

Impact of Economic, Social, and Political Globalization on Economic Growth in Asian Economies

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ABSTRACT

Globalization connects the globe internationally and rapidly merges the goods and capital markets along with dissimilar economies. It has been observed that globalization, education, and female labour force participation have positive and tremendous influences on the economic growth of Asian countries. By using data from 1996 to 2023, we have analysed the effect of globalization on the growth potential of Asian economies. We have used GDP as the dependent variable. However, economic, social, and political globalization, with education and female labor force contribution, have been used as explanatory factors. The random effect results indicate that economic and social globalization have a positive and tremendous effect on economic growth in these economies. Moreover, education and female labour force involvement also seem to be contributing positively towards the economic growth of the Asian countries. On the basis of the results, it is recommended that there is a need for a stable environment to increase economic globalization (more trade and investment) and social globalization for having more growth. More free-of-cost educational facilities should be provided to the general public. The government should provide more employment chances to females in all communities.

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INTRODUCTION

Globalization is the process of linking the globe internationally by economic, political, and social integration. It is the drive of amalgamating the goods and capital markets amongst dissimilar economies (Gurgul & Lach, 2014). It influences the economic actions of the countries, and then it furthermore conveys more or less influence on the cultural and political structure of the nations. In view of the importance of globalization, it usually has three dimensions: specifically, economic, social, and political. To measure these three extents of globalization, three indices have been built, explicitly, the economic globalization index, the social globalization index, and the political globalization index for all nations (Dreher, 2006; Dreher et al., 2008). Economic globalization is estimated through trade openness, social globalization is gauged by factors concerning technology, and political globalization is measured by global foreign affairs.

Investment in education signifies, earliest and leading, investment in human resources, i.e., generating an expert work force that will affect generating novelty, augment output and earnings, decrease the requirements on the state to invest in numerous social plans, and enhance the state budget by collecting taxes, and all this is predicted to have a positive influence on the growth of the economy. The study of the role of human capital in economic growth has been incredibly productive in the literature. Following Schultz (1961) and Becker (1964), human capital can be defined the same as the set of knowledge, talent, capabilities, and aptitudes personified in persons and obtained, for instance, in the course of schooling, guidance, medical care, and migration. Education is well thought-out as one of the most important human capital investments. It contributes positively to economic growth, and in a noteworthy research has been devoted to the education and growth nexus.

The influence of education on economic growth was studied by one of the pioneer economists, Denison (1967). He found that there was an incredible significance of education on a nation's growth. Lucas (1967) explained an endogenous growth model, which further showed human capital as a key cause for economic growth. Human capital accumulation is possible by enhancing education (Lucas, 1967). It increases labour productivity. Highly educated workers have the potential to increase growth and nation-building with their work efficiency. Barro (1991) confirmed the positive relationship between growth and education.

Female involvement in the labour market has increased in the last four decades. Women avail job chances as men to participate in economic actions and labour markets in underdeveloped countries. In line with the World Bank (2013), women make up 40% of the worldwide workforce, and more accurately, on a country level, women compose

around half of any economy's human endowment. On the other hand, in most economies, women's workforce involvement is greatly lower than that of the male workforce.

In the existing study, we indicate the impact of globalization on education and female labour force participation in determining the economic growth of Asian countries.

Objective of the Study

1. To analyse how economic globalization affects economic growth.
2. To determine the effect of social globalization on economic growth.
3. To reveal the effect of economic growth on education.
4. To point out the impact of female labour force participation on growth.

Significance of the Study

Many of the variables, such as unemployment, inflation, income inequality, environmental degradation, financial inclusion, poverty ect affect economic growth. However, our study focuses on the role of globalization, education, and female labour force participation in determining the economic growth of Asian countries.

Research Hypothesis

H1: Economic globalization and economic growth are positively associated.

H 2: The higher the social globalization, the higher the economic growth.

H 3: There is a positive relationship between political globalization and economic growth.

H 4: The higher the secondary school enrolment, the higher the economic growth.

H5: Female labour force participation is positively related to economic growth.

