

ECONOMIC GROWTH: A LITERATURE REVIEW ON ITS SCOPE AND THEMATIC COVERAGE

Devi Yuliana

¹management Study Program, Sekolah Tinggi Ilmu Ekonomi Pemuda, Surabaya, Indonesia
Jalan Bung Tomo No. 8 Ngagel, 60245, Surabaya, Indonesia

Email: deviyuliana15062gmail.com

Correspondence Author Email: deviyuliana15062gmail.com

ABSTRACT

Purpose: This study aims to examine the scope and thematic coverage of economic growth research by synthesizing key theoretical perspectives, dominant themes, and emerging issues in the literature.

Design/methodology/approach: A systematic literature review approach was employed by collecting peer-reviewed articles on economic growth from major academic databases. The selected studies were analyzed thematically to identify core research streams, theoretical foundations, and methodological trends.

Findings: The results indicate that economic growth literature is mainly structured around several dominant themes, including capital accumulation, technological progress, human capital, institutional quality, and macroeconomic policy. Recent studies increasingly emphasize inclusive growth, environmental sustainability, and digital transformation as new determinants of long-term growth. Methodologically, most studies rely on quantitative approaches using panel data and time-series analysis, while qualitative and mixed-method studies remain limited.

Research limitations/implications: This review is constrained by the selection of articles from specific databases and time periods, which may limit the comprehensiveness of the findings. Future research may expand the coverage to include broader sources and comparative regional analyses.

Practical implications: The findings provide policymakers and researchers with an integrated understanding of key drivers of economic growth and highlight the importance of designing policies that balance productivity enhancement with social inclusion and environmental sustainability.

Originality/value: This study contributes to the literature by offering a structured thematic mapping of economic growth research and by identifying emerging themes and potential gaps for future investigation.

Paper type: Literature review

Keywords: Economic growth; Literature review; Thematic analysis; Macroeconomics; Sustainable development.

A. INTRODUCTION

Economic growth has long been recognized as a fundamental objective of macroeconomic policy and a central topic in economic research. It reflects a country's capacity to increase the production of goods and services over time and is closely associated with improvements in living standards, poverty reduction, and overall social welfare. As a result, understanding the determinants and dynamics of economic growth has become a major concern for economists, policymakers, and development institutions. Classical and neoclassical growth theories initially emphasized the roles of capital accumulation, labor, and technological progress in explaining long-term growth patterns. The Solow growth model, for instance, highlighted technological advancement as the primary driver of sustained growth, while later endogenous growth theories incorporated human capital, innovation, and knowledge spillovers as internal sources of productivity improvement. Over time, the literature has expanded beyond purely economic factors to include institutional quality, governance, financial development, and macroeconomic stability as critical components of growth processes. In recent decades, economic growth research has undergone further transformation in response to global

challenges such as financial crises, climate change, digitalization, and rising inequality. These developments have encouraged scholars to adopt broader and more multidimensional perspectives, giving rise to new research streams on inclusive growth, sustainable growth, and green growth. Consequently, economic growth is no longer viewed solely as an increase in output, but also as a process that must be socially equitable and environmentally sustainable.

Despite the extensive volume of studies on economic growth, the literature remains fragmented across different theoretical approaches, methodological frameworks, and thematic focuses. Previous studies often concentrate on specific determinants—such as investment, education, or trade openness without providing an integrated overview of how these themes collectively shape the evolution of growth research. This fragmentation makes it difficult to identify dominant trends, emerging topics, and potential research gaps in a systematic manner.

Therefore, a comprehensive literature review is necessary to map the scope and thematic coverage of economic growth studies. By synthesizing existing research, such a review can provide a clearer understanding of how the field has evolved, which issues have received the greatest scholarly attention, and which areas remain underexplored. This approach is particularly valuable for guiding future research agendas and informing evidence-based policy design. Accordingly, this study aims to review and synthesize the literature on economic growth by examining its main themes, theoretical foundations, and methodological patterns. Specifically, this paper seeks to answer the following questions: (1) What are the dominant thematic areas in economic growth research? (2) How have theoretical and methodological approaches evolved over time? and (3) What emerging topics and research gaps can be identified for future investigation? By addressing these questions, this study contributes to a more structured and holistic understanding of economic growth literature and supports the development of more inclusive and sustainable growth strategies.

