

Codebook for Foreign Direct Investment Dataset

Introduction to International Relations

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Yale University

Overview

This dataset includes yearly data across a variety of variables for 175 countries from 1970 – 2019. Each row in the dataset describes a country in a given year. The main outcome variables are the value of the net inflow of foreign direct investment denominated in US dollars and net FDI inflows as a percentage of GDP. The table below provides the names of all of the variables included in the dataset along with a basic description. You will also find links to source materials that provide additional information.

Note that some cells are missing data. These cells will be empty in the comma-separated and Excel spreadsheets and are indicated by a “.” in STATA.

Key Literature

- Jensen, Nathan et al. 2012. *Politics and Foreign Direct Investment*. Ann Arbor: University of Michigan Press.
- Pandya, Sonal S. 2016. “Political Economy of Foreign Direct Investment: Globalized Production in the Twenty-First Century.” *Annual Review of Political Science* 19: 455–75.
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- Kerner, Andrew. 2014. “What We Talk About When We Talk About Foreign Direct Investment.” *International Studies Quarterly* 57 (4): 804–15.
- Li, Quan, Erica Owen, and Austin Mitchell. 2018. “Why Do Democracies Attract More or Less Foreign Direct Investment? A Metaregression Analysis.” *International Studies Quarterly* 62 (3): 494–504.
- Asiedu, Elizabeth, and Donald Lien. 2011. “Democracy, Foreign Direct Investment and Natural Resources.” *Journal of International Economics* 84(1): 99–111.
- Henisz, Witold J. 2000. “The Institutional Environment for Multinational Investment.” *The Journal of Law, Economics, and Organization* 16(2): 334–64.

Table 1: Variable names, definitions and source material

Variable Name	Description
Country Identifiers	
country_name	Full name of country
COWcode	Numerical country code, derived from the Correlates of War Project
iso3c	Alphabetical country code based on the ISO standard
year	Year
Economic Variables	
fdi_flows	Yearly net inflows of foreign direct investment, in current USD. Coverage: 1970–2019 Source: World Bank World Development Indicators
fdi_per_gdp	Yearly net inflows of foreign direct investment as a percentage of GDP Coverage: 1970–2019 Source: World Bank World Development Indicators
gdp	Gross domestic product, in current USD. Coverage: 1970–2019 Source: World Bank World Development Indicators
gdppc	Per capita gross domestic product, in current USD. Coverage: 1970–2019 Source: World Bank World Development Indicators
trade_dependence	Total trade (i.e. the value of imports + exports) as a percentage of GDP. Coverage: 1970–2019 Source: World Bank World Development Indicators
inflation	Annual inflation rate for consumer prices. Coverage: 1970–2019 Source: World Bank World Development Indicators
nat_resoc_rents	Percentage of GDP derived from oil rents, natural gas rents, coal rents (hard and soft), mineral rents, and forest rents. Coverage: 1970–2019 Source: World Bank World Development Indicators
Institutional Variables	
bits	The number of bilateral investment treaties in force for a given country Coverage: 1970–2019 Source: United Nations Conference on Trade & Development
wto	Equal to 1 if a country is a member of the World Trade Organization (or the General Agreement on Tariffs and Trade), 0 otherwise. Coverage: 1970–2019 Source: Correlates of War, Intergovernmental Organizations

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Table 1: Variable names, definitions and source material (continued)

Variable Name	Description
polity	Polity5 Democracy Index. Runs from -10 to 10 , with higher values indicating stonger democracies. Values of 6 or greater are typically coded as a “Democracy.” Coverage: 1970-2018 Source: Center for Systemic Peace
v2x_polyarchy	Electoral democracy index. Variable runs from 0 to 1 , with higher values indicating stronger democratic institutions. Coverage: 1970–2019 Source: Varieties of Democracy Project, v10
v2x_rule	Rule of law index. This measures the “extent [to which] laws [are] transparently, independently, predictably, impartially, and equally enforced.” The variable runs from 0 to 1 , with higher values indicating greater strong rule of law institutions. Coverage: 1970–2019 Source: Varieties of Democracy Project, v10
v2x_gender	Women’s political empowerment index. “Womens political empowerment is defined as a process of increasing capacity for women, leading to greater choice, agency, and participation in societal decision-making.” This variables runs from 0 to 1 , with higher values indicating greater political empowerment for women. Coverage: 1970–2019 Source: Varieties of Democracy Project, v10
polcon	Political Constraint Index. This measures the presence of effective “veto players” over policymaking. This runs from 0 to 1 , which higher values indicating a greater number of veto players (and, therefore, a higher status quo bias in policymaking). Coverage: 1970–2019 Source: POLCON Dataset
ka_open	A measure of capital account openness. Ranges from 0 to 1 , with higher values indicating greater integration with global financial markets. Coverage: 1970–2019 Source: Chinn-Ito Financial Openness Index
Conflict Variables	
alliance_US	Equal to 1 if country has a formal security alliance with the United States, and 0 otherwise. Coverage: 1970-2012 Source: Correlates of War Project, Formal Alliances

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Table 1: Variable names, definitions and source material (continued)

Variable Name	Description
alliance_RU	Equal to 1 if country has a formal security alliance with Russia, and 0 otherwise. Coverage: 1970–2012 Source: Correlates of War Project, Formal Alliances
conflict	Equal to 1 if country experiences an armed conflict in a given year, and 0 otherwise. Coverage: 1970–2019 Source: UCDP/PRIO Armed Conflict Dataset
conflict_intensity	This variable is equal to either 1 (minor intensity) or 2 (major intensity). It is equal to 1 if there are between 25 and 999 battle-related deaths in a given year. Equal to 2 if there are 1,000+ battle deaths. If there are two conflicts occurring within a country in a given year then this is equal to 2 if any of those conflicts is coded as 2 and 1 otherwise. 0 indicates no conflict. Coverage: 1970–2019 Source: UCDP/PRIO Armed Conflict Dataset
conflict_type	This variable follows the coding scheme developed by UCDP/PRIO: 0 = no conflict 1 = extrasystemic (between a state and a non-state group outside its own territory, where the government side is fighting to retain control of a territory outside the state system) 2 = interstate (both sides are states) 3 = intrastate (one side is a government, the other side is one or more rebel groups (without involvement of a foreign government)) 4 = internationalized intrastate (same as (3) but <i>with</i> involvement of a foreign government) Note: Conflict types are separated by a comma if a state experiences multiple conflict types within a given year. Coverage: 1970–2019 Source: UCDP/PRIO Armed Conflict Dataset
physint	Physical Integrity Rights Index. This index measures the extent to which a state violates physical integrity rights including the use of torture, disappearance, extrajudicial killing and political imprisonment. The variable runs from 0 to 8, with higher values indicating greater respect for physical integrity rights. Coverage: 1981–2011 Source: CIRI Human Rights Dataset

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