ISSN 2392-1641
e-ISSN 2450-0097

Economics and Business Review

Volume 12 (1) 2026

CONTENTS

Poznań University of Economics and Business Press

Economics and Business Review

Volume 12 (1) 2026

Paper based publication

https://doi.org/10.18559/ebr.2026.1

ISSN 2392-1641
e-ISSN 2450-0097

POZNAŃ UNIVERSITY OF ECONOMICS AND BUSINESS PRESS
ul. Powstańców Wielkopolskich 16, 61-895 Poznań, Poland
phone +48 61 854 31 54, +48 61 854 31 55
https://wydawnictwo.ue.poznan.pl, e-mail: wydawnictwo@ue.poznan.pl
postal address: Al. Niepodległości 10, 61-875 Poznań, Poland

Printed and bound in Poland by:
Perfekt – Gaul i wspólnicy sp. k.

Circulation: 80 copies

PUEB PRESS
Economics and Business Review
https://www.ebr.edu.pl
Vol. 12 (1), 2026: 55-79
https://doi.org/10.18559/ebr.2026.1.2558

Demystifying Foreign Direct Investment dynamics in emerging economies: An ISM–MICMAC analysis

Srabani Paul Grover[1]
Varun Chotia[2]
Satyaki Datta[3]
Sham Ranjan Shetty[4]

Abstract

Foreign Direct Investment (FDI) has emerged as a pivotal force in the economic development trajectory of emerging economies, catalysing growth, technological transfer, and global integration. The World Investment Report of 2025 states that, as of 2024, 57.5% ($867.2 billion) of all global FDI inflows went to emerging economies, up from just 16.4% ($222.7 billion) in 2000. The existing literature on FDI determinants mostly uses the multiple regression approach. However, we employ a novel approach using Interpretive Structural Modelling (ISM) coupled with MICMAC analysis. This qualitative methodology provides a holistic understanding of the hierarchical relationships and interdependencies

Keywords

- Foreign Direct Investment (FDI)
- FDI determinants
- FDI drivers
- emerging economies
- Interpretive Structure Modelling (ISM)
- MICMAC

Suggested citation: Grover, S. P., Chotia, V., Datta, S., & Shetty, S. R. (2026). Demystifying Foreign Direct Investment dynamics in emerging economies: An ISM–MICMAC analysis. *Economics and Business Review*, *12*(1), 55-79. https://doi.org/10.18559/ebr.2026.1.2558

[1] Jaipuria Institute of Management, Jaipur, 1, Bambala Institutional Area, Pratap Nagar, Sanganer, Jaipur, Rajasthan, India, srabani.paul.fpm22j@jaipuria.ac.in, https://orcid.org/0009-0005-9463-0939.

[2] Jaipuria Institute of Management, Jaipur, 1, Bambala Institutional Area, Pratap Nagar, Sanganer, Jaipur, Rajasthan, India, varun.chotia@jaipuria.ac.in, https://orcid.org/0000-0003-1844-9060.

[3] T A Pai Management Institute, Manipal Academy of Higher Education, Manipal, India, 80 Badagabettu, Manipal, Udupi, Karnataka, India, corresponding author: satyaki.datta@manipal.edu, https://orcid.org/0000-0003-2410-7171.

[4] T A Pai Management Institute, Manipal Academy of Higher Education, Manipal, India, 80 Badagabettu, Manipal, Udupi, Karnataka, India, shamranjan.shetty@manipal.edu, https://orcid.org/0000-0003-1488-5877.

among FDI drivers. A key finding of this study is that the three most significant factors influencing FDI in emerging economies are political stability, corruption, and the state of infrastructure. These factors significantly impact all other drivers in the system. The drivers were categorised into clusters using MICMAC based on their dependence and driving power.

JEL codes: C65, F21, O10.

Article received 20 October 2025, accepted 4 February 2026.

Introduction

In the recent economic history of most emerging countries, Foreign Direct Investment (FDI) has been a growing trend (Elfakhani & Mackie, 2015) and is a vital component of these countries' economic development. One of the most prominent indicators of the world economy's globalization over the past two decades has been the significant rise in FDI flows among nations, particularly to emerging economies, as documented by recent studies analysing global FDI trends from the 1990s through the 2010s and beyond (Al--Kasasbeh et al., 2022; Nazzal et al., 2025; World Investment Report, 2006). This is depicted in Figure 1.

The percentage of global FDI inflow to emerging economies has increased from a mere 16.4% (222.7 billion dollars) in 2000 to 57.5% (867.2 billion dollars) as of 2024 (World Investment Report, 2025), increasing by almost 289% in 2024 as compared to 2000. FDI impacts the host nation's economy in a myriad of ways, such as the recipient country's general welfare, employment, economic growth, development, and output. According to Blomstrom and Kokko (2001), FDI is the primary means of disseminating modern technologies. Since the swift and effective adoption of "best practices" across national boundaries is a fundamental component of economic development, emerging economies rely substantially on FDI for growth. Previous research presented in the *Economics and Business Review* has shown that FDI inflows have substantial implications for emerging economies' growth. For instance, a study on the Polish economy found that increases in FDI were associated with higher economic growth, illustrating the macroeconomic significance of foreign investment in transitional contexts (Soylu, 2019).

As demonstrated in Figure 1, Asia remains the leading recipient of FDI among emerging regions, capturing 40% of the global FDI inflows in 2024,

well ahead of Latin America at 11%. Africa's share, however, remains comparatively modest at just 6%. Notably, FDI inflows into Asian economies have risen sharply, from USD 132.4 billion in 2000 to USD 604.5 billion in 2024, marking an impressive growth of nearly 357%.

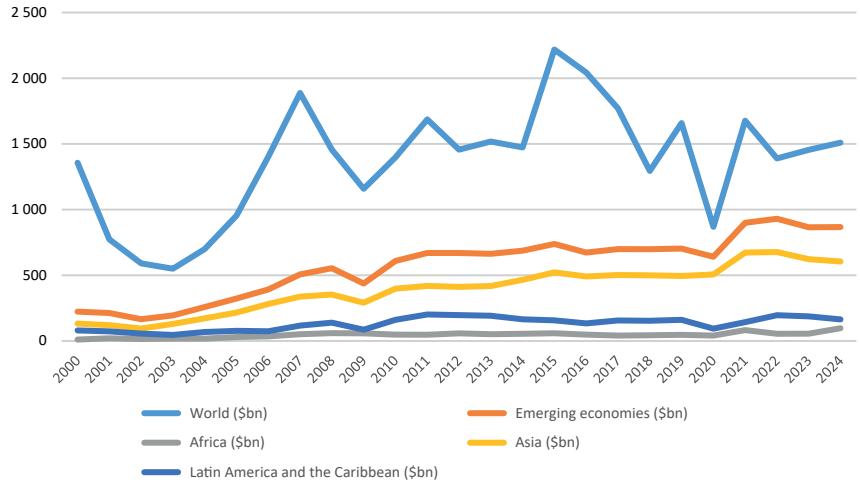

Figure 1. Trends in global and regional FDI inflows (world, emerging economies, Asia, Africa, and Latin America), 2000–2024 (US$ billion)

Note: Figure 1 illustrates the trend of FDI inflows from 2000 to 2024, comparing global inflows with those directed towards emerging economies. The breakdown highlights regional distribution across Asia, Africa, and Latin America & the Caribbean, showing Asia as the dominant recipient of FDI among emerging regions. Please note that FDI inflows are expressed in current (nominal) US dollars, as reported by UNCTAD, and are not adjusted for inflation.

