



# Analysis of Institutional Factors, Inflation, and Unemployment on the Economic Growth of ASEAN Countries

Anas Iswanto Anwar, Mirzalina Zaenal, Yusuf Jeksen

Universitas Hasanuddin, Indonesia  
aianwar@fe.unhas.ac.id

**Abstract.** This research aims to determine the influence of corruption, political stability, inflation and unemployment on economic growth in nine ASEAN countries. Apart from that, this research analyzes differences in economic growth in nine ASEAN countries before and after the Covid-19 pandemic. The data used in this research is quantitative secondary data in the form of numbers obtained from the World Bank and Transparency International. The data used in this research is a combination of time series and cross section data or panel data from 2010 to 2021, namely data on GDP per capita, Corruption Perception Index, inflation and unemployment. The Covid-19 pandemic is a dummy variable where data before the pandemic is categorized as 0 and data after the pandemic is categorized as 1. The analysis method used is the panel data regression method. The results of this research show that the corruption and inflation variables have a negative and significant effect on economic growth, the stability variable has a positive and significant effect on economic growth. The unemployment variable has no effect on economic growth. The results of this research also show that there are differences in economic growth before and after the Covid-19 pandemic

**Keywords:** Economic Growth, Corruption, Political Stability, Inflation, Unemployment, Covid-19 Pandemic Dummy Variable.

## 1 Introduction

Every nation's economic status, which includes economic activities that gauge how well a nation is doing at enhancing its welfare, can be used to verify that nation's success. Income per capita, often known as GDP per capita, is the indicator used to calculate wellbeing. A nation's level of prosperity increases with its GDP per capita. An increase in a nation's capacity to supply economic goods to its population is what Kuznets, as cited in Arsyad (2010), characterizes as economic growth. Institutions, required technological adjustments, and technological advancements determine this rise in capacity. Todaro (2000) asserts that several basic shifts in social structures, community attitudes, and national institutions are all part of the multidimensional process of economic progress.\.

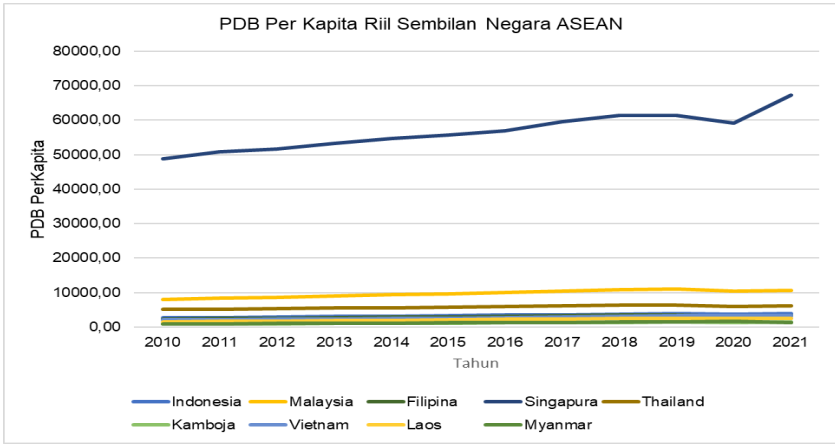
Long-term GDP per capita growth is referred to as economic growth (Boediono, 1982). GDP per capita growth is correlated with economic growth, and both the

© The Author(s) 2024

A. Patunru et al. (eds.), *Proceedings of the 8th International Conference on Accounting, Management, and Economics (ICAME 2023)*, Advances in Economics, Business and Management Research 279,

[https://doi.org/10.2991/978-94-6463-400-6\\_40](https://doi.org/10.2991/978-94-6463-400-6_40)

population and the GDP sides of this relationship must be taken into account. To determine GDP per capita, divide the GDP by the total population.



