Sustainable Development Goals and Foreign Direct Investment: A case of Sub-Saharan Africa

A M NTHANGU

PHD 2020

Sustainable Development Goals and Foreign Direct Investment: A case of Sub-Saharan Africa

Aman Mdewa Nthangu

A thesis submitted in partial fulfilment of the requirements of Manchester Metropolitan University for the degree of Doctor of Philosophy

Department of Economics, Policy and International Business

Manchester Metropolitan University

2020

Abstract

The non-traditional influences of Foreign Direct Investment (FDI) are increasingly gaining attention in international business studies; however, the empirical evidence of these influences is still scant. By using human capital and institutional theories, within the context of the national competitive framework, this study considers the progress towards achieving the 'People' category of Sustainable Development Goals (SDGs) as likely influences of FDI inflows in Sub-Saharan Africa (SSA).

The study employs panel data research design and conducts fixed effects estimations to investigate the influence of progress made by SSA towards SDGs on FDI inflows. As informed by institutional theory, the analysis categorises FDI flows into global FDI, FDI from developed countries and FDI from developing countries to SSA. The analysis mainly utilises a bespoke dataset acquired from the United Nations Conference on Trade and Development (UNCTAD) as well as secondary quantitative data from trustworthy databases such as UNCTADSTAT, and the World Development Indicators (WDI). Moreover, the study employs a degree of triangulation to the quantitative data through the analysis of a limited set of interviews conducted with managers within the subsidiaries of multinational enterprises (MNEs) in Tanzania.

The results support partially the claim of the increasing importance of non-traditional influences of FDI flow in that four out of five SDGs were found to be significantly associated with levels of inward FDI flows. In summary, the progress towards 'zero hunger', 'no poverty', 'gender equality' and 'quality education' were found to be significantly influencing FDI inflows to SSA. Some noted results include that a lack of progress towards 'ending hunger' was found to be significant and negatively affecting FDI flows from developed countries, developing countries and the globe. At the same time, 'gender equality' was significant for all models, however, positively influencing FDI flows from so-called 'developed' countries and negatively impacting global FDI and FDI flows from 'developing' countries. Three managers out of the four interviewed declare that all of the 'People' category SDGs are significantly affecting their FDI location decisions. On the other hand, the government officers interviewed argued only 'quality education' and 'health and well-being' as significant factors influencing FDI flows. This research provides further evidence that the national competitive framework can offer a thorough explanation of the factors that have different significance power in influencing FDI flows to SSA from developed and developing countries.

Declaration

This thesis is submitted in fulfilment of the requirements of the Manchester Metropolitan University for the degree Doctor of Philosophy. No portion of the work referred to in this thesis has been submitted in support of an application for another degree or qualification of this or any other university or other institution of learning.

Acknowledgement

First and foremost, I would like to thank almighty God for keeping me alive up to this moment, for good health and sound mind, which made it possible to complete this thesis. Second, this doctoral thesis would have never been completed without the support and contribution of several people and institutions. My sincere gratitude goes to my supervisors Dr Stephen Buzdugan, Prof. Kevin Albertson and Dr Qi Cao, your experience and clear guidance were priceless. I sincerely appreciate the accuracy you put in reading my drafts and providing extensive feedback. You were tireless in offering guidance and invaluable advice. From our first meeting, I have always been impressed with your academic rigour and your determination in guiding this study. I could not imagine a better supervisory team than this.

The quest of writing my doctoral thesis was, at times, a frustrating journey. However, there were a few exceptional people who provided me with excellent support, love, and friendship. Prof. Heinz Tuselmann and Dr David Freund, you often inspired me and opened my eyes for new directions in many different ways. I am sincerely indebted to my parents, Mr and Mrs Nthangu, my brother Noel, and my sisters: Sarah, Dorcus and Loyce. Your support meant a lot to me. Furthermore, my friends, housemates, fellow PhD candidates at MMU, and anyone who involved in my study journey, your empathy and caring nature helped me to regain energy and keep up the spirit during the long process of doing research and writing. You are wonderful people.

The data collection would not have been conducted without the generous participation of the four Multinational enterprises (MNEs) and two government officials in Tanzania. These MNEs provided me with invaluable information for a detailed analysis of their FDI activities.

Table of contents

List of tables

List of figures

Definitions of key terms

FOREIGN DIRECT INVESTMENT

"Foreign direct investment (FDI) is the category of international investment that reflects the objective of a resident entity in one economy to obtain a lasting interest in an enterprise resident in another economy" (OECD, 2008:22).

SDGs

The United Nation's Sustainable Development Goals (SDGs) are transformative goals and targets adopted in 2015 by member countries of the United Nations to be achieved by 2030.

FOUNDATIONAL COMPETITIVENESS

Foundational competitiveness refers to the expected output per working-age individual, given the overall quality of a country in terms of doing business (Delgado et al., 2012). The concept relates to prosperity (expected output per potential worker), which is a broader measure of national productivity compared to output per current worker. Both the productivity of the currently employed workers and the ability to employ the available labour force influence productivity (Delgado et al., 2012). This definition of productivity broadens the notion of productivity as in including the full range of factors enhancing productivity.

BUSINESS COST

Business cost refers to factor costs and transactional costs. Factor cost is the cost of goods or services in terms of the various factors which have played a part in its production or availability, and exclusive of tax costs. Transactional costs are mainly composed of the costs to acquire information and negotiation costs (Foss and Foss, 2005). Information acquisition cost could include, for instance, searching for job candidate information in the job market (Wink Junior et al., 2011). Thus, transaction cost can be termed as the cost of drawing up the contract which includes costs such as researching information, negotiation, decision-making costs, signing contracts costs and the cost of monitoring and enforcing contracts (Wink Junior et al., 2011).

GLOBAL INVESTMENT ATTRACTIVENESS

Global investment attractiveness is the cost of factor inputs relative to a country's competitiveness (Delgado et al., 2012).

List of abbreviations and acronyms

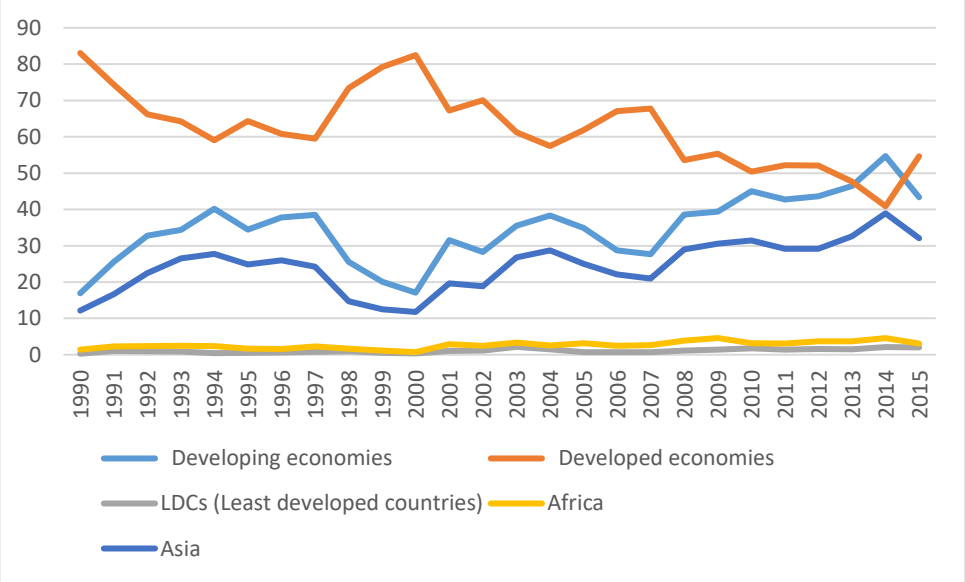
ADB	Asian Development Bank
CEO	Chief Executive Officer
COO	Chief Operating Officer
EMNEs	Emerging economies MNEs
EPZA	Export Processing Zones Authority
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GNI	Gross National Income
HDI	Human Development Index
IDP	Investment Development Path Theory
KBV	Knowledge-based view
LoF	Liabilities of Foreignness
LDCs	Least Developing Countries
MDGs	Millennium Development Goals
MNC	Multinational Companies
MNE	Multinational Enterprises
ODA	Official Development Assistance
OECD	Organization for Economic Co-operation and Development
OLI	Ownership, Locational, Internationalisation
OWG	Open Working Group
RBV	Resource-Based View
RCM	Resources, Capabilities and Markets
R&D	Research and Development
SDGs	Sustainable Development Goals
SIPI	Social Infrastructure and Political Institutions
SSA	Sub-Saharan Africa
TIC	Tanzania Investment Centre
UN	The United Nations
UNCTAD	The United Nations Conference on Trade and Development
UCTADSTAT	The United Nations Conference on Trade and Development Statistics
VIF	Variation Inflation Factor
WB	World Bank
WDI	World Development Indicators

Chapter 1 : Introduction

1.1 Background to the research

Since the early 1990s, developing economies have been experiencing a boom in their Foreign Direct Investment (FDI) inflows. This trend indicates an increasing recognition of these host countries as competitive locations for investments by multinational enterprises (Nunnenkamp and Spatz, 2002). The share of global FDI inflows to developing countries has been rising to the extent of exceeding the global share of FDI inflows to developed economies in 2014 (figure 1.1). This boom can be associated with the increased importance of FDI to augment economic growth in developing countries through building productive capacity building, technology spillovers, and the enhancement of a competitive business environment (Sauvant and Mallampally, 2015; Adams, 2009; Oliva and Rivera-Batiz, 2002). However, Africa as a continent has not witnessed much increase relative to FDI surge in other developing countries despite the efforts undertaken to attract FDI (Sichei and Kinyondo, 2012). For example, global FDI inflows to the world in 2015 recorded the highest peak since the global economic and financial crisis of 2008/2009 by an increase of 38 per cent over the previous year. Unexpectedly, FDI to Africa fell by 7 per cent while the overall developing countries experienced an increase of 9.5 per cent in the same year (UNCTAD, 2016).

Figure 1.1: Trends on global share of FDI inflows in percentage for the period 1990-2015



Source: UNCTADSTAT, 2016

In the late 1990s scholars in the field of international business started to argue on the reformation of the influencing factors and motivations of FDI inflows as a result of the globalisation process (Kokko, 2002; Dunning, 2004a). Nonetheless, studies on factors influencing FDI inflows seem to be dominated by traditional factors such as natural resources, market size, labour cost and openness for over three decades (Naanwaab and Diarrassouba, 2016). The reconceptualization on factors influencing FDI inflows may result in MNEs evaluating host countries on a broader set of policies than before (Nunnenkamp and Spatz, 2002). Thus, it becomes essential to assess how various non-traditional factors influencing FDI inflows , such as human capital, health and well-being, affect FDI allocation (Naanwaab and Diarrassouba, 2016). The United Nations Sustainable Development Goals (SDGs) have highlighted some of these additional factors.

The United Nation's Sustainable Development Goals (SDGs) are transformative goals and targets adopted in 2015 by member countries of the United Nations to be achieved by 2030. The goals are designed to motivate policies, institutions and systems necessary to generate sustained growth and development that target areas ranging from poverty reduction to food security, health and well-being, education, employment, equality, climate action, ecosystems and biodiversity for example. In this regard, the UN's new policy framework for investment for sustainable development highlights core Foreign Direct Investment (FDI) relevant SDGs (UNCTAD, 2016). For instance, education quality and health and well-being, are contributors of human capital and productivity of the country, which consequently attract FDI flows (Cleeve et al., 2015; Tompa, 2002; Schultz, 1997). In other words, SDG relevant aspects and factors seem not only essential for economic and social development, but progress (or otherwise) towards many of these may also be regarded as factors which influence a country's attractiveness as an FDI location. In light of FDI being considered to play an essential role in facilitating developing countries building productive capacity and encouraging sustainable economic development (Sauvant and Mallampally, 2015; Adams, 2009), research into progress towards FDI relevant SDGs and the impact on the attraction of inward FDI is critical.

The United Nations SDGs are categorised into five big groups, namely – 'People', 'Planet', 'Prosperity', 'Peace', and 'Partnership'. The five Ps highlight how SDGs are a linked framework instead of a group of isolated goals (UN, 2015b). Progress on one ‘P’ must balance and support progress on another. The ‘People’ category SDGs aim to end poverty

and hunger, in all their forms and dimensions, and to ensure that all human beings can fulfil their potential in dignity and equality and a healthy environment. The “Planet” category comprises SDGs that aim to protect the planet so that it can support the needs of the present and future generations. The “Prosperity” SDGs aim to ensure that all human beings can enjoy prosperous and fulfilling lives and that economic, social, and technological progress occurs in harmony with nature. “Peace” category SDGs are set to foster peaceful, just, and inclusive societies. Moreover, “Partnership” SDGs aim to strengthen global solidarity (OECD, 2015). Of the five broad SDG categories, the 'People’ dimension is of particular interest for this PhD.

The ‘People’ category includes the following SDGs: quality education, eradicating poverty, ending hunger, gender equality, and health and well-being. This category was chosen because all of these SDGs' targets incorporate the three pillars of sustainable development. The pillars are social development, economic development and environmental protection which are also aspects frequently highlighted in the FDI location's choices; as a result, nations’ progress towards these goals may enhance their attractiveness for FDI (OECD, 2015). Second, most of these goals are developed from Millennium Development Goals (MDGs) of the UN which were the universal targets for the period 2000-2015. According to the MDG report (UN, 2015b), the world has made unprecedented progress towards achieving these MDGs. It is this progress we utilise in the current investigation.

Furthermore, many of these ‘People’ category goals are frequently regarded as soft or non-traditional FDI factors (Naanwaab and Diarrassouba, 2016; Nunnenkamp and Spatz, 2002). In contrast to the studies on traditional factors of FDI inflows in developing countries (Asiedu, 2002; Bekana, 2016) such as natural resources, market factors, and trade-openness, soft factors have received little attention in empirical investigations (Naanwaab and Diarrassouba, 2016; Blanton and Blanton, 2015). Even where some soft factors, such as education, are included (Suliman and Mollick, 2009; Busse and Nunnenkamp, 2009), little is known whether there is a difference in their strength in influencing FDI. This is to say that we investigate if the influence of soft factors matters in attracting flows from different sources such as from developing countries vs developed countries.

Africa provides an ideal context to investigate these issues due to several reasons. First, in recent years, many African countries, though having adopted more FDI-friendly policies to

promote FDI inflows, are lagging behind other regions concerning the performance of FDI inflows (Sichei and Kinyondo, 2012). Second, Africa seems to respond differently to FDI incentives that work in other developing countries (Asiedu, 2002); thus, an investigation focusing solely in this context is justifiable. Asiedu (2002) asserts that Africa is having an adverse regional effect due to inherent risk. This perception on Africa is supported by the empirical evidence of Haque, Nelson, and Mathieson (2000). They find that commercial risk-rating agencies often rate African countries as riskier than the particular national characteristics would indicate. This is clearly important to determine whether improvements in various perceived risk areas, including policy reversal, poor health, and illiteracy will incentivise FDI inflows (Sparks, 1995). We may further consider whether progress towards SDGs influence more FDI flows from developed nations, compared to FDI from developing countries.

This study primarily focusses on assessing the impact of the recent initiatives by the United Nations community of setting universal, transformative goals (targeting social development, economic development and environment protection) on the geographical distribution of FDI. In particular, this thesis will examine whether the progress that African countries make towards the 'People' category of UN SDGs influences the FDI inflows to these countries.

1.2 Identification of the gap in the existing literature

This study aims to address three significant gaps in the literature, as related to the discussion above. The first category is the scant nature of literature that assesses the influence of non-traditional factors of FDI inflows in developing countries, particularly SSA. The second category refers to the lack of studies that use an adequate theoretical framework to incorporate the non-traditional influencing factors (soft factors) of FDI flows in SSA. The third category refers to extending the sparse literature that assesses the influence of non-traditional influencing factors of FDI flows to SSA broken down by different types of investing or source countries.

1.2.1 Non-traditional factors influencing FDI inflows in developing countries

Concerning the first category of gaps in the literature, the literature review below (Section 3) reveals that little is known about the influence of non-traditional factors of FDI inflows in developing countries specifically in Sub-Saharan Africa (SSA) (Blanton and Blanton, 2015; Busse and Nunnenkamp, 2009; Alsan et al., 2006). This research intends to fill the gap by

assessing how 'People' category SDGs conceptualised as non-traditional factors (Section 3.3.2.2) influencing FDI inflows in SSA. For instance, regarding gender equality on FDI inflows, contemporary literature argues that literature on factors influencing FDI inflows is gender blind, particularly in the context of Sub Saharan Africa (Blanton and Blanton, 2015; Busse and Nunnenkamp, 2009). In the same manner, few studies have assessed the impact of public health on FDI inflows. What evidence there is, is contradictory: Some find a significant and positive relationship between public health and FDI flows (e.g. Hecock and Jepsen, 2013; Alsan et al., 2006). Some find health spending to have a negative and significant impact on FDI inflows (e.g. Erdogan and Unver, 2015). This controversy calls for more empirical evidence to ascertain the impact of the health and well-being on FDI inflows. In theory, health and education are crucial components in enhancing productivity, which is likely to be very important in attracting FDI inflows (Hecock and Jepsen, 2013).

Another gap within the first category of gaps in the literature has to do with determining the effects of poverty and food security on FDI inflows: Many studies assess the converse, that is, how FDI affects poverty and food security in host countries (Mihalache-O'keef and Li, 2011; Gohou and Soumaré, 2012). However, poverty and food security can affect FDI inflows through their effect on human capital and productivity (Schultz, 1997). In the same vein, undernourishment can affect the physical fitness of the employees and create social unrest, which can reduce FDI inflows (Alsan et al., 2006). We could not find studies that assess the effect of the 'People' category SDGs as a whole on FDI inflows. This study assesses the effect of the 'People' category goals as a whole, including poverty and food security on FDI inflows in SSA to fill the literature gap.

1.2.2 Lack of studies that use an adequate theoretical framework

Regarding the second literature gap category; the literature review reveals that the few existing papers which assessed non-traditional factors influencing FDI inflows lack strong theoretical underpinnings to guide their studies (e.g.Cleeve et al., 2015; Busse and Nunnenkamp, 2009; Noorbakhsh et al., 2001). Referring to most of the previous studies on factors influencing FDI inflows, they outline various commonly adopted theories and frameworks which may not have sufficient explanatory power to account for the non-traditional factors of FDI inflows particularly SDGs (Asiedu and Lien, 2011; Johanson and Vahlne, 2009; Moosa, 2002; Soci, 2002). Such theories included are the resource-based view and internalisation theory adapted from the international business literature. These

theories can only explain factors that are endogeneous to multinational enterprises (MNEs) (Johanson and Vahlne, 2009; Dunning, 2003; Rugman and Verbeke, 2002). It is further argued in the following chapters that existing theoretical perspectives may not sufficiently explain the behaviour of developing countries' MNEs in the foreign market place (Luo and Tung, 2007; Yiu et al., 2007; Khanna et al., 2006; Mathews, 2006; Child and Rodrigues, 2005). Conversely, there is a great deal of research on internationalisation and how developed countries MNEs choose a foreign location (see Brouthers and Hennart, 2007 for a detailed review). The gap addressed in this aspect relates to the lack of studies that employ comprehensive theory or frameworks to study and explain non-traditional factors influencing FDI inflows particularly SDGs in SSA.

1.2.3 FDI flows to SSA by source countries

Regarding the final literature gap category, the literature review reveals that many papers generally assess how these non-traditional factors influence FDI inflows in a country without considering how different investor countries can influence the significance of investigated factors (Busse and Nunnenkamp, 2009; Dunning and Narula, 1996). After assessing if the 'People' category SDGs influence aggregated FDI inflows in a country, it is also crucial to split FDI as per different types of investor countries. This kind of analysis will add value to the study by informing the differential significance of the SDGs (as FDI influencers) to different types of potential investor countries (for instance, developed or developing). Ultimately, this analysis will indicate what kind of FDI (e.g. efficiency FDI or market seeking FDI) flows from, for instance, developed countries to SSA.

1.2.3.1 Variation of FDI inflows due to different investing countries.

Comparative institutionalism offers explanations for cross-national differences in firms' behaviour and strategy based on four institutional domains. These domains define firms' incentives and constraints: education and training systems, financial systems and corporate governance, industrial relations and intercompany systems (Hall and Soskice, 2001). These domains may be augmented by considering the difference in internalisation and development paths between MNEs from developing countries and MNEs from developed countries (Bonaglia et al., 2007; Chittoor and Ray, 2007; Cuervo-Cazurra et al., 2007; Khanna et al., 2006; Mathews, 2006; Luo and Tung, 2007).

The relevant line of research that applies an institutional theory in this aspect is relating to institutional distance. Institutional distance is the degree of similarity or dissimilarity between the normative, cognitive, and regulatory institutions of two countries (Ionascu et al., 2004; Xu and Shenkar, 2002; Kostova, 1997; Scott, 1995). New institutional theory suggests that the larger the institutional distance between an MNE's host and home countries, the more significant the challenges of doing business in the host country (Xu and Shenkar, 2002; Ionascu et al., 2004). The majority of the MNEs which invest in developing countries are from developed home countries, with their respective institutional context, the institutional distance becomes a challenge that they have to overcome (Gelbuda et al., 2008). Similarly, the cost of doing business can increase due to differences in informal institutions. For instance, research on the cultural dimension of national institutions indicates that difficulties can arise when transferring modes of management from one country to another due to cross-national differences in culturally-rooted business practice (Guillen, 2000). This management model could be, for instance, selection mechanisms for top management, which can be more or less gender-biased (Filatotchev and Wright, 2011; Mygind, 2001). Although MNEs could formulate a strategy to cope with institutional differences, this might be costly. Hence, one of the consequences of institutional distance could be that some firms would become less likely to enter a particular country (Gelbuda et al., 2008). It follows various levels of these institutional goals pursued by Sub-Saharan African countries could have varying levels of influence on FDI inflows from developed and developing countries. This consideration could explain, at least in part, why for a long time the MNEs from developing countries have been mainly targeting other developing countries and focussing on activities based on natural resources (Lall et al., 1983; Wells, 1983; Kumar, 1982; Keegan, 1979; Lecraw, 1977).

Developing countries offer new opportunities that extend the understanding of how institutions matter in international business (Peng et al., 2008; Meyer and Peng, 2005). For example, considerable attention is now paid to how firms can overcome the institutional challenge in emerging markets where strong institutions are absent (Chakrabarty, 2009; Khanna et al., 2005). The ability to deal with such institutional difficulties vary among MNEs; this might explain why wide variations exist among foreign affiliates' performance in developing countries (Chan et al., 2008; Henisz, 2000). Furthermore, attention is given to the developing countries MNEs trying to understand how such MNEs would internationalise despite coming from countries with weak institutions such as unreliable

policies, inadequate property rights protection and incompetent human capital (Luo and Tung, 2007; Aulakh, 2007; Child and Rodrigues, 2005). The developing countries' MNEs might be disadvantaged in developed countries because they lack sophisticated strategic resources (Luo and Tung, 2007). However, the ability and experience of operating in difficult institutional environment may give them a relative advantage when entering other developing countries (e.g Cuervo-Cazurra and Genc, 2008). This means that when the SSA countries are not performing to the level of developed countries in terms of progress towards SDGs, still they could attract FDI from developing countries because MNEs from developing countries share similar institutional environments. Therefore, this research will fill the gap by assessing if the influence of these non-traditional factors differs across different types of investing countries.

1.3 Contribution to the knowledge

This study aims to contribute to international business literature, particularly the literature strand on factors influencing FDI inflows, at a theoretical, empirical and policy level. In terms of theory development, this study contributes by critically evaluating if the national competitive framework can serve as an analytical framework for explaining the non-traditional factors influencing FDI inflows in SSA. Theoretical developments in this new research field are required as previous research does not identify an adequate theory or framework to explain the non-traditional influences of FDI flows in SSA (as discussed in section 1.2 'Identification of the gap in the existing literature'). Therefore, this study tests the application of the national competitive framework in assessing the extent to which the 'People' category SDGs serve as non-traditional factors influencing FDI flows in SSA. Within this process, it identifies the shortcomings of previously adopted theories and frameworks in literature on factors influencing FDI inflows and suggests strategies on how to overcome their theoretical drawbacks.

In terms of empirical evidence, this research is novel in four aspects: Firstly, many studies in the literature attempt to analyse how FDI contributes to sustainable development which is an international development perspective (Gohou and Soumaré, 2012; Mihalache-O'keef and Li, 2011; Oetzel and Doh, 2009; Wang, 2009) and neglect the other side of the coin which is to say, how the progress towards sustainable development influences the attraction of inward FDI. It is this latter question this thesis pursues. Based on quantitative research design, the study assesses how progress towards SDGs impact FDI inflow level in

SSA, which is an international business perspective and a less well-researched dimension (Blanton and Blanton, 2015; Busse and Nunnenkamp, 2009; Alsan et al., 2006). The study includes qualitative analysis based on interviews with the top-level managers of MNEs subsidiaries in Tanzania to supplement the quantitative results. The post-analysis interviews help to provide context and explore the findings in greater depth (Sharma et al., 2018; Crick, 2007; Greene et al., 1989).

Secondly, focussing on the 'People' category of SDGs as non-traditional location factors for FDI adds more value to this thesis because little is known of the impact of these variables. The study also considers how the significance of these SDGs on FDI inflows differ with the nature of the investing countries.

Thirdly, the study adds to the existing literature in that it develops and tests measures and indicators of the relevant SDGs, whereby the measures and indicators are politically agreed but still contentious, with contemporary studies have just now started to address this (McArthur and Rasmussen, 2019).

Finally, the study adds value to the empirics of studies on non-traditional factors influencing FDI inflows by applying the bespoke data from UNCTAD. This data set is a new, unique and not publicly available.

At the policy level, this study is highly policy-relevant because it examines the effects of the degree of attainment of specific UN Sustainable Development Goals on inward FDI performance. Policymakers in developing countries are seeking to invest in the SDGs while simultaneously pursuing investment attractiveness policies. This study shows the benefits of investing in the SDGs for the policy goal of attracting more considerable amounts of inward FDI. In doing so, it is topical, timely and relevant because of the expanding role of FDI as a source of investment in developing countries particularly Sub-Saharan Africa and the study's ability to inform both evidence-based policymaking in developing countries and the sustainable development agenda at UNCTAD with robust evidence.

1.4 Research Aim and Objectives

To analyse the impact of progress towards the 'People' category of Sustainable Development Goals by Sub-Sahara African countries on the level of inward Foreign Direct Investment.

1.4.1 Specific objectives

1. To develop from authoritative public sources, a set of measures and indicators of the 'People' category SDGs.
2. To analyse the progress of Sub-Sahara African countries toward the 'People' category of the United Nations' SDGs.
3. To systematically incorporate the 'People' category SDGs into the theoretical and conceptual international business literature on factors influencing FDI inflows.
4. To analyse the impact of progress towards the 'People' category of the United Nations SDGs on the inward FDI flows in SSA countries.
5. To analyse the impact of progress towards the 'People' category of the United Nations SDGs on the inward FDI flows by type of investor countries.
6. To provide evidence-based policy recommendations for host countries and contribute to the work of the UN and other international organisations.

1.4.2 Research questions

The following research questions were formulated based on the identified gaps

(i) What is the influence of progress towards the 'People' category of SDGs on FDI inflows to SSA?

(ii) What is the influence of progress towards the 'People' category SDGs on the level of FDI inflows from developed countries to SSA? (so-called North to South FDI flows).

(iii) What is the influence of progress towards the 'People' category SDGs on FDI inflows from developing countries to SSA? (so-called South to South FDI flows).

(iv) Could a national competitive framework serve as an analytical framework for understanding the non-traditional factors influencing FDI flows in SSA?

(v) What managerial and policy implications can be derived from the answers to (i) to (iv)?

1.5 Structure of the thesis

This section outlines how the remaining chapters of the thesis are organised and how logically the overall argument is developed. Chapter 2 sets the study in the specific context of FDI, SDGs and SSA. It provides background information on these critical aspects of this study. The literature review in chapter 3 provides a comprehensive and critical review of the relevant schools of thought and theories concerning non-traditional factors influencing

FDI inflows. Therefore, it provides the foundation for a critical evaluation of the suitability of the introduced theories and frameworks. This analysis is further enhanced by a comprehensive review of the contemporary empirical literature on non-traditional influences of FDI flows. Finally, the chapter presents a synthesis of the findings of the literature review, relates them to the outlined gap and presents a national competitive framework as the conceptual framework for this study. It identifies the relevant non-traditional factors via institutional and human capital theory and outlines the research hypotheses for the empirical investigation.

Chapter 4 presents a proper methodology to operationalise the national competitive framework presented in chapter 3. It justifies why positivism and quantitative research design is the most appropriate approach to investigate the non-traditional factors influencing FDI flows to SSA. Furthermore, it presents the specific research tool adopted and provides an operationalisation of the key constructs. In chapter 5, we present data analysis to provide answers to the research questions. The chapter commences with the pretests designed to ensure the run analysis conforms with the assumptions of the model, and descriptive statistics to provide essential information on the constructs used. The regression results follow. These indicate the SDGs which are relevant to FDI flows in SSA, and finally, diagnostics and robustness tests for the regression models are performed. These results are discussed in chapter 6, where we examine if the proposed national competitive framework holds and links the specific research findings back to theory. Thus, it provides a discussion of how the underlying findings relate to previous knowledge in the field. Ultimately, chapter 7 outlines how the findings of this study contribute to theory and how they extend existing knowledge in the field. We also present the limitations of the study and suggestions for further research in the specific field and outline the political and managerial implications derived from the results of this study.

Chapter 2 : Research Context

The purpose of this chapter is to present the context of the study. The comprised sections provide background information on the essential aspects of the study. Section 2.1 presents the role of Foreign Direct Investment (FDI) in the development perspective. Section 2.2 presents the level and development of FDI worldwide, in developing countries and Sub-Sahara African countries together with a discussion of various host and investing countries. Section 2.3 presents the Sustainable Development Goals (SDGs), and finally, the profile of Sub-Saharan Africa is presented in section 2.4. The chapter helps the reader to get a deeper understanding of the focussed aspects in the study and put the study in the broader context.

2.1 Foreign Direct Investment in the Development Perspective.

Foreign Direct Investment (FDI) has gained remarkable significance globally throughout the past five decades (Kaufman, 2002). In 2015, Foreign Direct Investment (FDI) stocks accounted for 34.62 per cent of the world's Gross Domestic Product (GDP), a rise from 9.61 per cent in 1990 and FDI stocks were above total exports of goods and services by 15.7 per cent (Table 2.2). The significance of FDI has not only been on the economy but also politically, socially, culturally, technologically, environmentally and in many other aspects. Two broad views on the impact of FDI on the host country economy and social welfare exist, one of which is the positive spillover view, which undergirds the positive benefits of FDI flows (Oetzel and Doh, 2009; Wang, 2009; Borensztein et al., 1998). The FDI positive spillovers can be intra-industry or inter-industry. Intra-industry (horizontal) positive spillovers happen when local firms operate in the same industry with the more efficient foreign firm(s), or by employment turnover or by being forced to improve due to high business competition. In contrast, the inter-industry (vertical) positive spillover can be backward or forward spillover. Backward positive spillover occurs when local firms supply to the foreign firms, and due to that business relationship, they get spillovers and forward spillovers happen when foreign firms supply intermediate inputs with complementary services to local firms and cause spillovers (Liu, 2008). This camp views FDI as an essential component in the equation of development particularly to developing countries as it supplements the domestic funds in financing the domestic projects and facilitate economic development (Loungani and Razin, 2001).

FDI is also viewed as an integral part of the successful international economic system and a significant mechanism towards sustainable development growth and social improvement

(Kurtishi-Kastrati, 2013; Siddiqui, 2014). Some researchers in this camp (e.g Wang, 2009; Borensztein et al., 1998) consider FDI as a significant contributor in the diffusion, dissemination of knowledge and assimilation of ideas and technology to the host country and has indirect effects of upgrading the quality of the workforce. Also, FDI can augment economic growth through the productive capacity building and enhancement of competitive business environment (Sauvant and Mallampally, 2015; Adams, 2009; Oliva and Rivera-Batiz, 2002). There is some evidence of intra-industry or inter-industry productivity spillover, particularly in sectors with vigorous competition (Lipsey and Sjöholm, 2005; Javorcik and Spatareanu, 2005). It also appears that foreign affiliates often show relative higher tendency to undertake R&D expenditure and the relative higher productivity while undertaking investment in foreign countries than in their domestic countries, this can accelerate economic growth in the host countries (Barrell and Pain, 1997). On the social aspect, FDI can contribute towards more socially responsible corporate policies and provide cleaner technology which may improve the environment and social condition (Kurtishi-Kastrati, 2013). It can also improve living standards of people as it was found in (Lipsey and Sjöholm, 2005) because the transnational companies often pays higher wages than the domestic firms in both developed and developing countries.

On the other hand, a camp of researchers has criticised the positive spillover view (De Backer and Sleuwaegen, 2003; Görg and Greenaway, 2001). This camp suggests that FDI using MNEs are more likely to take local firms out of the market, prohibit purposely-potential technology spillover, applying inappropriate technology for the local environment. They are additionally concerned FDI can reduce, rather than complementing, the domestic funds due to transfer price manipulation and massive profit repatriation (De Backer and Sleuwaegen, 2003; Görg and Greenaway, 2001; Haddad and Harrison, 1993). The controversy of the FDI effect on the host country does not end on the economic effects only, but it goes beyond, touching the effects of MNEs activity on social welfare and financial volatility (Rondinelli, 2003; Hippert, 2002; Görg and Greenaway, 2001). Other adverse effects are on human rights such as the exploitation of workers, use of child labour and unsafe working conditions (Dunning, 2006), political atmosphere as well as the natural environment (Clapp and Dauvergne, 2011; Hoffmann et al., 2005). The camp perceives that MNEs seek out for countries with low labour, environmental and safety standards to reduce operating costs and maximise output (Wheeler, 2001). To maximise output, particularly in developing countries, some MNEs might operate in inadequate safety standards, pollute

the host country environment, create sweatshop condition in the industries and employ child labour. Thus, developing countries mighty be forced to participate in the 'race to the bottom' to attract and retain FDI, where the lower standard countries receive more investments (Olney, 2013). However, it seems the empirics deny the 'race to the bottom' view. Statistics show more FDI flows to the higher income developing and developed countries which are believed to have higher standards as opposed to the middle, lower-income developing and transition economies (see Table 2.1 and Table 2.3). In addition, many scholars criticise 'the race to the bottom' idea advocating that MNEs may increase the safety, labour and environmental standards of developing countries (Christmann and Taylor, 2001; Wheeler, 2001; Dowell et al., 2000).

Despite FDI having a downside, the rising importance of FDI is even higher in developing countries than in developed. The rising importance of FDI to developing countries stems from a deficit of indigenous resources and capability to meet an assortment of economic objectives (Dunning, 2006). As the role of foreign direct investment in development was thoroughly appraised by Sanjaya Lall (1993), eight 'gaps' were identified to be filled by developing countries if their policy goals are to be met and FDI plays a significant role in filling these gaps. The gaps include a resource gap (between desired investment and locally mobilised savings), a budgetary gap (between target revenue and locally raised taxes), a foreign exchange or trade gap (between foreign exchange requirements and foreign exchange earnings plus official aid). Other gaps are technology gap, a market structure (improvement) gap, an employment gap, a management and skill gap between the supply of and demand for these capacities, an international marketing gap and an entrepreneurship gap.

Many developing countries, particularly most of the African countries, have low GDP per capita as well as low domestic savings which convey the difficulty for these countries to raise domestic funds to finance investments (Loungani and Razin, 2001; Mkenda and Mkenda, 2004). In addition, most of these developing countries were effectively deactivated from the international capital market due to over-borrowing and associated debt overhang in the 1970s and 1982-1983, respectively (Chakrabarti, 2001). Therefore, to developing countries, FDI is viewed as the reliable source of capital flows to supplement limited domestic investment, at the same time to enhance economic growth through the transfer of knowledge, technology, and managerial skills (Naanwaab and Diarrassouba,

2016). FDI appears to be a more dependable source of funds than loans to developing countries because loans have stringent conditions attached to them which bring even more burden instead of helping developing countries (Loungani and Razin, 2001). In addition to filling the gap of the needed capital, FDI has contributed to expanding the access of domestic firms to global markets, has increased tax revenues for the host economies and enhanced employment creation (UNCTAD, 2014; Quazi, 2007; Alsan et al., 2006; Loungani and Razin, 2001). In a region like Africa, FDI has played a vital role in development via employment creation and growth, integration into the global economy, foreign exchange rate's control, raising skills of the local workforce, improvement of the investment climate, new inputs, enhancing domestic savings, and in achieving tax revenue needs of the region (Dupasquier and Osakwe, 2006).

According to the spillover view, the benefits from MNEs accrue naturally during their daily business activities and be absorbed by local individuals and firms without direct contribution to the development of the host country (Oetzel and Doh, 2009). However, in their recent works in this area, it appears that there should be necessary conditions in place for spillover to happen because the effects of FDI do not accrue automatically to different countries, sectors and even communities (Gohou and Soumaré, 2012). The absorptive capacity in the industry, advanced skills base and the level of institutional development are among significant conditions for spillover to succeed (Spencer, 2008; Buckley et al., 2002). While it may seem natural to argue that FDI delivers spill over to the host countries, the local conditions mighty restrict the absorption capacity of the host country (Alfaro et al., 2004).

Various scholars found FDI inflows on its own presents an ambiguous effect on the economic growth, however when the necessary policies and economic conditions are in place, host countries experience spillovers from FDI (Adeniyi et al., 2012; Alfaro et al., 2004; Carkovic and Levine, 2002; Aitken and Harrison, 1999; Borensztein et al., 1998). An impetus is needed for a country to enjoy the FDI spillover including an outwardly oriented trade policy (Balasubramanyam et al., 1996) and the required minimum threshold stock of human capital as a measure of its absorptive capacity (Borensztein et al., 1998). Also, well-developed financial markets are essential; this help to lower the cost of conducting transactions and ensure that capital is in the projects that attract high returns thus growth is enhanced (Adeniyi et al., 2012; Alfaro et al., 2010; Alfaro et al., 2004). In addition, the

low technological gap between domestic firms and foreign firms can help to enhance the gain from spillover (Girma and Wakelin, 2002; Kokko et al., 1996; Kokko, 1994). Furthermore, scholars (e.g Javorcik and Spatareanu, 2008; Aitken and Harrison, 1999) suggest that the benefits from foreign investment can be well captured when joint venture mode is adopted as an entry mode.

According to Gohou and Soumare (2012), less developed countries benefit more from FDI than wealthier countries; this supports the idea of selecting Sub-Saharan Africa as a context of investigation (Dunning, 2004b). However, host countries' government should develop a credible regulatory authority that will police the activities of MNEs and ensure they yield to the indigenous while staying committed to the regulatory rules so that they are perceived credible by investors (Dunning, 2006). As suggested by Oetzel and Doh (2009), it is also vital to reconceptualise the relationship between MNEs and host country development by going beyond the current view which relies on MNEs contributing leftover resources. The view should expand to include other local development agencies, among other things, NGOs, academic institutions, vocational training agencies and supranational agencies, and provide a role that each should play for a win-win situation. For example, MNEs could work actively with NGOs to build local capacity through partnership whereby the MNEs brings size, scale, resources and experience to the table and the NGOs assists MNE to access stakeholders that would be difficult to access without the partnership (Oetzel and Doh, 2009). Finally, the initiatives such as that of UNCTAD (2015) to issue an investment policy framework and the Road Map for international investment agreements to influence the renewal of the national and international investment policies towards sustainable development is crucial. Currently, more than 100 countries have used the framework to shape their investment treaty networks and formulate new international investment policies (UNCTAD, 2016a). This initiative is expected to help improve the link between the increase in FDI inflows and the productive capacity of countries, particularly the developing countries.

Table 2.1: Regional distribution of FDI Inflows in the millions dollar

					Top ten countries in the world by 2015	
Year	**World FDI**	**Developed economies**	**Developing economies**	**Transition economies**	**Receivers (Billions dollar)**	**Investors (Billions dollar)**
1990	204,913.78	170,195.30	34,657.33	75.20	United States (380)	United States (300)
1991	153,980.97	114,479.59	39,318.27	203.52	Hong Kong SAR (175)	Japan (129)
1992	162,925.24	107,867.50	53,458.20	1,651.08	China (136)	China (128)
1993	220,111.90	141,404.17	75,691.29	3,024.71	Ireland (101)	Netherlands (113)
1994	254,916.09	150,599.33	102,382.53	1,934.53	Netherlands (73)	Ireland (102)
1995	341,523.08	219,763.68	117,760.88	3,998.51	Switzerland (69)	Germany (94)
1996	388,758.79	236,343.29	147,078.33	5,338.16	Singapore (65)	Switzerland (70)
1997	481,500.56	286,294.01	185,400.84	9,806.72	Brazil (65)	Canada (67)
1998	692,331.04	508,531.87	176,632.39	7,168.48	Canada (49)	Hong Kong SAR (55)
1999	1,076,382.42	852,939.06	216,289.54	7,155.28	India (44)	Luxembourg (39)
2000	1,358,820.38	1,120,507.63	232,390.26	5,924.34		
2001	683,765.38	459,714.78	215,793.85	8,257.96		
2002	589,808.93	413,024.48	166,738.99	10,045.55		

2003	550,588.79	337,172.02	195,584.23	17,832.53		
2004	688,233.04	395,517.74	263,718.33	28,996.98		
2005	950,125.01	587,709.79	331,752.13	30,668.09		
2006	1,402,125.86	940,318.37	402,982.75	58,824.76		
2007	1,902,244.48	1,289,493.50	525,525.04	87,225.94		
2008	1,497,788.14	801,909.21	578,482.16	117,396.77		
2009	1,181,412.19	654,366.69	465,306.64	61,738.87		
2010	1,388,821.03	699,889.23	625,330.31	63,601.49		
2011	1,566,838.97	817,414.80	670,149.29	79,274.88		
2012	1,510,918.31	787,358.83	658,773.74	64,785.73		
2013	1,427,180.95	680,275.02	662,405.60	84,500.33		
2014	1,276,999.29	522,042.92	698,493.63	56,462.74		
2015	1,762,155.04	962,496.29	764,670.44	34,988.31		

Table 2.2:Regional distribution of FDI stock in millions of dollar

				Regional			Top ten countries in the world 2015	
Year	**World GDP**	**World export**	**World FDI**	**Developed economies**	**Developing economies**	**Transition economies**	**Receivers (Billions of dollars)**	**Investors (billions of dollar)**
1990	22,977,000.03	4,260,530.56	2,196,997.47	1,685,875.98	509,469.89	1,651.59	United States (5,588)	United States (5,983)
1991	24,098,983.43	4,386,416.71	2,471,939.20	1,922,379.13	547,371.99	2,188.09	Hong Kong SAR (1,573)	Germany (1,812)
1992	25,773,087.28	4,742,674.26	2,494,519.54	1,889,390.84	604,752.82	375.88	United Kingdom (1,457)	United Kingdom (1,538)
1993	26,233,815.11	4,742,155.62	2,699,686.17	2,015,828.33	681,577.10	2,280.73	China (1,221)	Hong Kong SAR (1,486)
1994	27,978,903.96	5,321,691.08	2,964,596.60	2,200,911.95	757,250.99	6,433.65	Germany (1,121)	France (1,314)
1995	31,032,910.83	6,338,858.13	3,565,317.83	2,711,005.57	843,340.46	10,971.80	Singapore (978)	Japan (1.227)
1996	31,696,129.50	6,700,475.83	4,135,042.58	3,136,646.29	982,029.32	16,366.97	Switzerland (833)	Switzerland (1,138)

1997	31,552,694.52	6,963,164.83	4,722,308.30	3,605,800.87	1,089,641.42	26,866.00	France (772)	Canada (1,078)
1998	31,340,461.38	6,857,652.94	5,919,128.21	4,690,698.19	1,197,495.22	30,934.79	Canada (756)	Netherlands (1,074)
1999	32,548,162.84	7,126,178.62	7,089,441.76	5,509,552.86	1,540,158.35	39,730.55	Netherlands (707)	China (1,010)
2000	33,509,973.67	7,940,643.40	7,488,448.90	5,791,253.56	1,644,214.87	52,980.47		
2001	33,331,408.53	7,682,320.77	7,296,015.02	5,481,062.17	1,735,814.51	79,138.34		
2002	34,684,396.17	8,018,000.87	7,361,133.41	5,583,664.21	1,672,700.19	104,769.01		
2003	38,966,299.65	9,352,835.94	9,168,718.88	7,097,819.44	1,929,613.17	141,286.27		
2004	43,880,302.11	11,365,458.69	10,579,562.82	8,145,333.49	2,252,605.73	181,623.60		

2005	47,539,451.29	12,828,240.28	11,457,442.01	8,565,673.47	2,635,508.22	256,260.31		
2006	51,475,067.43	14,761,501.49	14,145,358.47	10,513,462.61	3,267,897.71	363,998.15		
2007	57,991,840.66	17,218,979.79	17,896,629.97	12,915,495.18	4,353,591.10	627,543.69		
2008	63,547,007.79	19,738,014.25	15,325,856.17	10,929,902.49	4,006,097.00	389,856.68		
2009	60,239,462.49	15,802,374.45	18,202,566.44	12,770,016.81	4,857,878.04	574,671.59		
2010	65,911,731.81	18,828,149.43	20,189,655.17	13,443,849.89	6,042,537.67	703,267.61		

2011	73,271,695.47	22,360,657.88	20,900,591.36	13,847,153.91	6,354,996.05	698,441.39		
2012	74,796,674.83	22,657,870.48	22,639,110.11	14,670,752.90	7,207,806.92	760,550.29		
2013	76,830,808.55	23,356,887.48	24,532,733.44	16,053,786.35	7,657,341.71	821,605.38		
2014	78,612,131.71	23,778,485.89	25,112,800.20	16,306,910.43	8,172,034.23	633,855.55		
2015	74,176,854.36	21,063,607.66	24,983,214.12	16,007,397.56	8,374,427.85	601,388.71		

2.2 Foreign Direct Investment development and level in the world

The growth of foreign direct investment has been one among the prominent features of the world economy for the past half a century. The growth in FDI is observed after World War II as companies' financial situation, and world political condition stabilised due to war stoppage (Gohou and Soumaré, 2012:76; Kaufman, 2002). In 2015, global Foreign Direct Investment inflows increased to approximately nine times as much as that of 1990, which is 760 per cent increase (table 2.1) and World FDI stock was 11 times that of 1990, which is a 1037 per cent increase (table 2.2). The global FDI inflows of 2015 ($ 1.8 trillion), recorded the highest peak since the global economic and financial crisis of 2008/2009, which was an increase of about 40 per cent over the previous year; however, it is 7 per cent below 2007 peak (Table 2.1). FDI growth has largely been contributed by corporate configurations which involve changes in the ownership structure of Multinational Enterprises (MNEs) including tax inversion but little actual operation changes (UNCTAD, 2016). This boom was also caused by recovery of the FDI inflows to developed countries in 2015 by nearly double to $962 billion contributed mainly by Europe and the United States (table 2.1). This recovery suggests FDI be resilient to the financial crisis; as a result, many countries favour FDI over other forms of international capital flows (Loungani and Razin, 2001; Balasubramanyam et al., 1996). The resilient feature of FDI during the financial crisis could also be seen during the Asian financial crisis of 1997-1998. Such investments were remarkably stable in East Asia while other forms of private capital such as debt flows and portfolio equity, particularly short-term flows got a massive drop during the same period (Lipsey, 2001; Dadush et al., 2000).

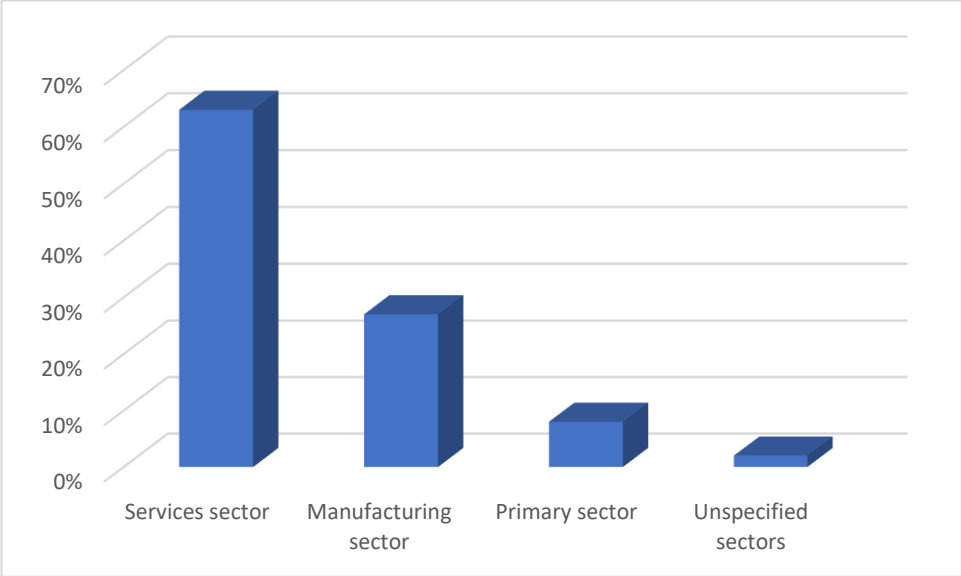
Between 1990 and 2015, developed countries have dropped in FDI global share from 83 per cent to 55 per cent, which is a 29 per cent fall while developing, and transition economies have witnessed their global FDI inflows share rising by 27 and 2 per cent respectively (Table 2.1). Likewise, developed countries' FDI stock share declined out of global FDI stock from 77 to 64 per cent share, which is a 13 per cent fall while developing, and transition economies increased their stock share by 10 and 3 per cent respectively (Table 2.2).

In the same period, the gap between FDI inflows received by developed countries and the world increases but at a decreasing rate. However, the gap between FDI inflows to the world and developing countries likewise to the gap between the world and transition economies has mostly recorded negative rate which shows a decline in the gap for instance

from 2012-2014, though in 2015 the gap increased massively (Table 2.1). The gap between FDI inflows that developing and developed countries receive likewise to the gap between developed and transition economies has been increasing at a decreasing rate, and recently the statistics showed it declining for the three consecutive years namely; 2012,2013 and 2014. On the other side, the gap between FDI inflows to developing countries and transition economies has been increasing at an average rate of 14 per cent (Table 2.1).

The latest sectoral breakdown estimates globally (in 2015) indicate that services sector lead other sectors by accounting for 63 per cent of global FDI stock, followed by the manufacturing sector (27%), primary sector (8 per cent) and then 2 per cent unspecified (See figure 2.1). This trend shows that the services sector accounts almost two-thirds of the global FDI stock. The industries that perform well in the service sector include finance, business activities, trade and telecommunication. In contrast, industries like chemical products, electronics, food and beverages, petroleum products and motor vehicles account for 70 per cent of global manufacturing FDI stock (UNCTAD, 2017). The general sectoral patterns of FDI inflows are similar in developing and developed countries; however, the disparities among developing countries are noticeable. The share of primary sector in FDI to Asia was 2 per cent much lower compared to the 28 and 22 per cent to Africa and Latin America and the Caribbean, respectively; this highlights the weight of extractive industries in these regions and how their sectoral patterns differ (UNCTAD, 2016).

Figure 2.1: Sectoral breakdown of global FDI stock share in 2015



Source: UNCTAD (2016).

In 2015, manufacturing FDI activities increased globally while the primary sector decreased because of the fall in commodity price, which influenced the planned capital expenditure to drop. The rise in manufacturing FDI might also be contributed by the fall in commodity price, which make inputs costs decrease (UNCTAD, 2016). In developed countries, manufacturing industries, which experienced the boom, include pharmaceuticals, non-metallic mineral products, chemicals and chemicals products, machinery and equipment, rubber and plastics products, primary metal and metal products, and motor vehicles and other transport equipment. While in developing countries, the boom was in the industry such as furniture, food beverage and tobacco and non-metallic mineral products. The fall of commodity price affects so many countries, which depend on the primary sector to attract FDI and continue to affect the FDI's sectoral structure (ibid). Per UNCTAD (2016) report, a large number of MNEs in extractive industries have reduced their capital expenditures and have announced a considerable reduction of their medium investment plans due to weakening of commodity price particularly of metals, crude oil and minerals. FDI to oil-exporting and mining predominating economies has fallen not only because of decrease in planned investment expenditure in response to falling in price but also due to decline of the reinvested retained earnings because of decrease in profit. Companies like BP Plc in the UK reported the most significant net loss in 2015 in at least 30 years' period. In the same line, MNEs in other sectors are reviewing their investment plans and capital expenditure, considering slowing in global demand and trade.

On the policy side, countries continue to adopt investment policies, which support investment liberalisation and promotion. Eighty-five per cent of measures in 2015 favoured investors and national security has been an increasingly important investment component in investment policy (UNCTAD, 2016). However, FDI has fallen a bit in 2016 by 2 percent, and pick up in 2017 to surpass the 2015 value of 1.8 USA dollars (UNCTAD, 2017).

2.2.1 Foreign Direct Investment to developing countries

Since the early 1990s, developing economies have been experiencing a boom in their FDI inflows. This trend indicates an increasing recognition of these host countries as suitable locations for investments by multinational enterprises (Nunnenkamp and Spatz, 2002; Asiedu, 2002). The share of global FDI inflows to developing countries has been rising to the extent of exceeding the global share of FDI inflows to developed economies in 2014 (Table 2.1). This boom can be associated with the increased importance of FDI to augment

economic growth in developing countries through the productive capacity building, technology spillovers, and enhancement of competitive business environment (Sauvant and Mallampally, 2015; Adams, 2009; Oliva and Rivera-Batiz, 2002). According to the Asian Development Bank (ADB) outlook (2004), the FDI inflows boom is due to rapid technological progress, positive evidence of open doors to FDI by developing countries, the emergence of globally integrated production and marketing networks and the increase of bilateral investment treaties. Also, Bouoiyour (2007), shows how various developing countries have tried to adjust their policies and provide various incentives to attract more FDI inflows. For example, many countries provide import duty exemptions, tax holidays and subsidies to foreign firms as well as take various measures like infrastructure development, market preferences provisions and even monopoly rights at some point for the sake of attracting more FDI. However, Africa, as a developing continent, has not benefited much from this increase despite the efforts undertaken to attract FDI inflows (Sichei and Kinyondo, 2012; Asiedu, 2004a; Asiedu, 2002). For example, in 1970, Asia received 79 per cent of what Africa received as FDI inflows while in 2015, Africa received 11.2 per cent of Asia's FDI inflows (UNCTADSTAT 2017).

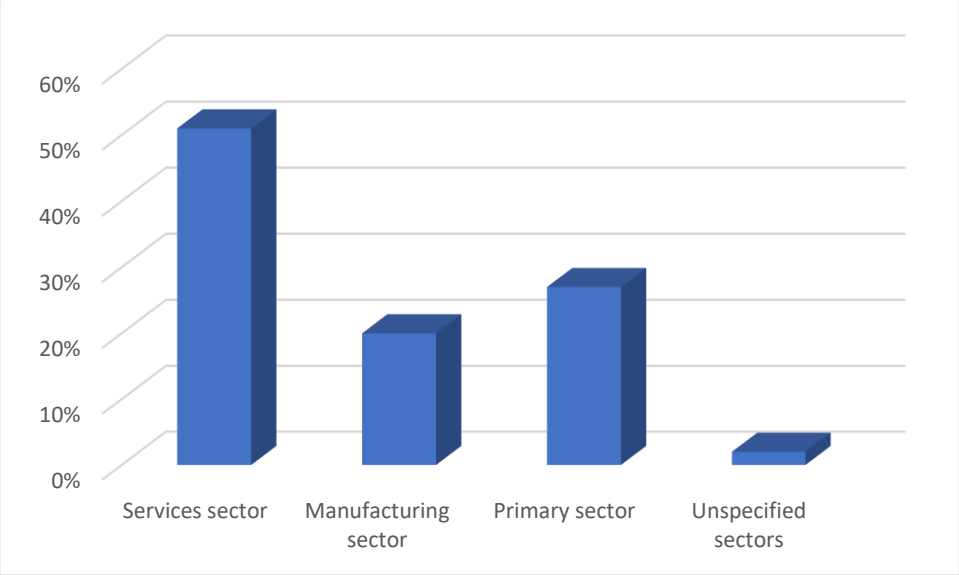
Between 1990 and 2015, the FDI inflows share of high and middle-income developing countries to total FDI inflows that goes to developing countries has slightly dropped by one and 0.5 per cent respectively and their share to global inflows have increased by 21 and 4 per cent respectively. Also, an increase of 1 per cent for FDI flows from low-income developing countries to both developing countries, and the globe is observed. On aggregate, the FDI inflows to developing countries have increased by 26 per cent make them own 43 per cent of the world FDI inflows in 2015 (Table 2.3). In the same vein, the share of FDI stock found in high-income developing countries dropped by 3 per cent while that of middle income increased by 2.4 per cent and for low income developing countries slightly increase by 0.6 (table 2.4).

In the same period, the gap between the FDI that goes to high and middle-income developing countries keeps increasing but on decreasing rate, same to the gap between middle and low income developing countries as well as a gap between high and low middle income (table 2.3). The gap between FDI inflows that developing and developed countries receive has been increasing in a decreasing rate, and recently the statistics showed it declining for the three consecutive years namely; 2013, 2014 and 2015 (Table 2.1). The gap

between developing countries and the world's FDI has mostly been declining during the years. For instance, for the period 2001-2003, 2008-2009 and from 2012-2014 before it increased in 2015. All these periods where the gap decreased was because developed countries suffered financial recession which affected European Union during 2000 and 2001, the United States in 2002 and 2003 and global financial crisis of 2007-2009, this made the developed countries receive less FDI as the business and economic activities declined in these years (UNCTAD, 2014). Likewise, when the recession happened to developed countries particularly to Asian countries during 1997-1999, the FDI decreased thus the gap between global FDI and FDI to developing countries increased and marked the highest rise in the gap in 1998 and 1999 (Table 2.1).

Sector-wise, in 2015, 51 per cent of FDI stocks in developing countries were service sector, 20 per cent were manufacturing, 28 per cent were the primary sector, and 2 per cent were unspecified (See figure 2.2). Between 2013-2015, the amount of FDI stocks in primary industries reduced by 7 per cent, while services gained 6 per cent share and manufacturing remained with the same shares (UNCTAD, 2016).

Figure 2.2: Sectoral breakdown of FDI stock share in developing countries in 2015



Source: UNCTAD (2016).

2.2.2 Foreign Direct Investment to Sub-Saharan Africa

The common perception when it comes to Foreign Direct Investment inflows to Sub-Saharan Africa (SSA) is that market size, and natural resources are the main attractions of MNEs to these countries (Asiedu, 2006). This perception seems to get support from

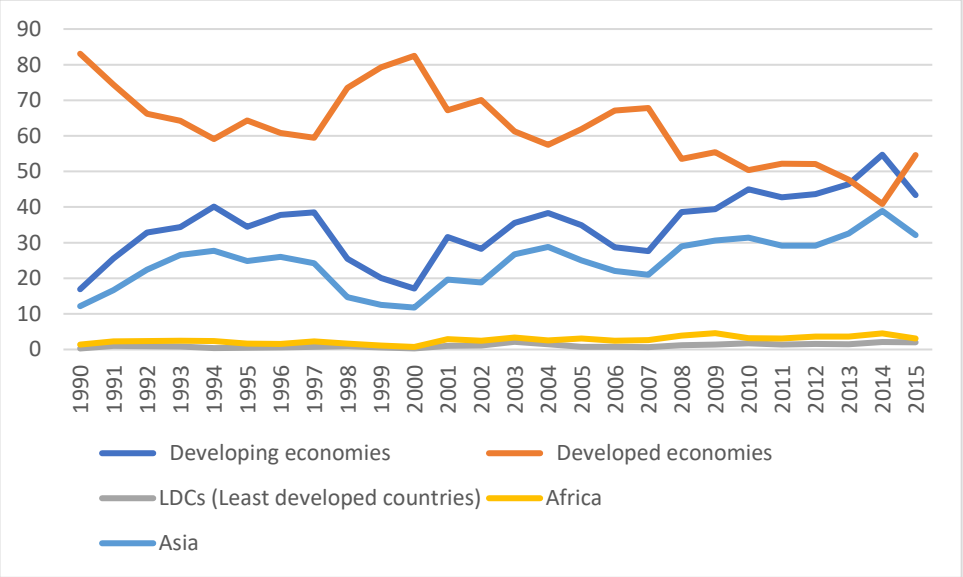
empirics as the leading FDI recipient countries in the region are characterised by large market size and massive endowment of resources including Angola, Congo, Mozambique, South Africa, Ghana and Nigeria (Table 2.5). As per 2015, mining quarrying and petroleum led all industries in Africa by accounting for 22.2 per cent of total FDI inflows followed by electricity, gas and water (21.7 per cent), then construction (11.7 per cent) (UNCTAD, 2016). The fact is troubling due to several reasons. First, it implies less FDI inflows go to small African countries and those who are less endowed with natural resources (Asiedu, 2006). The fact is, most of the Sub-Saharan countries are small in terms of income level – 18 countries out of 48 countries in the region have a GDP of less than US$ 5 billion. Additionally, in 2015, the total GDP of SSA excluding two countries (Nigeria and South Africa), which account for more than half of the total GDP in Sub-Saharan Africa, was US$ 822, equal to one-half of the GDP of Brazil (UNCTADSTAT 2016).

Second, FDI in resource-endowed countries are concentrated in natural resources, and such investments tend not to generate the expected positive spillovers like employment creation and technological transfers (Asiedu, 2004b). This reality should motivate governments in the continent to engage more in investment agenda and develop strategies which stimulate FDI inflows to other sectors rather than focusing on primary commodity and extractive industries only (UN, 2016a). For the past two decades, Africa has experienced dynamism in the investment climate. The reason being the numerous reforms implemented by African governments such as regional integrations initiatives, domestic reforms, and bilateral investment treaties with potential FDI source countries; however, SSA still does not perform well in terms of attracting inbound FDI (Sichei and Kinyondo, 2012; Asiedu, 2004a; Asiedu, 2002).

