The Impacts Of Foreign Direct Investment On The Economic

Seminar paper from the year 2006 in the subject Business economics - Economic Policy, grade: 1,3, Berlin School of Economics, course: Development Economics, 12 entries in the bibliography, language: English, abstract: Developing countries today have to deal with the question of how to increase economic growth. This phenomenon depends on a variety of factors: political, economic and social ones. Due to globalisation, foreign direct investment (FDI) has become an often discussed issue in literature and is seen as a key factor for economic growth by many developing countries by now. But the effects of FDI are not necessarily positive. In this written assignment, the author would like to introduce policies to be conducted in order to maximise the positive effects and to minimise the negative ones. This paper will start with a definition of the terms developing country and foreign direct investment. In the second part, a short introduction in the controversial theories about the impact on economies of developing countries will be presented. In the following, several national and international policy considerations will be introduced. The paper will end with a conclusion.
This study analyzes the characteristics, motivations, strategies, and needs of FDI from emerging markets. It draws from a survey of investors and potential investors in Brazil, India, South Korea, and South Africa.
This book provides an insightful exploration of whether

foreign direct investment (FDI) can promote the productivity of domestic enterprises. The book is based on a series of dedicated research conducted in the context of the Chinese economy, which has been the largest FDI host among the developing economies since 1993. The main themes of this book are (a) based on the latest literature and first-hand research, outlining possible mechanisms through which foreign direct investment could promote the productivity of domestic enterprises; (b) developing a comprehensive research framework to quantify the spillover effects with cutting-edge methodology; (c) constructing a decision support system for evaluating FDI policy reforms with advanced computer simulation techniques; (d) evaluating the broader impact of FDI spillovers on banking system and trade pattern. The book examines topical economic issues in the contemporary world economy from innovative perspectives, namely, how the presence of multinational enterprises has been one of the most important microeconomic drivers for the Chinese economy, how foreign banks have helped to enable Chinese banking system survive the global financial crisis, and how the domestic enterprises have learned to do exports from multinational affiliates and have changed the landscape of U.S.-Asian trade. The book incorporates the latest development of economic theory as well as computational economics model.

Playing with Fire

Impact Foreign Direct Investment on Domestic Private Investment in Ethiopia

Local Spillovers and Competitiveness in Global Value

Chains
An Investigation Into the Impact of Foreign Direct Investment on Economic Freedom in Host Countries
Foreign Direct Investment in the United States: Benefits, Suspicions, and Risks with Special Attention to FDI from China
Empirical analysis on BRICS Countries

International business and economic literature counts Foreign Direct Investment (FDI) as one of the most essential components of the globalization process. This research book consists of two parts and presents evidence of the impact of foreign direct investment on the U.S. economy and the economy of Central and Eastern Europe. Foreign direct investment plays an extraordinary and growing role in the global markets and represents an integral part of the U.S. economy. It played an essential role during the transformation process of Central and Eastern Europe from central planning to a market oriented economy. The scholarly papers presented in this book provide an ideal resource for professors, lecturers and teachers looking for current research readings for their students regarding the impact of foreign direct investments in the United States and Central and Eastern Europe. It is also valuable for organizations who want a closer view of current information in the areas of FDI covered in this book.

One of the most important features of China’s economic emergence has been the role of foreign investment and foreign companies. The importance goes well beyond the USD 1.6 trillion in foreign direct investment that China has received since it started opening its economy. Using the tools of economic impact analysis, the author estimates that around one-third of China’s GDP in recent years has been generated by the investments, operations, and supply chains of foreign invested companies. In addition, foreign companies have developed industries, created suppliers and distributors, introduced modern technologies, improved business practices, modernized management training, improved sustainability performance, and helped shape China’s legal and regulatory systems. These impacts have helped China become the world’s second largest economy, its leading exporter, and one of its leading destinations for inward investment. The book provides a powerful analysis of China's policies toward foreign investment that can inform policy makers around the world, while giving foreign companies tools to demonstrate their contributions to host countries and showing the tremendous power of foreign investment to help transform economies.

