TALLINN UNIVERSITY OF TECHNOLOGY
School of Business and Governance
Department of Business Administration

Sambou Sissoko

ECONOMIC FREEDOM AND POLITICAL RISK IMPEDIMENT TO MULTINATIONAL CORPORATIONS' ATTRACTIVENESS IN MALI

Master's thesis

Programme International Business and Administration

Supervisor: Yassine Bakkar, PhD

Tallinn 2022

I hereby declare that I have compiled the thesis/ independently
and all works, important standpoints and data by other authors
have been properly referenced and the same paper
has not been previously presented for grading.
The document length is 11722 words from the introduction to the end of conclusion.

Sambou Sissoko ……………………………
(signature, date)
Student code: 184470TVTM
Student e-mail address: sissoko.sambou@gmail.com

Supervisor: Yassine Bakkar, PhD:
The paper conforms to requirements in force

……………………………………………
(signature, date)

Co-supervisor:
The paper conforms to requirements in force
……………………………………………
(signature, date)

Chairman of the Defence Committee:
Permitted to the defence
…………………………………
(name, signature, date)

TABLE OF CONTENTS

ABSTRACT 4
INTRODUCTION 5
1. THEORETICAL AND EMPIRICAL BACKGROUND 8
  1.1. Definition framework 9
    1.1.1. The Eclectic Paradigm 9
    1.1.2. Multinational Corporations 11
    1.1.3. Foreign Direct Investment 12
    1.1.4. Political risk 13
    1.1.5. Economic Freedom 13
    1.1.6. Empirical Literature 14
2. RESEARCH METHODOLOGY 23
  2.1. Research design 24
  2.2. Method of data collection 24
  2.3. Research limitation 29
  2.4. Data analysis 29
3. RESULTS AND DISCUSSION 32
CONCLUSION 39
    Recommendation 41
LIST OF REFERENCES 42
  Appendix: Non-exclusive licence 45

ABSTRACT

The relationship between the factors influencing the location choice of Multinational Corporations (MNCs) and a host country's political risk factors and institutional variables remains a major topic of contention, especially in (developing) markets.

Researchers in this area have disagreed on whether (and to what extent) Political risk (PR), government policies, and programs influence the decision and action of MNCs as it relates to Foreign direct investment (FDI). Some researchers argued that there is a linear correlation between increasing MNCs' activities, political stability, and government policies geared toward more Economic Freedom (EF). In other words, EF and PR lead to attracting MNCs toward FDI inflows. Others have argued that the relationship between EF and FDI is overstated. Although there might be some relationship between PR, EF, and FDI but not to the extent that the proponents would want us to believe.

In this study, we explore this question further using Mali as the host country. We used quantitative data from the World Bank, The Heritage Foundation, and The Global Economy web database to run multiple regressions. The result of the study indicates that in Mali, a developing Sub-Saharan African country, there is a relation between PR and FDI, however, there is little or no statistical relationship between EF and FDI. The reasons for this seemingly unaccepted and counterintuitive conclusion might be related to factors such as road infrastructure since Mali is a landlocked country.

Keywords: Multinational Corporations, Economic Freedom Index, political stability,

INTRODUCTION

Countries around the world seek to attract and host Multinational Corporations (MNCs). Whereas MNCs seek to expand in countries where they can lower production costs and increase returns (Sooreea-Bheemul, Rasool and Sooreea, 2020). MNCs expend in foreign countries in the form of Foreign Direct Investment (FDI) (Dunning and Lundan, 2008).

Scholars in the business and trade field have given a particular interest to studying the expenditure of MNCs across the border toward FDI. The (OLI) paradigm stands out among the MNCs and FDI theories by the components of its tripod OLI advantages which are Ownership advantages (O), Locational advantages (L), and Internalization (I) (Fofana, 2014). This thesis look toward the locational advantages theory of the eclectic paradigm. The location advantage theory gives more insight into the macroeconomic, institutional dimensions, and political facets of the local economic hosting FDI (Dunning and Lundan, 2008).

Empirical literature addresses the question of whether and to what extent host countries' institutional dimensions of economic freedom (EF) index and Political Risk (PR) fators affect and/ or impact the attractiveness of FDI inflows. However, most of them are focused on the developed nation or developing nations outside of the African continent. Few empirical literatures involving the African continent examine it either as a whole group or portion such as North Africa or Sub-Saharan Africa. Some prominent and/ or recent empirical works of literature addressed the topic in a different way. Indeed. (Fofana, 2014) used panel data of two samples of countries Sub-Saharan Africa and Western Europe to assess the disaggregated effect of the regulatory variables of EF on FDI. Fofana's results have some inconsistencies. Even though the result indicates that institutional variables of EF are important in attracting FDI for both Europe and Africa, yet, the statistical significance of the variables depends on the current state of the countries in the samples. Similarly, (Singh and Gal, 2020) examined over the period 1999 to 2018 the EF along with its macroeconomic determinants impact on FDI inflow in South Asia, East Asia, Latin America, Middle East, North Africa, Northern Europe, Southern Europe, Western Europe, Eastern Europe, and Sub Saharan Africa. Here also, the results are heterogeneous regarding the samples' countries.

The variables such as government spending and investment freedom are positively significant and have a positive impact on FDI inflow in Southern Europe. While the trade freedom is the only variable that is positively significant in the maximum economies of South Asia, East Europe, the Middle East, and North Africa, and Sub-Saharan Africa. In contrast to the precedents authors cited, (Kusek and Silva, 2018) assess the subject in a different way. The authors analyzed The Global Investment Competitiveness survey of 754 executives of MNCs with affiliates in developing countries. The survey analysis found that political stability and a business-friendly regulatory environment are the top two factors influencing MNCs' investment decisions in developing countries.

The heterogeneous and inconsistent results of sample grouped countries amongst empirical papers motive to explore whether the EF and PR factors imped to multinational corporations' attractiveness at a state level. The choice of Mali is justified for several reasons. Firstly, the state of Mali has undergone several issues since its independence year in 1960, namely multiple military coups (in 1968, 1991, 2012, and 2020), frontier dispute with a neighboring country Burkina Faso (in 1985), and electoral instability years (in 1992, 1997, 2002, 2013 and 2018). Secondly, the quantitative data (either the Heritage Foundation or Fraser Institut EF variables) commonly used in empirical studies do not cover all variables and/ or years of investigation for Mali. Thirdly, examining Mali with its intermittent political instability over years in the same portion of countries such as a politically stable neighboring country Senegal which has not undergone any military coup since its independence in 1960, might give an altered finding on the subject of the attractiveness of MNCs in one or another country. This is in line with (Fofana, 2014), findings mentioning that the statistical significance of the variables depends on the current state of the countries.

Because of the reasons stated above, the empirical study results may not be generalized to Mali specific differences. This unfortunate situation poses a major research gap about the frequent instability status of Mali in terms of EF variable and PR factors influence on the attractiveness of MNCs. This gap in empirical research is a good reason to address the following research problems statement.

Research problems statement

Economic Freedom index variables and political risk factors affect Multinational Corporations' decision to expand their business in Mali.

Aims and objectives of the study

The aim of this research is to find statisticale significance between the Economic Freedom index variables and Political Risk factors that can attract or deter Multinational Corporations (means here by the Foreign Direct Investment) to expand into Mali.

To the best of our knowledge, no study in term of novelty has focused on EF variables and intermittent political instability factors impediment to FDI inflow attractiveness in the context of the chosen local economy, Mali.

This study has also the objective, to identify in the specific context of Mali, the determinant variables of MNCs investment decision and to allow policymaker and foreign investor to know the key determinant variables related to the EF and political risk aspects that apply to Mali.

Research question

This study attempts to respond to the following questions:

1) What are the linkage between the Economic Freedom measures variable and Foreing Direct Investment inflows in Mali?
2) What are the linkage between Political risk factors and Foreign Direct Investment inflows in Mali?
3) What investment climate variables have a considerable impact on Foreign Direct Investment flows in Mali?

These questions will be answered by running a regression analysis of available quantitative data of twenty-five years from 1995 to 2019. The data are collected from trusted institutional sources data such as Index of Economic Freedom 2021 of The Heritage Foundation (Miller, Kim and Roberts, 2021), World Bank, and The Global Economy online databases. In line to empirical research ways to study this problem, a positivist deductive approach was chosen for this paper.

This research is structured as followed: the next section 1.theoretical and empirical background, includes a definition framework of the main theory of the research topic, includes the site description. It also includes a review of the determinants (mainly institutional) of FDI and the literature. Then the section 2. Research methodology, a brief background of the research area, research data and data collection and the analysis method deployed in this study. Then the analysis the section 3. Result and discussion which in turn is followed by a summary and a conclusion of the research. and recommendation.

1. THEORETICAL AND EMPIRICAL BACKGROUND

This chapter covers the critical literature review by getting insight into the context and theoretical framework of the thesis questions and objectives. Thus, the Systematic Review process is adopted. It allows to review the empirical literature in regards to a define academic procedure which consist of a pre-planned strategy to locate available literature, then to evaluate, analyse, and synthesise the findings and finally by providing a conclusion about what is known and, also, what is not known (Saunders, Philip and Thornhill, 2016).

Consequently, a brainstorming was done to generate contextual words and phrases related to the topic. Then, a mind map also known as a relevance tree were constructed to structure the terms involved. Further, an online research were generate to find available literature on the subjet through reliable sourcessuch as: www.scholar.google.com, www.academia.edu, www. researchgate.com, www.elsevier.com, and www.webofscience.com. Subsequently, Boolean logic were followed to frame the research items. It consists of adding connector words and/ or characters such as (AND, OR, NOT, *, ?. Example of how to use: Mali AND FDI, Multinational corporation*, FDI OR OLI paradigm etc. The Boolean logic allows to frame (narrow or widen) search topics (Saunders, Philip and Thornhill, 2016).

