

Table 5: FDI to GDP (3SLS Estimates)

	Foreign direct investment, net inflows (% of GDP)							
FDI t-1	0.5678*** (0.0437)	0.5257*** (0.0459)	0.5738*** (0.0433)	0.5277*** (0.0457)	0.5742*** (0.0424)	0.5310*** (0.0446)	0.5055*** (0.0542)	0.4478*** (0.0574)
Trade/GDP (%)	0.0194*** (0.0027)	0.0171*** (0.0027)	0.0192*** (0.0027)	0.0170*** (0.0027)	0.0189*** (0.0026)	0.0169*** (0.0026)	0.0225*** (0.0028)	0.0195*** (0.0027)
GDP per capita (Constant US\$1,000)	0.1224*** (0.0278)	0.0860*** (0.0276)	0.1214*** (0.0278)	0.0850*** (0.0275)	0.0965*** (0.0264)	0.0730*** (0.0260)	0.0969*** (0.0281)	0.0784*** (0.0275)
Population (Million)	0.0026 (0.0017)	0.0027 (0.0017)	0.0023 (0.0017)	0.0025 (0.0017)	0.0019 (0.0017)	0.0022 (0.0016)	0.0018 (0.0019)	0.0024 (0.0019)
Ln GDP	-0.0883 (0.1823)	-0.7792*** (0.2398)	-0.0579 (0.1819)	-0.7694*** (0.2394)	0.0540 (0.1670)	-0.6008*** (0.2221)	0.4614*** (0.1783)	-0.5517** (0.2401)
Parcomp t-1	0.2489*** (0.0577)	0.1047* (0.0606)						
Regime t-1			0.0413*** (0.0102)	0.0172 (0.0108)				
Free t-1					0.4577*** (0.1658)	0.3863** (0.1631)		
ID t-1							0.0255*** (0.0067)	0.0114 (0.0071)
Constant	-4.7008*** (0.8200)	-2.3899*** (0.8883)	-3.8106*** (0.7420)	-1.9978** (0.7923)	-3.3724*** (0.7111)	-1.5651** (0.7440)	-4.1391*** (0.8104)	-2.4927*** (0.8219)
Observations	2002	2002	2002	2002	2085	2085	1965	1965
Groups	92	92	92	92	92	92	91	91
R-square	0.5729	0.5930	0.5719	0.5928	0.5704	0.5903	0.5484	0.5723
Country/Year Dummies	Yes/No	Yes/Yes	Yes/No	Yes/Yes	Yes/No	Yes/Yes	Yes/No	Yes/Yes

Standard errors in parentheses

* significant at 10%; ** significant at 5%; *** significant at 1%

Years: 1970-1998

Countries: Albania, Argentina, Australia, Austria, Belgium, Benin, Bolivia, Brazil, Bulgaria, Burkina Faso, Burundi, Cambodia, Cameroon, Canada, Chile, China, Colombia, Congo, Costa Rica, Denmark, Dominican Republic, Ecuador, Egypt, El Salvador, Estonia, Ethiopia, Finland, France, Ghana, Greece, Guatemala, Guinea, Haiti, Honduras, Hungary, India, Indonesia, Iran, Ireland, Israel, Italy, Ivory Coast, Jamaica, Japan, South Korea, Laos, Latvia, Lebanon, Lithuania, Malaysia, Mali, Mauritania, Mexico, Morocco, Nepal, Netherlands, New Zealand, Nicaragua, Niger, Nigeria, Norway, Pakistan, Panama, Paraguay, Peru, Philippines, Poland, Portugal, Romania, Russia, Rwanda, Senegal, Sierra Leone, Singapore, South Africa, Spain, Sri Lanka, Sudan, Sweden, Switzerland, Syria, Thailand, Togo, Tunisia, Turkey, United Kingdom, United States, Uruguay, Venezuela, Vietnam, Zaire, Zimbabwe.

Descriptive Statistics:

Variable	Units	Obs	Mean	Std. Dev.	Min	Max
FDI/GDP	%	2204	1.244	2.091	-25.782	16.174
Trade/GDP	%	2204	59.549	42.367	4.909	439.029
Capita GDP	Constant US\$ 1,000	2204	6.906	6.638	0.281	31.091
Real GDP	Constant US\$ Billions	2204	0.274	0.755	0.001	8.412
Population	Million	2204	49.353	148.502	1.221	1238.599
Parcomp		2204	3.046	1.535	1	5
Regime		2204	1.877	7.533	-10	10
Free		2071	0.425	0.495	0	1
ID		2195	13.984	13.832	0	47.11