

Table O.1. Heckman Maximum Likelihood model of FDI/GDP and Terrorist Incidents between pairs of countries from 1995 to 2010, clustered by country pairs and with year effects. Part I

VARIABLES	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)
	w/o Australia FDI Flow	Selection	w/o Austria FDI Flow	Selection	w/o Belgium FDI Flow	Selection	w/o Canada FDI Flow	Selection	w/o Cyprus FDI Flow	Selection	w/o Denmark FDI Flow	Selection
Log FDI stock*	0.595*** (0.0885)	0.208*** (0.0452)	0.648*** (0.0879)	0.200*** (0.0451)	0.623*** (0.0892)	0.208*** (0.0452)	0.609*** (0.0907)	0.205*** (0.0453)	0.627*** (0.0885)	0.222*** (0.0457)	0.647*** (0.0898)	0.223*** (0.0455)
Log GDP per capita receiver*	-0.777*** (0.124)	-0.124** (0.0600)	-0.849*** (0.123)	-0.133** (0.0597)	-0.833*** (0.124)	-0.143** (0.0598)	-0.787*** (0.127)	-0.120** (0.0592)	-0.790*** (0.123)	-0.132** (0.0591)	-0.846*** (0.125)	-0.156*** (0.0601)
Log GDP per capita sender*	-0.0113 (0.0791)	0.00887 (0.0367)	-0.00921 (0.0794)	-3.44e-05 (0.0365)	-0.0277 (0.0795)	-0.0194 (0.0363)	-0.0558 (0.0804)	-0.00662 (0.0363)	-0.0597 (0.0778)	-0.0109 (0.0364)	-0.0403 (0.0784)	-0.0121 (0.0363)
Log Population receiver	-0.726*** (0.0868)	-0.0156 (0.0416)	-0.762*** (0.0861)	-0.00856 (0.0418)	-0.751*** (0.0869)	-0.0182 (0.0419)	-0.727*** (0.0879)	-0.00881 (0.0417)	-0.745*** (0.0848)	-0.0155 (0.0423)	-0.778*** (0.0869)	-0.0334 (0.0419)
Log Population sender	0.869*** (0.0568)	0.411*** (0.0261)	0.856*** (0.0567)	0.401*** (0.0262)	0.871*** (0.0569)	0.405*** (0.0261)	0.868*** (0.0562)	0.402*** (0.0261)	0.893*** (0.0563)	0.448*** (0.0279)	0.869*** (0.0584)	0.412*** (0.0269)
Educational gap	-0.0531 (0.163)	-0.188*** (0.0710)	-0.00802 (0.161)	-0.189*** (0.0703)	-0.0186 (0.161)	-0.181*** (0.0695)	0.0197 (0.159)	-0.209*** (0.0713)	0.0694 (0.161)	-0.184*** (0.0708)	0.0119 (0.161)	-0.198*** (0.0704)
KAOPEN receiver	0.113** (0.0486)	0.00969 (0.0229)	0.122** (0.0478)	0.0167 (0.0229)	0.110** (0.0485)	0.0111 (0.0228)	0.119** (0.0498)	0.00361 (0.0229)	0.110** (0.0467)	0.00553 (0.0224)	0.117** (0.0479)	0.00996 (0.0230)
