FDI Strategies of Emerging Economy Multinationals: Firm-Level Antecedents and Consequences

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The rise of Brazilian EMNEs revealed through cross-border acquisitions:

The impact of past experience on future M&A activity

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ABSTRACT

Set in the context of emerging-market multinationals from Brazil this study examines the role and importance of previous M&A experience on future cross-border M&A activity. By drawing on existing EMNE related work, ideas from resource based perspective, and findings from literature on acquisitions, we argue that EMNEs' M&A behaviour is critically influenced by previous international experience. To test our hypotheses we rely on high quality data from 1225 M&A deals that Brazilian companies completed between 2001 and 2011. Using logistic regression analysis it is shown that the number of past international deals significantly increases the odds of future international ventures among Brazilian EMNEs.

INTRODUCTION

The remarkable growth of companies from emerging markets is a well reported story both in mainstream press and in academic journals. It is also no coincidence that this global appearance of previously unknown firms is reflected in an astonishing growth in flows of outward foreign direct investments from countries such as Brazil, Russia, India, and China (UNCTAD, 2009, 2010). Although in recent years we have seen a dramatic increase in the number of articles related in one or more ways to the topic of emerging markets, the interest in this side of business is not contemporary. There were studies that tackled firms from developing countries as early as in 1980's. A pioneer research project dealing with this thematic was the book "Third World Multinationals" published in 1983 (Wells, 1983).

More recently, scores of authors have been dedicating time and effort to investigate the new wave of companies from emerging markets which are establishing themselves on the global playing field. The research that has been published varies in the level of analysis, object of examination, methodology, and in the theoretical position assumed for the analysis of emerging-market enterprises (EMNEs). Furthermore, there is still neither a prevailing agreement concerning the fundamental specificity of EMNEs, nor a definite argument that EMNEs require a distinct and novel theoretical approach. In this sense academics have not shied away from backing divergent conclusions (Chittoor, 2009; Mathews, 2006; Ramamurti, 2004; Rugman, 2010; Yeung, 1994).

In this paper we set out to show how Brazilian companies are achieving prominence in the global setting by looking at their M&A activities. The fine focus is set on cross-border deals completed by Brazilian EMNEs and on the drivers of such activity found in previous M&A experience. A unique trait of this paper lies in the scope and the timeliness of data used for empirical analysis. Our dataset, counting 1225 observations, is highly representative of the whole population of international acquisitions of both private and listed Brazilian companies in the period between 2001 and 2011.

Research background

In order to shed light on developments of business activity in emerging markets some scholars have opted for a macro view by researching the structure of and changes in OFDI patterns of emerging market countries (Buckley et al., 2007; Kolstad and Wiig, 2012; Rasiah, Gammeltoft and Jiang, 2010). The overarching result of this sort of research has been the emphasis placed on the role played by both home and host country institutions in determining outward FDI. On the firm level researchers linked the firm-specific and country-specific factors to the performance and internationalization of emerging-market multinationals. Pattnaik and Elango (2009) demonstrate the effect of firm-specific R&D and marketing capabilities on internationalization-performance relationship among Indian companies. Wang et al. (2012) show how government support, which is likely to be available only to some companies, and the industry structure in the home country, drive the foreign expansion of Chinese companies. Filippov (2010) explores the rise of Russian multinationals by giving a thorough review of motivation behind foreign expansion and the critical role that R&D and access to foreign technologies play in the internationalisation of Russian companies. The common position of authors in this stream of research is that companies from emerging markets are highly constrained by R&D and marketing capabilities which they have difficulty developing.