Source: World Bank

Fig. 1. Real GDP Per Capita in 9 ASEAN Countries (2010-2021)

The GDP per capita of the Association of Southeast Asian Nations (ASEAN) varies. The real GDP per capita of nine ASEAN nations is shown in Figure 1. For the decade of 2010–2021, Singapore has the highest GDP per capita in the area. Despite having larger populations and more natural resources than Singapore, neither Indonesia nor Malaysia can match Singapore's GDP per capita. Conversely, the GDP per capita of nations like Malaysia and Indonesia is comparable to that of the Philippines, Thailand, Cambodia, Vietnam, and Laos. Of the nine countries, Myanmar has the least amount of GDP per person.

Additionally, it is clear that, from 2020 to 2021, GDP per capita decreased in each of the nine ASEAN nations (Figure 1). It is possible to attribute this reduction to the Covid-19 pandemic that year. The epidemic sparked a global catastrophe that had an impact on health and the economy. Lockdowns, or widespread social restrictions, were imposed, which resulted in slow economic growth.

Studies on institutional conditions that are able to influence economic growth are relevant in developing countries because this group of countries has specific characteristics such as high levels of corruption and political instability (Vianna, 2018). Because this research will use corruption and political stability as variables that could influence economic growth.

Transparency International's Corruption Perception Index (CPI), which is updated yearly, can be used to determine the level of corruption in a nation. According to Transparency International (2023), the Corruption Perception Index (CPI) has a range of 0 to 100. A high score or near to 100 suggests a country that mostly lacks corruption, while a low number that is closer to 0 indicates a high amount of corruption. Using Transparency International's CPI, a number of empirical studies

have examined corruption; these include works by Paldam (2002, 2019), Aidt (2009), Goel (2010), Méon (2010), Lessman (2010), Potrafke (2012a), and Cooray (2018).

Researching the impact of corruption on economic growth can be particularly beneficial in the fascinating global region that is ASEAN. The World Bank (2023) reports that, in contrast to other nations in this region, Singapore has an exceptionally high real GDP per capita. When comparing Singapore's real GDP per capita to that of eight other ASEAN nations, the difference is substantial. Interestingly, the pattern of real GDP per capita in these nine ASEAN countries is reflected in the degree of corruption. Transparency International's CPI statistics shows that Singapore consistently outperforms the other eight ASEAN nations, with a CPI score above 80, which denotes an absence of corrupt activities. The eight ASEAN countries, on the other hand, have low CPI scores, which indicates that corruption is prevalent in these countries.

In addition to institutional settings, other variables that may impact economic growth include unemployment and inflation. Factors such as unemployment and inflation are crucial for comprehending the state of the economy (Blanchard, 2017).

Generally speaking, economic growth will be negatively impacted by a high rate of inflation. Sukirno (2000) asserts that inflation has a major impact on a nation's economic stability. High rates of inflation have an effect on domestic production levels and reduce export products output. High inflation lowers production because rising prices cause a decline in demand for goods, which in turn lowers production. Furthermore, inflation raises labor costs and product prices, which raises the fundamental price calculation and, as a result, the selling price of locally produced goods.

It is true that economic growth may be impacted by the unemployment rate. Okun's Law explains how the unemployment rate affects economic growth. It states that when the unemployment rate is high and resources cannot be used as efficiently as possible, public opinion declines and purchasing power (or purchasing power parity) is relatively low. People's consumption of goods and services declines as a multiplier effect, which affects economic growth. Reduced demand for goods and services results from a decline in public consumption, which in turn causes producers to reduce their output of products and services (Blanchard, 2006).

## **2 Literature Review**

### **2.1 Economic growth**

According to Kuznets, as referenced in Arsyad (2010), a nation's potential to supply economic goods to its populace increases as it experiences economic growth. Institutional advancements, technological advancements, and required ideological shifts are what are responsible for this growth in ability. Real gross national product or real national income growth is a process known as economic growth. If there is real production growth, the economy is said to be growing or developing, and economic development shows the allocation of inputs and output across different economic sectors.

