

## Online Appendix

**Table A1. Summary statistics**

VARIABLES	N	mean	sd	min	max	Data Source
Cumulative number of BITs	2,679	11.39	16.00	0	104	UNCTAD IIA database (2015)
Cumulative number of after-1989 BITs	2,014	12.21	16.26	0	85	UNCTAD IIA database (2015)
Cumulative number of BITs with ICSID	2,679	2.436	4.087	0	24	UNCTAD IIA database (2015)
Cumulative number of after-1989 BITs with ICSID	2,014	2.243	3.385	0	18	UNCTAD IIA database (2015)
Cumulative number of adjusted North-South BITs	2,679	6.739	8.506	0	66	UNCTAD IIA database (2015)
Cumulative number of after-1989 BITs adjusted North-South BITs	2,014	6.895	8.972	0	63	UNCTAD IIA database (2015)
Human rights respect	2,679	4.289	2.134	0	8	CIRI (2015)
Polity2	2,679	1.065	6.747	-10	10	Polity IV (2014)
Soft PTA (lagged)	2,679	0.355	0.479	0	1	Spilker and Bohmelt (2013)
Hard PTA (lagged)	2,679	0.342	0.474	0	1	Spilker and Bohmelt (2013)
Human right treaty (lagged)	2,679	1.216	0.806	0	2	Spilker and Bohmelt (2013)
FDI inflow % GDP	2,674	2.819	4.733	-14.68	85.96	UNCTAD (2012)
Population density	2,679	83.01	125.5	1.444	1,152	WDI (2015)
Trade openness (logged)	2,671	4.138	0.541	1.844	5.636	WDI (2015)
GDP per capita (logged)	2,678	7.162	1.143	4.917	9.778	WDI (2015)
Regime durability	2,679	15.14	16.29	0	103	Polity IV (2014)
BITs*Polity2	2,679	36.58	146.7	-728	770	
After-1989 BITs * Polity2	2,014	49.04	152.2	-595	770	
Interstate war	2,679	0.0228	0.149	0	1	Armed Conflict Dataset (2014)
Civil war	2,679	0.187	0.390	0	1	Armed Conflict Dataset (2014)
Political dissent	2,674	1.115	2.976	0	49	CNTS (2010)
3 year average economic growth	2,647	3.642	4.519	-28.20	52.74	WDI (2015)
Years under IMF/WB program	2,148	6.698	5.763	0	24	Abouharb and Cingranelli (2007)
NGO shaming	1,621	0.265	1.079	0	15	Murdie and Davis (2012)
PTS-average	2,670	3.217	0.968	1	5	PTS (2015)
PTS-Amnesty	2,670	3.194	1.034	1	5	PTS (2015)
PTS_statedept	2,670	3.239	1.019	1	5	PTS (2015)
Average total ratified BITs in neighbor (instrument_1)	2,679	11.57	14.74	0	84	
Moving total of 3yr new BITs in other countries in the world (instrument_2)	2,678	465.3	290.0	38	948	
ICSID BITs * Polity2	2,679	7.118	32.05	-112	190	
Adjusted North-South BITs * Polity2	2,679	20.31	79.71	-462	370	

**Table A2. Countries included in the main empirical models**

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Albania	Georgia	Niger
Algeria	Ghana	Nigeria
Angola	Guatemala	Oman
Argentina	Guinea	Pakistan
Armenia	Guinea Bissau	Panama
Azerbaijan	Guyana	Papua New Guinea
Bangladesh	Haiti	Paraguay
Belarus	Honduras	Peru
Benin	Hungary	Philippines
Bolivia	India	Poland
Botswana	Indonesia	Romania
Brazil	Iran	Russia
Bulgaria	Jordan	Rwanda
Burkina Faso	Kazakhstan	Saudi Arabia
Burundi	Kenya	Senegal
Cambodia	Kyrgyzstan	Sierra Leone
Cameroon	Lao	Slovakia
Central African Republic	Latvia	South Africa
Chad	Lebanon	Sri Lanka
Chile	Lesotho	Sudan
China	Liberia	Swaziland
Colombia	Libya	Syria
Congo	Lithuania	Tajikistan
Congo DR	Macedonia	Tanzania
Costa Rica	Madagascar	Thailand
Croatia	Malawi	Togo
Czech Republic	Malaysia	Trinidad and Tobago
Czechoslovakia	Mali	Tunisia
Cote d'Ivoire	Mauritania	Turkey
Djibouti	Mauritius	Turkmenistan
Dominican Republic	Mexico	Uganda
Ecuador	Moldova	Ukraine
Egypt	Mongolia	Uruguay
El Salvador	Morocco	Uzbekistan
Eritrea	Mozambique	Venezuela
Estonia	Namibia	Zambia
Gabon	Nepal	Zimbabwe
Gambia	Nicaragua	

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**Table A3. Instrumental variable approach for BITs with ICSID and adjusted North-South BITs models**

	BITs with ICSID		Adjusted North-South BITs	
	IV 1 <sup>b</sup>	IV 2 <sup>c</sup>	IV 3 <sup>d</sup>	IV 4 <sup>e</sup>
BITs	-0.1894*** (0.038)	-0.2132*** (0.044) <sup>a</sup>	-0.1245*** (0.023)	-0.1484*** (0.026)
Polity2	0.0873*** (0.010)	0.0791*** (0.012) <sup>a</sup>	0.0837*** (0.010)	0.0687*** (0.012)
BITs * Polity2		0.0041 (0.003) <sup>a</sup>		0.0033*** (0.001)
Human right treaty	-0.1029 (0.063)	-0.0983 (0.063)	-0.1774*** (0.065)	-0.1639** (0.067)
Soft PTA	-0.4899*** (0.125)	-0.4941*** (0.125)	-0.5646*** (0.129)	-0.5977*** (0.130)
Hard PTA	0.0954 (0.133)	0.1240 (0.135)	-0.0013 (0.136)	0.0089 (0.135)
FDI inflow % GDP	0.0175* (0.010)	0.0177* (0.010)	0.0200** (0.010)	0.0197** (0.010)
Trade openness (log)	0.7133*** (0.132)	0.7110*** (0.132)	0.9431*** (0.147)	0.9628*** (0.149)
GDP per capita (log)	0.4947*** (0.190)	0.5319*** (0.194)	1.0675*** (0.267)	1.3661*** (0.312)
Regime durability	0.0070* (0.004)	0.0067* (0.004)	0.0080** (0.004)	0.0058 (0.004)
Population density	-0.0101*** (0.001)	-0.0100*** (0.001)	-0.0124*** (0.001)	-0.0126*** (0.001)
Interstate war	0.0524 (0.207)	0.0474 (0.207)	-0.2221 (0.218)	-0.3256 (0.242)
Civil war	-1.3967*** (0.110)	-1.4007*** (0.110)	-1.3625*** (0.112)	-1.3577*** (0.113)
Political dissent	-0.0404*** (0.011)	-0.0379*** (0.011)	-0.0496*** (0.010)	-0.0439*** (0.011)
<i>R</i> <sup>2</sup>	0.170	0.170	0.145	0.120
<i>Countries</i>	113	113	113	113
<i>N</i>	2,677	2,677	2,677	2,677
Kleibergen-Paap rk Wald F statistic	75.5	41.1	49.3	26.6
Kleibergen-Paap rk Wald F statistic interaction term		92.6		143.1
Hansen J p-value	0.15	0.29	0.15	0.29

Note: All models are instrumental variable models (Stata command xtivreg2). The numbers in parentheses are standard errors. All independent variables are lagged one year. \*\*\* p <= 0.01; \*\* p <= 0.05; \*p <= 0.1;

<sup>a</sup> jointly statistically significant;

<sup>b</sup> instruments: neighboring BITs with ICSID clause and 3 years moving average of BITs with ICSID in the world;

<sup>c</sup> instruments: neighboring BITs with ICSID clause, 3 years moving average of BITs with ICSID in the world, polity2\* neighboring BITs with ICSID clause, and polity2\*3 years moving average of BITs with ICSID in the world;

<sup>d</sup> instruments: neighboring adjusted north-south BITs and 3 years moving average of adjusted north-south BITs in the world;

<sup>e</sup> instruments: neighboring adjusted north-south BITs, 3 years moving average of adjusted north-south BITs in the world, polity2\* neighboring adjusted north-south BITs, and polity2\*3 years moving average of adjusted north-south BITs in the world.

**Table A4. Causal mechanisms - The impact of BITs on fiscal revenue**

	All BITs		BITs with ICSID		Adjusted North-South BITs	
Fiscal expenditure	0.2218*** (0.026)	0.2197*** (0.026)	0.2166*** (0.026)	0.2185*** (0.026)	0.2240*** (0.026)	0.2207*** (0.026)
BITs	-0.0444** (0.019)	-0.0595*** (0.022)	-0.2666*** (0.047)	-0.2730*** (0.056) <sup>a</sup>	-0.0754** (0.033)	-0.1148*** (0.039)
Polity2	0.0955*** (0.030)	0.0834*** (0.032)	0.0929*** (0.029)	0.0912*** (0.032) <sup>a</sup>	0.0956*** (0.030)	0.0758** (0.033)
BITs * Polity2		0.0028* (0.002)		0.0014 (0.005) <sup>a</sup>		0.0072** (0.003)
GDP per capita	1.0469 (0.925)	1.1019 (0.930)	1.5647* (0.910)	1.5590* (0.908)	0.9841 (0.918)	1.0786 (0.924)
Population	0.0024 (0.005)	0.0027 (0.005)	0.0046 (0.005)	0.0045 (0.005)	0.0031 (0.005)	0.0037 (0.005)
Oil rent	0.1527*** (0.031)	0.1530*** (0.031)	0.1500*** (0.031)	0.1505*** (0.031)	0.1536*** (0.031)	0.1544*** (0.031)
FDI/GDP	0.0284 (0.034)	0.0275 (0.034)	0.0282 (0.034)	0.0287 (0.034)	0.0267 (0.034)	0.0260 (0.034)
Capital openness	-0.3460 (0.465)	-0.3710 (0.465)	-0.4347 (0.458)	-0.4394 (0.456)	-0.3638 (0.461)	-0.4358 (0.465)
Trade openness	2.6864*** (0.443)	2.6355*** (0.447)	2.6993*** (0.433)	2.6941*** (0.434)	2.6749*** (0.442)	2.6134*** (0.447)
Growth	0.0882** (0.035)	0.0873** (0.035)	0.0732** (0.035)	0.0739** (0.035)	0.0883** (0.035)	0.0861** (0.035)
$R^2$	0.777	0.777	0.778	0.779	0.778	0.777
<i>Countries</i>	104	104	104	104	104	104
<i>N</i>	2,335	2,335	2,335	2,335	2,335	2,335

Note: All models are OLS with panel corrected standard errors and AR (1), intercepts, country and half-decade fixed effects. Numbers in parentheses are standard error. All independent variables are lagged one year. \*\*\* p <= 0.01; \*\* p <=0.05; \*p<=0.1; <sup>a</sup> jointly statistically significant.