LITERATURE REVIEW

In this section, we have reviewed some significant studies highlighting variables such as exports, green growth, CO2 emission, unemployment, inflation, corruption, etc., influencing the economic growth of developing and rich economies. Edwards (1992) used data from 1970 to 1982 from developing countries. The result revealed that trade openness contributed much to the high growth of the underdeveloped economies. Adhikary (2011) focused on the impact of FDI, capital formation, and trade openness on economic growth in Bangladesh by utilizing data from 1986 to 2008. The results indicated that capital formation and foreign direct investment have increased economic growth. However, trade negatively affected the economic growth in this economy. By using data from 1970 to 2008, Ying et al. (2014) checked the short-run dynamics and long-run equilibrium associations between globalization and the growth of ASEAN economies between 1970 and 2008. The results showed that economic globalization has increased economic growth. On the other hand, social globalization affected the growth negatively.

Umaru et al. (2013) emphasized the role of unemployment and inflation on economic growth in Nigeria based on data from 1980 to 2010. The ARDL result showed that unemployment and inflation promoted economic growth. Bokpin (2017) checked how foreign direct investment affects the growth and CO2 emissions in Africa. The results showed that foreign direct investment increased environmental degradation. Kılıçarslan and Dumrul (2018) analysed the link between growth and globalization in Turkey by using data from 1980 to 2015 using the globalization index. The findings indicated that social globalization increased economic growth in the economy. Altuzarra et al. (2019) examined the role of female labour force participation on economic development by using data from 1990 to 2016. The result showed a U-shaped link between the two variables. Wang et al. (2019) analyzed how growth was influenced by female labour force participation and misery index in Pakistan by using data from 1989 to 2017. ARDL result pointed out the existence of a long-term positive relationship between financial structure, trade, and economic growth. Moreover, the misery index decreased economic growth.

Wang et al. (2019) examined the effect of financial structure and misery index on economic growth in Pakistan by using data from 1989 to 2017. ARDL result highlighted that financial development, trade openness, and remittances positively affected economic growth. But the misery index decreased economic growth. Ulucak et al. (2020) focused on the association of economic globalization and human development. They used data from 1990 to 2015. Westerlund's (2007) panel cointegration test confirmed that real income promoted human development in Asian economies. Chattopadhyay and Bose (2022) examined the link between globalization and macroeconomic improvement of economies and a decrease in disparity by using data from 1990 to 2018 across countries. The result showed that economic globalization increased income inequality.

Ammara et al. (2025) worked on the role of gross fixed capital formation, information and communication technology, human capital, labor, and female labor force participation on economic growth in eight ASEAN countries on the basis of data from 2000 to 2023. The ARDL result showed that information and communication technology, female labour

force participation, and human capital promoted growth. Tangout (2025) examined fiscal and monetary policy and its impact on economic well-being in Algeria by using data from 2000 to 2023. ARDL result indicated that the dominant fiscal policy affected positively the misery index in both the short and long term. However, money supply is affected negatively in the short run but positively in the long run. Akinyemi (2026) used data from 2000 to 2023 and the GMM technique. Findings indicated that the overall and de facto measures were positively associated with macroeconomic volatility, while the de jure indicator was negatively related to it. The result also provided strong evidence for the real business cycle theory but against the external capital theory.

DATA AND METHODOLOGY

In this study, we have examined the effect of globalization on education and female labour force participation in the economic growth of Asian countries. GDP was taken as the dependent variable. The independent variables were used as economic, social, and political globalization, education, and female labour force participation. We have taken data from 1996 to 2023 for this analysis. The random effect technique has been used in this analysis. We have taken data from the World Development Indicators.

