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Review Paper

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DOES FOREIGN DIRECT INVESTMENT LEAD TO ECONOMIC GROWTH? EVIDENCE FROM DEVELOPED COUNTRIES, DEVELOPING COUNTRIES, AND LEAST DEVELOPED COUNTRIES

ДА ЛИ ДИРЕКТНЕ СТРАНЕ ИНВЕСТИЦИЈЕ ВОДЕ КА ЕКОНОМСКОМ РАСТУ? ДОКАЗИ ИЗ РАЗВИЈЕНИХ ЗЕМАЉА, ЗЕМАЉА У РАЗВОЈУ И НАЈМАЊЕ РАЗВИЈЕНИХ ЗЕМАЉА

Summary: This paper investigates the impact of foreign direct investment on economic growth, on a sample of three groups of countries, classified according to the criterion of economic development. The research problem that seeks to be solved is defined by the question: Do foreign direct investment affect the economic growth of targeted countries and in what way? The objectives of the research are to explain the mechanism of functioning of foreign direct investment and the implications for macroeconomic growth parameters, ceteris paribus. The results of the research show the existence of correlation and determination of the dependent variable with the variations of the independent variable. In this way, the main hypothesis of the paper was confirmed, that foreign direct investment has a stimulating effect on economic growth and the effect of investment is a priori determined by the defined economic policy and the appropriate institutional and legislative framework of the countries, ceteris paribus. The methods used in this paper are regression analysis, i.e. simple linear regression, and analysis and synthesis of previous research and theoretical findings, in order to draw conclusions by induction. The analysis of the data confirms that foreign direct investments have an impact on the economic growth of each group of countries individually, but that in certain groups this connection is present. Thus, the results of the research showed the existence of a relation between FDI and economic growth, i.e. they emphasized FDI as a significant predictor of economic growth in the targeted groups of countries ceteris paribus. The paper represents the author's contribution to economic theory and practice, and to the general public, but also to decision-makers in developing countries. Further research should be directed towards whether it is possible to influence the increase of GDP by "copying" a certain country in terms of attracting foreigners.
Keywords: Foreign direct investment, economic growth, country targeting.
JEL classification: F21, F43, F62.

Резиме: У овом раду истражује се утицај страних директних инвестиција на економски раст, на узорку три групе земаља, класификованих према критеријуму економског развоја. Проблем истраживања, који се тежи ријешити дефинисан је питањем: Да ли и на који начин стране директне инвестиције утичу на економски раст таргетираних земаља? Циљеви истраживања су да се образложи механизам функционисања страних директних инвестиција и импликације на макроекономске параметре раста, цетерис парибус. Резултати истраживања показују постојање корелације и детерминације зависне варијабле варијацијама независне варијабле. На тај начин потврђена је главна хипотеза рада, да стране директне инвестиције имају стимулативан утицај на економски раст а ефекат инвестирања а приори је детерминисан дефинисаном економском политиком и одговарајућим институционалним и легислативним оквиром земаља, ceteris paribus. Методе кориштене у раду су регресиона анализа, односно проста линеарна регресија, те анализа и синтеза претходних истраживања и теоретских налаза, да би закључци били извучени методом индукције. Анализа података потврђује да стране директне инвестиције имају утицај на економски раст сваке групе земаља појединачно али да је у одређеним групама та веза. Дакле, резултати истраживања показали су постојање везе између СДИ и економског раста, односно потенцирали су СДИ као значајног предиктора економског раста у таргетираним групама земаља ceteris paribus. Рад представља допринос аутора економској теорији и пракси, те широј јавности али и доносиоцима одлука у земљама у развоју. Даља истраживања треба усмјерити у правцу да ли је „копирањем" одређене земље у смислу привлачења страних могуће утицати на повећање БДП-а.
Кључне ријечи: *Директне стране инвестиције, економски раст, циљање земље.*
JEL класификација: F21, F43, F62.

