J-MES
Jurnal Magister
Ekonomi Syari'ah
UIN SUNAN KALIJAGA YOGYAKARTA

The Effects of Economic Competitiveness, Economic Freedom, Financial Development and Gender Equality on International Trade in ASEAN Countries

Nora Maulana[1], [*], Harjoni Desky[2], Muhamad Tarmizi Bin Shamshul Arif[3]
noraamaulana@gmail.com[1,*], harjonidesky@iainlhokseumawe.ac.id[2], tarmizishamshularif@gmail.com[3]
UIN Sunan Kalijaga Yogyakarta[1], IAIN Lhokseumawe[2], Universiti Sains Malaysia[3]

ABSTRACT

International trade plays a strategic position towards the success of the economic structure and is one of the crucial topics that can attract the attention of many countries, including ASEAN member states. This research study aims to explore, analyze and predict the effect of economic competitiveness, economic freedom, financial development, and gender equality on international trade in ASEAN countries. The study used panel-based secondary data with the Structural Least Squares analysis model. Research findings are known that economic competitiveness, economic freedom, financial development and gender equality are significantly able to increase the productivity of international trade in ASEAN countries. The results of the research can be used as evaluation and reference material for the government, business people and individuals in formulating regulations, policies, and taking steps to achieve economic goals.

Keywords: *economic competitiveness, economic freedom, financial development, gender equality, international trade*

INTRODUCTION

International trade has become one of the topics of discussion that has attracted the attention of the government and economic activists, because it plays a strategic position in the success of the country's economic structure (Todaro & Smith, 2013). This theory is supported by an empirical study Kennedy (2013) explains that international trade is a very important part of a country's economic development either in attracting investment interest or facilitating expansion. This important position is based on the international trade continuity scheme which involves the legal exchange of commodities, capital, and services in the international scope. So international trade *schemes* need to be considered more seriously to create a better rate, structure, and character of economic growth.

The above argument is supported by an empirical study of Bista & Adhikari (2021) revealing that the increasing number of international trade participation globally is seen as an important key to achieving economic growth and development. Economic integration between countries formed through international trade illustrates the activity of countries in the flow of trade composition to capture opportunities for economic growth.

The international economic landscape in the 21st century is believed to have undergone many significant changes regarding the regulation of the international economic and trade system. This change occurred due to the emergence of new economic modes along with the development of globalization flows which caused the *scope of* international trade to shift. This argument is supported by a scientific study Zhao (2023) explained that international trade protectionism has currently suffered

damage, one of which is caused by the turmoil of COVID-19, so there is a need for design and innovation in international economic and trade schemes.

Despite theoretical evidence of the importance of international trade to a country's economy, empirical studies of the construction of variables that can affect international trade are known to have not been rigorously, universally, and conclusively explored. Moreover, previous empirical searches tend to focus more often on international trade relations on economic growth such as searches for Biemudo *et al.,* (2022); Magaji *et al.,* (2022); Christopher *et al.,* (2023); Khumoetsile & Kahaka (2022); Purnama & Yao (2019); Ali (2023); Purnama & Yao (2019); Agbo et *al.,* (2018); and study Yang's (2019).

The reconstruction of international trade has a variety of constructs among researchers, the difference not only lies in the side of variable selection but also reflected in the diversity in choosing methodological approaches to the use of research data. Evidence from the study of Bista & Adhikari (2021) which seeks to investigate the determinants of international trade by highlighting export-import variables as dependent variables and Nepal's GDP, trading partner GDP, real effective exchange rate, distance, regional economic integration, Nepal's GDP per capita, GDP per trading partner's capital, Nepal's economic freedom and trading partner's economic freedom are used as independent variables. The study was reviewed through multiple regression tests using secondary data from 21 Nepalese trading partners in the period 2010-2019.

Exploration using other different variables studied Oguntegbe *et al.,* (2023) studied the impact of micro trade credit on international trade in Nigeria. The analysis is measured by the company's receivables, bank credit, payables, and import exports. The statistical test was conducted through regression panel data from 94 companies registered in Nigeria for the period 2005-2012. The in-consensus of international trade factors is also found in empirical research Tambunan *et al.,* (2022) which looks at the impact of globalization on international trade with a qualitative *literature review* method. The results clearly explain that globalization can affect international trade positively or negatively.

The next scientific study is aimed at research Yakubu *et al.,* (2018) seeks to examine the influence of financial developments on international trade in Africa by relying on panel data from 46 countries for the period 1980-2015. The study was conducted referring to indicators of domestic credit, private credit and exports. In line with the investigation of Yakubu *et al.,* (2018), Sare (2021) seeks to trace the relationship of financial development to international trade using indicators of personal credit, domestic credit, exports, and trade openness tested through a sample separation approach and threshold estimation.

The above search shows empirical evidence related to the determinants of international trade varies greatly and there is no clear and complete consensus on the variables that can affect the position of international trade. Although there are several studies that try to discuss international trade, in many scientific studies it is still not able to universally represent the construction of international trade in achieving high trade along with the emergence of various economic factors. This indirectly identifies that previous researcs have excluded economic factors from international trade.

