

Populism, Regime Characteristics, and MNC Location Choice

Online Appendix

Appendix A: Sample Description

Table OA1

Descriptive statistics

	Mean	St. Dev.	Minimum	25 th Percentile	Median	75 th Percentile	Maximum
Investment dummy	0.216	0.411	0	0	0	0	1
Populism score (H1)	0.254	0.183	0.000	0.110	0.220	0.370	0.830
BO: Business orientation (H2)	3.042	1.095	0.300	2.000	3.100	4.000	5.000
AI: Anti-immigration (H3)	1.865	0.983	0.167	1.062	1.459	2.731	3.857
BO alignment (H4a)	3.757	0.899	0.300	3.200	3.900	4.500	5.000
AI alignment (H4b)	0.783	0.528	0.002	0.432	0.711	1.042	3.043
Alignment index (H4)	2.270	0.526	0.324	1.913	2.313	2.659	4.021
FDI per GDP	5.841	16.713	-37.155	1.453	2.804	4.923	449.083
GDP per capita	19,960.650	24,047.540	293.455	4,704.048	9,313.014	34,524.470	118,823.600
POLCON	0.557	0.260	0.000	0.351	0.667	0.766	0.893
Active BIT	0.463	0.499	0	0	0	1	1
Net income¹	1,094.593	3,531.824	-13,583.170	3.878	90.940	684.762	71,523.379
Employees	50,677.750	122,011.800	1	796	9,213	53,241	2,300,000
Operating revenue¹	13,890.668	33,725.018	-1.526	214.706	2,180.200	12,321.056	451,764.706
Equity ratio	0.365	2.907	-391.969	0.241	0.397	0.555	1.294
Target-country experience	1.864	3.115	0	0	0	3	10
International experience	154.823	182.247	0	11	85	239	1,361

¹Million USD.

Table OA2

Pairwise correlations

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
(1) Investment dummy	1	-0.159	0.083	-0.017	0.059	-0.007	0.047	-0.096	0.191	0.214	-0.114	-0.010	-0.019	-0.018	-0.002	0.284	-0.010
(2) Populism score (H1)	-0.159	1	-0.382	0.0001	-0.140	0.004	-0.117	-0.043	-0.358	-0.270	0.212	0.016	0.019	0.018	-0.004	-0.144	0.006
(3) BO: Business orientation (H2)	0.083	-0.382	1	0.005	0.163	0.001	0.140	-0.066	0.065	-0.008	-0.041	0.0004	-0.003	0.003	0.002	0.075	0.017
(4) AI: Anti-immigration (H3)	-0.017	0.0001	0.005	1	-0.028	0.269	0.111	-0.002	-0.021	-0.015	0.003	-0.016	-0.045	-0.031	-0.001	-0.062	-0.125
(5) BO alignment (H4a)	0.059	-0.140	0.163	-0.028	1	0.022	0.865	0.015	0.001	-0.007	0.061	-0.009	-0.017	-0.006	-0.004	0.009	-0.003
(6) AI alignment (H4b)	-0.007	0.004	0.001	0.269	0.022	1	0.521	0.00004	-0.020	-0.022	-0.116	0.101	0.053	0.075	0.012	-0.019	-0.013
(7) Alignment index (H4)	0.047	-0.117	0.140	0.111	0.865	0.521	1	0.013	-0.009	-0.017	-0.007	0.043	0.012	0.032	0.002	-0.002	-0.009
(8) FDI per GDP	-0.096	-0.043	-0.066	-0.002	0.015	0.00004	0.013	1	0.197	0.051	-0.073	0.012	-0.005	0.002	-0.001	-0.045	-0.012
(9) GDP per capita	0.191	-0.358	0.065	-0.021	0.001	-0.020	-0.009	0.197	1	0.550	-0.443	-0.037	-0.064	-0.059	0.002	0.202	-0.060
(10) POLCON	0.214	-0.270	-0.008	-0.015	-0.007	-0.022	-0.017	0.051	0.550	1	-0.320	-0.034	-0.047	-0.048	0.006	0.239	-0.040
(11) Active BIT	-0.114	0.212	-0.041	0.003	0.061	-0.116	-0.007	-0.073	-0.443	-0.320	1	0.004	0.024	0.011	-0.002	-0.077	0.053
(12) Net income	-0.010	0.016	0.0004	-0.016	-0.009	0.101	0.043	0.012	-0.037	-0.034	0.004	1	0.401	0.621	0.001	0.105	0.236
(13) Employees	-0.019	0.019	-0.003	-0.045	-0.017	0.053	0.012	-0.005	-0.064	-0.047	0.024	0.401	1	0.737	-0.005	0.149	0.304
(14) Operating revenue	-0.018	0.018	0.003	-0.031	-0.006	0.075	0.032	0.002	-0.059	-0.048	0.011	0.621	0.737	1	-0.003	0.153	0.319
(15) Equity ratio	-0.002	-0.004	0.002	-0.001	-0.004	0.012	0.002	-0.001	0.002	0.006	-0.002	0.001	-0.005	-0.003	1	-0.004	-0.009
(16) Target-country experience	0.284	-0.144	0.075	-0.062	0.009	-0.019	-0.002	-0.045	0.202	0.239	-0.077	0.105	0.149	0.153	-0.004	1	0.542
(17) International experience	-0.010	0.006	0.017	-0.125	-0.003	-0.013	-0.009	-0.012	-0.060	-0.040	0.053	0.236	0.304	0.319	-0.009	0.542	1

