

The Effect of Corruption and Inflation on Economic Growth in ASEAN

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Abstract

This study aims to determine the effect of corruption and inflation variables on economic growth in ASEAN for the period 2017-2021. The method used in this study is a quantitative method. The data used is secondary data obtained from World Data, Transparency International (TI), Central Statistics Agency (BPS) and Bank Indonesia (BI). And the research model used in this study is the panel data regression model. The results of the study using panel data regression with Common Fixed Effect stated the results of the Partial Test (t) that the Corruption Variable (X1) had a negative and insignificant effect on economic growth (Y). While the Inflation Variable (X2) inflation has a positive and insignificant effect on economic growth (Y). Simultaneous Test Results (F) state that corruption and inflation together have no significant effect on economic growth.

Keywords

Economic Growth; Corruption; Inflation



I. Introduction

One of the indicators of research on the economic performance of a country or region is economic growth which describes the impact of economic activity on increasing people's income within a certain period. Economic growth itself is related to the process of increasing the production of goods and services in community economic activities (Saparuddin, 2015). Economic growth is still an important goal in a country's economy (Magdalena and Suhatman, 2020). Economic growth can also be interpreted as a process of increasing the production capacity of an economy which is manifested in the form of an increase in national income. The economy is said to experience growth if the amount of real remuneration for the use of production factors in a certain year is greater than the previous year (Daniel, 2018). Each country will always strive to increase economic growth and determine its country's economic growth targets for the long-term success of a country's economy. Economic growth measures the extent of economic development from one period to the next which can be seen through the increasing ability of a country to produce goods and services (Theodoris, 2017:).

One of the indicators to determine economic conditions in a country is the Gross Domestic Product (GDP) which has an important role in analyzing a macroeconomic problem as a basis for policy making. The uses of Gross Domestic Product include determining the rate of economic growth and economic structure (Rahman, 2015:). Lately, many countries are trying to increase their country's economic growth rate by increasing output on an ongoing basis through the availability of capital goods, technology and human resources. The economy does not always develop properly and does not always progress in an orderly manner because sometimes the economy experiences periods of ups and downs (Suleman, et al, 2021: 1). Not all countries are able to achieve the desired economic growth. This situation occurs due to several factors, one of which is the inability of a country to meet its needs only domestically. This is then used as the basis for the

importance of international economic cooperation to support each other's needs and especially to increase economic growth.

In the current era of globalization, relations between countries in the world are getting tighter which results in thin administrative boundaries where relations between countries include economic relations, both trade, finance, politics and socio-culture. One of these regional organizations is ASEAN (Association Southeast Asian Nation) which is an organization or association of ten countries geographically located in the Southeast Asian region. This organization aims to promote friendship and cooperation in the fields of economic, social progress and cultural development of its member countries. The economy of a country is interrelated and influences each other among other countries, such as in the economy in ASEAN.

Economic growth in ASEAN in 2016-2021 for the last five years has fluctuated, this can be seen in the following table:

Table 1. ASEAN Economic Growth 2017-2021 (in %)

No	Country	Year				
		2017	2018	2019	2020	2021
1	Indonesia	5	5.1	5	-2.7	3.6
2	Malaysia	5.8	4.8	4.4	-5.6	5
3	Thailand	4.2	4.2	2.3	-6.1	2.2
4	Philippines	6.9	6.2	5.5	0.5	8.2
5	Singapore	4.5	3.5	1.3	-5.4	3.7
6	Brunei Darussalam	1.3	0.1	3.9	1.1	-1.4
7	Vietnamese	6.8	7.1	7	2.9	-14.5
8	Laos	6.9	6.2	5.5	0.5	8.2
9	Myanmar	5.8	6.4	6.8	3.2	3.2
10	Cambodia	7	7.5	7.1	3.1	3

