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Political risk, FDI study presented at Oxford

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Dr. Rajeev Sooreea, assistant professor of international business in Dominican University of California's Barowsky School of Business, was invited to present a paper at an international conference held at the University of Oxford. The paper examines political risk and foreign direct investment (FDI).

The paper, *The FDI-Political Risk Nexus: Some New Insights*, was presented at the 6th International Conference on Restructuring of the Global Economy, June 20. The conference was co-hosted by the Academy of Business and Retail Management.

Sooreea's co-authors are Dr. Gigi Gokcek, associate professor of Political Science at Dominican, and alumna Meghan M. Nelson '15. The work is an outgrowth of Nelson's honors thesis. Nelson graduated with degrees in Business from the Barowsky School of Business and Political Science from the School of Arts, Humanities and Social Sciences with a concentration in Finance and International Political Economy. She is a financial advisor with Taddei Ludwig & Associates, Inc.

The paper notes that while much of the existing literature in the FDI-political risk nexus has focused on the creation of economic models to assess foreign investment decisions in the presence of political risk, not much research has been done to assess how FDI could affect political risk. The authors suggest that because of significant stakeholder commitment, FDI could affect a country's political risk level.

The paper examined a sample of 30 countries in various stages of economic development and regime types over the 1984-2012 period. According to the authors: "Preliminary results indicate that countries with increased FDI inflows demonstrate decreased levels of political risk. Although there are variations across countries, country groups that are considered developed and full democracies tend to exhibit the lowest levels of political risk."

Ongoing research is examining a sample of 140 countries using both time series and panel data techniques.

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