

# Economic Growth Determinants in Selected ASEAN Countries

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## ABSTRACT

This study aims to analyze the variables determining economic growth in selected ASEAN countries (Singapore, Malaysia, Thailand, Indonesia, and the Philippines). Other independent variables in this study consisted of foreign direct investment and foreign debt. The research method used was panel data analysis. The data used in this research was annual data from 2010-2019 sourced from the World Bank and Transparency International, the Global Coalition Against Corruption. The model employed in this research was panel data analysis by applying Fixed Effect Model analysis. The results showed that foreign direct investment did not affect economic growth in ASEAN countries. Meanwhile, the foreign debt variable had a positive and significant effect on economic growth, and the corruption perception index had a positive and significant impact on the economic growth of selected ASEAN countries. The conclusion and recommendation from this research are that ASEAN countries need to improve the investment climate and law enforcement in eradicating corruption practices to encourage economic growth in the ASEAN region.

**Keywords:** Corruption Perception Index, Economic Growth

## 1. INTRODUCTION

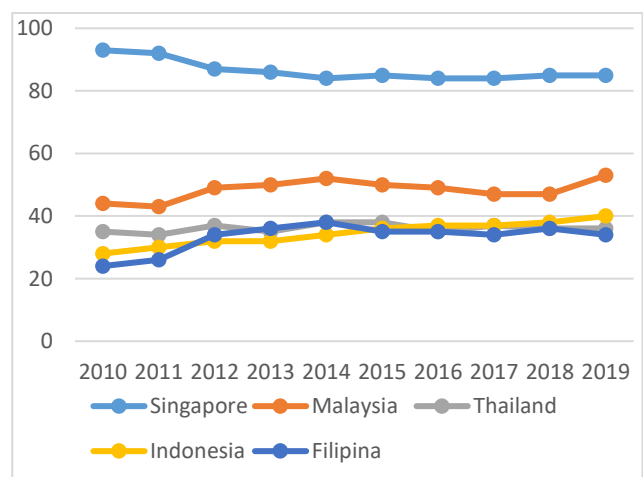
Corruption is a threat to development in developing countries, including ASEAN. A poor bureaucratic system and weak state financial supervision are the reasons for the high level of corruption in using development funds. The high number of corruption cases has hampered the pace of economic growth. It is due to the decline in the quality of development projects and the reduction in aid funds reaching the community due to a large number of illegal levies.

As a developing country, countries in the ASEAN region are aggressively promoting development in various sectors. The ASEAN region is an area with strategic economic value in the context of regional and international economic growth. In addition, the ASEAN region is an area crossed by international trade through the Malacca strait and is supported by abundant natural resources and human resources.

Various types of natural resource wealth from ASEAN countries, such as oil, coal, gold, aluminum, copper, and iron, are found in Indonesia. Likewise, Malaysia has natural wealth in rubber and palm oil commodities in addition to its industrial and trade sectors. Besides, Singapore has an essential role in the financial and banking services industry, aside from being a world trade center with a modern port.

The figure 1 above shows that there are economic disparities between one country and another in ASEAN. Countries included in the category of countries with large economic capacity include Indonesia, Malaysia, Thailand, the Philippines, and Singapore. Meanwhile, Laos, Myanmar, Vietnam, and Cambodia are included in the countries with

low-middle economic capacity. However, seen from the growth trend, there is a significant increase in GDP growth from year to year. Here, an important aspect of increasing economic growth is how to create a conducive economic climate so that investment can develop and suppress corruption practices that can disrupt the economy. The following describes foreign investment in ASEAN countries:



**Figure 1. Corruption perception index**

Figure 1 above displays an overview of the corruption perception index in several ASEAN countries. The higher the corruption perception index, the lower the corruption practice

in a country according to people's perceptions. In 2019, the highest value of the corruption perception index was Singapore at 85, followed by Malaysia, Indonesia, and Thailand at 53, 40, and 36, respectively, with the lowest being the Philippines at 34. The illustration depicts how the quality of government bureaucracy in public services impacts the level of public trust in the government in the process of economic development. Therefore, this study analyzes the effect of foreign investment, foreign debt, and corruption perception index on economic growth in selected ASEAN countries, including Indonesia, Malaysia, Singapore, Thailand, and the Philippines.

