CHAPTER 2

REVIEW OF LITERATURE

This chapter presents a literature review of FDI beginning with a conceptual analysis and empirical findings of other studies. This literature review will help to identify relevant knowledge gaps specifically related to international dimensions of TM. Arguments are put forward for an in-depth study that investigates TM practices in internationally operating organisations.

- A. Simi Simon, Lina M. Fernandez, Ruksana Banu. (November 2012). FDI in Multi brand retail: Issue and implication concluded that; allowing FDI in multi-brand retail will lead to a significant improvement in India's GDP and overall economic development. The Policy of multi-brand retail by Indian government would bring improvements in rural infrastructure, technology, price for agricultural produce and employment opportunities. Evidences from various literature reviews indicate that the emergence of giant retailers would lead to extensive growth in the retail sector. By new policy Indian economy is likely to get additional benefits as the industries will be able to focus on intermediaries and create more jobs for skilled employees in Indian retail sector. Prominent increase in inflation is one of the key reasons behind the move of the Indian Government towards multi-brand retail. The retailers in India will get much assistance in keeping prices under control both in food and commodity by allowing already well-established retail giants like as Wal-Mart and Carrefour. Moreover, on one hand they will build backend infrastructure that will help to cut waste and on the other hand the retail giants will also help to narrow down the current account deficit.

- Dr kapil kumar Bansal (2005) , FDI IN Indian retail sector pros and cons, concluded that The government has added an element of social benefit to its latest plan for calibrated opening of the multi-brand retail sector to foreign direct investment (FDI). Only those foreign retailers who first invest 50% of FDI amount in the back-end infrastructure development within three years from the date of first tranche of FDI received would be allowed to set up multi brand retail outlets in the country. The idea is that the firms must have already
created jobs for rural India before they venture into multi-brand retailing. It is presumed the advantages of allowing unrestrained FDI in the retail sector evidently outweigh the disadvantages attached to it and the same can be deduced from the examples of successful experiments in countries like Thailand and China where too the issue of allowing FDI in the retail sector was first met with incessant protests, but later turned out to be one of the most promising political and economical decisions of their governments and led not only to the commendable rise in the Level of employment but also led to the enormous development of their country’s GDP.

- M.P Suganya & Dr. R.Shanthi (2007), FDI in retail sector will march towards inclusive growth conclude that FDI is required for infrastructure development and technological upgradation in retail sector and to protect local players, stringent policy has to be regulated. Mostly the organised sector will ignore certain segment that include lower group people, rural markets, low population density areas, certain vendor committees such as small farmers and street vendors. This fails to create inclusive growth in the economy. Retail in India is a doubled edged sword— which has to handled very cautiously.

- University of Delaware (2005), FDI in India retail A content analytic approach to understanding past imperfections and future imperatives conclude that This analysis was based on a recent literature review of information available on unorganized (traditional retailing) in India. Organizing the retail sector is the need of the hour. But it has to be understood that change will bring with it a lot of upheaval and "teething problems." The local retail players— large as well as small— need to be given support and time to adjust to a changed environment. For retailers to succeed in India, they need to invest in more efficient supply chains, cold chains, and increased farmer relationships, which all call for the greater investment that can come through FDI. Increasing real estate prices also calls for heavy investment, and the inflows are slow. The results of this study indicate the likely impact of the entry of global players into the Indian retailing industry. It also highlights the challenges faced by the industry in the near future.
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- UKESSAY.com (2009), FDI effects on India’s retail sector economics conclude that Retailing is the interface between the producer of the goods or services and the individual consumer who is buying this personal use. A retailer is one who stocks the producer’s goods and is involved in the selling process to the final consumer at some profit margin. As such, retailing is the vital link that connects the final consumer to the manufacturer and the distribution chain. Retail has become one of the fastest growing sectors in the Indian economy in the last few years especially since the economic reform process has taken root. This sector has become the epicentre of tremendous activity in terms of modernization, expansion, proliferation of international brands, numbers of retailers with enhanced focus on quality, information technology, scale of operations and value added processes.

- Social science research network (2008), FDI in Indian retail – A boon to Indian economy conclude that the large working-age population will no doubt translate to an attractive consumer base compared to other economies of the world, placing India as one of the main targets of the 15 global retail players. The demand side factors for the growth of organized retail in India were income growth, urbanization and urban consumption, women's labor force participation and changing lifestyle and convenience and the major supply-side factor was the flow of the Foreign Direct Investment (FDI) into the retail sector following market liberalization. In terms of the Retail sector, foreign investment is currently limited to 51 percent in single brand retail stores and 100 percent FDI in wholesale cash and carry.

- John Sammual (2013), Foreign Direct Investment and Unorganised Retail Sector A case study, conclude that The study is a unique in that it has revealed some astonishing facts. The analysis of sample shops revealed that the malls and opening up of retail sector is not going to impact unorganised retail in a bad way. In contrast to the common belief, that Malls have an adverse impact on the unorganised retail segment, the study found quite an encouraging support for opening of the retail segment in at least in Srinagar city. This can be observed from the increasing sales, profits and customer base of unorganised small shopkeepers which fall in the vicinity of organised retail
formats like Malls. The present study is just a humble attempt to unravel the mystery behind the impact of organised retail formats like supermarkets, malls etc. on the small shopkeepers.

- Dr Anjeney K. Pandey (2006), A literature study on trends in retail practices and their impact on traditional retailing in India, conclude that the transformation of traditional retailing to organized retailing in the form of shopping malls, hypercity, supermarkets, departmental stores, convenience store, speciality stores etc. is taking place at a regular pace in India. Global retail players are opening their outlets. Urban people are enjoying “shopptainment” in these places. Big shopping complexes are doing well in big cities with international and national brands. In small cities traditional shops are upgrading their outlets that are beneficial to survive in the market. However, the shops in neighbourhood and local cart pusher are much preferred by majority of population for ration and vegetables. Huge Indian rural market is also untapped for organized retailing.

- S. Chandrachud February (2013), The economic impact of FDI in India, conclude that India has the most liberal and transparent policies on FDI among the emerging economies. India has been a major recipient of FDI Inflows in the majority of sectors. There has been an abnormal upsurge in the economic developments of the country. In the liberalization era, India is known to have attracted a quantum amount of Foreign Direct Investment, especially after the liberalization. The performance of FDI has been impressive on some fronts, satisfactory on several other fronts, and inadequate in certain respects. India has to still launch deeper reforms in various areas to get the best results. The major weakness of the Indian economic reforms is that the economy is growing in sustainable way but with jobless growth” during the post liberalisation period. The liberalisation policy have generated the employment opportunity but not to the quantum required.

ICRIER (2009), Impact of the retail FDI policy on Indian consumer and the way forward conclude that There is a close linkage between economic development, rise in per capita income, growing consumerism, proliferation of branded products, and retail modernisation. With high economic growth, per
capita income increases; this, in turn, leads to a shift in consumption pattern from necessity items to discretionary consumption. Furthermore, as the economy liberalises and globalises, various international brands enter the domestic market. Consumer awareness increases and consumers tend to experiment with different international brands. The proliferation of brands leads to increase in retail space. Thus, retail modernisation is a part of the development process.

- Dr sameer ahmad shalla (2013), Impact of Shopping Malls on Small Retail Outlets- A Case study of Srinagar City conclude that The analysis of sample shops revealed that the malls and opening up of retail sector is not going to impact on unorganised sector in a bad way .in contrast to the common belief that malls have an adverse effect on unorganised retail sector .

- Shalini Aggarwal, Ankush Singla, Ritu Aggarwa, September 2012, FDI In India, conclude that It can be observed from the above analysis that at the sectoral level of the Indian economy, FDI has helped to raise the output, productivity and employment in some sectors especially in service sector. Indian service sector is generating the proper employment options for skilled worker with high perks. On the other side banking and insurance sector help in providing the strength to the Indian economic condition and develop the foreign exchange system in country. So, we can conclude that FDI is always helps to create employment in the country and also support the small scale industries also and helps country to put an impression on the world wide level through liberalization and globalization.

Nilanjana Kumari 2013, A Study of FDI In India, Research Scholar, conclude that The study of FDI in India concludes that India should welcome FDI as it has huge benefits for the Indian economy. FDI participation always brings prosperity for any emerging country. Various benefits which India can entice by liberalising FDI are use of advanced technology, expertise, better infrastructural developments, widened product basket, improving standard of living, uplifting the brand quality, improving competitiveness, better foreign relations, boosting exports, and providing India with a global platform.
S.V.Shridhara Murthy (2012) The Impact of Foreign Direct Investment in Multi Brand Retail Market in India on the Indian Retail Market- A Study conclude that Though an attempt has been made in this paper to analyse the system of Foreign Direct Investment in multi brand retail market in India with reference to the latest economic reforms implemented by the Government of India, there are some limitations like paucity of time , limited geographical coverage etc. Since it is only a preliminary study, an elaborate study will be carried out in due course thereby covering all possible spheres of the problem. There is scope for further study in various aspects of the problem being studied.