Despite the last three decades having been marked by the boom in FDI inflows to developing countries, developing Asia remains the primary destination of FDI inflows to the developing nations, while Africa has not been benefiting much from the surge (See figure 1.1). The gap between FDI inflows received by Sub Saharan Africa and aggregate FDI to developing countries increases but at a decreasing rate, particularly in the period 2011-2015 (Table 2.5 and Table 2.1 respectively). Between 1990 to 2015, the FDI inflows to Sub-Saharan Africa rose by twenty-six-folds. However, the share of world FDI inflows to SSA is still low, about 2.4% on average and the gap between worldwide and SSA FDI inflows continue to expand although at a decreasing rate (See Table 2.5 and Table 2.1). It seems

that Africa experiences an absolute increase but a relative decline in the FDI inflows (Asiedu, 2004a). UNCTAD (2016) report shows that the average FDI inflow to SSA per capita between 1995 and 1999 was the US $11.9 (the lowest ratio worldwide). In addition, Sub-Saharan Africa observed a decline in FDI inflows to $43 billion in 2015, which is a 10 per cent fall while the world witnessed a 40% increase in FDI inflows (See table 2.1 and table 2.5). Despite North African economies such as Egypt and Morocco being able to attract massive FDI inflows in 2015, these were offset by a decrease of inflow to Sub-Saharan countries particularly in highly natural resources dependency countries in Western and Central Africa (UNCTAD, 2016).

Figure 1: Trends on global share of FDI (percent) inflows for the period 1990-2015



Source: UNCTADSTAT, 2016

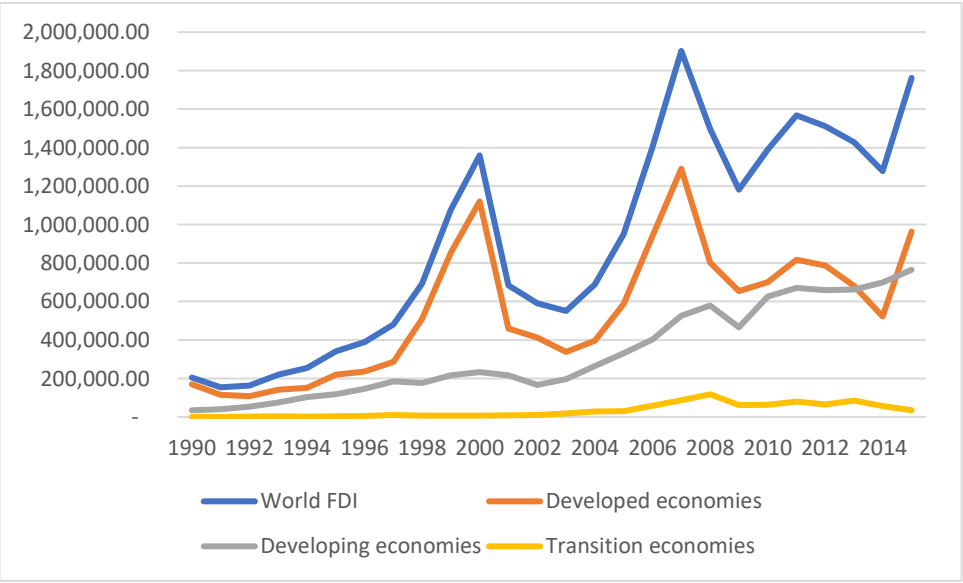
In the early 1990s, western African countries received the highest share of FDI inflows to Sub-Saharan Africa, however, from 1997 their share started to decline until it reached the FDI inflow's share of 20 per cent and FDI stock's share of 29 per cent in 2015, that makes the area the second in the region. On the contrary, in the same period, other regions were increasing their shares. Currently, Southern African countries are the primary recipients of FDI inflows in Sub-Saharan Africa accounting for 52 per cent of all FDI inflows and 40 per cent of all FDI stocks in Sub-Saharan Africa (table 2.5 and table 2.6). The Eastern African countries are the third in ranking in the region; they account for 17 per cent of both FDI inflows and stocks. The Central African countries are the last in the performance out of all areas in the region; they account for 12 and 14 per cent out of FDI inflows and FDI stocks, respectively (table 2.5 and table 2.6).

In general, the African countries which have FDI that are highly based on extractive industries have been dramatically affected by a collapse in commodity prices (UNCTAD, 2016). The price index of minerals, ores and metals has fallen progressively since the end of 2012, and oil prices have been declining since mid-2014, this affects the profitability of the corporates, particularly in oil and gas industries hence reduces FDI flows in the sector (UNCTAD, 2016). Even the global share of the announced greenfield FDI projects value to extractive industries has dropped from 12 per cent in 2009 to 5 per cent in 2015. Commodity prices are expected to remain low over the next few years, hence the capital expenditures in extractives industries are expected to be subdued. This fact should alert and push policymakers in Sub-Saharan Africa to develop strategies and policies that will attract FDI inflows in other sectors too.

2.2.3 Foreign Direct Investments' hosts and Investing countries.

Throughout the history of Foreign Direct Investment , developed countries have been the leading investors as well as the primary recipients of FDI except 2014 when developing countries received more global share (figure 4). Between 1990 and 2015, developed countries received an average of 62 per cent of global inflows annually while developing and transition countries received 35 and 3 per cent, respectively (Table 2.1). In 2015, developed countries were hosting a 64.1 per cent of all FDI stocks in the world, and it accounted for approximately double of what developing countries hosts, which is 33.5 per cent, while transition economies account for 2.4 per cent (Table 2.1).

Figure 2.3: Global FDI inflows trend from 1990-2015 in current million US dollars



Source: UNCTADSTAT, 2016

Approximately two-thirds of the global FDI inflows go to only ten countries, and out of the top ten FDI recipients, developing countries continue to make up one-half of it (Table 2.1). In 2015, 62 per cent of the global FDI inflows were supplied by only ten countries. Out of these top investors, seven are also among top ten recipients of FDI inflows, at the same time the amount invested by these top countries is almost the same to the amount they received (Table 2.1). A similar pattern is seen on the FDI stock whereby only ten countries hosted 60 per cent in 2015, and out of top ten recipients, nine were also top investors in the world, it appears as if it is a give and take the game (Table 2.2).

It is as well observed that large portion of FDI (approximately 93 per cent) goes to developed and high-income developing countries and the remaining little share to middle and low-income developing countries (See table 0.1 and Table 2.3). This fact raises the question of whether there is causality between the level of development and level of FDI inflows. At the regional level, developing Asia continues to lead as the largest recipient region of FDI inflows in the world (accounts for 31% of global FDI inflows) surpassing Europe (29%) and North America which accounts for 24% (UNCTAD, 2016). FDI inflows to transition economies dropped by 54% in 2015, as they continue to suffer from international commodities price fluctuations, weakening domestic markets and regional conflicts, which deter FDI (UNCTAD, 2016).

The USA leads other countries by far in hosting FDI inflows as it receives double what the second recipient, the Hong Kong Special Administrative Region of the People's Republic of China (hereinafter Hong Kong SAR) receives and it accounts for one-fifth of global FDI inflows (Table 2.1). The same pattern is observed in stocks where the USA hosts approximately three times what the second country hosts, which is the People's Republic of China (hereinafter China); one-fifth of the world FDI stock is situated in the USA (Table 2.2).

MNEs from developed countries accounted for 72 per cent of the world FDI outflow in 2015, which was an increase of 11 per cent from 2014, and Europe became the world's largest investing region accounting for almost 40 per cent of the global FDI outflow. The upturn of the outward investment, mainly from Europe was because of stimulus measures undertaken by the European Bank, which created favourable financial conditions (UNCTAD, 2016). On the other hand, FDI by MNEs from North America decreased by 1 per cent,

whereby from USA dropped by 5 per cent while Canada increased by 21 per cent though they both maintained their ranking positions. Japan continues to seek growth abroad by investing more than $100 billion for the fifth year, making it the second-largest investor in the world (UNCTAD, 2016).

In contrast, the MNEs from developing and transition economies reduced their outward investment, accounting for only 28 per cent in 2015. This fall was caused by the weakening of aggregate demand and a decline in commodity price accompanied by the depreciation in national currencies. Also, new policy measures, which have reduced round "tripping investment" and geopolitics, have contributed to this fall. For instance decrease in FDI by Russian MNEs has partly been contributed by their reduced access to the international capital market. However, few developing countries reported an increase in outward foreign investment such as China, Kuwait, and Thailand (UNCTAD, 2016).

Throughout the history of Foreign Direct Investment in developing countries, high-income developing countries have been the primary recipients of FDI. These countries account for an average of 84 per cent of all FDI inflows and 85 per cent of all FDI stocks in developing countries (Table 2.3 and Table 2.4). Out of all FDI inflows, which go to developing countries, 83 per cent go to only ten countries, and it would seem that what developing countries receive is almost double what they invest in other countries; developing countries are net receivers of FDI. Asian countries continue to lead in receiving more FDI inflows as they occupy half of these top ten FDI recipient in developing countries. At the same time, no top ten recipient country is in Africa (Table 2.3).

Among developing countries, China, British Virgin Islands and Hong Kong SAR lead in investment. These countries account for 67 percent of all outward FDI from developing countries, and only ten countries account for 98 per cent of all outward FDI flows from developing countries (Table 2.3). Likewise, in FDI stocks, four countries namely Hong Kong SAR, China, British Virgin Islands and Singapore lead by hosting 72 per cent of all outward FDI stocks from developing countries, and the top ten countries account for 95 per cent (Table 2.4). China and Hong Kong SAR account for 41 per cent of all FDI that goes to developing countries and 18 per cent of the world FDI that makes them the second FDI highest recipient after USA (Table 2.3).

In Sub-Sahara African countries, approximately 70 per cent of FDI inflows go to only ten

countries and unexpectedly out of all FDI stock, 41 per cent is custody in only two countries, namely South Africa and Nigeria (See table 2.5 and table 2.6). Angola lead by receiving more FDI inflows followed by Mozambique, Ghana and Nigeria (table 2.5). However, on inward stock, South Africa continues to lead, followed by Nigeria and Mozambique (Table 2.5). The United Kingdom leads other countries in investing in Sub-Saharan Africa followed by United States of America, France, China and South Africa. MNEs from developing countries have become more active in investing to Sub-Saharan Africa as in 2014 they account for half of the top ten investors in Sub-Saharan Africa including three BRICS (Brazil, Russia, India, China and South Africa) countries namely China, South Africa and India. In addition, South Africa is the only African country that is in the top ten of investors to Sub-Saharan Africa(Table 2.5). Among developing countries, China now leads in investing in Sub-Saharan Africa as it increased her stock three times from 2009 to 2014 and overtook South Africa (UNCTAD, 2016).

Table 2.3: Developing countries' FDI Inflows in the millions dollar

		Developing countries' FDI Inflows in the millions dollar			Top ten countries among the developing countries in 2015	
Year	**Total developing countries**	**High-income developing economies**	**middle-income developing economies**	**low-income developing countries**	**Receiver (billions of dollars)**	**investors (billions of dollars)**
1990	34,642.62	28,467.79	5,572.62	602.21	Hong Kong SAR (175)	China (128)
1991	39,322.87	32,629.86	6,433.18	259.83	China (136)	British Virgin Islands (76)
1992	53,445.15	44,404.42	8,780.63	260.10	Singapore (65)	Hong Kong SAR (55)
1993	75,692.22	63,009.21	12,481.11	201.90	Brazil (65)	Singapore (35)
1994	102,407.74	87,895.36	13,956.43	555.94	British Virgin Islands (52)	Korea, Republic of (28)
1995	117,603.17	100,907.70	15,695.15	1,000.31	India (44)	Chile (16)

1996	147,074.73	125,728.10	20,174.92	1,171.71	Mexico (30)	Republic of China (Taiwan) (15)
1997	185,374.53	161,333.83	21,807.73	2,232.97	Chile (20)	Malaysia (10)
1998	174,998.51	154,425.45	17,793.61	2,779.46	Cayman Islands (19)	United Arab Emirates (9)
1999	216,231.17	200,244.09	13,377.92	2,609.16	Turkey (17)	Cayman Islands (8)
2000	233,776.98	218,683.11	12,777.65	2,316.22		Aggregate developing (389)
2001	216,650.65	197,902.34	15,902.21	2,846.10		
2002	171,934.01	148,195.90	20,257.64	3,480.47		
2003	203,905.66	179,866.14	20,079.38	3,960.13		
2004	267,327.08	236,807.13	26,202.70	4,317.25		
2005	340,028.55	289,265.57	46,190.40	4,572.58		
2006	411,874.68	333,954.76	73,321.09	4,598.83		
2007	538,070.89	437,613.36	91,957.65	8,499.88		
2008	592,945.46	460,239.44	121,802.35	10,903.67		
2009	473,987.66	368,952.48	94,808.67	10,226.51		
2010	642,817.36	531,370.75	97,529.02	13,917.59		

2011	687,511.22	561,001.10	107,827.23	18,682.88			
2012	670,998.14	545,148.84	102,902.90	22,946.40			
2013	674,658.20	549,426.44	101,895.44	23,336.32			
2014	703,780.42	568,978.18	115,130.36	19,671.88			
2015	752,329.04	615,723.70	116,947.01	19,658.33			

Table 2.4: Developing countries' FDI stocks in million dollars

			Developing countries' FDI stocks in million dollars					**Top ten countries in the world in 2015**	
Year	**Total developing countries**		**High-income developing economies**		**middle-income developing economies**		**low-income developing countries**	**Receiver (billion dollars)**	**investor (billion dollars)**
1990	509,895.17	85.75	437,260.10	12.87	65,636.40	1.37	6,998.57	Hong Kong SAR (1,573)	Hong Kong (1,486)
1991	547,822.30	85.56	468,708.19	13.12	71,862.13	1.32	7,251.86	China (1,221)	China (1,010)
1992	605,241.63	85.58	517,963.60	13.18	79,776.86	1.24	7,501.04	Singapore (978)	British Virgin Islands (751)
1993	682,075.11	85.68	584,426.43	13.21	90,078.72	1.11	7,569.84	British Virgin Islands (611)	Singapore (625)

1994	757,774.51	85.19	645,531.97	13.74	104,116.53	1.07	8,125.89	Brazil (486)	Republic of China (Taiwan), (336)
1995	843,718.37	84.54	713,316.87	14.35	121,087.90	1.10	9,301.36	Mexico (420)	Korea, Republic of (278)
1996	982,337.01	84.46	829,722.81	14.46	142,011.38	1.08	10,587.42	India (282)	Brazil (181)
1997	1,089,922.79	84.03	915,877.85	14.82	161,486.89	1.15	12,543.66	Indonesia (225)	South Africa (163)
1998	1,197,776.84	83.87	1,004,630.57	14.81	177,356.04	1.32	15,779.35	Cayman Islands (225)	Mexico (152)
1999	1,540,326.15	86.81	1,337,220.70	12.11	186,588.68	1.07	16,504.29	Saudi Arabia (224)	India (139)
2000	1,669,350.40	87.25	1,456,575.85	11.64	194,302.71	1.10	18,414.10		Aggregate developing (5,400)
2001	1,744,203.50	87.75	1,530,591.15	11.09	193,361.83	1.16	20,174.90		
2002	1,686,027.68	86.23	1,453,856.27	12.38	208,803.09	1.38	23,292.70		

2003	1,972,580.15	86.44	1,705,080.37	12.16	239,829.05	1.40	27,595.11		
2004	2,297,167.53	86.61	1,989,476.04	12.02	276,220.46	1.37	31,395.41		
2005	2,680,755.71	86.64	2,322,493.56	12.09	324,089.62	1.27	34,096.91		
2006	3,309,162.05	86.24	2,853,877.14	12.58	416,452.60	1.17	38,757.09		
2007	4,398,217.91	86.27	3,794,197.27	12.66	556,928.20	1.07	47,017.23		
2008	4,064,899.89	83.58	3,397,312.15	15.10	613,683.04	1.32	53,829.49		
2009	4,930,678.13	83.37	4,110,789.20	15.19	749,121.09	1.43	70,692.62		
2010	6,103,771.22	84.02	5,128,173.84	14.62	892,582.69	1.36	82,939.48		
2011	6,412,564.89	83.53	5,356,644.62	15.11	968,713.45	1.36	87,131.61		

2012	7,304,667.79	83.70	6,114,147.84	14.73	1,075,876.35	1.57	114,568.39		
2013	7,771,796.76	83.30	6,474,109.33	14.94	1,161,346.34	1.75	136,265.88		
2014	8,335,353.06	83.35	6,947,917.09	14.82	1,235,656.94	1.82	151,703.83		
2015	8,579,767.40	82.76	7,100,552.68	15.28	1,310,866.25	1.96	168,273.26		

Table 2.5: FDI inflows to Sus-Saharan Africa in a million dollars

		FDI inflows to Sus-Saharan Africa in a million dollars				**Top ten countries in SSA in 2015**	**Top ten countries in SSA in 2014**
Year	**Total Sub Saharan**	**Western Africa**	**Central Africa**	**Southern Africa**	**Eastern Africa**	**Receiver (Billions of dollar)**	**Investors (billions of dollars)**
1990	1,658.53	1,553.43	-10.11	4.57	110.65	Angola (9)	United Kingdom (66)
1991	2,621.44	1,367.17	16.75	1,147.99	89.53	Mozambique (4)	United States (64)
1992	2,204.89	1,401.33	155.46	582.44	65.67	Ghana (3.2)	France (52)

1993	3,031.90	2,121.56	211.33	559.63	139.38	Nigeria (3)	China (32)
1994	3,926.31	2,787.39	- 59.45	880.41	317.96	Ethiopia (2)	South Africa (26)
1995	4,438.92	1,860.78	- 107.74	2,268.86	417.02	South Africa (1.8)	Italy (19)
1996	4,570.07	2,615.05	- 1.58	1,534.08	422.52	Sudan(1.7)	Singapore (17)
1997	8,381.16	2,718.08	- 105.88	4,859.93	909.03	Dem. Rep. of the Congo (1.7)	India (15)
1998	7,368.66	2,507.08	716.35	2,956.88	1,188.35	Zambia (1.6)	Malaysia (14)
1999	8,915.15	2,338.03	486.45	4,749.20	1,341.46	United Republic of Tanzania (1.5)	Germany (13)
2000	8,088.89	2,134.78	650.63	3,771.42	1,535.91		
2001	16,104.49	2,074.76	1,572.41	10,742.33	1,714.76		

2002	16,448.12	2,913.27	2,219.84	9,577.76	1,737.25		
2003	22,648.52	3,363.92	2,673.87	13,944.59	2,666.14		
2004	16,204.43	3,656.49	1,506.70	8,103.55	2,938.33		
2005	27,660.73	7,124.08	2,107.53	14,939.98	3,488.95		
2006	23,891.52	7,047.48	1,357.65	11,204.69	4,281.64		
2007	39,840.62	9,554.99	4,749.83	19,599.69	5,935.72		
2008	52,271.49	12,357.46	4,375.99	28,976.14	6,561.89		
2009	48,931.25	14,764.25	5,247.86	21,794.09	7,125.04		
2010	47,405.11	12,024.28	7,525.27	20,000.82	7,854.74		

2011	60,204.31	18,926.29	7,244.16	26,282.78	7,751.08		
2012	64,214.18	16,821.99	8,693.27	29,375.65	9,162.26		
2013	63,493.89	14,479.21	7,467.78	33,118.17	9,221.73		
2014	60,460.22	12,176.05	8,606.18	30,983.22	8,650.77		
2015	50,171.42	10,188.79	5,615.38	26,039.03	8,399.22		

Table 2.6: FDI stock to Sus-Saharan Africa

						Top ten countries (billion dollars) 2015	
	Total Sub Saharan	**Western Africa**	**Central Africa**	**Southern Africa**	**Eastern Africa**	**Receiver**	**Investor**
1990	36,771.18	14,012.55	3744.78185	17,194.40	1,819.46	South Africa (125)	South Africa (163)
1991	40,064.04	15,373.27	3761.52881	19,018.63	1,910.62	Nigeria (90)	Angola (23)
1992	42,561.48	16,763.78	3916.98221	19,913.32	1,967.40	Mozambique (29)	Nigeria (12)
1993	44,858.63	18,882.69	4128.31508	19,741.97	2,105.66	Ghana (26)	Liberia (4)
1994	50,334.04	21,670.19	4068.86836	22,156.43	2,438.55	Sudan (24)	Zambia(2.1)
1995	56,096.82	23,522.97	3961.123926	25,751.90	2,860.83	Congo (23)	Dem. Rep. of the Congo (2)
1996	57,261.43	26,128.58	3959.544501	24,067.54	3,105.77	Dem. Rep. of the Congo (20)	Togo (1.8)

1997	65,217.29	28,803.50	3853.660925	28,635.56	3,924.58	United Republic of Tanzania (18)	Mauritius (1.4)
1998	70,123.40	29,977.57	4570.308171	29,704.20	5,871.32	Zambia (17)	Botswana (0.8)
1999	111,899.25	30,789.34	5054.562271	69,127.11	6,928.24	Equatorial Guinea (14)	Kenya (0.6)
2000	109,292.28	33,009.66	5634.307784	62,207.73	8,440.59		
2001	106,333.53	34,624.84	7206.720583	54,835.58	9,666.40		
2002	117,938.46	38,115.97	9426.518506	59,328.90	11,067.07		
2003	180,424.71	42,150.60	12111.28969	112,103.76	14,059.06		
2004	216,122.79	46,091.38	13631.47556	139,466.75	16,933.19		
2005	230,763.82	41,940.59	15761.32859	153,146.28	19,915.63		

2006	255,576.10	49,496.45	17118.9815	164,580.99	24,379.67		
2007	305,028.42	59,645.40	21868.81031	192,402.36	31,111.85		
2008	278,897.12	69,212.82	26244.80435	146,304.63	37,134.87		
2009	374,727.12	91,982.23	31492.66386	205,735.21	45,517.02		
2010	441,486.58	99,605.74	39017.93947	248,882.52	53,980.37		
2011	446,625.41	112,733.67	46262.10393	228,317.63	59,312.00		
2012	485,926.74	129,954.90	54955.37583	233,025.62	67,990.84		
2013	507,855.54	144,455.36	62480.49372	222,695.38	78,224.30		
2014	527,656.17	151,975.65	71061.47497	219,196.30	85,422.75		

2015	548,934.22	159,420.91	76667.1542	219,756.68	93,089.47		

2.3 The United Nations Sustainable Development Goals

The United Nation's Sustainable Development Goals (SDGs) are transformative goals and targets adopted in 2015 by member countries of the United Nations to be achieved by 2030. The goals aim at putting in place policies, institutions and systems necessary to generate sustained growth and development that targets areas ranging from poverty reduction to food security, health, education, employment, equality, climate action, ecosystems and biodiversity amongst others. The expectation is that UN member states and all stakeholders will act collaboratively, in applying policies designed to achieve SDGs targets and measures over the next 15 years (UN, 2015a). In this regard, consideration of SDGs shape many aspects such as social, environmental and economic policies.

2.3.1 Conceptualisation of SDGs

The roots of Sustainable Development Goals date to 1992, specifically to the United Nations conference on environment and development held in Rio de Janeiro, Brazil. The theme of the meeting was Agenda 21, based on the concept of "Rio pillars" of sustainable development, which refers to social development, economic development and environment protection. At the meeting, national governments agreed to make human wellbeing the central concern of sustainable development and incorporate environmental protection as an integral part of the process (UN, 1992).

The principles and plans framed during Rio meeting were reaffirmed by the Plan of Implementation of the world summit on sustainable development in Johannesburg, 2002. The plan to implement was built upon the progress made and lessons learned since the Earth Summit in 1992 consequently, the experience provided a more focused approach to formulating more focused targets and goals that are quantifiable and time-bound. The meeting provided the member states with the forum to commit to undertake concrete steps and measures at all levels and to enhance international cooperation. All these efforts emphasised on promoting the three components of sustainable development: economic development, social development and environment protection (UN, 2002).

The Sustainable Development Goals were preceded by and built upon the Millennium Development Goals (MDGs) which were eight-universal time-bound and measurable goals established at the Millennium Summit of the United Nations in 2000 to be achieved by 2015. The MDGs had some limitations in addressing the broad and diverse need of the international community. For example, MDGs were criticised for being too narrow to

comprehend the varied and complex needs of UN member countries. In addition, they were, to a large extent, controlled by OECD countries and international donor agencies, frequently referred to the context of "rich donors aiding poor recipients" (UN, 2015b).

Thus, Sustainable Development Goals (SDGs) came in 2015 as an extension of the already established initiatives. Although foreshadowed by MDGs, SDGs are supposedly more holistic because they came into existence through detailed international negotiations, which involved all level of countries, including middle and low-income countries. Similarly, they cover poverty reduction and equality, sustainability and economic growth with job creation, which apply to all countries and actors (UN, 2016b).

SDGs are meant to address and balance the economic, environmental and sociological aspects of sustainability with poverty reduction being an overarching objective. Poverty has been a focus because it is termed as the most significant global challenge and reducing poverty is an indispensable requirement for sustainable development (UN, 2015a). The SDGs intend to build upon the achievement and lessons from Millennium Development Goals and complete what MDGs did not achieve. Through a thorough and very inclusive participatory process, the United Nations managed to develop seventeen goals which were adopted by UN member countries in 2015 as a 2030 agenda, see detailed list of SDGs in Table 0.16 (UN, 2015a).

In the 2030 SDGs agenda, the social, economic and environmental dimensions of sustainable development are interlinked and cut across the whole framework. While most of the 17 goals have a clear starting point among the three pillars, most of the goals, include all the three dimensions among their targets (OECD, 2015). For instance, SDG 2 "End hunger, achieve food security and improved nutrition, and promote sustainable agriculture". The goal comprises of targets related to social (e.g. malnutrition, and vulnerability), economic (e.g. agricultural productivity and financial services) and environmental dimensions (e.g. genetic diversity and climate resilience). For sustainability tracking, the goals aimed to be limited in number and easy to communicate, universally applicable to all countries, action-oriented, concise and aspirational (ibid). In the next section we discuss how the goals came to be chosen.

2.3.2 UN SDGs selection process

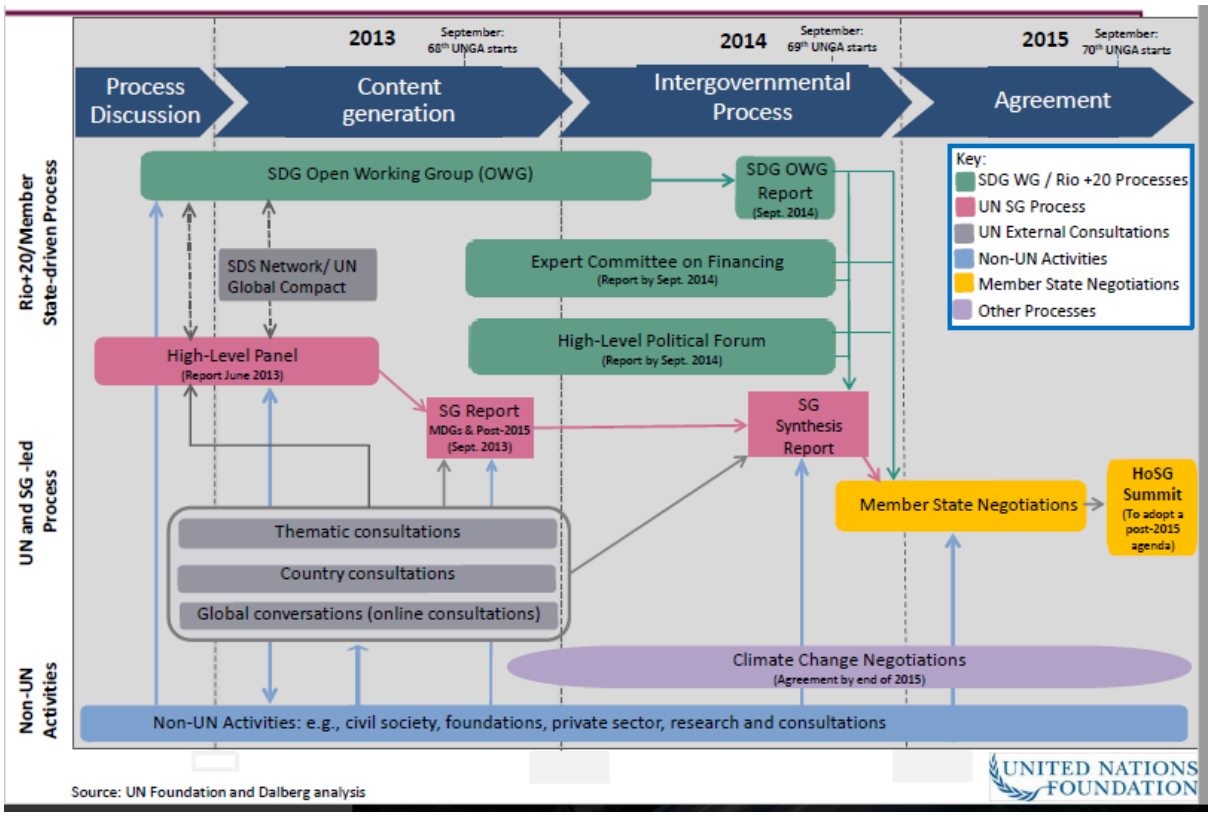
As MDGs entered their final three years in 2012, it became the most priority and interest

of the United Nations community and other international participants to develop the next development agenda and successor of MDGs. During Rio+20 conference, governments of the UN member states agreed to establish an UN-led process to develop the international framework that will enable countries collectively to target and monitor the progress towards the three dimensions of the sustainable development: Social, environment and economy (learn activity 2016: online).

In contrast to MDGs, which resulted from the work of a group of officials, the United Nations conducted the most extensive consultation in its history to establish and assess opinions on what to include in SDGs. Three processes fed the selection of post-2015 agenda: Rio+20/Member state-driven Process, UN and SG-led Process and Non-UN Activities. Rio + 20/Member was an open working group (OWG) formulated mainly for running the programme and develop a draft agenda. The open working group was comprised of 30 members nominated by member states from the five UN regional groups: African Group, Asia-Pacific Group, Eastern European Group, Latin American and Caribbean Group and Western European and Others Group. After thorough intergovernmental negotiation, the team did the final wording of the targets and goals and presented the final draft on 2 August 2015, which ware agreed by consensus.

Parallel to discussions and other programmes conducted by an open working group , under UN and secretary genral-led Process, UN was coordinating a series of “global conversations’’ which, included eleven thematic and 83 national consultations, and door-to-door surveys. UN also established an online survey, named My World Survey (http://vote.myworld2015.org/), where people were asked to propose areas of priorities for these goals to address for a better world. The results from “my world survey” showed good education to be the most priority for all high, medium and low HDI-ranked countries. Getting those findings did not necessarily mean the 2030 agenda would strongly focus on education; instead the opinions were expected to be inform the open working group’s discussions in developing an agreement on the agenda in the United Nations General Assembly. In addition to the two processes, there were non-UN activities which included civil society, foundations, the private sector, research and consultations which provided their inputs to OWG, SG-led process report and ultimately to member states’ negotiations.

Figure 2.4: Processes which fed the Post-2015 Development Agenda



2.3.3 'People' category SDGs

Of the five broad SDG categories – 'People', 'Planet', 'Prosperity', 'Peace', and 'Partnership' – the 'People' dimension is of interest for this PhD. The interest of focussing on 'People' category comes in the view that we are human beings, and thus the crucial focus of any development process we undertake should be people. In this regard, we assess how progress in these 'People' category goals would influence FDI flows in Sub-Saharan Africa. Contrary to the old paradigm of development where the emphasis was placed on capital accumulation, the new paradigm of development focuses on human development, social capital and environmental sustainability (Dunning, 2006). In the same view, the United Nation community has also put people at the heart of the SDG agenda. Over 90 of the proposed 229 indicators of SDGs, measure and focus on people to show how people are the primary concern and make sure that no one is left out, such measures include unemployment rate and undernourishment rate (UN, 2016c). Therefore, the study joins the United Nations community to put emphasis on people and believe that the progress in these 'People' category goals should be enough for investigation. Second, most of these 'People' category goals, which are education, poverty, hunger, gender equality, health and wellbeing are frequently regarded as soft or non-traditional FDI factors (Nunnenkamp and

Spatz, 2002; Busse and Nunnenkamp, 2009). In contrast to the traditional FDI influences such as natural resources, market factors, and trade-openness, of studies in developing countries (Asiedu, 2002; Bekana, 2016), these have received little, if any, attention in the empirical investigations (Naanwaab and Diarrassouba, 2016; Blanton and Blanton, 2015). Some of these goals have been conventionally included in some of the studies (Busse and Nunnenkamp, 2009; Suliman and Mollick, 2009). However, it seems we lack studies, which have assessed these 'People' category SDGs as a whole and attempt to understand their effect on FDI inflows. Furthermore, little is known about how their influence differ when considering different investing countries. Our period of consideration begins 2001 to 2016 which is before the formal adoption of the SDGs, however, this time relevant because most of these 'People' category goals are rooted from United Nations millennium development goals which were the universal targets for the period 2000-2015. According to MDG report (UN, 2015b) the world made unprecedented progress towards MDGs. Thus, the progress achieved is believed to be sufficient for the intended investigation. The 'People' category comprises of five goals out of the seventeen UN SDGs. These include:

Goal 1. End poverty in all its forms everywhere

The goal aims by 2013, to eradicate extreme poverty for all people everywhere, and reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions per national definitions.

Goal 2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture

The goal is to end hunger by 2030 and ensure access by all people – in particular the poor and people in vulnerable situations, including infants – to safe, nutritious and sufficient food all year around.

Goal 3. Ensure healthy lives and promote well-being for all at all ages.

This goal is to reduce the global maternal mortality ratio to less than 70 per 100,000 live births by 2030.

Goal 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

This goal is, by 2030, to ensure that all girls and boys can complete free, equitable and quality primary and secondary education. The goal leads to relevant and useful learning outcomes.

Goal 5. Achieve gender equality and empower all women and girls

The goal is to end all forms of discrimination against all women and girls everywhere. Foremost, to eliminate all forms of violence against all women and girls in public and private spheres, including trafficking, sexual, and other types of exploitation. Second, to eliminate all harmful practices, such as early and forced marriage and female genital mutilation. Thirdly, the goal recognises and value unpaid care and domestic work through the provision of public services infrastructure. Finally, the goal aim at envisaging social protection policies, and the promotion of shared responsibility within the household and the family.

2.3.4 Financing the United Nations' SDGs

For sustainable development goals to be achieved, the world requires 5-7 trillion dollars per annum. Given the significance of achieving SDGs to the human and economic development, the investment of approximately 115 trillion dollars of the world's GDP, should be justificable. However, financing SDGs is a complex process as it requires coordination between public and private sectors as well as significant reforms of both financial regulations and financial institutions (Toit et al., 2017).

According to SDGs report (UN, 2016b), SDGs are expected to be financed via various mechanisms. First, strengthening the domestic resources mobilisation of individual countries. Second, developed countries to fulfil fully their official development assistance commitment, which includes the commitment of developed countries to provide 0.7 per cent of their gross national income (GNI) for official development assistance (ODA/GNI) to developing countries. Out of ODA/GNI, 0.15 to 0.20 per cent should be sent to least developed countries, and the emphasis is to set a target to provide at least 0.20 per cent of ODA/GNI to least developed countries. Next, to mobilise various additional funds from multiple resources for developing countries. Then, assist developing countries in attaining long-term debt sustainability through coordinated policies aimed at fostering debt financing, debt relief and debt restructuring, as appropriate, and address the external debt of highly indebted developing countries to reduce debt distress. Finally, to adopt and implement promotion regimes for least developed countries. Other suggestions include aligning economic policy and global financial regulation with sustainable development, getting sustainable infrastructure investment right, support financial innovation that accelerates inclusion and support the formation of long-term pools of actual risk capital (Toit et al., 2017).

2.4 Background of Sub-Saharan Africa

Sub-Saharan Africa, is the area, which covers all African countries excluding Northern African countries. It consists of six distinct regions: West Africa, Sudano-Sahel, Central Africa, East Africa, Southern Africa and the Islands of the Indian Ocean (Lelo and Makenzi, 2000). According to the United Nations, there are 48 Sub-Sahara African countries, of which eight are high-income, thirteen are middle-income, and twenty-seven are low-income developing countries-see table 0.15 (UNCTADSTAT 2016). Sub Saharan Africa is a region endowed with an abundance of natural resources such as minerals, forests, wild animals and oil and gas. These resources might generate wealth to develop the region if they are effectively utilized, however poor governance and weak institutions cause the availability and ownerships of resources to raise conflicts in the region and support what is called natural resource-curse to be a norm (World Bank, 2011). The service sector contributes the largest share to the GDP of Sub-Saharan Africa, followed by agriculture and then other industries such as oil and gas, minerals and manufacturing. Nonetheless, for many years agriculture has been the main employer in Africa, and it is found to be two to four times effective than non-agricultural growth in reducing poverty in the region (World Bank, 2008). The informal sector also contributes to the economy between 25 to 65 per cent and account for between 30 and 80 per cent of non-agricultural employment (IMF, 2016).

Despite the improvement in trade and commodities with China and India, the economic performance of Sub-Saharan Africa has been relatively low compared to East Asia and South-East Asia (Ayittey, 2005; Lall, 2005). In 2015, the total GDP of Sub-Saharan Africa amounted to US $1.2 trillion at constant 2005 prices. However, 53 per cent of this is contributed by only two countries namely South Africa and Nigeria. In addition, 17 countries out of 48 countries in the region have a GDP of less than US$ 5 billion and the total GDP of SSA excluding the two countries Nigeria and South Africa, was US$ 822, equal to one-half of the GDP of Brazil (UNCTADSTAT 2016). The regional GDP growth has been low for a long time, between 1990 and 2015, the average growth is 4 per cent, and in 2016, it is 1.4 per cent (Table 2.1).

Many factors contribute to underperformance of Sub-Saharan Africa. First and foremost are regional conflicts which prevent developmental activities as people flee conflict; this reduces the workforce because of death as well as the destruction of infrastructure. Many of the Sub-Saharan countries have been in chaos resulting from civil wars for a very long

time; about four million battle deaths have been reported since 1945 and there will have been many more civilian casualties (Eck and Hultman, 2007; Sarkees and Schafer, 2000). Second, IMF (2016) informs on how the region has been experiencing a severe drought in large parts of southern and eastern Africa which are associated with the continuous El Nino weather pattern. This affects the agricultural output but also hampers hydroelectric power generation. Further, terrorism has emerged as a great threat in the region for the recent couple of years. Since 2011 and more significantlyin 2014 and 2015, terrorists have attacked civilians, and security personnel, and property has been destroyed on a large scale. Most of the destruction relates to the activities of Boko Haram in Nigeria, which have also affected neighbouring countries, for example Cameroon, Niger and Chad (ibid). Corruption has also been a pulling back factor and Lastly poor business, and investment environment such as lack of infrastructure, inadequate capital market and low technology does also restrict the economic growth of the area (World Bank, 2011).

These factors undermine economic performance, and thus Sub-Saharan Africa continues to struggle in many key aspects of development. However, there are signs of progress. UN statistics show that between 2002 and 2013, the global population living below the extreme poverty line ($1.9 per day) fell by more than half from 26 to 11 per cent. Likewise, the global employed population (15 years and above) living below $ 1.9 fell from 27.5 per cent in 2000 to 9.9 per cent in 2016 (table 2.7). This indicates that out of every ten people, one lived in extreme poverty in 2013; the same ratio was depicted in the employed population in 2016. In developing countries, more than half of the population managed to live above the poverty line between 2002 and 2016 likewise to employed population the percentage of people living below the poverty line dropped from 37.1 in 2000 to 13 per cent in 2015 (Table 2.8). However, extreme poverty remains extensive in Sub-Saharan Africa with above 40 per cent of the population living below the poverty line of 1.9 US dollars in 2012 and 34 per cent of the employed population living below the poverty line in 2015 (Table 2.9). In addition, out of all regions in the world only Sub Saharan Africa and Western Asia failed to meet the MDG1 target of halving the proportion of people whose income is less than 1 $ a day between 1990 and 2015 (UN, 2015b).

Regarding food security, statistics (UN, 2016b) show that the ratio of the global population suffering from hunger dropped from 15 per cent in 2000 to 11 per cent in 2016 (table 2.7). Nonetheless, approximately 800 million people in the world lack access to adequate food

(UN, 2016b). Developing economies experienced an improvement in food security; the proportion of undernourished people declined by almost half, from 23.3 per cent in 1990 to 12.9 per cent in 2016 (Table 2.8). On the other hand, in Sub-Saharan Africa, more than half the adult population faced moderate or severe food insecurity in 2015 (UN, 2016b). In 2016, 23 per cent of the Sub Saharan Africa population faced undernourishment, which exceeds by 10 per centage points the average per cent of undernourishment of all developing countries (See table 2.8 and table 2.9). Zambia has undernourishment of 50% on average between 2001 and 2015, which is the highest rate in Sub Saharan Africa. In contrast, South Africa has the lowest undernourishment rate, which is around 4.2 per cent on average (Global database on SDGs).

The world benefited from an increase in literacy rate from 83 per cent in 1990 to 91 per cent in 2015 for the youth group aged 15-24 years accompanied by narrowing of a gap between male and female. Sub-Saharan Africa experienced a 20 per cent increase in the net school enrolment rate from 2000 to 2015 which is far high compared to 8 per cent increase between 1990 and 2000 (UN, 2015b). In the period 2001 to 2016, Sub Saharan Africa has a gross enrolment rate at the primary school of 99.5percent, at secondary school of 39.64 per cent and the tertiary level of 6.4 per cent (Dataset used for analysis). This implies that many people are enrolled to start basic education of primary school; however, very few continue with higher levels of education.

Gender equality has also continued to improve globally. Iin 2015, for example, women made 41 per cent of paid workers outside of agriculture sector, an increase from 35 per cent in 1990. However, there is still a way to go before equality in the workforce as 75% of working age-men participate in the labour force, compared to 50% of working age-women (UN, 2015b). In Sub-Saharan Africa, out of nine typical workers, four are female, and five are male on average between 2001 and 2016 (Dataset used for analysis). Between 2001 and 2016, 17 per cent of national parliaments and local government seats are held by women (Global database of SDGs). The proportion of seats held by women in national parliaments and local governments increased in the period 2000-2016; both global and developing countries witnessed an increase of 9 per cent while Sub-Saharan Africa experienced an increase of 11%. This increase brings to the ratio of two women and eight men out of ten legislative seats all over the world (See Table 2.6, 2.7 and 2.8). Moreover, the ratio of girls to boys enrolled at primary school is 91 per cent, at secondary school is 84

per cent and at tertiary level is 68 per cent (Global database of SDGs).

When reflecting on healthy and wellbeing, the maternal mortality rate globally dropped by 37 per cent, and the mortality rate of children under five years old declined by 44 per cent between 2000 and 2015 (Table 2.7). In the same period, developing countries as well as Sub Saharan Africa experienced a fall in maternity rate by 36 and 35 per cent respectively and fall in the mortality rate of children under five years by 44 per cent in developing countries (see table 2.7 and table 2.8). The incidence of malaria, tuberculosis and HIV fell globally; nonetheless, 2.1 million were newly HIV-infected personnel and 214 million contracted malaria in 2015. Unfortunately, Sub-Saharan Africa accounts for 89 per cent of all malaria cases in 2015 (UN, 2016b). On average, three people out of 1000 uninfected people get infected by HIV annually between 2001 and 2016 while 416 are getting TB out of 100,000 people in Sub-Saharan Africa (Dataset used for analysis).

In this light, Sub-Saharan Africa is an ideal context to investigate whether the progress in the UN SDGs will have any effect on the FDI inflows to these countries because the region lags in terms of both FDI inflows and level of development. Although SSA have adopted more FDI-friendly policies to promote FDI inflows yet, SSA performs poor in terms of both economic development and FDI inflows (UNCTAD 2016) while well-off countries attract more FDI inflows. In this regard, there is a need to assess if there is causality relationship. Lastly, SSA seems to respond differently to FDI incentives, which work in other developing countries (Barta et al., 2003; Asiedu, 2002); thus, an investigation focusing solely on this context is justifiable.

Table 2.7: The Global Status of the indicators of 'People' Category SDGs

	Poverty (living below $1.9 per day)	**Employed pop living below $ 1.9 (15 yrs and above)**	**Hunger (prevalence of undernourishment)**	**Healthy (Per 100,000 live births)**	**under-five mortality rate (for 1,000 births)**	**Participation rate in organized learning (one year before the official primary entry age), by sex**	**Gender equality (Proportion of seats held by women in (a) national parliaments and (b) local governments)**
1990							
1991			18.60%				
1992			18.50%				
1993			18.20%				
1994			17.80%				
1995			17.20%				
1996			16.60%				
1997			16.10%				
1998			15.70%				
1999	28%		15.30%				
2000		27.48%	15%	341	75.9		13.34%

2001		26.50%	14.90%		73.4		13.87%
2002	26.20%	25.22%	15%		70.7		14.25%
2003		22.80%	15.10%		67.9	56.69%	15.12%
2004		20.53%	15%		65.5	56.51%	15.21%
2005	20.90%	18.69%	14.70%	288	62.6	57.42%	15.94%
2006		17.97%	14.30%		60.1	58.66%	16.57%
2007		16.66%	13.70%		57.8	59.07%	17.14%
2008		16.35%	13%		55.8	58.89%	17.99%
2009		15.51%	12.50%		53.5	59.41%	18.51%
2010	16.30%	14.62%	12.10%	246	51.7	60.44%	19.03%
2011		12.89%	11.80%		49.4	62.64%	19.34%
2012	12.70%	11.77%	11.40%		47.4	64.64%	19.60%
2013	10.70%	11.14%	11.20%		45.6	65.20%	20.76%
2014		10.61%	11%		43.9	66.59%	22.06%
2015		10.25%	10.80%	216	42.5		22.27%
2016		9.87%	10.80%				22.74%

Table 2.8: The status of the indicators of 'People' Category SDGs in developing countries

Years	Poverty (living below $1.9 per day)	Employed pop living below $1.9 (15 yrs and above)	Hunger (prevalence of undernourishment)	Healthy (Per 100,000 live births)	under-five mortality rate (for 1,000 births)	Gender equality (Proportion of seats held by women in (a) national parliaments and (b) local governments)
1990			23.30%			
2000		37.10%		377	83.4	12.50%
2001						
2002	33%		18.20%			
2003						
2004						
2005	26%	23.90%		319	68.9	14.40%
2006						
2007			17.30%			
2008						
2009						
2010	19.90%	17.80%		273	56.9	17.80%
2011						
2012	15.40%		14.10%			

2013						
2014						
2015		13%		239	46.5	
2016	14%		12.90%			21.40%

Table 2.9: The status of the indicators of 'People' Category SDGs in Sub Saharan Africa

	Poverty (living below $1.9 per day)	**Employed pop living below $ 1.9 (15 yrs and above)**	**Hunger (prevalence of undernourishment)**	**Healthy (Per 100,000 live births)**	**under-five mortality rate (for 1,000 births)**	**Gender equality (Proportion of seats held by women in (a) national parliaments and (b) local governments)**
2000		52.80%		846	154.3	12.60%
2001						
2002	57.30%		30%			
2003						
2004						
2005	50.80%	45.20%		717	127	14.20%
2006						
2007			26.50%			
2008						

2009						
2010	46.10%	39.70%		624	101.2	18.40%
2011						
2012	42.60%		24.20%			
2013						
2014						
2015		33.50%		546		
2016			22.90%			23.60%

Chapter 3 : Literature Review

3.1 Introduction and structure of the literature review

The motivations of Multi-National Enterprises (MNEs) locating value-added operations in foreign countries have evolved from new market and natural resources-seeking to learning opportunities and knowledge asset-intensive seeking in a foreign location (Dunning, 2000). The observed transformation is driven by the advancement and sophistication of firms' decisions on how (i.e., ownership and governance strategies) and where (i.e., location strategy) to operate the value-added activities (Aguilera, 2011; Buckley, 2004; Dunning, 1998).

This review focus on theoretical frameworks and empirical studies which attempt to explain factors that influence the location of foreign direct investment (FDI) in a particular geographic location (Goerzen et al., 2013). The review aims at exploring the existing literature on the influences of foreign direct investments. It attempts to contextualise the progress towards the United Nations' Sustainable Development Goals (SDGs), regarding their influence on inward foreign direct investment in a host country. In particular, the review encompasses 'People' category goals of SDGs namely quality education, food security, health and wellbeing, poverty and gender equality as locational influences of FDI inflow to Sub-Sahara African countries.

Research on FDI-location choice cut across multiple research discipline (R. E. Morgan and Katsikeas, 1997). FDI location has been discussed in various fields, including strategic management, international, urban and labour economics, economic geography, and International Business (Faeth, 2009). The nature of the leading research question of this study shows that the study resonates mainly in the international business field and partly in socio-economic development. Therefore, the focus of this thesis is on theories, which reside in the international business field because of the relevance of the field to the objective of the study. However, there will be a brief discussion on the economic development side of FDI. The research of FDI location boomed in International Business discipline during the 1960s, before that the research was done in international trade field where many studies base their theoretical arguments on capital theory (Kim and Aguilera, 2016). While international trade and capital theory viewed MNEs as a black box and FDI as the movement of capital that shifts due to changes in the interest rate and differences in resources endowment in different locations, the international business field saw a need to

untangle the black box by getting to know why MNEs exist at first place and how they make strategic decisions (Kim and Aguilera, 2016; Morgan and Katsikeas, 1997). In this view, most theories in International Business explain why firms pursue FDI and become MNEs at first place and go further to explore where these firms invest (Kim and Aguilera, 2016; Denisia, 2010).

The proceeding sections of the literature review are organized as follows: Section 3.2 presents briefly the various aspects including theories in economic development, which address the role of MNEs or FDI on host country development. This economic development aspect is presented to acknowledge the development lens of the given research question, however, this is not the focus of the current study. This section attempts to outline the role that FDI and MNEs have on developing the host country, which is the type of research that has received much attention. However, the study will not focus on this instead focusses on how improvement in the socio-economic environment of a host country could influence the FDI inflows. Section 3.3 presents various micro and macro theories of location influences of FDI to map this study in the relevant theoretical context and justify why macro theories seem to be suitable to answer the research questions of this study and particularly national competitive framework. Section 3.4 provides a synthesis of the literature review, and ultimately, the conceptual framework is presented in Section 3.5.

3.2 Effect of FDI on development (A development lens)

The purpose of this section is to present briefly and on a theoretical basis, how FDI contributes to the development of the host country (a development perspective). However, this is not the focus of the study, as the study looks at how improvement in sustainable development goals such as education, health and wellbeing could influence FDI inflows, in other words, SDGs are viewed as FDI location influencing factors. It is important to discuss briefly how FDI contributes to the development of host country because it has received much attention (Herzer, 2012; Adewumi, 2007; Dunning, 2006a). This also demonstrates our awareness of the various ways to look at the chosen research question and be sure of the side that the study undertakes.

"Debate over the impact of multinational enterprises (MNEs) on host country development, particularly in less developed countries (LDCs), has generated substantial controversy, not only in academia but as well as among those engaged in international development, finance, and global governance" (Oetzel and Doh, 2009:108). One side of the

debate supports the idea that MNEs, or rather FDI, contribute to the development of developing countries through the transfer of technology and management skills, complementing the domestic saving, stimulate entrepreneurship and increase competition (Lowe and Kenney, 1999; Rugman, 1981). While on the other side, a group of researchers are pessimistic on MNEs arguing that they would likely constrain potential technology spillover, reduce the domestic capital stock rather than complementing it and they might crowd local firms out of the market (De Backer and Sleuwaegen, 2003; Gorg and Greenaway, 2002; Haddad and Harrison, 1993). The debatable effect of FDI has not been restricted to the economy only. Some research evaluates the influence of FDI on human rights, for example, the impact on the exploitation of workers, use of child labours and unsafe working conditions (Dunning, 2006a) and on the political atmosphere as well as the natural environment (Clapp and Dauvergne, 2011; Hoffmann et al., 2005).

Various theories in economic development and international business attempt to explain the role of MNEs on development. One is the "spillovers" perspective on the effect of MNEs on host countries (Oetzel and Doh, 2009; Wang, 2009; Borensztein et al., 1998). The other theory is the liabilities of foreignness (LoF) perspective that specifies key issues that MNEs must overcome to succeed in developing countries' markets and impact the socio economic development of the host country (Zaheer, 2002; Zaheer and Mosakowski, 1997; Zaheer, 1995). In the aspect of spillovers view, MNEs do not take an active part to produce positive spillovers. Instead, spillovers happen naturally as a by-product when MNEs continue with their normal operations, although MNEs might use spillovers' promise in negotiations with host country government. While, on the liability of foreignness perspective, Multinational Enterprises (MNEs) are advocated to adapt to the local environment or host country via human resources (by hiring local staffs) and alliance relationship to become 'isomorphic' and overcome the liability of foreignness. By so doing, MNEs gain legitimacy, which increases firms' potential to survive for a long time and impact the economic development of the host country for instance by providing employment (Oetzel and Doh, 2009). Other scholars argue that MNEs could bring assets related to their foreignness to the host country by leveraging their international connections and linkages and make significant contributions to the development (Oetzel and Doh, 2009). For example, when assessed the developmental impact of Unilever's operations in Indonesia, it seems that rather than replacing local goods, the company was providing useful products that would not otherwise be available (Clay 2005).

Studies inform how FDI has shown a significant positive impact on economic development of small but significant countries such as parts of Latin America, Caribbean, East, and Southern Asia, where MNEs in the manufacturing sector have employed mainly women. For example, Braunstein (2000: 1158) states that "Perhaps even more importantly, an MNE-based strategy of development has become a central part of the neoliberal model". In particular, many researchers have investigated the impact of FDI on various social and economic aspects, for example, gender equality particularly on women and gendered dimensions of MNEs production in developing countries (Herzer and Nunnenkamp, 2015; Braunstein, 2000). So far, much research has been done on employment opportunities, skill requirements, nature of wages, and the impact of the household relationship of women's employment by MNEs particularly those who work in export processing zones. Recently the direction of research in this field has been on formalization of women's employment in MNEs (Braunstein, 2000). Other studies assess the impact of FDI on health and find it to be positive and significant at a low level of income. However, as the national income increases the sign changes, and FDI becomes increasingly detrimental to health at higher levels of income (Herzer and Nunnenkamp, 2015). The question of who benefits from FDI is also contentious; some scholars argue that in developing countries, most MNEs get benefits at the expense of host countries (e.g. Cooke 2004). This camp suggests that MNEs using FDI are more likely to crowd local firms out of the market, prohibit purposely-potential technology spillover, applying inappropriate technology for the local environment and reduce rather than complementing, the domestic funds due to transfer price manipulation and massive profit repatriation (De Backer and Sleuwaegen, 2003; Görg and Greenaway, 2001; Haddad and Harrison, 1993).

In general, the relationships between MNEs and host country development mostly rely on the MNE's approach; for example, whether they are merely contributing residual resources or assimilating to the local environment. This is the kind of relationship that is displayed in the two dominating theories of the role of MNEs on the development of the host country, namely positive spillovers and liability of foreignness. Nevertheless, some scholars suggest a perspective called resource complementarity view, which seems to be more promising. Unlike the spillovers view, in the resource complementarity view, MNEs are not expected simply to bring new or advanced capabilities and resources to the host country, expecting

other economic actors will just absorb the knowledge naturally and then trickle the effect down to others (Oetzel and Doh, 2009). Instead, this perspective argues that MNEs actively participate in building local capacity through a partnership with NGOs, which generate sustainable skills and capabilities. The research on networks and alliances among firms in competitive business environment proposes that each partner benefits when the other partner brings capabilities, resources and other assets, which it cannot easily attain, on its own. These "combinative resources" will help the firm to obtain and synthesize resources and build new applications from those resources generating innovative response to rapidly evolving environments (B. Kogut and Zander, 1992). Thus, in this perspective MNEs serve as a tool to fill the institutional void, to integrate foreign and local capabilities, and provide a long-term technological, economic and managerial contribution, which seems to be a win-win strategy and expected to cause more benefits of FDI to both partners.

The role of MNEs on host country's development is acknowledged in this section, however, as stated earlier this study does not assess how MNEs help to achieve SDGs. Instead, the study focusses on how the improvement of various SDGs such as education, health and wellbeing, poverty, food security and gender equality, could enhance the FDI inflows in developing countries. This implies that the 'People' category of sustainable development goals (SDGs) are viewed as FDI location determining factors in this study. The proceeding chapters focus on this direction (an international business perspective).

3.3 School of thoughts on factors influencing FDI inflows

The literature strands on factors influencing foreign direct investments, which is a core subject of the current study can broadly be viewed in two groups. One strand consists of micro-level theories of factors influencing FDI inflows. The micro theories explain the FDI factors that are endogenous to the multinational companies such as technology and size of the firm (Eden and Dai, 2010; Newbert, 2008; Boisot, 1998; Barney, 1991; Rumelt, 1984; Wernerfelt, 1984). These micro theories do not provide relevant information to the study because this study's objectives look at the factors influencing FDI inflows from the locational point of view. On the other hand, we have the second literature strand, which consists of macro-level theories of factors influencing FDI inflows. These macro theories explain the factors influencing FDI inflows that are exogenous to the multinational companies in other words locational advantages of the host country such as infrastructure, market size and human capital (Campos and Kinoshita, 2008; Blonigen, 2005). In this regard, macro-level theories provide a useful and relevant explanation that can guide the

current study. Therefore a substantial part of this literature will focus on macro-level theories.

The theories, which inform these two broad literature strands on factors influencing FDI inflows can be well organized using the Dunning paradigm or framework (Dunning, 2000; Dunning, 1977). Dunning's eclectic paradigm presents three broad factors, which determine the level and extent to which multinational companies undertake international production. The factors are Ownership "O", Internalization "I" and Location "L" advantages. The "O" and "I" related theories fall under firm-level theories of FDI influences or micro-level theories such as Hymer, internalization and resource-based theories which are discussed under section 3.3.1. While Location 'L' related theories can be termed as macro-level theories such as Investment Development Path 'IDP' theory and institution theory which are discussed under section 3.3.2, this section employs Dunning's eclectic paradigm to organize the two groups of theories which are firm-level theories of FDI influences or micro-level theories and macro-level theories of FDI.

Dunning's Eclectic paradigm

Dunning's eclectic paradigm (1977) in particular, the recent Dunning's envelope paradigm (Dunning, 2004b; Dunning, 2000) is a comprehensive theoretical framework, which explains extent and patterns of FDI location (Denisia, 2010). The framework asserts that, at any given time, the level and pattern of international production (production was undertaken by MNEs and financed by FDI) will depend on three factors. Firstly, Ownership advantages "O" which refers to all income-generating assets (transferrable assets) that enable a firm to have competitive benefits over other firms in production and supply in a particular foreign country. For instance, skills, patents, rights, and trademarks. These advantages come from the ability of firms to mobilize and utilize the owned or accessed revenue-generating assets (Lavie, 2006). Secondly, Location advantages "L" include all superior indigenous factors in a particular economy, which are not transferable. Firms mighty consider operating in such foreign country is of more interest to them because of their favourable investment environment. Finally, Internalisation advantages "I" which involves a degree to which firm utilises the generated resources and capabilities within their jurisdiction and in other accessible locations.

Some authors critique the Dunning eclectic paradigm as it does not allow for sufficient strategic difference in response to a different configuration of OLI variables. They claim that

it is coached in static terms (comparatively static) while, offering little guidance to the dynamics of internationalisation of firms or countries (Dunning 2001). Dunning (1993) responded in the book The Globalisation of Business that the level and pattern of MNE activity at any given moment represents a specific point on a set of trajectories in the internationalisation path. That trajectory point is an "OLI" configuration, which is set by iterative and continuous interaction between the successive periods of "OLI" configuration and the strategy of firms in response to these configurations. Thus the subsequent "OLI" configuration is influenced by the previous OLI configuration, which implies that the theory is not static.

The relevance of Dunning eclectic paradigm on studies that assess factors influencing FDI inflows

Dunning eclectic paradigm is considered comprehensive and relevant, particularly in this study because it can explain factors influencing FDI inflows from firms', home country's as well as host country's perspective (Denisia, 2010). In addition, the framework answers almost all key question about international production. "O" answers why firms engage in international production; "L" answers where they go; "I" answers how they organize their international activities (Eden and Dai, 2010: 28). OLI framework is challenged to have a simple configuration with an exclusive focus on large manufacturing MNEs. However, envelope paradigm (Dunning and Lundan, 2008; Dunning, 2004b; Dunning, 2000) which is a further development of "OLI" paradigm, provide a more promising approach in response to the increasingly knowledge-intensive and dynamic globalized business environment (Narula, 2010; Cantwell and Narula, 2001). More importantly, the framework incorporates location advantages, which are the centre of this study. Both traditional location factors (cost and market factors) and knowledge-based location factors (technological and institutional factors) are very relevant in this study.

Cantwell and Narula (2001:155) summarise that "We find that the paradigm continues to provide a framework which facilitates how best to synthesise relevant complementary theories, or how to choose between potentially competing theories, and helps to operationalize them." Thus, the framework acts as an umbrella of the theories which suggest "OLI" factors as factors influencing FDI inflows (Denisia, 2010; Cantwell and Narula, 2001). The included theories could only explain a few of factors that influences FDI inflows on their own but fail to provide an all-embracing framework, while being embraced under

eclectic paradigm make it possible (Peng, 2001). The paradigm is applied as a guiding framework to draw the attention of the researcher to the most relevant theories in the international business in order to analyse them and identify, which among them explain the 'People' category goals as factors influencing FDI inflows as well as those, which are applicable in Sub-Saharan Africa.

Referring to the nature of the research question, location "L" related theories seem more relevant because the theories view host country-level characteristics as FDI location determining factors such characteristics include market size, human capital and nature of institutions (Hotho and Pedersen, 2012; Dunning and Lundan, 2008). This study finds a link to incorporate 'People' category of UN SDG as location factors because these goals in 'People' category – which include ending poverty, ending hunger, health and wellbeing, education quality and gender equality – are typically regarded as country-level characteristics thus, qualify to be FDI location factors. Given the nature of the factors of interest and direction of this study, the focus will be on the "L" element of the 'OLI' paradigm.

