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Designing effective policy to achieve sustainable development impact of FDI: the case of Sub-Saharan Africa

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Abstract
To optimize the sustainable development impact of foreign direct investment (FDI), developing countries must attract FDI that aligns with sustainable development characteristics. This necessitates an understanding of host governments' expectations and the design of policies tailored to these needs. This study aims to address the gap in international business policy research by assessing FDI policy designs and identifying conditions that influence their effectiveness in attaining sustainable development outcomes. Building on a policy design fit model, we develop propositions related to the coherence of policy goals (goal coherence), the consistency of policy means (mean consistency), and the congruence between goals and means. Using crisp-set qualitative comparative analysis, we evaluate FDI policies in selected Sub-Saharan African countries. Contrary to conventional expectations, our findings reveal that while the combination of goal coherence, mean consistency, and congruence between goals and means is typically considered pertinent for policy design effectiveness, goal coherence alone is sufficient to attain FDI policy design effectiveness in the sampled countries. These results suggest that policymakers should prioritize clear, coherent goals in FDI policies to enhance sustainable development impact, potentially reducing the need for overly complex policy designs. This has implications for the formulation of future FDI strategies in similar contexts.

Keywords Foreign direct investment · Sustainable development · Sub-Saharan Africa · IB policy · Policy design effectiveness · Comparative qualitative analysis

Introduction

Driven by the perceived benefits of inward foreign direct investment (FDI) for host countries, international organizations, e.g., the United Nations Conference on Trade and Development (UNCTAD) and World Trade Organization (WTO), alongside international business (IB) scholars, have long provided policy recommendations, encouraging developing countries to attract FDI (Berger et al., 2022; Iammarino, 2018; Sauvant, 2021). Meanwhile, ongoing debates question the realized development impacts of FDI (Bruno & Cipollina, 2018; Gunby et al., 2017; Hong et al., 2021; Kastratović, 2020; Wei et al., 2022). To effectively facilitate and maximize FDI contributions, recent recommendations for developing countries are to attract FDI with characteristics aligned with sustainable development (Buzdugan & Tuselmann, 2018; Sauvant, 2021). Identifying such FDI involves gauging the specific benefits that host governments expect from FDI (Sauvant & Mann, 2019) and aligning these expectations with appropriate policies (Narula & Pineli, 2019; Yulek & Gur, 2017). This alignment is crucial because the impact of individual FDI benefits to sustainable development varies (Karangwa & Su, 2023). However, implementing policies to attract FDI aligned with the host governments' expectations does not automatically guarantee the facilitation or maximization of its sustainable development impact. This challenge is evident in many African countries, where despite the implementation of various incentives and policies to attract increasing FDI, as recommended, the anticipated sustainable

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development contributions from FDI have not consistently materialized (Asafo-Agyei & Kodongo, 2022; Aust et al., 2020; Karangwa & Su, 2023). It is thus crucial to establish a framework to critically examine the effectiveness of these policies within the context of African countries, beginning with an evaluation of their policy design effectiveness that measures the quality and appropriateness of the policy itself – whether it is well structured to achieve the desired outcomes[1].

The importance of context in understanding the relationship between FDI and sustainable development is critical but has not been sufficiently developed in the current discourse. This gap is especially significant when considering the African context (Barnard et al., 2023; Nachum et al., 2023). While the political landscape in each African country is unique, there are shared characteristics rooted in history, geography, and economic development levels, which collectively shape the political agenda and influence FDI policies. One of the peculiarities of the African context is the continent's heightened focus on development needs due to its generally low level of economic development and ongoing societal challenges. In recent years, many countries (such as Angola, Ethiopia, Kenya, Nigeria)[2] continue to grapple with rising unrest, terrorism, human rights challenges, high unemployment, and hunger, exacerbating existing development challenges while the means to address them remain limited. As such, this makes FDI crucial for addressing economic and social needs (Adedeji & Ahuru, 2016; Agbloyor, Gyeke-Dako, Kuipo, & Abor, 2016; Nachum et al., 2023; Soumaré, 2015). It also highlights the importance of considering the host-country context when evaluating the effectiveness of FDI policies designed to attain sustainable development outcomes.

Existing IB literature has paid little attention to policy design effectiveness evaluation and has overlooked the host-country context, despite numerous studies offering policy implications and recommendations. Some recommendations stem from successful practices in specific countries. However, their applicability to other countries remains largely unexplored. Nachum et al., (2022), in their AIB Insights piece, note a tendency for research that addresses challenges faced by the IB and policy community to be seldom tested for effectiveness, with policy implications provided in study conclusions often remaining theoretical rather than practical. Recognizing the diverse contexts of different countries, policy recommendations must align with specific environments and, more importantly, undergo careful examination to contribute meaningfully to societal impacts. Doh et al., (2023), in their editorial, advocate for a shift in IB research towards considering societal impacts. Without rigorous testing of existing policies for effectiveness, there is a risk of endorsing impractical policies that do not fit the unique contexts of the recommended countries. This scenario could potentially create reluctance (or schism) from countries implementing policy recommendations from international organizations and academic scholars. As noted, different FDI benefits contribute variably to sustainable development, and it requires different levels of policy capacity to facilitate their realization. Countries differ in their development levels and policy capacities (Brennan & Ruane, 2016; Narula & Pineli, 2019; Van Assche, 2018; Wu et al., 2015), leading to different development priorities from FDI based on their capacities. The evolving challenges faced by Africa underscore the importance of considering the host-country context when evaluating the applicability of policy recommendations and the effectiveness of FDI policies in place. A deeper engagement with the context will help ensure that FDI serves as an effective tool for sustainable development, not just an economic activity with transaction value.

The objective of this study is to fill this lacuna in international business policy (IBP) research by developing a framework to assess the effectiveness of FDI policy designs and discerning the conditions that influence their effectiveness in attaining sustainable development outcomes. Our approach involves adopting a policy design fit framework from the political science literature (Howlett & Ramesh, 2023; Mukherjee & Howlett, 2018; Peters et al., 2018a, 2018b; Wu et al., 2015) and using the crisp-set qualitative comparative analysis (cs-QCA) method to calibrate the conditions for policy design effectiveness in selected Sub-Saharan (SSA) countries. Specifically, we focus on nine countries – Angola, Ethiopia, Gabon, Ghana, Kenya, Mozambique, Tanzania, Uganda, and Zambia – and assess how well their FDI policies facilitate the expected sustainable development benefits outlined in their investment and development policy documents. This exploration serves not only to determine the alignment of these policies with their intended objectives but also to guide future policy recommendations in a way that ensures practicality and utility for the policy community. Our analysis of the necessary and sufficient conditions for the effectiveness of policy designs in selected African countries shows that while a combination of goal coherence, mean consistency, and congruence of goals and means is sufficient and relevant to policy designs toward effectively facilitating development impacts from FDI, especially in the case of Ethiopia, Gabon, and Uganda,

[1] This is in contrast to policy effectiveness that evaluates the overall success of a policy in achieving its intended goals, extending beyond the quality of its design. It also encompasses the quality of policy implementation and hinges on factors including stakeholder engagement and external conditions like economic and social dynamics.

[2] Please see details here https://www.hrw.org/news/2023/01/12/africa-conflicts-violence-threaten-rights and https://www.un.org/africarenewal/magazine/april-2016/terrorism-overshadows-internal-conflicts.

goal coherence shows stronger necessity in policy design effectiveness. This insight is interesting given the evolving nature of policy objectives in response to emerging social and economic needs.

The significance of this study's contributions is twofold. First, by providing a replicable methodology for evaluating FDI policy design effectiveness, this paper addresses a longstanding need in the IBP literature. Despite the decades-long discussions and debates on the potential benefits of FDI to host countries (Bruno & Cipollina, 2018; Gunby et al., 2017; Hong et al., 2021; Kastratović, 2020; Wei, Ding, & Konwar, 2022), there has been a notable absence of attempts and means to measure the effectiveness of FDI policy designs toward attaining sustainable development in a systematic way. Therefore, we contribute to advancing the field of IBP by developing a robust procedure for FDI policy design evaluation. Second, the application of the procedure to SSA is particularly critical. The unique contexts of African countries necessitate a tailored approach to policy design evaluation. This research is particularly timely given the recently concluded African Investment Protocol[3] and the WTO Investment Facilitation for Development Agreement[4]. They both have significant implications for African countries from which the cases for this study are taken because of their emphasis on enhanced investment frameworks for attracting FDI and improving economic integration, capacity building, and sustainable development by focusing on developing local economies, diversifying their economic activities, and fostering long-term economic stability (Gabor & Sauvant, 2021). Our focus on the African context provides practical insights for policymakers in SSA and those with interests in SSA by offering a context-sensitive methodology for FDI policy design evaluation.