- Dr. Richa Garg (arch2013) Impact of FDI in retail sector, conclude that the Retail sector of India is vast, and has huge potential for growth and development, as the majority of its constituents are un-organized. The retail sector of India handles about $250 billion every year, and is expected by veteran economists to reach to $660 billion by the year 2015. Small retailer are not appreciated about the big stores, they oppose allowing FDI in retailing in India. This may because they are not well informed about the advantages and disadvantages of the proposed policy change. Moreover, FDI in retailing should not be seen as just another policy decision because it has a direct impact on agricultural sector as well. Allowing FDI may not be as bad as some of us feel. But the policy must be well drafted for which a country wide perception study of the stakeholders of retailing is solicited.

- M.A.Shinde & N.V.Shaha (2013) FDI in retail sector: A critical analysis, conclude that Small retailers will not be crowded out, but would strengthen their market positions by modernizing their working. Growing economy and increasing purchasing power would compensate the loss of market share of the unorganized sector retailers . There will be initial and desirable displacement of middlemen involved in the supply chain of farm produce, but they would be absorbed by increase in the food processing sector induced by organized retailing .Innovative government measures could mitigate adverse effects on small retailers.
Mr Vikram Singh (2013), FDI in multi brand retail sector –A study regarding Indian context, conclude that For the developing country like India, foreign direct investment in multi-brand retail sector should be consciously considered by the Govt. of India. In broader way, India's local retail business will definitely get a chance for up gradation of the import of improved technological and transportation management knowledge from the multinational retail players. Foreign direct investment in multi-brand retail will start a better integration of Indian economy into the global markets and, as such, it is important for the Govt. of India to develop retail sector for the total economic development of country and welfare of society in the country. People wish row over FDI in retail gets over soon and India should embrace new era of retailing and Government makes right kind of body to vigil these giants.

Sunita sikri and Dipti Wadwa (2012), FDI and orgainised realting suggests that Many agencies have estimated differently about the size of organized retail market in 2011. The one thing that is common amongst these estimates is that Indian organized retail market will be very big in 2011. The status of the retail industry will depend mostly on external factors like Government regulations and policies and real estate prices, besides the activities of retailers and demands of the customers also show impact on retail industry. As the retail market place changes shape and competition increases, the potential for improving retail productivity and cutting costs is likely to decrease. Therefore it is important for retailers to secure a distinctive position in the market place based on values relationships or experience. Finally, it is important to note that these strategies are not strictly independent of each other; value is function of not just price quality and service but can also be enhanced by personalization and offering a memorable experience.

Mohammed Nizamuddin (2011), FDI in Multi Brand Retail and Employment Generation in India, conclude that FDI in Multi Brand Retail, there is sincere expectation that government has opened the boundaries to overseas investment in the retail sector. At present it is also not desirable to increase FDI ceiling to more than 51 percent for single brand retail. The government has already
increased 100 percent in single brand retail and 51 percent in multi brand retail. The sector should opened gradual and phased manner. It will help us to ensure check and control on business operations of global retails and look after the interest of the domestic players. Foreign players should not allow trading in certain sensitive products like arms and ammunition, defence equipment etc. and the list of excluded goods should be clearly stated in the FDI policy. Once India get integrated into global economy with FDI in multi brand retail sector it will be placed an advantage if it is made mandatory for foreign retailers to bring with them technology and management know how. Human resources will be developed as these investments provide education and training to the people employed by them there is a great scope of employment generation. As these retail outlets will need manpower to run them. The purpose of the study is discussing the need of opening up the route of FDI in multi brand retail sector. But the main aim of this study is to analyse the role of FDI in employment generation in Indian retail sector.

- Kali Ram Gola, Mridul Dharwal, Ankur Agarwal (2013), Role of Foreign Direct Investment in the Development of Indian Economy, conclude that This may be due to the low flow of FDI into India both at the macro level as well as at the sartorial level. It implies that the spirit in which the economy has been liberalized and exposed to the world economy at the late eighties and early nineties has not been achieved after so many years. This calls for a judicious policy decision towards FDI at the sartorial level. A large number of changes that were introduced in the country’s regulatory economic policies heralded the liberalization era of the FDI policy regime in India and brought about a structural breakthrough in the volume of the FDI inflows into the economy maintained a fluctuating and unsteady trend during the study period. It might be interest to note that more than 50 per cent of the total FDI inflows received in India come from Mauritius, Singapore and the USA.

- B Venkata Suresh and K Ramakrishna (2013), Impact of FDI on Indian economy, conclude that FDI as a strategic component of investment is needed by India for its sustained economic growth and development through creation of jobs, expansion of existing manufacturing industries, short and long term
project in the field of healthcare, education, Research and Development (R&D), etc. Government should design the FDI policy such a way where FDI inflow can be utilized as means of enhancing domestic production, savings and exports through the equitable distribution among states by providing much freedom to states, so that they can attract FDI inflows at their own level.

- Sameer Sultana Bahmaid (2013), Study of FDI in education, conclude that in terms of development, there is a general agreement of the potential benefits of Foreign Direct Investment. The relationship between GDP Growth and the increase of the relationship between FDI and GDP can be clearly established. Foreign Direct Investment, therefore, becomes an important financial source for capital projects, vital for Emerging Country’s development. The flow of financial capital in the economies of the countries has become vital, shaping in occasions the policies and political decisions of governments to attract Foreign Direct Investment (FDI). Studies on role of FDI in education sector shows that general institutional framework, effectiveness of public sector administration and the availability of infrastructural facilities enhance FDI inflows to these nations. Education industry in India remains among the fastest growing industries of the present Indian economy, industry has benefited a lot from the Indian rapid economic growth coupled by the rising earnings levels in India. FDI is a predominant and vital factor in influencing the contemporary process of global economic development. The study attempts to analyze the important dimensions of FDI in India. The study works out the trends and patterns, main determinants and investment flows to India. The study also examines the role of FDI on economic growth in India. FDI is considered as the most suitable form of external finance.

- Dr. Manish Khare (2013), Foreign Direct Investment in Indian Retail Sector - A SWOT Analysis, conclude that FDI in retailing is going to attract retail players by Indian Government, but India should welcome them with a talented pool of human resources by promoting institution imparting knowledge in retailing. Protection must be given to Indian small and medium retailers as retailing is their source of livelihood. The Government must properly discuss the pros and cons of allowing 51% FDI and have a law in place to control
unfair competition. Then the FDI Bill will be given definitely a positive impact on the retail industry and the country by attracting more foreign investment. However now a Start Has Been Made and all stake holders have to work for its success.

- Global research analysis (2012), Impact of FDI in Indian Economy with Special Reference to Retail Sector in India, conclude that the advantage of allowing FDI in retail sector evidently outweigh the disadvantages attached to it and the same can be from the examples of successful experiments in countries like Thailand and China where the issue of allowing FDI in retail sector was met with incessant protests but later on turned out to be one of the most promising political and economical decision of their government and not only led to increase in employment but also enormous development of their countries economy.

- K. R. Kaushik, Dr. Kapil Kumar Bansal (2013) Foreign Direct Investment in Indian Retail Sector Pros and Cons, conclude that it is presumed the advantages of allowing unrestrained FDI in the retail sector evidently outweigh the disadvantages attached to it and the same can be deduced from the examples of successful experiments in countries like Thailand and China where the issue of allowing FDI in the retail sector was first met with incessant protests, but later turned out to be one of the most promising political and economical decisions of their governments and led not only to the commendable rise in the level of employment but also led to the enormous development of their country’s GDP.

- International Journal of Engineering and Management Research (2012), FDI retail in India, conclude that the future of foreign retail players is also uncertain like that of Indian retail players. The government which acts better than the one which does not. Apprehensions were raised on many such occasions in the past on virtually every measures of liberalization of Indian economy but most of the apprehensions proved wrong while many others come true. It is better to act and watch than not to act at all.
• IJMT (2012), Trends and determinants of FDI in India: An empirical investigation, The study shows that India’s share in world Foreign Direct Investment (FDI) rose to 2.44% in 2008 as compared to 0.09% in 1991. This can be attributed to economic reform process of the country. There has been a generous flow of FDI in India since 1991 and its overall direction remained the same over the years irrespective of the ruling party. A comparative analysis of FDI approvals and inflows reveals that there is a huge gap between the FDI amount approvals and inflows reveals that there is a huge gap between the amount of FDI approved and its realization into actual disbursements in India. India received large amount of FDI from Mauritius (nearly 40% of the total FDI inflows apart from U.S.A (8%), U.K (6.1%). The empirical results of Determinants of FDI inflows in India shows that GDP, trade openness and Inflation exhibit a positive relationship with FDI while Foreign Exchange Reserves exhibit a negative relationship with FDI inflows in the country during the period 1992-93 to 2008-09. It is observed that major FDI inflows in India are concluded through automatic route and acquisition of existing shares than through FIPB, SIA route during 1991-2008.