Log Distance	-0.956*** (0.0945)	-0.237*** (0.0461)	-0.945*** (0.0932)	-0.245*** (0.0473)	-0.997*** (0.0946)	-0.258*** (0.0463)	-0.976*** (0.0947)	-0.241*** (0.0460)	-0.884*** (0.0894)	-0.207*** (0.0459)	-0.995*** (0.0945)	-0.261*** (0.0464)
Common language	0.736*** (0.225)	0.377*** (0.124)	0.657*** (0.227)	0.323*** (0.118)	0.737*** (0.229)	0.335*** (0.119)	0.844*** (0.219)	0.404*** (0.124)	0.672*** (0.224)	0.376*** (0.121)	0.666*** (0.227)	0.338*** (0.118)
Domestic attacks*	-0.00114 (0.000851)	-4.66e-05 (0.000367)	-0.00123 (0.000857)	-3.02e-05 (0.000367)	-0.00118 (0.000847)	-1.43e-05 (0.000364)	-0.00127 (0.000872)	3.58e-05 (0.000367)	-0.00163* (0.000845)	-9.73e-05 (0.000366)	-0.00133 (0.000859)	2.52e-05 (0.000365)
International attacks*	-0.00541 (0.00629)	0.00868** (0.00400)	-0.00506 (0.00618)	0.00739* (0.00381)	-0.00487 (0.00620)	0.00915** (0.00420)	-0.00723 (0.00702)	0.00724* (0.00393)	-0.00596 (0.00627)	0.00888** (0.00404)	-0.00255 (0.00574)	0.00716* (0.00394)
Pair attacks	-0.0296 (0.186)	0.0268 (0.0802)	-0.00259 (0.187)	0.0380 (0.0821)	-0.0203 (0.184)	0.0338 (0.0820)	-0.000420 (0.185)	0.0409 (0.0833)	-0.0326 (0.187)	0.0108 (0.0773)	-0.00973 (0.187)	0.0349 (0.0822)
Pair attacks*	-0.422** (0.176)	-0.156** (0.0665)	-0.434** (0.176)	-0.149** (0.0673)	-0.448** (0.177)	-0.164** (0.0686)	-0.341* (0.205)	-0.192*** (0.0725)	-0.394** (0.174)	-0.152** (0.0654)	-0.388** (0.175)	-0.147** (0.0653)
KAOPEN sender		0.121* (0.0657)		0.152** (0.0606)		0.141** (0.0600)		0.141** (0.0606)		0.450*** (0.0862)		0.137** (0.0602)
FDI dummy*		0.930*** (0.0409)		0.919*** (0.0404)		0.924*** (0.0406)		0.915*** (0.0403)		0.954*** (0.0406)		0.920*** (0.0408)
Constant	-2.333 (2.111)	-6.058*** (1.015)	-1.525 (2.098)	-5.894*** (1.031)	-1.443 (2.107)	-5.746*** (1.017)	-2.435 (2.144)	-6.075*** (1.024)	-3.469* (2.006)	-7.841*** (1.021)	-1.206 (2.105)	-5.557*** (1.024)
Observations	11,034	11,034	11,055	11,055	11,068	11,068	11,084	11,084	11,009	11,009	11,033	11,033

