**Appendix I: Data sources and summary statistics**

**Table I.1 Data Sources and Summary Statistics**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Variable | Source | Mean (SD) | Min | Max | N= |
| FDI Projects | Financial Times fDi Intelligence Database <http://www.fdiintelligence.com/> (Number of projects per month) | 13.49(11.98) | 1 | 68 | 705 |
| QE | <http://research.stlouisfed.org/fred2> (Monthly holdings in billions of current USD) | 1092.31(597.90) | 474.68 | 2500.00 | 720 |
| PIIGS | Brazys and Hardiman 2015 (Number per month) | 34.60(68.93) | 0 | 447 | 720 |
| GDP | <http://data.worldbank.org/data-catalog/world-development-indicators> (Quarterly, billions of current USD) | 156.52(143.53) | 34.64 | 430.82 | 720 |
| GDP Growth | <http://data.worldbank.org/data-catalog/world-development-indicators> (Authors’ calculations, quarterly) | 0.72(5.94) | -14.31 | 12.24 | 705 |
| RISK | <http://research.stlouisfed.org/fred2> (Spread between Moody’s Seasoned Baa Corporate Bond and 10-year Treasury Constant Maturity) | 2.65(0.87) | 1.56 | 6.01 | 720 |
| USD/EUR | http://stats.oecd.org/ (Monthly average, USD per Euro) | 1.31(0.10) | 1.06 | 1.58 | 720 |
| Wages\_%∆ | <http://www.cso.ie>, <http://www.istat.it/en/labour-and-wages>, <https://www.ine.pt/xportal/xmain?xpgid=ine_main&xpid=INE>, <http://www.ine.es/en/welcome.shtml>, http://www.statistics.gr/en/home/ | 0.63(3.57) | -12.82 | 12.99 | 630 |
| Wages\_%∆(Alt Wage) | <http://www.cso.ie>  | 1.96(3.83) | -11.9 | 14.3 | 720 |

**Appendix II**

In this appendix we describe in fuller detail the quantitative models presented in the main text, as well as presenting the results of a number of robustness tests. Our primary investigation focused on the US Federal Reserve’s Treasuries Holdings, *QE\_∆*, which were expanded markedly under the QE programs, as the main independent variable[[1]](#endnote-1). This approach allowed for a direct measure of the magnitude of the QE impact, by providing an amount of monthly QE, rather than a simple temporal indicator[[2]](#endnote-2), and also allowed for observations on a monthly frequency. This is a significant advantage as we explicitly tried to determine the (differential) timing of the PIIGS into and out of crisis. Differences that are observable in monthly data may be obscured when aggregating to longer time periods.

We focused our dependent variable on the number of *FDI projects* rather than the amount of FDI as a component of Gross Financial Inflows (GFI). There are two advantages to this approach. Utilizing proprietary data from the Financial Times fDi markets database, we employed an actual count of monthly FDI projects into the five PIIGS countries, including both “greenfield” and expansion FDI projects. As a verified count, this metric is less susceptible to measurement error and temporal smoothing vis-à-vis the statistical estimates that are employed to generate FDI inflow data[[3]](#endnote-3). Beyond reducing our concerns with measurement error, this indicator also provided data with a monthly frequency, allowing for more fine-grained identification of the QE effect.

Our dependent variable data consists of a panel of the monthly FDI Projects announcements in each of the PIIGS countries from January 2003 to December 2014. As this measure is a left-censored count variable we employed negative binomial regression in the models in Table 1 in the body of the main paper[[4]](#endnote-4). We describe in more detail those specification choices here, as well as presenting the full regression results in Table II.1 below.

