



THE EFFECT OF GLOBALIZATION ON UNEMPLOYMENT

THESIS

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Abstract

Globalization increases financial integration. RCEP (Regional Comprehensive Economic Partnership) as the reflection of globalization is a highly integrated regional organization, also as the largest trading bloc in the world. This study aims to analyze the relationship between globalization on unemployment and the relationship between other explanatory variables such as foreign direct investment, population growth, inflation, political stability and GDP per capita in fifteen RCEP countries for the period 1996-2018. Fixed Effect approach is used to analyze relationship between variables.

The results show that in the long run, unemployment is found to be insignificantly influential on economic globalization in trade globalization index and political stability with a negative correlation. On the other hand, unemployment is found to be insignificantly influential on economic globalization in financial globalization index, inflation and foreign direct investment with a positive correlation. But unemployment has a negative and significant influence on GDP per capita and population growth.

Keywords: Globalization, Financial Integration, Unemployment

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