

ABSTRACT

Democracy and good governance as political institutions are crucial elements in determining a country's economic growth. In the ASEAN region, various countries have differing levels of democracy and governance quality, potentially affecting their economic growth. This study aims to analyze the impact of democracy and governance (political stability, corruption control, and government effectiveness) on economic growth in five ASEAN member countries (Indonesia, Malaysia, the Philippines, Thailand, and Timor Leste) during the period 2010-2022. The analysis method used is the Fixed Effect Model (FEM) of panel data. The results show that political stability, corruption control, and government effectiveness have a positive and significant impact on economic growth. Meanwhile, democracy has no significant impact on economic growth. These findings highlight the importance of political institutions (political stability, corruption control, and government effectiveness) in driving economic performance and provide policy implications for improving institutional quality to support sustainable economic growth in five countries in ASEAN.

Keywords: Democracy, Governance, Economic Growth, ASEAN, Political Stability, Control of Corruption, Government Effectiveness, Panel Data, Fixed Effect Model (FEM)