

The impact of digitalization on economic growth in Balkan countries "theoretical review"

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Abstract

The Internet revolution and the dramatic development of technology have made most developed countries so digital that digitization has become a factor in countries' prosperity and progress, this study inquiries into the transformative impact brought by digitization on economic growth in the Balkan States. Employing the Panel Quantile Regressions (M.M.Q.R.), the data of different economic indicators is taken from the Mkiyes and Prívarva database 2023, of six Balkan countries from 2018 until 2022. This paper seeks prominently to analyze the relationship, if any, of “Full-Time Equivalent Telecommunication employees, telecommunication services annual investments, and ICT” on economic indicators like “GDP, GDP per capita, FDI, inflation, and unemployment” The results revealed the robust positive associations between digitization-related factors and economic growth metrics, emphasizing the significant roles of Full-Time Equivalent Telecommunication employees, annual investment, and regulatory frameworks in propelling GDP and FDI expansion. However, notable adverse relationship with inflation prompted precise interventions of policy to ensure enduring economic stability. This study hence contributes to the theoretical understanding and practical insights of highlighting for the progress in digital literacy, encouragement of technology infrastructure investments, and creation of transparent regulatory frameworks. The contribution provides a foundational guide for policymakers and practitioners. It elucidates modalities for fostering continued economic growth in the Balkan States in an era of an increasingly digital-oriented global space. Further research is recommended to investigate the detailed factors mediating its impact on inflation and even delve into temporal perspectives of dynamism on the digital transformation within this regional block.

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