Appropriate tools are needed to measure an economy's success. The Gross Domestic Product (GDP), which is the total amount of final products and services

generated by an economy in a given year and expressed in market prices, is one tool used to measure economic growth. Since GDP per capita (also known as income per capita) more closely represents the standard of living of a nation's citizens than real GDP does, it is a more useful indicator of economic progress.

## 2.2 Institutions

Institutions are defined by North (1991) as laws (or restraints) made by people to control and mold social, political, and economic relationships. These rules are divided into formal rules (constitution, laws, regulations, and property rights) and informal rules (customs, traditions, social norms, and religion). Collectively, these regulations establish the social contract, particularly the economic one. The definition of an institution proposed by Douglas C. North is the one that economists most frequently cite.

Political stability and corruption are the two indicators that are most commonly used to evaluate a nation's institutional conditions. High economic costs are a result of corruption, which is viewed as a deviation that might skew incentives and direct funds toward activities aimed at obtaining rent (Tanzi, 1998). When there are no significant changes to the political system (government) or when changes take place within predefined parameters, political stability is achieved.

## 2.3 Corruption

While corruption acts may appear quite straightforward, defining corruption is a difficult task. Wu (2003) identified three factors that contribute to the difficulty of characterizing corruption. First, a society's culture has a big influence on how corruption is defined. Second, evaluations of corruption frequently diverge from or clash with moral principles. Certain morally reprehensible acts cannot be classified as corrupt. Conversely, there are deeds that appear ethically right but are really corruptions. Third, a lot of behaviors fall into the gray region, necessitating careful consideration or examination of the briber's motivation.

Grand corruption, as defined by Transparency International (2003), is the term used to describe government activities that pervert important laws or government functions in order to enrich themselves at the expense of the general welfare.

Data that characterizes a nation's level of corruption is found in the Corruption Perception Index (CPI). Information is gathered from experts' and entrepreneurs' opinions regarding how well the government is performing in terms of providing services free from corruption. Many people believe that Transparency International's annual data releases are reliable indicators of national practices (Transparency International, 2003).

The CPI uses scores or numbers to assess the level of corruption in a nation. A CPI score falls between 0 and 100. A low amount of corruption is indicated by a country's high score or score that is near 100. On the other hand, a low or nearly zero score indicates a significant level of corruption in the nation.

## 2.4 Political Stability

According to Jack (1985), political stability is the state in which changes to the political system (government) either take place within predefined parameters or are neither fundamental or revolutionary.

The World Bank's governance indicators provide the basis for the instrument used to gauge political stability. By using an unobservable component model, Kaufmann (1999b) creates "governance indicators." "Governance Indicators" are grouped together into a composite index after being categorized into multiple categories. A distinct governance dimension is shown by each composite indicator. Higher scores indicate stronger governance. The range is from -2.5 to +2.5. "Political stability and absence of violence" is the cluster that is used to gauge political stability.

A number of variables that gauge opinions about the possibility that the current government will be toppled or destabilized by unlawful or violent means are combined to measure political stability and the absence of violence. This cluster encapsulates the notion that the potential for disruptive changes in government undermines the ability of voters to peacefully elect and remove individuals in power, hence directly impacting the sustainability of policies and compromising the quality of governance (Kaufmann, 2002).

When evaluating the political stability and lack of violence index, the World Bank takes into account a number of factors, including: armed conflict, violent protests, riots, terrorist threats, security risk rating, degree of ethnic, regional, or religious conflict, intensity of violent activity, intensity of conflict in society, and stability of the government.

## 2.5 Inflation

When there is an extra demand for goods across the board in the economy, it is called inflation. It is the overall trend of rising costs for goods and services, which has an impact on national output, distribution of income, and allocation of production components. The term "equity effect" refers to the impact on income distribution, whereas "efficiency" and "output" effects refer to the impact on the distribution of production inputs and national income, respectively (Nopirin, 2000).

