The conditional arm of the law. The effect of the OECD Anti-Bribery Convention on foreign direct investment

Lorenzo Crippa[†]

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A Appendix

A.1 The *Host PACI* measure

In this section I present synthetically the Public Administration Corruption Index (PACI), proposed by Escresa and Picci (2017) and adopted in this study. The PACI relies on the following intuition: suppose all countries were equally corrupt. Then the number of observed cases of cross-border bribery occurring in a country should be proportional to its economic inflows: they would simply be more likely to occur where more funds were inflowing. Imagine in fact we observed that a large share of bribes paid by firms from country x abroad are paid in country y, but country y is not a major commercial partner of x. This is evidence that public officials in country y are more corrupt than those in the other partners of x, because they attract more bribes than what could be expected by simply looking at economic flows. The PACI generalizes and formalizes this intuition. For each country y, it is computed as the ratio between the number of observed cross-border bribes paid by firms from the set of all countries X ($X \not\supset y$) to y's public officials, and the number of cases that could be expected based on trade flows between all xy pairs. It thus measures by how much *observed* cases of cross-border corruption involving public officials of a country depart from cases that could be *expected* assuming all countries were equally corrupt and corruption of y were only proportional to trade inflows.

[†]PhD student, Department of Government, University of Essex. l.crippa@essex.ac.uk

What matters for the PACI to be valid is thus the spatial distribution of cases of cross-border corruption. The index relies on the assumption that the probability of observing a corrupt transaction involving firms from country x and public officials in country y does not depend on the identity of country y (Escresa and Picci, 2017). One could reasonably expect very corrupt countries to be less likely to enforce cases of corruption. This would violate the assumption and threaten the validity of the PACI. For this reason the index does not consider cases of corruption that were enforced only in country y, and includes exclusively cases that were prosecuted by at least one foreign country[1]. A second important assumption that needs to hold is that the number of cross-border transactions is proportional to bilateral trade flows (as opposed to other economic flows like FDI). Escresa and Picci (2017) argue that many transactions are not reflected in FDI flows or stocks, and that investments eventually enable trade flows between countries. Thus, they argue, trade flows are a good proxy of economic flows between pairs of countries.

A.2 Firm-level analysis (full disclosure)

A.2.1 Data sources and descriptive statistics

Table A1 reports home countries included in the firm-level dataset, and distinguishes between those that are signatories of the OECD Convention and those that are not.

[Table A1 about here.]

Table A2 presents descriptive statistics for all variables included in the firm-level models. I retrieve from Beazer and Blake (2018) data for the variables Subsidiary, Home GDP (log), Home GDP Growth (%), Home Judiciary Indep., Host GDP (log), Host GDP per Capita, Host FDI (GDP %), Host Trade (GDP %), Host Judiciary Indep., Host Democracy, Host POLCON III, Dyad Distance, Dyad Common Language, Dyad Colonial Relation, Dyad BIT, Firm Age (log), Firm Assets (log), Firm Host Countries (log). Data on anti-bribery actions necessary to build the Host PACI variable are retrieved from the

[1]Evidence for most cases of cross-border bribery, anyway, does not originate in the country where the bribe is paid but in that where the firm is headquartered (Escresa and Picci, 2017).

dataset of Escresa and Picci (2017)[2]. Data on Host CCE and Host V-Dem Bribery have been retrieved respectively from the Quality of Governance dataset (Teorell et al., 2020) and from the V-Dem core database, version 10 (Coppedge et al., 2020).

[Table A2 about here.]

A.2.2 Full disclosure of results

Table A3 discloses all estimates from the models presented in table 1 (main text), including estimated coefficients and significance levels for control variables.

[Table A3 about here.]

Figures A1, A2, A3, and A4 plot the marginal effect of *OECD Signatory* in the second, third, fourth, and fifth specifications of table A3. The reduced data support for very clean host economies make confidence intervals for the prediction significantly large in this range of countries.

[Figure A1 about here.]

[Figure A2 about here.]

[Figure A3 about here.]

[Figure A4 about here.]

A.2.3 Robustness tests

I then test the robustness of these findings. Results for all tests are reported in table A4. I replicate the full specification of model 5 in table A3 using more traditional, perception-based indexes of corruption. First, I use the "Executive bribery and corrupt exchanges" measure from V-Dem (Coppedge et al., 2020). The measure is a Bayesian-based index that relies on both objective and survey information, and is generally considered an

[2]I have manually extended this data source following the same procedure adopted by the authors. With my extension the database consists of 1640 cases of anti-bribery prosecution involving 636 different parent firms from 59 nationalities active in 147 countries. Total time coverage goes from 1977 to 2018.

improvement of traditional perception-based indexes (Denly, 2020). Next, I employ the World Bank's CCE, rescaled so as to range from 0 to 5. In both cases, lower values indicate higher levels of corruption. Results obtained remain substantively the same.

Next, I consider the possibility that the main measure of corruption I adopt restricts the sample excessively and introduces a source of selection. Computing the 2005 version of *Host PACI* reduces the number of host countries in the analysis because it relies on fewer observations of the dataset from Escresa and Picci (2017). To test whether results hold with an extended sample of host countries, I replicate model 5 of table A3 using the version of the index computed and published by Escresa and Picci (2017), which employs information until 2012 and includes more host countries[3]. Results obtained when using this version of the index are substantively the same as the ones discussed before.

As a further test I consider the hypothesis that results might be driven by some outlier countries. China figures as a very likely candidate: the country has not ratified the Convention and it is generally considered a rather corrupt bureaucracy. Yet, it is involved in the world economy as both a major importer and exporter of investments. I therefore replicate the analysis excluding observations relative to firms from this country or investing in it. Results do not change significantly with this exclusion. Next, in two countries the Convention has entered into force within the time window of the cross-section (2006-2011): Israel and South Africa. Thus, their firms might have been subject to anti-bribery policies even though *OECD Signatory* assigns them a value of 0. I therefore replicate the analysis excluding them. Results, again, do not change significantly.

[Table A4 about here.]

A.2.4 Sector-specific analysis

Table A5 reports the NAICS and NACE codes of the industries where at least one case of anti-bribery was detected within the extended database from Escresa and Picci (2017) before 2005.

[3]The choice is appropriate, since corruption is a very sticky phenomenon with little time variation. Correlation between the two versions of the index indeed equals 0.98.

[Table A5 about here.]

Table A6 reports the results obtained replicating the analysis within sectors that observed at least one case of bribery before 2005.

[Table A6 about here.]

A.3 Dyadic country-level analysis

I use dyadic country-level information about FDI flows to further test my argument. My hypothesis is firm-level and predicts probability of an investment rather than its size. Yet, if it were true one should reasonably expect the size of country-level flows would show patterns consistent with it, at least when aggregated properly. The exercise is thus a robustness test using data at a different statistical level, from a different source, and employed in different model specifications.

I retrieve dyadic country-level data on foreign investment from Beazer and Blake (2018). They retrieve data from the UNCTAD dataset. I consider information between 1994 and 2006 included[4]. I start explaining this variable in the difference-in-differences (DiD) model represented by equation 1. Index i represents the home country, j represents the host country and t represents the year. Variable FDI_{ijt} measures (logged) country-level investment flows from i to j.

$$\begin{aligned} FDI_{ijt} = {} & \beta_1 \, OECD\,Convention_{it} \times Host\,PACI_j^2 + \beta_2 \, OECD\,Convention_{it} \times \\ & Host\,PACI_j + \beta_3 \, OECD\,Convention_{it} + \beta_4 \, Host\,PACI_j^2 + \beta_5 \, Host\,PACI_j + \\ & \mathbf{X'_{ijt}}\,\boldsymbol{\gamma} + \delta_i + \theta_j + \phi_t + \alpha_i \, t + \lambda_j \, t + u_{ijt} \end{aligned} \tag{1}$$

The binary independent variable of interest is *OECD Convention*. For each country i that adopted the Convention before 2006, it takes value 1 after its entry into force, and value 0 before. Countries which did not adopt the Convention, or that did it after 2006, figure in the "control" group instead. See table A7 for details about what countries

[4]I exclude years following 2006 due to the likely confounding effect of the 2007-2008 financial crisis on foreign investment. I choose 1994 as a starting period to maintain an equal number of yearly observations before and after my treatment variable.

figure in each group. Expectations for the sizes of the parameters are the same as in the main text. All model specifications include home and host country-fixed effect (δ_i and θ_j) and year-fixed effect (ϕ_t). In some specifications I also include a home or host country-specific time-trend ($\alpha_i\ t$ and $\lambda_j\ t$), to control for unit-specific heterogeneity in *FDI* trends. In some model specifications I also include control variables, represented in equation 1 by the matrix $\mathbf{X_{it}}$. I control for the same covariates relative to the home country that are included in the firm-level analysis. Descriptive statistics are reported in the next subsection.