The results of the review of several previous studies provide an opening for the author to fill the gap in order to expand the discussion space through the development of the construction of research variables into a broader, comprehensive and intact series of arrangements including economic competitiveness, economic freedom, financial

development, and gender equality of international trade in ASEAN countries for the 2011-2020 period based on panel data.

This scientific study is interesting to investigate considering the importance of the international trade sector to the country's economic growth while considering the empirical fact of the lack of literature on the determinants of international trade. In addition, supporting one or more other scientific views and evidence is also the reason for this study. The interest of the research also lies in the contribution side that seeks to explain the model of increasing international trade supported by economic competitiveness, economic freedom, financial development, and gender equality as factors triggering the high volume of international trade in ASEAN. As far as the author traces, it is known that studies on the effect of economic competitiveness, economic freedom, and financial development on international trade have been examined by several previous researchers, but the addition of gender equality variables makes this study the first empirical study to construct these variables and is a novelty value of research.

The reason the author makes ASEAN countries as objects in this scientific research is because considering the main purpose of the ASEAN declaration is to increase the rate of economic growth between countries, but this goal does not take place as planned. It is evident from data showing that in 2021 there was a deficit in the trade balance of ASEAN countries, especially Singapore, Brunei Darussalam and Laos with values reaching USD 2.19 billion, USD 11.99 million, and USD 198.6 million respectively (Kusnandar, 2022). The pace of international trade needs to be considered because it is one of the factors that is very influential in supporting economic growth as empirical evidence has been described earlier.

LITERATURE REVIEW AND HYPOTHESIS
International Trade

International trade is the exchange of commodities both goods, services and capital between countries. Hecker Ohlin's neoclassical theory suggests that international trade occurs because of relative differences in the natural wealth sector that have an impact on differences in the price of production factors between countries, thus encouraging a country to produce and export (goods, labor, and capital) that have relatively abundant production factors in order to reduce production costs to be lower when compared to other countries. This concept is seen as able to provide advantages and opportunities for each country to carry out various export-import activities in accordance with the abundance of resources owned by the country while allowing a country to determine relatively intensive production specialization (Todaro & Smith, 2013).

According to Sonora (2008) one of the factors that can affect international trade is economic freedom. The increase in economic freedom that occurs will have an impact on increasing the volume of international trade. A different factor stated by Leibovici (2021) is that international trade activities can be driven by financial development. Good financial development will lead to substantial reallocation to international trade. A similar point is explained by Abidin *et al.*, (2015) The occurrence of increased development of the financial sector has an influence on international trade in the long run for a country.

Economic Competitiveness

The concept of competitiveness popular after Porter defined competitiveness as a country's ability to innovate in order to achieve and maintain an advantageous position for its country compared to other countries in a number of priority sectors, especially productivity produced by labor. Porter also explained the importance of competitiveness for a country for 3 reasons; 1) Creating productivity and self-reliance; 2) Increase economic capacity and quantity of economic actors that encourage economic growth; 3) Creating market mechanism efficiency (Agusalim, 2022). Rodrik *et al.,* (1995) by looking at the phenomena that occur in Korea and Taiwan explain the importance of developing as an effort to increase factor mobility in the international trade sector. The proxy used to measure economic competitiveness in this study is the global economic competitiveness index. The use of similar indices has also been used in research (Rajagukguk, 2016).

Economic Freedom

Economic freedom is a concept initiated by The *Heritage Foundation* and *Fraser Institute Economic* which emphasizes the need for freedom in carrying out business activities to encourage economic growth to achieve human development (Sirbu et al., 2023). The determination of economic freedom in this study refers to the economic freedom index released by The *Heritage Foundation* covering 5 important aspects, namely international trade openness, government size, legal structure, legality of ownership, and regulatory efficiency (credit, labor, and business).

An empirical study conducted by Henri & Mveng (2023) proves that there is a positive relationship between economic freedom and international trade in African countries. Similar study was discussed Sonora (2008) sought to explore the impact of economic freedom on international trade in 131 countries from 2000 to 2005 using data from the *Fraser Institute's Economic report.* The findings of his research explain that increasing economic freedom in each country can cause the overall volume of international trade to increase.

Financial Development

Financial development refers to efforts to increase the provision of financial products and services that help measure the extent of a country's financial system capability (Islam et al., 2021). In short, financial development refers to improving aspects of the quality, quantity, and level of efficiency of the financial system. Financial development is highly dependent on the structural conditions of economic finance, governance, and a number of interactions of various other activities (Nasser & Gomez, 2009).

Scientific research traced by Caporale *et al.,* (2022) explains that financial development has a positive effect on the flow of interaction and structure of international trade. Further development of the financial system indirectly gives long-term benefits to international trade in the European Union. This research was investigated using the *Generalized Method of Moment* (GMM) approach and *Pooled Mean Group* (PMG) estimator. The results of this scientific study are supported by the investigation of Yucel *et al.,* (2022) which adopted causality analysis and panel data cointegration in 1990-2019. The results of the research explain that in the short term there is a relationship between financial development and international trade in newly industrialized countries.