In the first instances (Models I-IV), we ran non-panel models which considered data from the Irish case in order to consider the two independent variables: the relationship between QE and the percent change in wages, *Wages\_%∆*, and Irish FDI announcements, respectively. We lagged this wage metric by one quarter in order to capture the FDI announcement *response* to a change in wages. Models I-IV each considered a slightly different measure of wages. Using the NACE wage classifications, we considered, separately, seasonally adjusted wages in tradable goods and services, manufacturing (Model I “C”), information and communication technology (ICT) (Model II “J”), and scientific and technical activity (Model III “M”). We consider manufacturing wages as a proxy for the type of wage-induced competitiveness sought by the Troika austerity policies. Conversely, we consider ICT and scientific and technical activity as the wage sectors most germane to the inflows of FDI into Ireland as discussed in the case study. Finally, we evaluated a combined wage metric in Model IV.

If our contention is correct that it is the sectoral cluster effect, generated by state-led enterprise policy, rather than austerity-induced wage competitiveness (internal devaluation), that attracts FDI, then we would expect to see no statistically significant relationship between these wage measures and the number of FDI projects. To test hypothesis three, how QE impacted FDI vis-à-vis Ireland and the remaining PIIGS, we used an established technique that first used an aggregate random-effects panel model to investigate the overall effect of QE on FDI announcements in the non-Ireland PIGS (Model V) and PIIGS countries (Model VI)[[5]](#endnote-5). We next ran stand-alone models for each of the other PIIGS in Table II.4 below. Finally, we looked for parameter differences for Ireland by estimating the full model again with the addition of all of the explanatory variables multiplied by an *Ireland* dummy variable (Models VII and VIII). This technique allowed us to directly assess the impact of the explanatory variables on Irish FDI projects compared to the other PIIGS countries. In model VII, we aggregated across the three wages codes for each of the PIIGS. However, as data for these metrics at this level of specificity was collected at the national level, we also considered an alternative aggregate wage metric that is standardized across the countries in Model VIII. This latter metric also provided an additional robustness check as it considers wages across all sectors of the economy, beyond the three outlined above. We used a random-effects model in Tables 1 and II.1 as a Hausman test fails to reject the null. However, as a further robustness check we use country level fixed effects on models VI-VIII and present these in Table II.5 below.

We incorporated several control variables[[6]](#endnote-6). We expect larger economies, *GDP,* to have more FDI projects. Likewise, higher *GDP Growth* rates and higher *Risk* premiums on corporate bonds increase the attractiveness of FDI Projects and should increase FDI Projects numbers.[[7]](#endnote-7) Based on findings that increased media usage of the PIIGS term caused financial markets to treat those countries more similarly, we included a count variable of *PIIGS* usage, expecting a negative correlation with FDI Projects[[8]](#endnote-8). Finally, we also included the monthly average of the *USD/EUR* exchange rate, expecting a higher number of FDI Projects announcements when the Dollar is strong. We lagged all control variables by one period (month or quarter) to account for the delay in firms processing economic information and making FDI decisions. In Table 1 and Table II.1, we did not lag the difference in Fed Treasury holdings as the timing of these bond buying programs were well publicized thus presumably known to firm decision makers and our main dependent variable is FDI *announcements*, not the actual commencement or completion of the projects. However, as a robustness check we ran models IV-VIII using a lagged three-month average of the difference in Fed Treasury holdings and found no substantive differences. These results are presented in Table II.2 below. Data sources and summary statistics are discussed in Appendix I above.