INTRODUCTION

Foreign direct investment represents a form of investment in which the investor wants to achieve a dual role, i.e. return on investment and a decisive role in investment management. Foreign direct investment generates benefits in the internal and external balance of the national economy and thus affects the economic growth ceteris paribus. The benefits in the external balance of countries are reflected in the improvement of the balance of payments. From the aspect of internal balance, in addition to direct benefits through capital transfer, foreign direct investment enable countries to access modern technologies, innovations, knowledge and skills and thus create preconditions for generating economic growth.

This paper investigates the impact and effect of foreign direct investment on the economic growth within three groups of countries, i.e. developed countries, developing countries, and least developed countries. The problem that seeks to be solved is defined by the question: Does foreign direct investment affect the economic growth of targeted countries, and in what way? The research will prove the hypothesis that foreign direct investment has a stimulating effect on economic growth and that investment effect is fundamentally determined by the defined economic policy and the appropriate institutional and legislative framework of the countries, ceteris paribus.

The first part of the paper includes an overview of relevant research on the problem to date. The second part defines the research methodological framework. In the third part, based on the available relevant statistical parameters, the central hypothesis will be tested by quantitative calculations. The fourth part discusses the research results compared to the same or similar research. The fifth part includes concluding remarks.

1. LITERATURE REVIEW

Foreign direct investment (hereinafter FDI) is considered one of the most stable components of capital flows to developing countries (Bénassy-Quéré, Coupet and Mayer 2007) and hence its impact on growth is expected to be manifold (De Mello Jr 1997). The first significant attempt to define the theoretical framework of FDI, with the exception of unsuccessful attempts to incorporate FDI into Ricardo's theory of comparative advantage, was made by Mundell (1957), explaining FDI through the international trade model. The model could not theoretically explain the role of FDI in industrial production, because portfolio investments were also incorporated in the structure of FDI. By upgrading this model, Kojima and Ozawa (1984) sought to bridge the problem of the relationship between international trade and FDI. The model is based on the thesis that the circulation of FDI occurs if a country has shortcomings in production processes in terms of international trade based on comparative advantages.

Also, other theoretical approaches have been used in defining and explaining the role and impact of FDI. The theory of production cycles was used to determine certain types of investments of American companies in the production sector of Western Europe after the Second World War. However, although American companies did not have a technological advantage in all manufacturing sectors, they continued to invest in the region in the period 1950-1970 (Vernon, 1966). Exchange rate theory in imperfect markets analyzed the impact of uncertainty in investment flows. Analyzing the expected fluctuations in the foreign exchange market and risk, Cushman (1985) proved that the appreciation of foreign currency statistically significantly reduces the outflow of domestic FDI. That is, the higher value of the currency in a certain country has a disincentive effect on FDI inflows from other countries because it increases the cost of foreign capital. Dunning's theory of the eclectic paradigm encompassed three different theories of FDI (O-L-I) (Denisia 2010). The direct implication of the theory is that the reference values of OLI parameters are different for companies and that they reflect the political, social and economic characteristics of the countries in which investments are made. The stated theoretical frameworks, as well as other theories of FDI represent the nervus rerum of the analytical framework in the research of the role and significance of FDI in the economic growth and development of countries ceteris paribus.

Exploring the connection between FDI, economic growth and financial markets in a study of 20 OECD countries and 51 developing countries, Alfaro, Chanda, Kalemli-Ozcan and Sajek (2004) concluded that FDI plays a significant role in economic growth and that countries with well-developed financial markets have a significant benefit from FDI inflows. Also, the role and effect of FDI in

generating economic growth depends on the size of the domestic market, trade balance and competitive environment in relation to local producers (Tsai, 1994; Balasubramanyam, Salisu and Sapsford 2006). Analyzing the dynamic benefits of FDI and the relationship between technology transfer and the technical progress in the European market, Barrell and Pain (1997) showed that FDI represents an important channel for spreading technologies and ideas and generating economic growth. The correlation of FDI with the economic growth of the country in which it is invested is also confirmed in the analysis of Bengoa and Sanchey-Robles (2003). The primary factors of investment success are emphasized, which refer to a greater degree of economic freedoms, as well as an adequate level of human capital, economic stability and market liberalization. Identical results were obtained by Azman-Saini, Baharumshah and Hook Law (2010), who investigated the same relation but with a different methodology in a study of 85 countries in the period 1995-2004.

