

EFFECTS OF GLOBALIZATION, HUMAN DEVELOPMENT AND CORRUPTION ON ECONOMIC GROWTH: EVIDENCE FROM E7 ECONOMIES

Küreselleşme, İnsani Gelişme ve Yozlaşmanın Ekonomik Büyüme Üzerindeki Etkisi: E7 Ekonomilerinden Kanıtlar

Mustafa ARSLAN* 

Abstract

This study examines the effects of globalization, human development, and corruption on economic growth in the E7 economies. Using annual data for the period 1995–2022, the Method of Moments Quantile Regression (MMQREG) is applied to evaluate the dynamic structure of growth under different conditions. Empirical findings indicate that human development has a strong and positive impact on economic growth across all quantiles. While globalization affects economic growth negatively only in high-growth quantiles, no statistically significant effect has been found in low- and middle-growth quantiles. In contrast, whereas the rise in corruption perception adversely affects growth more strongly in the lower and intermediate quantiles, the strength of this effect diminishes considerably in the upper quantiles. Foreign direct investment and other control variables also contribute differentially across quantiles, demonstrating a heterogeneous structure in growth dynamics. This study concludes that economic growth in the E7 nations can be attained through enhanced human development, effective anti-corruption measures, the formulation of robust global integration policies, and the attraction of technology-driven foreign investment. The MMQREG methodology significantly enhances the literature by illustrating that, even among countries with similar economic development, the distribution of policy effects can differ depending on context and level.

Keywords:

Corruption, Human Capital, Economic Development, Globalization, E7 Countries.

JEL Codes:

D73, E24, O10, C23.

Anahtar

Kelimeler:

Yolsuzluk, İnsan Sermayesi, Ekonomik Gelişme, Küreselleşme, E7 Ülkeleri.

Jel Kodları:

D73, E24, O10, C23.

Öz

Bu çalışma, E7 ekonomilerinde küreselleşme, beşerî kalkınma ve yolsuzluğun ekonomik büyüme üzerindeki etkilerini incelemektedir. 1995–2022 dönemine ait yıllık veriler kullanılarak, Momentler Kantil Regresyon (MMQREG) Metodu'yla büyümenin dinamik yapısı farklı koşullarda değerlendirilmiştir. Ampirik bulgular, beşerî kalkınmanın ekonomik büyüme üzerinde tüm kantillerde güçlü ve pozitif bir etkiye sahip olduğunu göstermektedir. Küreselleşme ise ekonomik büyümeyi sadece yüksek kantillerde ve negatif etkilerken düşük ve orta düzey kantillerde istatistiksel olarak anlamlı bir etki tespit edilmemiştir. Diğer yandan yolsuzluk algısındaki artış büyümeyi özellikle alt ve orta kantillerde daha belirgin biçimde negatif etkilerken üst kantillerde bu etkinin düzeyi oldukça azalmaktadır. Yabancı doğrudan yatırımlar ve diğer kontrol değişkenleri de kantiller arasında farklılaşan katkılar sunarak büyüme dinamiklerinin heterojen bir yapıya sahip olduğunu ortaya koymaktadır. Sonuç olarak, çalışma E7 ülkelerinde ekonomik büyüme; beşerî kalkınmanın artırılması, yolsuzlukla etkin bir mücadele, sağlıklı bir küresel entegrasyon politikası geliştirme ve teknoloji tabanlı yabancı yatırımların ülkeye çekilmesiyle mümkün olabileceğini ortaya koymaktadır. MMQREG yaklaşımı ise birbirlerine yakın ekonomik büyüme düzeyine sahip ülkelerde bile politikaların etki dağılımının bağlam ve düzeye göre değişebildiğini ortaya koyarak literatüre önemli bir katkı sağlamaktadır.