• Asia-Pacific Research and Training Network (2012), Impact of Trade Liberalization on Foreign Direct Investment in Indian Industries, conclude that The results indicated that trade liberalization had a favourable effect on FDI flows. It was also found that the regions having greater involvement in international trade were able to attract greater amount of FDI. Some evidence was found that point to differential effects of trade associated with international vertical integration and intra-industry trade. It was argued in the paper that the liberalization has led to a substantial increase in intra-industry trade, but much of the intra-industry being horizontal in nature, it did not have a favourable effect on FDI. On the other hand, the trade associated with cross-border vertical integration did have a favourable effect on FDI.

• Research Journal of Management Sciences (2012), Impact of Foreign Direct Investment on Indian economy, conclude that Foreign Direct Investment (FDI) as a strategic component of investment is needed by India for its sustained economic growth and development through creation of jobs, expansion of
existing manufacturing industries, short and long term project in the field of healthcare, education, research and development (R & D) etc Government should design the FDI policy such a way where FDI inflow can be utilized as means of enhancing domestic production, savings and exports through the equitable distribution among states by providing much freedom to states, so that they can attract FDI inflows at their own level. FDI can help to raise the output, productivity and export at the sectoral level of the Indian economy. However, it can observed the result of sectoral level output, productivity and export is minimal due to the low flow of FDI into India both at the macro level as well as at the sectoral level. Therefore for further opening up of the Indian economy, it is advisable to open up the export oriented sectors and higher growth of the economy could be achieved through the growth of these sectors.

- Ford and Rowley (1979) opine that the marketing function of small firms seems to be connected with the motivation, belief, attitude and the objectives of the owner-manager, and is also significantly influenced by the constraints of the small business.

- Dunning John H.14 (2004) in his study “Institutional Reform, FDI and European Transition Economics” studied the significance of institutional infrastructure and development as a determinant of FDI inflows into the European Transition Economies. The study examines the critical role of the institutional environment (comprising both institutions and the strategies and policies of organizations relating to these institutions) in reducing the transaction costs of both domestic and cross border business activity. By setting up an analytical framework the study identifies the determinants of FDI, and how these had changed over recent years.

- Tomsaz Mickiewicz, Slavo Rasosevic and Urmas Varblane73 (2005), in their study, “The Value of Diversity: Foreign Direct Investment and Employment in Central Europe during Economic Recovery”, examine the role of FDI in job creation and job preservation as well as their role in changing the structure of employment. Their analysis refers to Czech Republic, Hungary, Slovakia and Estonia. They present descriptive stage model of FDI progression into Transition economy. They analyzed the employment aspects of the model. The
study concluded that the role of FDI in employment creation/preservation has been most successful in Hungary than in Estonia. The paper also find out that the increasing differences in sectoral distribution of FDI employment across countries are closely relates to FDI inflows per capita. The bigger diversity of types of FDI is more favorable for the host economy. There is higher likelihood that it will lead to more diverse types of spillovers and skill transfers. If policy is unable to maximize the scale of FDI inflows then policy makers should focus much more on attracting diverse types of FDI.

- Iyare Sunday O, Bhaumik Pradip K, Banik Arindam28 (2004), in their work “Explaining FDI Inflows to India, China and the Caribbean: An Extended Neighborhood Approach” find out that FDI flows are generally believed to be influenced by economic indicators like market size, export intensity, institutions, etc, irrespective of the source and destination countries. This paper looks at FDI inflows in an alternative approach based on the concepts of neighborhood and extended neighborhood. The study shows that the neighborhood concepts are widely applicable in different contexts particularly for China and India, and partly in the case of the Caribbean. There are significant common factors in explaining FDI inflows in select regions. While a substantial fraction of FDI inflows may be explained by select economic variables, country – specific factors and the idiosyncratic component account for more of the investment inflows in Europe, China, and India.

- Andersen P.S and Hainaut P.3 (2004) in their paper “Foreign Direct Investment and Employment in the Industrial Countries” point out that while looking for evidence regarding a possible relationship between foreign direct investment and employment, in particular between outflows and employment in the source countries in response to outflows. They also find that high labour costs encourage outflows and discourage inflows and that such effect can be reinforced by exchange rate movements. The distribution of FDI towards services also suggests that a large proportion of foreign investment is undertaken with the purpose of expanding sales and improving the distribution of exports produced in the source countries. According to this study the principle determinants of FDI flows are prior trade patterns, IT related
reviews investments and the scopes for cross-border mergers and acquisitions. Finally, the authors find clear evidence that outflows complement rather than substitute for exports and thus help to protect rather than destroy jobs.

- John Andreas (2004) in his work “The Effects of FDI Inflows on Host Country Economic Growth” discusses the potential of FDI inflows to affect host country economic growth. The paper argues that FDI should have a positive effect on economic growth as a result of technology spillovers and physical capital inflows. Performing both cross-section and panel data analysis on a dataset covering 90 countries during the period 1980 to 2002, the empirical part of the paper finds indications that FDI inflows enhance economic Growth in developing economies but not in developed economies. This paper has assumed that the direction of causality goes from inflow of FDI to host country economic growth. However, economic growth could itself cause an increase in FDI inflows. Economic growth increases the size of the host country market and strengthens the incentives for market seeking FDI. This could result in a situation where FDI and economic growth are mutually supporting. However, for the ease of most of the developing economies growth is unlikely to result in market-seeking FDI due to the low income levels. Therefore, causality is primarily expected to run from FDI inflows to economic growth for these economies.

- Klaus E Meyer (2003) in his paper “Foreign Direct investment in Emerging Economies” focuses on the impact of FDI on host economies and on policy and managerial implications arising from this (potential) impact. The study finds out that as emerging economies integrate into the global economies international trade and investment will continue to accelerate. MNEs will continue to act as pivotal interface between domestic and international markets and their relative importance may even increase further. The extensive and variety interaction of MNEs with their host societies may tempt policy makers to micro-manage inwards foreign investment and to target their instruments at attracting very specific types of projects. Yet, the potential impact is hard to evaluate ex ante (or even ex post) and it is not clear if policy instruments would be effective in attracting specifically the investors that would generate...
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the desired impact. The study concluded that the first priority should be on enhancing the general institutional framework such as to enhance the efficiency of markets, the effectiveness of the public sector administration and the availability of infrastructure. On that basis, then, carefully designed but flexible schemes of promoting new industries may further enhance the chances of developing internationally competitive business clusters.

- Klaus E Meyer, Saul Estrin, Sumon Bhaumik, Stephen Gelb, Heba Handoussa, Maryse Louis, Subir Gokarn, Laveesh Bhandari, Nguyen, Than Ha Nguyen, Vo Hung (2005) in their paper “Foreign Direct Investment in Emerging Markets: A Comparative Study in Egypt, India, South Africa and Vietnam” show considerable variations of the characteristics of FDI across the four countries, all have had restrictive policy regimes, and have gone through liberalization in the early 1990. Yet the effects of this liberalization policy on characteristics of inward investment vary across countries. Hence, the causality between the institutional framework, including informal institutions, and entry strategies merits further investigation. This analysis has to find appropriate ways to control for the determinants of mode choice, when analyzing its consequences. The study concludes that the policy makers need to understand how institutional arrangements may generate favourable outcomes for both the home company and the host economy. Hence, we need to better understand how the mode choice and the subsequent dynamics affect corporate performance and how it influences externalities generated in favour of the local economy.

- Vittorio Daniele and Ugo Marani (2007) in their study, “Do institutions matter for FDI? A Comparative analysis for the MENA countries” analyse the underpinning factors of foreign Direct Investments towards the MENA countries. The main interpretative hypothesis of the study is based on the significant role of the quality of institutions to attract FDI. In MENA experience the growth of FDI flows proved to be notably inferior to that recorded in the EU or in Asian economies, such as China and India. The study suggests as institutional and legal reform are fundamental steps to improve the attractiveness of MENA in terms of FDI. It is concluded from the above
studies that market size, fiscal incentives, lower tariff rates, export intensity, availability of infrastructure, institutional environment, IT related investments and cross – border mergers and acquisitions are the main determinants of FDI flows at temporal level. FDI helps in creation/preservation of employment. It also facilitates exports. Diverse types of FDI lead to diverse types of spill overs, skill transfers and physical capital flows. It enhances the chances of developing internationally competitive business clusters (e.g. ASEAN, SAPTA, NAPTA etc.). The increasing numbers of BITs (Bilateral Investment Treaties among nations, which emphasizes non – discriminatory treatment of FDI) between nations are found to have a significant impact on attracting aggregate FDI flow as the concepts of neighbourhood and extended neighbourhood are widely applicable in different contexts for different countries. It is concluded that FDI plays a positive role in enhancing the economic growth of the host country.