Gender Equality

Gender equality is an issue that is currently being discussed. Gender equality is a condition of providing equal opportunities and opportunities for men and women to access education, health services, job opportunities, wages and so on (Todaro & Smith, 2013). *The United States Agency for International Development* (USAID) claims that gender equality includes equal rights for men and women as human beings in living their lives both socially and economically, including in obtaining happiness, opportunities, and even enjoying the benefits of development achieved (Vininda & Yuliana, 2020). Women have a strategic role in building a more prosperous human civilization, because the potential *output* such as goods and services will be much greater if human capital in women is maximized (Adika & Rahmawati, 2021).

It is known that men and women have different gaps and positions in economic structure, social roles, access, and also control of different resources even businesses owned by women are relatively small, classified as informants and not ready for export. This occurs due to business skills and access to capital that are not qualified for women (TPSA, 2016). Empowered women have the ability to seize job opportunities to be more productive. Women play an important role in the economic world, as business owners women can open employment opportunities and as workers contribute to competitive advantage in industrial development. Meanwhile, as consumers, women make important shopping decisions..

Based on the theory and literature review above, the framework of this research can be designed is:

Figure 1
Frame of Mind
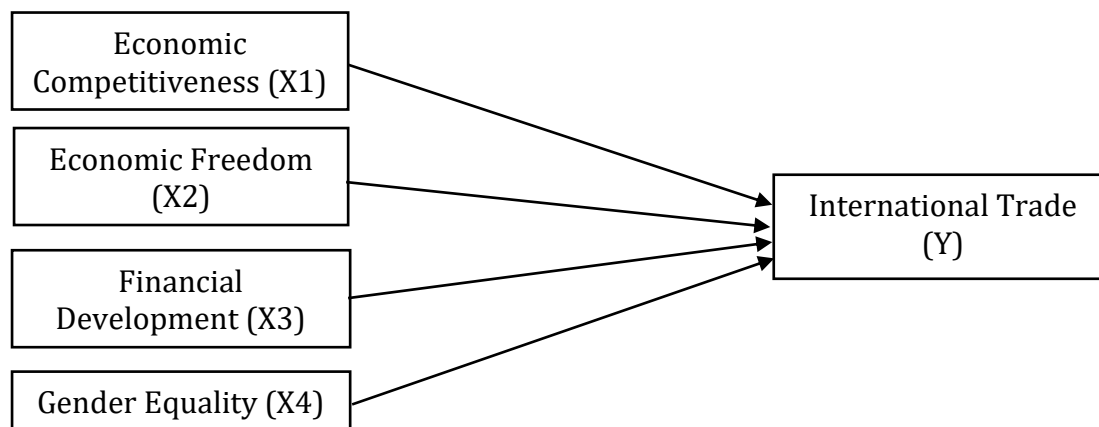
From the composition of the framework above, the formulation of this research hypothesis:

H_1 : Economic competitiveness has a positive effect on international trade in ASEAN countries

H_2 : Economic freedom has a positive effect on international trade in ASEAN countries

H_3 : Financial development has a positive effect on international trade in ASEAN countries

H_4 : Gender equality has a positive effect on international trade in ASEAN countries

RESEARCH METHODS

This research was studied using quantitative methods, namely research that tries to explain the numbers of statistical test results into a sentence structure that explains the results of the research phenomenon (Sekaran & Bougie, 2017), which is trying to explain how much influence economic competitiveness, economic freedom, financial development, and gender equality of international trade in ASEAN. The dependent variable in this study is international trade, while the independent variables include economic competitiveness, economic freedom, *financial development*, and *gender equality.*

The population of this study is ASEAN member countries, considering the effect of data, contribution and quality of research, the sample in the study adopts *the Purposive Sampling* technique, namely sample selection based on certain considerations. Taking into account the availability of data in each ASEAN country. So in line with these considerations, it is known that the samples in this study are 7 ASEAN member countries including Indonesia, Malaysia, Singapore, Thailand, the Philippines, Vietnam, and Cambodia for the 2011-2020 period.

Referring to the availability of data, this study adopts secondary data of a panel nature for the period 2011-2020. The data used was obtained from various publications ranging from the *World Bank* as the main reference, *The Heritage Foundation,* and the *International Monetary Fund* (IMF). The data analysis technique used in the study is *Structural Least Squares* with Eviews 10 *version software.* The selection of the right model in the study used 3 approaches, namely Common Effect Model (CEM), Fixed Effect Model (FEM), and *Random Effect Model* (REM). The determination of the best model is taken through several tests including the Chow Test, Hausman Test, and Lagrange Multiplier Test with decision making rules are:Table 1

Model Selection Terms

Testing	Result	Decision
Test Chow	Prob. > 0.05	CEM
	Prob. < 0.05	FEM
Hausman Test	Prob. > 0.05	REM
	Prob. < 0.05	FEM
Lagrange Multiplier	Prob. > 0.05	CEM
Test	Prob. < 0.05	REM

