

## ABSTRACT

*Different from The Neoclassical Growth Theory, Drazen (2000) states that political factors determines The Economic Performance of an economy. In specific, politics affects the economy via The Property Rights, The Predatory Dictatorship dan The Pressure of Redistribution.*

*We develop an empirical model consisting of political variables and economic variables. We measure political factors by indexes developed by Badan Pusat Statistik, namely; 1) The Democracy Index, 2) The Civil Liberty Index, 3) The Political Right Index, 4) The Democratic Institution Index and 5) The Gini Index. We also include a control variable, i.e. capital expenditure and labor participation rate.*

*Employing a panel data of provinces in Indonesia during the period of 2010 to 2011 and a fixed effect model, we find that our political variables are less likely to explain economic growth in provinces in Indonesia. The Civil Liberty Index, The Political Right Index, The Democratic Institution Index, The Democracy Index, The Gini is not statictically significant.*

*Keywords: economic performance, politics, the property rights, the predatory dictatorship, the pressure of redistribution, fixed effect model.*

*JEL Classification : O40, O43*