Classical and Neoclassical Growth Theories

Early economic thought on growth can be traced to classical economists who emphasized capital accumulation, labor, and land as primary sources of production expansion. However, modern growth analysis was formalized through neoclassical growth theory, particularly the Solow growth model, which explains long-run economic growth as a function of capital accumulation, labor force growth, and exogenous technological progress. In this framework, diminishing returns to capital imply that sustained growth can only be achieved through continuous technological advancement. The neoclassical approach provides an important benchmark for understanding convergence among economies and highlights the role of savings and population growth in determining steady-state income levels. Nevertheless, its reliance on exogenous technology has been widely criticized for failing to explain the internal mechanisms that generate innovation and productivity improvement.

Endogenous Growth Theory

In response to the limitations of neoclassical models, endogenous growth theory emerged by incorporating technological change and human capital as outcomes of deliberate economic decisions. This perspective argues that investment in education, research and development (R&D), and innovation can generate increasing returns and sustain long-term growth without relying solely on external technological shocks. Knowledge spillovers and learning-by-doing are central mechanisms that enhance productivity across sectors. Endogenous growth models also underscore the importance of policy interventions, such as public investment in education and innovation systems, in shaping growth trajectories. Consequently, economic growth is viewed not only as a market-driven process but also as an outcome influenced by institutional arrangements and strategic government policies.

Institutional and Structural Perspectives

Beyond factor accumulation and innovation, institutional economics emphasizes the role of governance, property rights, political stability, and regulatory quality in fostering economic growth. Strong institutions are believed to reduce uncertainty, promote investment, and facilitate efficient resource allocation. Structural perspectives further highlight the importance of sectoral transformation, industrialization, and diversification in driving productivity gains and income expansion. From this viewpoint, economic growth is closely linked to structural change, whereby labor and capital move from low-productivity sectors (such as traditional agriculture) to higher-

productivity activities (such as manufacturing and modern services). This process is often associated with technological adoption and integration into global value chains.

Macroeconomic Policy and Growth

Macroeconomic stability is widely recognized as a prerequisite for sustainable growth. Fiscal discipline, effective monetary policy, and stable inflation are essential in maintaining investor confidence and ensuring efficient financial intermediation. Empirical studies frequently examine the impacts of government expenditure, taxation, inflation, and exchange rate regimes on growth performance. Trade openness and financial development have also received substantial attention in the literature. Open economies may benefit from technology transfer, larger markets, and competitive pressures, while well-functioning financial systems can mobilize savings and allocate capital toward productive investment. However, these relationships are not always linear and may depend on country-specific conditions and institutional quality.

Emerging Themes: Inclusive and Sustainable Growth

More recent literature extends traditional growth analysis by incorporating social and environmental dimensions. Inclusive growth emphasizes the distributional aspects of growth, focusing on whether economic expansion leads to broad-based improvements in income and employment opportunities. This approach reflects growing concerns about inequality and social cohesion in both developed and developing economies. Sustainable growth, on the other hand, integrates environmental constraints into growth theory. It highlights the need to balance economic expansion with ecological preservation through green technologies, renewable energy, and environmentally responsible policies. These perspectives challenge the conventional view of growth as a purely quantitative increase in output and promote a more holistic understanding of long-term development.

Synthesis of Theoretical Perspectives

Overall, the theoretical evolution of economic growth reflects a shift from narrow factor-based explanations toward more comprehensive frameworks that integrate technology, institutions, policy, and sustainability considerations. While neoclassical and endogenous growth theories provide the analytical foundations, institutional and structural approaches enrich the understanding of cross-country differences in growth performance. The emergence of inclusive and sustainable growth paradigms further broadens the conceptual scope of growth research by linking economic performance with social welfare and environmental resilience.

