(0.131)	(0.097)	(0.158)	(0.110)	(0.122)	(0.147)	(0.175)	(0.261)	(0.127)
Δ Stock exchange index	0.088	-0.058	0.055	0.072	0.067	-0.014	0.112	0.031	-0.045
	(0.089)	(0.057)	(0.071)	(0.042)	(0.072)	(0.061)	(0.062)	(0.051)	(0.060)
Δ Households' mutual funds shares	-0.061	0.051	-0.012	0.248	0.305	0.126	0.047	0.113	0.059
/ GDP	(0.120)	(0.098)	(0.135)	(0.116)	(0.123)	(0.105)	(0.099)	(0.104)	(0.105)
Δ Household debt / GDP	0.048	-0.125	-0.598*	-0.263	-0.064	-0.679*	-0.646	-0.612	-0.394†
	(0.226)	(0.136)	(0.178)	(0.121)	(0.146)	(0.233)	(0.259)	(0.292)	(0.216)
Δ Volume of stocks traded	0.158	0.025	-0.163	-0.118†	0.000	0.066	0.090	0.007	-0.179
/ GDP	(0.105)	(0.054)	(0.076)	(0.060)	(0.077)	(0.061)	(0.064)	(0.072)	(0.090)
Δ Shares and related equity	0.445*	-0.017	-0.205	0.087	0.332*	-0.080	-0.124	-0.132	-0.035
in banks assets/ GDP	(0.153)	(0.089)	(0.160)	(0.108)	(0.091)	(0.086)	(0.095)	(0.146)	(0.114)
Lagged dependent variable (t-1)	-0.348*	-0.132	-0.464*	-0.270*	-0.441*	-0.441*	-0.620*	-0.584*	-0.208
	(0.079)	(0.065)	(0.074)	(0.064)	(0.088)	(0.111)	(0.152)	(0.168)	(0.084)
GDP per capita (t-1)	*0.222*	*-0.717*	*1.067**	*0.478*	*-0.027*	*-0.560*	*-0.609†*	*-0.491*	*0.323*
	(0.285)	*(0.621)*	*(0.201)*	*(0.223)*	*(0.118)*	*(0.386)*	*(0.343)*	*(0.446)*	*(0.578)*
Union rate (t-1)	*0.076*	*-1.674**	*0.038*	*0.415*	*0.319†*	*-0.355**	*-0.307**	*-0.220*	*0.306*
	(0.207)	*(0.472)*	*(0.162)*	*(0.269)*	*(0.183)*	*(0.106)*	*(0.088)*	*(0.099)*	*(0.292)*
Import rate (t-1)	*-0.477†*	*-0.020*	*0.753**	*0.531*	*-0.025*	*-0.133*	*-0.224††*	*-0.072*	*0.417*
	(0.247)	*(0.165)*	*(0.202)*	*(0.232)*	*(0.143)*	*(0.160)*	*(0.126)*	*(0.170)*	*(0.313)*
Stock exchange index (t-1)	*-0.032*	*-0.382*	*0.185*	*0.261*	*0.170*	*-0.144*	*0.167*	*-0.092*	*-0.824*
	(0.261)	*(0.370)*	*(0.179)*	*(0.224)*	*(0.183)*	*(0.183)*	*(0.134)*	*(0.220)*	*(0.645)*
Households' mutual funds shares	*-0.175*	*0.225*	*0.554**	*0.603**	*0.214*	*-0.054*	*-0.060*	*-0.004*	*0.302*
/GDP (t-1)	*(0.188)*	*(0.309)*	*(0.118)*	*(0.203)*	*(0.158)*	*(0.099)*	*(0.071)*	*(0.092)*	*(0.272)*
Household debt / GDP (t-1)	*0.191*	*0.459*	*-0.079*	*0.277*	*0.119*	*-0.185*	*-0.218††*	*0.058*	*0.639*
	(0.227)	*(0.416)*	*(0.169)*	*(0.234)*	*(0.166)*	*(0.146)*	*(0.111)*	*(0.134)*	*(0.487)*
Volume of stocks traded	*0.719**	*0.248*	*-0.485**	*-0.272*	*0.313†*	*0.210†*	*0.285**	*0.183*	*-0.596*
/GDP (t-1)	*(0.221)*	*(0.317)*	*(0.172)*	*(0.229)*	*(0.169)*	*(0.124)*	*(0.109)*	*(0.135)*	*(0.436)*
Shares and related equity	*0.163*	*-0.111*	*-0.183**	*-0.166*	*(0.154)*	*-0.079*	*0.192†*	*0.143**	*1.075*
in banks assets/ GDP (t-1)	*(0.206)*	*(0.364)*	*(0.167)*	*(0.218)*		*(0.126)*	*(0.111)*	*(0.157)*	*(0.476)*
Adj. within R2	0.203	0.125	0.268	0.192	0.232	0.211	0.281	0.267	0.158
Nb. Observations	242	257	206	206	206	232	232	206	151

Note: OLS models (country demeaned standardized estimates) with country and year fixed effects and panel corrected standard errors. For error correction models, I display long term equilibrium effects obtained with Bewley's transformation (Equation 3) in italics. *p < 0.01, †p < 0.1.

Table A20: Respective roles of banking concentration and deregulation

	Finance/ GDP	Gini Index	D5/D1	D9/D1	D9/D5	Top 10% share	Top 1% share	Top 0.1% share	Top 0.01% share
GDP per capita (t-1)	0.019	-0.047*	0.094*	0.062*	0.036*	-0.068	-0.076	-0.081	-0.035
	(0.014)	(0.013)	(0.016)	(0.014)	(0.012)	(0.029)	(0.035)	(0.038)	(0.015)
Union rate (t-1)	-0.036	-0.400*	-0.122	-0.170*	-0.155*	-0.185*	-0.147*	-0.075	-0.129*
	(0.046)	(0.056)	(0.055)	(0.047)	(0.056)	(0.043)	(0.049)	(0.058)	(0.043)
Import rate (t-1)	-0.449*	-0.146†	0.319*	0.063	-0.141	-0.132	-0.140	0.034	0.097
	(0.087)	(0.077)	(0.098)	(0.096)	(0.103)	(0.104)	(0.105)	(0.155)	(0.116)
Share of 5 biggest banks in firms' assets (t-1)	0.112	-0.035	0.122	0.261*	0.310*	0.077	0.071	0.070	0.170*
	(0.074)	(0.063)	(0.076)	(0.076)	(0.079)	(0.062)	(0.053)	(0.064)	(0.059)
Financial deregulation index (t-5)	0.077	-0.066	0.009	0.099	0.157†	0.249*	0.231*	0.201†	0.347*
	(0.056)	(0.074)	(0.064)	(0.070)	(0.090)	(0.077)	(0.084)	(0.110)	(0.114)
Adj. within R2	0.16	0.231	0.185	0.144	0.133	0.124	0.131	0.159	0.154
Nb. obs./countries/years	182/17/12	201/18/12	179/18/12	179/18/12	179/18/12	190/18/12	190/18/12	158/15/12	109/10/12

Note: OLS models (country demeaned standardized estimates) with country and year fixed effects and panel corrected standard errors. *p < 0.01, †p < 0.1.

5 Appendix references

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