Johnson (2006), investigating the impact of FDI on economic growth in a study of 90 countries in the period 1980-2002 proved that FDI, unlike developed countries, has a positive effect on the economic growth of developing countries, as a result of technology spillovers and inflows of physical capital. By analyzing the relationship between FDI and economic growth of Eurozone countries, Pegkas (2015) came to the results that confirm the existence of a positive link between FDI and economic growth in the long run, and that the value of FDI is a significant predictor of positive impact on economic growth in Eurozone countries. Gligorić, Bojović and Vujanić (2017), by analyzing the countries of the Commonwealth of Independent States, proved the existence of a statistically significant and positive impact of FDI on economic growth in these countries.

Analyzing 11 countries in East Asia and Latin America, Zhang (2001) found that the success of FDI in generating growth depends on country-specific characteristics. First of all, it depends on the trade liberalization regime, the education system, the state of human capital, the export orientation of the national economy and macroeconomic stability. Similar results were obtained by Kurtishi-Kastrati (2013), who in her research emphasizes the importance of the level of technological and educational development and an adequate regulatory framework in the effects of FDI in generating growth. Almfraji and Almsafir (2014) analyzed the results of previous research (34 studies in the period 1994-2012) on the relationship between FDI and economic growth. The direct implication of the analysis is that in most cases the FDI-economic growth relationship is significantly positive, but in a few cases it is negative or non-existent. Within these relations, several factors play a significant role in generating the positive impact of FDI on economic growth, such as an adequate level of human capital (Li and Liu 2005), developed financial markets, the complementarity of domestic and foreign investment, and a free trade regime. Morgan, Graham and Blomström (2005), by exploring the relationship as well as the impact and role of FDI in economic development, concluded that the impact of FDI in generating growth can be both positive and negative. The positive impact, depending on the political and economic environment, is reflected in increasing the efficiency and productivity of the national economies of developing countries. The negative impact in the highly protected economies of developing countries is reflected in the inefficient use of domestic resources, inadequate joint investment with domestic companies and insufficient technology transfer.

Nair-Reichert and Weinhold (2001) proved the existence of different influences of both domestic investments and FDI on the economic growth of developing countries. Domestic investments significantly affect economic growth in the short run, but their positive effect diminishes in the long run, in contrast to FDI whose effect, although heterogeneous in different countries, is statistically significant in open economies. Similar results were confirmed in the analysis of Borensztein, De Gregorio and Lee (1998). Dinh, Vo and Nguyen (2019) in their research came to the conclusion that the impact of FDI on economic growth is negative in the short run and positive in the long run. On the other hand, the link between FDI and economic growth is positive and FDI plays a significant role in economic growth, and its effect increases with a greater degree of openness of economies, as well as with the improvement of the investment environment in them (Sass 2003). By analyzing the transition countries of Central and Eastern Europe, Neuhaus (2006) showed that there is a link between FDI and the economic growth of transition countries through capital accumulation and technological changes. The results of the analysis suggest that the fundamental factors influencing FDI inflows and efficiency in generating growth in transition countries are market size, production input costs, and stable political, institutional and macroeconomic environment. Chowdhury and Mavrotas (2006) in their study, which reviewed conventionally adopted economic policies of developing countries that emphasize the importance of FDI in economic growth, identified similar factors that are predictors of

investment success. Also, the required level of the technological capacity of domestic companies, which is based on human capital development and institutional framework, provides positive FDI externalities (Blomström and Kokko 2003; Lall and Narula 2004; Meyer and Sinani 2009).

