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FOREIGN DIRECT INVESTMENT AND ECONOMIC GROWTH IN ASIA

This paper is an attempt to investigate the effects of various factors on inward foreign direct investment (FDI) and economic growth. In addition, it makes a comparison of the impacts of FDI on economic growth for 7 Asian countries. The empirical results of FDI model reveal that GDP per capita income, infrastructure and gross domestic investment have positive and statistically significant impacts on inward FDI over the period from 1990 to 2012. The results of the growth model indicate that FDI, human capital and workers' remittances have positive and statistically significant impacts on economic growth. Moreover, the research outcomes show that corruption discourage economic growth directly in Malaysia, Singapore and Vietnam and also indirectly, through FDI inflows – in Thailand. The findings of this study suggest that proper attention needs to be given to such problems as insufficient infrastructure, economic and political stability in order to invite more FDI. In addition, corruption needs to be mitigated by taking serious and sincere efforts in true sense by each of the studied state. Consequently, these countries would be able to achieve higher level of economic growth.

Keywords: FDI inflow; economic growth; Asia.

JEL classification: F21, O40, O53.

Мухаммад Азам, Юсніда Ібрагім, Бардія Бахтіяр ПРЯМЕ ІНОЗЕМНЕ ІНВЕСТУВАННЯ ТА ЕКОНОМІЧНЕ ЗРОСТАННЯ В АЗІЇ

У статті зроблено спробу дослідити вплив різноманітних факторів на пряме іноземне інвестування та економічне зростання. Порівняння даних взаємозв'язків проведене на прикладі 7 країн Азії для періоду з 1990 р. по 2012 рік. Результати емпіричного дослідження демонструють, що найбільший вплив на прямі іноземні інвестиції в дані країни мають такі фактори як ВВП на душу населення, інфраструктура та обсяг внутрішніх інвестицій. Водночас такі чинники як ПІІ, людський капітал та середня зарплата мають значний позитивний вплив на економічне зростання даних країн. Фактор корупції має безпосередній негативний вплив на економічне зростання Малайзії, Сінгапуру та В'єтнаму, а також непрямої, опосередкований фактором ПІІ, у випадку Таїланду. Результати аналізу даних вказують на необхідність посиленої уваги до проблем розвитку інфраструктури, економічної та політичної стабільності, що в подальшому призведе до збільшення потоків ПІІ. Крім того, кожна з досліджених країн має більше уваги приділити реальній боротьбі з корупцією. Все це у довготерміновій перспективі призведе до посилення економічного розвитку даних країн.

Ключові слова: притік ПІІ; економічне зростання; Азія.

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Муххамад Азам, Юсніда Ібрагім, Бардія Бахтіяр ПРЯМОЕ ИНОСТРАННОЕ ИНВЕСТИРОВАНИЕ И ЭКОНОМИЧЕСКИЙ РОСТ В АЗИИ

В статье сделана попытка исследовать влияние различных факторов на прямое иностранное инвестирование и экономический рост. Сравнение данных взаимосвязей проведено на примере 7 стран Азии для периода с 1990 г. по 2012 год. Результаты эмпирического исследования демонстрируют, что наибольшее влияние на прямые

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иностранные инвестиции в данные страны имеют такие факторы как ВВП на душу населения, инфраструктура и объём внутренних инвестиций. В то же время такие факторы как ПИИ, человеческий капитал и средняя зарплата имеют значительное позитивное влияние на экономический рост данных стран. Фактор коррупции имеет непосредственно отрицательное влияние на экономический рост Малайзии, Сингапура и Вьетнама, а также непрямой, опосредованный фактором ПИИ, в случае Тайланда. Результаты анализа данных указывают на необходимость более пристального внимания к проблемам развития инфраструктуры, экономической и политической стабильности, что в дальнейшем приведёт к увеличению потоков ПИИ. Кроме того, каждая из исследуемых стран должна больше внимания уделить реальной борьбе с коррупцией. Всё это в долгосрочной перспективе приведёт к усилению экономического развития данных стран.