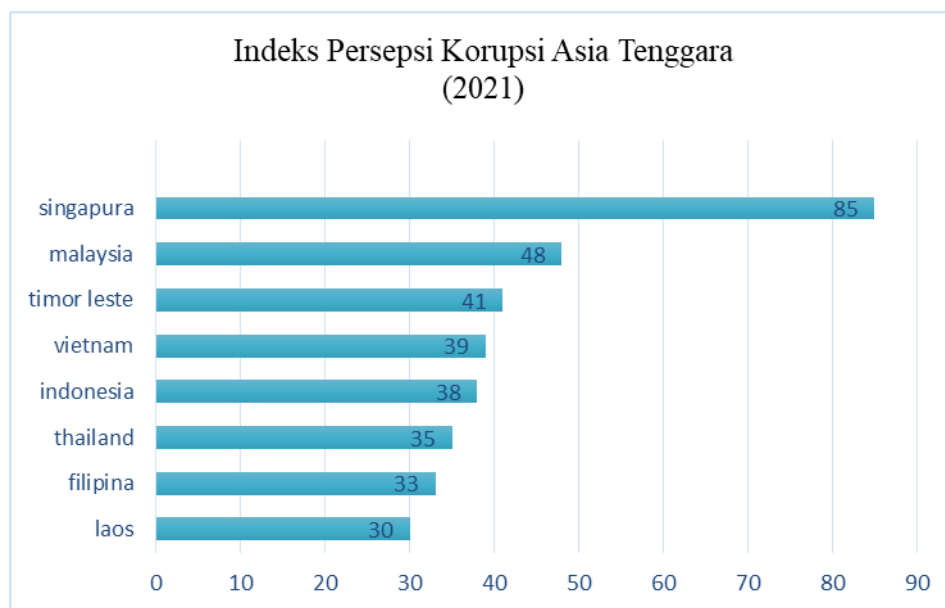
Source: Word Data, BPS 2022

The table above shows that economic growth in Southeast Asia will decline in 2020 due to the impact of the Covid-19 pandemic that has hit the whole world. The highest economic growth in 10 ASEAN countries was Cambodia with economic growth of 7.5% in 2019 and then decreased to 3.1% in 2020 and other countries also experienced a significant decline due to the Covid-19 pandemic in 2020. but in 2021 economic growth in several countries in Southeast Asia began to experience a significant increase. Economic growth in several countries in Southeast Asia in 2021 is getting better every day driven by the continued improvement in the global economy which has an impact on export performance that remains strong, as well as increasing domestic demand from increased consumption and investment. Economic growth is the cause of the health of a country's economy. And economic growth is an absolute requirement for advancing and prospering the nation (Ningsih, 2018: 54). And if a country cannot increase its economic growth, it will cause new economic and social problems such as high levels of corruption and inflation. In relation to economic growth is influenced by several variables, one of the variables that affect economic growth is corruption.

Corruption is an act that is very detrimental to the state. The phenomenon of corruption is also a big problem faced by countries with rapid economic development (Hariyani, 2018: 32). The increase in uncontrolled corruption will bring disasters that affect almost all aspects of social and economic life for every country, including ASEAN.

In looking at the relationship between corruption and economic growth, economists, historians and political scientists have engaged in a lengthy debate about whether corruption harms economic growth. The general view is that corruption disrupts economic activity by distorting the efficient allocation of resources in the economy (Nawatmi, 2016:15).

Corruption also complicates economic development by creating high levels of distortion and inefficiency. The crime of corruption is classified as an extraordinary crime that has grown along with the development of human civilization. As an extraordinary crime, eradicating corruption seems to be in a race with the emergence of various modus operandi of corruption that are increasingly sophisticated, therefore synergy and shared perceptions are needed from all components of the nation.



Source: Transparency International, 2022

Figure 1. ASEAN CPI 2021

Based on Figure 1 Singapore is the country with the largest CPI in Southeast Asia, at 85. Malaysia is in second place with a CPI of 48. Then, Timor Leste is in third position with a CPI of 41. Meanwhile, Thailand and the Philippines are below Indonesia with their respective CPIs. 35 and 33. Laos is in eighth position with a CPI score of 30. Corruption is measured using the Corruption Perception Index (CPI). Transparency International (TI) has developed the CPI since 1996 as an instrument to measure global corruption. It's not just IT that issues CPI. Indices from several institutions such as the Asian Development Bank, World Bank and other institutions are combined. Every year these institutions submit survey results to TI, then process the survey results and produce CPI. CPI uses a scale of 0-100, a score of 0 indicates that a country is very dominant with corruption cases. On the other hand, a score of 100 in the GPA indicates the country is free from corruption (Haqiqi, 2020: 157)

The widespread practice of corruption in a country will have an enormous destruction effect where the effect can worsen the nation's economic condition, with increasing prices of goods and services that take place continuously or commonly referred to as inflation. Based on the results of previous research conducted by (Lutfi, 2020) that corruption has a negative effect on economic growth in 4 ASEAN countries although the

effect is not significant, while according to (Ichvani, 2019) that corruption has a positive effect on economic growth.

