THE FACTORS THAT INFLUENCE UNEMPLOYMENT IN 5 ASEAN COUNTRIES

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ABSTRACT

This study focuses on the factors that influence unemployment in 5 ASEAN countries, namely Malaysia, Singapore, Indonesia, Thailand and Philippines by using the panel data analysis. Data used in the study is annual data spanning from 1985 to 2015 period of time. Random Effects Model (REM) is used to determine the relationship and the significant of the indenpendence variables on dependent variable. The study finds that the relationship between unemployment with those four factors with openness and foreign direct investment has negative relationship while, gross domestic product and inflation rate has positive relationship. Thus, the most significant factors that influence unemployment in 5 ASEAN countries among the four factors is foreign direct investment.

TABLE OF CONTENT

CHAPTER THREE: RESEARCH METHODOLOGY

CHAPTER FOUR: DATA ANALYSIS AND INTERPRETATION