**2. THEORETICAL FRAMEWORK**

Theoretically, economic development is influenced by economic and non-economic factors. Non-economic factors such as culture, which affect economic development, are often the dominant factors in the development process in developing countries, including ASEAN countries. Besides, public perception of corruption towards economic development is a non-economic factor that affects economic growth. The low practice of corruption will encourage an increase in the public corruption perception index to increase public participation in development and encourage an improvement in the investment climate, which will ultimately increase economic growth. It can be explained through the influence of economic factors in the development process.

In this regard, economic growth is a long-term perspective. If there is an increase in output per capita one or two years later followed by a decrease in output per capita, it cannot be called economic growth. In contrast, if the increase in output per capita has increased over a long period of 10, 20, or 50 years, it can be said to have experienced economic growth. Of course, the risk of a decrease in output per capita could happen at any time. If, in a long period of output per capita, it shows a clear trend, namely experiencing an increase, then this can be said to be economic growth (Nain & Yusoff, 2003).

Further, Gross Domestic Product at Constant Prices can also be referred to as Real Gross Domestic Product. This type of GDP serves to correct the number of figures in the Nominal Gross Domestic Product by incorporating the effect of the price. There are two ways to calculate Gross Domestic Product through two approaches (Lembong, 2013). The following is the most common formula for Gross Domestic Product, namely the expenditure approach:

$$GDP = \text{consumption} + \text{investment} + \text{government spending} + \text{exports} - \text{import}$$

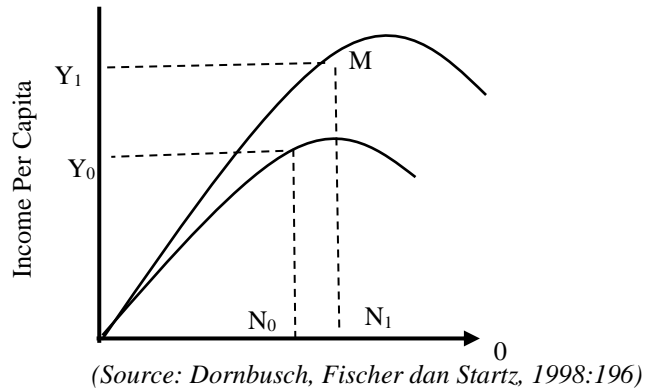
The expenditure formula above represents activities carried out in households, investments made by the business sector, government spending carried out by the government itself, and exports and imports involving the foreign sector.

Meanwhile, the second formula is the income approach, which is to calculate income from the receipt of production factors (Lembong, 2013):

$$GDP = \text{rent} + \text{wages} + \text{interest} + \text{profit}$$

The second formula above includes rent, for example, land, income by the owners of fixed production factors, wages such as wages for labor, interest for capital owners, and profits for entrepreneurs.

In theory, these two formulas, namely the expenditure approach and the income approach, are required to have the same numerical results. However, in practice, to calculate GDP, the income approach is rather difficult to do, making it rarely used; otherwise, the expenditure approach is often used (Lembong, 2013).



**Figure 2. Economic Growth**

Moreover, if the population level increases, it will cause a certain number of people to produce marginal production equal to per capita income. In this situation, the per capita income reaches its maximum value, and the population is called the optimum population. The figure above shows the per capita income levels for various populations, and M is the peak point on the curve. Then, the optimal population is a population of N0, and the maximum per capita income is Y0.

In his view of economic growth theory, Adam Smith rests on the acceleration of a country's production system. The production system of a country consists of three main elements (Budiono, 1992: 7-8): four available natural resources (or land production factors), human resources (population), and the existing stock of capital goods.

In the second element, human resources or population is considered to have a passive role in the output process. It indicates that this population adjusts to labor needs. For example, the available capital stock requires 1 million people to use it. In comparison, the number of available workers is only around 900 thousand people, so the number of people who will occupy this job tends to increase; thus, the available workforce eventually reaches.

**3. RESEARCH METHODOLOGY**

The choice of this model uses the best analysis test from three approaches: common effect, fixed effect, and random effect. By carrying out these three approaches, it can be seen which approach/model is the best for estimating panel data. The Chow and Hausman tests must be carried out to determine which approach or model is the best and most appropriate for analyzing the panel data in this study.

$$\text{LOG(GDP)} = \beta_0 + \beta_1 * \text{LOG(FDI)} + \beta_2 * \text{LOG(FD)} + \beta_3 * \text{LOG(CPI)} + \text{et}$$

Information:

- GDP : Gross Domestic Product
- FDI : Foreign Direct Investment
- FD : Foreign Debt
- CPI : Corruption Perception Index
- $\beta_0$  : Constant
- $\beta_1 \dots \beta_3$  : Parameter Coefficient
- et : Disturbance Error

Based on the estimation results in Table 1 above, a panel data model could be made on economic growth in selected ASEAN countries, which can be interpreted as follows:

- $\beta_0$  : The value 1.506045 means that if all independent variables (Foreign Direct Investment, External Debt, and Corruption Perception Index) are considered constant or do not change, economic growth will increase by 1.506045 percent.
- $\beta_1$  : The value -0.034182 means that when foreign direct investment increases by 1 percent, it will reduce the economic growth rate by 0.034182 percent.
- $\beta_2$  : The value of 0.511100 means that when foreign debt increases by 1 percent, it will increase the economic growth rate by 0.511100 percent.
- $\beta_3$  : The value of 0.438113 means that when the corruption perception index increases by 1 percent, it will increase the economic growth rate by 0.438113 percent.

$$\text{LOG(GDP)Singapore} = (-1.491513) \text{ (region effect)} + 1.506045 -$$

$$(0.034182) * \text{LOG(FDI)}_{\text{Singapore}} + 0.511100 * \text{LOG(FD)}_{\text{Singapore}} + 0.438113 * \text{LOG(CPI)}_{\text{Singapore}}$$

$$\text{LOG(GDP)Malaysia} = (-0.149820) \text{ (region effect)} + 1.506045 -$$

$$(0.034182) * \text{LOG(FDI)}_{\text{Malaysia}} + 0.511100 * \text{LOG(FD)}_{\text{Malaysia}} + 0.438113 * \text{LOG(CPI)}_{\text{Malaysia}}$$

$$\text{LOG(GDP)Thailand} = 0.382997 \text{ (region effect)} + 1.506045 -$$

$$(0.034182) * \text{LOG(FDI)}_{\text{Thailand}} + 0.511100 * \text{LOG(FD)}_{\text{Thailand}} + 0.438113 * \text{LOG(CPI)}_{\text{Thailand}}$$

$$\text{LOG(GDP)Indonesia} = 0.334059 \text{ (region effect)} + 1.506045 -$$

$$(0.034182) * \text{LOG(FDI)}_{\text{Indonesia}} + 0.511100 * \text{LOG(FD)}_{\text{Indonesia}} + 0.438113 * \text{LOG(CPI)}_{\text{Indonesia}}$$

$$\text{LOG(GDP)Filipina} = 0.924278 \text{ (region effect)} + 1.506045 -$$

$$(0.034182) * \text{LOG(FDI)}_{\text{Philippines}} + 0.511100 * \text{LOG(FD)}_{\text{Philippines}} + 0.438113 * \text{LOG(CPI)}_{\text{Philippines}}$$

Information:

- GDP : Gross Domestic Product
- FDI : Foreign Direct Investment
- FD : Foreign Debt
- CPI : Corruption Perception Index

#### 4. RESULTS AND DISCUSSION

Based on the estimation results presented above, each country produced a constant value of different fixed-effect models. It could be concluded that each country had different changes in the economic growth level if the variables of foreign direct investment, foreign debt, and corruption perception index were excluded from the model.

In this study, Thailand, Indonesia, and the Philippines had a positive regional effect or cross-section economic growth value, where each country had a coefficient value of 0.382997 for Thailand, 0.334059 for Indonesia, and 0.924278 for the Philippines. However, the economic growth of Singapore and Malaysia had a negative regional or cross-section effect of -1.491513 for Singapore and Malaysia for -0.149820.

Based on the hypothesis testing results for the foreign direct investment variable (X1), the regression coefficient value was 0.034182. It signifies that when foreign direct investment increases by one unit, economic growth will increase by 0.034182 units. The probability value of the foreign direct investment variable (X1) was 0.1102 >  $\alpha$  0.05, or not significant. Thus, (H1) was rejected.