One of the macroeconomic factors that affect economic growth in a country is a change in inflation. Inflation is an economic phenomenon that is always interesting to discuss, especially with regard to its broad impact on economic growth (Syafii, 2021: 31). Inflation is a process of increasing prices in general and continuously related to market mechanisms which can be caused by various factors (Eryani, 2017: 188). The inflation rate (percentage increase in the increase in goods) differs from one period to another, and also varies from one country to another (Nopirin 2011:27). The magnitude of the change in the inflation index value that occurs every month is the combined contribution of the types of goods or services that experience price fluctuations in the month concerned.

Table 2. ASEAN Inflation 2017-2021

Country	Year				
	2017	2018	2019	2020	2021
Indonesia	3.6	3.1	2.7	1.6	1.8
Malaysia	3.9	0.9	0.7	-1.1	2.5
Singapore	0.6	0.4	0.6	-0.2	2.3
Thailand	0.7	1.1	0.7	-0.8	1.2
Philippines	2.9	5.2	2.5	2.6	2.9
Brunei Darussalam	-1.3	1.0	0.4	1.9	2.2
Vietnamese	3.5	3.5	2.8	3.2	1.8
Laos	3.8	5.1	3.3	2	0.8
Myanmar	4.6	6.9	8.8	11.6	12.6
Cambodia	2.9	2.5	1.9	2.9	2.9

Source: Word Bank, Bank Indonesia 2022

Based on the table above, it can be seen that inflation in 10 ASEAN countries has fluctuated. Myanmar's inflation from 2017-2021 experienced a significant increase and is also the highest inflation in ASEAN reaching 12.6% in 2021 and the lowest inflation is in Laos at 0.8%. The decline in inflation in several ASEAN countries in 2020 was influenced by domestic demand that was not yet strong as a result of the Covid-19 pandemic. Low and stable inflation is a prerequisite for sustainable economic growth which will ultimately provide benefits for improving people's welfare.

The rate of inflation is an economic phenomenon that usually occurs in the economy (Damanik, 2021: 5736). High and unstable inflation is a reflection of economic instability which results in rising prices for goods and services in general and continuously. TinggInflation that occurs will hamper economic development and economic activity in the community so that it slows down economic activity and ultimately reduces economic growth. Based on previous research conducted by (Simanungkalit, 2020) that inflation has a negative and significant effect on economic growth in Indonesia.

II. Review of Literature

2.1 Economic Growth Theory

Economic growth is the percentage change in activity in the economy as measured (one of them) from the percentage change in the production of goods and services (Harry, 2020:132).

In economic activity, economic growth means the physical development of the production of goods and services that apply in a country such as the increase and the amount of production of industrial goods, infrastructure development, increase in the number of schools, increase in production of capital goods.

Economic growth is a benchmark for the success of development in a country, especially in the economic field. Economic growth can be measured from the growth rate of Gross Domestic Product (GDP) while for the national scope and Gross Regional Domestic Product (GRDP) for the regional scope. In addition to being influenced by internal factors, economic growth in a country can also be influenced by external factors, especially after an increasingly globalized economy era. Internally, there are three main components that determine economic growth, namely the government, the business world, and the community.

2.2 Corruption Theory

According to Law no. 31 of 1999 jo. Law No. 20 of 2001, from a legal point of view, a criminal act of corruption is an act aimed at benefiting oneself or a corporation, abusing the authority, opportunities or facilities available to it because of a position or position that can harm state finances or the state economy.

According to the Big Indonesian Dictionary (KBBI), the definition of corruption is the misappropriation or misuse of state money (companies, organizations, foundations) for personal gain or others.

According to the World Bank (2017), corruption is an activity of offering, giving, receiving or asking directly or indirectly for something of value to influence the actions of other parties incorrectly. The World Bank regards corruption as the only major obstacle to economic and social development. Corruption undermines development by distorting the rule of law and weakening the institutional foundations on which economic growth depends.

2.3 Inflation Theory

According to (Putong, 2013:417) inflation is the process of increasing prices continuously. the opposite of inflation is deflation, which is a continuous decline in prices, as a result the purchasing power of the people increases so that in the early stages goods become scarce, but in the next stage the number of goods will increase due to the reduced purchasing power of the people. Meanwhile, according to (Nopirin, 2011: 25) inflation is the process of increasing general prices of goods continuously during a certain period.

The definition of inflation according to Bank Indonesia (BI) is an increase in prices in general and continuously and an increase in the price of one or two goods cannot be called inflation unless the increase is widespread or results in an increase in the price of other goods. An increase in the price of goods and services will encourage people to produce so that the economy can be stimulated to increase national production activities.

In the last few decades, central banks in several countries have adopted an inflation targeting framework that aims not only to focus policies on inflation (controlling inflation), but also to reduce output fluctuations (Damanik et al, 2008).

III. Research Method

In this study using a panel data regression model, the type of data used in this study is quantitative and the data source used is secondary data obtained indirectly through journals and the internet Transparency International, World data, Factbook, Central Statistics Agency, Bank Indonesia (BI), the Corruption Eradication Commission (KPK) and other supporting websites from 2017-2021 in the form of time series data. The dependent variable in this study is economic growth and the independent variables are corruption and inflation.

The panel data regression equation is as follows:

$$Y_{it} = \alpha + \beta_1 X_{1it} + \beta_2 X_{2it} + e_t$$

Information :

Y	= Economic growth (in %)
α	= Intercept
$\beta_1, \beta_2, \beta_3$	= Regression coefficient
X1	= Corruption
X2	= Inflation (in %)
e_t	= Error Term
i	= Cross Section (country)
t	= Time Series (years)

The method commonly used to estimate the regression model with panel data is through three approaches, namely Common effect, Fixed effect, and Random effect. To choose the best method to be used, the significance of the model will be tested, including the Chow test, Hausman test, and LM test.

IV. Results and Discussion

There are three tests for selecting panel data estimation techniques. 1). F statistical test (Chow test) was used to choose between the Common Effect method or the Fixed Effect method. 2). Hausman test is used to choose between the Fixed Effect method or the Random Effect method. 3) The Lagrange Multiplier (LM) test is used to choose between the common effect method or the random effect method.

4.1 Selection of Panel Data Regression Model

a. Chow test

The chow test was used to determine whether *common effect* the most appropriate model or fixed effect model to use. H_0 is rejected if the value of the probability F is less than 0.05, where H_0 is the common effect model and H_1 is the fixed effect model.

Table 3. Chow test

Redundant Fixed Effects Tests			
Equation: MODEL_FEM			
Test cross-section fixed effects			
Effects Test	Statistic	d.f.	Prob.
Cross-section F	0.322240	(9,38)	0.9625
Cross-section Chi-square	3.677395	9	0.9313

Source: Data Processed by Researchers, 2022

H0 : **CEM models**selected (Prob > 0.05)
H1 : FEM modelsselected (Prob < 0.05)

The results of the Chow test for this model have a probability value of F of 0.09625 which is greater than 0.05, so that H0 is accepted and H1 is rejected, the appropriate model from this result is the common effect model.

b. Hausman test

The Hausman test is a test used to compare the best model between the Fixed Effect Model or the Random Effect Model. Where H0 is the Random effect model and H1 is the Fixed Effect model.

Table 4. Hausman test

Correlated Random Effects - Hausman Test
Equation: MODEL_REM
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	0.895190	2	0.6392
Source: Data Processed by Researchers, 2022			
H0: REM models selected (Prob > 0.05)			
H1: FEM modelsselected (Prob < 0.05)			

Based on the results of the Hausman test showing a significance value of 0.6392 (significance > 0.05), then H1 is accepted and H0 is rejected, so it can be interpreted that the random effects model is better than the fixed effects model. So the model that should be used is the random effect model.

c. Lagrange Multiplier Test

Langrange Multiplier Test(LM) is a test to compare the best value between random effect or common effect models. This test was developed by Breusch Pagan. Where H0 Common Effect Model, H1 Random Effect Model.