Research which takes emerging-market multinationals as the subject of analysis is executed in different forms. The data on FDI flows has served as the foundation for empirical analysis in studies such as Holtbrügge and Kreppel (2012), Chen (2012), Hattari and Rajan (2010) and Goldstein and Pusterla (2010). Firm-level data, grouped according to country or industry, lies in the core of a large share of overall research of emerging markets and emerging-market multinationals. Chinese firms are represented in (Lei and Chen, 2011; Ramasamy, Yeung and Laforet, 2012), Indian companies in (Khanna and Palepu, 2000b; Kumar, Gaur and Pattnaik, 2012; Sweet, 2010), Russian enterprises in (Filippov, 2011; May, Stewart and Sweo, 2000), and Brazilian multinationals in (Haar and Ortiz-Buonafina, 1995; Kotabe, Parente and Murray, 2007). Apart from studies that cover different geographical regions there are others that concentrate on specific business forms. Business groups, or conglomerates, do not exist exclusively outside of the traditional western markets but are more commonly found in emerging-market countries. Researchers have used empirical evidence to show how business groups in emerging markets can enhance the position of comprising companies, especially when they act as substitutes for weak or non-existing institutions (Hoskisson et al., 2005; Khanna and Palepu, 2000a, 2000b; Khanna and Rivkin, 2001; Yiu, 2011). Finally, some papers focus only on a small number of firms. This approach allows authors to carry out deeper analyses and enhance the understanding of the contextual contingencies of firm behaviour in emerging markets (Bonaglia and Goldstein, 2006; Cuervo-Cazurra, 2007; Deng, 2007). This naturally implies that a large share of such studies are of qualitative nature which, along with other papers mentioned in this introduction, fully rounds-up EMNE dedicated research in terms of methodological diversity.

When looking at the theoretical approaches of research dealing with new or emerging multinationals it is safe to say that all mainstream theories are used. Since this is not meant to be a review of EMNE literature, I will rely on the work of Wright et al. (2005) which summarized the strategy research of both domestic and foreign companies in emerging markets. In their paper the authors look at the entry modes into and from emerging markets and note the theoretical perspectives used in each article. In the conclusion it is established that institutional theory is, unexpectedly, the most used standpoint in the research of emerging markets, followed by the resource based view, the agency theory and the transaction cost theory. Naturally, each theory raises unique questions connected to the emerging-market context, but what Wright et al. (2005) insistently argue for is the use of a combination of theoretical perspectives in future work rather than relying on singular approaches. The work of Wang et al. (2012) and Gubbi et al. (2010) can serve as an example of how the heterogeneity of theories can be utilized to enhance the quality of research.

In addition to the traditional theories used in business research scholars committed to the field of emerging-market multinationals have come up with specialized theories and perspectives which can serve to improve the understanding of EMNEs. In what they label "A Springboard Perspective" Luo and Tung (2007) explain how EMNEs use foreign acquisitions to reduce the institutional constraints that can be found in their home markets. Khanna and Palepu (2006) discuss the existence of institutional voids and their relevance for firms from emerging markets. The authors argue that EMNEs ability to overcome those voids can be understood as a competitive advantage in contrast to foreign companies which have less experience in overcoming such challenges. In a similar manner the idea that EMNEs expand internationally, not to exploit the existing capabilities abroad, but in order to acquire and upgrade the existing capabilities underpins many EMNE articles and can be seen as a unique perspective with deep roots in research on emerging markets (Deng, 2007, 2009; Gubbi et al., 2010; Makino, Lau and Yeh, 2002; Tsai and Eisingerich, 2010).

In this article the goal is to further our understanding of the vital role that cross-border M&As play for firms from emerging markets in their quest to establish themselves internationally. More precisely, in the following sections, we examine which type of M&A experience increases the likelihood of future cross-border M&As for Brazilian MNEs. Furthermore, we also consider the implications that M&A activities of Brazilian EMNEs have on their performance. A unique feature of our analysis is the use of comprehensive and timely data about Brazilian companies and their M&A deals. This is especially interesting considering that of all BRIC countries Brazil has been almost completely neglected in research. There are some exceptions in works of (Aulakh, Kotabe and Teegen, 2000; Casanova, 2009; Goldstein and Pusterla, 2010; Haar and Ortiz-Buonafina, 1995; Kotabe, Parente and Murray, 2007; Kotabe et al., 2000). Yet even among the aforementioned very few are extensively focused on Brazilian companies and none of them probes into cross-border merger and acquisition activities. To the best of our knowledge this is an original attempt to scrutinize the M&A deals of Brazilian companies.

