

Foreign direct investment, globalisation challenges and economic development: an African sub-regional analysis

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Abstract

Foreign direct investment (FDI) inflow is a global phenomenon for Africa and developing economies alike. It is expected that globalisation would foster inflow of foreign capital, technology transfer and consequently economic development. This study aimed at examining the effect of FDI on economic development for developing economies in the SSA sub-region. The study used pooled data for 39 SSA countries for the period within years 2000 and 2018. The analysis method used for the examination was the fixed effect least square dummy variable regression model. The study found that FDI is tangibly significant in relation to economic development for SSA sub-region that depended less on it. The study recommends that, the government of SSA subregion should consider the extent to which they would exploit existing opportunities that globalisation affords vis-à-vis the inherent threats in order to maximise the gains and minimise the losses by guiding carefully the sector that foreign investment flows into.

Keywords

[FDI](#), [foreign direct investment](#), [globalisation](#), [economic development](#), [African sub-regions](#), [SSA](#), [foreign capital](#), [technology transfer](#), [domestic investment](#)

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