Table 5. Lagrange Multiplier Test

Lagrange Multiplier Tests for Random Effects
Null hypotheses: No effects
Alternative hypotheses: Two-sided (Breusch-Pagan) and one-sided (all others) alternatives

	Test Hypothesis		
	Cross-section	Time	Both
Breusch-Pagan	3.247067 (0.0716)	29.74096 (0.0000)	32.98803 (0.0000)
Source: Data Processed by Researchers, 2022			
H0: CEM models selected (Prob > 0.05)			
H1: Selected REM model (Prob< 0.05)			

The results of the Lagrange Multiplier test above show the probability value *Breush-Pagan* (BP) of 0.0716. The Breush-Pagan (BP) probability is greater (0.0716 > 0.05) then H0 is accepted and H1 is rejected, so the correct model in the above results is the common effects model.

Table 6. Panel data regression test results with Economic Growth as the dependent variable

Variable	CEM	FEM	BRAKE
Constant	3.13 (0.14)	4.65 (0.82)	3.13 (0.17)
Corruption	-0.03 (0.42)	-0.09 (0.85)	-0.03 (0.45)
Inflation	0.45 (0.08)	0.83 (0.09)	0.45 (0.10)
Ui Chow	0.32 (0.96)		
Hausman test	0.80 (0.63)		
Langrange	3.24		
Multiplier Test	(0.07)		

Source: Data Processed by Researchers, 2022

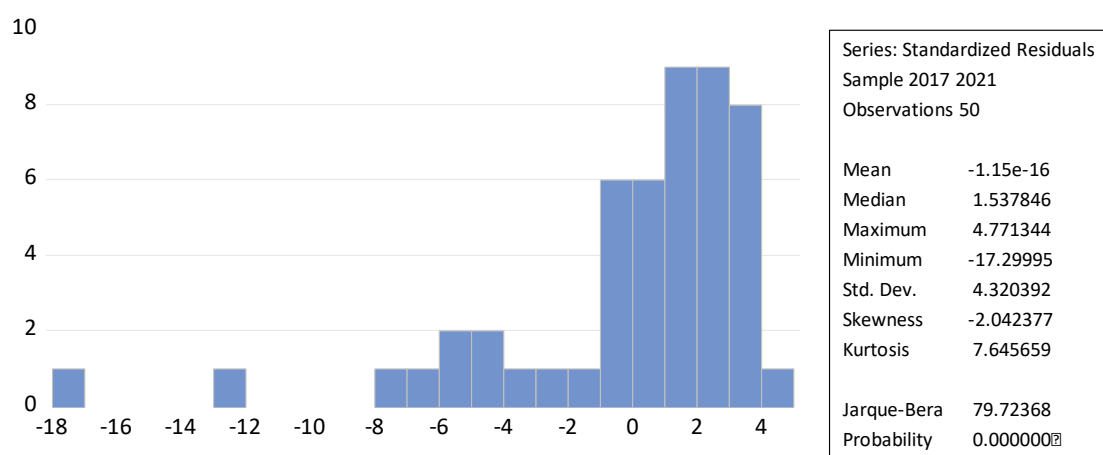
Based on the results of the significance test of the model, it can be concluded that the best method used in this research is the Common Effect Model method.

4.2 Classical Assumption Test

Classical assumption test is a statistical requirement that must be performed on multiple linear regression analysis.

a. Normality Test

The significance test of the effect of the independent variable on the dependent variable through the t-test will only be valid if the residuals we get have a normal distribution. There are several methods that can be used to detect whether the residual has a normal distribution or not. With the method developed by Jarque-Bera. (Widarjono, 2018:49). If the value of $JB > \text{Probability value}$, then the data is not normally distributed.



