**Supplementary Materials to the paper
GOVERNMENT AID AND STATE OWNERSHIP: THE IMPACT ON
THE FDI DECISIONS OF CHINESE MNES IN AFRICA**

# Supplementary analysis Ⅰ: Using different choice sets

According to AidData, Chinese MNEs, whether SOE or POE, are likely to be implementing agencies of aid projects. Thus, on occasions, Chinese MNEs’ FDI in a recipient country might be the same as implementing aid projects, creating a potential endogeneity issue. To eliminate the potential endogeneity, we establish a new dataset by excluding aid projects which we could determine are also considered foreign investments in recipient countries. We use the following approach to do so:

First, we collect the list of all implementing agencies from AidData and perform manual checks against the MOFCOM information on FDI firms. Second, we separated entries with abbreviated names and ampersands in the names of implementing agencies and MNEs in both datasets. Third, we match firms’ names from the MOFCOM dataset on FDI with the aid implementing agency ones to match any overlaps that we could verify refer to the same firms. Fourth, we again manually check whether there are misspelled or other types of non-conventional abbreviations to ensure the accuracy of matching.

In the end, we obtain 106 MNEs’ investments in MOFCOM data which are also recorded in the AidData as an aid project. We exclude all these 106 matched investments from the sample in our supplementary regression analyses to reduce the potential endogeneity of the aid-FDI link. In this supplementary analysis with the excluded aid-FDI matches, we again use conditional logit regressions. The results are presented in Table A1. Model S11 and Model S12 show that the likelihood of SOEs and POEs making FDI in recipient countries increases with the proportion of aid from the Chinese government in the previous year. The coefficient of aid ratio on SOEs’ FDI is significantly larger than its effect on their POE counterparts’ FDI (β=4.180, p ≤ 0.05), which again supports hypothesis 1 and our initial findings.

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Table A2 reports the results of interaction terms with the aid-FDI matched excluded from the sample. In Model S12 and Model S13, the coefficient estimate for the interaction term of aid ratio and UN voting alignment is significant and positive for SOEs (β=159.000, p≤ 0.1) rather than for POEs (β=-58.06, n.s.). These results are also consistent with our main findings which provide further support for hypothesis 2. In Models S15 and S16, the interaction term of aid ratio and investment profile is negative and significant for POEs (β=-2.335, p≤ 0.05), but the interaction term of SOEs (β=-0.510, n.s.) is not significant. These results are consistent with those reported in Table 4 and again support hypothesis 3.

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# Supplementary analysis II: Using an instrumental variable

Aid from the Chinese government may be an endogenous problem for Chinese MNEs’ making FDI in a country, which may threaten the validity of our findings and conclusion. To address the concern of endogeneity, we use an instrumental variable in regression analyses. According to Wooldridge (2015), a good instrumental variable needs to meet the following two conditions: (1) correlates with endogenous variable, the aid ratio fromChina, and (2) is unrelated to the error term in the model. The official development assistance (ODA) is decided and distributed by sub-committees of the Organization for Economic Co-operation and Development (OECD), sourced from the World Bank Indicators. As ODA recipient countries are likely to be the same as those receiving Chinese aid, the net ODA a country receives correlates with the aid ratio from China. However, the net ODA for each country is unlikely to be related to our DV, Chinese MNEs’ location choice. We use the natural logarithm of the net ODA at constant prices in 2014 as the instrumental variable. The results of instrumental variable regression are presented in Table A3.

Model S21 and Model S23 in Table A3 show the first stage of the instrumental variable with aid ratio as the dependent variable and other control variables from SOEs and POEs respectively. The overall model in Model S21 (R2=0.347, F statistic=1877.80, P<0.001) and Model S23 (R2=0.293, F statistic=1414.79, P<0.001) are statistically significant. The coefficients of net official development assistance are positive and statistically significant. Model S22 and Model S24 show the results of the second stage of the instrumental variable with location choice from SOEs and POEs respectively. The coefficient for aid ratio is positively significant (β=73.277, p<0.001) for SOEs. The coefficient for the aid ratio is also positive and statistically significant (β=27.119, p<0.001) for POEs. After joint post-estimation, the coefficient of SUEST is 5.49, which is statistically significant (p<0.05). Thus, hypothesis 1 is supported.

