Board Gender Quotas and Outward Foreign Direct Investment: Evidence from France

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Abstract ID: 18
Inviato: 22/03/2022
Evento: XX Workshop Annuale SIEPI
Argomento: 7. Governance, investimenti e finanza di impresa
Parole chiave: Board diversity, Europe, Gender quota, Outward foreign direct investment (OFDI), Women directors

We show that board gender quota laws reduce the propensity of French firms to undertake outward foreign direct investment. For this, we use Orbis data for the period 2007–2015 and a difference-in-difference approach. The exogenous increase in the share of women directors decreases the share of foreign subsidiaries by 7 percentage points when the share of women directors is at its highest. The share of foreign subsidiaries is affected by the decrease in the probability of having a foreign subsidiary, which indicates disinvestment. Accordingly, the estimated effects on the number and cost of employees are negative, with no impact on firm performance.