Foreign Direct Investment and the Chinese Economy provides a comprehensive overview of the impact of foreign direct investment, with extensive empirical evidence, on the Chinese economy over the last three and a half decades.

Multinational Corporations and Foreign Direct Investment

The Impact of Foreign Direct Investment and Trade Policy on Productivity, Wages and Technology Adoption in Mexican Manufacturing Plants

The Impact of Foreign Direct Investment on Poverty in Developing Countries

Determinants and Impact

Making Foreign Direct Investment Work for Sub-Saharan Africa

A Critical Assessment

Abstract: This dissertation consists of three essays investigating the impact of inward Foreign Direct Investment (FDI) in a developing country. Using panel data for Mexican manufacturing plants, I investigate how FDI affects domestic plants' productivity; ask whether there is a link between productivity and wages; and estimate how trade policy affects investment and productivity at the plant level. The second paper tests whether the wage premium associated with foreign ownership is due to foreign firms' attempts to prevent worker turnover and associated technology leakage, or simply due to sorting of higher ability workers into foreign-owned plants. This paper provides a framework for testing the worker-stealing hypothesis by exploiting the different predictions worker-stealing and worker-heterogeneity yield regarding the relationship between productivity and wages, and productivity and employment. I find evidence supporting the worker-stealing hypothesis. Tests between the worker-stealing and worker-heterogeneity models support the former. However, this behavior is not limited to foreign-owned plants, and only explains a small fraction of the average wage difference between foreign and domestic plants. The first paper estimates the effects of FDI on the plant's productivity (the own-plant effect) and on other plants' productivity (spillover effects). Using plant and industry price-cost markups to control for differences in market power and sorting of foreign plants across industries respectively, I find that foreign ownership is positively correlated with plant productivity. Productivity spillovers come only from FDI originating in North America. Furthermore, productivity is inversely related to the subcontracting share of revenue, reflecting the fact that maquiladoras (assembly plants which export most of their production back to the United States) have a significantly lower value-added compared with other plants. Foreign-owned plants also have higher markups indicating they possess greater market power. However, higher industry shares of foreign ownership lead to lower plant price-cost markups, supporting the hypothesis that foreign entry increases competition. The third paper investigates how trade protection affects investment and productivity. I find that tariffs decrease the probability a plant will invest in new capital or facilities, which in turn are correlated with increased productivity. Furthermore, these results are strongest for the smallest plants in an industry.

Foreign direct investment (FDI) has increased rapidly in Lithuania over the past twenty years and many researchers link the increase of FDI to economic growth. This paper addresses the important question of whether foreign direct investment enhances economic growth of Lithuania. The main objective of the master thesis is to analyze empirically the impact of FDI on the GDP per capita growth rate, using quarterly data from 2002 to 2012. VEC model with cointegration technique is applied to investigate the relationship between GDP per capita growth rate and labor force, human capital, trade openness, gross capital formation and FDI. The analysis focuses on both short-run and long-run effects of FDI on economic growth of Lithuania. The papers findings reveal that FDI negatively impacts economic growth of Lithuania in the long-run, in addition to this, EC model estimates suggest that economic growth in Lithuania is not particularly sensitive to FDI stocks in the short-run. According to the short-run analysis, impact of FDI on economic growth is not significant in the case of Lithuania. Finally, the paper offers some recommendations linked to FDI to enhance the economic growth of Lithuania.

This study empirically examines the relationship between foreign direct investment and economic growth in South America using panel data for the period 1970-2013. The variables used in the study include real GDP, real foreign direct investment, real gross capital formation, real openness, real government consumption expenditure, index of human capital and labor force participation rate. The data were obtained from World Bank, UNCTAD and Penn Table. Ten out of twelve countries were included in the study. The study employs cointegration test and vector error correction analysis as the estimation technique. The evidence indicates that there is a positive and statistically significant long-run relationship between foreign direct investment and GDP. Additionally, the results reveal a bidirectional Granger causality between foreign direct investment and GDP in the short-run. The conclusion is that increases in FDI inflows translate to economic growth in South America. Also, in the short-run, there is a two-way causation between foreign direct investment and economic growth. The study recommends that incentives should continuously be offered by the countries in South America to attract FDI. Additionally, the region should strengthen its legal framework regulating foreign investment as this will create a conducive investment environment to attract FDI.