- Bhagwati J.N.7 (1978), in his study “Anatomy and Consequences of Exchange Control Regimes” analyzed the impact of FDI on international trade. He concluded that countries actively pursuing export led growth strategy can reap enormous benefits from FDI.

- Crespo Nuno and Fontoura Paula Maria11 (2007) in their paper “Determinant Factors of FDI Spillovers – What Do We Rally Know?” analyze the factors determining the existence, dimensions and sign of FDI spillovers. They identify that FDI spillovers depend on many factors like absorptive capacities of domestic firms and regions, the technological gap, or the export capacity.

- Gazioglou S. and McCausland W.D.21 (2000), in their study “An International Economic Analysis of FDI and International Indebtedness” developed a micro – foundations framework of analysis of FDI and integrated it into a macro level analysis. They highlighted the importance of profit repatriation in generating different effects of FDI on net international debt, trade and real exchange rate in developed economies compared to less developed economies.

- Chen Kun- Ming, Rau Hsiu –Hua and Lin Chia – Ching10 (2005) in their paper “The impact of exchange rate movements on Foreign Direct Investment:
Market–Oriented versus Cost–Oriented”, examine the impact of exchange rate movements on Foreign Direct Investment. Their empirical findings indicate that the exchange rate level and its volatility in addition to the relative wage rate have had a significant impact on Taiwanese firms’ outward FDI into China. They concluded that the relationship between exchange rates and FDI is crucially dependent on the motives of the investing firms. Salisu A. Afees56 (2004) in his study “The Determinants and Impact of Foreign Direct Investment on economic Growth in Developing Countries: A study of Nigeria” examines the determinants and impact of Foreign Direct Investment on economic Growth in Developing Countries using Nigeria as a case study. The study observed that inflation, debt burden, and exchange rate significantly influence FDI flows into Nigeria. The study suggests the government to pursue prudent fiscal and monetary policies that will be geared towards attracting more FDI and enhancing overall domestic productivity, ensure improvements in infrastructural facilities and to put a stop to the incessant social unrest in the country. The study concluded that the contribution of FDI to economic growth in Nigeria was very low even though it was perceived to be a significant factor influencing the level of economic growth in Nigeria.

- Lisa De Propis and Nigel Driffield40 (2006) in their study “The Importance of Cluster for Spillovers from Foreign Direct Investment and Technology Sourcing”, examine the link between cluster development and inward foreign direct investment. They concluded that firms in clusters gain significantly from FDI in their region, both within the industry of the domestic firm and across other industries in the region.

- Miguel D. Ramirez42 (2006) in his study “Is Foreign Direct Investment Beneficial for Mexico? An Empirical Analysis” examines the impact of Foreign Direct Investment on labour productivity function for the 1960-2001 period is estimated that includes the impact of changes in the stock of private and foreign capital per worker. The error correction model estimates suggest that increase in both private and foreign investment per worker have a positive and economically significant effect on the rate of labour productivity growth. However, after taking into account the growing remittances of profits and
dividends, there is a marked decrease in the economic effect of foreign capital per worker on the rate of labour productivity growth. The study assesses the short-term interactions of the relevant variables via impulse response functions and variance decompositions based on a decomposition process that does not depend on the ordering of the variables.

- Okuda Satoru (1994) in his study “Taiwan’s Trade and FDI policies and their effect on Productivity Growth” reviewed the course of Taiwan’s trade and FDI policies. The purpose of the study was to examine how these policies affected productivity of Taiwan’s manufacturing sector. As an indicator of productivity, TEP indices of the Taiwan manufacturing were calculated at the subsector level. It is found out that the TEP growth for manufacturing as a whole was 2.6 per cent per annum; the electronics and machinery maintained high productivity performance while examining the relationship between TEP and trade and FDI liberalization policies was examined. The study concludes that the policies of the Taiwan government have generally been relevant.

- Rhys Jenkins (2006) in his study “Globalization, FDI and Employment in Vietnam”, examines the impact of FDI on employment in Vietnam, a country that received considerable inflow of foreign capital in the 1990s as part of its increased integration with the global economy. The study shows that the indirect employment effects have been minimal and possibly even negative because of the limited linkages which foreign investors create and the possibility of “crowding out of domestic investment”. Thus, the study finds out that despite the significant share of foreign firms in industrial output and exports, the direct employment generated has been limited because of the high labour productivity and low ratio of value added to output of much of this investment.

- Emrah Bilgic (2006) in her study “Causal Relationship between Foreign Direct Investment and Economic Growth in Turkey”, examines the possible causal relationship between FDI and Economic Growth in Turkey. The study finds out that there is neither a long run nor a short run effect of FDI on economic growth of Turkey. Thus the study could not find any patterns for
each hypothesis of “FDI led Growth” and “Growth driven FDI” in Turkey. The main reason of this result is that the country had unstable growth performances and very low FDI inflows for the period under analysis. The study suggests that in order to have a sustained economic development the government should improve the investment environment with the ensured political and economic stability in the country.

- Korhonen Kristina36 (2005) in her study “Foreign Direct Investment in a changing Political Environment” compares Finnish Investment during the restrictive period in 1984-1997, with the liberal period in 1998-2002. The study reveals that the political environment of the firm in the host country may have a special role among the other parts of the firm’s environment because of the supremacy of the host government to use its political power in order to intervene in FDI. The study states that TNC may not need to bargain alone but may lobby from its home government. Therefore, the study adds the concept of authority services to the list of TNC’s bargaining techniques. The empirical results of the study suggest that the change in the political environment in Korea in 1998 had a clear impact on Finnish investment in Korea. The findings indicate that repeat investments had been engaged regardless of the investment policy liberalization, but the acquisitions had not taken place without the change in Korea’s investment policy. The results also suggest that the modified strategy performance model can be successfully used to assess the impact of change in the firm’s external environment. The results indicate that firms scan their political environment continuously in order to anticipate and respond to possible changes.

- Rydqvist Johan55 (2005), in his work “FDI and Currency Crisis: Currency Crisis and the inflow of Foreign Direct Investment” analyse if there are any changes in the flow of FDI before, during and after a currency crisis. The study found that no similarities in regions or year of occurrence of the currency crisis. The depth, length and structure of each currency crisis together with using the right definition of a currency crisis are two important factors relating to the outcomes in this study.
• Charlotta Unden9 (2007) in his study “Multinational Corporations and Spillovers in Vietnam- Adding Corporate Social Responsibility” focuses the presence of MNCs and how they have influenced the Vietnamese economy is examined. Specifically, MNCs spillover effects on domestic enterprises are discussed. The paper also discussed the challenges and obstacles to implementation and development of corporate social responsibility policies. It shows that there is potential for positive spillover effects, such as production methods and information spread from MNCs to domestic suppliers. However, the company must be large enough to be contracted and there is a risk that the gap will widen between the few large strong suppliers and the huge number of small – and medium – sized companies that operate in Vietnam. The paper also shows that MNCs can work as catalysts by transferring CSR guidelines and a long – term way of thinking to domestic companies.

• Thai Tri Do72 (2005) in his study, “The impact of Foreign Direct Investment and openness on Vietnamese economy” examines the impact of FDI on Vietnamese economy by using Partial Adjustment Model and time series data from 1976 to 2004. FDI is shown to have not only short run but also long run effect on GDP of Vietnam. The study also examines the impact of trade openness on GDP and it is found that trade is stronger than that of FDI.

• Alhijazi, Tahya Z.D2 (1999) in his work, “Developing Countries and Foreign Direct Investment” analysed the pros and cons of FDI for developing countries and other interested parties. This thesis scrutinizes the regulation of FDI as a means to balance the interests of the concerned parties, giving an assessment of the balance of interests in some existing and potential FDI regulations. The study also highlights the case against the deregulation of FDI and its consequences for developing countries. The study concludes by formulating regulatory FDI guidelines for developing countries.

• Johannes Cornelius Jordaan31 (2005) in his study, “Foreign Direct investment and neighboring influences” evaluates the influences of a number of economic and socio – political influences of neighbouring countries on the host country’s FDI attractiveness. Three groups, consisting of developed, emerging and
African countries are evaluated, with the main emphasis on African countries. Results of the study indicate that an improvement in civil liberties and political rights, improved infrastructure, higher growth rate and a higher degree of openness of the host country, higher levels of human capital attract FDI to the developed countries but deter FDI in emerging and African countries indicating cheap labour as a determinant of FDI inflows to these countries. Further, Oil – Owned countries in Africa’s attract more FDI than non – oil endowed countries – emphasising the importance of natural resources in Africa.