Robust standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.1

Table O.1. Heckman Maximum Likelihood model of FDI share and Terrorist Incidents between pairs of countries from 1995 to 2010, clustered by country pairs and with year effects. Part II

VARIABLES	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)
	w/o Finland FDI Flow	Selection	w/o France FDI Flow	Selection	w/o Germany FDI Flow	Selection	w/o Greece FDI Flow	Selection	w/o Ireland FDI Flow	Selection	w/o Italy FDI Flow	Selection
Log FDI stock*	0.625*** (0.0883)	0.215*** (0.0450)	0.636*** (0.0938)	0.225*** (0.0452)	0.621*** (0.0924)	0.230*** (0.0456)	0.657*** (0.0874)	0.229*** (0.0451)	0.634*** (0.0890)	0.216*** (0.0453)	0.629*** (0.0910)	0.228*** (0.0453)
Log GDP per capita receiver*	-0.833*** (0.122)	-0.152** (0.0595)	-0.835*** (0.128)	-0.158*** (0.0592)	-0.830*** (0.127)	-0.166*** (0.0597)	-0.835*** (0.121)	-0.155*** (0.0593)	-0.831*** (0.123)	-0.142** (0.0594)	-0.837*** (0.127)	-0.157*** (0.0598)
Log GDP per capita sender*	-0.0429 (0.0790)	-0.00503 (0.0362)	-0.0635 (0.0831)	-0.00810 (0.0366)	-0.0541 (0.0829)	-0.0147 (0.0360)	-0.0346 (0.0777)	-0.00331 (0.0365)	-0.0392 (0.0795)	-0.00251 (0.0362)	-0.0520 (0.0813)	-0.00776 (0.0366)
Log Population receiver	-0.750*** (0.0863)	-0.0275 (0.0417)	-0.759*** (0.0904)	-0.0307 (0.0419)	-0.758*** (0.0902)	-0.0339 (0.0420)	-0.747*** (0.0836)	-0.0313 (0.0416)	-0.745*** (0.0866)	-0.0240 (0.0420)	-0.725*** (0.0880)	-0.0313 (0.0418)
Log Population sender	0.857*** (0.0569)	0.389*** (0.0265)	0.877*** (0.0574)	0.396*** (0.0268)	0.887*** (0.0582)	0.396*** (0.0271)	0.855*** (0.0564)	0.412*** (0.0262)	0.867*** (0.0591)	0.400*** (0.0272)	0.915*** (0.0563)	0.412*** (0.0269)
Educational gap	-0.0352 (0.161)	-0.198*** (0.0700)	0.000687 (0.168)	-0.193*** (0.0697)	0.0237 (0.168)	-0.218*** (0.0705)	-0.0264 (0.159)	-0.211*** (0.0699)	0.00556 (0.162)	-0.174** (0.0710)	-0.0761 (0.162)	-0.197*** (0.0702)
KAOPEN receiver	0.115** (0.0478)	0.00830 (0.0228)	0.117** (0.0497)	0.00343 (0.0229)	0.126** (0.0493)	0.000812 (0.0229)	0.102** (0.0472)	0.00998 (0.0226)	0.118** (0.0482)	0.0124 (0.0229)	0.132*** (0.0488)	0.00777 (0.0230)
Log Distance	-0.984*** (0.0934)	-0.262*** (0.0464)	-1.000*** (0.0974)	-0.266*** (0.0463)	-0.986*** (0.0970)	-0.265*** (0.0464)	-0.953*** (0.0940)	-0.269*** (0.0468)	-0.986*** (0.0937)	-0.251*** (0.0462)	-1.033*** (0.100)	-0.268*** (0.0473)
Common language	0.666*** (0.228)	0.315*** (0.117)	0.677*** (0.244)	0.311*** (0.119)	0.651*** (0.229)	0.355*** (0.118)	0.649*** (0.228)	0.297** (0.119)	0.753*** (0.231)	0.374*** (0.127)	0.635*** (0.228)	0.321*** (0.118)
Domestic attacks*	-0.00117 (0.000840)	1.89e-05 (0.000366)	-0.00119 (0.000896)	-5.72e-05 (0.000365)	-0.00136 (0.000903)	-6.50e-05 (0.000365)	-0.00142* (0.000828)	5.06e-05 (0.000365)	-0.00147* (0.000864)	9.16e-06 (0.000364)	-0.00134 (0.000860)	8.56e-05 (0.000365)
International attacks*	-0.00706 (0.00672)	0.00819** (0.00407)	-0.00658 (0.00664)	0.00728* (0.00386)	-0.00612 (0.00663)	0.00783** (0.00389)	-0.00670 (0.00633)	0.00931** (0.00402)	-0.00726 (0.00667)	0.00703* (0.00388)	-0.00493 (0.00650)	0.00796** (0.00395)
Pair attacks	-0.000623 (0.183)	0.0427 (0.0824)	0.0241 (0.192)	0.174* (0.100)	0.0346 (0.197)	0.0538 (0.0907)	-0.00603 (0.188)	0.0316 (0.0813)	0.00918 (0.186)	0.0343 (0.0824)	-0.0101 (0.193)	0.0585 (0.0891)
Pair attacks*	-0.282* (0.167)	-0.180** (0.0755)	-0.494*** (0.180)	-0.135** (0.0615)	-0.451** (0.185)	-0.143** (0.0654)	-0.445** (0.176)	-0.155** (0.0661)	-0.422** (0.176)	-0.142** (0.0632)	-0.481*** (0.180)	-0.165** (0.0692)
KAOPEN sender		0.169*** (0.0606)		0.141** (0.0594)		0.143** (0.0594)		0.0660 (0.0579)		0.149** (0.0607)		0.142** (0.0604)
FDI dummy*		0.927*** (0.0401)		0.915*** (0.0404)		0.921*** (0.0402)		0.949*** (0.0402)		0.916*** (0.0405)		0.901*** (0.0404)
Constant	-1.398 (2.074)	-5.244*** (1.012)	-1.760 (2.159)	-5.310*** (1.015)	-1.947 (2.157)	-5.214*** (1.017)	-1.881 (2.061)	-5.340*** (0.999)	-1.755 (2.098)	-5.673*** (1.024)	-2.371 (2.150)	-5.534*** (1.023)
Observations	11,063	11,063	11,081	11,081	11,078	11,078	11,025	11,025	11,066	11,066	11,075	11,075