Source: Widarjono, 2013

Based on the description above, the equation for the analysis model in the study is: $IT = \alpha + \beta_1 EC + \beta_2 EF + \beta_3 FD + \beta_4 GE + \varepsilon$

Information:

IT   : International Trade

A   : Constants

β_1- β_4 : Regression Coefficient

EC   : Economic Competitiveness

EF   : Economic Freedom

FD   : Financial Development

GE   : Gender Equality

E   : Error

RESEARCH RESULTS
Descriptive Statistical Test Results

The following are the results of descriptive statistical tests of research obtained after being processed through the *Eviews program.*

Table 2
Descriptive Statistical Test Results

	IT	EC	EF	FD	GE
Mean	139.0977	3.101429	65.39714	0.469548	0.698556
Median	125.0796	2.925000	63.55000	0.371952	0.691450
Maximum	379.0986	5.010000	89.40000	0.742164	0.799000
Minimum	32.97560	1.610000	50.80000	0.107061	0.645700
Std. Dev.	91.22032	0.897230	11.16672	0.206745	0.040047
Observations	70	70	70	70	70

Source: Data processed, 2023

The results of the descriptive statistical test from the 70 observations above show the average value of international trade (Y) is 139.0977, the median is 125.0796, followed by a maximum of 379.0986, and a minimum of 32.97560 and has a standard deviation value of 91.22032. In the economic competitiveness variable (X1), an average value of 3.101429 was obtained with a median of 2.925000, a maximum of 5.010000 and a minimum of 1.610000, and had a standard deviation of 0.897230. The variable economic freedom (X2) obtained an average value of 65.39714, a median of 63.55000, a maximum of 89.40000, and a minimum value of 50.80000, and a standard deviation of 11.16672. The financial development variable (X3) obtained an average value of 0.469548 with a median of 0.371952, a maximum value of 0.742164, followed by a minimum value of 0.107061, and a standard deviation of 0.206745. While the gender equality variable obtained an average value of 0.698556, a median of 0.691450, a maximum value of 0.799000, followed by a minimum value of 0.645700 and obtained a standard deviation of 0.040047.

Model Selection Analysis

In order to find out the best model to be used, it is necessary to take into account panel data testing through 3 models, namely Common Effect Model (CEM), Fixed Effect Model (FEM), and *Random Effect Model* (REM). Model selection in this research was taken through Chow testing and Hausman Test.

Chow Test Results

Table 3
Chow Test Results

Effects Test	Statistics	d.f.	Prob.
Cross-section F	167.304606	(6,59)	0.0000
Cross-section Chi-square	202.380554	6	0.0000

Source: Data processed, 2023

Based on the results of the chow test, it is known that the value of prob. 0.0000 < 0.05 then the FEM model is chosen. So to choose the best model, testing needs to be continued with the hausman test.

Hausman Test Results

Table 4
Hausman Test Results

Test Summary	Chi-sq. Statistics	Chi-sq. d.f.	Prob.
Cross-section random	3.925928	4	0.0000

Source: Data processed, 2023

Based on the results of the hausman test, a prob value is obtained. $0.0000 < 0.05$ so the best model selected in this study was FEM.

Classical Assumption Test Results

From the tests carried out, it is known that the selected model is FEM. So that the classical assumption test that needs to be fulfilled is only the multicollinearity test and the heteroscedasticity test. This is in line with what was stated by Basuki & Yuliadi (2014) and Kuncoro (2013).

Multicollinearity Test Results

Table 5
Multicollinearity Test Results

EC	EF	FD	GE
1	0.6886450716764321	0.5576061737844006	-0.1949470979020672
0.6886450716764321	1	0.7159574229692806	0.08086725182755182
0.5576061737844006	0.7159574229692806	1	-0.001381640014910987
-0.1949470979020672	0.08086725182755182	-0.001381640014910987	1

Source: Data processed, 2023

Based on the results of the multicollinearity test, the correlation value of each variable < 0.85. So it can be concluded if the research variables are symptom-free multicollinearity.

Heteroscedasticity Test Results

Figure 2
Heteroscedasticity Test Results
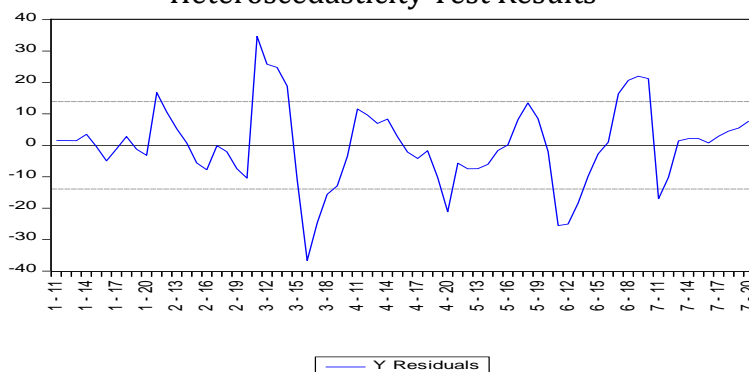
Source: Data processed, 2023

Based on the results of the residual graph, it is known that the values obtained do not cross the limit (500 and -500). This identifies if the residual variants are the same so that it is said that there are no symptoms of heteroscedasticity.