On the other hand, the research results by Lyroudi, Papanastasiou and Vamvakidis (2004) show that there is no statistically significant correlation between FDI and economic growth in transition countries. Foreign direct investment in many developing countries plays the role of a "Trojan horse", exploiting the technological base of the host country (Potterie and Lichtenberg, 2000). Also, Mencinger's (2003) analysis showed that there is no positive relationship between FDI and economic growth in transition countries. The primary motive for FDI inflows in transition countries is politically motivated privatization rather than investment in the manufacturing sector. And an analysis by Durham (2004) in a study of 80 countries showed that FDI, as well as portfolio investment, do not have direct positive effects on economic growth. In addition to the above, other analyzes (Kentor 1998; Feeny, Iamsiraroj and McGillivary 2014; Jilenga, Xu and Gondje-Dacka 2016; Gherghina, Simionescu and Hudea 2019) concluded that the link between FDI and gross domestic product growth per capita (hereinafter: GDP per capita) was negative, weak or nonlinear. Although there are different scientific findings, opinions and attitudes regarding the role of FDI in generating economic growth, the fact is that FDI is a significant predictor of economic growth. And whether economic growth will be achieved, and inclusive and sustainable in the long run, a priori depends on the political, economic, institutional and legislative framework of the countries.

2. METHODS AND DATA

The dependent variable in the research is economic growth. Economic growth, i.e. "a long term rise in capacity to supply increasingly diverse economic goods to its population" (Kuznets 1973, 247), is an indicator of a well-conceived and efficiently implemented economic policy. The value of GDP per capita, which represents a fundamental indicator of a country's economic performance in improving living standards (Nolan, Roser and Thewissen 2016), was taken as a precise, explanatory, comparative and statistically significant indicator of economic growth. Foreign direct investment is an independent variable in the research. Analytical procedures will investigate the influence of the independent on the dependent variable. The measurement indicator of the independent variable represents the value of FDI inward in developed countries, developing countries and least developed countries (hereinafter LDCs)

The subject of the analysis refers to the quantitative research of FDI causality on the economic growth of targeted countries, measured by GDP per capita. The study covered three groups of countries: developed countries, developing countries and LDCs. This paper used standard country or area codes for statistical use (M49) (UNCTAD, 2021a). The assignment of countries or areas to specific groupings is for statistical convenience. It does not imply any assumption regarding the political or other affiliation of countries or territories by the United Nations (UNCTAD, 2021a). In general, this list of countries or areas includes those countries or areas for which statistical data are compiled by the Statistics Division of the United Nations Secretariat.

The group of developed countries consists of highly industrialized countries with inclusive and sustainable economic growth and development in the long run and a significant rate of accumulation of wealth. According to M49 classification in the group of developed countries are 47 countries. The group of developing countries includes countries that, although they have a trend of economic growth, do not belong to developed countries due to a significant and permanent lag in economic development and accumulation of wealth. According to M49 classification in the group of developing countries are 124 countries.