Source: UNCTAD website, World Investment Report (2025), compiled by the authors.

The key question is: What drives FDI inflows into emerging economies? Several studies (Adhikary, 2017; Anyanwu, 2012; Elfakhani & Mackie, 2015) have explored this, highlighting various determinants. Kumari and Sharma (2017), analysing 20 Asian emerging nations (1990–2012), found market size to be the most influential factor. Saini and Singhania (2018) used panel data from 11 developed and 9 emerging countries (2004–2013) and observed diverse FDI drivers across nations. In particular, the authors found that policy-related determinants of FDI, such as GDP growth, the freedom index, and trade openness, are more significant in developed economies, but economic determinants of FDI, including trade openness, and efficiency-related variables, play a bigger role in developing ones. Maryam and Mittal (2020) examined BRICS nations (1994–2018), identifying GDP, trade openness, exchange rates, and infrastructure as long-term influencers. Wagner and Delios (2023) focused on India (2000–2017), concluding that its digital strength, R&D, and

skilled professionals attract long-term FDI, positioning the country as a rising knowledge economy.

This study addresses three key research gaps in the literature on FDI determinants. Firstly, most prior studies rely on time-series data, vulnerable to economic shocks like recessions, often distorting results and producing inconsistent or unclear relationships. Secondly, quantitative studies frequently suffer from limited data on crucial variables such as corruption, political stability, and legal system efficiency, weakening their analytical strength. Thirdly, a methodological gap exists, as past research largely depends on multiple regression analysis, which, while helpful in showing direct relationships, fails to capture the complex interlinkages among FDI drivers that influence investment decisions in emerging economies.

The study employs the ISM-MICMAC approach to address the identified research gaps. ISM is a qualitative method that relies on expert opinions to map complex relationships among components, thereby providing a structured framework for analysing challenging problems (Hughes et al., 2020). MICMAC, on the other hand, classifies elements by examining their driving and dependence power through matrix analysis, helping to reveal their relative significance in the system (Bashir & Ojiako, 2020). When combined, ISM-MICMAC offers a robust framework that not only visualises hierarchical relationships but also highlights the degree of interdependency between variables (Chowdhury et al., 2020). This integrated approach enhances the understanding of how determinants interact and supports policymakers in prioritising the most critical areas for attracting FDI into an economy.

The study looks for answers to the following research questions: (1) What factors influence the inflow of FDI in emerging economies? (2) How do the identified determinants link to one another? (3) What is the precise driving and dependence power of every FDI determinant that has been identified? (4) Which FDI determinants, in terms of their driving and dependent powers, are the most important and prominent? A key finding of the analysis is that political stability, corruption and infrastructure emerge as the three most critical determinants, as they strongly influence the behaviour of the other drivers in the system.

The paper is structured as follows: Section 1 presents the research methodology, including an overview of the ISM–MICMAC approach, the characteristics of the expert panel, and the identification of FDI drivers from the literature. Section 2 reports the empirical results of the analysis. Section 3 discusses the findings and outlines their implications for policy and practice. Last section concludes the study and highlights its limitations as well as directions for future research.

1. Research methodology

This study used a mix of approaches to achieve its objectives (see Figure 2). A thorough literature analysis was conducted to determine emerging economies' primary FDI drivers. Subsequently, an expert survey was carried out to gather information about the relevant interactions between the drivers. The application of the ISM technique resulted in the development of the Reachability Matrix and Structural Self-Interaction Matrix. This was followed by the emergence of a hierarchical structure, with levels assigned to each driver. These drivers were then classified into different clusters using the MICMAC approach.

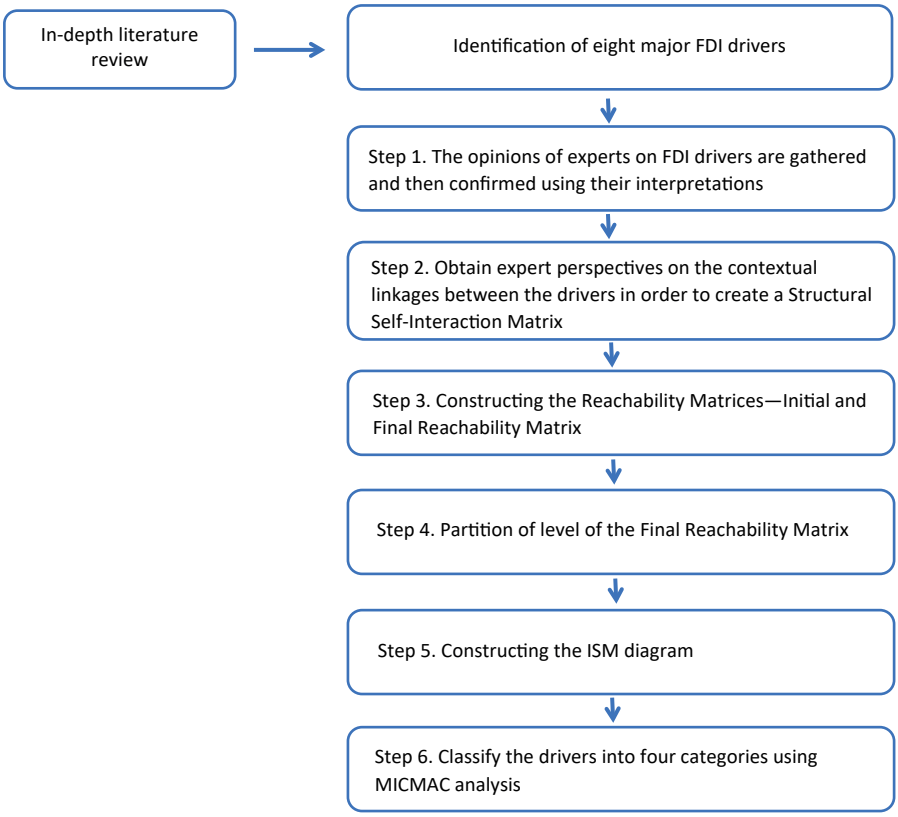

Figure 2. Step-by-step research framework based on the ISM–MICMAC methodology for identifying and classifying FDI drivers

Note: Figure 2 illustrates the six key steps of the ISM–MICMAC methodology, beginning with identifying FDI drivers and expert inputs, followed by the construction of the Structural Self-Interaction Matrix and the reachability matrix. The process then develops a hierarchical ISM model, which is finalised through MICMAC analysis to classify drivers based on their driving and dependence power.

Source: own work.

The integration of ISM-MICMAC provides a powerful methodological framework for analysing complex, multi-variable problems such as FDI determinants. ISM helps in establishing a clear hierarchical structure by identifying which factors act as the most influential drivers and which remain dependent within the system. This systematic layering ensures that relationships are not only captured but also organized in a logical sequence, facilitating interpretation. MICMAC, on the other hand, complements ISM by classifying variables based on their driving and dependence power, thereby offering a nuanced understanding of their roles within the system. Together, these techniques enable the study to move beyond a simple identification of factors, allowing a more comprehensive mapping of interdependencies and strategic insights for policymakers. Figure 3 outlines the six major steps involved in the process.

