Navigating the nexus: Unraveling the impact of economic, social, and financial globalization on the economic growth of Nepal

Prem Bahadur Budhathoki[1]
Arjun Kumar Dahal[2]
Shiva Raj Ghimire[3*]

[1]prem.budhathoki@mahmc.tu.edu.np
[2]arjun.dahal@memc.tu.edu.np
[3*]shiva.ghimire@smc.tu.edu.np

[1]https://orcid.org/0000-0002-1249-7005
[2]https://orcid.org/0000-0003-4816-4576
[3]https://orcid.org/0009-0002-7952-1097

[1,2,3]Tribhuvan University, Nepal

https://doi.org/10.51867/scimundi.5.2.37

ABSTRACT

This study aims to examine the impact of economic, social, and financial globalization on Nepal's economic growth. It draws on the concepts of the neoclassical, Heckscher-Ohlin, and dependency theories, which use a methodological approach to the relationship between economic expansion and globalization. This study is based on secondary data collected from various World Bank reports. It includes 53 years of yearly data from Nepal, spanning from 1970 to 2022. It follows the analytical research design, positivist research philosophy, and deductive reasoning. The non-linear autoregressive distributive lag (NARDL) model is used to explore the impact and cointegration between response and predictor variables. There is long-run asymmetric cointegration between social, economic, and financial globalization and economic growth in Nepal. The R-squared value of 0.867 (86.7%) from the short-run error correction model indicates that the variation in economic growth is explained by social, economic, and financial globalization. Similarly, the NARDL's R-squared value of 0.659 (65.9%) reveals that social, economic, and financial globalization explains the variation in growth. Globalization has a powerful but asymmetric impact on economic growth. Policymakers could strategically pursue policies that maximize growth from increased global integration while simultaneously developing robust domestic safeguards to insulate the economy from the distinct shocks of global financial instability.

Keywords: Asymmetric, Diversification, Expansion, Migration, Tariff

JEL Classification: F62, F43, O47

I. INTRODUCTION

Globalization has become a key characteristic of the contemporary world economy, reshaping patterns of national development and economic advancement. It encompasses a wide range of processes that deepen interdependence among nations through the flow of goods, services, capital, people, and ideas (Soti et al., 2025). In its principal dimensions — economic, financial, and social globalization has mixed effects on the economic performance of various countries and regions (Tayar, 2022).

The growth of international trade, foreign direct investment, and the integration of production systems across borders are all examples of economic globalization. Improvements in market efficiency, increased competition, and technology spillovers are commonly linked to these events (Dreher, 2006). Economic globalization includes trade partner diversity and the total of products and services imported and exported as a percentage of gross domestic product (GDP). Additionally, it offers details on tariff rates, trade taxes, and trade rules. Conversely, opening capital accounts and cross-border financial flows are hallmarks of financial globalization. These actions might mobilize investment resources, but they also expose the economy to external shocks and instability in the financial sector (Kose et al., 2009). Foreign direct investment, portfolio investments, international debt, international reserves, and international income payments are all components of financial globalization. Similarly, it encompasses capital account transparency and investment limitations.

Social globalization encompasses information exchange, human relations, and cultural exchange, and it has a less conspicuous yet equally significant impact on values, institutions, and economic behaviors (Samimi & Jenatabadi,

2014). Indicators include international voice traffic (measured in minutes per capita), global travel, migration (the proportion of foreign-born inhabitants in the population), international students, freedom of movement, international airports, internet users, freedom of the press, and so forth (Okocha, 2024). It includes international voice traffic (telephone traffic in minutes per capita). International tourism, migration, the percentage of foreign-born residents in the total population, international students, the freedom to visit, international airports, internet users, press freedom, and other factors are all included (Okocha, 2024).

Understanding how these facets of globalization affect economic growth is crucial, particularly for developing and transitional economies seeking to harness the benefits of global integration while mitigating its adverse effects. While previous studies have examined the influence of globalization on growth, the differentiated impacts of its dimensions remain subject to debate, especially given regional and income-group heterogeneities (Bergh & Nilsson, 2014). This study aims to investigate the individual and collective effects of economic, financial, and social globalization on economic growth using recent panel data and a robust methodological framework.

Globalization is a complicated process that affects economic growth in many ways. The liberalization of trade and the increasing movement of products and services across borders are two signs of economic globalization (Unerbayeva et al., 2024). Many people believe this leads to growth by allowing countries to focus on their strengths, thereby increasing efficiency and production (International Monetary Fund [IMF], 2008). Financial globalization, which means connecting a country's financial markets to international markets, could also help the economy flourish by increasing savings, lowering the cost of capital, and making it easier for technology to move across borders (Prasad et al., 2003). Nevertheless, the advantages of financial globalization are not assured. They may depend on a nation's institutional integrity and the robustness of its macroeconomic policies, with possible drawbacks such as heightened susceptibility to financial crises (Obstfeld & Taylor, 2004).

Social globalization the transmission of ideas, information, images, and people is also significant for economic growth, even though it is not as noticeable. One of the most important ways in which social globalization can improve productivity and creativity is by facilitating the spread of knowledge and technology (United Nations Educational, Scientific and Cultural Organization [UNESCO], 2017). Moreover, enhanced interconnection can promote deeper understanding and collaboration among nations, potentially leading to more stable, predictable international relations that facilitate economic growth. However, the effects of social globalization are not universally accepted, as concerns about cultural homogenization and the "brain drain" from developing to developed countries show that this aspect of globalization can have both positive and negative effects on economic well-being (Stiglitz, 2002). In the end, the overall impact of these interrelated aspects of globalization on a country's economic growth depends on several internal factors, such as the level of human capital, the quality of governance, and the ability to adapt to a quickly changing global environment (Heimberger, 2021). This study aims to examine the individual and joint impacts of economic, social, and financial globalization on Nepal's economic growth. It also tries to identify the long- and short-run effects of positive and negative changes in independent variables on economic growth.

1.1 Research Objectives

The main specific objectives are:

(i) To examine the individual impact of economic, social, and financial globalization on economic growth of Nepal.

(ii) To navigate the short-run and long-run joint impact of economic, social, and financial globalization on economic growth of Nepal.

II. LITERATURE REVIEW

2.1 Theoretical Review

Many theories use the methodological approaches of globalization as the influencing factor of economic growth. Slaven-Swan's neo-classical theory, Endogenous growth theory, Heckscher-Ohlin theory of cost advantages, Dependency theory of socialism, and Immanuel Wallerstein's world system theory directly and indirectly establish the relation of globalization on economic growth.

Globalization is the complex network of growing connections among the world's economies, cultures, and people, and it has been a strong force behind economic progress. The globalization drive for growth, through shifts in technical progress, liberalized trade laws, and the expansion of multinational firms, is analyzed through many theoretical frameworks that aim to elucidate its mechanisms and ramifications. The Neoclassical Growth Theory, especially the Solow-Swan model, says that economic growth is affected by increases in capital, labor, and technology. This theory posits that, in the context of globalization, developing countries can accelerate growth by embracing foreign direct investment (FDI), which provides essential capital and access to modern technologies from

industrialized nations (Solow, 1956). The idea posits that, over time, income levels in prosperous and impoverished nations would converge as capital is directed to areas of scarcity, thereby maximizing returns (Paudel, 2020).

The neoclassical model's view of technological progress as exogenous is a big problem. Endogenous Growth Theory gives a more complicated answer. According to this theory, "endogenous" or internal factors are what drive economic growth. These include investments in human resources, innovation, and knowledge. Globalization is a powerful engine of progress because it enables ideas, technology, and best practices to cross borders (McCulloch, 2006). There is a focus on spillover effects of knowledge and a more connected global innovation system. To get the most out of globalization's expansion, we need policies that encourage openness, competition, and innovation.

The Heckscher-Ohlin model is a key part of international trade theory that explains how globalization might help the economy. The model says that countries would focus on and export goods that use the most of the things they have to make them. A country with many workers will focus on industries that require many workers, whereas a country with much capital will focus on goods that require much capital. It emphasizes the product's specialization. Through international trade, countries can exchange these items, helping them use resources more efficiently and improve their economies. Globalization makes it easier for countries to trade with one another, enabling them to leverage their resources and advantages to expand their economies (Donaldson, 1934).