Fiscal revenue and fiscal expenditure (Bodea and Higashijima 2015) are percentages of GDP and are coded based on Brender and Drazen (2005), the International Monetary Fund (IMF) International Financial Statistics (IFS 2002), the IMF Government Financial Statistics (GFS 2010), the European Bank for Reconstruction and Development (EBRD) transition reports (2011), various Article IV country consultations with the IMF. The year coverage is from 1948 to 2009.

The models are OLS regression with panel-corrected standard errors to address panel heterogeneity and contemporaneous correlation of errors (Beck and Katz 1995) and an AR (1) process. Control variables include: fiscal expenditure, level of democracy (Polity2 score), GDP per capita, population density (WDI), oil rent as percentage of GDP (WDI), net FDI inflows (WDI), capital openness (Chinn Ito 2008), trade openness (WDI), and three years average economic growth (WDI). Country dummy variables and half-decade period dummy variables are included to control for country and time specific factors. All independent variables are lagged one year.

**Table A5. Causal mechanisms - The impact of BITs on fiscal expenditure**

	All BITs		BITs with ICSID		Adjusted North-South BITs	
Fiscal revenue	0.4130*** (0.038)	0.4092*** (0.038)	0.4076*** (0.038)	0.4099*** (0.038)	0.4145*** (0.038)	0.4090*** (0.038)
BITs	-0.0411* (0.022)	-0.0888*** (0.025)	-0.1920*** (0.059)	-0.2965*** (0.067)	-0.0630* (0.038)	-0.1682*** (0.043)
Polity2	-0.0570 (0.039)	-0.0946** (0.043)	-0.0581 (0.039)	-0.0863** (0.043)	-0.0569 (0.039)	-0.1091** (0.044)
BITs * Polity2		0.0089*** (0.002)		0.0206*** (0.007)		0.0191*** (0.004)
GDP per capita	-0.4420 (0.819)	-0.2625 (0.826)	-0.1516 (0.856)	-0.1535 (0.852)	-0.5368 (0.812)	-0.2748 (0.818)
Population	0.0200*** (0.007)	0.0209*** (0.007)	0.0215*** (0.007)	0.0230*** (0.007)	0.0207*** (0.007)	0.0221*** (0.007)
Oil rent	0.0185 (0.030)	0.0209 (0.030)	0.0187 (0.030)	0.0198 (0.030)	0.0192 (0.030)	0.0230 (0.030)
FDI/GDP	-0.0678 (0.044)	-0.0699 (0.044)	-0.0678 (0.044)	-0.0653 (0.044)	-0.0698 (0.044)	-0.0711 (0.044)
Capital openness	-1.0675* (0.642)	-1.1419* (0.644)	-1.1520* (0.637)	-1.2095* (0.636)	-1.0926* (0.640)	-1.2777** (0.650)
Trade openness	1.4296*** (0.534)	1.2648** (0.534)	1.4179*** (0.520)	1.3299** (0.519)	1.4056*** (0.533)	1.2403** (0.533)
Growth	-0.0040 (0.038)	-0.0052 (0.037)	-0.0131 (0.038)	-0.0161 (0.038)	-0.0045 (0.038)	-0.0077 (0.038)
$R^2$	0.714	0.716	0.714	0.717	0.714	0.716
<i>Countries</i>	104	104	104	104	104	104
<i>N</i>	2,335	2,335	2,335	2,335	2,335	2,335

Note: All models are OLS with panel corrected standard errors and AR (1), intercepts, country and half-decade fixed effects. Numbers in parentheses are standard error. All independent variables are lagged one year. \*\*\* p <= 0.01; \*\* p <=0.05; \*p<=0.1

Fiscal revenue and fiscal expenditure (Bodea and Higashijima 2015) are percentages of GDP and are coded based on Brender and Drazen (2005), the International Monetary Fund (IMF) International Financial Statistics (IFS 2002), the IMF Government Financial Statistics (GFS 2010), the European Bank for Reconstruction and Development (EBRD) transition reports (2011), various Article IV country consultations with the IMF. The year coverage is from 1948 to 2009.

The models are OLS regression with panel-corrected standard errors to address panel heterogeneity and contemporaneous correlation of errors (Beck and Katz 1995) and an AR (1) process. Control variables include: fiscal revenue, level of democracy (Polity2 score), GDP per capita, population density (WDI), oil rent as percentage of GDP (WDI), net FDI inflows (WDI), capital openness (Chinn Ito 2008), trade openness (WDI), and three years average economic growth (WDI). Country dummy variables and half-decade period dummy variables are included to control for country and time specific factors. All independent variables are lagged one year.

**Table A6. Causal mechanisms - The impact of BITs on collective labor practices**

	All BITs		All BITs (IV approach) <sup>b</sup>		BITs with ICSID <sup>1</sup>		Adjusted North-South BITs	
BITs	-0.0399*** (0.013)	-0.0331*** (0.012) <sup>a</sup>	-0.1976*** (0.048)	-0.2369*** (0.050)	-0.0257 (0.051)	-0.0219 (0.064)	-0.0648*** (0.021)	-0.0585*** (0.019) <sup>a</sup>
Polity2	0.0501** (0.025)	0.0604** (0.026) <sup>a</sup>	0.0660 (0.045)	0.0148 (0.048)	0.0563** (0.025)	0.0574** (0.026)	0.0508** (0.025)	0.0639** (0.026) <sup>a</sup>
BITs * Polity2		-0.0023 (0.002) <sup>a</sup>		0.0089*** (0.003)		-0.0008 (0.007)		-0.0048 (0.003) <sup>a</sup>
Trade openness	-0.6872* (0.354)	-0.6740* (0.354)	-0.4887 (0.693)	-0.8443 (0.735)	-0.7653** (0.357)	-0.7637** (0.358)	-0.6912* (0.353)	-0.6810* (0.352)
FDI/GDP	-0.0127 (0.013)	-0.0121 (0.013)	0.0397 (0.035)	0.0279 (0.039)	-0.0130 (0.013)	-0.0130 (0.013)	-0.0130 (0.013)	-0.0125 (0.013)
GDP per capita	0.2444 (0.468)	0.1606 (0.487)	5.6680*** (1.820)	7.1295*** (1.864)	-0.0326 (0.486)	-0.0345 (0.491)	0.2290 (0.473)	0.1378 (0.490)
Growth	0.0044 (0.009)	0.0044 (0.009)	0.0083 (0.023)	0.0041 (0.023)	0.0053 (0.009)	0.0053 (0.009)	0.0042 (0.009)	0.0043 (0.009)
Civil war	-0.5721** (0.285)	-0.5721** (0.285)	-0.6771 (0.502)	-0.6537 (0.505)	-0.5635** (0.284)	-0.5625** (0.285)	-0.5674** (0.284)	-0.5646** (0.285)
Population	-0.0210*** (0.005)	-0.0210*** (0.005)	-0.0244*** (0.007)	-0.0253*** (0.007)	-0.0207*** (0.006)	-0.0206*** (0.006)	-0.0203*** (0.005)	-0.0200*** (0.005)
ILO	0.1096 (0.316)	0.1256 (0.312)	0.3758 (0.399)	0.1672 (0.392)	0.1369 (0.317)	0.1387 (0.313)	0.1046 (0.315)	0.1107 (0.313)
R <sup>2</sup>	0.577	0.578	0.138	0.099	0.575	0.575	0.576	0.577
Countries	120	120	107	107	120	120	120	120
N	1,791	1,791	1,154	1,154	1,791	1,791	1,791	1,791

Note: All models (except for the IV approach) are OLS with panel corrected standard errors and AR (1), intercepts, country and half-decade fixed effects. Numbers in parentheses are standard error. All independent variables are lagged one year. \*\*\* p <= 0.01; \*\* p <= 0.05; \* p <= 0.1; <sup>a</sup> jointly statistically significant; <sup>b</sup> For the non-interaction model, we use two instrumental variables: total number of BITs in countries with similar export products and 3 years moving average of BITs in the world. Kleibergen-Paap rk Wald F statistic is 37.1 and Hansen J p-value is 0.20. For the interaction model, we employ three instrumental variables: total number of BITs in countries with similar export products, 3 years moving average of BITs in the world, and polity2\*3 years moving average of BITs in the world. Kleibergen-Paap rk Wald F statistic is 20.1 for BITs variable and 79.8 for the interaction term. Hansen J p-value is 0.23.

Mosley (2011) codes collective labor law (legal provision of labor law) and collective labor practices (de facto labor practices on the ground) and creates two labor rights indexes. We employ the de facto collective labor practice index in our analysis. Mosely's dataset records thirty-seven types of violations in the six broad categories: freedom of association, the right to form and join unions, rights to other union activities (e.g., to elect union leaders, enact union laws, control union finances), the right to bargain collectively, the right to strike, and the rights of workers in export-processing zones. For ease of interpretation, the original scale of this index has been reversed, so that higher (lower) values indicate better (worse) collective labor rights.

Following previous studies on labor rights in developing countries (e.g., Mosley and Uno 2007; Greenhill, Mosley, and Prakash 2009), we include a battery of standard economic and political controls: the level of democracy (Polity2 score), trade openness, net FDI inflows, GDP per capita, economic growth, civil wars (Peace Research Institute Oslo's (PRIO) Armed Conflict Database), and population density. In addition,

<sup>1</sup> Rather than count the number of BITs in which the ICSID is the only option for investor-state dispute resolution, we employ an alternative measure that counts the number of BITs in which ICSID is available either as one of many options or as the only option. We find that BITs with ICSID significantly worsen labor practices in developing countries.

we control for the ratification of the two core ILO conventions pertaining to freedom of association and collective bargaining rights (C87 and C98). We construct a ILO variable that accounts for the number of these two core ILO conventions ratified by a host state in a given year (ILO's NORMLEX database). Similar to the model specification of fiscal revenue and expenditure models, we use an OLS regression with panel-corrected standard errors along with an AR (1) process. We also include country dummy and half-decade period dummy variables. All independent variables are lagged one year.

