

ABSTRACT

Economic growth is an important parameters of a country's development performance. However, among ASEAN countries, economic growth trends have not always aligned with the inflow of Foreign Direct Investment, the quality of human capital, or the level of internet diffusion. Therefore, this research is conducted to analyze the effects of FDI, human capital, internet diffusion, and other factors on economic growth in ten ASEAN countries during the period of 2014 - 2022.

The approach used in this research is a dynamic panel quantitative approach. The System Generalized Method of Moments (SYS-GMM) is used to estimate the model in this research. The dependent variable in this research is Gross Domestic Product, while the independent variables include lagged Gross Domestic Product, Foreign Direct Investment, Domestic Capital, Internet Diffusion, Mean Years of Schooling, Life Expectancy, and Labor Force. This research uses secondary data obtained from the World Bank, United Nations Development Programme, and Asian Development Bank.

The estimation results show that Previous Year's Economic Growth, Foreign Direct Investment, Domestic Capital, Internet Diffusion, Mean Years of Schooling, Life Expectancy, and Labor Force have a positive and significant influence on Economic Growth in ASEAN countries. In contrast, Internet Diffusion demonstrate a negative and significant effect with Economic Growth, implying that internet usage in ASEAN has not yet been fully utilized for productive purposes.

Keywords: *Economic Growth, Foreign Direct Investment, Domestic Capital, Internet Diffusion, Mean Years of Schooling, Life Expectancy, Labor Force.*