Appendix B: Populism and the Business Environment

We argued that populist governments will tend to paint foreign firms as part of the outgroup, and populists will tend to use their discretionary power to target foreign firms that do not comply with populist requirements. To get closer to this mechanism, we first consider the extent to which populist governments follow up their rhetoric with restrictions in the process of clearing foreign firms for FDI. At the country level, we use panel data on countries' FDI-restrictiveness data (provided by the OECD), which measures how difficult it is for foreign firms to obtain FDI clearance in OECD host countries.¹ Corresponding to our arguments, there are four components of this score: foreign equity restrictions, discriminatory screening or approval mechanisms, restrictions on key foreign personnel, and operational restrictions. We first estimate a country's FDI-restrictiveness score in a country in year $t+1$ as a function of the populist government in that country in year t (Table OA3). In this model, there is a strong positive coefficient of the *Populism score* ($\beta=0.078$, $p=0.003$). Thus, consistent with our argument, a country's populism in year t is associated with greater FDI restrictiveness in year $t+1$. In the second step, we use this coefficient to compute a predicted FDI-restrictiveness score.² Finally, we plug in the predicted values (instead of raw values of the *Populism score*) in Model 1 of Table OA4 and estimate the dependent variable at the firm level. The coefficient of the populism-predicted FDI-restrictiveness score is negative, as expected.

We next assess how a country's perceived attractiveness as an investment location is related to the presence of populist governments. As before, we use a country-level panel dataset on how attractive countries are in the eyes of company executives. This variable is drawn from the IMD World Competitiveness Report.³ We then estimate how a country's *Populism score* in year t influences the attractiveness of that country in year $t+1$ (Table OA3) and find a strong negative coefficient ($\beta=-3.32$, $p=0.000$). In other words, a higher *Populism score* in year t corresponds to lower attractiveness in year

¹ <https://data.oecd.org/fdi/fdi-restrictiveness.htm>.

² This is calculated using the intercept plus the *Populism score* multiplied by the coefficient. In other words, the predicted FDI-restrictiveness score is $0.09 + 0.08 \times \text{Populism score}$.

³ <https://www.imd.org/centers/wcc/world-competitiveness-center/rankings/world-talent-ranking/>.

$t+1$. We then plug in the populism-predicted country-attractiveness score⁴ and use this measure to estimate our dependent variable (Model 2 of Table OA4). Because a higher value of the populism-predicted country-attractiveness score represents greater attractiveness, we expect and find a positive coefficient, which indicates that more populism translates into less investment via a reduction in country attractiveness.

Table OA3

Regression results for models relating populism in year t to FDI Restrictiveness and Country Attractiveness in year $t+1$, P-values in brackets.