Table II.1: FDI Projects and QE

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Variable | Model I (Ireland C) | Model II(Ireland J) | Model III (Ireland M) | Model IV (Ireland Combo) | Model V (PIGS) | Model VI (PIIGS) | Model VII (Comparison) | Model VIII(Comparison Alt Wage) |
| QE\_∆ | 0.0019\*(2.13) | 0.0018\*(2.13) | 0.0022\*\*(2.58) | 0.0017†(1.89) | -0.0003(0.54) | 0.0002(0.40) | -0.0002(0.47) | -0.0005(1.02) |
| PIIGS | 0.0008†(1.75) | 0.0008†(1.73) | 0.0008†(1.83) | 0.0008†(1.70) | -0.0003(1.05) | -0.0000(0.01) | -0.0003(0.99) | -0.0004(1.45) |
| GDP | -0.0162(1.36) | -0.0068(0.54) | -0.0194†(1.66) | -0.0062(0.49) | 0.0030\*\*(3.86) | 0.0014\*(2.03) | 0.0032\*\*(4.07) | 0.0034\*\*(4.82) |
| GDP\_%∆ | 0.0109(1.13) | 0.0176†(1.66) | 0.0088(1.08) | 0.0137(1.28) | -0.0067\*(1.98) | -0.0030(0.93) | 0.0027(0.79) | 0.0027(0.84) |
| RISK | 0.0432(1.09) | 0.0302(0.77) | 0.0399(1.03) | 0.0256(0.63) | 0.0564\*(2.42) | 0.0587\*\*(2.92) | 0.0650\*\*(2.87) | 0.0475\*(2.19) |
| USD/EUR | 1.4359\*\*(3.15) | 1.3383\*\*(3.03) | 1.2848\*\*(3.07) | 1.3787\*\*(3.06) | 1.0739\*\*(4.70) | 1.2712\*\*(6.27) | 0.9919\*\*(4.65) | 0.7343\*\*(3.71) |
| Wages\_%∆ | 0.0067(0.23) | -0.0089(0.23) | 0.0015(0.12) | -0.0065(0.25) | 0.0230\*\*(3.35) | 0.0219\*\*(3.43) | 0.0213\*\*(3.13) | 0.0098(1.50) |
| QE\_∆\*Ireland |  |  |  |  |  |  | 0.0021\*(2.02) | 0.0024\*(2.23) |
| PIIGS\*Ireland |  |  |  |  |  |  | 0.0011\*(2.00) | 0.0010(1.41) |
| GDP\*Ireland |  |  |  |  |  |  | 0.0054(0.47) | -0.0032(0.28) |
| GDP\_%∆\*Ireland |  |  |  |  |  |  | 0.0047(0.47) | 0.0062(0.66) |
| RISK\*Ireland |  |  |  |  |  |  | -0.0436(0.92) | -0.0051(0.11) |
| USD/EUR\*Ireland |  |  |  |  |  |  | 0.5914(1.42) | 0.7581†(1.89) |
| Wages\_%∆\*Ireland |  |  |  |  |  |  | -0.0051(0.22) | -0.0316(1.51) |
| Constant | 1.2498†(1.95) | 1.1098†(1.75) | 1.6177\*\*(2.88) | 1.001(1.53) | -0.1006(0.47) | 0.1186(0.43) | -0.0224(0.08) | 0.3184(1.23) |
| N | 129 | 126 | 138 | 123 | 479 | 602 | 602 | 686 |
| χ2 | 31.05 | 29.78 | 32.57 | 28.13 | 90.42 | 91.25 | 128.60 | 121.48 |
| Prob > χ2 | 0.0001 | 0.0001 | 0.0000 | 0.0002 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |

Absolute value of *z* score in parentheses. \*\* Significant at 1% level, \* Significant at 5% level, † Significant at 10% level.

Table II.2: FDI Projects and QE (Lagged QE Change, 3 Month Average))