However, the chapter will appraise briefly as well the micro-level theories which are focussing on "O" and "I" advantages.

The evaluation of various relevant theories follows the following analytical ladder. First, the analysis of theoretical foundations is presented. Second, an evaluation of the strength and weakness of the theories is carried out. Third, analysis of how theory is relevant in incorporating 'People' category goals as influences of FDI follows. Finally, the tables containing all empirical studies that adopted the theory understudy, while assessing the 'People' category goals are presented.

As discussed above, Dunning eclectic paradigm provides an umbrella for the two broad theories which are micro and macro. The micro theories include micro factors or influences which are company-specific and involve ownership advantages and internalization advantages. On the other hand, the macro theories include macro factors or influences which are country-specific and relate to location advantages of the host country (Petrović-Ranđelović et al., 2017). The micro theories do not provide relevant information to this study. However, section 3.3.1 presents a brief discussion of these micro theories and show what they explain and what they cannot explain relating to this study and state why they are not relevant to this study. After that, section 3.3.2 provides a more comprehensive

discussion on macro theories, particularly national competitive frameworks in section 3.3.2.2 because it is a more relevant framework that includes relevant theories among macro theories.

3.3.1 Micro theories of Foreign Direct Investment (FDI)

These are theories which propose factors that are endogenous to the multinational companies, as influences of FDI inflows. In other words, these theories discuss firms' level determining factors of inbound FDI flows. The Dunning paradigm includes these theories under Internalisation (I), and Ownership (O) advantages related theories (Dunning and Lundan, 2008; Dunning, 2000; Dunning, 1980; Dunning, 1977). The micro theories explain why MNE establish international production mainly through FDI ("O" advantages) and how they organize their international production ("I" advantages) (Eden and Dai, 2010). However, they fall short from explaining the geographical choice of FDI location. Thus, these theories will not be applied to guide the study because the theories are ownership-based and internalisation-based theories of the firm (Dunning and Lundan, 2008). This means the theories theorise competitive advantages of the firm or factors owned or possessed by firms such as efficient management, high technology and international experience as factors, which influence FDI rather than location-based factors. Therefore factors such as host countries' education, population health, and gender equality which are location-based and among 'People' category of SDGs cannot be explained by these theories.

The micro theories of foreign direct investment are theories which originate from the international business field. International business has several main theoretical strands which fall under micro theories of foreign direct investment (Faeth, 2009). First is economics tradition (including an industrial organisation) which include theories such as internalisation (Buckley and Casson, 1976) and Hymer's (1976) market imperfections theory. Second is the behavioural tradition which portrait that, firms' obstacle to go internationally is mainly the lack of managerial skills. These skills could process the available information and propose a suitable strategy to operate in that international market. The strand includes the behavioural theory of the firm, such as Uppsala and theory of the growth of the firm. In behavioural tradition, experiential learning is the crucial driver of internationalisation, and the choice of the FDI location is based on the content of the prior experience. Also, a firm is viewed as a bundle of capabilities gained from experience (Faeth,

2009). The following sections present a brief discussion of various micro-level theories and how they explain the determining factors of FDI.

3.3.1.1 Hymer (market imperfections theory)

The market imperfections theory applies industrial economics to the study of international trade and investment (Cleeve et al., 2015). It states that firms are on a constant search for market opportunities; their decision to invest abroad is taken as a strategy to capitalize on their unique capabilities, which are not shared by rivals in foreign countries (Hymer, 1976). This implies that firms should possess some distinct oligopolistic advantages, which overshadow the disadvantages of competing with indigenous firms in host countries. The disadvantages include foreign firms having less knowledge of the local market than domestic firms; it might cost foreign firms to acquire such knowledge in addition to their facing high foreign production establishment costs in general (Buckley and Casson, 1976).

Market imperfections for products and factors of production allow firms with high capabilities such as patented technology, marketing strategies and managerial skills, to possess a competitive advantage over other firms (Kindleberger, 1969). In the same view, the firms that own these assets gain oligopolistic advantages, which enable them to compete effectively with domestic firms in host countries. Some of these oligopolistic advantages include proprietary control over assets, which can easily be transferred to a subsidiary without, or with minimal, marginal costs (Soci, 2002; Dunning, 1977).

The relevance of Hymer's theory on studies which assess factors influencing FDI inflows

The theory identifies FDI as an outcome of international market imperfections. In this perspective, the benefit obtained from exploiting oligopolistic advantages can be pinpointed as among FDI location motivating factors (Moosa, 2002). The theory assumes the production of homogenous products and the same level of access to factors of production by firms. In reality, firms gain different competitive advantages with varying degrees (Porter and Millar, 1985). While it is agreed that competitive advantages are essential for FDI, nonetheless, the theory cannot explain why firms consider foreign production the best means to benefit from the firm's competitive advantages compared to home production and export or license local agents to produce (Morgan and Katsikeas, 1997). Though not comprehensively, but the theory seems to explain the influences of FDI from firm's point of view while the study focuses on hosts' countries' factors (Morgan and

Katsikeas, 1997).

3.3.1.2 Internalisation theory

Internalisation theory is among the most influential theories in the international business school of thought. According to Rugman (1980), the theory was first developed by Coase (1937) in an internal dimension and advanced by Hymer (1976) in an international context and then synthesized in a book by Buckley and Casson (1976) and a paper by Dunning (1977). The theory argues that firms organise their internal activities to develop specific advantages, to exploit them and benefit from them (Dunning, 1977). The main contention of internalisation theory is that "given a particular distribution of factor endowments, the extent and content of MNEs activity will be positively related to the costs of organising cross-border markets in intermediate products" (Dunning and Lundan, 2008: 94). Thus, becoming an MNE is viewed as a transaction-cost-minimizing vehicle whereby firms internalize cross border market and benefit from market imperfections unless the marginal costs outweigh the marginal benefits of internalizing cross border imperfections (Buckley and Casson, 1985; Coase, 1937). FDI will be undertaken if the benefits of exploiting these firm-specific advantages are higher than the relative cost of operating abroad (Denisia, 2010). In this regard, Internalisation theory identifies two primary motives of FDI, which are the removal of competition and competitive advantages that firms could possess (Buckley and Casson, 1976).

Internalisation theory seeks to identify the situations where firms could internalise within the hierarchy, the cross-border markets for intermediate goods and hence incorporate those value-adding activities outside their national boundaries (Dunning and Lundan, 2008). The decision to internalize bases on product type, market structure and economies of scale, region-specific factors (such as distance and cultural differences), nation-specific factors (such as political and financial factors) and firm-specific factors such as management skills (Teece, 1986; Teece, 1981). However, the theory contends that the possession of intangible assets only is not uniquely advantageous to MNEs, but the ability to internalise the application of these assets instead of selling them (Moosa, 2002).

The relevance of internalisation theory on studies which assess factors influencing FDI inflows

Despite the significance of internalization theory in International Business studies, still, this theory fails to explain why MNEs select specific locations over others because it provides a

rationale for FDI without explaining regional variations (Iammarino and McCann, 2013; Sethi et al., 2002). Also, internalisation theory overemphasizes the transaction cost construct and fails to explain cross-border knowledge creation (Ito and Wakasugi, 2007; Iwasa and Odagiri, 2004) while education as among 'People' category goals of sustainable development goals is of great interest in this study. Also, cross-border knowledge creation is a fundamental factor in the survival of the global enterprise. Particularly, high-tech SMEs (HTSMEs) tend to allocate themselves to technological lead markets and in local knowledge, clusters to explore new assets rather than exploiting the existing assets through transaction costs minimization (Dimitratos et al., 2010; Al-Laham and Souitaris, 2008; Rammer and Schmiele, 2008). Nonetheless, the theory uses multinational enterprise as a unit of analysis while the study is interested in applying the country as a unit of analysis (Denisia, 2010). Furthermore, the theory focusses on firms' perspective factors of internalization while this study focusses on country-related factors (Morgan and Katsikeas, 1997).

3.3.1.3 Stage approaches (Uppsala internationalization model and related hybrid models)

The Uppsala school approach which is also known as the Nordic internationalization model is an FDI model which was formulated by researchers in Uppsala University who studied the establishment chains of four big Swedish manufacturers in a foreign market (Johanson and Vahlne, 1977). They found these firms have small incremental changes in their growth pattern, which could be described as the internationalization process. Thus, the Uppsala model describes the internationalization of an enterprise as a process which is based on the gradual acquisition, integration and use of knowledge about foreign markets and operations to subsequently increase commitments in foreign markets (Coviello and McAuley, 1999; Johanson and Vahlne, 1977). In this regard, internationalisation is attained through the iterative cycle of experiential learning and commitment decision (Johanson and Vahlne, 2009; Johanson and Vahlne, 1977). Experiential learning is the main factor which decides the trajectory of the internationalization of the firm and which location to pursue (Nelson and Sidney, 2005).

The Uppsala school consider four steps that firms undertake to begin production in foreign countries. First, firms perform irregular export activities; second, firms start to export using an independent representative or agents then they establish overseas sales subsidiary and finally, they establish overseas production/manufacturing units (Johanson and Vahlne,

1977). In addition, the theory considers two main features as the fundamentals in the internationalization process: the amount of knowledge possessed by a firm, in particular an experiential knowledge and uncertainty in deciding to internationalize (Morgan and Katsikeas, 1997).

The relevance of the Uppsala internationalization model on studies assessing factors influencing FDI inflows

Despite the general acceptance of the model, it has faced some criticisms in the extant literature, particularly concerning its theoretical foundation (Andersen, 1993) and generalizability (Sullivan and Bauerschmidt, 1990). Scholars found it not to be able to explain the nature and characters of firms' international involvement (Grønhaug and Kvitastein, 1993; Millington and Bayliss, 1990; Gripsrud, 1990) thoroughly. In particular, Millington and Bayliss (1990) found that incremental stepwise development being an exception rather than a rule when observing the role of strategic planning in the internationalization.

3.3.1.4 Resource-based view

The Resource-based View (RBV) is one of the resource-based theories, which has made a crucial contribution in enlightening the understanding of the endogenous growth of the firm (Dunning, 2003; Rugman and Verbeke, 2002). The theory considers the firm as a "bundle of resources" and that the differences in firm's performance are primarily due to firm heterogeneity and not industry structure (Barney, 1991; Rumelt, 1984; Wernerfelt, 1984). Penrose (1959) and Rubin (1973) as early scholars to discourse the resource-based view, argued that the internally or externally growth of a firm whether by mergers, acquisition, or diversion depends on the employment of possessed resources. Since resources (and capabilities) are heterogeneously spread to firms and are imperfectly mobile, these assumptions together allow for the difference in resources to exist and persist over time among firms allowing for a resource based-competitive advantage (Barney, 1991).

The theory's argument in explaining FDI (which is part of firm's growth) is based on the unique mechanisms that enable a firm to gain peculiar capabilities, resources and access to markets which make it more competitive than rivals (Rugman and Verbeke, 2002). Such peculiar capabilities include inimitable skills, technologies and knowledge termed as a

critical firm's specific capability (Newbert, 2008; Boisot, 1998) as well as international knowledge and experience which is taken as a unique, valuable and hard to imitate resource that differentiate champions from mere survivors and failures in global competition (Peng, 2001). Thus, in this view firms engage mostly to asset exploitation FDI which assumes that firms should possess specific rent yielding resources and skills when investing in the host country which will give them a monopolistic (competitive) advantage (Makino et al., 2002). However, the process through which the resources convert to competitive advantages remains in the black box (Priem and Butler, 2001). The resource-based view has extended to knowledge-based view (KBV) of the firm (Grant, 1996; Hoskisson et al., 1999; Sveiby, 2001; Choo and Bontis, 2002; Huizing and Bouman, 2002; De Carolis, 2003; Balogun and Jenkins, 2003).

Knowledge-based view

The knowledge-based view (KBV) perceives MNEs as social entities that are involved in creation and transfer of knowledge as well as transforming it into a competitive advantage (B. Kogut and Zander, 1996; B. Kogut and Zander, 1992). The knowledge-based view argues that "the very existence of firms is due to their ability to manage knowledge, especially in its tacit forms, more cheaply and efficiently than is possible under other forms of governance" (Håkanson, 2005: 3). The theory states that higher organising principles are likely to be used to generate knowledge and transfer it within the MNE network, which will often tend to happen mainly within a hierarchical organisation (B. M. Kogut, 1993). The theory emphasizes that knowledge is the most critical factor of production and resource and the difference between firm's performance is arises from the difference in firms' ability to generate knowledge and use it (De Carolis, 2003). Resource-based view evolves later to form dynamic capabilities.

Dynamic capabilities perspective

The dynamic capabilities perspective has received much scholarly attention in the past two decades (Wójcik, 2015). The Dynamic capability perspective asserts that success of firms is primarily driven by their ability to adapt to a changing environment in such a way they can attain a competitive advantage through securing value-creating potentials (Wójcik, 2015). Therefore, the successful strategy of the firm is to keep flexible and be able to adapt new conditions and create new business models and product categories instead of improving

existing products and business models (Teece, 2012; Davenport et al., 2007).

The dynamic capabilities within the resource-based view emerged to allow scholars to analyse organizational change position with the environmental dynamism through a new theoretical framework (Teece et al., 1999). Thus, the strength of dynamic capabilities perspectives over classical resource-based resources is that it keeps the pace with the changes and complexity of the current network and knowledge-based economy (Kraaijenbrink et al., 2010). This concept looks beyond the classic resource-based view as it explains the process of the change of resources and capabilities usefulness over time.

The relevance of resource-based theories on FDI locational-based determinant studies

The resource-based view focuses more on the inside part of the firm, its resources and capabilities to explain the difference in performance within an industry (Hoopes et al., 2003; Makhija, 2003; Peteraf, 1993; Grant, 1991; Barney, 1991). In this regards, the theory has a limitation of perceiving a firm as a primary unit of analysis as well as having inflexible concept which views resources and competencies as only created and housed within the firms. At the same time, the current study investigates on countries-based factors which influence FDI inflows (Dyer and Singh, 1998). The theory is also criticised as being too outdated to keep the pace and complexity of changes in our current network and knowledge-based economy (Kraaijenbrink et al., 2010). Also, the theory is perceived as unable to explain sources of value creation and how to achieve competitive advantage and superior performance (De Toni and Tonchia, 2003). Furthermore, it has been argued the theory considers the particular interest of a single firm taken out of industrial context and does not consider that some of the existing resources might become devalued over the long term in terms of creating competitive advantages as they might face environmental dynamism in the future (Wójcik, 2015; Katkalo et al., 2010).

Regarding the knowledge-based view, the theory emphasizes that knowledge is the most significant resource in making a competitive advantage sustainable because these resources are hard to imitate hence they are the foundation of sustainable differentiation (Wiklund and Shepherd, 2003). Kogut and Zander (1996) further state that organisational entity is the basis in which knowledge is shared, and it perceived to comprise communities of practice within which the rules that govern the learning process are set. The theory can help to explain education as a factor in determining the FDI location because it views MNEs

as a knowledge-generating and transfers entity that justify the establishment of FDI for the sake of seeking knowledge especially emerging market MNEs (Kedia et al., 2012). This means a well-educated nation with in-depth knowledge would attract the knowledge-seeking FDI. Particularly emerging economies MNEs (EMNEs) tend to seek knowledge when looking for FDI location as "EMNEs' primary motivation to engage in FDI is to develop firm-specific advantages by gaining access to knowledge, resources, and markets in the host country" (Kedia et al., 2012:15). However, the theory fails to explain how other 'People' category goals of SDG could influence FDI location.

On the side of dynamic capability view, the theory is criticized because it is in a nascent state, as it has so many undeveloped concepts (Wang and Ahmed, 2007). The theory fails to clarify how assets, routines, competencies, capabilities and organizational resources relate conceptually to dynamic capabilities (Wójcik, 2015). Furthermore, there is still no universal definition of dynamic capabilities that have been adopted so far, and some inconsistencies have emerged concerning its conceptualization, nature and operationalization (Katkalo et al., 2010:1178; Zahra et al., 2006:921). Also, the current state of the theory does not allow most of its assumption to be empirically verified using deductive reasoning and quantitative methods (Barr, 2004), while this study applies both in its analysis. This is because it is difficult to be exact on the amount of dynamic capability a firm has or to compare the amounts of dynamic capability of two firms. According to Wang and Ahmed (2007:33), the current understanding of dynamic capabilities is limited to case studies. Teece (2007:1320) who note that the concept is a type of a framework at the moment rather than a coherent model also supports this. Hence, the theory does not fit to be applied in the current study.

The above discussion presents the micro theories which explain the supply-side influences of FDI flows which are specific to each company. The influences explained are based on ownership advantages and internationalization advantages under the Dunning eclectic paradigm. The theory included are Hymer (market imperfection theory), internationalisation theory, stage approaches and resource-based theories. As discussed above, these micro theories fall short in explaining the 'People' category SDGs as influences of FDI flows. UN SDGs are mostly country characteristics hence qualifies to be categorised under demand-side influences of FDI flows which fall under locational advantages of Dunning eclectic paradigm. The following section focuses on macro theories which focus

on explaining country-specific factors as influences of FDI flows.

3.3.2 Macro theories of Foreign Direct Investment (FDI)

The following section presents theories and theoretical frameworks, which discuss the influences of Foreign Direct Investment (FDI) that are exogenous to the multinational companies. In other words, the section discusses the theories, which propose country-level factors as the influencers of FDI inflows. The theories mainly refer to a locational based theory in the Ownership advantage, locational advantage and internationalisation advantage "OLI" Dunning paradigm (Dunning, 1977, 2000). These include theories such as investment development path, institutional theory, theories related to economic geography (agglomeration theory), and Porter's national competitive theory (see 3.2.2.2 below). Economic geography theory explains why there could emerge agglomerations or clusters within particular countries (Krugman, 2011). Among the theories under economic geography include agglomeration theory which focusses on proximity and how it is an essential influencer on industrial location (Jones and Wren, 2011). Krugman (2011) argue that cost-saving and benefit are increasing gained from economic, spatial agglomeration, which could further promote the concentration of economic development. In addition, the early Early-development advantage could lead to the long-term accumulation of economic activity. However, the theory does not thoroughly explain the 'People' category goals as influences of FDI inflows. The proceeding sections discuss in depth the main location theories, which seems more relevant in internalizing the 'People' category goals as influences of FDI inflows. These theories include an Investment Development Path (IDP); an Institutional theory (I), human capital theory and the national competitive framework.

3.3.2.1 Investment Development Path (IDP) Theory

In 1981, Dunning developed the IDP theory, which was later refined by other authors (e.g. Duran and Ubeda, 2005; Durán and Ubeda, 2001; Dunning and Narula, 1996). The theory avers that the progress of the FDI flow level is through a path that depicts the dynamic and intertemporal relationship between an economy's level of development (proxied by GDP per capita). The country's net outward investment (NOI) position - defined as the difference between outward direct investment stock and inward investment stock (Dunning and Narula, 1996; Dunning, 1986; Dunning, 1982). The IDP bases its foundation on two main premises; firstly, the economic development consists of structural changes and secondly, these structural changes bring about the dynamic relationship between their nature and

the type and extent of inward and outward FDI (Lall, 1998). In other words, as a country develops, structural changes occur in the conditions faced by domestic and foreign firms, thus affecting FDI inflows and outflows and these, in turn, change the economic structure of the nation (Fonseca et al., 2007).

The IDP theory identifies five stages of economic development (Dunning and Narula, 1996). Along with the changes in these IDP stages, the ownership, internalisation and locational advantages of firms in a country change relative to other economies (Dunning and Narula, 1996; Fonseca et al., 2007). This implies that the IDP is in line with the "OLI" or Dunning's eclectic paradigm.

Stage one of IDP theory is dominated by the least developing countries with negative NOI position (Fonseca et al., 2007). In this stage, the countries have limitation in location-bound created assets, efficient economic systems and government, infrastructure and educated labour force; this cripples their capacity in both inward and outward FDI performance (Fonseca et al., 2007; Durán and Ubeda, 2001; Dunning and Narula, 1996). At stage two, FDI inflows start to increase, sometimes, faster than GDP because of growth in the domestic market and purchasing power; however, outward inflows remains low thus decreases the NOI position (Fonseca et al., 2007; Buckley and Castro, 1998). FDI inbound continue to concentrate in natural resources and commodities nevertheless; some FDI inflows gradually deviates to labour-intensive industries and low technology because of created assets which start to emerge at this stage (Dunning and Narula, 1996).

Stage three is marked by a gradual decrease in inward investment and an increase in outward investment which increase NOI position (Dunning and Narula, 1996). This shift could be due to high domestic competition enhanced by technological development towards the production of standardized goods and the high consumer demand of quality goods due to the increase in their disposable income (Dunning and Narula, 1996; Duran and Ubeda, 2005). Most emerging countries are found in stage three of the IDP theory (Fonseca et al., 2007). Stage four of IDP is distinguished by a shift to a positive NOI position, as outward FDI stocks exceed inward FDI stocks (Dunning and Narula, 1996). The Locational advantages in this stage are bases entirely on created assets. Due to the increase in competition between countries because of similar structures of resources and capabilities,

the government start to pursue strategic posture in their policy formation at this stage (Buckley and Castro, 1998).

Finally, in stage five, the NOI position of a country first declines and then fluctuates around zero levels (Dunning and Narula, 1996). Outward and inward direct investment are expected to keep increasing. This is the stage where many industrial countries, such as the United Kingdom, Japan, and the USA, are found (Fonseca et al., 2007; Buckley and Castro, 1998). Two features found in this stage: Firstly, there is an increasing propensity of cross-border transactions to be conducted not through the market but internalized by and within MNEs. Secondly, as countries converge in the structure of their location-bound assets, their direct international positions are likely to become more evenly balanced. At stage five, firms' ownership advantages are less dependent on the country's natural resources instead on their own created assets (Buckley and Castro, 1998).

However, in an increasingly globalized world-economy and as the national boundaries of firms have distorted, the IDP patterns have changed to a certain extent since the 1980s (Dunning and Narula, 1996; Buckley and Castro, 1998). In this view, some problems or limitations are identified in the recent analysis. Primarily, the net outward FDI stock (NOI) is identified as not being an appropriate indicator to analyse the effect of structural changes on inward and outward FDI, and its use brings some statistical problems (Buckley and Castro, 1998). The NOI in stage one resembles that of stage five in terms of the net FDI stock as both will have close to zero figures. The countries in these stages may look similar; however, while countries at stage one receive very little FDI, stage five countries receive very high levels of inward and outward FDI (Durán and Ubeda, 2001). Secondly, an increase in the net position of FDI is usually interpreted as the increased competitiveness of the economy. In contrast, it could also be due to a disinvestment process in the country (a significant decrease of inward FDI stock) in response to a deterioration of its investment environment (Fonseca et al., 2007). To resolve this critique, scholars suggest the use of inward and outward FDI stock separately and in both absolute and relative terms in addition to net outward FDI stock (Durán and Ubeda, 2001).

Another critique is based on the use of GDP per capita alone as an indicator of a country's level of economic development. This indicator is argued to be insufficient because there are considerable divergences between countries, hence the existence of economic

structures and foreign investment structures that are significantly different at the same level of GDP per capita (Fonseca et al., 2007). To resolve the critique, Dunning and Narula, (1996) propose the inclusion of various structural variables, such as gross capital formation per capita, gross enrolment ratio in secondary schools and universities. Also, the number of scientists and engineers in research and development or health expenditure, in order to reflect not only the degree of economic development but also each country's peculiarities.

The relevance of IDP in FDI influences studies

According to Lall (1998), the IDP theory has its foundation in the theory of economic development, which is essentially structuralist. From this view, scholars present various structural variables which can be used to group countries into their respective stages in IDP as well as portray their explanatory power over the countries' inward FDI stock (Durán and Ubeda, 2001). These structural variables, which relate to the level of development and have an impact on FDI stock include education level (e.g. adult illiteracy, secondary schooling, and university), agricultural population (food security), and private consumption (Durán and Ubeda, 2001). Furthermore, IDP theory informs that the countries, which have advanced to produce created assets, experience more FDI inflows than less developed countries. This view is shown from stage two of IDP onwards, whereby created assets such as educated population, technology, and health labour emerge as critical driving factors of FDI location in a country (Narula and Dunning, 2000; Dunning and Narula, 1996; Buckley and Castro, 1998).

According to Duran and Ubeda (2001), Sub-Saharan African countries fall only in the first three stages of IDP, and the majority of them fall in the first stage. This is because most of the developing countries are net receivers of foreign direct investments (Dunning and Narula, 1996). Duran and Ubeda (2001) found that structural variables of development explain the inward FDI in developing countries. This implies that the improvement of the development of structural factors in developing countries could be the determining factor of FDI inflows. Hence it is possible to argue that economic growth, accumulated human capital, food security, and the reduction of poverty are positive outcomes relating to FDI inflows (Borensztein et al., 1998). In this aspect, it proves that 'People' category goals of SDGs, particularly education and health labour, can be incorporated as influences of FDI flows using IDP.

IDP theory could potentially be applied in the current study; however, the theory was not

originally intended to test how the progress of a country in social and economic development could influence FDI inflows. Instead, it was crafted to analyse the net outward investment of a country concerning GDP per capita as a proxy of development (Fonseca et al., 2007). The focus of this study is to analyse the level of inward FDI; thus, the theory falls short in that aspect. Moreover, Duran and Ubeda (2001) show that empirics that apply the theory usually test and show statistically that the differences in the volume of inward, outward and NOI stocks at different stages are consistent with the theory.

Different development stages of countries in the IDP theory are defined by outward and inward foreign investment stock levels (Duran and Ubeda, 2005; Durán and Ubeda, 2001; Dunning and Narula, 1996). This approach could potentially create an endogeneity problem if the theory is applied in testing how these different levels influence FDI inflows. The econometric models were not considered an adequate tool to test IDP, while the current study applies econometric models to answer the research question (Fonseca et al., 2007).

To assess IDP empirically for many countries, authors propose this equation;

$$\mathrm{NOI_i} = \alpha \mathrm{GDP_i} + \beta \mathrm{GDP_i} \qquad 1$$

Where the variable to be explained is the net volume of a country direct investment (NOI), and the explanatory variable is the country's GDP, both variables have been standardized for the corresponding population. From the equation, it is seen that the objective of the theory is to assess the net outward investment (NOI) position of a country (Boudier-Bensebaa, 2008; Bellak, 2000) while this thesis aims to analyse how progress towards sustainable development goals influence FDI inflows. In addition, some statistical inconsistencies were detected in this model, such as emerging of heteroscedasticity problems when developing countries show a higher variance of errors and equation show different forms when a sample of countries changes (Dunning et al., 1996).

3.3.2.2 National competitive framework

National competitiveness framework is mostly referred to Porter's diamond theory of national competitive advantage (Porter, 1990). Contrary to standard economic theory, the diamond system emphasizes that national prosperity is created and not inherited (Porter, 2011; Porter, 1990). It draws more attention to created factors of production rather than endowed resources such as land and natural resources. In the same line of argument, Esser et al. (2013) postulate that the current world focuses more on knowledge and technology-

based competitive advantages while competitive advantages based on inherited endowments continue to lose their significance. The national competitive model avers that a nation gains a competitive advantage when it creates and possesses certain hard-to-imitate factors (Porter, 1990). The model further explains how the government could act as a catalyst to improve the country's position in the global economic, competitive environment (Porter, 2011). These hard-to-imitate factors which are included in the diamond framework are the firm's strategy, structure and rivalry, related supporting industries, demand conditions and factor conditions (Porter, 1990).

The concept of competitiveness as a critical concept in the national competitive framework has been evolving throughout the years, resulting in various facets from 'input' based to 'output' based competitiveness (Aiginger et al., 2013). It is also a phenomenon that applies to both firms as well as country level; nevertheless, this study focuses on the country level because it is in line with its objective. According to Narula and Wakelin (1998), the competitive advantage of a country (location) is an absolute advantage over other countries (locations). While, Dunning and Zhang (2008), view competitiveness as a competitive advantage that is driven by the possession of quality resources, capabilities, access to markets (RCM) together with quality institutions(I). On the other side, Mitschke (2008) and Delgado et al. (2012) presents two dimensions of a country's competitiveness. While Mitschke (2008) contemplated the two dimensions to be international competitiveness of the domestic firms and attractiveness of the country; Delgado et al. (2012) considered foundational competitiveness and global investment attractiveness as the two dimensions of a country's competitiveness. In practice, some policymakers often relate competitiveness to qualities that help to improve the standard of living (e.g. Sweden flourishes because of its competitiveness) while others relate it to locational attributes that drive growth (e.g. China is competitive because of its low adjusted cost of labour) (Delgado et al., 2012).

Some authors argue against the competitiveness of countries and view it as a meaningless notion (De Grauwe, 2010; Krugman, 1994) partially due to some policies implemented to promote competitiveness such as currency devaluation (Delgado et al., 2012). However, from the view of investment or potential investment firms, competitiveness is believed not to be a worthless notion (Dunning, 1996; Dunning, 1995). This is because improving a countries' competitiveness would favour business environment. Consequently,

competitiveness could also represent a determinant of FDI (Cristina and Cantemir, 2012; Unctad, 2000). Furthermore, multinational companies often consider, assess, and compare the competitiveness of various countries (locations), if a location loses its competitiveness, MNEs shift their operations and capital to a different location with the favourable business environment (Dunning and Zhang, 2008; Mudambi and Navarra, 2002). In this regard, MNEs assess countries in terms of their ability to give resources, capabilities and access to markets. Nevertheless, competitive advantages of the host countries can either reflect the attractiveness of the country towards FDI hence more competitive more attraction to FDI flows or reflect the strength of the domestic firms, which might infer the high competition and hence threaten the foreign firms to invest (Mitschke, 2008).

Another critique of competitiveness theory could be the different definitions and views of the concept that abound in the literature (Boltho and Glyn, 1995). In this regard, the study adopts the interpretation of competitiveness by Mitschke (2008), Dunning and Zhang (2008) and Delgado, Porter, Ketels and Stern (2012) as presented in the relevance of the framework section, below.

A major critique of Porter's national competitive framework (diamond framework) is the double diamond framework (Rugman and D'Cruz, 1993). The double diamond concept challenges the idea of a diamond theory which has an almost exclusive focus on the home base (Moon et al., 1998). The home base is perceived by Porter (1990), as a place where the competitive advantages of the country can be derived from. However, Rugman and D'Cruz (1993) found that outside the Triad of US, EC and Japan, the home base as a source of competitive advantages is not the case. Rugman and D'Cruz (1993) argue that Porter's diamond failed to understand that for small countries and open trading economies where MNEs earn the majority of their income outside their home country, the diamond of the target market is more relevant than their home diamond. Rugman and Verbeke (1993) proposed that the North-American diamond is more relevant than a Canadian diamond since the signing of the US-Canada FTA meant that MNEs from both US and Canada could go to both countries for resources and highly skilled labour to make up their factor conditions. However, the double diamond concept is not very relevant in this study because the host countries which are the SSA countries are less competitive than developed countries and most developing countries as FDI sources, hence MNEs should rely on their home base for acquisition of competitive advantages. We therefore applied national

competitive framework (Porter's diamond framework) because the host country target is Sub-saharan Africa which is less developed hence MNEs would not depend on multiple diamond as less can be enchanced from operating in Sub-Saharan Africa.

The relevance of national competitive framework on FDI locational-based determinant studies

The national competitive framework provides two main routes via which 'People' category goals such as quality education, health and wellbeing could influence FDI inflows. These two means are found in the national competitive framework (Delgado et al. 2012). The two means are foundational competitiveness or potential productivity and business costs.

According to Delgado et al. (2012), country competitiveness could be viewed in two ways. One way is to view it as foundational competitiveness (expected output per potential worker), and the other way is to relate it to a global investment attractiveness which is the gap between the country foundational competitiveness and country's current factor cost (Delgado et al., 2012). The latter view idealizes a concept of country competitiveness to location attractiveness towards global investments, including FDI. Also, the authors argue that an attractive country for global investment location is one which has lower factor costs than potential productivity or foundational competitiveness (Porter et al., 2007). It implies that a location with high competitiveness will attract more investors given that factor costs are low. In other words, a country's global investment attractiveness is directly relating to foundational competitiveness and negatively affected by business costs. Therefore, Delgado et al. (2012) perceive a country to be competitive when it has high foundational competitiveness. This foundational competitiveness is a high expected output per individual working age, or when it has excellent location attractiveness towards global investment which is a massive gap between foundational competitiveness and current factor costs.

The national competitiveness framework identifies two main drivers of a country's competitiveness, namely the macroeconomic and the microeconomic environment (Delgado et al., 2012). The micro-economic factors relate to specific factors that shape the business environment. In contrast, macroeconomic factors include monetary and fiscal policy (MFP) and social infrastructure and political institutions (SIPI) (Delgado et al., 2012; Mitschke, 2008). Building on economic development literature, social infrastructure and

political institutions include quality of the political institution, the rule of law, primary education and essential health services (Delgado et al., 2012). Since a country's global investment attractiveness, including FDI inbound attractiveness, is directly proportional to foundational competitiveness, the macro factors affect investment attractiveness of the country as well. Also, Yussof and Ismail (2002) and Mortimore (2000) state that while the MNEs has an impact on a country's competitiveness, these competitiveness contributes to the attraction of more, quality FDI. Mortimore (2000) added that competitive factors such as skills, ability to train and availability of labour influence FDI inflows in developing countries. For instance, FDI to electronics in Ireland has flourished because of their ability to create a skilled human resource base, which allows companies to set up excellent plants and target world-leading firms (UNCTAD 2000, p. 20). In this view, it implies that 'People' category goals such as education, and health and well-being are included in the framework to determine the global investment attractiveness of a country. Looking at the goals and regarding Porter (1990) who argued that national productivity is the best measure of national competitiveness, it communicates that human capital theory could comprehensively provide the theoretical underpinnings of the national competitive framework.

In the same manner, Dunning and Zhang (2008) make a good case by expounding the national competitive approach to accommodate location-based resources, capabilities and markets (RCM) and institutions (I) as locational competitiveness factors of countries for FDI inflows. As argued by Barney (1991), resources and capabilities are heterogeneously spread to firms and are imperfectly mobile; this is also true concerning the allocation of resources and capabilities to various countries. These two assumptions together allow for the differences in resources to exist and persist over time among countries allowing for countries' resource-based competitive advantages (Mitschke, 2008). To emphasize Dunning and Zhang (2008) argue that, the ability of a country to attract potential investors rely on its competence to establish a set of difficult-to-imitate and distinctive created assets. They are bearing in mind that the transnational companies tend to locate in areas that provide the most suitable immobile resources such as infrastructure, services, manufacturers' networks, and institutions, for their mobile assets (Lall, 2000).

In highlighting the two main groups of factors that influence the locational competitiveness of countries towards FDI inflows, Dunning and Zhang (2008) argue that on one side RCM

creates a physical environment where firms and other economic entities craft economic well-being. At the same time, Institutions (together with beliefs system and values reinforcing them) create the incentive structure to build up the human environment and set rules of the game for firms and other wealth-creating entities (Dunning and Zhang, 2008; UNDP, 2004; Ndao et al., 2004). Dunning and Zhang (2008) summarize the Resources, Capabilities and Markets, and Institutions (I), which are agreed that firms consider the most when making their international locational choices. The resources include natural resources and created assets, e.g. technological capacity. While the capabilities entails intangible assets, skills, educated/trained labour, health labours, accumulated experience and wisdom, organizational capacity and governance. On the other hand, market refers to information/knowledge/availability of both domestic and foreign markets.

Furthermore, Schwab (2010) details the structure of competitiveness to include basic requirements such as institutions, infrastructure, macroeconomic environment, health, and primary education, as well as efficiency enhancers including higher education, training, and technological readiness and finally innovation and sophistication factors. The institution's side of the national competitive model includes both formal institutions and informal institutions. The formal ones are such as constitutions and laws while informal institutions include cultural morals, traditions and enforcement mechanisms such as self-regulation, cancellation of contracts and imprisonment. Dunning and Zhang (2008) as well as Schwab (2010), emphasized on the significance of both formal and informal institutions in creating a competitive country in regards to being an attractive location for global investment. In addition, Lynch and Jin (2016); Kirkman et al. (2006); and Perlmutter (1969) argue that the institutional theory can conceptualize culture, gender, religion, social structure, and related sociological factors, which have for so long been considered as necessary in international business development. In this regard, institution theory provides significant theoretical underpinnings of how a nation become competitive in the nation competitive framework. In particular, it provides a theoretical ground on how culture (e.g. gender equality) as part of informal institutions and education, health and wellbeing as formal institutions influence national competitiveness and hence FDI inflows.

As discussed above, the human capital theory and institutional theory emerges as the two leading theories which provide the theoretical ground of how 'People' category goals of sustainable development goals contribute to the country's attractiveness and ultimately to

global investment attractiveness including FDI. Below is the discussion of how human capital theory and institutional theory incorporate the 'People' category goals in the national competitive framework and ultimately enhance FDI inbound in the country.

Theories, which underpins the links between 'People' category goals and foundational competitiveness and FDI inflows

The national competitive framework incorporates the 'People' category goals and explain how they affect competitiveness and consequently a country's attractiveness to FDI inflows by linking them to human capital, productivity and transaction cost (Delgado et al., 2012). The theoretical grounds on the link in the framework can be drawn from the human capital theory and institutional theory.

Human capital theory

The human capital theory can be traced back to authors such as Mincer (1958) and Becker (1962). In the model by Mincer (1958), it was found that the economic gains that are foregone when investing in training (education), are compensated with higher lifetime earnings. Furthermore, Becker (2009), proposed that education is the form of capital which is a result of the deliberate investment. On the other hand, Becker (1962, 1993) discovered that there are two ways of investing in training or education, 1. general-purpose human capital investment and 2. firm-specific human capital investment. The former increases the marginal productivity of individuals across the industries. In contrast, the later increases the marginal productivity of an individual within a firm and not to other firms in different industries (Becker, 1993; Becker, 1962).

The relevance of the human capital theory to national competitive framework and FDI determinant studies

According to Porter (1990), the only sensible indicator of a country's competitiveness is productivity. Thus, an increase in the productivity of a country could be equated to an increase in the competitiveness of a country. "The human capital theory is premised on the notion that an increase in a person's stock of knowledge and health raises his or her productivity in both market and non-market activities" (Tompa, 2002: 183). Schultz (1997) explores several forms of human capital that contribute to productivity; however, their effects depend on the income and technological stage of society. In this regard, the level of income or poverty level acts as a moderator in how human capital forms influence the

productivity of the country. Among the human capital, forms include knowledge capital, which results from schooling and health capital. Health capital determines the total amount of healthy time available for people, whereas knowledge capital affects the productivity of the time spent on them (Schultz, 1997). In this regard, Education, health, and wellbeing are critical components of human capital (Bleakley, 2010; D. Bloom and Canning, 2003). In the formulation of the human capital theory, Becker (1962) asserts that health plays an equally important role in the development of workers' productivity.

A country with an educated population has skilled and highly educated labour. These workers would work with advanced methodologies, execute their duties with competences, and have minimum errors in their operations; this could increase efficiency and productivity. Educated workers are easily trainable; consequently, an educated and well-trained worker can handle a variety of tasks, lowering unit costs as opposed to the uneducated worker (Shatz, 2003). When human capital is enhanced, the productivity is high; then unit labour cost should decrease. Because the unit labour cost is equal to labour compensation divide by labour productivity, then, if the denominator is increasing the unit labour cost will decrease which contribute to lower the cost of operating business and hence attract FDI inflows (Alsan et al., 2006).

Also, Ishak and Rahmah (2002) state that as far as skilled workers are concerned, the level of education of a country is of critical importance to ensure the supply of workforce required by the economy. To support this view, Shatz (2003) argues that most multinational industries deal with differentiated products or technically advanced industries, which produce products that are more appealing to educated or high-income earners. Therefore, MNEs also need highly skilled labour to produce these sophisticated products. On the other hand, high-educated workers could imply high wage costs to MNEs because of their qualifications, but according to Kucera (2002), MNEs are more concerned with skills than wage costs. Moreover, high education levels are associated with other human and economic development, such as sound economic policies, excellent infrastructures, and health and income level. Thus, the argument of high-educated workers seems to be stronger than the uneducated and cheap ones (Shatz, 2003).

Health is usually considered an essential component of human capital, particularly in health-development literature. It is included in the goods production function either as a determinant of the total factor productivity (e.g Acemoglu and Johnson, 2007) or as a factor

of input (e.g D. E. Bloom et al., 2004; McDonald and Roberts, 2006). On the side of health and well-being as a form of human capital, high rate of absentees due to mortality and morbidity rate can reduce the productivity (output per individual) in the country, increase the costs of production as well as a high rate of infectious diseases can threaten investor's health and the life of expatriate staffs, hence could reduce FDI (Alsan et al., 2006). In addition, firm profitability might suffer if health-related costs are high. Cost of treating people is high as well as if MNEs operate in a country, which has poor health infrastructure and personnel, firms might incur a cost to develop the health infrastructure or subsidize the costs for their employees (Alsan et al., 2006; Polanyi et al., 2000). For example, Debswana, Anglo American, and Coca-Cola are a few companies now subsidizing HIV medicines (anti-retroviral therapy) in southern African countries (The Economist, 2002). In another way, improved health can increase return on education and work experience, because healthier workers with lower rates of absenteeism and with longer life expectancy acquire more experience (Tompa, 2002). Moreover, healthier children have enhanced intellectual function and higher school attendance, which allows them to become better-educated adults, which would increase productivity hence more FDI inflows (D. E. Bloom, 2005; Bhargava, 2001).

Also, an executive opinion survey by World Economic Forum argues that the critical channels through which the health population affects FDI are productivity, absenteeism, as well as through death, disability and funeral expenses, medical expenses, and recruitment and training expenses (Asiedu et al., 2015). It is very typical in Africa and other developing countries where the impact of health on FDI and business, in general, can well be seen. For instance, 33% of college students who graduated in 1980 were dead by 2001 (21 years later) because of HIV in Uganda. Likewise, 14.4 per cent of college-graduated students in 1987 and 3.3 per cent of college-graduated students in 1994 were deceased by 2001 (Asiedu et al., 2015).

Regarding healthcare problems, Sub Saharan Africa (SSA) could be leading as stated by Bui et al. (2018) "women in South Asia die more in childbirth (500 for every 100,000 live births) than any other part of the world except the region of Sub-Saharan Africa". Moreover, half of the business leaders in low-income countries believe that HIV hinders their country's access to global FDI (Asiedu et al., 2015). Because education and health and wellbeing are identified as twin factors in affecting human capital or productivity (Becker, 1962), this

necessitates the analysis of how the combination of both education and health and wellbeing impacts productivity and, ultimately, FDI inflows.

Other human capital form includes childhood and adult nutritional status (Schultz, 1997). Some authors argue that the height at the fourth birthday is a good indicator of how nutritious a person is, however, there are studies which look on how malnourished young child can catch up in adult stature when provided with an improved diet (Strauss and Thomas, 1998). Scholars argue that a childhood nutritional status contributes to adult productivity and health as well as enhance the performance of children in school and in new training task which would thereby affect the return to other human capital investment activities as well (Behrman and Deolalikar, 1993; Moock and Leslie, 1986). In this regard, food security is found to be important in encouraging an increase in productivity in the country. In another way, food security could be a contributor to better factor conditions, which is among the four core factors in a national competitive framework. If the population is starving due to food insecurity, then the human capital will suffer, as well as cause massive chaos in the nation and that could present obstacles in improving productivity and economical production (Cohen and Soto, 2007). In addition, food insecurity could bring competition over control of the food product's factors, which would end up triggering conditions for violence and civil wars. As argued by Bora et al. (2011:1), "lack of food has been the source of many past and recent conflicts." Therefore, for higher productivity and better economic condition, food security is very vital, consequently would promote FDI inflows because of the supportive economic productivity and favourable business environment.

The national competitiveness framework considers demand conditions as one of the crucial factors for a nation to attain competitiveness (Porter, 2011). It appears that, when a country advances in terms of what population demands quantity and quality, particularly, it pushes the companies and other organizations in a country to become competitive to meet the high demand created. According to Whelan and Msefer (1996), demand is a willingness and ability (income) of buyers to buy a product. Thus, demand can reflect the income level of individuals; in other words, high demand reflects the low rate of poverty, and therefore the low rate of poverty contributes to competitiveness, consequently enhances inward FDI. On the other way, high demand can be related to high consumption, whereas, in many academic papers, consumption has been used to proxy for the poverty

level (Fisher et al., 2015). In this regard, it is possible to conclude that the framework includes demand conditions as a macro factor contributing to the competitiveness of the countries.

In contrast, demand condition reflects the poverty level or relate to the rate of consumption, which is a proxy of the level of poverty. Thus, high demand conditions (high consumption rate or low poverty rate) improve national competitiveness, which brings about more FDI inflows. In addition, the income level is argued to support the enhancement of various human capital forms as well as moderate how they influence productivity (Schultz, 1997). For instance, an increased income can support increased current expenditure on nutrition, as well as on health and wellbeing and enhance productivity (James, 1994; Pitt et al., 1990; Strauss, 1986).

Institution theory

Over the past decade, the use of institutional thoughts to understand international business concepts and the use of institutional arguments have been on the rise (Hotho and Pedersen, 2012). It is believed that an institutional approach, which attempts to embrace both macro and micro levels of analysis and which incorporates both formal and informal institutions, offers a promising way in the field of international business to understand different forms of the contemporary MNEs and their influences of FDI location (Dunning and Lundan, 2008). Given the interdisciplinary nature of the theory, international business research incorporates institutional approaches from various disciplines such as sociology, economics and political economy (Hotho and Pedersen, 2012). These disciplines differ considerably on how they conceptualize institutions, their narrations on how institutions matter for international business as well as their level of analysis. This difference in notions about what institution means also signifies the difference in explanatory power among different institutional approaches, implying that they can explain differently various facets of social life (Hotho and Pedersen, 2012). Therefore, it is essential to choose a specific approach in discussing the institution within the international business field to avoid confusions

Three dominant institutional approaches exist in international business research, namely: new institutional economics, comparative institutionalism and new organizational institutionalism (Hotho and Pedersen, 2012). Despite the differences that these approaches have, to a large extent, they complement each other. For example, whereas

comparative institutionalism draws attention to the implication of difference in organization and structure of economies for MNEs, new institutional economies highlight the implication of the effectiveness or functioning of host and home country institutions (Hotho and Pedersen, 2012).

Regarding new organizational institutionalism, the approach focuses on organizations' forms and practices (DiMaggio and Powell, 1991). It suggests that the larger the differences between home and host country's institutions the more substantial the complexity in the operation of the MNEs in a foreign country which could lead to reluctance in FDI flows (Kostova and Roth, 2002). The strand suggests that institutional environment can be decomposed into regulative, normative, and cultural-cognitive dimensions to form a country institutional profile (Kostova and Roth, 2002; Busenitz et al., 2000). However, in this approach, the higher the aggregation level, the more difficult it becomes to identify and separate the relevant normative, regulative and cultural cognitive institutional elements (Scott, 1995). This is more revealed when research relies on secondary data and not on the customized survey (Hotho and Pedersen, 2012). In addition, new organisational institutionalism is more suitable when analysing transferability and the legitimacy of particular practices. However, it should be applied with caution in analysing the firm-level international business phenomena (Hotho and Pedersen, 2012). Therefore, the approach is not applied to this study because it is limited when the aggregation goes higher and when using secondary data. In contrast, the current study focuses on country-level analysis and rely on secondary data.

Comparative institutionalism predominantly focuses on explaining the differences in the socio-economic organization between countries and thus deals with country-level institutions (Whitley, 2005). For example, although Denmark, UK, and Germany are relatively similar in terms of their institutional framework effectiveness (see, e.g., the World Bank's Worldwide Governance Indicators;Kaufmann et al., 2010), there is a difference on how they organize and control activities in these three countries when considering comparative institutionalism. The approach informs the international business field on the effect of home and host country institutions on the MNEs' structures, strategies, and organizational practices (Morgan et al., 2001). However, the approach is more relevant when comparing the effectiveness of institutions between home and host countries, which is not the approach this study is taking. In addition, such comparative

institutional differences are hard to be included in quantitative studies due to difficulties in obtaining appropriate indicators (Hotho and Pedersen, 2012). Furthermore, it appears that such comparative institutional differences tend to disappear with experience (Hotho and Pedersen, 2012).

The most dominant strand of institutional theory within International Business (IB) is undoubtedly the New Institutional Theory (Kim and Aguilera, 2016). The basic proposition of the New Institutional Theory is that the prosperity of a society is achieved depending on the constellation of formal and informal institutions, which are human devised constraints or rules that shape societal transactions (North, 1990). "The theory suggests that the nature of exchange processes and the amount of friction are dependent on the institutional context in which they take place" (Hotho and Pedersen, 2012: pg 8). For instance, the level to which institutional environment enables enforcement of contract and assures property rights affects the level of transaction cost (Meyer et al., 2009).

The theory has the strength to theorise at multiple levels of analysis. It can offer a rich theoretical foundation for examining a wide range of critical issues, including non-traditional factors which is essential for FDI and MNEs research (Djelic and Quack, 2003). Furthermore, Peng et al. (2008) stipulate that when considering business strategies, and institutional perspective is a significant contributor to a company's development. However, the specific factors, which are crucial in international business from an institutional perspective, are still unclear to date (Dunning and Zhang, 2008). Dunning and Lundan (2008) also recommend that it is crucial to use institutional reasoning to assess the cognition, motives, and behaviour of MNEs. It is said that institutions perspective have been included lately into the mainstream theories of International business (Kinoshita and Lu, 2006; Meyer and Peng, 2005; Mudambi and Navarra, 2003).

According to the New Institutional Theory, institutions are defined, as "the rules of the game in a society or humanly devised constraints that shape human interaction, economic activity, and firm behaviour" (North, 1990: 3). North (1990) conceptualizes nation's institutions as rules of interaction which comprise of formal institutions (referred to codified laws or formal laws such as tax laws, property rights, constitution and regulations) and informal institutions (referred to tacit such as shared values, norms of behaviour, convections and taboos, yet have mutual consent among societal constituents). Both formal and informal institutions need to be well understood in the assessment of the

business potential of a country (Zhongqi, 2016). When firms decide where and how to invest; consideration of the cost and the means of adapting these environmental influences on their transaction is crucial. The societies with the right set of the institutional form are in a position to minimise transaction costs and facilitate complicated exchange among social actors, which might attract more foreign investors hence more FDI inflows (Meyer, 2001).

The relevance of the new institutional theory to national competitive framework and FDI influences studies

In expounding national competitive framework, Dunning and Zhang (2008) argue that the national competitiveness is attained when a country possesses the unique resources, capabilities and access to market (RCM) together with right institutions (I). Immense significance is attached to the necessity of relevant institutions in cultivating the national competitiveness of a country (Dunning and Zhang, 2008). In this regards, Institution theory is included as a theory that provides the theoretical underpinnings in the national competitive framework. In particular, the institutional theory is featured in this study to explain how for instance gender equality (culture) as part of informal institutions, health and wellbeing and education as part of formal institutions, contribute to the national competitive framework and ultimately to FDI inflows (Hotho and Pedersen, 2012; Dunning and Lundan, 2008; Mudambi and Navarra, 2002).

The current study applies the North's (1990) concept of institutions which refers to formal institutions, informal institutions and that of individuals and organisations as the entities which devise and implement these institutions. The entities include each of the stakeholders such as consumer groups, firms, civil society, government and labour unions which make up society (Dunning, 2004a). In addition, the new institutional theory refers institutions to both micro-organizational perspective and macro-socio-economic perspective (North, 1990). The latter perspective is broadly incorporating each instrument that affects motivation, cognition, and behaviour of individuals and organization engaged in the wealth creation process (Dunning and Zhang, 2008; Williamson, 2000). The broad interpretation of the institutions is the one, which is adopted in this study and is the one articulated by North in the New Institutional Theory (North, 2005; North, 1995; North, 1990). It is broad as it is not only taking into account organizational perspective but also national perspective regarding institutions and can deal with motivational and belief

system issues (Dunning and Lundan, 2008). Also, it is the one which tends to be adopted by a majority of international business scholars (Dunning and Zhang, 2008). In this perspective, almost all of the 'People' category goals are incorporated in the New Institutional theoretical framework because these goals have a direct impact on people or individuals and organizations engaging in the wealth creation process.

The recent definition by Mudambi and Navarra (2002) view institutions and institutional structures as country's economic institutions, including the structure of the national factor market and the terms of access to international factors of production; political institutions including the type of the regime and the judicial system; and socio-cultural factors including informal norms, customs, mores and religions. The purpose of these rules and conventions (institutions) is to define the rules by which the game (in this case improving competitiveness and attracting FDI) is played, monitored and enforced as well as facilitate the economic activities including FDI inflows by reducing the transaction costs of such activities (Dunning, 2004a). Quality institutions help to avoid overly costly transactions as well as facilitate the realization of large-scale productivity gains and improved technology (Mudambi and Navarra, 2002).

Several underpinnings of the New Institutional theory make it relevant to this study. First and foremost, the theory can conceptualize institutional dimensions at country level. For instance, national rules, regulations, socio-economic institutions and culture and the way it considers how such institutions affect transactions costs and restrains the actions of business actors in pursuit of their interest such as locating FDI (Hotho and Pedersen, 2012; Mudambi and Navarra, 2002). The fundamental concepts of the institutional perspective include "the belief, culture, codes, and knowledge that support rules and routines "(March and Olsen, 1998: 22). Thus it is argued that informal institutions are as important as formal institutions when assessing their influence on FDI location (Meyer and Peng, 2005). Institutions are of significant concerns to international business and in particular, to FDI location because when MNEs set their local operations in host countries, the host's institutional framework has a significant role in the process (Estrin et al., 2009; Meyer et al., 2009; Dikova and Van Witteloostuijn, 2007; Hotho and Pedersen, 2012; Shenkar, 2001; Henisz, 2000). When host country's institutions are strong and stable, they lower transaction costs and the level of policy uncertainty (Delios and Henisz, 2003; Meyer, 2001; Henisz, 2000), and enhance the local resources market efficiency (Meyer et al., 2009). In

addition, Lynch and Jin, (2016); and Perlmutter (1969) argues that the theory can conceptualize culture, gender, religion, social structure and related sociological factors, which have for so long been considered as necessary in international business development. In this view, the theory is in line with the current study, as the study seeks to analyse the influence of sustainable development goals such as gender equality and educations (which are part of host country's institutional dimensions) on FDI inflows.

In addressing which factors are included as institutions dimensions, Dunning and Zhang (2008) mention the ingredients of institutions such as the informal institutions (tradition and cultural morals) and the government structure which range from coercive, top-down laws and regulations to spontaneous and bottom-up behavioural norms or customers. A factor such as gender equality is featured within cultural norms and tradition (Norell Bergendahl, 2015).

Consider gender equality, which is an institutional dimension and one of the 'People' category goals of SDGs (Lynch and Jin, 2016; Hotho and Pedersen, 2012; Kirkman et al., 2006)**.** On the one hand, firms may use gender disparity to maximize their profit by exploiting the low-skilled and compliant female labour force (Braunstein, 2000). In the same way, countries might use gender disparities in employment to compete in the international economy since women are considered a secondary force in the labour market; thus their average wage could be lowered to cope with unemployment (Braunstein, 2000). In this perspective, low labour cost is regarded as a competitive advantage; however, this practice will increase the earning gap (Seguino, 2010; Seguino, 2000). Bui et al. (2018) argue that the gender disparity in education could result in an increasing number of under-educated or low skilled members of the workforce and provide a chance to reduce the production costs.

In the same way, Brzozowski (2013) finds that women's participation in national parliament might weaken FDI inflows. Brzozowski (2013) also argues that gender disparity in health and education could attract FDI because it gives more profit to foreign investors. After all, the more the discrimination, the more competitive the labour markets get as firms can lower their wage costs. Nevertheless, it is worth mentioning that women working in MNEs would generally have higher and stable earnings in comparison with their counterparts in traditional rural work such as farming, or temporary employment (Kabeer and Mahmud, 2004; Davin, 2004; Ver Beek, 2001).

On the other hand, increasing the number of women in the skilled labour pool may be more appealing to investors (Coleman, 2010; Busse and Nunnenkamp, 2009). Because women are considered as a more compliant labour force, less susceptible to strike and to fit for monotonous jobs, therefore, if they have an equal employment opportunity that can attract more FDI inflows (Braunstein, 2006). In the same way, Blanton and Blanton (2015) advocate that reducing gender gaps especially in education is of significance in increasing investment in low-skilled manufacturing industries, which is an area that comprises of much vertical investment. Various researchers show that MNEs prefer skilled labourers over cheap labourers as benefits of skilled labour supersede that of cheap labour (Te Velde and Morrissey, 2004; Kucera, 2002). The researchers advocate that women empowerment can enhance the business environment (Coleman, 2010; Busse and Nunnenkamp, 2009), which is vital for attracting FDI inflows.

Moreover, Coleman (2010) argues that increasing women's social and political rights help in improving social welfare, transparency, and legal protections. The author pinpoints the danger of obstructing women rights, as this might entail losing productivity and human capital. In general, women right have been considered an essential component of the economic development equation (Wong, 2012). It is portrayed that ensuring minority rights, particularly women rights, ensures prosperity and stability (Lemmon, 2011). This view is supported by evidence found by Coleman (2010) that ''women's disempowerment causes staggering and deeply pernicious losses in productivity, economic activity, and human capital''. In most developing countries, industries are labour intensity; therefore, gender equality is expected to contribute a lot to the wellbeing of their operations (Kucera, 2002). Therefore, there appears a sound theoretical basis to explain how culture, and gender equality in particular, could influence the productivity of the country as well as transactions cost hence influence the FDI inflows in a country.

In the same line, Lynch and Jin (2016) developed a more detailed conceptual framework exploring the institutional perspectives on international business. By institutional perspectives, the authors refer to both formal national rules and informal country factors as defined by North (2005, 1995, 1990). These are various structures that exist in the institutional environment which form the basis for a particular society and constrains which govern behaviour within it (North, 1990). The framework includes five broad factors, including people, performance, power, pathways to international expansion and

productivity. In the 'People' category is where factors like education, culture, gender, religion, social structures and level of income are featured (Lynch and Jin, 2016). According to Dunning and Lundan (2008), both formal and informal institutions affect the OLI (Ownership, Locational and Internalization advantages) configurations of the firm.

According to new institutional economists, the formal institutions play a significant role in stabilizing, reducing uncertainty, minimizing the market failures and alleviating information complexity in economic exchanges (Williamson, 2000; North, 1990). The formal institutions usually provide constraints via regulatory, political and economic structures because they have a significant impact and are likely to influence decisions (Holmes et al., 2013). Institutions in their nature can discourage or close off a particular attitude or course of action by reducing their value or making in overly costly (Dunning and Lundan 2008). In the same line, institutional economics emphasized the implication of the institutions on various vital decisions such as investment behaviour, functioning of the market and wealth generation (Whitley, 1992; Levine and Renelt, 1992). Furthermore, various institutional environments are polycentric, complex, multidimensional and interdependent (Ostrom, 2005; Scott, 1995; North, 1990).

Consider education as part of the formal institutional dimension as well as 'People' category goal. The education system, financial systems, health systems and market relations are considered as institutions in various societal domains which are reciprocally constituted and path-dependent (Hotho and Pedersen, 2012; Glaeser et al., 2004). Dunning and Lundan aver that factors such as education are included as the formal enforcement mechanism of the institutions, which affects the location advantages of the firm (2008: 583). Education has an impact in shaping and implementing the institutions. Other researchers argue that the enhancement of human capital through education enables economic growth, which in turn facilitates institutional upgrading (Glaeser et al., 2004). This implies that firms would decide in favour of the location that favours their OLI configurations

The New Institutional Theory adds value as it is also very relevant and applicable in developing countries than other theories because it helps to explain the unique features of formal and informal institutions in transition economies (Gelbuda et al., 2008; Meyer and Peng, 2005). As argued by Wright et al. (2005), and Peng (2005), the institutional theory is the most useful theory when studying business strategies such as FDI location and entry

mode in emerging markets (Meyer and Peng, 2005). This is because tradition theories were developed based on MNEs from western countries, thus incorporating an institutional-based view is very crucial in developing countries (Kand and Jiang, 2010). Research on IB issues in developing countries and transition economies have applied institutional theory to investigate the challenges that MNEs face in location decision and when operating in host countries with a varied and less sophisticated legal and institutional framework (Gelbuda et al., 2008)

Empirically, the theory seems to be adequate in explaining some of the 'People' category goals, particularly gender inequality. There is a consensus that the nature and quality of regional, national, or subnational institutions affect the location of FDI by providing opportunities or constraints within which these activities operate. Some research finds a significant influence of institutions in developing countries such as Smarzynska (2002) found that weak intellectual property rights discourage FDI inflows in high tech sectors. Bevan et al. (2004) also found some aspects of institutional advancement to enhance FDI inflows while other aspects do not. However, recent development has made scholars focus on explaining how the specific dimension of formal and informal institutions affects the choice of FDI location (Holmes Jr et al., 2013; Globerman and Shapiro, 2002). For example, which specific component of culture matters to FDI location; under which circumstances and why (Bhardwaj et al., 2007; Rothaermel et al., 2006; Siegel et al., 2013; Habib and Zurawicki, 2002). This thesis is taking this path. The thesis explores one of the component of culture, which is gender equality as among 'People' category goals and assesses its impact on FDI location choice.

In the context of FDI determinant studies, the findings in Table 3.1 prove that national competitive framework is capable of providing a cohesive explanation of foreign direct investment based on host countries' factors. A systematic search has provided seven empirical papers, which have applied the national competitive framework to investigate the countries'-based factors of FDI inflows (see table 3.1). This few numbers might be due to the newness of the link between the national competitive framework and FDI specifically (Delgado et al., 2012; Dunning and Zhang, 2008). Neither of the papers found has exclusively focused on sub-Saharan Africa, but most papers include the developing countries, which is a group of countries where Sub Saharan Africa belongs. This makes these empirical papers relevant to the context of this study. The lack of empirical paper

that tests the framework in Sub-Saharan Africa provide novelty for this study as it will be the first to test the framework exclusively in this new context.