Furthermore, Greene (2001) notes that a high rate of inflation is frequently interpreted as a sign of macroeconomic instability and the government's incapacity to oversee macroeconomic policies. On the other hand, a high enough inflation rate (hyperinflation) might have the reverse effect, resulting in a decline in output. When there is significant inflation, real money loses a great deal of its value, people rarely carry cash, and bartering occurs, which frequently results in a drop in the output of products. Output might rise or fall in tandem with inflation. A greater inflation value, on the other hand, typically boosts output in real-world scenarios, encouraging businesses or entrepreneurs to invest their money.

According to Putong (2008), inflation is the state in which the cost of commodities as a whole has been rising steadily over time. This means that a price increase for one or two commodities does not qualify as inflation. If the price increase is significant and impacts the price of other commodities, it is classified as inflation.

From a conceptual standpoint, Samuelson (2004) defines the weighted average price level of goods and services in the economy as the price level in the definition of inflation. Price indices, including the producer price index and the consumer price index (CPI), are used to measure the level of prices.

Case (2004) defined unemployment as the percentage of the labor force that is neither employed nor actively looking for work. This word refers to those who are unemployed and seeking employment, those who work fewer than two days per week, or anyone attempting to find a respectable position. An imbalance between the number of workers or job searchers and the number of open positions typically results in unemployment. The economy is hampered by unemployment since it lowers people's income and productivity, which can lead to societal problems like poverty. Putong (2008) defines unemployed people as those who are actively seeking employment but do not currently hold a job. This category typically includes individuals who do not have a job at their working age and during the working period.

## **2.6 Framework of The Study**

This study's approach examines how institutional factors, inflation, and unemployment affect economic growth in nine ASEAN nations between 2010 and 2021. According to North (1990), institutions are essential for a nation's economic development since they are tools for regulating and controlling economic players in the market.

Political stability and corruption are the two institutional variables that are considered. High economic costs are associated with corruption, which is seen as a deviation that might skew incentives and cause resources to be allocated for activities that seek to extract rent (Tanzi, 1998). Political stability is the state in which changes to the political system (government) either don't occur fundamentally or happen within predefined parameters.

There are two distinct theories that explain why corruption has a major effect on growth: "sand the wheels" and "grease the wheels." Economic growth is negatively impacted by corruption, according to the "sand the wheels" hypothesis, which states that rising levels of corruption impede or reduce economic growth. The "grease the wheels" theory, on the other hand, contends that corruption promotes growth, with higher levels of corruption resulting in faster or more rapid economic expansion. The detrimental effects of corruption on economic growth in nine ASEAN nations from 2010 to 2021 will be the main topic of this study.

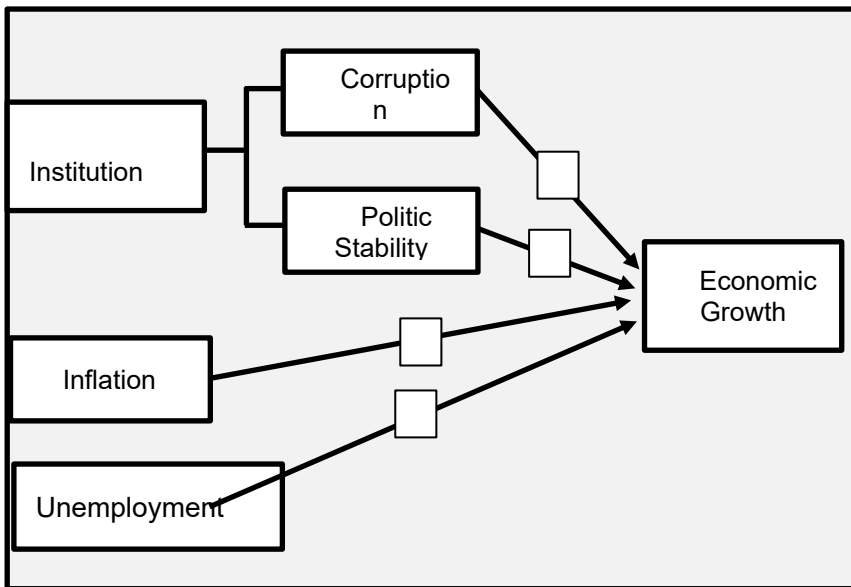


Fig. 2. Research Framework

### 3 Research Methods

To guarantee that the subject and object of the research are in line with the stated aims, a research project needs to have a well defined scope or bounds. This study examines the effects of inflation, unemployment, political stability, corruption, and the Covid-19 pandemic dummy variable on economic growth in nine ASEAN nations.