In the continuation of this paper we set the theoretical foundations for the hypotheses followed by a description of data and variables which are used in the analysis. The final part is reserved for the presentation of the results along with the discussion of the outcome.

THEORY AND HYPOTHESES

International expansion of EMNEs

Traditional understanding of firms' internationalization process revolves closely around the idea that firms expand abroad to compete and capitalize on competitive advantages that they already possess. The logic behind the idea is built on the premise that firms own specific assets which are exploitable outside of the home country. Furthermore, the firm contemplating internalisation will have the incentive to protect the value of its proprietary resources which will entice it to internalize cross-border operations rather than relying on available market mechanisms. The foundation for this view can be identified in the links between Dunning's (1988) eclectic paradigm and Buckley's and Casson's internalisation arguments which are revisited in their 2009 JIBS article (Buckley and Casson, 2009). Dunning recognises other possible motives that firms have with regards to their foreign establishments by stating that internationalization drivers can be: asset-seeking, resourceseeking, efficiency-seeking and strategic asset-seeking. (Dunning and Lundan, 2008). However, all of them presumed the existence of previous competitive advantages in the possession of the internationalizing firm.

The peculiar side of the internationalization of emerging-market multinationals through M&A is found in the objective of these ventures. For EMNEs the assets obtained in cross-border acquisitions are supposed to complement the existent assets and result in the creation of robust competitive advantages. Furthermore, EMNEs seem to be bolder than their traditional western counterparts were in the early phases of internationalisation. They show decisive commitment and rapidly acquire companies abroad, but rather than imposing their own established business models, EMNEs openly seek to integrate the acquired expertise. In the process they improve firm-specific capabilities which are critical for fending off international competition in the domestic market (Luo and Tung, 2007; Tsai and Eisingerich, 2010). Another crucial driver of this outward looking approach of EMNEs comes in the form of constraints and underdevelopment of EMNEs' local environments. It is argued that the lack of both tangible resources such as infrastructure, technology, market intermediaries or finance, and intangible resources in form of human assets or impalpable institutions, propel ambitious emerging-market firms to pursue development outside of home country's borders (Hitt et al., 2000; Hitt, Li and Worthington, 2005). This behaviour of EMNEs suggests that their long-term success is dependent as much on existing ownership advantages as it is on their ability to transfer, internalize, and utilize the knowledge and the skills that become available with each M&A deal.

The resource-based view of M&A experience

Since Penrose (1968) established that a firm can be perceived as a "bundle of resources" the resourced-based view of a firm has evolved to accommodate the new reality which assigns a critical role to learning and knowledge transfer in firm's operations. The vision of qualities that firm's resources must possess to ensure sustained competitive advantage: value, rareness, imitability and substitutability (Barney, 1991) has not been challenged, but merely extended to recognize that in today's business world networks, alliances, and the augmentation of the firm's knowledge base, are also resources which can form the core of competitive advantage (Hoskisson et al., 2004; Wright et al., 2005).

Although not exclusive to firms from emerging markets, the ability to transfer knowledge from foreign acquisitions is a decisive competence for EMNEs. This relation exists because of their strong reliance on using assets obtained in international M&As to develop firm-specific resources (Mathews, 2006). Accordingly, EMNEs strive to develop expertise not only in identification and acquisition of suitable foreign companies but especially in the integration of target firms. A successful integration in this case depends on the ability of the acquirer to reconfigure the existing resources (Teece, Pisano and Shuen, 1997) and merge those obtained in the acquisition. It is only when international M&A deals yield strategic resources, not available to EMNEs in the home market, that firm-specific advantages of these companies are enhanced. Improvements of this kind increase the competitiveness of EMNEs and strengthen their position when facing global competitors (Gubbi et al., 2010).

