Table O.3. 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 I

VARIABLES	(1) w/o Australia FDI Share	(2) Selection	(1) w/o Austria FDI Share	(2) Selection	(1) w/o Belgium FDI Share	(2) Selection	(1) w/o Canada FDI Share	(2) Selection	(1) w/o Cyprus FDI Share	(2) Selection	(1) w/o Denmark FDI Share	(2) Selection
Log FDI stock*	0.579***	0.207***	0.634***	0.197***	0.602***	0.206***	0.593***	0.202***	0.643***	0.220***	0.631***	0.221***
	(0.0863)	(0.0453)	(0.0855)	(0.0452)	(0.0883)	(0.0452)	(0.0894)	(0.0453)	(0.0866)	(0.0456)	(0.0884)	(0.0455)
Log GDP per capita receiver*	0.270**	-0.122**	0.198*	-0.130**	0.222*	-0.140**	0.265**	-0.118**	0.225*	-0.130**	0.205*	-0.154**
	(0.119)	(0.0602)	(0.117)	(0.0599)	(0.120)	(0.0601)	(0.122)	(0.0595)	(0.118)	(0.0593)	(0.120)	(0.0604)
Log GDP per capita sender*	0.0428	0.00632	0.0494	-0.00115	0.0394	-0.0219	-0.00491	-0.00778	-0.00135	-0.0117	0.0194	-0.0134
	(0.0754)	(0.0367)	(0.0751)	(0.0364)	(0.0761)	(0.0363)	(0.0770)	(0.0363)	(0.0749)	(0.0364)	(0.0758)	(0.0363)
Log Population receiver	0.321***	-0.0155	0.281***	-0.00762	0.297***	-0.0174	0.317***	-0.00783	0.284***	-0.0147	0.264***	-0.0327
	(0.0842)	(0.0418)	(0.0838)	(0.0419)	(0.0859)	(0.0419)	(0.0866)	(0.0418)	(0.0832)	(0.0423)	(0.0853)	(0.0419)
Log Population sender	-0.0385	0.413***	-0.0715	0.402***	-0.0394	0.405***	-0.0478	0.403***	-0.0773	0.452***	-0.0263	0.413***
	(0.0567)	(0.0261)	(0.0558)	(0.0262)	(0.0567)	(0.0261)	(0.0559)	(0.0261)	(0.0532)	(0.0280)	(0.0578)	(0.0269)
Educational gap	-0.245	-0.182**	-0.175	-0.185***	-0.170	-0.177**	-0.134	-0.205***	-0.108	-0.181**	-0.139	-0.194***
	(0.158)	(0.0710)	(0.156)	(0.0703)	(0.159)	(0.0696)	(0.157)	(0.0713)	(0.159)	(0.0707)	(0.159)	(0.0704)
KAOPEN receiver	0.0745	0.00951	0.0768*	0.0165	0.0691	0.0107	0.0784*	0.00328	0.0829*	0.00494	0.0764*	0.00971
	(0.0460)	(0.0230)	(0.0452)	(0.0231)	(0.0464)	(0.0230)	(0.0475)	(0.0231)	(0.0454)	(0.0226)	(0.0459)	(0.0232)
