THE ROLE OF GDP PER CAPITA, ECONOMIC FREEDOM INDEX AND POPULATION GROWTH TO POLITICAL STABILITY IN SOUTHEAST ASIAN COUNTRIES: IS THERE BEST CHOICES SUPPORTING THE WORLD IN PEACE?

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ABSTRACT

This study aims to examine the role of economic growth, the index of economic freedom, and the population on political stability. Political stability is one of the factors that can determine the direction of development and economic growth towards the creation of prosperity. Politically stable countries can carry out better economic development. This research contributes to look at the factors that can support political stability in Southeast Asian countries. This study uses secondary data originating from the World Governance Indicator, World Bank Development Indicator and Heritage Foundation in the 2011-2020 period. This study was conducted in Southeast Asian countries, namely Indonesia, Malaysia, Thailand, Philippines, Singapore and Vietnam. The research method used is panel data regression. The results show that GDP Per capita and economic freedom index is a significant effect to political stability. On the other side, population growth has not significant impact to political stability. This proves that every country that has good political stability is supported by stable guaranteed economic freedom, and a controlled GDP per capita.

Keywords: Political Stability, GDP Per capita, Economic Freedom Index, Population Growth

INTRODUCTION

Political stability is one of the scientific studies that studies the role of politics in controlling or controlling other sectors outside the real sector that belongs to the political aspect. These aspects include political actors, namely political parties, politicians, community organizations and others. The political stability of a country is characterized by a good governance system, democratic strength, constitutional order and respect for human rights (Sari & Satrianto, 2021) . Political stability is a variable

in the evolution of a country that can be reflected in the level of economic growth (Radu, 2015). Economists have now realized that political regimes have an important role in political stability which has an impact on economic growth (Bashir & Xu, 2014) Political regimes are one one dimension of political instability that has different effects on economic growth (Jong-A-Pin, 2006) . Where economic growth is strongly influenced by political instability (Baklouti & Boujelbene, 2020) . Therefore, political stability plays a very important role in seeing how political actors control the political stability of a country (Firmansyah, 2019) .

Political stability is an important element in supporting the economic growth and harmony of a country. Political stability is defined as part of the basis for formulating a strategy for the life of the state and society in Indonesia. According to Plano (1985) and Syahrul Romadhon (2006) in Fitria (2018) state that political stability is a condition in which the political system (government) does not experience fundamental changes or changes in the boundaries specified. Changes or changes in the political system such as changes in the cabinet or political regime can affect the political stability (Jafari et al., 2011) . Meanwhile, according to the Encyclopedia Britannica in Number & Iorember (2017) states that political stability is a certain resistance to integrate the ruling government regime.
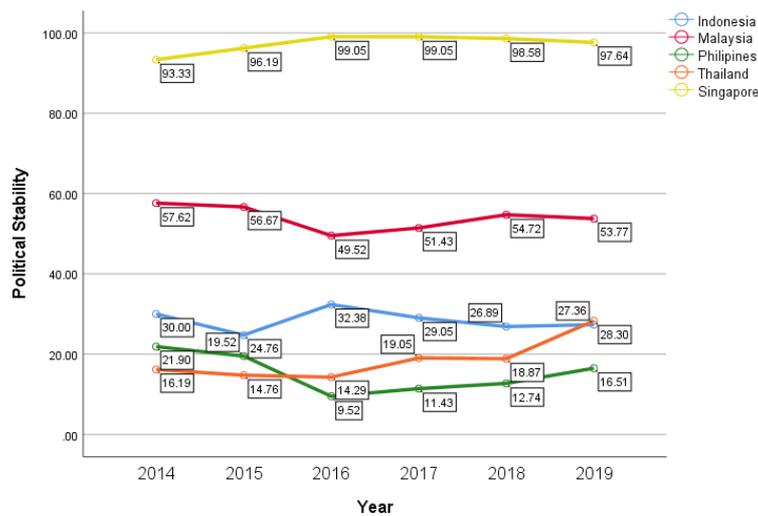

Figure 1. Political Stability (by Index) in Southeast Asia Countries Period 2014-2018

There are many factors that can affect political stability which are mainly explained in many studies of social sciences. Several fields of social science that discuss political stability as part of a specific interaction are economics and sociology. In state economics, political stability is closely related to economic growth, where one of the relations between political stability is the growth of Gross Domestic Product (GDP) which has a positive relationship (Corovei & Socol, 2019). Whereas in sociology, political stability is a social or community behavior in responding to the bureaucratic system by responding to political stability which is a study in political

sociology (Dewi, 2017) . This shows that in political stability it is not only political actors who play a role, but the response from the community is also an indicator in the study of political stability.