A.3.1 Data sources and descriptive statistics

Table A7 reports home countries included in the country-level dataset, and distinguishes between those that are signatories of the OECD Convention and those that are not.

[Table A7 about here.]

Table A8 presents descriptive statistics for all variables included in the country-level analysis, as retrieved from Beazer and Blake (2018).

[Table A8 about here.]

A.3.2 Results

Estimates of model 1 are reported in table A9. I first introduce only the variables of interest and fixed effects. Next, I introduce (lagged) controls for the host country. Then, I introduce home-country controls, then dyadic controls. Next, I introduce a home-country time-trend and finally a host-country time-trend. Standard errors are clustered at the dyad level. The estimate of coefficient β_1 is negative and statistically significant in all specifications, as expected. The estimate of coefficient β_2 is positive, but fails to reach statistical significance, since standard errors are too large to allow a precise estimation.

[Table A9 about here.]

Standard errors in table A9 cannot be considered reliable, given the hierarchical and cross-nested nature of this dataset (each dyad-year is a lower-level observation nested in a dyad, and cross-nested in home and host countries). To account for such hierarchical structure and to ensure correlation is properly modelled in the standard errors I then re-estimate the equivalent of model 1 using a random effect. Table A10 reports the results obtained. I first introduce only the variables of interest and random intercepts at the level of home and host countries (specifying, for both levels, that dyad-years are the lowest level observations). Next, I introduce lagged host-country controls, then home-country controls, then dyad-controls. In all specifications I also include dyad-level random intercepts, with the exception of model 3, where the inclusion caused the model not to converge. Estimates of β_1 are negative and statistically significant, and those of β_2 are positive and statistically significant in the last two models.

[Table A10 about here.]

Finally, I propose one last exercise using dyadic data. I employ a Heckman selection model to account for the selection process of investment destinations for firms: only investments that have been decided-upon are observable. This is known to create a relevant selection bias in models that do not account for it (Barassi and Zhou, 2012). Table A11 presents the results, where controls are introduced step-by-step as done previously. Estimates of β_1 are negative and statistically significant in the selection model. Estimates of β_2 is positive and statistically significant. This indicates that the Convention enters firms' decision-making process as expected. These coefficients are also similar in size and significance in the outcome model, indicating that the Convention plays a similar effect also in terms of the size of an investment, once the selection problem has been accounted for.

[Table A11 about here.]

A.4 Country-level analysis (full disclosure)

A.4.1 Data sources and descriptive statistics

Table A12 presents summary statistics of the country-level analysis. FDI data come from the UNCTAD database. All other data are retrieved from the IMF World Economic Outlook (IMF, 2019).

[Table A12 about here.]

Table A13 resumes the year of entry into force of the OECD Convention for each signatory country.

[Table A13 about here.]

A.4.2 Robustness tests

I test whether a causal effect can be inferred by looking at FDI outward stocks, instead than flows. I measure stocks of outward FDI as percentage of GDP, as a per capita measure, and as a percentage of world investment. Results show no significant effect of *OECD Convention* in this case either. They are presented in table A14.

[Table A14 about here.]

A further problem is represented by the inclusion of the United States in the treatment group, because the country had already an anti-bribery legislation in place when the OECD Convention was adopted. I therefore exclude it in a subsequent robustness test and re-run all specifications of table 2 (main text). Results show no significant effect of *OECD Convention* either (table A15).

[Table A15 about here.]

Finally, I run a series of placebo tests to ensure the grouping and timing modelled by *OECD Convention* does not capture other simultaneous macroeconomic events. If that were the case instead, I should observe some effects on broad country-level economic

variables. I therefore run a series of DiD models substituting the dependent variable at times with: (logged) GDP, GDP per capita, GDP growth, and exports of goods and services. I remove each of these variables from the matrix of controls whenever it is used as a dependent variable. Full disclosure of the results is reported in table A16. Estimates obtained show some significance only before a home-specific time-trend is included, and no significance ever since its inclusion. They indicate that the *OECD Convention* variable is not a significant predictor of any of the broader economic indicators used here.

[Table A16 about here.]

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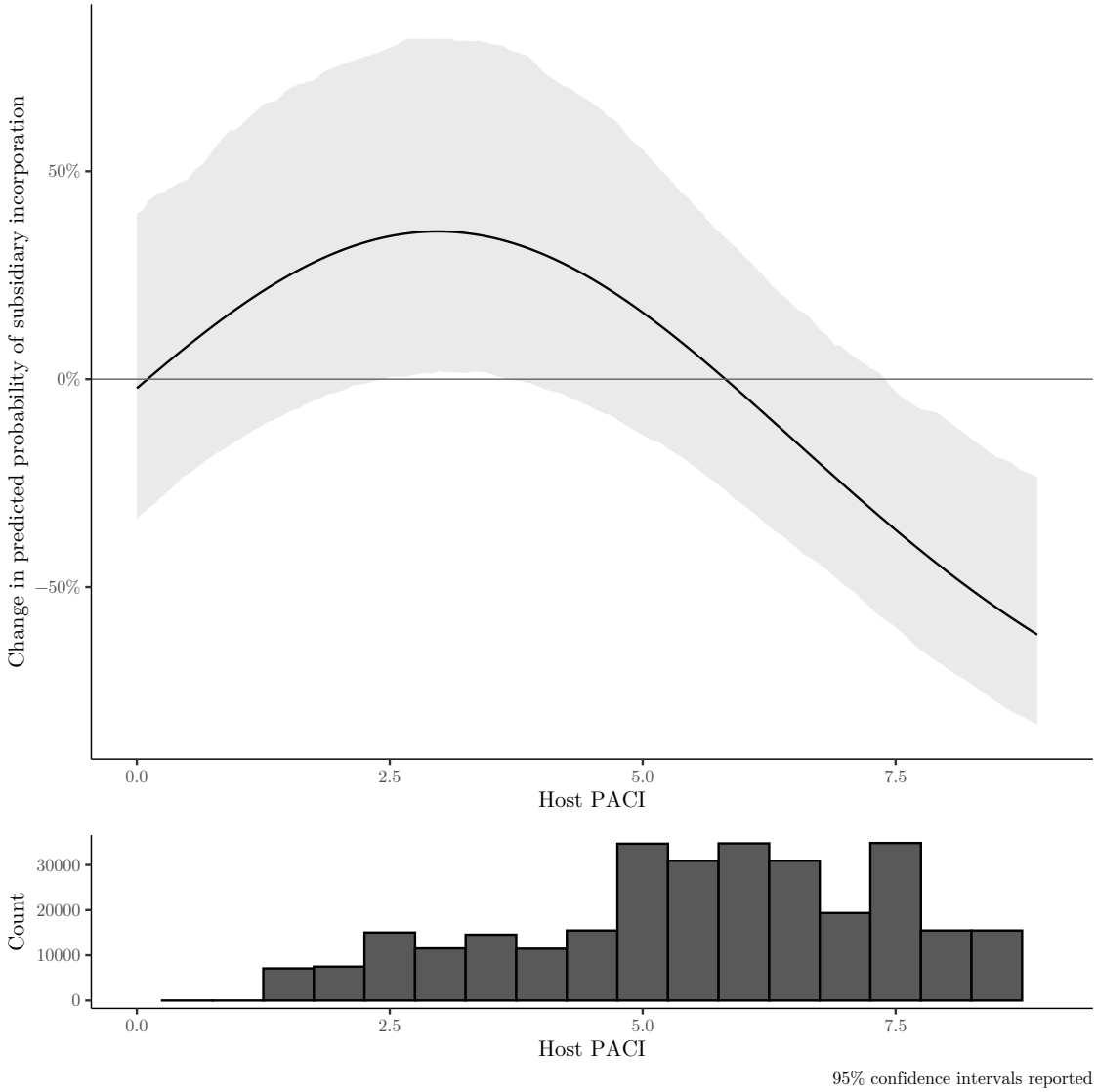

Figure A1: Marginal effect of *OECD Signatory* conditional on Host corruption. Country-level controls.