**Table A7. Causal mechanisms - The impact of BITs on political dissent**

	All BITs		All BITs (IV approach) <sup>a</sup>		BITs with ICSID		Adjusted North-South BITs	
Lagged DV	0.5094*** (0.048)	0.4892*** (0.049)	0.5036*** (0.016)	0.4805*** (0.017)	0.5130*** (0.048)	0.4955*** (0.049)	0.5090*** (0.048)	0.4921*** (0.049)
BITs	0.0050 (0.004)	0.0111** (0.005)	0.0047 (0.007)	0.0362*** (0.012)	0.0077 (0.017)	0.0483** (0.020)	0.0094 (0.008)	0.0170** (0.008)
Polity2	0.0203** (0.009)	0.0412*** (0.010)	0.0208** (0.009)	0.0686*** (0.016)	0.0200** (0.009)	0.0383*** (0.009)	0.0204** (0.009)	0.0416*** (0.010)
BITs * Polity2		-0.0021*** (0.001)		-0.0049*** (0.001)		-0.0097*** (0.003)		-0.0036*** (0.001)
Trade	-0.5425*** (0.103)	-0.5463*** (0.105)	-0.5480*** (0.095)	-0.5357*** (0.096)	-0.5441*** (0.101)	-0.5494*** (0.103)	-0.5444*** (0.103)	-0.5433*** (0.104)
GDP per capita	0.1222 (0.079)	0.1721** (0.079)	0.1263* (0.065)	0.1874*** (0.067)	0.1341* (0.078)	0.1502* (0.079)	0.1240 (0.080)	0.1724** (0.081)
Growth	0.0123* (0.007)	0.0092 (0.007)	0.0123 (0.008)	0.0013 (0.009)	0.0134* (0.007)	0.0116 (0.007)	0.0124* (0.007)	0.0103 (0.007)
Population	0.0019*** (0.001)	0.0021*** (0.001)	0.0019*** (0.000)	0.0020*** (0.000)	0.0019*** (0.001)	0.0019*** (0.001)	0.0019*** (0.001)	0.0021*** (0.001)
Ethnic frac.	0.6314** (0.262)	0.7545*** (0.257)	0.6388*** (0.190)	0.9628*** (0.214)	0.6092** (0.259)	0.6653** (0.262)	0.6295** (0.259)	0.7319*** (0.255)
Instability	-0.1195 (0.153)	-0.1606 (0.154)	-0.1221 (0.146)	-0.1836 (0.148)	-0.1282 (0.154)	-0.1493 (0.155)	-0.1193 (0.154)	-0.1582 (0.155)
Oil/gas inc. pc	0.0105 (0.025)	-0.0028 (0.026)	0.0104 (0.022)	-0.0259 (0.024)	0.0103 (0.024)	0.0040 (0.025)	0.0116 (0.025)	0.0002 (0.026)
R <sup>2</sup>	0.335	0.327	0.329	0.322	0.337	0.331	0.334	0.329
Countries	115	115	115	115	115	115	115	115
N	3,064	3,064	3,062	3,062	3,064	3,064	3,064	3,064
Cragg-Donald Wald F statistic			631.0	426.8				
Cragg-Donald Wald F statistic interaction term				389.9				
Sargan-Hansen p-value			0.48	0.36				

Note: All models (except for the IV approach) are OLS with panel corrected standard errors, and AR (1), intercepts, and half-decade controls. Numbers in parentheses are standard error. All independent variables are lagged one year. \*\*\* p <= 0.01; \*\* p <= 0.05; \*p <= 0.1; <sup>a</sup> For the non-interaction model, two instrumental variables: neighboring BITs and 3 years moving average of BITs in the world. For the interaction model, three instrumental variables: neighboring BITs, 3 years moving average of BITs in the world, and polity2\*3 years moving average of BITs in the world.

Political dissent is the sum of general strikes, riots and anti-government demonstrations. The data source is Banks CNTS database.

The models are OLS regression with panel-corrected standard errors to address panel heterogeneity and contemporaneous correlation of errors (Beck and Katz 1995) and an AR (1) process. The empirical model is based on Houle (2016). Control variables are include: level of democracy (Polity2 score), trade openness (WDI), GDP per capita, economic growth (WDI), population density (WDI), ethno-linguistic fractionalization (Alesina et al. 2003), a dummy variable of instability that captures whether a country has experienced a regime transition over the last three years (Polity IV database), and oil and gas income per



capita (Ross 2012). Half-decade period dummy variables are included to control for time specific factors. All independent variables are lagged one year.

Houle, Christian. 2016. "Why class inequality breeds coups but not civil wars." *Journal of Peace Research*.

**Table A8. Causal mechanisms - Table 2 Models, including causal mechanisms variables**

		All BITs (Non-IV approach)		All BITs (IV approach)		BITs with ICSID		Adjusted North- South BITs	
Add fiscal revenue (to Table 2)	BITs	-0.0172*** (0.005)	-0.0251*** (0.006)	-0.0447*** (0.009) <sup>b</sup>	-0.0512*** (0.010) <sup>c</sup>	-0.0662*** (0.018)	-0.0844*** (0.021) <sup>a</sup>	-0.0338*** (0.011)	-0.0474*** (0.012)
	Polity2	0.0724*** (0.012)	0.0634*** (0.013)	0.0796*** (0.012) <sup>b</sup>	0.0714*** (0.013) <sup>c</sup>	0.0732*** (0.012)	0.0665*** (0.013) <sup>a</sup>	0.0730*** (0.012)	0.0637*** (0.013)
	BITs * Polity2		0.0014*** (0.000)		0.0012** (0.001) <sup>c</sup>		0.0034 (0.002) <sup>a</sup>		0.0023** (0.001)
	Fiscal revenue	0.0279*** (0.008)	0.0274*** (0.008)	0.0250*** (0.008) <sup>b</sup>	0.0244*** (0.008) <sup>c</sup>	0.0265*** (0.008)	0.0263*** (0.008)	0.0282*** (0.008)	0.0278*** (0.008)
	$R^2$	0.583	0.585	0.181	0.184	0.583	0.584	0.582	0.584
	Countries	102	102	102	102	102	102	102	102
	$N$	2,068	2,068	2,066	2,066	2,068	2,068	2,068	2,068
Add fiscal spending (to Table 2)	BITs	-0.0171*** (0.005)	-0.0243*** (0.006)	-0.0436*** (0.009) <sup>d</sup>	-0.0499*** (0.010) <sup>e</sup>	-0.0686*** (0.018)	-0.0851*** (0.021) <sup>a</sup>	-0.0333*** (0.011)	-0.0453*** (0.012)
	Polity2	0.0733*** (0.012)	0.0650*** (0.013)	0.0814*** (0.012) <sup>d</sup>	0.0736*** (0.014) <sup>e</sup>	0.0740*** (0.012)	0.0680*** (0.013) <sup>a</sup>	0.0740*** (0.012)	0.0657*** (0.013)
	BITs * Polity2		0.0012** (0.000)		0.0011* (0.001) <sup>e</sup>		0.0031 (0.002) <sup>a</sup>		0.0020** (0.001)
	Fiscal spending	0.0180*** (0.006)	0.0169*** (0.006)	0.0137** (0.006) <sup>d</sup>	0.0123** (0.006) <sup>e</sup>	0.0178*** (0.006)	0.0173*** (0.006)	0.0181*** (0.006)	0.0172*** (0.006)
	$R^2$	0.585	0.587	0.180	0.183	0.586	0.586	0.584	0.586
	Countries	101	101	101	101	101	101	101	101
	$N$	2,055	2,055	2,053	2,053	2,055	2,055	2,055	2,055
Add labor practices (to Table 2)	BITs	-0.0184*** (0.004)	-0.0230*** (0.005)	-0.0446*** (0.012) <sup>f</sup>	-0.0449*** (0.012) <sup>g</sup>	-0.0818*** (0.015)	-0.0945*** (0.019) <sup>a</sup>	-0.0387*** (0.008)	-0.0413*** (0.009) <sup>a</sup>
	Polity2	0.0567*** (0.011)	0.0492*** (0.011)	0.0696*** (0.013) <sup>f</sup>	0.0568*** (0.015) <sup>g</sup>	0.0576*** (0.011)	0.0529*** (0.011) <sup>a</sup>	0.0565*** (0.011)	0.0514*** (0.011) <sup>a</sup>
	BITs * Polity2		0.0013** (0.001)		0.0021** (0.001) <sup>g</sup>		0.0027 (0.003) <sup>a</sup>		0.0013 (0.001) <sup>a</sup>
	Labor practices	0.0282** (0.011)	0.0284** (0.011)	0.0215* (0.012) <sup>f</sup>	0.0240** (0.012) <sup>g</sup>	0.0307*** (0.011)	0.0305*** (0.011)	0.0278** (0.011)	0.0279** (0.011)
	$R^2$	0.625	0.625	0.130	0.134	0.626	0.626	0.625	0.625
	Countries	111	111	108	108	111	111	111	111
	$N$	1,680	1,680	1,582	1,582	1,680	1,680	1,680	1,680

Note: All models (except for the IV approach) are OLS with panel corrected standard errors and AR (1), intercepts, country and half-decade fixed effects. Control variable are omitted due to space constraint. Numbers in parentheses are standard error. All independent variables are lagged one year. \*\*\* p <= 0.01; \*\* p <= 0.05; \*p <= 0.1;

<sup>a</sup> jointly statistically significant;

<sup>b</sup> two instrumental variables are neighboring BITs and 3 years moving average of BITs in the world. Kleibergen-Paap rk Wald F statistic is 132.7 and Hansen J p-value is 0.14;

<sup>c</sup> four instrumental variables are neighboring BITs, 3 years moving average of BITs in the world, polity2\* neighboring BITs, and polity2\*3 years moving average of BITs in the world. Kleibergen-Paap rk Wald F statistic is 66.8 for BITs variable and 317.3 for the interaction term. Hansen J p-value is 0.24;

<sup>d</sup> two instrumental variables are neighboring BITs and 3 years moving average of BITs in the world. Kleibergen-Paap rk Wald F statistic is 130.1 and Hansen J p-value is 0.23;

<sup>e</sup> four instrumental variables are neighboring BITs, 3 years moving average of BITs in the world, polity2\* neighboring BITs, and polity2\*3 years moving average of BITs in the world. Kleibergen-Paap rk Wald F statistic is 65.6 for BITs variable and 317.1 for the interaction term. Hansen J p-value is 0.37;

<sup>f</sup> two instrumental variables are average probability of signing a BIT (footnote 38) and 3 years moving average of BITs in the world. Kleibergen-Paap rk Wald F statistic is 66.9 and Hansen J p-value is 0.25;

<sup>g</sup> three instrumental variables are average probability of signing a BIT (footnote 38), 3 years moving average of BITs in the world, and polity2\*3 years moving average of BITs in the world. Kleibergen-Paap rk Wald F statistic is 47.2 for BITs variable and 119.7 for the interaction term. Hansen J p-value is 0.34.