Panel Data Model Estimation Results

Table 6

Fixed Effect Model (FEM) Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	302.7830	132.8761	2.278687	0.0263
EC	25.10118	11.13859	2.253533	0.0276
EF	5.490519	1.041797	5.270237	0.0000
FD	33.23398	89.70111	0.230084	0.0072
GE	-213.1610	222.8294	-0.956611	0.0347

Effects Specification

Cross-section fixed (dummy variables)

R-squared	0.980188	Mean dependent var	139.0977
Adjusted R-squared	0.976830	S.D. dependent var	91.22032
S.E. of regression	13.88530	Akaike info criterion	8.242867
Sum squared resid	11375.29	Schwarz criterion	8.596202
F-statistic	291.8979	Durbin-Watson stat	0.333454
Prob (F-statistic)	0.000000		

Source: Data processed, 2023

Based on the results of the FEM model analysis test, it is known that the multiple regression equation in this study obtained IT = 302.7830 + 25.10118 EC + 5.490519 EF + 33.23398 FD - 213.1610 GE. From this equation can be made a description of the data as follows:

a. The constant value obtained is 302.7830. This means that if the variables of economic competitiveness, economic freedom, financial development and gender equality are 0, international trade will increase by 302.7830.

b. The value of the coefficient of economic competitiveness is 25.10118. This means that every increase in economic competitiveness by 1 unit or 1% will encourage an increase in international trade by 25.10118.

c. The value of the coefficient of economic freedom is 5.490519. This means that every increase in economic freedom is 1 unit or 1%. It will encourage an increase in international trade by 5.490519.

d. The value of the coefficient of financial development is 33.23398. This means that every increase in financial development is 1 unit or 1%. This will encourage an increase in international trade by 33.23398.

e. The value of the gender equality coefficient -213.1610. This means that every time there is a decrease in gender equality by 1 unit, the expansion of international trade decreases by -213.1610.

Partial Test Result (t)

Based on the results of the t analysis test, the following research study results were obtained:

a. The variable of economic competitiveness (X1) obtained a probability value of 0.0276 < 0.05 means that economic competitiveness has a significant positive effect on international trade.

b. The variable economic freedom (X2) obtained a probability value of 0.0000 < 0.05. This means that economic freedom has a significant positive effect on international trade.

c. The variable of financial development (X3) obtained a probability value of 0.0072 < 0.05 means that financial development has a significant positive effect on international trade.

d. The gender equality variable (X4) obtained a probability value of 0.0347 < 0.05. This means that gender equality has a significant positive effect on international trade.

Simultaneous Test Results (F)

When viewed from the probability value of the F test, a value of 0.000000 < 0.05 is obtained. In line with the rules of decision making test F, it can be stated that independent variables including economic competitiveness, economic freedom, financial development, and gender equality simultaneously affect international trade, especially in ASEAN countries for the 2011-2020 period.

Test Results of Coefficient of Determination (R^2)

Based on the results of the *Adjusted R-squared* statistical test, this study obtained a value of 0.976830. This means that international trade variables can be influenced by variables of economic competitiveness, economic freedom, financial development, and gender equality by 97.68%. While for the rest around 2.32% influenced by other variables outside of this research.

DISCUSSION

The influence of economic competitiveness on international trade in ASEAN countries

From the results of statistical tests, it is known that economic competitiveness has a positive effect on international trade in ASEAN member countries. The results of this research study illustrate that economic competitiveness is an important factor that encourages international trade, especially in ASEAN countries for the 2011-2020 period. Economic competitiveness reflects a country's ability to produce and sell goods and services with globally competitive price and quality specifications. Countries that have a high level of economic competitiveness tend to have an advantage in producing certain goods or services, causing the country to be able to export products to a wider global market reach. This can boost economic growth, expand employment, and increase state income. Vice versa, countries with low economic competitiveness tend to face difficulties to compete in the global market and can result in countries experiencing trade deficits. Therefore, efforts to improve economic competitiveness through innovation, product efficiency, human resource development, and financial sector development are important to support dynamic and profitable international trade activities.

As stated by Agusalim (2022), competitiveness is an economic indicator that needs to be improved in the face of global competition. If ASEAN member countries have a high level of economic competitiveness. This can automatically attract international market enthusiasts to buy products and services produced by ASEAN member countries. By successfully having a position in the international market will further enable ASEAN member countries to be able to produce more levels of products and services which in turn can increase the income of the country in particular, create

jobs, and encourage economic growth. The results of this study are in line with the research study of Khairunisa & Novianti (2018) showing that the competitiveness of palm oil in Indonesia has a superior position in the European Union market compared to competing countries such as Malaysia, Thailand, Colombia, and Ecuador. This position provides greater opportunities for Indonesia in palm oil export activities.