Foreign Direct Investment in China

What Has Been the Impact of Foreign Direct Investment in Ghana?

The Impact of Foreign Direct Investment on an Underdeveloped Economy

Foreign Direct Investment and Human Development

The Case of Selected European Countries

A Survey of Investors from Emerging Countries

Master's Thesis from the year 2014 in the subject Business economics - Economic Policy, grade: very good, , course: Msc in Economic Policy Analysis, language: English, abstract: The study was conducted to know the interrelationship between foreign direct investment and domestic private investment. The researcher employs a vector auto-regressive model with appropriate investigation of impulse response and variance decomposition. In addition, the researcher computes descriptive analysis. The study used time series data ranging from, 1970-2012 for econometric analysis and 1992-2012 for descriptive analysis. The result shows that foreign direct investment crowds-out domestic private investment. In addition, foreign direct investment does not have significant effect on economic growth. Secondly, Domestic private investment complements growth trajectory. However, expansion of domestic private investment does not welcome foreign direct investment.

Scientific Study from the year 2020 in the subject Business economics - Investment and Finance, , language: English, abstract: This paper aims to investigate the relationship between foreign direct investment (FDI), export (EXP) and gross domestic product (GDP). The impact of interaction between EXP and FDI on GDP was also examined. For this purpose, quantitative approach was adopted. Secondary data for 49 countries whose gross national income per capita was less than 6 000 $ were collected. Spearman correlation, robust regression and causal mediation analysis were performed. Spearman correlation showed very strong correlation among GDP-FDI-EXP. Robust regression indicated that all regression coefficients are statistically significant indicating a positive moderation effect of the interaction between EXP and FDI on GDP. Causal mediation effect indicated that average causal mediated effect is statistically significant while average direct effect is not statistically significant, indicating full mediation. The effect of FDI on GDP is transmitted to GDP through increasing EXP. The effect of the interaction of FDI and GDI was found statistically significant. The results are consistent with empirical studies and existing theories.

Study of the effects of inward direct investment on the economy of the United Kingdom.

Policy, Impact, Determinants and Challenges

Capital Flows and Foreign Direct Investments in Emerging Markets

The Effect of Treaties on Foreign Direct Investment

A Case Study of Ireland

The Impact of Foreign Direct Investment and Export on Gross Domestic Products in Developing Countries

Foreign Direct Investment in Developing Countries - Policy

Considerations for sustainable Growth

Employing a panel data modelling technique, we provide the answers to two critical research questions: what is the linkage between FDI and economic growth and does this relationship change under different legal, institutional, educational and economic conditions? Overall the analysis supports the view that FDI has a stronger positive impact on economic growth in countries with a higher level of education attainment, openness to international trade and stock market development, and a lower rate of population growth and lower level of risk. Thus countries undertaking reform of cross-border capital restrictions and controls and other policy aimed at encouraging domestic and foreign investment need to incorporate broader social policy objectives - such as education, legal and institutional reform - to maximise the benefits from FDI.

During the 1990s, the governments of South Asian countries acted as 'facilitators' to attract FDI. As a result, the inflow of FDI increased. However, to become an attractive FDI destination as China, Singapore, or Brazil, South Asia has to improve the local conditions of doing business. This book, based on research that blends theory, empirical evidence, and policy, asks and attempts to answer a few core questions relevant to FDI policy in South Asian countries: Which major reforms have succeeded? What are the factors that influence FDI inflows? What has been the impact of FDI on macroeconomic performance? Which policy priorities/reforms needed to boost FDI are pending? These questions and answers should interest policy makers, academics, and all those interested in FDI in the South Asian region and in India, Pakistan, Bangladesh, Sri Lanka and Pakistan.