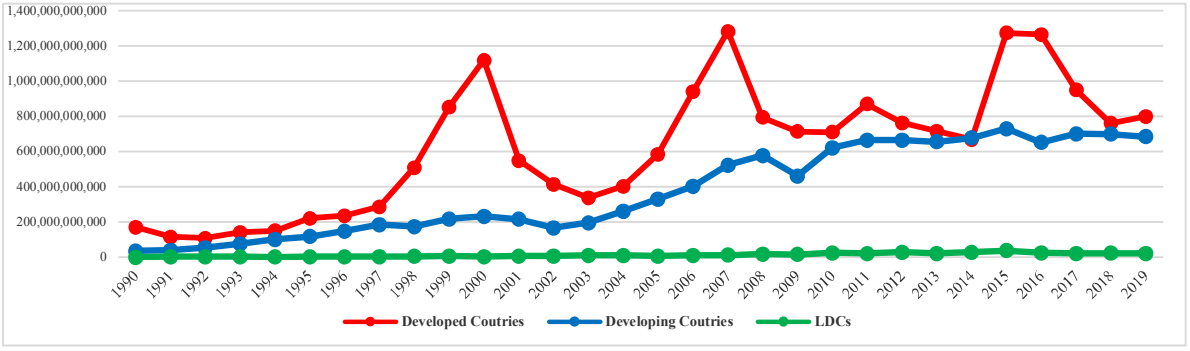
The least developed countries are the poorest countries with a low rate of economic growth, development and accumulated wealth. The least developed countries are classified according to a combination of geographical and structural criteria. The resulting groups are as follows. African least developed countries and Haiti include 38 countries, Asian least developed countries – eight countries, Island least developed countries – six countries.

The time frame of the analysis refers to the period 1990-2019. The base year is 1990, which is a period of fundamental socio-political and economic changes at the global level that have played a catalytic role in FDI inflows, especially in developing and LDCs. The analysis will show whether FDI has an impact on the economic growth of each group of countries, in which groups it is more pronounced, as well as the causes of this impact.

3. RESEARCH RESULTS

Analytical procedures examined the impact of FDI on economic growth by groups of countries. That is, the determinism of GDP per capita by FDI variations was quantitatively investigated. The research was conducted on groups of countries following the economic development criteria. The groups of countries covered by the analysis are developed countries, developing countries and LDCs. The time frame of the analysis is the period 1990-2019. There was a significant increase in the value of investments at the global level during this period. This paper investigates which groups of countries have benefited the most from FDI inflows and changes in global production chains. In the analyzed period, the most extensive inflow of FDI was in developed countries, with an average value of 623.5 billion dollars per annum. In the same period, developing countries had an average FDI inflow of 375.5 billion dollars per annum and LDCs 12.3 billion dollars per annum (**Error! Reference source not found.**).

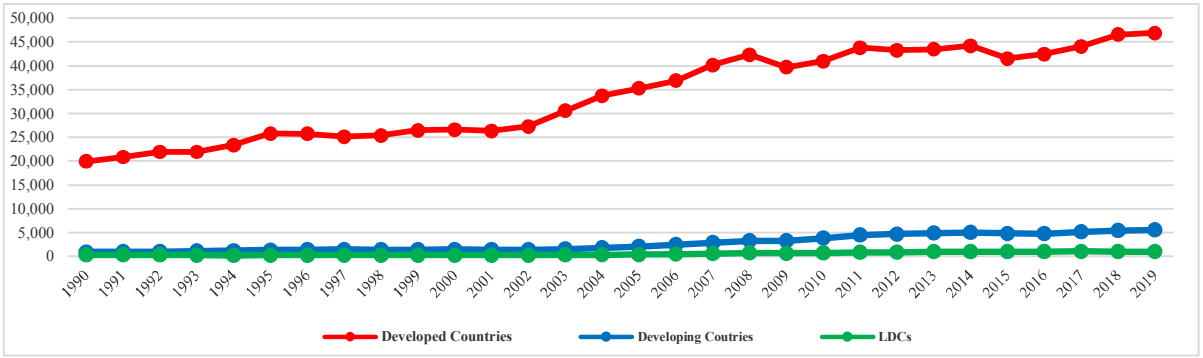
Chart 1. FDI inflow in targeted groups of countries



Source: Authors based on UNCTAD (2021b)

This time frame is characterized by GDP growth per capita in the analyzed groups of countries. The positive trend is particularly pronounced in the group of developed countries. However, in both developing and LDCs, there has been an increase in the value of GDP per capita, from 983 dollars in 1990 to 5,591 dollars in 2019 in developing countries and from 336 dollars in 1990 to 1,088 dollars in 2019 in the LDCs (**Error! Reference source not found.**).