Robust standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.1

Table O.1. Heckman Maximum Likelihood model of FDI share and Terrorist Incidents between pairs of countries from 1995 to 2010, clustered by country pairs and with year effects. Part III

VARIABLES	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)
	w/o Japan FDI Flow	Selection	w/o Luxembourg FDI Flow	Selection	w/o Netherlands FDI Flow	Selection	w/o Norway FDI Flow	Selection	w/o New Zealand FDI Flow	Selection	w/o Portugal FDI Flow	Selection
Log FDI stock*	0.619*** (0.0879)	0.208*** (0.0455)	0.635*** (0.0877)	0.218*** (0.0443)	0.652*** (0.0904)	0.225*** (0.0454)	0.633*** (0.0882)	0.223*** (0.0454)	0.619*** (0.0880)	0.206*** (0.0452)	0.647*** (0.0886)	0.214*** (0.0454)
Log GDP per capita receiver*	-0.801*** (0.121)	-0.131** (0.0595)	-0.828*** (0.121)	-0.146** (0.0582)	-0.857*** (0.123)	-0.156*** (0.0596)	-0.811*** (0.123)	-0.160*** (0.0601)	-0.800*** (0.122)	-0.127** (0.0595)	-0.850*** (0.123)	-0.155*** (0.0592)
Log GDP per capita sender*	-0.0381 (0.0814)	-0.0208 (0.0363)	-0.0344 (0.0783)	-0.00445 (0.0355)	-0.0322 (0.0803)	0.00520 (0.0362)	-0.0267 (0.0791)	-0.0142 (0.0365)	-0.0305 (0.0780)	0.000600 (0.0360)	-0.0280 (0.0788)	0.00743 (0.0364)
Log Population receiver	-0.778*** (0.0859)	-0.0212 (0.0423)	-0.751*** (0.0852)	-0.0228 (0.0409)	-0.745*** (0.0874)	-0.0257 (0.0419)	-0.755*** (0.0855)	-0.0236 (0.0419)	-0.742*** (0.0853)	-0.0150 (0.0417)	-0.750*** (0.0858)	-0.0149 (0.0421)
Log Population sender	0.930*** (0.0578)	0.425*** (0.0280)	0.877*** (0.0560)	0.408*** (0.0261)	0.916*** (0.0570)	0.411*** (0.0263)	0.870*** (0.0580)	0.414*** (0.0269)	0.843*** (0.0570)	0.382*** (0.0270)	0.858*** (0.0561)	0.400*** (0.0261)
Educational gap	0.0527 (0.165)	-0.203*** (0.0711)	-0.0114 (0.160)	-0.201*** (0.0689)	-0.0746 (0.163)	-0.230*** (0.0704)	-0.0337 (0.159)	-0.229*** (0.0709)	0.0376 (0.161)	-0.155** (0.0707)	-0.130 (0.162)	-0.262*** (0.0709)
KAOPEN receiver	0.102** (0.0484)	0.00103 (0.0229)	0.117** (0.0474)	0.00738 (0.0223)	0.125*** (0.0481)	0.00477 (0.0227)	0.117** (0.0481)	0.0142 (0.0230)	0.120** (0.0477)	0.00706 (0.0228)	0.102** (0.0475)	0.0146 (0.0230)