Secondary data, specifically quantitative data presented in numerical form, are employed in the study. Time series and cross-sectional data, also referred to as panel data, are combined in this study to cover the years 2010 through 2021. The World Development Indicator provides Real GDP Per Capita data, which is used to calculate the economic growth variable. Transparency International's inverse Corruption Perception Index data (Gründler, 2019) is used by the corruption variable. Data on governance indicators from the "political stability and absence of violence" cluster are included in the political stability variable. The World Development Indicator is the source of information on variables related to unemployment and inflation. As a dummy variable, the Covid-19 pandemic has two values: 0 prior to the pandemic and 1 subsequent to it.

Panel data, a hybrid of cross-sectional and time series data, is used in this study. Time sequences, such as daily, weekly, monthly, or annual data, are used to arrange time series data. Simultaneously, cross-sectional data is gathered from several enterprises, regions, or nations, for instance (Gujarati, 2009:591). The panel data regression analysis method is employed in this study. This model illustrates the influence of the independent variables on the dependent variable, with economic

growth as the dependent variable and corruption, political stability, unemployment, inflation, and the Covid-19 pandemic dummy as the independent variables, expressed in the following function.

$$Y = F(X_1, X_2, X_3, X_4, D ) \dots\dots\dots(3.1)$$

equation (3.1) is written in the panel data regression equation model as follows.

$$Y_{it} = \beta_0 + \beta_1 X_{1it} + \beta_2 X_{2it} + \beta_3 X_{3it} + \beta_4 X_{4it} + \beta_5 D_{it} + \mu_{it} \dots\dots\dots(3.2)$$

based on the conditions of the data used in this research, a transformation into semi-logarithms was carried out in the following equation.

$$\text{Ln}Y_{it} = \beta_0 + \beta_1 X_{1it} + \beta_2 X_{2it} + \beta_3 X_{3it} + \beta_4 X_{4it} + \beta_5 D_{it} + \mu_{it} \dots\dots(3.3)$$

where:

- Y = Economic Growth
- X1 = Corruption
- X2 = Political Stability
- X3 = Inflation
- X4 = Unemployment Rate
- D = Covid-19 pandemic (as dummy variable)
- D = 0, Before pandemic (2015-2019)
- D = 1, After pandemic (2020-2021)
- $\beta_0$  = Constanta
- $\beta_{(1,2,3,4,5)}$  = Coefisien
- $i$  = *cross section*
- $t$  = *time series*
- $\mu$  = *error term*

if  $P\text{-value} < \alpha$  then  $H_1$  is accepted



## 4 Results And Discussion

The study's findings show that, in nine ASEAN nations, the corruption variable significantly and negatively affects economic growth. Economic growth will be impacted by changes in the level of corruption; in the ASEAN countries, higher levels of corruption are linked to lower rates of economic growth, while lower levels of corruption are linked to higher rates of growth. These results are consistent with the original hypothesis, which suggested that the corruption variable had a detrimental impact on the economic growth of nine ASEAN nations.

By rejecting the "grease the wheels" theory, this study backs up the "sand the wheels" theory. Corrupt practices impede economic growth, according to the "sand the wheels" argument. As per Shleifer's (1993) hypothesis, corruption has a greater effect, say, when numerous people are involved in getting project approval and each has the authority to veto. Economic growth is hampered by this condition, which raises the cost of corruption. As to Myrdal's (1968) assertion, dishonest officials have the ability to use their influence to purposefully postpone and hinder projects in order to demand additional bribe.