Chart 2: GDP per capita in targeted groups of countries



Source: Authors based on UNCTAD (2021b)

Regression analysis analyzed the impact of FDI on the economic growth of targeted groups of countries. By comparing the obtained results, groups of countries with generated benefits from FDI inflows in the mentioned period were identified.

For all groups of countries, the number of observations is 30. The total value of the FDI indicator is 18,707 billion for Developed countries, 11,265 billion for Developing countries and 370,422,000 for least developed countries. The total value of the GDP per capita indicator is 1.012 billion for Developed countries, 83,772 for Developing countries and 17,747 for LDCs. The average value of FDI indicators for developed, developing countries and LDCs is 623.57 billion, 375.52 billion and 12.34 billion respectively and the average value of GDP per capita indicators for targeted groups of countries is 33,670, 2,972, and 591,5 (Table 1).

Table 1. Descriptive statistics

	N	Sum	Mean	Median	Mode	Std. deviation
Developed countries (FDI)	30	18,707,108,000	623,570,266	689,997,500	107,861,000	360,565,806
(GDP per capita)	30	1,012,813	33,760	345,220	19,919	9,120
Developing countries (FDI)	30	11,265,692,000	375,523,066	296,597,500	34,649,000	251,369,435
(GDP per capita)	30	83,772	2,792	2,000	983	1,648
LDCs (FDI)	30	370,422,000	12,347,400	9,737,000	5,550,000	10,262,816
(GDP per capita)	30	17,747	591,5	422	281	316

Source: Authors calculations

Regression analysis shows that the indicator R2, an indicator of determining the level of FDI and the amount of GDP for Developed countries, is 0.51 and the coefficient with the variable (B) is 0.018. Furthermore, the Multiple R indicator is 0.71 and the ratio F (F ratio is computed by dividing the MS value by another sum-of-squares (SS) value) is 29.6 while the t Stat indicator is 5.4 (Table 2). The statistical significance of coefficients for indicators in targeted groups of countries is high. To test the results, an artificial variable was added to the calculations. Adding an additional dummy variable does not significantly affect the conclusions of the results.

Table 2. Regression analysis

	R square	B	ß	F	t	Sig.
Developed countries	0.51	0.018	0.71	29.6	5.4	0.00
Developing countries	0.94	0.006	0.97	489.9	22.1	0.00
Least developed countries	0.84	0.028	0.92	156.0	12.4	0.00

Source: Authors calculations

The regression equation, which quantified the influence of the independent on the dependent variable, is expressed as follows:

$$Y_i = ß_0 + ß_1 X_i + \varepsilon_i$$

where

Y_i- dependent variable (GDP per capita),

X_i- independent variable (FDI),

$ß_0$- Constant

$ß_1$- unknown parameter with independent variable,

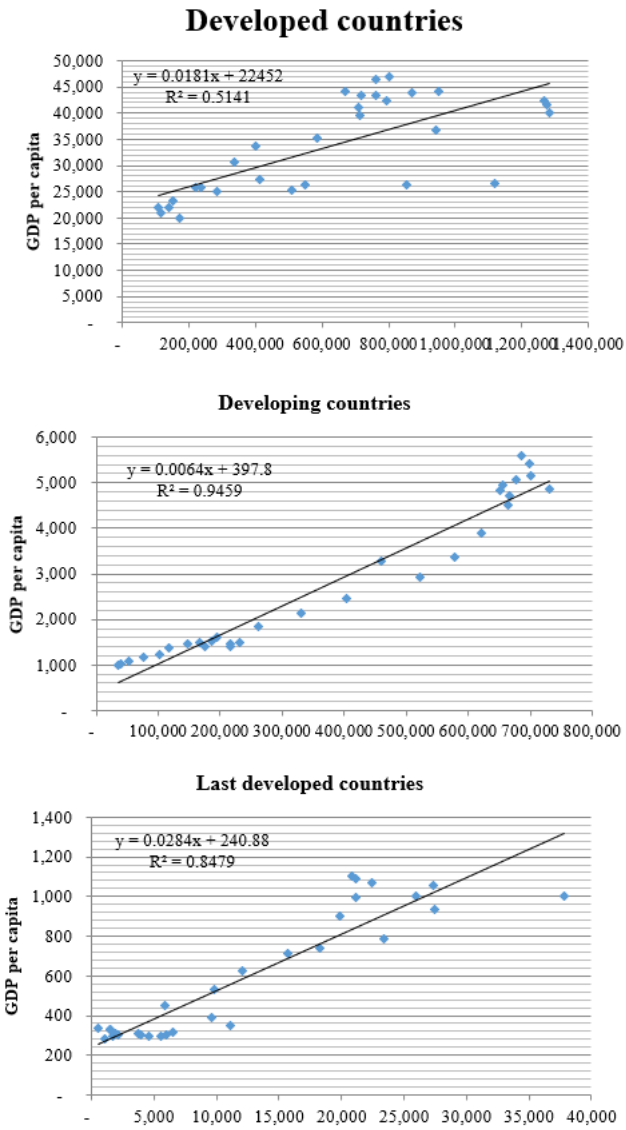
ε_i - error that reflects all influences on a dependent variable that does not originate from an independent variable.

All calculations were performed using the SPSS program application and graphically displayed in Excel. The high value of the Pearson correlation coefficient for targeted groups of countries (71.7% for the group of developed countries, 97.3% for the group of developing countries and 92.1% for the group of LDCs) indicates the existence of a statistically significant correlation between dependent and independent variables. It implies that the prediction of the variability of a highly variable dependent variable can be determined based on the variation of the independent

variable. A more reliable indicator of the relationship between the dependent and independent variables was obtained by squaring the correlation coefficient. The value of the coefficient of determination is high for groups of developing countries and LDCs and amounts to 94.6% and 84.8% respectively, when compared to the value for the group of developed countries (51.4%) (**Error! Reference source not found.**).

These values imply that the high degree of value of the dependent variable is determined by variations of the independent variable, especially in developing countries and LDCs, and is statistically significant for the group of developed countries. Moreover, these values explain the influence and significance of FDI in generating economic growth in developing and LDCs compared to developed countries. The percentage of explained variability is statistically significant, as shown by the high value of F statistics (29.6 for the group of developed countries, 489.9 for the group of developing countries and 156.0 for LDCs). Observation of the obtained t values and associated significance concludes that the independent variable affects the value of the dependent variable in the targeted groups of countries. That is, FDI has a statistically significant impact on GDP per capita of all three groups of countries ceteris paribus (Chart 3).

Chart 3: regression analysis



Source: Authors calculations

The residual scatter plot shows the existence of a strong linear correlation of the positive direction between the dependent and independent variables. The analysis proved the tested hypothesis and also identified a high degree of interdependence between the dependent and independent variable,

as well as a high degree of determination of the dependent variable by variations of the independent variable, especially in developing and LDCs.

4. DISCUSSION

The results revealed the existence of a link between FDI and economic growth, i.e. they emphasized FDI as a significant predictor of economic growth in all three groups of countries ceteris paribus. The link between FDI and economic growth is particularly pronounced in developing and LDCs. Economic growth in these groups of countries is statistically significantly determined by FDI inflows. These findings are a logical consequence of the causal relationship between dependent and independent variables, considering the level of economic development, technological progress, human capital development and the quality of the legislative and institutional framework in these countries. A statistically significant correlation between FDI inflows and economic growth in these countries, compared to developed countries, is a consequence of global changes that have significantly affected the direction and value of the investment at the international level.

