**2 Multiple OLS Regressions**

Text in the published paper:

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| Our second approach (Table 2) is a multivariate OLS analysis, observing the robustness of this effect subject to **different GDP measurements**. For this analysis, we implement an inverse hyperbolic sine (HIS) transformation on the FDI variable instead of a log+1 transformation. Due to the shape of the function, this serves both to include negative datapoints in the model and smooth out the marginal effect of changes at both extremes.  First, we run a series of models, testing the durability of the association between the independent variable (log+1 percentage increase in flights) and the key dependent variable (IHS-transformed real FDI) when isolating different versions of the GDP covariate. While the association was not significant in more than one model (the European geographic subset reported below), this is likely owing to the IHS transformation itself, which produces a wide gap between large negative and large positive datapoints, making OLS residuals much larger. This may also be due to the small magnitude of the resulting estimates, falling at between 0.0004 and 0.001 in the below specifications. However, some of the models produced joint significance of the dependent variables, which shows the strength of passengers as a predictor in conjunction with both logged real GDP in USD and logged nominal GDP in international dollars. Most optimistically, we also see that the models are consistent with each other—each estimated approximately 8-11% FDI growth to be associated with a 200% increase in flights. For the below specifications, none of the coefficients were negative, despite being so close to zero, indicating precision of this estimated effect.  **Table 2**  **OLS regressions of Percentage change FDI on passengers flying into the country, HIS transformation**  A white sheet with black numbers and letters  Description automatically generated with medium confidence  As a further robustness check, we run the same models with different relevant subsets of countries (European countries, Lower-Middle-Income Countries as specified by the World Bank, and Middle-Income Countries, also as specified by the World Bank). The estimates were also consistent with the IHS-transformed real FDI estimates. For instance, see the results in Table 3 from an N=689 subset of the dataset **focusing on only European countries**. The estimated effect is consistent with other models at approximately 8-11% FDI growth associated with a 200% increase in flights (the estimate is reported as 0.000 in this table, but in reality is approximately 0.0004-0.0005). However, the consistently positive FDI and passenger variables in Europe may have been the reason for the significance of the model, and bodes well for Ukraine specifically.  **Table 3**  **OLS regressions of Percentage change FDI on passengers flying into the country, controlling for battle fatalities using IHS-transformed real FDI, subsetting the data to include European countries only**  A screenshot of a table  Description automatically generatedA screenshot of a calculator  Description automatically generated  Lastly, we ran the model with log-transformed FDI as the independent variable. This produces negative estimates, revealing that the negative FDI datapoints excluded by this method are consequential to the resulting estimators, and that the IHS transformation is useful. Also note that studentized Breusch-Pagan tests were run to test heteroskedasticity, and none was observed in the reported models. |

Replication notes: