THE DETERMINANTS OF UNEMPLOYMENT RATE IN MALAYSIA

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ABSTRACT

Unemployment has become a serious issue in Malaysia. Besides, high unemployment also indicates that labor resources are not being used efficiently. This had created to a bad impact to the country. Thus, the aim of the study is to study the determinants of unemployment rate. The objectives of this study are to identify the determinants that affect unemployment rate and to examine the most significant factors that affecting the unemployment rate in Malaysia. This study also using the data annually from year 1985 until 2016. Furthermore, this study also using Ordinary Least Square Method with the multiple regression. In the period process of findings, there are few variables analyzed which is gross domestic product, population and exchange rate. The findings reveal that all the variables used has a positive significant relationship.

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