



FDI Paradox

- More than 60% FDI inflow to Developed Countries
- FDI Stock 2006 - 66%, 2016 - 63%
- Technology Transfer
- 88% of Royalty Payments Among Developed Countries
- Less Developed Countries get less FDI and Technology



Forum for Global Knowledge Sharing
Knowledge Forum
FORUM FOR GLOBAL
KNOWLEDGE SHARING
Initiative on
"FDI: Issues and Policy"
Partnership with
TRUSTS



Santosh Sahu

S. R. Hashim

Satish Agnihotri







CHRYSTIAN, Mark (2006). "Who cares about corruption?", *Journal of International Business Studies*, 37(4), 497-511.

- Corruption results not only in a reduction in FDI but also in a change in the composition of country of origin of FDI.
- This study: (1) FDI from countries that have raised the OECD convention of combating bribery of foreign public officials in international business transactions and (2) FDI from countries with high levels of corruption.
- Relationship between corruption and FDI is modified by the country of origin of FDI.
- Corruption in the host country results in relatively less FDI from countries that have signed the OECD convention, but in relatively more FDI from countries with high levels of corruption.



