

The impact of international factors movement on political stability index.

Punnawadee Punsri

Chiang Mai University

E-mail: punnawadee.punsri@gmail.com

Abstract

The international factors movement have been affected on the economy and could be currently considered on the international policy agenda, particularly in the problem of rising migration is encounter quite often in our present days, like the refugee crisis which has occurred in several areas like Europe and United State. Therefore, the goal of this study is to investigate and analyze impact of international factors movement on political stability within the top countries of resettlement. Thus, this study is using panel cointegration test to analyze the relationship between variables. By using the annually data from 16 countries of top countries of resettlement due to the report of UNHCR Projected Global Resettlement Needs 2019 which covered from 1984 to 2012. Before estimating the data, the panel unit root is used to test the stationary of panel variables and the result shown that all variables are stationary at the 1st difference. The panel cointegration is tested by using Pedroni and Kao, they indicate that there are cointegration between immigration, balance of payment and political stability. As there exists the long-run equilibrium relationship between variables, error correlation process is used to estimate the speed of adjustment. The result shown that an increase in immigration will cause political stability to increase while an increase in balance of payment will cause political stability to decrease.

Keywords: International trade, International factors movement, political stability, Immigration

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