Penerbit: LPPM Universitas Bina Sarana Informatika
Ecodemica: Jurnal Ekonomi, Manajemen dan Bisnis
Website: https://ejournal.bsi.ac.id/ejurnal/index.php/ecodemica

# A Deeper Look into the Role of Political Institutions on Economic Growth: Evidence from ASEAN Countries

**Bayu Kharisma[1], Adhitya Wardhana[2], Tiara Pangestika Gunadi[3]**
[1,2,3] Department of Economics, Universitas Padjadjaran, Indonesia

**INFORMASI ARTIKEL**

***Histori Artikel:***

Diterima 18-02-2025
Direvisi 30-03-2025
Diterbitkan 23-04-2025

***Keyword:***

Economic Growth
Fixed Effect Model,
Fourth ASEAN,
Political Institutions

***ABSTRACT***

*The occurrence of wars, ethnic conflicts, general elections, and coups in Southeast Asian countries has led to a reduction in institutional quality, resulting in a deteriorating economic situation. Since the 1998 monetary crisis, the institutional quality in the Southeast Asian region has been inconsistent, decreasing the region's appeal to foreign investors. Optimal political stability can foster favourable circumstances for investors, hence stimulating a nation's economic expansion. This study examines the impact of political institution on economic growth on a panel of ASEAN countries, including Indonesia, Malaysia, Singapore, Thailand, the Philippines, Brunei Darussalam, Vietnam, Laos, Myanmar, and Cambodia from 2010 to 2021. The data used for this analysis was obtained from the World Bank, and the Fixed Effect Model (FEM) was employed. The study findings indicate that political institutions favour and substantially impact economic growth. These results suggest that political institutions have a significant impact on sustaining a country's economic development.*

***Corresponding Author**:*

Bayu Kharisma,
Department of Economics,
Universitas Padjadjaran,
Jl Dipati Ukur 35, Bandung, 45363, Indonesia,
Email: bayu.kharisma@unpad.ac.id

## Introduction

Political institutions are critical to economic growth because they shape the environment in which economic activity takes place (Sehrawat & Giri, 2019). Effective institutions promote stability, efficiency and inclusiveness, while weak or corrupt institutions can hinder growth and exacerbate inequality. For sustainable economic growth, countries should focus on building strong, transparent and adaptive political institutions that are aligned with their economic and social goals. In this regard, economic growth is influenced by various factors, including the political institutions that shape the policy framework, the quality of governance, and the regulatory environment. Political institutions determine economic stability, investment security, and long-term development strategies. This analysis explores how different types of political institutions impact economic performance and sustainable development.

The economy serves as a robust and crucial foundation for nation-building, as it represents the progress and prosperity of a country over an extended period of time. Todaro & Smith, (2020) point out that when a country experiences development, it should aim to improve conditions that were initially considered lacking. In the following, the various economic growths in ASEAN countries show significant fluctuations, as depicted in Figure 1 below.