Kurer (1993) asserts that in order to preserve their illicit revenue streams, dishonest officials are motivated to instigate additional economic distortions. In order to choose who to give public services to in exchange for bribes, for instance, an official has an incentive to ration those benefits. In a similar vein, administrators are motivated to prevent corruption by restricting the availability of new hires, particularly qualified ones, to posts.

The findings of this study are consistent with research by Gründler (2009), who found that corruption hinders economic expansion. According to his research, there is an approximate 17% decrease in economic growth for every standard deviation that corruption rises.

### 4.1 The influence of political stability on the economic growth of 9 ASEAN countries

The state of politics is one element that can affect economic expansion. The study's findings demonstrate that political stability significantly and favorably influences the economic development of nine ASEAN nations. This suggests that any improvement in political stability has an impact on accelerating these nations' economic development. Analogously, a decrease in political stability contributes to a loss in economic growth in a number of ASEAN nations. These findings support the original premise, which states that political stability significantly and favorably influences the economic growth of nine ASEAN nations.

The findings of the study are consistent with research by Uddin (2017), who found that political stability and instability affect economic growth. A nation's economic growth is positively correlated with political stability and negatively correlated with political instability.

## 4.2 The influence of inflation on the economic growth of ASEAN countries

To put it simply, not all inflation hurts the economy. In fact, little inflation—that is, inflation under ten percent—can promote economic expansion. This is due to the fact that inflation may encourage business owners to boost their output even more. Since rising prices translate into bigger profits, entrepreneurs are encouraged to increase their output. Further benefits of increased output include the creation of new jobs. If the value rises above 10 percent, inflation will be detrimental.

The research findings suggest that inflation has a detrimental impact on economic expansion. This suggests that economic growth is less affected by an increase in the inflation rate. Conversely, a decline in the rate of inflation contributes positively to the acceleration of the economic growth of nine ASEAN nations. Because the inflation rate is high and uncontrolled in several ASEAN countries, it has a negative impact on economic growth in these countries.

## 4.3 The Influence of Unemployment on the economic growth of 9 ASEAN countries

According to the study's findings, nine ASEAN nations' economies are growing independently of the unemployment variable. Consequently, variations in unemployment have no bearing on variations in these nations' economic growth. The initial theory, according to which unemployment has a detrimental impact on the economic growth of these ASEAN countries, is not supported by the findings of this study.

In these nine ASEAN nations, the impact of unemployment on economic growth is negligible. This is because, during the research period, the population growth rate stays within normal values, and the unemployment rate is still within a tolerable and controllable range. It therefore has no appreciable impact on economic growth. The results of this study agree with that of Natasya's (2023) investigation, which found no discernible relationship between unemployment and economic growth. Furthermore, Panigrahi (2020) presents findings from his study that suggest a negative, albeit insignificant, correlation exists between the partial unemployment rate and economic growth in ASEAN nations.

The study's findings do, in fact, demonstrate that the Covid-19 pandemic's dummy variable had a detrimental impact on the economic expansion of nine ASEAN nations. This indicates that certain ASEAN nations' economic growth was hindered by the Covid-19 epidemic. The study's findings support the original theory, according to which these nine ASEAN nations' economies were negatively impacted by the Covid-19 pandemic.

## 5 Conclusion

This study concludes that, over the years 2010–2021, corruption significantly and negatively impacted the economic growth of nine ASEAN nations. This suggests that economic growth is inversely correlated with corruption levels: higher corruption

levels are associated with lower economic growth. For these nine ASEAN nations, however, political stability has a favorable and noteworthy impact on economic growth from 2010 to 2021. This suggests that economic growth will increase in proportion to levels of political stability.

Regarding money, these nine ASEAN nations' economic growth is adversely and significantly impacted by inflation between 2010 and 2021. Keep in mind that unchecked or excessive inflation will hinder economic expansion. From a social perspective, unemployment has no discernible impact on economic growth in these nine ASEAN nations between 2010 and 2021. This is due to the fact that the unemployment rate was manageable during the research period. Last but not least, the Covid-19 epidemic has a big effect on economic expansion. These nine ASEAN nations saw a decline in economic growth following the Covid epidemic.

