MJIFM | MAJAPAHIT JOURNAL OF ISLAMIC FINANCE AND MANAGEMENT

Vol. 6 No. 1, 2026, 1084–1097 e-ISSN 2798-0170

THE INFLUENCE OF CORRUPTION, TRADE OPENNESS, POLITICAL STABILITY, AND SKILLED LABOR ON FOREIGN DIRECT INVESTMENT (FDI) IN BRICS COUNTRIES

Erni Setyowati[1]
Universitas Muhammadiyah Surakarta, Indonesia
b300220192@student.ums.ac.id
***Corresponding Author**

Siti Aisyah[2]
Universitas Muhammadiyah Surakata, Indonesia
aisyah.feb.ums@gmail.com

Abstract

Foreign direct investment flows play a crucial role in driving economic growth and development in developing countries, including the BRICS group. However, FDI inflows are inextricably linked to the economic and political conditions of each country. This study aims to determine the influence of corruption levels, trade openness, political stability, and skilled labor on foreign direct investment (FDI) flows into BRICS countries (Brazil, Russia, India, China, and South Africa) during the 2010-2020 period. The data used are secondary data obtained from the World Bank using panel data regression analysis. The results of this study indicate that corruption, trade openness, and labor have a significant negative effect on FDI. This leads to an increase in these factors, which in turn reduces foreign investment inflows into BRICS countries. Meanwhile, political stability has a significant positive effect on FDI, meaning that the more stable a country's political conditions, the greater the FDI inflows. Therefore, to increase investment attractiveness in the BRICS region, efforts are needed to strengthen political stability and improve the quality of institutions through reducing corruption, managing trade openness, and increasing labor productivity to remain cost-competitive.

Keywords: Foreign Direct Investment, Corruption, Trade Openness, Political Stability, Skilled Labor, BRICS, Panel Data Regression

Vol. 6 No. 1, 2026, 1084–1097 e-ISSN 2798-0170

INTRODUCTION

Foreign Direct Investment (FDI) is an investment activity carried out by individuals or a company from one country to another with the aim of acquiring ownership and management of a company's productive assets. FDI is one of the important components in economic growth globally, especially for developing countries that need funds, FDI is an important point in long-term development (Jadhav & Katti, 2012). Stable FDI inflows play an important role in accelerating capital accumulation, which can support the increase in productive capacity in host countries (Kishor & Singh, 2015). In addition, FDI facilitates technology transfer, managerial innovation, and organizational expertise, which are urgently needed by economies seeking to improve global competitiveness. The role of FDI in improving economic welfare makes it a key indicator in a country's economic attractiveness in the international market (Chodisetty, 2019)(Azam et al., 2011). Therefore, efforts to identify and understand in depth the determinants of FDI flows are relevant and important research for the formulation of effective policies to bind inflowing investments. The BRICS group of countries comprising Brazil, Russia, India, China, and South Africa has collectively become a major magnet for FDI due to their large domestic market size and substantial long-term growth potential (Abdella et al., 2018). Despite having similarities as a fast-growing emerging market, the BRICS countries show more pronounced variations in terms of institutional structure, investment policies, and business environments (Barassi & Zhou, n.d.) By analyzing the specific factors that can encourage or hinder Foreign Direct Investment in this dynamic and heterogeneous group of countries, it provides an in-depth understanding for investors and policymakers alike. (Joo et al., 2022).

In the institutional and political context, corruption is a major barrier that significantly hinders the entry of Foreign Direct Investment (Mudambi et al., 2013). This corrupt practice can increase transaction costs so that it can create severe regulatory uncertainty, which directly reduces investment profit expectations (Wei, 1997) In addition to the issue of corruption, political stability in a country is seen as an important challenge for foreign investors who are always looking for a safe and predictable business environment for their capital (Kutbay & Altunakar-Mercan, 2025). A political environment that is prone to conflict, sudden regime change, or civil violence increases non-commercial risk, which discourages investors from investing long-term capital (Rashid et al., 2017). Therefore, the host country's ability to control corruption and maintain political

Vol. 6 No. 1, 2026, 1084–1097 e-ISSN 2798-0170

stability is crucial in attracting and sustaining FDI flows, as emphasized by empirical findings on several groups of countries (Asante et al., 2022).

