

The Effect of the Technology Foreign Spillover and Globalization on Economic Resilience

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Abstract

Shocks are seen as a fundamental challenge to sustainable economic growth and development. When a common shock hits the economies of different regions of the world, the responses are different, which stems from differences in their economic resilience. In the event of adverse shocks, a country with high economic resilience will return to its steady-state growth very fast, while a country with low resilience will face disruption and experience a slowdown in economic growth. Therefore, it is important to examine the factors affecting economic resilience in order to deal with the risks facing the economy and achieve continuous and sustainable economic growth and development. Technology Foreign Spillover from the channels of import of intermediate and capital goods, foreign direct investment, and/or brain reverse migration can be considered as the most important factors in this regard. The phenomenon of globalization is another important factor that can affect economic resilience by facilitating economic, social and political relations outside the country's borders. The present study seeks to investigate the effect of Technology Foreign Spillovers and globalization on economic resilience during the period 2007-2016 using panel data and the generalized method of moments (GMM). The results indicate a positive and significant effect of the technology foreign spillover through two channels, the import of intermediate and capital goods as well as globalization on economic resilience.

Keywords: Economic Resilience; Domestic and Foreign R&D Stock; Technology Foreign Spillover; Generalized Moment of Method.

JEL Classification: O30, O15, F02.

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