Dependency Theory and World-Systems Theory are less hopeful about how globalization will affect economic growth. According to Dependency Theory, which draws on Marxist ideas, globalization sustains a monetary system in which industrialized countries (the "core") exploit underdeveloped countries (the "periphery"). This idea says that bringing peripheral countries into the global economy is a way to get their resources and workers to help the core grow. It is hard to break the cycle of underdevelopment and dependence (Frank, 1966). Immanuel Wallerstein's World-Systems Theory views the world economy as a single capitalist system grounded in these ideas. This method separates work into three groups: "core" countries with high incomes, "periphery" countries with low incomes, and "semi-periphery" countries that have some of both. The premise is that the capitalist world order is not fair and that peripheral exploitation is necessary for core economic growth. Globalization has made this unfair world-system bigger and worse (Wallerstein, 2011).

2.2 Empirical Review

Heimberger (2021) investigated the influence of economic globalization on economic growth. He found a favorable impact of globalization on output growth in a meta-analysis. The effects of economic globalization fluctuate over time, by level of education, and among various macroeconomic factors. Athalage et al. (2025) performed a multiregional examination of the relationship between globalization and economic growth in 97 countries. They discovered multiple forms of causal relationships among countries. In Asia, North America, and Oceania, the nexus went both ways. In Africa, South America, and Europe, the causal flows only went one way. The influence of globalization on economic growth depends on the degree of technological advancement and the scope of comprehensive globalization strategies.

Ehigiamusoe (2023) used Fully Modified Ordinary Least Squares (FMOLS) to examine the impact of globalization and energy consumption on economic growth in a low-income country. His research indicates that globalization and energy consumption are pivotal factors influencing economic growth. Majidi (2017) examined the impact of globalization's dimensions on economic growth in 100 developing nations. The remaining data indicate that the influence of political and economic growth in upper-middle-income countries is both harmful and substantial. On the other hand, economic globalization has a significant and positive effect on countries with lower-middle incomes. The influence of social globalization on economic growth in developing countries is negligible.

Nguyen and Le (2021) examined the relationship between globalization and economic growth in Vietnam. The findings indicated that globalization exerts a positive and significant influence on long-term economic growth; however, this relationship is negligible in the short term. Chang and Lee (2010) investigate the relationship between globalization and economic growth. They discovered a unidirectional causality from the comprehensive index of globalization to economic growth.

Nissanke and Stein (2003) examined the relationship between financial globalization and economic development. They determined that the circuits of financial globalization and economic growth are interconnected; financial globalization facilitates the efficient allocation of global resources, resulting in cointegration. The effects of financial globalization depend on the driving and restraining forces of financial resources. Fonchamnyo et al. (2017) investigated the impact of financial globalization on Cameroon's economic growth. The research found that financial globalization positively and significantly influences economic growth in Cameroon.

Nguea et al. (2024) investigated the impacts of financial globalization and economic growth in African nations. They found a positive, significant association between financial globalization and economic growth across 40 African countries. Bekaert et al. (2005) discovered that capital account liberalization positively influences future

economic growth. Bhanumurthy and Kumawat (2020) found an inverse causal relationship between financial globalization and economic growth in South Asian countries.

Paudel (2014) observed the nexus between globalization and economic growth in Nepal. He found that globalization (trade openness and financial openness) has no significant impact on Nepal's economic growth in the short run or the long run. The joint effect was observed, but the individual impact of economic and financial globalization was insignificant. Gurung et al. (2023) examined the effects of political, social, and economic globalization in Nepal. They found a one-way causal relationship between economic growth and both political and economic globalization in the short run, but a two-way causality in the long run. Additionally, economic growth and social globalization exhibit a one-way causal relationship in both the short and long run.

The empirical literature depicts a multifaceted and frequently contradictory relationship between globalization and economic growth. Numerous studies, including Heimberger (2021) and Ehigiamusoe (2023), identify a predominantly positive and significant relationship; however, others indicate that this effect is not consistent. The effect may be harmful or negligible, contingent upon variables such as a nation's income level (Majidi, 2017), the particular aspect of globalization being assessed, and the relevant time frame (Nguyen & Le, 2021). Moreover, the direction of causality is contested, with various studies identifying unidirectional, bidirectional, or even reverse causal relationships in different regions (Athalage et al., 2025; Bhanumurthy & Kumawat, 2020). This lack of agreement shows that the link between globalization and growth is highly context-dependent and remains unclear.

This study seeks to address two significant gaps that have emerged. First, there is insufficient concentrated research on Nepal. Some studies have examined South Asia as a whole. Still, none of the sources mentioned provide a thorough, country-specific account of how economic, social, and financial globalization has affected Nepal's economy, either on its own or in combination with other factors. Second, and more importantly, there is a methodological gap in the research that has already been done. The studies examined predominantly presuppose a symmetric relationship, thereby failing to distinguish between the impacts of increases and decreases in globalization. This study aims to address that gap by explicitly analyzing the long- and short-term effects of both positive and negative alterations in the components of globalization on economic growth, thereby providing a more nuanced comprehension of the dynamic.

III. METHODOLOGY

3.1 Research Design

This study employs an analytical research design. It is based on the positivist research philosophy and deductive reasoning. It is a purely quantitative research study based on a single reality. Some econometric tools and graphs are used to explain the impact of economic, social, and financial globalization on Nepal's economic growth.

3.2 Source of Data and Data Analysis

This study is based on secondary data collected from various World Bank reports. It covers 53 annual data points from 1970 to 2022. The non-linear autoregressive distributive lag model is employed to examine long-run cointegration and investigate the impact of economic, social, and financial globalization on Nepal's economic growth. In addition to the NARDL model, descriptive statistics, association analysis, various methods, and stability and diagnostic tests are employed to describe the data and validate the model.

3.2 Variable and Model Specification

In this study, four variables are used. Economic globalization, financial globalization, and social globalization are considered independent variables, while economic growth is the dependent variable**.** Nepal's economic growth depends on economic, social, and financial globalization. It is the study's conceptual framework. In this sense:

Economic growth = f (Economic globalization, financial globalization, social globalization)……. (1)

Or, ECONGR = f (ECOG, FING, SOCG) ……..... (2)

In this study, the NARDL model is employed to investigate the impact of the regressor variable on the response variable. The NARDL model is used to detect asymmetries in time-series data. It works by breaking down an explanatory variable into its positive and negative partial sums. The NARDL enables the model to determine how the dependent variable responds differently to changes in the explanatory variable over time. It is beneficial to model both long- and short-term asymmetries simultaneously within a single framework (Shin et al., 2014). The NARDL model refines the limits-testing approach to cointegration (Pesaran et al., 2001), offering a more sophisticated framework for examining intricate economic interactions characterized by varying magnitudes of positive and negative shocks.

If we find that the magnitude of impact differs on both sides of the change, we conclude that volatility's impact on the dependent variable is asymmetric. Suppose the long-run ordinary least squares method is:

$Y_t = \beta_o + \beta_1 X_t + \mu_t$ ……..... …….. ……..... (3)

NARDL separates Y's responses to negative and positive changes in the independent variable (X). In this model, the coefficient β_1 assumes that a unit increase in X_t has the exact opposite effect of a unit decrease in X_t. To capture the impact of asymmetry, the NARDL decomposes X into two parts. The partial sum of positive change in X, denoted by $X^{(+)}$, and the partial sum of negative change in X, denoted by $X^{(-)}$. Both $X^{(+)}$ and $X^{(-)}$ are included as separate regressors in the NARDL model. In this case, the asymmetric long-run cointegrating regression model is specified as:

$$Y_t = \beta_0 + \beta_1^{+} X^{(+)} + \beta_2^{-} X^{(-)} + \mu_t \quad \text{..... (4)}$$

When $X^{(+)} \neq X^{(-)}$, then the asymmetry exists. The full NARDL model or asymmetric error correction form that captures both short-run and long-run dynamics is specified as:

$$\Delta Yt = \beta_0 + \sum_{i=1}^{p-1} \lambda_i \Delta Y_{t-i} + \sum_{i=0}^{q} \delta^{+}{}_i \Delta X^{+}{}_{t-i} + \sum_{i=0}^{q} \delta^{-}{}_i \Delta X^{-}{}_{t-i} + \rho Y_{t-1} + \emptyset^{+}{}_i \Delta X^{+}{}_{t-1} + \emptyset^{+}{}_i \Delta X^{+}{}_{t-1} + \mu_t \text{ .....(5)}$$