In addition to the factor of political stability, trade openness is a fundamental macroeconomic variable that is often the main driver of FDI flows (Alshammari et al., 2015). Trade openness reflects the extent to which a country's economy is integrated with the global market, as measured by total trade (exports and imports) as a proportion of Gross Domestic Product (Mora & Singh, 2013). The existence of an open trade environment can provide wider market access and efficient production networks for Multinational Enterprises (MNCs), encouraging them to invest for export purposes (Güriş & Gözgör, 2015). Trade openness can encourage more efficient allocation of resources as well as specialization, ultimately creating an environment that favors inward investment from abroad.(Grossman & Helpman, 1990).

While institutional and trade factors have been extensively studied in previous research, the presence of labor is one of the key determinants of location that is increasingly important for multinational companies, especially in today's knowledge-based economy (Waugh & Ravikumar, 2016). The availability of qualified, educated, and skilled human resources can significantly increase productivity, reduce operational costs, and accelerate technology adoption for foreign investors (Kishor & Singh, 2016). However, studies on the impact of skilled labour on FDI, particularly in the BRICS group, still show mixed and less consistent results when compared to the role of physical capital (Marinescu, 2016). Skilled labor is often overlooked or generally equated with human capital without specifically distinguishing the level of expertise required by MNCs (Barassi & Zhou, n.d.). Therefore, the need for a more specific understanding of skilled labor as a key driver of FDI, especially in the context of BRICS seeking to shift to high-value-added manufacturing, is an urgent empirical need.

Previous studies have shown that corruption, trade openness, and political stability have a significant influence on Foreign Direct Investment. Abdella et al., (2018) has presented a model that is closest to the scope of this study by examining corruption, trade openness, and political stability in the BRIC countries (before South Africa joined). In a study conducted by Abdella et al., (2018) which found that the level of corruption had a negative effect on the attractiveness of direct investment. In addition, Mudambi et al., (2013) shows that corruption can reduce the attractiveness of investment destination countries. Conversely, traders' openness has a positive influence on FDI (Alshammari et al., 2015). Similar findings were also addressed by Güriş & Gözgör, (2015), which states that traders' openness has a positive impact on the investment climate. Thus, the more open

Vol. 6 No. 1, 2026, 1084–1097 e-ISSN 2798-0170

an economy is to the international community, it provides great potential for FDI inflows. The next factor that affects FDI is political stability in the research conducted Jadhav & Katti, (2012) and Abdella et al., (2018) suggests that political stability has a positive and significant influence on FDI flows in BRICS countries. This is also supported by the results of the discovery Rashid et al., (2017) which says that countries with a high level of political stability tend to have a high attraction to foreign investors. There is also another factor that is no less important is the quality of human resources, especially the level of skilled labor. However, more research is needed to integrate the variables of skilled labor, which are a key determinant of modern FDI, into the same analytical framework. Thus, the gap in the main research identified is the lack of research that addresses the role of skilled labor as a factor influencing FDI inflow. The role that skilled labor can clearly play in attracting FDI is still a point of debate that requires strong and renewable empirical evidence, which also takes into account the unique internal dynamics of the BRICS.

So this study contributes by filling the gap in the literature that focuses on the quality of human resources as a determinant of FDI in emerging markets, especially in BRICS countries, which has never been done before. The findings will serve as a basis for the formulation of relevant policy recommendations for BRICS governments, in order to optimize the investment environment and improve their competitiveness in the global arena.

