FDI has been regarded in the last decades as an effective channel to transfer technology and foster growth in developing countries. The theoretical discussion that permeated part of the development economics of the second half of the twentieth century has been approached from a new angle on the light of the New Growth Theory. In the neoclassical growth model technological progress and labor growth are exogenous, inward FDI merely increases the investment rate, leading to a transitional increase in per capita income growth but has no long-run growth effect. The new growth theory in the 1980s endogenizes technological progress and FDI has been considered to have permanent growth effect in the host country through technology transfer and spillover.

One of the most striking developments during the last few decades is the spectacular growth of FDI in the global economic landscape. It is important to understand the significance of FDI in global trade in economic development. Also it requires to understand the shift in FDI towards the developing World, and the past and the future trends of FDI. The purpose of the present study is to highlight the pattern of growth by attracting FDI in right places, sectors, strategic intent and for the right segment of the society. In order to generate some policy recommendations we need to identify those variables on theoretical considerations that influence the decision of foreign investors to invest
in developing economies and then to empirically test the significance of those indentified variables. This exploratory research attempts to fill a gap in existing knowledge by study the nature and magnitude, identify the empirical determinants of FDI and causality analysis of FDI and economic growth in BRICS countries.

The present study consists of seven chapters. First chapter introduces the research problem and establishes the need of study. The section also discusses the significance of foreign direct investment in Brazil, Russia, India, China and South Africa economies and provides the rationale for this research. Second chapter contains theoretical and empirical reviews of foreign investment in developing or emerging economies. Selected explanatory variables for the analysis have been given in the third chapter. Empirical evidences are provided through econometric estimates of the models. The main objective of the study is to test the presence of long run and linear relationship between the FDI inflows of BRICS countries with the listed variables. In this chapter we have also specified the model to study the cause and effect relationship between foreign direct investment and economic growth of BRICS economies. Chapter four consists of overview of BRICS economies and discussion on the role of FDI in emerging economies. In addition to this we have also discussed the trends and patterns of FDI in BRICS economies. Fifth chapter of the study analyzed annual data on inflows of FDI all variables over the period from 1975 to 2009.
In the sixth chapter we have made an attempt to analyze the existence and nature of causalities, if any, between FDI and economic growth in emerging countries utilizing Granger causality test. Seventh Chapter concluded the study by making final remarks about the identification of most important determinants of FDI in BRICS Economies.

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