**Table A9. Robustness check for a restricted sample and additional control variables – All cumulative BITs**

	All BITs Model 1	All BITs Model 2	All BITs Model 3	All BITs Model 4	All BITs Model 5	All BITs Model 6	All BITs Model 7	All BITs Model 8
BITs	-0.0168 (0.0039)***	-0.0237 (0.0044)***	-0.0165 (0.0039)***	-0.0190 (0.0041)***	-0.0182 (0.0043)***	-0.0220 (0.0045)***	-0.0175 (0.0048)***	-0.0229 (0.0054)***
Polity2	0.0694 (0.0122)***	0.0561 (0.0119)***	0.0829 (0.0093)***	0.0767 (0.0098)***	0.0803 (0.0101)***	0.0737 (0.0106)***	0.0737 (0.0138)***	0.0580 (0.0141)***
BITs * Polity2		0.0016 (0.0004)***		0.0009 (0.0004)**		0.0013 (0.0005)**		0.0013 (0.0004)***
HR treaty	-0.1671 (0.0750)**	-0.1437 (0.0749)*	-0.1566 (0.0694)**	-0.1470 (0.0693)**	-0.1354 (0.0725)*	-0.1203 (0.0724)*	-0.2123 (0.0771)***	-0.1907 (0.0770)**
Soft PTA	-0.1545 (0.1535)	-0.1692 (0.1510)	-0.4728 (0.1572)***	-0.4798 (0.1565)***	-0.5346 (0.1655)***	-0.5296 (0.1650)***	-0.0755 (0.1642)	-0.0835 (0.1618)
Hard PTA	0.0436 (0.1714)	0.0630 (0.1688)	0.0296 (0.1603)	0.0424 (0.1604)	0.2308 (0.1657)	0.2391 (0.1661)	-0.0334 (0.1893)	-0.0149 (0.1855)
FDI inflow	0.0148 (0.0083)*	0.0140 (0.0084)*	0.0173 (0.0077)**	0.0170 (0.0077)**	0.0165 (0.0097)*	0.0166 (0.0097)*	0.0146 (0.0095)	0.0140 (0.0095)
Trade openness	0.6975 (0.1616)***	0.6719 (0.1653)***	0.6884 (0.1327)***	0.6799 (0.1343)***	0.6594 (0.1434)***	0.6440 (0.1457)***	0.8084 (0.1783)***	0.7876 (0.1835)***
GDP per capita	0.0226 (0.2531)	0.1184 (0.2621)	0.2382 (0.1866)	0.2997 (0.1869)	0.3102 (0.2102)	0.3929 (0.2102)*	-0.1500 (0.3126)	-0.0756 (0.3221)
Durability	0.0003 (0.0049)	-0.0015 (0.0049)	0.0074 (0.0044)*	0.0066 (0.0045)	0.0081 (0.0053)	0.0075 (0.0054)	0.0070 (0.0063)	0.0055 (0.0062)
Population	-0.0071 (0.0021)***	-0.0070 (0.0021)***	-0.0127 (0.0014)***	-0.0128 (0.0015)***	-0.0139 (0.0016)***	-0.0140 (0.0016)***	-0.0059 (0.0026)**	-0.0057 (0.0026)**
Interstate war	-0.1205 (0.2702)	-0.0895 (0.2724)	0.0603 (0.1966)	0.0380 (0.1947)	0.0168 (0.2086)	-0.0131 (0.2058)	-0.1423 (0.2701)	-0.1241 (0.2724)
Civil war	-0.5961 (0.1344)***	-0.6006 (0.1347)***	-0.9509 (0.1290)***	-0.9506 (0.1289)***	-1.0094 (0.1463)***	-1.0111 (0.1460)***	-0.5204 (0.1520)***	-0.5328 (0.1525)***
Political dissent	-0.0255 (0.0117)**	-0.0203 (0.0118)*	-0.0379 (0.0092)***	-0.0357 (0.0093)***	-0.0369 (0.0096)***	-0.0344 (0.0097)***	-0.0188 (0.0141)	-0.0155 (0.0142)
<i>Growth</i>			0.0020 (0.0085)	0.0017 (0.0085)				
<i>IMF/WB years</i>					-0.0320 (0.0145)**	-0.0358 (0.0146)**		
<i>NGOs shaming</i>							-0.0350 (0.0253)	-0.0303 (0.0249)
R <sup>2</sup>	0.64	0.64	0.55	0.55	0.55	0.55	0.67	0.68
Countries	113	113	112	112	111	111	112	112
N	1,939	1,939	2,629	2,629	2,257	2,257	1,639	1,639

Note: All models are OLS with panel corrected standard errors and AR (1), intercepts, country and half-decade fixed effects. Models 1 and 2 restrict sample to include only BITs that are ratified after 1990. Models 3 and 4 control for economic growth. Models 5 and 6 control for number of years under IMF/WB structural adjustment program. Models 7 and 8 control for shaming activities of human right NGOs. Numbers in parentheses are standard error. All independent variables are lagged one year. \*\*\* p <= 0.01; \*\* p <= 0.05; \*p <= 0.1

**Table A10. Robustness check for a restricted sample and additional control variables – BITs with ICSID**

	BITs with ICSID Model 1	BITs with ICSID Model 2	BITs with ICSID Model 3	BITs with ICSID Model 4	BITs with ICSID Model 5	BITs with ICSID Model 6	BITs with ICSID Model 7	BITs with ICSID Model 8
BITs	-0.0584 (0.0151)***	-0.0784 (0.0175)***	-0.0562 (0.0154)***	-0.0684 (0.0167)** <sup>a</sup>	-0.0802 (0.0176)***	-0.0937 (0.0199)*** <sup>a</sup>	-0.0777 (0.0192)***	-0.0929 (0.0218)***
Polity2	0.0714 (0.0122)***	0.0593 (0.0123)***	0.0844 (0.0093)***	0.0788 (0.0101)** <sup>a</sup>	0.0818 (0.0101)***	0.0772 (0.0108)*** <sup>a</sup>	0.0755 (0.0140)***	0.0621 (0.0148)***
BITs * Polity2		0.0053 (0.0020)***		0.0029 (0.0018) <sup>a</sup>		0.0031 (0.0022) <sup>a</sup>		0.0039 (0.0020)*
HR treaty	-0.1399 (0.0731)*	-0.1298 (0.0726)*	-0.1414 (0.0692)**	-0.1376 (0.0690)**	-0.1256 (0.0723)*	-0.1220 (0.0724)*	-0.1914 (0.0746)**	-0.1837 (0.0739)**
Soft PTA	-0.1546 (0.1545)	-0.1562 (0.1521)	-0.4659 (0.1573)***	-0.4665 (0.1565)***	-0.5307 (0.1645)***	-0.5267 (0.1640)***	-0.0674 (0.1659)	-0.0676 (0.1637)
Hard PTA	0.0544 (0.1712)	0.0923 (0.1687)	0.0376 (0.1607)	0.0576 (0.1608)	0.2396 (0.1659)	0.2506 (0.1663)	-0.0029 (0.1874)	0.0307 (0.1853)
FDI inflow	0.0138 (0.0083)*	0.0138 (0.0084)*	0.0168 (0.0077)**	0.0169 (0.0077)**	0.0155 (0.0097)	0.0155 (0.0097)	0.0136 (0.0094)	0.0137 (0.0094)
Trade openness	0.6391 (0.1565)***	0.6342 (0.1585)***	0.6367 (0.1313)***	0.6354 (0.1317)***	0.6359 (0.1422)***	0.6265 (0.1442)***	0.7556 (0.1712)***	0.7473 (0.1739)***
GDP per capita	-0.1467 (0.2428)	-0.1332 (0.2432)	0.1477 (0.1911)	0.1623 (0.1893)	0.2731 (0.2198)	0.2890 (0.2192)	-0.3070 (0.2969)	-0.2888 (0.2981)
Durability	-0.0002 (0.0049)	-0.0009 (0.0048)	0.0074 (0.0044)*	0.0071 (0.0044)	0.0077 (0.0053)	0.0076 (0.0053)	0.0063 (0.0063)	0.0058 (0.0062)
Population	-0.0059 (0.0020)***	-0.0056 (0.0020)***	-0.0119 (0.0015)***	-0.0118 (0.0015)***	-0.0125 (0.0016)***	-0.0127 (0.0016)***	-0.0044 (0.0025)*	-0.0041 (0.0025)
Interstate war	-0.0708 (0.2764)	-0.0671 (0.2768)	0.1024 (0.1996)	0.0998 (0.1988)	0.0544 (0.2125)	0.0565 (0.2120)	-0.0962 (0.2788)	-0.0908 (0.2793)
Civil war	-0.6001 (0.1359)***	-0.5996 (0.1353)***	-0.9517 (0.1296)***	-0.9561 (0.1297)***	-0.9985 (0.1464)***	-1.0009 (0.1468)***	-0.5107 (0.1533)***	-0.5161 (0.1519)***
Political dissent	-0.0223 (0.0116)*	-0.0185 (0.0117)	-0.0353 (0.0091)***	-0.0341 (0.0090)***	-0.0339 (0.0094)***	-0.0328 (0.0094)***	-0.0178 (0.0138)	-0.0144 (0.0139)
<i>Growth</i>			-0.0004 (0.0084)	-0.0004 (0.0084)				
<i>IMF/WB years</i>					-0.0369 (0.0146)**	-0.0370 (0.0146)**		
<i>NGOs shaming</i>							-0.0340 (0.0258)	-0.0316 (0.0255)
<i>R</i> <sup>2</sup>	0.64	0.64	0.55	0.55	0.55	0.55	0.67	0.68
<i>Countries</i>	113	113	112	112	111	111	112	112
<i>N</i>	1,939	1,939	2,629	2,629	2,257	2,257	1,639	1,639

Note: All models are OLS with panel corrected standard errors and AR (1), intercepts, country and half-decade fixed effects. Models 1 and 2 restrict sample to include only BITs that are ratified after 1990. Models 3 and 4 control for economic growth. Models 5 and 6 control for number of years under IMF/WB structural adjustment program. Models 7 and 8 control for shaming activities of human right NGOs. Numbers in parentheses are standard error. All independent variables are lagged one year. \*\*\* p <= 0.01; \*\* p <= 0.05; \*p<=0.1; <sup>a</sup> jointly statistically significant.

