AN ECONOMETRIC TESTING OF THE STRUCTURAL CHANGE OF UNEMPLOYMENT RATE OF TAIWAN’S HUMAN RESOURCES MARKET

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Abstract

This paper is attempted to analyze the critical occurrence of the structural change of the unemployment rate of Taiwan’s human resources market in the episode of cross straits’ strain and Asian financial crisis after 1996 and governance substitution by party alternation after 2000. We set up econometric models of ARMA(1), ARMA(2) and ARCH(1) to estimate and to test the structural change of the unemployment rate, and find that it is statistically significantly verified.

Keywords: Structural Change, ARMA(1), ARMA(2), ARCH(1)

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