- Pawin Talerngsri (2001) in his study, “The Determinants of FDI Distribution across Manufacturing Activities in an Asian Industrializing Country: A Case of Japanese FDI in Thailand” identifies and investigates the ‘industry – level Determinants’ of FDI in he context of Asian industrializing countries by using the data on Japanese FDI in Thailand. The study examines the influences of location – specific characteristics of host industries such as factor endowments, trade costs, and policy factors. More distinctively, it examines the effect of vertical (input-output) linkages among Japanese firms. The study finds out that Japanese FDI in Thailand was not evenly distributed across manufacturing activities. Some capital / technological – intensive industries like rail equipments and air crafts did not receive any FDI during a specified period. On the other hand, other relatively labour – intensive industries like TV Radio, and communications equipment industry and motor vehicle industry received disproportionately large values of FDI.

- Jainta Chomtoranin (2004) in her study, “A Comparative Analysis of Japanese and American Foreign Direct Investment in Thailand” assesses the determinants of Japanese and American FDI in Thailand during 1970-2000. In this analysis, the short and long-term determinants of both FDI are estimated. This study concludes that, in the short and the long run, Japanese FDI is found to be driven by trade factors and the yen appreciation. While the American FDI is driven by market factor, specifically the income level of Thai people. Japanese FDI is trade – oriented, whereas the American FDI is market – seeking oriented.
• Khor Chia Boon33 (2001) in his study, “Foreign Direct Investment and Economic Growth” investigates the casual relationship between FDI and economic growth. The findings of this thesis are that bidirectional causality exist, between FDI and economic growth in Malaysia i.e. while growth in GDP attracts FDI, FDI also contributes to an increase in output. FDI has played a key role in the diversification of the Malaysian economy, as a result of which the economy is no longer precariously dependent on a few primarily commodities, with the manufacturing sector as the main engine of growth.

• Tatonga Gardner Rusike71 (2007) in his study, “Trends and determinants of inward Foreign Direct Investment to South Africa” analyses Trends and determinants of inward Foreign Direct Investment to South Africa for the period 1975-2005. The analysis indicated that openness, exchange rate and financial development are important in long run determinants of FDI. Increased openness and financial development attract FDI. While an increase (depreciation) in the exchange rate deters FDI to South Africa. Market size emerges as a short run determinant of FDI although it is declining in importance. The analysis also showed that FDI itself, imports and exchange rate explain a significant amount of the forecast error variance. The influence of market size variable is small and declining over time.

• Belem Iliana Vasquez Galan6 (2006) in his study, “The effect of Trade Liberalization and Foreign Direct Investment in Mexico” analyses the importance of liberalization and FDI on Mexico’s economy. The major findings of the study demonstrated that the main determinants of GDP are capital accumulation, labour productivity and FDI. Further, findings confirm that exports, differences in relative wages and currency depreciation are explicative of FDI. Exports are highly dependent on the world economy and exchange rate fluctuations. Labour productivity and FDI improve human capital. Similarly GDP and human capital induce productivity gains and capital accumulations improve due to technology transfers, infrastructure, personal income and peso appreciation. The study showed that an expansionary monetary policy has the capacity to decelerate the interest rate and thereby to enhance FDI and its spillovers.
• Jing Zhang30 (2008) in his work, “Foreign Direct Investment, Governance, and the Environment in China: Regional Dimensions” includes four empirical studies related to FDI, Governance, economic growth and the environment. The results of the thesis are, first, an intra-country pollution haven effect does exist in China. Second, FDI is attracted to regions that have made more effort on fighting against corruption and that have more efficient government. Third, government variables do not have a significant impact on environmental regulation. Fourth, economic growth has a negative effect on environmental quality at current income level in China. Lastly, foreign investment has positive effects on water pollutants and a neutral effect on air pollutants.

• Swapna S. Sinha69 (2007) in his thesis, “Comparative Analysis of FDI in China and India: Can Laggards Learn from Leaders?” focuses on what lessons emerging markets that are laggards in attracting FDI, such as India, can learn from leader countries in attracting FDI, such as China in global economy. The study compares FDI inflows in China and India. It is found that India has grown due to its human capital, size of market, rate of growth of the market and political stability. For china, congenial business climate factors comprising of making structural changes, creating strategic infrastructure at SEZs and taking strategic policy initiatives of providing economic freedom, opening up its economy, attracting diasporas and creating flexible labour law were identified as drivers for attracting FDI.

• Samuel Adams57 (2009) in his paper, “Can Foreign Direct Investment help to promote growth in Africa” provides a review of Foreign Direct Investment and economic growth literature in the context of developing countries and particularly Sub-Saharan Africa. The main findings of the study are as follows, first, FDI contribution to economic development of the host country in two main ways, augmentation of domestic capital and enhancement of efficiency through the transfer of new technology, marketing and managerial skills, innovation and best practices. Secondly, FDI has both benefits and costs and its impact is determined by the country specific conditions in general and the policy environment in particular in terms of the ability to diversify, the
level of absorption capacity, targeting of FDI and opportunities for linkages between FDI and domestic investment.

- Yew Siew Youg (2007) in his study, “Economic Integration, Foreign Direct Investment and Growth in ASEAN five members” examines the effects of economic integration on FDI flows and the effects of FDI flows on economic growth in ASEAN 5 countries. The study found that market size, economic integration, human capital, infrastructure and existing FDI stock are the important determinants of FDI for ASEAN countries. The study also found that FDI, economic integration and human capital are robustly significant to economic growth, manufacturing sector growth and high technology sector growth for ASEAN countries. The FDI flow into ASEAN countries was found to be inversely proportional to the per capita income of the five countries. It is concluded that the effect of FDI on economic growth of ASEAN countries was found to be higher for countries with higher per capita income. Coupled with strong intra – industry trade in the manufacturing sector of ASEAN countries an integrated approach to draw in FDI and promote manufacturing and high technology growth should be accelerated. The machinery and electrical appliances industry contributes the highest trade in the region and is highly integrated in intra – industry trade within the region. The key hubs of the industry within the region are Malaysia and Singapore.

- Sasidharan Subash and Ramanathan A. (2007), study on “Foreign Direct Investment and Spillovers: Evidence from Indian Manufacturing”. It is an attempt to empirically examine the spillover effects from the entry of foreign firms using a firm level data of Indian manufacturing industries. Firm – level data of Indian manufacturing industries are used for the period 1994-2002. They consider both horizontal and vertical spillover effects of FDI. Consistent with the results of the previous studies, the study finds no evidence of horizontal spillover effects. However, the study finds negative vertical spillover effects.

- Diana Viorela Matei (2007) in her study, “Foreign Direct Investment location determinants in Central and Eastern European Countries” focuses on
central and Eastern European former state – planned economies and investigates why multinationals chose to locate their investments in these countries. The main findings of the study are that market potential, privatization and agglomeration factors have significant effects upon FDI location choice, helping to explain the attractiveness for FDI of these host countries.

- Kostevc Crt, Tjasa Redek, Andrej Susjan (2007) in their study “Foreign Direct Investment and institutional Environment in Transition Economies” analysed the relation between FDI and the quality of the institutional environment in transition economies. The analysis confirmed a significant impact of various institutional aspects on the inflow of foreign capital. To isolate the importance of the institutional environment from the impact of other factors, a panel data analysis was performed using the data of 24 transition economies in the period 1995-2002. The findings showed that in the observed period the quality of the institutional environment significantly influenced the level of FDI in transition economies. Other variables that proved to have a statistically significant influence were budget deficit, insider privatization and labour cost per hour.

- Rudi Beijnen (2007) in his study, “FDI in China: Effects on Regional Exports” investigates the existence of a significant FDI – Export linkage in China, using panel data at the provincial level over the 1995 to 2003. The theory of FDI proposes the possibility of an export creating effect. However, the results show that if the model is correctly specified, there is no evidence for the existence of a significant FDI-export linkage. The study concluded that the claims of the reference studies concerning the presence of a FDI – export linkage are not valid.

- Taewon Suh, Omar J. Khan (2003) in their study, “The effects of FDI inflows and ICT infrastructure on exporting in ASEAN/ATTA countries: A comparison with other regional blocs in emerging markets”, explores the impact of both the increase in FDI inflows and the increase in information and communication technology infrastructure investments on exporting in ASEAN
nations (the trade bloc of which is known as AFTA) compared with two other major trade blocs: CEFTA and LAIA. The analysis is based on data from cross-section of countries (26 emerging markets from three trade blocs) over time (from 1995 to 2000). The results show that the increase of investment in ICT infrastructure yields positive and significant returns in the national exporting level only for the ASEAN / AFTA and CEFTA sample. The impact of the increase of FDI inflows on export is significant only in the CEFTA and LAIA samples.