## References

1. Alesina, A., Perotti, R., (1996). Income distribution, political instability, and investment, *European Economic Review* 40, s. 1203–1228.
2. Anwar, A. Iswanto, & Amiruddin, A. (2017). *Impact Of Financial Inclusion Towards Poverty In Indonesia*. 4<sup>th</sup> (Icame). <https://doi.org/10.2991/icame-17.2017.32>, 407-410.
3. Bardhan, P, (1997). Corruption and development: a review of issues. *J. Eco. Lit.* 35 (3), 1320-1346
4. Barreto, R. A. (2001). Endogenous Corruption, Inequality and Growth: Econometric Evidence. In *European Economic Review* (Vol. 44,
5. Barro, Robert. J, (1988), *Government Spending in a Simple Model of Endogenous Growth*, National Bureau of Economic Research, Cambridge
6. Blackburn, K., Rose & Emranul Haque, M. (2006). *The incidence and persistence of corruption in economic development*. *J.Eco. Dynam. Control* 30 (12), 2447-2467.
7. Colombatto, E. (2003). Why is corruption tolerated? *Review of Austrian Economics*, 16(4), 363–379. <https://doi.org/10.1023/A:1027349206371>
8. Dreher, A. (2006). Does globalization affect growth? Evidence from a new index of globalization. *App. Econ.* 43, 71-88.
9. Dzhumashev, R. (2014). Corruption and growth: the role of governance, public spending and economic development. *Eco. Modell.* 37, 202-2015
10. Dore, Natalia I. & Aurora, A.C Teixeira. (2023). The role of human capital, structural change, and institutional quality on Brazil's economic growth over the last two hundred years (1822–2019). *Structural Change and Economic Dynamics*
11. Dreher, A., & Herzfeld, T. (2011). The Economic Costs of Corruption: A Survey and New Evidence. *SSRN Electronic Journal*, June. <https://doi.org/10.2139/ssrn.734184>
12. Feng, Y., (2001). Political freedom, political instability, and policy uncertainty: a study of political institutions and private investment in developing countries, *International Studies Quarterly* 45, s. 271 – 294.
13. Fauzi, M. A., & Paiman, N. (2020). COVID-19 pandemic in Southeast Asia: intervention and mitigation efforts. *Asian Education and Development Studies*. <https://doi.org/10.1108/AEDS04-2020-0064>
14. Gujarati, N, Damodar. (2009). *Dasar-dasar Ekonometrika (Terjemahan)*. Buku2. Edisi 5. Penerbit Salemba: Jakarta
15. Huntington, S.P. (1968). *Political order in changing societies*. New Haven: Yale University Press.

