

**PUBLIC SPENDING CONTRIBUTION TOWARDS ECONOMIC
GROWTH IN ASEAN-10 COUNTRIES**

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Abstract

This paper focused on studies about the relationship among public spending and GDP growth in ASEAN-10 Countries. Studies on ASEAN-10 are using World Bank Data Catalogue data from 1960 to 2009 with 500 observations, which consist 50 years-length. Several types of analyses are performed in determine each of explanatory variable towards variable that need to be explained. First, we study the stationary between gross domestic products growth and the composition of the government expenditure to know their long-run relationship in various forms using panel unit root test. Secondly, a fixed effect panel data has been selected using a Hausman test method. The study found that a various component included in public spending should be decided more accurate towards productive uses in promoting economic growth.

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TABLE OF CONTENT

	Page
USE OF THE THESIS	ii
PREFACE	iii
ABSTRACT	iv
DECLARATION	v
ACKNOWLEDGEMENT	vi
LIST OF TABLES	vii
LIST OF FIGURES	viii
CHAPTER	
1 INTRODUCTION	
1.0 Background of The Study	
1.0.1 Economic Crisis	1
1.0.2 Southeast Asian 'Tiger' Economy	3
1.1 Problem Statement	4
1.2 Research Objective	7
1.3 Significance of the Research	8
1.4 Southeast Asian Economic Review	9
1.5 Limitation of Study	10
1.6 Organization of the Thesis	11
2 LITERATURE REVIEW AND THEORY	
2.0 Overview of the Literature Review	14
2.1 Theories associated with this study	18
2.2 Literature Review	18
2.2.1 Role of Each Expenditure Factors	27
2.2.1.1 Military	27
2.2.1.2 Education	31
2.2.1.3 Health	32
2.2.1.4 Agriculture	33
2.2.1.5 Tax Revenue	34
2.2.1.6 Information Communication Technology	35
2.2.1.7 General Government Final Consumption Expenditure	36
2.3 Conceptual Framework	38
2.4 Literature Review Conclusion	39
3 DATA AND METHODOLOGY	
3.0 Introduction	40
3.1 Data	41
3.2 Measurement of Variables	42
3.3 Research Design	
3.3.1 Panel Unit Root	42
3.3.2 Hausman Test	44
3.3.2.1 Advantages Of Panel Data Analysis	45
3.3.3 Breusch and Pagan Lagrangian multiplier test	49
3.4 Estimation Procedure	50

3.5	Hypothesis Development	51
3.6	Statistical Software use (E-View7 Stata-SE 10)	51
3.7	Conclusion of Chapter	51
4	RESULTS AND FINDING	
4.0	Introduction	52
4.1	Descriptive Statistics	53
4.2	Findings	
4.2.1	Panel Unit Root	54
4.2.2	Panel Data Analysis	56
4.3	Conclusion of Chapter	60
5	CONCLUSION AND RECOMMENDATION	
5.0	Introduction	61
5.1	Conclusions	61
5.2	Recommendations	62
	REFERENCES	63
	LIST OF APPENDICES	73
	APPENDICES	74