1.1. Overview of ISM methodology and MICMAC analysis

ISM is an approach that creates multi-level models by breaking down complicated systems into several subsystem components (Watson, 1978). The direction and strength of the direct and indirect interactions between variables are determined using the ISM approach by aggregating the viewpoints of experts and writers (Saxena et al., 1990). It uses terminology, graphs and differential mathematics to help researchers determine when and how the variables are related (Ansari et al., 2013). The following is an outline of the six crucial steps of the ISM approach, as depicted in Figure 3:

Step I: The FDI drivers are first identified through a thorough literature analysis.

Step II: Semi-structured interviews were undertaken with experts from academia and industry based on the drivers verified in Step I to determine the contextual interrelationships between the drivers. It was suggested that the experts (seven from the academic community and 10 from industry, with an experience of over ten years) compare the drivers in pairs. Four letters are used to represent the contextual interactions between the drivers *i* and *j*: (1) V signifies that "driver *i* led to driver *j*". (2) A signifies that "driver *j* led to driver *i*". (3) *X* signifies that "drivers *i* and *j* led to each other". (4) *O* signifies that "drivers *i* and *j* are not related to each other". To create the contextual interrelationships between the drivers, the acquired data were loaded into the Structural Self-Interaction Matrix .

Step III: The third step is to create a reachability matrix. The following guidelines (see Table 1) are used to develop the initial reachability matrix from the Structural Self-Interaction Matrix created in Step II (Peeters et al., 2019).

Table 1. Transformation rules for converting the Structural Self-Interaction Matrix into the Reachability Matrix (RM) in the ISM methodology

Structural Self-Interaction Matrix	Reachability Matrix (*i*, *j*)	Reachability Matrix (*j*, *i*)
V	1	0
A	0	1
X	1	1
O	0	0

Note: Table 1 demonstrates how Structural Self-Interaction Matrix symbols are systematically converted into binary values for the Reachability Matrix. For example, *V* indicates that factor *i* influences factor *j*, resulting in (*i*, *j*) = 1 and (*j*, *i*) = 0. Similarly, *A* shows the reverse influence, *X* reflects mutual influence, and *O* denotes no relation between the two factors.

Source: own work.

The initial reachability matrix does not depict the indirect linkages between the drivers but only the direct interactions. Therefore, it is transformed into the final reachability matrix using the rule of transitivity (i.e., if *A* = *B* and *B* = *C*, then *A* = *C*).

Step IV: Creating the divisions between the levels. Based on reachability and antecedent sets, the levels are partitioned. Each driver and any other drivers might lead to making up the reachability set. Every driver and any other driver could form a part of the antecedent set. The intersection set is then determined based on the reachability and the antecedent set. Following this, the reachability set is compared with the intersection set to determine each driver's level. The drivers fall into level I, the highest level of the ISM hierarchy, when the intersection sets and reachability are identical. The higher-level drivers suggest that other drivers have a more significant potential to influence them. The drivers at level I should not be included in the reachability sets of any other drivers. After that, the subsequent iteration will start to detect further levels and keep on until all drivers have been classified. Ultimately, a hierarchical system is formed.

Step V: The structural model can be represented as a digraph after determining the levels.

Step VI: Grouping the drivers according to the MICMAC technique. The MICMAC (cross-impact matrix multiplication applied to classification) technique is employed to group the drivers based on their dependent and driving power coming from the final version of the reachability matrix. Generally, a driver's dependence power suggests that other drivers should be investigated before them. A higher driving power indicates that a driver can outperform many different drivers (Ansari et al., 2013). Therefore, based on the methodology employed

in earlier research, the barriers can be divided into four categories: autonomous clusters are the ones with low driving and dependence power; linkage clusters have high driving and dependence power; dependent clusters consist of elements whose driving power is low and dependence power is high; and independent clusters consist of elements whose driving power is high and dependence power is low (Nandal et al., 2019; Zhou et al., 2019).

1.2. Characteristics of the expert panel

To ensure the reliability and validity of expert inputs in this ISM-MICMAC-based study, a purposive sampling approach was adopted to recruit participants with significant domain expertise. A total of 17 experts were selected, comprising senior academics and industry professionals, each with over a decade of experience in fields related to FDI, international business, and policy advisory roles in emerging economies. The academic professionals, who had research and teaching experience directly applicable to foreign direct investment and emerging market dynamics, represented the fields of economics, international business, finance, development studies, and public policy. The industry professionals were chosen from different fields, such as financial services, infrastructure development, investment advisory, multinational corporations, and policy-oriented research organisations. They were in charge of strategic planning in new economies, project assessment, and cross-border investment decision-making. Experts were identified through academic networks, industry associations, and published work in relevant domains. They were contacted via email and provided with an overview of the study, along with a consent form outlining their expected role and the voluntary nature of their participation. The final group was selected to ensure a balanced representation of perspectives from both academia and industry, in line with best practices in ISM studies. Table 2 presents the profiles of seventeen academic and industry professionals with over a decade of expertise in the field.

The eight determinants of FDI considered in this study were exclusively derived from an extensive review of the existing literature. Prior empirical and conceptual studies on FDI inflows into emerging economies were carefully examined, and recurrent factors were identified, enabling us to narrow down to eight widely acknowledged determinants: market size, infrastructure, trade openness, human capital, political stability, exchange rate, inflation, and corruption. Once these drivers were established from the literature, inputs were sought from a panel of experts from academia and industry. The role of experts was not to identify or propose the determinants

Table 2. Professional profile of experts participating in the ISM–MICMAC analysis

Participant No.	Designation	Experience (in years)	Field
1	Associate Professor	11	Academics
2	Professor	15	Academics
3	Professor	13	Academics
4	Research Specialist	12	Industry
5	Senior Manager	15	Industry
6	Associate Professor	13	Academics
7	Senior Manager	15	Industry
8	Associate Director	17	Industry
9	Associate Professor	13	Academics
10	Professor	14	Academics
11	Associate Director	17	Industry
12	Senior Manager	14	Industry
13	Associate Director	18	Industry
14	Assistant Professor	11	Academics
15	Senior Vice-President	19	Industry
16	Research Specialist-Fund Manager	16	Industry
17	Vice-President	15	Industry

Note: Table 2 outlines the profile of 17 experts consulted for the ISM-MICMAC analysis, comprising senior academics and industry professionals with extensive experience in FDI, international business, and policy advisory in emerging economies.

Source: own work.

but to provide their opinions on the contextual interrelationships among these drivers. This was done through semi-structured interviews and brainstorming sessions with the chosen experts. Experts then evaluated the relationship between these drivers by answering whether one directly influences the other. In the split of opinions, the majority rule principle was applied, where the minority is subordinate to the majority (Gan et al., 2018). If nine or more experts agreed, a relationship was confirmed. These contextual links were finalised through discussions and recorded in the Structural Self-Interaction Matrix. Their assessments formed the basis for developing the Structural Self-Interaction Matrix, which was subsequently converted into the Reachability Matrix and used for constructing the ISM model and conducting the MICMAC analysis.

