

ABSTRACT

ASEAN has become one of the important regions in the world with its proven their economy is tough while periode after crisis. However, the high economic growth is good enough allegedly is not optimum because mismanagement problems in managing natural resources. One of the causes of natural resource abundance that cannot accompany to this prosperity is quality of government or usually called good governance. The theory says that a country that has good governance quality will have a good impact on economic growth. Can improvements in quality of government in countries with abundant natural resources create economic progress?

This study uses the World governance indicator (WGI) as the quality of its government and uses the Arrelano Bond Generalized Method of Moments (GMM) method to see its effect on economic growth in Southeast Asia from 2002 to 2016. The results of the study show that natural resource problems cannot only be answered with better quality of government and in addition countries in Southeast Asia have also begun to solve this problem by no longer depend on the natural resource abundance.

Keywords : ASEAN, good governance, natural resource abundance, system GMM