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ACCEPTED MANUSCRIPT

Ethnic Favoritism: An Axiom of Politics?*

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Abstract

We study ethnic favoritism in a global sample and rely on nighttime light intensity to capture a broad range of preferential policies targeted towards the political leaders' ethnic homelands. We construct two panel data sets with several thousand ethnographic regions from around 140 multi-ethnic countries and annual observations from 1992 to 2013. We find robust evidence for ethnic favoritism: nighttime light becomes 7%–10% more intense in the political leaders' ethnic homelands. We document that ethnic favoritism is a global phenomenon not restricted to Africa, poor countries, or autocracies. We also provide evidence that ethnic favoritism is partly motivated by electoral concerns and more prevalent in the presence of ethnic parties.

JEL Codes: D72, R11, J15, O43.

Keywords: Ethnic favoritism, political leaders, institutions, elections, ethnic parties.

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