RESEARCH METHOD

This research is quantitative research that uses a type of panel data by combining data *Time series* and *cross section.* In 5 BRICS member countries, namely Brazil, Russia, India, China, and South Africa during the period of 2010-2020. The reason for choosing the country as the object of research is because it has a strategic role as the main destination for foreign investment inflows (FDI) among developing countries, with a significant contribution to the global economy. The literature shows that FDI in BRICS countries is strongly influenced by macroeconomic factors and conditions, such as political stability, trade openness, and corruption levels, which reflect the level of risk and certainty for foreign investors (Abdella et al., 2018; Kechagia & Metaxas, 2022). In addition, Kutbay & Altunakar-Mercan, (2025) found that economic and political risk are important determinants of FDI, but did not list labor quality as a major factor. In fact, in the context of BRICS which is transforming towards a productivity- and technology-based economy, skilled labor is one of the key elements in attracting high-value-

Vol. 6 No. 1, 2026, 1084–1097 e-ISSN 2798-0170

added foreign investment. Therefore, research on BRICS countries during the period 2010-2020 is a guide to analyze the influence of corruption, trade openness, political stability, and skilled labor on foreign investment inflows. The type of data used is secondary data obtained through the official international institutions of the World Bank, World Development Indicators (WDI), and World Governance Indicators (WGI).

Table 1.
Variable Operational Definition

Variable Name	Symbols	Definition	Source
Foreign Direct Investment	FDI	*Net foreign direct investment inflows* (in % of GDP). Data was obtained from World Development Indicators (WDI), World Bank	Abdella et al., (2018); Banday et al., (2021); Joo et al., (2022); Maryam & Mittal, (2020)
The Influence of Corruption	COR	The level of corruption is measured through *the Corruption Perceptions Index* (CPI), where a high score reflects a low level of corruption. Data obtained from the Worldwide Governance Indicators (WGI)	Abdella et al., (2018); Tammar, (2024); Khan et al., (2020); Fazira & Cahyadin, (2018)
Trading Openness	YOUR	The degree of economic integration is measured by the ratio of total exports and imports to Gross Domestic Product (GDP). Data was obtained from the World Development Indicators (WDI), World Bank	Abdella et al., (2018); Banday et al., (2021); Yeboah et al., (2025)
Political Stability	P.S.	Indicators of political stability and the absence of violence or terrorism with a value range of -2.5 (unstable) to +2.5 (stable). Data obtained from	Abdella et al., (2018); Jadhav & Katti, (2012); Kutbay &

Vol. 6 No. 1, 2026, 1084–1097 e-ISSN 2798-0170

		Worldwide Governance Indicators (WGI)	Altunakar-Mercan, (2025);
Skilled Workforce	SKILL	The quality of human resources is proxied through the *Human Capital Index* (HCI) or the level of higher education participation. Data was obtained from the World Development Indicators (WDI), World Bank	Mohanty & Sethi, (2019)

The analysis model used is the Regression Data Panel to find out the influence of corruption, trade openness, political stability, and skilled labor on FDI in BRICS countries. The model used can be formulated as follows:

$$FDI_{it} = \alpha + \beta_1 COR_{it} + \beta_2 TO_{it} + \beta_3 PS_{it} + \beta_4 SKILL_{it} + \varepsilon_{it}$$

Where:

FDI : Foreign Direct Investment (% of GDP)
COR : Corruption Rate (Index Score)
YOUR : Trader Openness (%)
P.S. : Political Stability (Index Score/ Scale)
SKILL : Skilled Workforce (%)
$\beta_1, \beta_2, \beta_3, \beta_4$: Independent Variable Coefficient
i : Country
t : Period
ε : Eror Term

The regression of the panel data used three estimates, namely the Common Effects Model (CEM), the Fixed Effects Model (FEM), and the Random Effects Model (REM). The selection of the best model is carried out by chow test and hausman test. The best model will be used to estimate the influence of independent variables on dependents.

The model existence test or *the F* test is carried out to find out whether the independent variables together have an effect on the dependent variables. *H0* in the *F* test states that $\beta 1 = \beta 2 = \beta 3 = \beta 4 = \beta 5 = 0$ which means that the level of corruption (COR), level of openness of traders (TO), level of Political Stability (PS), and level of skilled labor (SKILL) together have no effect on the level of foreign direct investment (FDI) in BRICS countries. *H0* is denied if the F-statistical probability < α.