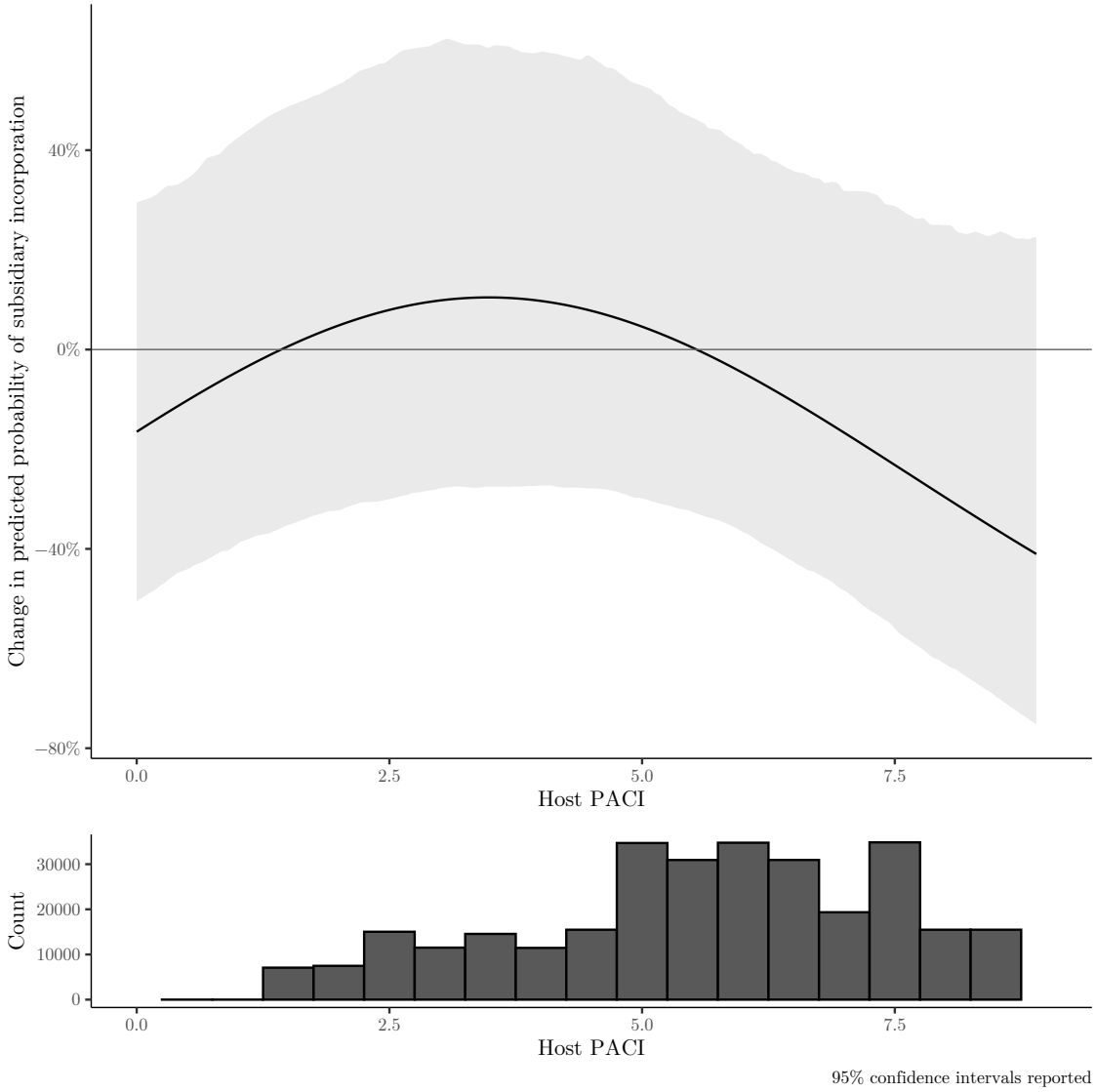

Figure A2: Marginal effect of *OECD Signatory* conditional on Host corruption. Dyad-level controls.

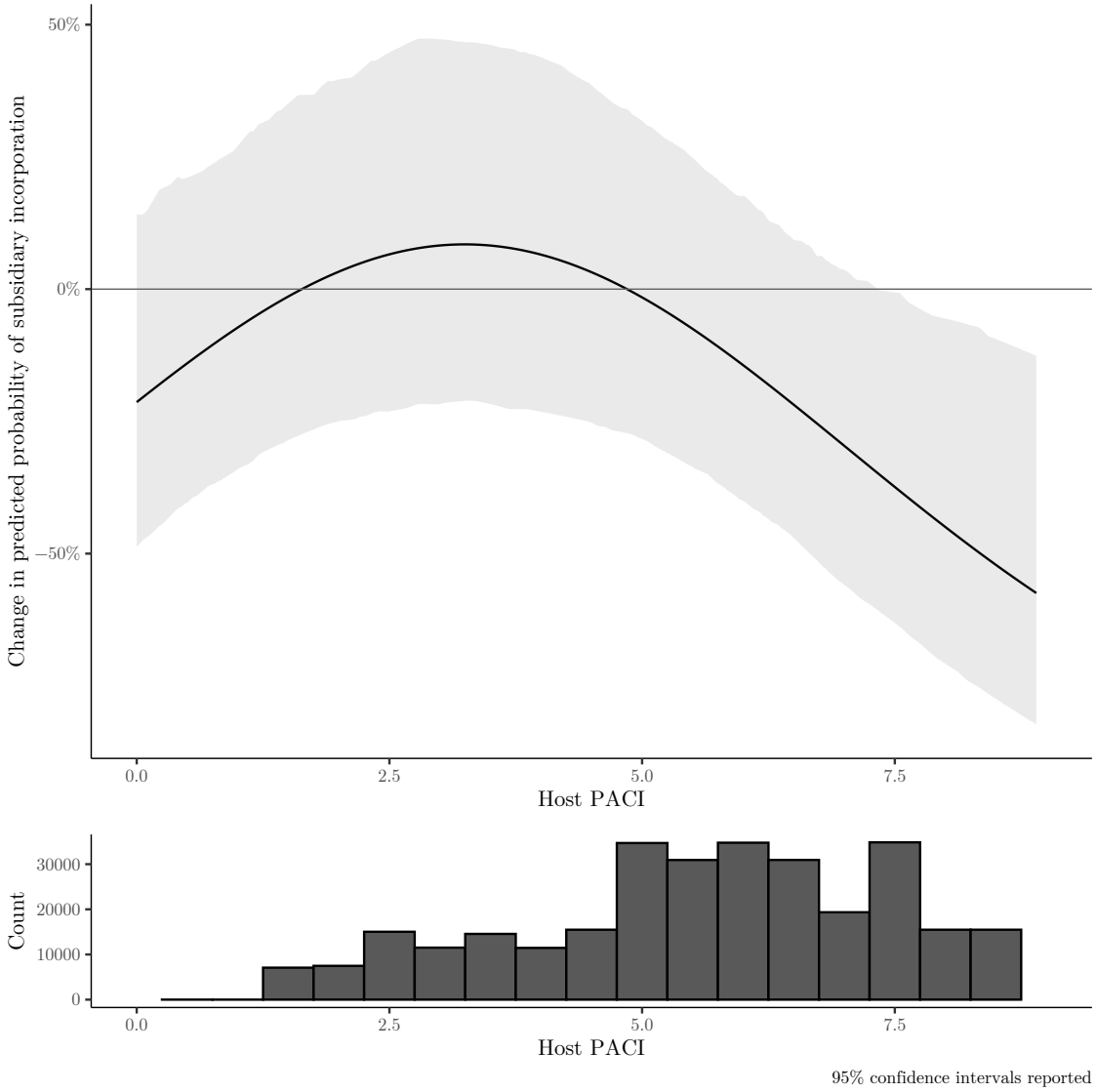

Figure A3: Marginal effect of *OECD Signatory* conditional on Host corruption. All controls.