	FDI Restrictiveness	Country Attractiveness
Intercept	0.087 (p = 0.001)	5.854 (p = 0.001)
Populism score	0.078 (p = 0.003)	-3.320 (p = 0.001)
N	688	719

Table OA4

Effect of *Populism score* predicted FDI Restrictiveness and Country Attractiveness on foreign firm investment, Confidence intervals with $\alpha=95\%$ in brackets.

	Model 1	Model 2
Intercept	0.549 (p = 0.001)	-2.425 (p = 0.001)
POLCON	-0.284 (p = 0.001)	-0.190 (p = 0.001)
Populism score (H1 -)	-12.314 (p = 0.001)	0.321 (p = 0.001)
FDI per GDP	-0.049 (p = 0.001)	-0.045 (p = 0.001)
Net income	0.037 (p = 0.001)	0.034 (p = 0.002)
Employees	-0.023 (p = 0.016)	-0.016 (p = 0.109)
Operating revenue	-0.010 (p = 0.396)	-0.018 (p = 0.149)

⁴ As before, this is calculated as from the intercept and coefficient. The predicted Country Attractiveness score is $5.82 - 3.32 \times \text{Populism score}$.

Equity ratio	-1.088 (p = 0.608)	-1.075 (p = 0.610)
Target-country experience	-0.634 (p = 0.001)	-0.628 (p = 0.001)
International experience	0.627 (p = 0.001)	0.620 (p = 0.001)
N	70,666	65,795

Appendix C: Alternative Counterfactual Estimations

First, we focus on the choice of counterfactual observations and the sampling approaches we use. Table OA5 shows eight robustness checks along these lines. Model 1 uses only one unrealized counterfactual per realized investment. Because of the reduced firm variation, we use a model without firm fixed effects in this estimation. Models 2 and 3 go back to the firm fixed effect and use two and (up to) five counterfactuals, respectively. For Models 1–3, the counterfactuals are randomly selected from the regions we use in the main specification.⁵ Results are consistent with our main analysis.

In Model 4, we use a slightly different definition of regions. We draw on Arregle et al. (2013), who also use the UN subregions, for the counterfactuals in Model 4. However, Arregle et al. have a smaller dataset and, hence, regions according to them have fewer countries, and some regions are not covered by their data. Also, Arregle et al. reclassify some countries – for example, they use the NAFTA region (which notably includes Mexico) instead of the UN subregion “Northern America” that only includes the USA and Canada. Still, for consistency with prior research, we apply the exact region specification from Arregle et al. in Model 4, which also uses firm fixed effects. We find results consistent with our main results in Table 3, even though the statistical significance is somewhat reduced, particularly for the test of H3.

Models 5 and 6 use different constraints on counterfactuals. In Model 5, we only use countries as counterfactuals that received FDI from the investing firm’s home country in our dataset before the investment year. Model 6 follows a similar logic but one based on FDI from the same industry as the investing firm. Again, we use firm fixed effects for Models 5 and 6 and find results consistent with our main analysis. Model 7 constrains the dataset to firms that have at least two realized investments in the sample period, hence excluding firms that show up in the dataset only once. Results are again based on a firm fixed-effects model and consistent with our main findings. Model 8 eliminates from the sample all

⁵ The total number of observations does not increase from the main model we show in Table 3, because several economic subregions have fewer than six countries in total for which full information is available. This robustness test is more about balancing out the distribution of counterfactuals than about limiting counterfactuals.

cases where a firm made more than one investment in a foreign country and year. This model again goes back to a regular glm model because of the reduced variation across firms. Results are again consistent with our main model.

