Abstract

Assessment of the foreign direct investment (FDI) spillovers in the People’s Republic of China (PRC) has become a lively area of research in the past decades; nonetheless, the existing primary literature seems to be inconclusive. The present thesis revises the literature through a meta-analytical approach using Bayesian Model Averaging (BMA). Considering that the previous literature reviews are of either inferior quality or incomparable focus, our research is based on a collection of 1081 estimates from 14 primary studies published between 2007 and 2017 comprising data from 1995 to 2012. A variety of 85 characteristics of the observations is coded whilst we employ at least 30 of these within each BMA estimation. Through separate testing of individual spillover measures (horizontal, forward, and backward), an extensive evidence of publication bias is collected for horizontal spillovers in PRC—exaggerating the mean magnitude of the reported estimates. Finally, the thesis identifies that the spillover effect from FDI inflows originating from the area of Hong Kong, Macau, and Taiwan is systematically different from the others.

**JEL Classification**  
O1, O3, O4

**Keywords**  
FDI, spillover effect, China, PRC, meta-analysis, publication bias, BMA

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