

CHAPTER VI

CONCLUTION AND SOLUTION

A. Conclusion

This study aims to see how much influence economic growth, unemployment and investment have on military costs in 2009-2018. Based on the results of the regression and the discussion carried out in this study, a conclusion can be drawn from the results of the discussion as follows:

1. Economic Growth has a positive and significant effect on Military Expenditure in five ASEAN countries for the period 2009-2018, This is consistent with the proposed hypothesis.
2. Unemployment has a negative and significant effect on Military Expenditure in five ASEAN countries for the period 2009-2018, This is consistent with the proposed hypothesis.
3. Investment has a negative and insignificant effect on Military Expenditure in five ASEAN countries for the period 2009-2018, This is not consistent with the proposed hypothesis, but this results same as the previous studies.

B. Suggestion

Based on the conclusions from the results of the discussion, the authors provide suggestions for developing an understanding of the relationship between economic growth, unemployment and investment on military costs

in 5 Asean Countries (Indonesia, Malaysia, Singapore, Thailand, Philippines) in the period 2009-2018.

- The government is expected to prioritize economic growth by increasing investment. When investment increases, it will increase economic activity and open up new jobs so that it can reduce unemployment.
- To maintain state stabilization, the government is also demanded to be able to provide state security and resilience. For this reason, the government has increased military costs, increased production (or imports from other countries) of equipment and vehicles used in defense, repair and maintenance costs for tools and vehicles, expenses for reset and development (R&D) activities and civilian staff who works in the defense field. Thus, when defense and security are met, economic activity will proceed smoothly. To increase economic growth in all sectors

C. Limitation of Research

This research has been carried out and attempted in accordance with existing scientific procedures. However, this study has several limitations, among others:

1. This study only uses Data Panel Regression analysis techniques.
So that it can only determine the effect of independent variable on the dependent variable.

2. This Study only uses a number of independent variable that can be affect Military Expenditure, namely, Economic Growth, Unemployment and Investment