Literature review

Conceptualization of FDI policy design effectiveness in the context of IBP

IB scholars, e.g., Lundan (2018), Van Assche, (2022), and more recently Van Assche and De Marchi, (2024), have begun efforts to conceptualize IBP. Building on Lundan, (2018) and Van Assche, (2022), Van Assche and De Marchi, (2024: p. 2) formally define IBP as "the mix of actions that public authorities take to shape or alter cross-border business transactions with the goal of addressing public policy challenges". This definition captures the objectives behind a policy and the actions that governments take to attain them. Policies are thus often centered around problem-solving – identifying challenges and aligning these with the appropriate means to address them (Mukherjee & Bali, 2019a, 2019b; Peters et al., 2018a, 2018b), hence, policy design entails the articulation of policy options and purposeful actions to align policy means with policy goals across and between categories of policy abstractions to attain intended outcomes, taking into account policy capacity, i.e., the capacities and capabilities of the governments to formulate, implement, and evaluate policies (Bali et al., 2019; Howlett, Ramesh, & Wu, 2015; Mukherjee & Bali, 2019a, 2019b; Peters et al., 2018a, 2018b).

When mapping IB and IBP research, Calma and Suder (2020) identified five IBP areas, including foreign business attraction, transnational governance, industry policy, social and development policy, and international business promotion. Nevertheless, there is limited attention on evaluating the effectiveness of IBP in general and FDI policy in particular. One exception is related to the effectiveness of investment incentive frameworks to attract FDI, which has received some scholarly attention (Cleeve, 2008; Deng et al., 2012; Lim, 2005). For example, Brennan and Ruane (2016) put forth a framework to evaluate incentive packages aimed at maximizing FDI benefits. They propose that for an incentive package to be effective, it must align with the host country's development stage, be congruent with broader strategies and policies, match the motives of foreign firms, and comply with existing rules and regulations. While this framework is instrumental in understanding the action (incentive provision) taken by host governments, it falls short in linking these actions with the underlying policy objectives necessary to evaluate their effectiveness – something that is central to the policy design fit model (van Geet et al., 2021). Without this connection, a comprehensive evaluation of policy design effectiveness is incomplete.

To address this research gap, our study combines Brennan and Ruane's (2016) framework with the policy design fit model outlined in van Geet et al. (2021), which will be discussed further below. This combined framework will be applied to evaluate FDI policy designs in selected SSA countries. By doing so, we will analyze the conditions influencing the effectiveness of FDI policy designs in selected SSA countries. This is especially critical for SSA countries, where growing economic and social challenges are met with stagnant resources to address them. When FDI promotion and attraction policies were first recommended by international organizations and IB scholars as engines for economic growth and development, the components of growth

[3] This was formally called the Protocol to the Agreement Establishing the African Continental Free Trade Area on Investment (https://edit.wti.org/document/show/e5d51824-c467-4e24-922b-3fb376d89550).

[4] See https://www.wto.org/english/tratop_e/invfac_public_e/invfac_e.htm. Although this agreement was not adopted, we recognize its relevance to the broader discussion of FDI policies and their implications.

Table 1 Policy design fit for effectiveness

		Policy Components		
		Policy Goals	Policy Means (Instruments)	
Policy level	Macro-level – High Level Abstraction	GOALS – what types of ideas govern the development of policy?	POLICY IMPLEMENTATION PREFERENCE – what general norms guide the implementation preferences?	Congruence
	Meso-Level – Policy Level or Program Level	OBJECTIVES – what aims does the policy address?	POLICY TOOLS – what specific types of instruments are utilized?	
	Micro Level – On the Ground Specification Measures	SETTINGS/TARGETS – what are the specific on-the-ground requirements of the policy?	SPECIFIC TOOLS CALIBRATIONS – what are the specific ways in which the instrument is used?	

Howlett (2009); Mukherjee and Howlett (2018); van Geet et al. (2019), van Geet, Verweij, Busscher, and Arts (2021)

and development were more narrowly defined. However, the current global focus on issues like climate change, green energy, sustainable manufacturing, and sustainable supply chains has significantly broadened these components, moving economic growth and development toward sustainable growth and development. Yet, the economic growth and development impacts of FDI in Africa have remained limited. Consequently, many African countries continue to struggle with slow economic development and continually refining policies to facilitate FDI contributions toward sustainable development. Given the mounting challenges in Africa[5], it is critical to analyze, evaluate, and understand the conditions necessary for the effectiveness of these policies in facilitating development benefits from FDI.

Policy design fit model

Policy design is a complex process and involves components of goals and means at different levels of abstraction (Howlett and Rayner, 2018; van Geet et al., 2021). Table 1 illustrates policy goals and means at the macro, meso, and micro levels. The macro-level policy goal encompasses broad policy aims, including attaining sustainable economic development. Meso goals are less abstract policy objectives for attaining policy aims, such as establishing special economic or export-processing zones to attract high-value-added or sustainable FDI (Howlett and Rayner, 2018; van Geet, 2021). Micro goals involve concrete actions or measures taken by governments to directly attain policy goals, for example, offering incentives to or streamlining business registration processes for foreign investors. On policy means, at the macro level, these are concerned with implementation preferences, whether the instruments will be implemented through the government, non-government organizations, or the markets, to attain policy goals. The less abstract level of policy means, at the meso level, specific tools, such as regulations, subsidies, or campaigns will be deployed to induce behaviors toward attaining overarching goals. The calibration of these specific tools is at the micro level, which provides detailed information about how the tools will be used to attain the goals, for example, the number of incentives or the percentage of tax waivers for foreign investors.

For the effectiveness of a policy design, these various levels of policy goals and means must be integrated by meeting the conditions of goal coherence, mean consistency, and congruence of goals and means (see Table 1) (Howlett, 2009; Mukherjee & Bali, 2019a, 2019b; Mukherjee & Howlett, 2018; van Geet, Verweij et al., 2021). Goal coherence means that the goals at different levels of abstraction must co-exist harmoniously and align with the instruments deployed to attain them. The expectation is that the means to match these goals across different levels must integrate and collaborate synergistically and not undermine each other in pursuit of policy goals. Finally, policy goals and means must work in a unidirectional manner to support the attainment of policy goals (Howlett, 2009; Mukherjee & Bali, 2019a, 2019b; Mukherjee & Howlett, 2018; van Geet, Verweij et al., 2021).

The different levels of abstraction in policy formulation operate under the assumption that decisions made at higher levels constrain the choice of tools calibrated at lower levels. At the macro level, policy goals and implementation preferences influence decisions at the meso level regarding means (Howlett & Rayner, 2018; van Geet et al., 2021). These, in turn, shape the micro-level choices regarding specific

[5] These include unrest, terrorism, gender equality, digital colonization, infrastructure deficit, rising population, climate change (https://sustainabledevelopment.un.org/index.php?page=view&type=400&nr=502&menu=1515#:~:text=s%20challenges%20include%20the%20adverse,limited%20benefits%20from%20globalization%2C%20health).

policy targets. The meso-level goal is particularly relevant and influenced by the logic and ideology of the policymakers, taking into account environmental capacity and societal needs. Specific to SSA countries, this could mean addressing issues of unemployment and crime rates through FDI. Hence, ensuring coherence between goals and consistency in means across different levels of abstraction and the congruence of goals and means may depend on the expectations and capacity of the government or policymakers deploying the policy (Howlett & Rayner, 2018; van Geet, Verweij et al., 2021). Capacity is critical in shaping the type and strength of the policy instruments embraced by host governments. This, in turn, influences the extent to which such instruments fit with the attainment of policy goals within the policy design, and, subsequently, impacts its effectiveness (Mukherjee et al., 2021). However, when considering the overarching aim of any policy deliberation – effectiveness – it becomes apparent that even if an alternative policy instrument may yield a more optimal outcome, the deployed instrument can still address some aspects of policy goals. For instance, if employment generation is the expected FDI benefit, the policy adopted to facilitate such an outcome may not be strategically or efficiently designed to foster the employment of skilled labor, which could have a significant developmental impact on the host developing country. Nonetheless, such a policy would still facilitate employment generation as long as FDI with employment-generating features is attracted. Whether this employment involves skilled labor or not, the overarching policy goal of employment generation is attained, albeit with varying degrees of impact.

Operationalization of policy design effectiveness

This study aligns with the established conventions in political science literature when evaluating policy design effectiveness, predominantly characterized by two strands of discourse. First, the assessment of policy design effectiveness has been explored through the lenses of program, process, and politics. Although scholars, including Bali and Ramesh (2021), Goyal (2021), Marsh and McConnell (2010), McConnell (2010), and Virani (2019), concur that policy design effectiveness is achieved when a policy attains its intended goals, they collectively advocate for evaluating policy design effectiveness through a P3 (programmatic, process, and policy) assessment. The programmatic assessment centers on the ability of the policy to achieve the intended outcomes it was designed for. The process assessment delves into how policy goals are translated into policy means and the extent of support from relevant stakeholders in the process of goal attainment. The political assessment gauges the degree of electoral support and political dividends that a policy garners. While these studies operationalize effectiveness in different ways, their common thread is the emphasis on goal attainment. However, to streamline the operationalization for goal attainment, a unified approach that establishes a clear linkage between goals and means of policy design is advocated, notably presented in the conformance approach (Del Río, 2014; van Geet et al., 2021), which will be explained in more detail later.