Table OA5

Robustness tests: Counterfactuals

	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8
Intercept	0.106 (p = 0.006)							-1.775 (p = 0.001)
Populism score (H1: -)	-0.412 (p = 0.001)	-0.365 (p = 0.001)	-0.313 (p = 0.001)	-0.367 (p = 0.001)	-0.267 (p = 0.001)	-0.265 (p = 0.001)	-0.264 (p = 0.001)	-0.288 (p = 0.001)
Business orientation	0.054 (p = 0.001)	0.091 (p = 0.001)	0.094 (p = 0.001)	0.178 (p = 0.001)	0.048 (p = 0.028)	0.071 (p = 0.001)	0.111 (p = 0.001)	0.120 (p = 0.001)
Populism score * Business orientation (H2: +)	0.313 (p = 0.001)	0.445 (p = 0.001)	0.397 (p = 0.001)	0.410 (p = 0.001)	0.437 (p = 0.001)	0.460 (p = 0.001)	0.438 (p = 0.001)	0.417 (p = 0.001)
Anti-immigration	-0.050 (p = 0.001)	-0.017 (p = 0.511)	-0.022 (p = 0.410)	-0.006 (p = 0.830)	-0.026 (p = 0.386)	-0.031 (p = 0.380)	-0.023 (p = 0.443)	-0.061 (p = 0.001)
Populism score * Anti- immigration (H3: -)	-0.052 (p = 0.001)	-0.043 (p = 0.022)	-0.044 (p = 0.018)	-0.024 (p = 0.193)	-0.057 (p = 0.005)	-0.048 (p = 0.017)	-0.039 (p = 0.043)	-0.037 (p = 0.007)
Alignment index	0.139 (p = 0.001)	0.125 (p = 0.009)	0.170 (p = 0.001)	0.136 (p = 0.005)	0.068 (p = 0.114)	0.104 (p = 0.020)	0.195 (p = 0.001)	0.228 (p = 0.001)
Populism score * Alignment index (H4: +)	0.104 (p = 0.001)	0.095 (p = 0.016)	0.097 (p = 0.011)	0.079 (p = 0.039)	0.108 (p = 0.009)	0.089 (p = 0.035)	0.082 (p = 0.033)	0.079 (p = 0.003)
FDI per GDP	-0.040 (p = 0.001)	-0.045 (p = 0.001)	-0.053 (p = 0.001)	-0.050 (p = 0.001)	-0.059 (p = 0.001)	-0.056 (p = 0.001)	-0.062 (p = 0.001)	-0.077 (p = 0.001)
GDP per capita	0.000 (p = 0.001)	0.000 (p = 0.001)	0.000 (p = 0.001)	0.000 (p = 0.001)	0.000 (p = 0.001)	0.000 (p = 0.207)	0.000 (p = 0.365)	0.000 (p = 0.001)
POLCON	-0.071 (p = 0.166)	0.055 (p = 0.571)	0.140 (p = 0.145)	-0.184 (p = 0.066)	-0.147 (p = 0.115)	-0.222 (p = 0.023)	0.116 (p = 0.236)	0.300 (p = 0.001)
Active BIT	0.169 (p = 0.001)	0.224 (p = 0.001)	0.159 (p = 0.005)	0.200 (p = 0.001)	-0.087 (p = 0.087)	0.056 (p = 0.300)	0.115 (p = 0.034)	0.122 (p = 0.001)
Net income	0.044 (p = 0.001)	0.042 (p = 0.027)	0.039 (p = 0.041)	0.014 (p = 0.518)	0.048 (p = 0.040)	0.048 (p = 0.119)	0.039 (p = 0.094)	0.023 (p = 0.105)
Employees	0.005 (p = 0.638)	0.179 (p = 0.006)	0.130 (p = 0.055)	0.152 (p = 0.027)	0.054 (p = 0.464)	0.128 (p = 0.099)	0.065 (p = 0.376)	-0.010 (p = 0.485)
Operating revenue	-0.021 (p = 0.125)	-0.049 (p = 0.181)	-0.042 (p = 0.193)	-0.053 (p = 0.127)	-0.050 (p = 0.132)	-0.090 (p = 0.026)	-0.049 (p = 0.166)	-0.010 (p = 0.536)
Equity ratio	-0.875 (p = 0.751)	54.314 (p = 0.495)	41.891 (p = 0.731)	63.808 (p = 0.524)	105.655 (p = 0.442)	114.078 (p = 0.531)	106.870 (p = 0.515)	-2.260 (p = 0.469)

