

APPENDIX

Table A1. *Examples of investments in the metropolis by category*

Category	Some examples of investments
1) Agriculture, Livestock and Fisheries	Forestation, animal husbandry, construction of fishing boats (tuna vessels, trawlers, among others).
2) Industry	Construction of factories for various industries, such as mining, food, textiles, clothing, pulp and paper, chemical, metallurgical and construction industries. The complete implantation of the steel industry can be considered one of the most outstanding investments of the development plans.
3) Energy	Construction of power stations, development of the electricity distribution network, construction of oil refineries and purchase of oil tanker fleets.
4) Transport and Communications	Construction of roads, bridges, railways, airports (Funchal and Horta), telephone exchanges, purchase of passenger ships and aircraft. The <i>Ponte sobre o Tejo</i> (the bridge over the River Tagus in Lisbon), as well as the construction of the railway lines and stations of the Lisbon underground transport system, can be considered two of the most notable investments of the development plans.
5) Education and Research	Construction of several schools and research laboratories.
6) Housing and Urbanisation	Construction of social housing, various building works for water supply and sewage networks.
7) Tourism	Hotels, Guest Houses and Pensions.
8) Health	Construction of hospitals and maternity wards.

Sources: The same as those that were used to construct Table 1, as well as: a) Ministérios da Economia e do Ultramar (1953); b) Assembleia Nacional (1959, 1965); c) Secretaria-Geral da Assembleia Nacional (1968).

Table A2. *Information about the entities whose mission it was to monitor the Development Plans*

<p>The Law that promulgated the bases of the First Development Plan (<i>Diário do Governo</i>, 1952) also created the Conselho Económico [Economic Council], which was composed of the ministers of the Presidency, Finance, Navy, Public Works, Overseas, Economy and Communications. The Council met under the chairmanship of the Prime Minister Salazar (President of the Council). The Economic Council had the mission of “defining and implementing undertakings included in the designations of the plan”. In turn, it was the responsibility of the Fundo de Fomento Nacional [National Development Fund] (which also depended on the President of the Council) to prepare and implement the decisions of the Economic Council that were necessary to implement the Development Plan (<i>Diário do Governo</i>, 1953). A few years later, the Secretaria-Geral da Presidência do Conselho [General Secretariat</p>

of the Presidency of the Council] was created (*Diário do Governo*, 1957), which among other services included the Inspecção Superior do Plano de Fomento [Higher Inspectorate of the Development Plan], which was responsible for monitoring the implementation of the Development Plan (a responsibility that until then had belonged to the National Development Fund). In 1959, the Comissão Interministerial do Plano de Fomento [Interministerial Commission of the Development Plan] was created within the Presidência do Conselho [Presidency of the Council of Ministers] (*Diário do Governo*, 1959, “to ensure the permanent administrative link between the Higher Inspectorate of the Development Plan and the various Ministries and State Secretariats”. Finally, in 1962, the Conselho de Ministros para os Assuntos Económicos [Council of Ministers for Economic Affairs] was created (*Diário do Governo*, 1962), resulting from the merger of the Economic Council and the Council of Ministers for External Affairs. This Council was given the task of “defining and coordinating national economic policy”. Under the responsibility of the Council of Ministers for Economic Affairs, the Secretariado Técnico da Presidência do Conselho [Technical Secretariat of the Presidency of the Council of Ministers] included the Interministerial Commission of the Development Plan, which was renamed the Comissão Interministerial de Planeamento e Integração Económica [Interministerial Commission for Planning and Economic Integration]. The Technical Secretariat of the Presidency of the Council of Ministers was responsible (in collaboration with the departments of the relevant ministries) for “preparing, through the decision of the Council of Ministers for Economic Affairs, the drafts of the National Development Plans”. At the same time, the Higher Inspectorate of the Development Plan was extinguished.

Sources: *Diário do Governo* (1952, 1953, 1957, 1959, 1962).

Table A3. *Information about the sources of funding for investments in the metropolis*

The following sources of investment were considered to be public funds according to their specific nature: state budgets, local authorities, public companies, social security institutions, Banco de Fomento Nacional (National Development Bank), autonomous public funds, such as, for example, Fundo de Fomento Nacional (National Development Fund), Fundo de Desemprego (Unemployment Fund), Fundo de Fomento de Exportação (Export Promotion Fund), Fundo de Abastecimento (Supply Fund), Fundo de Transportes Terrestres (Land Transport Fund) and Fundo do Desenvolvimento da Mão-de-Obra (Labour Development Fund), and the savings banks (essentially Caixa Geral de Depósitos e Previdência). The remaining sources of funding were considered to be private ones, such as commercial banks, insurance companies and private companies, funds belonging to the corporate organisation, as well as loans from abroad¹.