Second, an in-depth analysis of policy design effectiveness can be explored at three different levels: the conducive nature of the formulation space or environment for effectively formulating and delivering the expected policy design outcome, the effective construction of policy tools or mixes for desired outcomes, and the definition of effective instruments (Howlett, 2009; Howlett & Rayner, 2023; Mukherjee & Bali, 2018; Mukherjee et al., 2021; Peters et al., 2018a, 2018b). The environmental analysis considers the overall contextual space, encompassing political, financial, institutional, and market environments, in which the policy is formulated and executed (Capano et al., 2020; Howlett, 2018; Mukherjee et al., 2021). These spaces can either enable or constrain policy design effectiveness, depending on their endowment. For instance, in the case of institutional environments, regulations induce specific behaviors of relevant actors toward the attainment of expected policy outcomes (Capano et al., 2020). However, if such regulation is not strongly implemented and monitored, this may have a detrimental effect on the effectiveness of the policy. This is a typical illustration of the capacity argument presented earlier. Policy design spaces are therefore unequivocally linked to capacity, as the extent of the efficient utilization of these space contexts (capacity) is what determines how effective the policies that come out of these spaces will be (Mukherjee & Bali, 2018; Mukherjee et al., 2021; Virani, 2019). The second level of analysis involves the adept incorporation of policy mixes, that is, the appropriate mix of policy means and goals. While policy design is about the deliberate fit of policy means to policy goals to attain expected policy outcomes, to achieve effectiveness in the mix of policy goals and means, goals and means must be coherent, consistent, and congruent (Howlett, 2009; Howlett & Rayner, 2007; Mukherjee & Howlett, 2018). It is argued that a policy design that satisfies these three conditions is deemed fit and will be effective in attaining its policy objectives (Howlett & Ramesh, 2023). The third entails understanding the effectiveness of individual policy instruments and their calibration (Howlett, 2018; Howlett & Rayner, 2018). One example is the effectiveness of a specific policy that involves increasing the number of police in a particular location with the goal of reducing crime. More practical examples would be the effectiveness of body searches and the restriction of the possession of sharp objects in the World Cup stadium in Qatar on crime prevention at the stadium.

In this study, the emphasis is on the effective mix of policy goals and means, known as the conformance

approach (Howlett, 2018; Howlett & Rayner, 2018). This approach offers a systematic and replicable examination of policy design effectiveness in comparison to the other two approaches. It views policy design effectiveness as the extent to which intended policy outcomes are achieved by the policy design, evaluating effectiveness by comparing policy intentions with outcomes (Del Río, 2014; van Geet et al., 2021). Moreover, the three levels of effectiveness analysis in this second category are intertwined. Although the policy design space affects policy design effectiveness, regardless of the context for which the policy is designed or the effectiveness of individual policy instruments, these aspects should be reflected in goal coherence, mean consistency, and congruence of goals and means in the policy design and its subsequent effectiveness. However, how do we explore and analyze policy designs to evaluate their effectiveness?

Proposition formulation

The complexity of policies, often designed to address societal problems through diverse policy instruments, underscores the challenge associated with policy design effectiveness, which requires consideration of contextual nuances embedded in policy design. In response to the persistent sluggish economic growth that plagued many developing countries, particularly in Africa, structural adjustment programs (SAP) recommended by the World Bank and International Monetary Fund and poverty reduction strategies were adopted to correct macroeconomic imbalances and alleviate poverty. However, these initiatives largely failed because they lacked alignment with the specific contexts of the countries/regions they targeted and because they were not effectively coordinated by the adopting countries (Auriacombe & van der Walt, 2021; Ayuk & Marouani, 2007). SAP was particularly criticized for overlooking the economic, social, and environmental realities of the countries (Ayuk & Marouani, 2007). FDI policies similarly recommended and adopted across many African countries aimed to harness the benefits of FDI. While these policies may have significantly contributed to the growth and development of countries like China, they have yet to yield a similar level of success in African countries. Arguably, this discrepancy can be attributed to the limited capacity of many African countries to carry out economic reforms, leading them to rely on external agencies and consultants for policy decisions (Ayuk & Marouani, 2007; Kanayo et al., 2013). These external recommendations may not align with the unique contexts of the African countries in question (Auriacombe & van der Walt, 2021; Onyango, 2022). Maximizing sustainable development impacts from FDI requires that policy recommendations be designed in a manner that aligns with the specific needs and prioritized benefits of host countries. Hence, there has been a growing effort to evaluate the effectiveness, often referred to as performance, of government actions and policies in addressing societal needs (Capano et al., 2020; Goyal, 2021; Mathieu, 2023; Mukherjee et al., 2021; Virani, 2019).

In the realm of policy research, the delegation of policy regulations to independent regulatory agencies (IRAs)[6] emerges as a recommended avenue for enhancing policy design effectiveness (Maggetti, 2009). Potential foreign investors may be concerned that countries might not uphold the commitments made through certain policies and question the reliability of related policy measures[7]. Consequently, they may hesitate to conduct FDI even in the presence of incentives such as tax exemptions or reductions that are designed to attract FDI (Mathieu, 2023). Entrusting the oversight of these policies to IRAs, free from political or institutional influences, imparts a level of credibility to foreign investors. Therefore, this approach takes the policy a step closer to being effective. Nevertheless, it has been criticized for lacking contextual sensitivity, making it unsuitable for every context (Bolognesi & Pflieger, 2019; Mathieu, 2023). While some positive and significant impacts have been observed in developing regions such as Latin America, the evidence for the efficacy of IRAs in African countries is lacking (Mathieu, 2023). Moreover, these agencies by themselves constitute neither a sufficient nor a necessary condition for policy success.

Mathieu (2023) argues that the effectiveness of a policy design is intricately tied to its context – which makes up the complex structure of governance, especially the policy's overarching goal. Thus, policy coherence, involving the complementarity of policy goals, means, and the prevailing political and economic context, is particularly important in gauging policy design effectiveness. Policy design effectiveness is a particularly crucial consideration in developing countries where capacity is deficient. Similarly, Bolognesi and Pflieger (2019), emphasizing policy coherence, contend that the proliferation of existing research on policy or governance is marked by a lack of consideration for context. Seeking to address this gap, they delve into understanding the coherence

[6] IRAs are defined as "governmental entities that possess and exercise some grant of specialized public authority, separate from that of other institutions, but … neither directly elected by the people nor directly managed by elected officials" (Thatcher, & Sweet, 2002).

[7] As noted by a reviewer, investors have the strong investor–state dispute-settlement mechanism available (and, in fact, use it) now. However, investors remain concerned that governments do not uphold the commitments they have made given institutional voids in SSA countries, e.g., weak governance structures, inefficient judiciaries, ineffective regulatory systems, and significant information asymmetries that complicate contracting and exchange (Luiz, Magada, & Mukumbuzi, 2021). Furthermore, there is now increasingly widespread antagonism towards investor–state dispute settlement mechanisms due to concerns from various stakeholders, including Global North governments, and the global trend is to exclude these mechanisms from new and existing treaties (Weghmann, & Hall, 2021).

of governance and institutional resource regimes (IRRs) with a specific focus on the types of coherence pertaining to rules and usage in the water supply sector in Switzerland. Their findings show policy coherence to be relevant in the integration of IRRs. In a parallel vein, Cejudo and Michel (2021) echo the relevance of policy coherence in their research on how policy mixes work together. They argue that, for policies or governmental measures to be effective, the instruments adopted must be carefully chosen and integrated with the predefined goals. Kern, Kivimaa, and Martiskainen (2017) turn the focus to the coherence of goals and the consistency of policy instruments (means) and investigate the effective policy mix aimed at stimulating a reduction in energy use in the UK and Finland. They conclude that, despite different policy mixes in these countries, a "policy-patching" approach – fitting means with goals in a messy real world – is more effective than a policy package emphasizing consistency and coherence in achieving the energy efficiency goal. The above discussions culminate in the proposition (P1):

Proposition 1: Policy goal coherence is critical, and may be sufficient, for policy design effectiveness, contingent upon the specific contextual factors at play.