Ключевые слова: приток ПИИ; экономический рост; Азия.

1. Introduction. The most important goal of every state is to achieve higher level of economic growth and enhance the level of social welfare for its people. Developing countries face many economic, social, cultural, administrative and political glitches; therefore, these countries need to speed up the process of their national economic development. There are many factors that influence the processes of economic growth and development, where the constructive role of FDI as a vital factor of economic growth cannot be overlooked. A vast body of studies provides evidence that developing countries face saving-investment gap problem, while FDI influences the process of economic growth by filling up this gap, increasing productivity, transferring technologies and enhancing competition (Moran et al., 2005; Kobrin, 2005; Le and Atallah, 2006; Dawson, 2012; Bashir et al., 2014). Therefore, FDI inflow into developing countries is considered a source of employment, product choice, living standard rise and contribution to economic growth. Apart from the provision of capital, technologies and managerial skill, FDI also can produce job opportunities, motivate domestic investors, enlarge government revenue and consequently helps to higher living standards (Hill, 2003; Zhan, 2006). I. Guetait (2006) notes that as the FDI theories indicate, FDI has a strong effect on host countries' economies, since it positively influences employment, exports, production, income, economic growth and general welfare of a host country. On the contrary, some prior studies reveal no or negative impact of FDI on the economic development of recipient countries (Singer, 1950; Jocelyn and Saggi, 1998; Mencinger, 2003).

This paper has examined the effects of various factors on FDI inflows and various factors effects on economic growth in order to understand the linkage between FDI and economic growth in seven countries from Asia. In addition, this study makes an effort to analyze the effect of corruption on FDI and economic growth. Countries included in this study are Bangladesh, Pakistan, Malaysia, Philippines, Singapore, Thailand and Vietnam. Therefore, this study will contribute well to the literature using a unique portfolio of variables. This study is a comparative research which seeks to provide information on the factors determining FDI inflows and economic growth along with the relationship between FDI and economic growth for selected countries.

This paper is designed as follows. The preceding section presents introduction. Next, section 2 deals with the literature review. Section 3 outlines the data and the methodology. Section 4 provides the estimation procedure and empirical results. Finally, section 5 concludes the paper.

2. Literature review. Several studies have shed light on the factors determining FDI inflows and its positive impact on economic growth (Borensztein et al., 1998; Lim, 2001; Hermes and Lensink, 2003; Trevino and Upadhyaya, 2003; Asideu, 2005; Varamini and Vu, 2007; Azam, 2010; Fayissa and Nsiah, 2010; Campbell, 2012; Azam and Ahmed, 2013). K.H. Zhang (2001) shows that FDI stimulates economic growth in 5 countries, namely Hong Kong, Indonesia, Singapore, Taiwan and Mexico out of 11 countries selected from East Asia and Latin America. However, the study fails to find any positive impact of FDI on economic growth in Malaysia and Thailand. P. Basu et al. (2003) for 23 developing countries during 1978–1996 find a cointegration relationship between FDI and GDP. A. Chowdhury and G. Mavrotas (2003) used only FDI and GDP variables, and found positive effects of FDI on economic growth in Malaysia and Thailand. A. Baharumshah and S. Almasaied (2009) reveal positive and significant relationship between FDI and economic growth for Malaysia during 1974–2004. O.N.B. Emmanuel (2014) finds that FDI affect growth in all Central African Economic and Monetary Community countries except Congo during 1980–2010. W.F. Agbola (2014) argues that FDI inflow is a significant vehicle in attaining desirable level of economic growth in the Philippines during the period of 1965–2010, but only when there is sufficient absorptive capacity created by better human capital and infrastructure development. T. Bashir et al. (2014) endorse the fast growing economic development of China as compared with other South Asian countries, namely Pakistan, India, Bangladesh and Sri Lanka during 1976 to 2011. The study suggests that to enhance FDI in South Asian states, it is necessary to develop infrastructure, maintain political stability, law and order, and conducive economic environment.