Considering that organizational learning is a complex activity which rests on coordination and interaction on multiple levels, the success of EMNEs in benefiting from foreign acquisitions requires them to develop capabilities in embracing external assets and skills. This is a highly sophisticated competence which depends not only on the ability of the acquirer to integrate knowledge (Cohen and Levinthal, 1990; Kogut and Zander, 1992), or the type of knowledge in question (Szulanski, 1996), but also on creating a setting in which the target organisation will willingly share the resources and expertise with the acquirer (Lichtenthaler and Lichtenthaler, 2010).

Following this line of reasoning we argue that the accumulated experience gathered from previous M&A deals will improve EMNEs' acquisition and integration skills, and will boost their appetite for additional M&A activity. With every M&A deal the competence in the M&A integration process increases and positively affects the chances of benefiting from subsequent M&A deals through what Hitt, Li and Worthington (2005) call the experiential-exploitative learning. Additionally, experience accumulated in international M&A deals carries special value for firms as it increases not only the quantity of relevant acquisition experience but also its quality (Hayward, 2002). Only by engaging in international deals do firms learn how to execute the process diligently and produce superior acquisition performance.

Mexican cement giant CEMEX can serve as an illustrative case of such behaviour (Lessard and Reavis, 2009). In the early stages of expansion the company was very cautious and carried out only domestic M&A deals before making acquisitions in Spain and in other countries in Latin America. In the process it developed unique M&A integration expertise which served as an incentive to buy targets around the world. Its M&A activity culminated with a USD 14.2 billion acquisition of Australia's Rinker Group in 2007. In total, CEMEX has spent more than USD 29 billion on purchases in the last twenty years (Black, 2010). This favourable effect of experience on benefits from international acquisitions lowers the perceived and real risk when new acquisition deals are considered. Consequently, we propose the following hypotheses:

> H1a: EMNEs with higher number of past domestic M&A deals are more likely to complete international M&A deals in the future.
>
> H1b: EMNEs with higher number of past cross-border M&A deals are more likely to complete international M&A deals in the future.

The existing M&A literature is inconclusive regarding acquisition experience and post-acquisition performance (King et al., 2004). However, that does not render our presumption of the effect of acquisition experience on the likelihood of future international acquisitions as incoherent. Rather, it creates space for our research to shed some additional light on the whole M&A process and the role of M&A experience. To introduce the next hypotheses we illustrate our reasoning with the case of Indian EMNEs. In the first wave of their outward FDI activities they opted for minority stakes and lower-value acquisitions. But, as their experience grew, they gradually changed their M&A preference for majority ownerships in more expensive targets (Sauvant, 2010). We expect to find a similar pattern among Brazilian companies. Those which are lacking experience, both in terms of quality and quantity, are expected to be more risk-averse and acquire stakes in domestic companies. On the other hand, companies which are seasoned M&A dealmakers will have a broader view of potential acquisition targets and not limit them to the domestic market.

> H2a: EMNEs with higher past commitment in terms of value in domestic M&A deals are more likely to complete international M&A deals in the future.

> H2b: EMNEs with higher past commitment in terms of value in cross-border M&A deals are more likely to complete international M&A deals in the future.

By looking at international M&A activities of Brazilian firms we capture the specific features of EMNEs which are discussed widely in the theory. We also limit the interference of non-market factors such as government ownership or government OFDI promotion policies. Government support of this kind makes it more difficult to really understand if firms react to market forces or if they are following a hidden agenda. Accusations for the latter are often directed at Chinese firms and Chinese OFDI data. In contrast, Brazilian government has relatively low participation in the private sector controlling only 9 firms (UNCTAD, 2011,

31) of which Petrobras is the only one in the top 30 Brazilian companies (Lima, 2011). Additionally, Brazilian companies often complain about the lack of support that they receive from government when it comes to international investments. As Sauvant (2010, 235) reports: "Brazil, for example, a country whose firms invested US$28billion abroad in 2006, does not have a national agency insuring the overseas investments of Brazilian firms." This gives us reason to believe that Brazilian companies are widely market oriented and depend on their skills and abilities to compete globally.