From the aspect of spatial and temporal dimension, the analytical framework represents a modified approach compared to previous research. Although some studies (Kentor, 1998; Mecinger, 2003; Lyroudi et al. 2004; Jilenga et al. 2016; Gherghina et al. 2019) have not proved the link and positive impact of FDI on economic growth, most representative studies are compatible and confirm the results in this paper. Many studies (Zhang, 2001; Alfaro et al. 2004; Johnson, 2006; Neuhaus, 2006; Azman-Saini et al. 2010; Peghas, 2015, Gligorić et al. 2017), showing the existence of a positive impact of FDI on economic growth, are based on the example of one country, a group of countries according to geographical or development criteria without a comparison of the analyzed groups of countries. These studies emphasize the role of many factors as a homogeneous group or coherent and unified predictors of FDI inflows and their role in generating economic growth.

Development of legislative and institutional framework, human capital and financial markets, the openness of the national economy, macroeconomic stability, export-oriented national economy, level of technological development, market size, costs of production inputs, education system are fundamental ex-ante factors that statistically significantly affect FDI effect in generating economic growth ex-post. Also, the time dimension of the research is another critical factor, concerning the mentioned research. The targeted time frame covers a period of significant global changes, which significantly affected the direction and value of FDI in all three groups of countries. The choice of spatial and temporal dimension sought to provide a representative, accurate and objective presentation of the impact of FDI on economic growth with a high degree of reliability and consistency.

The research conducted in this paper is a good starting point for further research in this direction. In order to confirm the results of this research or obtain the ones with a higher degree of accuracy and reliability, it is necessary to modify its spatial and temporal dimensions. That is, the spatial diversification of these groups of countries according to geographical criteria and a more extended period of observation will upgrade the analytical framework in order to increase the number of indicators of dependent and independent variables and obtain results that more accurately and objectively explain the strength of the relationship and the influence of independent on the dependent variable.

5. CONCLUSION

This paper analyzes the impact of FDI on the economic growth of three groups of countries, following the economic development criterion. The analysis results revealed the existence of a statistically significant correlation between the dependent and independent variables in all three groups of countries. The high value of the coefficient of determination, as well as the adjusted coefficient of determination in the case of developing countries and LDCs, compared to slightly lower values of the same coefficients in the group of developed countries implicitly shows a statistically significant impact of FDI on GDP per capita of these groups of countries compared to developed countries. The obtained results show that the effect of investing in generating economic growth ceteris paribus is more pronounced in countries with a lower level of economic growth and development. The analysis confirmed the central hypothesis in this paper, i.e. that FDI has a stimulating effect on economic growth and the effect of investment is a priori determined by the political and economic environment and the appropriate institutional and legislative framework, ceteris paribus.

Also, the targeted period is characterized by a growing trend of FDI inflows in developed and developing countries, compared to the LDCs, where FDI inflows have continuously low values. This implies that FDI inflows are significantly determined by the socio-political and economic factors in countries. Developed countries are characterized by a well-built and developed institutional and legislative framework, a low level of corruption and grey economy, a high level of human capital development, financial markets, education system, infrastructure, technological progress and political and macroeconomic stability. These characteristics represent factors that significantly influence FDI inflows and generate GDP growth per capita, ceteris paribus. Developing countries have been implementing political, economic and institutional reforms since the 1980s, resulting in a trend of continuous growth of FDI inflows and a positive impact on GDP per capita. The LDCs face numerous challenges and an underdeveloped political and economic system and institutional infrastructure, which are limiting factors for a significant inflow of FDI. However, the impact of FDI on generating economic growth is statistically significant in this group of countries.

Although there is no universal pattern with defined factors that have a stimulating effect on FDI inflows and a positive impact on GDP per capita, the analysis showed that the impact of FDI on economic growth is more pronounced in groups of countries with lower economic growth and development where lower cumulative FDI values have a more significant impact on economic growth, compared to developed countries, which are not explicitly conditioned by FDI as a fundamental generator of economic growth.

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