On the other hand, J. Duasa (2007) examines the influence of FDI on economic growth for Malaysia using quarterly data over the period of 1990–2002. This study fails to find any causal association between economic growth and FDI inflows. In a similar manner, T. Velnampy et al. (2013) suggest there is no significant impact of FDI on economic growth for Sri Lanka during 1990–2011. However, the study recommends that developing countries should concentrate largely on FDI as a source of external finance to bolster economic growth.

Similarly, the existing literature provides evidences of negative impact of endemic corruption on FDI inflows and economic growth (Abed and Davoodi, 2000; Mauro 1995; Meon and Sekkat, 2005; Al-Sadig, 2009; Azam et al., 2013).

3. Empirical methodology. The following probabilistic model is the proposed FDI model, which examines various factors determining FDI inflows. The model can be expressed as follows:

$$FDI = \alpha_0 + \alpha_1 Y + \alpha_2 GDI + \alpha_3 CP + \alpha_4 INFR + \varepsilon_t. \quad (1)$$

Similarly, the proposed growth model can be written symbolically as follows:

$$Y = \beta_0 + \beta_1 FDI + \beta_2 GDI + \beta_3 CP + \beta_4 HK + \beta_5 WR + \varepsilon_t, \quad (2)$$

where *FDI* (foreign direct investment) is the dependent variable; *Y* – gross domestic product per capita represents economic growth; *GDI* – gross domestic investment or gross capital formation; *CP* – corruption index; *HK* – human capital proxy used as secondary school gross enrollment ratio; *WR* – worker remittance; *INFR* – infra-

structure proxy, telephone per 100 people; ε – error term. It is assumed that ε is to be independently and identically distributed ($\mu_t \sim iid(0, \sigma^2)$).

The expected signs of the explanatory variables for equations (1) and (2) are as follows:

- a. The GDP per capita income, gross domestic product, human capital and infrastructure are postulated to be positively related to FDI inflows.
- b. The corruption index is postulated to be negatively related to FDI inflows and economic growth.
- c. FDI, gross domestic product and human capital are postulated to be positively related to economic growth.

3.1. Data description. This study is based on secondary annual time series data ranging from 1990 to 2012. The main data sources are the World Investment Report (various issues), the World Bank's World Development Indicators database and International Country Risk Guide (various issues). For regression analysis the data on almost all the variables are arranged in mln USD, except the data on telephone per 100 people as proxy for infrastructure, secondary school gross enrollment ratio as proxy for human capital and data on corruption. As per the International Country Risk Guide (ICRG), corruption index is one component of the political risk rating system with 6 points out of 100, where 0 indicates high level corruption and 6 indicates low level corruption, however, the order has been reversed in this study. Data have been taken in log form in order to overcome the non-linearity problem with the exception of the corruption index.

4. Estimation procedure and results. For empirical analysis two separate simple linear multiple regression models i.e. FDI model where the impacts of economic growth, corruption, infrastructure and gross domestic investment on FDI have been investigated, the second is economic growth model, where the impacts of FDI, corruption, human capital, gross domestic investment and workers' remittances are examined. The method of ordinary least squares (OLS) is used for parameters estimation. Summary of the OLS estimates of both FDI and growth models are presented on all 7 countries in Tables 1–7. The estimated coefficients found are statistically significant and overall the results are satisfactory, where the adj. R^2 values in the range of 50–99% variation explains the dependent variables by the explanatory variables and strongly supports the study hypotheses. The Breusch-Godfrey serial correlation LM test is employed for autocorrelation problem, demonstrating no autocorrelation problem in the estimated regression models. Therefore, the results obtained are not spurious rather meaningful for onward policy consideration.