Economic growth is a study that studies how economic growth can control other sectors from the economic aspect. These aspects are *investment, government spending, consumption,* and export performance. This aspect Total demand for domestic output is divided into four components, namely household consumption expenditure, investment spending by businesses and households, government spending on goods and services and foreign demand for net exports (Syahputra, 2017) . Investment often leads to changes in overall demand and affects the business cycle, besides that investment leads to capital accumulation that can increase the country's potential output and develop long-term economic growth (Firmansyah & Nasution, 2020; Sukirno, 2016; Tarigan, 2006).
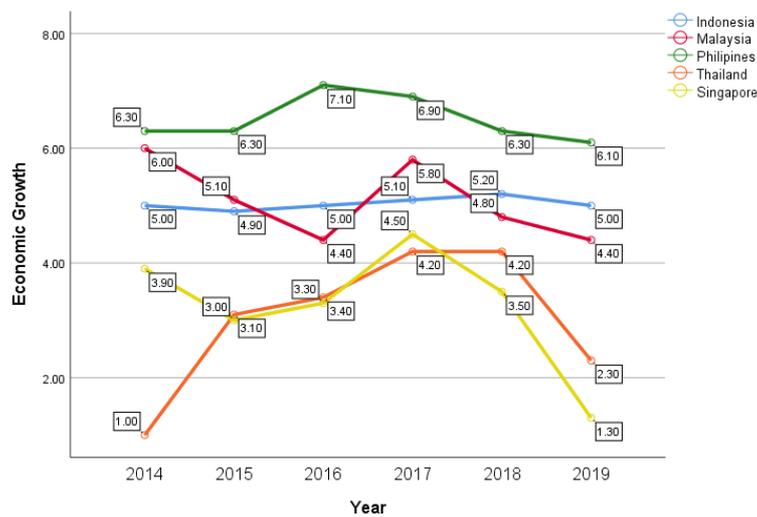

Figure 2. Economic Growth (by percent) in Southeast Asia Countries Period 2014-2018

Economic growth is very vital for the sustainable development of the level of economic development and welfare in a country towards better conditions in a certain period. Economic growth is a process of increasing output continuously in the long term (Sukirno, 2016). High and sustainable economic growth is an important condition or a necessity for the continuity of economic development and increasing welfare (Asbiantari, 2016; Gregorio et al., 1992). Economic growth is the development of activities in the economy that causes goods and services produced in society to increase so that prosperity can be achieved (Purnomo, 2020). Whereas the process of increasing the output of economic growth is viewed from the production of goods and services produced by a country, both from the performance of the government and related institutions, agencies and organizations. The rate of economic growth can be measured using the real national income achieved by a country (Sukirno, 2016).

National Income is measured by GNP (*Gross National Product)* or GNP (Gross National Income) and GDP (*Gross Domestic Product*) or Gross Regional Domestic Product (GRDP). Economic growth is defined as an increase in GDP/GNP regardless of whether the increase is greater or less than the population growth rate, and whether or not there is a change in the economic structure (Pambudi & Miyasto, 2013; Yusuf et al., 2020). Meanwhile, according to Sukirno (2016) there are several tools to measure economic growth, namely: Gross Domestic Product and Gross Regional Domestic Product Per Capita. Therefore, National Income is one of the indicators that can be used to measure the rate of growth and economic development in seeing the level of welfare of a country from time to time.