Vol. 6 No. 1, 2026, 1084–1097 e-ISSN 2798-0170

Then, *a t-test* needs to be performed to find out whether the individual independent variable has an effect on the dependent variable. *H0* states that *β1* = 0, which means the level of corruption (COR), the level of Trader Openness (TO), the level of political stability (PS), and the level of skilled labor (SKILL) together have no effect on the level of foreign direct investment (FDI). The HA states *β1 < 0*, which means that the level of corruption has a negative effect on the level of foreign direct investment, while the HA states that *β1 < 0*, which means the level of Trader Openness (TO), the level of Political Stability (PS), and the level of skilled labor (SKILL) respectively have a positive effect on the level of foreign direct investment (FDI)

RESULTS AND DISCUSSION

Model Selection Test

a. Chow Test

The chow test is a test used to select the Common Effects Model (CEM) or Fixed Effects Model (FEM) in estimating panel data.

Hypothesis:

- If *prob. Cross Section* F > (0.05) then the best model is *αCommon Effects*
- If *prob. Cross Section* F < (0.05) then the best model is *αFixed Effects*

Table 2.
Chow Test Estimation Results

Effects Test	Statistic	D.F.	Prob.
Cross-section F	4.051066	(4,41)	0.0074
Cross-section Chi-square	16.652820	4	0.0023

Source: World Bank, processed

Conclusion:

Based on Table 3, it is known that the results of *the Prob. Cross-section F and Chi-square* < 0.05 then the selected model is Fixed Effects.

b. Hausman Test

Thirst test is a test used to select Fixed Effects Model (FEM) or *Random Effects Model* (REM) in estimating panel data

- If *prob. Cross Section* F > (0.05) then the best model is *αRandom Effects*
- If *prob. Cross Section* F < (0.05) then the best model is *αFixed Effects*

Vol. 6 No. 1, 2026, 1084–1097 e-ISSN 2798-0170

Table 3.
Estimated Results of the Hausman Test

Test Summary	Chi-Sq. Statistic	Chi-Sq. D.F.	Prob.
Cross-section random	16.204266	4	0.0028

Source: World Bank, processed

Conclusion:

Based on Table 3, it is known that the results of *the Prob. Of Cross-section random* = 0.0028 (< 0.05), then the model chosen is Fixed Effects.

Table 4.
Regression Results

$$\text{FDI}_{it} = 6{,}495698 - \underset{(0{,}0003)}{3{,}071046}\, COR_{it} - \underset{(0{,}0000)}{0{,}0826230}\, TO_{it} + \underset{(0{,}0048)}{0{,}826230} PS_{it} - \underset{(0{,}0005)}{0{,}035721} SKILL_{it}$$

R2 = 0.542186; *F-stat* = 13.32330; Prob *F-stat* = 0.000000

Source: World Bank, processed

Model Goodness Test

a. Test F

The results of the F test have an F-statistical score of 13.32330 with an F-prob of 0.000. This probability result has a probability score of < 0.05, so it can be considered an independent variable that affects dependents. Therefore, it can be concluded that COR, TO, PS, and SKILL have a significant effect on FDI.

b. Coefficient of Determination (R2)

The R-squared value of 0.5421 and the Adjusted R-squared of 0.501492 indicate that approximately 54.21% of the FDI variation can be explained by the COR, PS, TO, and SKILL variables in the model. Meanwhile, the remaining 45.79% is explained by other factors outside this research model.

c. Effect Validity Test (t)

Based on Table 5. shows that the independent variables of corruption (COR), trader openness (TO), political stability (PS), and skilled

Vol. 6 No. 1, 2026, 1084–1097 e-ISSN 2798-0170

labor (SKILL) have a significant influence on the dependent variables of Foreign Direct Investment (FDI).