Table 1 shows the empirical result for Pakistan. At first, the impact of every individual explanatory variable is investigated through regression analysis, where the impacts of explanatory variables namely GDP per capita income, infrastructure and gross domestic investment on FDI found are statistically significant at the 1% level of significance (Table 1, columns 1–3). The estimated coefficients of GDP per capita income, infrastructure and gross domestic investment are 1.77, 0.84, and 1.86 respectively; one unit change will bring these amounts of changes in inward FDI. However, the impact of corruption on FDI is statistically insignificant. The OLS estimates given in Table 3 on growth model reveal that the impact of FDI, human capital and workers' remittances on GDP per capita income found are statistically significant at the

1% level. The estimated coefficients of FDI, human capital and workers' remittances are 0.12, 1.87 and 0.42 respectively; this indicates that one unit change will bring these amounts of changes in economic growth of Pakistan.

Table 1. OLS estimates (Country: Pakistan)

FDI is the dependent variable				GDP per capita is the dependent variable				
	1	2	3		4	5	6	7
Constant	-11.19 (6.74)	7.35 (9.74)	19.23 (6.17)	Constant	-9.55 (32.16)	-10.78 (29.54)	-14.44 (14.60)	-14.42 (14.06)
Y			1.77 ^a (4.59)	FDI	0.31 ^a (7.12)		0.11 ^b (2.11)	0.12 ^b (2.02)
INFR			0.84 ^b (2.23)	HK			1.87 ^a (5.04)	1.87 ^a (4.91)
GDI	1.867 ^a (10.84)			WR		0.42 ^a (9.13)		
CP		-0.90 (0.80)	0.31 (0.51)	CP				-0.03 (0.18)
R ²	0.85	0.031	0.79	R ²	0.72	0.80	0.88	0.88
adj. R ²	0.84	-0.015	0.74	adj. R ²	0.70	0.79	0.86	0.85

Note: t-ratios are in parentheses; ^a and ^b show statistical significance at the 1 and 5% levels.

Table 2 shows the results for Bangladesh. The same estimation process followed as previously carried out, where the impacts of GDP per capita income, infrastructure, and gross domestic investment on FDI found are statistically significant at the 1% level (Table 2, columns 1–3). The estimated coefficients of GDP per capita income, infrastructure, and gross domestic investment are 6.98, 15.57, and 3.99 respectively; it means that one unit change will bring these amounts of changes to FDI. The results reported in Table 2 indicate that the impacts of FDI, human capital and workers' remittances on GDP per capita income are statistically significant at the 1% level. The estimated coefficients of FDI, human capital and workers' remittances are 0.09, 3.12 and 0.30 respectively; this implies that one unit change will bring these amounts of changes to economic growth.

Table 2. OLS estimates (Country: Bangladesh)

FDI is the dependent variable				GDP per capita is the dependent variable				
	1	2	3		4	5	6	7
Constant	59.76 (5.46)	17.45 (8.11)	-32.59 (8.14)	Constant	-8.29 (99.35)	-19.47 (18.49)	-10.19 (67.61)	-8.09 (88.52)
Y	6.98 ^a (5.186)			FDI	0.09 ^a (5.96)			
INFR		15.57 ^a (10.24)		HK		3.12 ^a (11.04)		
GDI			3.99 ^a (9.27)	WR			0.30 ^a (15.67)	
CP	-0.72 (0.71)			CP				0.43 ^a (3.25)
R ²	0.65	0.83	0.81	R ²	0.64	0.86	0.92	0.34
adj. R ²	0.61	0.83	0.80	adj. R ²	0.62	0.85	0.92	0.31

Note: t-ratios are in parentheses; ^a shows the statistical significance at 1% level.