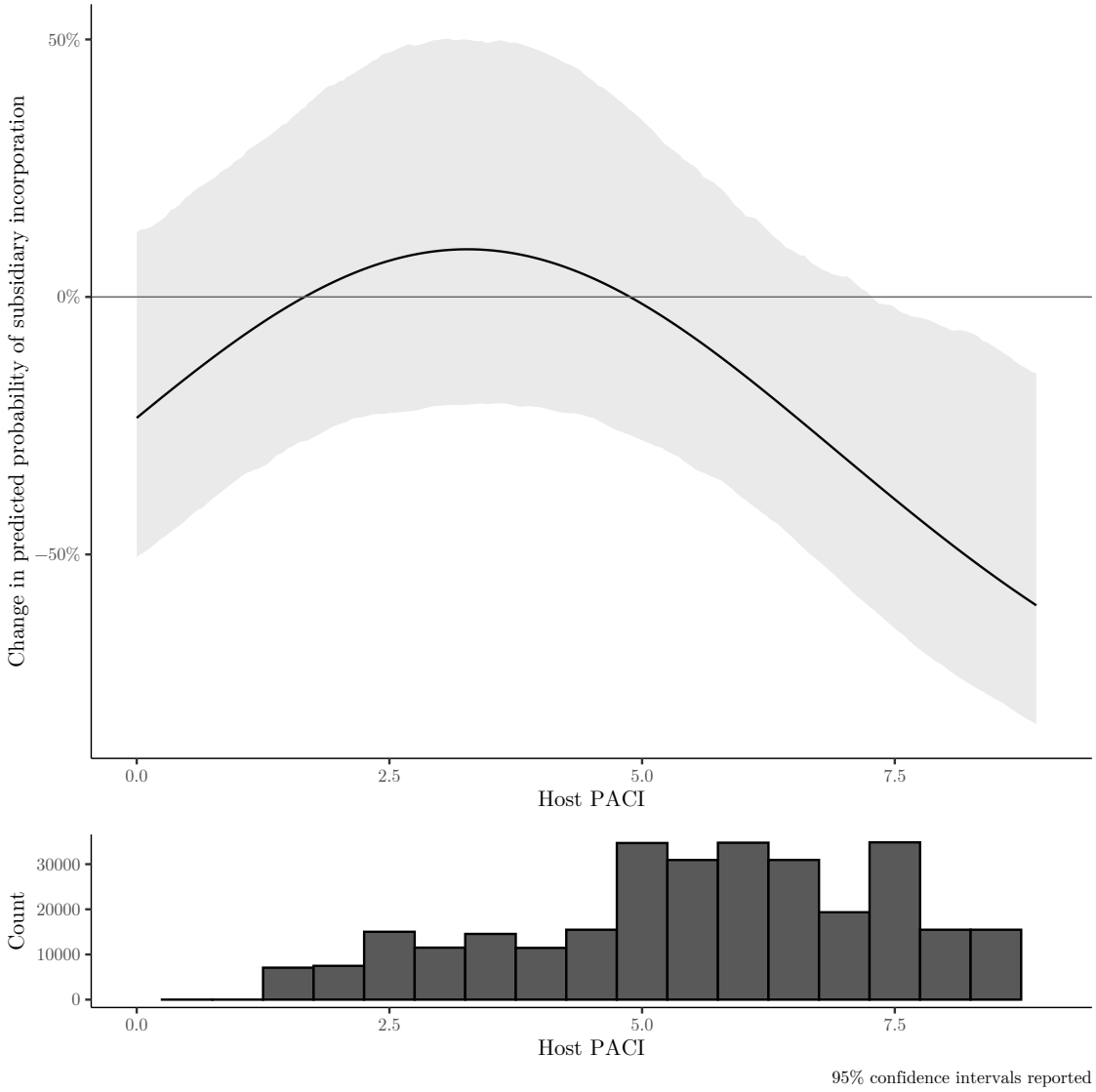

Figure A4: Marginal effect of *OECD Signatory* conditional on Host corruption. All controls, industry-level intercepts.

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Table A1: Firm-level data. Home countries

	Signatories	No signatories
1	Austria	United Arab Emirates
2	Australia	Bosnia and Herzegovina
3	Belgium	China, P.R.: Mainland
4	Bulgaria	Colombia
5	Brazil	Costa Rica
6	Canada	Curacao
7	Switzerland	Egypt
8	Chile	Guinea-Bissau
9	Czech Republic	Hong Kong
10	Germany	Croatia
11	Denmark	Israel
12	Estonia	India
13	Spain	Kuwait
14	Finland	Kazakhstan
15	France	Lithuania
16	United Kingdom	Malaysia
17	Greece	Peru
18	Hungary	Philippines
19	Ireland	Qatar
20	Iceland	Romania
21	Italy	Russian Federation
22	Japan	Saudi Arabia
23	Korea, Republic of	Singapore
24	Luxembourg	Thailand
25	Mexico	Taiwan Province of China
26	Netherlands	Uruguay
27	Norway	Venezuela, Republica Bolivariana de
28	New Zealand	South Africa
29	Poland	
30	Portugal	
31	Sweden	
32	Slovenia	
33	Slovak Republic	
34	Turkey	
35	United States	

Table A2: Firm-level data. Summary statistics

Statistic	N	Mean	St. Dev.	Min	Pctl(25)	Pctl(75)	Max
Subsidiary	406,454	0.026	0.158	0	0	0	1
OECD Signatory	406,454	0.944	0.231	0	1	1	1
Host PACI	329,397	5.171	2.317	0.000	4.032	6.821	8.901
Host PACI (2012)	332,972	5.030	2.261	0.000	3.872	6.548	8.755
Host CCE	402,585	2.677	1.076	1.082	1.833	3.570	4.825
Host V-Dem	402,585	0.203	1.550	−2.838	−0.952	1.614	3.363
Home GDP (log)	403,731	25.594	1.540	18.750	24.109	26.271	27.859
Home GDP Growth (%)	403,731	1.987	1.408	−6.272	1.193	2.163	10.647
Home Judiciary Indep.	406,244	0.895	0.133	0.167	0.886	0.965	0.988
Host GDP (log)	383,261	23.196	1.717	19.414	21.822	24.229	27.859
Host GDP per capita	383,261	1.430	1.445	0.028	0.328	2.334	6.829
Host FDI (GDP %)	383,261	6.533	17.617	−4.258	1.752	5.698	172.716
Host Trade (GDP %)	383,261	0.876	0.533	0.265	0.567	1.038	4.299
Host Judiciary Indep.	398,714	0.558	0.281	0.018	0.331	0.842	0.988
Host Democracy	390,986	0.703	0.457	0.000	0.000	1.000	1.000
Host POLCON III	383,244	0.311	0.198	0.000	0.127	0.468	0.692
Dyad Distance (km)	386,206	0.656	0.422	0.006	0.261	0.948	1.995
Dyad Common Language	386,206	0.113	0.316	0.000	0.000	0.000	1.000
Dyad Colonial Relation	386,206	0.051	0.219	0.000	0.000	0.000	1.000
Dyad BIT	406,454	0.376	0.484	0	0	1	1
Firm Age (log)	400,154	3.312	0.948	0.000	2.639	4.060	5.897
Firm Assets (log)	379,363	13.875	2.115	4.025	12.380	15.328	20.181
Firm Host Countries (log)	406,454	0.678	0.721	0.000	0.000	1.099	3.714

Table A3: Firm-level data. The effect of the OECD Convention on probability of subsidiary incorporation. Multilevel logit models (full disclosure)

	Dependent variable:				
	Subsidiary				
	(1)	(2)	(3)	(4)	(5)
OECD Signatory ×	-0.033^{***}	-0.038^{***}	-0.023^{*}	-0.031^{**}	-0.034^{**}
Host PACI^2	(0.012)	(0.013)	(0.013)	(0.013)	(0.013)
OECD Signatory ×	0.197^{**}	0.225^{**}	0.163^{*}	0.206^{**}	0.220^{**}
Host PACI	(0.090)	(0.092)	(0.090)	(0.096)	(0.096)
OECD Signatory	−0.016	−0.034	−0.213	−0.267	−0.282
	(0.165)	(0.192)	(0.246)	(0.205)	(0.205)
Host PACI^2	−0.041	0.013	0.003	0.011	0.013
	(0.033)	(0.029)	(0.026)	(0.027)	(0.028)
Host PACI	−0.097	−0.007	0.023	−0.008	−0.036
	(0.286)	(0.242)	(0.221)	(0.230)	(0.231)
Host GDP (log)		0.592^{***}	0.652^{***}	0.674^{***}	0.680^{***}
		(0.128)	(0.115)	(0.120)	(0.120)
Host GDP		0.002	−0.042	−0.023	−0.056
per capita		(0.180)	(0.162)	(0.169)	(0.172)
Host FDI		0.010	0.010	0.009	0.010
(GDP %)		(0.009)	(0.008)	(0.009)	(0.009)
Host Trade		−0.225	−0.186	−0.172	−0.155
(GDP %)		(0.335)	(0.303)	(0.315)	(0.316)
Host Judiciary		3.699^{***}	3.537^{***}	3.653^{***}	3.695^{***}
Indep.		(1.150)	(1.035)	(1.079)	(1.085)
Host POLCON III		0.530	0.099	0.156	0.200
		(0.962)	(0.865)	(0.902)	(0.905)
Host Democracy		−0.129	−0.001	−0.016	−0.022
		(0.461)	(0.416)	(0.434)	(0.435)
Home GDP (log)		0.063^{**}	0.138^{***}	0.055^{*}	0.057^{*}
		(0.027)	(0.045)	(0.030)	(0.030)
Home GDP		−0.013	−0.028	−0.005	−0.006
Growth (%)		(0.019)	(0.026)	(0.021)	(0.021)
Home Judiciary		−0.182	−0.256	−0.393	−0.391
Indep.		(0.241)	(0.380)	(0.261)	(0.260)
Dyad BIT			0.087	0.079	0.082
			(0.068)	(0.073)	(0.073)
Dyad Common			0.693^{***}	0.751^{***}	0.742^{***}
Language			(0.092)	(0.100)	(0.101)
Dyad Colonial			0.725^{***}	0.737^{***}	0.732^{***}
Relation			(0.116)	(0.126)	(0.127)
Dyad Distance			-1.229^{***}	-1.102^{***}	-1.105^{***}
			(0.094)	(0.095)	(0.095)