The search key terms were related word to the research questions, aim and the objectives: multinational companies/ corporation, foreign direct investment (since it is belong to MNCs), FDI inflows, Economic freedom, political risk/ Instability, FDI location choice, FDI attraction, Mali FDI inflows, FDI data, FDI theory, FDI Sub-sahara Africa etc. Then, the empirical papers were kept or rejected regarding the following criteria: English language, subject area (FDI, MNCs, EF, political risk), geagrapic area (Mali, Sub-sahara Africa, developping countries), publication period (last ten year or more regarding the relevance of the articles), literature type (refereed journal and books) and the relavendce to the thesis questions and objectives. Then the empirical studies were downloaded on Mendeley for use and referencing. In fact, Medeley is a free web and desktop reference management application.

After the analysis and the synthesis of the papers, a structure were constructed in regrards to the logic behinds the relationship between MNCs, FDI and host countries and also the components involve in this relationship. Explicitly, as a funnel, it starts from the general context to the specific questions and objectives of the study. On one side of the relationship, the countries seek to attract and guest MNCs towards FDI. Countries benefit from beeing the recipient economy of FDI because it can generate the local economic growth. Therefore, FDI is compute as a percentage of Gross Domestic Product (GDP) which is the net inflows, new investment inflows less disinvestment in the reporting economy from foreign investors, and is divided by GDP (World Bank Group, 2022b). On the other side, FDI on behalth of MNCs are attracted to expend in countries where they can get the advantages of low production cost and hight benefit. On the middle of the two sides, there are the attractiveness or unatractiveness factors (the advantages or the disadvantages) of foreign investment incentives related to the location. The latter is measured by the host countries' macroeconomic variables and political stability variables, the economic freedom index, and political risk causes.

This section introduces some brief definitions of fundamental theory and concepts frequently used in this paper to clarify..

1.1. Definition framework

1.1.1. The Eclectic Paradigm

Previous studies stated several theories on MNCs and their implication in FDI. On one side, scholars research the different aspects relative to the host countries' institutional dimension and law enforcement possible factors to attract or deter foreign investors. On the other side, MNCs' decision-making to choose a country, remain in an ongoing business, divest or even exit a country. Some of the major theories on this subject are the International Product Life cycle (PLC) theory, perfect capital or exchange market theory, internationalization theory, theory of institutional FDI fitness, and the eclectic paradigm theory (Jaiblai and Shenai, 2019; Sooreea-Bheemul, Rasool and Sooreea, 2020). The latter theory (the eclectic paradigm) was developed by John H. Dunning in (1977; 1979;1988). is the conceptual framework used in this paper.

The eclectic paradigm also called the OLI framework is one of the prominent and pedagogical theories on FDI among international business scholars and considered by many corporations in deciding on specific course of actions as it relates to internationalization (Dunning, 2000; Fofana, 2014; Sooreea-Bheemul, Rasool and Sooreea, 2020).

The eclectic paradigm theory explains the reason for MNCs seek to expand a broad in the form of FDI. The theory is a combination of macroecomic and microeconmic aspects involve MNCs status and activities. The theory explains the diffrenet aspects of firms in three components, the Ownership advantages (O), Locational advantages (L) and Internalization (I) reason for it is also named the OLI theory. The ownership and the internalization advantages, traite the microenomic theory of entreprise such as intellectual capital, innovation capacity, transaction cost, etc. Whereas the locational advantages, focus on the macroeconomic theory like natural resoucrses, cost of energy, host countris government colaboration etc.(Fofana, 2014; Sooreea-Bheemul, Rasool and Sooreea, 2020).

Ownership Advantage: The sub-paradigm ownership advantage is the first of John Dunning's tripod concept. It means a corporation specific advantages wich provide favorable conditions to compete with domestic rivals in the destination country. The ownership advantage are characterized by the tangible or intangible assets owned, efficient management and marketing skills, superior technological know-how, better access to raw materials and cheaper source of finance, strategic capacity, economies of scale, brand names and patents etc (Fofana, 2014; Jaiblai and Shenai, 2019; Sooreea-Bheemul, Rasool and Sooreea, 2020).

Location Advantage: Location advantage deals with destination advantages where a corporation can benefit from lower cost and earn higher returns or benefits from geographical barriers to foreign market entry and exit. Location advantage includes the political stability, the availability of affordable raw material in the foreign market, skilled labor, and taxation, among others critically important, or potential deal-breakers location variable in term of economic, political and social benefits (Kusek and Silva, 2018; Jaiblai and Shenai, 2019; Sooreea-Bheemul, Rasool and Sooreea, 2020).

This purpose of this paper is to analyse MNCs location choice determinants variable, therefore it will focus on this location advantage sub-paradigm.

Internalization: Internalization advantage analyses the prospect of the corporation deriving an advantage from outsourcing some of the value chain activities performed by the company. In other words, is there a comparative advantage or an overall profitability for a company moving some or a specific aspect of its value chain activities abroad? If it can be established that such an advantage exists, then an internalization advantage exists (Sooreea-Bheemul, Rasool and Sooreea, 2020).

Due to the evolution of the globalisation and interdependance of countries, the theory has since evaluated however it remains one of the predominant theory in used (see Table1.) for MNCs and FDI Ownership, Location and internalization advantages.

Table 1. Summary of current and relevant body of knowledge

The Eclectic (OLI) Paradigm theory	Studies	Authors
The OLI theory practiced in different circomstance geographic	The Influence of Measures of Economic Freedom on FDI: A Comparison of Western Europe and Sub-Saharan Africa	(Fofana, 2014)
	The Determinants of Foreign Direct Investment-Empirical Evidence from Bahrain	(Gharaibeh, 2015)
	What Investors Want Perceptions and Experiences of Multinational Corporations in Developing Countries	(Kusek and Silva, 2018)
	Multinational Corporation and Foreign Direct Investment: An Implication for Third World States	(Ghani Dass and Jamal, 2018)
	The effects of economic freedom on FDI inflows: an empirical analysis	(Ghazalian and Amponsem, 2019)
	The Determinants of FDI in Sub-Saharan Economies: A Study of Data from 1990–2017	(Jaiblai and Shenai, 2019)
	Global Investment Competitiveness Report 2019/2020: Rebuilding Investor Confidence in Times of Uncertainty	(World Bank, 2020)
	How do country regulations and business environment impact foreign direct investment (FDI) inflows?	(Contractor *et al.*, 2020)
	Does Economic Freedom Matter to Foreign Direct Investment in Sub-Saharan Africa?	(Sooreea-Bheemul, Rasool and Sooreea, 2020)
	Natural resources, economic freedom, and Foreign Direct Investment in Africa	(Totouom, 2021)

Source: Author's organization based on available literature

1.1.2. Multinational Corporations

Multinational corporations (MNCs) refer to corporations that are registered and operate across multi countries. Usually, the corporation starts in one country where they commonly have its headquarters and operates in other countries in the form of subsidiaries (Wheelen and Hunger, 2012; Ghani Dass and Jamal, 2018). With the increase in globalization, the number of MNCs and multinational corporation's activities have increased over the years. The motivation for MNCs to move production abroad is influenced by many factors. Considering the OLI paradigm, the global competition compelled MNCs to go across borders. Without, the corporation ownership advantage could be threatened because of the wide presence and activities of competitors (Dunning, 2001). The location option of MNCs is driven by the motive of their foreign value-added activities. The International Business scholars have identified four types of FDI: market seeking FDI, natural resource seeking FDI, efficiency seeking FDI and strategic asset seeking FDI (Dunning and Lundan, 2008). Thus, corporation move abroad in search of market (closer or attracting), others move in search of natural resource (raw and cheap materials), and others cross the borders for efficiency seeking (skilled or cheap labor) or strategic asset seeking (foreign corporation assets acquisition and long-term strategic objectives promotion).

1.1.3. Foreign Direct Investment

Foreign Direct Investment (FDI) can refer to any form of investment or purchase of ownership made by cooperation or a company or (enterprise) from a domestic country into a host foreign country. FDI allows foreign investor to hold an ownership in a foreign firm in the form of licensing, acquisition, merger or building of new facility (Sooreea-Bheemul, Rasool and Sooreea, 2020). The MNCs usually initiate the FDI (Munday et al., 2009). A healthy and profitable corporation is always looking for opportunity to grow, invest and expand. Indeed, the competition stimulates by the globalization persuades corporations to cross border.

A corporation may choose to expand an existing production/ distribution unit or to build another production/ distribution unit in another part of the same country or corporation may choose to move production oversea. This investment or the decision to make such investment rely on many variables, both within the corporation motivations and, also within the destination country where the corporation seeks to invest. A corporation seeking to move abroad must decide which region or country is the best destination from a list of potential regions and countries. This decision is said to rely on the level on EF, Political risk, intercountry cultural differences and business support incentives in the potential countries (Dunning, 2000; Kusek and Silva, 2018).

1.1.4. Political risk

Political Risk (PR) is defined as the lack of political stability that may destabilized the political regime and the government of a sovereign country. Thus, the political risk or political instability could be manifested in two forms, regarding empirical studies. First form refers to violence/terrorism, to ethno-political and ethno-religious conflicts, conflicting ideological and economic interests. The second form refers to change of political regime, policymakers in parliament and government, interruption of administrative institutions (Assoua, 2013). Foreign investors value political stability because the political risk affect the investment environment factors and the rulings laws of the host economy (Busse and Hefeker, 2005; Cleeve, 2012; Kusek and Silva, 2018).

