

Enter your search terms here



Advanced search

[Home](#) / [Journals](#) / [Multinational Business Review](#) / [Volume 25 Issue 4](#)/ [The halo effect: violent crime and foreign direct investment](#)

To read this content please select one of the options below:

Add to cart

32.00€ (excl. tax)  
30 days to view and  
download

Access through your institution



Access and purchase options ▾

# The halo effect: violent crime and foreign direct investment

[Miguel A. Ramos, Nathan J. Ashby](#) ▾[Multinational Business Review](#)

DOWNLOADS

ISSN: 1525-383X

Article publication date: 11 December

Standard

2017

Serial

[Permissions](#)

Number.)



1075

## Abstract

### Purpose

The purpose of this paper is to develop and test theory regarding a geographic halo effect, whereby foreign investors draw overly broad impressions about a country based on high levels of violent crime in specific locations impacting foreign direct investment (FDI) across the country.

### Design/methodology/approach

The authors analyze the impact of homicides on FDI by source country into Mexican states from 2001 to 2015. They estimate fixed effect and dynamic panel models controlling for several determinants of FDI at the state level and the potential geographic spillover of such violence from adjacent states.

### Findings

The authors find robust support for the existence of a geographic halo effect caused by violent crime. The results show that the highest number of state homicides is associated with lower FDI across states.

### Research limitations/implications

The research provides some evidence of the potential role of cognitive biases on FDI decisions. In addition, its focus on Latin America brings attention to an understudied region in international business research.

### Practical implications

We are using cookies to give you the best experience on our website, but you are free to manage these at any time. To continue with our standard settings click "Accept". To find out more and manage your cookies, click "Manage cookies".

Accept

[Manage cookies](#)

Originality/value

Few papers have explored the influence of cognitive biases on FDI.

## Keywords

FDI Cognition Crime Halo effect

## Acknowledgements

The authors appreciate helpful feedback in earlier versions of this paper from Alvaro Cuervo-Cazurra and participants at the 2015 Strategic Management Society Annual International Conference and the 2017 Academy of Management Annual Meeting. In addition, they appreciate methodological advice from Paul Vaaler, J. Myles Shaver and Xiaojin Sun.

### Citation

Ramos, M.A. and Ashby, N.J. (2017), "The halo effect: violent crime and foreign direct investment", [Multinational Business Review](#), Vol. 25 No. 4, pp. 287-306.

<https://doi.org/10.1108/MBR-04-2017-0020>

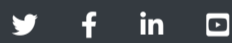
 [Download as .RIS](#)

Publisher: Emerald Publishing Limited

Copyright © 2017, Emerald Publishing Limited

[Support & Feedback](#) ▲ [Manage cookies](#)

 Emerald  
logo



© 2024 Emerald Publishing  
Limited

### Services

[Authors](#)

[Editors](#)

[Librarians](#)

[Researchers](#)

[Reviewers](#)

### About

[About Emerald](#)

[Working for Emerald](#)

[Contact us](#)

[Publication sitemap](#)

### Policies and information

[Privacy notice](#)

[Site policies](#)

[Modern Slavery Act](#)

[Chair of Trustees governance  
statement](#)

[Accessibility](#)