	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8
Target-country experience	0.718	1.061	1.065	1.042	0.947	0.913	1.036	0.717
	(p = 0.001)	(p = 0.001)	(p = 0.001)	(p = 0.001)	(p = 0.001)	(p = 0.001)	(p = 0.001)	(p = 0.001)
International experience	-0.677	-1.091	-1.102	-1.073	-0.972	-1.041	-1.037	-0.671
	(p = 0.001)	(p = 0.001)	(p = 0.001)	(p = 0.001)	(p = 0.001)	(p = 0.001)	(p = 0.001)	(p = 0.001)
Observations	46,834	64,101	82,197	76,645	86,397	79,521	105,057	57,726
AIC	56,399.6	80,211.7	90,425.1	85,440.3	90,932.9	87,002.4	91,833.5	48,283.2
BIC	56,557.2	127,402.7	138,910.1	131,323.6	137,429.3	131,889.5	129,145.4	48,444.6
Fixed effects	None	Firm	Firm	Firm	Firm	Firm	Firm	None

Model 1 uses only one counterfactual per realized investment (randomly selected from the counterfactuals in the main model), Model 2 uses only two counterfactuals per realized investment, and Model 3 uses only (up to) five counterfactuals per realized investment. Model 4 replicates the exact regions as used by Arregle et al. (2013). Model 5 uses as counterfactuals only countries that received FDI from the firm's home country before in our dataset, and Model 6 uses as counterfactuals only countries that received FDI from the investing firm's industry before in our dataset. Model 7 uses only observations from firms with at least two realized investments in the dataset, and Model 8 uses only one realized observation per firm and target-country per year. Models 1 and 8 are regular glm models; all other models use firm fixed effects.

Appendix D: Alternative Model Specifications

Table OA6 investigates robustness with regard to model specification. Again, results are remarkably robust. Hypotheses 1–3 remain essentially unchanged across all models, and only H4 has non-findings in two of the eight specifications. Model 1 is a conditional logit model, specified the same way as our main model in Table 3. Model 2 is a count model based not on whether but on how many investments a firm made in a certain target country and year (using a Poisson specification). Models 3–5 in Table OA6 vary the fixed-effects structure, with Model 3 using industry fixed effects, Model 4 using investment fixed effects, and Model 5 using no fixed effects. Models 6–8 vary the control variables in the model specification. Model 6 does not use any firm-level control variables, which is in line with much of the research on populism and investment (the model still uses the firm fixed effect). Model 7 adds R&D intensity to the model, a variable that is notoriously hard to get for many companies (and the sample drops substantially accordingly), as well as the capital spent on the FDI project in question. Model 8, finally, adds additional target-country-level control variables in addition to the variables included in Model 7.