* Assoc. Prof. Dr., Nevşehir Hacı Bektaş Veli University, Faculty of Economics and Administrative Sciences, Türkiye, m.arslan@nevsehir.edu.tr

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1. Introduction

Economic growth (EG) is a crucial indication of the prosperity and developmental status of nations. A single factor cannot account for the complexity and multidimensionality of EG in the modern global economic system. Globalization, denoting the integration of economies with the global market; human development (HD), indicative of the caliber of human capital; and corruption, which undermines institutional stability, are prominent elements influencing EG dynamics. The trajectory of a nation's EG is significantly impacted by these three factors, both singly and in combination.

While globalization opens up the doors for economic progress through the free flow of capital, technology, and goods and services, HD ensures that these doors remain open by fostering a more productive and inventive workforce that is both healthy and well-educated. Nonetheless, this capacity for beneficial connection might be considerably diminished when confronted with a systemic issue like corruption. Corruption results in the inefficient use of public resources, misallocation of investments, and disruption of market mechanisms, squandering the potential presented by globalization and diminishing the efficacy of investments in HD. Consequently, comprehending the combined influence of these three variables on EG is essential for formulating comprehensive and successful development programs.

EG, a multifaceted and dynamic phenomenon in the modern global economic system, is one of the primary indices that show the welfare levels and development processes of nations. In this framework, key determinants of EG include corruption, human capital, and globalization. By facilitating the movement of capital, goods, and technology, globalization gives nations access to new economic opportunities (Dreher, 2006). Human capital, on the other hand, ensures that these opportunities last by boosting worker productivity through investments in health and education (UNDP, 1990; Barro and Lee, 2013; Abedin et al., 2019). However, corruption can hinder economic growth by reducing economic efficiency, deteriorating the investment climate, distorting resource allocation, and wasting public resources (Mauro, 1995; Tanzi, 1998). Additionally, Ranis et al. (2000) and Suri et al. (2011) assert that a bidirectional relationship exists between HD and economic progress, which can engender either virtuous or vicious cycles contingent upon policy decisions. Some research indicates that globalization may diminish corruption (Gatti, 1999), whilst others propose that it can have adverse effects, particularly in the short term (Didžgalvytė-Bujauskė et al., 2019).

Nevertheless, scientific information about the interaction of these factors in generating synergy or conflict in EG is scarce. This study seeks to provide a comprehensive examination of these correlations within a multivariate framework utilizing econometric approaches, while considering country-specific variances and devising targeted, efficient suggestions for policymakers. Accordingly, the subsequent sections of the essay will present the theoretical framework and literature review, followed by a discussion of the econometric model and analysis results, concluding with policy implications.

2. Headline

2.1. Human Development and Economic Growth

Research indicates a bidirectional influence between HD and EG, with studies demonstrating that HD impacts EG and others suggesting the opposite effect. According to the first approach, HD is a fundamental element that fosters EG by enabling individuals to lead longer, healthier, and more fulfilling lives (UNDP, 1990; UNDP, 2001; Varona and Gonzales, 2025). Encompassing core dimensions like health, education, and living standards, HD positively influences EG in both the short and long term (Abedin et al., 2019; Picatoste et al., 2021). Increased budget allocations to the education and health sectors enhance life expectancy and living standards, enabling the populace to contribute more efficiently to EG (Zhang and Danish, 2019). Improvements in health have been shown to have a positive impact on EG (Bloom et al., 2014). In the long run, ultimately, HD is favorably correlated with EG via the pathways of education and employment performance. Concurrently, EG can also positively enhance opportunities for household education and participation in economic activities (Awad et al., 2014). Investments in HD are essential for establishing a sustainable development trajectory (Costantini and Monni, 2008). For the second approach, in the short term, EG exerts a detrimental and substantial impact on the HD. Additionally, poverty negatively and significantly impacts HD in the short run (Sijabat, 2024). In the medium term, the impact of EG on HD appears inconsistent (Mundra and Singh, 2017). In the long run, EG and HD exhibit a strong cointegration relationship, with EG positively and significantly influencing HD (Ramesh and Abebe, 2014; Chikalipah and Makina, 2019; Chikalipah and Okafor, 2019); however, the relationship is inherently heterogeneous across countries (Suri et al., 2011). Furthermore, limited and unsustainable EG is a potential threat to precarious HD (Varona and Gonzales, 2025).

