



**THE IMPACTS OF INFLOW FOREIGN DIRECT INVESTMENT,
GROSS DOMESTIC PRODUCT PER CAPITA AND INFLATION ON
UNEMPLOYMENT LEVEL IN DEVELOPING COUNTRIES**

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DECLARATION OF ORIGINAL WORK



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"DECLARATION OF ORIGINAL WORK"**

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ABSTRACT

Unemployment is defined as a person who is without work but available for and seeking employment. It is the macroeconomic problems that can affect most differently and severely of an economic as a whole and consists of four major types which are frictional, structural, cyclical and seasonal (Batavia, 2012). This paper investigates the significant relationship of each macroeconomic variable like inflow of foreign direct investment, gross domestic product per capita and also inflation impacts on unemployment level in developing countries like Malaysia, Cambodia, India, China and Pakistan. It uses a panel data which covered the period of 2002-2016. Data has been obtained from Worldbank for 30 developing countries. Unit Root test LLC, IPS and BREITUNG was applied to determine whether if the data contain any unit root problem. Results show unemployment as the dependent variable is stationary at first order difference while for inflow of foreign direct investment, gross domestic product per capita and inflation all are stationary at original series. Breush Pagan Langarian Multiplier and Hausman tests also conducted and it shows that this study is better to be explained by using fixed effect. Based from the result, inflation is negatively insignificant on unemployment level while both for gross domestic product per capita and inflow of foreign direct investment are negatively significant on unemployment level.