Log Distance	-0.903***	-0.238***	-0.850***	-0.246***	-0.896***	-0.260***	-0.881***	-0.242***	-0.849***	-0.206***	-0.902***	-0.263***
	(0.0922)	(0.0463)	(0.0905)	(0.0476)	(0.0931)	(0.0466)	(0.0931)	(0.0463)	(0.0920)	(0.0460)	(0.0929)	(0.0467)
Common language	0.598***	0.376***	0.554***	0.321***	0.621***	0.334***	0.744***	0.400***	0.591***	0.374***	0.591***	0.335***
	(0.213)	(0.123)	(0.211)	(0.117)	(0.217)	(0.119)	(0.197)	(0.124)	(0.211)	(0.120)	(0.211)	(0.117)
Domestic attacks*	-0.00148**	-1.72e-05	-0.00165**	2.29e-06	-0.00156**	2.24e-05	-0.00167**	6.45e-05	-0.00180**	-6.30e-05	-0.00168**	5.74e-05
	(0.000707)	(0.000367)	(0.000717)	(0.000367)	(0.000706)	(0.000364)	(0.000733)	(0.000367)	(0.000700)	(0.000366)	(0.000720)	(0.000365)
International attacks*	-0.00460	0.00856**	-0.00354	0.00744*	-0.00343	0.00930**	-0.00565	0.00730*	-0.00468	0.00920**	-0.000997	0.00722*
	(0.00566)	(0.00405)	(0.00552)	(0.00384)	(0.00559)	(0.00420)	(0.00631)	(0.00396)	(0.00572)	(0.00411)	(0.00508)	(0.00397)
Pair attacks	-0.127	0.0282	-0.109	0.0396	-0.132	0.0336	-0.121	0.0435	-0.0916	0.0106	-0.137	0.0364
	(0.206)	(0.0796)	(0.204)	(0.0815)	(0.201)	(0.0814)	(0.201)	(0.0828)	(0.203)	(0.0770)	(0.202)	(0.0817)
Pair attacks*	-0.291*	-0.173**	-0.344**	-0.166**	-0.346**	-0.183**	-0.210*	-0.214***	-0.351**	-0.168**	-0.293*	-0.164**
	(0.164)	(0.0727)	(0.165)	(0.0745)	(0.167)	(0.0746)	(0.110)	(0.0769)	(0.165)	(0.0716)	(0.163)	(0.0722)
KAOPEN sender		0.111*		0.149**		0.139**		0.138**		0.475***		0.135**
		(0.0668)		(0.0624)		(0.0618)		(0.0624)		(0.0837)		(0.0620)
FDI dummy*		0.911***		0.898***		0.901***		0.893***		0.931***		0.898***
		(0.0409)		(0.0404)		(0.0405)		(0.0403)		(0.0407)		(0.0408)
Constant	-7.840***	-6.098***	-7.059***	-5.928***	-7.434***	-5.761***	-8.207***	-6.107***	-7.723***	-7.999***	-7.336***	-5.588***
	(2.007)	(1.021)	(1.994)	(1.039)	(2.032)	(1.025)	(2.054)	(1.032)	(2.034)	(1.022)	(2.020)	(1.032)
Observations	10,977	10,977	10,989	10,989	11,005	11,005	11,018	11,018	10,943	10,943	10,967	10,967

