



7,666 Views | 582 CrossRef citations to date | 34 Altmetric

Original Articles

Foreign direct investment, financial development and economic growth

Niels Hermes & Robert Lensink

Pages 142-163 | Published online: 04 Jun 2010

📖 Cite this article 🔗 <https://doi.org/10.1080/00220380412331293707>

Sample our
Economics, Finance,
Business & Industry Journals
>> [Sign in here](#) to start your access
to the latest two volumes for 14 days

📖 Citations

📊 Metrics

🖨 Reprints & Permissions

Read this article

🔗 Share

Abstract

This article argues that the development of the financial system of the recipient country is an important precondition for FDI to have a positive impact on economic growth. A more developed financial system positively contributes to the process of technological diffusion associated with FDI. The article empirically investigates the role the development of the financial system plays in enhancing the positive relationship between FDI and economic growth. The empirical investigation presented in the article strongly suggests that this is the case. Of the 67 countries in data set, 37 have a sufficiently developed financial system in order to let FDI contribute positively to economic growth. Most of these countries are in Latin America and Asia.

Related research ⓘ

People also read

Recommended articles

Cited by
582

Information for

Authors

R&D professionals

Editors

Librarians

Societies

Opportunities

Reprints and e-prints

Advertising solutions

Accelerated publication

Corporate access solutions

Open access

Overview

Open journals

Open Select

Dove Medical Press

F1000Research

Help and information

Help and contact

Newsroom

All journals

Books

Keep up to date

Register to receive personalised research and resources
by email



Sign me up



Copyright © 2025 Informa UK Limited [Privacy policy](#) [Cookies](#) [Terms & conditions](#)

[Accessibility](#)



Taylor & Francis Group
an **informa** business

Registered in England & Wales No. 01072954
5 Howick Place | London | SW1P 1WG