ABSTRACT

This study aims to analyze the level of technical efficiency and the factors affecting the technical efficiency of ASEAN-5 countries (Indonesia, Malaysia, Philippines, Thailand, and Vietnam) during the 2010-2017 period. The DEA CRS method is used to measure the level of technical efficiency. Then the tobit regression method with panel data is used to analyze the effect of economic openness, the level of urbanization, and the level of corruption perceptions on the level of technical efficiency.

The results show that in aggregate the level of technical efficiency in ASEAN-5 has not yet reached its maximum point. Meanwhile, individually, only Malaysia is always at the optimal level of technical efficiency. Based on the regression results using the tobit or censored regression method, the variables of economic openness and the level of urbanization have a positive and significant effect on technical efficiency, while the variable perceptions of corruption have a positive but insignificant effect on technical efficiency in ASEAN-5 countries during the 2010- 2017.

Keyword: *DEA, ASEAN-5, Technical Efficiency, Economic Openness, Urbanization, Corruption*

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