Continued

Firm Assets (log)				0.005	0.005
				(0.008)	(0.008)
Firm Age (log)				0.017	0.013
				(0.014)	(0.015)
Firm Host				1.286***	1.287***
Countries (log)				(0.020)	(0.020)
Constant	−3.364***	−5.602***	−5.513***	−6.079***	−6.026***
	(0.605)	(0.642)	(0.606)	(0.610)	(0.612)
Random intercepts	✓	✓	✓	✓	✓
Industry intercepts					✓
N. of host countries	84	83	83	83	83
N. of home countries	61	60	60	57	56
Observations	320,913	315,657	315,657	289,732	285,295
Akaike Inf. Crit.	62,550.060	62,272.990	61,961.250	50,267.110	49,604.410

Note: *p<0.1; **p<0.05; ***p<0.01

Table A4: Firm-level data. Robustness tests of multilevel logit models

	Dependent variable:				
	V-Dem Bribery	CCE	Subsidiary PACI 2012	No CN	No IL No ZA
	(1)	(2)	(3)	(4)	(5)
OECD Signatory × Host V-Dem^2	-0.075^{**}				
	(0.032)				
OECD Signatory × Host V-Dem	0.133^{*}				
	(0.071)				
OECD Signatory × Host CCE^2		-0.213^{***}			
		(0.082)			
OECD Signatory × Host CCE		1.360^{**}			
		(0.543)			
OECD Signatory × Host PACI (2012)^2			-0.048^{***}		
			(0.014)		
OECD Signatory × Host PACI (2012)			0.277^{***}		
			(0.097)		
OECD Signatory × Host PACI^2				-0.029^{**}	-0.024^{*}
				(0.012)	(0.014)
OECD Signatory × Host PACI				0.168^{*}	0.168^{*}
				(0.089)	(0.096)
OECD Signatory	0.021	-2.023^{**}	-0.260	-0.188	-0.197
	(0.181)	(0.847)	(0.193)	(0.196)	(0.225)
Host V-Dem^2	0.133^{**}				
	(0.062)				
Host V-Dem	-0.089				
	(0.159)				
Host CCE^2		0.154			
		(0.148)			
Host CCE		-0.660			
		(1.012)			
Host PACI (2012)^2			0.020		
			(0.028)		
Host PACI (2012)			-0.057		
			(0.234)		
Host PACI^2				0.016	0.012
				(0.026)	(0.027)
Host PACI				-0.069	-0.101
				(0.221)	(0.230)
Host GDP (log)	0.751^{***}	0.737^{***}	0.627^{***}	0.678^{***}	0.687^{***}
	(0.087)	(0.088)	(0.115)	(0.121)	(0.113)
Host GDP per capita	-0.173	-0.185	0.218	-0.044	-0.145
	(0.165)	(0.187)	(0.225)	(0.167)	(0.169)
Host FDI (GDP %)	0.013^{*}	0.014^{*}	0.006	0.011	0.012

Continued

	(0.008)	(0.008)	(0.009)	(0.008)	(0.008)
Host Trade (GDP %)	−0.148	−0.168	−0.366	−0.210	−0.217
	(0.281)	(0.292)	(0.315)	(0.304)	(0.298)
Host Judiciary Indep.	3.205***	2.453*	2.930***	3.685***	4.367***
	(1.066)	(1.374)	(1.084)	(1.036)	(1.115)
Host POLCON III	0.455	0.422	0.028	0.201	0.366
	(0.820)	(0.829)	(0.892)	(0.865)	(0.850)
Host Democracy	0.005	0.068	0.038	−0.050	−0.382
	(0.397)	(0.413)	(0.412)	(0.418)	(0.460)
Home GDP (log)	0.048	0.048	0.052*	0.080**	0.074**
	(0.035)	(0.035)	(0.030)	(0.032)	(0.029)
Home GDP	−0.002	−0.002	−0.002	−0.001	−0.003
Growth (%)	(0.022)	(0.022)	(0.020)	(0.023)	(0.021)
Home Judiciary Indep.	−0.372	−0.382	−0.328	−0.253	−0.333
	(0.293)	(0.292)	(0.257)	(0.271)	(0.289)
Dyad BIT	0.078	0.064	0.092	0.189***	0.166***
	(0.070)	(0.070)	(0.072)	(0.049)	(0.049)
Dyad Common	0.791***	0.787***	0.707***	0.651***	0.657***
Language	(0.098)	(0.098)	(0.100)	(0.045)	(0.045)
Dyad Colonial	0.759***	0.759***	0.761***	0.304***	0.292***
Relation	(0.120)	(0.120)	(0.123)	(0.052)	(0.052)
Dyad Distance	−1.241***	−1.237***	−1.061***	−1.129***	−1.069***
	(0.090)	(0.090)	(0.093)	(0.059)	(0.058)
Firm Assets (log)	0.008	0.008	0.006	0.005	0.005
	(0.007)	(0.007)	(0.008)	(0.008)	(0.008)
Firm Age (log)	0.010	0.010	0.009	0.012	0.011
	(0.014)	(0.014)	(0.014)	(0.014)	(0.015)
Firm Host	1.274***	1.274***	1.277***	1.271***	1.270***
Countries (log)	(0.019)	(0.019)	(0.019)	(0.020)	(0.020)
Constant	−6.193***	−5.361***	−5.984***	−5.854***	−5.655***
	(0.258)	(1.642)	(0.628)	(0.585)	(0.619)
Random intercepts	✓	✓	✓	✓	✓
Industry intercepts	✓	✓	✓	✓	✓
N. of host countries	99	99	85	82	81
N. of home countries	56	56	56	55	54
Observations	340,554	340,554	291,945	280,767	275,705
Akaike Inf. Crit.	55,424.820	55,423.580	53,329.030	49,350.190	49,272.190

Note: *p<0.1; **p<0.05; ***p<0.01

Table A5: Firm-level data. Industries with at least one case of bribery between 1997 and 2005

NAICS3	NACE	NAICS3 label
111	A1	Crop Production
112	A1	Animal Production and Aquaculture
113	A2	Forestry and Logging
115	A1	Support Activities for Agriculture and Forestry
211	B6	Oil and Gas Extraction
212	B7	Mining (except Oil and Gas)
213	B9	Support Activities for Mining
221	D35	Utilities
236	F41	Construction of Buildings
237	F42	Heavy and Civil Engineering Construction
238	F43	Specialty Trade Contractors
311	C10	Food Manufacturing
312	C11	Beverage and Tobacco Product Manufacturing
315	C14	Apparel Manufacturing
323	C18	Printing and Related Support Activities
324	C19	Petroleum and Coal Products Manufacturing
325	C20	Chemical Manufacturing
326	C22	Plastics and Rubber Products Manufacturing
331	C24	Primary Metal Manufacturing
332	C25	Fabricated Metal Product Manufacturing
333	C28	Machinery Manufacturing
334	C26	Computer and Electronic Product Manufacturing
335	C27	Electrical Equipment; Appliance; and Component Manufacturing
336	C29	Transportation Equipment Manufacturing
337	C31	Furniture and Related Product Manufacturing
339	C32	Miscellaneous Manufacturing
423	G46	Merchant Wholesalers; Durable Goods
424	G46	Merchant Wholesalers; Nondurable Goods
425	G46	Wholesale Electronic Markets and Agents and Brokers
441	G45	Motor Vehicle and Parts Dealers
442	G46	Furniture and Home Furnishings Stores
443	G46	Electronics and Appliance Stores
444	G46	Building Material and Garden Equipment and Supplies Dealers
445	G47	Food and Beverage Stores
446	G46	Health and Personal Care Stores
447	G46	Gasoline Stations
448	G47	Clothing and Clothing Accessories Stores
451	G47	Sporting Goods; Hobby; Musical Instrument; and Book Stores
452	G47	General Merchandise Stores
453	G47	Miscellaneous Store Retailers
454	G47	Nonstore Retailers
483	H50	Water Transportation
491	H53	Postal Service