In equation 5, ΔYt is the change in the dependent variable, and β_0 indicates the constant or drift term. $\sum_{i=1}^{p-1} \lambda_i \Delta Y_{t-i} + \sum_{i=0}^{q} \delta^{+}{}_i \Delta X^{+}{}_{t-i} + \sum_{i=0}^{q} \delta^{-}{}_i \Delta X^{-}{}_{t-i} + \rho Y_{t-1}$ is the short-run term, $\emptyset^{+}{}_i \Delta X^{+}{}_{t-1} + \emptyset^{+}{}_i \Delta X^{+}{}_{t-1}$ indicates the long-run term of the NARDL model, and μ_t is the error term of the equations. ρ (Rho) is the speed of adjustment or error correction term. ρ must be negative and significant for a stable long-run equilibrium to exist. $\emptyset$ (Theta) is the long-run forcing coefficients. It is the numerators used to calculate the final long-run asymmetric multipliers. The final interpretable long-run coefficients ($X^{(+)}$ and $X^{(-)}$) are calculated from the ρ and $\emptyset$.

$$\text{Long run positive impact } (\beta^{+}) = -\frac{\emptyset^{+}}{\rho} \quad \text{..... (6)}$$

$$\text{Long run negative impact } (\beta^{-}) = -\frac{\emptyset^{-}}{\rho} \quad \text{..... (7)}$$

In essence, the NARDL model provides a sophisticated framework for moving beyond simple linear assumptions to capture the distinct effects of positive and negative shocks in a variable. By allowing for this asymmetry, it provides a more detailed and realistic insight into both the short-term dynamics and the long-term equilibrium relationship between economic time series. The positive and negative partial sums of the independent variables are generated by decomposing the first difference into positive and negative changes using zero as the threshold. A threshold of 0 means that the model distinguishes between increases and decreases solely by comparing X_t and X_{t-1} (Shin et al., 2013).

IV. FINDINGS & DISCUSSION

4.1 Key information of study variables

Descriptive statistics provide the key information about the response and regressor variables. It discusses the essential components of a dataset without making any assumptions or predictions. It achieves this by using metrics such as mean, median, mode, standard deviation, and range. In brief, it helps you quickly organize, simplify, and make sense of a lot of data. Key information on the study variables is presented in Table 1.

Table 1

Key Information about the Study Variables

Criteria	ECOG	ECONGR	FING	SCOG
Mean	20.658	4.042	18.870	22.408
Median	22.725	4.400	21.762	16.072
Maximum	30.991	9.680	34.134	43.471
Minimum	9.996	-2.980	6.474	11.600
Std. Dev.	7.049	2.744	8.263	11.792
Skewness	-0.248	-0.582	0.133	0.690
Kurtosis	1.523	3.529	1.890	1.807
Coefficient of Variance	34.12%	67.89%	43.79%	52.62%
Observations	53	53	53	53

Note: ECOG= Economic globalization, ECONGR= Economic growth rate, FING= Financial globalization, and SOCG= Social globalization

Source**:** Calculated by authors using EViews12.

The descriptive statistics in Table 1 provide important information about how the research variables behaved across 53 observations. The average values for economic globalization (ECOG), financial globalization (FING), and social globalization (SCOG) are all relatively high. Social globalization has the highest mean (22.408), while economic growth (ECONGR) has the lowest mean (4.042) but the highest coefficient of variance (67.89%), which

means it is the most variable. The skewness and kurtosis values indicate that most variables are generally distributed, with a slight degree of asymmetry. The economic growth is negatively skewed, whereas social globalization is positively skewed. Additionally, the higher standard deviations, especially for social globalization and financial globalization, indicate that the data is more spread out around their means, whereas economic globalization remains relatively stable. In general, the data suggest that globalization indices tend to increase over time, with only minor fluctuations, while economic growth is more unstable and less steady.

4.2 Correlation Analysis

Correlation or association analysis examines the strength and direction of the linear relationship between two or more variables. It clarifies the correlation between economic growth and the phenomena of economic, financial, and social globalization. The results of the association analysis for the study variables are presented in Table 2.

Table 2

Association Analysis between Pairs of Variables

Variables	ECOG	ECONGR	FING	SCOG
ECOG	1.000	0.246	0.942	0.778
ECONGR	0.249	1.00	0.174	0.122
FING	0.942	0.1744	1.000	0.826
SCOG	0.778	0.122	0.826	1.000

Note: ECOG= Economic globalization, ECONGR= Economic growth rate, FING= Financial globalization, and SOCG= Social globalization

Source**:** Calculated by authors using EViews12.

The association analysis reveals that economic growth (ECONGR) exhibits a weak positive correlation with economic globalization (r = 0.246), financial globalization (r = 0.174), and social globalization (r = 0.122). It means that, even though the dimensions of globalization move in the same general direction as growth, their direct link to economic growth is not very strong.

4.3 Situations of Study Variables

The graph illustrates the evolution of economic growth from 1970 to 2022, in relation to various aspects of globalization, including social, financial, and economic. The bars demonstrate that economic growth fluctuates significantly, with occasional significant declines, but remains predominantly positive. After the mid-1980s, economic and financial globalization (blue and orange lines) increased steadily, reaching its peak in the late 2000s and then became somewhat less stable. The green line for social globalization, on the other hand, shows a sharper, steadier upward trend, especially after the 1990s. This trend is stronger than the other two. It suggests that social globalization grew more steadily, likely due to new technologies and cultural exchange, while economic and financial integration experienced periods of turbulence. In general, the chart shows that globalization has become increasingly deep-seated over time, with social factors leading the way. Economic growth, on the other hand, has shown more uneven responses, illustrating the complexity of the relationship between globalization and domestic economic success. Figure 1 illustrates the condition of four study variables.

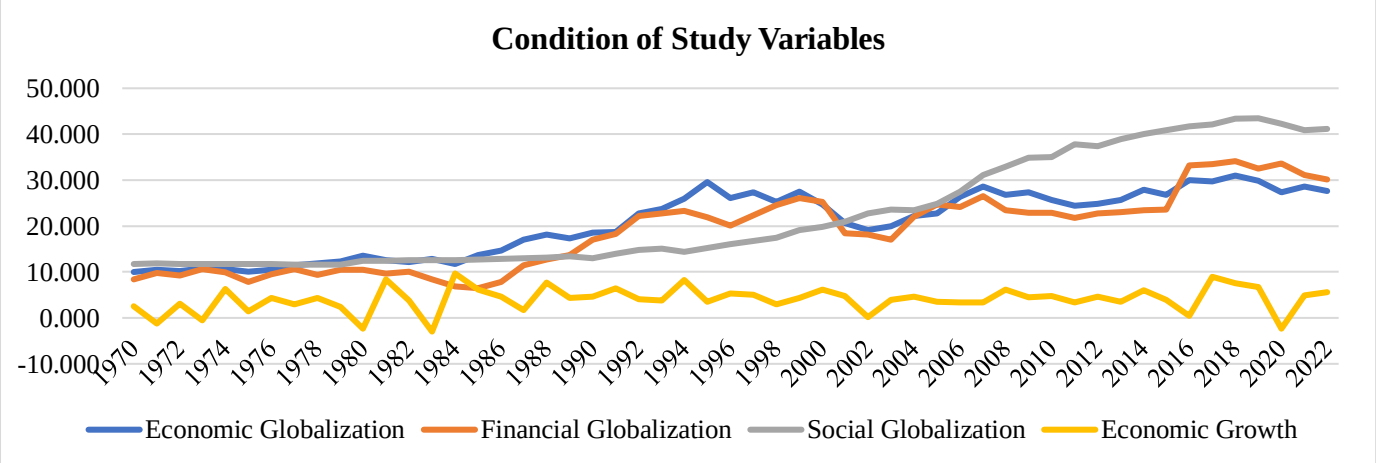

Figure 1

Condition of Response and Regressor Variable

4.4 NARDL Model

The NARDL model is an improved version of the ARDL model that can exhibit both short- and long-term nonlinear correlations among variables. It allows changes in an independent variable, whether positive or negative, to have distinct effects on the dependent variable, unlike the usual ARDL. It is especially helpful in economic research when impacts are not uniform, as seen in the varying effects of globalization on growth. In general, the NARDL model provides a more flexible and realistic approach to understanding how relationships evolve. The outcomes of the NARDL model are displayed in Figure 3.

