

ABSTRACT

As one of the world's major contributors to global GDP, ASEAN faces persistent income disparities among its member states. Achieving economic convergence is essential to narrowing these gaps, with its success largely driven by sustained economic growth. This study investigates the determinants of economic convergence in ASEAN.

This study examine both absolute β -convergence and conditional β -convergence through an Ordinary Least Squares (OLS) approach with fixed effects. The analysis is based on panel data from six ASEAN member countries over the period 1999–2023, using secondary data sourced from the World Bank and UNDP.

The results indicate the presence of conditional convergence, while absolute convergence is not observed. Foreign direct investment (FDI), gross fixed capital formation (GFCF), and mean years of schooling exert a positive and statistically significant impact on GDP per capita growth, whereas the dependency ratio has a negative and significant effect. In contrast, R&D expenditure and labor force participation are found to have no significant effect on GDP per capita growth in ASEAN.

Keywords: *Convergence, β -convergence, economic growth, ASEAN*

