**Appendix**

Table A1 Descriptive Statistics

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| *Variable* | *N* | *Mean* | *Std. dev.* | *Min* | *Max* |
| *S&P Rating* | 732 | 4.308 | 2.636 | 0 | 13 |
| *Moody’s Rating* | 714 | 4.383 | 2.890 | 0 | 13 |
| *Expropriations* | 732 | .073 | .261 | 0 | 1 |
| *All ISDS cases* | 866 | 2.083 | 4.559 | 0 | 40 |
| *Direct Expropriation Claims* | 866 | 0.341 | 1.378 | 0 | 18 |
| *Indirect Expropriation Claims* | 866 | 1.018 | 2.804 | 0 | 30 |
| *Other Claims* | 866 | 0.731 | 1.883 | 0 | 18 |
| *Growth* | 732 | 4.222 | 3.813 | -15.136 | 25 |
| *GDP per capita* | 732 | 4.308 | 2.941 | .383 | 14.200 |
| *Inflation* | 732 | .110 | .369 | -.296 | 9.141 |
| *Trade* | 732 | .665 | .285 | .156 | 1.656 |
| *Natural Resources* | 732 | .066 | .083 | .00001 | .567 |
| *Default* | 732 | .016 | .127 | 0 | 1 |
| *Current Account* | 732 | -.021 | .073 | -.415 | .336 |
| *Reserves* | 732 | 53.585 | 56.924 | 3.841 | 539.673 |
| *Left* | 732 | .290 | .454 | 0 | 1 |
| *Polity* | 732 | 4.293 | 5.460 | -7 | 10 |
| *IMF* | 732 | .344 | .475 | 0 | 1 |

Table A2 The Effect of Expropriation on Credit Ratings (*DKSEs*, 1996-2016)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Model 1 | Model 2 | Model 3 | Model 4 |
| *DVs:* | *S&P, t+1* | *Moody’s, t+1* | *S&P, t+1* | *Moody’s, t+1* |
|  |  |  |  |  |
| *Expropriation* | -0.479\*\* | -0.384\*\* | -0.487\*\*\* | -0.374\*\* |
|  | (0.175) | (0.149) | (0.169) | (0.148) |
| *Growth* | 0.048\*\* | 0.043\*\* | 0.055\*\* | 0.037\* |
|  | (0.023) | (0.020) | (0.021) | (0.019) |
| *GDP per capita* | 0.510\*\*\* | 0.544\*\*\* | 0.461\*\*\* | 0.451\*\*\* |
|  | (0.047) | (0.032) | (0.045) | (0.052) |
| *Inflation* | -0.526\* | -0.430\* | -0.403\* | -0.342\* |
|  | (0.256) | (0.233) | (0.197) | (0.178) |
| *Trade* | 0.096 | 0.788\* | -0.137 | 0.385 |
|  | (0.371) | (0.411) | (0.523) | (0.430) |
| *Natural Resources* | 0.721 | 2.045 | 1.128 | 1.998 |
|  | (2.276) | (2.212) | (1.933) | (2.086) |
| *Default* | -0.729\*\*\* | -0.875\*\*\* | -0.722\*\*\* | -0.926\*\*\* |
|  | (0.257) | (0.248) | (0.216) | (0.224) |
| *Current Account* | -2.719 | -3.084 | -2.972 | -3.184 |
|  | (2.062) | (2.120) | (1.883) | (2.008) |
| *Reserves* | 0.013\*\*\* | 0.014\*\*\* | 0.011\*\*\* | 0.012\*\*\* |
|  | (0.003) | (0.004) | (0.002) | (0.003) |
| *Left* | -0.607\*\*\* | -0.580\*\* | -0.584\*\*\* | -0.580\*\* |
|  | (0.191) | (0.249) | (0.202) | (0.250) |
| *Polity* | 0.005 | 0.036 | -0.002 | 0.029 |
|  | (0.031) | (0.040) | (0.035) | (0.039) |
| *IMF* | -0.455\*\* | -0.702\*\*\* | -0.347\* | -0.543\*\*\* |
|  | (0.198) | (0.192) | (0.177) | (0.184) |
| *Constant* | 2.335\*\*\* | 0.054 | 1.583\* | 1.188 |
|  | (0.437) | (0.720) | (0.791) | (0.856) |
| *Country FE* | No | No | No | No |
|  |  |  |  |  |
| *Year FE* | Yes | Yes | No | No |
|  |  |  |  |  |
| *N* | 732 | 714 | 732 | 714 |
| *R2* | 0.24 | 0.24 | 0.21 | 0.22 |
| *N. of Countries* | 47 | 47 | 47 | 47 |

Note: Year dummies are not reported due to space limits. Standard errors are in parentheses: \*\*\* p<0.01, \*\* p<0.05, \* p<0.1 (two-tailed tests).