Several studies, on the other hand, have confirmed a bidirectional relationship between EG and HD in the short run (Duflo, 2001; Strauss and Thomas, 1995) or long run (Ranis et al., 2000; Suri et al., 2011; Awad et al., 2014; Rivera, 2017), particularly for women (Ranis et al., 2000). Conversely, certain research did not identify any bidirectional relationship between these two variables, especially in the short term (Khan et al., 2018; Chikalipah and Makina, 2019; Reyes and Useche, 2019). In the long term, empirical findings regarding the relationship between EG and HD vary significantly across regions and countries (Hafner and Mayer-Foulkes, 2013; Reyes and Useche, 2019). These mixed findings highlight the complexity and variability of the long-run relationship between EG and HD across different development contexts.

Current empirical evidence suggests that the direction, amplitude, and temporal characteristics of the HD–EG connection are heterogeneous. Evidence suggests that HD fosters EG through the accumulation of human capital, particularly in the short term. Long-term analyses typically reveal strong cointegration between the two variables, while also indicating that this relationship has a varied structure influenced by country-specific developmental processes. Consequently, the research indicates that the HD–EG interaction cannot be elucidated by a linear and universal model.

2.2. Corruption and Economic Growth

Two main theoretical perspectives describe how corruption influences EG. The "grease the wheels" hypothesis argues that corruption can positively affect EG by circumventing inefficient

regulations, reducing transaction costs, and facilitating investments and bureaucratic obstacles. According to this view, bribery acts as "speed money," reducing transaction costs, facilitating domestic and foreign investments, and improving administrative efficiency (Bayley, 1966; Huntington, 1968). Acemoglu and Verdier (1998) further argue that corruption can lead to effective resource distribution when markets fail, labeling this the "helping hand" theory. Similarly, corruption may attract foreign direct investment (FDI) by circumventing inefficient administrative processes, as observed in countries like China (Wedeman, 1997, India (Rock and Bonnett, 2004), Moldova and Turkmenistan (Kargin Akkoc and Durusu Ciftci, 2024), South Korea (Huang, 2016), certain lower-middle-income countries (Aissaoui and Fabian, 2022), emerging Asian markets (Nguyen and Luong, 2020), and Pakistan (Luqman et al., 2021)

Conversely, the "sand the wheels" thesis asserts that corruption negatively impacts EG by hindering efficient manufacturing, innovation, and resource allocation. Proponents of this view argue that corruption increases uncertainty, raises production costs, discourages investments, decreases FDI inflows, distorts markets and diverts resources from productive public sectors, such as health and education, toward unproductive sectors like military spending and large infrastructure projects (Mauro, 1995; Tanzi and Davoodi, 1997; Tanzi, 1998; Gupta et al., 2001; Gründler and Potrafke, 2019). Empirical studies consistently support this negative relationship in various contexts, including BRICS countries (Simo-Kengne et al., 2023), Arab countries (Ghoneim and Ezzat, 2016), OIC countries (Erum and Hussain, 2019), Greece (Papaconstantinou et al., 2013), Bangladesh, India, and Pakistan (Miah et al., 2021), and developing countries broadly (Mo, 2001; Gyimah-Brempong, 2002; Lambsdorff, 2003; Sharma and Mitra, 2019; Spyromitros and Panagiotidis, 2022; Mongi and Saidi, 2024). Conversely, certain empirical evidence indicates that corruption has a positive effect on EG in the short term and negative effects in the long term (Belloumi and Alshehry, 2021; Spyromitros and Panagiotidis, 2022; Lucarelli et al., 2024), with variations contingent upon the specific country context (Virta, 2010; Gründler and Potrafke, 2019).