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

Table O.3. 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) w/o Finland FDI Share	(2) Selection	(1) w/o France FDI Share	(2) Selection	(1) w/o Germany FDI Share	(2) Selection	(1) w/o Greece FDI Share	(2) Selection	(1) w/o Ireland FDI Share	(2) Selection	(1) w/o Italy FDI Share	(2) Selection
Log FDI stock*	0.608***	0.212***	0.621***	0.223***	0.603***	0.227***	0.640***	0.226***	0.622***	0.214***	0.607***	0.225***
	(0.0871)	(0.0451)	(0.0923)	(0.0453)	(0.0919)	(0.0456)	(0.0863)	(0.0452)	(0.0879)	(0.0453)	(0.0898)	(0.0453)
Log GDP per capita receiver*	0.222*	-0.149**	0.216*	-0.156***	0.223*	-0.164***	0.233**	-0.153**	0.218*	-0.142**	0.237*	-0.154**
	(0.118)	(0.0597)	(0.123)	(0.0595)	(0.123)	(0.0600)	(0.117)	(0.0595)	(0.119)	(0.0596)	(0.122)	(0.0601)
Log GDP per capita sender*	0.000884	-0.00295	-0.0110	-0.00890	-0.00236	-0.0158	0.00366	-0.00443	0.00747	-0.00402	-0.00270	-0.00905
	(0.0758)	(0.0361)	(0.0797)	(0.0366)	(0.0796)	(0.0360)	(0.0753)	(0.0364)	(0.0761)	(0.0362)	(0.0782)	(0.0366)
Log Population receiver	0.292***	-0.0255	0.286***	-0.0299	0.285***	-0.0331	0.288***	-0.0303	0.297***	-0.0237	0.310***	-0.0305
	(0.0848)	(0.0417)	(0.0889)	(0.0420)	(0.0890)	(0.0421)	(0.0829)	(0.0417)	(0.0854)	(0.0421)	(0.0869)	(0.0419)
Log Population sender	-0.0366	0.390***	-0.0381	0.397***	-0.0494	0.398***	-0.0556	0.414***	-0.0109	0.401***	-0.0493	0.412***
	(0.0568)	(0.0264)	(0.0572)	(0.0268)	(0.0579)	(0.0271)	(0.0560)	(0.0262)	(0.0581)	(0.0272)	(0.0569)	(0.0269)
Educational gap	-0.163	-0.198***	-0.154	-0.189***	-0.136	-0.214***	-0.140	-0.207***	-0.153	-0.172**	-0.116	-0.192***
	(0.158)	(0.0699)	(0.165)	(0.0697)	(0.166)	(0.0705)	(0.156)	(0.0700)	(0.160)	(0.0710)	(0.162)	(0.0702)
KAOPEN receiver	0.0761*	0.00783	0.0765	0.00313	0.0848*	0.000437	0.0588	0.00969	0.0775*	0.0123	0.0970**	0.00742
	(0.0456)	(0.0229)	(0.0476)	(0.0230)	(0.0473)	(0.0231)	(0.0442)	(0.0227)	(0.0461)	(0.0230)	(0.0471)	(0.0232)
Log Distance	-0.896***	-0.263***	-0.898***	-0.267***	-0.881***	-0.267***	-0.826***	-0.270***	-0.900***	-0.252***	-0.888***	-0.269***
	(0.0918)	(0.0466)	(0.0955)	(0.0466)	(0.0953)	(0.0467)	(0.0870)	(0.0471)	(0.0923)	(0.0464)	(0.100)	(0.0476)
Common language	0.587***	0.313***	0.565**	0.308***	0.596***	0.352***	0.568***	0.294**	0.624***	0.374***	0.609***	0.318***
	(0.211)	(0.117)	(0.226)	(0.118)	(0.213)	(0.118)	(0.211)	(0.119)	(0.217)	(0.126)	(0.212)	(0.118)
Domestic attacks*	-0.00152**	4.22e-05	-0.00157**	-2.67e-05	-0.00175**	-3.44e-05	-0.00174**	8.19e-05	-0.00189***	3.39e-05	-0.00165**	0.000117
	(0.000709)	(0.000366)	(0.000750)	(0.000366)	(0.000757)	(0.000365)	(0.000696)	(0.000366)	(0.000713)	(0.000364)	(0.000722)	(0.000365)
International attacks*	-0.00535	0.00812**	-0.00493	0.00730*	-0.00474	0.00785**	-0.00490	0.00925**	-0.00646	0.00693*	-0.00367	0.00799**
	(0.00591)	(0.00409)	(0.00598)	(0.00388)	(0.00595)	(0.00391)	(0.00566)	(0.00406)	(0.00558)	(0.00385)	(0.00587)	(0.00398)
Pair attacks	-0.121	0.0428	-0.109	0.174*	-0.0804	0.0549	-0.123	0.0331	-0.107	0.0365	-0.110	0.0603
	(0.200)	(0.0824)	(0.210)	(0.101)	(0.214)	(0.0900)	(0.204)	(0.0808)	(0.202)	(0.0822)	(0.207)	(0.0886)
Pair attacks*	-0.268*	-0.180**	-0.394**	-0.151**	-0.344*	-0.159**	-0.339**	-0.172**	-0.306*	-0.158**	-0.396**	-0.183**
	(0.154)	(0.0752)	(0.173)	(0.0687)	(0.175)	(0.0728)	(0.164)	(0.0724)	(0.163)	(0.0699)	(0.170)	(0.0749)
KAOPEN sender		0.169***		0.138**		0.141**		0.0611		0.149**		0.140**
		(0.0622)		(0.0612)		(0.0613)		(0.0594)		(0.0625)		(0.0622)
FDI dummy*		0.910***		0.893***		0.899***		0.928***		0.897***		0.880***
		(0.0402)		(0.0404)		(0.0403)		(0.0402)		(0.0406)		(0.0404)
Constant	-7.623***	-5.274***	-7.665***	-5.341***	-7.474***	-5.244***	-8.213***	-5.374***	-8.166***	-5.683***	-8.013***	-5.566***
	(1.995)	(1.019)	(2.066)	(1.022)	(2.062)	(1.024)	(1.932)	(1.006)	(2.003)	(1.031)	(2.058)	(1.031)
Observations	11,012	11,012	11,015	11,015	11,012	11,012	10,959	10,959	11,005	11,005	11,009	11,009

