

## ABSTRACT

*Economic growth in the neoclassical perspective sees markets as highly competitive, with no incentive to create monopolies. The freedom to enter and compete in the market will help increase efficiency in production along with high-value consumption. This market process leads to the optimal and maximum allocation of factors of production. However, when a country pursues national output of maximisation, the level of corruption is at its optimum. In this way, institutions provide a framework for transaction and cooperation under unfavourable conditions. Greater economic freedom allows market mechanisms to work more effectively in promoting economic growth.*

*This study aims to examine the effect of corruption and institutions on the growth of Southeast Asian countries in the 2010-2021. The research method uses an OLS approach with a fixed effect model. The results show that corruption provides benefits to the growth of ASEAN countries. Countries with good institutional quality support lower levels of corruption, leading to increased growth in the long run.*

*Keywords: economic growth, corruption, institution*