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# Supplementary analysis Ⅲ: Using an alternative measurement

To test whether the results are sensitive to a specific measurement, we use the number of aid each recipient country received each year as an alternative measurement to the aid ratio as the independent variable. Table A4 and Table A5 display the results of this alternative measurement. The coefficient of the number of aids on SOE FDI is larger than that of POE FDI, which is statistically significant after joint post-estimation (β=9.670, p≤ 0.05). Thus, the result is consistent with our main finding in hypothesis 1. In Model S33 of Table A5, the coefficient for the interaction term of the number of aids and UN voting alignment is positively significant for SOEs’ FDI (β=0.545, p≤ 0.05). The interaction term in Model S34 is non-significant for POEs’ choice (β=-0.001, n.s.). Hypothesis 2 is also supported. The results in Model S36 and Model S37 show that the investment risk profile of an aid-recipient country negatively moderates the relationship between the number of aids and POEs’ FDI (β=-0.068, p≤ 0.05) rather than SOEs’ FDI (β=-0.014, n.s.). Therefore, it supports hypothesis 3.

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INSERT TABLE A4 AND TABLE A5 ABOUT HERE

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# Supplementary analysis IV: Using a different model

Following Li et al. (2020), we use mixed logit models for our next supplementary analyses to address the concerns about unobserved heterogeneity. The mixed logit model allows random coefficients which relax the IIA assumption and introduce unobserved preference heterogeneity (Train, 2009). Table A6 and Table A7 report the results of mixed logit models. Results in Table A6 show that the coefficient of aid ratio in Models S41 and S42 are both positive and significant, which means both SOEs (β=9.476, p≤ 0.001) and POEs (β=3.224, p≤ 0.05) will invest in aid recipient countries with the increasing aid ratio in the recipient countries in the year before. Besides, the SUEST test result indicates that the coefficient of aid on SOE FDI is significantly larger than that of POE FDI (β=3.790, p≤ 0.05). Supporting our main findings in hypothesis 1.

In Model S43 of Table A7, the coefficient for the interaction term of aid ratio and UN voting alignment is positively significant for SOEs’ FDI choice (β=211.100, p≤0.05). In Model S44, the coefficient estimation for aid ratio and voting alignment is, in contrast, not significant for POEs’ FDI choice (β=-28.620, n.s.). These supplementary findings also support hypothesis 2. The results of Model S45 and Model S46 shows that the moderation effect of investment profile on the relationship between aid ratio and FDI in the recipient country is negatively more pronounced for POEs (β=-2.652, p≤ 0.001) but not for SOEs (β=-1.646, n.s.). Thereby, hypothesis 3 is supported.

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INSERT TABLE A6 AND TABLE A7 ABOUT HERE

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**Reference**

Li, Y., Zhang, Y., & Shi, W. 2020. Navigating geographic and cultural distances in international expansion: The paradoxical roles of firm size, age, and ownership. ***Strategic Management Journal***, *41*(5), 921-949.

Train, K. 2009. ***Discrete choice methods with simulation***. London: Cambridge university press.

Wooldridge, J. 2015. ***Introductory econometrics: A modern approach***. Boston: Cengage learning.