Americans have long been ambivalent toward foreign direct investment in the United States. Foreign multinational corporations may be a source of capital, technology, and jobs. But what are the implications for US workers, firms, communities, and consumers as the United States remains the most popular destination for

foreign multinational investment? Theodore H. Moran and Lindsay Oldenski find that foreign multinational firms that invest in the United States are, alongside US-headquartered American multinationals, the most productive and highest-paying segment of the US economy. These firms conduct more research and development, provide more value added to US domestic inputs, and export more goods and services than other firms in the US economy. The superior technology and management techniques they employ spill over horizontally and vertically to improve the performance of local firms and workers. As the United States wants not only to expand employment but also create well-paying jobs that reverse the falling earnings that many US workers and middle class families have suffered in recent decades, it is more important than ever to enhance the United States as a destination for multinational investors

Six Country Case Studies

International Business and Institutions after the Financial Crisis

International Friction and Cooperation in High-Technology Development and Trade

Maximising Benefits, Minimising Costs

The Impact of Foreign Direct Investment on Economic Growth

Taking the opportunity of the many-fold increase in foreign direct investment flowing into China over the past two decades, Wei (international business, Lancaster U.) and Liu (business economics, Aston U., Britain) use the country as a case study to identify the determinants and impact of such investment. They present, analyze, and synthesize five empirical studies, suggesting that the insights might be

useful for researchers studying investment and for policy makers in China and other transition economies. c. Book News Inc.

Foreign direct investment (FDI) and multinational corporations (MNCs)--for better and worse--play a large and growing role in shaping our world. The integrating thesis of this book is the inevitability of heterogeneity in FDI and MNCs and, accordingly, the imperative of disaggregation. Large companies doing business on a global basis increasingly dominate the production and marketing of the world's goods and services. The importance of these companies continues to grow while the debate about their nature and effects remains mired in a long-standing stalemate couched in strong black and white terms. Stephen D. Cohen seeks to reconcile this impasse by analyzing multinational corporations and foreign direct investment in an eclectic, nuanced manner. The core thesis is that an accurate understanding of the nature and impact of these phenomena comes from acknowledging the dominance of

heterogeneity, perceptions, and ambiguity and the paucity of universal truths. This approach should contribute significantly to both a better academic understanding and a more productive policy debate of an increasingly important element of the world economy.
Academic Paper from the year 2018 in the subject Economics - Economic Cycle and Growth, grade: 1.3, University of Wuppertal, language: English, abstract: The main aim and purpose of this seminar is to examine, analyze and present the impact of FDI Inward stock and ICT capital on the economic growth of an economy considering the sample countries. As a general structure, the essay would first give an introduction about economic Globalization and its indicators particularly focusing on FDI and ICT. On the literature review part of the essay, cited definitions and theoretical background of FDI and ICT are presented. In an attempt to strengthen the essay, a brief insight into Economic growth and the linkage between FDI, ICT and economic growth is included. The empirical analysis of this essay investigates econometric

relations and presents econometric results from the conducted analysis based on the collected data from the sample countries. Growth accounting approach using supply-side Cobb-Douglas production function is applied to look at the economic impact of growth rate of FDI Inward stock and growth rate of ICT capital on economic growth. The econometric analysis is structured in a way to first look at the separate impacts of the two independent variables on economic growth which is measured by growth rate of real GDP. Secondly, as a final model, the combined impact of the two independent variables on the growth rate of real GDP is presented and discussed. Standard panel data models are applied to investigate the empirical relationship pertaining to the selected BRICS countries (Brazil, Russia, India, China and South Africa). Data collected from year 1995 to 2015 is considered for the forthcoming econometric analysis. Finally, a summary of the work with conclusion and policy recommendation is given.

