

## TABLE OF CONTENT

	Page
TITLE.....	i
APPROVAL OF THESIS .....	ii
APPROVAL OF EXAM PASSAGE .....	iii
STATEMENT OF THESIS ORIGINALITY .....	iv
MOTTO AND DEDICATION .....	v
<i>ABSTRAK</i> .....	vi
ABSTRACT.....	vii
FOREWORD .....	viii
TABLE OF CONTENT .....	xi
LIST OF TABLES .....	xiv
LIST OF FIGURES .....	xv
LIST OF APPENDIXES .....	xvi
CHAPTER I INTRODUCTION .....	1
1.1 Background of the Problem.....	1
1.2 Formulation of the Problem .....	11
1.3 Objectives and Benefits.....	13
1.3.1 Objectives.....	13
1.3.2 Benefits .....	13
1.4 Systematics of Writing .....	14
CHAPTER II LITERATURE REVIEW.....	15
2.1 Theoretical Foundations: Economic Growth Theory .....	15
2.1.1 Classical and Neoclassical Economic Growth Theories.....	17
2.1.2 Modern Economic Growth Theories.....	19
2.2 Previous Research .....	21
2.2.1 Relationship Between Governance and Economic Growth.....	21
2.2.2 Relationship Between Innovation and Economic Growth.....	26
2.2.3 Relationship Between Trade Openness on Economic Growth .....	29
2.2.4 The Others Determinants of Economic Growth.....	32
2.2.4.1 Relationship Between Population and Economic Growth.....	33
2.2.4.2 Relationship Between FDI and Economic Growth.....	35

2.2.4.3	Relationship between Education and Economic Growth .....	37
2.3	Research Framework .....	46
2.4	Hypothesis .....	48
CHAPTER III RESEARCH METHODS .....		49
3.1	Research Variables and Operational Definitions Variables .....	49
3.1.1	Dependent Variable.....	49
3.1.2	Independent Variables.....	50
3.2	Population and Sample .....	54
3.3	Data Types and Sources .....	55
3.4	Data Collection Method .....	56
3.5	Method of Analysis: Panel Data.....	57
3.5.1	Best Model Estimation.....	59
3.5.1.1	Chow Test .....	61
3.5.1.2	Hausman Test .....	62
3.5.1.3	Lagrange Test .....	62
3.5.2	Classical Assumption Testing.....	63
3.5.2.1	Normality .....	63
3.5.2.2	Multicollinearity .....	64
3.5.2.3	Heteroskedasticity.....	65
3.5.2.4	Autocorrelation .....	66
3.5.3	Hypothesis Testing.....	68
3.5.3.1	Simultaneous Significance Test (F-Test).....	68
3.5.3.2	Partial Significance Test (t-Test) .....	70
3.5.4	Goodness of Fit ( $R^2$ ) .....	72
CHAPTER IV RESULTS AND ANALYSIS .....		73
4.1	Description of Research Object.....	73
4.1.1	GDP in ASEAN and GCC .....	73
4.1.2	Governance in ASEAN and GCC.....	75
4.1.3	Innovation in ASEAN and GCC.....	77
4.1.4	Trade Openness in ASEAN and GCC .....	79
4.1.5	The Others Determinant in ASEAN and GCC .....	81
4.1.5.1	Population in ASEAN and GCC.....	81

4.1.5.2	FDI in ASEAN and GCC.....	83
4.1.5.3	Education in ASEAN and GCC.....	84
4.2	Data Analysis .....	86
4.2.1	Best Model Selection .....	86
4.2.1.1	Chow Test .....	86
4.2.1.2	Hausman Test .....	87
4.2.2	Classical Assumption Test.....	87
4.2.2.1	Normality .....	88
4.2.2.2	Multicollinearity .....	89
4.2.2.3	Heteroskedasticity.....	90
4.2.2.4	Autocorrelation .....	91
4.2.3	Hypothesis Testing Analysis.....	92
4.2.3.1	Simultaneous Significance Test (F-Test).....	92
4.2.3.2	Partial Significance Test (t-Test) .....	93
4.2.4	Goodness of Fit ( $R^2$ ) .....	96
4.2.5	Regression Result.....	97
4.3	Result Interpretation .....	101
4.3.1	Influence of Governance on Economic Growth.....	101
4.3.2	Influence of Innovation on Economic Growth.....	104
4.3.3	Influence of Trade Openness on Economic Growth .....	107
4.3.4	Influence of The Others Determinants on Economic Growth .....	110
4.3.4.1	Influence of Population on Economic Growth .....	110
4.3.4.2	Influence of FDI on Economic Growth .....	112
4.3.4.3	Influence of Education on Economic Growth .....	114
CHAPTER V CONCLUSION.....		116
5.1	Conclusion.....	116
5.2	Limitation .....	119
5.3	Suggestion .....	119
REFERENCES.....		120
APPENDIX.....		128