- Garrick Blalock20 (2006) in his work, “Technology adoption from Foreign Direct Investment and Exploring: Evidence from Indonesian Manufacturing” contains three essays on technology adoption from foreign direct investment and exploring. The first essay investigates how technology that accompanies FDI diffuses in the host economy and finds that multinationals wish to limit technology leakage to domestic rivals, they benefit from deliberate technology transfer to suppliers that may lower input prices or raise input quality. The second essay examines how firm attributes affect innovation by investing the adoption of technology brought with FDI. The findings suggest that the more competent firms have already adopted technologies with high returns and low costs, whereas less competent firms have room to catch up and can still benefit from the adoption of ‘low hanging fruit technology’ the third essay asks whether firms acquire technology though exporting and find strong evidence that firms benefit from a one time jump in productivity upon entering export markets.

- Dexin Yang12 (2003) in his study, “Foreign Direct Investment from Developing Countries: A case study of China’s Outward Investment” presents an interpretation of FDI by Chinese firms. The research is motivated by the phenomenon that compared with foreign investment in China; direct investment from China has so far attracted relatively little attention from researchers. Given the difficulties in providing a convincing explanation of the patterns of China’s outward FDI by using mainstream theories, this thesis develops a network model of FDI by formalizing network ideas from business analysis for application to economic analysis, and interprets China’s outward
FDI in terms of network model. This thesis holds that Chinese firms were engaged in FDI for various network benefits. Accordingly, the geographic distribution of China’s outward FDI reflected the distribution of network benefits required by Chinese firms and the relevant cost saving effects for containing such benefits. As the functioning of networks relies on elements of market economies, the development of China’s outward FDI was affected by the progress of marketisation in China.

- Minquan Liu, Luodan Xu, Liu Liu (2004) in their study, “Wage related Labour standards and FDI in China: Some survey findings from Guangdong Province” presents findings from a Survey of Foreign Invested Enterprises (FIEs) in Guangdong China, on the relationship between Foreign Direct Investment and wage – related labour standards (regular wages, and compliance with official overtime and minimum wage) which show that wage – related standards are statistically high in FIEs whose home countries’ standards are higher, after controlling for other influences. However, a cost – reduction FIE is more likely to be associated with inferior standards. D.N Ghosh (2005) in his paper ‘FDI and Reform: Significance and Relevance of Chinese Experience” finds that if India shed its inhibitions about FDI and follow in the footsteps of China, than India would be in a position to realize its full potential. China’s FDI saga has been a textbook replay of what institutional economics would call “adaptive efficiency” on the part of its political regime. The country made courageous but careful choices in difficult circumstances, signaling radical departure from the belief system it has been accustomed to for decades. The study concluded that both China and India have demonstrated that for a late industrializing country the Washington consensus is not necessarily a good model to follow. It might be appropriate for countries with a good institutional infrastructure and efficient private sector, but for others it can be a recipe for disaster. China seems to have discovered its own reform model with “Chinese Characteristics”. A western observer calls it the “Beijing Consensus”. India is currently fumbling to validate a different kind of model – call it the “India Consensus”- for democratizing country in a globally interdependent world. It is concluded from the analysis of the above studies that political environment, debt burden, exchange rate, FDUI spillovers
significantly influence FDI flow to the developing countries. It is also observed that countries pursuing export led growth strategy and firms in clusters gain more benefits from FDI. It is also found that improve infrastructure, higher growth rate, higher degree of openness of the host economy and higher levels of human capital attract FDI to the developed as well as developing nations. It augments domestic savings and enhances efficiency of human capital (through transfer of new technology, marketing and managerial skills, innovation and best practices)

- Guruswamy Mohan, Sharma Kamal, Mohanty Jeevan Prakash, Korah Thomas J.26 (2005) in their paper, “FDI in India’s Retail Sector:” More Bad than Good”, find that retail in India is severely constrained by limited availability of bank finance, dislocation of labor. The study suggests suitable measures like need for setting up of national commission to study the problems of the retail sector and to evolve policies that will enable it to cope with FDI. The study concludes that the entry of FDI in India’s retailing sector is inevitable. However, with the instruments of public policy in its hands, the government can slow down the process. The government can try to ensure that the domestic and foreign players are more or less on an equal footing and that the domestic traders are not at a special disadvantage. The small retailers must be given the opportunity to provide more personalized service, so that their higher costs are taken advantage of by large supermarkets and hypermarkets.

- Park Jongsoo49 (2004) conducted a study on “Korean Perspective on FDI in India: Hyundai Motors’ Industrial Cluster” indicates that industrial clusters are playing an important role in economic activity. The key to promoting FDI inflows into India may lie in industries and products that are technology – intensive and have economies of scale and significant domestic content.

- Sarma EAS58 (2005) in his paper ‘Need for Caution in Retail FDI” examines the constraints faced by traditional retailers in the supply chain and give an emphasis on establishment of a package of safety nets as Thailand has done. India should also draw lessons from restrictions placed on the expansion of organized retailing, in terms of sourcing, capital requirement, zoning etc, in
other Asian countries. The article comments on the retail FDI report that as commissioned by the Department of Consumer Affairs and suggests the need for a more comprehensive study.

- Gonzalez J.G25 (1988) in his study “Effect of Foreign Direct Investment in the presence of sector specific unemployment” extends the work done by Srinivasan68 (1983) “International factor movements, commodity trade and commercial policy in a specific factor model”, by making an analysis of the welfare effects of foreign investment. The study shows that if there are no distortions, foreign investment enhances the social uplift of the people. The study strongly favours import substitution policies since such a strategy provides greater job opportunities to the people and consequently improves their standards of living. But the study finds that welfare effects of foreign Investment do not explain the pattern of trade in the economy. Thus, both Srinivasan (1983) and Gonzalez (1998) concluded that foreign direct investment and distortions of the labour market results in social uplift of the people.

- Sharma Rajesh Kumar67 (2006) in his article “FDI in Higher Education: Official Vision Needs Corrections”, examines the issues and financial compulsions presented in the consultation paper prepared by the Commerce Ministry, which is marked by Shoddy arguments, perverse logic and forced conclusions. This article raises four issues which need critical attention: the objectives of higher education, its contextual relevance, the prevailing financial situation and the viability of alternatives to FDI. The conclusion of the article is that higher education needs long – term objectives and a broad vision in tune with the projected future of the country and the world. Higher education will require an investment of Rs. 20,000 to 25,000 crore over the next five or more years to expand capacity and improve access. For such a huge amount the paper argues, we can look to FDI. To sum up, it can be said that industrial clusters are playing a significant role in attracting FDI at Inter – industry level. It is argued that industries and products that are technology – intensive and have economies of scale and significant domestic content attract FDI at industrial level.
Nayak D.N46 (2004) in his paper “Canadian Foreign Direct Investment in India: Some Observations”, analyse the patterns and trends of Canadian FDI in India. He finds out that India does not figure very much in the investment plans of Canadian firms. The reasons for the same is the indifferent attitude of Canadians towards India and lack of information of investment opportunities in India are the important contributing factor for such an unhealthy trends in economic relation between India and Canada. He suggested some measures such as publishing of regular documents like newsletter that would highlight opportunities in India and a detailed focus on India’s area of strength so that Canadian firms could come forward and discuss their areas of expertise would got long way in enhancing Canadian FDI in India.

Balasubramanyam V.N Sapsford David4 (2007) in their article “Does India need a lot more FDI” compares the levels of FDI inflows in India and China, and found that FDI in India is one tenth of that of china. The paper also finds that India may not require increased FDI because of the structure and composition of India’s manufacturing, service sectors and her endowments of human capital. The requirements of managerial and organizational skills of these industries are much lower than that of labour intensive industries such as those in China. Also, India has a large pool of well - Trained engineers and scientists capable of adapting and restructuring imported know – how to suit local factor and product market condition all of these factors promote effective spillovers of technology and know- how from foreign firms to locally own firms. The optimum level of FDI, which generates substantial spillovers, enhances learning on the job, and contributes to the growth of productivity, is likely to be much lower in India than in other developing countries including China. The country may need much larger volumes of FDI than it currently attracts if it were to attain growth rates in excess of 10 per cent per annum. Finally, they conclude that the country is now in a position to unbundle the FDI package effectively and rely on sources other than FDI for its requirements of capital. Naga Raj R45 (2003) in his article “Foreign Direct Investment in India in the 1990s: Trends and Issues” discusses the trends in FDI in India in the 1990s and compare them with China. The study raises some
issues on the effects of the recent investments on the domestic economy. Based on the analytical discussion and comparative experience, the study concludes by suggesting a realistic foreign investment policy.