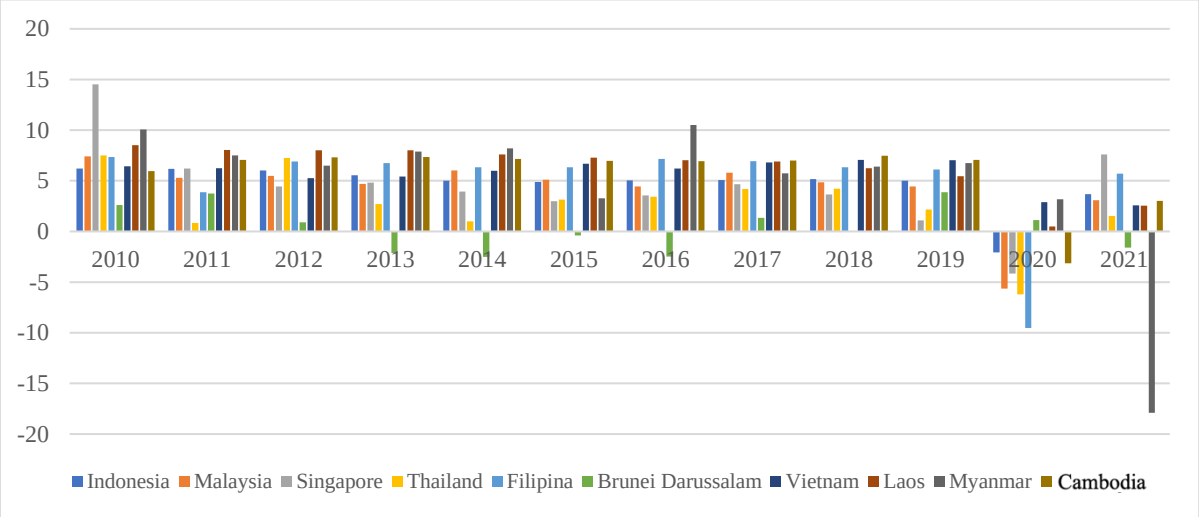


Figure 1. Economic Growth of ASEAN Countries 2010-2021

Figure 1 above shows that the economic growth of ASEAN countries fluctuates from 2020 to 2021. It is also known that in 1998, almost all ASEAN countries experienced negative growth due to the currency crisis that started in Thailand, which quickly spread to various Asian countries and raised fears of a global economic collapse (Azimi, 2023). Morevover, shows negative economic growth in 2020. Jos Meester (2021) said the cause was the emergence of the Covid-19 virus (SARS-CoV2), which created serious disruptions to supply chains around the world due to various production constraints, especially in the early phases of the pandemic, and restrictions on international mobility.

The role of political institutions can directly influence the increase and decrease in economic growth in a country (Sari, 2021). Suppose an investor wants to invest some of his capital in a country. In that case, the investor will consider the condition of the political institutions of the destination country because political institutions will affect the return on investment.

In Figure 2, indicators on political institutions are taken based on 6 (six) referring to Yunan, (2023), which uses voice and accountability, political stability and absence of violence/terrorism, government effectiveness, regulatory quality, rule of law, and control of corruption to measure political institutions and freedom in the economy to measure economic institutions. Some developing countries have a fairly low corruption index value, including those in the Asian region, especially South and Southeast Asia (Fiqry Ichvani, Litfiana, 2019). Political institutions are rated on a scale of -2.5 to +2.5, which means that a lower value indicates that the country has poor-quality political institutions. In contrast, a higher number indicates that the country has good-quality political institutions.

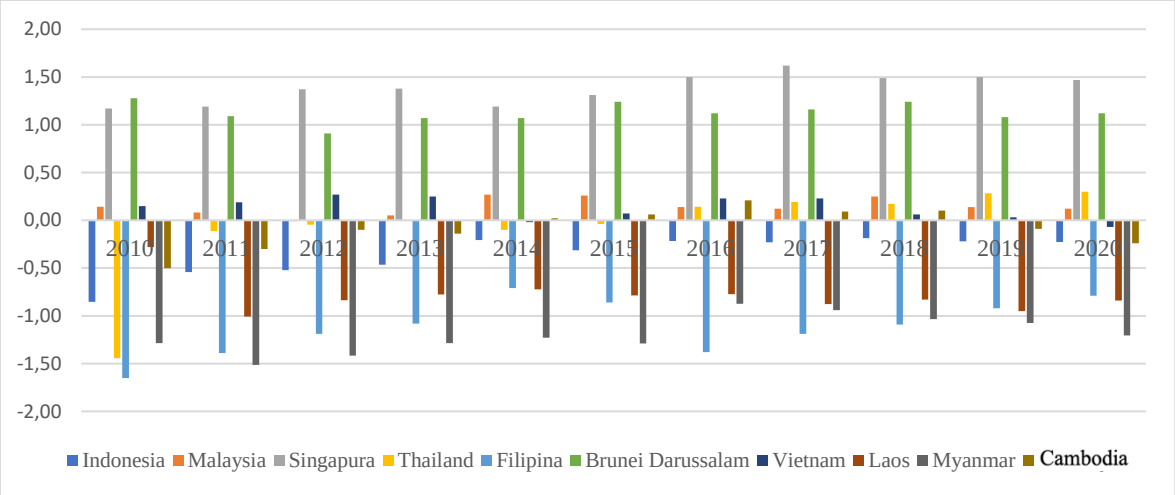


Figure 2 Political Institution in ASEAN 2010–2021

A case example that can illustrate the role of institutions in influencing a country's economy is seen in one of the phenomena that occurred in Asia, namely the Rohingya ethnic conflict in Myanmar (Rasyid et al., 2022). Furthermore, a major general election has divided Indonesia more (Bland, 2019). Massive demonstrations were held in Thailand. Likewise, Laos experienced the fastest economic growth before the pandemic. However, since the pandemic, the debt has jumped exactly like what Sri Lanka experienced (Fischer & Storm, 2023). Political events are one of the determining factors for an investor to invest. Economic and political stability is the key to investment sustainability because no matter how attractive an investment is in terms of economic value, investors are likely to make other decisions without the quality of political institutions. Political institutions are the most important thing that the government must consider because stable political conditions also create stable economic growth (Adevia et al., 2019).