Furthermore, studies have sparked attention on the integration of policy goals and means when comprehending the intricacies of policy design effectiveness (Howlett, 2009; Howlett & Rayner, 2007; Kern & Howlett, 2009). In particular, arguments have been made to go beyond merely exploring the individual relevance of goal coherence and mean consistency, respectively, but also emphasizing the congruence between goals and means as an additional component (Kern & Howlett, 2009; van Geet et al., 2019; van Geet et al., 2021). For example, van Geet et al., (2021) investigate the relevance of the policy design fit model for policy design effectiveness using the 12 provinces of Dutch regional transport planning as case studies. Through a multilevel analysis of the integration of the goals and means, they scrutinized the role of goal coherence, mean consistency, and congruence of goals and means in the effectiveness of the integrated transport planning implemented in these provinces. Employing qualitative comparative analysis (QCA), they find that none of these policy components is independently necessary for the effectiveness of integrated transport planning, but a combination of these components proves sufficient. In their findings, a combination of goal incoherence and goals and means incongruence is sufficient for policy design effectiveness. These findings underscore varying degrees of goal coherence, mean consistency, and congruence of goals and means that affect policy design effectiveness, depending on the context. We thus make the proposition (P2):

Proposition 2: Policy goals need to be coherent, policy means consistent, and policy goals and means congruent, for policy designs to be effective, contingent upon the specific contextual factors at play.

Methodology

We adopt qualitative comparative analysis (QCA) to analyze the conditions influencing the effectiveness of FDI policies adopted in selected SSA countries (Angola, Ethiopia, Gabon, Ghana, Kenya, Mozambique, Tanzania, Uganda, and Zambia), aiming to attain their prioritized FDI benefits. QCA is a set-theoretic case-based comparative research approach that seeks to explain the causes of a phenomenon through multiple conjunctures (De Block & Vis, 2019; Mas-Tur et al., 2015; Rihoux & Ragin, 2008; Rihoux et al., 2011). It offers multifaceted advantages in exploring the complex contexts inherent in policy analysis and evaluation (Bingham et al., 2019; Rihoux et al., 2011; Thomann, 2020). They include: (1) allowing systematic comparisons of policy programs, particularly those with small case sizes, (2) testing alternative causal models for policy outputs and outcomes both ex post and ex ante, (3) identifying multiple paths to a policy outcome, a crucial aspect given the complex structure of policy environments, (4) enabling systematic quasi-experimental design to examine conditions for policy (in) effectiveness, and (5) leveraging the method's set-relationship feature, providing deterministic results through the combination of conditions leading to or not leading to the expected policy outcomes. This is particularly relevant for goal-oriented policy design analysis and evaluation (Rihoux & Ragin, 2008; Rihoux et al., 2011; Thomann, 2020).

We employ crisp-set QCA[8], the pioneering technique in QCA, that follows Boolean algebra and employs a set-theoretic approach where conditions for the occurrence or absence of a phenomenon are assigned a membership score between 1 and 0 (Bingham et al., 2019; Pattyn et al., 2019; Rihoux & Ragin, 2008). For example, setting the condition of policy consistency to 1 indicates alignment between micro-level policy means and other-level policy means, while a misalignment results in a condition set to 0. As QCA explores multiple conjunctures of causes, Boolean algebra has conventions and operations that are applied to the multiple conditions that lead to a phenomenon. The convention in crisp-set QCA denotes the presence of a condition with a capital letter, the absence a lowercase letter, and a neutral

[8] There are two other QCA techniques: multi-value QCA (mvQCA) and fuzzy-set QCA (fsQCA) (see Rihoux and Ragin (2008) for detailed discussion). mvQCA and fsQCA follow the same rules as csQCA, with the primary difference being the construction of membership sets. While csQCA utilizes two membership sets (1 and 0), the other two techniques introduce memberships between 1 and 0. The choice of technique depends on the configurations operationalized by researchers, necessitating a solid grounding in arguments relating to the investigated phenomenon (Bingham, Dean, & Castillo, 2019,) Thomann, 2020). We adopt csQCA. Despite varying arguments regarding the main factor(s) influencing policy design effectiveness, this effectiveness is based on the presence or absence of these factors, resulting in only two membership sets.

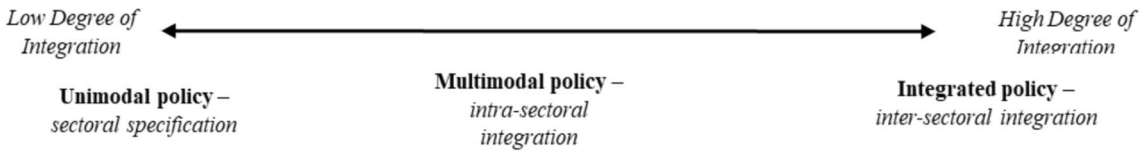

Fig. 1 Policy approaches, from a spectrum of low to high integration. Source: van Geet et al. (2021)

condition with a dash (-) (Rihoux & Ragin, 2008; Rihoux et al., 2011). Basic Boolean operators include: logical AND (depicted multiplication (*)) and logical OR (represented as addition (+)). These operators are especially necessary for Boolean minimization[9] and prime implicant[10], and necessary and sufficient conditions for an outcome.

Our analysis follows QCA steps: defining the criteria for conditions and outcomes (configuration) based on existing literature; calibrating qualitative data into figures and generating set-theoretic membership scores; presenting configurations in a dichotomized data table; generating a truth table listing all possible conditions; performing Boolean minimization if necessary; and testing necessary and/or sufficient conditions for the outcome of a phenomenon.

QCA and policy design effectiveness

This study adopts a multilevel policy design fit model. As shown in Table 1, to ensure the fitness of the policy design and consequently its effectiveness in attaining the expected goals, we need to examine the combination of policy components. These components are defined based on their incorporation into the policy design model and are calibrated using the Boolean algebra embedded in csQCA. In establishing the criteria for the conditions of cause and outcome, we adhere to the existing applications of the policy design model in studies, such as van Geet et al., (2021), making a few adjustments to adapt to the specific context of the current study. We also incorporate a policy integration perspective introduced by van Geet et al., (2021) in the analysis and calibration of the configurations.

Policy integration thinking, as depicted in Figure 1 and adapted from van Geet et al (2021), involves evaluating policies in terms of whether they are unimodal, multimodal, or integrated. Unimodal policies are designed for a specific sector, e.g., manufacturing, or a particular goal, e.g., the attainment of employment generation. Multimodal intrasectoral policies cut across different sectors or industries, such as agriculture and manufacturing, in terms of providing support to farmers and manufacturers interested in processing farm produce for final consumption. Integrated intersectoral policies cut across the economic and social sectors, e.g., policies facilitating FDI in different sectors with the consideration of employment generation and the general social well-being of the people. Designing policies to address various societal issues is complex, and no single policy can provide an effective solution to such complexities (Bingham et al., 2019; Cejudo & Michel, 2021; van Geet et al., 2021). Evaluating the fit of potential changes in policy instruments, influenced by evolving policy recommendations in academic literature and by international organizations, becomes crucial as their effectiveness demonstrates their robustness in the face of changing policy goals (Howlett & Ramesh, 2023). Moreover, adopting a singular policy analysis framework overlooks the complex structure and components of policy designs. Analyzing the integration level of policy designs lays a solid foundation for operationalizing the four policy design attributes (the three policy component conditions and the effectiveness outcome) that will be evaluated in QCA.

Specifically, this multilevel policy integration is adopted because it delineates the boundary conditions of the policy goals and means adopted in selected SSA countries. Even when countries are recommended to provide a tax waiver, for instance, to attract FDI, some may apply this only to specific sectors while others apply to economy-wide, depending on the expected benefits from FDI. Hence, the effectiveness of this measure to attain the expected policy outcomes may vary. Rather than categorizing the policy means as macro, meso, and micro, the resources used for the effective application of the policies will be wide-ranging for different countries and should be integrated into the multilevel analysis (van Geet et al., 2021). Consequently, the conditions of the three policy components are scored based on the policy design fit model and whether, at each level of goals and means, they are unimodal, multimodal, or integrated. Goal coherence, mean consistency, and congruence of goals and means are then determined based on the synchronicity of the integration levels of goals, means, and goals and means. The outcome attribute, policy design effectiveness, is determined following the conformance approach discussed earlier. In other words, while the concepts of goal coherence, mean consistency and congruence of goals and means are individual components of policy design, effectiveness refers to the outcome when all of these elements are aligned. This

[9] In the case where two Boolean conditions produce the same outcome but differ in one condition, the condition in which they differ may be removed, hence giving a reduced expression of the causes.

[10] The reduced expression after eliminating redundant condition(s) in different causal expressions, but the same outcome.

ensures there is no tautology, as effectiveness is the result of evaluating the interaction of these distinct but related elements rather than a repetition of them.

Cases and unit of analysis

The cases collected for this analysis and evaluation primarily comprise policy reports and documents focused on FDI objectives and strategies/policies within selected SSA countries. These reports and documents delineate policy goals and means proposed to attain them. Acknowledging that policies are not formulated in isolation and may evolve through successive administrations, with present governments building upon the foundations laid by their predecessors, this analysis and evaluation will specifically focus on reports and documents that exhibit continuity and development over the years. The aim is to capture the trajectory and evolution of policies in response to ongoing societal and economic challenges, considering their historical context and the iterative nature of policy development.