**Table A11. Robustness check for a restricted sample and additional control variables – Adjusted North-South BITs**

	Adjusted North-South BITs Model 1	Adjusted North-South BITs Model 2	Adjusted North-South BITs Model 3	Adjusted North-South BITs Model 4	Adjusted North-South BITs Model 5	Adjusted North-South BITs Model 6	Adjusted North-South BITs Model 7	Adjusted North-South BITs Model 8
BITs	-0.0363 (0.0082)***	-0.0432 (0.0089)***	-0.0322 (0.0078)***	-0.0340 (0.0080)** <sup>a</sup>	-0.0390 (0.0084)***	-0.0417 (0.0086)***	-0.0400 (0.0101)***	-0.0450 (0.0110)***
Polity2	0.0709 (0.0123)***	0.0607 (0.0120)***	0.0834 (0.0093)***	0.0786 (0.0098)** <sup>a</sup>	0.0799 (0.0101)***	0.0745 (0.0107)***	0.0755 (0.0141)***	0.0639 (0.0144)***
BITs * Polity2		0.0022 (0.0008)***		0.0011 (0.0008) <sup>a</sup>		0.0016 (0.0009)*		0.0016 (0.0009)*
HR treaty	-0.1702 (0.0747)**	-0.1529 (0.0749)**	-0.1565 (0.0695)**	-0.1489 (0.0698)**	-0.1397 (0.0726)*	-0.1288 (0.0729)*	-0.2183 (0.0770)***	-0.2031 (0.0774)***
Soft PTA	-0.1615 (0.1533)	-0.1695 (0.1517)	-0.4817 (0.1576)***	-0.4852 (0.1571)***	-0.5469 (0.1659)***	-0.5438 (0.1653)***	-0.0829 (0.1632)	-0.0862 (0.1617)
Hard PTA	0.0263 (0.1718)	0.0420 (0.1696)	0.0159 (0.1609)	0.0260 (0.1610)	0.2165 (0.1657)	0.2253 (0.1659)	-0.0466 (0.1902)	-0.0348 (0.1873)
FDI inflow	0.0142 (0.0083)*	0.0135 (0.0084)	0.0170 (0.0077)**	0.0169 (0.0077)**	0.0162 (0.0097)*	0.0163 (0.0097)*	0.0139 (0.0094)	0.0135 (0.0095)
Trade openness	0.7106 (0.1609)***	0.6890 (0.1636)***	0.6908 (0.1322)***	0.6837 (0.1337)***	0.6703 (0.1430)***	0.6595 (0.1450)***	0.8290 (0.1767)***	0.8111 (0.1806)***
GDP per capita	0.1005 (0.2549)	0.1690 (0.2639)	0.2635 (0.1890)	0.3105 (0.1910)	0.3569 (0.2113)*	0.4178 (0.2147)*	-0.0534 (0.3177)	-0.0063 (0.3278)
Durability	0.0007 (0.0049)	-0.0008 (0.0050)	0.0077 (0.0044)*	0.0070 (0.0045)	0.0083 (0.0053)	0.0076 (0.0054)	0.0073 (0.0064)	0.0063 (0.0064)
Population	-0.0068 (0.0021)***	-0.0067 (0.0021)***	-0.0125 (0.0014)***	-0.0125 (0.0015)***	-0.0135 (0.0016)***	-0.0137 (0.0016)***	-0.0056 (0.0025)**	-0.0054 (0.0025)**
Interstate war	-0.1263 (0.2716)	-0.0973 (0.2729)	0.0611 (0.1954)	0.0463 (0.1942)	0.0112 (0.2066)	-0.0077 (0.2051)	-0.1573 (0.2706)	-0.1388 (0.2724)
Civil war	-0.5873 (0.1340)***	-0.5884 (0.1340)***	-0.9425 (0.1290)***	-0.9438 (0.1290)***	-1.0024 (0.1461)***	-1.0028 (0.1461)***	-0.5085 (0.1504)***	-0.5157 (0.1503)***
Political dissent	-0.0239 (0.0116)**	-0.0196 (0.0118)*	-0.0367 (0.0091)***	-0.0353 (0.0092)***	-0.0358 (0.0095)***	-0.0341 (0.0096)***	-0.0179 (0.0141)	-0.0160 (0.0142)
<i>Growth</i>			0.0014 (0.0085)	0.0008 (0.0084)				
<i>IMF/WB years</i>					-0.0287 (0.0144)**	-0.0319 (0.0145)**		
<i>NGOs shaming</i>							-0.0355 (0.0253)	-0.0321 (0.0252)
<i>R</i> <sup>2</sup>	0.64	0.64	0.55	0.55	0.55	0.55	0.67	0.68
<i>Countries</i>	113	113	112	112	111	111	112	112
<i>N</i>	1,939	1,939	2,629	2,629	2,257	2,257	1,639	1,639

Note: All models are OLS with panel corrected standard errors and AR (1), intercept, country and half-decade fixed effects. Models 1 and 2 restrict sample to include only BITs that are ratified after 1990. Models 3 and 4 control for economic growth. Models 5 and 6 control for number of years under IMF/WB structural adjustment program, British colony and French colony. Models 7 and 8 control for shaming activities of human right NGOs. Numbers in parentheses are standard error. All independent variables are lagged one year. \*\*\* p <= 0.01; \*\* p <= 0.05; \*p<=0.1; <sup>a</sup>jointly statistically significant.

**Table A12. Alternative measures of the dependent variable**

DVs		All BITs (Non-IV approach)		All BITs (IV approach)		BITs with ICSID		Adjusted North-South BITs	
PTS average	BITs	-0.0015 (0.002)	-0.0033 (0.002) <sup>a</sup>	-0.0069** (0.003) <sup>b</sup>	-0.0493*** (0.012) <sup>c</sup>	-0.0152** (0.007)	-0.0208*** (0.008)	-0.0060 (0.004)	-0.0077* (0.004)
	Polity2	0.0372*** (0.005)	0.0331*** (0.005) <sup>a</sup>	0.0465*** (0.004) <sup>b</sup>	0.0342*** (0.006) <sup>c</sup>	0.0372*** (0.005)	0.0348*** (0.005)	0.0373*** (0.005)	0.0334*** (0.005)
	BITs * Polity2		0.0006*** (0.000) <sup>a</sup>		0.0012*** (0.000) <sup>c</sup>		0.0013* (0.001)		0.0010*** (0.000)
Torture + Political Imprisonment (from CIRI)	BITs	-0.0092*** (0.002)	-0.0099*** (0.002) <sup>a</sup>	-0.0252*** (0.006) <sup>d</sup>	-0.0280*** (0.006) <sup>ae</sup>	-0.0375*** (0.009)	-0.0374*** (0.010) <sup>a</sup>	-0.0170*** (0.004)	-0.0173*** (0.004) <sup>a</sup>
	Polity2	0.0478*** (0.006)	0.0461*** (0.006) <sup>a</sup>	0.0507*** (0.006) <sup>d</sup>	0.0475*** (0.006) <sup>ae</sup>	0.0486*** (0.006)	0.0486*** (0.006) <sup>a</sup>	0.0481*** (0.006)	0.0474*** (0.006) <sup>a</sup>
	BITs * Polity2		0.0002 (0.000) <sup>a</sup>		0.0004 (0.000) <sup>ae</sup>		-0.0000 (0.001) <sup>a</sup>		0.0001 (0.000) <sup>a</sup>
Freedom restrictions (constructed based on CIRI)	BITs	-0.0125** (0.006)	-0.0131** (0.006) <sup>a</sup>	-0.0184** (0.009) <sup>f</sup>	-0.0189* (0.011) <sup>ag</sup>	-0.0542** (0.022)	-0.0486** (0.025) <sup>a</sup>	-0.0210** (0.009)	-0.0192** (0.009) <sup>a</sup>
	Polity2	0.1119*** (0.013)	0.1106*** (0.014) <sup>a</sup>	0.1433*** (0.011) <sup>f</sup>	0.1433*** (0.012) <sup>ag</sup>	0.1131*** (0.013)	0.1157*** (0.014) <sup>a</sup>	0.1123*** (0.013)	0.1159*** (0.014) <sup>a</sup>
	BITs * Polity2		0.0002 (0.001) <sup>a</sup>		-0.0000 (0.001) <sup>ag</sup>		-0.0013 (0.002) <sup>a</sup>		-0.0008 (0.001) <sup>a</sup>

Note: All models (except for the IV approach) are OLS with panel corrected standard errors and AR (1), intercepts, country and half-decade fixed effects. Control variable are omitted due to space constraint. Numbers in parentheses are standard error. All independent variables are lagged one year. \*\*\* p <= 0.01; \*\* p <= 0.05; \*p <= 0.1;

<sup>a</sup> jointly statistically significant;

<sup>b</sup> two instrumental variables are neighboring BITs and average probability of signing a BIT (footnote 38). Kleibergen-Paap rk Wald F statistic is 155.1 and Hansen J p-value is 0.57;

<sup>c</sup> three instrumental variables are 3 years moving average of BITs in the world, polity2\*3 years moving average of BITs in the world, and polity2\*neighboring BITs. Kleibergen-Paap rk Wald F statistic is 28.9 for BITs variable and 207.4 for the interaction term. Hansen J p-value is 0.57;

<sup>d</sup> two instrumental variables are neighboring BITs and 3 years moving average of BITs in the world. Kleibergen-Paap rk Wald F statistic is 79.8 and Hansen J p-value is 0.72;

<sup>e</sup> four instrumental variables are neighboring BITs, 3 years moving average of BITs in the world, polity2\*3 years moving average of BITs in the world, and polity2\*neighboring BITs. Kleibergen-Paap rk Wald F statistic is 42.2 for BITs variable and 159.8 for the interaction term. Hansen J p-value is 0.95;

<sup>f</sup> two instrumental variables are neighboring BITs and 3 years moving average of BITs in the world. Kleibergen-Paap rk Wald F statistic is 80.4 and Hansen J p-value is 0.81;

<sup>g</sup> four instrumental variables are neighboring BITs, 3 years moving average of BITs in the world, polity2\*3 years moving average of BITs in the world, and polity2\*neighboring BITs. Kleibergen-Paap rk Wald F statistic is 42.6 for BITs variable and 159.5 for the interaction term. Hansen J p-value is 0.61.