Sources: The same as those that were used to construct Table 1.

¹ Loans from abroad, which were directly used to finance the investments made in the metropolis under the Development Plans for the period 1953-1971, accounted for 9 % of all sources of financing.

Table A4. *Examples of investments in the overseas provinces by category*

Category	Some examples of investments
1) Scientific Knowledge of the Territory	Cartographical studies (to discover the geographical features of the territories), geological and pedological studies.
2) Agriculture, Livestock and Fisheries	Land drainage and drying for agricultural purposes, creation of pastureland and the promotion of different crops (e.g., in the case of Cape Verde, peanuts, kidney beans, coconuts, tobacco and pineapples).
3) Energy	Electrification of rural villages, extensions to electrical distribution networks, as well as the construction of several hydroelectric plants. The Cahora Bassa hydroelectric project in Mozambique (Zambezi River) can be considered one of the most notable investments in the development plans.
4) Industry	Mining development (research, prospecting, reconnaissance and extraction), development of industries, particularly through the construction of factories (e.g., in the case of Angola, construction of factories for dairy products, fruit and vegetables, fruit juices, tomato paste, sugar, margarine, pastas and beer).
5) Transport and Communications	Construction of roads and railway lines, purchase of locomotives, carriages and wagons, construction of ports, purchase of ships, construction of airports and aerodromes, purchase of aeroplanes and construction of new telephone exchanges.
6) Education and Research	Construction of schools and residences for students.
7) Housing and Urbanisation	Construction of social housing, houses for civil servants, as well as urbanisation and sanitation works, construction of markets and construction of neighbourhoods.
8) Tourism	Construction of tourism parks, tourist residences and purchase of buses and boats.
9) Health	Construction and equipment of hospitals, construction of maternity wards, nursing homes and health centres, as well as the construction of housing for medical staff and homes for chronic and irrecoverable patients.

Sources: The same as those that were used to construct Table 3, as well as: a) Ministérios da Economia e do Ultramar (1953); b) Assembleia Nacional (1959, 1965); c) Secretaria-Geral da Assembleia Nacional (1968).

Table A5. *Information about the financing sources of investments in the overseas provinces*

“Public financing from the metropolis” consists of public loans and subsidies from the metropolis (essentially funds from the Portuguese central government). All other funds are considered to have come from another source and mainly include the following items: budgetary revenue from the overseas provinces and the provinces’ own funds, such as, for example, Fundo de Fomento de Angola (Angola Development Fund), loans granted by the Banco Nacional Ultramarino (National Overseas Bank) and by other entities, such as Companhia de Ferro de Benguela (Benguela Iron Company) and Companhia de Petróleos de Angola (Angola Oil Company).

Sources: The same as those that were used to construct Table 2.

Table A6. *Stationary tests for variables presented in equation (1)*

ADF		
ADF: Test with constant and without trend		
Variable	Lags	Test Statistic
gdp_t	0	-3.03**
gdp_{t-1}	0	-4.61***
edu_t	0	-2.74*
$life_t$	3	-5.09***
gcf_t	0	-5.32***
exp_t	0	-5.12***
$plans_t$	3	-4.19***
ADF-GLS		
ADF-GLS: Test with constant and without trend		
Variable	Lags	Test Statistic
gdp_t	0	-3.16***

gdp_{t-1}	0	-4.71***
edu_t	0	-2.66***
$life_t$	0	-7.41***
gcf_t	0	-5.42***
exp_t	1	-2.25**
$plans_t$	0	-4.96***
KPSS		
KPSS: Test with constant and without trend		
Variable	Lags	Test Statistic
gdp_t	2	0.49**
gdp_{t-1}	2	0.21
edu_t	2	0.11
$life_t$	2	0.09
gcf_t	2	0.09
exp_t	2	0.09
$plans_t$	2	0.10

Note 1: Both tests were performed using the software Gretl (2017).

Note 2: In the KPSS test (see KPSS, 1992), *, ** and *** denote the rejection of the null hypothesis (h_0) of stationarity at the 10%, 5% and 1% levels. The optimal lag was obtained using New-West automatic selection of bandwidth.

Note 3: In the ADF (see Dickey and Fuller, 1979) and ADF-GLS (see Elliot et al., 1996) tests, *, ** and *** denote the rejection of the null hypothesis (h_0) of a unit root at the 10%, 5% and 1% levels.

Conclusion: All the variables are I(0), according to ADF, ADF-GLS and KPSS.