Table A3 The Effect of ISDS on Credit Ratings (*FE with Heckman Selection*, 1996-2016)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Model 1 | Model 2 | Model 3 | Model 4 |
| *DVs:* | *S&P, t+1* | *Moody’s, t+1* | *S&P, t+1* | *Moody’s, t+1* |
|  |  |  |  |  |
| *All ISDS cases* | -0.077\*\*\* | -0.058\*\*\* |  |  |
|  | (0.013) | (0.014) |  |  |
| *Direct Expropriation Claims* |  |  | -0.125\*\*\* | -0.129\*\*\* |
|  |  |  | (0.039) | (0.041) |
| *Indirect Expropriation Claims* |  |  | -0.050\*\* | -0.034 |
|  |  |  | (0.023) | (0.024) |
| *Other Claims* |  |  | -0.081\*\*\* | -0.033 |
|  |  |  | (0.029) | (0.030) |
| *Growth* | 0.044\*\*\* | 0.034\*\*\* | 0.042\*\*\* | 0.032\*\* |
|  | (0.013) | (0.013) | (0.013) | (0.013) |
| *GDP per capita* | 0.884\*\*\* | 0.997\*\*\* | 0.881\*\*\* | 0.992\*\*\* |
|  | (0.060) | (0.065) | (0.060) | (0.065) |
| *Inflation* | -0.352\*\*\* | -0.247\*\* | -0.355\*\*\* | -0.251\*\* |
|  | (0.111) | (0.124) | (0.111) | (0.124) |
| *Trade* | 0.499 | 1.017\*\* | 0.518 | 1.053\*\* |
|  | (0.385) | (0.414) | (0.385) | (0.414) |
| *Natural Resources* | 2.838\* | 4.463\*\* | 2.761\* | 4.352\*\* |
|  | (1.544) | (1.789) | (1.542) | (1.788) |
| *Default* | -0.866\*\*\* | -0.923\*\*\* | -0.846\*\*\* | -0.906\*\*\* |
|  | (0.321) | (0.333) | (0.321) | (0.332) |
| *Current Account* | -2.158\*\* | -2.562\*\* | -2.229\*\* | -2.662\*\* |
|  | (0.962) | (1.080) | (0.962) | (1.083) |
| *Financial Reserves* | 0.002\*\*\* | 0.002\*\*\* | 0.002\*\*\* | 0.002\*\*\* |
|  | (0.000) | (0.000) | (0.000) | (0.000) |
| *Left* | 0.177 | 0.165 | 0.174 | 0.155 |
|  | (0.139) | (0.144) | (0.139) | (0.144) |
| *Polity* | -0.035\* | 0.007 | -0.039\*\* | 0.000 |
|  | (0.019) | (0.020) | (0.019) | (0.020) |
| *IMF* | -0.299\*\*\* | -0.443\*\*\* | -0.288\*\*\* | -0.440\*\*\* |
|  | (0.103) | (0.112) | (0.103) | (0.112) |
| *Constant* | -0.992\* | -1.677\*\*\* | -0.955\* | -1.626\*\*\* |
|  | (0.517) | (0.559) | (0.518) | (0.558) |
| *DV: Credit Access* |  |  |  |  |
| *All ISDS cases* | 0.325\*\*\* | 0.282\*\*\* | 0.325\*\*\* | 0.282\*\*\* |
|  | (0.048) | (0.049) | (0.048) | (0.049) |
| *Growth* | -0.001 | -0.004 | -0.001 | -0.004 |
|  | (0.007) | (0.008) | (0.007) | (0.008) |
| *GDP per capita* | 0.022\* | 0.240\*\*\* | 0.022\* | 0.240\*\*\* |
|  | (0.013) | (0.024) | (0.013) | (0.024) |
| *Trade* | 0.072 | 0.695\*\*\* | 0.072 | 0.695\*\*\* |
|  | (0.128) | (0.139) | (0.128) | (0.139) |
| *Natural Resources* | -3.037\*\*\* | -5.505\*\*\* | -3.037\*\*\* | -5.505\*\*\* |
|  | (0.442) | (0.482) | (0.442) | (0.482) |
| *Default* | 0.065 | 0.537 | 0.065 | 0.537 |
|  | (0.391) | (0.445) | (0.391) | (0.445) |
| *Current Account* | 2.309\*\*\* | 0.682 | 2.309\*\*\* | 0.682 |
|  | (0.522) | (0.559) | (0.522) | (0.559) |
| *Polity* | 0.010 | 0.020\*\* | 0.010 | 0.020\*\* |
|  | (0.008) | (0.009) | (0.008) | (0.009) |
| *US Trade* | 0.479\*\*\* | 0.462\*\*\* | 0.479\*\*\* | 0.462\*\*\* |
|  | (0.026) | (0.029) | (0.026) | (0.029) |
| *Constant* | -2.717\*\*\* | -3.476\*\*\* | -2.717\*\*\* | -3.476\*\*\* |
|  | (0.184) | (0.216) | (0.184) | (0.216) |
| *N* | 1722 | 1724 | 1722 | 1724 |
| *(Selected)* | 861 | 870 | 861 | 870 |
| *(Non-selected)* | 861 | 854 | 861 | 854 |
| *ρ (rho)* | -0.508\* (0.283) | -0.419\*\* (0.208) | -0.523\* (0.316) | -0.383 (0.301) |
| *Wald test χ2* | 4808.259 | 5117.957 | 4817.207 | 5148.749 |