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Variable | Model IV (Ireland Combo) | Model V (PIGS) | Model VI (PIIGS) | Model VII (Comparison) | Model VIII(Comparison Alt Wage) |
| QE\_∆ | 0.0016(1.21) | -0.0013†(1.93) | -0.0007(1.12) | -0.0013†(1.93) | -0.0018\*\*(2.58) |
| PIIGS | 0.0007(1.64) | -0.0002(0.75) | 0.0001(0.24) | -0.0002(0.69) | -0.0003(1.02) |
| GDP | -0.0058(0.45) | 0.0031\*\*(3.94) | 0.0015\*(2.19) | 0.0029\*\*(3.78) | 0.0031\*\*(4.33) |
| GDP\_%∆ | 0.0142(1.30) | -0.0070\*(2.09) | -0.0034(1.08) | -0.0054†(1.66) | -0.0046(1.49) |
| RISK | 0.0300(0.73) | 0.0545\*(2.35) | 0.0577\*\*(2.87) | 0.0565\*(2.45) | 0.0395†(1.77) |
| USD/EUR | 1.3638\*\*(2.91) | 1.0531\*\*(4.68) | 1.2631\*\*(6.29) | 0.9847\*\*(4.60) | 0.7688\*\*(3.77) |
| Wages\_%∆ | -0.0086(0.33) | 0.0214\*\*(3.11) | 0.0204\*\*(3.19) | 0.0213\*\*(3.11) | 0.0078(1.17) |
| QE\_∆\*Ireland |  |  |  | 0.0032\*(2.12) | 0.0032\*(2.09) |
| PIIGS\*Ireland |  |  |  | 0.0010†(1.75) | 0.0007(1.05) |
| GDP\*Ireland |  |  |  | 0.0039(0.32) | -0.0023(0.20) |
| GDP\_%∆\*Ireland |  |  |  | 0.0070(0.74) | 0.0082(0.88) |
| RISK\*Ireland |  |  |  | -0.0388(0.82) | -0.0055(0.11) |
| USD/EUR\*Ireland |  |  |  | 0.5449(1.28) | 0.6852†(1.68) |
| Wages\_%∆\*Ireland |  |  |  | -0.0006(0.02) | -0.0370(1.59) |
| Constant | 0.9645(1.46) | -0.0589(0.19) | 0.1244(0.46) | 0.0704(0.25) | 0.3542(1.32) |
| N | 123 | 479 | 602 | 602 | 676 |
| χ2 | 25.57 | 98.08 | 95.19 | 121.86 | 112.57 |
| Prob > χ2 | 0.0006 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |

Absolute value of *z* score in parentheses. \*\* Significant at 1% level, \* Significant at 5% level, † Significant at 10% level.

While the main text discusses the primary results, the results on the control variables presented here increase our overall confidence in the model. The USD/EUR exchange rate is statistically significant in the expected direction in all models. While GDP, the GDP growth rate, and the Risk measure are largely insignificant in the Ireland-only models, the GDP and the Risk measures are both significant in the expected direction in the aggregate model. We think the non-findings on these controls in the Irish model are entirely consistent with our empirical puzzle and theoretical explanation – Ireland was categorized as one of the PIIGS countries in crisis (as evidenced by high bond yields and a shrinking economy) and yet attracted a large number of FDI projects that led to its recovery. Clearly the traditional “neoliberal assumptions” on FDI determinants did *not* hold in Ireland but, rather, something else attracted FDI to Ireland. As demonstrated in the case study above, we suggest it is the consequence of the *cluster effect* associated with an expanding high-tech sector, which, in turn, was made possible by an activist state-led enterprise policy seeking to generate high-wage growth as a response to globalization.

As a Wooldridge test suggested the presence of autocorrelation in our data so we also ran generalized linear models where we specified generalized linear models with a negative binominal distribution for the dependent variable[[9]](#endnote-9). These results are available in Table II.3 and are substantively similar to those presented in Table II.1 above.

