

Contents

<i>List of figures</i>	ix
<i>List of tables</i>	x
<i>List of contributors</i>	xii
<i>Acknowledgments</i>	xiv
1 Introduction	1
BIJIT BORA	
PART I	
Theory and measurement of FDI	5
2 International business research: steady-states, dynamics and globalisation	7
STEPHEN NICHOLAS AND ELIZABETH MAITLAND	
3 FDI: strategic issues	28
RON EDWARDS	
4 The international distribution of multinational production	46
BIJIT BORA	
5 A method for improved international and intertemporal comparisons of US MNCs' overseas gross product in manufacturing	63
RAYMOND J. MATALONI, JR.	
6 Research issues in Japanese FDI	75
ROGER FARRELL	
PART II	
Structural issues related to the impact on FDI	91
7 FDI and trade	93
JAMES R. MARKUSEN	

8	Cross-border investment and effects on competition in the telecommunications sector	113
	EDWARD M. GRAHAM	
9	Outsourcing jobs and enterprise-level bargaining: ‘Cheshire cat’ unions revisited?	132
	NOEL GASTON	
10	FDI and the structure of home country production	152
	ARI KOKKO	
11	Host-country impact of FDI in East Asia	168
	PREMA-CHANDRA ATHUKORALA AND HAL HILL	
12	IPRs and FDI	195
	KEITH E. MASKUS	
13	FDI and the environment: the link between FDI and the environment	211
	BIJIT BORA	
PART III		
	Analytical and policy issues	231
14	Modelling FDI in a computable general equilibrium framework	233
	SUSAN F. STONE AND PATRICK A. JOMINI	
15	Measuring and modelling barriers to FDI	252
	ALEXIS HARDIN AND LEANNE HOLMES	
16	The impact of tax policy and incentives on FDI	273
	JACQUES MORISSET AND NEDIA PIRNIA	
17	Options for collecting globalisation statistics: Australia	292
	MARK LOUND AND GEOFF ROBERTSON	
18	Multilateral investment rules	310
	DAVID ROBERTSON	
19	FDI and development: research issues in the emerging context	325
	SANJAYA LALL	
	<i>Index</i>	346

Figures

5.1	Gross product of majority-owned German affiliates in manufacturing in current dollars and in current marks and the dollar–mark exchange rate	67
5.2	Current dollar and real gross product of MOFAs in manufacturing and foreign currency price of the US dollar, 1982–94	71
5.3	Current dollar and real gross product of majority-owned Japanese affiliates in manufacturing and dollar price of yen, 1982–95	72
6.1	Japanese cumulative FDI by industry, March 1998	77
6.2	Japanese cumulative FDI by country, March 1998	77
6.3	Changes in Japan's overseas production ratio, 1985–97	78
7.1	Equilibrium regime with high trade costs	100
7.2	Trade regime with high trade costs	101
7.3	Volume of affiliate production: 25 percent trade costs	102
7.4	Equilibrium regime with low trade costs	103
7.5	Trade regime with low trade costs	103
7.6	Investment liberalization and the direction of trade	105
7.7	Investment liberalization and the volume of trade	105
7.8	Investment liberalization and the return to skilled labour	107
7.9	Effect of trade liberalization on the volume of affiliate production	109
13.1	Share of pollution intensive manufacturing production in total manufacturing production	216
13.2	Share of United States MOFA GDP in manufacturing pollution intensive industries in total United States manufacturing GDP, by region, 1982–96	217
13.3	Share of pollution intensive production by affiliates of United States parent companies in host country production	218
14.1	Input–output table structure	238
14.2	Adding FDI into a GE framework	240
15.1	FDI restrictiveness indices for communications services in selected APEC economies	264
15.2	FDI restrictiveness indices for telecommunications services in selected APEC economies	265
15.3	FDI restrictiveness indices for financial services in selected APEC economies	266

Tables

4.1	Specification of the dependent variable	51
4.2	Specification of market characteristics	53
4.3	Specification of cost characteristics	55
4.4	Specification of government policy	57
5.1	Components of the gross product of MOFAs, 1994	66
5.2	Categories used for price deflation and currency translation of the gross product estimates	69
6.1	Distribution of Japanese FDI in manufacturing, by country, 1951–95	79
6.2	Waves of Japanese FDI 1966–97, by sector	81
6.3	Japanese FDI by industry, 1966–97	84
6.4	Internationalisation of Japanese industry, 1966–97	86
11.1	FDI inflows: East Asia in the global context (1980–98)	172
11.2	Net resource flows to East Asia and the Pacific, 1970–98	175
11.3	FDI in Korea, Malaysia and Thailand, 1995–99	176
11.4	Share of foreign affiliates in total manufactured exports from developing host countries in East Asia	181
11.5	Export–sales ratio and home-country export shares of MOFAs of US multinationals, 1982–93	183
11.6	R&D expenditure of MOFAs of US multinationals, 1989–93	189
12.1	Percentage of firms claiming that the strength or weakness of IPRs has a strong effect on whether direct investments will be made, by type of facility, 1991	198
12.2	Percentage of firms claiming that intellectual property protection is too weak to permit types of investment, 1991	199
12.3	Elasticities of modes of supply with respect to domestic characteristics and policies	203
14.1	Motivations of FDI and consequent modelling considerations	239
14.2	Direct barriers	243
14.3	Sample input structure for an industry with FDI located in Australia	244
14.4	Main sources of data	247
14.5	Models distinguishing between foreign and domestic firms	248

15.1	Components of an index of FDI restrictions	261
15.2	FDI restrictiveness indices, selected APEC economies and GATS sectors and sub-sectors	262
16.1	Types of incentives used by region	273
17.1	<i>SNA93</i> definition of foreign control	297
17.2	Globalisation indicators under consideration by the OECD Working Group on Industry Statistics	297
17.3	Extended classification of foreign ownership	300
17.4	Alternative classification of foreign ownership	301
17.5	Theoretical data items required to measure trade of foreign owned businesses in Australia	305
17.6	Theoretical data items required to measure foreign affiliates trade of Australian owned businesses abroad	306