1.3. Identification of FDI drivers from literature

The key determinants of FDI consistently feature in empirical analyses as critical influencers of investment flows. These are market size (Ayomitunde et al., 2020; Ullah & Khan, 2017), infrastructure (Kingori, 2022; Rehman et al., 2023), trade openness (Albahouth & Tahir, 2024; Moraghen et al., 2023), human capital (Abbas et al., 2021; Ibbaro-Olivo et al., 2024), exchange rate dynamics (Muhammad et al., 2018; Sasana & Fathoni, 2019), inflation (Agudze & Ibhagui, 2021; Imran & Rashid, 2023), political stability (Bhujabal et al., 2024; Kechagia & Metaxas, 2022), and corruption (Kechagia & Metaxas, 2022; Qureshi et al., 2021). These factors shape the investment climate by affecting both the potential returns and the risks perceived by the multinational enterprises. While economic determinants signal growth opportunities and efficiency gains, institutional and policy-related variables play an equally important

Figure 3. Key determinants of Foreign Direct Investment in emerging economies identified in the study

Note: Figure 3 illustrates the eight major determinants of FDI in emerging economies, as identified in the study. These factors span macroeconomic conditions (e.g., inflation, exchange rate), institutional aspects (e.g., political stability, corruption), market and structural factors (e.g., market size, infrastructure), and trade and human capital (e.g., trade openness and human capital).

Source: own elaboration.

role in ensuring stability and predictability. Together, they form a multidimensional framework, within which investors make strategic decisions, making it essential to examine how these determinants interact and influence FDI inflows in emerging economies. Several studies published in the *Economics and Business Review* also contribute to understanding FDI dynamics. For example, Trąpczyński (2013) critically examines how theoretical models of FDI explain subsidiary performance and the heterogeneity of empirical findings across contexts, underscoring the complexity of FDI drivers and the need for nuanced frameworks beyond standard econometric analysis.

An overview of the main FDI determinants identified in the literature to date is provided below, and Figure 3 illustrates these determinants. Table 4 displays the initial RM, while Table 5 shows the final RM.

1.3.1. Market size and trade openness

Market size continues to be one of the strongest predictors of FDI, as larger economies signal greater consumer demand and scale economies. Recent studies confirm this linkage: Ullah and Khan (2017) and Ayomitunde et al. (2020) highlight the importance of economy size in South Asia and Nigeria, while Sasana and Fathoni (2019) report similar evidence from ASEAN. Other empirical contributions published in the *Economics and Business Review* have examined the behaviour and motives of foreign direct investment across contexts. For example, Gorynia et al. (2015) use quantitative survey data to investigate the outward FDI motives of Polish multinational firms, identifying market-seeking incentives as the most prominent drivers.

Openness to trade further complements market size by reducing transaction costs and integrating economies into global value chains. Albahouth and Tahir (2024) show that trade openness significantly drives FDI in ASEAN, while Sabir et al. (2019) and Moraghen et al. (2023) demonstrate its positive role in emerging and small island economies. Together, these studies reaffirm that expanding markets and liberal trade policies are major attractions for investors.

1.3.2. Infrastructure and human capital

Well-developed infrastructure enhances efficiency-seeking FDI by reducing operational costs and improving competitiveness. Rehman et al. (2023) found that transport, energy, and telecommunication infrastructure significantly increased FDI inflows into BRICS, while Kingori (2022) noted a bidirectional link between infrastructure and FDI in Kenya. Similarly, human capital is crucial for absorbing the technology and knowledge that accompanies FDI. Dobrota

et al. (2021) and Osei and Kim (2020) highlight the role of skilled labour in enhancing productivity, and Abbas et al. (2021) showed how FDI fosters skill development. Ibbaro-Olivo et al. (2024) further confirm that FDI inflows in Southeast Asia have been positively associated with the growth of technical and vocational education.

1.3.3. Exchange rate and inflation

Exchange rate conditions shape investor decisions by affecting cost structures. Muhammad et al. (2018) found that depreciation can attract FDI by lowering local costs, although excessive volatility discourages inflows, a finding echoed by Sasana and Fathoni (2019). Inflation, another indicator of macroeconomic stability, shows mixed effects. While Imran and Rashid (2023) observed a positive relationship between inflation and FDI in emerging countries, Agudze and Ibhagui (2021) demonstrated that high inflation thresholds negatively affect inflows. Dewi and Septriani (2023) noted that, in the ASEAN context, inflation, alongside growth and interest rates, contributes positively to FDI, suggesting that the effect remains context-dependent.

1.3.4. Political stability and corruption

Institutional quality strongly influences investment attractiveness. Political stability builds investor confidence, as highlighted by Bhujabal et al. (2024) for South and Southeast Asia, and by Kechagia and Metaxas (2022) for BRIC and CIVET nations. Kiptoo (2024) further demonstrate that contract enforcement and rule of law in stable political environments increase investor trust, while instability deters inflows. Similarly, corruption control is essential in sustaining FDI. Qureshi et al. (2021) found that a lower level of corruption significantly enhances FDI across 54 economies, and Kechagia and Metaxas (2022) reported a similar effect in CIVETS countries. These findings underscore that good governance remains central to attracting and retaining foreign investment.

2. Empirical results

The ISM technique addresses the eight identified factors that influence the inflow of FDI to an emerging economy. This section presents the investigation's results and provides a thorough discussion of them.

2.1. Creation of structural self-interaction matrix

The Structural Self-Interaction Matrix provides a pairwise comparison between the drivers. In this step, the experts determine which elements have the power to impact one another and how different components in the matrix may affect the same factor. The Structural Self-Interaction Matrix that was obtained from the study is shown in Table 3.

Table 3. Structural Self-Interaction Matrix of FDI drivers in emerging economies

FDI drivers	Corruption	Inflation	Exchange rate	Political stability	Human capital	Trade openness	Infrastructure	Market size
Market size	A	A	A	A	X	X	X	X
Infrastructure	A	X	O	A	X	X	X	
Trade openness	A	V	X	A	X	X		
Human capital	X	A	O	A	X			
Political stability	X	V	V	X				
Exchange rate	O	X	X					
Inflation	A	X						
Corruption	X							

Note: Table 3 presents the Structural Self-Interaction Matrix, which captures the contextual relationships among the eight FDI drivers. The symbols denote the direction of influence: *V* = driver *i* influences driver *j*; *A* = driver *j* influences driver *I*; *X* = drivers *i* and *j* influence each other; *O* no direct influence between *i* and *j*. The Structural Self-Interaction Matrix forms the foundation for deriving the Reachability Matrix, which is then subsequently used in ISM to develop the hierarchical structure of interrelationships.

Source: own work.

2.2. Development of initial Reachability Matrix and final Reachability Matrix

The Structural Self-Interaction Matrix is used to construct the Initial reachability matrix. Structural Self-Interaction Matrix transforms the letters *V*, *A*, *X*, and *O* into binary input. The final reachability matrix is generated from the initial reachability matrix using the transitivity rule.

Table 4. Initial Reachability Matrix of FDI drivers in emerging economies

FDI drivers	Market size	Infrastructure	Trade openness	Human capital	Political stability	Exchange rate	Inflation	Corruption
Market size	1	1	1	1	0	0	0	0
Infrastructure	1	1	1	1	0	0	1	0
Trade openness	1	1	1	1	0	1	1	0
Human capital	1	1	1	1	0	0	0	1
Political stability	1	1	1	1	1	1	1	1
Exchange rate	1	0	1	0	0	1	1	0
Inflation	1	1	0	1	0	1	1	0
Corruption	1	1	1	1	1	0	1	1

Note: Tables 4 and 5 present the Initial and Final Reachability Matrices derived from the Structural Self-Interaction Matrix. The contextual symbols (*V*, *A*, *X*, *O*) are converted into binary inputs (1 and O), where 1 indicates the presence of influence between two drivers and 0 its absence. The Final Reachability Matrix further incorporates the principle of transitivity, making it the basis for level partitioning in the ISM process.