The influence of corruption on economic growth is both conceptually and empirically varied. The "grease the wheels" hypothesis posits that corruption may serve as an adaptive mechanism amid elevated transaction costs and bureaucratic inefficiencies, whereas the "sand the wheels" perspective offers compelling evidence that corruption intensifies institutional frailties, discourages investment, distorts resource distribution, and adversely affects long-term growth trajectories. The empirical research predominantly indicates negative consequences; however, the presence of positive effects in certain countries and short-term assessments illustrates that the corruption-growth link is a nonlinear process influenced by context and temporal scope.

2.3. Globalization and Economic Growth

Numerous studies have found a positive relationship between globalization and EG. Economic globalization and international financial integration generally promote EG by facilitating resource allocation, technological improvements, and productivity gains (Gözüör and Can, 2017; Olimpia and Stela, 2017; Hassan et al., 2019; Ulucak, 2019; Santiago et al., 2020; Liu et al., 2021; Radulović and Kostić, 2024). Specifically, trade openness-economic globalization (Dritsaki et al., 2004; Miah et al., 2021), political globalization (Kılıç, 2015; Olimpia and Stela, 2017; Nguyen and Le, 2021; Radulović and Kostić, 2024), and social globalization (Ulucak, 2019;

Santiago et al., 2020; Acheampong et al., 2021; Radulović and Kostić, 2024) positively affect EG. Additionally, globalization reduces corruption by lowering barriers to international trade and transactions (Gatti, 1999; Lalountas et al., 2011). Conversely, several studies on economic globalization (Didžgalvytė-Bujauskė et al., 2019; Acheampong et al., 2021; Nguyen and Le, 2021), political globalization (Majidi, 2017; Ulucak, 2019; Acheampong et al., 2021; Radulović and Kostić, 2024), and social globalization (Kılıç, 2015; Olimpia and Stela, 2017) have identified negative impacts of globalization on EG.

Empirical findings on impacts of globalization on EG demonstrate that the link between globalization and EG is complex, nonlinear, and context-dependent (Zahonogo, 2017), the direction and magnitude of the effect may vary depending on the short and long term (Chang and Lee, 2010; Didžgalvytė-Bujauskė et al., 2019; Acheampong et al., 2021), according to population and urbanization level (Beri et al., 2022), nations' economic status and the particular globalization aspect (Aissaoui and Fabian, 2022), country's economic development level (Maqbool-ur-Rahman, 2015; Majidi, 2017)

The empirical literature regarding the influence of globalization on economic growth indicates that the relationship is markedly varied and complicated. Although numerous studies indicate that economic and financial integration promotes growth via enhanced productivity, technological diffusion, and optimal resource allocation, there is also evidence suggesting that economic, political, and social globalization might hinder growth in certain settings. This indicates that the impacts of globalization differ based on a nation's developmental status, demographic composition, urbanization rate, and the temporal framework considered, implying that the link is nonlinear and context-dependent.

3. Empirical Analysis

3.1. Data

The analysis includes annual data for E-7 nations (Brazil, China, India, Indonesia, Mexico, Russia, and Türkiye) from 1995 to 2022. Countries and research periods are contingent upon data availability. The study analyzes the relationships between EG, globalization, HD, and corruption, while accounting for factors such as FDI, using panel empirical methods. All variables except direct foreign investment have been used in logarithmic form. Table 1 comprises the empirical analysis's annual data. It encompasses all variables utilized in the study, along with concise descriptions and data sources.

Table 1. Data Set

Variable	Definition	Source
GDP	GDP per capita (Constant 2015 \$)	World Bank
HDI	Human Development Index	UNDP
CPI	Corruption Perceptions Index	Transparency International
FDI	Foreign Direct Investment (net inflows, % of GDP)	World Bank
KOF	Globalization Index	KOF Swiss Economic Institute

3.2. Methodology

The present study empirically examines the impacts of HD, corruption, and globalization on economic growth, while FDI is utilised as a control variable for a panel of E7 countries. EG is

represented by real GDP per capita. HD reflects the stock of knowledge and skills within the population, measured through an index combining average years of schooling and returns to education. Corruption is proxied by the logarithm of the CPI, in which higher values indicate lower perceived corruption and stronger institutional integrity. FDI expressed as the net FDI inflows as a percentage of GDP reflects international capital movements and technology spillovers. Globalization is measured by the logarithm of the KOF Globalization Index, encompassing economic, social, and political dimensions of global integration.

