

Institutional quality similarity, corruption distance and inward FDI in Turkey*

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In this paper we investigate the impact of institutional differences as a determinant of Turkish FDI inflows from OECD economies. We focus on the corruption distance between the home and host countries as a crucial part of institutional quality. Our results confirm that FDI flows are higher when they come from countries with low differences in corruption with Turkey. Conversely, FDI flows are negatively affected when there exists a large difference in corruption between the investing country and Turkey. This is explained by the ability of firms to obtain a higher return from their resources and capabilities in those environments with a similar idiosyncrasy to the one of their home country.

In diesem Beitrag untersuchen wir den Einfluss institutioneller Unterschiede als einer Determinante türkischer FDI-Zuflüsse aus dem OECD-Wirtschaftsraum. Als entscheidender Bestandteil institutioneller Qualität gilt der Korruptionsabstand zwischen den Heimat- und Gastland. Unsere Ergebnisse bestätigen, dass FDI-Ströme höher sind, wenn sie aus Ländern mit geringeren Korruptionsunterschieden kommen. Umgekehrt werden FDI-Ströme negativ beeinflusst, wenn es einen großen Unterschied in der Korruption zwischen dem Investitionsland und der Türkei gibt. Dies wird durch die Fähigkeit der Unternehmen eine höhere Rendite aus ihren Ressourcen und Fähigkeiten in einem Umfeld zu erzielen, das ihrem Heimatland ähnliche Eigenschaften aufweist, erklärt.

Keywords: Foreign Direct Investment; Turkey, OECD countries; institutional differences; corruption; multinational enterprises (JEL: F21, F23, D73)

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