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

Table O.3. 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

	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)
	w/o Japan		w/o Luxembourg		w/o Netherlands		w/o Norway		w/o New Zealand		w/o Portugal	
VARIABLES	FDI Share	Selection	FDI Share	Selection	FDI Share	Selection	FDI Share	Selection	FDI Share	Selection	FDI Share	Selection
Log FDI stock*	0.622***	0.214***	0.617***	0.215***	0.627***	0.222***	0.616***	0.221***	0.605***	0.203***	0.636***	0.211***
	(0.0879)	(0.0453)	(0.0865)	(0.0443)	(0.0907)	(0.0454)	(0.0863)	(0.0454)	(0.0870)	(0.0452)	(0.0869)	(0.0454)
Log GDP per capita receiver*	0.218*	-0.142**	0.226*	-0.144**	0.207*	-0.153**	0.237**	-0.157***	0.223*	-0.124**	0.200*	-0.152**
	(0.119)	(0.0596)	(0.117)	(0.0585)	(0.123)	(0.0599)	(0.118)	(0.0603)	(0.118)	(0.0597)	(0.118)	(0.0594)
Log GDP per capita sender*	0.00747	-0.00402	0.0151	-0.00548	0.0118	0.00416	0.0262	-0.0155	0.00515	-0.000493	0.00958	0.00732
	(0.0761)	(0.0362)	(0.0752)	(0.0355)	(0.0783)	(0.0362)	(0.0757)	(0.0365)	(0.0751)	(0.0359)	(0.0756)	(0.0363)
Log Population receiver	0.297***	-0.0237	0.292***	-0.0220	0.285***	-0.0247	0.291***	-0.0228	0.310***	-0.0138	0.285***	-0.0143
	(0.0854)	(0.0421)	(0.0838)	(0.0410)	(0.0876)	(0.0420)	(0.0834)	(0.0420)	(0.0842)	(0.0417)	(0.0843)	(0.0422)
Log Population sender	-0.0109	0.401***	-0.0384	0.409***	-0.0361	0.412***	-0.0263	0.416***	-0.0188	0.382***	-0.0488	0.401***
	(0.0581)	(0.0272)	(0.0557)	(0.0261)	(0.0564)	(0.0262)	(0.0577)	(0.0269)	(0.0573)	(0.0270)	(0.0558)	(0.0261)
Educational gap	-0.153	-0.172**	-0.159	-0.197***	-0.109	-0.226***	-0.219	-0.226***	-0.172	-0.149**	-0.236	-0.260***
	(0.160)	(0.0710)	(0.157)	(0.0689)	(0.164)	(0.0704)	(0.155)	(0.0710)	(0.159)	(0.0707)	(0.158)	(0.0711)
KAOPEN receiver	0.0775*	0.0123	0.0779*	0.00712	0.0922*	0.00449	0.0796*	0.0140	0.0818*	0.00777	0.0690	0.0139
	(0.0461)	(0.0230)	(0.0452)	(0.0225)	(0.0473)	(0.0229)	(0.0458)	(0.0232)	(0.0457)	(0.0229)	(0.0452)	(0.0231)
Log Distance	-0.900***	-0.252***	-0.891***	-0.253***	-0.929***	-0.261***	-0.907***	-0.253***	-0.909***	-0.218***	-0.884***	-0.246***
	(0.0923)	(0.0464)	(0.0907)	(0.0456)	(0.0931)	(0.0466)	(0.0913)	(0.0467)	(0.0915)	(0.0466)	(0.0921)	(0.0468)
Common language	0.624***	0.374***	0.592***	0.332***	0.587***	0.381***	0.611***	0.351***	0.576***	0.362***	0.543**	0.320***
	(0.217)	(0.126)	(0.211)	(0.117)	(0.213)	(0.118)	(0.211)	(0.118)	(0.212)	(0.127)	(0.212)	(0.118)
Domestic attacks*	-0.00189***	3.39e-05	-0.00171**	1.96e-05	-0.00210***	-4.41e-05	-0.00145**	6.27e-05	-0.00166**	3.37e-05	-0.00168**	5.04e-05
	(0.000713)	(0.000364)	(0.000705)	(0.000356)	(0.000741)	(0.000360)	(0.000703)	(0.000361)	(0.000706)	(0.000363)	(0.000717)	(0.000364)
International attacks*	-0.00646	0.00693*	-0.00446	0.00777**	-0.00405	0.00764*	-0.00545	0.00682*	-0.00269	0.00714*	-0.00385	0.00725*
	(0.00558)	(0.00385)	(0.00567)	(0.00388)	(0.00571)	(0.00392)	(0.00586)	(0.00388)	(0.00569)	(0.00399)	(0.00561)	(0.00395)
Pair attacks	-0.107	0.0365	-0.116	0.0415	-0.0793	0.0522	-0.117	0.0433	-0.130	0.0451	-0.0952	0.0395
	(0.202)	(0.0822)	(0.204)	(0.0819)	(0.208)	(0.0848)	(0.205)	(0.0808)	(0.202)	(0.0812)	(0.207)	(0.0817)
Pair attacks*	-0.306*	-0.158**	-0.331**	-0.174**	-0.395**	-0.171**	-0.328*	-0.218***	-0.336**	-0.175**	-0.334**	-0.182**
	(0.163)	(0.0699)	(0.165)	(0.0726)	(0.173)	(0.0755)	(0.197)	(0.0722)	(0.165)	(0.0719)	(0.167)	(0.0746)
KAOPEN sender		0.149**		0.141**		0.117*		0.134**		0.171***		0.162***
		(0.0625)		(0.0622)		(0.0611)		(0.0625)		(0.0640)		(0.0625)
FDI dummy*		0.897***		0.904***		0.901***		0.914***		0.928***		0.920***
		(0.0406)		(0.0395)		(0.0405)		(0.0406)		(0.0403)		(0.0404)
Constant	-8.166***	-5.683***	-7.686***	-5.778***	-7.289***	-5.608***	-7.678***	-5.810***	-8.078***	-5.966***	-7.370***	-5.620***
	(2.003)	(1.031)	(1.977)	(1.008)	(2.025)	(1.025)	(1.990)	(1.036)	(1.984)	(1.024)	(2.005)	(1.029)
Observations	11,005	11,005	11,530	11,530	11,077	11,077	10,976	10,976	10,967	10,967	11,003	11,003