This study employed the Method of Moments Quantile Regression (MMQREG) technique, developed by Machado and Silva (2019), to analyze the impact of perceived corruption, HD, globalization, and FDIs on economic growth. This method is used mostly because standard regression techniques concentrate solely on average effects and are susceptible to assumptions like normality, zero mean, and homoscedasticity. The existence of outlier observations and the potential deviation from normal distribution assumptions can compromise the reliability of the estimated average effect by contravening these assumptions. Conversely, quantile regression analyzes the complete conditional distribution of economic growth, thereby elucidating how variable effects vary throughout low, medium, and high growth regimes.

The MMQREG method provides individual fixed effects to fluctuate between quantiles inside the panel data framework, enabling unobservable factors at the country or unit level to influence both the location and the overall distribution. This approach is based on present factors that define quantiles and considers the variability in the covariance structure. This facilitates uniform estimation of asymmetric and nonlinear interactions. The study analyzes the impact of perceived corruption, HD, globalization, and FDIs on economic growth, considering both the average growth level and variations across different growth quantiles (e.g., nations with low growth versus those with high growth). Consequently, the MMQREG panel regression method was favored in the study to analyze the dynamics of economic growth within a more complete framework that contains the full distribution.

In this context, Equation (1) is constructed to formalize the relationship between EG and its four key determinants, capturing the structural and institutional dimensions of long-run economic performance:

$$GDP = f(HDI, CPI, FDI, KOF) \quad (1)$$

In Equation 2, the residuals ε_{it} are assumed to be independently and normally distributed, with a mean of zero and constant variance. The empirical model can be specified as follows:

$$\ln GDP_{it} = \beta_1 \ln HDI_{it} + \beta_2 \ln CPI_{it} + \beta_3 FDI_{it} + \beta_4 \ln KOF_{it} + \varepsilon_{it} \quad (2)$$

In Eq. 2, i and t indices symbolize countries and time period ($t = 1995, \dots, 2022$) respectively. β_1 , β_2 , β_3 , and β_4 represent the slope coefficients for the variables of HDI, CPI, FDI, and KOF, respectively. Specifically: β_1 measures the effect of a 1% change in HDI; β_2 measures the effect of a 1% change in the CPI; β_3 measures the effect of a 1% change in FDI; β_4 measures the effect of a 1% change in the KOF on economic growth.

3.3. Empirical Results

Table 2 offers a conceptual framework for the dataset along with some descriptive information about the sample.

Table 2. Summary Statistics

Variables	Obs.	Mean	SD	Min.	Max.
lngdp	196	8.2792	1.0087	5.9273	9.6766
lnhdi	196	-0.3598	0.1312	-0.7571	-0.1589
ln CPI	196	3.4795	0.2148	2.8332	3.9120
fdi	196	2.1082	1.2932	-2.7574	5.0339
lnkof	196	4.1162	0.1126	3.6813	4.2894

The MMQREG estimation results are displayed in Table 3 for nine quantile levels, illustrating the impact of each variable at varying levels. The results indicate that the perceived corruption index (ln CPI) exerts a significant and positive impact on economic growth across all quantiles. In other words, an increase in corruption perception index (an increase in the CPI indicates a reduction in perceived corruption) positively influences economic growth across all quantiles. Nonetheless, the degree of this effect diminishes as the quantile rises. The CPI is particularly strong at lower growth quantiles (q10-q30). For instance, the coefficient is 0.79 at q10, but decreases to 0.44 at q80. This outcome indicates that corruption significantly hinders growth, particularly in economies with poor growth performance, and that combating corruption may serve as a more effective mechanism for generating economic potential in these economies. In the highest growth quantile (q90), the coefficient remains positive but becomes statistically insignificant. This finding indicates that the impact of combating corruption on growth may be more constrained or ambiguous in economies that have already attained higher growth rates.