16. Jhingan, M. L. (2003). *Ekonomi pembangunan dan perencanaan*, Jakarta : PT. Raja Grafindo Persada.
17. Kaufmann, D. Kraay, A.; and Zoido-Lobaton, P., (1999), *Government Matters*, *World Bank Working Paper No. 2196*
18. Kurer, O. (1993). Clientelism, corruption and the allocation of resources. *Public Choice* 77: 259-273.
19. Leys, C. (1965). What is the problem about corruption? *Journal of Modern African Studies* 3: 215-230. Reprint in A.J. Heidenheimer, M. Johnston and V.T. LeVine (Eds.), *Political corruption: A handbook*, 51-66, 1989. Oxford: Transaction Books.
20. Lui, F.T. (1985). An equilibrium queuing model of bribery. *Journal of Political Economy* 93: 760-781.
21. Malanski, Leonardo Koppe & Angela. (2021). Economic growth and corruption in emerging markets: Does economic freedom matter? *International economic journal* 166, 58-70
22. Mankiw, Gregory N. (2003). *Teori Makro Ekonomi Terjemahaan*. Jakarta: PT. Gramedia Pustaka Utama
23. Manullang, Herlina Adelia & Paidi Hidayat. (2013). Analisis kausalitas antara fdi dan pertumbuhan ekonomi di AESAN. *Jurnal Ekonomi dan Keuangan Vol.2 No.9*
24. Mauro, P. (1995). *Corruption and Growth. The Quarterly Journal of Economics*, 110(3), 681–712. <https://doi.org/10.2298/fid1301021m>.
25. Méon P. –G., Sekkat, K. (2005). Does corruption grease or sand the wheels of growth? *Public Choice*.
26. Mo, P. A, (2001). Corruption and economic growth. *J. Comp. Econ.* 29, 66-79
27. Nawatmi, Sri. (2014). Korupsi dan pertumbuhan ekonomi negara Asia Pasifik. *Jurnal Bisnis dan Ekonomi (JBE)*, Hal. 73 – 82 Vol. 21, No. 1 73 ISSN: 1412-3126
28. Nopirin. (2000). *Ekonomi Moneter*. Buku II. Edisi Kesatu. Cetakan Kesepuluh. BPFE UGM. Yogyakarta
29. North, D. C. (1990). *Institutions, Institutional Change and Economic Performance*. Cambridge: Cambridge University Press.
30. Rose-Ackerman, S. (1996). *The Political Economy of Corruption- Causes and Consequences. In Development (No. 74)*.
31. Samuelson, PA, dan Nordhaus WD. (2004). *Ilmu Makroekonomi*. Edisi Tujuh Belas, Diterjemahkan oleh Gretta, Theresa Tanoto, Bosco Carvallo, dan Anna Elly, PT.Media Global Edukasi, Jakarta.
32. Shleifer, A., Vishny, R., (1993). Corruption. *Q. J. Econ.*108, 599-617
33. Sukirno, Sadono. (2011). *Makroekonomi Teori Pengantar*. Jakarta: PT Raja Grafindo Persada
34. Sukirno, Sadono. (2000), *Makroekonomi Modern: Perkembangan Pemikiran Dari Klasik Hingga Keynesian Baru*, Raja Grafindo Pustaka
35. Sukirno, Sadono (2004), *Makroekonomi, Teori Pengantar*, PT Raja Grafindo Persada, Jakarta.
36. Stiglitz, J. E. (1985). Information and Economic Analysis: A Perspective. *The Economic Journal*, Vol. 95, pp. 21-41.
37. Svensson, J. (2005). Eight question about corruption. *J. Econ. Perspect.* 19, 19-42
38. Szeftel, Morris. (1982). “*Political Graft and the Spoils Sistem in Zamba: The State as a Resource in Itself*”, dalam *Review of African Political Economy*, No. 24 The French Connection, pp. 4-21.
39. *The World Bank*. (2022). *Updated Income Clasisifications*.
40. Todaro, Michael P. (2000). *Pembangunan Ekonomi di Dunia Ketiga*. (Ed.VII). Jakarta: Erlangga.
41. Transparency International Indonesia. (2003). “*Srategi Memberatas Korupsi (Elemen System Integritas Nasional)*. Jakarta: Yayasan Obor Rakyat.

42. Wei, S.-J. (2000). Local corruption and global capital flows. *Brookings Papers on Economic Activity* 2: 303-346.
43. World Bank. (2023). *World Development Indicator Dataset*.

**Open Access** This chapter is licensed under the terms of the Creative Commons Attribution-NonCommercial 4.0 International License (<http://creativecommons.org/licenses/by-nc/4.0/>), which permits any noncommercial use, sharing, adaptation, distribution and reproduction in any medium or format, as long as you give appropriate credit to the original author(s) and the source, provide a link to the Creative Commons license and indicate if changes were made.

The images or other third party material in this chapter are included in the chapter's Creative Commons license, unless indicated otherwise in a credit line to the material. If material is not included in the chapter's Creative Commons license and your intended use is not permitted by statutory regulation or exceeds the permitted use, you will need to obtain permission directly from the copyright holder.