Foreign Direct Investment and the

Foreign Direct Investment and the

Chinese Economy

An Assessment of the Impact of Foreign Direct Investment (FDI) as a Development Strategy in Vietnam

Foreign Direct Investment

Results of a Preliminary Survey : Note

Foreign Direct Investment and Economic Growth in China

Deepened Financial Integration and Changing Vulnerabilities of the Global South

Starting in the early 1990s many emerging and developing economies (EDEs) liberalized their capital accounts, allowing greater freedom for international lenders and investors to enter their markets as well as for their residents to borrow and invest in international financial markets. Despite recurrent crises, liberalization has continued and in fact accelerated in the new millennium. Integration has been greatly facilitated by progressively looser monetary policy in the United States, notably the policies that culminated in debt crises in the United States and Europe and the ultra-easy monetary policy adopted in response. Not only have their traditional cross-border linkages been deepened and external balance sheets expanded rapidly, but also foreign presence in their domestic financial markets and the presence of their nationals in foreign markets have reached unprecedented levels. As a result new channels have emerged for the transmission of financial shocks from global boom-bust cycles. Almost all EDEs are now vulnerable irrespective of

their balance-of-payments, external debt, net foreign assets and international reserve positions although these play an important role in the way such shocks could impinge on them. This is a matter for concern since the multilateral system still lacks mechanisms for orderly resolution of financial crises with international dimensions. Playing with Fire provides an empirical account of deeper integration of EDEs into the global financial system and discusses its implications for stability and growth, focusing on the role of policies in the new millennium in both EDEs and the United States and Europe.

This book presents the latest findings on the impact of capital flows and foreign direct investments (FDI) on macroeconomic variables and financial development of emerging markets. Each chapter concentrates on a different region and explores the significance of specific factors that can attract FDI to that region. They highlight the importance of political stability, as well as social and economic freedom in attracting FDIs. The studies also show the extent by which African and Middle Eastern countries have lagged behind other emerging markets and the need for urgent adjustment policies.

"The goal of the paper is to determine the impact of FDI on economic growth in Central, Eastern and Southern European region. The research was initiated with the study of available literature and followed by regional analysis of FDI and growth developments, current trends of FDI in Europe as well as by a case study that was focused on government incentive policies used to attract foreign investments. FDI in Europe reached its peak in the pre-crisis period and experienced sharp drop in 2009. The

investment flows recovered in 2011 and fluctuated since then. The outlook of Europe's FDI attractiveness is uncertain due to Brexit and worsened relations in the European Union. Nevertheless, there is a continuous interest of governments to develop FDI incentives and enhance their business environment in search for new investors. The statistical assessment used in the research consisted of Granger causality test and panel data analysis. The first test confirmed one way causality relationship between FDI and GDP per capita growth. The outcome of the analysis indicated positive linear relationship between FDI and economic growth with the use of eight control variables, however, the magnitude of the impact is vague. The FDI benefits are primarily realized through transfer of technology, therefore, the less significant result could be attributed to the narrower technological gap between the researched region and the source countries"--Page ii.

Avoiding Simplicity, Embracing Complexity
The Impact of Foreign Direct Investment on Economic Growth of Lithuania
The Impact of Foreign Direct Investment on the United Kingdom
The Law and Economics of International Investment Agreements
Bilateral Investment Treaties, Double Taxation Treaties and Investment Flows
Evidence from South America

Foreign direct investment (FDI) is an integral part of an open and effective international economic system and can *provide a major catalyst to development. However, the benefits of FDI do not accrue automatically and evenly across countries, sectors and local communities. This publication looks at the impact of FDI on development issues and considers the policies required to maximise its benefits for developing countries. Aspects discussed include: the macroeconomic benefits for host countries; recent FDI trends; its impact on growth; foreign trade linkages; technology transfer; human capital enhancement; market structures and competition; social and environmental consequences; and country experiences in realising the benefits of FDI.*

The effect on developing countries of the arrival of foreign direct investment (FDI) has been a subject of controversy for decades in the development community. The debate over the relationship between FDI in developing countries and the progress of these countries towards human development is an ongoing and often heated one.Adopting an *interdisciplinary perspective combining insights from international investment law, human rights law and economics, this book offers an original contribution to the debate. It explores how improvements...*