Continued

492	H53	Couriers and Messengers
511	J58	Publishing Industries (except Internet)
517	J61	Telecommunications
518	J63	Data Processing; Hosting; and Related Services
519	J62	Other Information Services
522	K64	Credit Intermediation and Related Activities
523	K64	Securities; Commodity Contracts; and Other Financial Investments and Related Activities
525	K64	Funds; Trusts; and Other Financial Vehicles
531	L68	Real Estate
551	M70	Management of Companies and Enterprises
561	N82	Administrative and Support Services
611	P85	Educational Services
621	Q86	Ambulatory Health Care Services
713	R92	Amusement; Gambling; and Recreation Industries
721	I55	Accommodation
921	O84	Executive; Legislative; and Other General Government Support
924	O84	Administration of Environmental Quality Programs

Table A6: Firm-level data. Market-specific effects of the OECD Convention on probability of subsidiary incorporation. Multilevel logit models

	Dependent variable:			
	Subsidiary			
	Test		Placebo	
	(1)	(2)	(3)	(4)
OECD Signatory ×	-0.040^{***}	-0.043^{***}	-0.006	0.005
Host PACI^2	(0.014)	(0.015)	(0.027)	(0.029)
OECD Signatory ×	0.248^{**}	0.299^{***}	0.003	-0.123
Host PACI	(0.099)	(0.106)	(0.192)	(0.206)
OECD Signatory	-0.023	-0.397^{*}	0.106	0.250
	(0.181)	(0.222)	(0.331)	(0.387)
Host PACI^2	-0.034	0.021	-0.072	-0.014
	(0.032)	(0.027)	(0.046)	(0.041)
Host PACI	-0.134	-0.095	0.089	0.192
	(0.281)	(0.226)	(0.378)	(0.319)
Host GDP (log)		0.667^{***}		0.718^{***}
		(0.115)		(0.152)
Host GDP per capita		-0.049		0.008
		(0.164)		(0.218)
Host FDI (GDP %)		0.009		0.010
		(0.008)		(0.010)
Host Trade (GDP %)		-0.160		-0.126
		(0.303)		(0.430)
Host Judiciary Indep.		3.655^{***}		3.005^{**}
		(1.036)		(1.370)
Host POLCON III		0.147		0.447
		(0.865)		(1.128)
Host Democracy		-0.040		0.527
		(0.416)		(0.559)
Home GDP (log)		0.063^{**}		0.034
		(0.030)		(0.032)
Home GDP		-0.005		0.009
Growth (%)		(0.021)		(0.039)
Home Judiciary Indep.		-0.379		0.023
		(0.271)		(0.325)
Dyad BIT		0.046		0.327^{**}
		(0.077)		(0.133)
Dyad Common		0.686^{***}		0.762^{***}
Language		(0.105)		(0.143)
Dyad Colonial		0.667^{***}		0.700^{***}
Relation		(0.132)		(0.177)
Dyad Distance		-1.138^{***}		-0.697^{***}
		(0.100)		(0.137)

Continued

Firm Assets (log)		0.007		0.0005
		(0.009)		(0.021)
Firm Age (log)		0.010		0.040
		(0.016)		(0.037)
Firm Host		1.288***		1.243***
Countries (log)		(0.022)		(0.051)
Constant	−3.339***	−5.885***	−3.355***	−6.463***
	(0.602)	(0.592)	(0.751)	(0.782)
Random intercepts	✓	✓	✓	✓
Industry intercepts	✓	✓	✓	✓
N. of host countries	84	83	84	83
N. of home countries	57	52	40	38
Observations	262,075	236,609	54,097	48,686
Log Likelihood	−25,757.560	−20,778.850	−5,159.393	−4,114.255
Akaike Inf. Crit.	51,535.120	41,611.710	10,338.780	8,282.511

Note: *p<0.1; **p<0.05; ***p<0.01

Table A7: Dyadic country-level data. Home countries

	Signatories	No signatories
1	United States	Dominican Republic
2	Canada	Trinidad and Tobago
3	Mexico	Honduras
4	Brazil	El Salvador
5	Chile	Costa Rica
6	Argentina	Colombia
7	United Kingdom	Venezuela, Republica Bolivariana de
8	Netherlands	Ecuador
9	Belgium	Peru
10	Luxembourg	Bolivia
11	France	Paraguay
12	Switzerland	Albania
13	Spain	North Macedonia, Republic of
14	Portugal	Croatia
15	Poland	Bosnia and Herzegovina
16	Hungary	Moldova
17	Czech Republic	Romania
18	Slovak Republic	Russian Federation
19	Italy	Latvia
20	Slovenia	Lithuania
21	Greece	Ukraine
22	Bulgaria	Belarus
23	Finland	Armenia, Republic of
24	Sweden	Georgia
25	Norway	Azerbaijan, Republic of
26	Denmark	Cabo Verde
27	Iceland	Nigeria
28	Turkey	Uganda
29	Korea, Republic of	Tanzania
30	Japan	Ethiopia
31	Australia	Mozambique
32	New Zealand	Zambia
33		Malawi
34		South Africa
36		Botswana
37		Eswatini, Kingdom of
38		Swaziland
39		Madagascar
40		Morocco
41		Algeria
42		Tunisia
43		Egypt
44		Syrian Arab Republic
45		Lebanon

Continued

46	Jordan
47	Israel
48	Saudi Arabia
49	Yemen, Republic of
50	Qatar
51	United Arab Emirates
52	Oman
53	Kyrgyz Republic
54	Kazakhstan
55	China, P.R.: Mainland
56	India
57	Pakistan
58	Bangladesh
59	Myanmar
60	Thailand
61	Cambodia
62	Lao People's Democratic Republic
63	Malaysia
64	Singapore
65	Philippines
66	Indonesia
67	Papua New Guinea
68	Fiji

Table A8: Dyadic country-level data. Summary statistics

Statistic	N	Mean	St. Dev.	Min	Pctl(25)	Pctl(75)	Max
Dyad FDI (log)	11,293	3.192	2.624	0.000	0.630	5.200	12.056
OECD Convention	55,911	0.319	0.466	0	0	1	1
Host PACI	48,326	4.167	2.419	0.000	2.259	5.911	9.059
Host FDI (GDP %)	52,760	3.707	7.866	−32.347	0.873	4.320	172.716
Host GDP per capita	53,661	17.763	14.811	0.248	4.499	28.738	74.164
Host Trade (GDP %)	53,995	80.753	53.435	0.309	50.814	94.941	437.387
Host POLCON III	52,988	0.352	0.204	0.000	0.187	0.507	0.720
Host Democracy	54,935	0.715	0.451	0.000	0.000	1.000	1.000
Host GDP (log)	53,692	25.869	1.905	18.809	24.498	27.162	30.188
Host Judiciary Indep.	55,820	0.633	0.297	0.016	0.383	0.950	0.989
Home GDP per capita	55,645	16.155	12.446	0.399	5.689	27.273	74.164
Home GDP growth (%)	55,695	3.064	4.054	−30.694	1.434	4.742	90.468
Home GDP (log)	55,645	26.026	1.812	20.205	24.785	27.189	30.188
Home Judiciary Indep.	55,911	0.640	0.277	0.074	0.400	0.944	0.989
Dyad Common Language	55,911	0.142	0.349	0	0	0	1
Dyad Colonial Relation	55,911	0.043	0.203	0	0	0	1
Dyad BIT	55,911	0.272	0.445	0	0	1	1
Dyad Distance	55,911	62.623	45.392	0.553	21.247	93.913	199.512

Table A9: Dyadic country-level data. The effect of the OECD Convention on dyadic FDI outflows. Difference-in-differences models