**Table A13. Control for corruption from ICRG**

	All BITs		IV		BITs with ICSID		Adjusted North-South BITs	
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8
BITs	-0.0121*** (0.004)	-0.0171*** (0.004)	-0.0318*** (0.009)	-0.0419*** (0.009)	-0.0401*** (0.014)	-0.0569*** (0.017)	-0.0231*** (0.007)	-0.0259*** (0.007) <sup>a</sup>
Polity2	0.0536*** (0.011)	0.0440*** (0.011)	0.0566*** (0.012)	0.0457*** (0.013)	0.0551*** (0.011)	0.0462*** (0.011)	0.0542*** (0.011)	0.0479*** (0.011) <sup>a</sup>
BITs * Polity2		0.0013*** (0.000)		0.0013*** (0.000)		0.0037* (0.002)		0.0014 (0.001) <sup>a</sup>
HR treaty	-0.1330* (0.079)	-0.1289* (0.078)	-0.1318* (0.080)	-0.1387* (0.080)	-0.1112 (0.078)	-0.1111 (0.077)	-0.1292* (0.078)	-0.1235 (0.078)
Soft PTA	-0.5441*** (0.186)	-0.5597*** (0.185)	-0.5800*** (0.152)	-0.6080*** (0.152)	-0.5308*** (0.186)	-0.5356*** (0.185)	-0.5461*** (0.187)	-0.5520*** (0.186)
Hard PTA	0.1861 (0.189)	0.2255 (0.188)	0.2125 (0.163)	0.2602 (0.164)	0.1840 (0.189)	0.2301 (0.189)	0.1679 (0.189)	0.1898 (0.189)
FDI/GDP	0.0065 (0.010)	0.0061 (0.010)	0.0062 (0.014)	0.0063 (0.014)	0.0057 (0.010)	0.0060 (0.010)	0.0061 (0.010)	0.0059 (0.010)
Trade openness	0.6085*** (0.173)	0.5935*** (0.176)	0.7791*** (0.170)	0.7808*** (0.170)	0.5664*** (0.171)	0.5606*** (0.173)	0.6062*** (0.173)	0.5918*** (0.176)
GDP per capita	0.0520 (0.262)	0.1540 (0.268)	0.4756* (0.268)	0.6800** (0.278)	-0.0551 (0.257)	-0.0319 (0.256)	0.0726 (0.265)	0.1302 (0.271)
Durability	0.0025 (0.005)	0.0012 (0.005)	0.0020 (0.004)	0.0005 (0.004)	0.0027 (0.005)	0.0023 (0.005)	0.0027 (0.005)	0.0017 (0.005)
Population	-0.0146*** (0.002)	-0.0144*** (0.002)	-0.0158*** (0.002)	-0.0156*** (0.002)	-0.0139*** (0.002)	-0.0138*** (0.002)	-0.0143*** (0.002)	-0.0143*** (0.002)
Interstate war	0.0677 (0.226)	0.0244 (0.221)	-0.0329 (0.192)	-0.1027 (0.197)	0.1067 (0.230)	0.1003 (0.228)	0.0681 (0.226)	0.0455 (0.222)
Civil war	-1.0131*** (0.149)	-1.0116*** (0.149)	-1.3274*** (0.139)	-1.3209*** (0.139)	-1.0190*** (0.151)	-1.0201*** (0.150)	-1.0087*** (0.150)	-1.0070*** (0.150)
Political dissent	-0.0420*** (0.010)	-0.0384*** (0.010)	-0.0573*** (0.011)	-0.0528*** (0.011)	-0.0398*** (0.010)	-0.0379*** (0.010)	-0.0410*** (0.010)	-0.0389*** (0.010)
Corruption	0.1491*** (0.051)	0.1478*** (0.051)	0.1602*** (0.048)	0.1528*** (0.047)	0.1625*** (0.051)	0.1649*** (0.051)	0.1494*** (0.050)	0.1479*** (0.050)
R <sup>2</sup>	0.607	0.609	0.156	0.154	0.607	0.608	0.607	0.608
Countries	93	93	93	93	93	93	93	93
N	1,949	1,949	1,947	1,947	1,949	1,949	1,949	1,949
Kleibergen-Paap rk Wald F statistic			122.4	64.8				
Kleibergen-Paap rk Wald F statistic interaction term				298.9				
Hansen J p-value			0.59	0.12				

Note: All model except 3&4 are OLS with panel corrected standard error along with AR (1), intercepts, country and half-decade fixed effects. Model 3 and 4 are instrumental variable models (Stata command xtivreg2). The numbers in parentheses are standard errors. All independent variables are lagged one year. \*\*\* p <= 0.01; \*\* p <=0.05; \*p<=0.1; <sup>a</sup> jointly statistically significant.

**Table A14. Break BITs into two categories – BITs with advanced democracies and BITs with the rest of the world**

	BITs with advanced democracy				BITs with the rest of the world			
	OLS		IV approach		OLS		IV approach	
BITs	-0.0229*	-0.0454***	-0.0716*	-0.0924**	-0.0213***	-0.0235***	-0.0787***	-0.0964***
	(0.014)	(0.016)	(0.038)	(0.041)	(0.004)	(0.005)	(0.012)	(0.015)
Polity2	0.0788***	0.0647***	0.0942***	0.0780***	0.0774***	0.0734***	0.0800***	0.0682***
	(0.009)	(0.011)	(0.011)	(0.014)	(0.009)	(0.009)	(0.010)	(0.011)
BITs * Polity2		0.0043***		0.0048**		0.0010**		0.0028***
		(0.001)		(0.002)		(0.000)		(0.001)
HR treaty	-0.1332*	-0.1153*	-0.1326*	-0.1056	-0.1541**	-0.1450**	-0.1896***	-0.1786***
	(0.068)	(0.068)	(0.069)	(0.070)	(0.068)	(0.068)	(0.066)	(0.067)
Soft PTA	-0.4411***	-0.4431***	-0.4858***	-0.4780***	-0.4541***	-0.4624***	-0.5113***	-0.5480***
	(0.158)	(0.157)	(0.133)	(0.132)	(0.156)	(0.155)	(0.127)	(0.127)
Hard PTA	0.0694	0.0824	0.1258	0.1410	0.0662	0.0745	0.0639	0.0813
	(0.165)	(0.165)	(0.145)	(0.144)	(0.162)	(0.162)	(0.134)	(0.134)
FDI stock	0.0158**	0.0156**	0.0156	0.0150	0.0165**	0.0162**	0.0213**	0.0210**
	(0.008)	(0.008)	(0.011)	(0.011)	(0.008)	(0.008)	(0.010)	(0.010)
Trade openness	0.6662***	0.6644***	0.6996***	0.6867***	0.7099***	0.7006***	0.9042***	0.9128***
	(0.131)	(0.131)	(0.144)	(0.143)	(0.130)	(0.132)	(0.139)	(0.141)
GDP per capita	0.0776	0.1537	-0.0396	0.0617	0.2756	0.3206*	0.9829***	1.2685***
	(0.188)	(0.187)	(0.217)	(0.230)	(0.187)	(0.189)	(0.230)	(0.266)
Durability	0.0064	0.0060	0.0169***	0.0158***	0.0057	0.0049	0.0054	0.0028
	(0.005)	(0.004)	(0.005)	(0.005)	(0.004)	(0.005)	(0.004)	(0.004)
Population	-0.0121***	-0.0121***	-0.0122***	-0.0124***	-0.0125***	-0.0125***	-0.0137***	-0.0140***
	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)
Interstate war	0.0774	0.0545	-0.0052	-0.0472	0.0321	0.0126	-0.2780	-0.4036*
	(0.198)	(0.197)	(0.193)	(0.195)	(0.195)	(0.193)	(0.209)	(0.229)
Civil war	-0.9647***	-0.9725***	-1.3766***	-1.3877***	-0.9627***	-0.9603***	-1.3582***	-1.3528***
	(0.128)	(0.128)	(0.117)	(0.117)	(0.128)	(0.128)	(0.111)	(0.112)
Political dissent	-0.0363***	-0.0338***	-0.0349***	-0.0313***	-0.0367***	-0.0347***	-0.0531***	-0.0464***
	(0.009)	(0.009)	(0.011)	(0.011)	(0.009)	(0.009)	(0.010)	(0.010)
$R^2$	0.543	0.546	0.190	0.195	0.548	0.548	0.156	0.130
Countries	113	113	111	111	113	113	113	113
N	2,679	2,679	2,447	2,447	2,679	2,679	2,677	2,677
Kleibergen-Paap rk Wald F statistic			96.5	71.4			67.5	36.6
Kleibergen-Paap rk Wald F statistic interaction term				220.3				98.5
Hansen J p-value			0.59	0.94			0.34	0.39

Note: OLS models include panel corrected standard error along with AR (1), intercepts, country and half-decade fixed effects. Instrumental variable models use Stata command xtivreg2. The numbers in parentheses are standard errors. All independent variables are lagged one year. \*\*\* p <= 0.01; \*\* p <= 0.05; \*p <= 0.1;

<sup>a</sup> instruments: neighboring BITs with advanced democracy and average probability of signing a BIT (footnote 38);

<sup>b</sup> instruments: neighboring BITs with advanced democracy, average probability of signing a BIT (footnote 38), and polity2\* neighboring BITs with advanced democracy;

<sup>c</sup> instruments: neighboring BITs with the rest of the world (non-advanced democracy) and 3 years moving average of BITs in the world;

<sup>d</sup> instruments: neighboring BITs with the rest of the world (non-advanced democracy), 3 years moving average of BITs in the world, polity2\* neighboring BITs with the rest of the world, and polity2\* 3 years moving average of BITs in the world.