Source: own work.

Table 5. Final Reachability Matrix of FDI drivers in emerging economies

FDI drivers	Market size	Infrastructure	Trade openness	Human capital	Political stability	Exchange rate	Inflation	Corruption	Driving power
1. Market size	1	1	1	1	0	1	1	1	7
2. Infrastructure	1	1	1	1	0	1	1	0	6
3. Trade openness	1	1	1	1	0	1	1	0	6
4. Human capital	1	1	1	1	1	0	1	1	7
5. Political stability	1	1	1	1	1	1	1	1	8
6. Exchange rate	1	0	1	0	0	1	1	0	4
7. Inflation	1	1	1	1	0	1	1	0	6
8. Corruption	1	1	1	1	1	1	1	1	8
Dependence power	8	7	8	7	3	7	8	4	

Source: own work.

2.3. Sectioning the final Reachability Matrix at various levels

The reachability and the antecedent sets are used for each matrix's elements, and the final Reachability Matrix for level partitioning is assessed (Warfield, 1974). The element itself and those elements it would aid in accomplishing make up the reachability set. The element itself and every other element that could be useful in getting it to make up the antecedent set. The drivers belong to level 1, the highest level in the hierarchical structure, based on ISM, provided their intersection sets and reachability are the same. The iteration process continues till all the drivers are assigned a level. In the end, a hierarchy is established. Tables 6, 7, and 8 show the three iterations that were carried out to assign a level to each driver included in the study. The iteration process continues till all the drivers are assigned a level. In the end, a hierarchy was established.

Table 6. First-level partitioning of FDI drivers using ISM

FDI drivers	Reachability set	Antecedent set	Intersection set	Level
1. Market size	1,2,3,4,6,7,8	1,2,3,4,5,6,7,8	1,2,3,4,6,7,8	Level 1
2. Infrastructure	1,2,3,4,6,7	1,2,3,4,5,7,8	1,2,3,4,7	
3.Trade openness	1,2,3,4,6,7	1,2,3,4,5,6,7,8	1,2,3,4,6,7	Level 1
4. Human capital	1,2,3,4,5,7,8	1,2,3,4,5,7,8	1,2,3,4,5,7,8	Level 1
5. Political stability	1,2,3,4,5,6,7,8	4,5,8	4,5,8	
6. Exchange rate	1,3,6,7	1,2,3,5,6,7,8	1,3,6,7	Level 1
7. Inflation	1,2,3,4,6,7	1,2,3,4,5,6,7,8	1,2,3,4,6,7	Level 1
8. Corruption	1,2,3,4,5,6,7,8	1,4,5,8	1,4,5,8	

Note: Tables 6, 7, and 8 show the iterative partitioning of the Final Reachability Matrix. In each iteration, the reachability and antecedent sets are compared to determine the levels of the drivers. The process continues across successive iterations until all drivers are assigned to a specific hierarchical level in the ISM model.

Source: own work.

Table 7. Second-level partitioning of FDI drivers using ISM

FDI drivers	Reachability set	Antecedent set	Intersection set	Level
2. Infrastructure	2	5,2,8	2	Level 2
5. Political stability	5,2,8	5,8	5,8	
8. Corruption	2,5,8	5,8	5,8	

Source: own work.

Table 8. Third-level partitioning of FDI drivers using ISM

FDI drivers	Reachability set	Antecedent set	Intersection set	Level
5. Political stability	5,8	5,8	5,8	Level 3
8. Corruption	5,8	5,8	5,8	Level 3

Source: own work.

2.4. Development of the ISM digraph

Following the completion of the level partitioning of the final Reachability Matrix, the components and their relationships can be visually represented with the formation of the ISM digraph. Level 1 comprises five drivers, namely market size (driver number 1), trade openness (driver number 3), human capital (driver number 4), exchange rate (driver number 6), and inflation (driver number 7). Due to their maximum degrees of dependence, power, and variable driving powers, these components heavily depend on the model's lower-level connections. Level II is driven solely by infrastructure (driver number 2). The bottom level, or level III, comprises Political Stability (driver number 5) and Corruption (driver number 7). Due to their significant driving force, these lower-level elements at Level II and Level III impact the model's other related components.

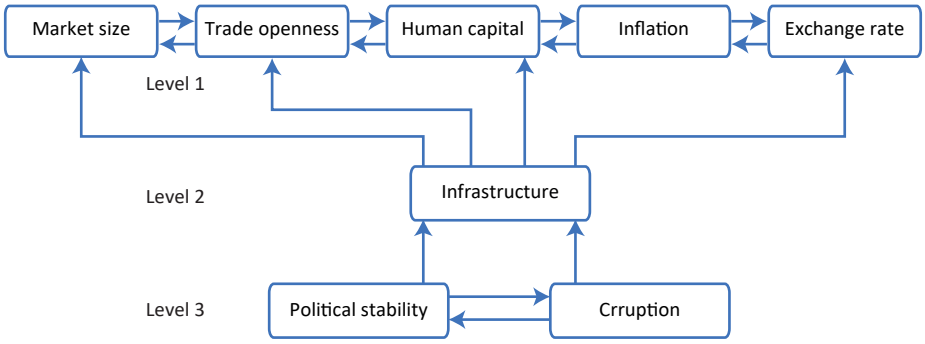

Figure 4. Interpretive Structural Modelling (ISM) digraph depicting the hierarchical relationships among FDI drivers in emerging economies

Note: Figure 4 illustrates the ISM model, which depicts the hierarchical structure of FDI drivers in emerging economies. Level 1 comprises market-related and macroeconomic factors, Level 2 highlights infrastructure as the key linkage driver, and Level 3 positions political stability and corruption as he most influential. Arrows indicate the directional relationship among drivers.

Source: own work.

2.5. MICMAC analysis

MICMAC (Matrix of Cross-Impact Multiplications Applied to Classification) analysis is used to analyse the variables' driving power and dependence power. The merger of MICMAC and ISM can help differentiate the most essential drivers/barriers from the less significant ones (Yu et al., 2020). Following the ISM analysis, all eight FDI drivers' driving and dependence powers were used to categorise them into four groups using the MICMAC technique: autonomous, linkage, dependent, and independent (also known as driving). By adding each entry to the appropriate row and column of the reachability matrix, we can determine each driver's driving and dependence power, which is depicted in Table 5. A driver's dependence power is determined by the total number of drivers who can influence it, and its driving power is determined by the total number of drivers it can affect. The MICMAC diagram in Figure 5 organises the four clusters based on the driving and dependence power of the drivers.

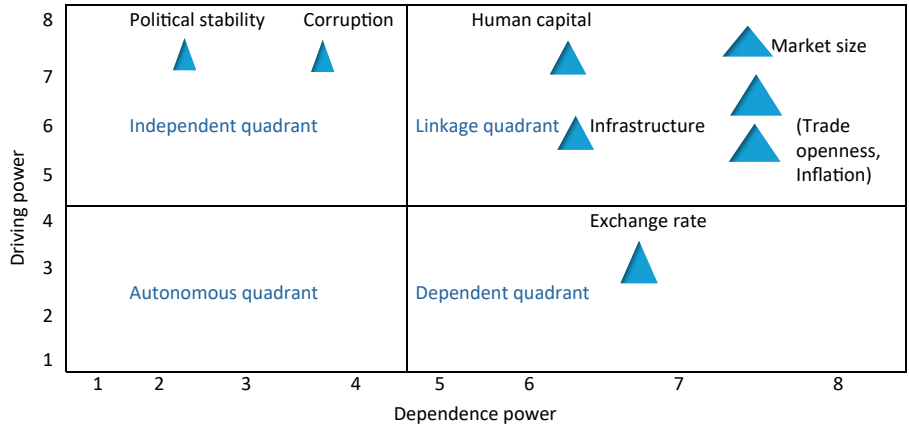

Figure 5. MICMAC analysis diagram classifying FDI drivers based on driving and dependence power

Note: Figure 5 illustrates the MICMAC analysis, classifying FDI drivers into clusters. Independent factors (X5, X8) act as strong drivers, dependent factors (X6) show high reliance, while linkage variables (X1, X2, X3, X4, X7) exhibit both high driving and dependence power.

