Pathways to SDG: Macro to Micro Perspectives

November 20, 2016, New Delhi
ON HOW MNES IMPACT POVERTY ALLEVIATION IN HOST COUNTRIES
Understanding the role of policy

BASED ON A REPORT BY

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20 November 2016, New Delhi  India
**RESEARCH QUERY**

Emerging country

- Public Labs & Universities
- Targeted consumers
- Civil Society
- Public agencies

Private organizations like NGO

Local firms

Media

MNE

Targeted consumers

State

BoP

(Ramani et. al, 2015)
METHODOLOGY

Reading the prior art → Creating own construct → Examining Reality → Reading the prior art
LITERATURE REVIEW: HOW DO MNEs CONTRIBUTE TO POVERTY ALLEVIATION?

Interlinkages with local firms

Trickle-down Economic Development

Employment Income Generation

MNE contribution to poverty alleviation

Selling to BoP

CSR

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Evolution of the number of articles with ‘multinationals’ and ‘poverty’ in abstract, key words or title
# Features of the Corpus on “Multinational” and “Poverty”

<table>
<thead>
<tr>
<th></th>
<th>Number of articles</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total corpus</td>
<td>174</td>
<td></td>
</tr>
<tr>
<td>Total corpus with more than 1 citation</td>
<td>103</td>
<td>59.20%</td>
</tr>
<tr>
<td>Total corpus focussing on firm's role (out of 103)</td>
<td>38</td>
<td>36.89%*</td>
</tr>
<tr>
<td>Total corpus focussing on role of policy (out of 103)</td>
<td>25</td>
<td>24.27%*</td>
</tr>
<tr>
<td>Total corpus focussing on both (out of 103)</td>
<td>9</td>
<td>8.73%*</td>
</tr>
<tr>
<td>Total corpus focussing on neither (out of 103)</td>
<td>49</td>
<td>47.57%*</td>
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## Features of the Corpus on "Multinational" and "Poverty" in Which Policy Mattered

<table>
<thead>
<tr>
<th>Description</th>
<th>Count</th>
<th>Percentage</th>
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</thead>
<tbody>
<tr>
<td>Total corpus focussing on role of policy</td>
<td>25</td>
<td>24.27%</td>
</tr>
<tr>
<td>Total corpus on positive role that policy can play (out of ones dealing with policy)</td>
<td>12</td>
<td>48.00%</td>
</tr>
<tr>
<td>Total corpus on negative role that policy can play (out of ones dealing with policy)</td>
<td>10</td>
<td>40.00%</td>
</tr>
<tr>
<td>Total corpus that say that it can be either positive or negative (out of ones dealing with policy)</td>
<td>3</td>
<td>12.00%</td>
</tr>
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POSITIVE ROLE OF POLICY

Facilitation of FDI and Capital Flow

Technology Transfer and IPR

Corporate Governance

Resource allocation

Economic Climate
NEGATIVE ROLE OF POLICY

- Corporate Governance
- Corruption
- Conflict
- Protecting local interests
PATHWAYS BY MNES IMPACT POVERTY

BoP → FDI

FDI → Mainstream

Mainstream → Knowledge Transfer

Knowledge Transfer → CSR

CSR → PPP

PPP → Mainstream

Mainstream → BoP

BoP → FDI
SYSTEMIC IMPACT

Rest of the world

MNE Country

Emerging country

- Public Labs & Universities
- Targeted consumers
- Public agencies

Private organizations like NGO

Local firms

State

Civil Society

Global agencies

BoP

Media
**EXPERT SELECTION**

Rest of the world

**Emerging country**
- Public Labs & Universities
- Targeted consumers
- Civil Society
- State

**MNE Country**
- Private organizations like NGO
- Local firms
- Media

**International Governing Agencies**
- BoP

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EXPERT SPEAK: POLICY AND FDI

- employment generation and skill development
- framework for technology sharing
- safeguarding local community interests
- IPR regulations
EXPERT SPEAK: POLICY AND CSR

Sanctions and binding obligations

Mandatory CSR

carrot and stick combination

Difference between CSR and Corporate Philanthropy
Government must think of general good

EXPERT SPEAK: POLICY AND PPP

Contract Design

Partner Selection
EXPERT SPEAK: POLICY AND KNOWLEDGE TRANSFER

Intellectual Property Rights

pro-poor innovations
CONCLUSIONS

• Importance of interlinkages
• Pathways identified for how MNE impact poverty
• Role of policy established in the type of impact the MNE has on combating poverty in all pathways
LIMITATIONS OF STUDY

• Policy focus only on India
• Not addressed all gaps in understanding interlinkages to understand policy
• Role of policy is limited to domestic policy of the host country
• Limited number of experts in selected stakeholder category
• Need to expand the stakeholder category for a more holistic picture
THANK YOU

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