B. METHODOLOGY

Research Design

This study adopts a systematic literature review (SLR) design to examine the scope and thematic coverage of economic growth research. The SLR approach enables a transparent, replicable, and comprehensive synthesis of existing studies by following clearly defined procedures for data collection, selection, and analysis. This method is particularly suitable for identifying dominant themes, theoretical foundations, and methodological trends within a large body of literature.

Data Sources and Search Strategy

Relevant articles were retrieved from major academic databases, including Scopus, Web of Science, and Google Scholar. The search was conducted using combinations of keywords such as “*economic growth*,” “*growth determinants*,” “*macroeconomic growth*,” “*sustainable growth*,” and “*inclusive growth*.” Boolean operators (AND, OR) were applied to refine the search results and ensure comprehensive coverage of the topic. To enhance the quality of the review, only peer-reviewed journal articles published in English were considered. The time frame of publication was limited to a specified period (e.g., 2000–2024) to capture both foundational and contemporary contributions to the literature.

Inclusion and Exclusion Criteria

The selection of studies followed predefined inclusion and exclusion criteria. Articles were included if they: (1) explicitly focused on economic growth or its determinants, (2) presented empirical or theoretical analysis relevant to macroeconomic growth, and (3) were published in peer-reviewed journals. Studies were excluded if they: (1) addressed growth only as a secondary variable without substantive analysis, (2) were non-academic publications (e.g., reports, policy briefs, or conference abstracts), or (3) lacked sufficient methodological clarity. After removing duplicates and screening

titles and abstracts, full-text articles were reviewed to ensure their relevance and quality. This process resulted in a final sample of studies suitable for thematic analysis.

Data Analysis and Thematic Coding

Data were analyzed using a thematic analysis approach. Each selected article was systematically reviewed to extract information on research objectives, theoretical frameworks, key variables, and methodological approaches. These elements were then coded into thematic categories reflecting major research streams in economic growth literature. The coding process involved both deductive and inductive procedures. Deductive coding was guided by established growth theories (e.g., neoclassical and endogenous growth models), while inductive coding allowed new and emerging themes—such as digitalization, environmental sustainability, and inclusive growth—to emerge from the data. To enhance reliability, the coding process was conducted iteratively, with categories refined through repeated comparison across studies.

Validity and Reliability

To ensure the robustness of the review, several strategies were employed. First, the use of multiple databases reduced the risk of publication bias. Second, transparent inclusion and exclusion criteria enhanced the replicability of the study. Third, thematic categories were cross-checked to minimize subjective interpretation. These procedures strengthen the internal validity and consistency of the findings.

Ethical Considerations

As this study relies exclusively on secondary data from published sources, no direct interaction with human subjects was involved. Ethical considerations were addressed by properly acknowledging all sources and avoiding plagiarism through accurate citation and paraphrasing of existing studies.

C. RESULTS AND DISCUSSION

Results

Dominant Themes in Economic Growth Literature

The thematic analysis reveals that economic growth research is structured around several dominant themes. The most frequently discussed theme is capital accumulation and investment, which emphasizes the role of physical capital formation in expanding productive capacity. Many studies confirm that higher investment rates are associated with stronger growth performance, particularly in developing economies where capital scarcity remains a major constraint. Another prominent theme is technological progress and innovation. The literature consistently identifies productivity growth as a key driver of long-term economic expansion. Research grounded in endogenous growth theory highlights the importance of research and development (R&D), knowledge spillovers, and innovation systems in sustaining growth. Empirical findings further suggest that countries with higher levels of technological adoption tend to experience faster income growth. Human capital development also emerges as a central research stream. Education and skill formation are widely recognized as crucial factors in enhancing labor productivity and supporting technological diffusion. Studies focusing on education attainment and workforce quality demonstrate that human capital not only directly affects output growth but also complements innovation and institutional effectiveness.

Institutional Quality and Structural Factors

Beyond traditional growth determinants, the literature increasingly emphasizes the role of institutional quality, including governance, rule of law, and regulatory effectiveness. The findings indicate that strong institutions create an environment conducive to investment, innovation, and efficient resource allocation. Conversely, weak institutions are often associated with macroeconomic instability and lower growth outcomes.