Table II.3: FDI Projects and QE (Generalized Linear Models with Robust Standard Errors)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Variable | Model I (Ireland Combo) | Model II (PIGS) | Model III (PIIGS) | Model IV (PIIGS Comparison) |
| QE\_∆ | 0.0016†(1.67) | -0.0001(0.05) | 0.0009(1.06) | 0.0000(0.03) |
| PIIGS | 0.0007†(1.70) | -0.0003(0.56) | 0.0000(0.04) | -0.0002(0.48) |
| GDP | -0.0073(0.45) | 0.0051\*\*(16.67) | 0.0028\*\*(11.53) | 0.0051\*\*(16.70) |
| GDP\_%∆ | 0.0158(1.28) | -0.0075(1.20) | -0.0048(0.83) | 0.0011(0.19) |
| RISK | 0.0208(0.61) | 0.0629(1.61) | 0.0345(1.03) | 0.0723†(1.86) |
| USD/EUR | 1.3960\*\*(3.22) | 0.6854†(1.80) | 0.8550\*\*(2.57) | 0.6394†(1.89) |
| Wages\_%∆ | -0.0074(0.26) | 0.0585\*\*(6.13) | 0.0641\*\*(5.48) | 0.0563\*\*(5.95) |
| QE\_∆\*Ireland |  |  |  | 0.0018(1.37) |
| PIIGS\*Ireland |  |  |  | 0.0009(1.47) |
| GDP\*Ireland |  |  |  | 0.0007(0.05) |
| GDP\_%∆\*Ireland |  |  |  | 0.0039(0.33) |
| RISK\*Ireland |  |  |  | -0.0699(1.35) |
| USD/EUR\*Ireland |  |  |  | 0.9106\*(2.06) |
| Wages\_%∆\*Ireland |  |  |  | -0.0382(1.56) |
| Constant | 1.0425(1.62) | 0.2895(0.59) | 0.8134†(1.93) | 0.3158(0.74) |
| N | 123 | 479 | 602 | 602 |
| Log Pseudolikelihood | -456.74 | -1681.04 | -2178.00 | -2137.80 |

Absolute value of *z* score in parentheses. \*\* Significant at 1% level, \* Significant at 5% level, † Significant at 10% level.

Table II.4: FDI Projects and QE

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Variable | Model I (Italy) | Model II (Greece) | Model III (Portugal) | Model IV(Spain) |
| QE\_∆ | -0.0007(0.74) | -0.0001(0.06) | -0.0007(0.40) | 0.0001(0.12) |
| PIIGS | -0.0002(0.40) | -0.0013(1.33) | 0.0009(0.92) | -0.0007†(1.81) |
| GDP | -0.0003(0.09) | 0.0055(0.39) | 0.0645(0.86) | 0.0115\*\*(5.31) |
| GDP\_%∆ | 0.0000(0.01) | -0.0064(0.59) | -0.0137(0.54) | -0.0212\*\*(4.02) |
| RISK | 0.0095(0.21) | 0.1154†(1.76) | 0.1584†(1.67) | 0.0064(0.19) |
| USD/EUR | 1.7241\*\*(3.55) | -0.8472(1.06) | 1.3922(1.30) | 0.2428(0.63) |
| Wages\_∆ | 0.0233(1.40) | 0.0342\*\*(2.57) | 0.0038(0.28) | 0.0217†(1.71) |
| Constant | -0.0041(0.01) | 2.5043\*\*(2.64) | -3.2744(1.08) | -0.5202(1.16) |
| N | 138 | 128 | 75 | 138 |
| χ2 | 25.14 | 15.89 | 9.18 | 87 .91 |
| Prob > χ2 | 0.0007 | 0.0261 | 0.2499 | 0.0000 |

Absolute value of *z* score in parentheses. \*\* Significant at 1% level, \* Significant at 5% level, † Significant at 10% level.