Various studies have tried to look at the effect of institutions on economic growth using various measures. Kwaw-Nimeson & Tian, (2023) showed that macroeconomic integration as the strongest indicator of regional integration as well as the most crucial determinant of FDI in CEN-SAD. FDI inflows into the lower-middle income countries (LMICs) were only slightly higher than in low-income countries (LICs). Moreover, results infer that institutional reforms augment FDI location advantages and enhance FDI inflows irrespective of the level of integration in the Community. Other research was also conducted by Abdelhameed & Rashdan, (2021), which has the same result: political instability significantly reduces economic growth, both statistically and economically. Surya et al., (2021) also validate the notion that superior political and economic institutions have a favorable impact on economic growth. Singh & Pradhan (2020) conducted a study to examine the impact of institutions on economic growth in the South Asian region. The findings revealed that institutions, specifically those related to controlling corruption, government effectiveness, and political stability, have a noteworthy and favorable influence on economic growth. The author intends to investigate the correlation between political institutions in economic growth of ASEAN, as stated in this explanation. Hence, scholars did a study entitled ASEAN political institutions on economic growth.

# Research Method

The type of research used in this study is quantitative research. The quantitative research method is a type of research with systematic, planned, and structured specifications, from initiation to research planning. In this study, researchers used a library study research approach to collect and study data or documents supporting research. This explanation is reinforced by Snyder, (2019) , who explains literature study as a technique used in collecting information and data assistance with various kinds of materials in the library, such as documents, books, and so on. The selection of Southeast Asian countries is between Indonesia, Malaysia, Singapore, Thailand, the Philippines, Brunei Darussalam, Vietnam, Laos, Myanmar and Cambodia because it continues to experience fluctuations in both economic growth and institutional quality since the 1998 monetary crisis, which caused a lack of attractiveness to foreign investors. The selection of 2010-2021 was used to look at changes, especially in institutional quality, after the monetary crisis that occurred in 1998 and affected the lives of millions of people. The COVID-19 virus (SARS-CoV2) spread and created serious disruptions in international supply chains worldwide due to various production constraints, affecting the condition of political institutions (Jos Meester, 2021).

Ordinary Least Square (OLS) is a method in econometrics, where there are independent variables, namely as explanatory variables and dependent variables, namely variables that are explained in a linear equation.

$$\Sigma\varepsilon_i^2 = \Sigma\left(Y_i - \beta_0 - \beta_1 X_{i1} - \beta_2 X_{i2} - \cdots - \beta_k X_{ip}\right)^2 \quad (1)$$

The linear regression model using the Ordinary Least Square (OLS) method must fulfill the Best Linear Unbiased Estimator (BLUE) assumption in estimating the interval and testing the regression parameters. The Ordinary Least Square (OLS) method does not pay attention to the differences in characteristics in cross-section and time series in the equation can be written as follows.

$$Y_{it} = \beta_1 + \beta_2 + \beta_3 X_{3it} + \cdots + \beta_n X_{nit} + e_{it} \quad (2)$$

in order to streamline the econometric model, the variables related to political institutions, which include six indicators, can be condensed into a single index called political institutions using the Principal Component Analysis (PCA) technique (Magyar, 2022). The research model employed in this study demonstrates the correlation between economic growth and political institutions. Presented below is the econometric model utilized in this investigation.

$$\ln \_gdp_{it} = \alpha_i + \alpha_1 ins_{pol_{it}} + \alpha_2 ins_{eco_{it}} + \alpha_3 fdi_{it} + \alpha_4 inf_{it} + \alpha_5 pop_{it} + u_{it} \qquad (3)$$

where $gdp_{it}$ is gdp per capita, $ins\_polit_{it}$ is political institution, $ins\_eco_{it}$ is economic institution, $fdi_{it}$ is foreign direct investment, $inf_{it}$ is inflation, $pop_{it}$ is population growth and $u_{it}$ is error term.