The panel data analysis approach is described in the following table:

**Table 1. Model Estimation for Common Effect, Fixed Effect, and Random Effect**

Independent Variables	Model		
	Common Effect	Fixed Effect	Random Effect
<b>Constant (C)</b>	26.41575	1.506045	16.50598
Standard error	1.519255	1.667632	0.985753
Probability	0.0000	0.3716	0.0000
<b>Investment (X1)</b>	-0.10245	0.034182	0.047075
Standard Error	0.058269	0.020945	0.019987
Probability	0.8612	0.1102	0.0228
<b>Foreign Debt (X2)</b>	0.743473	0.511100	0.373657

Standard error	0.058269	0.102862	0.055334
Probability	0.0000	0.0000	0.0000
<b>Corruption Perception Index (X3)</b>	-2.115888	0.438113	-0.817594
Standard error	0.232262	0.168823	0.133916
Probability	0.0000	0.0130	0.0000
<b>Dependent Variable (Economic Growth)</b>	<b>Common Effect</b>	<b>Fixed Effect</b>	<b>Random Effect</b>
R <sup>2</sup>	0.680245	0.969172	0.193388
F-Statistic	32.62004	188.6287	3.676225
Prob (F-Stat)	0.000000	0.000000	0.018647
Durbin-Watson Stat	0.317582	0.473314	0.181083

Source: Processed results in EViews.

The table shows that two countries stood out. *First*, Singapore had the highest foreign direct investment compared to the other four ASEAN countries. Singapore has based its economic development on a proactive strategy to attract FDI using its trade openness. Since the World Bank's first publication of Doing Business rankings in 2003, the country had always been in the lead until 2018, New Zealand took it over. Singapore then maintained its second position in 2020, being profitable for loans to foreign investors, a simple regulatory system, tax incentives, high-quality real estate industrial estates, political stability, and the absence of corruption, making Singapore an attractive destination for investment. The country also has one of the best regulatory systems globally for tax payment (fast and cheap) and contract enforcement. In 2019, construction permits were addressed (in terms of enhancing the risk-based approach to inspections, increasing public access to land information, and rationalizing the process of obtaining building permits) (GlobalTrade, 2020).

*Second*, the Philippines experienced the lowest decline in the level of foreign direct investment compared to four other ASEAN countries. According to The Bangko Sentral ng Pilipinas (BSP) (Lopez, 2020), foreign direct investment into the Philippines fell in 2019 to its lowest level in four years, with the global trade war proposing changes to tax breaks for businesses fueling market jitters and global uncertainty dampening investor sentiment. RCBC economist, Michael Ricafort, said that the drop in investment was most likely due to the global economic slowdown caused by the long-running trade war between the United States and China. Phase one of the new trade agreement was then signed in January.

Meanwhile, Malaysia's chief statistician, Datuk Seri Dr. Mohd Uzir Mahidin, stated that Malaysia's foreign direct investment gets much equity from the Japanese state in health activities. The investment flows into Malaysia are mainly channeled into services, real estate, and financial activities. In 2019, the main contributors of foreign direct investment, two-thirds of FDI, were contributed by three countries: the United States (RM26.8 billion), China (RM15.7 billion), and Japan (RM12.1 billion). The essential projects approved in 2019 were the RM10 billion project by Intel to deliver cutting-edge assembly and testing technology and investment by UK-based company Smith + Nephew to set up an orthopedic manufacturing facility in Penang. In this case, Malaysia's excellent Foreign Direct Investment and Direct Investment performance create a favorable economic situation, attracting

foreign companies to continue investing and, similarly, local companies to expand and diversify their activities abroad. It was evidenced by the increase in Malaysia's gross domestic product in 2019 of \$ 398.676 billion US, which was \$ 382.129 billion US in the previous year. Mohd Uzir asserted that the manufacturing sector received the highest income from Foreign Direct Investment. In 2016, FDI in services outperformed manufacturing, especially in financial activities, evidenced by Malaysia's foreign direct investment of \$13,470 million US. Mohd Uzir also believes that Malaysia's continued focus on improving the manufacturing sector will further expand the spillover effect on the domestic economy (Yusof, 2020).