Table 3. MMQREG Estimation Results

	constant	ln CPI	lnhdi	lnkof	fdi
quantile 10	4.8981 (4.492)	0.7929** (0.348)	5.6839* (1.163)	0.5457 (0.809)	0.0157 (0.041)
quantile 20	6.503*** (3.931)	0.7336** (0.302)	5.9879* (1.013)	0.2588 (0.708)	0.0151 (0.036)
quantile 30	8.179** (3.425)	0.6717* (0.262)	6.3052* (0.880)	-0.0405 (0.617)	0.0146 (0.031)
quantile 40	9.777* (3.056)	0.6127* (0.233)	6.6079* (0.784)	-0.3261 (0.550)	0.0140 (0.027)
quantile 50	11.3638* (2.873)	0.5541** (0.219)	6.908* (0.737)	-0.6095 (0.517)	0.0135 (0.026)
quantile 60	12.456* (2.862)	0.5137** (0.219)	7.1152* (0.736)	-0.8048 (0.515)	0.0131 (0.026)
quantile 70	13.463* (2.934)	0.4765** (0.2226)	7.3058* (0.757)	-0.9847*** (0.528)	0.0128 (0.027)
quantile 80	14.3632* (3.078)	0.4433*** (0.238)	7.476* (0.796)	-1.1454** (0.554)	0.0125 (0.028)
quantile 90	15.356* (3.319)	0.4066 (0.256)	7.6642* (0.858)	-1.323** (0.598)	0.0122 (0.030)

Notes: Values in parentheses indicate standard errors. *, **, and *** denote significance at the 1%, 5%, and 10% levels, respectively.

The level of HD (lnhdi) also significantly and positively impacts economic growth across all quantiles, similar to perceived corruption. However, contrary to the findings of perceived corruption, the impact of HD on growth rises with higher quantiles. The coefficient in q10 is 5.68 and increases to 7.66 in q90. This finding indicates that investments in human capital, including education, health, and living standards, not only promote economic growth but also enhance this

effect in economies exhibiting superior growth performance. In summary, HD serves as an approach to remedy for low-growth countries and simultaneously acts as the primary driver for equitable and sustainable growth in high-growth nations. This outcome supports the notion that human capital serves as both a prerequisite and a catalyst for economic progress.

The impacts of the globalization index ($\ln kof$) differ significantly between quantiles. The globalization coefficient is statistically insignificant in the low and medium growth quantiles (q10-q60), however, it becomes negative and statistically significant in the higher growth quantiles (q70-q90). Particularly notable adverse impacts are shown at the 10% significance level for q70, and at the 5% significance level for q80 and q90. This result indicates that the influence of globalization on economic growth is not uniform and that, particularly in high-growth economies, enhanced openness to external markets may exert a reduction in growth in the short and medium terms. This situation can be explained by factors such as the competitive pressure induced by globalization, increased vulnerability to external shocks, or the costs associated with structural adjustment.

The impact of FDI on economic growth was not found to be statistically significant in all quantiles examined. Although the coefficients are positive (about 0.012–0.016), they are rather insignificant in comparison to the standard errors and fail to achieve conventional significance ranges in any quantile. This outcome indicates that the impact of FDI on economic growth cannot be directly and statistically reliably identified at any point in the conditional distribution within this model and dataset. The impact of FDI on growth may be contingent upon specific prerequisite conditions (e.g., substantial human capital, efficient financial markets, robust institutions) or may vary based on the characteristics of the FDI itself. Consequently, the findings indicate that policies promoting the integration of FDI into the local economy and promoting technology transfer may be crucial, rather than merely recruiting FDI.