Economic freedom is the freedom to produce, trade and use products and enjoy them without coercion, violence, fraud or theft. In line with this, according to Wulandari (2014) economic freedom is the ability of individuals, families and businesses to make their own economic decisions, free from pressure. Economic freedom is one of the economic activities that is carried out openly. Where such involves international trade. The main key to economic freedom is referring to the concept of personal choice, voluntary exchange, freedom to compete and the right to protect oneself and property (Abdullah & Yuliyusman, 2010). The economic freedom index was first created by James Gwartney, Robert A. Lawson and Walter E. Block of the Heritage Foundation and the Wall Street Journal in 1955. They measure the level of economic freedom of 189 countries. This index includes ten components, namely freedom of business, freedom of trade, fiscal freedom, government size, monetary freedom, investment freedom, financial freedom, property rights, freedom from corruption, and labor freedom. All these factors are averaged into a total score. Each element of freedom is rated on a scale of 0-100 where 100 indicates maximum freedom. The index of economic freedom is the highest form of economic freedom, resulting in absolute rights of ownership, freedom of movement of labor, capital, goods and no restrictions on economic freedom beyond those needed to protect citizens and guarantee the freedom itself. This index is closely related to the institutional aspects of a country (Wulandari, 2014).
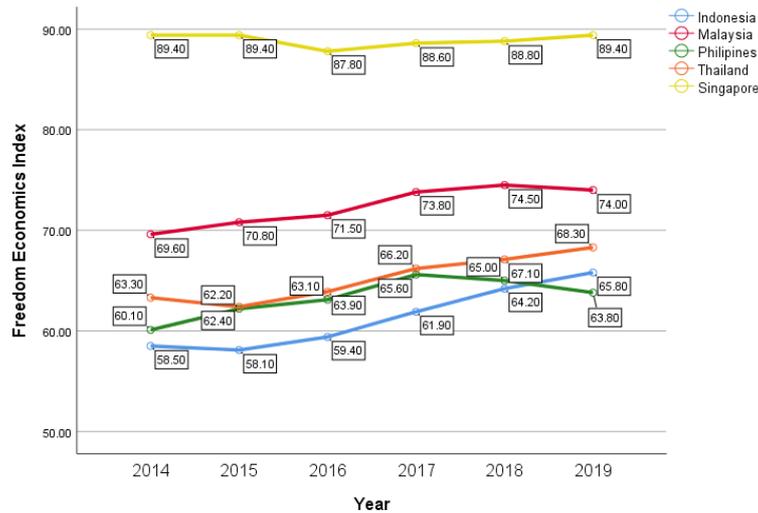
Muhamad Ferdy Firmansyah, Nanang Rusliana, Haikal Zulian Maulana, Sri Rahmi Nuraini, Muhamad Ridho

Figure 3. Freedom Economic Index (by Index) in Southeast Asia Countries Period 2014-2018

Judging from the data in the picture above, it is found that the value of economic freedom in ASEAN-5 in general has increased with Singapore having the highest score compared to other countries with an average of 88.9 followed by Malaysia having an economic freedom index score of 72. After that, Thailand has an economic freedom index of 65.2 and the Philippines has an economic freedom rate not much different from Thailand, which is 63.3 and the lowest country among these five countries is Indonesia with an average economic freedom index of 61.3. Apart from economic freedom, there is an important component of population growth to be seen as an important aspect that can affect political stability. The impact of political and institutional factors on economic growth has received considerable attention in the economic sphere and further research has been carried out to analyze the importance of political and institutional factors in explaining the diversity of economic growth of countries. The strategy of economic and political freedom adopted by some countries may not necessarily be applied in other developing countries. There are several conditions where the country can accept democracy and economic freedom, it will cause new problems that will damage the ongoing development process (Pratomo et al., 2014).