TABLE A1 Results of Conditional Logit Regression Analyses Using Different Choice Set Ⅰ

|  |  |  |
| --- | --- | --- |
| Variables | Model S11 | Model S12 |
| Likelihood of SOE FDI | Likelihood of POE FDI |
| AidRatio | 12.527\*\*\* | 3.435\* |
|  | (3.550) | (2.019) |
| SUEST test | 4.980\*\* |
| Aidratiot-2 | 0.821 | 0.889 |
|  | (3.342) | (1.796) |
| Ln (Geographic distance) | -0.022 | 1.152\*\*\* |
|  | (0.398) | (0.278) |
| BITs | 0.106 | 0.166\*\* |
|  | (0.100) | (0.072) |
| Government stability | 0.232\*\*\* | -0.003 |
|  | (0.053) | (0.026) |
| Law and order | 0.137\*\*\* | 0.164\*\*\* |
|  | (0.049) | (0.037) |
| Corruption | 0.201\*\*\* | -0.008 |
|  | (0.078) | (0.057) |
| Ln (Population) | 0.573\*\*\* | 0.759\*\*\* |
|  | (0.092) | (0.056) |
| Ln (GDP per capita) | 0.418\*\*\* | 0.337\*\*\* |
|  | (0.082) | (0.050) |
| Ln (Annual export value) | -0.113\* | 0.029 |
|  | (0.061) | (0.042) |
| Internal conflict | 0.229\*\*\* | 0.189\*\*\* |
|  | (0.042) | (0.029) |
| Socioeconomic conditions | -0.367\*\*\* | -0.273\*\*\* |
|  | (0.046) | (0.034) |
| Observations | 40,386 | 37,524 |
| Log likelihood | -4142.010 | -3457.429 |
| Pseudo R2 | 0.086 | 0.093 |
| Wald Chi squared | 867.18\*\*\* | 770.03\*\*\* |

Notes: Robust standard errors are in the parentheses.

\*indicates significance at the p ≤0.10（\*\* p ≤ 0.05; \*\*\* p ≤ 0.01）level of confidence.

TABLE A2 Results of Conditional Logit Regression Analyses Using Different Choice Set Ⅱ