4. Conclusions and Policy Recommendations

The research findings are largely consistent with the findings of a large body of literature suggesting that HD supports economic growth (UNDP, 1990; 2001; Costantini and Monni, 2008; Bloom et al., 2014; Abedin et al., 2019; Zhang and Danish, 2019; Picatoste et al., 2021). Another finding, that the effect of HD on economic growth exhibits a heterogeneous structure depending on the country's growth level, is also consistent with the literature (Ranis et al., 2000; Suri et al., 2011; Awad et al., 2014; Rivera, 2017; Chikalipah and Makine, 2019). However, the finding that the effect of HD on economic growth varies depending on high growth performance is not frequently encountered in the literature.

Our finding that corruption is a factor that suppresses economic growth supports the negative relationship explained by the "Sand the Wheels" hypothesis and frequently confirmed in the literature (Mauro, 1995; Tanzi, 1998; Gupta et al., 2001; Mo, 2001; Gründler and Potrafke, 2019). The finding that the effect is particularly strong in low-income and low-growth economies supports studies on developing countries such as Gyimah-Brempong (2002), Erum and Hussain (2019), and Miah et al. (2021).

The reduction in effect at increased growth quantiles aligns with existing data indicating that the effect is context-dependent (Virta, 2010; Gründler ve Potrafke, 2019). Combating

corruption significantly influences economic growth, especially in underperforming economies. Although favorable results in certain nations endorse the "Grease the Wheels" hypothesis (Wedeman, 1997; Rock and Bonnett, 2004; Huang, 2016), the outcomes of this investigation did not demonstrate a positive, significant correlation in any quantile. Reducing corruption favorably influences growth across all quantiles. This effect is pronounced in low quantiles and positive yet statistically insignificant in high quantiles. The observation that the influence of corruption on growth nearly vanishes in high-performing economies is a distinctive result, differing markedly from existing literature not in the outcome but in the variability of the effect.

The study's findings contradict the literature, indicating that globalization enhances economic growth via productivity improvements and technology transfer (Gözgör and Can, 2017; Hassan et al., 2019; Liu et al., 2021), yet align with research suggesting that globalization may hinder economic growth due to adaptation costs and heightened competitive pressures, particularly in rapidly growing economies (Didžgalvytė-Bujauskė et al., 2019; Acheampong et al., 2021). Research indicates that the economic impact of globalization is contingent upon a nation's level of development, the nature of globalization, and the temporal framework (Majidi, 2017; Zahonogo, 2017; Aissaoui and Fabian, 2022). In summary, our findings validate the intricate and context-dependent link identified in the literature, illustrating that globalization does not function as a unilateral growth catalyst for all economies and may impose constraining effects at times. While the impact of globalization on growth is negative and significant at high quantiles, it has no significant impact at low and medium quantiles.

This study failed to verify the generally accepted belief that FDI positively influences economic growth (Borensztein et al., 1998; Alfaro et al., 2004). The consistent insignificance across all quantile distributions differentiates the study's results from existing literature.

According to the findings of the present study, it is suggested that investments in education should be augmented, especially in nations exhibiting low growth performance. Enhancement of technical and vocational training, together with digital competencies, is essential for cultivating a proficient workforce. Mechanisms for transparency and accountability should be enhanced, along with the efficacy of the judiciary and other oversight bodies. International collaboration must be enhanced to address corruption. Programs for transformation and capacity-building must be established to safeguard national economic institutions against competitive pressures arising from global openness, with a focus on integration that generates significant added value. Macroeconomic vulnerability must be mitigated by implementing financial stability measures to address abrupt disruptions from capital movements. To facilitate the incorporation of foreign direct investment into the national economy, incentives for knowledge transfer should be extended to domestic enterprises, and investments that are technology-intensive should be prioritized.

Declaration of Research and Publication Ethics

This study which does not require ethics committee approval and/or legal/specific permission complies with the research and publication ethics.

Researcher's Contribution Rate Statement

I am a single author of this paper. My contribution is 100%.

Declaration of Researcher's Conflict of Interest

There are no potential conflicts of interest in this study.

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