Source: own work.

Autonomous Cluster: The factors in the Autonomous Cluster possess low driving and dependence power. They are unaffected by external factors and neither accept nor influence them, suggesting that the overall model is not significantly affected by these factors. None of the significant FDI drivers identified in this research fit into this quadrant, as shown by Figure 5, suggesting that the drivers identified for this study are all closely interrelated.

Linkage Cluster: This cluster identifies elements with high driving and dependence power. The variables that fall into this quadrant are considered unsteady; any action taken on these variables will affect other variables and have a feedback effect on themselves (Yadav & Barve, 2015). Five drivers (driver number 1: Market size, driver number 2: Infrastructure, driver number 3: Trade openness, driver number 4: Human capital, and driver number 7: Inflation) fall into this cluster. Notably, most of the FDI drivers were discovered to belong to the linkage cluster in the current study; as a result, managing and controlling these drivers would need a significant amount of work because of their feedback effect.

Dependent Cluster: This cluster includes elements of high dependence and low driving power. In the current study, only one driver (driver number 6: Exchange rate) falls into this quadrant, as Figure 5 reflects. Other drivers with significant driving power influence the variables in this quadrant. Dependent drivers will typically follow suit, provided the drivers with good driving abilities are appropriately controlled.

Independent/Driving Cluster: Independent factors, also referred to as driving factors, are those that are high on driving power and low on dependence power. These elements have the potential to impact every other factor in the system. Two drivers (driver number 5: Political stability and driver number 8: Corruption) fall into this cluster. These factors should be dealt with as a priority over all other elements of the system. The factors that are part of this cluster are significant in understanding the system's structure, as most drivers depend on them.

3. Discussion and implications of the study

FDI drivers play a critical role in attracting investment across developed and emerging economies. With emerging markets securing a rising share of global FDI, understanding the interplay of determinants becomes crucial. This study analysed eight major drivers using ISM to establish a three-level hierarchical framework and MICMAC to categorise them into clusters. The findings emphasise Political stability, Corruption, and Infrastructure as the most influential factors, shaping the dynamics of other drivers such as Market size, Trade openness, Human capital, and Exchange rate.

Political stability emerged as a core determinant, corroborating earlier studies that highlight its decisive role in shaping investors' confidence (Busse et al., 2011; Wang, 2009). Instability, on the other hand, deters investment by increasing risks and uncertainties. Corruption was identified as another major barrier, distorting resource allocation and eroding investor trust.

Transparent, accountable governance significantly enhances FDI prospects, a finding consistent with Smarzynska Javorcik and Wei (2002) and Rohwer (2009). Infrastructure, positioned as a linkage factor, exerts a cascading influence on multiple drivers, underscoring its centrality in facilitating business operations and enabling economic growth.

In addition to the findings of previous conceptual literature, an increasing number of quantitative studies confirm the major roles played by political stability, corruption, and infrastructure in the determination of inflows of FDI. Indicatively, Sabir et al. (2019) use system GMM panel estimation between developed and developing countries to show that major indicators of institutional quality, including political stability and corruption control, have a positive and statistically significant impact on the FDI inflows and institutional influences vary between income groups. Similarly, Faruq (2023) observes that panel regression models show that political stability positively affects FDI attractiveness in emerging Asian economies, which further strengthens the central role of political conditions in quantitative FDI determinants studies.

There is also quantitative evidence regarding the importance of infrastructure: the most recent panel data findings suggest that infrastructure and allied economic integration variables have a significant positive effect on FDI inflows between country pairs worldwide (Rithi et al., 2025). Furthermore, Lestari et al. (2022) demonstrate that financial development supports FDI, but corruption may undermine its efficacy, particularly in its interplay with the economic conditions, also marked by the subtle phases of governance in the attraction of foreign capital.

In other works on panel estimation, corruption and quality of public services are observed to be crucial to determining the level of FDI, and they complement the macroeconomic determinants of FDI, e.g., exports and exchange rate dynamics (Sujit et al., 2020). Lastly, developing economy evidence points at possible feedback effects, in which FDI itself can foster political stability under particular circumstances, depicting convoluted causal relations between political establishments and investment streams (Okara, 2023).

Taken together, these quantitative findings are consistent with and extend our ISM-MICMAC results by affirming the exquisite role of political stability, corruption and infrastructure in various empirical settings and justify the appropriateness of employing a methodology that considers structural dependencies among FDI determinants.

The ISM-MICMAC analysis further showed that market size, trade openness, human capital, exchange rate, and inflation function largely as linking factors at the first level, reinforcing each other in a self-perpetuating cycle. While these variables are essential, their impact is mediated by foundational enablers like infrastructure and political stability. Exchange rate volatility, placed in the dependent cluster, reflects its sensitivity to broader macroeconomic shifts influenced by other drivers.

Beyond clarifying interdependencies, this research offers theoretical contributions by applying the integrated ISM–MICMAC approach in the FDI context. It moves beyond isolated variable analysis, presenting a structured system-based model that helps scholars and policymakers visualise how changes in one determinant reverberate across others. This offers a practical framework for prioritising policy measures in emerging economies where resources are often constrained.

From a managerial perspective, the findings provide actionable insights for policymakers and investment authorities. Strengthening governance mechanisms, combating corruption, and ensuring political stability should be prioritized, as they form the foundation upon which other factors build. Similarly, investment in quality infrastructure creates multiplier effects. Enhancing trade openness, human capital development, and overall competitiveness. The ISM–MICMAC framework enables decision-makers to allocate resources strategically and design adaptive, future-oriented policies to attract and sustain FDI inflows.

In sum, the study highlights that while multiple drivers influence FDI, emerging economies must focus first on stabilising political conditions, curbing corruption, and investing in infrastructure. These act as pivotal levers, shaping the broader ecosystem of investment determinants. By providing both theoretical clarity and managerial guidance, this research contributes to strengthening the strategic roadmap for enhancing FDI inflows into emerging economies.

Conclusions

Compared to earlier studies on this subject, this study claims that by using an ISM-MICMAC methodology, the originality of the interdependencies amongst the FDI drivers facilitates a better understanding and applicability. This new understanding sheds essential light on the significance and impact of particular FDI drivers and how they may influence an economy's ability to attract more FDI. Numerous results from this study add to the body of literature and offer policymakers and scholars fresh perspectives.