1.1.5. Economic Freedom

A country trade competitiveness is measured by the fairness of its economic policies and institution law that are used to organize and regulate trade, entrepreneurship and economic growth. (United Nations. Economic Commission for Africa., 2004). The binding economic policies and institutions law of a country in term of trade and business is recognized as the Economic Freedom (EF). In the empirical studies (Țaran, Mironiuc and Huian, 2016; Ghazalian and Amponsem, 2019; Sooreea-Bheemul, Rasool and Sooreea, 2020) acknowledge that there are limited measure of EF and EF sub-component. Also, they recognize that there are two measures of EF. The first established in 1995 by The Heritage Foundation and Wall Street Journal is named the Index of Economic Freedom the (IFE). And the second were introduced in 1997 by Gwartney, Block and Lawson. That version is called the Economic Freedom of the World (EFW) index. It was published by the Canadian Fraser Institute. Both versions of EF measure are published annually. The Heritage Foundation measure cover more countries, however the assessment method is criticized to procure less precision and less transparency such the Fraser Institute measure of economic freedom, the EFW (Gwartney and Lawson, 2003).

The Heritage Foundation and The Fraser Institute adopt differently their own measuring of EF scale. On one hand, The Heritage Foundation measures the EF based on twelve quantitative and qualitative factors, grouped into four broad categories, or pillars, of EF structured as followed (Miller, Kim and Roberts, 2021):

1) Rule of Law (property rights, government integrity, judicial effectiveness)
2) Government Size (government spending, tax burden, fiscal health)
3) Regulatory Efficiency (business freedom, labor freedom, monetary freedom)

4) Open Markets (trade freedom, investment freedom, financial freedom)

Each of the twelve EFs index within these categories is graded on a scale of 0 to 100. A country's overall score is derived by averaging these twelve EFs, with equal weight being given to each.

On the other hand, The Fraser Institute differently measures the Economic Freedom of the World index in five major areas structured as followed (Gwartney et al., 2020):

1) Size of Government,
2) Legal System and Property Rights,
3) Sound Money
4) Freedom to Trade Internationally,
5) Regulation of credit, labor, and business.

Within the five major areas, there are 24 components in the index. Many of the components are themselves made up of several sub-components. In total, the index incorporates 42 distinct variables. Each component (and sub-component) is placed on a scale from 0 to 10 that reflects the distribution of the underlying data. When sub-components are present, the sub-component ratings are averaged to derive the component rating. The component ratings within each area are then averaged to derive ratings for each of the five areas. In turn, the five area ratings are averaged to derive the summary rating for each country.

Even though, The Fraser Institute has a sub-category dedicated to Political risk in its "Legal System and property right" category of economic freedom index, this paper uses the data gathered from The Heritage Foundation wich provide more available data on Mali EF variables. The complements related to Political instability factors data are gathered from The Global Economy web databases. The Global Economy is also a reliable source of economic data on foreign countries. It provides upon payment, 300 indicators selected from multiple official sources like the World Bank, the International Monetary Fund, the United Nations, and the World Economic Forum.

1.1.6. Empirical Literature

MNCs / FDI location theory

MNCs towards FDI bring economic growth and sectoral development to a host country; therefore, nations in the world compete to acquire more foreign investors to take advantage of its potential benefit. However, MNCs explore multiple factors between prospected locations before implementing their firm into a destination. Thus, to engage and maintain business in new markets, an external environmental scanning is required for monitoring and evaluating the business environment, opportunities and threats to an organization or entrepreneurship for the formulation of an investment strategy (Wheelen, 2012). Indeed, scholars studyed the expension of MNCs in foreign countries unders different circumstances. On one hand scholars research the different aspects relative to the host countries' institutional dimension, political stability and law enforcement possible factors to attract or deter foreign investors. On the other hand, the process of MNCs' decision-making to choose a country, remain in an ongoing business, divest or even exit from a country. Some of the major theories on this subject are the International Product Life cycle (PLC) theory, perfect capital or exchange market theory, internationalization theory, Theory of institutional FDI fitness, and the eclectic paradigm theory (Jaiblai and Shenai, 2019; Sooreea-Bheemul, Rasool and Sooreea, 2020). The latter, the eclectic paradigm developed by John H. Dunning (1977; 1979; 1988) is one of the main theories in studying foreign firm location choice. The eclectic paradigm is widely used in empirical studies, in addition it gives more possibilities to get into the comprehension of the location theory in term of evaluation and decision making in international trade for corporation (Fofana, 2014; Jaiblai and Shenai, 2019; Sooreea-Bheemul, Rasool and Sooreea, 2020). The eclectic paradigm , also called the (OLI) paradigm with particulary the sub paradigm locational advantages would be the core interest of this thesis. In regards to questions and objective of the thesis, the sub paradigm locational advantages is more convenient for addressing the concern of location attractiveness or unattractiveness to FDI.

The sud-paradigm location advantages theory concentrates on the relationship between the institution quality of host countries and the foreign investisors. According to (Dunning and Lundan, 2008) statement, the ability of a country to attract FDI is associated with the quality of its institution. Thus, the democratic status of the country, the good fonctionnent of government institution, the proportion of the good the gouvernance, the level of the corruption, the property quality of the country-specific incentive structures and enforcement mechanisms and righ protection contribute to attract FDI. Indeed, host country determinants of FDI were identified in three categories and listed as followed (Dunning and Lundan, 2008):

I. General policy framework

- Economic, political and social stability
- Good governance (transparent and credible policies and their enforcement)
- Policies on functioning and structure of markets (especially competition and Mergers and Acquisitions policies)
- Private property protection (including intellectual property rights)
- Industrial and regional policies; development of competitive clusters

-Trade policy (tariffs and non-tariff barriers) and stable exchange rates

II. Policies specific to FDI

- Bilateral international investment agreements (IIAs)
- Investment incentives and performance requirements (pre- and postentry)
- Pre- and post-investment services (e.g., one-stop shopping)
- Social amenities (international schools, quality of life, etc.)

III. Economic determinants by type of investment

(a) Market-seeking investment
- Market size and per capita income
- Market growth
- Country-specific consumer preferences
- Structure of markets
- Psychic distance
- Access to regional and global markets

(b) Resource-seeking investment
- Land and building costs: rents and rates
- Cost of raw materials, components, parts
- Low-cost unskilled labour
- Availability and cost of skilled labour

(c) Efficiency-seeking investment
- Costs of resources and capabilities listed under (b) adjusted for productivity of labour inputs
- Other input costs, e.g., transport and communication costs to, from and within host economy
- Membership of a regional integration agreement conducive to promoting a more cost-effective inter-country division of labour
- Quality of market-facilitating institutions

(d) Asset-seeking/asset-augmenting investment
- Competition policy (including M&As)

- Technological, managerial, relational and other created assets
- Physical infrastructure (ports, roads, power, telecommunications)
- Macro-innovatory, entrepreneurial and educational capacity/ environment

Under those circumstances, the location attractiveness of FDI depends on a wide and complex rande of variables. In line with the emprirical studies based on the sud-paradigm location advantages theory, this paper assessed analyses of the first category (General policy framework) of destination specific incentive structures determinants of fdi.

Country of interest status:

The republic of Mali located in west Africa becomes independent from France, its colonial power on 22 September 1960. Since its independence time, Mali has undergone several military coups, in 1968, 1991, 2012, and lately in August 2020. Following the military coup of 2012, separatist groups and Al-Qaeda brunch took control of the northern part of the country. Since then, French and United Nations peacekeeping troops have been deployed in Mali (Miller, Kim and Roberts, 2021). Despite its intermittent political instability and crisis, and its geographic situation (a landlocked country) or the weakness of its legal regulatory system (Traore, 2018), the Republic of Mali has experienced a year-on-year average growth rate of 47.04% for the time period 1971 to 2019 (World Bank Group, 2022a). This is in line with (Fofana, Xia and Traore, 2019) statement that Mali has received over the period of 1980 to 2016 the largest foreign investment among all Economic Community of West African States (ECOWAS) countries. Indeed, Mali is a member of both regional integration groups, ECOWAS and the West African Economic and Monetary Union (WAEMU). Indeed, sharing the regional integration market gives opportunities to Mali in attracting FDI. In this perpective, (Fofana, 2014) established that regional integration wider the size of national markets of the member countires and it also allows a positive influence on FDI economic integration. However, the status of the member countries (macroeconomic stabilisation, good quality of institution, friendly business environment etc) should correspond to regional integration agreements in order to record the positive effectiveness FDI inflows (Dunning and Lundan, 2008; Fofana, 2014).

In other words the precarious status of Mali , the political uncertainty and the low quality of its institutional law and trade policies enforcement and evolution (Traore, 2018), display some controversy between (World Bank Group, 2022b) data of a year-on-year average growth rate of 47.04% for the time period 1971 to 2019. Or the statement of (Fofana, Xia and Traore, 2019) about Mali beeing the recipient of the largest foreign investment in the regional integration group ECOWAS for the time period of 1980 to 2016.

Political risk and FDI

Empirical studies found evidence that there are linkage between political risk, institutions and FDI inflows (Busse and Hefeker, 2005). The study used cross-country analysis of 83 developping countries covering the period 1984 to 2003, although, the analysis only found three indicators for political risk and institutions that are closely associated with FDI, government stability, religious tensions, and democratic countability. In the same vein, another empiracal study used cross-sectional time series data on 40 Sub-sahara African countries (Cleeve, 2012). The paper suggested that the factors of political stability as institutional variables play roles in the attractiveness of FDI inflows. However, statistica significance were found precilly on corruption. Therefore, it can be assumed that the government stability, religious tensions, and democratic countability and corruption varables have linkage in the attractiveness of FDI inflows in Mali

Economic freedom, GDP growth and FDI

As the FDI inflows is estimated from a particular percentage of the GDP per capita, it can be assumed that it contributes to the growth of GDP, the economique development of the recipient country. The presence of FDI on behalf of MNCs leads to economic growth and prosperity in the host nation. Thus, FDI bring to the host economy four sectorial benefits: firstly, FDI bring technology transfer, stronger managerial and organizational skills. Secondly, they increase access to foreign markets, and export diversification. Thirdly, foreign investment enhance productivity, increase investment in Research and Development and finally, they create better-paying and more stable jobs in host countries (Munday et al., 2009; Kusek and Silva, 2018).

