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THE IMPACT OF GLOBALISATION ON ECONOMIC GROWTH IN ASIA-PACIFIC

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Abstract

Globalisation is a controversial issue that is still considered a complicated process. It has impacted nearly every aspect of modern life and it brings opportunities and also risk for a nation. This ultimately raises the argument that globalisation creates a multiplier effect, whether its phenomenon brings a positive or negative impact. Previous studies have examined that there is a positive effect of globalisation on growth through effective allocation of domestic resources, technology deployment, productivity improvement factors and capital increase. On the other hand, others argue that globalisation has a harmful effect on growth in countries with weak institutions and political instability. This study was carried out to analyze the effect of economic globalisation, social globalisation, and political globalisation on economic growth of Asia-Pacific countries in 2000-2014. Analyses were performed using panel data regression to know the influence that occurs between the independent variables and the dependent. From the results of the panel data regression, it is known that variables of economic globalisation and political globalisation have a significantly positive influence on economic growth. Meanwhile, the variable of social globalisation showed a negative and significant influence. This study contributes to the increasing number of literatures that examine the relationship between globalisation and economic growth. The results carry significant implications for the government in the Asia-Pacific region.

Keywords: Economic Growth, Economic Globalisation, Social Globalisation, Political Globalisation.