Whether an economy is developed, emerging, or less developed, FDI drivers play a crucial role in drawing FDI to it. According to recent statistics, emerging economies are attracting a significant portion of global FDI. Therefore, it is even more crucial to investigate the factors that lead to this massive FDI inflow into these economies. This study closes a knowledge gap by carefully examining the contextual connections among the significant drivers. Firstly, eight primary drivers of FDI were identified with the assistance of a thorough literature review and brainstorming meetings with an expert team from ac-

ademia and industry. The driving and dependent powers of each of these drivers were then determined. Next, based on the interactions between the drivers, an ISM structure with three levels was created. Using ISM, our study helps to comprehend the impact of various drivers better. We use a MICMAC analysis to characterize their impact further. The identified drivers were then separated into four clusters: two drivers in independent clusters, one driver in the dependent cluster, five drivers in the linkage cluster, and no driver in the autonomous cluster.

The findings of this study indicate that the FDI drivers are interrelated and significantly impact attracting FDI to any given nation. The findings demonstrate that political stability, corruption, and infrastructure are the three factors that have the most impact on all the other elements of the model. In the hierarchy of ISM, they are positioned at the lower level (level 2 and level 3). The success of numerous other components in the model is based on these three elements. It is advised that policymakers pay particular attention to these three FDI drivers because they significantly impact effective outcomes. This study contributes significantly to our understanding of factors that influence FDI and as a viable paradigm to assist scholars and practitioners in understanding this subject more thoroughly.

These fundamental elements can be strategically addressed to greatly boost these economies' appeal to FDI. Authorities should thus adopt a comprehensive strategy and ensure that developments in diverse elements are coordinated for the best possible outcome. The promotion of economic development and growth can be achieved by sustaining FDI inflows through the coordination of policies aimed at enhancing interdependencies. Policymakers must adopt an integrated strategy that acknowledges the interdependencies between various factors in addition to addressing each one to guarantee a stable, transparent, and growth-oriented investment climate.

While the ISM–MICMAC approach is valuable, it has some limitations. It is also dependent on the expert judgement, which can create subjectivity and biasness. In addition, the research paper focuses on an aggregate perspective of Foreign Direct Investment and fails to differentiate between the various sources and ownership patterns of the FDI. In practice, foreign investors can attach different weights to certain determinants, as an example, the institutional quality and corruption may be more important in the eyes of the private investors of developed economies than state-owned enterprises of emerging economies. Moreover, as the research focused on emerging economies, the results cannot be directly applied to the situation in developed countries. Last but not least, the methodology is useful in exposing structural interdependencies among drivers but not in quantifying the strength or statistical significance of such relationships.

The paper also provides a number of research opportunities in the future. Subsequent research might further break down FDI by the source country,

type of ownership, or motivation to invest to determine the extent to which the relative significance of FDI drivers can vary among distinct investor profiles. Moreover, cross-national or regional comparisons might help to shed more light on the context. In future studies, it might also be possible to develop greater analytical strength through the combination of ISM-MICMAC and quantitative methods like Partial Least Squares Structural Equation Modelling (PLS-SEM).

References

Abbas, A., Moosa, I., & Ramiah, V. (2021). The contribution of human capital to foreign direct investment inflows in developing countries. *Journal of Intellectual Capital*, *23*(1), 9–26. https://doi.org/10.1108/JIC-12-2020-0388

Adhikary, B. K. (2017). Factors influencing foreign direct investment in South Asian economies: A comparative analysis. *South Asian Journal of Business Studies*, *6*(1), 8–37.

Agudze, K., & Ibhagui, O. (2021). Inflation and FDI in industrialized and developing economies. *International Review of Applied Economics*, *35*(5), 749–764. https://doi.org/10.1080/02692171.2020.1853683

Albahouth, A. A., & Tahir, M. (2024). The relationship between trade openness and FDI inflows: Evidence-based insights from ASEAN region. *Economies*, *12*(8), 208. https://doi.org/10.3390/economies12080208

Al-Kasasbeh, O., Alzghoul, A., & Alghraibeh, K. (2022). Global FDI inflows and outflows in emerging economies post-COVID-19 era. *Future Business Journal*, *8*(1), 53.

Ansari, M. F., Kharb, R. K., Luthra, S., Shimmi, S. L., & Chatterji, S. (2013). Analysis of drivers to implement solar power installations in India using interpretive structural modeling technique. *Renewable and Sustainable Energy Reviews*, *27*, 163–174.

Anyanwu, J. C. (2012). Why does foreign direct investment go where it goes?: New evidence from African countries. *Annals of Economics and Finance*, *13*(2), 425–462.

Ayomitunde, A. T., Ganiyu, A. B., Sokunbi, G. M., & Adebola, B. Y. (2020). The determinants of foreign direct investment inflows in Nigeria: An empirical investigation. *Acta Universitatis Danubius. Economica*, *16*(3).

Bashir, H., & Ojiako, U. (2020). An integrated ISM–MICMAC approach for modelling and analysing dependencies among engineering parameters in the early design phase. *Journal of Engineering Design*, *31*(8–9), 461–483.

Bhujabal, P., Sethi, N., & Padhan, P. C. (2024). Effect of institutional quality on FDI inflows in South Asian and Southeast Asian countries. *Heliyon*, *10*(5), e27060. https://doi.org/10.1016/j.heliyon.2024.e27060

Blomstrom, M., & Kokko, A. (2001). Foreign direct investment and spillovers of technology. *International Journal of Technology Management*, *22*(5–6), 435–454.

Busse, M., Nunnenkamp, P., & Spatareanu, M. (2011). Foreign direct investment and labour rights: A panel analysis of bilateral FDI flows. *Applied Economics Letters*, *18*(2), 149–152.

Chowdhury, N. A., Ali, S. M., Paul, S. K., Mahtab, Z., & Kabir, G. (2020). A hierarchical model for critical success factors in apparel supply chain. *Business Process Management Journal*, *26*(7), 1761–1788.

Dewi, F. D., & Septriani, S. (2023). Analysis of factors affecting foreign direct investment in ASEAN countries. *ISAR Journal of Economics and Business Management*, *1*(6), 36–40.

Dobrota, M., Zornić, N., & Marković, A. (2021). FDI time series forecasts: Evidence from emerging markets. *Management: Journal of Sustainable Business and Management Solutions in Emerging Economies*, *26*(2), 77–88.

Elfakhani, S., & Mackie, W. (2015). An analysis of net FDI drivers in BRIC countries. *Competitiveness Review*, *25*(1), 98–132.

Faruq, A. T. M. (2023). *The determinants of foreign direct investment (FDI): A panel data analysis for the emerging Asian economies*. arXiv preprint arXiv:2307.07037

Gan, X., Chang, R., Zuo, J., Wen, T., & Zillante, G. (2018). Barriers to the transition towards off-site construction in China: An interpretive structural modeling approach. *Journal of Cleaner Production*, *197*, 8–18.

Gorynia, M., Nowak, J., Trąpczyński, P., & Wolniak, R. (2015). Does outward FDI by Polish multinationals support existing theory? Findings from a quantitative study. *Economics and Business Review*, *1*(4), 84–101. https://doi.org/10.18559/ebr.2015.4.6

Hughes, D. L., Rana, N. P., & Dwivedi, Y. K. (2020). Elucidation of IS project success factors: An interpretive structural modelling approach. *Annals of Operations Research*, *285*, 35–66.

