
**Codebook**

I. **Data Set and Variables**

1. **Data set** - the unit of analysis is the treaty and the data set includes 2,595 BITs from 1959, the year in which the first BIT was signed, to 2007.

2. **Variables**
   - dyad – Correlates of War (COW) country code 1*1,000 + country code 2
   - ccode1 – COW country numerical code 1
   - ccode2 – COW country numerical code 2
   - statea – COW three letter country code 1
   - stateb – COW three letter country code 2
   - statei – COW country 1 name
   - statej – COW country 2 name
   - daysign – day of BIT signing
   - monthsign – month of BIT signing
   - yearsign– year of BIT signing
   - dayforce – day of BIT entry into force
   - monthforce – month of BIT entry into force
   - yearforce – year of BIT entry into force
   - censor – dummy variable; coded one if BIT entered into force before or in 2007, zero otherwise.
   - month_count (**Time Force**) – the “spell;” the number of months passed from signature to entry into force or to 2007 for treaties not mutually ratified.
   - maxhurdles (**Legislative Hurdles**) - formal legal hurdles to ratification. An ordinal variable that ranges from 0 to 3 as follows:
     - 0 No legislative approval required
     - 1 Majority in one house required
     - 2 Majority in two houses required
     - 3 Supermajority in one or two houses required
     - For each dyad the higher value is taken. Coding is based on information provided by Hathaway (2008), supplemented by the authors.
• **maxpolconv (Political Constraints)** – Henisz’ (2000) Political Constraints variable, which includes the judiciary or sub-federal institutions (known as POLCON V). The higher value in the year of BIT signing is used.

• **maxchecks (Checks DPI)** – a measure of checks and balances from the World Bank’s Database on Political Institutions (Beck et al. 2001). The higher value in the year of BIT signing is used.

• **minpolity (Democracy)** – the Polity score in the Polity IV data set (Marshall and Jaggers 2009). The lower Polity score in the dyad in the year of BIT signing is used.

• **minratio (Ratification Ratio)** – the percentage of signed BITs that had entered into force by the year prior to the signing of the observed BIT for a given country. This variable ranges from zero for countries with no BITs in force to one for countries with all BITs are mutually ratified. The lower value in the dyad is used.

• **min_laworder (Law and Order)** – The Law and Order component of the International Country Risk Guide (ICRG) index (PRS Group). It ranges from 0 for countries with weak legal systems that are routinely ignored to 6 for countries with powerful and impartial legal systems that benefit from high popular observance. The value for the country with the lower score on this variable in the year of BIT signing is used.

• **ln_mingdp (GDP)** – the natural logarithm of the smaller economy’s gross domestic product in the year of BIT signing. Data are from Penn World Tables 7.0 (Heston et al. 2011).

• **min_govexp (Government Expenditure)** – government spending as a percentage of GDP. The value of the country with the lower value in the year of BIT signing is used. Data are from the World Development Indicators (World Bank).

• **comlang (Common Language)** – a dummy variable coded one if the BIT partners share a formal language and zero otherwise.

• **comcol (Colonial Ties)** – a dummy variable coded one if the BIT partners share a colonial heritage and zero otherwise.

• **Atopally (Alliance)** – a dummy variable coded one if the BIT partners share a formal alliance at the time of BIT signing and zero otherwise. Data are from Leeds et al. (2005).

• **s2un (Affinity UN)** – a measures of voting similarity in the United Nations General Assembly. The value in the year of BIT signing is used. Data are from Gartzke and Jo (2002).

• **log_gapgdppc (Development Gap)** – the natural log of the difference in the dyad’s GDP per capita in the year of BIT signing. Data are from Penn World Tables 7.0 (Heston et al. 2011).

• **maxcomlaw (Common Law)** – a dichotomous variable that scores one if at least one party has a common law system (that is, one of British origin) and zero otherwise. Data are from La Porta et al. (2008).

• **fdi_host (Host FDI/GDP)** – net FDI inflows as a proportion of GDP of the state with the lower GDP per capita. Data are from UNCTAD (2009).
• **fdi_home (Home FDI/GDP)** – net FDI outflows as a proportion of GDP of the state with the higher GDP per capita. Data are from UNCTAD (2009).

• **coldwar (Cold War)** – a dummy variable that scores one from 1959 to 1989 and zero thereafter.

• **maxexecleft (Left in Office)** – a dummy variable coded one if a left-wing party is in office in at least one country and zero otherwise in the year of BIT signing. Data are from Beck at al. (2001).

**II. References**