Table 3

Outcomes of Non-linear Autoregressive Distributed Lag Model

Dependent Variable: Economic Growth (ECONGR)				
Method: NARDL				
Dependent lags: 3(Fixed)				
Dynamic regressors (3lags, fixed): ECOG(POS) ECOG (NEG) FING (POS) FING(NEG) SOCG(POS) SOCG(NEG)				
Variable	**Coefficient**	**Std. Error**	**t-Statistic**	**Prob.***
ECONGR(-1)	-0.692	0.197	-3.512	0.002
ECONGR(-2)	-0.641	0.227	-2.818	0.010
ECONGR(-3)	-0.167	0.191	-0.871	0.393
ECOG-POS	-0.180	0.651	-0.277	0.783
ECOG_POS(-1)	1.003	0.805	1.245	0.226
ECOG_POS(-2)	-0.282	0.778	-0.362	0.720
ECOG_POS(-3)	0.233	0.762	0.306	0.762
ECOG_NEG	0.523	1.071	0.488	0.630
ECOG_NEG(-1)	-0.200	1.164	-0.172	0.864
ECOG_NEG(-2)	0.640	1.084	0.590	0.560
ECOG_NEG(-3)	-0.229	0.993	-0.230	0.819
FING_POS	-0.125	0.336	-0.372	0.713
FING_POS(-1)	-0.004	0.411	-0.010	0.991
FING_POS(-2)	0.499	0.405	1.232	0.231
FING_POS(-3)	-0.357	0.433	-0.826	0.417
FING_NEG	-0.480	0.811	-0.592	0.559
FING_NEG(-1)	0.032	0.679	0.048	0.961
FING_NEG(-2)	-0.056	0.593	-0.095	0.924
FING_NEG(-3)	-0.004	0.592	-0.007	0.994
SOCG_POS	-1.533	0.839	-1.826	0.082
SOCG_POS(-1)	1.044	1.181	0.884	0.386
SOCG_POS(-2)	-0.358	1.025	-0.349	0.730
SOCG_POS(-3)	0.615	0.749	0.820	0.421
SOCG_NEG	3.323	2.807	1.183	0.249
SOCG_NEG(-1)	-1.293	4.577	-0.282	0.780
SOCG_NEG(-2)	1.625	4.814	0.337	0.738
SOCG_NEG(-3)	3.834	4.257	0.900	0.378
C	6.404	2.158	2.966	0.007
R-squared	0.659	Mean dependent var		4.290
Adjusted R-squared	0.620	SD dependent var		2.652
S.E. of regression	2.341	Akaike info criterion		4.835
F-statistic	2.503	Durbin-Watson stat		2.062
Prob. (F-statistic)	0.070			

Note: ECOG= Economic globalization, ECONGR= Economic growth rate, FING= Financial globalization, and SOCG= Social globalization

Source**:** Calculated by authors using EViews12.

The results from the NARDL model suggest that the overall relationship between various aspects of globalization and economic growth is statistically insignificant in the short term. The individual coefficients for the positive and negative partial sums [ECOG(POS), ECOG(NEG), FING(POS), FING(NEG), SOCG(POS), SOCG(NEG)] and their lags lack statistical significance, as evidenced by their elevated p-values ($P > 0.05$). It indicates that, in isolation, short-term shocks to economic, financial, or social globalization do not immediately significantly affect the economic growth rate. The R-squared value of 0.659 (65.9%), derived from the NARDL,

indicates that the variation in growth is explained by social, economic, and financial globalization in the long run and the borderline significance of the overall regression (F-statistic Prob. = 0.070) suggest that while the model accounts for some variation in growth, it does not clearly define the specific short-term asymmetric effects of globalization. R^2 is worth 0.659. Therefore, 65.9% of the changes in Nepal's economic growth can be attributed to globalization in social, financial, and economic areas.

The model, however, reveals a crucial long-term feature: a stable equilibrium connection. The highly significant negative coefficient on the first lag of the dependent variable, ECONGR (-1) (-0.692, P = 0.002), confirms it. A significant, negative lagged dependent variable in an ARDL model serves as a crucial indicator of cointegration, signifying that, despite short-term volatility, economic growth and the asymmetric facets of globalization progress in a long-term equilibrium. In other words, this coefficient indicates that errors are corrected over time, meaning that deviations from the long-term path are gradually reduced. The Durbin-Watson statistic of 2.062 suggests that the residuals lack significant autocorrelation, which supports the reliability of these results. The Standard Error of the Regression (S.E.) of 2.341 indicates the distance between the average data point and the regression line. It tells you how well the model fits the data. A value of 2.341 indicates that the model's forecasts for the economic growth rate (ECONGR) are off by approximately 2.341 units on average. The standard deviation (SD) of the dependent variable is 2.652; hence, this standard error indicates that the model explains a significant portion of the variation in economic growth. The NARDL regression equation is estimated as:

ECONGR = -0.692*ECONGR(-1) - 0.641*ECONGR(-2) - 0.167*ECONGR(-3) - 0.180*ECOG-POS + 1.003*ECOG-POS(-1) - 0.282*ECOG-POS(-2) + 0.233*ECOG-POS(-3) + 0.523*ECOG-NEG - 0.200*ECOG-NEG(-1) + 0.640*ECOG-NEG(-2) - 0.229*ECOG-NEG(-3) - 0.1253*FING-POS - 0.004*FING-POS(-1) + 0.499*FING-POS(-2) - 0.357*FING-POS(-3) - 0.480*FING-NEG + 0.032*FING-NEG(-1) - 0.056*FING-NEG(-2) - 0.004*FING-NEG(-3) - 1.533*SOCG-POS + 1.044*SOCG-POS(-1) - 0.358*SOCG-POS(-2) + 0.615*SOCG-POS(-3) + 3.323*SOCG-NEG - 1.293*SOCG-NEG(-1) + 1.625*SOCG-NEG(-2) + 3.834*SOCG-NEG(-3) + 6.404

4.5 NARDL Bound Test

The NARDL Bound Test is used to analyze both long- and short-term asymmetric relationships among variables, thereby facilitating varied reactions to positive and negative fluctuations. It builds on the ARDL model by incorporating nonlinear effects, making it useful for examining complex economic situations where responses to shocks can vary in size or direction. The test checks for cointegration by comparing test statistics to critical boundaries. It indicates whether a stable long-term relationship exists, despite existing differences. The outcomes of the NARDL bound test are listed in Table 4.

Table 4

Non-Linear Autoregressive Distributed Lag (NARDL) Bound Test Results

F-Bound test		Ho: No level relationship		
Test statistic	**Value**	**Significance**	**I(0)**	**I(1)**
F-statistic	3.81	5%	2.27	3.28

Source: Calculated by authors using EViews12, 2025

The NARDL bound test result indicates that the computed F-statistic (3.81) exceeds the upper critical bound value at the 5 percent significance level (I(1) = 3.28). It means that the null hypothesis of "no long-run relationship" is false. It indicates that there is a statistically significant long-run cointegrating relationship between the model's dependent and independent variables. Therefore, even though the variables change in the short term, they tend to move together in the long term.

4.6 NARDL Error Correction regression

The NARDL Error Correction regression examines both short- and long-term relationships among time-series variables, allowing for unequal effects. It achieves this by breaking down the explanatory variables into partial sums of their positive and negative changes. It lets increases and decreases have different effects. The NARDL model is essentially a single-equation Error Correction Model (ECM) that exhibits cointegration, non-linear adjustment to equilibrium, and short-run impacts that vary across series, provided none of the series is integrated of order 2. The results of the NARDL ECM are displayed in Table 5.

