

ABSTRACT

Globalization in common perspectives is known as an inclusive unity process of many sub-processes that increasingly bind individuals more closely in a global system. The rapid of unstoppable globalization demand every country to liberalize its international trade and economic cooperation. This study examines the impact of trade openness, human capital, and capital flow on economic growth in ASEAN+6 countries. The analyzing units are Indonesia, Malaysia, Thailand, Singapore, Vietnam, China, Japan, South Korea, India, Australia, and New Zealand. In this study, I used three models that the data were taken from 1999 to 2018, they are the model for whole countries, the model for developing countries, and the model for developed countries in the ASEAN+6 region. Each model was estimated by the dynamic panel data method of the GMM (Generalized Method of Moments) approach.

The results showed that the variable of the international trade openness, in the case of the whole countries and the developing countries in the ASEAN + 6 had a positive and significant effect on the economic growth variable. Meanwhile, in developed countries, the variable of international trade openness has a negative and insignificant impact on the economic growth variable. In the model of wholes countries and developed countries, the human capital variable, as indicated by the mean years of schooling, has a positive and significant effect on the economic growth variable. Meanwhile, in the developing country model, the human capital variable has a positive and insignificant impact on the economic growth variable. The capital flow variable indicated by the gross fixed capital formation has an insignificant and negative impact on the economic growth variable in the research group of wholes countries and developed countries in ASEAN + 6 significant to the economic growth variable.

Keywords: trade openness, human capital, gross fixed capital formation, economic growth, panel data analysis