Source: Data Processed by Researchers, 2022

Figure 2. Normality test

From the results of the graph above, the value of JB is $79.72368 < \text{the probability value}$ is 0.000000 so it can be concluded that the residuals are normally distributed.

b. Multicollinearity Test

Multicollinearity test aims to test whether there is a correlation between the independent variables (independent) in the regression model. A good regression model is a model that does not have multicollinearity.

Table 7. Multicollinearity Test Results

	X1	X2
X1	1.000000	-0.438689
X2	-0.438689	1.000000

Source: Data Processed by Researchers, 2022

The results of the multicollinearity test show that there is no high correlation value between the independent variables, so it can be concluded that there is no multicollinearity between the independent variables.

c. Autocorrelation Test

Autocorrelation means that there is a correlation between one observation and another observation. In relation to the assumption of the OLS method, autocorrelation is a correlation between one disturbance variable and another disturbance variable. Meanwhile, one of the important assumptions of the OLS method related to the disturbance variable is that there is no relationship between the disturbance variable and other disturbance variables. This study uses the value of Dw (*Durbin Watson*).

Table 8. Autocorrelation Test

Mean dependent var	3.108511
S.D. dependent var	4.522640
Akaike info criterion	5.877008
Schwarz criterion	5.995103
Hannan-Quinn criter.	5.921448
Durbin-Watson stat	1.922016

Source: Data Processed by Researchers, 2022

Based on the table above, it shows that the weighted value of Durbin-Watson (DW-test) is 1.922016. The obtained DL = 0.697 and DU = 1.641 So the value of 4- DU = 3.303 and the value of 4-DL = 2.359. So it can be concluded that $DL < DU < DW < 4-DU < 4-DL$ which means there is no correlation.

d. Heteroscedasticity Test

Heteroscedasticity test can be seen that Prob. greater than alpha 0.05, it means that there is no heteroscedasticity, whereas if Prob. smaller than alpha 0.05, it means that there is heteroscedasticity.

Table 9. Heteroscedasticity Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	3.740064	1.397729	2.675816	0.0102
X1	-0.014129	0.025599	-0.551918	0.5836
X2	-0.055394	0.171436	-0.323115	0.7480

Source: Data Processed by Researchers, 2022

Based on the results of the heteroscedasticity test above, it can be concluded that the prob value of the X1 variable is (0.5936), the X2 variable is (0.7480) and shows greater than (0.05), which states that there is no heteroscedasticity symptom.

4.3 Test Statistics

This test is used to determine whether the independent variables individually and collectively have a significant effect on the dependent variable.

a. Simultaneous Test F

The F test is a statistical test that aims to determine the effect of all independent variables together (simultaneously) on the dependent variable.

Table 10. Simultaneous Test of Common Effect Model

R-squared	0.116019
Adjusted R-squared	0.078403
S.E. of regression	4.411358
Sum squared resid	914.6237
Log likelihood	-143.6092
F-statistic	3.084275
Prob(F-statistic)	0.055133

Source: Data Processed by Researchers, 2022

Based on the results of the analysis, the F-count value is 3.084275 with a probability value of 0.055133 which is greater than the 5% significance level, it can be concluded that corruption and inflation together have no significant effect on economic growth.

b. Partial Test (t Test)

The t test is a test used to determine the significance of the independent variable on the dependent variable. The submission criteria states that if the probability < significance level, then there is an individual on the dependent variable. The following is a table of partial test results (t test) in this study:

Table 11. Partial Test (t Test)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	3.132865	2.122458	1.476055	0.1466
X1	-0.031271	0.038873	-0.804437	0.4252
X2	0.457836	0.260327	1.758699	0.0851

Source: Data Processed by Researchers, 2022

Based on the table above, the panel data regression equation is obtained as follows:

$$Y = 3.132865 - 0.031271X_1 + 0.457836X_2 + et$$

1. Corruption (X_1) produces a regression coefficient value of -0.031271 , which is negative. This means that corruption has a negative effect on economic growth. It is known that the prob value is $0.4252 >$ a significance level of 0.05 . This means that corruption is not significant to economic growth.