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Variables | Model S13 | Model S14 | Model S15 | Model S16 | Model S17 | Model S18 |
| Likelihood of SOE FDI | Likelihood of POE FDI | Likelihood of SOE FDI | Likelihood of POE FDI | Likelihood of SOE FDI | Likelihood of POE FDI |
| AidRatio | -135.057\* | -39.676 | 19.237\* | 20.961\*\*\* | -129.287 | -9.744 |
|  | (79.583) | (54.741) | (11.457) | (7.209) | (80.412) | (55.812) |
| UN voting alignment | -0.663 | 7.383\*\*\* |  |  | -0.563 | 7.088\*\*\* |
|  | (2.681) | (1.833) |  |  | (2.685) | (1.813) |
| AidRatio\*UN voting alignment | 160.285\* | 47.325 |  |  | 159.455\* | 29.473 |
|  | (86.053) | (59.432) |  |  | (85.899) | (59.065) |
| Investment profile |  |  | 0.037 | -0.046 | 0.041 | -0.039 |
|  |  |  | (0.053) | (0.032) | (0.052) | (0.032) |
| AidRatio\*Investment profile |  |  | -0.990 | -2.335\*\* | -0.758 | -1.811\* |
|  |  |  | (1.583) | (0.963) | (1.545) | (0.972) |
| AidRatiot-2 | 0.853 | 1.210 | 0.631 | 1.399 | 0.621 | 1.587 |
|  | (3.334) | (1.822) | (3.357) | (1.822) | (3.346) | (1.840) |
| Ln (Geographic distance) | -0.124 | 1.025\*\*\* | -0.049 | 0.962\*\*\* | -0.134 | 0.881\*\*\* |
|  | (0.400) | (0.278) | (0.405) | (0.280) | (0.407) | (0.280) |
| BITs | 0.025 | 0.052 | 0.096 | 0.037 | 0.026 | -0.039 |
|  | (0.104) | (0.074) | (0.108) | (0.079) | (0.110) | (0.080) |
| Government stability | 0.212\*\*\* | 0.009 | 0.238\*\*\* | 0.031 | 0.215\*\*\* | 0.036 |
|  | (0.055) | (0.026) | (0.054) | (0.028) | (0.056) | (0.028) |
| Law and order | 0.097\* | 0.098\*\* | 0.141\*\*\* | 0.108\*\*\* | 0.105\*\* | 0.056 |
|  | (0.052) | (0.039) | (0.052) | (0.039) | (0.053) | (0.039) |
| Corruption | 0.245\*\*\* | 0.142\*\* | 0.205\*\* | 0.078 | 0.245\*\*\* | 0.201\*\*\* |
|  | (0.082) | (0.060) | (0.081) | (0.059) | (0.084) | (0.062) |
| Ln (Population) | 0.623\*\*\* | 0.765\*\*\* | 0.563\*\*\* | 0.781\*\*\* | 0.613\*\*\* | 0.785\*\*\* |
|  | (0.095) | (0.055) | (0.093) | (0.056) | (0.096) | (0.056) |
| Ln (GDP per capita) | 0.411\*\*\* | 0.305\*\*\* | 0.403\*\*\* | 0.334\*\*\* | 0.398\*\*\* | 0.309\*\*\* |
|  | (0.083) | (0.050) | (0.085) | (0.052) | (0.086) | (0.052) |
| Ln (Annual export value) | -0.128\*\* | 0.038 | -0.110\* | 0.067 | -0.128\*\* | 0.064 |
|  | (0.062) | (0.042) | (0.062) | (0.043) | (0.063) | (0.043) |
| Internal conflict | 0.239\*\*\* | 0.186\*\*\* | 0.221\*\*\* | 0.197\*\*\* | 0.230\*\*\* | 0.193\*\*\* |
|  | (0.043) | (0.029) | (0.044) | (0.031) | (0.045) | (0.031) |
| Socioeconomic conditions | -0.348\*\*\* | -0.273\*\*\* | -0.377\*\*\* | -0.200\*\*\* | -0.366\*\*\* | -0.217\*\*\* |
|  | (0.046) | (0.034) | (0.053) | (0.037) | (0.053) | (0.037) |
| Observations | 40,386 | 37,524 | 40,386 | 37,524 | 40,386 | 37,524 |
| Log likelihood | -4130.909 | -3357.433 | -4288.907 | -3320.362 | -4203.953 | -3257.059 |
| Pseudo R2 | 0.088 | 0.099 | 0.086 | 0.096 | 0.088 | 0.101 |
| Wald Chi squared | 906.02\*\*\* | 895.54\*\*\* | 893.39\*\*\* | 870.16\*\*\* | 942.43\*\*\* | 896.29\*\*\* |

Notes: Robust standard errors are in the parentheses.

\*indicates significance at the p ≤0.10（\*\* p ≤ 0.05; \*\*\* p ≤ 0.01）level of confidence.

TABLE A3 Impact of net official development assistance and aid ratio on the likelihood of SOE and POE FDI decisions