The effect of economic freedom on international trade in ASEAN countries

Economic freedom and international trade have a positive dependence. This is because economic freedom refers to aspects of a country's level of openness to economic activity involving trade policies, business regulation, property ownership and other. The higher the level of economic freedom in a country, the easier it is for companies and individuals to participate in international trade. There are policies that support economic freedom such as low trade barriers, tariffs, import quotas, reducing excessive regulatory burdens, and creating a business environment more conducive which will encourage an increase in international trade volume. In contrast, countries with low levels of economic freedom tend to face obstacles in accessing international trade. Protectionist policies as well as excessive government intervention can cause disruptions in international trade activities and limit economic growth. In addition, a high degree of economic freedom tends to facilitate more active and sustainable international trade activities.

In line with Sonora's explanation (2008), economic freedom is one of the factors that can affect international trade. The increase in economic freedom that occurs can support international trade in ASEAN member countries. This is because countries with good economic freedom tend to have more open trade regulation powers, more easily attract foreign investment, can help local companies enter international markets and away from trade barriers. So it will be very helpful in facilitating international trade by allowing companies to carry out export and import activities more actively. The results of this study are in line with Smith's findings in Wulandari (2014) institutions that provide individual freedom in obtaining economic goals are able to create greater welfare for society.

The influence of financial development on international trade in ASEAN countries

Financial development has a close relationship with international trade. Good financial development can help a country, especially in this case ASEAN member countries, to increase international trade through the facilitation of foreign investment and increasing corporate access to more qualified financial resources. The results of this research are in line with the theory explained by Islam *et al.,* (2021) financial development is an effort to increase the provision of financial products and services to help measure the extent to which the level of financial system capability has an impact on economic productivity.

Similar findings were put forward by Abbasian *et al.,* (2019) the results of the study clearly show the positive impact of financial development on international trade in 16 countries in the Middle East. It is also reinforced by a similar study investigated by Thach *et al.,* (2021) using a Bayesian model of probability statistics. The results of the study are known that financial development has a strong influence on the expansion of international trade in 6 ASEAN countries for the 2008-2018 period. Leibovic (2021) also proves that financial development has an impact on international trade which was originally based on labor-intensive industries turned into capital-intensive industries. Furthermore, supported by research Gokmenoglu *et al.,* (2015) clearly shows a long-

term relationship between financial development and international trade that can trigger increased economic growth in Pakistan. Syamsi *et al.*, (2020) also succeeded in proving the relationship between financial development and international trade through *the Structural Vector Auto Regression* (SVAR) statistical test by adopting indicators of bank domestic credit, private sector domestic credit, import exports and money supply by adopting data *Quarterly Time Series* 2000-2016.*.

The effect of gender equality on international trade in ASEAN countries

The results of statistical tests prove that gender equality is one of the important factors that can affect international trade in ASEAN countries. As explained by Adika & Rahmawati (2021), it is stated that women have a strategic role in building a more prosperous human civilization, because the potential *output* such as goods and services will be much greater if human capital in women is maximized. A similar explanation was given by Todaro & Smith (2013) that increasing education for women will increase income productivity and result in greater labor force participation and will be more profitable for the next generation. By providing equal opportunities for women, it will open up greater opportunities for economic productivity, including international trade.

ASEAN member states that can provide greater opportunities and opportunities for women to engage in economic activities such as labor. Then it will allow the country to produce and export more goods and services. In an effort to promote inclusive international trade, gender equality is an important point to pay attention to. This is because providing equal opportunities for women in education, training, participation in the workplace, and economic decision-making will be a driver for ASEAN member countries in improving the quality of labor and supporting innovation which in turn can help increase competitiveness to international markets.

CONCLUSION

Based on statistical test analysis and discussion above, it can be concluded that economic competitiveness, economic freedom, financial development and gender equality are able to increase international trade productivity in ASEAN countries, especially the 2011-2020 period. Seeing a positive relationship between economic competitiveness, economic freedom, financial development and gender equality on international trade. Therefore, the need for government and corporate intervention to further increase productivity, economic competitiveness, regulate economic freedom better, and improve financial fundamentals and strengthen social structures so that it will not trigger gender gaps in an effort to accelerate international trade.

There are several challenges that create limitations in this study such as data acquisition. So that not all ASEAN member countries are discussed because the data available in the 2011-2020 period only exists in 7 ASEAN member countries. So if it can be an opportunity for further researchers to conduct research on wider aspects of ASEAN countries and with the latest data period.

REFERENCE

(TPSA), C.-I. T. and P. S. A. P. (2016). *Kesetaraan Gender dan Perdagangan Presentasi untuk Gender and Trade Group (GTG) Ikhtisar Presentasi*.

Abbasian, M., Shahraki, A. S., & Hashemi, M. (2019). The Relationship Between Financial Development and International Trade in Countries Selected for Outlook 1404.