The initial focus in case collection centered on the top FDI-recipient SSA countries (excluding South Africa)[11]. The rationale for such a focus is twofold. First, SSA, including countries from West Africa, East Africa, Central Africa, and Southern Africa, face significant developmental challenges. Compared to North Africa, a region typically associated with the Arab world and Mediterranean culture, they face a higher level of poverty, lower access to healthcare and education, and more significant climate challenges. However, SSA countries also have great economic potential, e.g., natural resources, a youthful population, and emerging markets, which are attractive to FDI. Second, the top FDI-recipient countries have implemented various policy initiatives to attract and derive benefits from FDI. This makes these countries a suitable context to study policy design effectiveness in achieving sustainable development impacts of FDI.

We identified the top 16 FDI-recipient SSA countries, excluding South Africa, based on their FDI stock and FDI stock per capita during the period 2020 to 2023, as published by UNCTAD (see Appendix Tables 9 and 10). Although the ranking order changes across these 4 years, the countries on the list remain unchanged.[12] We employed FDI stock and FDI stock per capita as our chosen metrics for two primary reasons related to our research objectives. First, the top 16 countries account for a significant share of total FDI stock in SSA. With fierce competition for inward FDI and changes in location attractiveness through incentives and policy reforms, many of these countries have consistently remained on the list. This persistence highlights the critical role these countries assign to FDI in addressing their developmental challenges. Second, we aim to evaluate the effectiveness of the FDI policies in achieving their development objectives. Focusing on the total and relative scale of FDI in relation to population is crucial for this purpose, allowing us to concentrate on the totality of FDI in aggregate and its proportion relative to the population size of the country.

Following the identification of the top FDI-recipient SSA countries, we collected policy documents that were publicly available, ensuring that anyone could access, verify, and evaluate them. We refrained from inferring goals, objectives, or means from sources that are not publicly available, policies in political declarations, or those not explicitly stated as the development objective document of the country. This is to avoid the issues related to social licenses[13], over-politization[14], transparency and accountability. With six countries (Congo, Congo Dem Rep, Cote d'Ivoire, Equatorial Guinea, Mauritania, and Senegal), documents were available in non-English and were consequently excluded from the analysis owing to the research team's language constraints[15]. For Nigeria, we failed to identify clear and direct statements of objectives, goals, and means in policy documents. To avoid making assumptions about the country's intentions and thereby introducing biases into our evaluation, we excluded Nigeria from our sample. Our final analysis was thus conducted on policy documents for only nine countries (Angola, Ethiopia, Gabon, Ghana, Kenya, Mozambique, Tanzania, Uganda, and Zambia). Appendix Table 11 provides the list of countries and documents analyzed.

Data analysis, criteria setting, and calibration

Our study focuses on the sustainable development impact of FDI, without specifically framing it within the scope of the Sustainable Development Goals (SDGs)[16]. The reason for this approach lies in the temporal and conceptual differences between the two. SDGs represent a set of global targets with a specific deadline of 2030. While achieving these specific targets is important, sustainable development as a concept is

[11] South Africa is excluded because its comparative economic growth and development far exceeds other countries, hence it is an outlier.

[12] We also present data from 2000 and 2010 in Appendix Tables 9 and 10, respectively. There are a small number of changes. Comparing the list of the top 16 FDI-recipient SSA countries for 2000 and that for 2020 and 2023 by both FDI stock and FDI stock per capita, 11 appear in both lists. Only 5 top recipients in 2020–2023 (Congo, Dem. Rep., Uganda, Gabon, Mauritania, and Senegal) were not in the top 16 in 2010. In 2010, 12 of the top 16 FDI-recipients in 2020-2023 were already in the top 16 and 4 countries (Ethiopia, Gabon, Mauritania, and Senegal) were not in the top 16. The share of the top 16 in total FDI stock in SSA increased from 47% in 2010 to 60–62% during 2020–2023.

[13] This refers to public access to policy documents to ensure that policies are recognized and accepted by the society they impact.

[14] This refers to policies articulated in political contexts may be more about rhetoric than concrete, actionable plans, causing problems for consistent and effective policy implementation.

[15] We acknowledge this as a limitation of the study.

[16] https://sdgs.un.org/goals.

Table 2 Case scoring

Countries	Policy document source	Goal levels			Means levels			Policy design fit/ effectiveness – outcome
		Macro	Meso	Micro	Macro	Meso	Micro	
Angola	Angola Investment Policy Review 2019	UNIMO	UNIMO	INT	INT	INT	INT	No
Ethiopia	2002 Investment Policy Review – UNCTAD 2020 Investment Proclamation – UNCTAD Ethiopian Investment Commission – Investment Policies and Incentives and Opportunities	INT	INT	INT	INT	INT	INT	Yes
Gabon	2021 – Invest in Gabon – Crédit Agricole Group	MULTI	MULTI	MULTI	MULTI	MULTI	MULTI	Yes
Ghana	2003 – Investment Policy Review – UNCTAD 2021 – Investment Climate Statements: Ghana - U.S. Department of State	MULTI	MULTI	UNIMO	MULTI	INT	INT	No
Kenya	Kenya Investment Policy – 2019	UNIMO	UNIMO	MULTI	INT	INT	MULTI	No
Mozambique	2012 – Investment Policy – UNCTAD	INT	MULTI	MULTI	UNIMO	MULTI	MULTI	Yes
Tanzania	2018 – Tanzania Investment Report – Tanzania Investment Centre 2017 – Blueprint for Regulatory Reforms to Improve the Business Environment– Ministry of Industry, Trade, and Investment, Dodoma	INT	MULTI	MULTI	INT	INT	INT	No
Uganda	2020 – Uganda Strategic Investment Plan - Uganda Investment Authority 2018 – National Investment Policy – Ministry of Finance, Planning, and Economic Development 2015 – Second National Development Plan	INT	INT	INT	INT	INT	INT	Yes
Zambia	National Investment Promotion Strategy – 2018 to – Ministry of Commerce, Trade, and Industry 2010 – Policy Framework for Investment in Zambia	INT	INT	MULTI	INT	INT	INT	No

UNIMO unimodal policies, *MULTI* multimodal policies, *INT* integrated policies

broader and more enduring, representing an evolving, long-term vision that transcends any particular timeline, including the 2030 target set by the SDGs. By focusing on sustainable development, our study thus allows for broader and more flexible discussions on how FDI contributes to long-term goals that remain relevant both before and beyond the SDGs. Nevertheless, it is important to note that the development priorities of the selected SSA countries inherently align with several of the SDGs. For example, many countries aim to reduce poverty, which directly corresponds to SDG 1, and to generate employment and economic growth, which aligns with SDG 8. Therefore, while we do not limit our analysis to the framework of the SDGs, the sustainable development pursued by SSA – whether related to poverty, employment, industrialization, or other areas – resonates with the objectives of the SDGs. This alignment indicates that it fits to adopt sustainable development as a guiding principle that encompasses, but is not confined to, SDGs.

The collected data underwent analysis using NVivo 12. The condition(s) for policy design effectiveness are investigated using the fuzzy-set QCA 3.0 software. We employ a systematic approach to identify and categorize policy goals and means, along with assessing their level of integration (van Geet et al., 2019; van Geet et al., 2021). The identification of goals and means at different levels of abstraction followed the framework outlined in Table 1. The identification of a country's policy aims, objectives, targets, implementation preferences, tools, and calibration was based on the discerned policy goals and means as outlined in their respective policy documents and reports. As an illustration, in the case of Ethiopia, the country's investment proclamation document articulated its policy aim as improving the standard of living for Ethiopians, with the objective of realizing rapid, inclusive, and sustainable economic development. To achieve this ambition, the country set targets, including creating more employment opportunities, promoting investments in productive sectors, increasing foreign earnings, and encouraging responsible investments. The integrated policy tools encompassed, among various instruments, investment incentives, regulations on employment and work permits

for expatriates, investment guarantees and promotion, and a comprehensive one-stop shop providing essential investor information. Additionally, some of the policy tools were calibrated in the form of the elimination of non-tariff barriers and the reduction of import tariffs to 40%. Because these policy goals and means are integrated into the social and economic sectors, these integrations have spanned all levels. In the case of Gabon, the objectives behind the country's efforts to diversify away from traditional partners and oil investment include increasing private and public investment, modernizing infrastructure, and enhancing human capital. To achieve these goals, Gabon focuses on encouraging FDI through customs and tax incentives and promoting investments across various sectors. These aims, objectives, and targets are categorized as multimodal, as they span multiple segments of the economy but are not all-encompassing. Moreover, the policy document does not detail how the goals for infrastructure modernization and human capital enhancement could be achieved.