Table 5.
Results of the T-Test

Variable	Sig. T	Criteria	Conclusion
COR/Corruption	0,0003	<0.05	β_1 Significant
TO / Trade Openness	0,0000	<0.05	β_2 Significant
PS / Political Stability	0,0483	<0.05	β_3 Significant
SKILLS / Skilled Workforce	0,0005	<0.05	β_4 Significant

Source: World Bank, processed

The results of *the t-test* showed that the COR variable had a negative coefficient of -3.071046 with a probability value of 0.0003 (<0.05), so it can be concluded that COR has a significant effect on FDI. The TO variable has a negative coefficient of –0.085051 with a probability value of 0.0000 (< 0.05), which means that TO has a negative and significant effect on FDI. Furthermore, the PS variable has a positive coefficient of 0.826230 with a probability value of 0.0483 (< 0.05), so that PS has a significant effect on FDI. The SKILL variable showed a negative coefficient of 0.035721 with a probability value of 0.0005 (<0.05), which indicates that SKILL also has a significant effect on FDI partially.

Based on the regression results, it shows that corruption has a negative and significant effect on FDI in BRICS countries. These results show that an increase in the level of corruption can reduce the flow of foreign investment inflows, because corruption increases transaction costs, increases legal uncertainty, and decreases investor confidence in institutional stability and economic policies. These findings are in line with research Tammar, (2024) which proves that the corruption perception index has a negative and significant relationship with FDI in the long run. Similar results were also found by Khan et al., (2020) which states that corruption statistically lowers FDI in Asian countries, supports the theory *Grabbing Hand* that corrupt practices act as an obstacle to international investment. In addition, research on ASEAN-6 countries also shows that the corruption index has a significant negative effect on FDI (Fazira & Cahyadin, 2018). Thus, it can be concluded that the quality of institutions and the integrity of the government are crucial factors in attracting foreign investment so that efforts to reform the bureaucracy, policy transparency, and eradicate corruption are strategic steps to increase investment competitiveness in BRICS countries. However, this study is different from the results of research conducted in BRIC countries (before South Africa joined) which stated that the level of corruption

Vol. 6 No. 1, 2026, 1084–1097 e-ISSN 2798-0170

had no effect on FDI. This means that FDI in BRICS countries cannot be explained by changes in the level of corruption (Abdella et al., 2018).

The results of regression estimation show that trade openness has a negative and significant effect on FDI in BRICS countries. These results show that in the study period, the increase in trade openness does not necessarily encourage the inflow of foreign investment, the higher the level of trade openness, in fact the inflow of FDI tends to decrease significantly. Theoretically, this condition can be explained through the investment trade substitution approach, where foreign companies prefer to export their products to the destination country rather than make direct investments if trade barriers are relatively low. These findings are in line with research Yeboah et al., (2025) which shows that trade openness in the long term can have a negative impact on macroeconomic variables related to capital flows and investment. However, the results of this study are inversely proportional to most studies that have been conducted previously which show that the openness of trade has a positive impact on incoming foreign investment, this difference is seen in terms of the time period and country studied by the research (Abdella et al., 2018); (Banday et al., 2021). Thus, in the context of BRICS, high trade openness does not automatically increase FDI, but can rather create a substitution effect that reduces investors' incentives to invest directly.

Political stability shows a positive and significant effect on FDI levels in BRICS countries, which means that increased political stability significantly increases foreign direct investment flows. These results show that political certainty, low conflict, and consistency of government policies are important factors in international investor decisions. These findings are in line with research Abdella et al., (2018) who found that political stability was a key determinant of FDI in BRIC countries (before South Africa joined), as stability reduced investment risk and increased investor confidence. These results are also consistent with the study Jadhav & Katti, (2012) found that institutional and political factors are the main determinants of FDI, where the quality of governance and policy certainty encourage the inflow of foreign investment. In addition, the research Kutbay & Altunakar-Mercan, (2025) shows that political risk has a significant impact on FDI, so that the lower the political risk, the greater the investment flow that a country receives. Thus, political stability has proven to be a strategic factor in increasing the attractiveness of foreign investment, because it is able to create a safe, predictive, and conducive business environment for foreign investors.