# Result and Discussion

Economic growth, as measured by GDP per capita, has an average of $1,123.75 per year with a low of $9,9124 per year and a high of $10,4933 per year. Political institutions have an average of -0.72 points, with the lowest value of -2.06 points and the highest value of 1.61 points. Economic institutions have an average of 62.50 points, indicating that ASEAN has an open type of economy, while the lowest point is 36.7 points, and the highest is 89.7 points. Inflation averages 3.14%, with the lowest value of -2.65% and the highest value of 18.67%. Foreign direct investment has an average increase of 6.29%, with the lowest decrease of -1.32% and the highest increase of 34.89%. Furthermore, population growth averages 1.10%, with the lowest figure of -4.17% and the highest figure of 2.45%. For more details, see Table 1 below.

Table 1. Summary Statistics

| Variables | Mean | Std. Deviasi | Min | Max |
|---|---|---|---|---|
| GDP per Capita | 1.123.75 | 9.5592 | 9.9124 | 10.4933 |
| Political Institutions | -0.72 | 0.88 | -2.06 | 1.61 |
| Economic Institutions | 62.50 | 11.64 | 36.7 | 89.7 |
| Foreign Direct Invesment | 6.29 | 6.79 | -1.32 | 34.89 |
| Inflation | 3.14 | 3.08 | -2.65 | 18.67 |
| Population Growth | 1.10 | 0.65 | -4.17 | 2.45 |

The Chow test was conducted to determine or compare the right and good research model used between the Common Effect or the Fixed Effects Model (FEM) with the following hypothesis:
$H0$: $Cross\text{ - }section\ dan\ Chi\text{ - }Square > \alpha\ (alpha)$ means that the Common Effect Model is the best.
$Ha$: $Cross\text{ - }sectiondan\ Chi\text{ - }Square < \alpha\ (alpha)$ means that the Fixed Effect Model (FEM) is the best.

Based on Table 2 shows that $Chi\text{ - }Square < \alpha\ (alpha)$, so in this test, it can be concluded that $H0$ is rejected, which means that the appropriate regression used is the Fixed Effect Model (FEM).

Table 2. Chow Test

| Description | Probability | Significant |
|---|---|---|
| Uji *Chow* | 0.0000 | 5% or 0,05 |

The Hausman test was conducted to know the most appropriate model to use between the Fixed Effect Model (FEM) or Random Effect Model (REM) in the study, with the following criteria:
$H0$: $prob > chi2 > \alpha$ (0.05) means that the Random Effect Model (REM) is the best.
$Ha$: $prob > chi2 < \alpha$ (0.05) means that the Fixed Effect Model (FEM) is the best.

Table 3. Hausman Test

| Description | Probability | Significant |
|---|---|---|
| Uji *Hausman* | 0.0037 | 5% or 0,05 |

Meanwhile, Table 3 shows that $prob > chi2 < \alpha\ (alpha)$, then in this test, it can be concluded that $H0$ is rejected which means that the appropriate regression is the Fixed Effect Model (FEM).

The multicollinearity test is used to see if there is a relationship between the independent variables in the model. Multicollinearity problems can give a large standard error value. Testing to see multicollinearity problems can be done using a correlation matrix. Based on Table 4, the correlation value of the independent variables is below 0.8, indicating no multicollinearity problem in this study.

Table 4. Multicollinearity

| | (1) | (2) | (3) | (4) | (5) | (6) |
|---|---|---|---|---|---|---|
| LNGDP | 1.0000 | | | | | |
| Political Institutions | -0.2950 | 1.0000 | | | | |

| | (1) | (2) | (3) | (4) | (5) | (6) |
|---|---|---|---|---|---|---|
| Economic Institutions | 0.3134 | 0.5738 | 1.0000 | | | |
| FDI | -0.0823 | 0.5624 | 0.5534 | 1.0000 | | |
| Inflation | 0.0346 | -0.3023 | -0.4787 | -0.1692 | 1.0000 | |
| Population Growth | -0.1615 | -0.0272 | -0.1431 | 0.2450 | 0.0926 | 1.0000 |

The heteroscedasticity test is a regression model test to determine the inequality of variance from the residuals of one observation to another. The following are the results of the heteroscedasticity test.

