How Good Governance Affects Foreign Direct Investment (FDI) Inflows: Evidence from Emerging Markets = Pengaruh Tata Kelola Pemerintahan yang Baik terhadap Arus Masuk Investasi Asing Langsung: Studi pada Negara-Negara Emerging Markets

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Abstrak

Penelitian ini menganalisis pengaruh kualitas institusi terhadap arus masuk Foreign Direct Investment (FDI) di 24 negara emerging markets selama periode 2003 hingga 2023. Penelitian ini menggunakan enam indikator tata kelola pemerintahan—Control of Corruption, Government Effectiveness, Political Stability, Regulatory Quality, Rule of Law, dan Voice and Accountability—untuk menganalisis bagaimana kualitas tata kelola memengaruhi perilaku investor. Metode yang digunakan adalah one-step System Generalized Method of Moments (System GMM) untuk mengatasi potensi endogenitas dan heterogenitas yang tidak teramati, dengan data panel yang diperoleh dari World Governance Indicators (WGI) dan World Development Indicators (WDI). Hasil penelitian menunjukkan bahwa peningkatan Regulatory Quality dan Political Stability secara signifikan meningkatkan arus masuk FDI, sementara tingginya Voice and Accountability justru berkorelasi negatif dengan FDI. Sebaliknya, Control of Corruption, Government Effectiveness, dan Rule of Law tidak menunjukkan pengaruh yang signifikan. Di antara variabel kontrol, ukuran pasar yang lebih besar dan infrastruktur telekomunikasi yang lebih baik berpengaruh positif dan signifikan terhadap arus masuk FDI, sedangkan inflasi, populasi perkotaan, dan rata-rata lama sekolah tidak berpengaruh signifikan. Selain itu, guncangan global besar—termasuk krisis keuangan 2008, taper tantrum dan perang dagang, serta pandemi COVID-19—menunjukkan dampak negatif yang signifikan terhadap arus masuk FDI. Temuan ini menekankan pentingnya stabilitas politik dan regulasi dalam menciptakan iklim investasi yang kondusif. Bagi negara emerging markets, memperkuat kualitas tata kelola dan memastikan ketahanan makroekonomi merupakan strategi krusial untuk menarik dan mempertahankan investasi asing, terutama di tengah ketidakpastian global.

......This study investigates the influence of institutional quality on Foreign Direct Investment (FDI) inflows in 24 emerging market countries during the period from 2003 to 2023. It incorporates six governance indicators—Control of Corruption, Government Effectiveness, Political Stability, Regulatory Quality, Rule of Law, and Voice and Accountability—to examine how good governance shapes investor behavior. The study applies the one-step System Generalized Method of Moments (System GMM) to account for potential endogeneity and unobserved heterogeneity, using panel data derived from the World Bank's World Governance Indicators (WGI) and World Development Indicators (WDI). The findings reveal that improvements in Regulatory Quality and Political Stability significantly increase FDI inflows, while higher levels of Voice and Accountability are associated with a decline in FDI. In contrast, Control of Corruption, Government Effectiveness, and Rule of Law do not exhibit significant influence. Among the control variables, a larger market size and improved telecommunication infrastructure positively and significantly affect FDI inflows, while inflation, urban population, and mean years of schooling are found to have no significant impact. Moreover, major global shocks—including the 2008 financial crisis, the taper tantrum and trade war, and the COVID-19 pandemic—demonstrate significant negative effects on FDI inflows.

These results highlight the crucial role of political and regulatory stability in fostering a favorable investment climate. For emerging markets, strengthening governance and ensuring macroeconomic resilience are essential strategies to attract and sustain foreign investment, particularly amid global uncertainty