We followed the procedures outlined by Thomann (2020), van Geet et al., (2019), and van Geet et al., (2021) for calibrating the conditions and the outcome variable. This calibration process involved defining each country as a separate case and assigning membership scores to each country case for every set of policy conditions (goal coherence, means consistency, and congruence of goals and means) and the outcome (policy design effectiveness). This entailed transforming qualitative textual data from FDI objectives and policy documents into dichotomized quantitative set membership scores (De Block & Vis, 2019). The calibration choices were informed by the literature presented earlier. To achieve this, data were initially analyzed and coded into three different levels of goals and means. Subsequently, each level of goals and means was further coded and categorized into unimodal (UNIMO), multimodal (MULTI), or integrated (INT), based on the integration levels to which they belonged. The scoring of the integration level for policy goals and means is outlined in Table 2. Using the case scoring shown in Table 2, we applied the calibration rules from van Geet et al., (2021) and outlined in Table 3 to assess goal coherence, mean consistency, congruence of goals and means, and policy design effectiveness as an outcome.

In the case of goal coherence, a membership score of 1 was assigned if there was synergy at the integration level (UNIMO, MULTI, or INT) between policy aims (macro), targets (micro), and objectives (meso). Otherwise, a score of 0 was given. For instance, in Gabon, the integration level of policy goals at the macro and micro levels (MULTI) aligned with that of the meso level, resulting in a score of 1 for goal coherence. Conversely, Kenya received a score of 0 due to a lack of synergy between the country's policy aims, targets, and objectives. Kenya aims to become an investment hub with a vibrant economy. The objectives behind this are to increase investments, including FDI, and achieve sustainable development. However, the planned targets focus mainly on attracting investments without clearly defined targets for sustainable development in the policy document.

Similarly, for mean consistency, policy means are considered consistent if the means adopted at the macro, meso, and micro levels align with the level of integration of meso-level policy goals. The meso-level policy goal is particularly important for the comparison of the interlinkage between goals and means at all levels because it represents the central policy deliberation in the design process (De Block & Vis, 2019). As an example, while the overarching goal for many countries attracting FDI is to boost economic growth, this broader aim is often broken down into specific objectives like reducing poverty through the creation of employment, improving access to education, and enhancing equality. The pursuit of these objectives often targets attracting FDI as a

Table 3 Calibration rules

Conditions	Abbreviation	Calibration
Policy goal coherence	COHE	0 – Not Coherent – macro- and micro-level goals are not the same type as meso-level goals 1 – Coherent – macro- and micro-level goals are the same type as meso-level goals
Policy mean consistency	CONS	0 – Not Consistent – macro-, meso-m and micro-level means are not the same type as meso-level goals 1 – Consistent – macro-, meso-, and micro-level means are the same type as meso-level goals
Policy goals and means congruence	CONG	0 – Not Congruent – policy goals and means are not the same type at all three levels of abstraction as meso-level goals 1 – Congruent – policy goals and means are the same type at all three levels of abstraction as meso-level goals
Policy design effectiveness: outcome	EFCT	0 – Not effective – micro-level goals and meso- and micro-level means are different from policy goals on the meso-level 1 – Effective – micro-level goals and meso- and micro-level means are the same as policy goals at the meso-level

Adapted from van Geet et al., (2021)

strategic avenue. Consequently, the meso-level goals, representing these defined objectives, become the focal point for countries striving to fulfill their overarching policy goals and this influences the measures (micro-level goals) and means to be employed (Howlett and Rayner, 2018; van Geet, 2021). Nevertheless, for congruence of goals and means, the integration level of policy goals and means is expected to be the same type at all three levels of abstraction as the meso-level goals.

We adapted the approach of Thomann (2020) and van Geet et al., (2021) to calibrate the outcome variable – policy design effectiveness. While their evaluation typically involves analyzing implementation and monitoring documents and reports to assess policy outcomes, this study diverges due to the lack of comprehensive data on policy implementation across most country cases. Importantly, we recognize that policy implementation does not always reflect policy design effectiveness. Instead, we focus on the premise that the meso-level goals are a critical component of policy design. Therefore, the alignment of the integration levels of micro-level policy goals and meso- and micro-level policy means with the meso-level policy goal is paramount in determining policy design effectiveness. Effectiveness is achieved when the integration level (UNIMO, MULTI, or INT) of micro-level goals and meso- and micro-level means aligns with that of meso-level policy goals. In such cases, the country is assigned a membership score of "Yes" (or 1); otherwise, a score of "No" (or 0) is given. For example, in Table 2, Angola receives an effectiveness score of "No" because the integration level of the micro-level policy goals and meso- and micro-level policy means do not align with the meso-level policy goals. Conversely, Mozambique shows alignment across these levels and is assigned an effectiveness score of "Yes". Coming back to the early example, with the policy objective aims to increase employment through attracting FDI with job-creating features and the government using policy tools that enhance the business environment or ensure stable profit repatriation regulation, alignment between policy objectives (meso), targets (micro), and tools (means) is observed, indicating policy design effectiveness. Given that economic growth comprises various components not all covered by attracting FDI, the alignment of goals and means at meso- and micro-levels is considered crucial for achieving policy outcomes in this study. Therefore, while conditions are set at the meso-level integration of policy goals, the outcome – policy design effectiveness – is defined by the alignment between meso- and micro-levels of policy goals and means. This approach accommodates new policy objectives being added while keeping the overall policy aims constant and dynamically calibrating policy tools. The rules for this calibration are presented in Table 3. The calibrated matrix is developed according to these rules, as shown in Table 4.

Table 4 Calibration matrix

Cases	Conditions		Outcome	
	COHE	CONS	CONG	EFCT
Angola	0	0	0	0
Ethiopia	1	1	1	1
Gabon	1	1	1	1
Ghana	0	0	0	0
Kenya	0	0	0	0
Mozambique	0	0	0	1
Tanzania	0	0	0	0
Uganda	1	1	1	1
Zambia	0	1	1	0

Member scores on conditions and outcomes were calibrated based on the calibration rule in Table 3. For a full list of abbreviations used in this table, please refer to Table 3

Findings

Table 2 shows that some policy designs in certain countries are deemed 'fit', while others are not. It is noteworthy that goal incoherence or mean inconsistency does not automatically render the policy design unfit or ineffective. Additionally, an effectiveness score of 1 for the outcome variable does not necessarily indicate that the policy design adopted in a country is effective. We analyze the effectiveness of a policy design by evaluating the policy conditions, specifically, the necessity and/or sufficiency of specific types of policy goals and means (with the presence or absence of coherence, consistency, and congruence), and their combinations influencing policy design effectiveness, using cs-QCA. The truth table, presented in Table 5, serves as a tool for simplifying the complex configurations of individual cases into a more parsimonious format, capturing observable patterns across all cases. As shown in Table 4, the initial data matrix comprises nine cases with distinct configurations. The truth table presented in Table 5 has systematically presented all possible combinations of policy conditions and the cases encapsulated within diverse configurations. The analysis involves a pairwise comparison of configurations that either supports or negates the desired outcome. It discerns the combinations of conditions that are sufficient for the outcome to materialize.

Sufficient condition analysis

Table 6 unveils one complex solution, a parsimonious[17] solution, and an intermediate solution that supports policy

[17] A Boolean minimization or reduction of the complex solution that gives the same outcome even when minimized to a reduced condition(s).

Table 5 Truth table

COHE	CONS	CONG	Number	EFCT	cases	Raw consistency	PRI inconsistency	SYM consistency
1	1	1	3	1	Ethiopia, Gabon, Uganda	1	1	1
0	1	1	1	0	Zambia	0	0	0
0	0	0	5	0	Angola, Ghana, Kenya, Mozambique, Tanzania	0.2	0.2	0.2

For abbreviations of COHE, CONS CONG, and EFCT, please refer to Table 3. *PRI inconsistency* indicates proportional reduction in inconsistency, and *SYM consistency* is symmetric consistency

Table 6 Sufficiency of policy conditions for effectiveness

Frequency cutoff: 1			
Consistency cutoff: 1			
	Raw coverage	Unique coverage	Consistency
Complex solution – COHE * CONS * CONG	0.75	0.75	1
Parsimonious solution – COHE	0.75	0.75	1
Intermediate solution – COHE * CONS * CONG	0.75	0.75	1
Solution coverage	0.75		
Solution consistency	1		

For a full list of abbreviations used in this table, please refer to Table 3

design effectiveness. Each of these solutions contains raw coverage, unique coverage, and consistency. All of these solutions have a consistency of 1, showing perfect consistency and fit of the model to explain the outcome (Rihoux & Ragin, 2008). Both the complex and intermediate solutions offer the same combination of conditions that can lead to policy design effectiveness. The configuration derived from these solutions (COHE*CONS*CONG) shows that, for the effectiveness of policy design in the examined countries, goal coherence, mean consistency, and congruence of goals and means in policy design are sufficient. This lends robust support to P2. Notably, the configuration is specifically pertinent to the cases of Ethiopia, Gabon, and Uganda. The coverage of this configuration is 0.75, signifying 75% empirical relevance in explaining the presence of policy design effectiveness. This supports the existing theoretical argument that goal coherence, mean consistency, and congruence of means and goals are pivotal to policy design effectiveness (Howlett, 2018; Kern & Howlett, 2009; van Geet et al., 2021), thereby, endorsing P2.