It is evident from Table 3 that the effects of GDP per capita income and gross domestic investment on FDI are statistically significant at the 1% in the case of Malaysia. The estimated coefficients of GDP per capita income and gross domestic investment are 2.66 and 1.11; it suggests that one unit change will bring these amounts of changes in FDI (Table 3, columns 2, 3). While the other two variables, namely

infrastructure and corruption, are found statistically insignificant but with the expected signs (Table 3, columns 1, 2). The empirical results on growth model in Table 3 further demonstrate that the impacts of FDI, human capital and workers' remittances on GDP per capita income are found statistically significant at 1%. The estimated coefficients of FDI, human capital and workers' remittances are 0.16, 5.06 and 0.30 respectively; one unit change will bring these amounts of changes in economic growth (Table 3, columns 4, 6). Interestingly, the impact of corruption on economic growth is found statistically significant at 1% with the expected negative sign. The estimated coefficient is -1.01; it means that one unit increase will reduce 1.01 units of economic growth (Table 3, column 5).

Table 3. OLS estimates (Country: Malaysia)

FDI is the dependent variable		1	2	3	GDP per capita is the dependent variable	4	5	6
	Constant	5.43 (1.81)	-3.12 (0.92)	39.90 (1.56)			Constant	-26.95 (14.91)
Y			2.66 ^b (2.06)		FDI	0.16 ^a (3.57)		0.15 ^b (2.18)
INFR	1.57 (0.95)		9.34 (1.008)		HK	5.06 ^a (10.95)		
GDI		1.11 ^a (3.38)			WR			0.30 ^a (6.44)
CP			-0.23 (0.12)		CP		-1.01 ^a (3.67)	
R ²	0.04	0.36	0.43		R ²	0.89	0.40	0.75
adj. R ²	-0.004	0.33	0.33		adj. R ²	0.88	0.37	0.72

Note: t-ratios are in parentheses (); ^a and ^b show statistical significance at the 1 and 5% levels.

Table 4 shows the empirical results for Singapore, where the impacts of GDP per capita income, infrastructure and gross domestic investment on FDI are statistically significant at 1% and 5% levels. The estimated coefficients of GDP per capita income, infrastructure and gross domestic investment are 1.87, 11.97 and 1.33 respectively; this implies that one unit change will bring these amounts of changes in FDI inflows (Table 4, columns 1–3). Similarly, the growth model results in Table 4 reveal that the impacts of FDI, human capital and gross domestic investment on GDP per capita income found are statistically significant at the 5% and 1% levels. The estimated coefficients of FDI, human capital and gross domestic investment are 0.12, 5.64 and 0.44; this depicts that one unit change will bring these amounts of changes in economic growth (Table 4 columns 5, 7). The impact of corruption on economic growth is negative and statistically significant at 1% level of significance. The estimated coefficient of -2.85 implies that one unit increase will decrease 2.85 units of economic growth (Table 4 column 6).

The empirical results on Thailand are reported in Table 5, showing that the effects of GDP per capita income and infrastructure on FDI found are statistically significant at 1% level. The estimated coefficients of GDP per capita income and infrastructure are 0.75 and 12.88 respectively; this means that one unit change will bring these amounts of changes in FDI (Table 5, columns 1, 3). Likewise, corruption has a negative relationship with FDI and statistically significant at 1%. The estimated coefficient of -1.36, suggests that one unit change increase in corruption will decrease 1.36 units of FDI (Table 5, column 2, 3). Similarly, growth model results in Table 5 show that the impacts of FDI, human capital and gross domestic investment

on GDP per capita income found are statistically significant at 1% level, while workers' remittances – 5%. The estimated coefficients of FDI, human capital, gross domestic investment and workers' remittances are 0.18, 4.95, 0.61 and 0.20 respectively; it indicates that one unit change will bring these amounts of changes in economic growth (Table 5, columns 6, 7).