Table II.5: FDI Projects and QE, Country Fixed Effects

|  |  |  |  |
| --- | --- | --- | --- |
| Variable | Model VI (PIIGS) | Model VII (Comparison) | Model VIII(Comparison Alt Wage) |
| QE\_∆ | 0.0002(0.43) | -0.0002(0.45) | -0.0005(1.02) |
| PIIGS | 0.0000(0.08) | -0.0003(0.91) | -0.0004(1.41) |
| GDP | 0.0012†(1.68) | 0.0028\*\*(3.35) | 0.0032\*\*(4.20) |
| GDP\_%∆ | -0.0026(0.82) | 0.0032(0.94) | 0.0030(0.92) |
| RISK | 0.0601\*\*(2.98) | 0.0678\*\*(2.96) | 0.0487\*(2.23) |
| USD/EUR | 1.2896\*\*(6.34) | 1.0271\*\*(4.74) | 0.7529\*\*(3.77) |
| Wages\_%∆ | 0.0217\*\*(3.49) | 0.0211\*\*(3.11) | 0.0096(1.46) |
| QE\_∆\*Ireland |  | 0.0021\*(2.01) | 0.0024\*(2.22) |
| PIIGS\*Ireland |  | 0.0011\*(1.96) | 0.0009(1.38) |
| GDP\*Ireland |  | 0.0047(0.40) | -0.0032(0.28) |
| GDP\_%∆\*Ireland |  | 0.0041(0.42) | 0.0059(0.62) |
| RISK\*Ireland |  | -0.0465(0.98) | -0.0066(0.14) |
| USD/EUR\*Ireland |  | 0.5441(1.29) | 0.7311†(1.81) |
| Wages\_%∆\*Ireland |  | -0.0052(0.22) | -0.0316(1.50) |
| Constant | 0.1301(0.47) | 0.0042(0.01) | 0.3324(1.27) |
| N | 602 | 602 | 686 |
| χ2 | 89.47 | 121.60 | 114.26 |
| Prob > χ2 | 0.0000 | 0.0000 | 0.0000 |

Absolute value of *z* score in parentheses. \*\* Significant at 1% level, \* Significant at 5% level, † Significant at 10% level.

**Appendix III: List of Interviewees**

1. Senior Officials IDA x 3
2. Retired chief executive IDA
3. Retired chief executive IDA
4. Retired chief executive IDA
5. Board member IDA
6. Board member IDA
7. Board member IDA
8. Senior official IDA, San Francisco
9. Senior official, IDA, Mountain view
10. Minister, Department of Jobs, Enterprise & Innovation
11. Senior civil servants, Department of Jobs, Enterprise & Innovation x 3
12. Senior civil servants, Department of Expenditure & Reform x 2
13. IBEC official
14. IBEC researcher
15. ICTU researcher
16. All corporate executives/ business managers asked to remain anonymous