Interestingly, Table 6 shows that while the complex and intermediate configurational solutions elucidate policy design effectiveness, a parsimonious condition, COHE, is adequate, covering 75% of the causes of policy design effectiveness. The parsimonious solution reduces a complex solution to a configuration that gives the same outcome as the complex solution or even a better one. In the current study, this shows that goal coherence is critical if policy design effectiveness is to be attained. This supports P1. Similar findings were presented in Kern and Howlett, (2009); Mathieu, (2023); Howlett, (2018); Howlett and Ramesh, (2023), and van Geet et al., (2021). For example, Bolognesi and Pflieger, (2019) and Cejudo and Michel, (2021) advocate for the static and dynamic robustness of policy goals and means. They argue that, for policy mixes to continue to work effectively, they need to be robust statically and dynamically. Static robustness entails the endurance of policy goals, while policy means adapt. This finding is particularly pertinent to many African countries where diverse societal and/or economic needs emerge over time, compounding existing policy goals, and in most cases, these are not clearly integrated into existing policy designs. This echoes a similar assertion by Howlett and Ramesh (2023) that policy design effectiveness is better attained when policy means are aligned with policy goals in a messy real world. Nonetheless, as this analysis shows, such incoherence may render the policy design unfit to attain effectiveness.

Necessary condition analysis

This study delves further into the necessary conditions for the fitness of the policy designs, aiming to understand whether and how individual conditions influence policy design effectiveness. In the context of necessary condition analysis, it is essential to discern whether individual components, such as goal coherence, are imperative for the effectiveness of policy design in attaining the expected policy outcome (Bingham, Dean, & Castillo, 2019). The

Table 7 Analysis of necessary conditions

Outcome variable: EFCT		
Conditions tested	Consistency	Coverage
COHE	0.75	1.00
~COHE	0.25	0.16
CONS	0.75	0.75
~CONS	0.25	0.20
CONG	0.75	0.75
~CONG	0.25	0.20

For a full list of abbreviations used in this table, please refer to Table 3

Table 8 Combination of necessary alternative conditions

Outcome variable: EFCT		
Conditions combination tested	Consistency	Coverage
COHE + ~CONS + ~CONG	1.00	0.50
COHE + CONS + ~CONG	1.00	0.44
COHE + CONS + ~CONG	1.00	0.44
~COHE + CONS + CONG	1.00	0.44
~COHE + CONS + ~CONG	1.00	0.44
~COHE + ~CONS + CONG	1.00	0.44
~COHE + ~CONS + ~CONG	0.25	0.16

Note: For a full list of abbreviations used in this table, please refer to Table 3

principle holds for other policy components as well. Therefore, necessary condition analysis, and its absence (denoted by ~), is performed for coherence of goals (COHE), consistency of means (CONS), and congruence of goals and means (CONG). The results of this analysis are presented in Table 7. Following the minimum consistency level of 0.75 (Mas-Tur, Pinazo, Tur-Porcar, & Sánchez-Masferrer, 2015; Rihoux, Rezsöhazy, & Bol, 2011), COHE, CONS, and CONG all meet the necessary conditions. The values for consistency and coverage affirm that the cases support the set-theoretic relationship between the conditions and the outcome, establishing empirical significance for the relationship, respectively. However, goal coherence shows a stronger coverage than the other conditions, indicating that goal coherence is indispensable in the pursuit of policy design effectiveness.

To explore an alternative set of necessary conditions that may have a higher coverage of the effective outcome of the calibrated policy design, we examine a different logic OR, indicated by the "+" sign. The results are presented in Table 8. The combinations indicate whether the combined presence and/or absence of any of the three main conditions can offer a better explanation of policy design effectiveness. The analysis of these alternative combinations of necessary conditions does not yield a more robust explanation. In fact, the only combination with 50% coverage and a consistency level of 1 is COHE + ~CONS + ~CONG. This suggests that even with inconsistent means, and incongruence of goals and means, the presence of goal coherence can explain 50% of the possibility of the policy being effective. Other combinations fall below the 0.5 threshold. This underscores the significance of goal coherence as a pivotal and relatively independent factor influencing policy design effectiveness.

Conclusion

Recognizing the potential of FDI as a powerful driver of sustainable development and a major catalyst for achieving sustainable development and advancing SDGs through fostering economic growth, enhancing technological and infrastructure development, augmenting human capital, promoting environmental sustainability, and supporting social development, the proliferation of FDI promotion and attraction policies cannot be overemphasized (Montiel et al., 2021; Sauvant & Gabor, 2021; Suehrer, 2019; van Zanten & van Tulder, 2018). As noted in the World Investment Report 2023, investment promotion and facilitation measures continue to dominate in developing countries, with at least 40 developing countries, including those in Africa, implementing measures in 2022 to attract additional FDI (UNCTAD, 2023). These measures include fiscal benefits and the establishment of special economic zones, and FDI liberalization policies. This is a substantial investment for developing countries that are facing resource scarcity. These measures were called for by the United Nations to promote projects and investments that enhance sustainable development. However, against the backdrop of significant policy efforts, there is a widening annual investment deficit in developing countries – from $2.5 trillion in 2015 to $4 trillion in 2023 (UNCTAD, 2023). Africa continues to fall behind other developing regions, accounting for less than 10% of total FDI inflows to these regions, and experienced a 3% decline in FDI inflows in 2023 (UNCTAD, 2023)[18]. SSA dominates more than 65% of total FDI inflows to Africa. It is therefore paramount to understand the conditions for FDI policy design effectiveness toward contributing to sustainable development in SSA. This knowledge would

[18] https://unctad.org/system/files/non-official-document/wir2023-regional_trends_africa_en.pdf.

enable scholars and international organizations to provide practical policy recommendations that better serve policymakers and policy communities. By doing so, these stakeholders can navigate complex policy landscapes more effectively, creating a more conducive environment for FDI, driving sustainable development, and achieving the SDGs.

The analysis and evaluation of necessary and sufficient conditions for the effectiveness of policy designs in nine SSA countries (Angola, Ethiopia, Gabon, Ghana, Kenya, Mozambique, Tanzania, Uganda, and Zambia), using the policy design fit model, highlights the pivotal role of goal coherence. The study initially tested sufficient conditions for policy design fit and effectiveness. Complex and intermediate solutions indicated that a configuration of goal coherence, means consistency, and congruence of goals and means is sufficient for policy design effectiveness. This finding supports the study's proposition that all three conditions are crucial for attaining policy design effectiveness. However, the analysis was further refined to a parsimonious solution, revealing that policy goal coherence alone can explain 75% of policy design effectiveness. This underscores the strong relevance of policy goal coherence, supporting the existing argument that clear and integrated policy goals are particularly important in a dynamic and complex world where goals evolve given rising societal and economic needs.

A necessary conditions analysis was carried out to explore which of the conditions or combinations of conditions calibrated in this study are necessary for the fit and effectiveness of policy designs. The conditions COHE, CONS, and CONG and their absence were analyzed. With a consistency of 0.75 for each condition, the presence of these conditions is necessary for policy design effectiveness. Notably, the coverage value of CONS and CONG is 0.75 and that of COHE is 1, depicting a stronger necessity of goal coherence in attaining policy design effectiveness compared to other conditions. To further explore these conditions and how their combined presence can influence policy design effectiveness, alternative combinations of conditions were analyzed. These alternatives did not demonstrate better explanatory power for policy design effectiveness.

The relevance of goal coherence is especially significant in the context of developing countries, particularly in SSA, facing growing societal and economic challenges with limited resources. Furthermore, rising challenges come with additional goals, and in most cases, these additional goals are to be addressed using existing means. If these goals are not clearly stated and properly integrated such that existing means can be fitted, this may impact policy design effectiveness. However, countries have varying levels of capacity in terms of adept policy designs that properly integrate policy goals and means that align with these goals. Therefore, given that what matters most for policy design effectiveness is the coherence of policy goals, countries must adopt policy means that are dynamically robust, addressing unforeseen and additional policy objectives and/or targets within the overall policy goals. More importantly, IB researchers need to pay attention to context-driven policy recommendations and advocacies to support practical and dynamically robust policy designs. More studies need to be conducted to develop this proposition.

Study limitations and future research directions

Our study has some important limitations that we would like to acknowledge and they offer new research avenues. First, we only evaluated policy documents written in English. This may have excluded important perspectives and nuances present in documents written in non-English languages. The diverse colonial histories of African countries have influenced the major languages used in governance and policy documentation with French, Portuguese, and Spanish also playing prominent roles. These linguistic differences can shape the framing and interpretation of policy goals and means. Furthermore, colonial legacies may have lasting implications for policy design approaches, underscoring the importance of evaluating policy documents written in non-English languages. Our study offers a valuable opportunity to explore these potential impacts using a new framework.