Table 5

Outcomes of NARDL Short-Run Model

NARDL Error Correction Regression				
Dependent Variable: D(ECONGR)				
ECM Regression				
Variable	**Coefficient**	**Std. Error**	**t-Statistic**	**Prob.**
D(ECONGR(-1))	0.808	0.284	2.846	0.009
D(ECONGR(-2))	0.167	0.148	1.125	0.273
D(ECOG_POS)	-0.180	0.424	-0.426	0.673
D(ECOG_POS(-1))	0.048	0.428	0.113	0.910
D(ECOG_POS(-2))	-0.233	0.455	-0.512	0.613
D(ECOG_NEG)	0.523	0.632	0.827	0.417
D(ECOG_NEG(-1))	-0.411	0.577	-0.712	0.483
D(ECOG_NEG(-2))	0.229	0.661	0.346	0.732
D(FING_POS)	-0.125	0.233	-0.537	0.596
D(FING_POS(-1))	-0.141	0.228	-0.619	0.542
D(FING_POS(-2))	0.357	0.260	1.376	0.183
D(FING_NEG)	-0.480	0.431	-1.113	0.277
D(FING_NEG(-1))	0.061	0.399	0.152	0.880
D(FING_NEG(-2))	0.004	0.420	0.010	0.991
D(SOCG_POS)	-1.533	0.584	-2.623	0.015
D(SOCG_POS(-1))	-0.257	0.562	-0.457	0.652
D(SOCG_POS(-2))	-0.615	0.551	-1.116	0.277
D(SOCG_NEG)	3.323	1.630	2.038	0.054
D(SOCG_NEG(-1))	-5.460	2.274	-2.401	0.025
D(SOCG_NEG(-2))	-3.834	2.339	-1.638	0.116
CointEq(-1)*	-2.501	0.392	-6.377	0.000
R-squared	0.867	Mean dependent var		0.124
Adjusted R-squared	0.773	SD dependent var		4.256
S.E. of regression	2.028	Akaike info criterion		4.549
Durbin-Watson stat	2.062			

Where, ECOG= Economic globalization, ECONGR= Economic growth rate, FING= Financial globalization, and SOCG= Social globalization

Source**:** Calculated by authors using EViews12, 2025

This NARDL Error Correction regression model examines the short-term and long-term asymmetric effects of economic, financial, and social globalization (ECOG, FING, SOCG) on the economic growth rate (ECONGR). The error-correction term (CointEq(-1)) is negative (-2.501) and statistically significant (P = 0.000), which is particularly important because it indicates a strong, statistically significant long-run equilibrium relationship between the variables. This coefficient, representing the error correction term, suggests that approximately 250.1 percent of the disequilibrium from the previous period's long-run equilibrium in the economic growth rate is corrected in the current period. It means that the system can quickly and strongly return to the long-term equilibrium.

The R-squared value of 0.867 indicates that approximately 86.7 percent of the variation in the economic growth is explained by the model's independent variables, such as social, economic, and financial globalization. Some interesting patterns show up when you look at short-run dynamics and asymmetric effects. D(SOCG-POS) has a significant adverse impact on ECONGR (-1.533, p-value = 0.015), indicating that a positive change in social globalization has a short-term adverse effect on economic growth. On the other hand, D(SOCG-NEG) has a positive coefficient (3.323, p-value = 0.054), indicating that negative changes in social globalization may initially boost economic growth, but this effect is only slightly significant. Moreover, D(SOCG-NEG (-1)) exerts a significant negative influence (-5.460, p-value 0.025), indicating that the beneficial effect of adverse social globalization transitions rapidly reverts in the following period. Most of the other short-run coefficients, including those for economic and financial globalization and their positive and negative components, are not statistically significant at conventional levels. It means that their short-term effects on economic growth are not very clear in this model, or that their impact primarily operates through the long-term relationship indicated by the error correction term.

D(ECONGRt) = +0.808D(ECONGRt−1) + 0.167D(ECONGRt−2) − 0.180D(ECOG-POSt) + 0.048D(ECOG-POSt−1) − 0.233D(ECOG-POSt−2) + 0.523D(ECOG-NEGt)−0.411D(ECOG-NEGt−1) + 0.229D(ECOG-NEGt−2) − 0.125D(FING-POSt) − 0.141D(FING-POSt−1) + 0.357D(FING-POSt−2) − 0.480D(FING-NEGt) + 0.061D(FING-

NEGt−1) + 0.004D(FING-NEGt−2) − 1.533D(SOCG-POSt) − 0.257D(SOCG-POSt−1) − 0.615D(SOCG-POSt−2) + 3.323D(SOCG-NEGt) − 5.460D(SOCG-NEGt−1) − 3.834D(SOCG-NEGt−2) − 2.501CointEqt−1∗ + μ_t ……. (9)

4.7 Long-Run NARDL Model/ Levels Equation

The NARDL model/levels equation was developed to investigate possible asymmetric cointegration and non-linear dynamic relationships between variables over both short- and long-term time horizons. The levels equation (or long-run part) of the NARDL model introduces asymmetry by breaking the explanatory variable(s) down into their positive partial sum (X^+) and negative partial sum (X^-) parts. This decomposition enables the long-run coefficients on X^+ and X^- to differ, thereby reflecting the notion that positive alterations or shocks in an independent variable may exert a statistically distinct influence on the dependent variable, in magnitude and possibly in sign, compared to negative alterations (Shin et al., 2013). The results of long-run NARDL are displayed in the subsequent Table.

Table 6

Outcomes of Long-Run NARDL Model/ Levels Equation

Variable	Coefficient	Std. Error	t-Statistic	Prob.
ECOG-POS	0.3094	0.2242	1.3793	0.182
ECOG-NEG	0.2936	0.2568	1.1434	0.265
FING-POS	0.0048	0.1647	0.0293	0.976
FING-NEG	-0.2035	0.1914	-1.0632	0.299
SOCG-POS	-0.0924	0.0912	-1.0128	0.322
SOCG-NEG	2.9949	1.7104	1.7509	0.094
C	2.5609	0.8643	2.9629	0.007

Source**:** Calculated by authors using EViews12, 2025

The long-run NARDL model indicates that only the negative part of Social Growth (SOCG-NEG) has a statistically significant long-run effect, albeit at the 10 percent level. In particular, a negative shock (decrease) in social globalization has a long-term positive impact on the dependent variable, with a significant coefficient of 2.9949. On the other hand, the positive aspect of social globalization (SOCG-POS) has a slight, negative, and statistically insignificant effect (p = 0.322). It reveals an apparent asymmetry: when social globalization decreases, it has a significantly more substantial and more pronounced long-term effect than when it increases. The coefficients for both positive and negative changes in Economic Globalization (ECOG) are positive (0.3094 and 0.2936, respectively). Still, they are not statistically significant (p = 0.182 and 0.265), indicating no clear long-term relationship. Lastly, neither the positive nor the negative aspects of financial globalization (FING) show a strong long-term relationship with the dependent variable (Prob. = 0.976 and 0.299). Overall, the results indicate a strong asymmetric long-run cointegrating relationship between economic, financial, and social globalization and Nepal's economic growth. The cointegrating equation is estimated as:

Cointegrating Equation (EC) = ECONGR - (0.3094*ECOG-POS + 0.2936*ECOG-NEG + 0.0048*FING-POS - 0.2035*FING-NEG -0.0924*SOCG-POS + 2.9949*SOCG-NEG + 2.5609) ….. (10)

4.8 Residual diagnostic

Residual diagnostics of a Non-linear Autoregressive Distributed Lag (NARDL) model, similar to those in conventional regression, are used to confirm that the residuals exhibit characteristics of white noise, i.e., they are uncorrelated, homoscedastic, and normally distributed. The main tests are the Breusch-Pagan/White test for heteroscedasticity (non-constant variance), and the Breusch-Godfrey LM test for serial correlation (or autocorrelation). To confirm the reliability of the NARDL model's coefficient estimates and the validity of the inferences drawn from it, these diagnostic tests must yield satisfactory results, meaning that the null hypotheses of no misspecification, no serial correlation, and no heteroscedasticity are not rejected. The results of the serial correlation and heteroscedasticity tests are presented in Table 7.

Table 7

Residual Diagnostic of the Model

Breusch-Godfrey Serial Correlation LM test				**Heteroskedasticity test: Breusch-Pagan- Godfrey**			
Ho: No Serial Correlation				Ho: Homoskedasticity			
F-statistic	0.381	Prob.	0.689	F-statistic	1.131	Prob.	0.391
Obs* R-squared	1.887	Prob. Chi-squared	0.389	Obs* R-squared	29.032	Prob. Chi-squared	0.359
				Scaled Explained SS	9.001	Prob. Chi-squared	0.995

Source**:** Calculated by authors using EViews12, 2025

4.9 Regression Equation Specification Test for Stability Diagnostic

The correctness of regression models can be checked using the Ramsey RESET Test (Regression Equation Specification Error Test). It looks for common specification errors, including omitting variables, utilizing the incorrect functional form, or failing to account for nonlinearity. The Ramsey RESET test determines whether the regression model contains all the necessary variables and has the correct functional form.