However, there are sine qua non conditions to attract FDI and it benefits. The EF level in the destination allows FDI to estimate the cost of productions and how firm can make benefits. In other words, EF attract FDI, and generate economic growth. Therefore in empirical studies it is believed that low rate of EF have a negative influence on the attractivenes of FDI in a country (Țaran, Mironiuc and Huian, 2016; Dkhili and Dhiab, 2018; Liao, 2018; Ghazalian and Amponsem, 2019; Sooreea-Bheemul, Rasool and Sooreea, 2020) . This paradigm was emphasized in the World Economic Freedom of the world: 2020 Annual Report (Gwartney et al., 2020). The Fraser Institute report (which has political risk among its sub-categories measure of EF index) concluded that there is a gradual shift towards EF around the world and that there is a positive relationship between EF and economic growth. It is observed that the countries with higher level of EF enjoy higher economic growth and a higher standard of living (Sooreea-Bheemul, Rasool and Sooreea, 2020). Meaning that country which has great level of EF attracts more FDI and consequently benefit from and generate growth.

Earlier, some other authors were not so optimistic about the relationship between EF and economic growth. The authors (Carlsson and Lundström, 2002) analyzed the relationship between EF and economic development. Contrary to popular opinion, they stated that the effect of EF on economic growth is mostly overstated. EF has little to no real impact on economic growth. According to the study, the term EF is a very broad term with many dimensions or independent variables and some of the variables harm economic growth while others may certainly have a positive impact on economic growth. However, it is simplistic to argue that EF in its broad sense always has a positive impact on economic growth. The authors concluded that only the legal structure and private ownership, and freedom to use alternative currency variables have significance relations to GDP growth. Which in regards to FDI inflows beeing defined percentage of the GDP, it can be assumed that the variables, legal structure and private ownership, and freedom to use alternative currency have a linkage with the attractiveness of FDI in Mali.

In contrast, the position of other studies showed that there are particulars aspect of EF that can effectively generate economic development. Thus, (Dawson, 2003) in his paper, the causality in the freedom-growth relationship, argued that existing empirical studies point to a correlation between EF and economic growth and wellbeing, but there is less evidence for a causal relationship. The paper then went on to use Granger causality to analyze the causal relationship between EF and economic growth. The study concluded that although it can be said that EF as a whole promotes economic growth, the emphasis should be placed on property rights and the use of a free market. These two variables of EF are among the General policy framework of the determinants of FDI on the location sub-paradigm of Dunning. According to (Dawson, 2003) finding the two varaibles of EF (property rights and the use of a free market) have the most significant causal effect on economic growth. Therefore it can be assumed that there is linkage between the property rights and the use of a free market varaible and FDI inflows attractiveness in Mali.

Recent paper that supports this position is the causal linkage between FDI, trade, and economic growth in Mali, an application of the ARDL bound testing approach (Fofana, Xia, Traore 2019).

In this paper, Kankou Hadja Fofana and colleagues conducted a study in Mali on the causal relationship between FDI and trade and economic growth. Using data covering the period 1980 to 2016, they observed a linear causal relationship between FDI and economic growth in both the short run and the long run. However, the data show a linear causal relationship between trade openness and economic growth only in the short run, not in the long run. Indeed, the years 1980 to 2016 covered by the study, the location has undergone two coups, in 1991, 2012 and four elections time with much or less crisis (factors of political risk) in 1992, 1997, 2002, 2013. The study does not provide statiscaly, how the republic of Mali, despite its specific political instability status in the past decades succeeded to make economic growth by receiving the largest amount of foreign investment among the whole region of ECOWAS countries. But it can be assumed that the trade openness variable, also a component of (Dunning and Lundan, 2008) determinants variables of FDI has an influence on the attractiveness of FDI despite the local market unstable situation.

Investment opportunities and Economic freedom

EF is defined as the right of every individual in a society to manage their own labor and property (Miller, Kim and Roberts, 2021). Contrary to popular opinion, EF does not entail a complete absence of regulation in the market. Some regulations are necessary even in the freest economics. In fact, some regulations are required to maintain EF. By giving every individual the right to manage their own labor and property, EF creates the incentive for hard working, development in entrepreneurship and innovation in society (Mcmullen, Bagby and Palich, 2008; Liao, 2018).

When individuals decide and control how to engage in economic activities and control the proceed of their labor, they tend to produce more. However, the absence of EF creates a disincentive to business, innovation, entrepreneurship and deter the economic growth (Liao, 2018). This is the reason EF is touted as a necessary condition for economic growth. Nations with higher levels of EF tend to prosper than countries with less or restricted EF (Dkhili and Dhiab, 2018; Sooreea-Bheemul, Rasool and Sooreea, 2020). Others authors, found similar result with more precision on how the EF influence entrepreneurship. The authors (McMullen, Bagby, Palich, 2008) studied the relationship between EF and entrepreneurship. They postulated that people are moved towards entrepreneurship activities either by necessity or by opportunity hence the terms opportunity-motivated entrepreneurial activity (OME) and necessity-motivated entrepreneurial activity (NME). This study concluded that the influence of EF on entrepreneurial activities varies on the type of motivation. Some aspects or variables of EF promote OME while others promote NME.

For example, an increase in property rights increases OME and not NME and on the other hand, fiscal freedom and sound monetary policy promote NME, and not OME.

In the same line, (Bakkar, Durst and Gerstlberger, 2021) found that law enforcement and protection of private ownership rights variables develop free-market economy, as a result will make a competitive advantge and wider the investment opportunities and FDI. Hence, it can be assumed that the EF variable, property rights, fiscal freedom and sound monetary policy, law enforcement and protection of private ownership rights linkage investment opportunities, consequently on the attractiveness of the FDI inflows in Mali.

Businness regulatory variables and FDI attractiveness

On balance, most of the studies point to a positive correlation between EF and economic growth and how do EF and market conditions attract FDI is also a concern to investigate. The authors (Contractor et al., 2020) analyzed the variables that attract or deter MNCs towards FDI. Using data from the World Bank, they examined the internal regulations for over 189 economics and then concluded that the most important variables that attract FDI are private property, protection laws, and simple efficient international trade policies. They further noticed that MNCs usually focus on two afore mentioned variables, i.e., efficient trade regulations, and stronger contract enforcement, and are willing to overlook other variables, for example, inefficiency entry and exit regulation, and finaly poor labor market. In effect, it can be assume that private property, protection laws, and simple efficient international trade policies variables followed by efficient trade regulations, and stronger contract enforcement, efficiency entry and exit regulation have linkage with the attractiveness of FDI inflows in Mali.

Unlike (Contractor et al., 2020), researchers from World Bank (Kusek and Silva, 2018) work on product of the macroeconomics, trade and investment global practice through interviews of 754 executives of MNCs affiliate in developing countries. They find that two specific factors rise at the top influencer of MNCS decisions in developing economy destination: the political stability and the business-friendly regulatory environment followed successively by large domestic market size, macroeconomic stability and favorable exchange rate, available talent and skill of labor, good physical infrastructure, low tax rate, low cost of labor and inputs, access to land or real estate and financing in domestic market . Their studies go further, it explores five different cycles of investment: attraction, entry and establishment, operations and expansion, linkages with the local economy and, in some cases, divestment and exit. The result of (Kusek and Silva, 2018) investigations shows that host government need to assess policy approaches that target specific types of FDI. Because of, not all type of FDI guaranty benefit and growth to host country. Thus, fiscal incentives more frequent instrument to attracting FDI do not have an impact in Africa developing countries (Fofana, 2014). Least developed countries must mind between remaining competitive by allowing incentives that will not harm the local economy. Despite the potential benefit, critical incentives can affect the local economy with sizeable cost, fiscal losses and tax evasion (Dunning and Lundan, 2008; Kusek and Silva, 2018). Under those circumstances, there are two facts to consider. First, in addition to the statistics data, interviewing investisors in regards to the investment destination, allows to record conextual and valuable variables that matters for investisors, and how the motivation type of the investisors firms influence the location attractiveness. Which is also in line with the third category of Dunnig's FDI determinant variables (Economic determinants by type of investment). The second fact, indicate that not all incentives attract FDI but also host countries do not benefit from all incentives.

Corruption and FDI attractiveness

To attract MNCs host government offers incentives in addition to the prerequisite variables such as EF, PR, or bilateral international investment agreement like relaxed on environmental policies (Agelebe, 2019). The foreign investors value offered tailor to their firms goals, benefit from lower cost and enjoy higher returns (Sooreea-Bheemul, Rasool and Sooreea, 2020).

Thus, in developping countries the demand from foreign firms and the offer of the local government goes through negotiation where both side bargain with a desired benefit. While it is known that FDI value host country prerequisite variables that fit to the corporation motivations, it is also so believed that foreign corporations use lobbying to alter FDI policies (United Nations. Economic Commission for Africa., 2004; Contractor et al., 2020). The form used to lobby, or the degree of the gains might give a negative aspect of corruption. Regarding (Dunning and Lundan, 2008) defintion of corruption, it occurred while public position is used for privat gain and it is motivated by both, the type of economic activity, and by the level of discretion given to public official. Usually, Sub-Sahara African countries are ranked among the more corrupted countries in the world (Diop, Dufrénot and Sanon, 2010; Ayentimi, Burgess and Brown, 2016; Transparency International, 2018; Traore, 2018). Finally as corruption is know to be negatively associated with FDI (Munday et al., 2009). Therefore, I can be assumed that corruption has a linkage with the attractiveness of FDI inflows in Mali.