Ibarra-Olivo, J. E., Neise, T., Breul, M., & Wrana, J. (2024). FDI and human capital development: A tale of two Southeast Asian economies. *Journal of International Business Policy*, *7*(3), 314–336. https://doi.org/10.1057/s42214-024-00186-3

Imran, M., & Rashid, A. (2023). The empirical determinants of foreign direct investment episodes. *Global Journal of Emerging Market Economies*, *15*(3), 409–435. https://doi.org/10.1177/09749101221116720

Kechagia, P., & Metaxas, T. (2022). FDI and institutions in BRIC and CIVETS countries: An empirical investigation. *Economies*, *10*(4), 77. https://doi.org/10.3390/economies10040077

Kingori, Z. I. (2022). *Effect of infrastructure on FDI behaviour in Kenya: A growth nexus analysis* [doctoral dissertation]. University of South Africa.

Kiptoo, J. (2024). The influence of political stability on foreign direct investment (FDI). *International Journal of Developing Country Studies*, *6*(1), 74–86.

Kumari, R., & Sharma, A. K. (2017). Determinants of foreign direct investment in developing countries: A panel data study. *International Journal of Emerging Markets*, *12*(4), 658–682.

Lestari, D., Lesmana, D., Yudaruddin, Y. A., & Yudaruddin, R. (2022). The impact of financial development and corruption on foreign direct investment in developing countries. *Investment Management & Financial Innovations*, *19*(2), 211–220. https://doi.org/10.21511/imfi.19(2).2022.18

Maryam, J., & Mittal, A. (2020). Foreign direct investment into BRICS: An empirical analysis. *Transnational Corporations Review*, *12*(1), 1–9.

Moraghen, W., Seetanah, B., & Sookia, N. U. H. (2023). The impact of exchange rate and exchange rate volatility on Mauritius foreign direct investment: A sector-wise analysis. *International Journal of Finance & Economics*, *28*(1), 208–224. https://doi.org/10.1002/ijfe.2416

Muhammad, S. D., Azu, N. P., & Oko, N. F. (2018). Influence of real exchange rate and volatility on FDI inflow in Nigeria. *International Business Research*, *11*(6), 73–82.

Nandal, V., Kumar, R., & Singh, S. K. (2019). Barriers identification and analysis of solar power implementation in Indian thermal power plants: An interpretative structural modeling approach. *Renewable and Sustainable Energy Reviews*, *114*, 109330.

Nazzal, A., Niñerola, A. M., Sanchez-Rebull, M. V., & Barbera-Marine, M. G. (2025). A systematic mapping review of foreign direct investment by multinational corporations in emerging economies. *Humanities and Social Sciences Communications*, *12*(1), 266. https://doi.org/10.1057/s41599-025-04571-y

Okara, A. (2023). Does foreign direct investment promote political stability? Evidence from developing economies. *Economic Modelling*, *123*, 106249. https://doi.org/10.1016/j.econmod.2023.106249

Osei, M. J., & Kim, J. (2020). Foreign direct investment and economic growth: Is more financial development better? *Economic Modelling*, *93*, 154–161. https://doi.org/10.1016/j.econmod.2020.07.009

Peeters, B., Kiratli, N., & Semeijn, J. (2019). A driver analysis for distributed recycling of 3D printing waste: Taking the maker movement perspective. *Journal of Cleaner Production*, *241*, 118313.

Qureshi, F., Qureshi, S., Vo, X. V., & Junejo, I. (2021). Revisiting the nexus among foreign direct investment, corruption and growth in developing and developed markets. *Borsa Istanbul Review*, *21*(1), 80–91. https://doi.org/10.1016/j.bir.2020.08.001

Rehman, F. U., Sohag, K., & Saeed, T. (2023). Impact of sectoral infrastructure on export and foreign direct investment inflow: Evidence from selected South Asian economies by applying a new global infrastructure index. *Journal of Infrastructure Systems*, *29*(1), 04022045. https://doi.org/10.1061/(ASCE)IS.1943-555X.0000724

Rohwer, A. (2009). Measuring corruption: A comparison between the transparency international's corruption perceptions index and the World Bank's worldwide governance indicators. *CESifo DICE Report*, *7*(3), 42–52.

Rithi, S. R., Nomani, A., Khan, M., & Manoharan, M. (2025). Determinants influencing the flow of FDI in India: An empirical insight using panel data. *Humanities and Social Sciences Communications*, *12*(1), 1497. https://doi.org/10.1057/s41599-025-05726-7

Sabir, S., Rafique, A., & Abbas, K. (2019). Institutions and FDI: Evidence from developed and developing countries. *Financial Innovation*, *5*(1), 1–20.

Saini, N., & Singhania, M. (2018). Determinants of FDI in developed and developing countries: A quantitative analysis using GMM. *Journal of Economic Studies*, *45*(2), 348–382.

Sasana, H., & Fathoni, S. (2019). Determinant of foreign direct investment inflows in ASEAN Countries. *Jurnal Ekonomi dan Kebijakan*, *12*(2), 253–266.

Saxena, J., Sushil, P., & Vrat, P. (1990). Impact of indirect relationships in classification of variables—a MICMAC analysis for energy conservation. *Systems Research*, *7*(4), 245–253.

Smarzynska Javorcik, B. S., & Wei, S. J. (2002). *Corruption and cross-border investment: Firm level evidence*. William Davidson Institute Working Papers, 494. https://econpapers.repec.org/paper/wdipapers/2002-494.htm

Soylu, Ö. B. (2019). Do foreign direct investment and savings promote economic growth in Poland? *Economics and Business Review*, *5*(4), 3–22.

Sujit, K. S., Kumar, B. R., & Oberoi, S. S. (2020). Impact of macroeconomic, governance and risk factors on FDI intensity—an empirical analysis. *Journal of Risk and Financial Management*, *13*(12), 304. https://doi.org/10.3390/jrfm13120304

Trąpczyński, P. (2013). Does foreign direct investment theory explain subsidiary performance?: A critical literature review. *Economics and Business Review*, *13*(2), 47–64. https://doi.org/10.18559/ebr.2013.2.665

Ullah, I., & Khan, M. A. (2017). Institutional quality and foreign direct investment inflows: Evidence from Asian countries. *Journal of Economic Studies*, *44*(6), 1030–1050.

Wagner, C., & Delios, A. (2023). The determinants of inward FDI in India in the 2000s. *Journal of Indian Business Research*, *15*(3), 431–465.

Wang, M. (2009). Manufacturing FDI and economic growth: Evidence from Asian economies. *Applied Economics*, *41*(8), 991–1002.

Warfield, J. N. (1974). Developing subsystem matrices in structural modeling. *IEEE Transactions on Systems, Man, and Cybernetics*, (1), 74–80.

Watson, R. H. (1978). Interpretive structural modeling—A useful tool for technology assessment? *Technological forecasting and social change*, *11*(2), 165–185.

World Investment Report. (2006). *FDI from developing and transition economies: Implications for development.* UNCTAD.

World Investment Report. (2025). *International investment in the digital economy*. UNCTAD.

Yadav, D. K., & Barve, A. (2015). Analysis of critical success factors of humanitarian supply chain: An application of interpretive structural modeling. *International Journal of Disaster Risk Reduction*, *12*, 213–225.

Yu, T., Liang, X., & Wang, Y. (2020). Factors affecting the utilization of big data in construction projects. *Journal of Construction Engineering and Management*, *146*(5), 04020032. https://doi.org/10.1061/(ASCE)CO.1943-7862.0001807

Zhou, F., Lim, M. K., He, Y., Lin, Y., & Chen, S. (2019). End-of-life vehicle (ELV) recycling management: Improving performance using an ISM approach. *Journal of Cleaner Production*, *228*, 231–243.