	Dependent variable:					
	Dyad FDI (log)					
	(1)	(2)	(3)	(4)	(5)	(6)
OECD Convention ×	-0.03^{***}	-0.03^{***}	-0.03^{***}	-0.04^{***}	-0.03^{***}	-0.04^{***}
Host PACI^2	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
OECD Convention ×	0.06	0.02	0.02	0.06	0.05	0.09
Host PACI	(0.06)	(0.07)	(0.07)	(0.07)	(0.06)	(0.08)
OECD Convention	0.95^{***}	1.06^{***}	0.77^{***}	0.65^{***}	0.42^{*}	0.53^{**}
	(0.15)	(0.18)	(0.19)	(0.19)	(0.24)	(0.25)
Host PACI^2	0.09	0.11	0.10	0.13^{**}	0.12^{**}	-70.19^{***}
	(0.07)	(0.08)	(0.07)	(0.06)	(0.06)	(15.24)
Host PACI	−0.92	−0.91	−0.90	-1.16^{**}	-1.04^{*}	564.09^{***}
	(0.61)	(0.66)	(0.64)	(0.54)	(0.53)	(137.99)
Lag Host FDI (GDP %)		0.01^{***}	0.01^{***}	0.01^{***}	0.01^{***}	0.01^{**}
		(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Lag Host GDP per capita		-0.08^{***}	-0.08^{***}	-0.07^{***}	-0.08^{***}	0.03
		(0.02)	(0.02)	(0.02)	(0.02)	(0.05)
Lag Host Trade (GDP %)		−0.00	−0.00	−0.00	−0.00	-0.00^{*}
		(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Lag Host POLCON III		−0.11	−0.09	−0.15	−0.11	−0.08
		(0.20)	(0.20)	(0.20)	(0.19)	(0.22)
Lag Host Democracy		-0.41^{***}	-0.41^{***}	-0.43^{***}	-0.34^{**}	−0.04
		(0.14)	(0.14)	(0.14)	(0.13)	(0.19)
Lag Host GDP (log)		0.83^{***}	0.85^{***}	0.74^{***}	0.91^{***}	−0.89
		(0.31)	(0.31)	(0.29)	(0.28)	(0.75)
Lag Host Judiciary Indep.		1.79^{**}	1.78^{**}	1.99^{***}	1.68^{**}	−1.37
		(0.78)	(0.79)	(0.77)	(0.75)	(1.48)
Home GDP per capita			0.10^{***}	0.10^{***}	0.17^{***}	0.16^{***}
			(0.03)	(0.03)	(0.05)	(0.05)
Home GDP Growth (%)			−0.01	−0.01	−0.00	−0.00
			(0.01)	(0.01)	(0.01)	(0.01)
Home Judiciary Indep.			1.21	1.20	4.64^{**}	5.12^{**}
			(0.95)	(0.92)	(2.27)	(2.29)
Dyad Common Language				0.52^{***}	0.51^{***}	0.55^{***}
				(0.15)	(0.15)	(0.15)
Dyad Colonial Relation				0.88^{***}	0.89^{***}	0.85^{***}
				(0.16)	(0.16)	(0.16)
Dyad BIT				-0.47^{***}	-0.47^{***}	-0.44^{***}
				(0.07)	(0.07)	(0.07)
Dyad Distance				-0.02^{***}	-0.01^{***}	-0.01^{***}
				(0.00)	(0.00)	(0.00)
Home country FE	✓	✓	✓	✓	✓	✓
Host country FE	✓	✓	✓	✓	✓	✓
Year FE	✓	✓	✓	✓	✓	✓
Home country time trend					✓	✓
Host country time trend						✓
R^2	0.64	0.65	0.65	0.69	0.70	0.71
Observations	10075	8515	8512	8512	8512	8512
Dyads	1723	1557	1557	1557	1557	1557
Note:						*p<0.1; **p<0.05; ***p<0.01

Table A10: Dyadic country-level data. Multilevel models

	Dependent variable:			
	Dyad FDI (log)			
	(1)	(2)	(3)	(4)
OECD Convention × Host PACI^2	-0.017^{***}	-0.035^{***}	-0.024^{***}	-0.024^{***}
	(0.005)	(0.007)	(0.006)	(0.006)
OECD Convention × Host PACI	0.046	0.024	0.085^{*}	0.087^{*}
	(0.041)	(0.059)	(0.045)	(0.045)
OECD Convention	1.200^{***}	1.986^{***}	-0.132	-0.140
	(0.155)	(0.220)	(0.109)	(0.113)
Host PACI^2	-0.034^{***}	0.034^{***}	0.024^{***}	0.024^{***}
	(0.007)	(0.007)	(0.009)	(0.008)
Host PACI	-0.029	-0.159^{***}	-0.150^{**}	-0.143^{**}
	(0.059)	(0.052)	(0.066)	(0.063)
Lag Host FDI (GDP %)		0.015^{***}	0.004	0.004^{*}
		(0.004)	(0.002)	(0.002)
Lag Host GDP per capita		0.019^{***}	0.020^{***}	0.018^{***}
		(0.003)	(0.005)	(0.004)
Lag Host Trade (GDP %)		0.005^{***}	0.004^{***}	0.004^{***}
		(0.001)	(0.001)	(0.001)
Lag Host POLCON III		-0.016	-0.013	0.039
		(0.179)	(0.146)	(0.145)
Lag Host Democracy		0.111	-0.104	-0.062
		(0.085)	(0.094)	(0.091)
Lag Host GDP (log)		0.536^{***}	0.490^{***}	0.533^{***}
		(0.023)	(0.035)	(0.033)
Lag Host Judiciary Indep.		0.527^{**}	0.744^{***}	0.543^{**}
		(0.206)	(0.280)	(0.267)
Home GDP per capita			0.175^{***}	0.173^{***}
			(0.008)	(0.008)
Home GDP Growth (%)			-0.019	-0.024^{*}
			(0.012)	(0.013)
Home Judiciary Indep.			-2.066^{***}	-2.013^{***}
			(0.356)	(0.360)
Dyad BIT				-0.059
				(0.053)
Dyad Common Language				0.754^{***}
				(0.154)
Dyad Colonial Relation				1.227^{***}
				(0.193)
Dyad distance				-0.007^{***}
				(0.001)
Constant	2.823^{***}	-13.489^{***}	-13.337^{***}	-14.034^{***}
	(0.144)	(0.677)	(1.042)	(0.986)
Home, Host intercepts	✓	✓	✓	✓
Dyad intercepts	✓	✓		✓
Observations	10,075	8,515	8,512	8,512
Log Likelihood	$-17,495.970$	$-16,909.730$	$-14,578.400$	$-14,504.650$
Akaike Inf. Crit.	35,011.940	33,851.450	29,196.810	29,057.290

Note: *p<0.1; **p<0.05; ***p<0.01

Table A11: Dyadic country-level data. Heckman selection models

	Dependent variable:			
	Dyad FDI (log)			
	(1)	(2)	(3)	(4)
Selection model				
OECD Convention ×	−0.01***	−0.02***	−0.02***	−0.02***
Host PACI^2	(0.00)	(0.00)	(0.00)	(0.00)
OECD Convention ×	0.00	0.05**	0.06***	0.05**
Host PACI	(0.02)	(0.02)	(0.02)	(0.02)
OECD Convention	1.16***	1.16***	0.59***	0.61***
	(0.04)	(0.04)	(0.04)	(0.04)
Host PACI^2	−0.00	0.01***	0.02***	0.02***
	(0.00)	(0.00)	(0.00)	(0.00)
Host PACI	0.01	−0.06***	−0.10***	−0.12***
	(0.01)	(0.01)	(0.02)	(0.02)
Lag Host FDI (GDP %)		−0.00	−0.00	0.00
		(0.00)	(0.00)	(0.00)
Lag Host GDP per capita		−0.01***	−0.01***	−0.00***
		(0.00)	(0.00)	(0.00)
Lag Host Trade (GDP %)		0.00***	0.00***	0.00***
		(0.00)	(0.00)	(0.00)
Lag Host POLCON III		−0.04	−0.06	−0.03
		(0.06)	(0.06)	(0.06)
Lag Host Democracy		0.00	0.02	−0.01
		(0.03)	(0.03)	(0.03)
Lag Host GDP (log)		0.10***	0.13***	0.13***
		(0.01)	(0.01)	(0.01)
Lag Host Judiciary Indep.		0.37***	0.29***	0.22***
		(0.06)	(0.07)	(0.07)
Home GDP per capita			0.02***	0.02***
			(0.00)	(0.00)
Home GDP Growth (%)			0.03***	0.03***
			(0.00)	(0.00)
Home Judiciary Indep.			1.20***	1.27***
			(0.04)	(0.04)
Dyad Common Language				−0.21***
				(0.03)
Dyad Colonial Relation				0.62***
				(0.04)
Dyad BIT				0.36***
				(0.02)
Constant	−1.10***	−4.04***	−6.01***	−6.14***
	(0.02)	(0.20)	(0.22)	(0.22)

