

# IMPACT OF GLOBALIZATION ON ECONOMIC

Final Proposal Presentation

Presented by:

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# INTRODUCTION – RESEARCH QUESTION

- Impact of Globalization on Economic Growth
- Analyzes how the world is becoming a global village
- looks at the developing economies of the Asian region and other economics too
- Major Independent variable in our study is Globalization
- Competitive Advantage
- Dependent Variable = Economic Growth
- Adv (bigger product portfolio, bigger job market, more business venture)
- Disad (Limited resources, more pollution, income inequity)

# INTRODUCTION – ELEMENTS OF RESEARCH DESIGN

- Purpose of the Study → Causal Research
- Researcher's extent of interference → Minimal Interference
- Study Setting → Natural Setting (Non Contributed with no Interference)
- Research Strategies → Observational and Survey
- Unit of Analysis → Countries
- Time Horizon of the study → Longitudinal Study – Panel Data Analyzis

# INTRODUCTION - DATA

- **Panel Data Analysis**
- Developing Countries (50)
- Time Period (1999-2020)
- Data Sources: World Bank, World Development Indicators, United Nations Conference on Trade and Development
- Other Additional sources (Published Articles)

# INTRODUCTION – RELEVANCE AND CONTRIBUTION

## Relevance

1. Countries fight for competitive advantage (Football Pakistan)
2. Interdependence of countries
3. Reduces costs of commodities
4. Better job opportunities
5. Access new cultures

## Contribution

1. Helps to look at changes in different types of countries to grow in global atmosphere
2. does these cost advantages from globalization always help in improvement of GDP of countries
3. how among the developing countries, GDP per Capita Changed across years

# LITERATURE REVIEW - THEORETICAL

- Investment Globally → world-wide disparity in income to fall → leading to money going from rich to poor
- Lucas Paradox → Mobile Capital transferred to poorer countries at later date → initially start at faster GDP → Later with the income gap of the leader (time lag between transfer of capital)
- Proactive government intervention → Infant industries to rise at global standards → more export → more GDP (only applicable if competing with global capital market standards)
- Primary Commodities take time to sell → price falls for those goods → less globalization
- Technological change → more GDP (Solow Growth Model)

## THEORETICAL FRAMEWORK : REGRESSION EQUATION

- $GDP_{it} = \beta_0 + \beta_1 Glob_{it} + \beta_2 Infl_{it} + \beta_3 GFCF_{it} + \beta_4 Govsp_{it} + \beta_5 HDI_{it} + \beta_6 Exp_{it} + \beta_7 Imp_{it} + \beta_8 FDI_{it} + \beta_9 Popgr_{it} + \beta_{10} EX_{it} + \mu_{it}$

THEORETICAL FRAMEWORK: VARIABLE  
TABLE

Variables	Description	Measurement	Data Source
Glob	Globalization	Measured by KOF Globalization Index	World Bank
Infl	Inflation	Percentage Change in price levels	World Bank
GFCF	Gross Fixed Capital Formation	Measures the net increase in fixed capital	United Nations Conference on Trade and Development
Govsp	Government Spending	Money spent by the government	World Bank



## THEORETICAL FRAMEWORK: VARIABLE TABLE

Variables	Description	Measurement	Data Sources
HDI	Human Development Index	Measures 3 key dimensions of human development; life expectancy, years of education and standard of Living	WDI
Exp	Export	Value of all goods and other market services provided to the rest of the world.	World Bank
Imp	Import	Value of all goods and other market services received from the rest of the world	World Bank
FDI	Foreign Direct Investment	Foreign Direct Investment (FDI) stocks measure the total level of direct investment at a given point in time	WDI
Popgr	Population growth	Annual Percentage Increase	World Bank
EX	Exchange Rate	Rate at which one currency can be exchanged for another between nations or economic zones	WDI

## EXPECTED SIGNS OF GLOBALIZATION WITH THE ECONOMIC GROWTH

	Expected Signs with Economic Growth	
	Positive (+)	Negative (-)
Globalization: Political	(Ullah, 2013)	
Globalization: Economic	(Samimi 2014)	
Globalization: Social	(Gurgul, 2014)	
Inflation	(Majidi, 2017)	
Gross Fixed Capital Formation	(Meyer, 2019)	
Government Spending	(Suci, 2016)	
Human development Index	(Hoa, 2016)	
Trade Openness	(Ray, 2012)	
Foreign Direct Investment	(Kakar, 2011)	
Population Growth	(Bucci, 2015)	
Exchange Rate		(Ahmad, 2013) Pak

**Thank You!**