

ABSTRACT

Muhammad Novan Fahri Ramadan, 2026. *The Effect of Foreign Direct Investment (FDI), Trade Openness, Political Stability, and Government Effectiveness on Economic Growth in Asian Countries during the Period 2004–2024.* Supervised by **Dr. Crisanty Sutristyaningtyas Titik, S.E., M.E.**

This study aims to analyze the effect of Foreign Direct Investment (FDI), trade openness, political stability, and government effectiveness on economic growth in Asian countries during the period 2004–2024. This study employed a quantitative approach using secondary data obtained from the World Development Indicators (World Bank) and the Worldwide Governance Indicators (WGI). The sample consisted of 39 Asian countries observed over the period 2004–2024. The analytical method used was panel data regression, with the Fixed Effect Model (FEM) selected as the best model based on the Chow Test, Hausman Test, and Lagrange Multiplier Test.

The results indicate that, simultaneously, Foreign Direct Investment (FDI), trade openness, political stability, and government effectiveness have a significant effect on economic growth in Asian countries. Partially, Foreign Direct Investment (FDI) has a positive but insignificant effect, trade openness has a positive and significant effect, political stability has no significant effect, while government effectiveness has a positive and significant effect on economic growth. These findings suggest that trade openness and government effectiveness play a more important role in promoting economic growth in Asian countries during the study period.

Keywords: *Foreign Direct Investment (FDI), Trade Openness, Political Stability, Government Effectiveness, Economic Growth.*

ABSTRAK

Muhammad Novan Fahri Ramadan, 2026. Pengaruh *Foreign Direct Investment* (FDI), *Trade Openness*, Stabilitas Politik, dan Efektivitas Pemerintah terhadap Pertumbuhan Ekonomi di Kawasan Asia Tahun 2004-2024. Dibawah bimbingan **Dr. Crisanty Sutristyaningtyas Titik, S.E, M.E.**

Penelitian ini bertujuan untuk menganalisis pengaruh *Foreign Direct Investment* (FDI), *trade openness*, stabilitas politik, dan efektivitas pemerintah terhadap pertumbuhan ekonomi di kawasan Asia tahun 2004-2024. Penelitian ini menggunakan pendekatan kuantitatif dengan data sekunder yang diperoleh dari *World Development Indicators* (World Bank) dan *Worldwide Governance Indicators* (WGI). Sampel penelitian terdiri atas 39 negara di kawasan Asia selama periode 2004–2024. Metode analisis yang digunakan adalah regresi data panel dengan model terbaik *Fixed Effect Model* (FEM) berdasarkan hasil Uji Chow, Uji Hausman, dan Uji Lagrange Multiplier.

Hasil penelitian menunjukkan bahwa secara simultan *Foreign Direct Investment* (FDI), *trade openness*, stabilitas politik, dan efektivitas pemerintah berpengaruh signifikan terhadap pertumbuhan ekonomi di kawasan Asia. Secara parsial, *Foreign Direct Investment* (FDI) berpengaruh positif namun tidak signifikan, *trade openness* berpengaruh positif dan signifikan, stabilitas politik tidak berpengaruh signifikan, sedangkan efektivitas pemerintah berpengaruh positif dan signifikan terhadap pertumbuhan ekonomi. Dengan demikian, keterbukaan perdagangan dan efektivitas pemerintah menjadi faktor yang lebih berperan dalam mendorong pertumbuhan ekonomi di kawasan Asia selama periode penelitian.

Kata Kunci: *Foreign Direct Investment* (FDI), *Trade Openness*, Stabilitas Politik, Efektivitas Pemerintah, Pertumbuhan Ekonomi.