

Impact of Economic, Political, and Social Globalization on China's Economic Growth

Wissal Karib

*Northeast University of Finance and Economics
West Gate, Dalian, China*

Email: wissalkarib597@gmail.com

Abstract: This research investigates the multifaceted influence of economic, political, and social globalization on China's economy. Focusing on various dimensions of globalization, namely economic, political, and social, the study seeks to understand how it fosters interconnectedness in aspects that influence economic growth, development, and stability. By conducting a comprehensive review of existing literature, the research identifies key mechanisms through which globalization influences economic outcomes. This study used the KOF globalization index to examine annual data from China over the period 1970 to 2022. Quantitative methods were applied, beginning with a unit root test to assess the stationarity of all variables. The Johansen test is applied to examine the presence of long-run relationships. The final step involved implementing the vector error correction model (VECM). The findings reveal a strong positive relationship between economic globalization and economic growth, indicating that greater economic integration tends to foster long-term economic development. In contrast, the study finds a negative correlation between political and social globalization and economic growth, suggesting that increased integration in these dimensions may introduce certain challenges and difficulties for economic stability. These results highlight the heterogeneous effects of globalization on economic growth and underscore the need for well-balanced policies that maximize benefits while mitigating potential adverse consequences.

Keywords: Economic Globalization, Political, Social, Economic, and Economic Growth