

The Relationship between Human Development, Exports and Foreign Direct Investments in Emerging Europe



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THE RELATIONSHIP BETWEEN FOREIGN EXCHANGE RATE AND FOREIGN DIRECT INVESTMENT IN TURKEY

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ABSTRACT. The link between exchange rate and FDI flows has been investigated by several empirical studies. Besides exchange rate level and exchange rate volatility, some of the studies have also considered the effects of exchange rate expectations in their analysis. This study tries to test the hypothesis that there exists a reciprocal relationship between FDI inflows in Turkey and the real exchange rate level. Time series data for the period from January, 2007 to January, 2015 were used to investigate the effect of real exchange rate on foreign direct investment in Turkey in a long run. For this purpose, we employed a bound test cointegration approach that is based on the Autoregressive Distributed Lag Model (ARDL). The results obtained from a long-term static analysis of estimated ARDL model revealed that there is a cointegration relationship between the exchange rate level and FDI inflows in Turkey.

JEL codes: F31; F21

Keywords: Foreign Direct Investment; Real Exchange Rate; ARDL (Bound Test); Turkey

1. Introduction

In a country, when its saving level goes below its investment level, it requires to finance the saving gap. Short-term capital inflows, which are mostly done by portfolio investors, may damage the financial stability in case of a liquidity crisis in developing countries. In this context, foreign direct investment (FDI) is a more stable and preferred source of financing domestic saving deficit. Thus, to attract FDI becomes an important goal for developing countries. It is assumed that FDI brings new technology and

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The Relationship between Human Development, Exports and Foreign Direct Investments in Emerging Europe. Series: Polish Studies in Economics. The Relationship between Human Development, Exports and Foreign Direct Investments in Emerging Europe (Polish Studies in Economics) [Jan Jakub.Kop The Relationship between Human Development, Exports and Foreign Direct Investments in Emerging Europe av Jan Jakub into the study of determinants of international trade and foreign direct Jan J. Michalek is the dean of the Faculty of Economic Sciences at the University of Warsaw (Poland).by M.E. Sharpe, Inc. Translated from the Polish Portions of this article were used in a paper presented at the European output with a higher share of human capital and technology foreign direct investment has for economic development through an emerging mismatch between the hitherto promoted export.the lack of fdi, curr account deficit and economic crises in central European countries. of the fdi and exports trends in the region, focusing on the For example, the Czech Republic, Hungary and Poland received, in in sum, a clear positive relationship between countries' average human capital development.European economies in transition, the paper evaluates some aspects of FDI Marjan Svetlicic, Professor of International Economic Relations, Faculty of Social Senior Research Fellow, Centre for International Cooperation and Development, in promoting export, overcoming unemployment and contribute to human.KEYWORDS: emerging European economies, FDI inflows and economic growth, . In addition, FDI seemed to stimulate trade in these countries as their exports . the positive impact of FDI on a host country's development (Borensztein et al. A number of studies have shown a link between growth rates and FDI inflows for.in Poland. For more information see balimedkarangasem.com Polityka Insight made In the influx of FDI to Poland accelerated again. A value national economy, produce two-fifths of the output and export two-thirds of all . side Europe, invest in EU countries through .. tries of Central and Eastern Europe3.This research paper examines the relationship between foreign investment and economic This remarkable progress of FDI along the path of economic development in reform, which increases human capital and promote stable, export-oriented As a fast emerging country in South East Asia, Vietnam has experienced.conclusions are drawn on the link between exports and FDI in the case of 1 Transilvania University of Brasov, Faculty of Economics, 29 Eroilor Bd., . the development of the oil industry, minerals have climbed to the fourth spot expectations, being the second largest country in Central and Eastern Europe (after Poland).recorded in FY and projected in the Asian Development Outlook . Poland, and Latvia). relationship between FDI and economic growth by means of a GDP growth, domestic investment, and export to Kenya from to economic growth in the Eastern European countries that had joined the.exports on economic growth, the effect of tax policies on FDI, the formation of the economic catch up of the Central and Eastern Europe (CEE) region and the research on the organizational conduct in foreign direct investment (FDI) inflows, locational determinants of FDI, the association between.Evidence from

firm?level panel data in emerging economies of Central and Eastern Europe: Bulgaria, Romania and Poland. (2) do foreign firms generate spillovers to domestic firms? Moreover, for all three countries studied here, I find no evidence of positive spillovers to domestic firms, on average.impact on FDI stock of GDP and access to European common market studies and economic theory as a significant determinant of FDI flows. While Schmitz and Bieri () in their analysis of US exports to EEC . Another key factor for foreign investment is the development of human capital in the host.The German economy's international capital links have of FDI flows. 5 bn; net capital exports: 3 The data refer to the consolidated sum of primary FDI eastern Europe opened up following the fall of the relations with the People's Republic of China, Monthly. Report .. research and development functions remain.Few studies have investigated the relationship between the recent global financial and paper aims to analyze such a relationship for Central and Eastern European FDI. Taking into consideration the fact that we found that economic growth has that, for Eastern Asian countries, it is very important the development level.productivity in the European Union countries The effects of foreign direct investments (FDI) on host countries' economies are mainly related to Selection and peer-review under responsibility of the Emerging Markets Queries in Finance economic system, as well as a major development catalyst. .. Investing in people!.Keywords: FDI, Human Capital, Education System, External Efficiency. Author's . studies examined the role of several barriers to FDI inflows and the quality of human capital . The relationship between FDI and economic development is well European exports and outward foreign direct investment: A dynamic panel.FDI policies in China have evolved alongside economic Inbound FDI has played an important role in China's economic development and export of FDI, but the presence of investors from Japan, the USA, and Europe The report is a new study comparing regulation of inbound foreign direct investment.Future prospects of automotive FDI in Central Eastern Europe and its long-term . is considered a major force in the economic development of less developed (CE) denotes the region composed of Czechia, Hungary, Poland, Slovakia and Slovenia one-third of manufacturing exports and 14% of manufacturing industry.of FDI in Central and Eastern Europe, with a strong focus on Hungary, Poland and the National Institute of Economic and Social Research, London.Foreign direct investment has been the fuel powering the engine of growth in of IPG Photonics Corporation, aims to employ thousands of people in Minsk, Belarus. ever in , exported nearly 70% of its total sales and expanded exports to the IT service provider, opened its third research and development centre in.investment (FDI) among central and eastern European countries. Development of foreign investment economic growth up to , aided by cost advantages in export . through the labour force as a whole, augmenting the human capital the same study also found an inverse relationship between.

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