Second, our study focused primarily on the top FDI recipient SSA countries. While this provides valuable insights into regions with significant FDI inflows, lending policy lessons to those underperforming, the latter would still need to carefully consider their country contexts. Even though these countries may not be at the forefront of attracting FDI, they may have untapped potential that could be leveraged for sustainable development through appropriate FDI policy designs. These countries likely face different challenges in attracting FDI, which may require alternative policy approaches and design strategies. Future research could explore how variations in FDI inflows, economic conditions, and social needs impact policy design in these contexts, potentially revealing different or similar paths to effectiveness. Expanding the scope of analysis to include a broader range of countries

would enhance our understanding of policy design effectiveness.

Third, similar to other discourse analyses, we encounter the challenge of words having variable meanings across different contexts, and this variability potentially impacts our findings because different societies may attribute different meanings to key terms. Unfortunately, our coding method typically does not account for these subtilities. Future research should explore methods that can better capture these subtle differences in meaning, perhaps by incorporating more context-sensitive coding techniques or by engaging with local experts who understand the institutional nuances.

Fourth, recognizing the importance of reflexivity in our analysis process, the research team took time to reflect on our own biases and perspectives and engaged in numerous rounds of discussions and debates to mitigate these biases. Nevertheless, we acknowledge that these challenges in discourse analysis remain. Future research should further refine strategies to mitigate these biases, potentially by involving more diverse research teams or using mixed methods to cross-check findings.

Last but not least, it is important to consider the political context surrounding policy implementation, including factors such as electoral bases and time frames. Political leaders, particularly those from SSA countries, often use the level of development and economic and social structures for the basis of their campaigns to be voted for, proposing policies to address some of the challenges related to these areas. With the time-sensitivity of political appointments and electoral periods, even when policies are proposed to address these challenges, in most cases, the objectives of the policies are not realized during the term of the political leader who proposed them, but beyond. We thus refrain from providing universally applicable policy recommendations that address every political context but strive to offer insights for policymakers and encourage them to view our findings as offering general principles, serving as a starting point for policymakers to adapt and refine according to their unique contexts so as to ensure the relevance and effectiveness of the proposed policies.

Appendix

See Tables 9, 10, 11.

Table 9 Top 16 FDI-recipient Sub-Saharan African countries (excluding South Africa), 2000, 2010, 2020–2023 US$ million

Rank	Country	2000	Country	2010	Country	2020	Country	2021	Country	2022	Country	2023
1	Nigeria	23,786	Nigeria	66,797	Nigeria	87,013	Nigeria	87,525	Nigeria	88,202	Nigeria	90,075
2	Angola	7977	Angola	32,458	Mozambique	46,280	Mozambique	50,068	Mozambique	54,114	Mozambique	56,623
3	Zambia	3966	Liberia	10,206	Ghana	40,829	Ghana	41,021	Ghana	42,493	Ghana	43,847
4	Liberia	3247	Ghana	10,080	Congo	32,962	Congo	33,494	Ethiopia	35,281	Ethiopia	38,544
5	Tanzania	2781	Tanzania	9712	Ethiopia	27,351	Ethiopia	31,611	Congo	34,026	Congo	34,652
6	Cote d'Ivoire	2483	Equatorial Guinea	9413	Congo, Dem. Rep.	27,279	Congo, Dem. Rep.	29,149	Congo, Dem. Rep.	30,995	Congo, Dem. Rep.	32,630
7	Congo	1893	Congo, Dem. Rep.	9368	Angola	21,595	Angola	20,861	Tanzania	18,634	Uganda	20,975
8	Botswana	1827	Congo	9261	Tanzania	16,490	Tanzania	17,523	Uganda	18,089	Tanzania	19,973
9	Ghana	1554	Zambia	7433	Uganda	15,463	Uganda	16,563	Gabon	16,591	Gabon	17,742
10	Namibia	1276	Cote d'Ivoire	6978	Zambia	15,138	Gabon	15,486	Equatorial Guinea	15,892	Equatorial Guinea	16,034
11	Mozambique	1249	Uganda	5575	Equatorial Guinea	14,974	Equatorial Guinea	15,434	Zambia	15,236	Cote d'Ivoire	15,428
12	Zimbabwe	1238	Kenya	4967	Gabon	13,957	Zambia	15,120	Angola	14,719	Zambia	15,344
13	Equatorial Guinea	1060	Cabo Verde	4745	Cote d'Ivoire	12,457	Cote d'Ivoire	12,816	Cote d'Ivoire	13,675	Senegal	14,370
14	Ethiopia	941	Mauritius	4658	Kenya	10,010	Mauritania	11,013	Mauritania	12,161	Mauritania	13,034
15	Kenya	932	Madagascar	4383	Mauritania	9950	Kenya	10,473	Senegal	11,729	Kenya	12,736
16	Cameroon	917	Mozambique	4331	Senegal	9066	Senegal	9670	Kenya	11,232	Angola	12,633
Share (%)		53%		47%		62%		60%		60%		60%

Source: UNCTAD statistics database

Table 10 FDI stock per capita of top 16 FDI-recipient Sub-Saharan African countries (excluding South Africa), 2000, 2010, 2020–2023

Rank	Country	2000	Country	2010	Country	2020	Country	2021	Country	2022	Country	2023
1	Nigeria	194	Nigeria	415	Nigeria	418	Nigeria	410	Nigeria	404	Nigeria	402
2	Angola	487	Angola	1389	Mozambique	1484	Mozambique	1561	Mozambique	1641	Mozambique	1670
3	Zambia	401	Liberia	2539	Ghana	1269	Ghana	1249	Ghana	1269	Ghana	1285
4	Liberia	1121	Ghana	394	Congo	5781	Congo	5739	Ethiopia	286	Ethiopia	305
5	Tanzania	81	Tanzania	215	Ethiopia	233	Ethiopia	263	Congo	5699	Congo	5674
6	Cote d'Ivoire	148	Equatorial Guinea	8600	Congo, Dem. Rep.	294	Congo, Dem. Rep.	304	Congo, Dem. Rep.	313	Congo, Dem. Rep.	319
7	Congo	604	Congo, Dem. Rep.	141	Angola	646	Angola	605	Tanzania	285	Uganda	432
8	Botswana	1058	Congo	2087	Tanzania	267	Tanzania	276	Uganda	383	Tanzania	296
9	Ghana	79	Zambia	539	Uganda	348	Uganda	361	Gabon	6945	Gabon	7280
10	Namibia	702	Cote d'Ivoire	330	Zambia	800	Gabon	6615	Equatorial Guinea	9489	Equatorial Guinea	9349
11	Mozambique	70	Uganda	172	Equatorial Guinea	9382	Equatorial Guinea	9443	Zambia	761	Cote d'Ivoire	534
12	Zimbabwe	105	Kenya	120	Gabon	6088	Zambia	776	Angola	414	Zambia	746
13	Equatorial Guinea	1547	Cabo Verde	9104	Cote d'Ivoire	465	Cote d'Ivoire	466	Cote d'Ivoire	486	Senegal	809
14	Ethiopia	14	Mauritius	3630	Kenya	193	Mauritania	2386	Mauritania	2568	Mauritania	2680
15	Kenya	30	Madagascar	202	Mauritania	2212	Kenya	198	Senegal	677	Kenya	231
16	Cameroon	61	Mozambique	188	Senegal	552	Senegal	573	Kenya	208	Angola	344

Source: UNCTAD statistics database

Table 11 Country cases

No.	Country	Policy documents/reports	Source
1	Angola	• Angola Investment Policy Review 2019	UNCTAD investment policy review – Angola 2019
2	Ethiopia	• Ethiopia 2020 UNCTAD – Investment Proclamation Ethiopia Investment Policy Review 2002	UNCTAD Compendium of Investment UNCTAD Investment Policy Review: Ethiopia
3	Gabon	•I nvest in Gabon – 2021	Groupe Credit Agricole – https://international.groupecreditagricole.com/en/international-support/gabon/investing
4	Ghana	• 2021 Investment climate statement: Ghana	United States Department of States https://www.state.gov/reports/2021-investment-climate-statements/ghana__trashed/
5	Kenya	• Kenya Investment Policy – 2019	Kenyan Ministry of Industry, Trade, and Cooperatives
6	Mozambique	• Mozambique Investment Policy Review – 2013	OECD Investment Policy Review: Mozambique
7	Tanzania	• Tanzania Investment Report 2018 • Blueprint for regulatory reforms to improve business environment – 2017	Tanzania Investment Centre and the National Bureau of Statistics Ministry of Industry, Trade, and Investment
8	Uganda	• Uganda Strategic Investment Plan 2020/ – 2024/25 • Second National Development Plan, 2015 • Draft National Investment Policy – 2018	Uganda Investment Authority Ministry of Finance, Planning, and Economic Development
9	Zambia	•National Investment Promotion Strategy 2018-2022	Ministry of Commerce, Trade, and Industry

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