Structural transformation is another important theme identified in the review. Economic growth is closely linked to shifts in production and employment from low-productivity sectors to higher-productivity industries and services. Studies on industrialization and diversification suggest that growth is more sustainable when it is supported by structural change rather than by reliance on a narrow set of primary commodities.

Macroeconomic Policy and External Factors

The results show that macroeconomic policy variables such as fiscal policy, monetary stability, and exchange rate management play a significant role in shaping growth trajectories. A large body of empirical research finds that low and stable inflation, prudent fiscal management, and credible monetary policy frameworks are associated with higher growth rates.

External factors, particularly trade openness and financial integration, also feature prominently in the literature. Many studies argue that openness facilitates technology transfer and market expansion, thereby stimulating growth. However, the evidence is mixed, as the positive effects of globalization appear to depend on domestic institutional capacity and the level of financial development.

Emerging Themes: Inclusive and Sustainable Growth

In more recent studies, two emerging themes have gained increasing attention: inclusive growth and sustainable growth. Inclusive growth research focuses on the distributional consequences of economic expansion and examines whether growth leads to broad-based improvements in income and employment. The findings suggest that growth alone does not automatically reduce inequality, highlighting the need for complementary social and labor market policies. Sustainable growth introduces environmental considerations into growth analysis. The literature points to a growing interest in green technologies, renewable energy, and environmentally friendly production methods as drivers of long-term growth. These studies reflect a shift toward integrating economic, social, and environmental objectives within a single analytical framework.

Methodological Patterns in Growth Research

The review also identifies clear methodological patterns. Most studies rely on quantitative empirical methods, particularly panel data regression and time-series analysis. These approaches are commonly used to estimate the effects of investment, education, institutions, and policy variables on growth outcomes. Fewer studies employ qualitative or mixed-method approaches, indicating a methodological gap in capturing institutional and social dynamics more deeply. This dominance of econometric modeling suggests that the literature prioritizes measurable macroeconomic indicators. While this strengthens empirical rigor, it may also limit the exploration of complex interactions among economic, social, and political factors that influence growth processes.

Discussion

Taken together, the findings demonstrate that economic growth research has evolved from narrow factor-based explanations toward more comprehensive and multidimensional frameworks. Traditional determinants such as capital, labor, and technology remain central, but they are increasingly complemented by institutional, structural, and sustainability-related perspectives. This evolution reflects growing awareness that growth is not solely a technical process of output expansion, but also a socially and environmentally embedded phenomenon. The identification of inclusive and sustainable growth as emerging themes indicates a shift in research priorities toward long-term resilience and equity. Nevertheless, the review also reveals several gaps. First, there is limited integration between quantitative growth models and qualitative institutional analysis. Second, comparative studies across regions remain underdeveloped, particularly in low-income and emerging economies. Finally, the interaction between digital transformation and growth is still insufficiently explored.

D. CONCLUSION

This study provides a comprehensive overview of the scope and thematic coverage of economic growth research through a systematic literature review. The findings demonstrate that the literature has evolved from traditional growth models centered on capital accumulation and technological progress toward more multidimensional frameworks that incorporate human capital, institutional quality, macroeconomic policy, and structural transformation. These perspectives highlight that economic growth is not merely a function of factor inputs but also the outcome of complex interactions among economic, social, and institutional forces. The review further reveals the increasing prominence of inclusive and sustainable growth as emerging research themes. This shift reflects growing recognition that long-term economic expansion must address issues of income