In the paper by Narula and Wakelin (1998: 383), shows that the competitive framework and country factors seem to have more explanatory power in developing countries than to industrialized countries in explaining FDI inflows. The authors found technological capacity or resources to be significant and positive related to FDI inflows in developing countries the same as Dunning and Zhang (2008). Popovici and CAlin (2015), found competitiveness is directly related to FDI, and a study sample shows that the countries with high competitiveness receive more FDI per capita. The authors further claim that improvement in institutions, innovation and infrastructure, and labour market efficiency could increase FDI per capita based on correlation test, this a big claim based on a non-causality test because not all correlated variables have a cause and an effect. Finally, Matea Zlatković (2016) found improvement in infrastructure, health, primary and higher education to influence FDI inflows, Alsan et al. (2006) and Talukdar and Parvez (2017) found health to be a significant factor in attracting FDI inbound.

Table 3.1 : Empirical papers, which applied the national competitive framework (including human capital theory) in studying FDI locations' influences

Author (Year)	**Research subject**	**Method**	**Sample**	**Main findings**
Matea Zlatković (2016)	Does Enhancing the Competitiveness Influence on Foreign Direct Investments in Western Balkan Countries**?**	Benchmark method	4 Western Balkan countries	Improvement in infrastructure, health and primary education, higher education and training, technological readiness, and innovation improve FDI inflows.
Dunning and Zhang (2008)	Foreign Direct Investment and Locational competitiveness of countries	Cross-sectional regression analysis	117 countries for the year 2005	Public and private institutions (Ip) and technological capacity (T) are positive and significant related to FDI inflows to low-

				income countries, while it is a market efficiency to middle-income.
Popovici and CAlin (2015)	The effects of enhancing competitiveness on FDI inflows in CEE Countries	Correlation test and benchmark method	10 EU member states in Central and Eastern Europe	Improvement in institutions, innovation and infrastructure, and labour market efficiency could increase FDI per capita.
Alsan et al. (2006)	The Effect of Population Health on Foreign Direct Investment Inflows to Low- and Middle-Income Countries	panel data analysis	74 industrialized and developing countries over 1980–2000.	Gross inflows of FDI are strongly and positively influenced by population health in low- and middle-income countries.
Blanton and Blanton (2015)	Is Foreign Direct Investment "Gender Blind"? Women's Rights As A Determinant of US FDI	GMM (generalized method-of-moments) estimation technique	US FDI for the period 1982–2007	a significant relationship between women's rights and FDI, though both the statistical significance of the variables and the direction of the relationship with FDI vary across different types of investment

Asiedu E. et al. (2012)	The Impact of HIV/AIDS on Foreign Direct Investment: Evidence from Sub-Saharan Africa.	dynamic panel system General Method of Moments estimator (GMM)	40 countries in sub-Saharan Africa over the period 1990-2008	HIV/AIDS has a negative but diminishing effect on FDI, and this adverse effect occurs even when the HIV prevalence rate is as low as 0.1 per cent
Talukdar and Parvez (2017)	Measuring the Impact of Population Health and Education on Foreign Direct Investment: Panel Evidence From 46 Countries	OLS fixed-effect analysis	46 developing countries over the period 1996–2011	improving life expectancy by one year increases gross FDI inflows by about 7%
Bryant C and Javalgi R. (2014)	Global Economic Integration in Developing Countries: The Role of Corruption and Human Capital Investment	OLS regression	60 developing countries over the period 2005 to 2010	Corruption and human capital investment have a significant impact on global economic integration as proxied by FDI

3.4 Conceptual framework

From the review of various theories, national competitive framework rises to be the comprehensive framework that can guide this study and be able to explain how 'people' category goals can influence FDI inflows in Sub Saharan Africa. The framework links the 'people' category goals to FDI inflows using mainly productivity and business costs whereby human capital theory and institutional theory provide a theoretical explanation on the links.

Consider health and wellbeing as one of the goals; this factor was found to play an equal role to education in developing human capital and worker's productivity when the human capital theory was developed (Becker, 1962). Also, healthier workers with lower rates of absenteeism and longer life expectancy acquire more experience; all these contribute to higher productivity. In the same manner, healthier children have enhanced intellectual function and higher school attendance, allowing them to become better educated, productive and higher-earning adults (Bloom, 2005; Bhargava, 2001). Referring to global investment attractiveness as described by a national competitive framework, the higher the productivity in a country, the higher the FDI inflows. In addition, firms' profitability may also suffer if health-related costs are high and if they operate in a country, which has poor health infrastructure and personnel, they might incur a cost to develop health infrastructure or subsidize the costs for their employees (Alsan et al., 2006). The cost rising due to health issues in a location might deter FDI inflows.

When highlighting gender equality (as discussed in section 3.3.2.2) the institutional theory communicates how important are rights of the minority in improving the business climate, economic activities, productivity, and human capital, which are crucial requirements for FDI to be located in a country (Coleman, 2010). Productivity is enhanced through the promotion of gender equality in education, which consequently attracts efficient FDI inflows (Boserup et al., 2013). The institutional theory advocates that quality institutions help to reduce transaction costs, support productive activities, facilitate complicated exchange among social actors, and encourage skills acquisition, capital accumulation, invention and technological transfer (Kim and Aguilera, 2016; Rodrik, 1996; North and Institutions, 1990; North and Thomas, 1973). Increasing the number of women in the employment may be more appealing to investors (Coleman, 2010; Busse and Nunnenkamp, 2009) because women are considered as a more compliant labour force, less susceptible to strike and to fit for monotonous jobs, therefore, if they have an equal employment

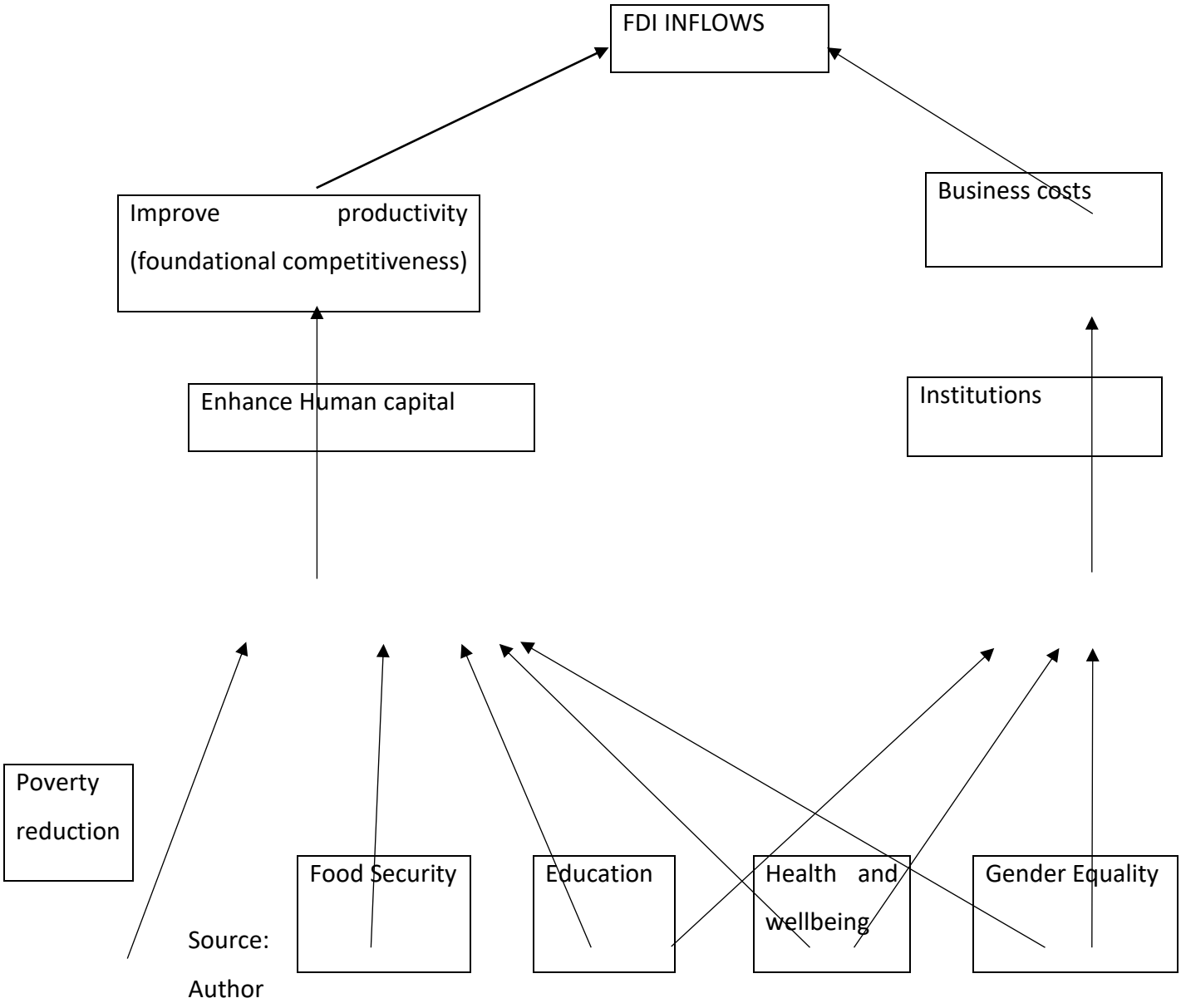
opportunity that can attract more FDI inflows (Braunstein, 2006). In this regards, we expect the positive relationship between gender equality and FDI inflows.

The poverty level moderates how various forms of human capital influence productivity in the country (Schultz, 1997). This is because if people are poor, they cannot afford quality education or quality health services or good nutritional meal; as a result, weak human capital bases will be formed and consequently cause low productivity. Low poverty rate promotes high demand conditions (sophisticated demand condition) which is one of the crucial factors for national competitiveness, hence high national competitiveness could bring more FDI. On the other way, when the poverty rate is reduced, it helps to improve the propensity to consume and increase per capita income, which enhances purchasing power; as a result, increases market-seeking FDI. Furthermore, the decline in the poverty rate can help to improve the nutrition level and health of the population, which in turn improves the physical and mental fitness of the workforce and productivity, results in higher efficiency-seeking FDI.

On the side of education, the framework name it as one of the factor conditions contributing to national competitiveness, which is an essential catalyst to FDI inflows. It is also clear that high education level improves productivity because an educated population executes duties with competence, minimum errors, are easily trainable consequently an educated and well-trained worker can handle a variety of tasks, lowering unit costs as opposed to the uneducated worker (Shatz, 2003). The increased productivity and reduction in costs would attract FDI in a country. On the other way, education is a crucial predictor of per capita income; hence, the higher the education, the higher the propensity to save and purchasing power and market-seeking FDI. In addition, a setting up of a plant or company requires a certain level of skill labour; thus, education level is significant in a location to attract FDI.

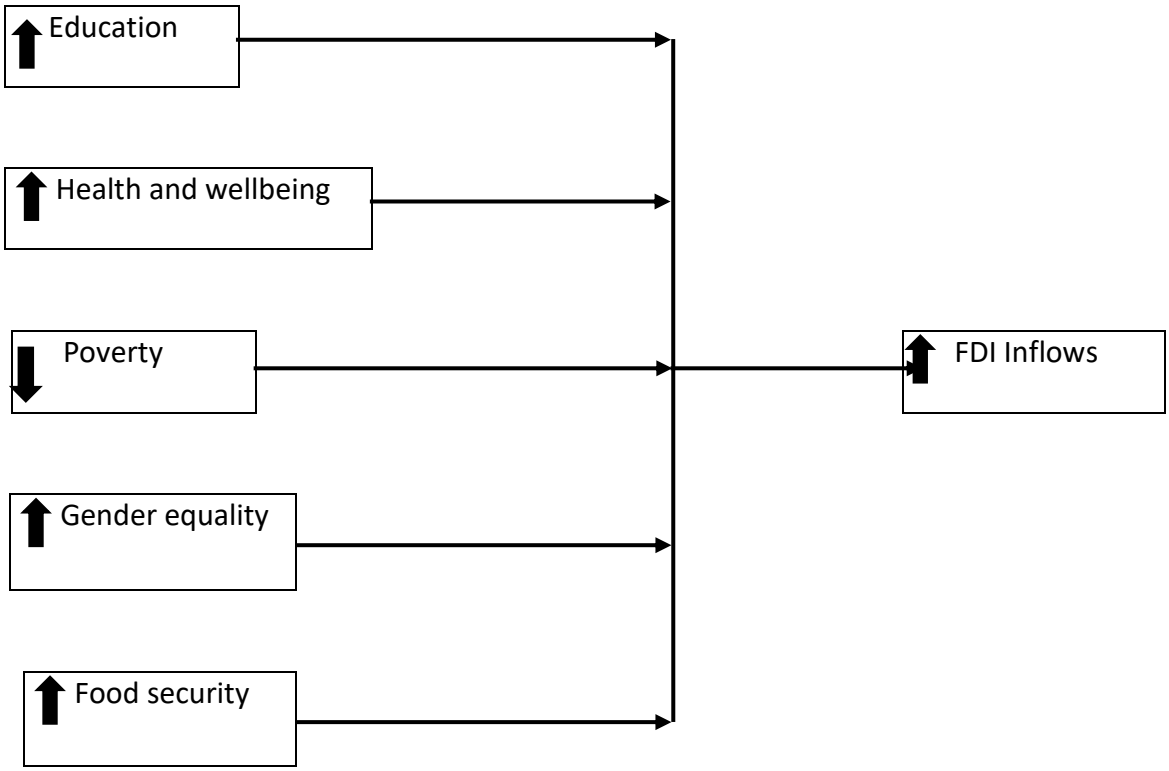
Finally, food security can help to improve the nutrition level of the population, which would improve the physical and mental fitness of the workforce and hence increase productivity because nourished workers are more productive than undernourished workers. The enhanced productivity will have a positive impact on FDI inflows, particularly efficiency-seeking FDI.

Figure 3.1: Diagrammatic Representation of Conceptual Framework



Source: Author

Figure 3.2: Testing Framework



Source: Author

3.5 Synthesis of the literature review

Throughout the review of various literature, three macro theories of FDI influences seem to be relevant to this study. Namely, the new institutional theory, the Investment Development Path (IDP) and the national competitive framework. The IDP is potentially relevant to this study as it explains how the economic development level of a country could be used to determine the FDI level of a country (Dunning and Narula, 1996). This implies that if a country advances economically, then the level of FDI also advances. However, the theory faces some limitations in qualifying to become a guiding theory to this study. Primarily, the original intent of the theory is different from the objective of this study. The theory was designed to assess the net outward investment (NOI) of the country, which is contrary to the objective of this study that seeks to assess how progress towards SDGs could influence FDI inflows. Second, different IDP levels are categorized using the FDI level, which could lead to an endogeneity problem in running econometric analysis when FDI inflows is an independent variable. Therefore, the theory is not applied to this study.

The national competitive framework rises as the main framework, which fits to explain all of the 'People' category goals on how they can influence FDI inflows in a country. Applying the framework to explain how 'People' category goals influence FDI inflows in Sub Saharan Africa is of vital since the framework has never been explicitly tested in the context of SSA (Delgado et al., 2012; Dunning and Zhang, 2008). The framework employs the institutional theory and human capital theory in providing theoretical underpinnings.

Institutional theory is relevant to this study because firstly, it explains how gender equality, education, health and wellbeing and level of income ('People' category goal of SDGs) influence FDI inflows (Hotho and Pedersen, 2012). Secondly, in the international business field, institutional theory has been incorporated recently (Peng et al., 2005; Mudambi and Navarra, 2002; Oliver, 1997) and there is a call for more research to apply institutional theory in explaining FDI influences of MNEs from developing countries (Peng et al., 2008). Thirdly, the theory provides theoretical underpinnings for a national competitive framework which is the most appropriate theoretical framework for this study. Finally, Wright et al. (2005) argue that institutional theory is the most useful theory when studying business strategy in emerging markets. This is because tradition theories were developed based on MNEs from western countries, thus incorporating an institutional-based view is very crucial in developing countries economies (Gelbuda et al., 2008; Meyer and Peng,

2005). However, the institutional theory is not applied individually but is featured in the national competitive framework together with human capital theory. The latter theory, provide a meaningful measurement of competitiveness which is productivity and explain how it can be achieved (Tompa, 2002; Schultz, 1997; Porter, 1990).

With regards to poverty and food security, it appears that we lack studies which assess how poverty affects FDI inflows. In contrast, poverty in a country affects the purchasing power, which might reduce market-seeking FDI or horizontal FDI (Q. Li and Resnick, 2003). Furthermore, poverty can affect nutrition level and health, which in turn affects the physical and mental fitness of the workforce, which would reduce productivity and hence affects efficient seeking FDI.

3.5.1 Research Hypotheses

Hypothesis 1: Lack of progress towards ending poverty of the country is negatively related to the FDI inflows to the country.

Food insecurity or undernourishment can affect physical fitness of employees which could affect productivity and hence reduce FDI flows (Alsan et al., 2006). This is because nourished workers are more productive than undernourished workers. However, many studies investigate the impact of FDI on poverty or food security and not the other way around (Mihalache-O'keef and Li, 2011; Gohou and Soumaré, 2012). The current investigation will fill the gap by assessing how poverty and food security affects FDI inflows.

Hypothesis 2: Lack of progress towards ending hunger is negatively related to the FDI inflows to the country.

Regarding the education quality, human capital theory informs that when the knowledge stock increase to the population of the country, the productivity increases in the country which in return increases the attractiveness of the country towards FDI inflows.

Hypothesis 3: Progress towards quality education is positively related to the FDI inflows to the country.

The systematic literature search on empirical papers reveals that, despite gender being seen to affect FDI inflows, still few papers address gender equality as a determinant of FDI inflows. This claim is supported by Busse & Nunnenkamp (2009) and Blanton & Blanton, (2015), who stated that the extant literature on FDI influences is gender blind. Their

findings show a significant relationship between gender equality and FDI inflows. However, the authors neglect to consider that the marginal effect of gender equality on FDI might depend, primarily, on the quality of human capital (Anyanwu and Augustine, 2013). Kucera (2002) revealed that the managers of multinational companies rate the quality of labour in the host country as more important than the cost of labour. Also, MNEs face high pressure notably from NGOs and other stakeholders to engage in corporate social responsibilities in order to address environmental and other social issues (Jain and Vachani, 2006; Spar and La Mure, 2003). Thus, MNEs may favour where social justice exists in general and gender disparity, in particular, is minimal without disregarding the quality of human capital. In addition, studies have mostly been on case studies, which is relevant to a particular case; however, the findings are difficult to compare with other studies and come up with some reflection on how gender affects FDI in a broader context (Fussell, 2000). Furthermore, the studies have mentioned being guided by the eclectic paradigm, but they do not specify which theory guide the studies (e.g Blanton and Blanton, 2015; Busse and Nunnenkamp, 2009).

Hypothesis 4: The progress towards gender equality is positively related to the FDI inflows to the country.

Despite the impact that health and wellbeing seem to have on FDI inflows still very few studies include health as a determinant of FDI location in their analysis. To the best of our knowledge, there are only five studies so far which include health as a determinant of FDI inflows. These include Talukdar and Parvez (2017), Asiedu et al. (2015), Alsan et al. (2006), Azemar and Desbordes (2009), and Ghosh and Francesco (2015). This claim of few papers can partially be confirmed by a statement of Asiedu et al. (2015: 2) who claim that "We found only three papers that have included a measure of health as an investigation evaluating whether health directly affects FDI, ceteris paribus". In addition, Alsan et al. (2006: 614) state that "To date, however, a relationship between population health and FDI has not been established in the empirical literature." They also added, "To the best of our knowledge, this represents the first empirical paper to investigate the relationship between population health and FDI".

Asiedu (2015) and Alsan et al. (2006) applied panel data analysis and found a significant and positive relationship between FDI inflows and population health in developing countries. On the other hand, Erdogan and Unver (2015) found health spending to have a

negative and statistically significant impact on FDI. However, the recent studies did not assess the varied significance of the non-traditional influences on FDI from different investing countries. Furthermore, some of the studies lack a comprehensive theoretical framework upon which they base their argument to explain the reason why health matters to FDI (See table 3.3). Most of them claim to use the Dunning Eclectic Paradigm without having a particular theory to underpin their argument.

Hypothesis 5: Lack of progress towards health and wellbeing of the country is negatively related to the FDI inflows to the country.

Table 3.2: Summary of hypothesis

Hypothesis	**Explanatory variable**	**Dependent variable**	**Hypothesized relationship to FDI flows**
H1	Lack of progress towards ending poverty	Global FDI inflows to SSA	Negatively related
H2	Lack of progress towards ending hunger	Global FDI inflows to SSA	Negatively related
H3	Progress towards quality education	Global FDI inflows to SSA	Positive related
H4	Progress towards gender equality	Global FDI inflows to SSA	Positive related
H5	Lack of progress towards health and wellbeing	Global FDI inflows to SSA	Negatively related
H6	Lack of progress towards ending poverty	FDI inflows from Developed countries to SSA	Negatively related
H7	Lack of progress towards ending hunger	FDI inflows from Developed countries to	Negatively related

		SSA	
H8	Progress towards quality education	FDI inflows from Developed countries to SSA	Positive related
H9	Progress towards gender equality	FDI inflows from Developed countries to SSA	Positive related
H10	Lack of progress towards health and wellbeing	FDI inflows from Developed countries to SSA	Negatively related
H11	Lack of progress towards ending poverty	FDI inflows from Developing countries to SSA	Negatively related
H12	Lack of progress towards ending hunger	FDI inflows from Developing countries to SSA	Negatively related
H13	Progress towards quality education	FDI inflows from Developing countries to SSA	Positive related
H14	Progress towards gender equality	FDI inflows from Developing countries to SSA	Positive related
H15	Lack of progress towards health and wellbeing	FDI inflows from Developing countries to SSA	Negatively related

Table 3.3: Empirical studies, which lack specific guiding theory but have assessed 'People' category goals

Author (Year)	Research subject	Method	Sample	Main findings
Noorbakhsh et al. (2001)	Human Capital and FDI Inflows to Developing Countries: New Empirical Evidence	The sample includes 36 developing countries from Africa, Asia and Latin America	Panel data regression (OLS)	(a) human capital is a statistically significant determinant of FDI inflows; b) human capital is one of the most important influences , and c) its importance has become increasingly higher through time
Cleeve et al. (2015)	Human Capital and FDI Inflow: An Assessment of the African Case	Panel data regression	Panel data for Sub Saharan Africa for the period 1980-2012	all measures of human capital (HK) have a significant influence on FDI, as are the traditional variables.
Busse and Nunnenkamp (2009)	Gender Disparity in Education and the International Competition for Foreign Direct Investment	Gravity model on bilateral FDI inflows	The analysis covers an unprecedented number of both host and source countries of FDI,	The results show that foreign investors are more likely to favour locations where education-related gender disparities are small. However, the discouraging effects of gender disparity on FDI are restricted to middle-income (rather than low-income)

				developing host countries and to investors from developed (rather than developing) countries

Chapter 4 : Methodology

4.1 Introduction

The purpose of this chapter is to outline and justify the methodology applied to respond to the research problem, research question and research hypotheses made. Following Saunders et al. (2009), the chapter discusses the philosophical assumptions of the study and develops a research design which guides the researcher to answer the formulated research question. The need to choose an acceptable philosophical position arises out of the necessity to have proper assumptions that guide the generation of the knowledge in a discipline. Since the research question combines two subjects, it is crucial to decide whether to follow one or merge several philosophical assumptions in answering the question, if the two disciplines differ in their philosophical positions (Sarantakos, 2012).

The current research intends to assess whether improvement on the Sustainable Development Goals in any of the Sub-Saharan countries will have a positive, negative or neutral effect on their foreign direct investment inflows. The research question includes mainly two disciplines, namely international business and economic development. Section 4.2 provides an overview of the ontological and epistemological positions of the study and identify the paradigm that guides the study. Section 4.3 discusses the research strategy; Section 4.4 explains the research design of the study. Section 4.5 outlines the research method and instruments (research tactics). Section 4.6 presents the qualitative data, which include how the interviews were analysed and writing up of the details. Section 4.7 discusses the operationalisation of the dependent, independent and control variables. Section 4.8 describes the economic model and a statistical tool for the analysis. Section 4.9 discusses the hypothesis formulated; section 4.10 Discusses the methods used for estimation, and finally, Section 4.11 summarises the chapter.

4.2 Research philosophy

The research philosophy mainly relates to the development of the knowledge and the nature of that knowledge (Saunders et al., 2009). The question of which philosophical paradigm applies to the study should be answered first before the subjects of which research methods, because of the former set basic belief system or world view that guide the investigation process in the choices of strategy, methods and ontological and epistemological ways (Saunders et al., 2009; Guba and Lincoln, 1994). Various philosophical paradigms present different ways of constructing ideas (ways of conceptualising

experience and reality), social experience (individual conduct, social relation and cultural practices in everyday life) and social reality (materially and socially constructed world) (Ramazanoglu and Holland, 2002). This is expressed in two main assumptions, which form the core of the philosophical paradigm and make them differ from one to the other; namely ontology and epistemology (Burell and Morgan, 1979).

The ontological approach relates to people's assumptions on how to see or view the world or the nature of social reality, for example, does the world consists mostly of social order or constant change (Bhattacherjee, 2012). In this regard, researchers have to decide if the reality they investigate is objective or the outcome of people's consciousness, in other words, whether it is external to the individual or the result of the individual consciousness (Burell and Morgan, 1979). The Epistemological approach relates to the set of assumptions on how understanding or knowledge about reality can be obtained (Blaikie, 2007). For instance, should we use a subjective or objective approach to study social reality? (Bhattacherjee, 2012). Ontology and epistemology assumptions inform that any social science research would fall between one of the two extreme sides of philosophical paradigms which are objectivism or subjectivism.

4.2.1 Subjectivism and objectivism paradigms

The nature of social reality is characteristically reduced, for the sake of simplification, to two complementing points of view; namely idealist (subjectivism) and realist views (objectivism), which are the two main aspects of ontology (Saunders et al., 2009). The objectivism paradigm relates to the belief that the social entities or social world exist in reality external to social actors concerned with their existence. This realist view regards both natural and social phenomenon to have a presence, which is independent of the activities of the human observer. Conversely "The subjectivism paradigm believes that perceptions and consequence actions make the social phenomena of those social actors concerned with their existence" (Saunders et al., 2009:110). This idealist view believes that what we see as the external world is just the appearance, but it cannot exist independently.

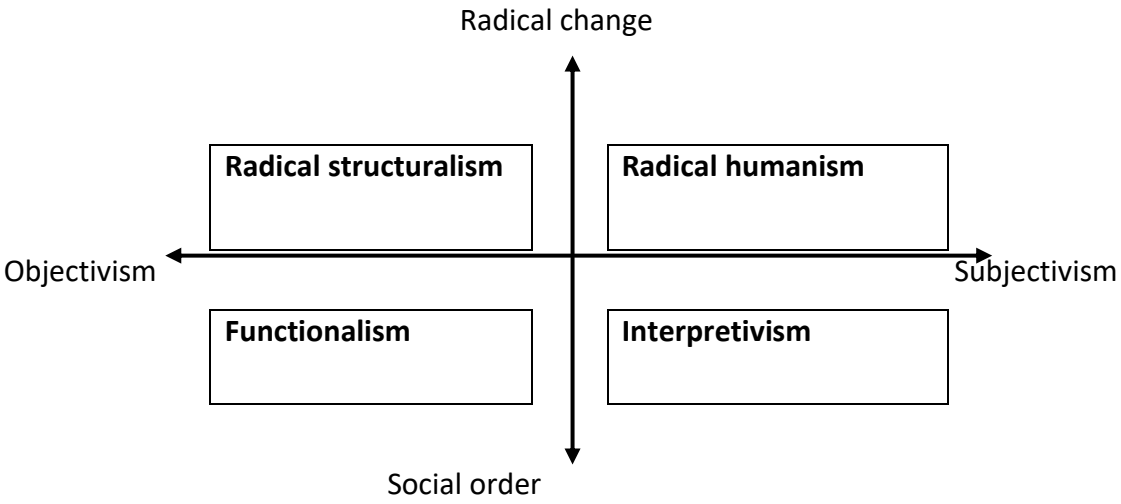
In practice, each of these paradigms has sub-paradigms within which social science research may be classified (Bhattacherjee, 2012). One of the sub-paradigms of objectivisms is functionalism, which is a point of view in which the researcher believes that the world mostly comprises of social order as ontology. Thus, the interest is to study the patterns of the ordered events or behaviour thinking that the best way to explore such a world is by

using an objective approach (epistemology). That is, the world is independent of an individual undertaking the observation or interpretation using, for instance, standardised data collection tools such as a survey. However, if the researcher believes that the social order has to be studied via a subjective approach, it will motivate the interviewing of different participants and reconciling their differences in response. Here the researcher is employing the interpretivism approach. The radical structuralist approach is when the researcher believes that the world comprises of radical change and intends to undertake or study change using an objective approach. However, if one wishes to understand social change by employing the subjective perspectives of the participant's involved then-radical humanist paradigm is applied.

The choice of philosophical paradigm is mainly influenced by the author's view on the relationship between the knowledge and the way it is developed (Saunders et al., 2009). This study focusses on how a change influences FDI inflow in Sub-Saharan Africa's (SSA) progress on Sustainable Development Goals; the author argues that FDI inflow is an objective social reality. The belief on objective reality is because FDI inflows have a globally recognised definition, means or structured procedures to measure it, observe it and universal laws to govern it, as administered by world trade organisation (WTO). Therefore qualifies to be an objective social reality (Bhattacherjee, 2012; Saunders et al., 2009). Also, the phenomena under study consist of the events that can be observed using human senses (Blaikie, 2007).

Concerning the research question and objectives, the study falls under functionalism. Because it does not use subjectivism interpretation, and the researcher believes in the existence of social order, thus interested in studying the ordered events. One of the aims of the research is to generalise the outcomes to the Sub-Saharan African countries; therefore, the subjective approach is not qualified because it is limited in this aspect.

Figure 4.1: Four paradigms of social science research



Source: Burell and Morgan (1979)

4.2.2 Positivism

As discussed in the previous section 4.2.1, the author believes that the phenomenon under study has objective reality (social order) and the best way of studying these patterns of the ordered events is by objective approach. In this regard, the author considers himself, as positivist believing that there is an objective reality, which we can study and understand it through various laws that govern it. Thus, the epistemological position that guides this study is positivism. This position adheres to the view that only factual knowledge gained through observations (human senses), including measurement, is a trustworthy manner (J. Collins and Hussey, 2003). The position has the ontological view that the world comprises of the discrete, observable elements and events, which interact in a visible, determined and regular manner (J. Collins and Hussey, 2003).

Different epistemologies can be distinguished by the type of knowledge they produce (Blaikie, 2007). The current PhD study aims at generating factual knowledge gained through observation (the senses) and application of measurements. In doing research, a researcher follows upon systematic protocol and techniques and uses quantitative methods to analyse data (Blaikie, 2007).Thus, the knowledge generated has sure foundations and is believed to be objective.

In pursuing this study, the following kind of knowledge might be generated. Foremost, an extension of the theoretical framework (application of the Porters national competitive framework in the new phenomenon-SDGs and FDI). Many types of research which combine

the two disciplines assess how FDI inflows affect economic development (Adams, 2009; Alfaro et al., 2004). In contrast, this study investigates if changes in poverty level, food security, quality education, gender equality and health and wellbeing can influence the flows levels of foreign direct investment in SSA countries. Second, the study tests the applicability of national competitive framework (Delgado et al., 2012) in Sub-Saharan Africa. From the theories underpinning the research, the author derives several hypotheses and tests them through the collected data. If the data results match the theory that provides support for its use; if they do not match, then the theory should be rejected or modified. Third, this study is highly policy-relevant because it examines the effects of the degree of attainment of specific UN Sustainable Development Goals on inward FDI performance. In doing so, it is topical, timely and relevant because of the expanding role of FDI as a source of investment in developing countries and the study's ability to inform both evidence-based policy-making in developing countries and the Sustainable Development Goals agenda at UNCTAD with robust evidence. Thus, the research indicates which among the goals are significant determining factors and to what extent.

One aspect where a positivist will differ from a post-positivist is how the later assumes multiple perspectives from participants, while positivist assumes a single reality (Creswell, 2012). The current study assumes single reality because increase or decrease in FDI inflows (the subject of this study) is determined because of the universally accepted way of measuring it. Empiricists differ to some extent to positivists, as not all empiricists pursue positivist approaches although most supposed positivist pursue empiricism. Empiricism is a camp that believes genuine knowledge can be obtained only from the facts, which can be proved by human senses (Kurki and Wight, 2007). Conversely, pragmatists focus on outcomes, which means the focus is on what works to address the research question. The pragmatic approach gives the author the freedom to choose among many methods, and pragmatic researchers can use multiple ways to answer questions (Creswell, 2012).

At the other extreme from positivist paradigms is the position of anti-positivists, which includes interpretivism, critical theorists, feminists, critical realists and social constructivism (Benton and Craib, 2011). Anti-positivists recognise moral considerations, and their philosophy is firmly based on non-laws or regularities in the world of social affairs. They believe that the social world is relativistic and can only be understood by investigating the individuals who are directly involving in those activities to be investigated. They reject

a standpoint of ‘observer’, which is used by positivists to understand human activities. Thus, one has to follow from inside rather than from outside. They reject the point of view that science can generate any objective knowledge (Creswell, 2012).

The presented criticisms aim at questioning the viability of the positivist paradigm as a dominant paradigm. The discussion will help to understand whether this dominance means positivism is a well-established approach to address questions in these fields or there is a gap in the extant literature of not being able to establish other paradigms and defend them. However, studying the social world, by using the same method for studying natural sciences and the physical world, is what brings criticism of the positivist paradigm (Ali and Chowdhury, 2015). This style encourages interpretivism, critical theorists, feminists, critical rationalists' realists as labelled by Benton and Craib (2011) as anti-positivists, to criticise the approach for the lack of adequacy in viewing the nature of social reality. To understand the social realities in the disciplines above, the authors such as Coviello and Jones (2004) in international business, Nørgaard (2008) and Stanley and Doucouliagos (2012) in political science and Brand (2009) in business ethics acknowledged a need to initiate other epistemologies. Positivism in social science may be broadly embodied as depending upon the contention that the concepts and methods employed in natural sciences can be applied to form a ‘science of man’, or ‘natural science of society’ (Blaikie, 2007). Furthermore, the research problem is somehow restricting in this context. The author intends to follow a deductive logic to approach the problem, which is associated with positivism (Blaikie, 2007).

4.3 Research approaches

In research, it is not the matter of which instruments are selected for collecting the data and analyse them but more importantly is how logically knowledge can be generated (Burell and Morgan, 1979). The logical procedures which end-up providing the right answers to the research questions and make adequate knowledge in a field of study are what are referred to as research approaches.

Two types of research approaches are the Inductive research approach, which starts by collecting data, analysing data, and developing a theory as a result of data analysis. Usually, the approach helps to study people and their characteristics and patterns to explain them. Starting research by collecting and analysing data helps the researcher to get understanding on the matter and be able to generate a generalisable knowledge which can

also be used to explain patterns (Robson, 2002; Burell and Morgan, 1979). In contrast, the deductive research approach which this study adopts starts at a different point in complement to an inductive strategy. Deductive research observes regularity and considers an already formed theory which purports to explain it. After that, reductive researchers will collect data to test if the theory explains (or, we might say, forecasts) the phenomena. If the theory fails to explain (or forecast), it should be adjusted, or it should cease to be used (Burell and Morgan, 1979).

Research strategies are customarily situated within the broader philosophical perspectives known as philosophical paradigms (Blaikie, 2007). The philosophical paradigm which governs this study is positivism, which adheres to the view that only factual knowledge gained through observation (human senses) including measurement, is trustworthy (Sarantakos, 2012). The position has the ontological view that the world comprises of the discrete, observable elements and events, which interact in an observable, determined and regular manner (H. Collins, 2010). In this regards, deductive research strategy becomes an appropriate approach in carrying the intended investigation. It is a deductive research strategy because there are theories which can be used to explain the phenomena and then use the data to test them. Furthermore, positivist studies adopt a deductive approach, whereas inductive is usually associated with phenomenology philosophy (Crowther and Lancaster, 2008). Moreover, when applying positivism, the researcher needs to be independent of the research, and the study should be purely objective (Wilson, 2014).

The main difference between research strategies is how they answer 'why' questions; one way is by using the existing theory or ideas on a problem or inventing a new theory then test its relevance in the context (deductive). The choice of whether to construct a theory or theory testing is influenced by the level of knowledge in the problem area. Alternatively, one can assemble several possible solutions or explanatory mechanisms and try to test their existence (retroductive). The style is top-down knowledge creation. On the other hand, is to work bottom-up that is to derive theory and concepts from the situation (Abductive RS), early stages of inductive research strategy is bottom-up then it turns to be top-down (Burell and Morgan, 1979).

Table 4.1: Major differences between deductive and inductive approaches to research

Deduction emphasises	**Induction emphasises**
scientific principles	gaining an understanding of the meanings humans attach to events
moving from theory to data	
the need to explain causal relationships between variables	a close understanding of the research context
the collection of quantitative data	the collection of qualitative data
the application of controls to ensure validity of data	
the operationalisation of concepts to ensure clarity of definition	
a highly structured approach	a more flexible structure to permit changes of research emphasis as the research progresses
researcher independence of what is being researched	a realisation that the researcher is part of the research process
the necessity to select samples of sufficient size to generalise conclusions	less concern with the need to generalise

Source: Saunders (2009).

4.4 Research design

The primary task in designing a piece of social research is to work out how to answer the research questions, and that requires logics and procedures in line with the epistemology (Easterby-Smith et al., 2012; Burell and Morgan, 1979). This section discusses the research design in line with the research problem and the epistemology, as discussed in the previous sections. The research design put forward the research plan, strategy and structure in answering the research questions (Singh, 2007). The way one chooses to answer research questions is influenced by the selected research philosophy and approach (Saunders et al., 2009).

The research strategies are such logics, which provides a starting point and a set of procedures which enables a researcher to answer 'what', 'why' and 'how' questions (Blaikie, 2009). After formulating the research problem and research questions, choosing a research strategy or a combination of them is the crucial decision that a researcher must make. Apart from research strategies, a researcher has also to choose to be either an outsider or insider, expert or learner and on, for or with people (Blaikie, 2007).

4.4.1 Explanatory vs exploratory design

Explanatory studies seek to study the problem or situation in order to explain the relationship between variables (Saunders et al., 2009), in contrast, the exploratory study seeks new insight, find what is happening and assess phenomena in a new light (Marshall and Rossman, 2014; Strauss and Corbin, 1990). The conceptual framework informs the aim of the study, to test the relationship between 'People' category SGDs and FDI inflows to evaluate the suitability of the national competitive framework in the developing countries. Thus, the study falls under explanatory studies (Singleton et al., 2005). The interest of this study is to assess the relationship between socio-economic location variables, and the level of FDI flows in the Sub-Saharan African countries.

4.4.2 Quantitative vs qualitative designs

The philosophical position which governs this study is positivism. The positivism philosophy depends on quantifiable observations that lead themselves to statistical analysis. In this regards, the methodological focus of positivism is on nomothetic. The nomothetic approach tends to generalise (common to natural science) based on assessing objective phenomena, doing research upon systematic protocol and techniques and uses quantitative methods for the analysis of data, a path this research pursues (Blaikie, 2007).

There are various methods to answer the given research questions; however, these ways differ from each other in their suitability on the questions. One could choose between qualitative and quantitative methods. Given that positivism is the philosophical assumption, which is in line with the research questions and objectives, the quantitative methods are the more appropriate method to apply in carrying the investigation. Most of the positivist studies pursue the empiricism approach, which puts much emphasis on methods such as time series analysis, longitudinal and cross-sectional analysis (Coviello and Jones, 2004). Also, most international business and entrepreneurship studies emphasise inferential statistics and hypothesis testing. Generally, the positivist approach aims at

recording, measuring and predicting reality through a set of predetermined variables and constructs (Coviello and Jones, 2004: 498).

4.4.3 Time horizons (Longitudinal research design)

In regards to time horizons, the study of a particular phenomenon could be designed to be undertaken at a specific time (a pure cross-sectional analysis) in contrast to those which could be a representation of events over a period (a pure longitudinal analysis) (Saunders et al., 2009). Given the research the question is to assess the change in FDI inflows in SSA caused by the progress of SSA countries towards Sustainable Development Goals, the appropriate time horizon for this study is the longitudinal research design. However, the impact will potentially differ in different nations – thus, cross-sectional factors must also be considered. Thus the study employs panel data to conduct the analysis.

Baltagi (2008) summaries the benefits of using panel data:

- Firstly, panels allow for individual heterogeneity in individuals, states, firms, countries, and regions, which is absent in time series and cross-sectional studies. Panel data techniques can control the state-invariant and time-invariant variables, while time-series research or a cross-sectional study cannot. They can also identify and measure effects that are not noticeable in pure cross-sectional or pure time-series data.
- Secondly, panel data gives more informative data, more variability and less collinearity among the variables. It also provides more degrees of freedom, more efficiency, and more reliable parameter results.
- Thirdly, Panel analysis is more suited to studying the dynamics of adjustment than a purely time-series study. Panel data techniques are better suited to study the duration of economic states like unemployment or GDP growth. If the panel data are long enough, they can explain the speed of adjustment to economic changes. Panel data studies are also crucial to the estimation of intertemporal relations, life-cycle and intergenerational models. Finally, panel data techniques construct and test more complex behavioural models than pure time-series data. By using panel data, biases from aggregation over countries or individuals may be reduced or even eliminated.

The drawbacks of using panel data are usually concerned with model design and data collection, distortions of measurement errors, selectivity problems (self-selectivity, nonresponse and attrition in the panel over time) and cross-section dependence (Badi Baltagi, 2008).

4.5 Research method and instrument

In this section, the finer details of data collection instruments, sampling, data collection process, and how to do data management are discussed.

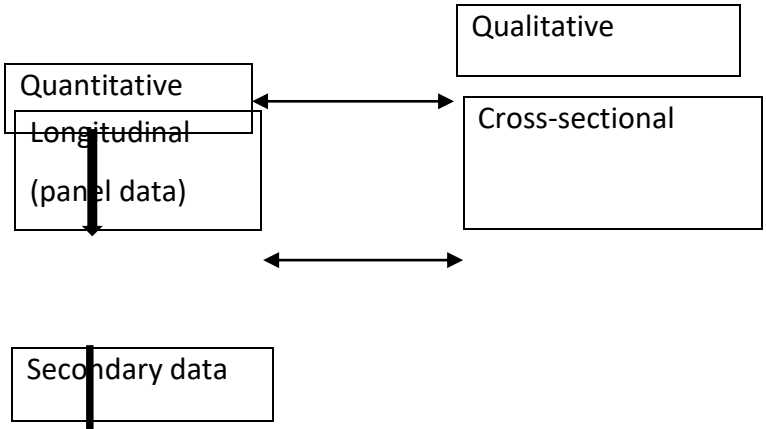
4.5.1 Data collection Instrument

The study employs mainly quantitative secondary data from various well-recognised and reputable databases in the world as well as bespoke data from the United Nations Conference for Trade and Development (UNCTAD). The uniqueness of the bespoke UNCTAD dataset is one of the greatest advantages of this research. The research used the online desk review to collect data from World Bank (World Development Indicators), UCTADSTAT, polit IV database, Worldwide Governance Indicators(WGI) database, global SDG database and ILO statistics.

The main advantage of this data collection method is efficient and less costly (Birnbaum, 2004). However, the researcher needs to be information specific when searching for relevant information online. Furthermore, the study used an established relationship during a research fellowship done in 2016 to collect bespoke data from UNCTAD. This is the data that is not available for the public to consume.

The longitudinal or panel data set developed covered 38 Sub-Saharan African countries for the period 2001-2016 due to data availability. For bilateral FDI flows, this thesis used bespoke country-level data from UNCTAD. Since the data set was collected from world reputable organisation, the reliability of the data is high. In addition, because of the nature of the models developed, the data set fit appropriately in the analysis since the study also assesses the differential significances of variables due to different investing countries. For the SDG indicators, the study employed the relevant data from the Global SDG database, World Development Indicators (WDI), and FAOSTAT. For control variables, most of the data were from the World Development Indicators (World Bank), Worldwide Governance Indicators(WGI) database and UNCTADSTAT. The detailed data source information is found in Table 4.2, 4.3 and 4.4.

Figure 4.2: Research Instrument



Some qualitative data were collected to supplement the quantitative analysis and set a context for the stud. The study used interviews to collect data from the officers responsible for investment decision for MNEs invested in Africa and have affiliates in Tanzania.

4.5.2 Sampling

The following section outline the sampling process and how the author chose the sample for the study. The study is confined within the Sub-Saharan African region, which has 48 countries. The aim was to collect and analyse data from all 48 SSA countries; however, the number of SSA member countries included in the analysis is reduced to 38 due to data availability.

4.5.2.1 Unit of analysis

The unit of analysis for this study is the Sub-Saharan African countries. In particular, the country level FDI inflows of SSA countries is analysed to see how it is influenced by social changes reflecting the countries' success (or otherwise) in achieving Sustainable Development Goals.

4.5.3 Data collection process

This study utilises the bespoke bilateral FDI inflows data for Sub-Saharan African countries from the United Nations Conference for Trade and Development (UNCTAD). There is full access to most of the well-recognised databases to collect data for other variables (independent and control) because they are from publicly accessible databases. The databases used include UNDP database, FAOSTAT, WDI and global SDGs database maintained by the UN. These are databases which were used to collate all data regarding Indicators of SDGs (education, health and wellbeing, food security, poverty and gender equality) from 2001 to 2016. The other databases used are World Development Indicators

(WDI) maintained by World Bank (WB), world governance indicators database, and UNCTADSTAT maintained by UNCTAD, to provide the study with data for control variables.

4.5.4 Data Management

There are three data sets used in this thesis for dependent variables in the three models analysed. The three data sets are global FDI flows to SSA data set, developed countries FDI flows to SSA data set, and developing countries flows to SSA data set. Each dataset is composed of bilateral Foreign Direct Investment (FDI) flows data as the dependent variable, 'People' category of Sustainable Development Goals (SDGs) data as independent variables and control variables data for Sub-Saharan African countries.

The first step in producing the data sets was to get the bilateral FDI flows data for Sub-Saharan African Countries. The bilateral FDI flows data were obtained from UNCTAD as a bespoke data (not publicly available) in the form of mirror data. The mirror data provides the amount of FDI inflows received by a particular Sub-Saharan African country from individual countries around the world as well as the amount of FDI outflows this country invests in different countries around the world every year. From the mirror data, the partner countries for each Sub-Sahara African country from which FDI flows were grouped into developing and developed countries. After this, we create distinctive bilateral FDI flows data sets, which shows the amount of FDI flows into SSA countries from developed countries as one dataset and developing countries as the other data set. The aggregate or global FDI flows to SSA countries were obtained from UNCTADSTAT. The three unique FDI data sets namely global or aggregate FDI flows data set (*FDI*), FDI flows from developed countries data set (*FDID*), and FDI flows from developing countries data set (*FDING*) were cleaned and rearranged into a long format. The format makes the data clear and usable data set ready to be combined with independent and control variables.

The second step was to create the data set for explanatory variables (SDGs data), which is the same data set for all the three dependent variables data sets. The data for explanatory variables (SDGs data set) is the same for all the three dependent variables sets because it is the same progress of a country towards SDGs. For example; education, it is assessed if it is progress has a different influence on FDI flows that come from global, developed or developing countries. The 'People' category SDGs are end poverty; end hunger; quality education; health and wellbeing; and gender equality (UN, 2015a; UN, 2016b). Some data

of the Sustainable Development Goals data were obtained from World Development Indicators (WDI) maintained by the World Bank. Some data from ILO statistics, UNDP database, FAOSTAT and global SDGs database, which was created by the United Nations to track the record of the progress of all united nations' member countries in regards to the Sustainable Development Goals.

The third step was to prepare data for control variables, which are also the same for all the three dependent variables data sets. The control variables data set is the same because the aim is to analyse whether the control variables' influence also varies if FDI flows come from different origins, i.e. globally, from developed or developing countries. The control variables included are natural resources rent; population; market size; market growth; infrastructure; governance; openness; macroeconomic variables (national indebtedness). The control variables data were obtained from UNCTADSTAT, Worldwide Governance Indicators (WGI), Polity IV dataset and World Development Indicators (WDI).

Finally, each of the three distinctive FDI bilateral flows data set was combined with 'People' category SDG data set and control variables data set for SSA countries. Using the statistical software package STATA, the dataset was then cleaned and rearranged into long format panel data to form three full distinctive data sets. Some of the nations, namely Somalia, Comoros, Burkina Faso, Gambia and Sao Tome, were removed because they had data availability problems. The removed countries had missing data for most of the required variables. In the end, the three full data sets have satisfactory data for 38 countries among the Sub-Saharan African countries. A list of countries included in the study is provided in the Appendixes table 0.5.

The data has been stored according to MMU's institutional guidelines. The study applies the Stata 16 version to clean data, arrange the data in a long panel data format and to perform all analytical procedures required.

4.5.5 Data limitations

The bilateral data available publicly is minimal; however, we managed to get bespoke data from UNCTAD, which covers a big part of Sub-Saharan Africa, which is the region of interest in this study. The bespoke data obtained cover well data for 38 countries which account for more than 90 per cent of both FDI flows to Sub-Saharan Africa and GDP of SSA. While the

countries that miss data are small in terms of GDP and FDI inflows, namely Comoros, Somalia, Burkina Faso, Gambia and Sao Tome, the coverage of data used provides confidence to give inferential from the analysis, although we cannot make a whole inference.

The study also considered the possibility of assessing the factors of FDI inflows at the sector level; the data available is very limited, which prevent the research from making an inference to it. However, the study managed to conduct some qualitative interviews to top-level managers of MNEs operating in Sub-Saharan Africa with subsidiaries in Tanzania to cover the limitation of the data.

In addition, there has been limited data for various indicators of poverty. Most of the available indicators have data in five years while the analysis for this study is annual. In resolving the problem, we follow Blanco et al. (2016), Albulescu and Goyeau (2016) and Azemar and Desbordes (2009) to do linear interpolation to fill the gaps.

4.5.6 Missing data

Various measures of variables have missing observations. Because of the missing data, it is essential to include qualitative analysis to complement the quantitative analysis.

The countries which were removed from the study because of missing data are geographically diverse; these are: Comoros, Mauritania, Mauritius, Sudan, Somalia, South Sudan, Sao Tome and Principe, Swaziland, Gambia, and Burkina Faso. The removed countries account for 7.41 per cent of the global FDI flows which go to the SSA region in 2016. In addition, the total GDP of the removed countries from the sample account for only 6.51 per cent of the total GDP SSA (Authors' calculations based on UNCTADSTAT, 2019). Therefore the included sample is a sufficient representation of the population of SSA as it accounts for 92.59 per cent of total FDI inflows to SSA as well as 93.49 per cent of GDP of SSA.

4.6 Contextual qualitative data

As argued by Alsan et al. (2006), the weakness of the cross-country approach that we have applied in this study is its reliance on national averages. For large countries such as Nigeria with a significant difference across provinces or regions, FDI inflows may be triggered by local conditions and not national ones. On the other side, the regional level seems more appropriate, for example, Bloom et al. (1998) found that part of southern Africa displays

distinctive disease epidemiology due to historical and shared ecological features, this can affect distinctively the FDI flows. In this regard, to qualify our cross country approach, we supplement our analysis by qualitative analysis for investors who have invested in Sub-Saharan Africa and have affiliates in Tanzania.

After the statistical analysis was done, six interviews were undertaken to supplement the quantitative analysis. The after analysis interviews help to provide context and explore the findings in greater depth (Sharma et al., 2018; Crick, 2007; Greene et al., 1989).

The interviews were used to collect qualitative data from the MNEs which have invested in Sub-Saharan African countries and have affiliates in Tanzania. The study used purposive and snowballing sampling to get the participants. Different investors were sampled from the internet search, depending on the readiness of the companies. A total of six interviews were carried out: four from multinational companies; and two from Tanzania government officials who are responsible for investment promotions and research.

Face-to-face and phone interviews were used as the primary data collection techniques (Yeung, 1995) since the study aims to develop "a genuine understanding of the world views of members of a social setting" (Bryman and Bell, 2007, p. 477). In particular, top managerial personnel of the selected MNEs such as country chief executive officer (CEO), and Chief operating officer (CEO) were interviewed to understand their views on what real influence their investment decisions. The interviews were semi-structured informed by the literature review, with specific questions relating to underlying motivations for FDI activity, and if they have a relation with SDGs. The author conducted six interviews in English language, which is the business language in the study context. The interviews were also recorded and later transcribed by the author. The study also drew on secondary data from multiple sources, including MNE's websites and reports to complement information obtained from the interview. Complementing enabled the triangulation of data (Yin, 2003), reduced respondent bias and increased validity and reliability of our evidence base (Ghauri and Gronhaug, 2002).

4.6.1 Write-up

The whole idea of write up is delayed narrate the case for each interview. The write-up is purely descriptive; however, they help the researcher to familiarize with a significant

amount of data (Gale et al., 2013). The process allows the unique patterns for each case to emerge before the researcher push to general patterns across cases (Eisenhardt, 1989).

4.6.2 Analysis of the contextual qualitative data

The data generated were analysed using content analysis approach, which is a widely used method of developing a systematic description of the content of qualitative data or archival (Gaur and Kumar, 2018; Prince et al., 2011; Sydserff and Weetman, 2002; Aronoff, 1975). This approach involves transcribing, organising and categorising the interview data into relevant themes identified from the earlier stated research questions (Sinkovics et al., 2007). Sometimes the method is referred to as the coding method. The method is used when the researcher is interested in utilizing an entire dataset to identify themes presented through data. The codes can be undertaken deductively, which means codes are identified before analysis and then looked for in the data. Inductively is when codes emerge from the data. Alternatively, abductively, which is when the codes emerge iteratively. This study undertakes the codes deductively, which means codes or themes are identified before analysis and then assess the whole interview data to find relevant narration.

The particular procedure of content analysis adopted was the meaning-oriented analysis, which requires the researcher to focus on the underlying themes in the observed data, matching appropriate content with the pre-formulated research questions, and interpreting the findings accordingly (Sydserff and Weetman, 2002; Aronoff, 1975). This meaning-oriented analysis approach is more acquiescent to an issue-by-issue presentation approach as it allows for judicious use of exact quotes from the study MNEs to address the explored research questions (Yin, 2003; Miles and Huberman, 1994). Both within-case and cross-case analysis were undertaken (Eisenhardt, 1989).

Other methods which could be applied to analyse the interviews include keywords in context (KWIC). This technique is beneficial when the data seems to have less wealthy information or when the researcher has specific words he is looking for (KWIC), which is not the case for this study. For instance, analysis of the culture of the use of the words. The researcher would identify words which are used frequently or which have been used unusually. Then pick the words before and after that word to use in a KWIC analysis. Keywords can be chosen based on prior theory or based on the frequency of use (Leech

and Onwuegbuzie, 2007). Another technique is word count which is counting the number of times the word has been used. This is based on the belief that the most critical word will be repeated more often. The reasons for counting is to identify patterns more efficiently, to verify a hypothesis and to maintain analytic integrity. However, the word counting could be misleading and could fail to bring the intended meaning if it is not used in the context (Leech and Onwuegbuzie, 2007). Another technique which is similar to content comparison analysis is classical content analysis , however, in this technique, the themes are not created; instead, the codes are counted on how much they have been used. The codes are produced deductively and can be included as a descriptive analysis of the data and can be analysed quantitatively.

Other techniques which could be applied include domain analysis which involves search for larger units of cultural knowledge called domains. As in constant comparison analysis, the researcher is naming the chunks with codes, in this technique are called domains. Some researchers believe that domain analysis should be left for ethnographic researches as suggested by the founder of domain analysis (Spradley, 1979). However, the domain analysis allows viewing the data from a different angle and helps the researcher to engage more with the data. It is instrumental when a researcher wants to understand the relationships among concepts (Leech and Onwuegbuzie, 2007). As conceptualized by Spradley (1979), domain analysis involves a six-step process: (1) select a single semantic relationship (repeated), (2) prepare a domain analysis worksheet (repeated), (3) select a sample of informant statements (repeated), (4) search for possible cover terms and included terms that fit the semantic relationship (repeated), (5) formulate fundamental questions for each domain (repeated); and (6) make a list of all hypothesized domains. Because the result of domain analysis is to create further structural questions for the participant, this tool for analysis is best used during the data-gathering phase (Leech and Onwuegbuzie, 2007). Another technique is a taxonomic analysis which is the second step after domain analysis. In this analysis, the researchers are trying to understand how the participants are using a particular kind of words (Leech and Onwuegbuzie, 2007. However, the domain analysis can be used alone or be combined with taxonomic analysis. Once the domains have been chosen, one domain is picked and put as a taxonomy. Taxonomy is a classification system that inventories the domains into a flow chart to help the researcher understand the relationship among the domains. In the current research, the aim is not to understand how participants use particular words thus

the technique doesnot fit. Finally is componential analysis. This technique is another step that can be taken after domains are created. Componential analysis is a "systematic search for attributes (components of the meaning) associated with cultural symbols" (Spradley, 1979: 174). Since all these later techniques build their concept on domains analysis, they all fail to be applicable in this research because domain analysis focuses on assessing cultural knowledge. The following section presents the operationalization of key variables, which is to indicate how variables are defined and measured.

4.7 Operationalisation of the key variables

The model of the study explains the influence of the improvement towards the Sustainable Development Goals by SSA country on FDI inflows. In this regards, the dependent variable for this study is the bilateral FDI inflows to Sub-Saharan African countries, and the explanatory variables are the five 'People' category goals of Sustainable Development Goals and control variables.

4.7.1 Dependent variable

The dependent variable of the study is FDI inflows from various countries in the world reported by Sub-Saharan African countries. The bilateral FDI flows data used are bespoke data from United Nation Conference on Trade and Development (UNCTAD).

The gross FDI inflow is used as a dependent variable driven by both theory and data consideration. Globerman and Shapiro (2002) argue that FDI inflows are preferred to FDI stock because it captures recent and relatively significant changes in the behaviour of FDI, which cannot be achieved by FDI stock. Also, the calculation of FDI stock is not homogeneous across countries. Notably, the gross FDI inflow is used because, first, the measure looks more suitable in assessing the kind of characteristics of the country that entices investors. Furthermore, gross FDI flow is what matters and not net FDI when considering knowledge spillovers as the central benefit of FDI (Alsan et al., 2006).

Table 4.2: Operationalisation of the dependent variable

Variable and abbreviation	**Measured as**	**Data Source**	**Measurement scale**	**Empirical foundations**
-Global FDI inflows (FDI)	Natural logarithm of	Bespoke data from UNCTAD	Gross FDI inflows in a	(Bryant and Javalgi, 2016; Agosin and

-FDI inflows from Developed countries (FDID) -FDI inflows from developing countries (FDING)	bilateral gross FDI inflows		million US dollars	Machado, 2007; Alsan et al., 2006)
	Net FDI inflows per GDP	UNCTAD	Net FDI inflows per GDP	(Kheng et al., 2017; Chanegriha et al., 2017; Busse and Nunnenkamp, 2009; Blanton and Blanton, 2007; Mina, 2007)

4.7.2 Explanatory variables

This section discusses the main factors which this study is interested in assessing how they influence the FDI inflows in the Sub-Saharan African countries. These factors are the 'People' category goals of Sustainable Development Goals (SDGs), which include end poverty, end hunger, health and wellbeing, gender equality and quality education. The explanatory variables chosen are based on the theoretical guidelines of Porter's national competitive framework, as outlined in the theoretical framework (figure 6 in chapter 3). The analysis has tested all indicators or measures of the variables presented in this section as informed by the literature review rich literature in the FDI influences strand (table 4.4). The reason of including multiple measures for each of the variables is because it provides a sense of robustness, avoid common method bias and enables one comprehensively to address causal specificity, i.e. a way in which different aspects, for example, of gender inequality might differently affect the business cost and FDI location (Kucera, 2001).

Since changes in the independent variables may take time to reflect the dependent variable, we lagged all of our independent variables by one year (Büthe and Milner, 2008; Blanton and Blanton, 2015). We apply natural logarithm to every explanatory and control variable that is greater than 100. This transformation has the advantage to reduce the influence of large values, make variables' value have the same reading and allow the coefficient directly to be interpreted as elasticity (Azemar and Desbordes, 2009).

4.7.2.1 End poverty

The goal is that of ending poverty in all of its forms and dimensions, including eradicating extreme poverty by 2030 (UN, 2015a). Following Christiaensen et al. (2011) and Adams Jr (2004), we use headcount index which is measured as a proportion of the population(in percentage) living below international poverty line (1.9 US$ per person per day). The headcount index does not include the amount by which income(expenditure) of the poor fail to meet the poverty line (Adams Jr, 2004).

For this reason, the study includes as well poverty gap index which presents in percentage how far the average income (expenditure) of the unfortunate fall short of the poverty line of US$1.9 per person per day (2011 PPP). For instance, a poverty gap of 15 per cent means that the average income(expenditure) of the poor people is 85% of the poverty line. The other measure included is the squared poverty gap index, which measures the severity of poverty. When a person changes from poor to poorer, the headcount index and poverty gap do not change while the squared poverty gap index changes (Adams Jr, 2004). We also employ a proportion of the employed population (in percentage) below the international poverty line (US$1.9 per day). The data is annualised and include both sexes (UN, 2016c). We have set the poverty line to be the international poverty line which is 1.9 US$ per person per day in 2011 purchasing power parity (PPP) exchange rates to ensure comparability across countries.

All measures of poverty had missing variables; in particular, most data are presented in five years; we, therefore, follow Blanco et al. (2016), Albulescu and Goyeau (2016) and Azemar and Desbordes (2009) to use linear interpolation to fill the missing data. We could not find the papers that assess the influence of poverty on FDI inflows; hence, we used proxies that were used in studies that evaluated the impact of FDI on poverty. The leading indicator used to measure progress towards ending poverty is the poverty gap (LagPovertygapfinal).

Poverty gap is the percentage of the total population that fall short of the poverty line of 1.9 $ per day.