Note: We included year and country dummies in all models but did not report them due to space limits. Standard errors are in parentheses. Standard errors for rho are estimated by 100 times of bootstraps: \*\*\* p<0.01, \*\* p<0.05, \* p<0.1 (two-tailed tests)

Table A4 The Effect of Expropriation (Count) on Credit Ratings (*FE with DKSEs*, 1996-2016)

|  |  |  |
| --- | --- | --- |
|  | Model 1 | Model 2 |
| *DVs:* | *S&P, t+1* | *Moody’s, t+1* |
|  |  |  |
| *Expropriation (Count)* | -0.386\*\*\* | -0.301\*\*\* |
|  | (0.084) | (0.076) |
| *Growth* | 0.037\* | 0.030 |
|  | (0.020) | (0.019) |
| *GDP per capita* | 0.754\*\*\* | 0.777\*\*\* |
|  | (0.076) | (0.079) |
| *Inflation* | -0.479\*\* | -0.380\* |
|  | (0.224) | (0.201) |
| *Trade* | 0.618 | 1.593\*\* |
|  | (0.465) | (0.568) |
| *Natural Resources* | 1.838 | 3.607\* |
|  | (1.465) | (1.790) |
| *Default* | -0.695\*\*\* | -0.859\*\*\* |
|  | (0.233) | (0.208) |
| *Current Account* | -3.338\* | -3.979\*\* |
|  | (1.671) | (1.868) |
| *Reserves* | 0.011\*\*\* | 0.012\*\*\* |
|  | (0.002) | (0.004) |
| *Left* | -0.588\*\* | -0.590\* |
|  | (0.273) | (0.310) |
| *Polity* | 0.026 | 0.066 |
|  | (0.036) | (0.039) |
| *IMF* | -0.359\*\* | -0.597\*\*\* |
|  | (0.163) | (0.158) |
| *Constant* | -0.507 | -0.835 |
|  | (0.465) | (0.639) |
|  |  |  |
| *N* | 732 | 714 |
| *R2* | 0.43 | 0.42 |
| *N. of Countries* | 47 | 47 |

Note: We included year and country dummies in all models but did not report them due to space limits. Standard errors are in parentheses: \*\*\* p<0.01, \*\* p<0.05, \* p<0.1 (two-tailed tests).

Figure A1 The Effect of Expropriation on Credit Ratings across Different Time Lags



Figure A2 The Effect of Expropriation on Mediators across Different Time Lags

