

DEMOGRAPHIC DIVIDEND AND FOREIGN DIRECT INVESTMENT: AN ANALYSIS OF SELECTED ASIAN COUNTRIES

ABSTRACT

Demographic dividend is an opportunity for countries to take advantage of their changing population. Timing of demographic dividend resulting from demographic transition might differ from country to country but the pattern of transition is almost same for all. Most of the developed countries have gone through demographic transition and have reaped demographic dividends, while most of the developing countries are reaping these benefits and rest of the countries are expected to earn demographic dividend in near future. Demographic transition attracts investors who are in search of cheap and skilled labor so, FDI normally flows from developed to developing countries. This study aims to investigate relationship between demographic dividend and FDI in selected Asian countries. Using GLS estimation technique on 35-year data for 20 developing Asian countries, this research found significant relationship between Demographic dividend and FDI given the pre-conditions like quality education, trade openness, strong and growing markets.