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Variables | Model S21 First stage | Model S22 Second stage | Model S23 First stage | Model S24 Second stage |
| AidRatio | SOE FDI decisions | AidRatio | POE FDI decisions |
| AidRatio |  | 57.789\*\*\* |  | 29.688\*\* |
|  |  | (13.434) |  | (11.118) |
| Net ODA | 0.005\*\*\* |  | 0.004\*\*\* |  |
|  | (0.001) |  | (0.0001) |  |
| Ln (Geographic distance) | -0.018\*\*\* | 0.659 | -0.011\*\*\* | 1.185\*\*\* |
|  | (0.001) | (0.446) | (0.001) | (0.295) |
| BITs | -0.001\*\*\* | 0.037 | -0.0002 | 0.142\*\* |
|  | (0.0001) | (0.102) | (0.0001) | (0.072) |
| Government stability | 0.0003\*\*\* | 0.174\*\* | 0.003\*\*\* | -0.083\* |
|  | (0.0001) | (0.054) | (0.00004) | (0.044) |
| Law and order | 0.0003\*\* | 0.099\* | -0.0001 | 0.151\*\*\* |
|  | (0.0001) | (0.052) | (0.0001) | (0.038) |
| Corruption | -0.003\*\*\* | 0.205\* | -0.002\*\*\* | 0.017 |
|  | (0.0001) | (0.082) | (0.0001) | (0.059) |
| Ln (Population) | -0.004\*\*\* | 0.649\*\*\* | -0.002\*\*\* | 0.770\*\*\* |
|  | (0.0001) | (0.098) | (0.0001) | (0.056) |
| Ln (GDP per capita) | -0.003\*\*\* | 0.592\*\*\* | -0.0005\*\*\* | 0.420\*\*\* |
|  | (0.0001) | (0.111) | (0.0001) | (0.059) |
| Ln (Annual export value) | -0.0001 | -0.098 | -0.0002\*\* | 0.019 |
|  | (0.0001) | (0.061) | (0.0001) | (0.043) |
| Internal conflict | 0.0005\*\*\* | 0.238\*\*\* | -0.0004\*\*\* | 0.218\*\*\* |
|  | (0.0001) | (0.042) | (0.0001) | (0.030) |
| Socioeconomic conditions | -0.003\*\*\* | -0.192\*\* | -0.004\*\*\* | -0.169\*\* |
|  | (0.0001) | (0.061) | (0.0001) | (0.061) |
| Observations | 42,488 | 42,488 | 38,943 | 38,943 |
| R2 | 0.358 | 0.085 | 0.293 | 0.096 |
| Goodness of fit indicators | F= 1818.64\*\*\* | Wald χ2= 860.48\*\*\* | F=1414.79\*\*\* | Wald χ2= 890.95\*\*\* |

Notes: Robust standard errors are in the parentheses.

\*indicates significance at the p ≤0.10（\*\* p ≤ 0.05; \*\*\* p ≤ 0.01）level of confidence.

TABLE A4 Results of Conditional Logit Regression Analyses Using Different Measurement

|  |  |  |
| --- | --- | --- |
| Variables | Model S31 | Model S32 |
| Likelihood of SOE FDI | Likelihood of POE FDI |
| Number of aids | 0.035\*\*\* | 0.011\* |
|  | (0.012) | (0.007) |
| SUEST test | 2.89\* |
| Number of aidst-2 | 0.021\* | 0.026\*\*\* |
|  | (0.011) | (0.009) |
| Ln (Geographic distance) | 0.199 | 1.024\*\*\* |
|  | (0.395) | (0.277) |
| BITs | 0.102 | 0.222\*\*\* |
|  | (0.099) | (0.072) |
| Government stability | 0.239\*\*\* | 0.003 |
|  | (0.054) | (0.026) |
| Law and order | 0.142\*\*\* | 0.154\*\*\* |
|  | (0.049) | (0.038) |
| Corruption | 0.162\*\* | 0.011 |
|  | (0.079) | (0.057) |
| Ln (Population) | 0.550\*\*\* | 0.785\*\*\* |
|  | (0.089) | (0.056) |
| Ln (GDP per capita) | 0.318\*\*\* | 0.394\*\*\* |
|  | (0.081) | (0.052) |
| Ln (Annual export value) | -0.047 | 0.004 |
|  | (0.059) | (0.042) |
| Internal conflict | 0.242\*\*\* | 0.187\*\*\* |
|  | (0.043) | (0.030) |
| Socioeconomic conditions | -0.344\*\*\* | -0.296\*\*\* |
|  | (0.046) | (0.034) |
| Observations | 42,488 | 38,943 |
| Log likelihood | -3956.885 | -3596.021 |
| Pseudo R2 | 0.087 | 0.096 |
| Wald Chi squared | 814.95\*\*\* | 733.31\*\*\* |

Notes: Robust standard errors are in the parentheses.

\*indicates significance at the p ≤0.10（\*\* p ≤ 0.05; \*\*\* p ≤ 0.01）level of confidence.