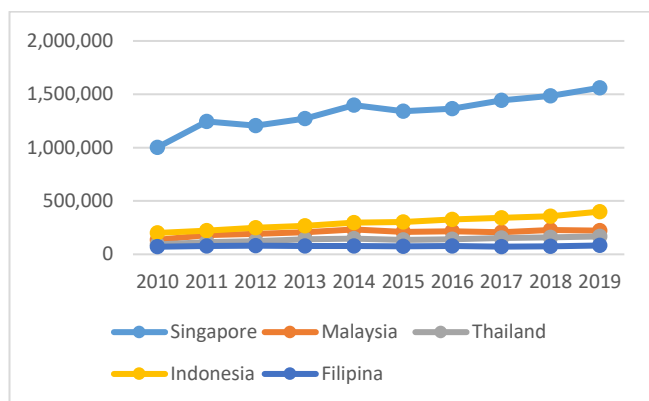
Furthermore, Thailand's foreign direct investment has decreased compared to the previous year. In 2019, Thailand's foreign direct investment was US \$ 6.130 billion, while in 2018, it was US \$ 13.205 billion. This decline occurred due to the general decline in investment in ASEAN member countries, a risk of increased regional competition, which risks reducing Thailand's attractiveness as an investment destination, lack of infrastructure and innovation, and Thailand's political uncertainty (since the 2014 military coup). However, with these weaknesses, it cannot be denied that it does not mean that no countries are willing to invest in Thailand, as evidenced by foreign direct investment into Thailand in 2019, amounting to US \$ 6.130 billion. According to Secretary-General of Thailand's Boards of Investment, Duangjai Asawaschinatachi, in 2019, for the first time, China topped the list of countries looking to invest in Thailand because of the effects of the United States-China trade dispute and Thailand's relationship with the One Belt, One Road (OBOR) initiative. Kobsak Pootrakool, deputy secretary-general of Prime Minister Prayuth Chan-o-cha, stated that the trade dispute between the US and China and Thailand's participation in China's One Belt, One Road initiative played a role in a dramatic increase in investment. China was also involved in several railway projects in Thailand. In October 2019, Thailand's State Railways signed an agreement with a consortium, including Chinese state-owned companies, to build a \$7.4 billion high-speed rail linking three airports (Rakkanam, 2020)

In Indonesia, foreign direct investment increased compared to the previous year. In 2019, the five largest countries of origin for foreign investment in the fourth quarter of 2019 were Singapore (the US \$ 6.5 billion, 23.1%), RR China (the US \$ 4.7 billion, 16.8%), Japan (the US \$ 4.3 billion, 15.3%), Hong Kong, China (the US \$ 2.9 billion, 10.2%), and the Netherlands (the US \$ 2.6 billion, 9.2%). The investment realization target in 2019 of IDR 792.0 trillion had been achieved by 102.2%, which is IDR 809.6 trillion. According to the Indonesian Investment Coordinating Board, the strategy to increase foreign direct investment is to focus on accelerating investment realization and overcoming various obstacles investors face due to licensing problems, land issues, and regulations. Real steps were taken by executing stalled projects as one of the strategies to achieve a larger investment target realization in 2020, namely IDR 886 trillion (Investment Coordinating Board, 2020).

This study's results revealed that foreign direct investment did not affect the economic growth of selected

ASEAN countries. The higher the value of foreign direct investment managed, the country's economic conditions will increase. It is consistent with the statement that foreign direct investment is more critical in ensuring the continuity of development than the flow of aid or portfolio capital (Panayotou, 1998). The coefficient value of 0.034182 indicates that any foreign direct investment entering the ASEAN region will increase GDP by 0.034182, assuming other variables constant (*Ceteris, Paribus*).

Based on the hypothesis testing results for the foreign debt variable (X2), the regression coefficient value was 0.511100. It indicates that when the foreign debt increases by one unit, economic growth will increase by 0.511100 units. The probability value of the foreign debt variable (X2) was  $0.0000 < \alpha 0.05$ , or significant; hence, (H2) was accepted.



**Figure 3. Foreign Debt in Five Selected ASEAN Countries in 2010-2019 (Billion US\$)**

Foreign debt is a flow of capital that is not driven by seeking profit and is provided with lighter terms than those applicable in the international market (Sukirno, 1985). In this case, Singapore has the highest amount of external debt of the four other ASEAN countries. The highest level of foreign debt in Singapore occurred in 2019, namely US \$ 1.56 billion. According to Tan (2020), in 2019, Singapore's energy sector, which made up one-fifth of the city-state's gross domestic product, experienced negative income; in other words, it suffered losses. The problem of the underfunded sector is one of the factors why Singapore's foreign debt in 2019 increased. Another factor is that Singapore borrowed a lot of money, not for funding but specific infrastructure projects. After the projects were completed, they produced assets with a running value for Singapore.