Table 4. OLS estimates (Country: Singapore)

FDI is the dependent variable		1	2	3	4	GDP per capita is the dependent variable		5	6	7
	Constant	16.37 (15.14)	-18.61 (3.77)	-4.20 (1.25)	-23.33 (2.87)			Constant	-29.70 (-6.40)	-44.46 (7.72)
Y	1.87 ^a (6.45)					FDI	0.12 ^b (2.009)	0.06 (1.24)		
INFR		11.97 ^a (5.68)			17.09 ^c (1.97)	HK	5.64 ^a (4.89)	10.04 ^a (6.25)	4.65 ^a (2.75)	
GDI				1.33 ^a (4.07)	0.02 (0.04)	WR				0.44 ^a (4.59)
CP					-5.18 (0.93)	CP		-2.85 ^a (3.36)	-0.12 (0.14)	
R ²	0.70	0.62	0.45	0.66		R ²	0.86	0.91	0.96	
adj. R ²	0.66	0.59	0.42	0.60		adj. R ²	0.84	0.89	0.94	

Note: t-ratios are in parentheses; ^a, ^b and ^c show statistical significance at the 1, 5 and 10% levels.

Table 5. OLS estimates (Country: Thailand)

FDI is the dependent variable		1	2	3	GDP per capita is the dependent variable		4	5	6	7
	Constant	-24.11 (5.51)	9.56 (34.74)	13.89 (8.97)			Constant	-8.35 (10.13)	-5.77 (28.90)	-15.57 (21.90)
Y			0.75 ^a (2.83)		FDI	0.28 ^a (2.89)		0.18 ^a (4.65)		
INFR	12.88 ^a (7.43)				HK				4.95 ^a (9.87)	
GDI					WR			0.61 ^a (10.48)	0.54 ^a (12.08)	
CP		-1.57 ^a (4.59)	-1.36 ^a (4.48)		CP		-0.27 (1.12)			
								0.20 ^b (2.45)		
R ²	0.74	0.51	0.66		R ²	0.30	0.06	0.92	0.95	
adj. R ²	0.72	0.48	0.62		adj. R ²	0.26	0.01	0.90	0.95	

Note: t-ratios are in parentheses; ^a and ^b show statistical significance at the 1 and 5% levels.

OLS estimates on the Philippines are presented in Table 6, where the impacts of GDP per capita income, gross domestic investment and infrastructure on FDI found are statistically significant at 5% and 10% levels respectively. The estimated coefficients of GDP per capita income, gross domestic investment and infrastructure are 1.04, 0.87 and 4.50 respectively; it means that one unit change will bring these amounts of changes in FDI inflows. In Table 8 the empirical growth model reveals the impacts of human capital, workers' remittances and FDI on GDP per capita income being statistically significant at 1% and 5% levels respectively. The estimated coefficients of human capital, workers' remittances and FDI are 5.61, 0.37 and 0.22, respectively; it indicates that one unit change will bring these amounts of changes in economic growth (Table 6, columns 5–7).

Likewise, Table 7 shows the empirical results on Vietnam, where the impacts of GDP per capita income, infrastructure and gross domestic investment on FDI found are statistically significant at 1%. The estimated coefficients of GDP per capita

income, infrastructure and gross domestic investment are 1.27, 23.13 and 0.83, respectively, implying that one unit change will bring these amounts of changes in FDI (Table 7, columns 1–3). Table 9 also indicates that in the growth model the impacts of FDI, human capital and gross domestic investment on GDP per capita income found are statistically significant at 1% level, where the estimated coefficients of FDI, human capital and gross domestic investment are 0.25, 15.53 and 0.65, respectively; it indicates that one unit change will bring these amounts of changes in economic growth (Table 7, columns 5–7). The effect of corruption on economic growth is statistically significant at 5%. The estimated coefficient of -0.11 suggests that one unit increase in it will decrease 0.11 units of economic growth in Vietnam.