TABLE A5 Results of Conditional Logit Regression Analyses Using Different Measurement

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Variables | Model S33 | Model S34 | Model S35 | Model S36 | Model S37 | Model S38 |
| Likelihood of SOE FDI | Likelihood of POE FDI | Likelihood of SOE FDI | Likelihood of POE FDI | Likelihood of SOE FDI | Likelihood of POE FDI |
| Number of aids | -0.549\*\* | -0.267 | 0.002 | 0.070\*\*\* | -0.572\*\* | -0.178 |
|  | (0.251) | (0.176) | (0.039) | (0.023) | (0.254) | (0.178) |
| UN voting alignment | -0.049 | 5.639\*\*\* |  |  | 0.280 | 5.228\*\*\* |
|  | (2.649) | (1.760) |  |  | (2.678) | (1.736) |
| Number of aids \*UN voting alignment | 0.637\*\* | 0.305 |  |  | 0.623\*\* | 0.259 |
|  | (0.272) | (0.192) |  |  | (0.274) | (0.190) |
| Investment profile |  |  | -0.025 | -0.046 | -0.018 | -0.040 |
|  |  |  | (0.052) | (0.031) | (0.053) | (0.032) |
| Number of aids \*Investment profile |  |  | 0.005 | -0.008\*\* | 0.005 | -0.006\*\* |
|  |  |  | (0.005) | (0.003) | (0.005) | (0.003) |
| Number of aidst-2 | 0.019\* | 0.025\*\*\* | 0.022\*\* | 0.028\*\*\* | 0.020\* | 0.026\*\*\* |
|  | (0.011) | (0.009) | (0.011) | (0.009) | (0.011) | (0.009) |
| Ln (Geographic distance) | 0.071 | 0.887\*\*\* | 0.271 | 0.798\*\*\* | 0.162 | 0.711\*\* |
|  | (0.396) | (0.276) | (0.403) | (0.280) | (0.404) | (0.279) |
| BITs | -0.011 | 0.102 | 0.142 | 0.089 | 0.039 | 0.005 |
|  | (0.103) | (0.074) | (0.109) | (0.079) | (0.111) | (0.081) |
| Government stability | 0.207\*\*\* | 0.017 | 0.233\*\*\* | 0.039 | 0.196\*\*\* | 0.047\* |
|  | (0.055) | (0.026) | (0.054) | (0.028) | (0.055) | (0.028) |
| Law and order | 0.088\* | 0.089\*\* | 0.148\*\*\* | 0.090\*\* | 0.097\* | 0.040 |
|  | (0.052) | (0.039) | (0.052) | (0.039) | (0.053) | (0.040) |
| Corruption | 0.224\*\*\* | 0.146\*\* | 0.146\* | 0.099\* | 0.207\*\* | 0.207\*\*\* |
|  | (0.083) | (0.060) | (0.081) | (0.059) | (0.084) | (0.061) |
| Ln (Population) | 0.619\*\*\* | 0.791\*\*\* | 0.558\*\*\* | 0.807\*\*\* | 0.629\*\*\* | 0.811\*\*\* |
|  | (0.093) | (0.056) | (0.091) | (0.056) | (0.094) | (0.056) |
| Ln (GDP per capita) | 0.314\*\*\* | 0.357\*\*\* | 0.337\*\*\* | 0.391\*\*\* | 0.336\*\*\* | 0.361\*\*\* |
|  | (0.082) | (0.052) | (0.084) | (0.053) | (0.085) | (0.053) |
| Ln (Annual export value) | -0.065 | 0.015 | -0.058 | 0.041 | -0.079 | 0.041 |
|  | (0.061) | (0.042) | (0.061) | (0.043) | (0.062) | (0.043) |
| Internal conflict | 0.255\*\*\* | 0.189\*\*\* | 0.248\*\*\* | 0.194\*\*\* | 0.260\*\*\* | 0.196\*\*\* |
|  | (0.043) | (0.030) | (0.044) | (0.032) | (0.045) | (0.032) |
| Socioeconomic conditions | -0.319\*\*\* | -0.295\*\*\* | -0.352\*\*\* | -0.226\*\*\* | -0.336\*\*\* | -0.238\*\*\* |
|  | (0.046) | (0.034) | (0.053) | (0.037) | (0.053) | (0.037) |
| Observations | 42,488 | 38,943 | 42,488 | 38,943 | 42,488 | 38,943 |
| Log likelihood | -3908.706 | -3650.176 | -3942.230 | -3529.955 | -3920.865 | -3708.573 |
| Pseudo R2 | 0.091 | 0.101 | 0.087 | 0.099 | 0.091 | 0.103 |
| Wald Chi squared | 871.59\*\*\* | 844.91\*\*\* | 864.26\*\*\* | 833.44\*\*\* | 886.64\*\*\* | 841.86\*\*\* |