Table 5. Heteroskedasticity Test

| Description | $\boldsymbol{Prob > chi2}$ | $\boldsymbol{p - value\ (\alpha)}$ |
|---|---|---|
| Heteroskedasticity Test | 0.0000 | 5% atau 0,05 |

Table 5 shows that the value of $prob > chi2$ is 0.0000, which means that the value of $prob > chi2 < p$ - $value$ $(\alpha)$ then $H0$ is accepted so that it shows that there is no heteroscedasticity problem.

The autocorrelation test is a regression model test to determine residuals that are not free between one observation and another. Based on Table 6 shows that the value of $prob > chi2$ is 0.4989, which means that the value of $prob > chi2 > p$ - $value$ $(\alpha)$ then $H0$ is accepted so that it does not show an autocorrelation problem.

Table 6. Autocorrelation Test

| Description | $\boldsymbol{Prob > chi2}$ | $\boldsymbol{p - value\ (\alpha)}$ |
|---|---|---|
| *A*utocorrelation *T*est | 0.9107 | 5% atau 0,05 |

Table 7 shows that the model's political institutions variable, using six (six) indicators, namely political stability, absence of violence, corruption control, government effectiveness, regulatory quality, rule of law, voice, and accountability, has a positive and significant effect on economic growth. This explains that if there is an increase in the quality of political institutions by 1 point, it will encourage economic growth by 0.16% cateris paribus. This is in line with research Muja & Gunar (2019), Sabir (2019) and Li et al., (2020) which shows that political institutions influence economic growth. The positive impact of controlling corruption, an effective bureaucracy and a controlled law and order situation increases economic growth in high-income countries compared to low-income countries. The positive and significant relationship between the quality of political institutions and economic growth will also affect investment. If the quality of institutions is low, it will affect the level of investment because investors will first look at the state of the political institutions of the destination country, which will affect the rate of return on investment (Sari, 2021). In addition to affecting low investment, it will also affect low productivity growth, low per capita income, and slower overall output growth. However, if the quality of political institutions is good, it will affect increased investment and economic growth. Moreover, Institutional quality directly affects FDI inflows and economic performance and strong legal and political institutions increase investor confidence, reducing capital flight risks (Wang et al., 2022). Brancaccio & De Cristofaro, (2022) mentioned several characteristics that must be met to categorize political institutions as good institutions that can encourage economic growth. The first characteristic is the certainty of legal protection in property rights. Property rights are legal rules created to explain what certain individuals or groups of people can do with what they own. Individual property rights will create incentives that can increase an individual's prosperity. The second characteristic is the existence of behavioral restrictions for elites or other members of influential groups. The elites or influential groups in question have the power to choose institutions that can increase the benefits of the elites even though they often burden society. The third characteristic is equal opportunity for all groups in society to achieve progress. Opportunities that are open and given to every community will encourage the community to develop. The more developed the community, the better the impact on the community environment (Djuric, 2023).

The research findings indicate that the economic institution variables, including Property Rights, Freedom From Corruption, Fiscal Freedom, Government Spending, Business Freedom or Regulatory Freedom, Labor Freedom, Monetary Freedom, Trade Freedom, Investment Freedom, and Financial Freedom, have a positive and statistically significant impact on economic growth. These variables were measured using 10 constituent components. This statement indicates that a 1-point improvement in the quality of economic institutions will result in a 0.04% rise in economic growth, assuming all other factors remain constant. These results are similar to research conducted by Wang et al., (2022). These studies demonstrate that the quality of economic institutions plays a crucial role in stimulating economic growth. This is achieved by ensuring

guarantees and enhancing the quality of private property rights, which in turn promotes investment in research and development (R&D), advances production technology, fosters human resources, and creates an environment that encourages savings to maintain the availability of loan funds. Economic institutions play a crucial role in ensuring stability, particularly in matters related to property rights, which in turn leads to an increase in economic growth.

The research results showed that the foreign direct investment variable positively and significantly affected economic growth. In this study, the estimation results obtained from the foreign direct investment variable have a coefficient value of 0.0045, which explains that if the foreign direct investment variable increases by 1%, it will increase economic growth by 0.045%, which cateris paribus. These results are similar to research conducted by Muhammad & Khan, (2019) using the Generalized Method of Moments, which shows that net inflow of foreign direct investment can move the wheels of economic growth in the ASEAN region. However, the net inflow in the ASEAN region is still far below that of other East Asian countries such as China, Japan, and Hong Kong.