Data and analysis

Data sources

To test our hypotheses we used a large sample of M&A deals conducted by Brazilian companies in the period between 01/01/2001 and 31/12/2011. For data we relied on the high-quality Mergermarket database which covers all global M&A transaction with value of more than USD 5 million in which the stake of acquisition is at least 30% of the target company. In terms of deal level data we worked with 1225 unique M&A deals. The database described additional 575 deals without the deal value which were excluded from our sample. The deals in which the acquirer did not have Brazil as the dominant country and those with undisclosed buyers were also removed from the sample. We then proceeded to supplement the M&A deal data set with other firm level performance variables using the Worldscope and Bloomberg database services. We have decided not to reduce the dataset to include only publicly listed companies. Rather than eliminating a significant share of our sample we opted for providing a more representative picture of Brazilian M&A activity which includes deals completed by both private and publicly listed firms. Nonetheless, the process of matching the M&A data with that of the other two databases has enabled us to randomly cross-check data for factual errors such as firm nationality, industry, size and the number of M&A deals. Detailed content analysis of deals in the remaining data revealed that 4 acquisitions were carried out by companies which were set up only for that purpose and those were accordingly removed. That left our dataset with 934 M&A deals carried out by Brazilian companies over a period of ten years. According to our experience this dataset is highly representative of the actual population of Brazilian M&A deals in the same period. Finally, in the analysis we left out the deals that occurred in 2001 and 2002 because there is no previous history of experience for companies involved in those deals and including them in the analysis would have biased the results. Our final sample consists of 880 M&A deals. We characterized as international all deals in which the target company did not have Brazil as the dominant country. The relatively low amount of total OFDI flows from Brazil in the 20 years before 2001, standing at around $US 116 billion (UNCTAD, 2012), gives us confidence that our data, which amounts to more than EUR 54 billion in deal value, paints a compelling picture of international acquisitions made by Brazilian multinational firms in the previous decade.

Variables

For both sets of hypotheses independent variables are easily operationalized to match the concepts defined in theory.

The dependent variable is dichotomous and takes value 1 if the acquisition is international and 0 if the deal is domestic. This operationalization allows us to test if explanatory variables have an effect on the choice of geographical location of the focal acquisition.

Among independent variables M&A experience, in terms of quantity, is represented with two variables: the total number of past domestic M&A deals completed by a firm until the end of the year previous to the year in which the acquisition took place, and the total number of past international M&A deals in the same period. We deliberately avoid limiting past M&A experience to a dummy variable in order to preserve its quality of intensity. A similar approach to measuring M&A experience along with an interesting discussion can be found in Haleblian and Finkelstein (1999). For hypotheses 2a and 2b we operationalize experience quality also with two variables: the total value of past domestic deals that a firm completed until the year of the observed M&A deal, and the total value of past international deals that a firm completed in the same period. We split the value of past domestic deals from international ones to observe if cross-border M&A experience is more relevant for future cross-border M&A deals. The underlying idea is that domestic M&A experience is not as powerful indicator of future cross-border M&A deals as past international M&A experience. As Hayward (2002) states: "…the nature of prior acquisitions affects the quality of inferences that are deployed in subsequent acquisitions". We argue that the type of interaction that the acquirer has with previous acquisitions will influence future behaviour. Smaller domestic acquisitions do not offer the same options and flexibility in learning as larger international deals might do. Firms with more high commitment acquisitions in the past are expected to have built up acquisition expertise and will thus be more inclined to look for acquisitions outside of domestic borders.

We also include two basic control variables. One is the size of the focal deal measured as the amount paid by the acquirer. It is expected that, on average, international deals will be larger than domestic ones. This suggests that financially powerful firms would have an advantage in international dealings. The other variable is the acquired stake in the target. There is nothing to suggest that cross-border deals are more likely to be complete takeovers or that domestic acquisitions are more often minority stakes so we assume that this variable will not show any significant effects.