4.7.2.2 End Hunger

The goal aims at ending hunger and ensuring access by all people, in particular, the poor and people in vulnerable situations – including infants –, to safe, nutritious and sufficient food all year round. As per our level of knowledge, we did not find a paper that assesses how food security affects FDI inflows in Sub-Saharan African countries. We, therefore, follow a development paper by Mihalache-O'Keef and Li (2011) to measure the progress of ending hunger progress using the prevalence of undernourishment rate on an annual basis (the data is in percentage, and it includes both male and females (UN, 2016c)). We expect the undernourishment rate to be negatively related to FDI inflows. This negative link is because inadequacies in a person's nutrition reduce their ability to produce output. In contrast, according to human capital theory, low productivity reduces the country's competitiveness or attractive towards FDI (Slimane et al., 2015).

We also follow Breisinger et al. (2010) and Diaz-Bonilla et al. (2000) in using the ratio of food imports to total exports to measure the level of food security. The measure allows measuring food security in the country by assessing the ability of a country to obtain adequate foreign exchange from exports required to finance food imports (Slimane et al., 2015). We expect the coefficient on this ratio to be negative because, when the ratio increases it shows less of export value to cover the foreign currency needed for food import, which suggests food insecure and that deters FDI flows (Breisinger et al., 2010). Other measures of the goal include agriculture orientation index for government expenditure (AgrIndex), and total official flows (disbursements) for agriculture, by recipient countries (millions of constant 2017 United States dollars) (FLOWAGR). The variable was mainly measured by the prevalence of undernourishment (lagPrevalence).

4.7.2.3 Quality education

The goal aims at providing inclusive and equitable quality education at all levels of early childhood, primary, secondary, tertiary, technical and vocational training. All people, irrespective of sex, age, race or ethnicity, and persons with disabilities, migrants, indigenous peoples, children and youth, especially those in vulnerable situations, should have access to lifelong learning opportunities. That helps them to acquire the knowledge

and skills needed to exploit opportunities and to participate fully in society (UN, 2015a). We follow Miningou and Tapsoba (2017), Cleeve et al. (2015), Azemar and Desbordes (2009) and Nunnenkamp and Spatz (2002) in using average years of schooling to measure the progress of education in the country. Though the mean years of schooling provide the duration of the school, the variable does not give the level of the education system (Miningou and Tapsoba, 2017). In this regard, we follow Cleeve et al. (2015) and Alsan et al. (2006) to include gross primary, secondary and tertiary enrolment rates to proxy for education levels. Cleeve et al. (2015) also argue that secondary school education level seems to be the minimum level to stimulate efficiency-seeking FDI

Other indicators employed include the volume of official development assistance flows for scholarships by sector and type of study and literacy rate (Cleeve et al., 2015; Suliman and Mollick, 2009; Kucera, 2001; Hanson Ii, 1996). These measures individually do not capture all effects of the education; thus, the current study follows Afzal et al. (2012) and (2011) to employ an education index as well. The index was constructed by UNDP to include adult literacy rate (ALR) with two-thirds weighting, and the combined primary, secondary and tertiary gross enrolment ratio (GER) with one-third weighting are added together. Cleeve et al. (2015), and Noorbakhsh (2001) found a positive and significant relationship between human capital and FDI inflows. The study applied mainly tertiary enrolment rates to measure quality education in SSA countries.

4.7.2.4 Health and well being

The goal aims at promoting physical and mental health and wellbeing, and to extend life expectancy for all. The target is to achieve universal health coverage and access to quality healthcare. Also, the goal aims at accelerating the progress made to date in reducing newborn, child and maternal mortality by ending all such preventable deaths before 2030 (UN, 2015a). The measure of health that accounts for mortality rates and morbidity effect of ill-health is preferred in the current study.

Alsan et al. (2006) used life expectancy to assess the impact of population health on FDI and found it to be positive and significant. However, their study did not evaluate other dimensions of population health on FDI, while different aspects may have a disparate impact. Usually, higher life expectancy is associated with lower morbidity and overall better health status (Murray et al., 1996). Nevertheless, health is a multidimensional concept;

thus, life expectancy might not capture all the complexity of population health because different dimensions of health may have different economic effects (Gallup and Sachs, 2001). In Sub-Saharan Africa, three communicable diseases have a tremendous impact on health and employers are concerned on the current and future effects of these diseases mainly HIV/AIDS, Tuberculosis and Malaria (Azemar and Desbordes, 2009). We, therefore, utilise estimated HIV incidence rate, tuberculosis incidence per 100,000 population and Malaria incidence per 1,000 people to account for other dimensions of population health in Sub-Saharan Africa and their impact on FDI flows (e.g., Gallup and Sachs, 2001, show that even after accounting for life expectancy, endemic malaria affects economic growth). The study used mainly the tuberculosis incidence per 100,000 population to measure health and wellbeing .

The current study also follows Alsan et al. (2006) in employing life expectancy at birth to measure health and well-being to account for the aggregate impact that health condition in the region has on FDI flows. The study assessed as well the combination of health and wellbeing and education to observe if the adverse effect of diseases on FDI inflows can be mitigated by quality education. We expect a positive sign on the coefficient on the life expectancy variable (Alsan et al., 2006) and negative sign on coefficients on the proxies which captures HIV/AIDS, malaria and TB (Asiedu et al., 2015; Azemar and Desbordes, 2009).

4.7.2.5 Gender Equality

The goal aims at ending all forms of discrimination against all women and girls everywhere as well as to eliminate all forms of violence against all women and girls in public and private spheres, including trafficking and sexual and other types of exploitation (UN, 2015a). Gender inequality in education makes many females miss educational opportunities as well as increase unit labour cost, which, might reduce the average labour productivity in the country (Busse and Nunnenkamp, 2009). Gender equality in education is measured by the gender parity index (GPI) of the gross primary school enrolment, secondary school enrolment, and tertiary school enrolment (Barro and Lee, 2013). The study uses a ratio of female to male labour force participation rate (%) to measure gender inequality in employment. It is believed that the gender gaps in the labour force participation are a reasonable proxy for gender gaps in the overall employment rate (Wu and Cheng, 2016).

Gender gaps in education mighty end up contributing to gender gaps in employment, particularly in the formal sector, where they prefer educated workers. However, the two gaps are not measuring the same thing; thus, it is important to investigate them separately (Klasen and Lamanna, 2009; Berik et al., 2009). The significant gender disparity in employment keeps the labour wages gap higher and competitiveness lower than they might have been otherwise (Braunstein, 2006).

To capture gender gap in leadership participation or women's representation in administrative or managerial occupations the study applies the proportion of seats held by women in (a) national parliaments and (b) local governments (Kucera, 2001). The study follows Stotsky (2016) to include gender inequality index (GII), which captures empowerment (measured by the proportion of parliamentary seats occupied by females and proportion of adult females and males aged 25 years and older with at least some secondary education and economic status (expressed as labour market participation and measured by labour force participation rate of female and male populations aged 15 years and older).

Blanton and Blanton (2015), Busse and Nunnenkamp (2009) and Kucera (2002) assessed the influence of gender equality on FDI inflows, whereby all studies found gender equality to be significant and positively related to FDI inflows except Kucera (2002). However the studies have limitations, for instance, the survey by Kucera (2002) was purely cross-sectional while in the current study we avoid that by using panel analysis which assesses the relation changes overtime between gender equality and FDI flows. Also, Busse and Nunnenkamp (2009) applied gender disparity in education only and could not use gender disparity in employment because of data availability problems. The focus on gender disparities in education only present some limitations and in general the inference of gender disparity' effect on FDI remain indirect and incomplete. This is because, gender disparities in education tend to capture the net effect of the two transmission mechanism through wages and labour productivity, without being able to separate them (Busse and Nunnenkamp, 2009). In the current study, as presented earlier, gender equality in education, employment and leadership participation will be captured to assess their impact on FDI flows.

From the conceptual discussion and empirical studies, it shows that gender equality cultivates FDI flows (Blanton and Blanton, 2015; Busse and Nunnenkamp, 2009; Kucera, 2002). We mainly applied school enrolment, secondary (gross), gender parity index (lagSGPI) to measure progress towards gender equality.

Table 4.3: Summary of the operationalisation of the explanatory variables

Variable and abbreviation	Measures	Data Source	Measurement scale	Empirical foundations
poverty	The proportion of population below the international poverty line (%)-Headcount index	UN SDGs Global database	Percentage of population living under 1.9$ per person per day	(Christiaensen et al., 2011; Adams Jr, 2004; Anríquez and López, 2007; Hung, 2005)
	Poverty gap at $1.90 a day (2011 PPP) (%)	UN SDGs Global database	Measured as a fall short in the percentage of an average income(expenditure) of the poor to the poverty line(1.9$ per person per day)	(Christiaensen et al., 2011; Adams Jr, 2004; Anríquez and López, 2007)
	The squared poverty gap index	Authors calculation based on the UN SDGs Global database	square of the poverty gap	(Adams Jr, 2004)

	Employed population below the international poverty line, by sex and age (%) (+15) both sex	UN SDGs Global database	Percentage of employed population living under 1.9$ per person per day	
End hunger	Prevalence of undernourishment	UN SDGs Global database	Per cent of the total population	(Abegaz, 2018; Mihalache-O'keef and Li, 2011; Azemar and Desbordes, 2009)
	daily per capita energy consumption, in kilocalories	World Development Indicators (WDI)	kilocalories per person per day	(Slimane et al., 2015; Djokoto, 2012; Mihalache-O'keef and Li, 2011; Jenkins and Scanlan, 2001)
	Food imports over total export	FAOSTAT	It measures the vulnerability of a country to secure food imports	(Breisinger et al., 2010; Diaz-Bonilla et al., 2000)
Education	Years of schooling	UNDP database (UNESCO Institute for Statistics (2018))	The average number of years of education received by people ages 25 and older	(Miningou and Tapsoba, 2017; Cleeve et al., 2015; Barro and Lee, 2013; Azemar and Desbordes, 2009; Wang, 2009; Klasen and Lamanna, 2009; Cohen and Soto, 2007; X. Li and Liu, 2005; Nunnenkamp and Spatz,

				2002; Barro and Lee, 2000; Seguino, 2000; Eaton and Tamura, 1996)
	Gross primary school enrolment	UN SDGs Global database	The ratio of total enrolment, regardless of age, to the population of the age group that officially corresponds to the level of education shown.	(Miningou and Tapsoba, 2017; Chanegriha et al., 2017; Strat, 2015; Boermans et al., 2011; Bengoa and Sanchez-Robles, 2003; Wilhelms and Witter, 1998)
	Gross secondary school enrolment	UN SDGs Global database	The ratio of total enrolment, regardless of age, to the population of the age group that officially corresponds to the level of education shown.	(Kheng et al., 2017; Talukdar and Parvez, 2017; Miningou and Tapsoba, 2017; Chanegriha et al., 2017; Naanwaab and Diarrassouba, 2016; Cleeve et al., 2015; Erdogan and Unver, 2015; Strat, 2015; Lee et al., 2013; Bengoa and Sanchez-Robles, 2003; Noorbakhsh et al., 2001; Levine and Renelt, 1992; Mankiw et al., 1992; Schneider and Frey, 1985; Root and Ahmed, 1979)

	Gross tertiary school enrolment	UN SDGs Global database	The ratio of total enrolment, regardless of age, to the population of the age group that officially corresponds to the level of education shown.	(Kheng et al., 2017; Talukdar and Parvez, 2017; Miningou and Tapsoba, 2017; Chanegriha et al., 2017; Cleeve et al., 2015; Strat, 2015; Lee et al., 2013; Noorbakhsh et al., 2001; Levine and Renelt, 1992; Mankiw et al., 1992)
	Public expenditure on education as a percentage of GDP	World Development Indicators (WDI)	percentage	(Kheng et al., 2017; Vranovci, 2016; Kar, 2013)
	Literacy rate (square of adult literacy rate)	UNDP database	percentage	(Cleeve et al., 2015; Suliman and Mollick, 2009; Kucera, 2001; Hanson Ii, 1996)
	Education index	UNDP database		(Agosin and Machado, 2007)
Gender equality	female and male ratios of total years of schooling	UN SDGs Global database	female and male ratios of average years of schooling in the population aged 15 and above	(Barro and Lee, 2013; Busse and Nunnenkamp, 2009; Klasen and Lamanna, 2009; Kucera, 2001)

	School enrolment, primary (gross), gender parity index (GPI)	UN SDGs Global database	The ratio of girls to boys enrolled at primary level in public and private schools.	(Vranovci, 2016; Hill and King, 1995)
	School enrolment, secondary (gross), gender parity index (GPI)	UN SDGs Global database	The ratio of girls to boys enrolled at secondary level in public and private schools.	(Vranovci, 2016; Hill and King, 1995)
	School enrolment, tertiary (gross), gender parity index (GPI)	UN SDGs Global database	The ratio of women to men enrolled at the tertiary level in public and private schools.	(Vranovci, 2016)
	The ratio of female to male labour force participation rate (%)	UN SDGs Global database	The ratio is calculated by dividing the female labour force participation rate by the male labour force participation rate and multiplying by 100.	(Barro and Lee, 2013; Klasen and Lamanna, 2009)

	The proportion of seats held by women in (a) national parliaments and (b) local governments	UN SDGs Global database	Ratio	(Blanton and Blanton, 2015)
Health and wellbeing	Life expectancy at birth	World Bank	years	(Kheng et al., 2017; Talukdar and Parvez, 2017; Klasen and Lamanna, 2009; Alsan et al., 2006)
	HIV- Number of new HIV infections per 1,000 uninfected population	UN SDGs Global database	ratio	(Asiedu et al., 2015; Azemar and Desbordes, 2009)
	TB- Tuberculosis incidence (per 100,000 population)	UN SDGs Global database	ratio	(Azemar and Desbordes, 2009)
	Malaria- Malaria incidence (per 1,000 people at risk)	UN SDGs Global database	ratio	(Azemar and Desbordes, 2009)

4.7.3 Control Variables

The study includes control variables to assess if factors other than people categories of Sustainable Development Goals influence FDI inflows in SSA. The control variables are added to enhance the robustness of the model. With regards to controlling variables, we follow Cleeve et al., (2015), Arregle et al. (2013), Nunnenkamp and Spatz (2002) to include country size (market size), rate of market growth,natural resources, labour, infrastructure, governance indicators, openness to trade and national indebtedness.

4.7.3.1 Natural resources endowment

Natural endowments have been included because they influence the prosperity of the country and ultimately the FDI inflows in a country (Delgado et al., 2012) as foreign capital seeks to access and commodify additional resources for expanding globalised supply chains. Following the literature on natural resources and FDI inflows, the measures of natural resources are categorised into two groups; natural resources as an export drive (natural resources are expressed as a proportion of exports or the proportion of exports which are natural resources) and as a contribution to GDP (Bokpin et al., 2015). We follow Paton Micale R. (2018) and Bokpin et al. (2015) and employ aggregate natural resources rent as a share of GDP which includes all benefits from the natural resources be profits, wages or taxable income. The aggregate natural resources rents are the sum of oil rents, natural gas rents, coal rents (hard and soft), mineral rents, and forest rents. The importance of including all these measures is that natural resource cannot be overlooked even when a country is endowed with only one of the resources (Bokpin et al., 2015). The proxy for natural resource endowments is, therefore, total natural resources rents (% of GDP) whereby the expected sign on the coefficient is positive (Paton Micale, 2018; Bokpin et al., 2015).

4.7.3.2 Labour force

Among the reasons of foreign investors to invest abroad is to look for the availability of cheap labour that would reduce their production costs compared to the country of origin (Dunning, 1993). For a country to have adequate labour availability, the population of a country is essential (Bryant and Javalgi, 2016). We, therefore, follow Arregle et al. (2013) and Vaaler (2008) to control for the working-age population in each country. The population chosen is of ages 15 to 65 years for both sexes, which is the ideal age for the workforce as per World Bank and UNCTAD categorisation (Barro et al., 2004). Some studies

use the total population to account for the working-age group because of data availability problems (Mengistu and Adhikary, 2011). However, the current study uses the relative workforce, which is the ratio of the working-age population (15-65 years) divide by total population. The expected sign on the coefficient is positive (Arregle et al., 2013; Alsan et al., 2006; Kucera, 2001)

4.7.3.3 Market size

The size of the host market, which also represents the host country's economic conditions and the potential demand for MNE's output, is a crucial element in FDI decision-making (Cleeve et al., 2015; Gheasi et al., 2013; Nunnenkamp and Spatz, 2002). The larger the market size, the larger the economies of scale, which implies a more significant attraction of FDI inflows. Consider, for example, India and China, which have managed to attract massive FDI inflows due to their market size. To proxy for market size *(SIZE)*, we follow Cleeve et al. (2015) and Nunnenkamp and Spatz (2002) to use natural logarithms of real Gross National Income (GNI). The expected sign on the coefficient of market size is positive (Cleeve et al., 2015; Nunnenkamp and Spatz, 2002).

In most cases, the more developed countries attract more FDI flows than less developed countries this because of the differences in consumer purchasing power, infrastructure and capital endowment (Li and Resnick, 2003; Jensen, 2003). We, therefore, follow Gheasi et al. (2013), Klasen and Lamanna (2009), Alsan et al. (2006) and Chakrabarti (2001) to include GDP per capita to assess the impact of economic development of the country on FDI inflows. The expected sign on the coefficient of the GDP per capita is positive (Elfakhani and Mackie, 2015; Mina, 2007)

4.7.3.4 Market growth (GDP growth)

The real GDP growth rate (GDPW) was introduced to proxy for the growth potential of market size. We follow Kheng et al., (2017), Busse and Nunnenkamp(2009), (Asiedu, 2002), Schneider and Frey (1985) and Root and Ahmed (1979), to use GDP growth as a proxy for market growth. GDP growth is calculated as annual percentage changes in GDP to avoid collinearity with GNI. The expected sign on the coefficient is positive since more economic growth assures greater market availability for investors (Chanegriha et al., 2017; Erdogan and Unver, 2015; Busse and Nunnenkamp, 2009; Agosin and Machado, 2007; Asiedu, 2002; Nunnenkamp and Spatz, 2002; Chakrabarti, 2001).

4.7.3.5 Infrastructure

Good and sophisticated infrastructure in terms of both transportation and communication can enhance the productivity of MNEs and therefore, may cause the country to attract more foreign direct investment (Alsan et al., 2006). Following Ojong et al. (2015), Ramirea and Komuves (2014), Gruneberg and Folwell (2013) and Goodspeed et al. (2006), the current study applied gross fixed capital formation per GDP to measure the infrastructure. Gross fixed capital formation includes funds for the construction of roads, land improvements, plant, machinery and equipment purchases, and railways, offices, schools, hospitals, private residential dwellings as well as commercial and industrial buildings. We also applied mobile cellular subscriptions to proxy for the infrastructure of the host country (Mina, 2007; Alsan et al., 2006). However, this proxy is limited as it accounts for the availability of infrastructure and not reliability (Alsan et al., 2006). This limitation is more relevant to developing countries where support for infrastructure is low; hence tapping availability itself does not represent the reliability (Asiedu, 2002).

Alsan et al. (2006) applied telephone mainlines and found it to be positively and significantly related to FDI inflows. However, this study could not use mobile subscriptions because it was not sufficiently developed when the study was conducted, but now the mobile network is well established; hence, the current study applies mobile line subscriptions. It is expected that the better the infrastructure, the more FDI inflows (Kaur et al., 2016; Mat and Harun, 2012). Therefore, the expected sign of the coefficient on the infrastructure variable is positive.

4.7.3.6 Governance indicators

These are factors which impose checks on government and indicate the ideology under which people and organisations in the society are governed (Blanton and Blanton, 2007; Henisz, 2000). How the host country is governed has a significant impact on MNEs' decision to invest in that country because country governance affects how MNEs operate and can create substantial uncertainty if there is poor governance in the country (Harms and Ursprung, 2002; Jensen, 2003). FDI inflows can be affected by the quality of bureaucratic institutions in the country (Globerman and Shapiro, 2002; Stein and Daude, 2001). In addition, laws on expropriation, equity ownership restrictions, and capital repatriation in the host country could as well affect MNEs and FDI inflows significantly (Mahajan, 1990;

Hajzler, 2014; Li, 2009). Researchers suggest that checks are useful to investors because they limit unpredictable and sudden policy changes (Blanton and Blanton, 2007; Henisz, 2000). However, some MNEs could favour autocratic ruling countries to obtain favourable deals with the government, to reduce the risks of collective bargaining and get cost advantage in labour (Bucheli and Aguilera, 2010; O'Donnell, 1988).

Conversely, it has been argued that where the level of political democracy is weak, the government accountability to citizens and businesses is less which allows for autocratic control, political instability and corruption, hence FDI inflows are less likely to be attracted (Globerman and Shapiro, 2002; Orr and Scott, 2008). Therefore, it is expected that the coefficient on the governance index will be positively related to FDI inflows. We follow Elfakhani and Mackie (2015) and use a combined governance index which is calculated by taking the average of the individual governance indicators. Thus we took the average of political stability (PS), government effectiveness (GE), Control of Corruption (CC) and the rule of law (ROL) index scores. The scores range from -2.5 (poor governance) to 2.5 (good governance). Wei (2000) found that corruption hurt FDI inflows while Habib and Zurawicki (2002, p. 303) argue that countries with different levels of corruption tend to disincentivise MNEs doing business altogether. In either case, a higher value of the index is better, because it means better governance and this may attract higher FDI inflows.

4.7.3.7 Trade Openness

It is a standard hypothesis that trade openness promotes FDI inflows. When an economy is more open in terms of fewer barriers to trade, fewer tariffs and less bureaucracy in opening and operating the business; the trade and capital flow smoothly, thus allowing more FDI (Chanegriha et al., 2017; Medvedev, 2012; Busse and Nunnenkamp, 2009; Blanton and Blanton, 2007; Nunnenkamp and Spatz, 2002). Among the advantages of an open host economy is to facilitate importation of intermediate inputs from abroad to the host country, which is required by most MNEs (Alsan et al., 2006). Also, for MNEs which are interested in exporting products from the host country to the global market, an open economy is preferred; otherwise, quotas, tariffs, and other forms of capital controls will reduce the MNEs' profit (Asiedu and Lien, 2004).

We follow Kheng et al. (2017), Busse and Nunnenkamp (2009), Blanton and Blanton (2007) and Nunnenkamp and Spatz (2002) to compute trade openness as a ratio of total export

and import to GDP in examining the impact of trade openness on FDI inflows to Sub-Saharan Africa. The expected sign of the coefficient on the trade openness with FDI inflows is positive (Asiedu et al., 2015; Busse and Nunnenkamp, 2009).

4.7.3.8 Macroeconomic stability

Sound macroeconomic policies that maintain both internal and external balance of the macroeconomic system is preferable to attract FDI inflows (Balasubramanyam and Salisu, 2001; Ahn et al., 1998). Following Azemar and Desbordes (2009), we have chosen inflation and national indebtedness to account for macroeconomic conditions of Sub-Saharan Africa countries.

Inflation

The country's (price) inflation rate is a good indicator of the ability of the government to manage the economy (Erdogan and Unver, 2015; Fischer, 1993). When the inflation rate is high, it brings demand contractionary pressure, which affects the profit of the MNEs in the country (Gedik, 2013). Thus, many countries do their level best to maintain low inflation because it plays a vital role in stimulating FDI inflows (Erdogan and Unver, 2015; Gedik, 2013).

To measure the macroeconomic stability of the economy, we follow Medvedev (2012) and Fischer (1993) to use inflation as a proxy. Inflation is measured by the annual percentage change in the consumer price index. It is expected to find a negative sign on the coefficient describing the relationship between FDI and inflation, i.e. the higher the inflation, the less the FDI inflows (Demirhan and Masca, 2008; Asiedu, 2006). Various studies found inflation to have a significant and negative relation with FDI inflows (Ranjan and Agrawal, 2011; Demirhan and Masca, 2008; Matthias Busse and Hefeker, 2007; Asiedu, 2006; Nonnenberg and Mendonca, 2004; Kucera, 2001).

National indebtedness

Foreign national indebtedness is another good indication of how the macroeconomy is managed in a country (Collier and Gunning, 1999). For instance, high foreign debt to GDP ratios of a country creates vulnerability to external shocks, which creates uncertainties to investors (Azemar and Desbordes, 2009). As a result, a country may devise new taxes on companies or capital restrictions to rescue the situation (Poirson et al., 2004). External

indebtedness affects a country's creditworthiness and investor perceptions (Collier and Gunning, 1999).

We follow Azemar and Desbordes (2009) and Van der Ploeg (2012) to measure national indebtedness as a ratio of external debt stock to GNI. We expect the sign on the coefficient to be negative (Chanegriha et al., 2017).

Given a comprehensive literature review and given that the current study does not aim at assessing the complete influences of FDI; instead, it is interesting to determine how people category goals influence FDI inflows in the sub-Saharan African countries. The chosen control variables are sufficient as they represent the most relevant set of factors that emerge from the FDI determinant literature.

Table 4.4: Summary of the operationalization of the control variables

Variable and abbreviation	**Measures**	**Data Source**	**Measurement scale**	**Empirical foundations**
Natural resources rent (NRR)	Natural resources endowment	World Bank (World Development Indicators-WDI)	Total natural resources rents (% of GDP)-measured as the sum of oil rents, natural gas rents, coal rents (hard and soft), mineral rents, and forest rents	(Paton Micale, 2018; Bokpin et al., 2015)
Labour force (POP)	Population between the age of 15 to 65 (labour force)	UNCTADSTAT	Natural logarithm of the absolute value	(Arregle et al., 2013; Alsan et al., 2006; Kucera, 2001)
	Working population	Authors calculations based on the UNCTADSTAT data	the ratio of the population between the age of 15 to 65 (labour force) to the total population	

Gross National Income (GNI)	Market size (demand)	World Bank (World Development Indicators-WDI)	Real GNI (constant 2010 US$)	(Cleeve et al., 2015; Gheasi et al., 2013; Nunnenkamp and Spatz, 2002) Root and Ahmed and Schneider and Frey,
GDP per capita (GDPPC)	Purchasing power	UNCTADSTAT	Real GDP per capita (constant 2010 US$)	(Chanegriha et al., 2017; Kurul and Yalta, 2017; Gheasi et al., 2013; Klasen and Lamanna, 2009; Bhardwaj et al., 2007; Alsan et al., 2006; Jensen, 2003; Habib and Zurawicki, 2002; Chakrabarti, 2001; Kucera, 2001; Wells and Wint, 2000)
	Natural logarithm of real GDP	UNCTADSTAT	The Logarithm of real GDP per capita (constant 2010 US$)	(Elfakhani and Mackie, 2015; Mina, 2007)
GDP growth (GDPW)	Market growth	UNCTADSTAT	annual percentage changes or GDP	(Chanegriha et al., 2017; Kheng et al., 2017; Kurul and Yalta, 2017; Erdogan and Unver, 2015; Busse and Nunnenkamp, 2009; Agosin and Machado, 2007; Blanton and Blanton, 2007; Asiedu, 2002; Nunnenkamp and Spatz, 2002; Noorbakhsh et

				al., 2001; Chakrabarti, 2001; Root and Ahmed, 1979)
Gross fixed capital formation per GDP (capformation)	Infrastructure	World Bank (World Development Indicators-WDI)	Log of gross fixed capital formation per GDP	(Ojong et al., 2015; Ramirez and Kőműves, 2014; Gruneberg and Folwell, 2013; Goodspeed et al., 2006)
Mobile cellular subscriptions (INFR)	Infrastructure	World Bank (World Development Indicators-WDI)	log of telephones mainlines and mobile phones	(Mina, 2007; Alsan et al., 2006)
Openness	Openness to trade	UNCTADSTAT	Summation of import and exports as a percentage of GDP	(Chanegriha et al., 2017; Kheng et al., 2017; Talukdar and Parvez, 2017; Asiedu et al., 2015; Medvedev, 2012; Busse and Nunnenkamp, 2009; Klasen and Lamanna, 2009; Mina, 2007; Blanton and Blanton, 2007; Alsan et al., 2006; Jensen, 2003; Nunnenkamp and Spatz, 2002; Noorbakhsh et al., 2001; Kucera, 2001)
Governance indicator	Average of voice and accountability,	World Bank (World	Governance indicators range from -2.5 (weak)	(Elfakhani and Mackie, 2015; Kurul and Yalta, 2017)

	political stability, government effectiveness, regulatory quality, the rule of law, and control of corruption index from the 'governance matters' indicator developed by Kaufmann et al. (2009)	Development Indicators-WDI)	to +2.5(strong) governance performance	
	Polity	POLITY IV PROJECT	POLITY ranges between +10 (solidly democratic) and 10 (strongly autocratic)	(Cleeve et al., 2015; Blanton and Blanton, 2015; Blanton and Blanton, 2007; Collier and Hoeffler, 2005; Li and Resnick, 2003; Marshall and Jaggers, 2000)

Macro-economic stability	Inflation	World Bank (World Development Indicators-WDI) , IMF	annual percentage change in the consumer price index	(Chanegriha et al., 2017; Godinez and Liu, 2015; Erdogan and Unver, 2015; Medvedev, 2012; Busse and Nunnenkamp, 2009; Azémar and Desbordes, 2009; Bengoa and Sanchez-Robles, 2003)
	foreign or external debt to GNI	World Bank (World Development Indicators-WDI)	Ratio	(Chanegriha et al., 2017; Van der Ploeg, 2012; Azemar and Desbordes, 2009; Ahn et al., 1998)

4.8 Econometric model

According to Delgado et al. (2012), global investment attractiveness is the gap between the country foundational competitiveness and its current factor cost. In other words, the ability of a country to attract global or foreign investment, including foreign direct investment (FDI) depends on the foundational competitiveness of the country and its current factor cost.

$$FDI = f(FOUNDATIONAL\ COMPETITIVENESS), (FACTOR\ COST) \quad 2$$

Where:

Foundational competitiveness depends on SIPI which include basic education, health, institution factors (gender equality)

Factor cost include labour cost, cost of materials, transactions costs

Apply natural logarithm transforms to equation 2 and include SDGs

$$Ln\ FDI = \alpha + \beta_1\ health_{(t-1)} + \beta_2\ education_{(t-1)} + \beta_3\ gender\ equality_{(t-1)} + \beta_3\ poverty_{(t-1)} + \beta_4\ food\ security_{(t-1)} + \varepsilon \quad 3$$

Note: the t-1 is time lag

The study employs three main models:

4.8.1 Model 1

The first model assesses the significance of improvement towards SDGs by Sub-Saharan African countries in influencing FDI flows that come from the whole world.

$$Ln\ FDI = \alpha + \beta_1\ health_{(t-1)} + \beta_2\ education_{(t-1)} + \beta_3\ gender\ equality_{(t-1)} + \beta_3\ poverty_{(t-1)} + \beta_4\ food\ security_{(t-1)} + \beta_5\ \text{control variables}_{t-1} + \varepsilon \quad 4$$

Where:

Ln FDI is a natural logarithm of FDI flows from the whole world.

4.8.2 Model 2

The second model assesses the significance of improvement towards SDGs by Sub-Saharan African countries in influencing FDI flows that come from the developed countries only.

$$Ln\ FDID = \alpha + \beta_1\ health_{(t-1)} + \beta_2\ education_{(t-1)} + \beta_3\ gender\ equality_{(t-1)} + \beta_3\ poverty_{(t-1)} + \beta_4\ food\ security_{(t-1)} + \beta_5 \text{control variables}_{t-1} + \varepsilon \quad 5$$

Where:

Ln *FDID* is a natural logarithm of FDI flows from the developed countries to Sub-Saharan African countries.

4.8.3 Model 3

The third model assesses the significance of improvement towards SDGs by Sub-Saharan African countries in influencing FDI flows that come from the developing countries only.

$$Ln\ FDING = \alpha + \beta_1\ health_{(t-1)} + \beta_2\ education_{(t-1)} + \beta_3\ gender\ equality_{(t-1)} + \beta_3\ poverty_{(t-1)} + \beta_4\ food\ security_{(t-1)} + \beta_5 \text{control variables}_{t-1} + \varepsilon \quad 6$$

Where:

Ln *FDING* is a natural logarithm of FDI flows from the developing countries to Sub-Saharan African countries.

4.9 Hypothesis development

H1: Lack of progress towards “no poverty” has a negative impact on FDI inflows to SSA

H2: Lack of progress towards “zero hunger” has a negative impact on FDI inflows to SSA

H3: Progress towards “quality education” has a positive impact on FDI inflows to SSA

H4: Lack of progress towards “health and wellbeing” has a negative impact on FDI inflows to SSA

H5: Progress towards “gender equality” has a positive impact on FDI flows to SSA.

4.10 Estimation model

We use panel data in analysis as discussed in section 4.4.3. The panel data combines cross-sectional data and time-series data. In other words, it is the data pooled over space and

time. Because of the objectives of this research which is to test whether 'People' category goals have an impact on FDI flows to SSA, we find that fixed effects estimation is the relevant test after running Hausman's test. The reason being that the objective of the study is not to include every possible explanatory variable of FDI flows to SSA. Therefore we needed a method that could deal with omitted variables problem. In this regard, the fixed effects models are appropriate for dealing with omitted variables (Wooldridge, 2002). The only drawback of fixed effect is that it cannot include time-constant explanatory variables (Torres-Reyna, 2007), but because the interest is only on time-varying explanatory variables this limitation does not bring worry (Wooldridge, 2002: 266).

On the three models that we developed, we estimate our models with the ordinary least square method (OLS) a fixed-effect model with robust standard errors, wherein the explanatory variables are lagged one period. An intensive examination of the data confirms that both the selective choice of countries during a benchmark survey and the cross-country nature of the data introduces sample selection bias and omitted-variable bias. The fixed-effects estimation technique, by including the country-specific effects as regressors rather than assigning them to the error term, reduces omitted-variable bias and the sample-selection bias (Wooldridge, 2002). Furthermore, fixed effects estimation is chosen as an estimation method because the fixed effects interpretations prove it to be useful for policy analysis and program evaluation (Wooldridge, 2002).

We could use pooled regression by OLS; however, this will bring heterogeneity bias because each country has different real models thus pooling them all together without considering

Unobserved effects will create biases on the estimation. Fixed effects estimation is appropriate when analysing the impact of variables that vary over time. The estimation explores the relationship between the predictor and outcome variables within an entity, for example, country, company or a person. Each entity has its characteristics which may or may not influence the predictor variable; the fixed effects assume that some characters within an entity may impact the predictor or outcome variables and we need to control for this. The estimator removes the effects of time-invariant characteristics and allows to assess the net effect of the predictors on the outcome variable. The fixed effect estimator assumes that an entity's error term is correlated with predictors variables. The second assumption is that those time-invariant characteristics are unique to the individual and should not be correlated with other individual characteristics. Each entity is different;

therefore, the entity's error term and the constant (which captures individual characteristics) should not be correlated with the others.

One way fixed effects estimation suggests a better way to model the panel data by allowing each group or country to have its intercept. One way to make each country to have its intercept is to create a set of dummy (binary) variables, one for each country, and include them as regressors. This estimation is also known as Least Squares Dummy Variables (LSDV); however, there is no constant in this regression. However, if there are a lot of groups (MNEs), then it becomes very tedious to create all the dummy variables needed—some econometric software (e.g. Limdep) which can automate. Hence the method used is called the covariance estimator, and it works on "differencing" out the fixed effect by expressing variables as deviations from their group means.

The fixed-effects model assumes that each group (firm) has a non-stochastic group-specific component to the dependent variable. Including dummy variables is a way of controlling for unobservable effects on the dependent variable. However, these unobservable effects may be stochastic (i.e. random). The Random Effects Model attempts to deal with this.OLS cannot perform estimation of the random effects model –instead, a technique known as generalised least squares (GLS) must be used. However, we use Hausman's test to decide whether to use random or fixed effects.

4.10.1 Omitted variables

A fixed-effects model is a reliable tool for removing omitted variable bias or endogeneity problem (Allison et al., 2017; Qian and Su, 2014). Firstly, It controls for the average differences across countries in any observable and unobservable predictors (Francis et al., 2013), which reduces the threat of omitted variable bias significantly (Qian and Su, 2014). Secondly, It removes the effect of the time-invariant characteristics in order to assess the net effect of predictors on the outcome variable (Torres-Reyna, 2007) by applying a first-difference transformation (Wooldridge, 2010).

In the equation:

$$Y_{it} = X_{it}\beta + C_i + U_{it} \dots t = 1 \qquad 7$$

$$Y_{it-1} = X_{it-1}\beta + C_i + U_{it-1} \dots t = 2 \qquad 8$$

Subtracting eq8 from eq7 we get

$$\Delta Y_{it} = \ Y_{it} - Y_{it-1} = \Delta X_{it}\beta + \Delta U_{it} \ldots t = 2 \qquad 9$$

Which removes the unobserved $C_{i,}$ hence the FD estimator avoids bias due to some omitted, time-invariant variable using the repeated observations over time. Subsequently, we apply OLS over the differenced variables.

4.11 Summary of chapter

This chapter discussed the research methodology adopted in this study. It commenced with a discussion of different ontological and epistemological positions and a justification of why positivist is the most suitable position in the underlying research context. The subsequent section discussed the research design and determined a quantitative survey design. They were followed by sections on the development of the data collection instrument, and discussion of the sampling process. This was followed by the operationalisation and justification of the measurement constructs for the empirical investigation. The subsequent section provided an analysis of the response characteristics and pre-estimation tests. Finally, the last section introduced and discussed the fixed effects technique to analyse the regression models. The results of the regression models will be discussed in the next chapter.

Chapter 5 : Data Analysis and Results

5.1 Introduction

The analysis of this study intends to investigate the influence of progress of countries towards the 'People' category of the sustainable development goals on the FDI inflows into the SSA countries. These goals are ending poverty, ending hunger, quality education, health and well-being and gender equality (Le Blanc, 2015). This chapter presents the findings of the statistical analysis of the proposed research questions by analysing the quantitative secondary data as well as the interviews carried out with employees of MNEs with affiliates in Tanzania. The next part of the chapter (Section 5.2) explains the data transformation and pre-tests analysis. Section 5.3 presents the fixed effects estimates of various regressions models and findings from interviews to answer research questions 1, 2, 3, 4 and 5, as well as the post-estimation tests. Section 5.4 presents the findings of interviews to provide context to the quantitative analysis and validate the results, and finally, section 5.5 presents the summary of the chapter.

5.2 Data transformation and pre-tests analysis

5.2.1 Data transformation

We applied a natural logarithm transformation to FDI flows from global, developed countries and developing countries to SSA to correct for skewness, as well as to transform the dependent variables to be approximately normally distributed (Hair et al., 2009). We also applied a natural logarithm transformation to all explanatory variables and control variables which have values more than 100. This transformation has the advantage of reducing the influence of large values, scaling variables' value in the same reading and allowing the coefficient directly to be interpreted as an elasticity (Azemar and Desbordes, 2009). Since changes in the explanatory variables may take time to affect the dependent variable, we lagged all of our explanatory variables by one year; this has the added advantage of eliminating the potential of simultaneous equation bias (Büthe and Milner, 2008; Blanton and Blanton, 2015).

5.2.2 Pre-tests

It is crucial to conduct several pre-tests before conducting the actual analysis. In the current research, fixed effects estimations were found to be a consistent and unbiased estimator of the regression models. Therefore, before performing the actual fixed effects estimations, we need to perform some pre-tests to assure that all fixed effects assumptions

are met. According to Schmidheiny and Siegloch (2019), the assumptions include; firstly, linearity (the model is linear in parameters, effect and error), second; independence of errors (independent and identically distributed which requires random sampling of individuals). Thirdly; Strict exogeneity (the idiosyncratic error term is assumed uncorrelated with the explanatory variables. Then, errors should be homoscedastic and without serial correlation. Finally, the individual-specific effect (unobserved heterogeneity) is allowed to be correlated with the explanatory variables. We also apply the test for multicollinearity, and the Hausman test to qualify the estimation method.

5.2.2.1 Sample size

There are 48 countries in Sub-Saharan Africa. Due to data availability, the study includes only 38 countries in the analysis. Out of these 38 countries, 23 countries are least developed countries (LDCs), and 15 are low and high middle-income countries. The regression models consist of 13 independent or predictors variables; hence, each model has 40 and above observation per explanatory variable. To avoid unstable results, Hair (2009) suggests a minimum of five observations per predictor. Therefore, the ratio of observations per predictor variable for this study is far above the minimum threshold.

5.2.2.2 Missing data analysis

Some SSA countries were not included in the study sample due to data availability problems. These countries are geographically diverse, namely; Sao Tome and Principe from Central Africa; South Sudan, Somalia, Comoros, Mauritius, and Sudan from East Africa; Swaziland from Southern Africa; and finally, Burkina Faso, Gambia, and, Mauritania from West Africa. Out of the ten removed countries, five are low-income countries, and five are middle-income countries (according to United Nations categories of countries). The removed countries accounted for 7.41 per cent of the FDI flows to the SSA region in 2016. The total GDP of the removed countries from the sample accounted for 6.51 per cent of the total GDP as well as 9.36 per cent of the total population of SSA IN 2016 (UNCTADSTAT). Therefore, the included sample is a sufficient representation of the population of SSA as it accounts for 92.59 per cent of total FDI inflows, 93.49 per cent of the total GDP as well as 90.64 per cent of the total population of SSA.

Because our panel has some missing data, our set becomes an unbalanced panel, in other words, an incomplete panel with data randomly missing (Badi Baltagi, 2008). Unbalanced panel data is any panel data set that has at least one missing data point (Badi Baltagi, 2008).

5.2.2.3 Normality

Normality in the regression errors allows us to assume more stable regression solutions and makes our inference procedures more straight forward (Hair et al., 2009). Therefore, dependent variables were tested for normality using histograms. The results show that all three dependent variables were skewed to the right. However, after we transformed the dependent variables by applying the natural logarithm transformation, the normality test indicates that there is no reason to suppose they are not normally distributed.

Figure 5.1: The histogram of lnFDI is normally distributed

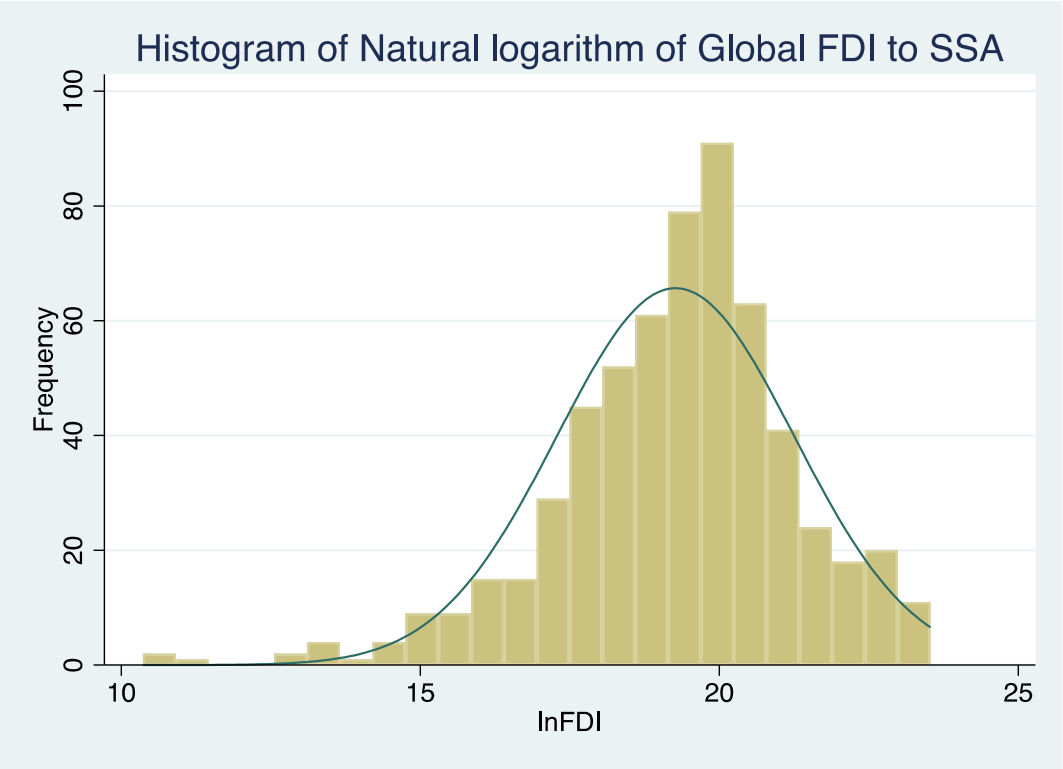


Figure 5.2: The histogram of the natural logarithm of FDI flows from developed countries is normally distributed.

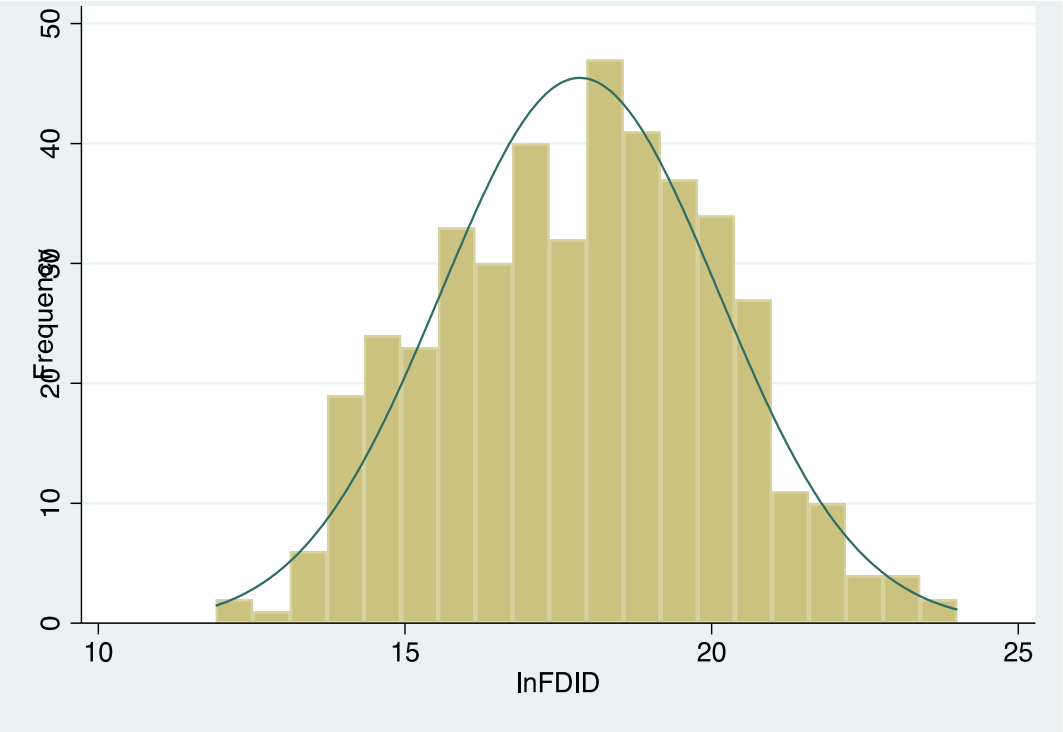
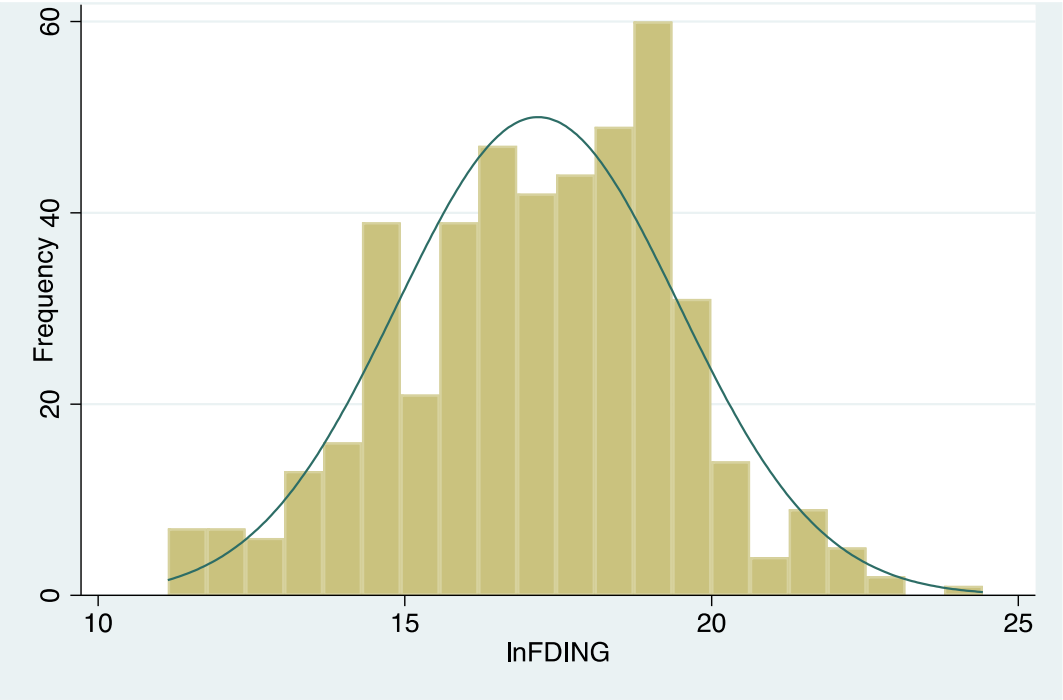


Figure 5.3: The histogram of the natural logarithm of FDI flows from developing countries to SSA is normally distributed.



5.2.2.4 Multicollinearity

The fixed effects estimator assumes that the time-varying explanatory variables are not entirely collinear, that they have non-zero within-variance (i.e. there is variation overtime for a given individual) and not too many extreme values (Schmidheiny and Siegloch, 2019). Therefore, the explanatory variables used in the regression analysis were assessed to see if they have a multicollinearity problem. Multicollinearity is a problem when two or more explanatory variables in the model are correlated and provide redundant information about the response (Field, 2013; Hair et al., 2009). This problem implies that the individual explanatory variables have a reduced unique impact on the dependent variable (Hair et al., 2006). Two steps were undertaken to assess the extent of multicollinearity amongst the explanatory variables. Firstly, the correlation matrix test was run to assess if there are any high correlation coefficients (above 0.9 in absolute value) to identify the collinearity problem (Hair et al., 2009). The bivariate correlation matrix was run on the transformed dependent, explanatory and control variables. The correlation matrix (See table 0.4 in appendixes) shows that the highest absolute value of the correlation coefficients is 0.665, between quality education and hunger, which is below the critical threshold of 0.9 (Hair et al., 2009).

However, the correlation matrix is not sufficient for testing a multicollinearity problem (Field, 2013). Therefore a second test was run to observe the variance inflation factors (VIF) (Hair et al., 2006). The VIF reveals if an explanatory variable has a strong linear relationship with any other explanatory variables (Field, 2013). According to Hair et al. (2006), a VIF of above five (5) is critical. The calculated VIFs estimates for this research ranged from 1.17-3.91 (See table 0.5: in the appendix for a summary of all VIFs). Therefore, there is no evidence of multicollinearity problems amongst the regressors.

5.2.2.5 Serial correlation test

The fixed effects assumptions require that there is no serial correlation in the idiosyncratic errors of the model (Wooldridge, 2002). Serial correlation in linear panel-data models biases the standard errors and cause the estimates to be less efficient as well as invalidating inference. Therefore it is vital to identify the serial correlation in the idiosyncratic error term in the panel data model (Drukker, 2003; Wooldridge, 2002).

Consider:

$$Y_{it} = \alpha + \beta_1 X_{(it)} + \beta_2 Z_i + \mu_i + \varepsilon_{it} \qquad i \in (1,2 \dots N),\ t \in (1,2 \dots T_i) \qquad 10$$

Where:

Y_{it} is the dependent variable

X_{it} are the time-varying covariates

Z_i are the time-invariant covariates

α, β_1 and β_2 are parameter vectors

μ_i is the individual-level effect.

ε_{it} idiosyncratic error term

We applied the Wooldridge method to test for serial correlation (2002). The test uses the residuals from a regression in the first difference. First differencing the data in the model above, removes the individual-level effect, the term based on the time-invariant covariates and the constant.

$$Y_{it} - Y_{it-1} = (X_{it} - X_{(it-1)})\beta_1 + \varepsilon_{it} - \varepsilon_{it-1} \qquad 11$$

$$\Delta Y_{it} = \Delta X_{(it)}\beta_1 + \Delta\varepsilon_{it} \qquad 12$$

Where: Δ is the first-difference operator.

Wooldridge's procedure begins by estimating the parameters β_1 by regressing ΔY_{it} on $\Delta X_{(it)}$ and obtaining the residuals e_{it}. Central to this procedure is Wooldridge's observation that, if ε_{it} are not serially correlated, then correlation $(\Delta\varepsilon_{it}, \Delta\varepsilon_{it-1}) = -0.5$. Given this observation, the procedure regresses the residuals e_{it} From the regression with first-differenced variables on their lags and tests that the coefficient on their lagged residuals is equal to −0.5. To account for the within-panel correlation in the regression of e_{it} on e_{it-1}, the VCE (cluster variable) is adjusted for clustering at the panel level. Therefore, this test is also robust to conditional heteroskedasticity (Drukker, 2003).

Testing serial correlation for model 1 (Global FDI flows to SSA)

The null hypothesis is that there is no serial correlation in the model specification.

Wooldridge test for autocorrelation in panel data

H_0: no first − order autocorrelation

H_1: Presence of first − order autocorrelation

F (1, 9) = 3.620

Prob > F = 0.0895

The null hypothesis of no serial correlation is rejected for global FDI at a 90 per cent confidence interval. Therefore, there is evidence serial correlation in model 1.

Testing serial correlation for model 2 (FDI flows from developed countries to SSA)

Wooldridge test for autocorrelation in panel data

H_0: no first − order autocorrelation

H_1: Presence of first − order autocorrelation

F (1, 7) = 0.014

Prob > F = 0.9082

The null hypothesis of no serial correlation is not rejected for FDI flows from developed countries. There is no evidence of serial correlation for a model that includes FDI flows from developed countries.

Testing serial correlation for model 3 (FDI flows from developing countries to SSA)

Wooldridge test for autocorrelation in panel data

H_0: no first − order autocorrelation

H_1: Presence of first − order autocorrelation

F (1, 7) = 8.403

Prob > F = 0.0230

The null hypothesis of no serial correlation is rejected for FDI flows from developing countries at a 95 per cent confidence interval. Therefore, there is evidence of serial correlation for a model that includes FDI flows from developing countries. If there is serial correlation in the idiosyncratic error term, clustering at the panel level will produce consistent estimates of the standard errors as discussed by Wooldridge (2002) and Baltagi (2001). Therefore, in model 1 and 3, we used cluster robust covariance estimator (Schmidheiny and Siegloch, 2019; Bertrand et al., 2004). Model 2 produces the same results whether or not cluster robust covariance estimator is applied because it does not have a serial correlation problem.

5.2.2.6 Heteroscedasticity

Heteroscedasticity happens when there is a variation of the residuals or errors around the regression line (Torres-Reyna, 2007). The assumption for the fixed effects model is homoscedastic idiosyncratic errors, which means variances and covariances of residual or errors in a regression model are constant. We follow Sun (2013), Torres-Reyna (2007) and Greene (2000) to use a modified Wald test for heteroscedasticity. This test is viable when the assumption of normality is violated and allow for unbalanced panels. The null hypothesis is homoskedasticity (or constant error variance) while the alternative hypothesis is heteroscedasticity.

Heteroscedasticity test for model 1 (global FDI flows to SSA)

Modified Wald test for GroupWise heteroscedasticity in the fixed effect regression model

H_0: $\sigma_i^2 = \sigma^2$ for all i

H_i: $\sigma_i^2 \neq \sigma^2$ for all i

chi2 (21) = 2.6e+28

Prob>chi2 = 0.0000

Since Prob>chi2 <0.05, we reject the null and conclude the presence of heteroskedasticity.

Heteroscedasticity test for model 2 (FDI flows from developed countries to SSA)

Modified Wald test for GroupWise heteroscedasticity in the fixed effect regression model

Null hypothesis H_0: $\sigma_i^2 = \sigma^2$ for all i

Alternative hypothesis H_i: $\sigma_i^2 \neq \sigma^2$ for all i

i = σ^2 for *i* = 1*. . . . Ng*, where *Ng* is the number of cross-sectional units.

chi2 (19) = 7.5e+28

Prob>chi2 = 0.0000

Since Prob>chi2 <0.05, we reject the null and conclude there is evidence of heteroskedasticity.

Heteroscedasticity test for model 3 (FDI flows from developing countries)

Modified Wald test for GroupWise heteroscedasticity in the fixed effect regression model

H_0: $\sigma_i^2 = \sigma^2$ for all i

H_i: $\sigma_i^2 \neq \sigma^2$ for all i

chi2 (20) = 415.43

Prob>chi2 = 0.0000

Since Prob>chi2 <0.05, we reject the null and conclude the presence of heteroskedasticity. The three models above show the presence of heteroscedasticity. To control for the heteroscedasticity problem, we add a robust option in running a fixed effect (FE) regression (Torres-Reyna, 2007; Drukker, 2003).

5.2.2.7 Endogeneity problem

In the panel analysis, the idiosyncratic error term (μ) is assumed uncorrelated with the explanatory variables as well as individual-specific effects (Schmidheiny and Siegloch, 2019). This assumption rules out lagged dependent variables (Wooldridge, 2012). When an idiosyncratic error is correlated with the explanatory variable, it creates an endogeneity problem, which leads to biased estimates as it violates the exogeneity assumption of the Gauss-Makov theorem Schmidheiny and Siegloch, 2019).

However, the fixed-effects model is a reliable tool for removing omitted variable bias or endogeneity problem(Allison et al., 2017; Qian and Su, 2014). Firstly, It controls for the average differences across countries in any observable and unobservable predictors (Francis et al., 2013), which reduces the threat of omitted variable bias significantly (Qian and Su, 2014). Secondly, It removes the effect of the time-invariant characteristics in order to assess the net effect of predictors on the outcome variable (Torres-Reyna, 2007), thus resolves the endogeneity problem (omitted variable bias) if the unobserved factors are time-invariant (Qian and Su, 2014). Thirdly, it assumes that those time-invariant characteristics are unique to the entities and should not be correlated with other individual characteristics. In addition, the use of lagged explanatory variables in the model helps to resolve the endogeneity problem (Wang and Bellemare, 2019; Bellemare et al., 2017)

5.2.2.8 Hausman test

Panel data models examine fixed and/or random effects of individual or time (Park, 2011). A fixed-effect model examines if intercepts vary across group or period, whereas a random effect model explores differences in error variance components across individual or period (Park, 2011).

The fixed-effects model controls or partial out the effects of time-invariant variables. In this regard, the unobserved time-invariant individuals' effects can be correlated with other regressors without causing bias. Furthermore, each variable has a different intercept, but all individuals have the same slopes (Bai, 2009; B. H. Baltagi et al., 2007). While in the Random effects model the intercepts and slopes are constant across individuals, and the unobserved time-invariant individuals' effects cannot be correlated with other regressors for estimates to remain unbiased (Firebaugh et al., 2013).

Table 5.1: Fixed Effects and Random effects models

	Fixed effect model	Random Effect Model
Functional form	$Y_{it} = (\alpha + \mu_i) + X_{it}\beta + V_{it}$	$Y_{it} = \alpha + X_{it}\beta + (\mu_i + V_{it})$
Assumption	-	Individual effects are not correlated with regressors
Intercepts	Varying across the group and time	Constant
Error variances	Constant	Randomly distributed across the group and time
Slopes	Constant	Constant
Estimation	LSDV, within effect estimation	GLS, FGLS (EGLS)
Hypothesis test	F test	Breusch-Pagan LM test

Source: Park (2011)

The decision to use whether fixed effects or random effects is informed by running a Hausman test which tests whether the unique errors (μ_{it}) are correlated with the regressors and the null hypothesis is they are not (Hausman, 1978). The null hypothesis of the

Hausman test is that the preferred model is random effects vs the alternative the fixed effects (Badi Baltagi, 2008).

From the equation:

$$Y_{it} = \alpha + \beta_1 X_{(it)} + \beta_2 Z_i + \mu_i + \varepsilon_{it} \quad 13$$

Where:

Y_{it}= dependent variable

α= constant

X_{it}= observed explanatory variables

Z_i are the time-invariant covariates

α, β_1 and β_2 are parameters

μ_i *are* unobserved heterogeneity effects

ε_{it} idiosyncratic error term

Hausman's hypothesis test is

Null hypothesis: $H_0: Cov(\alpha_i, X_{it}) = 0$

Alternative hypothesis: $H_1: Cov(\alpha_i, X_{it}) \neq 0$

We follow Torres-Reyna (2007) to run the Durbin-Wu-Hausman test to evaluates the consistency of estimators. If Hausman's p-value is more significant than 0.05, we accept the null hypothesis; then both random and fixed effects models are consistent. However, the random-effects model is more efficient because its covariance is less than the covariance of the fixed effect estimator.

If Hausman's p-value is less than 0.05, we reject the null hypothesis, which implies, there is non-zero covariance between the unobserved heterogeneity effect and explanatory variables. In this case, the fixed-effect model is a consistent and unbiased estimator, and the random-effects model is inconsistent.

Each model is subjected to the Hausman test to determine which estimator between fixed and random effect is consistent and unbiased.

Hausman's test for the three data sets

<u>For aggregate FDI flows (Model 1):</u>

Hausman's Prob>chi2 = 0.0009

Since Hausman's p-value is less than 0.01, we reject the null hypothesis; therefore fixed effects estimator is required.

FDI flows from developed countries (Model 2):

Hausman's Prob>chi2 = 0.0005

Since Hausman's p-value is less than 0.01, we reject the null hypothesis; therefore, the fixed effects estimator is required.

FDI flows from developing countries (Model 3):

Hausman's Prob>chi2 = 0.0040

Since Hausman's p-value is less than 0.01, we reject the null hypothesis; therefore, the fixed effects estimator is required.

5.2.2.9 Chow Test

The Chow test is used to test the presence of the structural break in the model, thus determine whether the explanatory variables have different impacts on different subgroups of the population (Ghilagaber, 2004). The test could lead to running of either two regressions (a single regression for each of the subsample) or running one regression model for the full sample. In our study, we do a Chow test to assess if there is a structural break on the two subgroups of the study sample; one subgroup is the middle-income SSA countries and the second subgroup is the least developing SSA countries. By dividing the study sample into two sub-groups, we can obtain a better fit because often the improvement of fit is obtained when we go from the pooled model to individual ones (Ghilagaber, 2004). The null hypothesis is that the pool model is correct, i.e. coefficients of regressors in subgroup one and subgroup 2 are equal.