The research showed that the inflation variable negatively and significantly affected economic growth. In this study, the estimation results obtained from the inflation variable have a coefficient value of -0.0286, which in the variable in the model has a negative and significant effect on economic growth. This explains that if the inflation variable increases by 1%, it will reduce economic growth by -0.2% cateris paribus. In research, inflation will hurt economic growth if the inflation is high and or hyperinflation. A high and unstable inflation rate reflects the instability of economic conditions, leading to an increase in the price level of goods and services, resulting in increased poverty. Similar results are also found in research conducted by , which found that the inflation rate affects economic growth. The inflation rate will reduce people's purchasing power and consumption, ultimately hampering economic growth. Tetlow, (2022) found that high inflation rates will impact slowing economic growth; otherwise, if the government can control inflation at a low level, the effect is that accelerating economic growth will be easier to achieve. Mankiw, (2024) explains that the inflation rate can cause a reduction in people's purchasing power, which will affect consumption and lead to an inhibition of economic growth. Inflation can also have a positive impact on economic growth. If a country's economy is experiencing sluggishness, the Central Bank will make an expansionary monetary policy by lowering interest rates. A decrease in interest rates causes lending rates to fall so that the easing of monetary policy will ultimately increase the purchasing power of creditors, which can increase production capacity and economic growth (Mankiw, 2024).

In the research conducted, the results obtained were that the population or population growth variable had negative and significant results on economic growth. In this study, the estimation results of the population variable have a coefficient value of -0.0196, which in the variable in the model has a negative and insignificant effect on economic growth. This explains that if the population variable increases by 1%, it will reduce economic growth by -0.19% cateris paribus. These results are similar to research conducted by Brida et al., (2024), where population growth will hinder economic growth in a country. According to Solow's theory, population growth will reduce output and income per capita. Population will hurt economic growth if the quality of human resources does not match population growth. In addition, if the population is too high, it can cause slow economic growth because when the rate of economic growth is rapid in a country but not matched by the availability of jobs, it will impact. Population growth can also positively respond to economic growth if population growth can be balanced with good-quality human resources. In addition, population growth will expand the market and increase economic specialization. As a result of specialization, the level of economic activity will increase. The specialization and division of labor among workers will accelerate economic growth because the specialization will increase labor productivity and encourage technological development (Yunianto, 2021).

Table 7. Estimation of Common Effect, Fixed Effect and Random Effect Model

| Variables | Common Effect | Fixed Effect | Random Effect |
|---|---|---|---|
| Constant | 18.1034*** | 22.7783*** | 22.7598*** |
| | (0.6667) | (0.9130) | (0.9222) |
| Political Institutions | -1.1057*** | 0.1644* | -0.2723 |
| | (0.1654) | (0.0749) | (0.2684) |
| Economic Institutions | 0.1218*** | 0.0457** | 0.0498*** |
| | (0.0097) | (0.0143) | (0.0151) |
| Foreign Direct Invetsment | -0.0518*** | 0.0454 | -0.0220 |
| | (0.0185) | (0.0073) | (0.0270) |
| Inflation | 0.1294*** | -0.0286** | -0.0294* |

| Variables | Common Effect | Fixed Effect | Random Effect |
|---|---|---|---|
| | (0.0313) | (0.0106) | (0.1567) |
| Population Growth | -0.3141*** | -0.0196 | -0.1119 |
| | (0.3352) | (0.0259) | (0.0734) |
| Obs | | 120 | 120 |
| Groups | | 10 | 10 |

Source: Author

*** significant at 1%, ** significant at 5%, * significant at 10%. Values in parentheses are robust standard error.

A robustness check is a method used in research, particularly in economics, finance, and social sciences, to test whether a study's results hold under different assumptions, datasets, or model specifications. It ensures that random variations, model choices, or specific assumptions do not drive findings. Robustness checks are a key part of empirical research, as they add credibility to the results by demonstrating that findings are not sensitive to small changes in data or methodology.