--INSERT TABLE 1 HERE-------------------------------------

RESULTS

Descriptive analysis

Table one presents descriptive statistics and gives an overview of mean values, standard deviations and correlations of variables. Although most of the variables have some significant correlations further analysis shows that there is no reason for concern. We carried out collinearity diagnostics which showed that variance inflation factors (VIFs) and the condition index number were well within the acceptable range. Of all variables, number of past international deals, had the highest VIF, 1.85, which is below the VIF threshold of 10 (UCLA, 2012).

---INSERT TABLE 2 HERE-----------------------------------

In the sample we can observe that firms on average have more domestic than international experience in acquisitions. Surprisingly it can also be observed that the average value of domestic deals is higher than the average value of cross-border purchases. This could be due to industry consolidations in the home country in which the remaining firms have only large peers.

Models

Considering that we use a dichotomous dependent variable the obvious choice for model testing is logistic regression analysis. We relied on STATA for the execution of all statistical calculations including the correlation table shown above.

In table 3 we offer the results of our analysis consisting of three models. They provide insight into the type of experience that matters the most to Brazilian EMNEs in directing their future acquisition behaviour. Model 1 gives credence to Hypotheses 1a and 1b by revealing that both past domestic deals and past international deals have statistical significance. However, the intensity is higher for past international experience and the direction is opposite. As predicted the number of past cross-border deals increases the odds that the future acquisition will be international while previous domestic deals have a marginal effect in the other direction. Model 2 provides empirical evidence that experience derived from commitment as the total value of previous international acquisitions is highly relevant for the location of future acquisitions. Hence, there is support for the hypothesis 2b but not for 2a. Model 3 includes all explanatory variables. Interestingly, in the last model, the variable "value of past international acquisitions" losses the significance which it has in Model 2, while "the number of past international deals" still significantly increases the odds of future foreign acquisitions. It is pleasing to observe that all three models are overall significant with $p<0.01$ even though the control variables do not show any significant effects.

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<u>Discussion</u>

The results from the models provide support to the claim that, in their M&A behaviour, EMNEs are experiencing a multiplier effect by being drawn to cross-border deals based on the deals made in the past. The empirical evidence that is presented fits perfectly to the theory and ideas that EMNEs see foreign acquisitions as a springboard (Luo and Tung, 2007). Furthermore, we adhere to the arguments in Hayward (2002) that distinguish between types, quantity, and quality of experience in acquisitions. Our tests demonstrate that, at least for Brazilian firms, the number of past cross-border deals matters more in increasing the likelihood of future foreign deals than other types of acquisition experience.

CONCLUSION

At the outset of this paper we highlighted the peculiar internationalisation behaviour of EMNEs. In many ways their relatively late development has conditioned them to act differently than what had been the case with multinational firms in the past. This is particularly evident when the unparalleled intensification in M&A activities of EMNEs is considered. EMNEs are faced with a unique dual challenge in enduring global competition in local markets while being pushed to enhance their competitiveness by acquiring foreign assets. Such upgrade of firm capabilities through incorporation of external assets requires specific competences and resources. The critical competence in this case is the expertise in integrating and drawing synergies from acquisitions for which the experience is indispensable. We argued from the resource-based point of view that having experience in international acquisitions can be considered a critical asset for all firms and particularly for EMNEs. Following the RBV approach to this topic coupled with the ideas from organizational learning theory, neatly presented in Hayward (2002) and in Haleblian and Finkelstein (1999), we distinguish between different types of experience. By testing a broad sample of Brazilian M&A deals it is shown that specific experience derived from the quantity of previous international acquisitions is very likely to impact EMNEs to make future cross-border purchases.

In the end we would like to issue a comment concerning the current state of this research project. Our submission should be considered as a work-in-progress which is very likely to undergo numerous changes before its final version. Thus, we are aware that there is still ample room for improvement. Adding other control variables, such as firm size, performance, slack resources or industry-level data, common in related research, is necessary. We have not neglected what has been done so far but are still working to expand our data which would allow for a more extensive analysis. The high likelihood that considerable changes and additions will be required is also the main reason why the discussion and conclusion parts are explained rather succinctly. Nonetheless, we believe that the paper provides some valuable and original insights underpinned by current data concerning Brazilian EMNEs. Anyone who is involved in this stream of research will recognize that quality data on emerging markets is exceptionally scarce. Therefore, at this stage, we would appreciate the opportunity to discuss our work with peers whose comment would surely serve as valuable contributions to us.

