This dissertation consists of five chapters on multinational firms, FDI policy, and R&D cooperation. An important focus of the thesis is on FDI in resource-rich developing countries. It is shown that policies which foster market entry by domestic firms will increase technology transfer by foreign multinational companies in industries that typically use less sophisticated technologies (e.g. manufacturing industries). Furthermore, investment liberalization should go in tandem with host country policies that lower the cost of technology transfer such as policies that enhance the domestic human capital. Host country governments may foster industry-science research partnerships by stimulating domestic firms to enter into foreign markets. To stimulate innovation in the resources sector, host country government policy should aim to improve local technical skills and stimulate local research initiatives by, for example, bringing natural resources companies, suppliers, and public research centers together in research consortia. Finally, in order to cope with mining automation resource-rich countries need to refocus towards upgrading local technological and information technology skills to levels that are needed for processing data and operating autonomous equipment.

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