Order Against Progress: Government, Foreign Investment, and Railroads in Brazil, 1854-1913

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Using several data sources, we assess the impact of Italy's outward foreign direct investment (FDI) on local employment growth between 1996 and 2001 for 12 manufacturing industries and 103 administrative provinces. Our main result is that, controlling for the local industrial structure and area fixed effects, FDI is associated with faster local employment growth, relatively to the national