Table OA6

Robustness tests: Model specifications

	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8
Intercept		-0.944 (p = 0.001)			-1.625 (p = 0.001)		-1.776 (p = 0.001)	-2.382 (p = 0.001)
Populism score (H1: -)	-0.328 (p = 0.001)	-0.856 (p = 0.001)	-0.248 (p = 0.001)	-0.425 (p = 0.001)	-0.245 (p = 0.001)	-0.324 (p = 0.001)	-0.232 (p = 0.001)	-0.277 (p = 0.001)
Business orientation	0.106 (p = 0.001)	-0.021 (p = 0.001)	0.122 (p = 0.001)	0.103 (p = 0.001)	0.126 (p = 0.001)	0.146 (p = 0.001)	0.127 (p = 0.001)	0.058 (p = 0.001)
Populism score * Business orientation (H2: +)	0.352 (p = 0.001)	0.347 (p = 0.001)	0.458 (p = 0.001)	0.454 (p = 0.001)	0.459 (p = 0.001)	0.450 (p = 0.001)	0.488 (p = 0.001)	0.268 (p = 0.001)
Anti-immigration		-0.077 (p = 0.014)	-0.064 (p = 0.001)		-0.070 (p = 0.001)	0.010 (p = 0.661)	-0.028 (p = 0.097)	-0.049 (p = 0.006)
Populism score * Anti-immigration (H3: -)	-0.029 (p = 0.005)	-0.294 (p = 0.001)	-0.050 (p = 0.001)	-0.037 (p = 0.010)	-0.053 (p = 0.001)	-0.062 (p = 0.001)	-0.075 (p = 0.001)	-0.037 (p = 0.073)
Alignment index	0.163 (p = 0.001)	0.057 (p = 0.001)	0.250 (p = 0.001)	0.229 (p = 0.001)	0.239 (p = 0.001)	0.217 (p = 0.001)	0.207 (p = 0.001)	0.225 (p = 0.001)
Populism score * Alignment index (H4: +)	-0.026 (p = 0.226)	0.066 (p = 0.001)	0.105 (p = 0.001)	-0.031 (p = 0.311)	0.105 (p = 0.001)	0.131 (p = 0.001)	0.190 (p = 0.001)	0.124 (p = 0.001)
FDI per GDP	-0.029 (p = 0.001)	-0.058 (p = 0.001)	-0.078 (p = 0.001)	-0.038 (p = 0.001)	-0.079 (p = 0.001)	-0.073 (p = 0.001)	-0.084 (p = 0.001)	-0.062 (p = 0.001)
GDP per capita	0.000 (p = 0.001)	0.000 (p = 0.001)	0.000 (p = 0.001)	0.000 (p = 0.001)	0.000 (p = 0.001)	0.000 (p = 0.001)	0.000 (p = 0.001)	0.000 (p = 0.033)
POLCON	0.517 (p = 0.001)	0.136 (p = 0.001)	0.095 (p = 0.536)	0.568 (p = 0.001)	0.099 (p = 0.018)	0.747 (p = 0.001)	-0.060 (p = 0.402)	1.695 (p = 0.001)
Active BIT	0.284 (p = 0.001)	0.144 (p = 0.001)	0.107 (p = 0.016)	0.390 (p = 0.001)	0.110 (p = 0.001)	0.187 (p = 0.001)	-0.077 (p = 0.029)	0.158 (p = 0.001)
Net income		0.039 (p = 0.001)	0.033 (p = 0.001)		0.035 (p = 0.001)		0.052 (p = 0.001)	0.040 (p = 0.003)
Employees		0.055 (p = 0.001)	-0.005 (p = 0.579)		-0.002 (p = 0.815)		0.051 (p = 0.004)	0.061 (p = 0.001)
Operating revenue		-0.036 (p = 0.001)	-0.013 (p = 0.127)		-0.017 (p = 0.120)		-0.025 (p = 0.075)	-0.018 (p = 0.216)
Equity ratio		-1.535 (p = 0.299)	-2.723 (p = 0.001)		-2.334 (p = 0.294)		79.702 (p = 0.202)	63.810 (p = 0.332)
Target-country experience	0.942	0.431	0.743	1.442	0.730		0.856	0.822

	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8
	(p = 0.001)	(p = 0.001)	(p = 0.001)	(p = 0.001)	(p = 0.001)		(p = 0.001)	(p = 0.001)
International experience		-0.338	-0.676		-0.669		-0.733	-0.718
		(p = 0.001)	(p = 0.001)		(p = 0.001)		(p = 0.001)	(p = 0.001)
R&D intensity							0.087	0.084
							(p = 0.001)	(p = 0.001)
Capital expenditure							0.000	0.000
							(p = 0.413)	(p = 0.144)
GDP growth								0.234
								(p = 0.001)
Trade per GDP								-0.011
								(p = 0.001)
Regime type								-0.960
								(p = 0.001)
Rule of law								0.413
								(p = 0.001)
Observations	110,287	51,529	110,283	109,531	110,287	110,287	36,405	36,405
AIC	48,022.7	91,558.9	93,731.0	126,681.3	93,387.3	108,185.4	29,086.7	26,532.2
BIC	48,128.4	91,718.2	96,835.3	348,052.7	93,560.3	158,142.5	29,256.7	26,736.3
Fixed effects	None	None	Industry	Investment	None	Firm	None	None

Model 1 is a conditional logit model of our full moderation model. Model 2 uses a count model (Poisson) based on how many investments a company made in a target country per year. Models 3 and 4 use industry (Model 3) and investment (Model 4) fixed effects. Model 5 uses no fixed effects and a regular glm model instead. Model 6 uses no company-level controls but includes firm fixed effects. Models 7–8 use additional controls instead of a fixed-effects structure. Model 7 adds R&D intensity, which is only available for a fraction of firms in the sample, as well as the capital expenditure for the FDI projects as a control. Model 8 also includes additional country-level controls.