In essence, there are mutiple variables of EF and PR that could be associated to the attractiveness of MNCs represented by FDI in recipient countries. Thus, there are need to evaluate the estimation of EF variables. Hence, the idea of examining the concept of EF were supported by (Gwartneya, Lawson, 2003). In the paper, the concept of the measurement of economics reexamines the definition of EF. Economics freedom index measured is based on several variables, including personal choice, voluntary exchange, freedom to compete, and the protection of person and property. This study argues that although these variables are objective and quantifiable, they are not conclusive. The study then suggested additional variables, like the legal structure and the government regulation, which have been ignored in most measurements of EF. Although the legal structure and government regulations are difficult to capture or quantify, they are very important in estimating EF. The study concluded that economic freedom is influenced by numerous factors, as a result, any single statistic can fully capture all interdependent components.

2. RESEARCH METHODOLOGY

The current paper focus on Mali in term of the EF and PR variables and factors and to what extend statiscaly link between those variable and the attracttiveness of FDI in the country. The objective, is to identify in the specific context of Mali, the determinant variables of MNCs investment decision and to allow policymaker and foreign investor to know the key variables related to the EF and political risk aspects that apply to Mali. In contrast to empirical reseach where countries were studied in grouped samples, the political unstability in addition the EF level in Mali justify this analysis.

The paper use the multiple regression analysis modal to test statiscaly the significance level between FDI, the independent varaible and EF index variables and PR factors variables. The data used are time series quantitative data. As the result, the multiple regression analysis is more adequate to this paper. As well as empirical stydies did used the same technique of analysis.

2.1. Research design

In line to empirical studies ways of analysing this problem, a positivist deductive approach was chosen for this thessis. It consist of construting recherche hypothesis or proposition and to test them. Also due to the nature of the data used, quantitative data, it is adequate for keeping on that approach. Empirical studies also found that generaly quantitative research is associated with both positivism and deductives approach (Saunders, Philip and Thornhill, 2016).

Leading business in any country relies on some analysisng indicators such as trade freedom, business freedom, labor market, currency exchange rate, taxation, competitiveness Index, terrorism index, free capital transfer, etc. A recent report of the world bank ((Kusek and Silva, 2018) states that among all variables in host developing countries MNCs value mainly two, which are the political stability and security and the legal and regulatory environment. This paper supports that line of the world Bank..

This paper, uses EF index of The Heritage Foundation 2021 wich has more data available of Mali. However, unlike the Fraser Institute which has less data of Mali, the Heritage foundation does not provide a data dedicated to PR factors. We gathered the corresponding political stability factors with The Global Economy online databases.

To analyze how Mali's EF score and index affect that MNC's decisions and actions as it relates to FDI, this study analyzes the data for FDI inflow as percent of Gross Domestic Product (GDP), the GDP per capita (current US$) in Mali over the years 1995 to 2019 and the EF index and PR index during the same period. FDI is used as the proxy to analyze the decisions and actions of MNCs and EF index of The Heritage Foundation (Miller, Kim and Roberts, 2021) plus the PR factors of The Global Economy are used as a proxy for government actions and policies.

2.2. Method of data collection

The research method adopted a quantitative data approach. The data used for this research was gathered from three reliable sources. First, data on government social, economic, and political policies that affect market conditions are taken from the world bank online database on Foreign direct investment, net inflows (as percent of GDP), Gross Domestic Product (GDP) per capita (current US$). The world bank has a rich database of FDI and associated variables for over 189 nations. These data are considered the most reliable and have been used by other researchers like (Sohn and Oppong, 2013; Jaiblai and Shenai, 2019; Contractor et al., 2020) in this area. Secondly, the data on EF index was gathered from The Heritage Foundation online database. It includes twelve indexes of annual series data from 1995 to 2019. The Heritage Foundation provides the most cited and conclusive database on EF index. Although the data concerning Mali has some gaps, it is still by far the best data we could find. An additional data measuring the fragile security situation of Mali was the Political Stability factors. They were gathered from The Global Economy online database.

List of data collected data description and sources (See table)

The study assumed that there is a linear relationship between FDI, and EF, and Political stability index and the study set out to prove this relationship using linear regression models.

The dependent variable used for this research was the FDI. Foreign direct investment in a country gives an idea of how business-friendly the country is and how MNCs view the country in terms of the ease of doing business in said country. However, FDI depends on many other variables. To prove the relationship assumed above, the independent variables used in this study are EF index and Political stability index (see table 1). It should be understood that EF is measured using several other variables. These variables are fed into our regression model as independent variables.

Since the Political stability index is at top value determinant of MNCs decision, a binary dummy were used to run a regression for the years during which there was a military coup or election (regime changes) in Mali. (See Table.3) and Table 4.)

See Table.3: available data Economic and Political risk fctors

Variables	Descriptives	Sources
FDI		World bank
GDP per Capita		World bank
Globalization indexes		The Global Economy
Globalization index (0-100)	" The overall index of globalization covers the economic, social, and political dimensions of globalization. Higher values denote greater globalization"	The Global Economy
Economic globalization index (0-100)	" Economic globalization has two dimensions: actual economic flows and restrictions to trade and capital. The sub-index on actual economic flows includes data on trade, FDI, and portfolio investment. The sub-index on restrictions takes into account hidden import barriers, mean tariff rates, taxes on international trade (as a share of current revenue), and an index of capital controls"	The Global Economy
Political globalization index (0-100)	The degree of political globalization is determined by the number of embassies and high commissions in a country, the number of international organizations to which the country is a member, the number of UN peace missions a country participated in, and the number of treaties signed between two or more states	The Global Economy
Governance and business environment		The Global Economy
Government effectiveness index (-2.5 weak; 2.5 strong)	"The index of Government Effectiveness captures perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies"	The Global Economy
Control of corruption (-2.5 weak; 2.5 strong)	The index for Control of Corruption captures perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as capture of the state by elites and private interests.	The Global Economy
Regulatory quality index (-2.5 weak; 2.5 strong)	The index of Regulatory Quality captures perceptions of the ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development.	The Global Economy

Political stability index (-2.5 weak; 2.5 strong)	The index of Political Stability and Absence of Violence/Terrorism measures perceptions of the likelihood that the government will be destabilized or overthrown by unconstitutional or violent means, including politically-motivated violence and terrorism. The index is an average of several other indexes from the Economist Intelligence Unit, the World Economic Forum, and the Political Risk Services, among others.	The Global Economy
Political rights index 7 (weak) - 1 (strong)	The Political Rights ratings from the Freedom House evaluate three categories: electoral process, political pluralism and participation, and the functioning of government. The index ranges from 1 (strong rights) to 7 (weak rights).	The Global Economy

Table 3. Auhors made

Table 4.Available data Index of Economic freedom

Variables	Descritptives	Sources
Rule of law		
Property Rights	Property rights are a primary factor in the accumulation of capital for production and in- vestment.	The Heritage Foundation
Government Integrity	There is a direct relationship between the extent of government intervention in econom- ic activity and the prevalence of corruption.	The Heritage Foundation
Governement Size		The Heritage Foundation
Tax Burden	The higher the government's share of in-come or wealth, the lower the individual's re- ward for his or her economic activity and the lower the incentive to undertake work at all.	The Heritage Foundation
Government Spending	Excessive government spending runs a great risk of crowding out private economic activi- ty.	The Heritage Foundation
Regulatory Efficiency		The Heritage Foundation
Business Freedom	An individual's abili- ty to establish and run an enterprise without undue interference from the state is one of the most fundamental indicators of economic free- dom.	The Heritage Foundation
Monetary Freedom	Monetaryfreedom requires a stable currency and market- determined prices. Whether	The Heritage Foundation
Open Markerts		The Heritage Foundation
Trade Freedom	The degree to which government hinders the free flow of foreign commerce has a direct bearing on the ability of individuals to pursue their economic goals and maximize their pro- ductivity and well-being.	The Heritage Foundation
Investment Freedom	Restrictions on the movement of capital, both domestic and international, undermine the efficient allocation of resources and reduce productivity, distorting economic decision- making.	The Heritage Foundation

2.3. Research limitation

This research only deals with documents that are published in English or have been translated into English. Government documents or research papers that were done in other languages and have not been translated into English were not considered in this study. Also, we had to omit some variables from our analysis because of gaps in data. Due to the lack of data, some variables on EF were omitted from our analyzes (see Table 5). The variables included in the analysis include are:

1) Property rights,
2) Government integrity,
3) Tax burden,
4) Government spending
5) Business freedom,
6) Monetary Freedom,
7) Trade freedom,
8) Investment freedom a

Table 5. categories of avaible and unavailable data of economic freedom

	Rule of law	Government Size	Regulatory efficiency	Open markerts
available index data used	property rights government integrity	tax burden government spending	business freedom monetary freedom	trade freedom investment freedom
unused index due to the lack of data	judicaial effectiveness	fiscal health	labor freedom	financial freedom.

Source: Author's made

2.4. Data analysis

Our hypothesis hypothesizes a positive relationship between FDI and EF, represented by the given indices. To test this hypothesis, we ran a multiple regression analysis on the data. The data cover a period from 1995- 2019. The result of the regression indicates a relationship between FDI and EF. However, the influence of EF on FDI varies across the variables.

The first run of our regression analysis produced the below regression equation (see table 6.)