2. Inflation (X_2) produces a regression coefficient of 0.457836, which is positive. This means that inflation has a positive effect on economic growth. It is known that the prob value is $0.0851 > \alpha$ significance level of 0.05. This means that inflation is not significant to economic growth.

c. Coefficient of determination(R^2)

The coefficient of determination (R^2) is used to measure how much the model's ability to explain the variation of the dependent variable. This value R^2 ranges from zero to 1, the R^2 closer the value to 1 means the bigger it is. From the test results using the common effect model of the influence of corruption spending, inflation on Economic Growth in ASEAN was obtained R^2 at 0.078403. This means that the independent variables in the model can explain corruption and inflation by 7.8% while the remaining 92.2% is explained by other variables outside the model.

Based on the results of research analysis on the effect of corruption and inflation on economic growth in ASEAN, the overall discussion of this research is as follows:

1. The Effect of Corruption (X_1) on Economic Growth in ASEAN

The results show that corruption has a negative and insignificant effect on economic growth. The results of this study are in accordance with research conducted by Baizatul Akman (2018) and Akhmad Faisal (2020) which states that corruption has a negative effect on economic growth. These results indicate that the impact of corruption does not directly affect economic growth but rather leads to the efficiency of the production process and misallocation of human resources. This is because corruption can reduce the quality of institutions and create leakages in the financing of resources, but this result is not in accordance with research conducted by Yosafat (2015) which states based on the estimation results obtained that corruption has a positive and significant effect on economic growth.

2. Inflation Effect(X_2) Against Economic Growth in ASEAN

Inflation has a positive and insignificant effect on economic growth in ASEAN. The results of this study are in accordance with research conducted by Baizatul Akman (2018) and Akhmad Faisal (2020) which states that corruption has a negative effect on economic growth. These results indicate that the impact of corruption does not directly affect economic growth but rather leads to the efficiency of the production process and misallocation of human resources. This is because corruption can reduce the quality of institutions and create leakages in the financing of resources, but this result is not in accordance with research conducted by Yosafat (2015) which states based on the estimation results obtained that corruption has a positive and significant effect on economic growth.

3. Effect of Corruption (X_1) and Inflation(X_2) Against Economic Growth in ASEAN

Based on the results of research conducted using panel data regression, classical assumption test and statistical test on Eviews, it shows that the Corruption variable (X_1) produces a regression coefficient value of -0.031271 , and the prob value is $0.4252 > \alpha$ significance level. This means that corruption has a negative and insignificant effect on economic growth (Y). Inflation variable (X_2) produces a regression coefficient value of 0.031271 , and the prob value is $0.0851 > \alpha$ significance level of 0.05. This means that inflation has a positive and insignificant effect on economic growth (Y).

Based on the results of the simultaneous test analysis, the F-count value is 3.084275 with a probability value of 0.055133 which is greater than the 5% significance level, this means that corruption and inflation together have no significant effect on economic growth. So it can be concluded that the hypothesis proposed by corruption and inflation has no effect on economic growth in ASEAN

V. Conclusion

Based on the results of research analysis on the effect of corruption and inflation on economic growth in ASEAN using panel data regression with the Common Fixed Effect, the results of the Partial Test (t) are as follows: (a). The Corruption variable (X1) produces a regression coefficient value of -0.031271 which is negative, and the prob value is $0.4252 > \alpha$ a significance level of 0.05. This means that corruption has a negative and insignificant effect on economic growth (Y); (b). Inflation variable (X2) produces a regression coefficient value of 0.031271 which is positive, and the prob value is $0.0851 > \alpha$ a significance level of 0.05. This means that inflation has a positive and insignificant effect on economic growth (Y); (c). The variables of corruption and inflation together have no significant effect on economic growth in ASEAN.

Suggestion

1. For the government and officials in 10 ASEAN countries (Southeast Asia) who have high corruption cases, they should imitate other countries such as Singapore in taking firm action against corruptors in their country by giving severe penalties that can have a deterrent effect so that corruption does not occur in the future. In the future, the punishment given must be indiscriminate, consistent and aimed at protecting the people. Of the 10 ASEAN members, only Singapore is included in the 10 cleanest countries from corruption, supported by the effective eradication of corruption in Singapore.
2. In terms of inflation, it is hoped that the government will be able to maintain stable prices for goods, services, and the money supply so that inflation is not high and stable, and the public does not overspend.

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