Notes: Robust standard errors are in the parentheses.

\*indicates significance at the p ≤0.10（\*\* p ≤ 0.05; \*\*\* p ≤ 0.01）level of confidence.

TABLE A6 Results of Mixed Logit Models

|  |  |  |
| --- | --- | --- |
| Variables | Model S41 | Model S42 |
| Likelihood of SOE FDI | Likelihood of POE FDI |
| AidRatio | 11.229\*\*\* | 3.424\* |
|  | (3.645) | (1.984) |
| SUEST test | 3.33\* |
| AidRatiot-2 | 2.333 | 0.300 |
|  | (3.478) | (1.823) |
| Ln (Geographic distance) | -0.054 | 1.075\*\*\* |
|  | (0.391) | (0.279) |
| BITs | -0.079 | 0.116 |
|  | (0.099) | (0.072) |
| Government stability | 0.174\*\*\* | 0.025 |
|  | (0.051) | (0.025) |
| Law and order | 0.125\*\* | 0.156\*\*\* |
|  | (0.049) | (0.038) |
| Corruption | 0.130\* | -0.029 |
|  | (0.078) | (0.057) |
| Ln (Population) | 0.458\*\*\* | 0.718\*\*\* |
|  | (0.084) | (0.049) |
| Ln (GDP per capita) | 0.156\*\* | 0.254\*\*\* |
|  | (0.065) | (0.036) |
| Ln (Annual export value) | 0.128\*\*\* | 0.137\*\*\* |
|  | (0.040) | (0.026) |
| Internal conflict | 0.291\*\*\* | 0.212\*\*\* |
|  | (0.042) | (0.029) |
| Socioeconomic conditions | -0.312\*\*\* | -0.298\*\*\* |
|  | (0.047) | (0.035) |
| Observations | 42,488 | 38,943 |
| Log likelihood | -5352.601 | -4869.336 |
| LR chi2 | 897.40 | 759.13 |
| Prob. >chi2 | 0.000 | 0.000 |

Notes: Robust standard errors are in the parentheses.

\*indicates significance at the p ≤0.10（\*\* p ≤ 0.05; \*\*\* p ≤ 0.01）level of confidence.