FDI = - 3272.27+ 0.90 GDP+ 8.16 PR + 9.85 GI -4.60 TB -5.81 GS + 3.99 BF + 14.06 MF + 24.19 TF + 5.72 IF + 109.04 PS

2.5. Regression Equation.

Equation 1. FDI = ß0 + ß1 GDP + ß2 PR + ß3 GI + ß4 TB + ß5 GS + ß6 BF + ß7 MF +ß8 TF + ß9IF

- ß0 - ß9 are constants
- FDI = Foreign Direct Investment
- GDP= GPD per capita
- PR= Property Rights
- GI = Government Integrity
- TB = Tax Burden
- GS = Government Spending
- BF = Business Freedom
- MF = Monetary Freedom
- TF = Trade Freedom
- IF = Investment Freedom

Table 6 Regression analysis of index of economic freedom variables

Regression Statistics	
Multiple R	0.798
R Square	0.637
Adjusted R Square	0.420
Standard Error	153.823
Observations	25.000

ANOVA

	df	*SS*	*MS*	*F*	*Significance F*
Regression	9.000	623791.519	69310.169	2.929	0.032
Residual	15.000	354923.004	23661.534		
Total	24.000	978714.523			

	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*
Intercept	-2305.517	2081.313	-1.108	0.285	-6741.731
GDP per Capita	0.415	0.516	0.805	0.433	-0.684
Property Rights	9.800	6.899	1.421	0.176	-4.904
Government Integrity	10.628	10.960	0.970	0.348	-12.733
Tax Burden	-3.292	7.445	-0.442	0.665	-19.162
Government Spending	-5.329	15.838	-0.336	0.741	-39.087
Business Freedom	1.238	5.383	0.230	0.821	-10.234
Monetary Freedom	11.400	8.540	1.335	0.202	-6.804
Trade Freedom	19.479	20.186	0.965	0.350	-23.547
Investment Freedom	1.344	4.825	0.279	0.784	-8.941

Source: author's calculations

Table 6. the regression analysis, the adjusted R-square explain 42% , and the P-value are all above the significance level of 0.05. There our null hypothesis, meaning that there is no significant relationship between the regression independent variable FDI and the response variables (GDP per Capita ,Property Rights, Government Integrity,Tax Burden, Government Spending, Business Freedom, Monetary Freedom,Trade Freedom and Investment Freedom .

Table 7. Regression analysis of Political risk factors variable

	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*	*Lower 95.0%*	*Upper 95.0%*
Intercept	998.78	826.26	1.21	0.25	-762.35	2759.91	-762.35	2759.91
GDP per Capita	-0.53	1.12	-0.47	0.65	-2.92	1.87	-2.92	1.87
Globalization	59.43	79.00	0.75	0.46	-108.95	227.80	-108.95	227.80
Economic globalization	-47.35	39.94	-1.19	0.25	-132.48	37.78	-132.48	37.78
Political globalization	-15.70	40.05	-0.39	0.70	-101.07	69.66	-101.07	69.66
Government effectiveness index	433.77	325.09	1.33	0.20	-259.15	1126.69	-259.15	1126.69
Control of corruption	-430.62	353.64	-1.22	0.24	-1184.39	323.14	-1184.39	323.14
Regulatory quality index	-35.08	276.73	-0.13	0.90	-624.91	554.76	-624.91	554.76
Political stability index	-225.26	152.27	-1.48	0.16	-549.81	99.30	-549.81	99.30
Political rights index	-95.24	59.90	-1.59	0.13	-222.91	32.43	-222.91	32.43

Source: author's calculations

Table 7. on the regression analysis of political factors variables, the P-value are all above the significance level of 0.05. There our null hypothesis, meaning that there is no significant relationship between the regression independent variable FDI and the response variables GDP per Capita, Globalization, Economic globalization, Political globalization, Government effectiveness index , Control of corruption, Regulatory quality index, Political stability index and Political rights index.

3. RESULTS AND DISCUSSION

We presented descriptive statistics of the variables used in this study as Table 8. The descriptive statistics gave us a preliminary understanding of the data by providing us with the mean, median, standard deviation, minimum and maximum value. And table 9. is a correlation matrix of the variables. Most of the independent variables do not correlate but our result is free from the problem of multicollinearity.

To understand the relationship between FDI and EF, the study analyzes five different models a step wise model table . In the first model, we introduce all variables including GDP which we used as a control variable , previous studies (Ajide and Eregha, 2015; Jaiblai and Shenai, 2019) have suggested a positive correlation between GDP and FDI).

EF variables are grouped into 4 broad categories, namely rule of law, government size, regulatory efficiency, and open market. The study tested how each category correlates with FDI in separate models.

To understand the relationship between FDI and EF, we introduced a controlled variable (GDP per capita). This variable has been used in previous studies and found to have a positive correlation with FDI. Our first models introduce each category of EF in a stepwise approach. The first model introduces variables associated with rule of law, that is property rights and government integrity. The second model introduces variables associated with government size, that is tax burden and government spending. The third model introduces variable associated with regulatory efficiency, that is business freedom and monetary freedom. The fifth and final model introduces an open market, that is trade freedom, investment freedom. The fifth model covers all the independent variable

The reason for this stepwise approach is to analyze the influence of each category of related variables of EF on FDI. Table 4 summarizes the result of each model.

Our first model, which covers the GDP per capita (controlled variables) and rule of law, which is proxied by property rights and government integrity. Model one indicates that GDP per capita, property rights, and government integrity have a positive correlation with Foreign Direct Investment. With this model, all the independent variables show a positive correlation with the dependent variable. Thus, confirming our null hypothesis that there is a positive correlation between Foreign direct investment and rule of law as a proxy for economic freedom.

Our second model covers the three variables from model one, that is GDP per capita, property rights, and government integrity, and introduces government size, which is proxied by tax burden and government spending. The result of this model also shows an insignificant relationship between FDI and economic freedom.

Our third model covers the variables from model one and model two and introduces regulatory efficiency, which is proxied by business freedom and monetary freedom. The result of this model also indicates a relationship between the independent variables and dependent variables. Again, confirming our hypothesis that regulatory efficiency correlates with FDI. The result of this model indicates that there is an insignificant effect of EF on FDI

Our final model introduces all variables, which include the variables from models one, two, and three, and introduces an open market, proxied by trade freedom and investment freedom. In this model, trade freedom has the highest positive correlation on the dependent variable, and government spending has the most negative correlation on the independent variable. This model also confirms our null hypothesis that there is no relationship between economic freedom and FDI.

Table 8. descriptive analysis of economic freedom variables

	FDI	*GDP*	*PR*	*GR*	*TB*	*GS*	*BF*	*MF*	*TF*	*IF*
Mean	247.75	571.99	37.09	21.72	63.58	82.94	56.18	79.54	67.59	59.20
Standard Error	40.39	46.88	2.07	1.98	1.68	0.51	2.46	1.10	0.84	1.89
Median	180.28	596.69	31.90	27.70	69.30	82.70	52.80	81.10	68.60	60.00
Mode	#N/A	#N/A	30.00	10.00	69.40	81.40	70.00	83.00	65.00	50.00
Standard Deviation	201.94	234.39	10.37	9.91	8.38	2.53	12.31	5.52	4.22	9.43
Sample Variance	40,779.77	54,936.99	107.49	98.16	70.28	6.39	151.65	30.51	17.83	88.92
Kurtosis	-0.12	-1.73	-1.55	-1.90	-0.58	0.90	-1.58	1.76	-1.24	-1.89
Skewness	0.84	-0.08	0.30	-0.34	-1.01	0.71	0.02	-1.39	-0.05	0.01
Range	746.17	627.61	30.00	24.30	22.00	11.40	34.70	22.00	12.20	25.00
Minimum	2.18	267.19	20.00	10.00	48.30	77.80	35.30	65.60	61.00	45.00
Maximum	748.35	894.80	50.00	34.30	70.30	89.20	70.00	87.60	73.20	70.00
Sum	6,193.82	14,299.79	927.30	543.00	1,589.50	2,073.40	1,404.60	1,988.50	1,689.80	1,480.00
Count	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00
Confidence Level(95.0%)	83.36	96.75	4.28	4.09	3.46	1.04	5.08	2.28	1.74	3.89

Source: author’s calculations

Table 8 correlation matrix

	FDI	*GDP*	*PR*	*GI*	*TB*	*GS*	*BF*	*MF*	*TF*	*IF*
FDI	1.00									
GDP per Capita	0.74	1.00								
Property Rights	-0.48	-0.78	1.00							
Government Integrity	0.64	0.89	-0.84	1.00						
Tax Burden	0.42	0.59	-0.47	0.60	1.00					
Government Spending	0.38	0.47	-0.27	0.43	0.40	1.00				
Business Freedom	-0.49	-0.73	0.82	-0.83	-0.47	-0.27	1.00			
Monetary Freedom	0.22	0.17	-0.17	0.16	0.60	0.30	-0.09	1.00		
Trade Freedom	0.62	0.83	-0.71	0.66	0.26	0.28	-0.68	-0.14	1.00	
Investment Freedom	-0.29	-0.49	0.50	-0.54	-0.57	-0.03	0.50	-0.11	-0.41	1.00

Source: author's calculations

Table 9. stepwise analysis

Models	1		2		3		4	
	Coef.	P-Value	Coef.	P-Value	Coef.	P-Value	Coef.	P-Value
GDP per capita	0.76		0.77		0.82		0.42	0.29
Property rights	6.09		6.17		7.77		9.80	0.43
Government Integrity	2.47		2.86		4.72		10.63	0.18
Tax Burden			-1.13		-5.66		-3.29	0.35
Government Spending			0.55		-3.46		-5.33	0.66
Business Freedom					-0.47		1.24	0.74
Monetary Freedom					8.86		11.40	0.82
Trade Freedom							19.48	0.20
Investment Freedom							1.34	0.35
constant	-465.24		-456.30		-641.34		-2,305.52	0.78
Observations	25.00		25.00		25.00		25.00	
R-squared	**0.52**		**0.47**		**0.46**		**0.42**	

Source: author's calculations

Summary

FDI is associated with economic growth. This association has been the subject of many discussions. However, most research in this area has concluded that FDI drives and economic growth and expansion of the foreign investors to host country. If this point is established, the next question becomes how a country attracts FDI. In their quest to attract FDI, the most developed country has faced this question, that is, how does a country attract FDI, more specifically what government policies attract or repel FDI?