Outcome model				
OECD Convention ×	−0.86	−0.10**	−0.08***	−0.07***
Host PACI^2	(0.94)	(0.04)	(0.01)	(0.01)
OECD Convention ×	0.71	0.24	0.30***	0.26***
Host PACI	(1.68)	(0.16)	(0.08)	(0.07)
OECD Convention	86.76	6.47***	0.77**	0.40
	(91.17)	(2.41)	(0.34)	(0.28)
Host PACI^2	−0.14	0.07**	0.07***	0.06***
	(0.14)	(0.03)	(0.01)	(0.01)
Host PACI	0.79	−0.35**	−0.40***	−0.27***
	(1.08)	(0.16)	(0.07)	(0.07)
Lag Host FDI (GDP %)		0.01	0.01***	0.02***
		(0.01)	(0.00)	(0.00)
Lag Host GDP per capita		−0.03	0.01	0.01***
		(0.02)	(0.00)	(0.00)
Lag Host Trade (GDP %)		0.01**	0.01***	0.01***
		(0.00)	(0.00)	(0.00)
Lag Host POLCON III		−0.07	0.16	0.21
		(0.33)	(0.19)	(0.16)
Lag Host Democracy		−0.25*	−0.04	0.05
		(0.15)	(0.09)	(0.08)
Lag Host GDP (log)		0.86***	0.76***	0.67***
		(0.22)	(0.08)	(0.06)
Lag Host Judiciary Indep.		2.25**	0.95***	0.71***
		(0.88)	(0.27)	(0.21)
Home GDP per capita			0.23***	0.20***
			(0.01)	(0.01)
Home GDP Growth (%)			0.00	−0.01
			(0.02)	(0.02)
Home Judiciary Indep.			−0.37	−1.27**
			(0.78)	(0.64)
Dyad Common Language				0.39***
				(0.12)
Dyad Colonial Relation				1.85***
				(0.27)
Dyad BIT				0.04
				(0.17)
Constant	−159.04	−31.41***	−25.99***	−21.18***
	(173.44)	(10.89)	(4.05)	(3.22)
Inverse Mills Ratio	101.39	6.22**	2.41***	1.28**
	(108.18)	(2.84)	(0.79)	(0.62)
Sigma	86.78	5.82	2.78	2.15
Rho	1.17	1.07	0.87	0.60
R^2	0.13	0.16	0.47	0.50
Censored observations	35715	28381	28153	28153
Observed observations	10076	8516	8513	8513

Note: *p<0.1; **p<0.05; ***p<0.01

Table A12: Country-level data. Summary statistics

Statistic	N	Mean	St. Dev.	Min	Pctl(25)	Pctl(75)	Max
FDI (GDP %). Flows	5,387	19.552	288.678	−2,101.631	0.029	1.359	10,127.940
FDI per capita. Flows	5,387	7.729	111.763	−144.067	0.0003	0.174	3,625.655
FDI (world %). Flows	5,387	1.312	4.030	−11.068	0.0004	0.409	36.920
FDI (GDP%). Stock	5,448	168.649	2,529.289	0.000	0.778	16.390	63,627.740
FDI per capita. Stock	5,448	70.011	1,070.225	0.000	0.012	2.348	30,341.840
FDI (world %). Stock	5,448	1.457	5.142	0.000	0.001	0.318	45.887
OECD Convention	5,448	0.141	0.348	0.000	0.000	0.000	1.000
GDP (log)	4,779	−3.336	2.240	−9.808	−4.941	−1.649	3.061
GDP per capita	4,775	11.170	15.820	0.112	1.307	14.886	120.450
GDP growth (%)	4,610	7.074	16.640	−90.201	0.071	13.545	305.834
Exports (goods and services)	4,505	5.889	19.386	−90.597	0.029	10.279	649.151
Population	4,796	43.736	148.391	0.054	3.128	29.827	1,400.170

Table A13: Country-level data. Signatories of the OECD Convention in the sample and year of entry into force

Country	Year of entry into force of the OECD Convention
Australia	1999
Austria	1999
Belgium	1999
Bulgaria	1999
Canada	1999
Finland	1999
Germany	1999
Greece	1999
Hungary	1999
Iceland	1999
Japan	1999
South Korea	1999
Mexico	1999
Norway	1999
Slovakia	1999
Sweden	1999
United States	1999
United Kingdom	1999
Brazil	2000
Czech Republic	2000
Denmark	2000
France	2000
Poland	2000
Spain	2000
Switzerland	2000
Turkey	2000
Argentina	2001
Chile	2001
Italy	2001
Luxembourg	2001
Netherlands	2001
New Zealand	2001
Portugal	2001
Slovenia	2001
Ireland	2003
Estonia	2005
South Africa	2007
Israel	2009
Russia	2012
Colombia	2013
Latvia	2014
Croatia	2017
Lithuania	2017
Peru	2018

Table A14: Country-level data. The effect of the OECD Convention on FDI outward stock. Difference-in-differences models

	Dependent variable:								
	FDI (GDP %)			FDI per capita			FDI (world %)		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
OECD Convention	−336.18	72.70	9.10	−149.64	32.92	1.43	−0.08	−0.01	0.09
	(310.93)	(67.64)	(5.97)	(135.13)	(33.08)	(1.76)	(0.39)	(0.26)	(0.23)
GDP (log)			−22.21**			−9.82***			0.15*
			(10.62)			(3.39)			(0.09)
GDP per capita			−0.76			0.47*			0.02***
			(0.68)			(0.24)			(0.01)
GDP growth (%)			0.06			0.03**			−0.00
			(0.04)			(0.02)			(0.00)
Exports (goods and services)			0.02			0.00			0.00
			(0.02)			(0.00)			(0.00)
Population			0.31			0.15			−0.05
			(0.54)			(0.22)			(0.05)
Country Fixed Effect	✓	✓	✓	✓	✓	✓	✓	✓	✓
Year Fixed Effect	✓	✓	✓	✓	✓	✓	✓	✓	✓
Country time trend		✓	✓		✓	✓		✓	✓
R^2	0.52	0.94	0.84	0.48	0.94	0.89	0.94	0.98	0.98
Adjusted R^2	0.49	0.94	0.83	0.46	0.93	0.88	0.94	0.98	0.97
Observations	5448	5448	4405	5448	5448	4405	5448	5448	4405
N. of countries	189	189	159	189	189	159	189	189	159
Note:									*p<0.1; **p<0.05; ***p<0.01

Table A15: Country-level data. The effect of the OECD Convention on FDI outward flows, excluding the United States. Difference-in-differences models

	Dependent variable:								
	FDI (GDP %)			FDI per capita			FDI (world %)		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
OECD Convention	−30.55	−6.10	0.82	−14.34	−2.81	0.43	−0.11	0.10	0.21
	(27.77)	(6.84)	(0.97)	(12.65)	(3.21)	(0.28)	(0.34)	(0.31)	(0.31)
GDP (log)			−0.26			−0.60			0.33**
			(0.73)			(0.37)			(0.13)
GDP per capita			0.06			0.13*			−0.00
			(0.09)			(0.07)			(0.01)
GDP growth (%)			−0.01			−0.00			0.00
			(0.01)			(0.00)			(0.00)
Exports (goods and services)			0.00			0.00			0.00
			(0.00)			(0.00)			(0.00)
Population			0.04			0.01			−0.13
			(0.09)			(0.03)			(0.09)
Country Fixed Effect	✓	✓	✓	✓	✓	✓	✓	✓	✓
Year Fixed Effect	✓	✓	✓	✓	✓	✓	✓	✓	✓
Country time trend		✓	✓		✓	✓		✓	✓
R^2	0.56	0.76	0.39	0.56	0.82	0.47	0.75	0.82	0.79
Adjusted R^2	0.54	0.73	0.34	0.54	0.80	0.42	0.73	0.81	0.77
Observations	5347	5347	4331	5347	5347	4331	5347	5347	4331
N. of countries	191	191	160	191	191	160	191	191	160
Note:									*p<0.1; **p<0.05; ***p<0.01

Table A16: Country-level data. Placebo tests for difference-in-differences models

	Dependent variable:											
	GDP (log)			GDP per capita			GDP growth (%)			Exports (goods and services)		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
OECD Convention	−0.09*	−0.00	−0.01	12.48***	0.66	0.58	−3.92***	−0.59	−0.81	−0.64	0.71	0.81
	(0.05)	(0.04)	(0.04)	(1.70)	(0.54)	(0.50)	(0.81)	(1.33)	(1.52)	(0.87)	(1.03)	(1.04)
GDP per capita			0.02***						−0.12*			−0.02
			(0.00)						(0.07)			(0.07)
GDP growth (%)			0.00***			−0.00*						0.23**
			(0.00)			(0.00)						(0.10)
Exports (goods and services)			−0.00			−0.00			0.12**			
			(0.00)			(0.00)			(0.05)			
Population			0.03***			−0.07			−1.09***			0.55**
			(0.01)			(0.11)			(0.38)			(0.25)
GDP (log)						5.30***			15.19***			−3.73
						(0.78)			(1.52)			(2.63)
Country Fixed Effect	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Year Fixed Effect	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Country time trend		✓	✓		✓	✓		✓	✓		✓	✓
R^2	0.98	0.99	0.99	0.88	0.97	0.97	0.24	0.27	0.32	0.08	0.11	0.14
Adjusted R^2	0.98	0.99	0.99	0.88	0.97	0.97	0.21	0.21	0.26	0.04	0.04	0.06
Observations	4847	4847	4405	4847	4847	4405	4680	4680	4405	4538	4538	4405
N. of countries	167	167	159	167	167	159	166	166	159	160	160	159

$^{***}p < 0.01$; $^{**}p < 0.05$; $^{*}p < 0.1$