- Morris Sebastian (1999) in his study “Foreign Direct Investment from India: 1964-83” studied the features of Indian FDI and the nature and mode of control exercised by Indians and firms abroad, the causal factors that underlie Indian FDI and their specific strengths and weaknesses using data from government files. To this effect, 14 case studies of firms in the textiles, paper, light machinery, consumer durables and oil industry in Kenya and South East Asia are presented. This study concludes that the indigenous private corporate sector is the major source of investments. The current regime of tariff and narrow export policy are other reasons that have motivated market seeking FDI. Resources seeking FDI has started to constitute a substantial portion of FDI from India. Neither the “advantage concept” of Kindlebrger, nor the concept of large oligopolies trying to retain their technological and monopoly power internationally of Hymer and Vaitsos are relevant in understanding Indian FDI, and hence are not truly general forces that underlie FDI. The only truly general force is the inexorable push of capital to seek markets, whether through exports or when conditions at home put a brake on accumulation and condition abroad permit its continuation.

- Nirupam Bajpai and Jeffrey D. Sachs (2006) in their paper “Foreign Direct Investment in India: Issues and Problems”, attempted to identify the issues and problems associated with India’s current FDI regimes, and more importantly the other associated factors responsible for India’s unattractiveness as an investment location. Despite India offering a large domestic market, rule of law, low labour costs, and a well working democracy, her performance in attracting FDI flows have been far from satisfactory. The conclusion of the study is that a restricted FDI regime, high import tariffs, exit barriers for firms, stringent labor laws, poor quality infrastructure, centralized decision making processes, and a very limited scale of export processing zones make India an unattractive investment location.
Kulwinder Singh38 (2005) in his study “Foreign Direct Investment in India: A Critical analysis of FDI from 1991-2005” explores the uneven beginnings of FDI in India and examines the developments (economic and political) relating to the trends in two sectors: industry and infrastructure. The study concludes that the impact of the reforms in India on the policy environment for FDI presents a mixed picture. The industrial reforms have gone far, though they need to be supplemented by more infrastructure reforms, which are a critical missing link.

Chandan Chakraborty, Peter Nunnenkamp8 (2004) in their study “Economic Reforms, FDI and its Economic Effects in India” assess the growth implications of FDI in India by subjecting industry – specific FDI and output data to Granger causality tests within a panel co -integration framework. It turns out that the growth effects of FDI vary widely across sectors. FDI stocks and output are mutually reinforcing in the manufacturing sector. In sharp contrast, any causal relationship is absent in the primary sector. Most strikingly, the study finds only transitory effects of FDI on output in the service sector, which attracted the bulk of FDI in the post – reform era. These differences in the FDI – Growth relationship suggest that FDI is unlikely to work wonders in India if only remaining regulations were relaxed and still more industries opened up to FDI.

Basu P., Nayak N.C, Vani Archana5 (2007) in their paper “Foreign Direct Investment in India: Emerging Horizon”, intends to study the qualitative shift in the FDI inflows in India in – depth in the last fourteen odd years as the bold new policy on economic front makes the country progress in both quantity and the way country attracted FDI. It reveals that the country is not only cost – effective but also hot destination for R&D activities. The study also finds out that R&D as a significant determining factor for FDI inflows for most of the industries in India. The software industry is showing intensive R&D activity, which has to be channelized in the form of export promotion for penetration in the new markets. The study also reveals strong negative influence of corporate tax on FDI inflows. To sum up, it can be said that large domestic market, cheap labour, human capital, are the main determinants of FDI inflows to
India, however, its stringent labour laws, poor quality infrastructure, centralize decision making processes, and a vary limited numbers of SEZs make India an unattractive investment location.

- Prasad & Singh (2012): “If opening up of FDI in multi-brand retail is a boon or a curse?” The development of organized retail has the potential of generating employment, improvement in technology, development of real estate, etc. On the other hand, critics of the FDI feel that allowing FDI would jeopardize the unorganized retail sector and would not only adversely affect the small retailers and consumers but will give rise to monopolies of large corporate houses also, which can adversely affect the pricing and availability of goods. With allow of FDI in multi brand retails, local enterprises of India will potentially receive an up gradation with the import of advanced technological and logistics management expertise from the foreign entities to improve its infrastructure, access sophisticated technologies and generate employment for those keen to work in this sector. With the case of Wal-Mart, it can be said that FDI in multi-brand retail in India should be given a serious thought and a gradual opening up must be made possible. Inspite of country wide speculation on the plight of small retailers, India must take a lesson from China, where organized and unorganized retail is coexisting and growing together. The FDI would lead to a more comprehensive integration of India into the worldwide market and, as such, it is imperative for the government to promote this sector for the overall economic development and social welfare of the country. If done in the right manner, it can prove to be a boon and not a curse.

- Rajput & Kesharwani (2012) analysed the impact of present retail FDI policy on Indian consumers and economy using SWOT analysis. The first step towards allowing Foreign Direct Investment in Retail was taken in the year 2006. Subsequently the government of India has allowed 100% FDI in single brand retail to give consumers greater access to foreign brands, with the ongoing debate whether it should be allowed in multi-brand retail or not. With emergence of new ways like E-retailing, Indian retail sector is growing at a faster rate along with the employment potential. The retail landscape is showing a marked change, along with changes in the strategies of retailers
towards the suppliers so as to get the best advantage. With the rapidly changing retail scene, India is soon going to be one of the fastest growing regions having great potential. The analysis reveals that it will have a positive impact on the growth of Indian economy as a whole. With big retail giants coming to India, it will surely improve our back-end storage and procurement process. The whole economy will be benefitted including government and people. It was concluded that if we try to balance the opportunities and prospects attached to the given economic reforms, it could be advantageous for Indian economy once executed.

- Tayal & Sharma (2012) has conducted this study to understand and analyze the challenges and opportunities faced by FDI Inflow and the future outlook towards FDI in multi brand retail Sector. The study has highlighted the current position of the FDI inflows in India. It discusses the relevant reforms to formulate, create and force regulatory and legal reforms in this sector and achieve its aim of economic growth and quality services through the investor’s dynamic relationship to attract India as their FDI destination.

- Shridhar & Prashad (2006) analysed the likely impact, in the context of the recent boom in organized retailing in India, of what is referred to as the process of Wal-Martization. It situates Indian retailing in the backdrop of the widening economic divide in Indian society. The growing inequalities in income and consumption are reflected in the manner in which retailing activity takes place in India. This “duality” is best epitomised by the small number of outlets catering to the rich, even as the overwhelming section of the population access their, needs from a large number of small outlets operating on wafer-thin margins. Wal-Martization, a process of consolidation by which large retailers capture control of the supply chain, poses serious livelihood questions in the Indian context. Many of these small retailers are likely to be driven under, following the dismantling of the existing supply chains. The ongoing controversy over Wal-Mart’s entry in India reflects these concerns. Wal-Mart has been forced to enter India piggyback on an Indian partner in order to escape further controversy, what may be termed a Trojan horse strategy.
• Babu (2012) recognized technology, labour skills and infrastructure as determinants of foreign investment. He mentioned the rationale behind allowing FDI in Retail Sector as: FDI can be a powerful catalyst to spur competition in the retail industry, due to the current scenario of low competition and poor productivity. The policy of single-brand retail was adopted to allow Indian consumers access to foreign brands. Since Indians spend a lot of money shopping abroad, this policy enables them to spend the same money on the same goods in India.

• Kalhan (2007) conducted a small sample survey of the impact of malls on small shops and hawkers in Mumbai points to a decline in sales of groceries, fruits and vegetables, processed foods, garments, shoes, electronic and electrical goods in these retail outlets, ultimately threatening 50 per cent of them with closure or a major decline in business. Only 14 per cent of the sample of small shops and hawkers has so far been able to respond to the competitive threat of the malls with the institution of fresh sales promotion initiatives. The result of the survey was: 71% of the respondents reported falling sales, 18% were unaffected by the large retail chain malls & 11% reported an increase in sales. Unbranded garment shops, shoe shops, electrical shops, etc. will suffer the most. Resultantly, there was job loss in small shops and establishments. Hawkers, particularly women and children are facing increasingly eviction drives and harassment around the malls. If the number of malls and retail chains multiply, the sales impact on small shops is likely to be intensified and earnings will keep falling. Not less than 5 lakhs people are employed in the unorganised retail sector of Mumbai and they would all be adversely affected. The dislodgement and unemployment effect could be far greater than the employment effect. Moreover, even the shop floor staffs in malls have at least high school level qualifications, unlike their counterparts in the small shops, most of whom are barely literate and cannot be rehabilitated in organised sector.

