January 13, 2018

Replication material for:

Economic Policy, Political Constraints, and Foreign Direct Investment in Developing Countries

Replication files include:

- VPFDI18.dta, the data file for the main text and the Appendix tables and files.
- VPFDI18.do produces all tables and figures used in the main text
- VPsFDI2018 Appendix EFW.do produces the Appendix tables using the *EFW Index* variable.
- VPsFDI2018 Appendix EFW.do produces the Appendix tables using the *EF Index* variable.
- VPsFDI2018 Appendix EF INVESMENT.do produces the Appendix tables using the *EF INVEST* variable.
- VPsFDI2018 Appendix Figures.do produces the Appendix figures

Codebook

ccode
Numeric country code (based on the ISO-3166-1 standard)

cname
Country name

year
Calendar year

ccodealp
3-letter country code (based on the ISO-3166-1 alpha3 standard)

wdi_expgsgdp
Exports of goods and services (% of GDP), from the World Bank.

wdi_gdpgr
Annual percentage growth rate of GDP at market prices based on constant local currency, from the World Bank.

wdi_oilrent
Oil rents (% of GDP). Oil rents are the difference between the value of crude oil production at world prices and total costs of production, from the World Bank.

log_phone
Telephone lines (per 100 people). Fixed telephone subscriptions refers to the sum of active number of analogue fixed telephone lines, voice-over-IP (VoIP) subscriptions, fixed wireless local loop (WLL) subscriptions, ISDN voice-channel equivalents and fixed public payphones. Missing data are

replaced using linear interpolation by country. Log transformation is log_phone=log(1+telephones (per 100 people)) to preserve countries with 0 values. From the World Bank.

period
5-year periods, beginning with years 1970-1974 = period 1.

GATTWTO
=1 if signatory of GATT/Member of WTO, =0 if non-signatory/member, from the WTO.

fwdi_fdi_ldc
FDI (percent of GDP) in the following year, excluding OECD and OFC (Offshore Financial Center) countries, from the World Bank.

fwdi_fdi_ldc5
FDI (average annual percent of GDP) in the following 5-year period, excluding OECD and OFC (Offshore Financial Center) countries.

fwdi_fdipercap_ldc
FDI (per capita) in the following year, excluding OECD and OFC (Offshore Financial Center) countries.

fwdi_fdipercap_ldc5
FDI (average annual per capita) in the following 5-year period, excluding OECD and OFC (Offshore Financial Center) countries.

fLNwdi_fdipercap_ldc
Natural log of FDI (per capita) in the following year, excluding OECD and OFC (Offshore Financial Center) countries.

fLNwdi_fdipercap_ldc5
Natural log of FDI (average annual per capita) in the following 5-year period, excluding OECD and OFC (Offshore Financial Center) countries.

outlier_fwdi_fdi_ldc5
=1 if fwdi_fdi_ldc5 > 3 standard deviations from the mean

outlier_fLNwdi_fdipercap_ldc
=1 if fLNwdi_fdipercap_ldc > 3 standard deviations from the mean

outlier_fLNwdi_fdipercap_ldc5
=1 if fLNwdi_fdipercap_ldc5 > 3 standard deviations from the mean

log_World_FDI
Natural log of aggregate annual FDI inflows (in billions of constant dollars) to non-OECD, non-OFC countries in the following year, from the World Bank.

POLCON3
Standardized (mean=0, standard deviation=1) Political Constraints III, from Henisz.

CHECKS

Standardized natural log of Checks and Balances, from DPI

EXEC_CONST
Standardized Executive Constraints, from Polity IV.

EFW_INDEX
Standardized Economic Freedom of the World Index (chain-linked), from the Fraser Institute

EF_INDEX
Standardized Economic Freedom Index, from the Economic Freedom Index, Heritage Foundation.

EF_INVEST
Standardized Investment Freedom, from the Economic Freedom Index, Heritage Foundation.

EF_BUSINESS
Standardized Business Freedom, from the Economic Freedom Index, Heritage Foundation.

EF_CORRUPTION
Standardized Freedom from Corruption, from the Economic Freedom Index, Heritage Foundation.

EF_FINANCIAL
Standardized Financial Freedom, from the Economic Freedom Index, Heritage Foundation.

EF_FISCAL
Standardized Fiscal Freedom, from the Economic Freedom Index, Heritage Foundation.

EF_GOVSIZE
Standardized Freedom from Government, from the Economic Freedom Index, Heritage Foundation.

EF_LABOR
Standardized Labor Freedom, from the Economic Freedom Index, Heritage Foundation.

EF_MONETARY
Standardized (mean=0, standard deviation=1) Monetary Freedom, from the Economic Freedom Index, Heritage Foundation.

EF_PROPRIGHTS
Standardized Property rights, from the Economic Freedom Index, Heritage Foundation.

EF_TRADE
Standardized Trade Freedom, from the Economic Freedom Index, Heritage Foundation.

EFW_GOVSIZE
Standardized Size of Government: Expenditures, Taxes and Enterprises (chain-linked), from the Fraser Institute

EFW_MONEY
Standardized (mean= Standardized Access to Sound Money (chain_linked), from the Fraser Institute

EFW_PROPRIGHTS
Standardized Legal Structure and Security of Property Rights (current), from the Fraser Institute

EFW_TRADE
Standardized Freedom to Trade Internationally (chain-linked), from the Fraser Institute

EFW_REG
Standardized Regulation of Credit, Labor and Business (chain-linked), from the Fraser Institute

KA_OPEN
Standardized Capital Account Openness, from Chinn-Ito.

log_oilgaspc
Natural log (1 + oil and gas production value per capita). Oil and gas production value in 2014 dollars from Ross.

log_wdi_gdppccon
Natural log of GDP per capita (constant 2005 US dollar)

log_wdi_gdpcon
Natural log of GDP at market prices (constant 2005 US dollar), from the World Bank.

DIPA
=1 if Investment Promoting Agency is present, 0 otherwise, from Harding and Javorcik (2011).

FDI_Stock_perGDP
FDI inward stock as a percentage of gross domestic product, from UNCTAD.

log_FDI_Stock
Natural log of FDI stock, percentage of GDP.

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