TABLE A7 Results of Mixed Logit Models

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Variables | Model S43 | Model S44 | Model S45 | Model S46 | Model S47 | Model S48 |
| Likelihood of SOE FDI | Likelihood of POE FDI | Likelihood of SOE FDI | Likelihood of POE FDI | Likelihood of SOE FDI | Likelihood of POE FDI |
| Aidratio | 7.396\* | 2.110 | 10.711\*\*\* | 4.812\*\* | 6.725\* | 3.705\* |
|  | (3.920) | (2.196) | (3.678) | (2.027) | (3.955) | (2.245) |
| UN voting alignment | -1.302 | 4.058\*\* |  |  | -1.133 | 4.227\*\* |
|  | (2.614) | (1.697) |  |  | (2.597) | (1.675) |
| AidRatio\*UN voting alignment | 207.788\*\* | 69.860 |  |  | 203.658\*\* | 45.929 |
|  | (91.278) | (60.832) |  |  | (90.147) | (59.845) |
| Investment profile |  |  | 0.079 | -0.042 | 0.086 | -0.032 |
|  |  |  | (0.054) | (0.033) | (0.053) | (0.033) |
| AidRatio\*Investment profile |  |  | -2.441 | -2.649\*\*\* | -2.352 | -2.521\*\*\* |
|  |  |  | (1.595) | (0.965) | (1.533) | (0.974) |
| AidRatiot-2 | 2.699 | 0.911 | 1.972 | 0.781 | 2.409 | 1.321 |
|  | (3.463) | (1.861) | (3.488) | (1.841) | (3.467) | (1.873) |
| Ln (Geographic distance) | -0.118 | 0.980\*\*\* | -0.120 | 0.883\*\*\* | -0.171 | 0.815\*\*\* |
|  | (0.394) | (0.280) | (0.399) | (0.281) | (0.402) | (0.282) |
| BITs | -0.160 | 0.052 | -0.110 | -0.019 | -0.180\* | -0.066 |
|  | (0.101) | (0.073) | (0.109) | (0.079) | (0.109) | (0.079) |
| Government stability | 0.156\*\*\* | 0.026 | 0.188\*\*\* | 0.051\* | 0.171\*\*\* | 0.048\* |
|  | (0.052) | (0.025) | (0.052) | (0.026) | (0.053) | (0.026) |
| Law and order | 0.085\* | 0.108\*\*\* | 0.130\*\* | 0.099\*\* | 0.094\* | 0.061 |
|  | (0.051) | (0.039) | (0.052) | (0.039) | (0.053) | (0.039) |
| Corruption | 0.187\*\* | 0.091 | 0.141\* | 0.056 | 0.197\*\* | 0.159\*\*\* |
|  | (0.081) | (0.059) | (0.079) | (0.059) | (0.082) | (0.061) |
| Ln (Population) | 0.520\*\*\* | 0.740\*\*\* | 0.445\*\*\* | 0.758\*\*\* | 0.504\*\*\* | 0.775\*\*\* |
|  | (0.087) | (0.049) | (0.085) | (0.050) | (0.087) | (0.051) |
| Ln (GDP per capita) | 0.166\*\* | 0.266\*\*\* | 0.131\* | 0.273\*\*\* | 0.142\*\* | 0.283\*\*\* |
|  | (0.067) | (0.036) | (0.067) | (0.037) | (0.069) | (0.037) |
| Ln (Annual export value) | 0.093\*\* | 0.110\*\*\* | 0.127\*\*\* | 0.155\*\*\* | 0.089\*\* | 0.127\*\*\* |
|  | (0.042) | (0.026) | (0.041) | (0.027) | (0.043) | (0.027) |
| Internal conflict | 0.298\*\*\* | 0.205\*\*\* | 0.273\*\*\* | 0.218\*\*\* | 0.277\*\*\* | 0.210\*\*\* |
|  | (0.042) | (0.030) | (0.043) | (0.031) | (0.044) | (0.031) |
| Socioeconomic conditions | -0.301\*\*\* | -0.304\*\*\* | -0.325\*\*\* | -0.221\*\*\* | -0.323\*\*\* | -0.236\*\*\* |
|  | (0.047) | (0.035) | (0.054) | (0.038) | (0.055) | (0.038) |
| Observations | 42,488 | 38,943 | 42,488 | 38,943 | 42,488 | 38,943 |
| Log likelihood | -5337.692 | -4668.668 | -5338.428 | -4658.667 | -5320.924 | -4861.733 |
| LR chi2 | 926.62 | 860.47 | 925.75 | 861.87 | 929.93 | 884.86 |
| Prob. >chi2 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |

Notes: Robust standard errors are in the parentheses.

\*indicates significance at the p ≤0.10（\*\* p ≤ 0.05; \*\*\* p ≤ 0.01）level of confidence.