Vol. 6 No. 1, 2026, 1084–1097 e-ISSN 2798-0170

Skilled labor has a negative and significant effect on FDI in BRICS countries. These findings suggest that an increase in the skilled workforce was followed by a significant decrease in FDI inflows. These findings show that in BRICS countries, improving the quality of human resources is not always a factor in attracting foreign investment, especially if the increase in skills is accompanied by wages and production costs that reduce cost-based comparative advantages. The results of this study can be attributed to Mohanty & Sethi, (2019) which emphasizes that the relationship between human capital and FDI in BRICS countries is complex and depends on the investment motives and economic structure of each country. Thus, the significant negative influence of skilled labor on FDI in this study indicates that the improvement of labor quality needs to be balanced with an increase in industrial productivity and efficiency in order to maintain the attractiveness of foreign investment in the BRICS region.

CONCLUSION

Based on the results of research conducted in BRICS countries, namely Brazil, Russia, India, China, and South Africa, it can be concluded that corruption, trade openness, and skilled labor have a negative effect on Foreign Direct Investment (FDI), while political stability has a positive effect on FDI. These results show that the increase in the level of corruption significantly reduces foreign investment flows because it increases transaction costs, legal uncertainty, and business risks. High trade openness has also been shown to lower FDI, which indicates a possible substitution effect between trade and direct investment. In addition, an increase in skilled labor accompanied by an increase in production costs can reduce the attractiveness of cost-efficiency-based investments. On the contrary, political stability has proven to be the main driving factor for FDI inflows because it is able to create a safe, consistent, and low-risk business environment. Thus, to increase the attractiveness of investment in the BRICS region, efforts are needed to strengthen political stability and improve institutional quality through reducing corruption, managing strategic trade openness, and increasing labor productivity to remain competitive in terms of cost.

Vol. 6 No. 1, 2026, 1084–1097 e-ISSN 2798-0170

REFERENCES

Abdella, A. B., Naghavi, N., Chan, B., & Fah, Y. (2018). *International Journal of Advanced and Applied Sciences The effect of corruption , trade openness and political stability on foreign direct investment : Empirical evidence from BRIC countries*. *5*(3), 32–38.

Alshammari, M. A., Hammoudeh, M. A., & Pavlovic, M. (2015). *Governance, Regulations, Trade Openness and FDI Inflows : Empirical Study*. *7*(12), 44–58. https://doi.org/10.5539/ijef.v7n12p44

Asante, G. N., Kamasa, K., & Bartlett, M. P. (2022). Foreign direct investment and economic growth nexus in ECOWAS: The leveraging effect of anti-corruption. *Economic Journal of Emerging Markets*, *14*(2), 162–174. https://doi.org/10.20885/ejem.vol14.iss2.art3

Azam, M., Khan, H., Hunjra, A. I., Ahmad, H. M., & Chani, M. I. (2011). *Institutional and macro economic policy factors on foreign direct investment : South Asian countries case*. *5*(11), 4306–4313.

Banday, U. J., Murugan, S., & Maryam, J. (2021). Foreign direct investment, trade openness and economic growth in BRICS countries: evidences from panel data. *Transnational Corporations Review*, *13*(2), 211–221. https://doi.org/10.1080/19186444.2020.1851162

Barassi, M. R., & Zhou, Y. (n.d.). *The effect of corruption on FDI : a parametric and non-parametric*. 1–23.

Fazira, D. R., & Cahyadin, M. (2018). *The Impact of Interest Rate , Corruption Perception Index , and Economic Growth on Foreign Direct Investment in ASEAN-6*. *22*(4), 707–713.

Grossman, G., & Helpman, E. (1990). *Trade, knowledge and growth*.

Güriş, S., & Gözgör, K. (2015). Trade Openess and FDI in Turkey. *Applied Econometrics and International Development*, *15*(2), 1–10.

