

Determinants of FDI Inflows in Agriculture Sector Using Pooled Ordinary Least Square (OLS), Pooled Generalized Least Square (GLS), Augmented Dickey-Fuller (ADF) and Philips-perron Unit Root Test

Abstract

This paper presents the importance of poverty reduction, technology advancement, infrastructure and inflation rate on foreign direct investment inflows in agriculture sector. The countries selected in this study which are Czech Republic, Hungary, Latvia, Poland and Slovenia that are categorized under OECD countries needs to address important challenges through determined implementation of structural reforms. This study applies the empirical analysis and focuses on some variables which are FDI in agriculture, poverty, inflation, technology advancement and infrastructure. Data from 2005 to 2014 were collected to determine the relationship among the variables. The models that were being used are Ordinary Least Square (OLS) and Generalized Least Square (GLS), Unit Root Test based on Augmented Dickey-Fuller (ADF) test and Unit Root Test based on Philips-Perron Test. Test was performed to examine the causal relationship between poverty and FDI in agriculture, inflation and FDI in agriculture, technology advancement and FDI in agriculture and infrastructure and FDI in agriculture.

Keywords: Developing OECD Countries, Poverty, FDI in Agriculture Inflows, FDI Inflows in Agriculture – Poverty Framework