Then, Indonesia is the country with the second-largest foreign debt receipts among the five ASEAN countries. In 2019, Indonesia's foreign debt increased to the US \$ 400,273 million compared to last year's US \$ 358,043 million. It was due to the Indonesian government's policy of opening up the pockets of foreign debt receipts as widely as possible. The policy implemented by the Indonesian government with a large amount of foreign debt is since the government requires a large amount of budget to improve infrastructure conditions that support economic growth. In addition to infrastructure improvements, it is hoped that an increase in the number of foreign debt receipts will also be a

solution for the government in carrying out programs that could not be achieved in the previous year due to the limited amount of the state budget (APBN) and for equitable distribution of population income by giving employment opportunities by providing capital for small and medium society.

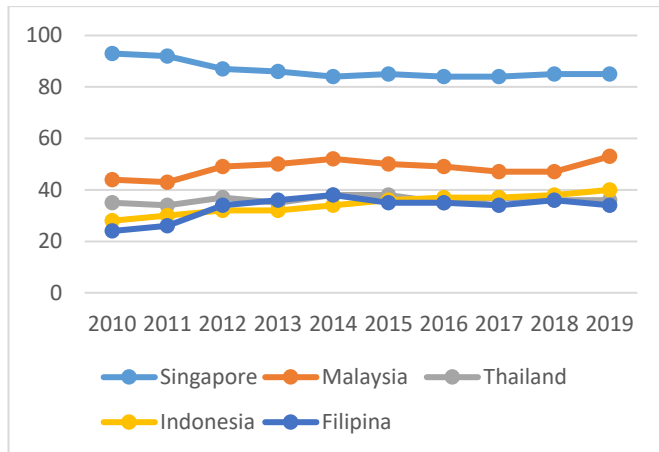
Moreover, Malaysia is in third place in foreign debt compared to the other two countries. In 2019, Malaysia's foreign debt increased from the previous year, US \$ 221,117 million in 2019. According to the 2019 Economic and Monetary Review report by Bank Negara Malaysia (BNM), this increase was mainly due to increased non-resident ownership of debt securities, domestic deposits, and foreign loans by corporations (Zainul, 2020).

Fourth, Thailand's foreign debt also increased from the previous year, US \$ 167,724 million in 2019. The increase in foreign debt in 2019 occurred due to Thailand's national financial stability. The governor of the Bank of Thailand, Veerathai Santiprabhob, warned that the economy could be hurt by further delays in forming a new government and rising household debt (Limviphuwat, 2019).

Meanwhile, the Philippines has the smallest foreign debt compared to four other ASEAN countries. In 2019, the Philippines' foreign debt was US \$ 82,673 million. This figure increased compared to last year's US \$ 76,414 million. According to Finance Undersecretary and Chief Economist Gil Beltran, the relatively low foreign debt proves the government's policy to maintain prudent lending activities. However, the Philippine government still increases its lending to cover the budget deficit from increased spending amid falling revenues (Lucas, 2019).

The results of this study are in line with the results of previous research conducted by Herlambang (2018), which stated that economic growth has a significant positive effect on economic growth. The results of this study are also supported by Ramadhani (2014) that foreign debt has a significant positive effect on economic growth. In addition, Keynes affirmed that foreign loans are made due to a country's budget deficit. Therefore, it is to cover the deficit budget so that the development financing process in a country does not experience shortages. In the macroeconomic model, Keynes also revealed that the government budget is essential for regulating the economy's aggregate demand. If a country's economy is under full payment, the government will increase aggregate demand with increased government spending or reduce taxes.

Based on the hypothesis testing results of the corruption perception index variable (X3), the value of the regression coefficient was 0.438113. When the corruption perception index increases by one unit, economic growth will increase by 0.438113 units. The probability value of the corruption perception index variable (X3) was  $0.0130 < \alpha 0.05$ . It denotes significance so that H3 was accepted. It shows that the cleaner the country is from corruption, the more economic growth will be.