Table 8. *Robustness Check*

| Variables | Fixed Effect Model | |
|---|---|---|
| | (1) | (2) |
| Constant | 25.56432*** | 22.7783*** |
| | (0.0127) | (0.9130) |
| Political Institutions | 0.3255* | 0.1644* |
| | (0.1662) | (0.0749) |
| Economic Institutions | - | 0.0457** |
| | | (0.0143) |
| Foreign Direct Investement | - | 0.0454 |
| | | (0.0073) |
| Inflation | - | -0.0286** |
| | | (0.0106) |
| Population Growth | - | -0.0196 |
| | | (0.0259) |

*** significant at 1%, ** significant at 5%, * significant at 10%. Values in parentheses are robust standard error.

This study tested the dependent variable's consistency (robustness check), namely political institutions. The test was conducted by comparing two regression models in the fixed effect model method, where the first model was without added control variables, and the second model was with the addition of control variables. Table 8 below shows that political institutions consistently affect economic growth positively and significantly before and after adding control variables. This indicates that the role of political institutions in promoting economic growth consistently shows a positive and significant relationship. Even when adding control variables such as economic institutions, foreign direct investment, inflation, and population growth, political institutions remain a strong predictor of long-run growth.

# Conclusions

Based on the previous discussion, it can be concluded that political institutions have a positive and significant effect on economic growth. Political institutions can directly influence the increase and decrease in economic growth in a country because if an investor wants to invest some of his capital in a country, the main thing that the investor will do is consider the political institutions of the destination country, because political institutions will affect the return on investment. However, there are some weaknesses in this study that need to be considered, including that there are still other transmissions that are thought to affect the relationship between institutions and economic growth and are not used in this study such as human capital, technological development and total factor productivity and so on.

Reflecting on the political phenomena that often occur in developing countries are wars or ethnic conflicts, elections and coups that can bring the country's economic conditions into a downward state. Therefore, the government is expected to be able to provide stronger policies or provide deterrent sanctions to government power holders or even people who violate norms.

The development for future researchers is to use other indicators to measure institutions, especially political institutions. Then, future researchers can look more in depth regarding the impact of political institutions on economic growth on various macroeconomic variables such as human capital, foreign investment, inflation and economic openness. In addition, future researchers can develop research such as looking at the causal relationship between political institutions and economic growth.

# References


Abdelhameed, F. A., & Rashdan, A. M. (2021). A Deeper Look Into Political Instability and Economic Growth: Case Study and Empirical Analysis on a Selection of Countries. *Research in World Economy*, *12*(3). https://doi.org/10.5430/rwe.v12n3p18

Adevia, E., Dewi, F., & Kunthi, Z. (2019). Pengaruh Pelaksanaan Pemilu Presiden Indonesia Tahun 2019 Terhadap Return Saham JII70 di INDONESIA. *Journal of Economics*, 146–168.

Azimi, M. N. (2023). Re-examining money demand function for South Asian economies. *Social Sciences and Humanities Open*, *8*(1). https://doi.org/10.1016/j.ssaho.2023.100546

Bland, B. (2019). *Politics in Indonesia : Resilient elections , defective democracy*.

Brancaccio, E., & De Cristofaro, F. (2022). In Praise of 'general laws' of Capitalism: Notes from a Debate with Daron Acemoglu. *Review of Political Economy*, *36*(1). https://doi.org/10.1080/09538259.2022.2037930

Brida, J. G., Alvarez, E., Cayssials, G., & Mednik, M. (2024). How does population growth affect economic growth and vice versa? An empirical analysis. *Review of Economics and Political Science*, *9*(3). https://doi.org/10.1108/REPS-11-2022-0093

Djuric, D. (2023). The impact of upbringing and the local community on the development of environmental awareness among college educated people in Bosnia and Herzegovina. *Environment, Development and Sustainability*, *25*(6). https://doi.org/10.1007/s10668-022-02271-0

Fiqry Ichvani, Litfiana, H. S. (2019). Pengaruh Korupsi, Konsumsi, Pengeluaran Pemerintah Dan Keterbukaan Perdagangan Terhadap Pertumbuhan Ekonomi di ASEAN 5. *Jurnal REP ( Riset Ekonomi Pembangunan )*, *4*(1), 61–72.