Quarterly Journal of The Macro and Strategic Policies, *7*(27), 396–409. https://doi.org/10.32598/jmsp.7.3.4

Abidin, I. S. Z., Haseeb, M., Azam, M., & Islam, R. (2015). Foreign Direct Investment, Financial Development, International Trade and Energy Consumption: Panel Data Evidence From Selected ASEAN Countries. *International Journal of Energy Economics and Policy*, *5*(3), 841–850.

Adika, N. D., & Rahmawati, F. (2021). Analisis Indikator Ketimpangan Gender dan Relevansinya terhadap Pertumbuhan Ekonomi Inklusif di Indonesia. *Ecoplan*, *4*(2), 151–162. https://doi.org/10.20527/ecoplan.v4i2.400

Agbo, E. I., Ebere, A. R., & Oluchukwu, E. L. (2018). Impact of International Trade on the Economic Growth of Nigeria. *European Journal of Business and Management*, *10*(18), 5–29. https://doi.org/10.33119/gn/100923

Agusalim, L. (2022). *Daya Saing dan Potensi Ekonomi Daerah: Konsep, Pengukuran, dan Analisisnya di Provinsi Jambi* (Issue November). Literasi Nusantara Abadi.

Basuki, A. T., & Yuliadi, I. (2014). *Elektronik Data Prosesing (SPSS 15 dan EVIEWS 7)*. Danisa Media.

Biemudo, K., Antonio, R., & Agustin, Nicasio Angelo J. (2022). An Empirical Analysis on the Impact of International Trade in Philippine Economic Growth. *Journal of Economics, Finance and Accounting Studies*, *4*(1), 607–628. https://doi.org/10.32996/jefas.2022.4.1.44

Bista, N. B., & Adhikari, K. (2021). Determinants of Foreign Trade in Nepal. *International Journal of Finance, Entrepreneurship & Sustainability*, *1*(1), 83–99. https://doi.org/10.56763/ijfes.v1i.27

Caporale, G. M., Sova, A. D., & Sova, R. (2022). The Direct and Indirect Effects of Financial Development on International Trade: Evidence From the CEEC-6. *Journal of International Financial Markets Institutions and Money*, *78*(2). https://doi.org/DOI: 10.1016/j.intfin.2022.101550

Christopher, T., Nelson, K., Kazaara, A. G., Prudence, K., & Christopher, F. (2023). The Impact of International Trade on Economic Growth. Acase Study of Wakiso District-Uganda. *International Journal of Academic Multidisciplinary Research (IJAMR)*, *7*(1), 142–149. https://doi.org/10.20448/journal.500.2019.62.15.22

Gokmenoglu, K. K., Amin, M. Y., & Taspinar, N. (2015). The Relationship Among International Trade, Financial Development and Economic Growth: The Case of Pakistan. *Procedia Economics and Finance*, *25*(May), 489–496. https://doi.org/10.1016/s2212-5671(15)00761-3

Henri, A. O., & Mveng, S. A. (2023). Economic Freedom and Productivity in Africa. *Journal of the Knowledge Economy*. https://doi.org/DOI: 10.1007/s13132-023-01371-0

Islam, M. A., Hossain, M. N., Khan, M. A., Hasan, M. R., & Hassan, M. R. (2021). Financial Development and Foreign Direct Investment Nexus: A Systematic Review of Literature. *International Journal of Research in Business and Social Science*, *10*(4), 226–238. https://doi.org/10.20525/ijrbs.v10i4.1213

Kennedy, O. (2013). Kenya's Foreign Trade Balance: An Empirical Investigation. *European Scientific Journal*, *9*(19), 1857–7881.

Khairunisa, G. R., & Novianti, T. (2018). Daya Saing Minyak Sawit Dan Dampak Renewable Energy Directive (Red) Uni Eropa Terhadap Ekspor Indonesia Di Pasar Uni Eropa. *Jurnal Agribisnis Indonesia*, *5*(2), 125. https://doi.org/10.29244/jai.2017.5.2.125-136

Khumoetsile, W., & Kahaka, Z. (2022). International Trade and Economic Growth: A Cointegration Analysis for Botswana. *International Journal of Social Sciences and Humanities Invention*, *9*(12), 7450–7458. https://doi.org/10.18535/ijsshi/v9i012.01

Kuncoro, M. (2013). *Metode Riset Untuk Bisnis dan Ekonomi*. Erlangga.

Kusnandar, V. B. (2022). Neraca Perdagangan ASEAN dengan AS Surplus US$145,78 Miliar pada 2021. *Katadata*. https://databoks.katadata.co.id/datapublish/2022/05/17/neraca-perdagangan-asean-dengan-as-surplus-us14578-miliar-pada-2021

Leibovici, F. (2021). Financial Development and International Trade. *Journal of Political Economy*, *129*(12). https://doi.org/https://doi.org/10.1086/716564

Magaji, S., Mohammed Abubakar, M., & Abdullahi Temitope, Y. (2022). Impact of International Trade On Economic Growth: The Granger Causality Test Approach. *International Journal of Accounting and Management Sciences*, *1*(2), 2832–8175. https://doi.org/10.56830/nucb7716

Mohamed Ali, D. (2023). Impact of International Trade on Economic Growth in Kenya. *International Journal of Economics and Finance*, *15*(3), 13. https://doi.org/10.5539/ijef.v15n3p13

Nasser, O. Al, & Gomez, X. G. (2009). Do Well-Functioning Financial Systems Affect the FDI Flows to Latin America. *International Research Journal of Finance and Economics*, *29*(July), 60–75.