This book consists of detailed case studies of foreign direct investment (FDI) in China, India, Ireland, Malaysia, Mexico and Sub-Saharan Africa, providing a critical review of the determinants and impact of FDI on growth and development, employment, technology transfer and trade. The expert contributors examine a range of controversial issues including the contribution of the relatively large volume of FDI in China to its growth, whether India should fully liberalise its FDI regime and the impact of Mexico's membership of NAFTA on the volume of FDI it has attracted. Malaysia's economic policies, which appear to have attracted relatively large volumes of FDI but failed to generate the hoped for transmission of technology and skills are also questioned, along with the role of corruption in limiting the contribution *of FDI to achieving social goals in Sub-Saharan Africa. The impressive record of the Irish Republic in attracting and harnessing FDI to development objectives is examined closely and provides a detailed analysis of policies likely to promote efficient utilisation of FDI. Foreign Direct Investment will be of interest to researchers, scholars and practitioners in the areas of international economics and international business - foreign direct investment and multinational enterprises in particular - and development economics.*

Contemporary Issues and Research in the United States and Central and Eastern Europe

The Importance of Social Factors When Assessing the Impact of Foreign Direct Investment on Economic Growth

The Case of Automotive Industry

Impact of Foreign Direct Investments

Papers and Proceedings

Foreign Direct Investment in South Asia

In recent years, the treaties and strategies promoting global investment have changed dramatically. This book is a comprehensive assessment of the performance of these treaties. It presents the most recent literature on BITs and DTTs as well as their impact on foreign investments.

China is the world's second largest host for foreign direct investment, outside the US. This book offers insights into the impact of foreign direct investment on China's growth and regional development.

The challenge in the post crisis world is how business, government and academia come together to foster conditions for sustainable economic development. Understanding this requires an examination of the fundamental principles of IB, including location decisions, returns to multinationality and links between government and business, and CSR.

New Voices in Investment

Developing China: The Remarkable Impact of Foreign Direct Investment

The Venezuelan Case

Impact of Foreign Direct Investment (FDI) and Information Communication Technology (ICT) on economic growth

Spillover Effects on Domestic Enterprises

The Impact of Foreign Direct Investment on the Trade of Countries in Transition

Throughout the past two decades, many countries around the world have experienced substantial growth in their economies, driven by inflow of the foreign capital especially in the form of foreign direct investment (FDI). The share of net FDI in world GDP has grown five-fold through recent years, making the impact and consequences of FDI on economic growth a subject of ever-growing interest. The paper contributes in this context, by analyzing the impacts of impact of foreign direct investment on economic growth, if any, in Sudan during the period (1982-2007), also to investigate how to attract the required flow of FDI that is enough to fill saving-investment gap to sustain economic growth. With the hypothesis that sustained efforts to promote political and macroeconomic stability and implement essential structural reforms, and the policies of aligning some emerging markets has encouraged the inflow of FDI to Sudan in different sectors. The important findings are that FDI helps to promote economic growth in the Sudan, i.e. there is clear evidence of a one-way causality from FDI to economic growth for the whole period, in the sense that FDI have a significant positive effect on the GDP Growth, for it promotes exports and so balance of payments, provision of job opportunities and enhancing the quality of labor and production. However, the study finds that it is difficult to construct accurate and comparable measures of FDI data by sector for the Sudan as in most developing countries over several decades. Moreover, the tendency of major sources to present FDI data in broad aggregates limits the study of effects or impacts. The main recommendations are that the investment climate in the country must be improved through appropriate measures to keep pace with global economics developments, Government needed to establish a proper investment map serving the objectives of economic growth and developments consists of all data that may needed by foreign investors, supported by the necessary infrastructures. Government must develop and improve the periodic statistics concerning investment, foreign capital flows and sources of capital. Future researches in this area should analyze the causal link in a multivariate VAR analysis to account for other vital determinants of FDI and GDP growth.

This book presents the results of a groundbreaking study on spillovers of knowledge and technology from global value-chain oriented foreign direct investment (FDI) in Sub-Saharan Africa, and discusses implications for policymakers hoping to harness the power of FDI for economic development.

An Empirical Analysis of the Impacts of Foreign Direct Investment on China's Economic Growth

The Impacts of Foreign Direct Investment on the Economic of Vietnam

Reviewing Impacts of Foreign Direct Investments on the Macroeconomic Performance of Developing Countries

The Impact of Foreign Direct Investment on the Knowledge Base of Central and Eastern European Countries

Foreign Direct Investment for Development