Fischer, A. M., & Storm, S. (2023). The Return of Debt Crisis in Developing Countries: Shifting or Maintaining Dominant Development Paradigms? *Development and Change*, *54*(5), 954–993. https://doi.org/10.1111/dech.12800

Kwaw-Nimeson, E., & Tian, Z. (2023). Institutional Quality, Foreign Direct Investment, and Regional Integration: Empirical Evidence From CEN-SAD. *SAGE Open*, *13*(1). https://doi.org/10.1177/21582440221148389

Li, F., Appiah, M., & Korankye, B. (2020). Financial Development and Economic Sustainability in ECOWAS Countries: the Role of Institutional Quality. *Etikonomi*, *19*(1), 41–50. https://doi.org/10.15408/etk.v19i1.13709

Magyar, Z. B. (2022). What Makes Party Systems Different? A Principal Component Analysis of 17 Advanced Democracies 1970-2013. *Political Analysis*, *30*(2), 250–268. https://doi.org/10.1017/pan.2021.21

Mankiw, N. G. (2024). *Principles of economics*. Cengage.

Meester, J. (2021). Economic impact of COVID-19. *Clingendael Institute*, 30–50.

Muhammad, B., & Khan, S. (2019). Effect of bilateral FDI, energy consumption, CO2 emission and capital on economic growth of Asia countries. *Energy Reports*, *5*, 1305–1315. https://doi.org/10.1016/j.egyr.2019.09.004

Muja, A., & Gunar, S. (2019). Institutions and economic performance: Evidence from Western Balkans 1996-2016. *IFAC-PapersOnLine*, *52*(25), 287–292. https://doi.org/10.1016/j.ifacol.2019.12.497

Rasyid, S., Prabandari, A. P., Daren, B. C., & Simanjuntak, C. (2022). The Role of Indonesian Diplomacy in Managing the Conflict between The Myanmar Government and The Rohingya Muslim Ethnic. *Unnes Law Journal*, *8*(1). https://doi.org/10.15294/ulj.v7i1.53704

Sabir, S. (2019). Fiscal policy, institutions and inclusive growth: evidence from the developing Asian countries. *International Journal of Social Economics*, *46*(6), 822–837. https://doi.org/10.1108/IJSE-08-2018-0419

Sari, W. N. (2021). Pengaruh Stabilitas Politik, Kriminalitas dan Daya Saing Global Terhadap Investasi Asing Langsung di 6 Negara. *Jurnal Kajian Ekonomi Dan PembangunN*, *3*(2011), 178–190.

Sehrawat, M., & Giri, A. K. (2019). Globalization, role of institutions and economic performance in Indian economy: Empirical evidence. *Journal of Financial Economic Policy*, *11*(1). https://doi.org/10.1108/JFEP-03-2018-0052

Singh, B. P., & Pradhan, K. C. (2020). Institutional quality and economic performance in South Asia. *Journal of Public Affairs*, 1–13. https://doi.org/10.1002/pa.2401

Snyder, H. (2019). Literature review as a research methodology: An overview and guidelines. *Journal of Business Research*, *104*. https://doi.org/10.1016/j.jbusres.2019.07.039

Surya, B., Menne, F., Sabhan, H., Suriani, S., Abubakar, H., & Idris, M. (2021). Economic growth, increasing productivity of smes, and open innovation. *Journal of Open Innovation: Technology, Market, and Complexity*, *7*(1), 1–37. https://doi.org/10.3390/joitmc7010020

Tetlow, G. (2022). Tackling rising inflation and slowing growth Government's big decision on how to share the pain. *Institute for Government*, *May*.

Todaro, M. P. ., & Smith, S. C. . (2020). *Economic development*. Pearson.

Wang, M. L., Ntim, V. S., Yang, J., Zheng, Q., & Geng, L. (2022). Effect of institutional quality and foreign direct investment on economic growth and environmental quality: evidence from African countries. *Economic Research-Ekonomska Istrazivanja* , *35*(1), 4065–4091. https://doi.org/10.1080/1331677X.2021.2010112

Yunan, Z. Y. (2023). Institutional Quality and Economic Growth in Muslim Countries. *Economics Development Analysis Journal*, *12*(4), 427–440. https://doi.org/10.15294/edaj.v12i4.69330

Yunianto, D. (2021). Analisis pertumbuhan dan kepadatan penduduk terhadap pertumbuhan ekonomi. *Forum Ekonomi*, *23*(4), 688–699. https://doi.org/10.30872/jfor.v23i4.10233