**Table A15. Using a panel-specific AR1 autocorrelation structure**

	All BITs		BITs with ICSID		Adjusted North-South BITs	
BITs	-0.0223*** (0.004)	-0.0233*** (0.004)	-0.0726*** (0.014)	-0.0813*** (0.015) <sup>a</sup>	-0.0396*** (0.007)	-0.0398*** (0.007) <sup>a</sup>
Polity2	0.0716*** (0.009)	0.0653*** (0.010)	0.0710*** (0.009)	0.0658*** (0.010) <sup>a</sup>	0.0721*** (0.009)	0.0682*** (0.010) <sup>a</sup>
BITs * Polity2		0.0008** (0.000)		0.0025 (0.002) <sup>a</sup>		0.0008 (0.001) <sup>a</sup>
HR treaty	-0.1957*** (0.066)	-0.1847*** (0.067)	-0.1730*** (0.066)	-0.1713*** (0.066)	-0.1900*** (0.067)	-0.1830*** (0.067)
Soft PTA	-0.3699*** (0.141)	-0.3815*** (0.141)	-0.3778*** (0.142)	-0.3789*** (0.142)	-0.3744*** (0.142)	-0.3806*** (0.142)
Hard PTA	0.1822 (0.146)	0.1908 (0.146)	0.2070 (0.147)	0.2259 (0.148)	0.1691 (0.146)	0.1748 (0.146)
FDI/GDP	0.0162** (0.007)	0.0165** (0.007)	0.0155** (0.007)	0.0157** (0.007)	0.0161** (0.007)	0.0163** (0.007)
Trade openness	0.8810*** (0.115)	0.8744*** (0.116)	0.8069*** (0.113)	0.8052*** (0.113)	0.8692*** (0.114)	0.8705*** (0.115)
GDP per capita	0.3113* (0.174)	0.3718** (0.174)	0.1916 (0.179)	0.1967 (0.176)	0.3350* (0.173)	0.3722** (0.175)
Durability	0.0070* (0.004)	0.0058 (0.004)	0.0061 (0.004)	0.0059 (0.004)	0.0068 (0.004)	0.0060 (0.004)
Population	-0.0120*** (0.001)	-0.0121*** (0.001)	-0.0106*** (0.001)	-0.0108*** (0.001)	-0.0116*** (0.001)	-0.0118*** (0.001)
Interstate war	0.0187 (0.171)	0.0046 (0.171)	0.0807 (0.173)	0.0845 (0.172)	0.0279 (0.171)	0.0281 (0.170)
Civil war	-0.7270*** (0.107)	-0.7295*** (0.107)	-0.7413*** (0.109)	-0.7536*** (0.110)	-0.7233*** (0.107)	-0.7264*** (0.107)
Political dissent	-0.0334*** (0.009)	-0.0320*** (0.009)	-0.0323*** (0.009)	-0.0317*** (0.009)	-0.0329*** (0.009)	-0.0323*** (0.009)
$R^2$	0.770	0.763	0.767	0.763	0.765	0.761
<i>Countries</i>	113	113	113	113	113	113
<i>N</i>	2,679	2,679	2,679	2,679	2,679	2,679

Note: All models are OLS with panel corrected standard error along with panel specific AR (1), intercepts, country and half-decade fixed effects. The numbers in parentheses are standard errors. All independent variables are lagged one year.

\*\*\* p <= 0.01; \*\* p <= 0.05; \*p <= 0.1; <sup>a</sup> jointly statistically significant.

**Table A16. Include lagged DV**

	All BITs		IV		BITs with ICSID		Adjusted North-South BITs	
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8
BITs	-0.0109*** (0.003)	-0.0131*** (0.003)	-0.0355*** (0.008)	-0.0452*** (0.010)	-0.0331*** (0.012)	-0.0464*** (0.014)	-0.0199*** (0.006)	-0.0214*** (0.006) <sup>a</sup>
Polity2	0.0387*** (0.007)	0.0342*** (0.007)	0.0363*** (0.009)	0.0264*** (0.010)	0.0399*** (0.007)	0.0339*** (0.007)	0.0393*** (0.007)	0.0360*** (0.007) <sup>a</sup>
BITs * Polity2		0.0007** (0.000)		0.0014*** (0.000)		0.0030** (0.001)		0.0008 (0.001) <sup>a</sup>
Lagged DV	0.4332*** (0.042)	0.4308*** (0.043)	0.4242*** (0.021)	0.4172*** (0.021)	0.4336*** (0.042)	0.4316*** (0.042)	0.4327*** (0.042)	0.4311*** (0.043)
HR treaty	-0.1305** (0.055)	-0.1217** (0.055)	-0.1641*** (0.059)	-0.1538** (0.060)	-0.1167** (0.055)	-0.1133** (0.055)	-0.1296** (0.055)	-0.1230** (0.055)
Soft PTA	-0.3076** (0.123)	-0.3132** (0.123)	-0.3351*** (0.112)	-0.3555*** (0.113)	-0.3034** (0.123)	-0.3052** (0.122)	-0.3144** (0.123)	-0.3174*** (0.123)
Hard PTA	0.0911 (0.117)	0.0999 (0.117)	0.0722 (0.122)	0.0869 (0.122)	0.0980 (0.118)	0.1204 (0.118)	0.0832 (0.118)	0.0900 (0.118)
FDI/GDP	0.0137** (0.007)	0.0134** (0.007)	0.0160* (0.009)	0.0159* (0.009)	0.0128* (0.007)	0.0130* (0.007)	0.0132** (0.007)	0.0130* (0.007)
Trade openness	0.3897*** (0.105)	0.3825*** (0.107)	0.5070*** (0.124)	0.5167*** (0.125)	0.3549*** (0.103)	0.3528*** (0.104)	0.3905*** (0.105)	0.3846*** (0.106)
GDP per capita	0.0693 (0.149)	0.1183 (0.151)	0.4688** (0.192)	0.6537*** (0.216)	-0.0159 (0.154)	0.0002 (0.153)	0.0734 (0.152)	0.1066 (0.155)
Durability	0.0009 (0.003)	0.0003 (0.004)	0.0009 (0.003)	-0.0003 (0.003)	0.0009 (0.003)	0.0006 (0.003)	0.0010 (0.003)	0.0005 (0.004)
Population	-0.0070*** (0.001)	-0.0070*** (0.001)	-0.0075*** (0.001)	-0.0077*** (0.001)	-0.0064*** (0.001)	-0.0064*** (0.001)	-0.0068*** (0.001)	-0.0069*** (0.001)
Interstate war	0.0834 (0.172)	0.0535 (0.170)	-0.0025 (0.170)	-0.0826 (0.182)	0.1323 (0.173)	0.1232 (0.172)	0.0845 (0.171)	0.0650 (0.170)
Civil war	-0.6223*** (0.099)	-0.6266*** (0.099)	-0.6226*** (0.107)	-0.6310*** (0.108)	-0.6262*** (0.099)	-0.6323*** (0.099)	-0.6215*** (0.099)	-0.6244*** (0.099)
Political dissent	-0.0308*** (0.008)	-0.0286*** (0.008)	-0.0353*** (0.009)	-0.0315*** (0.009)	-0.0280*** (0.008)	-0.0265*** (0.008)	-0.0297*** (0.008)	-0.0283*** (0.008)
R <sup>2</sup>	0.719	0.719	0.323	0.316	0.718	0.719	0.719	0.719
Countries	113	113	113	113	113	113	113	113
N	2,592	2,592	2,590	2,590	2,592	2,592	2,592	2,592
Kleibergen-Paap rk Wald F statistic			80.4	42.3				
Kleibergen-Paap rk Wald F statistic interaction term				155.6				
Hansen J p-value			0.75	0.92				

Note: All model except 3&4 are OLS with panel corrected standard error along with intercepts, country and half-decade fixed effects. Model 3 and 4 are instrumental variable models (Stata command xtivreg2). The numbers in parentheses are standard errors. All independent variables are lagged one year. \*\*\* p <= 0.01; \*\* p <=0.05; \*p<=0.1; <sup>a</sup> jointly statistically significant.

**Table A17. Include neighboring countries BITs or keep only ratified BITs that have been ratified more than 5 years prior (drop BITs younger than 5 years)**

	Include neighboring countries BITs		Drop BITs younger than 5 years	
BITs	-0.0078** (0.004)	-0.0111*** (0.004)	-0.0203*** (0.004)	-0.0270*** (0.005)
Polity2	0.0779*** (0.009)	0.0686*** (0.010)	0.0785*** (0.009)	0.0721*** (0.009)
BITs * Polity2		0.0014*** (0.001)		0.0015*** (0.000)
Neighboring BITs	-0.0223*** (0.006)	-0.0250*** (0.006)		
Neighbor BITs * Polity2		-0.0001 (0.001)		
Human right treaty	-0.1317* (0.068)	-0.1141* (0.068)	-0.1557** (0.068)	-0.1447** (0.068)
Soft PTA	-0.5017*** (0.161)	-0.5202*** (0.160)	-0.4486*** (0.155)	-0.4560*** (0.154)
Hard PTA	0.0579 (0.162)	0.0717 (0.163)	0.0649 (0.162)	0.0700 (0.162)
FDI inflow % GDP	0.0178** (0.008)	0.0176** (0.008)	0.0167** (0.008)	0.0165** (0.008)
Trade openness (log)	0.6973*** (0.131)	0.6848*** (0.133)	0.7055*** (0.129)	0.7011*** (0.130)
GDP per capita (log)	0.3416* (0.189)	0.4451** (0.192)	0.2914 (0.178)	0.3991** (0.180)
Regime durability	0.0075* (0.004)	0.0065 (0.004)	0.0055 (0.004)	0.0044 (0.005)
Population density	-0.0126*** (0.001)	-0.0127*** (0.001)	-0.0125*** (0.001)	-0.0124*** (0.001)
Interstate war	0.0691 (0.195)	0.0371 (0.192)	0.0459 (0.196)	0.0223 (0.192)
Civil war	-0.9607*** (0.126)	-0.9560*** (0.126)	-0.9574*** (0.127)	-0.9518*** (0.127)
Political dissent	-0.0379*** (0.009)	-0.0345*** (0.009)	-0.0363*** (0.009)	-0.0342*** (0.009)
$R^2$	0.552	0.553	0.549	0.550
<i>Countries</i>	113	113	113	113
<i>N</i>	2,679	2,679	2,679	2,679