• Wakchaure (2011) founded FDI in retail to be favourable for Indian economy. According to him, FDI in retail sector would certainly enable to optimize youth employment India. For those fearing the effects of FDI in retail in India,
the examples of Thailand and China should give comfort. Entry of foreign players in Thailand and China gave a big boost to retail and the exports in both countries got a shot in the arm. Notwithstanding the mounting pressure from leftwing parties, the present Indian government has decided to allow FDI in retail outlets meant exclusively for single brands which mean that multinationals can invest up to 51% in joint ventures for marketing their premier brands. However, the policy certainly needs a relook and should evaluate measures for further liberalization to invite FDI in this sector to optimize youth employment opportunities. He also said that the supermarkets and the small stores can be complimentary to one another and not end up in a bitter competition. Both have their advantages. The opponents of the giant retailers forget that India is large enough for both the multinationals and the small family runs businesses. For instance, when McDonalds, Kentucky Fried Chicken and other such outlets came to India, their opponents in the Left parties and in the saffron Swadeshi Jagran Manch (SJM) argued that the Indian eateries as well as the small roadside vendors will become bankrupt because the foreign investors have deep pockets. But nothing of this kind happened. All businesses have thrived. The idli and dosa still remain the favorite meals of Indians along with the burgers. The aloo tikkis sold on the roadside still sell like hot cakes

Chari & Raghavan (2012) suggested that allowing entry by large international retailers into the Indian market may help tackle inflation especially in food prices. Moreover, technical know-how from foreign firms, such as warehousing technologies and distribution systems, can improve supply chain efficiency in India, in particular for agricultural produce. Better linkages between demand and supply have the potential to improve the price signals that farmers receive and also serve to enhance agricultural and other exports. Despite encouraging signs, India’s retail market remains largely off-limits to large international retailers like Wal-Mart and Carrefour. Opposition to liberalising foreign direct investment in this sector raises concerns about employment losses, unfair competition resulting in large-scale exit of incumbent domestic retailers & infant industry arguments to protect the organised retail sector that is at a nascent stage.
Srivastava (2008) looked at the changing scene in the retail sector in view of many MNCs and large industries entering into this segment. The increase in the number of retail chains across the country is an indication that organized retailing is emerging as an industry and will boom in a big way in the near future. Retailing is the final stage in the distribution process. Retailers are responding to growing demands for “time starved customers.”

Gupta (2010) was of the view that FDI in the buzzing Indian retail sector should not just be freely allowed but should be significantly encouraged to analyse the strategic issues concerning the influx of foreign direct investment in the Indian retail industry. Moreover, with the latest move of the government to allow FDI in the multi-brand retailing sector, the paper analyzes the reason why foreign retailers are interested in India, the strategies they are adopting to enter India and their prospects in India. The findings of the study point out that FDI in retail would undoubtedly enable India Inc to integrate its economy with that of the global economy.

Sarma (2005) Reviews that though the government has been considering opening up the retail business to foreign direct investment for some time, it must first examine the constraints faced by traditional retailers in the supply chain and institute a package of safety nets as Thailand has done. He has given several recommendations on FDI in the retail sector. The major recommendation is that the Indian retail sector should be opened up to 49 per cent FDI straightaway and 100 per cent later on. This should be staggered over three to five years. FDI entry should be permitted in all retail sectors other than arms and ammunition and military equipment. The report does not recommend any conditions regarding local sourcing and local manufacturing or any conditions minimum capital or investment. FDI should not be restricted to certain branded product types or store formats. There could be zoning restrictions but they should be non-discriminatory in terms of domestic and foreign players. The strategy of opening up should be backed up by "appropriate" reform measures in other sectors. On the other hand, from the experience of some Asian countries, it appears more likely that any hasty decision to open up the retail sector to FDI could cause dislocation to the
existing traditional supply chain and cause unemployment. The foreign players may not necessarily source their supplies from the local suppliers. In the absence of a strong regulatory framework, as is the case with many sectors in India, one cannot rule out unethical practices, including predatory pricing and other monopolistic measures, being adopted by foreign players, as has happened elsewhere, to grab a chunk of the market. Retail trade in itself does not require large investments. Before opening up the retail sector, the regulatory structures in the related sectors need to be strengthened; as otherwise, foreign players as well as the larger domestic retailers could exploit the traditional retailers. It may not be desirable to open up retailing to FDI until reforms in the related sectors are undertaken and the competitiveness of domestic retailers is enhanced. Most Asian countries have put in place restrictions in terms of sourcing, capital requirement, and zoning. In order to regulate the expansion of organized retailing, India should draw lessons from this. The retail sector is a highly sensitive one because of its immense contribution to the economy. Decisions regarding FDI in this sector should not therefore be taken in haste.

- Guruswamy et al. (2005) said that the entry of FDI in India's retail sector is inevitable. India still predominantly houses the traditional formats of retailing, that is, the local kirana shop, paan/beedi shop, hard-ware stores, weekly haats, convenience stores, and bazaars, which together form the bulk. Whatever be the size of the average Indian retailer in the unorganized sector, it is quite evident that even Indian retailers in the organized sector will be unable to meet the onslaught from a firm such as Wal-Mart - if and when it comes. This would entail job losses in the millions. With such possible implications, a great deal of prudence should go into policymaking. FDI-driven 'modern retailing' in that is labour displacing as it can only expand by destroying the traditional retail sector, creating so-called efficiencies of scale by creating redundancies. It is true that it is in the consumer's best interest to obtain his goods and services at the lowest possible price. But this is a privilege for the individual consumer and it cannot, in any circumstance, override the responsibility of any society to provide economic security for its population. Clearly collective well-being must take precedence over individual benefits.
Prashanth & Rao (2012) tried to give a better view of what is the Retailing, what are the types of retailing, Foreign direct investment has boomed in post-reform India. Moreover, the composition and type of foreign direct investment has changed considerably since India has opened up to world markets. This has fuelled high expectations that foreign direct investment may serve as a channel to the higher economic growth of India. Foreign direct investment in trade has developed into the fresh theatre of war flank by the pro-reform and anti-reform lobbies. Foreign investors are extremely eager on charisma in Indian retail sector. Incontrovertibly, foreign direct investment in retail is budding as a sort of litmus trial to the government's pledge to liberalization. Retail trade in India also explains different polices of FDI in India, and role of FDI in Indian retail industry, benefits of FDI. The authors also tried to outline impact on country and State-wise Number of Workers Engaged in Retail Trade by Type of Enterprises in India and also quarreled that the potential benefits from allowing large retailers to enter the Indian retail market may balance the costs. Proof from the US suggests that FDI in organized retail could help begin inflation, particularly with wholesale prices. It is also expected that technical know-how from foreign firms, such as warehousing technologies and distribution systems, for example, will lend itself to improving the supply chain in India, especially for agricultural produce. India’s experience between 1990-2010, particularly in the telecommunications and IT industries, showcases the various benefits of opening the door to largescale investments in these sectors. Arguably, it is now the turn of retail.

Singh (2011) has focused on: What has been the experience in India with organized retail so far and what has been the global experience with FDI. The central government claims that allowing foreign direct investment into India’s retail sector will benefit small farmers, expand employment and lower food inflation. The United Progressive Alliance government was forced to “put on hold” its decision to allow 51% foreign direct investment (FDI) holding in multi-brand retail trade (MBRT) and raise the FDI ceiling from 51% to 100% in single brand retail trade (SBRT). Some important questions were raised on the issue of FDI in retail are: Does it really help farmers, especially small
farmers who constitute 85% of all cultivators? Does it improve efficiency of food supply chains and help lower food inflation which India is presently grappling with? And, of course, how does it affect traditional food retailers’ livelihoods? One crore new jobs will be created in the farm sector. Also alternative policy measures were detected to leverage FDI in MBRT for the benefit of farmers and the national economy. The biggest fear in India for farmers is not that FDI in MBRT per se is worse than domestic corporate investment; it is that there may not be adequate institutions and effective governance mechanisms to regulate and monitor the operations of the global retailers and leverage them for benefits like better prices for farmers, more employment generation and lower prices. He further suggested that provisions for legally binding and clearly worded rules for fair treatment of suppliers, and the establishment of an independent authority like a retail commission to supervise and regulate supermarkets on supplier, consumer, and labour issues and to support local retailers are required. The authority should ban buying of products and selling below cost, make contract farming a must, improve local traditional markets for small growers, slow the pace of supermarket expansion, establish multi-stakeholder initiatives in the chains and provide support to small producers and traditional food retailers. Producer organizations and the NGOs need to monitor and negotiate more equitable contracts with the supermarkets. The government should play an enabling role with legal provisions and institutional mechanisms for helping farmer cooperatives, producer companies and producer groups.