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TABLES

TABLE 1

Summary of variables and hypotheses

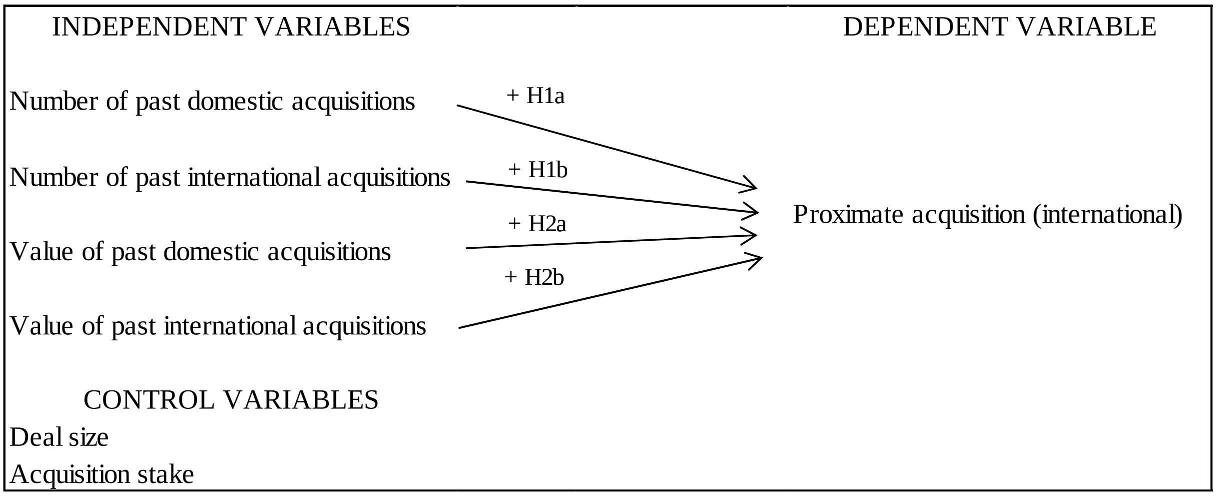

TABLE 2

Mean, Standard Deviations, and Correlations for Variables (N=880)

	Mean	S.D.	1	2	3	4	5
1 Value of past international acquisitions	467.62	2312.8	1				
2 Number of past international acquisitions	0.73	1.95	0.56*	1			
3 Value of past domestic acquisitions	584.59	1739.9	0.22*	0.31*	1		
4 Number of past domestic acquisitions	2.2	3.31	0.3*	0.39*	0.56*	1	
5 Deal geography (Domestic / International)	0.16	0.37	0.19*	0.4*	0.07	0.1*	1

* $p < 0.05$

TABLE 3

Logistic regression analysis			
Dependent variable: Proximate acquisition (International=1; Domestic=0)			
	Model 1	**Model 2**	**Model 3**
Acquisition stake	0.9996	0.9972	0.9990
	(0.0032)	(0.003)	(0.0033)
Deal value	1.00003	1.00007	1.00003
	(0.00008)	(0.00008)	(0.00008)
Number of past domestic acquisition	0.9278*		0.9467
	(0.0333)		(0.0399)
Number of past international acquisitions	1.5787**		1.6216**
	(0.0840)		(0.0986)
Value of past domestic deals		1.00002	0.9999
		(0.00005)	(0.00007)
Value of past international deals		1.0001**	0.9999
		(0.00003)	(0.00004)
Constant	0.1417**	0.2119**	0.1458**
	(0.0412)	(0.0544)	(0.0424)
N	880	880	880
Chi-square	110.16**	25.34**	111.40**
Log likelihood	-337.09	-379.5	-336.47
* $p < 0.05$ ** $p < 0.01$			