Countries around the world have answered this question in many ways. Most countries, especially developing countries, that need FDI more so than other places, have turned to EF as a means to attract FDI. The government of Mali does attract however the amount is not considerably significant due to local events, military coup, political crisis, and security related.

Mali is a developing country, over the years, Mali has suffered from several political and economic crisis. FDI is seen as a means to reboot the local economy. And in an attempt to foreign investment, the government has adopted several policies to liberalize the economy and growth (Fofana, Xia and Traore, 2019). EF is an all-encompassing term with many aspects and variables. The Heritage Foundation (Miller, Kim and Roberts, 2021) subdivided EF into four broad categories: Rule of law, government size, regulatory efficiency, and open market.

This study analyzed how each of these categories affects FDI using data for Mali. To understand the relationship, we developed four models using the different categories of economic freedom. Model 1 analyzed the relationship between economic freedom variables that are associated with rule of law and FDI as the dependent variable. Subsequent models build on the preceding models. Model two uses all the variables in model one and adds an additional variable for the government size, model three builds on the variables of model one and two and add additional variables for regulatory efficiency and finally, model four build on the variables of the preceding models and add variables for the open market. Model four covers all the variables for EF.

Further we ran a multivariable regression analysis on the models and the result of the regression analysis shows that the adjusted R Square explains not much than 44 percent and point to an insignificant relationship between FDI and EF, and PR in Mali. However, the coefficient variable of Political stability is far the highest 109.04, seconded by Trade freedom 24.20 and Monetary Freedom 14.06. All other variables are less than 10 in the coefficient variable.

We also ran a binary dummy variable with FDI as dependent variable, and GDP per capita and dummy political risk as independent variables 9See table 10). The adjusted R square explain 45 percent and the P-value of both independent variables are below the confidential level (0.05). Meaning that there are significant relationships with the FDI. Additionaly , we did a dummy chart and the chart shows a significant drop of the FDI inflows on the sensible years of polical risk (military coup, election.

As the result, the difference regression analysis on FDI, PR variables and FDI and GDP let understand the research questions responss

1) There are no linkage between the Economic Freedom measures variable and Foreing Direct Investment inflows in Mali.
2) There are some linkage between Political risk factors (such as election years and military coup year) and Foreign Direct Investment in Mali.However there is no statistic significance to confirm the linkage.
3) Even though the significance is not hight, the polical risk factors years recorded a low level of FDI. Therefore , political risk factor are investment climate variables that could have a considerable impact on Foreign Direct Investment flows in Mali

Table 10 Dummy regression

	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*
Intercept	-0.21	0.32	-0.66	0.51	-0.86
GDP per capita (current US$)	0.00	0.00	6.48	0.00	0.00
Dummy Political risk	-1.01	0.43	-2.33	0.02	-1.87

Source: author's calculations

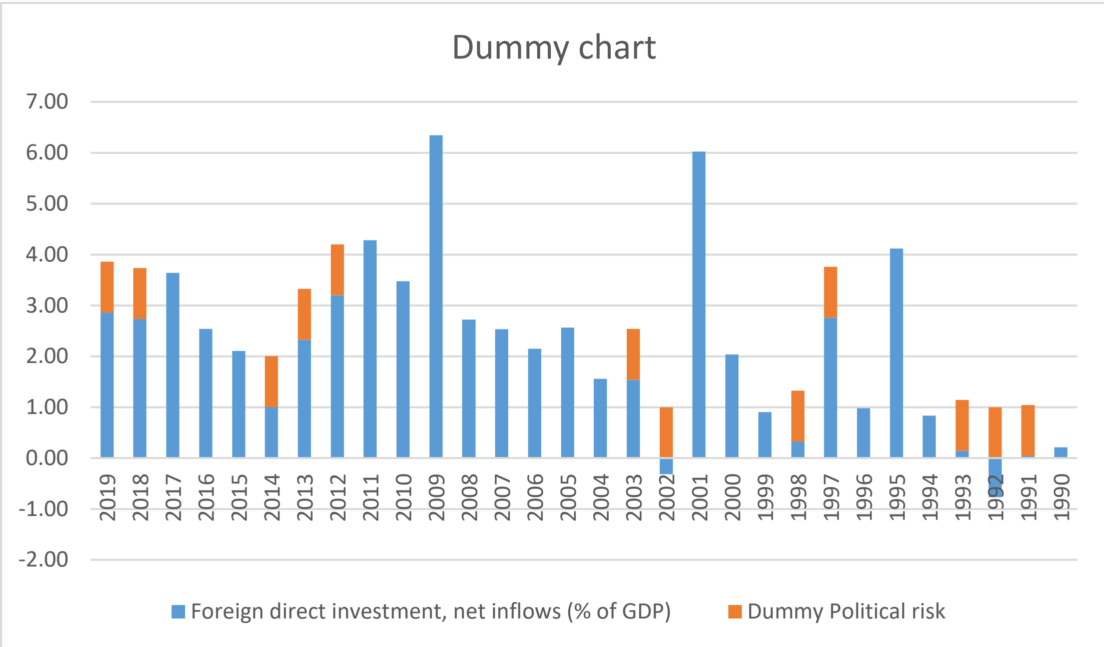

Figure 1
Source: author's calculations

CONCLUSION

The political instability of Mali impact on operating business, that gives a particularity between the local trade institutions and foreign corporations. This paper tends to identify how the determinants of the host country EF and PR impact on the attractiveness of MNCs.
Globalization prompts MNCs to invest oversea and to maximize gains and growth. MNCs invest in destination economics in the form of Foreign Direct Investment (FDI) (Dunning, 1977; Jaiblai and Shenai, 2019). There has been an argument that the decision of FDI to go to a foreign country depends on the level of EF and the political stability and security in the host country (Kusek and Silva, 2018).

FDI is considered as a major driver for economic growth. Many governments around the world are enacting policies that are geared towards attracting more FDI. Mali, a Sub-Sahara African country is no exception. The government of Mali was convinced of the importance of FDI and has enacted several policies to attract FDI (Fofana, Xia and Traore, 2019). However, it is not always obvious what policies attract or repel FDI. On this one issue, there are some controversies.
Most research on the determinants of FDI and the relationship between FDI and EF covers development countries. And the majority of these reports' points to a positive correlation between FDI and EF. Some developing economies have relied mostly on this report. Mali is one particular example. The government over the years has adapted EF policies to attract FDI.

The Heritage Foundation defines EF using 12 quantities and quality variables. This study uses 9 of the 12 variables presented by The Heritage Foundation in our analysis because of data gaps for the other 3 variables. These 9 variables represent the level of EF which we then use to run a regression analysis against FDI to understand the relationship between FDI and EF.
Our results indicate that there is an insignificant correlation between EF index and FDI.
Previous studies argued that there is a correlation between EF and FDI, however our study points to the contrary. This is an unaccepted result, but it can be explained by other factors.
Some reasons why the result points to an insignificant relationship between EF and FDI, (contrary to the previous study) includes:
1) All the previous studies that point to a positive correlation between FDI and EF were conducted in developed countries and emerging markets, meaning that the relationship exists in developed countries but not within underdeveloped countries in sub-Saharan Africa.

2) Multinational companies in sub-Saharan Africa are mostly involved in low-level production activities, meaning natural resource extraction. The decision to move to underdeveloped countries are mostly motivated and influenced by the availability of raw materials or natural resource rather than by the status of EF.
3) Most Sub-Saharan countries lack the right infrastructures, skilled labor to support high-level production activities. These conditions are as much as important as EF, if not more. So, in the absence of these infrastructures, multinational companies do not have as much incentive to move high-level production activities to develop countries even if there is a relatively free market.

4) Underdeveloped countries in sub-Saharan Africa do not have easy or free access to the developed markets because of the trade policies. This means that companies operating in these countries cannot freely and easily move their products into a larger market. This creates a negative incentive for companies seeking to investment in these countries, even if there is EF.

5) As much EF is important for multinational companies, they also value proximity to the market. Underdeveloped countries in Sub-Saharan Africa are a long way from the big markets. This means a higher cost of transportation for a multinational company. This again creates a negative incentive for multinational companies seeking to operate in these underdeveloped countries even if the country has a relatively free market.
Unlike the economic freedom, the political stability has an impact on FDI as previous study stated (Kusek and Silva, 2018). From the result of our regression ran on a binary dummy variable with FDI as dependent variable, and GDP per capita and dummy political risk as independent variables. The relation is significant for both GDP per capita and dummy political risk. The significance in the linkage between PR and FDI can explain by some factors:
Assuming that a political instability in the country affect the executive administration, the government at that time. When an instability occurred, it affects the executive institutions workers. The new executive team comes and the former leaves. During the transition period of the replacement, the administrative signature and decision making are hold on standby. Which has an impact on ongoing administrative decision and issue.
As it is known that lobbying exists between local administration and foreign investors, the effect of the administrative change could change the previous deal if the new executive team does not come with new enforcement of law and decision affecting implemented corporations.

Recommendation

Government executive in Mali, should maintain for administrative enforcement of predecessors in case of political instability, political change (government of regime) for a period of time. That will allow the new executive team or administrators to analyze the benefits and or inconvenience of previous enforcement. This can stabilize the country economy, preserving the MNCs to exit the local market because of sudden enforcement changes and not dissuade new MNCs to expand their business in the country. Anothers, factors that do no yet provide data is the raod infrasture of Mali, since it is a landlock country, in regards to Dunning theory it could explain our result and future research can analyse that factor.

