

**UNIVERSITI TEKNOLOGI MARA**

**“DOES THE ENTRY MODE OF  
FOREIGN DIRECT INVESTMENT  
MATTER FOR UNEMPLOYMENT?”  
EVIDENCE FROM ASIAN  
COUNTRIES**

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**MSc**

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## **AUTHOR'S DECLARATION**

I declare that the work in this thesis was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the results of my own work, unless otherwise indicated or acknowledged as referenced work. This thesis has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

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## **ABSTRACT**

Foreign and domestic investment (DI) are one of the tools to boost the economic growth country. Number of studies has been agree on that the foreign direct investment (FDI) able to cure unemployment. However, there are still few number of studies found opposed relationship due to the entry mode of foreign direct investments namely greenfield investment and brownfield investment. This thesis examines the impact of entry mode of foreign direct investment; namely greenfield and brownfield investment towards unemployment in Asian countries using the static panel data analysis with two regression mode. Granger causality been employ to check the causality relationship between both of the entry mode of foreign direct investment; the greenfield investment and brownfield investment and inflow foreign direct investment. Pedroni cointegration test for the long – run analysis between entry modes of foreign direct investment, inflow of foreign direct investment and domestic investment. With the sample of data of 15 Asian divide into three group of countries; total Asia, developed Asia, developing Asia used to analyse the entry mode of foreign direct investment, inflows of foreign direct investment, domestic investment and with the other control variables towards unemployment in Asia countries within 31 years of period from 1988 until 2018. The results depict a mixed findings where both entries mode of foreign direct investment are found to be significant in developed Asia and only greenfield investment in developing Asia. Furthermore, there are causality relationship among the entry mode of foreign direct investment and inflow domestic investment on unemployment. Therefore, government, the businesses and future researcher should revisited back on the effect of FDI towards unemployment issues and both of the entries modes.

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