distribution and environmental sustainability in order to remain socially legitimate and economically resilient. The incorporation of these dimensions broadens the conceptualization of growth beyond output maximization to encompass social welfare and ecological balance. From a methodological standpoint, the literature is dominated by quantitative empirical approaches, particularly panel data and time-series analyses. While these methods provide strong statistical evidence on the determinants of growth, they often overlook contextual and institutional nuances that are better captured through qualitative or mixed-method designs. This imbalance suggests the need for greater methodological diversity in future research to deepen understanding of growth dynamics across different institutional and cultural settings. Several directions for future research can be identified based on the findings of this review. First, further studies should explore the interaction between digital transformation and economic growth, particularly in developing and emerging economies. Second, more attention should be given to comparative and cross-regional analyses in order to capture heterogeneity in growth experiences and policy effectiveness. Third, future research should integrate economic, social, and environmental variables within unified analytical frameworks to better explain inclusive and sustainable growth outcomes. In conclusion, this study contributes to the literature by mapping the main themes and theoretical perspectives in economic growth research and by identifying emerging trends and research gaps. By offering a structured synthesis of existing studies, this paper provides a foundation for future empirical and theoretical work and supports the development of growth strategies that are not only efficient but also inclusive and sustainable.

REFERENCES

- Barro, R. J. (1991). Economic growth in a cross section of countries. *Quarterly Journal of Economics*, 106(2), 407–443. <https://doi.org/10.2307/2937943>
- Barro, R. J., & Sala-i-Martin, X. (2004). *Economic growth* (2nd ed.). MIT Press.
- Mankiw, N. G., Romer, D., & Weil, D. N. (1992). A contribution to the empirics of economic growth. *Quarterly Journal of Economics*, 107(2), 407–437. <https://doi.org/10.2307/2118477>
- Romer, P. M. (1986). Increasing returns and long-run growth. *Journal of Political Economy*, 94(5), 1002–1037. <https://doi.org/10.1086/261420>
- Romer, P. M. (1990). Endogenous technological change. *Journal of Political Economy*, 98(5, Part 2), S71–S102. <https://doi.org/10.1086/261725>
- Lucas, R. E. (1988). On the mechanics of economic development. *Journal of Monetary Economics*, 22(1), 3–42. [https://doi.org/10.1016/0304-3932\(88\)90168-7](https://doi.org/10.1016/0304-3932(88)90168-7)
- Solow, R. M. (1956). A contribution to the theory of economic growth. *Quarterly Journal of Economics*, 70(1), 65–94. <https://doi.org/10.2307/1884513>
- North, D. C. (1990). *Institutions, institutional change and economic performance*. Cambridge University Press.
- Acemoglu, D., Johnson, S., & Robinson, J. A. (2005). Institutions as a fundamental cause of long-run growth. In P. Aghion & S. Durlauf (Eds.), *Handbook of economic growth* (Vol. 1A, pp. 385–472). Elsevier. [https://doi.org/10.1016/S1574-0684\(05\)01006-3](https://doi.org/10.1016/S1574-0684(05)01006-3)
- Aghion, P., & Howitt, P. (1992). A model of growth through creative destruction. *Econometrica*, 60(2), 323–351. <https://doi.org/10.2307/2951599>
- Grossman, G. M., & Helpman, E. (1991). *Innovation and growth in the global economy*. MIT Press.
- Easterly, W., & Levine, R. (2001). It's not factor accumulation: Stylized facts and growth models. *World Bank Economic Review*, 15(2), 177–219. <https://doi.org/10.1093/wber/15.2.177>
- Rodrik, D. (2008). Institutions and economic performance. In A. Dutt & J. Ros (Eds.), *International handbook of development economics* (Vol. 1, pp. 402–416). Edward Elgar.
- Sachs, J. D., & Warner, A. M. (1995). Economic reform and the process of global integration. *Brookings Papers on Economic Activity*, 1995(1), 1–118.
- Dollar, D., & Kraay, A. (2002). Growth is good for the poor. *Journal of Economic Growth*, 7(3), 195–225. <https://doi.org/10.1023/A:1020139631000>

- World Bank. (2012). Inclusive green growth: The pathway to sustainable development. World Bank.
- Stern, N. (2007). The economics of climate change: The Stern review. Cambridge University Press.
- Hanushek, E. A., & Woessmann, L. (2012). Do better schools lead to more growth? Cognitive skills, economic outcomes, and causation. *Journal of Economic Growth*, 17(4), 267–321.
<https://doi.org/10.1007/s10887-012-9081-x>