

RELATIONSHIP BETWEEN INTERNATIONAL PORTFOLIO INVESTMENTS AND THE COUNTRY GOVERNANCE QUALITY

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Eyyup Kaya ¹, Mine Aksoy ²

¹ Yalova Üniversitesi, Sosyal Bilimler Enstitüsü, İşletme Bölümü, Yalova, Turkey.

evyubkaya63@gmail.com, ORCID: 0000-0000-0000-0000

² Yalova University, Faculty of Economics and Administrative Sciences, Yalova, Turkey.

maksoy@yalova.edu.tr, ORCID: 0000-0002-4773-1770

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ABSTRACT

Purpose- The purpose of this study is to analyze the relationship between international portfolio investments and the country governance quality.

Methodology- In this study, based on panel data analysis of 18 emerging market countries from 2002 to 2018, the impact of governance quality on international portfolio investments was examined. These emerging countries are Argentina, Brazil, Chile, Colombia, Greece, Hungary, Egypt, Indonesia, India, Malaysia, Mexico, Peru, Poland, Philippines, Russia, South Africa, Thailand and Turkey. The main proxies for a country's governance quality are the World Governance Indicators (WGI).

Findings- As a result of the analysis, it was observed that the quality of governance indicators, excluding political stability and absence of violence, had a positive effect on international portfolio investments. Voice and accountability were observed to be the variable that most affected portfolio investments. Voice and accountability were followed by government effectiveness. Control of corruption, rule of law and regulatory quality were other indicators of governance that affected portfolio investments respectively. In this study, foreign direct investments, current account deficit, stock market size and stock market returns were used as control variables. As a result of the analysis, it was concluded that there is a negative relationship between foreign direct investments, current account deficit and international portfolio investments. There is also a positive relationship between stock market size, stock market returns and international portfolio investments.

Conclusion- The empirical results tend to confirm the positive influence of governance quality on international portfolio investments.

Keywords: Governance quality, international portfolio investments, emerging markets.

JEL Codes: F32, F36, G15

ULUSLARARASI PORTFÖY YATIRIMLARI VE ÜLKE YÖNETİŞİM KALİTESİ ARASINDAKİ İLİŞKİ

ÖZET

Amaç- Bu çalışmanın amacı, uluslararası portföy yatırımları ile ülke yönetim kalitesi arasındaki ilişkiyi analiz etmektir.

Yöntem- Bu çalışmada, panel veri analizine kullanılarak, 2002-2018 dönemi ve gelişmekte olan 18 için, yönetim kalitesinin uluslararası portföy yatırımları üzerindeki etkisi incelenmiştir. Analize dahil edilen ülkeler, Türkiye, Arjantin, Brezilya, Endonezya, Filipinler, Güney Afrika, Hindistan, Kolombiya, Macaristan, Malezya, Meksika, Mısır, Peru, Polonya, Rusya, Şili, Tayland ve Yunanistan'dır.

Bulgular- Analizler sonucunda, politik istikrar hariç yönetim göstergeleri kalitesinin iyi olmasının uluslararası portföy yatırımlarını olumlu yönde etkilediği görülmüştür. İfade özgürlüğü ve hesap verebilirliğin portföy yatırımlarını en çok etkileyen değişken olduğu gözlemlenmiştir. İfade özgürlüğü ve hesap verebilirliği hükümet etkinliği takip etmiştir. Yolsuzluğun kontrolü, hukukun üstünlüğü ve düzenleyicilerin kalitesi sırasıyla portföy yatırımlarına etki eden diğer yönetim göstergeleridir. Çalışmada kontrol değişkenleri olarak kullanılan doğrudan yabancı yatırımlar ve cari denge ile uluslararası portföy yatırımları arasında negatif; hisse senedi piyasa büyüklüğü ve borsa getirisi ile uluslararası portföy yatırımları arasında pozitif bir ilişki olduğu sonucuna ulaşılmıştır.

Sonuç- Ampirik sonuçlar yönetim kalitesinin uluslararası portföy yatırımları üzerindeki olumlu etkisini desteklemektedir.

Anahtar Kelimeler: Yönetim kalitesi, uluslararası portföy yatırımları, gelişmekte olan ülkeler.

JEL Kodları: F32, F36, G15.

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