Note: All models are OLS with panel corrected standard error along with AR (1), intercepts, country and half-decade fixed effects. The numbers in parentheses are standard errors. All independent variables are lagged one year. \*\*\* p <= 0.01; \*\* p <= 0.05; \*p<=0.1

**Table A18. Drop decade one at a time or drop major capital exporting countries**

		All BITs (Non-IV approach)	All BITs (IV approach)	All BITs (IV approach)	BITs with ICSID	Adjusted North- South BITs			
Drop 1980s	BITs	-0.0168*** (0.004)	-0.0237*** (0.004)	-0.0386*** (0.009) <sup>b</sup>	-0.0557*** (0.010) <sup>c</sup>	-0.0503*** (0.016)	-0.0711*** (0.018)	-0.0351*** (0.008)	-0.0411*** (0.009)
	Polity2	0.0658*** (0.012)	0.0499*** (0.012)	0.0697*** (0.012) <sup>b</sup>	0.0427*** (0.015) <sup>c</sup>	0.0677*** (0.012)	0.0535*** (0.012)	0.0671*** (0.012)	0.0545*** (0.012)
	BITs * Polity2		0.0016*** (0.000)		0.0025*** (0.001) <sup>c</sup>		0.0047*** (0.002)		0.0021*** (0.001)
	$R^2$	0.631	0.633	0.099	0.095	0.629	0.630	0.630	0.631
	Countries	113	113	113	113	113	113	113	113
	N	2,014	2,014	2,012	2,012	2,014	2,014	2,014	2,014
Drop 1990s	BITs	-0.0107** (0.005)	-0.0117** (0.005)	-0.0239*** (0.009) <sup>d</sup>	-0.0188* (0.010) <sup>ae</sup>	-0.0396** (0.018)	-0.0546*** (0.019)	-0.0187** (0.008)	-0.0189** (0.008) <sup>a</sup>
	Polity2	0.0888*** (0.011)	0.0832*** (0.011)	0.0973*** (0.013) <sup>d</sup>	0.0880*** (0.015) <sup>ae</sup>	0.0903*** (0.011)	0.0831*** (0.011)	0.0891*** (0.011)	0.0842*** (0.011) <sup>a</sup>
	BITs * Polity2		0.0008* (0.001)		0.0015 (0.001) <sup>ae</sup>		0.0038* (0.002)		0.0012 (0.001) <sup>a</sup>
	$R^2$	0.623	0.625	0.267	0.270	0.623	0.626	0.622	0.624
	Countries	112	112	111	111	112	112	112	112
	N	1,739	1,739	1,574	1,574	1,739	1,739	1,739	1,739
Drop 2000s	BITs	-0.0159** (0.007)	-0.0172** (0.007) <sup>a</sup>	-0.0568*** (0.016) <sup>f</sup>	-0.0763*** (0.019) <sup>g</sup>	-0.1253*** (0.025)	-0.1205*** (0.030) <sup>a</sup>	-0.0314** (0.013)	-0.0313** (0.013) <sup>a</sup>
	Polity2	0.0799*** (0.013)	0.0780*** (0.013) <sup>a</sup>	0.0830*** (0.014) <sup>f</sup>	0.0714*** (0.015) <sup>g</sup>	0.0779*** (0.013)	0.0790*** (0.013) <sup>a</sup>	0.0798*** (0.013)	0.0799*** (0.013) <sup>a</sup>
	BITs * Polity2		0.0006 (0.001) <sup>a</sup>		0.0032* (0.002) <sup>g</sup>		-0.0013 (0.004) <sup>a</sup>		-0.0001 (0.001) <sup>a</sup>
	$R^2$	0.589	0.589	0.163	0.147	0.593	0.593	0.589	0.589
	Countries	109	109	108	108	109	109	109	109
	N	1,605	1,605	1,602	1,602	1,605	1,605	1,605	1,605
Drop major capital exporting countries from sample	BITs	-0.0167*** (0.005)	-0.0208*** (0.005)	-0.0487*** (0.009) <sup>h</sup>	-0.0572*** (0.010) <sup>i</sup>	-0.0855*** (0.019)	-0.0875*** (0.020) <sup>a</sup>	-0.0330*** (0.011)	-0.0432*** (0.012)
	Polity2	0.0724*** (0.010)	0.0655*** (0.010)	0.0767*** (0.011) <sup>h</sup>	0.0639*** (0.012) <sup>i</sup>	0.0723*** (0.010)	0.0712*** (0.010) <sup>a</sup>	0.0732*** (0.010)	0.0636*** (0.011)
	BITs * Polity2		0.0011** (0.000)		0.0020*** (0.001) <sup>i</sup>		0.0006 (0.002) <sup>a</sup>		0.0023** (0.001)
	$R^2$	0.535	0.536	0.189	0.188	0.537	0.537	0.534	0.535
	Countries	100	100	100	100	100	100	100	100
	N	2,327	2,327	2,325	2,325	2,327	2,327	2,327	2,327

Note: All models (except for the IV approach) are OLS with panel corrected standard errors and AR (1), intercepts, country and half-decade fixed effects. Control variable are omitted due to space constraint. Numbers in parentheses are standard error. All independent variables are lagged one year. \*\*\* p <= 0.01; \*\* p <= 0.05; \* p <= 0.1;

<sup>a</sup> jointly statistically significant;

<sup>b</sup> two instrumental variables are neighboring BITs and 3 years moving average of BITs in the world. Kleibergen-Paap rk Wald F statistic is 95.3 and Hansen J p-value is 0.59;

<sup>c</sup> four instrumental variables are neighboring BITs, 3 years moving average of BITs in the world, polity2\* neighboring BITs, and polity2\*3 years moving average of BITs in the world. Kleibergen-Paap rk Wald F statistic is 49.0 for BITs variable and 103.0 for the interaction term. Hansen J p-value is 0.50;

<sup>d</sup> two instrumental variables are average probability of signing a BIT (footnote 38) and 3 years moving average of BITs in the world. Kleibergen-Paap rk Wald F statistic is 52.9 and Hansen J p-value is 0.60;

<sup>e</sup> three instrumental variables are average probability of signing a BIT (footnote 38), 3 years moving average of BITs in the world, and polity2\*3 years moving average of BITs in the world. Kleibergen-Paap rk Wald F statistic is 38.8 for BITs variable and 91.5 for the interaction term. Hansen J p-value is 0.46;

<sup>f</sup> two instrumental variables are neighboring BITs and 3 years moving average of BITs in the world. Kleibergen-Paap rk Wald F statistic is 45.0 and Hansen J p-value is 0.40;

<sup>g</sup> three instrumental variables are neighboring BITs, 3 years moving average of BITs in the world, and polity2\*3 years moving average of BITs in the world. Kleibergen-Paap rk Wald F statistic is 30.9 for BITs variable and 68.9 for the interaction term. Hansen J p-value is 0.37.

<sup>h</sup> two instrumental variables are neighboring BITs and 3 years moving average of BITs in the world. Kleibergen-Paap rk Wald F statistic is 85.2 and Hansen J p-value is 0.29;

<sup>i</sup> four instrumental variables are neighboring BITs, 3 years moving average of BITs in the world, polity2\* neighboring BITs, and polity2\*3 years moving average of BITs in the world. Kleibergen-Paap rk Wald F statistic is 44.0 for BITs variable and 122.5 for the interaction term. Hansen J p-value is 0.24.

**Table A19. Correlation Matrix**

	CIRI	All BITs	Polity2	HR treaty	Soft PTA	Hard PTA	FDI	Trade	GDP capita	Durable	Pop.	Inter-state war	Civil war	Dissent	BIT /w ICSID	N-S BITs	Fiscal rev.	Fiscal exp.	Labor rights	
CIRI	1																			
All BITs	0.09	1																		
Polity2	0.2	0.19	1																	
HR treaty	0.03	0.33	0.3	1																
Soft PTA	0.13	0.27	0.07	0.32	1															
Hard PTA	0.06	0.16	-0.08	0.2	0.77	1														
FDI	0.2	0.17	0.13	0.15	0.17	0.14	1													
Trade	0.41	0.12	0.02	0.06	0.09	0.02	0.33	1												
GDP capita	0.22	0.31	0.4	0.22	-0.05	-0.13	0.14	0.18	1											
Durable	-0.03	0.02	-0.05	-0.08	-0.13	-0.16	-0.06	0.01	0.18	1										
Pop.	-0.08	0.08	0.19	-0.01	-0.02	-0.04	-0.07	-0.1	-0.1	0.11	1									
Interstate war	-0.18	0	0.02	-0.13	-0.1	-0.09	-0.07	-0.22	-0.1	0.05	0.12	1								
Civil war	-0.58	-0.04	0	0.01	-0.07	-0.04	-0.12	-0.33	-0.13	0.08	0.1	0.14	1							
Dissent	-0.22	0	0.1	-0.08	-0.15	-0.15	-0.11	-0.21	0.04	0.12	0.1	0.1	0.11	1						
BIT /w ICSID	-0.07	0.64	0.11	0.11	0.09	0.04	0.07	0.17	0.17	0.08	0.21	0	0.08	0.02	1					
N-S BITs	0.07	0.95	0.17	0.33	0.28	0.18	0.15	0.11	0.24	0.03	0.14	0.02	-0.03	-0.01	0.61	1				
Fiscal rev.	0.41	0.21	0.05	0.09	0.11	0.06	0.22	0.51	0.33	0.03	-0.18	-0.12	-0.27	-0.14	0.08	0.19	1			
Fiscal exp.	0.34	0.19	-0.05	0.08	0.1	0.04	0.13	0.44	0.2	-0.04	-0.16	-0.1	-0.23	-0.13	0.08	0.17	0.87	1		
Labor rights	0.27	-0.18	-0.09	-0.08	0.04	0.05	-0.01	0.12	-0.16	-0.02	-0.1	-0.01	-0.22	-0.22	-0.18	-0.14	0.13	0.15	1	