Jadhav, P., & Katti, V. (2012). Institutional and Political Determinants of Foreign Direct Investment: Evidence From BRICS Economies. *Poverty and Public Policy*, *4*(3), 49–57. https://doi.org/10.1002/pop4.5

Joo, B. A., Shawl, S., Makina, D., Jadhav, P., Katti, V., Abdella, A. B., Naghavi, N., Chan, B., Fah, Y., Kechagia, P., Metaxas, T., Banday, U. J., Murugan, S., Maryam, J., Kishor, N., & Singh, R. P. (2022). The interaction between FDI, host country characteristics and economic growth? A new panel evidence from BRICS. *Transnational Corporations Review*, *10*(3), 49–57. https://doi.org/10.3390/economies10040077

Kechagia, P., & Metaxas, T. (2022). FDI and Institutions in BRIC and CIVETS

Vol. 6 No. 1, 2026, 1084–1097 e-ISSN 2798-0170

Countries: An Empirical Investigation. *Economies*, *10*(4). https://doi.org/10.3390/economies10040077

Khan, M. U., Khan, Z., Rauf, M., Farooq, N., & Sciences, A. (2020). *EFFECT OF CORRUPTION ON FOREIGN DIRECT INVESTMENT IN*. *19*(4), 3183–3202. https://doi.org/10.17051/ilkonline.2020.04.764694

Kishor, N., & Singh, P. (2016). *Determinants of Foreign Direct Investment (FDI) and Its Impact on BRICS Countries: A Data Panel Approach*. *7*(September 2015), 269–278.

Kishor, N., & Singh, R. P. (2015). Determinants of FDI and its Impact on BRICS Countries: A Panel Data Approach. *Transnational Corporations Review*, *7*(3), 269–278. https://doi.org/10.5148/tncr.2015.7302

Kutbay, H., & Altunakar-Mercan, Ş. (2025). The Impact of Economic and Political Risk on Foreign Direct Investments (FDI). *Socioeconomics*, *33*(66), 517–545. https://doi.org/10.17233/sosyoekonomi.2025.04.22

Marinescu, A. (2016). Axiomatical examination of the neoclassical economic model. Logical assessment of the assumptions of neoclassical economic model. *Theoretical and Applied Economics*, *23*(2), 47–64. http://www.icaap.org

Maryam, J., & Mittal, A. (2020). Foreign direct investment into BRICS : an empirical analysis. *Transnational Corporations Review*, *12*(1), 1–9. https://doi.org/10.1080/19186444.2019.1709400

Mohanty, S., & Sethi, N. (2019). *Outward FDI , human capital and economic growth in BRICS countries : an empirical insight*. *11*(3), 235–249. https://doi.org/10.1080/19186444.2019.1657347

Mora, J., & Singh, N. (2013). Trade productivity upgrading, trade fragmentation, and FDI in manufacturing: The Asian development experience. *Indian Growth and Development Review*, *6*(1), 61–87. https://doi.org/10.1108/17538251311329559

Mudambi, R., Navarra, P., & Delios, A. (2013). Government regulation, corruption, and FDI. *Asia Pacific Journal of Management*, *30*(2), 487–511. https://doi.org/10.1007/s10490-012-9311-y

Rashid, M., Looi, X. H., & Wong, S. J. (2017). Political stability and FDI in the most competitive Asia Pacific countries. *Journal of Financial Economic Policy*, *9*(2), 140–155. https://doi.org/10.1108/JFEP-03-2016-0022

Tammar, A. (2024). *Impact of corruption on Foreign Direct Investment in a sample of developing countries during the period (2005 - 2020): A standard study utilizing panel data*. *9*(1), 179–188.

Waugh, M. E., & Ravikumar, B. (2016). Measuring openness to trade. *Journal of Economic Dynamics and Control*, *72*, 29–41.

Vol. 6 No. 1, 2026, 1084–1097 e-ISSN 2798-0170

https://doi.org/10.1016/j.jedc.2016.03.009

Wei, S.-J. (1997). *How taxing is corruption*. 1–45.

Yeboah, E., Amo, A., Haggai, B., & Chibalamula, C. (2025). *The significance of foreign direct investment (FDI) and trade openness : evidence from nine European economies*.

Zuana, M. M. M., Toha, M., & Isbahi, M. B. (2024). Exploration of Community Empowerment in a Village as the Entrance to a Lake in East Java. *Malacca: Journal of Management and Business Development* , *1*(1), 47–55. https://doi.org/10.69965/malacca.v1i1.52