Chow test hypothesis:

H_0: There is no significant improvement in fit from running two subsamples regressions.

H_1: There is a significant improvement in fit from running two subsamples regressions.

Subsample 1: is the middle-income SSA countries

Subsample 2: is the least developing SSA countries

The chow test is calculated the following

$$F = \frac{(RSS_p - RSS_1 - RSS_2)/K}{(RSS_1 + RSS_2)/(n-2k)} \qquad 14$$

Where:

RSS_p = the residual sum of squares for the whole sample

RSS_1 = the residual sum of squares for developed countries

RSS_2 = the residual sum of squares for developing countries

k = the number of parameters in the pool model.

n = the total number of observations

If we have a substantial improvement in fit, then the F-value will be larger than the critical value for the $F_{K, n-2k}$ distribution.

If there is no improvement, then F-value will be less than the critical value.

If F-value is significantly higher than the critical value, we reject the null hypothesis.

The chow test is run by dividing the sample as per different hosting countries to obtain two subsamples; least developing countries and middle-income SSA countries.

Global FDI flows to SSA

F-statistics =11.9621131146

F-critical value = 1.68371174

Since the F-statistic is higher than the critical value, we can reject the null hypothesis and conclude that there is a significant improvement in fit from running two regressions. One regression for global FDI flows to middle-income SSA countries, and another for global FDI flows to least developed SSA countries.

5.3 Regression models and results

5.3.1 Fixed Effects Estimations and results

Following Hausman's test (Section 5.2.2.8), we, therefore, present fixed effects regression of the three models to answer research questions one and two.

From the fixed effect equation:

$$Y_{it} = \beta_0 + \beta_1 X_{(it-1)} + \alpha_i + \mu_{it} \quad 15$$

Whereby:

-Y_{it} is the dependent variable (DV) where i = entity and t = time.

-$X_{k,(it-1)}$ represents independent variables (IV),

–β_k is the coefficient for the IVs,

-α_i (i=1….n) is the unknown intercept for each entity (n entity-specific intercepts).

– μ_{it} is the error term

The regression model would be:

$$\ln FDI_{it} = \beta_0 + \beta_1 endpovertyprogress_{(it-1)} + \beta_2 endhungerprogress_{(it-1)} + \beta_3 educationprogress_{(it-1)} + \beta_4 genderequalityprogress_{(it-1)} + \beta_5 healthprogress_{(it-1)} \quad 16$$

$_{)}+\beta_6 lnGNI_{(it-1)}+\beta_7 openness_{(it-1)}+\beta_8 Naturalresources_{(it-1)}+\beta_9 Infrastructure_{(it-1)}+\beta_{10} Governance_{(it-1)}+\beta_{11} labour_{(it-1)}+\beta_{12} GDPW_{(it-1)}+\beta_{13} Indebtedness_{(it-1)}+\alpha_I+\mu_{it}$

For each variable, we tested the various indicators stipulated in section 4.7. The indicators used below are the best for the econometric models run in the study.

Whereby:

Endpovertyprogress is measured by the poverty gap (LagPovertygapfinal).

Endhungerprogress is measured by undernourishment prevalence rate (lagPrevalence).

Education progress is measured by gross enrolment at the tertiary level (lageducation).

Genderequalityprogress is measured by the ratio of female to male enrolment in secondary schools (lagSGPI).

Healthandwellbeingprogress is measured by TB incidences (per 100,000 population)-(lagTB).

Trade openness is measured by the ratio of total trade (sum of export and imports to GDP) -(lagOpenness).

Infrastructure is measured by the ratio of capital formation to GDP (lagcapitalformation).

Natural resources endowment is measured by the total natural resources' rents (% of GDP)-(lagNRR).

The market size is measured by Gross national income (lagGNI).

Labour is measured by the ratio of the working force over the total population (laglabour).

The market potential of the country is measured by the GDP growth measures (lagGDPW).

Macroeconomic stability is measured by national indebtedness **(**lagindebtedness).

The country's governance is measured by governance index **(**Laggovernment index)

Table 5.2: Summary of the fixed effects estimation on model 1, Model 2 and Model 3

Hypothesis	**explanatory variable**	**Aggregate FDI (Model 1)**	**FDI from developed countries (Model 2)**	**FDI from developing countries (Model 3)**
-	Lack of progress towards ending poverty	1.614139	**-11.06809***	1.477265
-	Lack of progress towards ending hunger	**-20.05022*****	**-16.50458***	**-29.28123*****
+	Progress towards quality education	**-19.85834****	12.3316	2.551856
+	Progress towards gender equality	-**7.911229*****	**13.5657****	**-15.67023*****
-	Lack of progress towards health and well-being	270.3216	892.1275	176.9296
+	GNI	**2.578028*****	-1.376757	**6.381942****
+	Openness	**1.320821****	**2.668459***	.5766485
+	Natural resources	**6.076851***	-8.788389	2.756811
+	Infrastructure	.1211656	-1.73678	-1.307336
+	Governance index	.2626634	-.8978056	**1.311883***
+	Labour	**-30.04718*****	**44.9407****	8.605418
+	GDPW	-.8257098	3.22982	-2.598851
-	Indebtedness	-.8308492	.119734	.9306266

	R^2	0.8745	0.8806	0.8654
	Adjusted R^2	0.8145	0.7964	0.7912
	P-value	0.0000	0.0000	0.0000
	constant	-7.13853	4.386575	**-118.7668****

*** Significant at a test size of 1%

** Significant at a test size of 5%

* Significant at a test size of 10%

Estimation Findings:

Research question one*: Does progress towards the 'People' category of SDGs lead to more FDI inflows, is it neutral or even negative?*

Results for research question one are from model 1, which analyses global FDI flows to SSA

Lack of progress towards ending hunger was found to be significant and negatively related to FDI inflows to SSA at a test size of 1 per cent **(-20.05022***).** The result shows that when the prevalence of undernourishment increases, the global FDI flows to SSA decreases. The results imply that when hunger decreases or when there is food security in SSA countries, global FDI flows to SSA countries increases. The result is consistent with the expectations.

Quality education was found to be significant and negative related to global FDI flows SSA countries at a test size of 5 per cent **(-19.85834***).** The result suggests that the more students are enrolled at the tertiary level, or university level, the less global FDI flows to the SSA region. The results imply that as the quality of education increases, the less global FDI flows to SSA countries. The result is inconsistent with expectations.

Gender equality was found to be significant and negative related to global FDI inflows to SSA at a test size of 1 per cent **(-7.911229***).** The result shows that when secondary school enrolment GPI increases, it decreases the FDI flows from developing countries to the SSA region, which means the more SSA country improves gender equality, the less FDI inflows to the country from the developing countries. The result is inconsistent with expectations.

The market size of the country was found to be significant and positive related to global FDI flows to SSA at a test size of 1 per cent **(2.578028***).** The result suggests that when GNI increases, the global FDI flows to SSA increases. The result is consistent with expectations.

The openness of the country was found to be positive and significant related to FDI flows to SSA countries at a test size of 5 per cent (**1.320821**).** The result suggests that the more open the SSA countries' economies are, the more global FDI flows to SSA. The result is consistent with the expectations.

The natural resources of the SSA countries were found to be significant and positive related to global FDI flows to SSA countries at a test size of 10 per cent (**6.076851*).** The results imply that when natural resources are abundant in a country, global FDI flows increase.

The labour force of the country was found to be negative and significant related to FDI flows to SSA countries at a test size of 1 per cent **(-30.04718***). The results show that the more working group increase, the less global FDI flows to SSA. The result is inconsistent with expectations.

***Research question two**: What is the influence of progress towards the 'People' category SDGs on FDI inflows from developed countries to SSA? (North to South FDI flows).*

Results for research question two are from model 2, which analyses FDI flows from developed countries to SSA

Lack of progress towards ending poverty was found to be significant and negative related to FDI inflows to SSA at a test size of 10 per cent **(-11.06809*).** The result implies that an increase in the poverty gap in SSA countries lead to less FDI flows from developed countries to SSA countries. In other words, a decrease in the poverty level or poverty intensity in SSA countries influences more FDI inflows from the developed countries. The result is consistent with expectations.

Lack of progress towards ending hunger was found to be significant and negatively related to FDI inflows to SSA at a test size of 10 per cent (**-16.50458*).** The result shows that when the prevalence of undernourishment increases, the FDI flows from developed countries to SSA decrease. Thus, when hunger decreases or when there is food security in SSA countries, FDI flows from developed countries to SSA countries increases. The result is consistent with expectations.

Progress towards gender equality was found to be significant and positive related to FDI inflows to SSA at a test size of 5 per cent **(13.5657**).** The result shows that when secondary school enrolment GPI increases, it increases the FDI flows from developed countries to the SSA region. Which means the more SSA country improves gender equality, the more FDI inflows to the country from the developed countries. The result is consistent with expectations.

The openness of the country was found to be positive and significant related to FDI flows to SSA countries at a test size of 10 per cent **(2.668459*).** The result shows that the more open the SSA countries' economies are, the more FDI flows from developed countries to SSA. The result is consistent with expectations.

The labour force of the country was found to be positive and significant related to FDI flows to SSA countries at a test size of 5 per cent **(44.9407**)**. The results suggest that the more working-age group increase, the more FDI flows from developed countries to SSA. The result is consistent with expectations.

Research question three*: What is the influence of progress towards the 'People' category SDGs on FDI inflows from developing countries to SSA? (South to South FDI flows).*

Results for research question three are from model 3, which analyses FDI flows from developing countries to SSA

Lack of progress towards ending hunger was found to be significant and negatively related to FDI inflows to SSA at a test size of 1 per cent **(-29.28123***)**. The result shows that when the prevalence of undernourishment increases, the FDI flows from developing countries to SSA decreases. Thus, when hunger decreases or when there is food security in SSA countries, FDI flows from developing countries to SSA countries increases. The result is consistent with expectations.

Gender equality was found to be significant and negative related to FDI inflows to SSA at a test size of 5 per cent **(-15.67023**)**. The result shows that when secondary school enrolment GPI increases, it decreases the FDI flows from developing countries to the SSA region, which means the more SSA country improves gender equality, the less FDI inflows to the country from the developing countries. The result is inconsistent with expectations.

The market size of the country was found to be significant and positive related to FDI flows from developing countries to SSA at a test size of 5 per cent (**6.381942**).** The result means that when GNI increases, the FDI flows from developing countries to SSA increases. The result is consistent with expectations.

The country governance was found to be significant and positive related to FDI flows to SSA at a test size of 10 per cent **(1.311883*).** The result shows that the more SSA countries'

governance performs well, the more FDI flows from developing to the SSA countries. The result is consistent with expectations.

Table 5.3: Summary of the empirical findings

Hypothesis	***Explanatory variable***	***Dependent variable***	***Results***
H1	Lack of progress towards ending poverty	Global FDI inflows to SSA	Not supported
H2	Lack of progress towards ending hunger	Global FDI inflows to SSA	Supported
H3	Progress towards quality education	Global FDI inflows to SSA	Rejected
H4	Progress towards gender equality	Global FDI inflows to SSA	Rejected
H5	Lack of progress towards health and well-being	Global FDI inflows to SSA	Not supported
H6	Lack of progress towards ending poverty	FDI inflows from Developed countries to SSA	Supported
H7	Lack of progress towards ending hunger	FDI inflows from Developed countries to SSA	Supported
H8	Progress towards quality education	FDI inflows from Developed countries to SSA	Not supported
H9	Progress towards gender equality	FDI inflows from Developed countries to SSA	Supported
H10	Lack of progress towards	FDI inflows from	Not supported

	health and well-being	Developed countries to SSA	
H11	Lack of progress towards ending poverty	FDI inflows from Developing countries to SSA	Not supported
H12	Lack of progress towards ending hunger	FDI inflows from Developing countries to SSA	Supported
H13	Progress towards quality education	FDI inflows from Developing countries to SSA	Not supported
H14	Progress towards gender equality	FDI inflows from Developing countries to SSA	Rejected
H15	Lack of progress towards health and well-being	FDI inflows from Developing countries to SSA	Negatively related

5.3.2 Model diagnostics

The diagnostics show that all of the three models (Global FDI flows, FDI flows from developed countries, and FDI flows from developing countries) perform well (see table 5.2). The fixed effects estimations of all the three models are highly significant at 1 % level. The significance demonstrates the meaningfulness of these models. The explained variance of the three models expressed by R^2 type measures ranges between 0.8654– 0.8806. These values are in line with or above related longitudinal studies that applied fixed effects analysis (Demir, 2016; Davies et al., 2008; Kimino et al., 2007; Dees, 1998).

5.3.3 Robustness test of the models

We follow Hair et al. (2009) to use split sample analysis to test for the robustness of the model. We divide our sample into two equal sample sizes and rerun the regressions to check for miss specifications and robustness of the models (Table 0.6: in appendixes). We

managed to run regressions for two equal samples with 304 observations each for the three models. The regressions result of the split sample models resembled the original models significantly. Therefore, the result of the split sample technique validated the models.

In addition, the ex-post Harman Single Factors test (Podsakoff et al., 2003) was employed to detect any Common Method Bias. The common method bias is one of the primary sources of measurement error which threatens the validity of the conclusions about the relationship between measures and is widely recognised to have both a random and a systematic component (Bagozzi and Yi, 1991; Bagozzi et al., 1991). Total variance explained % of variance needs to be less than 50% to have no common method bias problem. Principal Axis Factoring Extraction derives the result, and single construct's total percentage of variance is 20.491% which indicates the minimal presence of common method bias (details in table 5.4).

Table 5.4: Total Variance Explained

	Initial Eigenvalues			Extraction Sums of Squared Loadings		
Factor	Total	% of variance	Cumulative %	Total	% of variance	Cumulative %
1	3.405	24.320	24.320	2.869	20.491	20.491
2	2.312	16.514	40.834			
3	1.869	13.349	54.183			
4	1.374	9.815	63.998			
5	1.034	7.387	71.385			
6	.875	6.247	77.632			
7	.778	5.557	83.189			
8	.574	4.101	87.290			
9	.505	3.608	90.898			
10	.410	2.929	93.827			
11	.338	2.414	96.241			
12	.252	1.803	98.044			
13	.172	1.227	99.271			
14	.102	.729	100.000			

Extraction Method: Principal Axis Factoring.

5.4 Qualitative analysis and findings

In this section, findings of interviews which were done to supplement and validate the quantitative analysis are presented. This study is mainly quantitative but to add value, we collated some qualitative data using interviews to bring the contextualisation and insights from the practitioners and decision-makers who are involved in investment in SSA.

5.4.1 Profiles of the MNEs and government officers interviewed

The details about the name of the MNE's subsidiaries, headquarters, the position of the interviewed personnel, number of employees, and turnover for the four multinational companies interviewed are summarised in the table below.

Table 5.5: Brief profile of the MNEs:

MNE's subsidiary name	**Ownership**	**Headquarters**	**Nature of business**	**interviewee**	**Number of employees globally**	**Global Revenue**	**Countries MNE operates in SSA**
Company A	China	Opfikon, Switzerland	airport ground and cargo handling services	CEO of Tanzania Subsidiary	68,000(2017)	3.09 billion US dollars (2017)	7
Company B	Uganda	Kampala, Uganda	Education services	Finance manager	750 (2016)	1 million US dollar	3
Company C	Switzerland	Geneva, Switzerland	Health, education, culture, and institutional building services.	Country chief operating officer	47,000(2017)	4.3 billion US dollars (2017)	12
Company D	South Africa	Durban, South Africa	Distributor of consumer goods	Senior sales officer	45,000(2015)	1.33 Billion US dollars (2016)	12

Source: MNE's websites and interviews

Two government officials were interviewed. The officers are from two significant offices responsible for the coordination and facilitation of investments in Tanzania. One of the interviewees (government officer 1) is from the Tanzania Investment Centre (TIC), which is the office responsible for creating and maintaining a favourable climate for private sector investment. TIC provides advice to the government on investment-related matters; Stimulating local and foreign investments; facilitating foreign and local investors; as well as monitoring the Tanzania business environment and growth of Foreign Direct Investment (FDI) in the country. The second interviewed person (government officer 2) is from Export Processing Zone Authority (EPZA) which is an office that provides the investors in Tanzania with an enhanced regulatory and fiscal environment for export-oriented activities in order to facilitate growth in the national economy.

5.4.2 Interview findings

This section presents the findings of the interviews conducted for this study. The section aims to elicit and compare views of various MNE's investment decision-makers on the factors that prompt them to invest in Sub Saharan Africa. The interviews were semi-structured guided by emergent themes from the contemporary literature on FDI influences and the objectives of the research. After the interviews were done, we transcribed the recorded interviews and obtained 11,428 words which provide rich information on the topic of interest. Below are the findings from the interview, presented in themes categories relating to FDI influences of interest.

FDI activity locations motivations relating to the poverty level of the country; company A replied that poverty is an essential factor to consider when investing in Sub-Saharan Africa. The poverty level of the country is very relevant to company A in FDI decision because of the nature of their business which is handling passengers luggage, passengers check-in, transfers and other activities relating to flights operations. The CEO of company A said

"…*If people and employed workers are impoverished in a country, they will start to tamper with customer's luggage as well as involving in human trafficking business which causes huge penalties and costs to the company*…".

Company B views the income level of the country population as of importance because people have to afford the university fees for their business to operate. However, if the government of a particular country has schemes to finance students, then the problem is taken care of. The financial ability of the country population also applies when the company

wants to increase investment in a country; if there is a large number of dropouts because of financial difficulties, the company hesitates to increase its investments.

The finance manager of company B said "…*If the government could not intervene to support funds for students, the MNE would leave Tanzania*".

The above statement shows how crucial is the income level of the country to company B in their investment decisions.

Company C usually looks for countries that are not only underdeveloped but with potential opportunities that can support the development of the country.

The chief operating officer (COO) of company C said: "..*we use the holistic approach in foreign direct investment decisions. On one face, we become relevant to an area with poverty, low level of education, and low health services. While on the other face we meet the need of a high specialist, complicated systems that take care of the complicated Non-transmittable diseases (NTDs) and conditions that cannot be treated in the country for upper-class people*."

In this regard, they get the opportunity to penetrate in the country easily by being perceived as a very considerate and responsible organisation as they serve the low-class people. At the same time, they also bring sophisticated systems and serve the middle and upper-income population and charge them high to make the company profitable. Therefore poverty to them is an opportunity. In addition, the company has a non-profitable organisation which focusses on addressing the economic and development challenges of the countries such as poverty, maternal, new-born and childbirth health, food security matters, water and irrigation and renewable energy. The holistic approach makes them operate in both peaceful and non-peaceful countries such as Afghanistan and Syria.

Government officer 1 was silent on whether the poverty level of the country influences attracting FDI inflows in a country or not while government officer 2, has never met any investors who show concern about the poverty level of the country in making investment decisions.

FDI activity locations motivation relating to the gender equality issues in a country: company A responded that gender equality is a big issue of concern to their investment in Middle East countries such as Saudi Arabia but not so crucial in SSA. To company A, gender equality is based on how males and females are given employment opportunities. The main

reason gender equality is of concern to their investment in Arabic countries is because of Arabic culture, which prohibits women from working. The CEO of company A said "…*In Saudi Arabia, one cannot have ladies operating at the ramp*."

Due to gender restrictions in Saudi Arabia company A import, some workers from Asia, especially expatriates, to cover the need. Due to gender inequality, which makes the company import workers from outside the country, their cost of operations is inflated hence affects their investment.

Company B responds that yes, gender disparity affects investment because gender discrepancies make many girls drop out of school to get married while they are needed as customers. Early marriages reduce to a high extent number of females who continue with further studies because most men in Africa would not support their wives to continue with education. To company B, they view gender inequality in the context of early marriages.

Company C views gender equality as an essential aspect of their investment; it is a factor that is integrated into all aspects of their investments. When there is low gender inequality in a country it is an opportunity to them as they work in two levels; one is at the policy level where they work with the government to educate, synthesise and support gender equality and second is at the programme level. At programmes level, the company sees gender inequality as an opportunity to integrate, support and create diverse programmes, to have more impact, especially to women and penetrate in the market.

The COO of company C said.." **…***gender is an essential and critical aspect of company C's investment in any country; it is a cross-cutting agenda*.."

Government officer 1 and government officer 2 have not found gender equality to be of significant concern for investors who invest in Tanzania.

FDI activity locations motivation relating to the education level of the Country: company A said education is one of the crucial factors that their company consider when investing in a country. It is essential to consider it because it has an enormous effect on operating costs. The CEO of company A said "*When we invest in a country that has few literate people we will have to import many skills which upscale our training costs that and will push the operating costs high in general. Moreover, the company will need to do extensive training to yield the return*". For instance, in all other African countries except Tanzania, the CEOs of company A are not from within the countries, they are from other countries, that increases the operating costs.

Company B also considers education level of high importance because they need educated peoples to be employed in their business. However, they also need a low level of education population to admit them in their university because they are in the education services business. One of the factors that made company B build a university in Tanzania is because they saw a large number of the population while tertiary enrolment is low.

Company C uses a holistic approach by looking for countries with socio-economic interest, therefore to company C, low education level in a country is an opportunity rather than a threat because they focus on improving lives of people especially in disadvantaged economies. That is why they have invested a lot in developing countries, and their location is mainly in the urban area; no enormous challenges are resulting from the lack of literate workers.

Government officers 1 and 2 replied that investors had not heavily considered the general level of education in a country; however,government officer 1 said that specific training that fit the industries established is what has been seen to be of importance. Government officer 1 added that a low level of literacy in the country increase the costs of operations to MNEs because not knowledgeable workers end up destroying machines which are expensive as well as increasing the training costs.

FDI activity locations motivations relating to health and well-being in a country: company A replied that health is an essential factor to consider because if the community they work with is not healthy, it will challenge them in terms of costs and lives of people. Also, the issue of absenteeism due to unstable health condition affects them in operating efficiently. Furthermore, they have not invested in countries like Congo because of Ebola as it always comes down to MNEs on how they will make sure that their workers are safe and that means more costs. The CEO of company A said

"..*Yes, diseases could be a reason for us not to invest in a country, for instance, if we want to invest in Congo, we have to think if we are going to sustain with the eruption of Ebola in a country*."

Company B, look at health and well-being as an opportunity because they have courses in their university which teach health as well as a hospital for laboratory works and outpatients. Specifically to Tanzania, it was the shift of government towards sponsoring more of science students that made the company invest more in Tanzania.

Company C considers health level as crucial in investment decisions; however, to them, a low health condition in a country is an opportunity for them to establish hospitals.

Government officer 1 reports that health and well-being are considered by investors when they want to invest because diseases reduce labour, strength, brings liability and also worries investors that they might get sick and die. They consider it because it promotes the right investment conditions as it ensures that the operations have healthy people and people of quality who can be involved in productions. In addition, government officer 1 said, "..*MNEs normally initiate various schemes to help eradicate the threatening diseases as well as to make their investment convenient.*"

Government officer 2 has not yet met with concerns relating to health and well-being.

FDI activity locations motivations relating to food security in the Country; company A responds that food security is of concern to the company because it can cause inflation. Considering their business is labour intensive, there are high chances of demand in the increase in salary, which will increase the operation cost of the company. Furthermore, the company employ more casual workers than skilled ones who can severely be affected when there is food insecurity because these people will not be able to afford a meal. When these workers are affected, the impact will be reflected in the company, for instance; workers start to steal from customers bags.

Company B considers food security as an essential factor in making an investment decision; as a result, it is difficult for them to invest in countries such as Somalia. The finance manager of company B said: "….*We cannot invest in countries like Somalia where people are dying because of hunger*."

Company C also considers food security issues to be of importance when deciding where to invest. However, to them, they use it as an opportunity to work for projects such as irrigation and renewable energy. Therefore to company C, food insecurity is not a threat instead is an opportunity. In harnessing the opportunities, company C uses the Agakhan foundation, which is their non-profit organisation that runs hand to hand with commercial Agakhan organisations. This foundation focus on rural development projects, by working with farmers, local level micro insurance, schools and health services. Through that approach, the company end up getting commercial opportunities as well.

Government officer 1 and 2 do not view food security as of significant concern to investors who invest in Tanzania.

In contrast, company D seems to base entirely on traditional factors to make location decision on foreign direct investments. Company A, B and C also mentioned some

traditional factors as among the significant factors to be considered in making foreign investment decisions. Such factors include; market size, raw materials, high demand, level of competition, and level of bureaucracy. The senior sales officer of company D said that they have been in Tanzania for fifteen(15) years while in Kenya they have operated for three (3) years; however, they have opened more stores in Kenya than in Tanzania because of the bureaucracy barriers in Tanzania. The finance manager of company B said that there is a high demand for Tanzanian students going to Uganda and study at their university, that brought a need to build a university in Tanzania to address the need.

For the same reason, they built another university in Mombasa-Kenya. In addition, the manager said the environment for investment was conducive, that attracts them to establish an investment in Tanzania. EPZA investors do not consider the market as a very crucial factor because they are required to sell 80% of their product outside the country.

Table 5.6: Summary of interviews' findings on the influence of 'People' category goals on FDI flows

	MNEs		**Government officials**	
	Yes significant	Not significant	Yes	Not significant
Is progress towards ending poverty a significant determinant?	Company A, B and C	Company D		Official 1 and 2
Is progress towards ending hunger a significant determinant?	Company A, B and C	Company D		Official 1 and 2
Is progress on quality education a significant determinant?	Company A, B and C	Company D	Official 1	Official 2

Is progress on health and well-being significant influences ?	Company A, B, and C	Company D	Official 1	Official 2
Is progress on gender equality a significant determinant?	Company A, B and C	Company D		Official 1 and 2

5.5 Summary of the chapter

The chapter started with an introduction, followed by a discussion of various pre-tests. Such pre-tests include missing data analysis, test on normality, multicollinearity, serial correlation, heteroscedasticity, Hausman and chow test in order to meet the required assumptions for further regression analysis. Furthermore, the fixed effects estimations were done to three different models to answer research question 1, 2 and 3. The first model regress global FDI flows to SSA, the second model assesses FDI flows from developed countries to SSA, and the third model assesses FDI flows from developing countries. Finally, fixed effects estimations were done to Global FDI flows to middle-income SSA countries and to low-income SSA countries to answer research question 4 and 5- only one to answer research qn 4. The predictions of the conceptual framework were partially supported by statistical results as four of the five models-variables were significant. To validate the statistical results of the regressions run, the interviews done to MNE with affiliates in Tanzania supported all the predictions of the conceptual framework. In contrast, government officials interviewed supported the conceptual framework partially. The next chapter will discuss these results in details.

Chapter 6 : Discussion

6.1 Introduction

This chapter discusses the main findings of the empirical investigation presented in chapter 6, applying the theories of human capital and institutions within the context of a national competitive framework, to investigate whether the progress of SSA countries towards UN SDGs has had any influence on FDI inflows in the countries. The chapter starts by discussing the findings of the first research question which assesses whether global FDI inflows to SSA countries have been influenced by the progress of SSA countries towards the 'People' category of the UN SDGs. The chapter proceeds by discussing the second research question which assesses whether specifically "North-South" FDI inflows (FDI flows from developed countries to SSA countries) are influenced by the progress of SSA countries towards 'People' category of UN SDGs. Then, the chapter discusses the findings relating to the third research question which assesses whether "South-South" FDI inflows (FDI flows from developing countries to SSA countries) are influenced by the progress of SSA countries towards 'People' category UN SDGs. Ultimately, the chapter discusses the fourth research question of whether national competitive framework could be used to understand the influences of the FDI flows to the SSA countries. Therefore, this study extends existing knowledge by providing new empirical evidence of the application of the national competitive framework in evaluating the non-traditional influences of FDI flows to Sub-Saharan African countries. The research is the response to the need in the context of international business to assess if non-traditional FDI factors are of significance in attracting FDI. For instance, Kahai (2004) suggests that future research should devise an empirical strategy for ascertaining how much of the variation in FDI going to developing countries is explained by non-traditional variables and concentrate on better quantifying of these variables.

6.2 Aggregate FDI flows to SSA

This section discusses the results of the fixed effects estimations, which assesses whether the 'People' category of UN SDGs are motivating factors of global FDI flows to SSA countries to answer research question one.

Research question one: Does progress towards the 'People' category of SDGs lead to more FDI inflows, is it neutral or even negative?

Results for research question one are from model 1, which analyses global FDI flows to SSA

Table 6.1: Summary of model 1 estimates

Hypothesis	**explanatory variable**	**Aggregate FDI (Model 1)**
-	Lack of progress towards ending poverty	1.614139
-	Lack of progress towards ending hunger	**-20.05022*** **
+	Progress towards quality education	**-19.85834** **
+	Progress towards gender equality	-**7.911229*** **
-	Lack of progress towards health and well-being	270.3216
+	GNI	**2.578028*** **
+	Openness	**1.320821** **
+	Natural resources	**6.076851***
+	Infrastructure	.1211656
+	Governance index	.2626634
+	Labour	**-30.04718*** **
+	GDPW	-.8257098
-	Indebtedness	-.8308492
	R^2	0.8745
	Adjusted R^2	0.8145
	P-value	0.0000
	constant	-7.13853

Table 6.2 : Summary of interviews' findings on the influence of 'People' category goals on FDI flows

	MNEs		**Government officials**	
	Yes significant	Not significant	Yes	Not significant
Is progress towards ending poverty a significant determinant?	Company A, B and C	Company D		Official 1 and 2
Is progress towards ending hunger a significant determinant?	Company A, B and C	Company D		Official 1 and 2
Is progress on quality education a significant determinant?	Company A, B and C	Company D	Official 1	Official 2
Is progress on health and well-being significant influences ?	Company A, B, and C	Company D	Official 1	Official 2
Is progress on gender equality a significant determinant?	Company A, B and C	Company D		Official 1 and 2

In general, the results show partial support for the hypothesized relationships between 'People' category SDGs and global FDI flows to SSA. The results presented in chapter 6 shows that three-fifths of the 'People' category of UN SDGs were found to be significant in influencing global FDI flows to SSA. These significant goals are lack of progress towards ending hunger; quality education; and gender equality, which were hypothesised based on

human capital theory and institutional theory (section 3.3.2.2). The prevalence of undernourishment measured progress towards ending hunger while quality education was measured by enrolment rate at tertiary level, and gender equality was measured by the gender parity index (GPI) at the secondary level. On the other side, four control variables which are traditional influences of FDI flows were found to be significant.

Lack of progress towards ending hunger was found to be significant and negatively related to global FDI inflows to SSA. The result shows that when the prevalence of undernourishment increases, the global FDI flows to SSA decreases. In other words, when hunger decreases or when there is food security in SSA countries, global FDI flows to SSA countries should increase. The result is consistent with the hypothesized relationship by human capital theory (section 3.3.2.2 and section 3.4). The human capital theory predicts that the prevalence of undernourishment reduces the physical fitness of people which could affect productivity and hence reduce FDI flows. Productivity is affected because better-nourished workers are usually more productive than undernourished workers (Alsan et al., 2006). Furthermore, scholars argue that a childhood nutritional status contributes to adult productivity and health as well as enhance the performance of children in school and in new training task which would thereby affect the return to other human capital investment activities as well (Behrman and Deolalikar, 1993; Moock and Leslie, 1986). In this regard, food security is found to be important in encouraging an increase in productivity in the country. Moreover, the undernourishment contributes to poor mental improvement in children which affects the human capital of the country, and it is hypothesised that inadequate human capital adversely affects FDI inflows (D. E. Bloom, 2005; Bhargava, 2001). The results are consistent with the implication of human capital theory in explaining FDI inflows in SSA (section 3.3.2.2).

The result is in line with the response from the high-level managers of company A, B and C. The CEO of company A (a top employer among the interviewed MNEs subsidiaries dealing with airport ground and cargo handling services) said that food insecurity causes inflation which could cause demand of higher salaries hence higher operating costs. The company has more casual workers than professionals, and these are the people who are adversely affected by food insecurity hence poor performance because of the lack of physical fitness of workers. The finance manager of company B (the smallest MNEs among the interviewed companies in terms of turnover-based on education sector) said food security is essential for their education provision business; hence they cannot invest in countries such as

Somalia because of the food insecurity. On the other hand, the chief operating officer (COO) said company C (MNE in Health, education, culture, and institutional building services) does not consider food insecurity a threat; instead, it is using the circumstance to work on projects such as irrigations and renewable energy. The company uses its foundation to focus on rural development projects, by working with farmers, local level micro insurance, schools and health services. Through that approach, the company may benefit from additional commercial opportunities. Company D (MNE in distribution of consumer goods), government officer 1 and 2, view food security as of no significance in investment decisions. These contrary views seem to suggest that some MNEs would still invest in a country with less food security. However, the majority seems to consider food security as an essential aspect of investment location decisions as supported by empirical results.

The results show that quality education is significant and negatively related to global FDI flows to SSA countries. The result suggests that the more students are enrolled at the tertiary level, or university level, the less global FDI flows to the SSA region. The results imply that, as the quality of education increases, the less global FDI flows to SSA countries. The result is inconsistent with the hypothesized relationship by human capital theory (Section 3.3.2.2 and Section 3.4). On the contrary, the result supports the alternative hypothesis that FDI is undertaken "in countries with low levels of education to escape the high compensation costs with which higher levels of education and skill are associated" (Shatz, 2003: 188). The negative relationship is consistent with the view that MNEs seek indigenous workers for casual jobs which often require less qualification than tertiary level (Shatz, 2003). Thus an increase in tertiary level enrolment might cause a negative relationship seen between education and FDI inflows. This reasoning seems to get support from company A, whereby all the CEOs of company A in African subsidiaries comes from outside Africa (except in the case of Tanzania), which shows that people from developed countries often monopolise managerial level employment. In addition, government officer 1, attests that most investors employ less qualified indigenous workers (less than a degree level qualification) because a significant portion of the work needs for indigenous employees is not at the managerial level, is somewhat in assisting jobs or technical jobs.

On the other hand, Noorbakhsh et al. (2001) and Globerman and Shapiro (2002) argue that education does have a positive and significant impact on foreign investment flows to low- and middle-income countries and that its effect has been increasing over time. Contrary to

the quantitative results, company A, B, C and government officer 1 argue that quality education is of high significance when making FDI location decisions. The CEO of company A claims that it is essential to consider quality education level because it has an enormous impact on operating costs. He stated that if a country invested in has few people that reached tertiary level education, that might force the company to import many skills and that increases the training costs and operating cost in general. In the same line of argument, government officer 1 said the less knowledgeable workers are more likely to increase operation costs by demerging the machines which are expensive and increase training costs. However, government officer 1, had a view that the most crucial aspect of education in FDI location decisions are the specific pieces of training that fit the industries need and not just general education. Company D and government officer 2 do not view the education level of the country as of high importance in FDI location decision.

Gender equality was found to be significant and negative related to global FDI inflows to SSA. The result implies that global FDI flows more to SSA when gender equality is low. These results were obtained by assessing the gender equality in education measured by secondary school enrolment-gender parity index (GPI). However, the results are the same when applying gender equality in employment. These results support the counter-argument that investors favour countries with lower labour standards because lower labour standards, including gender discrimination in respect of employment, lead to lower labour costs (Kucera, 2001). Gender equality is among the constructed indicators of labour standards which are covered by the ILO's Declaration on Fundamental Principles and Rights under the elimination of discrimination in respect of employment and occupation (International Labour, 1998: Article 2).

The negative relation obtained between gender equality and global FDI supports the findings of Seguino (2000), who assessed the impact of gender equality on growth. Seguino (2000) considered gender inequality in employment(wage) in assessing the impact of gender inequality on economic growth. He found that gender inequality is positively related to GDP growth; the author added that part of the gender wage equality on growth is transmitted through its positive effect on investment as a share of GDP. This result supports the concept of "race to the bottom" in attracting FDI, which refers to the scenario whereby countries or regions compete for FDI against each other by offering foreign investors ever-greater tax breaks and ever weaker regulations (Kucera, 2001). Along the same lines, Rodrik (1996: 57) writes of "the conventional wisdom about low-standard countries been a haven

for foreign investors". Friedman, Gerlowski and Silberman (1992: 411) also argue that investors tend to locate where union representation is weak. The MNE which promotes development, company C, view gender inequality as an essential aspect of their investment. To company C, gender is a cross-cutting agenda (an agenda that is considered in every aspect of their investment decisions) as it is a critical aspect of investment in all countries. Whenever they invest, they consider and assess the gender equality of that particular country; they see inequality as an opportunity for profit. The company works in two levels; one is at the policy level where they work with the government to educate, synthesise and support gender equality, and second is at the programme level. At later approach, the company sees gender inequality as an opportunity to integrate, support and create diverse programmes to impact women positively and penetrate in the market.

However, company A and B contend that gender inequality negatively affects their FDI location decisions. To company A, the adverse effects are mainly due to costs implication as gender inequality in employment forces them to import workers from other countries; this is more apparent in countries such as Saudi Arabia. On the side of company B, gender inequality, particularly in education, affects them by reducing their customer base since their business is in education. Company B views gender inequality in the context of early marriages. Because early African marriages prevent young women from progressing in education, this reduces their customer base. Moreover, it affects the labour market because most women become less qualified for various work positions.

Lack of progress towards health and well-being was found to be positive relating to global FDI flows to SSA but not significant. The result is inconsistent with the hypothesized relationship by human capital theory (Section 3.3.2.2 and Section 3.4). The results concur with the views of company B and C who view the low level of health and well-being status of the country as an opportunity. The two companies see it as an opportunity to establish hospitals as health services is one of the lines they operate their businesses. While company A and government officer 1 view low health and well-being in a country as a threat to foreign investment. For instance, the CEO of company A said *"… diseases could be a reason for us not to invest in a country, for instance, if we want to invest in Congo, we have to think if we are going to sustain with the eruption of Ebola in a country".*

In line with Asiedu et al. (2015) and Alsan et al. (2006), company A and government officer 1 advocates that poor health and well-being is associated with the problems of

absenteeism, increase in costs as well as the loss of lives. Furthermore, the CEO of company A concur with Alsan et al. (2006), and Polanyi et al. (2000) advocating that it always comes down to MNEs on how they make sure that their workers are safe and that means more costs. Government officer 1 adds that diseases reduce labour, strength, brings more operational costs and also give worries to investors of getting sick and die. Therefore, investors consider health and well-being when making FDI location decisions. It promotes the right investment conditions as it ensures that the operations have healthy people who can be involved in the production.

Lack of progress towards "no poverty" was found to be positive relating to global FDI flows to SSA but not significant. The result is inconsistent with the hypothesized relationship by human capital theory (Section 3.3.2.2 and Section 3.4). The results are in line with Company C, which views poverty or low-income level of the country as an opportunity for them to enter the country and then utilize the opportunities available. The company uses their non-profit organization which looks for underdeveloped countries with potential for growth to get hold of the market then explores the opportunities for their other companies. However, company A and B consider the host country income as of importance in their investment. On the other side, the government officers 1, 2 and company D view poverty level of no significance in investment decisions in the country.

The market size of the country was found to be significant, and positively related to global FDI flows to SSA. The result is in line with various UNCTAD's publications which shows that market size and access to natural resources has been significant influences of FDI flows to SSA. In 2005, for instance, countries with sizable natural resources and vast domestic markets accounted for 66% of the region's FDI inflow, while still being the dominant recipients of FDI inflow by the end of 2009 (UNCTAD, 2006, 2009). The results concur with the analysis done in the context chapter where the leading recipient of FDI flows in SSA are characterised by large market size and large stocks of untapped resources which may be exploited by the MNE for profit. Such nations include Angola, Congo, Mozambique, South Africa, Ghana and Nigeria (See table 2.4). Market size attracts FDI flows in countries because it assures the companies that their products will be sold hence maximize their profit which is their primary goal (Asiedu, 2002).

The result shows that a country which is endowed with natural resources attracts more FDI flows as the relationship between the two was found to be significant and positive**.** The

result is in line with the stylized facts as traditionally, about 60 per cent of FDI in Africa is allocated in exploiting oil and natural resources (Cleeve et al., 2015). As of 2015, mining quarrying and petroleum led all industries in Africa by accounting for 22.2 per cent of total FDI inflows followed by Electricity, gas and water (21.7 per cent), then construction (11.7 per cent) (UNCTAD, 2016). For a long time, natural resources have been one of the main factors attracting MNEs in SSA because the region is less industrialized and less advanced to offer other attractions like technology (Asiedu, 2006; Asiedu and Lien, 2011). The other reason is that SSA is a region with a vast endowment of natural resources and less restrictive regulation to control the environmental impact of the exploitation of these resources; hence it is easier for MNEs to profit from the exploitation of such resources.

The trade openness of the country was found to be positive, and significant related to FDI flows to SSA countries**.** The result suggests that the more open to globalisation the SSA countries' economies are, the more global FDI flows to SSA. The sum of exports and imports as a percentage of GDP as a standard measure of trade openness is utilised in prior studies, whereby greater openness is found to have a positive effect on FDI inflows (Balakrishnan et al., 2013; Bagli and Adhikary, 2014; Asiedu, 2002). The results are consistent with theory, which suggest that the more open the economy is, the more FDI flows in that country. In the same vein, Mijiyawa (2015), Kinaro (2006) Demirhan and Masca (2008) found that countries which are more open to trade, attract FDI. Also, Asiedu (2002) found that trade openness promotes FDI in SSA and non-SSA countries. Trade openness attracts MNEs because they get confidence that they will not face difficulties in establishing their business in the host country. In addition, for MNEs, whose motive is efficient production arising from FDI, openness gives assurance that they will be able to export their products to the destination of their choices without difficulties.

The size of the labour force of the country was found to be negative, and significant related to FDI flows to SSA countries. The results show that the more working-age population increases, the less global FDI flow to SSA. The result is inconsistent with the hypothesized relationship (section 3.4). However, the results could be due to increasing a working group with high levels of education. This view is supported by Meyer and Thaijongrak (2013), who argue that a highly-skilled workforce is seen as a disadvantage because of the cost of maintaining them. Because a highly educated workforce has high bargaining power which could lead to more compensation and hence high operating costs. In particular, the authors argue that to MNEs from developing countries, view a highly skilled workforce as a

disadvantage because they do not have experience or capacity to manage the group effectively.

> *MNE are less likely to locate in a country, the stronger the skill base, and this effect is stronger for EE MNEs than for IC MNEs* (Meyer and Thaijongrak, 2013: 15).

Infrastructure and governance were found to be positively influencing global FDI flows to SSA. At the same time, GDP growth and indebtedness as a measure of macroeconomic stability have adverse effects on global FDI flows to SSA, but none of these was significant at a test size of 10 per cent. The results are similar to that of Asiedu (2002) who finds that: (a) a higher return and better infrastructure have a positive effect on FDI to non-SSA, but not to SSA.

6.3 FDI flows from developed countries to SSA

This section discusses the results of fixed effects estimations that assesses whether 'People' category of UN SDGs are motivating factors of FDI flows from developed countries to SSA countries to answer research question two.

Research question two: What is the influence of progress towards the 'People' category SDGs on FDI inflows from developed countries to SSA? (North to South FDI flows).

Results for research question two are from model 2, which analyses FDI flows from developed countries to SSA

Table 6.3: Summary of model 2 estimates

Hypothesis	**explanatory variable**	**FDI from developed countries (Model 2)**
-	Lack of progress towards ending poverty	**-11.06809***
-	Lack of progress towards ending hunger	**-16.50458***
+	Progress towards quality education	12.3316
+	Progress towards gender equality	**13.5657****
-	Lack of progress towards health and well-being	892.1275
+	GNI	-1.376757
+	Openness	**2.668459***
+	Natural resources	-8.788389
+	Infrastructure	-1.73678

+	Governance index	-.8978056
+	Labour	**44.9407****
+	GDPW	3.22982
-	Indebtedness	.119734
	R^2	0.8806
	Adjusted R^2	0.7964
	P-value	0.0000
	constant	4.386575

In general, the results show partial support for the hypothesized relationships between 'People' category SDGs and FDI flow from developed countries to SSA. The results presented in chapter 6 shows that three-fifths of the 'People' category of UN SDGs were found to be significant in influencing FDI flows from developed countries to SSA. These significant goals are lack of progress towards ending poverty, lack of progress towards ending hunger, and gender equality, which were hypothesised based on human capital theory and institutional theory (section 3.3.2.2). On the other side, two control variables which are traditional influences of FDI flows were found to be significant.

Lack of progress towards ending poverty was found to be significant and negative related to FDI inflows from developed countries to SSA**.** The result implies that an increase in the poverty gap in SSA countries lead to less FDI flows from developed countries to SSA countries. The result is consistent with the hypothesized relationship by human capital theory and institutional theory (section 3.3.2.2 and section 3.4). The results support the view that northern investors are consistently deterred by a more substantial institutional difference between FDI source and destination countries (Aleksynska and Havrylchyk, 2013; Bénassy-Quéré et al., 2007; Habib and Zurawicki, 2002). All developed countries are well off economically compared to SSA; this could explain the negative perception MNEs have towards developing countries, particularly SSA (Asiedu, 2002; Haque et al., 2000). Since human capital is mainly induced by education and health quality (D. E. Bloom, 2005; Bhargava et al., 2001; Becker, 1962), the low-income level of a country limits the country in developing their human capital hence limit the productivity growth of the country. According to the national competitive framework, limited productivity in the country prohibits FDI flows.

Lack of progress towards ending hunger was found to be significant and negatively related to FDI inflows from developed countries. The result shows that when the prevalence of undernourishment increases, the FDI flows from developed countries to SSA decrease. Thus, when hunger decreases or when there is food security in SSA countries, FDI flows from developed countries to SSA countries increases. The result is consistent with the hypothesized relationship by human capital theory (section 3.3.2.2 and section 3.4). Food security is among the most significant concerns in Sub-Saharan Africa, thus making it one of the most significant factor to be assessed before MNEs invest in the region. Sub-Saharan Africa is the region with the highest prevalence of undernourishment. In 2016, 23 per cent of Sub Saharan Africa population faced prevalence undernourishment, which is 10 per cent higher than the average per cent of all developing countries (See table 2.6 and table 0.7). The negative relationship could be because food insecurity affects productivity through social instability (Benabou, 1996). When the society is disturbed with a significant agenda such as food security, people tend to be disturbed mentally and physically hence reduce their productivity which deters FDI flows.

Progress towards gender equality was found to be significant and positive related to FDI inflows to SSA. The result shows that when secondary school enrolment-gender parity index (GPI) increases, it increases the FDI flows from developed countries to the SSA region. The result means that the more SSA country improves gender equality, the more FDI inflows to the country from the developed countries. The result is consistent with the hypothesized relationship by human capital theory (section 3.3.2.2 and section 3.4). The result is in line with the findings of Kucera (2001), Busse and Nunnenkcamp (2009) and Blanton and Blanton (2015). They found a positive correlation between gender equality in educational attainment and literacy with FDI inflows.

The result gives further evidence that gender inequality in secondary education harms FDI inflows, but only for FDI flows that come from developed countries. This result echoes the results by Busse and Nunnenkcamp (2009) who found the discouraging effects of gender disparity on FDI to be restricted to middle-income (rather than low-income) developing host countries and to investors from developed countries (rather than developing) countries. Higher gender inequality in education translates into lower average human capital which affects the FDI inflows (Klasen and Lamanna, 2009). Studies show that more substantial rights including gender quality leads to political and social stability, and studies show that more excellent political and social stability are associated with more rapid

economic growth which leads to more FDI flows (Benabou, 1996). Klasen and Lamanna (2009) conclude that gender inequality in education and employment leads to lower rates of investments and slower growth. Klasen explain the linkage between gender equality in education and less FDI flows via a "selection-distortion factor" which was described as follows

> *If one believes that boys and girls have a similar distribution of innate abilities, gender inequality in education must mean that less able boys than girls get the chance to be educated and more importantly that the average innate ability of those who get educated is lower than it would be if boys and girls received equal education opportunities* (Klasen and Lamanna, 2009: 6)

The "selection-distortion factor" show how a positive shift in gender equality in education can raise average levels of human capital. It is argued that such an increase in human capital increases the rate of return on investments and thus increase the rate of domestic and foreign investment.

Increasing gender equality allows more women to attend education and hence change the composition of the educated personnel between male and female and ultimately increase the number of educated and skilled labour in the market in general. This view is more relevant to MNE because the market with skilled labour is more relevant to MNEs and for FDI location decision than the market with unskilled labour (Hanson et al., 2001). Therefore gender equality in education may contribute to FDI inflows by facilitating human capital development (Kucera, 2001).

In another way, the positive effects of workers' rights to FDI inflows are mediated by economic growth. Klasen and Lamanna (2009) find that greater inequality is associated with slower economic growth and higher standards or more substantial rights may lead to more rapid economic growth and several studies show that economic growth attracts FDI (Billington, 1999)

Progress towards education quality and lack of progress towards health and well-being were both found to be positive relating to FDI flows from developed countries; however, they are not significant at a test size of 10 per cent. The lack of significance of education could be because FDI flows from developed countries mostly likely do not look for technological innovations or quality education in developing countries such as SSA.

The trade openness of the country was found to be positive, and significantly related to FDI flows to SSA countries**.** The result shows that the more open the SSA countries' economies are, the more FDI flows from developed countries to SSA. The result is consistent with the hypothesized relationship (section 5.7.3.7.). The trade openness in terms of fewer barriers to trade, fewer tariffs and less bureaucracy in opening and operating the business assures the smooth flowing of the trade and the capital which is essential for MNEs (Chanegriha et al., 2017; Medvedev, 2012; Busse and Nunnenkamp, 2009; Blanton and Blanton, 2007; Nunnenkamp and Spatz, 2002). Openness helps both market and efficiency-seeking FDI by facilitating the importation of intermediate inputs from abroad to the host country, as well as allowing MNE s to export to the global market if they wish (Asiedu and Lien, 2004).

The size of the labour force of the country was found to be positive, and significant related to FDI flows from developed countries to SSA countries. The results suggest that the more the ratio of the working-age group over total population increases, the more FDI flows from developed countries to SSA. The result is consistent with the hypothesized relationship (section 5.7.3.2). MNEs, especially from developed countries, target the developing countries as their investment destination to benefit from cheap labour to reduce their production costs (Dunning, 1993).

Market size, infrastructure, natural resources and governance were found to be negatively related to FDI flows from developed countries to SSA similar to results by Hübler and Keller (2010) and Quazi (2007). At the same time, GDP growth and indebtedness as a measure of macroeconomic stability have positive effects on FDI flows from developed countries to SSA similar to Quazi (2007). However, none of these is significant at a test size of 10 per cent. Contrary to global FDI flows and FDI flows from developing countries, the FDI flows from developed countries do not seem to be attracted by market size as there was a negative relationship though the result is not significant. These results could imply that MNEs from developed countries do not target SSA for market purposes; instead, they are after labour and openness, which could mean efficiency-seeking FDI

6.4 FDI flows from developing countries to SSA

This section discusses the results of fixed effects estimations that assesses whether 'People' category of UN SDGs are motivating factors of FDI flows from developing countries to SSA countries to answer research question three.

Research question three: What is the influence of progress towards the 'People' category SDGs on FDI inflows from developing countries to SSA? (South to South FDI flows).

Results for research question three are from model 3, which analyses FDI flows from developing countries to SSA

Table 6.4: Summary of model 3 estimates

Hypothesis	**explanatory variable**	**FDI from developing countries (Model 3)**
-	Lack of progress towards ending poverty	1.477265
-	Lack of progress towards ending hunger	**-29.28123*** **
+	Progress towards quality education	2.551856
+	Progress towards gender equality	**-15.67023*** **
-	Lack of progress towards health and well-being	176.9296
+	GNI	**6.381942** **
+	Openness	.5766485
+	Natural resources	2.756811
+	Infrastructure	-1.307336
+	Governance index	**1.311883***
+	Labour	8.605418
+	GDPW	-2.598851
-	Indebtedness	.9306266
	R^2	0.8654
	Adjusted R^2	0.7912
	P-value	0.0000
	constant	**-118.7668** **

In general, the results show partial support for the hypothesized relationships between 'People' category SDGs and FDI flow from developing countries to SSA. The results presented in chapter 6 shows that two-fifths of the 'People' category of UN SDGs were found to be significant in influencing FDI flows from developing countries to SSA. These significant goals are lack of progress towards ending hunger, and gender equality, which were hypothesised based on human capital theory and institutional theory (section 3.3.2.2). On the other side, two control variables which are traditional influences of FDI flows were found to be significant.

Lack of progress towards ending hunger was found to be significant and negatively related to FDI inflows from developing countries to SSA. The result shows that when the prevalence of undernourishment increases, the FDI flows from developing countries to SSA decreases. Thus, when hunger decreases or when there is food security in SSA countries, FDI flows from developing countries to SSA countries increases. The result is consistent with the hypothesized relationship by human capital theory (section 3.3.2.2 and section 3.4). The theory advocates that food insecurity affects the physical fitness of the population as well as social stability which in results affects FDI flows (Kucera, 2002).

Gender equality was found to be significant and negative related to FDI inflows from developing countries to SSA. The result shows that when secondary school enrolment - gender parity index (GPI) increases, it decreases the FDI flows from developing countries to the SSA region. The results imply that the more SSA country improves gender equality, the less FDI inflows to the country from the developing countries. The result is inconsistent with the hypothesized relationship by human capital theory and institutional theory (section 3.3.2.2 and section 3.4). The negative relationship could be because gender equality might increase labour costs by raising worker's standards as there is equality for all gender (Kucera, 2001). In this regards the gender disparity in education seems to attracts more FDI inflows, this could be through lowering of average wages at a given level of productivity (Busse and Nunnenkamp, 2009). This line of argument seems to fit for MNEs that originate from developing countries (Kucera, 2001). At the same time, it is not the case for MNEs that comes from developed countries; this is because there is evidence that MNEs from developed countries put more priority to labour productivity than labour costs (Kucera, 2001). This argument is also supported by results from Hatem and Mugione (1997). They found that labour cost is less critical for MNEs from western Europe and North America, which represent developed countries while the factor is vital for MNEs from Asia (Ruthven and Kumar, 2002). Cuervo-Cazurra (2006) shows that when investors internationalize, those from countries with high corruption and a lack of enforcement of anti-corruption laws tend to select similar countries. They use such an approach to exploit their familiarity with corrupt environments and because they face lower costs of operating as opposed to other investors. This perception provides an explanation for MNEs from developing countries shifting from countries that improve gender equality, at the same time, they operate in low gender equality level at the home country (see institutional distance explained in Section 1.2.1).

The poverty level of the country, quality education and health and well-being were not found to be significant factors for FDI flows from developing countries. The results support the view that investors from the South may have a comparative advantage to invest in other developing countries (Claessens and Van Horen, 2008). Gugler (2009) said that investors from the South appear to be less deterred by weak institutions in host countries than big multinational companies from developed countries. The advantage comes from their previous domestic experience with weak institutions which can enable them to operate in the institutionally weak environment (Darby et al., 2009; Cuervo-Cazurra and Genc, 2008), as well as greater familiarity of business practices in similar markets (World, 2006). Their experience includes operating in ineffective governments, inadequate protection of property rights, poorly developed infrastructures, management of the unstable, inconsistent or incomplete institutional environment as well as the ability to provide services within markets which include consumers living in poverty (Almamari, 2014; J. Spencer and Gomez, 2011; Henisz, 2003).

The market size of the country was found to be significant, and positively related to FDI flows from developing countries**.** The result means that when GNI increases, the FDI flows from developing countries to SSA increases. The result is consistent with expectations and is similar to many research (Kumari and Sharma, 2017; Anyanwu, 2011). The market size has been considered the most significant determinant of FDI because it is believed to represent efficient representation of resources and economies of scale (Schneider and Frey, 1985).

The indicator of country governance was found to be significant, and positively related to FDI flows from developing countries to SSA. This result shows that the more SSA countries' governance performs well, the more FDI flows from developing to the SSA countries. The result is consistent with the hypothesized relationship and similar to results by Rodrigues-Pose and Cols (2017) and Adeleke (2014). Following Clague et al. (1996), three possible arguments can be advanced in favour of good governance. First, the credibility of autocratic governments as efficient agents for social savings and investments with a high social rate of returns has been questioned in recent decades. Second, democracies protect individual property rights, which favour economic growth better than do autocracies. Third, democracies allow efficient transmission of information regarding government policies to policymakers, thereby allowing poor policies to be abandoned. Therefore, in light of the above arguments, this particular empirical result finds a place to support that good

governance attracts more FDI flows. Theoretically speaking, democratic countries or countries with good governance can offer more economic freedom and a better business climate for enhancement of domestic and foreign investment.

Infrastructure and GDP growth were found to be negative influencing FDI flows from developing countries to SSA, similar to Hübler and Keller (2010) and Quazi (2007). At the same time, openness, natural resources and labour have positive effects on FDI flows from developing countries to SSA. However, all failed to reach the significance of 10 per cent similar to results by Wheeler and Mody (1992). The positive sign of openness but lack significance could be because many developing countries are in the same economic integration, thus have entrance preferences. While on the side of natural resources could be because many developing countries are endowed with natural resources, thus natural resources are not of significant concern to them. The same argument of having the resource in abundance could be made to labour which was found to be positive but lacks significance.

6.5 Comparison of the three models.

Table 6.5: Summary of the fixed effects estimation on model 1, Model 2 and Model 3

Hypothesis	**explanatory variable**	**Aggregate FDI (Model 1)**	**FDI from developed countries (Model 2)**	**FDI from developing countries (Model 3)**
-	Lack of progress towards ending poverty	1.614139	**-11.06809***	1.477265
-	Lack of progress towards ending hunger	**-20.05022*****	**-16.50458***	**-29.28123*****
+	Progress towards quality education	**-19.85834****	12.3316	2.551856
+	Progress towards gender equality	**-7.911229*****	**13.5657****	**-15.67023*****
-	Lack of progress towards health and well-being	270.3216	892.1275	176.9296
+	GNI	**2.578028*****	-1.376757	**6.381942****
+	Openness	**1.320821****	**2.668459***	.5766485
+	Natural resources	**6.076851***	-8.788389	2.756811
+	Infrastructure	.1211656	-1.73678	-1.307336
+	Governance index	.2626634	-.8978056	**1.311883***
+	Labour	**-30.04718*****	**44.9407****	8.605418
+	GDPW	-.8257098	3.22982	-2.598851
-	Indebtedness	-.8308492	.119734	.9306266
	R^2	0.8745	0.8806	0.8654
	Adjusted R^2	0.8145	0.7964	0.7912
	P-value	0.0000	0.0000	0.0000
	constant	-7.13853	4.386575	**-118.7668****

In summary, the progress towards zero hunger, no poverty, gender equality and quality education was found to be significantly influencing FDI inflows to Sub-Saharan Africa. However, the model that assesses FDI flows from developed countries seems to have more significant SDGs which are consistent with the hypothesized relationship. The results show

that depending on where the FDI flows come from; most SDGs improvement except progress towards ending hunger will have a significant difference in influencing FDI flows in different countries.

In general, the strength of the influence of various locational influences between FDI flows from developed and developing countries differ considerably (Estrin and Meyer, 2014). The difference was expected and is consistent with the explanation given by institutional theory (Section 1.2.1). The institutional theory explains the difference between FDI flows from developed and developing countries as caused by institutional distance. Many MNEs from developing countries have more advantages of investing in developing countries than MNEs from developed countries because of the experience of the former in such environment (Section 1.2.1). Also, many MNEs FDI flows from developing countries are influenced by factors such as learning opportunities and barriers to entry in the host country than FDI from developed countries because the former's MNEs have less experiential knowledge in international business operations (Meyer and Thaijongrak, 2013; Peng, 2012; Ramamurti, 2012). Most MNEs from developing countries have a close association with their home government; this has led to scholars to develop a political economy or institutional perspective of MNEs from developing countries (Meyer and Thaijongrak, 2013). The close association is through state ownership and ties between MNE's managers and government officials (P. Sun et al., 2010; Peng and Luo, 2000). This perspective suggests two views, firstly, government association provides resources support and second, it creates pressure to aligns MNE's strategy on FDI to align with government policies. The latter perspective is more relevant to this study, as MNEs could get pressure to align with countries' various objectives. For instance, the literature suggests that in the case of China their objectives have been acquiring natural resources, advanced technologies and supporting political relationships with other countries (Zhang et al., 2011; Luo et al., 2010).

It is seen that improvement towards SDG factors is more critical to FDI flows from developed countries than FDI flows from developing countries (see table 5.2). The magnitude of the coefficient of lack of progress towards ending poverty, ending hunger, and progress towards improving gender equality are greater for FDI flows from developed countries than FDI flows from developing countries. The reasons could be due to prior experience of MNEs from developing countries operating within a similar environment and so are better qualified to operate within these types of the market without demanding very

high standards (Almamari, 2014; Darby et al., 2009; Cuervo-Cazurra and Genc, 2008). MNEs from developing countries obtain specific ability from operations within their home countries, such as the ability to function in ineffective governments, inadequate protection of property rights, poorly developed infrastructures as well as the ability to provide services within markets which include consumers living in poverty (Almamari, 2014). The difference may also be the case that MNEs from developed nations have to satisfy shareholders with different standards on such things as, for example, the environment or human rights, compared to shareholders of developing nations MNEs (Yang and Rivers, 2009). Indeed, in the case of some developing nations MNEs, the foreign government itself is a significant shareholder (Wang et al., 2012; Buckley et al., 2009; Morck et al., 2008; Dunning et al., 1996).

In particular, the results show that lack of progress towards ending hunger was found to be significant and negatively affecting FDI flows from developed countries, developing countries and global. The result means a lack of progress towards ending hunger is significant in all scenarios (regardless of the source of FDI flows). Therefore, food security is vital when making investment location decisions, regardless of the source of FDI flows. Lack of progress towards poverty eradication seems to be of significance for FDI flows from developed countries. At the same time, this is not the case for FDI flows from developing countries and for aggregate FDI flows. Most developing countries have almost the same level of development; thus, a low level of income seems not to disturb most FDI flows from developing countries.

