

Towards the Greater Good?

EU Commissioners' Nationality and Budget Allocation in the European Union

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Required files: public_eupower.dta, EUCouncilpres.xlsx, Eurostat_Output_Agriculture.xls, eba_country_file.dta, RIT_figures.dta.

Instruction: Please follow the following steps to replicate the results from the paper and in the Appendix. Note all figures and tables from the replication will have the exact same design, as we introduced some slight modification in Latex. Also note that we tried to keep everything compatible with Stata versions as low as version 12. If you do have only an old version, please check the individual do-files, which suggest the few places where you have to adapt the code. The steps are.

1. Extract all files to all common folder, e.g. "C:\...\EU Commissioners"
2. Make sure the folder contains a subfolder "Do-Files", a subfolder "Stata" and the "master_Gehring_Schneider.do" file.

3. Open the master do-file.

```
*****Set*file*path*****  
*Example  
*local DIR ="C:\Users\XXX...\EU Commissioners\Stata"  
*Your path  
local DIR ="C:\Users\...\EU Commissioners\Stata"  
cd "`DIR'"
```

4. *****
Insert the path as shown in the example above. Make sure the path is the path to the Stata-subfolder.
5. Run the master-do file. You have to run the whole file including all locals and globals to replicate the results. The beginning of the code automatically loads external packages that are not native to Stata. All three sub-do-files must remain in the same folder.
6. The code will automatically create sub-folders for tables and graphics, in which the results will be stored. In the status quo, the final data set is not created in the master file. The reason is that we use the worldbank opendata command to load some control variables, and these data are sometimes corrected and adjusted over time. This can lead to slight deviations as we noted in the past.
This can be activated by commenting in the line:
do "..\Do-Files\powerintheeu_public(part1).do".
7. The tables can be found under "\Tables\" and figures under "\Figures\". Note that the figures in the paper have been slightly graphically adapted to adjust colors and improve readability with external image software.

Please note that the simulations used in this paper to validate the computation of p-values can slightly differ each time you run the code. The reasons are that despite the high number of repetitions, the p-values are very small. There is a trade-off between running even more repetitions and the duration of running the whole program. Our approach for the paper was to run the code twice with 25,000 repetitions each as a compromise. This affects Table 2 and 3, where you might find slight differences (usually at the third decimal point level). For the paper, we took the highest p-value out of the two rounds, to make sure replications should deviate only in finding **lower** p-values. The graphs in the paper are based on 10,000 repetitions as more did not lead to visible differences. Repetitions can easily be adjusted in the beginning of the master do-file.

Please also note that the user-written `xtivreg2` and `ivreg2` command repeatedly will issue a warning:

"Warning: estimated covariance matrix of moment conditions not of full rank. Overidentification statistic not reported, and standard errors and model tests should be interpreted with caution."

This means only that the overall F-statistic cannot be interpreted directly, the significance tests of individual coefficients and their combination which we use are not affected. Please do not hesitate to get back at us with questions or comments.