**Appendix IV: Selected 80 tech firms clustering in Ireland (name and year of investment)**

|  |  |
| --- | --- |
| **Firm** | **Investment Year** |
| HP | 1971 |
| Analong Devices | 1977 |
| Apple  | 1980 |
| IBM  | 1981 |
| Microsoft | 1985 |
| Oracle | 1987 |
| Intel/Altera | 1989 |
| Dell | 1991 |
| Symantec  | 1991 |
| Novell  | 1995 |
| Xerox | 1998 |
| BMC | 2001 |
| Skillsoft  | 2002 |
| SAP  | 2003 |
| Amazon | 2004 |
| Google | 2004 |
| McAfee | 2004 |
| Paypal  | 2004 |
| ebay  | 2004 |
| Qlogic  | 2005 |
| Xilinx | 2005 |
| Netgear | 2006 |
| Sandisk  | 2006 |
| Vmware | 2006 |
| Cisco  | 2007 |
| Citrix Systems Ireland | 2007 |
| Commscope  | 2007 |
| Synopsys | 2008 |
| Workday | 2008 |
| Accenture | 2009 |
| Bently Software | 2009 |
| Facebook/Instagram | 2009 |
| Maxim Integrated Products | 2009 |
| Trend Micro  | 2009 |
| LinkedIn | 2010 |
| Riotgames  | 2010 |
| SalesForce | 2010 |
| Seagate  | 2010 |
| Webroot | 2010 |
| EA | 2010 |
| EngineYard | 2011 |
| Guidewire  | 2011 |
| Teradata  | 2011 |
| Twitter | 2011 |
| Zynga | 2011 |
| Pinger | 2011 |
| Marketo | 2011 |
| Gilt | 2011 |
| Quest | 2011 |
| Capita Managed IT Solutions | 2012 |
| Dropbox | 2012 |
| Indeed.com | 2012 |
| Innovative Interfaces  | 2012 |
| LogMeIn | 2012 |
| Nimble Apps | 2012 |
| Yapstone | 2012 |
| Ancestry.com | 2012 |
| Total Defense | 2012 |
| Adroll | 2013 |
| Airbnb | 2013 |
| Cadence | 2013 |
| Datahug | 2013 |
| Etsy | 2013 |
| Hubspot  | 2013 |
| LexisNexis  | 2013 |
| Qualtrics | 2013 |
| Soundwave | 2013 |
| squarespace | 2013 |
| 10gen | 2013 |
| MongoDB | 2013 |
| Qualcomm | 2013 |
| Adara | 2013 |
| Mandiant  | 2013 |
| FireEye | 2013 |
| TripAdvisor  | 2013 |
| Overstock.com | 2013 |
| Marin Software | 2013 |
| Zendesk  | 2013 |
| Calypso Technology  | 2014 |
| Groupon | 2014 |
| Itron Inc  | 2014 |
| New Relic  | 2014 |
| SmartBear  | 2014 |
| Storyful  | 2014 |
| SurveyMonkey | 2014 |
| SWG, Inc | 2014 |
| Tintri  | 2014 |
| VCE | 2014 |
| Yelp | 2014 |
| Artisan Infrastructure  | 2015 |
| Coupa  | 2015 |
| Data Clarity  | 2015 |
| Docusign  | 2015 |
| Ellucian  | 2015 |
| Malwarebytes | 2015 |
| NuoDB | 2015 |
| Slack | 2015 |
| Stryker  | 2015 |
| Uber | 2015 |
| Wrike  | 2015 |
| Yahoo! | 2015 |

1. And in particular the 2nd and 3rd QE programs. The first QE program saw the US Federal Reserve focus on buying mortgage-backed securities. We think that the causal logic for the 1st QE program translating into increased FDI is significantly weaker than that of the 2nd and 3rd, and indeed the studies cited above show a more substantial impact from these latter programs. [↑](#endnote-ref-1)
2. As used in as in [Park, Arief, & Shin, 2014](#_ENREF_6). [↑](#endnote-ref-2)
3. The Financial Ties fDi data does not include actual investment amounts for all documented projects. However, for those projects that did have investment amounts the average per-project amount for each individual PIIGS country was well within one standard deviation of the average per-project amount for all the PIIGS countries. This leads us to believe that the verified *number* of projects is also a reasonable proxy for the *amount* of FDI. [↑](#endnote-ref-3)
4. Post-estimations tests from a Poisson regression suggest the data is over-dispersed and as such we use negative binomial (xtnbreg in Stata 13). Dickey-Fuller tests reject the null hypothesis of non-stationarity for our main variables of interest, the number of FDI projects and the *first-difference* in Treasury holdings, at the 0.01 level. [↑](#endnote-ref-4)
5. Similar to that employed in [Berthélemy and Tichit (2004).](#h.30j0zll)  [↑](#endnote-ref-5)
6. From Lim, Sanket and Stocker 2014. [↑](#endnote-ref-6)
7. Where we use a standard measure for risk premiums, the spread between Baa corporate bonds and the 10-year constant maturity US Treasury. [↑](#endnote-ref-7)
8. Brazys and Hardiman 2015. [↑](#endnote-ref-8)
9. Where a Wooldridge test on all variables in Model IV returns a test statistic *F*(1,4) = 8.027, Prob > *F* = 0.0472. Generalized Linear Models in use the Stata 13 command glm, family(nb) vce(robust). [↑](#endnote-ref-9)