The econometric model is explained as:

$$LGDP_{PC} = \beta_0 + \beta_1 ECO_{GLOB} it + \beta_2 SOC_{GLOB} it + \beta_3 POL_{GLOB} it + \beta_4 EDU_{it} + \beta_5 FLFPR_{it} + uit \tag{1}$$

LGDP_{PC} = Log gdp per capita Constant \$ US

ECOGLOB= Economic globalization index

SOCGLOB= Social globalization index

POLGLOB= Political globalization index

EDU= Secondary school enrolment ratio

FLFPR= Female labour force participation (% of total population)

it = (time trend)

uit= (error term)

RESULTS AND DISCUSSION

We have revealed descriptive statistics of factors affecting growth in Table 1. The study result shows that, on average, economic growth per capita is 3432.929 percent in Asian economies. It is also found that economic globalization is 50.1139 percent in these economies. However, social globalization is 49.5724 percent on average. The result also shows that political globalization is 78.1562 percent. On average, the education level is 70.7580 percent in Asian countries. The mean value is greater than the standard deviation, which shows stability of the data. Finally, the female labour force participation rate is 26.3867 percent in Asian nations.

Table 1: Descriptive statistics

Factors	Mean	Standard deviation	Minimum	Maximum
GDPPC	3432.929	2383.658	552.0771	11445.39
ECOGLOB	50.1139	17.6919	15.6890	77.3314
SOCGLOB	49.5724	15.1962	18.6636	81.1354
POLGLOB	78.1562	7.0280	56.7633	91.7864
EDU	70.7580	18.1947	19.8385	124.3306
FLFPR	26.3867	11.7424	7.98	56.63

The Hausman test results (probchi2 is 0.8714) indicate the random effect results. Globalization has been observed as affecting the growth potential of economies. Economic globalization (trade openness and foreign direct investment) may affect economic growth. It may affect growth positively and negatively. Findings indicate that a one percent increase in economic globalization has resulted in increased growth by 0.0032 percent in Asian economies. The reason may be that increased trade openness and foreign direct investment generate more employment, investment, and income opportunities, which lead to more growth in Asian countries. Finding is favoured by Ying et al. (2014).

Table 2: Random effects results

Variables	Coefficients, Standard Errors, and Z-values
ECOGLOB	0.0032* 0.00853 (3.77)
SOCGLOB	0.0138 * 0.0009 (14.98)
POLGLOB	-0.0007 0.0012 (-0.58)
EDU	0.0025 * 0.0003 (7.85)
FLFPR	0.0014 * * * 0.0008 (1.82)
C	2.7417 .1113 (24.63)
F Statistics	923.17
Probability	0.0000

Z-values are in parentheses; * p<0.1 and***p< 0.01

Social globalization also affects economic growth. It has tended to increase economic growth in underdeveloped economies. The result points out that a one-unit increase in social globalization has resulted in increased economic growth by 0.0138 percent. The reason may be that more social globalization causes more investment, income, and quantity of goods and services. The result is high economic growth. The result is favoured by Kılıçarslan and Dumrul (2018). The role of political globalization cannot be ignored. Political globalization also increases economic growth in different countries. Though our result is insignificant.

Education also plays a very important role in promoting living standards and the growth potential of the economies. The result shows that a one percent increase in secondary school enrolment has caused more growth by 0.0025 percent in Asian economies. More education tends to increase efficiency, production, investment, and income. It ultimately increases economic growth. The study is supported by Ammara et al. (2025).

Finally, female labour force participation also contributes positively to economic growth. It is found that a one percent increase in female labour force participation causes more economic growth by 0.0014 percent. The reason may be that females have much potential and contribute much towards the growth of Asian countries. Our result is favoured by Ammara et al. (2025).

CONCLUSIONS

The study makes an effort to check the role of globalization with education and female labour force participation in determining the economic growth of nine Asian countries. For the sake of analysis, we have used data from 28 years from these economies. The dependent variable was economic growth. However, Economic, social and political globalization, secondary school enrolment, and female labour force participation were used as independent variables in this analysis. We have used the random effect technique for this analysis. The random effect results indicate that economic and social globalization promoted growth in Asian economies. Furthermore, education and female labour force participation also contribute positively to the economic growth of the Asian countries. On the basis of the results, it is recommended that a stable financial and political environment should be provided to increase economic

globalization and social globalization for having more growth. More free educational facilities should be given to the people of communities. Finally, the government should provide more employment opportunities to females in rural and urban areas.

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