Table 6. OLS estimates (Country: Philippine)

		1	2	3	4			5	6	7	8
FDI is the dependent variable	Constant	14.08 (4.82)	-2.49 (0.49)	-1.53 (0.40)	6.66 (12.87)	GDP per capita is the dependent variable	Constant	-8.27 (13.05)	-6.51 (28.07)	-10.02 (25.74)	-30.99 (10.54)
	Y	1.04 ^b (2.41)					FDI	0.22 ^b (2.41)			0.06 (1.40)
	INFR		4.50 ^c (1.90)				HK				5.61 ^a (7.77)
	GDI			0.87 ^b (2.25)			WR			0.37 ^c (8.44)	
	CP				0.44 (0.76)		CP		-0.29 (1.12)		
	R ²	0.23	0.15	0.20	0.02		R ²	0.23	0.06	0.78	0.81
	adj. R ²	0.19	0.11	0.16	-0.02		adj. R ²	0.19	0.01	0.76	0.79

Note: t-ratios are in parentheses; ^a, ^b and ^c show statistical significance at the 1, 5 and 10% levels.

Table 7. OLS estimates (Country: Vietnam)

		1	2	3	4			5	6	7
FDI is the dependent variable	Constant	17.38 (18.33)	-54.37 (6.24)	-0.09 (0.13)	7.08 (10.76)	GDP per capita is the dependent variable	Constant	-13.74 (84.21)	-82.39 (20.08)	-67.10 (5.83)
	Y	1.27 ^a (10.43)					FDI		0.25 ^a (9.00)	0.17 ^b (2.37)
	INFR		23.13 ^a (7.10)				HK		15.53 ^a (17.04)	12.19 ^a (4.63)
	GDI			0.83 ^a (10.29)			WR	0.65 ^a (36.90)		0.17 (1.34)
	CP				0.52 (0.72)		CP		-0.11 ^b (2.18)	-0.03 (0.33)
	R ²	0.84	0.72	0.84	0.03		R ²	0.98	0.99	0.99
	adj. R ²	0.83	0.70	0.83	-0.02		adj. R ²	0.98	0.99	0.99

Note: t-ratios are in parentheses; ^a and ^b show statistical significance at the 1 and 5% levels.

Concluding remarks. The findings of this study reveal that GDP per capita income, infrastructure, gross domestic investment have positive impacts on inward FDI in all the investigated countries, while the effect of infrastructure is found statistically insignificant for Malaysia. The OLS result also shows that corruption has a negative relationship with FDI only for Thailand during the period under study. In the same way, OLS estimates of growth model indicate that the impacts of inward FDI, human capital and workers remittances are statistically significant showing positive relationship with economic growth. Similarly, the empirical results demonstrate that corruption negatively affects economic growth in Malaysia, Singapore and Vietnam. Empirical results of the present study are in line with the hypotheses and

most erstwhile studies. Thus, the findings of this study suggest that the countries receiving less FDI, need to address the problems, such as insufficient infrastructure, cumbersome process in setting up a business, peace, law and order, economic and political stability, ensure power in order to attract more FDI. It is further suggested that those countries which are serious about mitigating corruption should give proper attention to keep check and balance on this factor. It will certainly help enhance more foreign as well as encourage domestic investments and accelerate largely the pace of economic growth in the region.

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КНИЖКОВИЙ СВІТ



СУЧАСНА ЕКОНОМІЧНА ТА ЮРИДИЧНА ОСВІТА ПРЕСТИЖНИЙ ВИЩИЙ НАВЧАЛЬНИЙ ЗАКЛАД НАЦІОНАЛЬНА АКАДЕМІЯ УПРАВЛІННЯ

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Організаційно-економічні аспекти інноваційного оновлення національного господарства: Наук. монографія / М.М. Єрмошенко, С.А. Єрохін, В.М. Шандра, О.І. Гуменюк та інші; За наук. ред. д.е.н., проф. М.М. Єрмошенка і д.е.н., проф. С.А. Єрохіна. – К.: Національна академія управління, 2008. – 216 с. Ціна без доставки – 22 грн.

У монографії проаналізовано стан технологічного оновлення національної економіки на інноваційних засадах, виявлено позитивні сторони і недоліки цього процесу і розроблено організаційно-економічні основи формування механізму інноваційного оновлення економіки України, її окремих галузей та підприємств.