Log Distance	-0.908*** (0.0958)	-0.247*** (0.0464)	-0.984*** (0.0925)	-0.252*** (0.0454)	-1.038*** (0.0934)	-0.260*** (0.0464)	-0.995*** (0.0935)	-0.252*** (0.0464)	-0.944*** (0.0927)	-0.218*** (0.0463)	-0.984*** (0.0931)	-0.243*** (0.0466)
Common language	0.563** (0.224)	0.315*** (0.119)	0.684*** (0.227)	0.335*** (0.118)	0.833*** (0.227)	0.383*** (0.118)	0.684*** (0.227)	0.354*** (0.118)	0.705*** (0.229)	0.369*** (0.127)	0.640*** (0.231)	0.323*** (0.118)
Domestic attacks*	-0.00147* (0.000881)	-8.92e-05 (0.000366)	-0.00136 (0.000839)	-1.05e-05 (0.000356)	-0.00188** (0.000808)	-7.42e-05 (0.000360)	-0.00112 (0.000836)	2.77e-05 (0.000361)	-0.00139* (0.000838)	2.27e-05 (0.000363)	-0.00132 (0.000844)	1.81e-05 (0.000364)
International attacks*	-0.00615 (0.00665)	0.00774* (0.00395)	-0.00589 (0.00633)	0.00775** (0.00386)	-0.00568 (0.00588)	0.00762* (0.00389)	-0.00645 (0.00666)	0.00679* (0.00386)	-0.00431 (0.00609)	0.00705* (0.00397)	-0.00575 (0.00646)	0.00727* (0.00393)
Pair attacks	-0.0466 (0.193)	0.0355 (0.0814)	-0.00156 (0.187)	0.0398 (0.0823)	0.0696 (0.188)	0.0498 (0.0850)	-0.00923 (0.189)	0.0412 (0.0814)	-0.0129 (0.187)	0.0422 (0.0816)	0.0230 (0.190)	0.0376 (0.0820)
Pair attacks*	-0.385** (0.175)	-0.163** (0.0708)	-0.427** (0.175)	-0.157** (0.0667)	-0.483*** (0.172)	-0.154** (0.0693)	-0.417** (0.206)	-0.195*** (0.0685)	-0.448** (0.175)	-0.159** (0.0663)	-0.446** (0.179)	-0.165** (0.0690)
KAOPEN sender		0.138** (0.0608)		0.143** (0.0604)		0.123** (0.0593)		0.137** (0.0608)		0.171*** (0.0621)		0.163*** (0.0608)
FDI dummy*		0.935*** (0.0402)		0.925*** (0.0395)		0.923*** (0.0405)		0.935*** (0.0406)		0.944*** (0.0402)		0.935*** (0.0403)
Constant	-3.107 (2.136)	-6.196*** (1.045)	-1.866 (2.065)	-5.747*** (1.000)	-2.130 (2.140)	-5.590*** (1.019)	-1.607 (2.089)	-5.775*** (1.029)	-1.893 (2.066)	-5.915*** (1.017)	-1.202 (2.086)	-5.602*** (1.023)
Observations	11,130	11,130	11,596	11,596	11,143	11,143	11,042	11,042	11,023	11,023	11,045	11,045