Table 8

Results of Ramsey RESET Test

Ramsey RESET Test			
Specification: ECONGR ECONGR(-1) ECONGR(-2) ECONGR(-3) ECOG ECOG(-1) ECOG(-2) ECOG(-3) FING FING(-1) FING(-2) FING(-3) SCOG SCOG(-1) SCOG(-2) SCOG(-3) C			
t-statistic	**Value**	**df**	**Probability**
	0.900	20	0.378
F-statistic	0.810	(1, 20)	0.378

Source**:** Calculated by authors using EViews12, 2025

The Ramsey RESET test checks for errors in model specification, notably when essential variables or nonlinear interactions are omitted. The p-value for both the t-statistic (0.900) and the F-statistic (0.810) in your data is 0.378, which is substantially higher than the 5 percent significance level. It means we can't reject the null hypothesis that the model is correctly set up. In other words, the NARDL model shows no statistical evidence of misspecification. It indicates that the functional form is correct and that the included variables effectively explain economic growth.

4.10 NARDL CUSUM and CUSUMQ graph

A diagnostic tool for checking parameter stability in a model, such as the NARDL, is the CUSUM and CUSUMQ graph. To find consistent shifts in the regression coefficients, the CUSUM test calculates the cumulative sum of recursive residuals. In contrast, the CUSUM of squares (CUSUMQ) test tracks the cumulative sum of squared recursive residuals to evaluate the stability of the model's variance. Both the CUSUM and CUSUMQ statistics should remain within a specified critical bound, typically at the 5 percent significance level, for a stable model.

The NARDL model shows consistent long-run parameters and variance across the observed period, as shown by the CUSUM and CUSUMQ graphs. The CUSUM statistic changes, but it remains entirely within the 5 percent significance threshold. It means that the regression coefficients are not significantly unstable. The CUSUM of Squares statistic also remains well within its critical bounds, indicating that the model's variance is equally stable. Therefore, the combined results of both tests demonstrate that the model is stable, suggesting it can be used for analysis and prediction.

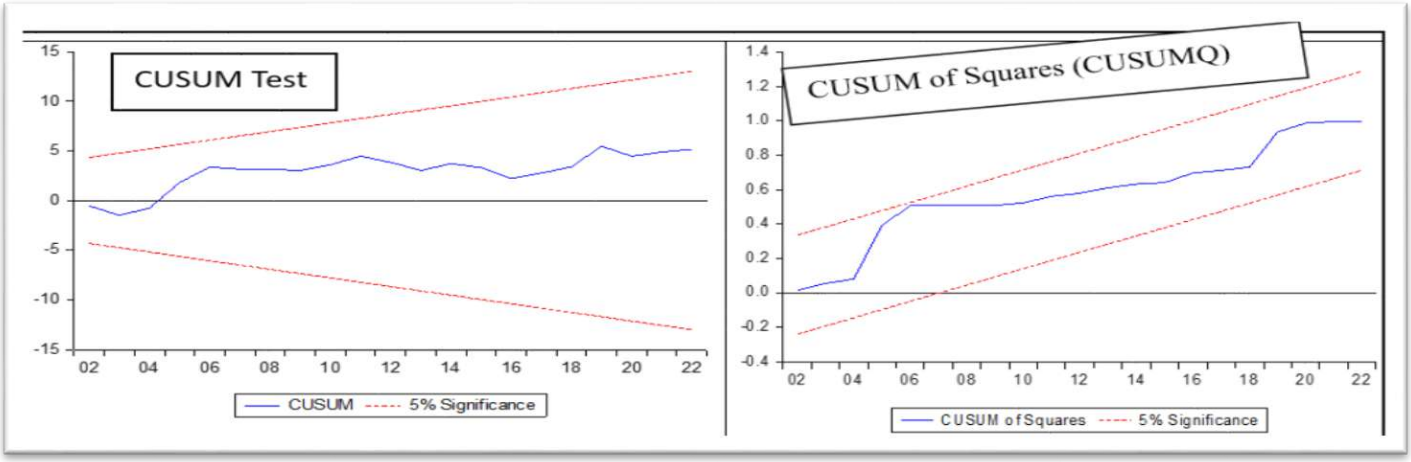

Figure 2

NARDL CUSUM and CUSUMQ graph

4.11 NARDL Multiplier Graph

The NARDL multiplier graph is a visual representation that illustrates how a NARDL model operates. It illustrates graphically the impact of positive and negative shocks (variations) to an independent variable on a dependent variable over time. In short, it helps researchers determine whether and how the effect of a change varies

depending on whether it was an increase or a decrease. This is clearer than just one number. Figures 3, 4, and 5 show the NARDL multiplier graphs of the independent variables in this study.

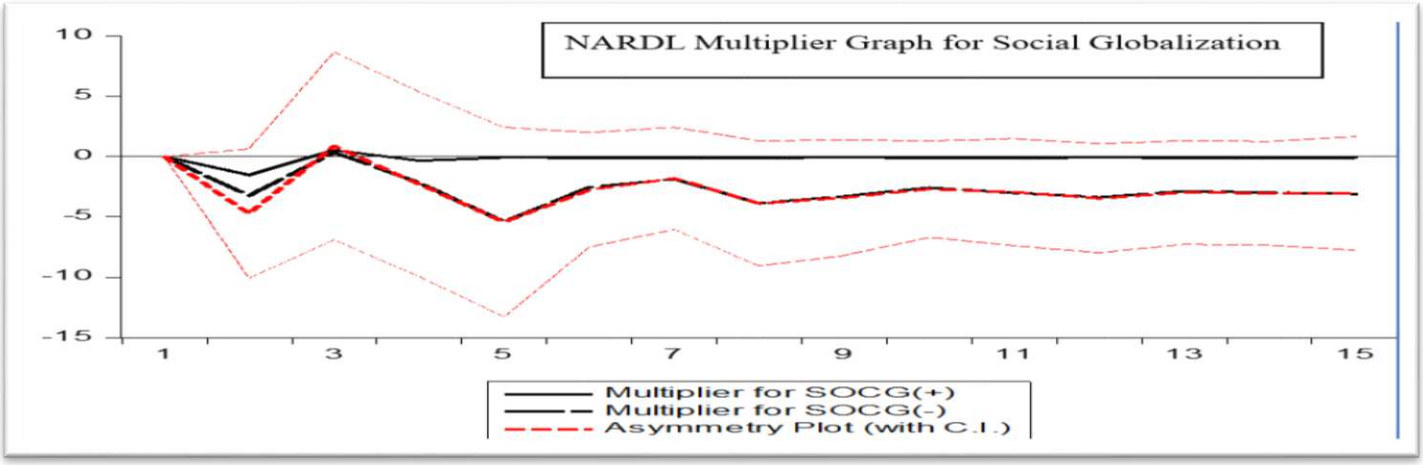

Figure 3
NARDL Multiplier Graph for Social Globalization with Asymmetry Plot

The positive, negative, and asymmetrical NARDL multipliers for social globalization are shown in Figure 3. The NARDL multiplier graph for social globalization illustrates that the earliest positive changes in SOCG $^{(+)}$ have an immediate, nearly zero effect on the dependent variable, as the solid black line stays close to zero. However, drops in social globalization (SOCG $^{(-)}$) have an immediate, statistically significant, negative, and more substantial cumulative effect, dragging the dependent variable down drastically in the short term (around periods 2-5). Positive and negative shocks have equivalent long-term, cumulative adverse effects after period 5. Unfortunately, the negative shock is stronger throughout. The red-dashed line on the Asymmetry Plot shows that positive and negative shocks have different short- to medium-term impacts. It shows unequal adjustment dynamics. The NARDL Multiplier Graph illustrates short- to medium-term unequal adjustment. It suggests that a decline in social globalization has a larger, more immediate, and cumulative adverse effect on the dependent variable than an equivalent rise.