**Figure 4. Corruption Perception Index in Five Selected ASEAN Countries in 2010-2019 (Index)**

Further, the corruption perception index is used as an indicator in measuring the corruption level in a country utilizing a scale of 0 to 100. A value of 0 indicates that the country is very corrupt, while 100 means that the country is immaculate. In the figure above, Singapore is the cleanest country compared to the other four ASEAN countries, and the Philippines is the country with the highest level of corruption compared to the other four ASEAN countries.

The results of this study are reinforced by Rachmadani (2017), who stated that the corruption perception index affects economic growth. The results of this study are also in line with research by (Ichvani & Sasana, 2019), which uncovered that the corruption perception index had a significant positive effect on economic growth.

In addition, from the figure above, the Philippines has the lowest corruption perception index, meaning that it has a high level of corruption, according to Asia and Pacific University Professor Ramon N. in dealing with corruption. Transparency International also asserted that the Philippine government must prevent opportunities for political corruption and maintain the political system's integrity by controlling political financing, managing conflicts of interest, and regulating lobbying activities.

Second, the figure shows that Singapore has the highest corruption perception index, meaning that the country is the cleanest of corruption compared to the other four ASEAN countries. Bureau Director of Corrupt Practices Investigation, Mr. Denis Tang (The Corrupt Practices Investigation Bureau, 2020), said that CPIB remains committed to fighting corruption with a strong determination to ensure that the corruption situation in Singapore remains firmly under control. Thus, the corruption situation in Singapore truly remains firmly under control.

The third, Malaysian is the second-highest CPI level compared to the other three countries. In 2019, Malaysia's corruption perception index of 53 increased compared to the previous year of 47 in 2018. It indicates that it increased by six points. Malaysia has also jumped ten spots to 51st from 61st place last year in the Transparency International Corruption Perceptions Index (CPI). Transparency International Malaysia (TI-M) president, Dr. Muhammad Mohan, said that from the survey involving 180 countries, the increase was due to the government's new measures to fight

corruption. He said that Malaysia scored points for its swift action against a scandal involving 1Malaysia Development Bhd (1MDB), SRC International Bhd, Federal Land Development Authority (Felda), and Tabung Haji, the arrest of several political figures for corruption and money laundering, and greater media freedom (Yusof T. A., 2020).

The fourth highest country is Indonesia, with a CPI level in 2019 of 40. It means that it experienced a good increase from the previous year of 38 in 2018, which increased by two points. According to the Research Manager for Transparency International Indonesia, Wawan Suyatmiko, the two-point increase in the Indonesian state was triggered by strict law enforcement against the perpetrators of bribery and corruption in the political system. Apart from that, Secretary-General of Transparency International Indonesia, Dadang Trisasongko, also said that in addition to efforts to improve the ease of doing business system, increasing the effectiveness of law enforcement against political corruption practices also significantly increased the CPI score (Corruption Eradication Commission, 2020).

Fifth, Thailand's CPI index in 2019 was the same number as the previous year of 36. Mana Nimitmongkol, Secretary-General of the Anti-Corruption Organization of Thailand, stated that corruption is rife in Thailand due to bureaucracy in state institutions. Mana also said that although corruption is gradually being eliminated in the private sector, he is concerned about the government as the bureaucratic system increases the chances of repayment. Also, the public sector needs reform since it is carried out through nepotism. It allows state officials to escape wrongdoing without being examined. Abuse of power, double standards, and intervention in independent organizations still exist because examining corruption cases is not practical (Bangkok Post, 2020). Secretary-General of the National Anti-Corruption Commission (NACC), Warawit Sukboon, stated that Thailand's score on the Corruption Perceptions Index has increased. To reduce this problem, all sectors of society must work together to create a society with zero tolerance for corruption. In this regard, the public sector must be serious about enforcing anti-corruption laws. The private sector must also cooperate by not offering bribes in any form, while civil society must also follow anti-corruption monitoring and inform the authorities about corrupt practices towards the movement "Zero Tolerance and Clean Thailand" (The Government Public Relations Department, 2020).

## 5. CONCLUSION AND RECOMMENDATION

ASEAN countries benefit from geographical advantages to develop the potential of world transportation and financial services, increase the global competitiveness of agricultural and plantation products as its flagship product, and develop a global marketing network by maximizing the demographic bonus momentum to provide a productive young workforce.

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