A RELATIONSHIP BETWEEN ECONOMIC GROWTH WITH CORRUPTION INDEX, DOMESTIC INVESTMENT AND FOREIGN DIRECT INVESTMENT
1995-2012

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"In the name of Allah, the Merciful, the Beneficient"

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CHAPTER 4- ANALYSIS AND FINDINGS

ABSTRACT

Economy growth is a one of measurement of that country. The objective of this study is to identify the relationship between economic indicators that influence economic growth in ASEAN-5 and Developed Countries. The panel data are used instead of time series. In order to complete this study, ten countries are used with the period of 18 years which is from 1995 – 2012. External variables were used as variable in this research. This study is employs regression model in order to investigate the relation of explanatory variables towards economy growth. Based on this study, the results show all the independent variables which is corruption index, domestic investment and foreign direct investment are significantly correlated with the Economy Growth (GDP). Recommendation to future researcher for extends the area of scope to large scope and duration of period in order to get more accurate data. Besides, it is suggested to use more variable like openness, inflation rate and interest rate which led to most reliable results for this paper. This paper also can be extended through other approach like time series method in order producing different result.

Keywords: Economy Growth, Corruption Index, Domestic Investment, Foreign Direct

Investment