Appendix E: Change in Populism and Lag Structure

Table OA7 shows results for different lag structures as well as a sample split into only those target countries that saw an increase in populism in the year before the investment. Model 1 is the same as Model 2 in Table 2 for comparison. Model 2 uses only those countries that saw an increase in populism in the year before the investment. Models 3–6 use 1–4 years of lag for the populism score. Results are consistent with the main model. There is a slight increase in effect size for those countries that saw a change in populism, as well as for lags 2 and 3.

Table OA7

Robustness tests: Change in populism and lag structure

	(1)	(2)	(3)	(4)	(5)	(6)
Populism score (H1: -)	-0.278 (p = 0.001)	-0.339 (p = 0.001)	-0.293 (p = 0.001)	-0.359 (p = 0.001)	-0.370 (p = 0.001)	-0.303 (p = 0.001)
FDI per GDP	-0.053 (p = 0.001)	0.050 (p = 0.001)	-0.059 (p = 0.001)	-0.065 (p = 0.001)	-0.064 (p = 0.001)	-0.052 (p = 0.001)
GDP per capita	0.000 (p = 0.078)	-0.000 (p = 0.001)	-0.000 (p = 0.001)	-0.000 (p = 0.001)	-0.000 (p = 0.001)	-0.000 (p = 0.001)
POLCON	0.410 (p = 0.001)	6.648 (p = 0.001)	-0.348 (p = 0.001)	-0.726 (p = 0.001)	-0.996 (p = 0.001)	-1.372 (p = 0.001)
Active BIT	0.076 (p = 0.137)	-0.741 (p = 0.001)	0.090 (p = 0.002)	0.076 (p = 0.014)	0.070 (p = 0.031)	0.066 (p = 0.061)
Net income	0.043 (p = 0.072)	0.002 (p = 0.987)	0.016 (p = 0.497)	0.011 (p = 0.660)	0.006 (p = 0.837)	-0.013 (p = 0.699)
Employees	0.013 (p = 0.871)	0.399 (p = 0.261)	-0.015 (p = 0.834)	-0.030 (p = 0.687)	-0.073 (p = 0.339)	-0.154 (p = 0.059)
Operating revenue	-0.055 (p = 0.151)	-0.088 (p = 0.511)	-0.109 (p = 0.002)	-0.115 (p = 0.001)	-0.107 (p = 0.005)	-0.063 (p = 0.125)
Equity ratio	130.163 (p = 0.468)	-2408.597 (p = 0.076)	220.761 (p = 0.096)	311.994 (p = 0.022)	264.530 (p = 0.061)	105.802 (p = 0.467)
Target-country experience	1.066 (p = 0.001)	1.090 (p = 0.001)	0.983 (p = 0.001)	0.942 (p = 0.001)	0.893 (p = 0.001)	0.865 (p = 0.001)
International experience	-1.060 (p = 0.001)	-1.012 (p = 0.001)	-1.123 (p = 0.001)	-1.132 (p = 0.001)	-1.055 (p = 0.001)	-1.055 (p = 0.001)
Observations	110,287	3,967	77,165	68,346	60,204	51,044
AIC	100,628.5	3,819.6	76,225.2	71,948.9	67,431.6	60,157.4
BIC	150,585.7	6,277.3	114,267.2	108,670.0	102,517.0	91,735.4
Fixed effects	Firm	Firm	Firm	Firm	Firm	Firm

This table includes Model 2 from Table 2 as a reference (Model 1 here). Model 2 uses only observations where the populism score increased in the year prior to the investment. Models 3–6 are models with lagged populism scores, going from a 1-year lag (Model 3) to a 4-year lag (Model 6). Coefficients for the populism score are rather consistent. The effect size is somewhat larger in Model 2 than in Model 1, which indicates that the effect of populism is somewhat stronger for countries that saw an increase in populism. The lag structure reveals relatively little. Effect sizes are somewhat larger in lags 2 and 3, but the variation is within reasonable statistical bandwidth.