LIST OF REFERENCES

Agelebe, D. O. (2019) 'Integrating Liberal Economic Regulation with Environmental Dennis O . Agelebe Center for Environmental Law , University of Cologne', 40(2), pp. 105–118.

Ajide, K. B. and Eregha, P. B. (2014) 'Economic freedom and foreign direct investment in ECOWAS countries: A panel data analysis', *Applied Econometrics and International Development,* 14(2), pp. 163–174.

Ajide, K. B. and Eregha, P. B. (2015) 'Foreign Direct Investment, Economic Freedom and Economic Performance in Sub-Saharan Africa', *Managing Global Transitions: International Research Journal, University of Primorska Faculty of Management Koper,* 13(02), pp. 43–57.

Assoua, K. L. (2013) *The Nexus between Political Instability and Monetary Sustainability*.

Awodumi, O. B. (2021) 'Does foreign direct investment promote environmental efficiency in developing economies? Evidence from Economic Community of West African States', *Business Strategy and Development*, 4(2), pp. 170–186. doi: 10.1002/bsd2.137.

Ayentimi, D. T., Burgess, J. and Brown, K. (2016) 'Developing effective local content regulations in sub-Sahara Africa: The need for more effective policy alignment', *Multinational Business Review*, 24(4), pp. 354–374. doi: 10.1108/MBR-08-2015-0040.

Bastagli, F. and Toulmin, C. (2014) *Mali: Economic Factors Behind the Crisis, Brussels, European Parliament;* doi: 10.2861/49199.

Busse, M. and Hefeker, C. (2005) 'Political Risk, Institutions and Foreign Direct Investment', *SSRN Electronic Journal,* (January). doi: 10.2139/ssrn.704283.

Contractor, F. J. *et al.* (2020) 'How do country regulations and business environment impact foreign direct investment (FDI) inflows?', *International Business Review,* 29(2). doi: 10.1016/j.ibusrev.2019.101640.

Dawson, J. W. (2003) 'Causality in the freedom - Growth relationship', *European Journal of Political Economy,* 19(3), pp. 479–495. doi: 10.1016/S0176-2680(03)00009-0.

Diop, A., Dufrénot, G. and Sanon, G. (2010) 'Is per capita growth in Africa Hampered by poor governance and weak institutions? An empirical study on the ECOWAS countries', *African Development Review,* 22(2), pp. 265–275. doi: 10.1111/j.1467-8268.2010.00236.x.

Dkhili, H. and Dhiab, L. (2018) 'The Relationship between Economic Freedom and FDI versus Economic Growth: Evidence from the GCC Countries', *Journal of Risk and Financial Management*, 11(4), p. 81. doi: 10.3390/jrfm11040081.

Dunning, J. H. (2000) 'A Comment on the Extension of the OLI Framework to Emerging Economies', *Global Business Review*, 9(2), pp. 163–190. doi: 10.1177/0972150914564439.

Dunning, J. H. (2001) 'The Eclectic (OLI) paradigm of international production: Past, present and Future', *International Journal of the Economics of Business,* 8(2), pp. 173–190. doi: 10.1080/13571510110051441.

Dunning, J. H. and Lundan, S. M. (2008) *Multinational Enterprises and the Global Economy, Second Edition*. 2nd edn. Edward Elgar Publishing Limited Glensanda House Montpellier Parade Cheltenham Glos GL50 1UA UK.

Fofana, K. H., Xia, E. and Traore, M. B. (2019) ‘The Causal Linkage between Foreign Direct Investment, Trade and Economic Growth in Mali: An Application of the ARDL bound Testing Approach’, *International Journal of e-Education, e-Business, e-Management and e-Learning*, 9(4), pp. 296–305. doi: 10.17706/ijeeee.2019.9.4.296-305.

Fofana, M. F. (2014) ‘The influence of measures of economic freedom on FDI: A comparison of Western Europe and Sub-Saharan Africa’, *Global Economy Journal*, 14(3–4), pp. 399–424. doi: 10.1515/gej-2014-0023.

Ghani Dass, M. and Jamal, A. (2018) ‘Multinational Corporation and Foreign Direct Investment: An Implication for Third World States’, *Arts and Social Sciences Journal*, 09(05). doi: 10.4172/2151-6200.1000393.

Ghazalian, P. L. and Amponsem, F. (2019) ‘The effects of economic freedom on FDI inflows: an empirical analysis’, *Applied Economics*, 51(11), pp. 1111–1132. doi: 10.1080/00036846.2018.1524979.

Gwartney, J. *et al.* (2020) ‘Economic Freedom of the World, 2020: Annual Report’, *Revista Icade. Revista de las Facultades de Derecho y Ciencias Económicas y Empresariales*, (66). Available at: https://www.fraserinstitute.org/studies/economic-freedom-of-the-world-2020-annual-report.

Gwartney, J. and Lawson, R. (2003) ‘The concept and measurement of economic freedom’, *European Journal of Political Economy*, 19(3), pp. 405–430. doi: 10.1016/S0176-2680(03)00007-7.

Jaiblai, P. and Shenai, V. (2019) ‘The determinants of FDI in sub-Saharan economies: A study of data from 1990–2017’, *International Journal of Financial Studies*, 7(3). doi: 10.3390/ijfs7030043.

Kusek, P. and Silva, A. (2018) *What Investors Want Perceptions and Experiences of Multinational Corporations in Developing Countries*. Available at: http://econ.worldbank.org.

Liao, M. Y. (2018) ‘International evidence on economic freedom, governance, and firm performance’, in *Advances in Financial Economics*. Emerald Group Publishing Ltd., pp. 85–103. doi: 10.1108/S1569-373220180000020004.

Mcmullen, J. S., Bagby, D. R. and Palich, L. E. (2008) ‘Economic freedom and the motivation to engage in entrepreneurial action’, *Entrepreneurship: Theory and Practice*, 32(5), pp. 875–895. doi: 10.1111/j.1540-6520.2008.00260.x.

Miller, T., Kim, A. B. and Roberts, J. M. (2021) *INDEX OF ECONOMIC FREEDOM 2021, ISSN 2502-3632 (Online) ISSN 2356-0304 (Paper) Jurnal Online Internasional & Nasional Vol. 7 No.1, Januari – Juni 2019 Universitas 17 Agustus 1945 Jakarta*. Edited by The Heritage Foundation. Available at: https://www.heritage.org/index/.

Munday, M. *et al.* (2009) ‘A review of the economic evidence on the determinants and effects of foreign direct investment’, pp. 1–256.

Ojede, A. and Kishan, R. (2017) ‘External Macroeconomic Imbalances and Foreign Direct Investment Inflows To Developing Countries’, *Contemporary Economic Policy*, 35(3), pp. 484–504. doi: 10.1111/coep.12218.

Singh, D. and Gal, Z. (2020) ‘Economic Freedom and its Impact on Foreign Direct Investment: Global Overview’, *Review of Economic Perspectives*, 20(1), pp. 73–90. doi: 10.2478/revecp-2020-0004.

Sohn, R. and Oppong, A. K. (2013) *Regional Trade and Monetary Integration in West Africa and Europe, WAI-ZEI PAPER*. Available at: http://www.academia.edu/4345447/WAI-ZEI_Paper_No.6_Regional_Trade_and_Monetary_Integration_in_West_Africa_and_Europe.

Sooreea-Bheemul, B., Rasool, U. S. and Sooreea, R. (2020) ‘Does Economic Freedom Matter To Foreign Direct Investment in Sub-Saharan Africa?’, *International Journal of Economics and Financial Issues*, 10(3), pp. 195–207. doi: 10.32479/ijefi.9597.
Țaran, A., Mironiuc, M. and Huian, M.-C. (2016) ‘Examining the Influence of Some Macroeconomic Factors on Foreign Direct Investments’, *Review of Economic and Business Studies*, 9(2), pp. 159–182. doi: 10.1515/rebs-2016-0040.
Transparency International (2018) *Corruption perceptions*. Available at: http://cpi.transparency.org/cpi2013/results/.
Traore, A. (2018) ‘Impact of Worldwide Economic Integration on the Economic Development of Mali’, *International Journal of Marketing and Technology*, 8.

Appendix: Non-exclusive licence

A non-exclusive licence for reproduction and publication of a graduation thesis[11]

I ______Sambou Sissoko________________________________ (*author's name*)

1. Grant Tallinn University of Technology free licence (non-exclusive licence) for my thesis

ECONOMIC FREEDOM AND POLITICAL RISK IMPEDIMENT TO MULTINATIONAL CORPORATIONS' ATTRACTIVENESS IN MALI

____,

(*title of the graduation thesis*)

supervised by_Yassine Bakkar ____,

(*supervisor's name*)

1.1 to be reproduced for the purposes of preservation and electronic publication of the graduation thesis, incl. to be entered in the digital collection of the library of Tallinn University of Technology until expiry of the term of copyright;

1.2 to be published via the web of Tallinn University of Technology, incl. to be entered in the digital collection of the library of Tallinn University of Technology until expiry of the term of copyright.

2. I am aware that the author also retains the rights specified in clause 1 of the non-exclusive licence.

3. I confirm that granting the non-exclusive licence does not infringe other persons' intellectual property rights, the rights arising from the Personal Data Protection Act or rights arising from other legislation.

10 May 2022______ (date)

[1] *The non-exclusive licence is not valid during the validity of access restriction indicated in the student's application for restriction on access to the graduation thesis that has been signed by the school's dean, except in case of the university's right to reproduce the thesis for preservation purposes only. If a graduation thesis is based on the joint creative activity of two or more persons and the co-author(s) has/have not granted, by the set deadline, the student defending his/her graduation thesis consent to reproduce and publish the graduation thesis in compliance with clauses 1.1 and 1.2 of the non-exclusive licence, the non-exclusive license shall not be valid for the period.*