Regarding gender equality, it was found to be significant for all models; however, positively influencing FDI flows from so-called “developed” countries and negatively impacting global FDI and FDI flows from “developing” countries. This result indicates that the effect of gender inequality on FDI inflows may differ depending on the source of the FDI flows, as explained by institutional theory in Section 1.2.1. This difference might be because MNEs from developing countries favours gender disparity, particularly in employment to reduce labour cost. The findings of a positive correlation between gender equality with FDI flows from developed countries is supported by Kucera (2001) while the negative correlation founds for FDI flows from developing countries is supported by Seguino (2000). Klasen used gender inequality in education same as this study while Seguino used gender wage gap as a measure of inequality. The findings show that the type of discrimination matters. In cases where gender discrimination is manifested in ways that do not compromise the overall

quality of the labour force but merely lower the cost of labour for employers, discriminating against women can have positive effects on FDI inflows (Kucera, 2001). These results suggest that if more influential workers' rights, including gender equality, is associated with higher costs, it causes adverse effects on FDI inflows; however, if it causes more excellent stability, it causes positive effects. The positive effects may well offset the adverse effects. On the side of qualitative data, three high-level managers out of the four interviewed declare that all of the 'People' category SDGs are significantly affecting their FDI location decisions. On the other hand, the government officers supported only quality education and health and well-being as significant factors considered by MNEs.

Traditional influences continue to influence FDI flows to SSA as most of the control variables were found to be significant. The significant control variables include market size, trade openness, natural resources, good governance and labour. From the regressions that were run for control variables, the same variables, i.e. market size, trade openness, natural resources, infrastructure, and good governance, were found to be significant.

The market size was found to be an essential aspect in an investment deciding for global FDI and FDI flows from developing countries while to FDI flows from developed countries, market size is not among the aspects that they focus on when assessing whether to invest in SSA or not. Trade openness is vital in location decision for global FDI and FDI flows from developed countries as the results express the significance of trade openness at a test size of 10 per cent confidence. At the same time, this is not the case for the FDI flows that come from developing countries. The lack of significance of the factor for FDI from developing countries could be because of vast trade unions that have been made among south-south countries as well as African countries.

Natural resources were found to be significant for aggregate FDI flows to SSA only while for global FDI and FDI flows from developing countries; natural resource seems not to be of importance. The lack of significance could be because most of the developing countries are also endowed with natural resources; hence it is not what they are looking for when locating their foreign investments. Good governance was found to be significant for FDI flows only while labour is significant for global and FDI flows from developed countries.

6.6 National competitive framework as an analytical tool

This section discusses the fourth research question, whether the national competitive framework (section 3.3.2.2) could serve as an analytical framework for understanding non-traditional influences in SSA.

A vital argument developed in this thesis is that commonly adopted theories and frameworks in FDI influences studies are not able to explain 'People' category SDG as non-traditional influences of FDI inflows (See section 3.3.1). Therefore, this study extends the knowledge in the field by testing if a national competitive framework can be used to investigate the non-traditional FDI influences in SSA. This section answers research question four (section 3.6), by evaluating whether 'People' category SDGs can be regarded as non-traditional influences of FDI inflows to SSA. These 'People' category SDGs are ending poverty, ending hunger, quality education, gender equality and health and wellbeing. The national competitive framework provides a thorough explanation using human capital theory and institutional theory on how SDGs qualifies as non-traditional influences FDI flows in SSA. As depicted in the conceptual framework, the SDGs affects FDI flows via their effects on productivity as explained by human capital theory and their effects on business costs as explained by institutional theory (Section 3.5).

According to human capital theory, quality education and health and wellbeing play a crucial role in enhancing human capital and workers' productivity which translate into the attraction of more FDI flows in a country. Quality education improves human capital and productivity by enabling workers to execute duties with competence, minimum errors, to be easily trainable consequently a well-trained worker can handle a variety of tasks, lowering unit costs as opposed to the uneducated worker (Shatz, 2003). While health and wellbeing improve productivity and human capital by reducing the rate of absenteeism, enhancing intellectual function and provision of long life expectancy which helps to acquire more experience (Bloom, 2005, Bhargava, 2001). Furthermore, poor health and wellbeing could mean more cost to MNEs to support their workers that would reduce their profit and hence harm FDI flows (Alsan et al., 2006).

Regarding gender equality, the factor enhance productivity by giving equal opportunity to both genders in acquiring education (Boserup et al., 2013). While food security helps to improve the nutrition level of the population and that improves the physical and mental

fitness of the workforce and hence increase productivity because nourished workers are more productive than undernourished workers (Alsan et al., 2006). Finally, poverty affects FDI flows by moderating how various human capital forms influence productivity in a country (Schultz 1997). If people are poor, they cannot afford quality education or quality health services or good nutritional meal that causes weak human capital which results in low productivity and hence low FDI flows.

The theoretical underpinnings offered by national competitive framework were backed up by empirical evidence whereby model diagnostics show that all three models were significant and non-spurious (section 6.4.2). The significances of the models imply that the adopted national competitive framework can deploy theories, mainly institutional and human capital theories to categorise 'People' category SDGs as FDI influences in SSA. The results support partially the claim where four out of five SDGs were found to be significantly associated with levels of inward FDI flows. In summary, the progress towards zero hunger, no poverty, gender equality and quality education was found to be significantly influencing FDI inflows to Sub-Saharan Africa. Moreover, the explained variance of each of the three models is similar to or above the levels of related studies, which have not adopted the national competitive framework (Flores and Aguilera, 2007; Cleeve et al., 2015; Kim and Aguilera, 2016). The overall results show that the different theoretical approaches organized within the national competitive framework such as institutional and human capital theories can explain a comparatively large share of the complex nature of the non-traditional influences . These theories (institutional and human capital theory) were rather complementary as they lacked explanatory power on their own (as synthesized in section 3.4). This contribution is vital to the FDI influences research field as the literature review reveals that several components of previously adopted theoretical approaches seem to lack applicability in the new context of non-traditional influences (See section 3.3.1).

Furthermore, many papers which assess the non-tradition factors did not use any framework (Cleeve et al., 2015; Busse and Nunnenkamp, 2009; Noorbakhsh et al., 2001). The run of analysis without using any framework could mean that researchers did not find a robust theoretical framework to apply in their papers. This study provides a solution by arguing that national competitive framework is a comprehensive theoretical framework that researchers can apply to assess various non-traditional influences of FDI flows to developing countries, particularly SSA. This argument is supported by the empirical evidence provided in Section 5.4.

Some researchers argue that MNEs from developing countries are in crucial ways systematically different from MNEs originating from developed countries and thus call for the development of new theories to explain their characteristics (Guillén and García-Canal, 2009; Rui and Yip, 2008; Mathews, 2006; Child and Rodrigues, 2005). In contrast, other authors argue that scholars analysing these MNEs from developing countries should not rashly abandon established theories. Because the existing theories can explain the fundamental features of MNEs from developing countries, though this may involve combining some additional features into the existing theoretical frameworks (Dunning, 2006b; Narula, 2012; Ramamurti, 2012; Rugman, 2009), this research provides further evidence that the national competitive framework can offer a thorough explanation of the factors that have different significance power in influencing FDI flows to SSA from developed and developing countries. The framework applies institutional distance as a concept within the institutional theory to explain how MNE direct their FDI flows to foreign countries with minimal institutional distance (Section 1.2.1). This explanation has been supported by empirical evidence whereby factors such as gender equality was found to be significant and positively influencing FDI flows from developed countries while negatively influencing FDI flows from developing countries (Section 5.4). However, the results show that the FDI flows from developed countries to SSA seem to be more relevant for an adopted framework (national competitive framework) because almost all of the SDGs had the same sign in the results as in the hypothesized relationship (section 6.4.1). The following chapter presents the core contributions, limitation of the study and areas for further research.

Chapter 7 : Conclusions

The investigation of the impact of non-traditional influences of FDI flows to SSA is still underdeveloped. The underdevelopment is in terms of both scarce empirical evidence and absence of literature which employ comprehensive theoretical framework to assess non-traditional influences . This study contributes to the empirical studies by assessing the influence of the 'People' category SDGs on FDI flows to SSA. Furthermore, the study adds to the knowledge of the application of human capital and institutional theory in the context of the national competitive framework as a comprehensive framework to assess the non-traditional influences of FDI in SSA.

7.1 Theoretical contribution

Theoretically, the study aimed at examining the ability of the national competitive framework to explain the non-traditional influences of FDI in the context of SSA. In doing so, this study contributes to the knowledge and demonstrates that an existing international business framework (national competitive framework) can explain the relationship between non-traditional influences of FDI, particularly SDGs with FDI flows to SSA (Delgado et al., 2012). Previous literature lacks holistic and integrated approaches to explain non-traditional influences , particularly in SSA (Cleeve et al., 2015; Busse and Nunnenkamp, 2009; Noorbakhsh et al., 2001). In line with the literature and research aims (Section 1.4), the underlying results provide quite a few essential contributions to knowledge.

The study shows that the institutional and human capital theories organised in the adopted national competitive framework (see section 3.3.2.2), are only partly able to explain the non-traditional influences of FDI, individually. Furthermore, the commonly adopted theories and frameworks in FDI influences studies are not able to explain 'People' category SDG as non-traditional influences of FDI inflows (See section 3.3.1). The study demonstrates that national competitive framework offers a comprehensive analytical framework by combining the two theories (institutional and human capital theories) under one umbrella to assess the non-traditional influences in SSA. As depicted in the conceptual framework, the SDGs affects FDI flows via their effects on productivity as explained by human capital theory and their effects on business costs as explained by institutional theory (Section 3.5). Since the framework has been applied in the context of developed countries (Delgado et al., 2012), the results show that the national competitive framework can integrate and merge the theoretical underpinnings of the human capital theory and

institutional theory within the new context of developing countries (SSA). Therefore, this is the new application of the framework in this particular context as per our best knowledge.

The study advances the existing knowledge by providing useful insights into the ability of the national competitive framework to explain the relative influence of non-traditional influences on different FDI source countries. In this aspect, the study explores how institutional theory is featured in the national competitive framework to explain how different FDI investing countries could be influenced differently by SDGs progress by host countries (Section 1.2.3). The framework applies institutional distance as a concept within the institutional theory to explain how MNC direct their FDI flows to foreign countries with minimal institutional distance (Section 1.2.1). This explanation has been supported by empirical evidence whereby factors such as gender equality was found to be significant and positively influencing FDI flows from developed countries while negatively influencing FDI flows from developing countries (Section 5.4). This contribution responds to the request by scholars to device new theories or modifies the existing theories to explain the unique characteristics of MNEs from developing countries (Ramamurti, 2012; Guillén and García-Canal, 2009; Rugman, 2009; Rui and Yip, 2008; Mathews, 2006; Dunning, 2006b; Child and Rodrigues, 2005).

In overall, this research demonstrates that the national competitive framework can generally serve as an analytical framework for understanding non-traditional influences of FDI in SSA. Furthermore, the study highlights that the framework still requires further investigation and modification to explain the various non-traditional influences of FDI fully. The two contributions above are a response to the literature gap observed in the extant literature (Section 1.2). Hence by extending the conceptual proposition of Delgado et. Al (2012), this study provides a more comprehensive and eclectic approach. This is an essential contribution to knowledge because some literature had no theoretical framework to underpin their arguments (Cleeve et al., 2015; Busse and Nunnenkamp, 2009; Noorbakhsh et al., 2001).

7.2 Empirical contribution

The purpose of this study was to examine the influence of progress towards SDGs on FDI inflows to SSA. Our main empirical contribution is in four aspects: Firstly, many pieces of literature attempt to analyse how FDI flow contributes to sustainable development which is an international development perspective (Gohou and Soumaré, 2012; Mihalache-O'keef and Li, 2011; Oetzel and Doh, 2009; Wang, 2009) and neglect the other side of the coin

which this thesis pursues. This study applied the international business lens in assessing the Sustainable Development Goals and FDI flows. For instance, different studies assess how FDI impacts food security and poverty in a country (Gohou and Soumaré, 2012; Mihalache-O'keef and Li, 2011) while no paper was found to assess how food security affects FDI flows in a country. This study fills the gap by investigating the influence of food security and poverty in the attraction of FDI inflows. The study finds a positive and significant relationship between food security and FDI flow to SSA (Section 5.4.1). Based on quantitative research design, the study assesses how progress towards SDGs impact FDI inflow level in SSA, which is an international business perspective and less researched side (Blanton and Blanton, 2015; Busse and Nunnenkamp, 2009; Alsan et al., 2006). Therefore, this study contributes to empirical evidence and demonstrates that progress towards the 'People' category SDGs has a significant influence on FDI flows to SSA. The results support partially the claim where four out of five SDGs were found to be significantly associated with levels of inward FDI flows. In summary, the progress towards zero hunger, no poverty, gender equality and quality education was found to be significantly influencing FDI inflows to Sub-Saharan Africa.

Secondly, focussing on the 'People' category of SDGs as non-traditional location factors for FDI adds more uniqueness to this thesis because little is known of the impact of these variables. Furthermore, the study adds an analysis of how the significance of these SDGs on FDI inflows could be altered if investing countries are different. The results reveal that there is a difference in influencing power of SDGs when FDI flows from different countries to SSA (Section 6.5). The results suggest that investors from the South (developing countries) invest differently from their northern counterparts (developed countries). For northern investors (FDI that flows from developed countries to SSA), the results reject the view that MNCs favour locations where education-related gender disparities may offer cost advantages. Instead, it was found that gender disparities discourage FDI inflows from developed countries, while on the other hand, the results support the view for the FDI flows that originate from developing countries. These results shows that investors from developing countries favour countries with lower labour standards particularly with gender disparities in education because lower labour standards, including gender discrimination in respect of employment, lead to lower labour costs (Kucera, 2001). China accounts for 36 percent of FDI stock in SSA (UNCTAD, 2016), and there have been complains to Chinese investors that they tend to disregard working standards and human rights in countries they invest, this explains the logic of the results(Osondu-Oti, 2016). The poverty level of the

country seems to adversely affect the FDI flows from developed countries, while the factor is of no significance to FDI flows from developing countries.

In regards to traditional influences , the FDI flows from developed countries do not seem to be attracted to SSA by market size, infrastructure, good governance, or market potential. Instead, they are attracted by how economically open the country is as well as the availability of skilled labour. While for FDI flows from developing countries to SSA, market size and good governance are the most critical factors in investment decisions. In contrast, openness, natural resources, infrastructure labour, and market potential do not seem to influence much location decisions of FDI flows from developing countries to SSA. On the side of aggregate FDI flows to SSA, market size, openness to trade, and natural resources seem to be the main factors attracting the flows to SSA. In contrast, infrastructure, good governance, and market growth do not have influence. On the other hand, more labour seems to discourage global FDI flows to SSA.

Therefore, the study attests to numerous differences between investors from the South and the North, suggesting that different types of activities could influence investors from the South and North differently; hence, these flows could be complementary. This news is good for investors from developed economies and developing countries, but also for developing host countries. Instead of emerging multinationals competing head-to-head with their counterparts from the north to earn market share, these investors could see investment opportunities differently and grasp them as different investors

Thirdly, the study is "ahead of the curve" in that it develops and tests measures and indicators of the relevant SDGs in the absence of generally agreed measures and indicators and with UNCTAD having just now started to address this.

Finally, the study adds value to the empirics of non-traditional influences studies by applying the bespoke data from UNCTAD. This data set is a new one and not publicly available. We used bespoke data from the United Nations Conference for Trade and Development(UNCTAD), which is not available on the public. This adds novelty to this research. We applied recent data on bilateral FDI inflows to Sub Saharan Africa, which is empirically not available due to lack of data as well as the newness of the SDGs concept. We contribute to the macroeconomic variables as there are no papers that assess the food security on FDI inflows as well as poverty on FDI inflows. We have also added contribution to the empirical studies that assess the population health on FDI inflows since there are

only five papers that assess the population health on FDI inflows. We provide a unique data set that combines the bespoke data acquired from the United Nations Conference on Trade and Development (UNCTAD) as well as secondary quantitative data from trustworthy databases. Such databases include UNCTADSTAT, the World Development Indicators (WDI) and the Worldwide Governance Indicators (WGI) database. This data set is not available in public; therefore, we provide a new contribution to the field.

There have been some studies that analyse non-traditional influences for FDI flows from developed countries. However, the analysis for FDI flows from developing countries is scarce (Aleksynska and Havrylchyk, 2013); this study adds empirical evidence of non-traditional influences for FDI that comes from developing countries. Therefore this study extends the existing knowledge by providing new empirical evidence of the application of the national competitive framework in evaluating FDI flows to Sub-Saharan African countries

7.3 Methodological contribution

This research offers a robust quantitative methodological approach in the reasonably new research context of FDI flows and non-traditional influences of FDI in SSA. It adopted a novel feature in FDI research by collecting secondary data from authoritative organisations and database which are responsible for collecting official data from states. These database and organisations include World Development Indicators (WDI) maintained by World Bank, UNCTADSTAT maintained by UNCTAD, and ILO statistics maintained by ILO. In addition, we had a privilege to obtain bespoke data for bilateral FDI flows for SSA countries from UNCTAD. The study adds a contribution to the methodology by analysing the novel data set in categories of North to South FDI flows(Developed countries to SSA), South to South FDI flows(Developing countries to SSA), and global to SSA flow (world FDI to SSA). We applied bilateral data and divided the analysis on FDI that comes from developing, developed, and aggregate. Generally, this approach has already been used. However, it has never been used to Sub-Saharan Africa for FDI in these recent years as data is not available unless one obtains from UNCTAD.

Another methodological contribution is the adoption of the SDGs as non-traditional influences of FDI flows to SSA. This was the necessary step as no study assesses SDGs as influences of FDI flows in SSA. In addition, we applied the national competitive framework to Sub Saharan Africa, which is the new context application. The framework has been used

in the context of developed countries (Delgado et al., 2012).

We went further to collect qualitative data to validate the findings and provide context for the study. We added some literate interviews to qualify the quantitative results. This is the novelty approach applied in the recent papers approach (Sharma et al., 2018; Crick, 2007). The study includes some elite semi-structured interviews with the top-level managers of MNEs subsidiaries in Tanzania to supplement the quantitative results. The after analysis interviews help to provide context and explore the findings in greater depth, which is a new approach (Sharma et al., 2018; Crick, 2007).

7.4 Public policy Implications

The purpose of the study was to assess whether progress towards UN SDGs has any impact on FDI inflows in SSA. The results show that the progress towards zero hunger, no poverty, gender equality and quality education was found to be significantly influencing FDI inflows to Sub-Saharan Africa. The results imply that FDI inflows in SSA are not only driven by market size and natural resources, which are solely exogenous factors and have been the main factors in this context. This means that small countries and countries that lack natural resources can obtain FDI by improving their institutions and policy environment. Policymakers in SSA countries are now able to understand the importance of the significant influences of FDI mentioned in the study and take steps to articulate policies that encourage FDI. Such measures could include improving food security, gender equality, investing in the nation's human capital, developing market size, and making regulations more international trade-friendly. Also, investing in vocational training in order to supply MNEs with more suitably trained/ skilled labours as MNEs as well as other domestic firms steadily move into more sophisticated production processes and services sectors. Policymakers could also improve human rights, particularly gender equality, because evidence shows that improves FDI flows from developed countries. This is because respect of human rights, including gender equality reduces risks to FDI as it shows enhanced political stability and predictability with the host country and reduced corporate vulnerability to outcries by a socially conscious consumer public. In another way, human rights facilitate an environment conducive to the development of human capital, with foreign investors increasingly attracted to countries where they can draw upon high-skilled labour.

As policymakers have an interest in the national competitiveness (Borozan, 2008; Von Tunzelmann, 1995), the findings of this study imply that public and private scientific research institutions, industrial concentrations and highly skilled R&D employees in a country constitute the fundamental force behind the development and success of FDI flow levels. Policymakers can consult these findings in order to evaluate which type of FDI they can attract in consideration of the existing location factors in their country (Kuemmerle, 1999). In addition, multilateral organisations such as the IMF and the World Bank, as well as economic integrations, can play an essential role in facilitating FDI by promoting good institutions in SSA countries. Institutions have always been considered as drivers of productivity improvement, which translates to more FDI flows as per human capital theory linkage (Bénassy-Quéré et al., 2007).

The study helps the policymakers in recognising that an MNE's preceding experience impacts on its ability to thrive in developing countries. It also considers in providing useful guidance for those MNEs managers who are seeking to improve their effectiveness when investing in developing countries. At the policy level, this study is highly policy-relevant because it examines the effects of the degree of attainment of specific UN Sustainable Development Goals on inward FDI performance. In doing so, it is topical, timely and relevant because of the expanding role of FDI as a source of investment in developing countries and the study's ability to inform both evidence-based policy-making in developing countries and the sustainable development agenda at UNCTAD with robust evidence. Policymakers in developing countries are seeking to invest in the SDGs while simultaneously pursuing investment attractiveness policies. This study has shown the benefits of investing in the SDGs for the policy goal of attracting more considerable amounts of inward FDI.

7.5 Limitations of the study

Despite the contributions to the debate on the non-traditional influences of FDI flow in SSA, this thesis also has some limitations. Unavailability and unreliability of data from the Sub-Saharan African countries, which is the centre for the analysis in this thesis bring some limitations. Sub-Saharan African countries face resource constraints in collecting, compiling and disseminating data, which are not always predictable (for a discussion of these constraints, see Jerven and Johnston (2015) and Jerven (2019). To circumvent these constraints, we requested assistance from the United Nations Conference for Trade and

Development (UNCTAD) offices in Geneva to have them provide a bespoke database of essential indicators, from their data sources. The obtained data required much cleaning work.

The unavailability of data also required the author to conduct additional field studies in sub-Saharan Africa, consisting of elite interviews with foreign investors (MNEs) who have invested in Sub Saharan Africa (particularly in Tanzania) to supplement the missing data. The semi-structured elite interviews were done to subsidiaries top leaders to capture the decisions made by boundedly rational managers (Collinson and Houlden, 2005; Pinho, 2007). However, the approach does not cover the decisions made by managers from headquarters and MNCs' subsidiaries in other countries; this brings some limitations in the coverage of the views of individuals in these positions.

Although we have tried to ensure that our results are robust, there is always the possibility that some hidden variable is the real determinant of FDI. Since we did not find data for all variables and all countries in sub-Saharan Africa, we cannot claim a whole inferential. However, we can claim significant inferential because our data represents more than 80 per cent of the FDI inflows and GDP in the region.

7.6 Future research

By integrating human capital and institutional theory in the context of the national competitive framework, this study offers a theoretical framework to assess the influence of SDGs on FDI flows in SSA. In our study, we managed to assess the framework empirically by assessing the global FDI flows to SSA as well as FDI flows from developed and developing countries as different sources of investing countries. However, because of the data limitations, we could not classify Foreign Direct investments(FDI) into different types and attempt to investigate how they are influenced by the improvement of countries towards the Sustainable Development Goals (SDGs). In this regard, future research can classify FDI into various FDI types and assess the influence of non-traditional influences . For instance, FDI as a means of accessing scarce resources in the FDI originating nation, FDI which aims to purchase or eliminate local businesses – that is, to consolidate global oligarchy – manufacturing for export and manufacturing for domestic consumption. Because the service industry is growing in developing countries, further research could focus on MNC that are solely investing in services to assess if the influence of SDGs will be different or the same.

In this study, we managed to interview top-level managers for MNEs subsidiaries that are in Tanzania. We recommend that future studies to interview MNEs managers at headquarters as well as MNEs subsidiaries that are in other countries. Covering these essential aspects of the interview will provide more scope for empirical evidence. We also assessed these factors for total FDI, however various types of FDI may respond differently to the influence of SDGs. We recommend future research to assesses how the progress towards SDGs could influence various FDI sectors such as FDI from MNEs involved in manufacturing, the services industry and mining, for example, given their importance to the economies of sub-Saharan African countries.

References

Abegaz, K. H. (2018) 'Prevalence of undernourishment: trend and contribution of East African countries to sub-Saharan Africa from 1991 to 2015.' *Agriculture & Food Security*, 7(1), 2018/07/18, p. 49.

Acemoglu, D. and Johnson, S. (2007) 'Disease and development: the effect of life expectancy on economic growth.' *Journal of political Economy*, 115(6) pp. 925-985.

Adams Jr, R. H. (2004) 'Economic growth, inequality and poverty: estimating the growth elasticity of poverty.' *World Development*, 32(12) pp. 1989-2014.

Adams, S. (2009) 'Can foreign direct investment (FDI) help to promote growth in Africa?' *African Journal of Business Management*, 3(5) p. 178.

ADB. (2004) *Asian Development Outlook.* New York: Asian Development Bank.

Adeleke, A. I. (2014) 'FDI-growth nexus in africa: Does governance matter?' *Journal of Economic Development*, 39(1) p. 111.

Adeniyi, O., Omisakin, O., Egwaikhide, F. O. and Oyinlola, A. (2012) 'Foreign Direct Investment, Economic Growth and Financial Sector Development in Small Open Developing Economies.' *Economic Analysis and Policy*, 42(1), 2012/03/01, pp. 105-127.

Adewumi, S. (2007) The impact of FDI on growth in developing countries: An African experience.

Afzal, M., Rehman, H. U., Farooq, M. S. and Sarwar, K. (2011) 'Education and economic growth in Pakistan: A cointegration and causality analysis.' *International Journal of Educational Research*, 50(5-6) pp. 321-335.

Afzal, M., Malik, M. E., Begum, I., Sarwar, K. and Fatima, H. (2012) 'Relationship among education, poverty and economic growth in Pakistan: an econometric analysis.' *Journal of Elementary Education*, 22(1) pp. 23-45.

Agosin, M. R. and Machado, R. (2007) 'Openness and the international allocation of foreign direct investment.' *The Journal of Development Studies*, 43(7) pp. 1234-1247.

Aguilera, R. V. (2011) 'Interorganizational governance and global strategy.' *Global strategy journal*, 1 pp. 90-95.

Ahn, Y. S., Adji, S. S. and Willett, T. D. (1998) 'The effects of inflation and exchange rate policies on direct investment to developing countries.' *International Economic Journal*, 12(1) pp. 95-104.

Aiginger, K., Bärenthaler-Sieber, S. and Vogel, J. (2013) *Competitiveness under new perspectives.* WWWforEurope Working Paper.

Aitken, B. J. and Harrison, A. E. (1999) 'Do domestic firms benefit from direct foreign investment? Evidence from Venezuela.' *American economic review*, pp. 605-618.

Al-Laham, A. and Souitaris, V. (2008) 'Network embeddedness and new-venture internationalization: Analyzing international linkages in the German biotech industry.' *Journal of Business Venturing*, 23(5) pp. 567-586.

Albulescu, C. T. and Goyeau, D. (2016) 'The interaction between trade and FDI: the CEE countries experience.' *arXiv preprint arXiv:1609.02334*,

Aleksynska, M. and Havrylchyk, O. (2013) 'FDI from the south: The role of institutional distance and natural resources.' *European Journal of Political Economy*, 29 pp. 38-53.

Alfaro, L., Chanda, A., Kalemli-Ozcan, S. and Sayek, S. (2004) 'FDI and economic growth: the role of local financial markets.' *Journal of international economics*, 64(1) pp. 89-112.

Alfaro, L., Chanda, A., Kalemli-Ozcan, S. and Sayek, S. (2010) 'Does foreign direct investment promote growth? Exploring the role of financial markets on linkages.' *Journal of Development Economics*, 91(2) pp. 242-256.

Ali, H. and Chowdhury, M. F. (2015) 'Positivism in understanding the contemporary social world: A critical discussion.' *Journal of Studies in Social Sciences*, 11(2)

Allison, P. D., Williams, R. and Moral-Benito, E. (2017) 'Maximum likelihood for cross-lagged panel models with fixed effects.' *Socius*, 3 p. 2378023117710578.

Almamari, A. (2014) 'On the competition between multinational enterprises within developing countries: developing country MNEs versus developed country MNEs.'

Alsan, M., Bloom, D. E. and Canning, D. (2006) 'The effect of population health on foreign direct investment inflows to low- and middle-income countries.' *World Development*, 34(4), 2006/04/01/, pp. 613-630.

Andersen, O. (1993) 'On the internationalization process of firms: A critical analysis.' *Journal of international business studies*, 24(2) pp. 209-231.

Anríquez, G. and López, R. (2007) 'Agricultural growth and poverty in an archetypical middle income country: Chile 1987–2003.' *Agricultural Economics*, 36(2) pp. 191-202.

Anyanwu, J. C. (2011) *Determinants of foreign direct investment inflows to Africa, 1980-2007.* African Development Bank Group.

Anyanwu, J. C. and Augustine, D. (2013) 'Gender Equality in Employment in Africa: Empirical Analysis and Policy Implications.' *African Development Review*, 25(4) pp. 400-420.

Aronoff, C. (1975) 'The rise of the behavioral perspective in selected general management textbooks: An empirical investigation through content analysis.' *Academy of Management Journal*, 18(4) pp. 753-768.

Arregle, J. L., Miller, T. L., Hitt, M. A. and Beamish, P. W. (2013) 'Do regions matter? An integrated institutional and semiglobalization perspective on the internationalization of MNEs.' *Strategic Management Journal*, 34(8) pp. 910-934.

Asiedu, E. (2002) 'On the Determinants of Foreign Direct Investment to Developing Countries: Is Africa Different?' *World Development*, 30(1) pp. 107-119.

Asiedu, E. (2004a) 'Policy reform and foreign direct investment in Africa: Absolute progress but relative decline.' *Development Policy Review*, 22(1) pp. 41-48.

Asiedu, E. (2004b) 'The determinants of employment of affiliates of US multinational enterprises in Africa.' *Development Policy Review*, 22(4) pp. 371-379.

Asiedu, E. (2006) 'Foreign direct investment in Africa: The role of natural resources, market size, government policy, institutions and political instability.' *The World Economy*, 29(1) pp. 63-77.

Asiedu, E. and Lien, D. (2004) 'Capital controls and foreign direct investment.' *World development*, 32(3) pp. 479-490.

Asiedu, E. and Lien, D. (2011) 'Democracy, foreign direct investment and natural resources.' *Journal of international economics*, 84(1) pp. 99-111.

Asiedu, E., Jin, Y. and Kanyama, I. K. (2015) 'The impact of HIV/AIDS on foreign direct investment: Evidence from Sub-Saharan Africa.' *Journal of African Trade*, 2(1-2) pp. 1-17.

Aulakh, P. S. (2007) Emerging multinationals from developing economies: Motivations, paths and performance. Elsevier.

Ayittey, G. B. N. (2005) 'Why Africa is poor.' *In Africa Unchained*. Springer, pp. 1-32.

Azemar, C. and Desbordes, R. (2009) 'Public governance, health and foreign direct investment in Sub-Saharan Africa.' *Journal of African Economies*,

Azémar, C. and Desbordes, R. (2009) 'Public governance, health and foreign direct investment in Sub-Saharan Africa.' *Journal of African Economies*, 18(4) pp. 667-709.

Bagli, S. and Adhikary, M. (2014) 'FDI inflow and economic growth in India an empirical analysis.' *Economic Affairs*, 59(1) pp. 23-33.

Bagozzi, R. P. and Yi, Y. (1991) 'Multitrait-multimethod matrices in consumer research.' *Journal of consumer research*, 17(4) pp. 426-439.

Bagozzi, R. P., Yi, Y. and Phillips, L. W. (1991) 'Assessing construct validity in organizational research.' *Administrative science quarterly*, pp. 421-458.

Bai, J. (2009) 'Panel data models with interactive fixed effects.' *Econometrica*, 77(4) pp. 1229-1279.

Balakrishnan, M. S., Muhammad, N., Sikdar, A., Rogmans, T. and Ebbers, H. (2013) 'The determinants of foreign direct investment in the Middle East North Africa region.' *International Journal of Emerging Markets*,

Balasubramanyam, V. N. and Salisu, M. A. (2001) '9 Foreign direct investment and globalization.' *Regionalism and Globalization: Theory and Practice*, 1 p. 199.

Balasubramanyam, V. N., Salisu, M. and Sapsford, D. (1996) 'Foreign Direct Investment and Growth in EP and is Countries.' *The Economic Journal*, 106(434) pp. 92-105.

Balogun, J. and Jenkins, M. (2003) 'Re-conceiving change management:: A knowledge-based perspective.' *European management journal*, 21(2) pp. 247-257.

Baltagi, B. (2001) 'Econometric Analysis of Panel Data, Wiley, New York.'

Baltagi, B. (2008) *Econometric analysis of panel data.* John Wiley & Sons.

Baltagi, B. H., Egger, P. and Pfaffermayr, M. (2007) 'Estimating models of complex FDI: Are there third-country effects?' *Journal of econometrics*, 140(1) pp. 260-281.

Barney, J. (1991) 'Firm resources and sustained competitive advantage.' *Journal of management*, 17(1) pp. 99-120.

Barr, P. S. (2004) 'Current and potential importance of qualitative methods in strategy research.' *In Research methodology in strategy and management*. Emerald Group Publishing Limited, pp. 165-188.

Barrell, R. and Pain, N. (1997) 'Foreign direct investment, technological change, and economic growth within Europe.' *The Economic Journal*, 107(445) pp. 1770-1786.

Barro, R. J. and Lee, J.-W. (2000) *International data on educational attainment updates and implications.* National Bureau of Economic Research.

Barro, R. J. and Lee, J. W. (2013) 'A new data set of educational attainment in the world, 1950–2010.' *Journal of development economics*, 104 pp. 184-198.

Barro, R. J., Sala-i-Martin, X. and NetLibrary, I. (2004) *Economic growth.* 2nd ed., Cambridge, Mass: MIT Press.

Barta, G., Kaufmann, D. and Stone, A. (2003) 'Investment Climate Around the World.' *World Bank*,

Becker, G. S. (1962) 'Investment in human capital: A theoretical analysis.' *Journal of political economy*, 70(5, Part 2) pp. 9-49.

Becker, G. S. (1993) 'Nobel lecture: The economic way of looking at behavior.' *Journal of political economy*, 101(3) pp. 385-409.

Becker, G. S. (2009) *Human capital: A theoretical and empirical analysis, with special reference to education.* University of Chicago press.

Behrman, J. R. and Deolalikar, A. B. (1993) 'Unobserved household and community heterogeneity and the labor market impact of schooling: a case study for Indonesia.' *Economic Development and Cultural Change*, 41(3) pp. 461-488.

Bekana, D. M. (2016) 'Determinants of foreign direct investment in Ethiopia; time series evidence from 1991-2013.' *Journal of Developing Areas*, 50(1) p. 141.

Bellak, C. (2000) 'The investment development path of Austria.'

Bellemare, M. F., Masaki, T. and Pepinsky, T. B. (2017) 'Lagged explanatory variables and the estimation of causal effect.' *The Journal of Politics*, 79(3) pp. 949-963.

Benabou, R. (1996) 'Inequality and growth.' *NBER macroeconomics annual*, 11 pp. 11-74.

Bengoa, M. and Sanchez-Robles, B. (2003) 'Foreign direct investment, economic freedom and growth: new evidence from Latin America.' *European journal of political economy*, 19(3) pp. 529-545.

Benton, T. and Craib, I. (2011) Philosophy of Social Science: The Foundations of Social Thought (Traditions in Social Theory). London: Palgrave.

Berik, G., Rodgers, Y. v. d. M. and Seguino, S. (2009) 'Feminist economics of inequality, development, and growth.' *Feminist Economics*, 15(3) pp. 1-33.

Bertrand, M., Duflo, E. and Mullainathan, S. (2004) 'How much should we trust differences-in-differences estimates?' *The Quarterly journal of economics*, 119(1) pp. 249-275.

Bevan, A., Estrin, S. and Meyer, K. (2004) 'Foreign investment location and institutional development in transition economies.' *International business review*, 13(1) pp. 43-64.

Bhardwaj, A., Dietz, J. and Beamish, P. W. (2007) 'Host country cultural influences on foreign direct investment.' *Management International Review*, 47(1) pp. 29-50.

Bhargava, A. (2001) 'Nutrition, health, and economic development: Some policy priorities.' *Food and Nutrition Bulletin*, 22(2) pp. 173-177.

Bhargava, A., Jamison, D. T., Lau, L. J. and Murray, C. J. L. (2001) 'Modeling the effects of health on economic growth.' *Journal of health economics*, 20(3) pp. 423-440.

Bhattacherjee, A. (2012) 'Social science research: Principles, methods, and practices.'

Billington, N. (1999) 'The location of foreign direct investment: an empirical analysis.' *Applied economics*, 31(1) pp. 65-76.

Birnbaum, M. H. (2004) 'Human research and data collection via the Internet.' *Annu. Rev. Psychol.*, 55 pp. 803-832.

Blaikie, N. (2007) *Approaches to social enquiry: Advancing knowledge.* Polity.

Blanco, L. R., Ruiz, I., Sawyer, W. C. and Wooster, R. B. (2016) 'Crime, Institutions and Sector-Specific FDI in Latin America.' *Latin America (June 9, 2016)*,

Blanton, R. G. and Blanton, S. L. (2015) 'Is Foreign Direct Investment "Gender Blind"? Women's Rights as a Determinant of US FDI.' *Feminist Economics*, 21(4) pp. 61-88.

Blanton, S. L. and Blanton, R. G. (2007) 'What attracts foreign investors? An examination of human rights and foreign direct investment.' *The Journal of Politics*, 69(1) pp. 143-155.

Bleakley, H. (2010) 'Health, human capital, and development.' *Annu. Rev. Econ.*, 2(1) pp. 283-310.

Blonigen, B. A. (2005) 'A review of the empirical literature on FDI determinants.' *Atlantic Economic Journal*, 33(4) pp. 383-403.

Bloom, D. and Canning, D. (2003) 'The health and poverty of nations: from theory to practice.' *Journal of Human Development*, 4(1) pp. 47-71.

Bloom, D. E. (2005) 'Education and public health: Mutual challenges worldwide.' *Comparative Education Review*, 49(4) pp. 437-451.

Bloom, D. E., Canning, D. and Sevilla, J. (2004) 'The effect of health on economic growth: a production function approach.' 32(1) pp. 1-13.

Bloom, D. E., Sachs, J. D., Collier, P. and Udry, C. (1998) 'Geography, demography, and economic growth in Africa.' *Brookings papers on economic activity*, 1998(2) pp. 207-295.

Boermans, M. A., Roelfsema, H. and Zhang, Y. (2011) 'Regional determinants of FDI in China: a factor-based approach.' *Journal of Chinese economic and business studies*, 9(1) pp. 23-42.

Boisot, M. H. (1998) *Knowledge assets: Securing competitive advantage in the information economy.* OUP Oxford.

Bokpin, G. A., Mensah, L. and Asamoah, M. E. (2015) 'Foreign direct investment and natural resources in Africa.' *Journal of Economic Studies*, 42(4) pp. 608-621.

Boltho, A. and Glyn, A. (1995) 'Can macroeconomic policies raise employment.' 134 p. 451.

Bonaglia, F., Goldstein, A. and Mathews, J. A. (2007) 'Accelerated internationalization by emerging markets' multinationals: The case of the white goods sector.' *Journal of World Business*, 42(4) pp. 369-383.

Bora, S., Ceccacci, I., Delgado, C. and Townsend, R. (2011) 'Food security and conflict.'

Borensztein, E., De Gregorio, J. and Lee, J.-W. (1998) 'How does foreign direct investment affect economic growth?' *Journal of international Economics*, 45(1) pp. 115-135.

Borozan, D. (2008) 'Regional competitiveness: Some conceptual issues and policy implications.' *Interdisciplinary Management Research*, 4(1) pp. 50-63.

Boserup, E., Tan, S. F. and Toulmin, C. (2013) *Woman's role in economic development.* Routledge.

Boudier-Bensebaa, F. (2008) 'FDI-assisted development in the light of the investment development path paradigm: Evidence from Central and Eastern European countries.' *Transnational Corporations*, 17(1) p. 37.

Bouoiyour, J. (2007) 'The determining factors of foreign direct investment in Morocco.' *Savings and Development*, pp. 91-106.

Brand, V. (2009) 'Empirical business ethics research and paradigm analysis.' *Journal of business ethics*, 86(4) pp. 429-449.

Braunstein, E. (2000) 'Engendering Foreign Direct Investment: Family structure, labor markets and international capital mobility.' *World Development*, 28(7) pp. 1157-1172.

Braunstein, E. (2006) *Foreign direct investment, development and gender equity: a review of research and policy.* UNRISD Occasional Paper.

Breisinger, C., van Rheenen, T., Ringler, C., Pratt, A. N., Minot, N., Aragon, C., Yu, B., Ecker, O., et al. (2010) 'Food security and economic development in the Middle East and North Africa.' *Current State and Future Perspective. IFPRI Discussion Paper*, 985

Brouthers, K. D. and Hennart, J.-F. (2007) 'Boundaries of the firm: Insights from international entry mode research.' *Journal of management*, 33(3) pp. 395-425.

Bryant, C. E. and Javalgi, R. G. (2016) 'Global economic integration in developing countries: The role of corruption and human capital investment.' *Journal of business ethics*, 136(3) pp. 437-450.

Brzozowski, M. (2013) 'Gender Equality as the Determinant of FDI Flows to Central European Countries.' *Ekonomia journal*, 33

Bucheli, M. and Aguilera, R. V. (2010) 'Political survival, energy policies, and multinational corporations.' *Management International Review*, 50(3) pp. 347-378.

Buckley, P. and Casson, M. (1976) The future of the multinational corporation. London: Macmillan.

Buckley, P. J. (2004) 'Globalisation, economic geography and the strategy of multinational enterprises.' *Journal of international business studies*, 35(2) pp. 81-98.

Buckley, P. J. and Casson, M. (1976) 'A long-run theory of the multinational enterprise.' *In The future of the multinational enterprise*. Springer, pp. 32-65.

Buckley, P. J. and Casson, M. (1985) *Economic Theory of Multinational Enterprises.* Springer.

Buckley, P. J. and Castro, F. B. (1998) 'The investment development path: the case of Portugal.' *Transnational Corporations*, 7 pp. 1-16.

Buckley, P. J., Clegg, J. and Wang, C. (2002) 'The impact of inward FDI on the performance of Chinese manufacturing firms.' *Journal of international business studies*, 33(4) pp. 637-655.

Buckley, P. J., Clegg, L. J., Cross, A. R., Liu, X., Voss, H. and Zheng, P. (2009) 'The determinants of Chinese outward foreign direct investment.' *Journal of International Business Studies*, 40(2) p. 353.

Bui, T. M. H., Vo, X. V. and Bui, D. T. (2018) 'Gender inequality and FDI: empirical evidence from developing Asia–Pacific countries.' *Eurasian Economic Review*, pp. 1-24.

Burell, G. and Morgan, G. (1979) 'Sociological paradigms and organizational analysis, Heinemann, London.'

Busenitz, L. W., Gomez, C. and Spencer, J. W. (2000) 'Country institutional profiles: Unlocking entrepreneurial phenomena.' *Academy of Management journal*, 43(5) pp. 994-1003.

Busse, M. and Hefeker, C. (2007) 'Political risk, institutions and foreign direct investment.' *European journal of political economy*, 23(2) pp. 397-415.

Busse, M. and Nunnenkamp, P. (2009) 'Gender disparity in education and the international competition for foreign direct investment.' *Feminist Economics*, 15(3) pp. 61-90.

Bénassy-Quéré, A., Coupet, M. and Mayer, T. (2007) 'Institutional determinants of foreign direct investment.' *World economy*, 30(5) pp. 764-782.

Büthe, T. and Milner, H. V. (2008) 'The politics of foreign direct investment into developing countries: increasing FDI through international trade agreements?' *American journal of political science*, 52(4) pp. 741-762.

Campos, N. and Kinoshita, Y. (2008) 'Foreign direct investment and structural reforms: Panel evidence from Eastern Europe and Latin America.' *IMF Staff Papers*,

Cantwell, J. and Narula, R. (2001) 'The eclectic paradigm in the global economy.' *International Journal of the Economics of Business*, 8(2) pp. 155-172.

Carkovic, M. V. and Levine, R. (2002) 'Does foreign direct investment accelerate economic growth?'

Chakrabarti, A. (2001) 'The determinants of foreign direct investment: Sensitivity analyses of cross-country regressions.' *Kyklos*, 54(1) pp. 89-114.

Chakrabarty, S. (2009) 'The influence of national culture and institutional voids on family ownership of large firms: A country level empirical study.' *Journal of International Management*, 15(1) pp. 32-45.

Chan, C. M., Isobe, T. and Makino, S. (2008) 'Which country matters? Institutional development and foreign affiliate performance.' *Strategic Management Journal*, 29(11) pp. 1179-1205.

Chanegriha, M., Stewart, C. and Tsoukis, C. (2017) 'Identifying the robust economic, geographical and political determinants of FDI: an Extreme Bounds Analysis.' *Empirical Economics*, 52(2) pp. 759-776.

Child, J. and Rodrigues, S. B. (2005) 'The internationalization of Chinese firms: a case for theoretical extension?' *Management and organization review*, 1(3) pp. 381-410.

Chittoor, R. and Ray, S. (2007) 'Internationalization paths of Indian pharmaceutical firms—A strategic group analysis.' *Journal of international management*, 13(3) pp. 338-355.

Choo, C. W. and Bontis, N. (2002) *The strategic management of intellectual capital and organizational knowledge.* Oxford University Press on Demand.

Christiaensen, L., Demery, L. and Kuhl, J. (2011) 'The (evolving) role of agriculture in poverty reduction—An empirical perspective.' *Journal of development economics*, 96(2) pp. 239-254.

Christmann, P. and Taylor, G. (2001) 'Globalization and the environment: Determinants of firm self-regulation in China.' *Journal of international business studies*, 32(3) pp. 439-458.

Claessens, S. and Van Horen, N. (2008) 'Location decisions of foreign banks and institutional competitive advantage.' *Available at SSRN 904332*,

Clague, C., Keefer, P., Knack, S. and Olson, M. (1996) 'Property and contract rights in autocracies and democracies.' *Journal of economic growth*, 1(2) pp. 243-276.

Clapp, J. and Dauvergne, P. (2011) *Paths to a green world: The political economy of the global environment.* MIT press.

Clay, J. (2005) 'Exploring the link between international business and poverty reduction: A case study of Unilever in Indonesia.' Oxfam Policy and Practice: Private sector, 2(1) pp.1-67.

Cleeve, E. A., Debrah, Y. and Yiheyis, Z. (2015) 'Human capital and FDI inflow: An assessment of the African Case.' *World Development*, 74 pp. 1-14.

Coase, R. H. (1937) 'The nature of the firm.' *economica*, 4(16) pp. 386-405.

Cohen, D. and Soto, M. (2007) 'Growth and human capital: good data, good results.' *Journal of economic growth*, 12(1) pp. 51-76.

Coleman, I. (2010) 'The global glass ceiling: Why empowering women is good for business.' *Foreign Aff.*, 89 p. 13.

Collier, P. and Gunning, J. W. (1999) 'Explaining African economic performance.' *Journal of economic literature*, 37(1) pp. 64-111.

Collier, P. and Hoeffler, A. (2005) 'Democracy and Resource Rents.'

Collins, H. (2010) *Creative research: the theory and practice of research for the creative industries.* Bloomsbury Publishing.

Collins, J. and Hussey, R. (2003) Business research methods. McGraw-Hill, New York, NY.

Coviello, N. E. and McAuley, A. (1999) 'Internationalisation and the smaller firm: A review of contemporary empirical research.' *MIR: management international review*, pp. 223-256.

Coviello, N. E. and Jones, M. V. (2004) 'Methodological issues in international entrepreneurship research.' *Journal of Business Venturing*, 19(4) pp. 485-508.

Creswell, J. W. (2012) *Qualitative inquiry and research design: Choosing among five approaches.* Sage publications.

Crick, D. (2007) 'UK SMEs' motives for internationalizing: Differences between firms employing particular overseas market servicing strategies.' *Journal of International Entrepreneurship*, 5(1-2) pp. 11-23.

Cristina, P. O. and Cantemir, C. A. (2012) 'Competitiveness as determinant of foreign direct investments in Central and Eastern European Countries.' *REVISTA ECONOMICĂ*, p. 658.

Crowther, D. and Lancaster, G. (2008) Research Methods: a Consice Introduction to Research in Management and Business Consultancy. Oxford: Butterworth-Heinemann.

Cuervo-Cazurra, A. (2006) 'Who cares about corruption?' *Journal of international business studies*, 37(6) pp. 807-822.

Cuervo-Cazurra, A. and Genc, M. (2008) 'Transforming disadvantages into advantages: developing-country MNEs in the least developed countries.' *journal of international Business Studies*, 39(6) pp. 957-979.

Cuervo-Cazurra, A., Maloney, M. M. and Manrakhan, S. (2007) 'Causes of the difficulties in internationalization.' *Journal of International Business Studies*, 38(5) pp. 709-725.

Dadush, U., Dasgupta, D. and Ratha, D. (2000) 'The role of short-term debt in recent crises.' *Finance and Development*, 37(4) p. 54.

Darby, J., Desbordes, R. and Wooton, I. (2009) 'Does public governance always matter? How experience of poor institutional quality influences FDI to the South.'

Davenport, T. H., Leibold, M. and Voelpel, S. C. (2007) *Strategic management in the innovation economy: Strategic approaches and tools for dynamic innovation capabilities.* John Wiley & Sons.

Davies, R. B., Ionascu, D. and Kristjánsdóttir, H. (2008) 'Estimating the impact of time-invariant variables on FDI with fixed effects.' *Review of World Economics*, 144(3) pp. 381-407.

Davin, D. (2004) 'The impact of export-oriented manufacturing on the welfare entitlements of Chinese women workers.' *In Globalization, export-oriented employment and social policy*. Springer, pp. 67-90.

De Backer, K. and Sleuwaegen, L. (2003) 'Does foreign direct investment crowd out domestic entrepreneurship?' *Review of Industrial Organization*, 22(1) pp. 67-84.

De Carolis, D. M. (2003) 'Competencies and imitability in the pharmaceutical industry: An analysis of their relationship with firm performance.' *Journal of management*, 29(1) pp. 27-50.

De Grauwe, P. (2010) *Dimensions of competitiveness.* Mit Press.

De Toni, A. and Tonchia, S. (2003) 'Strategic planning and firms' competencies: Traditional approaches and new perspectives.' *International Journal of Operations & Production Management*, 23(9) pp. 947-976.

Dees, S. (1998) 'Foreign direct investment in China: determinants and effects.' *Economics of planning*, 31(2-3) pp. 175-194.

Delgado, M., Ketels, C., Porter, M. E. and Stern, S. (2012) *The determinants of national competitiveness.* National Bureau of Economic Research.

Delios, A. and Henisz, W. J. (2003) 'Political hazards, experience, and sequential entry strategies: The international expansion of Japanese firms, 1980–1998.' *Strategic management journal*, 24(11) pp. 1153-1164.

Demir, F. (2016) 'Effects of FDI flows on institutional development: does it matter where the investors are from?' *World Development*, 78 pp. 341-359.

Demirhan, E. and Masca, M. (2008) 'Determinants of foreign direct investment flows to developing countries: a cross-sectional analysis.' *Prague economic papers*, 4 pp. 356-369.

Denisia, V. (2010) 'Foreign direct investment theories: An overview of the main FDI theories.' *European Journal of Interdisciplinary Studies*, (3)

Diaz-Bonilla, E., Thomas, M., Robinson, S. and Cattaneo, A. (2000) *Food security and trade negotiations in the World Trade Organization: A cluster analysis of country groups.*

Dikova, D. and Van Witteloostuijn, A. (2007) 'Foreign direct investment mode choice: entry and establishment modes in transition economies.' *Journal of international business studies*, 38(6) pp. 1013-1033.

DiMaggio, P. J. and Powell, W. W. (1991) *The new institutionalism in organizational analysis.* Vol. 17. University of Chicago Press Chicago, IL.

Dimitratos, P., Plakoyiannaki, E., Pitsoulaki, A. and Tüselmann, H. J. (2010) 'The global smaller firm in international entrepreneurship.' *International Business Review*, 19(6) pp. 589-606.

Djelic, M.-L. and Quack, S. (2003) 'Theoretical building blocks for a research agenda linking globalization and institutions.' *Globalization and institutions: Redefining the rules of the economic game*, pp. 15-34.

Djokoto, J. G. (2012) 'Effects of foreign direct investment inflows into agriculture on food security in Ghana.' *Journal of Economics and Sustainable Development*, 3(2) pp. 81-92.

Dowell, G., Hart, S. and Yeung, B. (2000) 'Do corporate global environmental standards create or destroy market value?' *Management science*, 46(8) pp. 1059-1074.

Drukker, D. M. (2003) 'Testing for serial correlation in linear panel-data models.' *The stata journal*, 3(2) pp. 168-177.

Dunning, J. and Lundan, S. M. (2008) 'Institutions and the OLI paradigm of the multinational enterprise.' *Asia Pacific Journal of Management*, 25(4) pp. 573-593.

Dunning, J. H. (1977) 'Trade, location of economic activity and the MNE: A search for an eclectic approach.' *In The international allocation of economic activity*. Springer, pp. 395-418.

Dunning, J. H. (1980) 'Towards an eclectic theory of international production: some empirical tests.'

Dunning, J. H. (1982) 'Explaining the international direct investment position of countries: towards a dynamic or developmental approach.' *In International Capital Movements*. Springer, pp. 84-121.

Dunning, J. H. (1986) 'The investment development cycle revisited.' *Weltwirtschaftliches Archiv*, 122(4) pp. 667-676.

Dunning, J. H. (1993) *Globalisation: The Challenge for National Economic Regimes.* Economic and Social Research Institute (ESRI).

Dunning, J. H. (1995) 'Think again professor Krugman: Competitiveness does matter.' *Thunderbird International Business Review*, 37(4) pp. 315-324.

Dunning, J. H. (1996) *The geographical sources of the competitiveness of firms: some results of a new survey.* University of Reading, Department of Economics.

Dunning, J. H. (1998) 'Location and the multinational enterprise: a neglected factor?' *Journal of international business studies*, pp. 45-66.

Dunning, J. H. (2000) 'The eclectic paradigm as an envelope for economic and business theories of MNE activity.' *International business review*, 9(2) pp. 163-190.

Dunning, J. H. (2003) 'The contribution of Edith Penrose to international business scholarship.' *MIR: Management International Review*, pp. 3-19.

Dunning, J. H. (2004a) 'Institutional reform, FDI and European transition economies.' *University of Reading Business School Discussion Paper Series*, 14

Dunning, J. H. (2004a) 'Determinants of foreign direct investment: globalization-induced changes and the role of policies.' *Towards Pro Poor Policies*, pp. 279-290.

Dunning, J. H. (2004b) *Determinants of foreign direct investment: globalization-induced changes and the role of policies.* 2003. World Bank.

Dunning, J. H. (2004b) *Making globalization good: The moral challenges of global capitalism.* Oxford University Press.

Dunning, J. H. (2006a) 'Towards a new paradigm of development: implications for the determinants of international business.' *Transnational corporations*, 15(1) pp. 173-227.

Dunning, J. H. (2006) 'Towards a new paradigm of development: Implications for the determinants of international business activity.' *Transnational Corporations*, 15(1) pp. 173-227.

Dunning, J. H. (2006b) 'Comment on Dragon multinationals: New players in 21 st century globalization.' *Asia Pacific Journal of Management*, 23(2) pp. 139-141.

Dunning, J. H. and Narula, R. (1996) 'The investment development path revisited.' pp. 1-41.

Dunning, J. H. and Zhang, F. (2008) 'Foreign direct investment and the locational competitiveness of countries.' *Transnational Corporations*, 17(3) pp. 1-30.

Dunning, J. H. and Lundan, S. M. (2008) *Multinational enterprises and the global economy.* Edward Elgar Publishing.

Dunning, J. H., Van Hoesel, R. and Narula, R. (1996) *Explaining the'new'wave of outward FDI from developing countries: The case of Taiwan and Korea.* MERIT, Maastricht Economic Research Institute on Innovation and Technology ….

Dupasquier, C. and Osakwe, P. N. (2006) 'Foreign direct investment in Africa: Performance, challenges, and responsibilities.' *Journal of Asian Economics*, 17(2) pp. 241-260.

Duran, J. J. and Ubeda, F. (2005) 'The investment development path of newly developed countries.' 12(1) pp. 123-137.

Durán, J. J. and Ubeda, F. (2001) 'The investment development path: a new empirical approach and some theoretical issues.' *Transnational corporations*, 10(2) pp. 1-34.

Dyer, J. H. and Singh, H. (1998) 'The relational view: Cooperative strategy and sources of interorganizational competitive advantage.' *Academy of management review*, 23(4) pp. 660-679.

Easterby-Smith, M., Thorpe, R. and Jackson, P. R. (2012) *Management research.* Sage.

Eaton, J. and Tamura, A. (1996) 'Japanese and US exports and investment as conduits of growth.' *In Financial Deregulation and Integration in East Asia, NBER-EASE Volume 5*. University of Chicago Press, pp. 51-75.

Eck, K. and Hultman, L. (2007) 'One-sided violence against civilians in war: Insights from new fatality data.' *Journal of Peace Research*, 44(2) pp. 233-246.

Eden, L. and Dai, L. (2010) 'Rethinking the O in Dunning's OLI/eclectic paradigm.' *Multinational Business Review*, 18(2) pp. 13-34.

Eisenhardt, K. M. (1989) 'Building theories from case study research.' *Academy of management review*, 14(4) pp. 532-550.

Elfakhani, S. and Mackie, W. (2015) 'An analysis of net FDI drivers in BRIC countries.' *Competitiveness Review*, 25(1) pp. 98-132.

Erdogan, M. and Unver, M. (2015) 'Determinants of foreign direct investments: Dynamic panel data evidence.' *International Journal of Economics and Finance*, 7(5) p. 82.

Esser, K., Hillebrand, W., Messner, D. and Meyer-Stamer, J. (2013) *Systemic competitiveness: new governance patterns for industrial development.* Routledge.

Estrin, S. and Meyer, K. (2014) How different are emerging economy MNEs? A comparative study of location choice.

Estrin, S., Baghdasaryan, D. and Meyer, K. E. (2009) 'The impact of institutional and human resource distance on international entry strategies.' *Journal of Management Studies*, 46(7) pp. 1171-1196.

Faeth, I. (2009) 'Determinants of foreign direct investment–a tale of nine theoretical models.' *Journal of Economic Surveys*, 23(1) pp. 165-196.

Field, A. (2013) *Discovering statistics using IBM SPSS statistics.* sage.

Filatotchev, I. and Wright, M. (2011) 'Agency perspectives on corporate governance of multinational enterprises.' *Journal of management studies*, 48(2) pp. 471-486.

Firebaugh, G., Warner, C. and Massoglia, M. (2013) 'Fixed effects, random effects, and hybrid models for causal analysis.' *In Handbook of causal analysis for social research*. Springer, pp. 113-132.

Fischer, S. (1993) 'The role of macroeconomic factors in growth.' *Journal of monetary economics*, 32(3) pp. 485-512.

Fisher, J., Johnson, D. S. and Smeeding, T. M. (2015) 'Inequality of Income and Consumption in the US: Measuring the Trends in Inequality from 1984 to 2011 for the Same Individuals.' *Review of Income and Wealth*, 61(4) pp. 630-650.

Flores, R. G. and Aguilera, R. V. (2007) 'Globalization and location choice: an analysis of US multinational firms in 1980 and 2000.' *Journal of international business studies*, 38(7) pp. 1187-1210.

Fonseca, M., Mendonça, A. and Passos, J. (2007) 'The Investment Development Path Hypothesis: Evidence from the Portuguese Case-A panel Data Analysis.'

Foss, K. and Foss, N. J. (2005) 'Resources and transaction costs: how property rights economics furthers the resource-based view.' *Strategic Management Journal*, 26(6) pp. 541-553.

Francis, J. R., Michas, P. N. and Seavey, S. E. (2013) 'Does audit market concentration harm the quality of audited earnings? Evidence from audit markets in 42 countries.' *Contemporary Accounting Research*, 30(1) pp. 325-355.

Friedman, J., Gerlowski, D. A. and Silberman, J. (1992) 'What attracts foreign multinational corporations? Evidence from branch plant location in the united states.' *Journal of Regional Science*, 32(4) pp. 403-418.

Fussell, E. (2000) 'Making labor flexible: The recomposition of Tijuana's maquiladora female labor force.' *Feminist Economics*, 6(3) pp. 59-79.

Gale, N. K., Heath, G., Cameron, E., Rashid, S. and Redwood, S. (2013) 'Using the framework method for the analysis of qualitative data in multi-disciplinary health research.' *BMC medical research methodology*, 13(1) pp. 1-8.

Gallup, J. L. and Sachs, J. D. (2001) 'The economic burden of malaria.' *The American journal of tropical medicine and hygiene*, 64(1_suppl) pp. 85-96.

Gaur, A. and Kumar, M. (2018) 'A systematic approach to conducting review studies: An assessment of content analysis in 25 years of IB research.' *Journal of World Business*, 53(2) pp. 280-289.

Gedik, M. A. (2013) 'Determinants of foreign direct investment for OECD countries: Evidence from dynamic panel data analysis.' *British Journal of Economics, Finance and Management Sciences*, 7(2) pp. 119-140.

Gelbuda, M., Meyer, K. E. and Delios, A. (2008) 'International business and institutional development in Central and Eastern Europe.' *Journal of International Management*, 14(1) pp. 1-11.

Gheasi, M., Nijkamp, P. and Rietveld, P. (2013) 'Migration and foreign direct investment: education matters.' *The annals of regional science*, 51(1) pp. 73-87.

Ghilagaber, G. (2004) 'Another look at chow's test for the equality of two heteroscedastic regression models.' *Quality and Quantity*, 38(1) pp. 81-93.

Girma, S. and Wakelin, K. (2002) 'Are there Regional Spillovers from FDI in the UK?' *In Trade, investment, migration and labour market adjustment*. Springer, pp. 172-186.

Glaeser, E. L., La Porta, R., Lopez-de-Silanes, F. and Shleifer, A. (2004) 'Do institutions cause growth?' *Journal of economic Growth*, 9(3) pp. 271-303.

Globerman, S. and Shapiro, D. (2002) 'Global foreign direct investment flows: The role of governance infrastructure.' *World development*, 30(11) pp. 1899-1919.

Godinez, J. R. and Liu, L. (2015) 'Corruption distance and FDI flows into Latin America.' *International Business Review*, 24(1) pp. 33-42.