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

Table O.3. 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) w/o Spain FDI Share	(2) Selection	(1) w/o Sweden FDI Share	(2) Selection	(1) w/o Switzerland FDI Share	(2) Selection
Log FDI stock*	0.633***	0.216***	0.609***	0.205***	0.659***	0.236***
	(0.0855)	(0.0456)	(0.0895)	(0.0454)	(0.0908)	(0.0447)
Log GDP per capita receiver*	0.175	-0.150**	0.215*	-0.139**	0.184	-0.160***
	(0.116)	(0.0606)	(0.120)	(0.0601)	(0.122)	(0.0593)
Log GDP per capita sender*	0.0129	-0.00968	0.0419	-0.00945	0.0528	0.0243
	(0.0782)	(0.0360)	(0.0773)	(0.0367)	(0.0770)	(0.0365)
Log Population receiver	0.285***	-0.0259	0.292***	-0.0161	0.276***	-0.0282
	(0.0840)	(0.0419)	(0.0870)	(0.0420)	(0.0878)	(0.0415)
Log Population sender	-0.0122	0.420***	-0.0263	0.413***	-0.00258	0.440***
	(0.0545)	(0.0266)	(0.0581)	(0.0263)	(0.0591)	(0.0265)
Educational gap	-0.244	-0.187***	-0.204	-0.204***	-0.150	-0.192***
	(0.158)	(0.0706)	(0.163)	(0.0714)	(0.163)	(0.0705)
KAOPEN receiver	0.0617	0.00416	0.0694	0.0154	0.0904*	0.00325
	(0.0460)	(0.0232)	(0.0461)	(0.0230)	(0.0471)	(0.0229)
Log Distance	-0.921***	-0.258***	-0.919***	-0.255***	-0.956***	-0.264***
	(0.0902)	(0.0472)	(0.0931)	(0.0466)	(0.0942)	(0.0470)
Common language	0.487*	0.147	0.603***	0.348***	0.709***	0.303***
	(0.265)	(0.130)	(0.213)	(0.117)	(0.216)	(0.117)
Domestic attacks*	-0.00177**	0.000210	-0.00163**	3.16e-05	-0.00195***	-6.07e-05
	(0.000712)	(0.000355)	(0.000732)	(0.000368)	(0.000705)	(0.000366)
International attacks*	-0.00713	0.00775*	-0.00475	0.00722*	-0.00415	0.00743*
	(0.00596)	(0.00396)	(0.00600)	(0.00388)	(0.00591)	(0.00397)
Pair attacks	-0.122	0.0359	-0.114	0.0432	-0.129	0.0322
	(0.213)	(0.0807)	(0.202)	(0.0823)	(0.209)	(0.0808)
Pair attacks*	-0.339**	-0.132*	-0.294*	-0.175**	-0.352**	-0.175**
	(0.168)	(0.0795)	(0.166)	(0.0763)	(0.174)	(0.0763)
KAOPEN sender		0.138**		0.130**		0.0989
		(0.0623)		(0.0620)		(0.0619)
FDI dummy*		0.901***		0.886***		0.931***
		(0.0408)		(0.0404)		(0.0399)
Constant	-7.295***	-5.818***	-7.316***	-5.897***	-7.364***	-5.968***
	(1.977)	(1.034)	(2.027)	(1.027)	(2.054)	(1.034)
Observations	11,017	11,017	10,971	10,971	11,024	11,024

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