



**THE IMPACTS OF MACROECONOMIC DETERMINANTS TOWARDS
UNEMPLOYMENT RATE IN SEVEN SELECTED ASEAN COUNTRIES FROM
1996 UNTIL 2015**

NUR AFIFA ATHIRAH BINTI MATDALI

2015429134

BACHELOR OF BUSINESS ADMINISTRATION (HONS.)

BUSINESS ECONOMICS

UNIVERSITI TEKNOLOGI MARA

KOTA KINABALU, SABAH

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DECLARATION OF ORIGINAL WORK



BACHELOR OF BUSINESS ADMINISTRATION WITH HONOURS

FACULTY OF BUSINESS ECONOMICS

UNIVERSITI TEKNOLOGI MARA

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ABSTRACT

The main objective of this paper is to examine the impacts of macroeconomic determinants towards the unemployment rate for the case of selected ASEAN countries from year 1996 until 2015. It was revealed that unemployment problem is still a burden to almost all countries in ASEAN although it consists of developed and developing countries but those countries are still unable to reduce their unemployment problem. Hence, this study includes five macroeconomic determinants that consists GDP growth, population growth, inflation rate, foreign direct investment (net inflows) and trade as the independent variable for unemployment in order to investigate their impacts on unemployment rate for the case of selected ASEAN countries.

By using cluster robust pooled OLS model, it was found that all the variables are negatively related with the unemployment rate except for trade. Only gross domestic product and population growth are significantly related to unemployment rate in this study. It was appeared that population growth affect the unemployment rate the most compare to other variables. From the findings, this study suggests to the government and policymakers to take appropriate actions to increase the population growth in the selected ASEAN countries in order to reduce the unemployment problem. It includes providing a better medical facilities, enhance awareness of healthy lifestyle to the people and expansionary monetary policy.