Oguntegbe, K., Adewuyi, A. O., Olagunju, K., & Folarin, O. (2023). *Impact of Trade Credit on International Trade in Nigeria*. 14. https://doi.org/DOI: 10.2139/ssrn.4320976

Purnama, P. D., & Yao, M. H. (2019). The Relationship Between International Trade and Economic Growth: An Empirical Finding from ASEAN Countries. *International Journal of Applied Business Research*, *1*(2), 112–123. https://doi.org/10.35313/ijabr.v1i02.72

Rajagukguk, W. (2016). Daya Saing (Competitiveness) Mendorong Pertumbuhan Ekonomi Sebuah Negara: Studi Kasus Negara Berkembang. *Global Networking: Build Up Business Competitive*, 1–15.

Rodrik, D., Grossman, G., & Norman, V. (1995). Getting Interventions Right: How South Korea and Taiwan Grew Rich. *Economic Policy*, *10*(20), 57–107. https://sci-hub.se/https://doi.org/10.2307/1344538

Sare, Y. A. (2021). Threshold Effects of Financial Sector Development on International Trade in Africa. *International Journal of Finance and Economics*, *26*(1), 515–541. https://doi.org/10.1002/ijfe.1802

Sekaran, U., & Bougie, R. (2017). *Research Methods for Business*. Salemba Empat.

Sirbu, A. C., Mihaita, A. O. L., Asandului, M., & Brezuleanu, M. M. (2023). Effects of

Economic Freedom on Corruption. *Scientific Annals of Economics and Business*, *70*(1), 85–97. https://doi.org/10.47743/saeb-2023-0015

Sonora, R. J. (2008). *On the Impacts of Economic Freedom on International Trade Flows: Asymmetries and Freedom Components*. *385*(08), 1–31.

Syamsi, M. N., Handoyo, R. D., Ridzuan, A. R., & Razak, M. I. M. (2020). International Trade, Financial Development, Foreign Exchange Reserve and Output in Indonesia. *International Journal of Academic Research in Accounting, Finance and Management Sciences*, *10*(1), 324–333. https://doi.org/10.6007/ijarafms/v10-i1/7205

Tambunan, B. A. Y., Ananda, P., Siburian, E. S. B., Matondang, K. A., & Indriani, R. (2022). Analysis of the Impact of Globalization on International Trade. *International Journal of Business and Applied Economics (IJBAE)*, *1*(1), 21–26. https://doi.org/10.55927/ijbae.v1i1.2119

Thach, N. N., Kieu, V. T. T., & An, D. T. T. (2021). Impact of Financial Development on International Trade in ASEAN-6 Countries: A Bayesian Approach. *International Econometric Conference of Vietnam*, 169–184. https://doi.org/DOI: 10.1007/978-3-030-77094-5_16

Todaro, M. P., & Smith, S. C. (2013). *Economic Development*.

Vininda, S., & Yuliana, L. (2020). Penerapan Regresi Data Panel Pengaruh Kesetaraan Gender Terhadap Pertumbuhan Ekonomi Di Provinsi Riau Periode 2011-2015. *Seminar Nasional Official Statistics*, *1*, 549–559. https://doi.org/10.34123/semnasoffstat.v2020i1.416

Widarjono, A. (2013). *Ekonometrika: Pengantar dan Aplikasinya Disertai Panduan Eviews* (U. S. YKPN (ed.)).

Wulandari, D. (2014). Pengaruh Kebebasan Berbisnis Terhadap Harga Saham di Negara-Negara ASEAN. *Seminar Nasional Penelitian*, 325–337.

Yakubu, A. S., Aboagye, A. Q. Q., Mensah, Lord, & Bokpin, G. A. (2018). Effect of Financial Development on International Trade in Africa: Does Measure of Finance Matter? *The Journal of International Trade & Economic Development*, *27*(8), 917–936. https://doi.org/https://doi.org/10.1080/09638199.2018.1474246

Yang, S. (2019). Analysis of the Relationship Between International Service Trade and Economic Growth Based on VAR Model. *Journal of Physics: Conference Series*, *1345*(6). https://doi.org/10.1088/1742-6596/1345/6/062001

Yucel, G. E., Ustabas, A., & Acar, T. (2022). International Trade, Foreign Direct Investment, Financial Development and Renewable Energy Supply: Panel Data Evidence from Newly Industrialized Countries. *World Journal of Applied Economics*, *8*(2), 51–64. https://doi.org/10.22440/wjae.8.2.1

Zhao, L. (2023). The Reconstruction and Innovation of International Economic and Trade Rules. *Modern China and International Rules*, 41–71. https://doi.org/DOI: 10.1007/978-981-19-7576-9_3