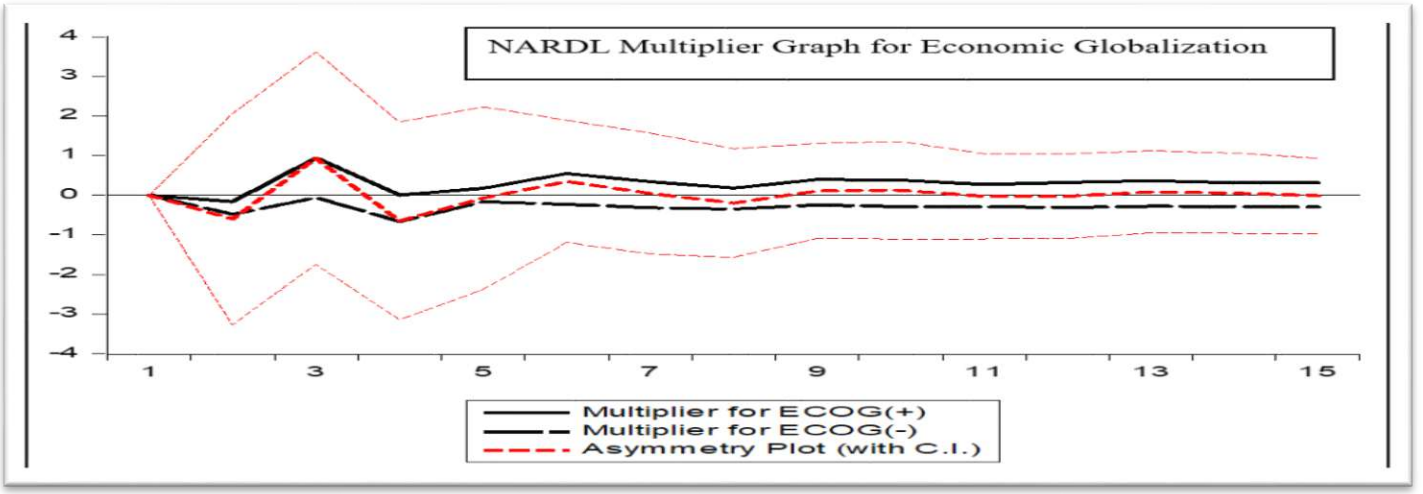

Figure 4
NARDL Multiplier Graph for Economic Globalization with Asymmetry Plot

Figure 4 provides a specific and accurate interpretation of the NARDL multiplier graph related to economic globalization. It illustrates the cumulative effects of positive and negative shocks on economic growth over time, driven by economic globalization. There is rapid divergence between positive and negative lines. A symmetric plot indicates that the impact is asymmetric in the short run, but the positive and negative shocks are negligible in the long run. It is clearly seen after period 11 onwards.

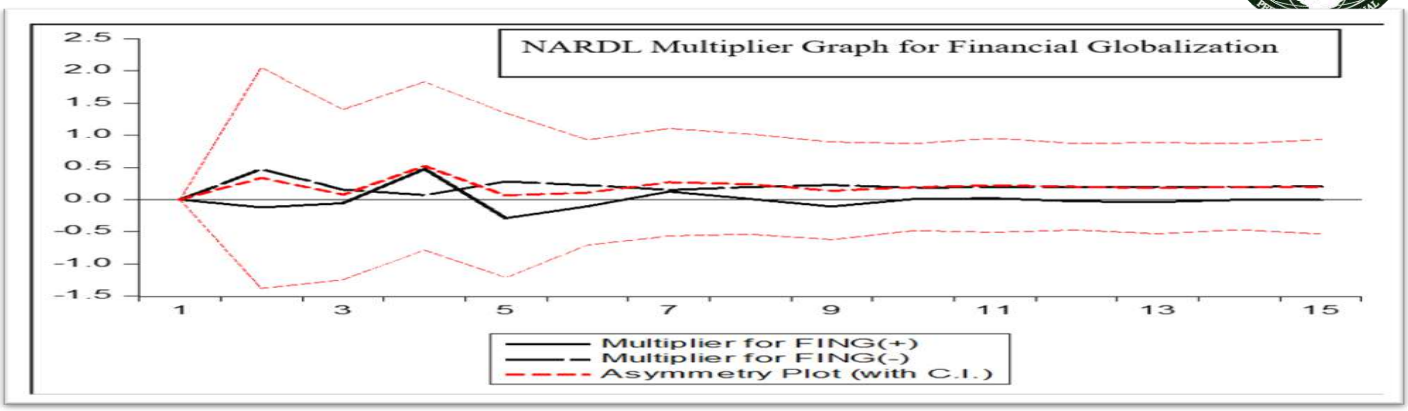

Figure 5
NARDL Multiplier Graph for Financial Globalization with Asymmetry Plot

Figure 5 shows the NARDL multiplier graph for financial globalization. It demonstrates the dynamic effects of positive ($FING^{+}$) and negative ($FING^{-}$) shocks over time. In the short run, both positive and negative shocks fluctuate around zero, but the impacts are minor and gradually converge back toward equilibrium in the long run. Since the asymmetry plot falls within the confidence interval, the difference between positive and negative shocks is statistically insignificant, indicating that the asymmetric effects of financial globalization on Nepal's economic growth are limited.

4.12 Discussion

There is long-run asymmetric cointegration between social, economic, and financial globalization and economic growth in Nepal. Variations of 86.7 percent and 65.9 percent in economic growth in Nepal are driven by financial and social globalization, respectively, in the short- and long-run. The finding that economic and financial globalization is statistically insignificant in both the short and long term represents a substantial divergence from the prevailing empirical literature. Research such as Heimberger (2021) and Fonchamnyo et al. (2017) typically identifies a positive correlation. Nevertheless, this outcome for Nepal is not entirely unprecedented and can be analyzed through a more critical theoretical framework. It aligns with the subtleties of Dependency Theory, which holds that joining the global economy does not always mean a periphery country like Nepal will grow. Suppose domestic institutions are not strong enough to absorb and use foreign direct investment (FDI) and capital flows, which are essential parts of economic and financial globalization. In that case, the benefits of these flows may not be realized. This finding aligns with the research by Bhanumurthy and Kumawat (2020), which identified a reverse causal relationship in South Asia, indicating that the relationship is not straightforward and positive. For Nepal, this may suggest that although it is integrated, the character of this integration—potentially focused in low-value-added sectors or vulnerable to capital flight—fails to facilitate widespread economic growth.

The study's most significant and original contribution is the asymmetric impact of social globalization. The idea that less social globalization leads to greater economic growth is surprising, but it provides valuable insights into Nepal's situation. One possible reason could be "brain drain". A detrimental shock to social globalization could correlate with a decrease in the outflow of skilled labor, thereby preserving human capital that fosters domestic growth. On the other hand, the discovery that a positive shock to social globalization initially hampers growth may be associated with a swift increase in the consumption of imported cultural goods and services, potentially deteriorating the trade balance without a proportional rise in domestic production. This finding directly contradicts Majidi's (2017) assertion that social globalization is inconsequential and effectively illustrates the efficacy of your asymmetric (NARDL) methodology in revealing intricate dynamics that linear models may overlook.

In the end, your results show that the relationship between globalization and economic growth in Nepal is complicated, not straightforward, and depends on the situation. The long-run cointegration verifies that these forces are indissolubly connected. The lack of importance of economic and financial factors, along with the evident, uneven significance of the social factor, shows that the usual pro-globalization story is too simple. The findings indicate that for Nepal, the quality and nature of global integration are significantly more important than the quantity. It may not be enough to open the economy. The significant explanatory capacity of social and financial globalization in elucidating disparities in economic growth underscores that these channels, although not directly consequential in a linear context, establish the foundational conditions and volatility that govern economic dynamics. This research convincingly argues that policymakers should transcend the more-is-better paradigm and focus on regulating the distinct, often conflicting impacts that each aspect of globalization exerts on Nepal's unique economic and social structure.

V. CONCLUSIONS & RECOMMENDATION

5.1 Conclusion

This study examines the impact of economic, social, and financial globalization on Nepal's economic expansion. According to this study, Nepal's economic growth and globalization in the economic, financial, and social domains are consistently linked over the long term. The considerable error correction period and the NARDL limits test demonstrated this. The most significant finding is that the effects of social globalization are not uniform. Over time, a substantial correlation has been observed between a decline in social globalization and an increase in economic growth. Conversely, whereas adverse shocks give GDP a brief boost that quickly dissipates positive shocks to social globalization initially restrict growth. Both the short-term and long-term effects of economic and financial globalization were found to be statistically insignificant, suggesting that they have a less direct impact on Nepal's economic growth and most likely work through the long-term equilibrium that has been established. There is long-run asymmetric cointegration between social, economic, and financial globalization and economic growth in Nepal. The R-squared value of 0.867 (86.7%) from the short-run error correction model indicates that the variation in economic growth is explained by social, economic, and financial globalization in the short run. Similarly, the R-squared value of 0.659 (65.9%), derived from the NARDL, indicates that the variation in growth is explained by social, economic, and financial globalization in the long run. Overall, the findings indicate that social issues have the most significant and uneven impact on economic growth, with globalization exerting a complex, non-linear effect.