Goerzen, A., Asmussen, C. G. and Nielsen, B. B. (2013) 'Global cities and multinational enterprise location strategy.' *Journal of international business studies*, 44(5) pp. 427-450.

Gohou, G. and Soumaré, I. (2012) 'Does foreign direct investment reduce poverty in Africa and are there regional differences?' *World Development*, 40(1) pp. 75-95.

Goodspeed, T., Martinez-Vazquez, J. and Zhang, L. (2006) 'Are other government policies more important than taxation in attracting FDI?' *Andrew Young School of Policy Studies Research Paper*, (06-28)

Gorg, H. and Greenaway, D. (2002) 'Much Ado about nothing? Do domestic firms really benefit from foreign investment?' *discussion paper series-centre for economic policy research london*,

Grant, R. M. (1991) 'The resource-based theory of competitive advantage: implications for strategy formulation.' *California management review*, 33(3) pp. 114-135.

Grant, R. M. (1996) 'Toward a knowledge-based theory of the firm.' *Strategic management journal*, 17(S2) pp. 109-122.

Greene, J. C., Caracelli, V. J. and Graham, W. F. (1989) 'Toward a conceptual framework for mixed-method evaluation designs.' *Educational evaluation and policy analysis*, 11(3) pp. 255-274.

Greene, W. H. (2000) 000. Econometric analysis. Prentice-Hall, Inc.

Gruneberg, S. and Folwell, K. (2013) 'The use of gross fixed capital formation as a measure of construction output.' *Construction Management and Economics*, 31(4) pp. 359-368.

Guba, E. G. and Lincoln, Y. S. (1994) 'Competing paradigms in qualitative research.' *Handbook of qualitative research*, 2(163-194) p. 105.

Gugler, P. (2009) Transnational Corporations, Extractive Industries and Development, World Investment Report 2007, United Nations, New York and Geneva (2007). Pergamon.

Guillen, M. F. (2000) 'Business groups in emerging economies: A resource-based view.' *academy of Management Journal*, 43(3) pp. 362-380.

Guillén, M. F. and García-Canal, E. (2009) 'The American model of the multinational firm and the "new" multinationals from emerging economies.' *Academy of Management Perspectives*, 23(2) pp. 23-35.

Görg, H. and Greenaway, D. (2001) *Foreign direct investment and intra-industry spillovers: a review of the literature.* Research paper/Leverhulme Centre for Research on Globalisation and Economic Policy.

Habib, M. and Zurawicki, L. (2002) 'Corruption and foreign direct investment.' *Journal of international business studies*, 33(2) pp. 291-307.

Haddad, M. and Harrison, A. (1993) 'Are there positive spillovers from direct foreign investment?: Evidence from panel data for Morocco.' *Journal of development economics*, 42(1) pp. 51-74.

Hair, J. F., Black, W. C., Babin, B. J. and Anderson, R. E. (2009) *Multivariate data analysis.* London: Prentice-Hall.

Hair, J. F., Anderson, R. E., Tatham, R. L., Babin, B. J. and Black, W. C. (2006) *Multivariate data analysis* London: Prentice-Hall.

Hajzler, C. (2014) 'Resource-based FDI and expropriation in developing economies.' *Journal of International Economics*, 92(1) pp. 124-146.

Hall, P. A. and Soskice, D. (2001) *Varieties of capitalism: The institutional foundations of comparative advantage.* OUP Oxford.

Hanson, G. H., Mataloni Jr, R. J. and Slaughter, M. J. (2001) *Expansion strategies of US multinational firms.* National Bureau of Economic Research. (0898-2937)

Hanson Ii, J. R. (1996) 'Human capital and direct investment in poor countries.' *Explorations in Economic History*, 33(1) pp. 86-106.

Haque, N. U., Mark, N. and Mathieson, D. J. (2000) 'Rating Africa: The economic and political content of risk indicators.' *In Investment and risk in Africa*. Springer, pp. 33-70.

Harms, P. and Ursprung, H. W. (2002) 'Do civil and political repression really boost foreign direct investments?' *Economic inquiry*, 40(4) pp. 651-663.

Hatem, F. and Mugione, F. (1997) *International investment: Towards the year 2001.* UN.

Hausman, J. A. (1978) 'Specification tests in econometrics.' *Econometrica: Journal of the econometric society*, pp. 1251-1271.

Hecock, R. D. and Jepsen, E. M. (2013) 'Should Countries Engage in a Race to the Bottom? The Effect of Social Spending on FDI.' *World Development*, 44 pp. 156-164.

Henisz, W. J. (2000) 'The institutional environment for multinational investment.' *The Journal of Law, Economics, and Organization*, 16(2) pp. 334-364.

Henisz, W. J. (2003) 'The power of the Buckley and Casson thesis: the ability to manage institutional idiosyncrasies.' *Journal of international business studies*, 34(2) pp. 173-184.

Herzer, D. (2012) 'How does foreign direct investment really affect developing countries' growth?' *Review of International Economics*, 20(2) pp. 396-414.

Herzer, D. and Nunnenkamp, P. (2015) 'Income inequality and health: Evidence from developed and developing countries.' *Economics*, 9(4) p. 1.

Hill, M. A. and King, E. (1995) 'Women's education and economic well-being.' *Feminist Economics*, 1(2) pp. 21-46.

Hippert, C. (2002) 'Multinational corporations, the politics of the world economy, and their effects on women's health in the developing world: a review.' *Health care for women international*, 23(8) pp. 861-869.

Hoffmann, R., Lee, C. G., Ramasamy, B. and Yeung, M. (2005) 'FDI and pollution: a granger causality test using panel data.' *Journal of international development*, 17(3) pp. 311-317.

Holmes Jr, R. M., Miller, T., Hitt, M. A. and Salmador, M. P. (2013) 'The interrelationships among informal institutions, formal institutions, and inward foreign direct investment.' *Journal of Management*, 39(2) pp. 531-566.

Hoopes, D. G., Madsen, T. L. and Walker, G. (2003) 'Guest editors' introduction to the special issue: why is there a resource-based view? Toward a theory of competitive heterogeneity.' *Strategic Management Journal*, 24(10) pp. 889-902.

Hoskisson, R. E., Wan, W. P., Yiu, D. and Hitt, M. A. (1999) 'Theory and research in strategic management: Swings of a pendulum.' *Journal of management*, 25(3) pp. 417-456.

Hotho, J. J. and Pedersen, T. (2012) 'Beyond the'rules of the game': Three institutional approaches and how they matter for international business.' *Handbook of institutional approaches to international business*, 236

Huizing, A. and Bouman, W. (2002) 'Markets and Organizations.' *The strategic management of intellectual capital and organizational knowledge*, p. 185.

Hung, T. T. (2005) 'Impacts of foreign direct investment on poverty reduction in Vietnam.' *Discussed paper, GRIPS, Vietnam*,

Hymer, S. H. (1976) 'The international operation of national firms: a study of foreign direct investment.' *Cambridge: Massachusetts Institute of Technology Press Google Scholar*,

Håkanson, L. (2005) *The Knowledge-Based View Revisited: Towards a Dynamic Synthesis.* Working Paper, Copenhagen Business School.

Hübler, M. and Keller, A. (2010) 'Energy savings via FDI? Empirical evidence from developing countries.' *Environment and Development economics*, 15(1) pp. 59-80.

Iammarino, S. and McCann, P. (2013) *Multinationals and economic geography: Location, technology and innovation.* Edward Elgar Publishing.

IMF. (2016) *Regional Economic Outlook: Sub-Saharan Africa, Time for a Policy Reset.* Washington Dc: International Monetary Funds.

International Labour, O. (1998) *ILO Declaration on Fundamental Principles and Rights at Work and Its Follow-Up: Adopted by the International Labour Conference at Its 86th Session, Geneva, 18 June 1998.* International Labour Organization.

Ionascu, D., Meyer, K. E. and Estrin, S. (2004) 'Institutional distance and international business strategies in emerging economies.'

Ito, B. and Wakasugi, R. (2007) 'What factors determine the mode of overseas R&D by multinationals? Empirical evidence.' *Research Policy*, 36(8) pp. 1275-1287.

Iwasa, T. and Odagiri, H. (2004) 'Overseas R&D, knowledge sourcing, and patenting: an empirical study of Japanese R&D investment in the US.' *Research Policy*, 33(5) pp. 807-828.

Jain, S. C. and Vachani, S. (2006) *Multinational corporations and global poverty reduction.* Edward Elgar Publishing.

James, W. P. (1994) 'Introduction: the challenge of adult chronic energy deficiency.' *European Journal of Clinical Nutrition*, 48 pp. S1-8.

Javorcik, B. S. and Spatareanu, M. (2005) 'Disentangling FDI spillover effects: what do firm perceptions tell us?' *Does foreign direct investment promote development*, pp. 45-72.

Javorcik, B. S. and Spatareanu, M. (2008) 'To share or not to share: Does local participation matter for spillovers from foreign direct investment?' *Journal of development Economics*, 85(1) pp. 194-217.

Jenkins, J. C. and Scanlan, S. J. (2001) 'Food security in less developed countries, 1970 to 1990.' *American Sociological Review*, pp. 718-744.

Jensen, N. M. (2003) 'Democratic governance and multinational corporations: Political regimes and inflows of foreign direct investment.' *International organization*, 57(3) pp. 587-616.

Jerven, M. (2019) 'The Problems of Economic Data in Africa.' *In Oxford Research Encyclopedia of Politics*.

Jerven, M. and Johnston, D. (2015) 'Statistical tragedy in Africa? Evaluating the data base for African economic development.' *The Journal of Development Studies*, 51(2) pp. 111-115.

Johanson, J. and Vahlne, J.-E. (1977) 'The internationalization process of the firm—a model of knowledge development and increasing foreign market commitments.' *Journal of international business studies*, 8(1) pp. 23-32.

Johanson, J. and Vahlne, J.-E. (2009) 'The Uppsala internationalization process model revisited: From liability of foreignness to liability of outsidership.' *Journal of international business studies*, 40(9) pp. 1411-1431.

Jones, J. and Wren, C. (2011) 'On the relative importance of agglomeration economies in the location of FDI across British regions.'

Kabeer, N. and Mahmud, S. (2004) 'Globalization, gender and poverty: Bangladeshi women workers in export and local markets.' *Journal of international development*, 16(1) pp. 93-109.

Kahai, S. (2004) 'The role of foreign direct investment and its determinants.' *Foreign investment in developing countries*, pp. 33-49.

Kar, S. (2013) 'Exploring the causal link between FDI and human capital development in India.' *Decision*, 40(1-2) pp. 3-13.

Katkalo, V. S., Pitelis, C. N. and Teece, D. J. (2010) 'Introduction: On the nature and scope of dynamic capabilities.' *Industrial and Corporate Change*, 19(4) pp. 1175-1186.

Kaufman, B. I. (2002) Multinational Corporations. The Gale Group Inc.

Kaufmann, D., Kraay, A. and Mastruzzi, M. (2010) 'Response to 'What do the worldwide governance indicators measure?'.' *The European Journal of Development Research*, 22(1) pp. 55-58.

Kaur, M., Khatua, A. and Yadav, S. S. (2016) 'Infrastructure development and FDI inflow to developing economies: Evidence from India.' *Thunderbird International Business Review*, 58(6) pp. 555-563.

Kedia, B., Gaffney, N. and Clampit, J. (2012) 'EMNEs and knowledge-seeking FDI.' *Management International Review*, 52(2) pp. 155-173.

Keegan, W. J. (1979) 'The future of the multinational manufacturing corporation: Five scenarios.' *Journal of International Business Studies*, 10(1) pp. 98-104.

Khanna, T., Palepu, K. G. and Sinha, J. (2005) 'Strategies that fit emerging markets.' *Harvard business review*, 83(6) pp. 4-19.

Khanna, T., Kogan, J. and Palepu, K. (2006) 'Globalization and similarities in corporate governance: A cross-country analysis.' *Review of Economics and Statistics*, 88(1) pp. 69-90.

Kheng, V., Sun, S. and Anwar, S. (2017) 'Foreign direct investment and human capital in developing countries: a panel data approach.' *Economic change and Restructuring*, 50(4) pp. 341-365.

Kim, J. U. and Aguilera, R. V. (2016) 'Foreign location choice: Review and extensions.' *International Journal of Management Reviews*, 18(2) pp. 133-159.

Kimino, S., Saal, D. S. and Driffield, N. (2007) 'Macro determinants of FDI inflows to Japan: an analysis of source country characteristics.' *World Economy*, 30(3) pp. 446-469.

Kinaro, E. O. (2006) 'Determinants of Foreign Direct Investment in Kenya.' *Institut African de Développement Economique et de Planification. Dakar*,

Kindleberger, C. P. (1969) 'American business abroad.' *The International executive*, 11(2) pp. 11-12.

Kinoshita, Y. and Lu, C.-H. (2006) 'On the role of absorptive capacity: FDI matters to growth.'

Kirkman, B. L., Lowe, K. B. and Gibson, C. B. (2006) 'A quarter century of culture's consequences: A review of empirical research incorporating Hofstede's cultural values framework.' *Journal of international business studies*, 37(3) pp. 285-320.

Klasen, S. and Lamanna, F. (2009) 'The impact of gender inequality in education and employment on economic growth: new evidence for a panel of countries.' *Feminist economics*, 15(3) pp. 91-132.

Kogut, B. and Zander, U. (1992) 'Knowledge of the firm, combinative capabilities, and the replication of technology.' *Organization science*, 3(3) pp. 383-397.

Kogut, B. and Zander, U. (1996) 'What firms do? Coordination, identity, and learning.' *Organization science*, 7(5) pp. 502-518.

Kogut, B. M. (1993) *Country competitiveness: Technology and the organizing of work.* Oxford University Press on Demand.

Kokko, A. (1994) 'Technology, market characteristics, and spillovers.' *Journal of development economics*, 43(2) pp. 279-293.

Kokko, A. (2002) *Globalization and FDI incentives.* Vol. 22:

Kokko, A., Tansini, R. and Zejan, M. C. (1996) 'Local technological capability and productivity spillovers from FDI in the Uruguayan manufacturing sector.' *The Journal of Development Studies*, 32(4) pp. 602-611.

Kostova, T. (1997) 'Success of the transnational transfer of organizational practices within multinational companies.'

Kostova, T. and Roth, K. (2002) 'Adoption of an organizational practice by subsidiaries of multinational corporations: Institutional and relational effects.' *Academy of management journal*, 45(1) pp. 215-233.

Kraaijenbrink, J., Spender, J. C. and Groen, A. J. (2010) 'The resource-based view: a review and assessment of its critiques.' *Journal of management*, 36(1) pp. 349-372.

Krugman, P. (1994) 'Competitiveness: a dangerous obsession.' *Foreign affairs*, pp. 28-44.

Krugman, P. (2011) 'The new economic geography, now middle-aged.' *Regional studies*, 45(1) pp. 1-7.

Kucera, D. (2001) *The Effects of Core Workers Rights on Labour Costs and Foreign Direct Investment: Evaluating the" Conventional Wisdom".* Vol. 130. International Institute for Labour Studies.

Kucera, D. (2002) 'Core labour standards and foreign direct investment.' *International Labour Review*, 141(1-2) pp. 31-69.

Kuemmerle, W. (1999) 'The drivers of foreign direct investment into research and development: an empirical investigation.' *Journal of international business studies*, 30(1) pp. 1-24.

Kumar, K. (1982) 'Third world multinationals: a growing force in international relations.' *International Studies Quarterly*, 26(3) pp. 397-424.

Kumari, R. and Sharma, A. K. (2017) 'Determinants of foreign direct investment in developing countries: a panel data study.' *International Journal of Emerging Markets*,

Kurki, M. and Wight, C. (2007) 'International relations and social science.' *International relations theories: Discipline and diversity*, pp. 13-33.

Kurtishi-Kastrati, S. (2013) 'The effects of foreign direct investments for host country's economy.' *European Journal of Interdisciplinary Studies*, 5(1) p. 26.

Kurul, Z. and Yalta, A. (2017) 'Relationship between institutional factors and FDI flows in developing countries: New evidence from dynamic panel estimation.' *Economies*, 5(2) p. 17.

Lall, S. (1993) *Transnational corporations and economic development.* Vol. 3. Taylor & Francis US.

Lall, S. (1998) 'The investment development path.' *Foreign direct investment and governments: Catalysts for economic restructuring*, p. 322.

Lall, S. (2000) 'FDI and development: policy and research issues in the emerging context.'

Lall, S. (2005) 'Is African industry competing? Queen Elizabeth House Working Paper Series no. 122. Oxford University.'

Lall, S., Chen, E., Katz, J., Kosacoff, B. and Villela, A. (1983) 'The new multinationals: The spread of third world enterprises.'

Lavie, D. (2006) 'The competitive advantage of interconnected firms: An extension of the resource-based view.' *Academy of management review*, 31(3) pp. 638-658.

Le Blanc, D. (2015) 'Towards integration at last? The sustainable development goals as a network of targets.' *Sustainable Development*, 23(3) pp. 176-187.

Lecraw, D. (1977) 'Direct investment by firms from less developed countries.' *Oxford economic papers*, 29(3) pp. 442-457.

Lee, K., Kim, B.-Y., Park, Y.-Y. and Sanidas, E. (2013) 'Big businesses and economic growth: Identifying a binding constraint for growth with country panel analysis.' *Journal of Comparative Economics*, 41(2) pp. 561-582.

Leech, N. L. and Onwuegbuzie, A. J. (2007) 'An array of qualitative data analysis tools: A call for data analysis triangulation.' *School psychology quarterly*, 22(4) p. 557.

Lelo, F. K. and Makenzi, P. M. (2000) *Sustainable use and development in Sub-Saharan Africa.* 2000.

Lemmon, G. T. (2011) Hillary: Global Economy Depends on Women', The Daily Beast.

Levine, R. and Renelt, D. (1992) 'A sensitivity analysis of cross-country growth regressions.' *The American economic review*, pp. 942-963.

Li, Q. (2009) 'Democracy, autocracy, and expropriation of foreign direct investment.' *Comparative Political Studies*, 42(8) pp. 1098-1127.

Li, Q. and Resnick, A. (2003) 'Reversal of fortunes: Democratic institutions and foreign direct investment inflows to developing countries.' *International organization*, 57(1) pp. 175-211.

Li, X. and Liu, X. (2005) 'Foreign direct investment and economic growth: an increasingly endogenous relationship.' *World development*, 33(3) pp. 393-407.

Lipsey, R. E. (2001) *Foreign direct investors in three financial crises.* National Bureau of Economic Research.

Lipsey, R. E. and Sjöholm, F. (2005) 'The impact of inward FDI on host countries: why such different answers?' *Does foreign direct investment promote development*, pp. 23-43.

Liu, Z. (2008) 'Foreign direct investment and technology spillovers: Theory and evidence.' *Journal of Development Economics*, 85(1) pp. 176-193.

Loungani, P. and Razin, A. (2001) 'How beneficial is foreign direct investment for developing countries?' *Finance and Development*, 38(2) pp. 6-9.

Lowe, N. and Kenney, M. (1999) 'Foreign investment and the global geography of production: Why the Mexican consumer electronics industry failed.' *World Development*, 27(8) pp. 1427-1443.

Luo, Y. and Tung, R. L. (2007) 'International expansion of emerging market enterprises: A springboard perspective.' *Journal of international business studies*, 38(4) pp. 481-498.

Luo, Y., Xue, Q. and Han, B. (2010) 'How emerging market governments promote outward FDI: Experience from China.' *Journal of world business*, 45(1) pp. 68-79.

Lynch, R. and Jin, Z. (2016) 'Exploring the institutional perspective on international business expansion: Towards a more detailed conceptual framework.' *Journal of Innovation & Knowledge*, 1(2) pp. 117-124.

Mahajan, A. (1990) 'Pricing expropriation risk.' *Financial Management*, pp. 77-86.

Makhija, M. (2003) 'Comparing the resource-based and market-based views of the firm: empirical evidence from Czech privatization.' *Strategic management journal*, 24(5) pp. 433-451.

Makino, S., Lau, C.-M. and Yeh, R.-S. (2002) 'Asset-exploitation versus asset-seeking: Implications for location choice of foreign direct investment from newly industrialized economies.' *Journal of international business studies*, 33(3) pp. 403-421.

Mankiw, N. G., Romer, D. and Weil, D. N. (1992) 'A contribution to the empirics of economic growth.' *The quarterly journal of economics*, 107(2) pp. 407-437.

Marcella, A., E, B. D. and David, C. (2006) 'The effect of population health on foreign direct investment inflows to low-and middle-income countries.' *World Development*, 34(4) pp. 613-630.

March, J. G. and Olsen, J. P. (1998) 'The institutional dynamics of international political orders.' *International organization*, 52(4) pp. 943-969.

Marshall, C. and Rossman, G. B. (2014) *Designing qualitative research.* Sage publications.

Marshall, M. G. and Jaggers, K. (2000) 'Polity IV project: Political regime characteristics and transitions, 1800-1999.' *Unpublished manuscript, University of Maryland, Center for International Development and Conflict Management*,

Mat, S. H. C. and Harun, M. (2012) 'The impact of infrastructure on foreign direct investment: The case of Malaysia.' *Procedia-Social and Behavioral Sciences*, 65 pp. 205-211.

Mathews, J. A. (2006) 'Dragon multinationals: New players in 21 st century globalization.' *Asia Pacific journal of management*, 23(1) pp. 5-27.

McArthur, J. W. and Rasmussen, K. (2019) 'Classifying Sustainable Development Goal trajectories: A country-level methodology for identifying which issues and people are getting left behind.' *World Development*, 123, 2019/11/01/, p. 104608.

McDonald, S. and Roberts, J. (2006) 'AIDS and economic growth: A human capital approach.' *Journal of Development Economics*, 80(1) pp. 228-250.

Medvedev, D. (2012) 'Beyond trade: the impact of preferential trade agreements on FDI inflows.' *World Development*, 40(1) pp. 49-61.

Mengistu, A. A. and Adhikary, B. K. (2011) 'Does good governance matter for FDI inflows? Evidence from Asian economies.' *Asia Pacific Business Review*, 17(3) pp. 281-299.

Meyer, K. E. (2001) 'Institutions, transaction costs, and entry mode choice in Eastern Europe.' *Journal of international business studies*, 32(2) pp. 357-367.

Meyer, K. E. and Peng, M. W. (2005) 'Probing theoretically into Central and Eastern Europe: Transactions, resources, and institutions.' *Journal of international business studies*, 36(6) pp. 600-621.

Meyer, K. E. and Thaijongrak, O. (2013) 'The dynamics of emerging economy MNEs: How the internationalization process model can guide future research.' *Asia Pacific Journal of Management*, 30(4) pp. 1125-1153.

Meyer, K. E., Estrin, S., Bhaumik, S. K. and Peng, M. W. (2009) 'Institutions, resources, and entry strategies in emerging economies.' *Strategic management journal*, 30(1) pp. 61-80.

Mihalache-O'keef, A. and Li, Q. (2011) 'Modernization vs. Dependency Revisited: Effects of Foreign Direct Investment on Food Security in Less Developed Countries1.' *International Studies Quarterly*, 55(1) pp. 71-93.

Mijiyawa, A. G. (2015) 'What Drives Foreign Direct Investment in Africa? An Empirical Investigation with Panel Data.' *African Development Review*, 27(4) pp. 392-402.

Miles, M. B. and Huberman, A. M. (1994) *Qualitative data analysis: An expanded sourcebook.* sage.

Millington, A. I. and Bayliss, B. T. (1990) 'The process of internationalisation: UK companies in the EC.' *MIR: Management International Review*, pp. 151-161.

Mina, W. (2007) 'The location determinants of FDI in the GCC countries.' *Journal of Multinational Financial Management*, 17(4) pp. 336-348.

Mincer, J. (1958) 'Investment in human capital and personal income distribution.' *Journal of political economy*, 66(4) pp. 281-302.

Miningou, E. W. and Tapsoba, M. S. J. (2017) *Education Systems and Foreign Direct Investment: Does External Efficiency Matter?* : International Monetary Fund.

Mitschke, A. (2008) 'The international competitiveness of nations.' *The Influence of National Competition Policy on the International Competitiveness of Nations: A Contribution to the Debate on International Competition Rules*, pp. 91-132.

Mkenda, B. K. and Mkenda, A. (2004) *Determinants of FDI Inflows to African Countries: A Panel Data Analysis.* Economic and Social Research Foundation, Globalisation and East Africa Dar es Salaam.

Moock, P. R. and Leslie, J. (1986) 'Schooling in the Terai Region.' *Journal of development economics*, 20 pp. 33-52.

Moon, H. C., Rugman, A. M. and Verbeke, A. (1998) 'A generalized double diamond approach to the global competitiveness of Korea and Singapore.' *International business review*, 7(2) pp. 135-150.

Moosa, I. (2002) *Foreign direct investment: theory, evidence and practice.* Springer.

Morck, R., Yeung, B. and Zhao, M. (2008) 'Perspectives on China's outward foreign direct investment.' *Journal of International Business Studies*, 39(3) pp. 337-350.

Morgan, G., Kristensen, P. H. and Whitley, R. (2001) *The multinational firm: organizing across institutional and national divides.* Oxford University Press, USA.

Morgan, R. E. and Katsikeas, C. S. (1997) 'Theories of international trade, foreign direct investment and firm internationalization: a critique.' *Management decision*, 35(1) pp. 68-78.

Mortimore, M. (2000) 'Competitiveness, Restructuring and FDI: An Analytical Framework.'

Mudambi, R. and Navarra, P. (2002) 'Institutions and internation business: a theoretical overview.' *International Business Review*, 11(6) pp. 635-646.

Mudambi, R. and Navarra, P. (2003) 'Erratum to "Institutions and international business: a theoretical overview" [International Business Review 11 (2002) 635-646].' *International Business Review*, 12(1) pp. 133-133.

Murray, C. J. L., Lopez, A. D. and World Health, O. (1996) 'The global burden of disease: a comprehensive assessment of mortality and disability from diseases, injuries, and risk factors in 1990 and projected to 2020: summary.'

Mygind, N. (2001) 'Enterprise governance in transition–a stakeholder perspective.' *Acta Oeconomica*, 51(3) pp. 315-423.

Naanwaab, C. and Diarrassouba, M. (2016) 'Economic freedom, human capital, and foreign direct investment.' *Journal of Developing Areas*, 50(1) p. 407.

Narula, R. (2010) 'Keeping the eclectic paradigm simple.' *Multinational Business Review*, 18(2) pp. 35-50.

Narula, R. (2012) 'Do we need different frameworks to explain infant MNEs from developing countries?' *Global Strategy Journal*, 2(3) pp. 188-204.

Narula, R. and Wakelin, K. (1998) 'Technological competitiveness, trade and foreign direct investment.' *Structural change and economic dynamics*, 9(3) pp. 373-387.

Narula, R. and Dunning, J. H. (2000) 'Industrial development, globalization and multinational enterprises: new realities for developing countries.' *Oxford development studies*, 28(2) pp. 141-167.

Ndao, M., Hima, A., Rabiou, A. and Lama, J. (2004) *World development report 2005: a better investment climate for everyone.* The World Bank.

Nelson, R. R. and Sidney, G. (2005) Winter. 1982. An evolutionary theory of economic change. Cambridge, MA: Harvard University Press.

Newbert, S. L. (2008) 'Value, rareness, competitive advantage, and performance: a conceptual-level empirical investigation of the resource-based view of the firm.' *Strategic management journal*, 29(7) pp. 745-768.

Nonnenberg, M. J. B. and Mendonca, M. J. C. (2004) 'The determinants of direct foreign investment in developing countries.' *Available at SSRN 525462*,

Noorbakhsh, F., Paloni, A. and Youssef, A. (2001) 'Human capital and FDI inflows to developing countries: New empirical evidence.' *World development*, 29(9) pp. 1593-1610.

Norell Bergendahl, A. (2015) Cultural Distance and Foreign Direct Investment: Does it Matter for Swedish Firms?

North, D. C. (1990) 'Institutions and a transaction-cost theory of exchange.' *Perspectives on positive political economy*, 182 p. 191.

North, D. C. (1995) 'The new institutional economics and third world development.' *In The new institutional economics and third world development*. Vol. 21. Routledge, London and New York,

North, D. C. (2005) 'Understanding the process of institutional change.' *North: Douglass*, pp. 89-108.

North, D. C. and Thomas, R. P. (1973) *The rise of the western world: A new economic history.* Cambridge University Press.

North, D. C. and Institutions, I. C. (1990) 'Economic performance.' *New York*,

Nunnenkamp, P. and Spatz, J. (2002) *Determinants of FDI in developing countries: has globalization changed the rules of the game?* Vol. 1122. Kiel Institute for World Economics Germany.

Nørgaard, A. S. (2008) 'Political science: Witchcraft or craftsmanship? Standards for good research.' *World Political Science*, 4(1)

O'Donnell, G. A. (1988) *Bureaucratic authoritarianism: Argentina, 1966-1973, in comparative perspective.* Univ of California Press.

OECD. (2015) Policy Coherence for Sustainable Development, Concept Note. Paris: *OECD*.

Oetzel, J. and Doh, J. P. (2009) 'MNEs and development: a review and reconceptualization.' *Journal of World Business*, 44(2) pp. 108-120.

Ojong, C. M., Arikpo, O. F. and Ogar, A. (2015) 'Determinants of foreign direct investment inflow to Nigeria.' *IOSR Journal of Humanities and Social Science*, 20(8) pp. 34-43.

Oliva, M. A. and Rivera-Batiz, L. A. (2002) 'Political Institutions, Capital Flows, and Developing Country Growth: An Empirical Investigation.' *Review of Development Economics*, 6(2) pp. 248-262.

Oliver, C. (1997) 'Sustainable competitive advantage: combining institutional and resource-based views.' *Strategic management journal*, 18(9) pp. 697-713.

Olney, W. W. (2013) 'A race to the bottom? Employment protection and foreign direct investment.' *Journal of International Economics*, 91(2) pp. 191-203.

Orr, R. J. and Scott, W. R. (2008) 'Institutional exceptions on global projects: a process model.' *Journal of International Business Studies*, 39(4) pp. 562-588.

Osondu-Oti, A. (2016) 'China and Africa: human rights perspective.' *Africa Development*, 41(1) pp. 49-80.

Ostrom, E. (2005) 'Doing institutional analysis digging deeper than markets and hierarchies.' *In Handbook of new institutional economics*. Springer, pp. 819-848.

Park, H. M. (2011) 'Practical guides to panel data modeling: a step-by-step analysis using stata.' *Public Management and Policy Analysis Program, Graduate School of International Relations, International University of Japan*, pp. 1-52.

Paton Micale, R. (2018) 'The Effects of Natural Resource Rents on FDI Inflows.'

Peng, M. W. (2001) 'The resource-based view and international business.' *Journal of management*, 27(6) pp. 803-829.

Peng, M. W. (2012) 'The global strategy of emerging multinationals from China.' *Global Strategy Journal*, 2(2) pp. 97-107.

Peng, M. W. and Luo, Y. (2000) 'Managerial ties and firm performance in a transition economy: The nature of a micro-macro link.' *Academy of management journal*, 43(3) pp. 486-501.

Peng, M. W., Lee, S.-H. and Wang, D. Y. L. (2005) 'What determines the scope of the firm over time? A focus on institutional relatedness.' *Academy of Management Review*, 30(3) pp. 622-633.

Peng, M. W., Wang, D. Y. L. and Jiang, Y. (2008) 'An institution-based view of international business strategy: A focus on emerging economies.' *Journal of international business studies*, 39(5) pp. 920-936.

Penrose, E. (1959) 1995. The Theory of the Growth of the Firm (with a new foreword by the author. Oxford University Press: Oxford.

Perlmutter, H. (1969) 'The tortuous evolution of the multinational corporation. Columbia Journalof World Business, January-February: 9-18.' *PerlmutterJanuary9Columbia Journal of World Business1969*,

Peteraf, M. A. (1993) 'The cornerstones of competitive advantage: a resource-based view.' *Strategic management journal*, 14(3) pp. 179-191.

Petrović-Ranđelović, M., Janković-Milić, V. and Kostadinović, I. (2017) 'Market size as a determinant of the foreign direct investment inflows in the Western Balkans countries.' *Facta Universitatis, Series: Economics and Organization*, pp. 093-104.

Pitt, M. M., Rosenzweig, M. R. and Hassan, M. N. (1990) 'Productivity, health, and inequality in the intrahousehold distribution of food in low-income countries.' *The American Economic Review*, pp. 1139-1156.

Podsakoff, P. M., MacKenzie, S. B., Lee, J.-Y. and Podsakoff, N. P. (2003) 'Common method biases in behavioral research: a critical review of the literature and recommended remedies.' *Journal of applied psychology*, 88(5) p. 879.

Poirson, M. H., Ricci, M. L. A. and Pattillo, M. C. A. (2004) *What are the channels through which external debt affects growth?* : International Monetary Fund.

Polanyi, M. F. D., Frank, J. W., Shannon, H. S., Sullivan, T. J., Lavis, J. N., Bertera, R. L. and Eakin, J. M. (2000) 'Promoting the determinants of good health in the workplace.' *Settings for health promotion: linking theory and practice. Thousand Oaks, CA, Sage Publications*, pp. 138-160.

Popovici, O.-C. and CĂLin, A. C. (2015) 'The Effects of Enhancing Competitiveness on FDI Inflows in CEE Countries.' *European Journal of Interdisciplinary Studies*, 7(1)

Porter, M. E. (1990) 'The competitive advantage of nations.' *Competitive Intelligence Review*, 1(1) pp. 14-14.

Porter, M. E. (2011) *Competitive advantage of nations: creating and sustaining superior performance.* Vol. 2. Simon and Schuster.

Porter, M. E. and Millar, V. E. (1985) How information gives you competitive advantage. Harvard Business Review, Reprint Service Watertown, Massachusetts, USA.

Porter, M. E., Ketels, C. and Delgado, M. (2007) 'The microeconomic foundations of prosperity: findings from the business competitiveness index.' *The Global Competitiveness Report 2007–2008*, pp. 51-81.

Priem, R. L. and Butler, J. E. (2001) 'Is the resource-based "view" a useful perspective for strategic management research?' *Academy of management review*, 26(1) pp. 22-40.

Prince, M., Nacar, R. and Burnaz, S. (2011) 'A cultural content analysis of multinational companies' web sites.' *Qualitative Market Research: An International Journal*,

Qian, J. and Su, L. (2014) 'Structural change estimation in time series regressions with endogenous variables.' *Economics Letters*, 125(3) pp. 415-421.

Quazi, R. (2007) 'Economic freedom and foreign direct investment in East Asia.' *Journal of the Asia Pacific Economy*, 12(3) pp. 329-344.

Ramamurti, R. (2012) 'What is really different about emerging market multinationals?' *Global Strategy Journal*, 2(1) pp. 41-47.

Ramirez, M. D. and Kőműves, Z. (2014) 'Economic infrastructure, private capital formation, and FDI inflows to Hungary: a unit root and cointegration analysis with structural breaks.' *Atlantic Economic Journal*, 42(4) pp. 367-382.

Rammer, C. and Schmiele, A. (2008) 'Drivers and effects of internationalising innovation by SMEs.'

Ranjan, V. and Agrawal, G. (2011) 'FDI inflow determinants in BRIC countries: A panel data analysis.' *International Business Research*, 4(4) p. 255.

Robson, P. (2002) *The economics of international integration.* Routledge.

Rodrik, D. (1996) *Labor Standards in International Trade: Do They Matter and what Do We Do about Them?* : Overseas Development Council.

Rodríguez-Pose, A. and Cols, G. (2017) 'The determinants of foreign direct investment in sub-Saharan Africa: What role for governance?' *Regional Science Policy & Practice*, 9(2) pp. 63-81.

Rondinelli, D. A. (2003) 'Transnational corporations: international citizens or new sovereigns?' *Business Strategy Review*, 14(4) pp. 13-21.

Root, F. R. and Ahmed, A. A. (1979) 'Empirical Determinants of Manufacturing Direct Foreign Investment in Developing Countries.' *Economic Development and Cultural Change*, 27(4) pp. 751-767.

Rothaermel, F. T., Kotha, S. and Steensma, H. K. (2006) 'International market entry by US internet firms: an empirical analysis of country risk, national culture, and market size.' *Journal of Management*, 32(1) pp. 56-82.

Rubin, P. H. (1973) 'The expansion of firms.' *Journal of political Economy*, 81(4) pp. 936-949.

Rugman, A. M. (1980) 'Internalization as a general theory of foreign direct investment: A re-appraisal of the literature.' *Review of World Economics*, 116(2) pp. 365-379.

Rugman, A. M. (1981) *Inside the multinationals: The economics of international markets.*

Rugman, A. M. (2009) 'Theoretical aspects of MNEs from emerging economies.' *Emerging multinationals in emerging markets*, pp. 42-63.

Rugman, A. M. and Verbeke, A. (1993) 'Foreign subsidiaries and multinational strategic management: An extension and correction of Porter's single diamond framework.' *MIR: Management International Review*, pp. 71-84.

Rugman, A. M. and D'Cruz, J. R. (1993) 'The" double diamond" model of international competitiveness: The Canadian experience.' *MIR: Management International Review*, pp. 17-39.

Rugman, A. M. and Verbeke, A. (2002) 'Edith Penrose's contribution to the resource-based view of strategic management.' *Strategic management journal*, 23(8) pp. 769-780.

Rui, H. and Yip, G. S. (2008) 'Foreign acquisitions by Chinese firms: A strategic intent perspective.' *Journal of World Business*, 43(2) pp. 213-226.

Rumelt, R. P. (1984) 'Towards a Strategic Theory of the Firm. Competitive strategic management.' *Competitive strategic management*, pp. 556-570.

Ruthven, O. and Kumar, S. (2002) *Moving Mud, Shifting Soil: Change and Development in Wage Labour Livelihoods in Uttar Pradesh, India.* Overseas Development Institute London,, UK.

Sarantakos, S. (2012) *Social research.* Palgrave Macmillan.

Sarkees, M. R. and Schafer, P. (2000) 'The correlates of war data on war: An update to 1997.' *Conflict Management and Peace Science*, 18(1) pp. 123-144.

Saunders, M., Lewis, P. and Thornhill, A. (2009) 'Research methods for business students. Essex.' *Financial Times/Prentice Hall*,

Sauvant, K. P. and Mallampally, P. (2015) 'Policy Options for Promoting Foreign Direct Investment in the Least Developed Countries.' *Transnational Corporations Review*, 7(3) pp. 237-268.

Schmidheiny, K. and Siegloch, S. (2019) 'On Event Study Designs and Distributed-Lag Models: Equivalence, Generalization and Practical Implications.'

Schneider, F. and Frey, B. S. (1985) 'Economic and political determinants of direct investment.' *World Development*, 13(2) p. 161.

Schultz, T. P. (1997) 'Assessing the productive benefits of nutrition and health: An integrated human capital approach.' *Journal of Econometrics*, 77(1) pp. 141-158.

Schwab, K. (2010) *The global competitiveness report 2010-2011.* 2010. World Economic Forum Geneva.

Scott, W. R. (1995) 'Institutions and organizations. Foundations for organizational science.' *London: A Sage Publication Series*,

Seguino, S. (2000) 'Gender inequality and economic growth: A cross-country analysis.' *World Development*, 28(7) pp. 1211-1230.

Seguino, S. (2010) 'The global economic crisis, its gender and ethnic implications, and policy responses.' *Gender & Development*, 18(2) pp. 179-199.

Sethi, D., Guisinger, S., Ford Jr, D. L. and Phelan, S. E. (2002) 'Seeking greener pastures: a theoretical and empirical investigation into the changing trend of foreign direct investment flows in response to institutional and strategic factors.' *International Business Review*, 11(6) pp. 685-705.

Sharma, R. R., Nguyen, T. K. and Crick, D. (2018) 'Exploitation strategy and performance of contract manufacturing exporters: The mediating roles of exploration strategy and marketing capability.' *Journal of International Management*, 24(3) pp. 271-283.

Shatz, H. (2003) 'Gravity, education, and economic development in a multinational affiliate location.' *J. Int. Trade & Economic Development*, 12(2) pp. 117-150.

Shenkar, O. (2001) 'Cultural distance revisited: Towards a more rigorous conceptualization and measurement of cultural differences.' *Journal of international business studies*, 32(3) pp. 519-535.

Sichei, M. M. and Kinyondo, G. (2012) 'Determinants of Foreign Direct Investment in Africa: A Panel Data Analysis.' *Global Journal of Management and Business Research*, 12(18)

Siddiqui, K. (2014) 'Flows of Foreign Capital into Developing Countries: A Critical Review.' *Journal of International Business and Economics*, 2(1) pp. 29-46.

Siegel, J. I., Licht, A. N. and Schwartz, S. H. (2013) 'Egalitarianism, cultural distance, and foreign direct investment: A new approach.' *Organization Science*, 24(4) pp. 1174-1194.

Singh, K. (2007) *Quantitative social research methods.* Sage.

Singleton, R. A., Straits, B. C. and Straits, M. M. (2005) Approaches to Social Sciences. New York, Oxford University Press.

Sinkovics, R. R., Yamin, M. and Hossinger, M. (2007) 'Cultural adaptation in cross border e-commerce: A study of German companies.' *Journal of Electronic Commerce Research*, 8(4)

Slimane, M. B., Huchet, M. and Zitouna, H. (2015) *Direct and indirect effects of FDI on food security: a sectoral approach.* 2013.

Smarzynska, B. (2002) *The composition of foreign direct investment and protection of intellectual property rights: Evidence from transition economies.* The World Bank.

Soci, A. (2002) *FDI: the current state of play.* Quaderni-Working Paper DSE.

Spar, D. L. and La Mure, L. T. (2003) 'The power of activism: Assessing the impact of NGOs on global business.' *California Management Review*, 45(3) pp. 78-101.

Sparks, D. L. (1995) 'World Bank. Adjustment in Africa: Reforms, Results and the Road Ahead. A World Bank Policy Research Report. New York: Oxford University Press, 1994. 284 pp. Bibliography. Index. Tables. Price not reported. Paper.' 38(3) pp. 113-114.

Spencer, J. and Gomez, C. (2011) 'MNEs and corruption: The impact of national institutions and subsidiary strategy.' *Strategic Management Journal*, 32(3) pp. 280-300.

Spencer, J. W. (2008) 'The impact of multinational enterprise strategy on indigenous enterprises: Horizontal spillovers and crowding out in developing countries.' *Academy of Management Review*, 33(2) pp. 341-361.

Spradley, J. (1979) 'Asking descriptive questions.' *The ethnographic interview*, 1 pp. 44-61.

Stanley, T. D. and Doucouliagos, H. (2012) *Meta-regression analysis in economics and business.* Routledge.

Stein, E. and Daude, C. (2001) *Institutions, integration and the location of foreign direct investment.* Mexico, 2001. OECD.

Stotsky, M. J. G. (2016) *Trends in gender equality and women's advancement.* International Monetary Fund.

Strat, V. A. (2015) 'The relationship between the education system and the inflows of FDI for the Central and East European EU new member states.' *Revista Romana de Economie*, 41(2)

Strauss, A. and Corbin, J. (1990) *Basics of qualitative research.* Sage publications.

Strauss, J. (1986) 'Does better nutrition raise farm productivity?' *Journal of political economy*, 94(2) pp. 297-320.

Strauss, J. and Thomas, D. (1998) 'Health, nutrition, and economic development.' *Journal of economic literature*, 36(2) pp. 766-817.

Suliman, A. H. and Mollick, A. V. (2009) 'Human Capital Development, War and Foreign Direct Investment in Sub-Saharan Africa.' *Oxford Development Studies*, 37(1) pp. 47-61.

Sullivan, D. and Bauerschmidt, A. (1990) 'Incremental internationalization: a test of Johanson and Vahlne's thesis.' *MIR: Management International Review*, pp. 19-30.

Sun, P., Mellahi, K. and Thun, E. (2010) 'The dynamic value of MNE political embeddedness: The case of the Chinese automobile industry.' *Journal of International Business Studies*, 41(7) pp. 1161-1182.

Sun, Y. (2013) 'A heteroskedasticity and autocorrelation robust F test using an orthonormal series variance estimator.' *The Econometrics Journal*, 16(1) pp. 1-26.

Sveiby, K.-E. (2001) 'A knowledge-based theory of the firm to guide in strategy formulation.' *Journal of intellectual capital*, 2(4) pp. 344-358.

Sydserff, R. and Weetman, P. (2002) 'Developments in content analysis: a transitivity index and DICTION scores.' *Accounting, Auditing & Accountability Journal*,

Talukdar, M. Z. H. and Parvez, M. A.-A. (2017) 'Measuring the Impact of Population Health and Education on Foreign Direct Investment: Panel Evidence from 46 Countries.' *Asian Economic and Financial Review*, 7(12) p. 1242.

Te Velde, D. and Morrissey, O. (2004) 'Foreign direct investment, skills and wage inequality in East Asia.' *Journal of the Asia Pacific Economy*, 9(3) pp. 348-369.

Teece, D. J. (1981) 'Internal organization and economic performance: An empirical analysis of the profitability of principal firms.' *The Journal of Industrial Economics*, pp. 173-199.

Teece, D. J. (1986) 'Profiting from technological innovation: Implications for integration, collaboration, licensing and public policy.' *Research policy*, 15(6) pp. 285-305.

Teece, D. J. (2007) 'Explicating dynamic capabilities: the nature and microfoundations of (sustainable) enterprise performance.' *Strategic management journal*, 28(13) pp. 1319-1350.

Teece, D. J. (2012) 'Dynamic capabilities: Routines versus entrepreneurial action.' *Journal of management studies*, 49(8) pp. 1395-1401.

Teece, D. J., Pisano, G. and Shuen, A. (1999) 'Dynamic capabilities and strategic management.' *In Knowledge and strategy*. Elsevier, pp. 77-115.

Toit, H. d., Shah, A. and Wilson, M. (2017) *Ideas for action for a long time and sustainable financial system.* London: Business and Sustainable Development Commission.

Tompa, E. (2002) 'The impact of health on productivity: empirical evidence and policy implications.' *The review of economic performance and social progress*, 2

Torres-Reyna, O. (2007) 'Panel data analysis fixed and random effects using Stata (v. 4.2).' *Data & Statistical Services, Priceton University*,

UN. (1992) *Report of the United Nations Conference on Environment and Development.* New York: United Nations.

UN. (2015a) *Transforming our World:The 2030 Agenda for Sustainable Development.* New York: United Nations.

UN. (2015b) *The millennium Development Goals Report.* New York: United Nations.

UN. (2016a) *Investment Policies and Bilateral Investment Treaties in Africa: Implications for Regional Integration.* Addis Ababa: United Nations.

UN. (2016b) *The Sustainable Development Goals Report.* Newyork: United Nations.

UN. (2016c) *Report of the Inter-Agency and Expert Group on Sustainable Development Goal Indicators.* New York: United Nations Statistical Commission.

UNCTAD. (2014) *World Investment Report: Investing in SDGs, an action plan.* Geneva

UNCTAD. (2016) *World Investment Report.* New York: United Nations.

UNCTAD. (2017) *World Investment Report.* Geneva: UNCTAD.

Unctad, G. E. (2000) 'The competitiveness challenge: transnational corporations and industrial restructuring in developing countries.'

UNDP. (2004) *Human development report 2004: Cultural liberty in today's diverse world.* Oxford University Press.

Vaaler, P. M. (2008) 'How do MNCs vote in developing country elections?' *Academy of Management Journal*, 51(1) pp. 21-43.

Van der Ploeg, F. (2012) 'Bottlenecks in ramping up public investment.' *International Tax and Public Finance*, 19(4) pp. 509-538.

Ver Beek, K. A. (2001) 'Maquiladoras: Exploitation or emancipation? An overview of the situation of maquiladora workers in Honduras.' *World Development*, 29(9) pp. 1553-1567.

Von Tunzelmann, G. N. (1995) Government policy and the long-run dynamics of competitiveness. Elsevier.

Vranovci, S. (2016) 'Human Capital Influences in FDI in Eastern European Economies.' *Academic Journal of Business, Administration, Law and Social Sciences*, Vol. 2(No. 3) pp. pg.64-75.

Wang, C., Hong, J., Kafouros, M. and Wright, M. (2012) 'Exploring the role of government involvement in outward FDI from emerging economies.' *Journal of International Business Studies*, 43(7) pp. 655-676.

Wang, C. L. and Ahmed, P. K. (2007) 'Dynamic capabilities: A review and research agenda.' *International journal of management reviews*, 9(1) pp. 31-51.

Wang, M. (2009) 'Manufacturing FDI and economic growth: evidence from Asian economies.' *Applied Economics*, 41(8) pp. 991-1002.

Wang, Y. and Bellemare, M. F. (2019) 'Lagged Variables as Instruments.'

World Bank. (2008) *World Development Report: Agriculture for development.* Washington, DC: World Bank.

World Bank. (2011) *Global Economic Prospect: Sub Saharan Africa.* New York: World Bank.

Wei, S.-J. (2000) 'How taxing is corruption on international investors?' *Review of economics and statistics*, 82(1) pp. 1-11.

Wells, L. T. (1983) 'Third world multinationals: The rise of foreign investments from developing countries.' *MIT Press Books*, 1

Wells, L. T. and Wint, A. G. (2000) 'Marketing a country: promotion as a tool for attracting foreign investment. Foreign Investment Advisory Service Occasional Paper No. 13.' *International Finance Corporation, the Multinational Investment Guarantee Agency: Washington, DC*,

Wernerfelt, B. (1984) 'A resource-based view of the firm.' *Strategic management journal*, 5(2) pp. 171-180.

Wheeler, D. (2001) 'Racing to the bottom? Foreign investment and air pollution in developing countries.' *The Journal of Environment & Development*, 10(3) pp. 225-245.

Wheeler, D. and Mody, A. (1992) 'International investment location decisions: The case of US firms.' *Journal of international economics*, 33(1) pp. 57-76.

Whelan, J. and Msefer, K. (1996) Economic supply & demand, D-4388 1. MIT Permission.

Whitley, R. (1992) *European business systems: Firms and markets in their national contexts.* Sage.

Whitley, R. (2005) *Developing transnational organizational capabilities in multinational companies: Institutional constraints on authority sharing and careers in six types of MNC.* Oxford University Press.

Wiklund, J. and Shepherd, D. (2003) 'Knowledge-based resources, entrepreneurial orientation, and the performance of small and medium-sized businesses.' *Strategic management journal*, 24(13) pp. 1307-1314.

Wilhelms, S. K. S. and Witter, M. S. D. (1998) *Foreign direct investment and its determinants in emerging economies.* United States Agency for International Development, Bureau for Africa ….

Williamson, O. E. (2000) 'The new institutional economics: taking stock, looking ahead.' *Journal of economic literature*, 38(3) pp. 595-613.

Wilson, J. (2014) *Essentials of business research: A guide to doing your research project.* Sage.

Wink Junior, M. V., Sheng, H. H. and Eid Junior, W. (2011) 'Transaction costs: an empirical analysis of their relationship with investment and foreign direct investment.' *Revista de Administração de Empresas*, 51(2) pp. 175-187.

Wooldridge, J. M. (2002) 'Econometric analysis of cross section and panel data MIT press.' *Cambridge, MA*, 108

Wooldridge, J. M. (2010) *Econometric analysis of cross section and panel data.* MIT press.

Wooldridge, J. M. (2012) 'Introductory Econometrics: A Modern Approach, (Boston: Cengage Learning).'

World, B. (2006) *Global Development Finance 2006: The Development Potential of Surging Capital Flows. Review, analysis, and outlook. I.* World Bank.

Wright, M., Filatotchev, I., Hoskisson, R. E. and Peng, M. W. (2005) 'Strategy research in emerging economies: Challenging the conventional wisdom.' *Journal of management studies*, 42(1) pp. 1-33.

Wu, R. and Cheng, X. (2016) 'Gender equality in the workplace: the effect of gender equality on productivity growth among the Chilean manufacturers.' *The Journal of Developing Areas*, 50(1) pp. 257-274.

Wójcik, P. (2015) 'Exploring Links between dynamic capabilities perspective and resource-based view: a literature overview.' *International Journal of Management and Economics*, 45(1) pp. 83-107.

Xu, D. and Shenkar, O. (2002) 'Note: Institutional distance and the multinational enterprise.' *Academy of Management review*, 27(4) pp. 608-618.

Yang, X. and Rivers, C. (2009) 'Antecedents of CSR practices in MNCs' subsidiaries: A stakeholder and institutional perspective.' *Journal of business ethics*, 86(2) pp. 155-169.

Yin, R. K. (2003) 'Case Study Research: Design and Methods,(3rd) Sage Publications.' *Thousand Oaks, California*,

Yiu, D. W., Lau, C. and Bruton, G. D. (2007) 'International venturing by emerging economy firms: The effects of firm capabilities, home country networks, and corporate entrepreneurship.' *Journal of international business studies*, 38(4) pp. 519-540.

Yussof, I. and Ismail, R. (2002) 'Human resource competitiveness and inflow of foreign direct investment to the ASEAN region.' *Asia-Pacific Development Journal*, 9(1) pp. 89-107.

Zaheer, S. (1995) 'Overcoming the liability of foreignness.' *Academy of Management journal*, 38(2) pp. 341-363.

Zaheer, S. (2002) 'The liability of foreignness, redux: A commentary.' *Journal of International Management*, 8(3) pp. 351-358.

Zaheer, S. and Mosakowski, E. (1997) 'The dynamics of the liability of foreignness: A global study of survival in financial services.' *Strategic management journal*, pp. 439-463.

Zahra, S. A., Sapienza, H. J. and Davidsson, P. (2006) 'Entrepreneurship and dynamic capabilities: A review, model and research agenda.' *Journal of Management studies*, 43(4) pp. 917-955.

Zhang, J., Zhou, C. and Ebbers, H. (2011) 'Completion of Chinese overseas acquisitions: Institutional perspectives and evidence.' *International Business Review*, 20(2) pp. 226-238.

Zlatković, M. (2016) 'Does Enhancing of the Competitiveness Influence on Foreign Direct Investments in Western Balkan Countries?' *European Journal of Multidisciplinary Studies*, 1(2) pp. 164-173.

Appendixes:

Table 0.1: GDP and GDP Growth of Sub-Saharan Africa

PERIOD	The annual average growth rate	GDP (constant prices (2005) in millions)
1990	2.570511	472,176.12
1991	0.089503	472,598.73
1992	-0.82426	468,703.30
1993	0.03596	468,871.85
1994	2.080986	478,629.00
1995	3.810834	496,868.76
1996	5.029897	521,860.74
1997	3.405253	539,631.42
1998	2.560771	553,450.15
1999	2.187769	565,558.36
2000	3.597736	585,905.66
2001	4.177606	610,382.49
2002	7.388256	655,479.11
2003	5.036223	688,490.49

2004	6.539843	733,516.69
2005	6.205464	779,034.81
2006	5.851064	824,616.63
2007	6.401114	877,401.28
2008	5.042163	921,641.29
2009	3.110663	950,310.44
2010	5.63016	1,003,814.43
2011	4.410497	1,048,087.64
2012	3.97757	1,089,776.06
2013	4.800481	1,142,090.55
2014	4.726572	1,196,072.28
2015	3.136693	1,233,589.39
2016	1.447619	1,251,447.07

Table 0.2: Keywords

lnFDI	Natural logarithm of FDI inflows to SSA from all over the world.
lnFDID	Natural logarithm of FDI inflows to SSA from developed countries.
lnFDING	Natural logarithm of FDI inflows to SSA from developing countries.
lagpoverty	Lag of Poverty gap at $1.90 a day (2011 PPP) (%)
laghunger	Lag of prevalence rate of undernourishment (%)
lagYoS	Lag of Years of schooling
laggender	Lag of School enrolment, secondary (gross), gender parity index (GPI)
lagTB	Lag of tuberculosis incidence (per 100,000 population)
laglnGNI	Lag of natural logarithm of Gross National Income (constant 2010 US$)
lagopenness	Lag of the ratio of total imports and exports to GDP
lagNRR	Lag of total natural resources rents (% of GDP)
lagcapitalformation	Lag of gross capital formation (% of GDP)
lagGovernance index	Lag of the average of the scores in political stability, government effectiveness, control of corruption and the rule of law by various countries (a scale between -2.5 to +2.5).
lagLabour	Lag of ratio of the labour force (15-65 Years of age) to the total population
lagGDPW	Lag of GDP growth
lagIndebtedness	Lag of external debt stocks (% of GNI)

Table 0.3. : Correlation and descriptive statistics

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1 LnFDI	1.00															
2 LnFDID	.6040	1.00														
3 LnFDING	.7243	.5354	1.00													
4 lagpoverty	-.178	-.1169	.1017	1.00												
5 laghunger	-.245	-.0778	.0534	.6392	1.00											
6 lageducation	.2615	.2451	-.020	-.583	-.665	1.00										
7 laggender	.1160	.1835	-.111	-.051	.127	.1822	1.00									
8 lagTB	.2523	.2345	.0071	.1204	.119	.0327	.4088	1.00								
9 lagLnGNI	.5695	.6027	.3257	-.608	-.487	.5218	.1190	.2060	1.00							
10 lagOpenness	.3103	.2182	.2107	.2252	-.072	.1813	-.052	.323	-.147	1.00						
11 lagNRR	.2840	.0384	.1954	-.095	-.233	.1038	-.447	-.223	.237	-.029	1.00					
12 lagLnINFR	.3781	.2229	.2637	.1342	.0600	.0308	.1112	.168	-.058	.5592	.0303	1.00				
13 lagGovernance	.2398	.1429	.1478	-.168	.0106	.1823	.6150	.154	.0572	.0672	-.486	.0237	1.00			
14 laglabour	-.201	-.0507	-.052	.5432	.6531	-.575	.0082	-.202	-.539	-.058	-.272	.161	.0301	1.00		
15 lagGDPW	-.040	.0013	.0675	.0161	.0259	-.133	-.223	-.284	-.124	.0187	.0402	-.023	.0943	.1783	1.00	
16 lagIndebtedness	.1264	.2377	.0906	.2213	.1703	-.009	-.040	.2918	.0013	.1891	.1963	.329	-.095	.1432	.068	1.00
Mean	19.26	17.85	17.17	.1922	.2604	.0642	.8327	.0045	23.05	.7834	.1358	.2241	-.694	.6980	.051	.5963
Std Dev.	1.986	2.264	2.301	.1182	.1312	.0512	.2238	.0033	1.376	.4316	.1206	.0919	.5582	.1525	.066	1.160
Min	10.36	11.91	11.13	.018	.043	.0039	.3068	.0000	20.28	.2309	0	.02	-1.76	0	-.367	0

Max	23.53	24.00	24.42	.636	.689	.3023	1.388	.0183	26.84	2.936	.6010	.6	.92	.9034	.678	13.80
Observations	596	427	456	525	495	323	339	570	456	402	495	529	518	570	570	570

Table 0.4: summary of VIFs for explanatory variables

Model 1 (FDI from developed countries)	**VIF**
lagpoverty	2.88
laghunger	2.64
lageducation	3.01
laggender	3.04
lagTB	3.02
lagLnGNI	2.19
lagOpenness	3.07
lagNRR	1.97
lagLnINFR	2.01
lagGovernance	2.29
laglabour	2.96
lagGDPW	1.24
lagIndebtedness	1.59

Model 2 (FDI from developing countries)	**VIF**
lagpoverty	2.59
laghunger	2.39
lageducation	3.09
laggender	2.89
lagTB	2.21
lagLnGNI	2.24
lagOpenness	2.52
lagNRR	1.70
lagLnINFR	1.90
lagGovernance	2.46
laglabour	2.26
lagGDPW	1.31
lagIndebtedness	1.48

Model 3 (global FDI flows)	**VIF**
lagpoverty	2.11
laghunger	2.13
lageducation	2.76

laggender	2.57
lagTB	2.44
lagLnGNI	2.01
lagOpenness	2.11
lagNRR	1.61
lagLnINFR	1.53
lagGovernance	2.01
laglabour	2.46
lagGDPW	1.26
lagIndebtedness	1.25

Table 0.5: Split sample analysis

Hypothesis	**explanatory variable**	**Model 1 (FDI from developed countries)**	**Model 1 (Sample A)**	**Model 1 (Sample B)**	**Model 2 (FDI from developing countries)**	**Model 2 (Sample A)**	**Model 2 (Sample B)**	**Model 3 (Aggregate FDI)**	**Model 3(Sample A)**	**Model 3 (Sample B)**
-	Lack of progress towards ending poverty	**-11.06809***	**-56.79987****	**-16.8581****	1.477265	-9.553286	7.810452	1.614139	1.897729	-2.93929
-	Lack of progress towards ending hunger	**-16.50458***	**-50.90379****	**-13.79806**	**-29.28123*****	-20.79954	-11.57904	**-20.05022*****	**-51.23277****	**-16.08236*****
+	Progress towards quality education	12.3316	16.03967	45.65406	2.551856	-24.77149	-4.59709	**-19.85834****	-13.53651	6.006049

+	Progress towards gender equality	**13.5657****	31.44593	**21.27745*****	**-15.67023*****	1.698576	-10.5646	**-7.911229*****	-8.520753	**-8.892822*****
-	Lack of progress towards health and wellbeing	892.1275	-2238.581	935.5426	176.9296	377.1015	**970.0093**	270.3216	268.3473	-111.8713

Table 0.6: List of Sub-Sahara African countries included in study

Angola
Banco de Cabo Verde
Benin
Botswana
Burundi
Cameroon
The central African Republic
Chad
Congo
Congo, Democratic Republic
Cote d'Ivoire
Equatorial Guinea
Eritrea
Ethiopia
Gabon
Ghana
Guinea
Guinea Bissau

Kenya

Lesotho

Liberia

Madagascar

Malawi

Mali

Mozambique

Namibia

Niger

Nigeria

Rwanda

Senegal

Sierra leone

Seychelles

South Africa

Tanzania

Togo

Uganda

Zambia

Zimbabwe

Table 0.7: List of the United Nations Sustainable Development Goals

No poverty

Zero hunger

Good health and well-being

Quality education

Gender equality

Clean water and sanitation

Affordable and clean energy

Decent work and economic growth

Industry, innovation, and infrastructure

Reduced inequalities

Sustainable cities and communities

Responsible consumption and production

Climate action

Life below water

Life on land

Peace, justice, and strong institutions

Partnerships for the goals