Robust standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.1

Table O.1. Heckman Maximum Likelihood model of FDI share and Terrorist Incidents between pairs of countries from 1995 to 2010, clustered by country pairs and with year effects. Part IV

VARIABLES	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)
	w/o Spain FDI Flow	Selection	w/o Sweden FDI Flow	Selection	w/o Switzerland FDI Flow	Selection	w/o United Kingdom FDI Flow	Selection	w/o United States FDI Flow	Selection
Log FDI stock*	0.650*** (0.0891)	0.219*** (0.0455)	0.631*** (0.0908)	0.208*** (0.0453)	0.689*** (0.0913)	0.238*** (0.0447)	0.612*** (0.0923)	0.223*** (0.0453)	0.658*** (0.0919)	0.221*** (0.0454)
Log GDP per capita receiver*	-0.870*** (0.124)	-0.152** (0.0603)	-0.843*** (0.124)	-0.141** (0.0598)	-0.882*** (0.125)	-0.163*** (0.0590)	-0.759*** (0.129)	-0.143** (0.0593)	-0.846*** (0.126)	-0.148** (0.0594)
Log GDP per capita sender*	-0.0492 (0.0812)	-0.00857 (0.0361)	-0.0125 (0.0804)	-0.00858 (0.0367)	0.0334 (0.0792)	0.0249 (0.0366)	-0.0521 (0.0826)	-0.00309 (0.0363)	-0.0233 (0.0822)	-0.00119 (0.0363)
Log Population receiver	-0.768*** (0.0867)	-0.0270 (0.0418)	-0.758*** (0.0884)	-0.0169 (0.0419)	-0.771*** (0.0884)	-0.0288 (0.0414)	-0.736*** (0.0895)	-0.0248 (0.0418)	-0.749*** (0.0900)	-0.0256 (0.0417)
Log Population sender	0.892*** (0.0556)	0.419*** (0.0266)	0.881*** (0.0584)	0.412*** (0.0263)	0.945*** (0.0587)	0.439*** (0.0265)	0.840*** (0.0574)	0.393*** (0.0264)	0.806*** (0.0652)	0.409*** (0.0286)
Educational gap	-0.0196 (0.163)	-0.191*** (0.0705)	-0.0342 (0.166)	-0.208*** (0.0714)	0.00832 (0.163)	-0.197*** (0.0705)	0.0959 (0.167)	-0.186*** (0.0700)	-0.0797 (0.178)	-0.218*** (0.0715)
KAOPEN receiver	0.101** (0.0491)	0.00451 (0.0231)	0.110** (0.0482)	0.0156 (0.0229)	0.128*** (0.0487)	0.00358 (0.0228)	0.132*** (0.0492)	0.000508 (0.0227)	0.118** (0.0496)	-0.00581 (0.0226)
Log Distance	-1.005*** (0.0948)	-0.257*** (0.0469)	-1.016*** (0.0953)	-0.253*** (0.0463)	-1.058*** (0.0961)	-0.263*** (0.0468)	-1.012*** (0.0956)	-0.266*** (0.0459)	-0.984*** (0.0935)	-0.240*** (0.0459)
Common language	0.337 (0.265)	0.150 (0.130)	0.679*** (0.229)	0.350*** (0.118)	0.789*** (0.234)	0.306*** (0.118)	0.661*** (0.253)	0.320** (0.127)	0.739*** (0.253)	0.371*** (0.124)
Domestic attacks*	-0.00134 (0.000852)	0.000176 (0.000354)	-0.00126 (0.000875)	-1.74e-06 (0.000367)	-0.00162* (0.000833)	-9.37e-05 (0.000366)	-0.00131 (0.000889)	-4.42e-05 (0.000361)	-0.00156* (0.000889)	-6.31e-05 (0.000360)
International attacks*	-0.00913 (0.00656)	0.00772* (0.00394)	-0.00634 (0.00670)	0.00720* (0.00387)	-0.00535 (0.00653)	0.00739* (0.00395)	-0.00636 (0.00677)	0.00776** (0.00389)	-0.00444 (0.00670)	0.00811** (0.00394)
Pair attacks	0.0240 (0.202)	0.0338 (0.0811)	-0.00134 (0.186)	0.0415 (0.0828)	-0.0339 (0.190)	0.0310 (0.0815)	0.0166 (0.195)	0.0509 (0.0851)	-0.206 (0.279)	-0.0502 (0.0826)
Pair attacks*	-0.424** (0.178)	-0.113 (0.0736)	-0.382** (0.178)	-0.156** (0.0696)	-0.456** (0.180)	-0.157** (0.0694)	-0.426** (0.178)	-0.152** (0.0662)	-0.471** (0.185)	-0.154** (0.0659)
KAOPEN sender		0.140** (0.0605)		0.132** (0.0601)		0.105* (0.0603)		0.139** (0.0594)		0.139** (0.0605)
FDI dummy*		0.923*** (0.0408)		0.909*** (0.0404)		0.953*** (0.0400)		0.912*** (0.0403)		0.910*** (0.0399)
Constant	-1.393 (2.094)	-5.786*** (1.027)	-1.236 (2.112)	-5.865*** (1.020)	-1.854 (2.161)	-5.938*** (1.027)	-1.920 (2.159)	-5.440*** (1.014)	-0.694 (2.197)	-5.791*** (1.043)
Observations	11,083	11,083	11,037	11,037	11,090	11,090	11,096	11,096	11,156	11,156

Robust standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.1