5.2 Recommendation

Governments and policymakers should adopt a more nuanced approach to globalization. Instead of focusing solely on broad economic and financial liberalization, which has no direct impact on growth, they should prioritize strategic management of social integration. The fact that social globalization can hinder economic growth in the short term suggests that we need regulations to protect the domestic sector from disruptive cultural and informational flows from outside. For example, to avoid problems such as "brain drain" or excessive dependence on foreign purchasing habits, the government may focus on strengthening local businesses, promoting local culture, and investing in education. The long-term findings indicate that periods of moderate social openness can be utilized to foster internal economic growth and stability. It suggests that a balanced approach, prioritizing domestic stability over rapid, uncontrolled social integration, might be better for Nepal's economy in the long run.

REFERENCES

Athalage, D., Wijesuriya, P., Sandanayaka, I., Rathnayake, D., & Jayathilaka, R. (2025). The interplay between globalization and economic growth: A multiregional analysis. *Discover Sustainability, 6*(1), 525. https://doi.org/10.1007/s43621-025-01403-6

Bekaert, G., Harvey, C. R., & Lundblad, C. (2005). Does financial liberalization spur growth? *Journal of Financial Economics, 77*(1), 3–55. https://doi.org/10.1016/j.jfineco.2004.05.007

Bergh, A., & Nilsson, T. (2014). Is globalization reducing absolute poverty? *World Development, 62*, 42–61. https://doi.org/10.1016/j.worlddev.2014.04.007

Bhanumurthy, N. R., & Kumawat, L. (2020). Financial globalization and economic growth in South Asia. *South Asia Economic Journal, 21*(1), 31–57. https://doi.org/10.1177/1391561420909007

Chang, C., & Lee, C. (2010). Globalization and economic growth: A political economy analysis for OECD countries. *Global Economic Review, 39*(2), 151–173. https://doi.org/10.1080/1226508x.2010.483835

Donaldson, J. (1934). Ohlin's theory of interregional and international trade. *Weltwirtschaftliches Archiv, 39*, 91–97. http://www.jstor.org/stable/40429348

Dreher, A. (2006). Does globalization affect growth? Evidence from a new index of globalization. *Applied Economics, 38*(10), 1091–1110. https://doi.org/10.1080/00036840500392078

Ehigiamusoe, K. U. (2023). A disaggregated approach to analyzing the effects of globalization and energy consumption on economic growth: New insights from low-income countries. *International Journal of Finance & Economics, 28*(4), 3976–3996. https://doi.org/10.1002/ijfe.2631

Fonchamnyo, D. C., Benard, M. W., & Chiati, E. A. (2017). The implication of financial globalization on the economic growth of Cameroon. *Journal of Economics and Sustainable Development, 8*(15), 11–17. http://www.iiste.org/

Frank, A. G. (1966). The development of underdevelopment. *Monthly Review, 18*(4), 17. https://doi.org/10.14452/mr-018-04-1966-08_3

Gurung, B., Junjun, H., Shrestha, R. G., & Aloqab, A. (2023). Globalization and economic growth in Nepal: A VECM approach. *CARC Research in Social Sciences, 2*(4), 221–226. https://doi.org/10.58329/criss.v2i4.76

Heimberger, P. (2021). Does economic globalization promote economic growth? A meta-analysis. *World Economy, 45*(6), 1690–1712. https://doi.org/10.1111/twec.13235

IMF. (2008). Globalization: A brief overview. *IMF Staff Position Note*. https://www.imf.org/external/np/exr/ib/2008/053008.htm

Kose, M. A., Prasad, E. S., Rogoff, K., & Wei, S. J. (2009). Financial globalization: A reappraisal. *IMF Staff Papers, 56*(1), 8–62. https://doi.org/10.1057/imfsp.2008.36

Majidi, A. F. (2017). Globalization and economic growth: The case study of developing countries. *Asian Economic and Financial Review, 7*(6), 589–599. https://doi.org/10.18488/journal.aefr.2017.76.589.599

McCulloch, R. (2006). Protection and real wages: The Stolper–Samuelson theorem. In *Oxford University Press eBooks* (pp. 224–234). https://doi.org/10.1093/acprof:oso/9780199298839.003.0016

Nguea, S. M., Noula, A. G., & Noumba, I. (2024). Financial globalization and democracy: Implications for economic growth in African countries. *Journal of the Knowledge Economy, 15*, 3355–3379. https://doi.org/10.1007/s13132-023-01311-y

Nguyen, V. C. T., & Le, H. Q. (2021). Globalization and economic growth: Empirical evidence from Vietnam. *Journal of Organizational Behavior Research, 6*(1), 173–188. https://doi.org/10.51847/1PIOmlpSNh

Nissanke, M., & Stein, H. (2003). Financial globalization and economic development: Toward an institutional foundation. *Eastern Economic Journal, 29*(2), 287–307. https://shorturl.at/X2HMP

Obstfeld, M., & Taylor, A. M. (2004). *Global capital markets: Integration, crisis, and growth*. Cambridge University Press. https://shorturl.at/xJ3zK

Okocha, K. (2024). The impact of globalization on third-world countries. *International Journal of Research and Innovation in Social Science (IJRISS), 8*(9), 3259–3265. https://doi.org/10.47772/IJRISS.2024.8090271

Paudel, R. K. (2020). Empirical evidence of the Solow growth model in the Nepali economy. *Deleted Journal, 23*(1), 125–136. https://doi.org/10.3126/md.v23i1.35567

Paudel, S. (2014). Globalization and economic growth in Nepal: An ARDL approach to co-integration. *International Affairs and Global Strategy, 27*, 1–7. https://www.iiste.org/Journals/index.php/IAGS/article/view/18215

Pesaran, M. H., Shin, Y., & Smith, R. J. (2001). Bounds testing approaches to the analysis of level relationships. *Journal of Applied Econometrics, 16*(3), 289–326. http://www.jstor.org/stable/2678547

Prasad, E., Rogoff, K., Wei, S. J., & Kose, M. A. (2003). Effects of financial globalization on developing countries: Some empirical evidence. *International Monetary Fund*. https://www.imf.org/external/np/res/docs/2003/031703.pdf

Samimi, A. J., & Jenatabadi, H. S. (2014). Globalization and economic growth: Empirical evidence on the role of complementarities. *PLOS ONE, 9*(4), e87824. https://doi.org/10.1371/journal.pone.0087824

Shin, Y., Yu, B., & Greenwood-Nimmo, M. (2014). Modelling asymmetric cointegration and dynamic multipliers in a nonlinear ARDL framework. In *Festschrift in honor of Peter Schmidt: Econometric methods and applications* (pp. 281–314). Springer. https://doi.org/10.1007/978-1-4899-8008-3_9

Solow, R. M. (1956). A contribution to the theory of economic growth. *The Quarterly Journal of Economics, 70*(1), 65–94. https://doi.org/10.2307/1884513

Soti, N., Kumar, A., Gupta, S., Ahuja, S., & Deepa, N. (2025). Towards a sustainable future: The interplay of trade globalization and regulatory quality on environmental outcomes in India. *Sustainable Futures, 9*, 100578. https://doi.org/10.1016/j.sftr.2025.100578

Stiglitz, J. E. (2002). Globalization and its discontents. *Economic Notes, 32*(1), 123–142. https://doi.org/10.1046/j.0391-5026.2003.00107.x

Tayar, V. M. (2022). Spain and the internationalization of the economy. *Cuadernos Iberoamericanos, 9*(3), 94–107. https://doi.org/10.46272/2409-3416-2021-9-3-94-107

Unerbayeva, R., Alibekova, G., Grabara, J., & Zhainazar, A. (2024). Improving the quality of life for sustainable development in the context of globalization and modernization of Kazakhstan's economy. *The Journal of Economic Research & Business Administration, 150*(4), 147–163. https://doi.org/10.26577/be.2024.150.i4.a11

UNESCO. (2017). *Rethinking education: Towards a global common good?* UNESCO Publishing. https://shorturl.at/gWhRG

Wallerstein, I. (2011). *The modern world-system I: Capitalist agriculture and the origins of the European world-economy in the sixteenth century* (1st ed.). University of California Press. http://www.jstor.org/stable/10.1525/j.ctt1pnrj9