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FDI IMPACT ON ECONOMIC GROWTH IN CENTRAL AND EASTERN EUROPEAN COUNTRIES. A CONDITIONAL APPROACH

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Abstract. The purpose of this paper based on a quantitative analyze, is to demonstrate that the positive FDI impact on host country's economic growth is not an automatic process which follows unconditionally an active policy of FDI promotion. The effects have to be assessed cautiously. The theoretical and empirical contributions in this field are numerous (Leahy and Neary, 2004; Konings, 1999 etc.). Our empirical analyze, realized on a sample of 19 CEEC, observed between 1994 and 2004, estimates a model inspired by Barro and Sala-i-Martin, according to panel econometrics. The results confirm that the catalytic role of FDI is conditioned by an adequate economical environment (qualified workers, developed financial institutions, political stability and commercial openness).

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