Population is one of the main factors in economic growth. Human resources, namely the population, is an important factor in which the output growth process requires the presence of workers who come from the community (Firmansyah, 2021). Continuous population growth will cause *the law of diminishing returns to apply* (Sukirno, 2016). This means that economic growth will not apply continuously because the increasing population will cause marginal production to decrease so that national income will experience a slowdown in growth. Therefore, this can lead to a high population level which will cause wages to decrease, thereby lowering profits and increasing land rents.
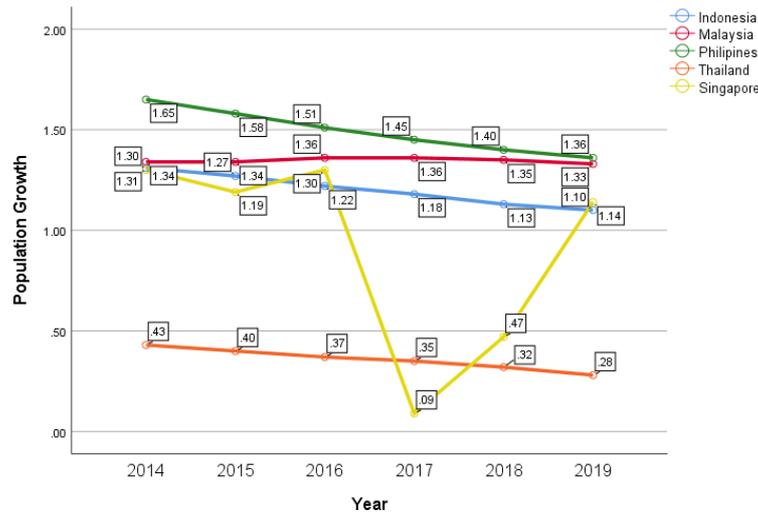
Figure 4. Population Growth (by percent) in Southeast Asia Countries Period 2014-2018

Judging from the population growth data in ASEAN-5, it fluctuates with Singapore having a population growth score of 0.91 percent, which fluctuates every year. Malaysia with an average of 1.34 percent and experienced an increase from 2014 to 2017 and in 2018 to 2019 it decreased, after from Malaysia there was Indonesia with an average of 1.20 percent with this value Indonesia was seen to experience a decline every year with the final result in 2019 is with a value of 1.09 percent. Data in the Philippines and Thailand have an average of 1.48 percent and 0.35 percent and these two countries experience a decline every year.

The World Bank in its report shows population growth data from 2014 to 2019. Based on this data, Singapore has a population growth score of 1.48 percent on average and has a decline every year, followed by Malaysia with an average of 1. 34 percent and experienced an increase from 2014 to 2017 and in 2018 to 2019 it decreased, after from Malaysia there was Indonesia with an average of 1.20 percent with this value Indonesia was seen to experience a decline every year with the final result in 2019 with a value of 1 .09 percent. Data in Singapore and Thailand have an average of 0.91 percent and 0.35 percent and these two countries experience a decline every year.

By looking at the phenomena that occur above, a number of research questions were found as follows: How are the simultaneous effects of economic growth, economic freedom index and population on political stability? and how are the partial effects of economic growth, economic freedom index and population on political stability?

METHOD

The method is the main way used to achieve the goal, for example to test a hypothesis by using certain techniques and tools. The method used in this research is

descriptive quantitative method. Descriptive method aims to describe the nature of something that took place at the time the research was conducted and examine the causes of a certain symptom. Descriptive method is a research design that is structured in order to provide a systematic description of scientific information originating from the subject or object of research. Different focuses on a systematic explanation of the facts obtained when the research was conducted (Sugiyono, 2017).

Data Type

The type of data used in this study is secondary data, secondary data is a source of research data obtained through intermediary media or indirectly in the form of books, records, existing evidence, or archives, both published and not publicly published (Moleong, 2007; Sugiyono, 2007). In other words, researchers need to collect data by visiting libraries, study centers, archive centers or reading many books related to their research. The type of data used in this study is panel data, namely data that has dimensions of space and time, which is a combination of cross-sectional data with time series data ((Firmansyah et al., 2021; Gujarati & Porter, 2012). In this study, the data used were obtained from the World Bank Development Indicator, World Governance Indicator, and the Heritage Foundation. The operationalization of variables in this study are as follows:

Table 1. Variable Operationalization

Variable	Description	Source	Unit	Scale
(1)	(2)	(3)	(4)	(5)
Political Stability (Y)	Political stability in Indonesia, Malaysia, Singapore, Thailand, and the Philippines as measured by the *world governance index*	World Governance Indicators	Index	Ratio
GDP Per Capita (X1)	GDP per capita in Indonesia, Malaysia, Singapore, Thailand, and the Philippines which is sourced from the results of calculating GDP constants divided by the total population	World Development Indicators	US$	Ratio
Economic Freedom(X2)	Economic freedom in Indonesia, Malaysia, Singapore, Thailand, and the Philippines as measured by the *economic freedom index*	Heritage Foundation	Index	Ratio
Population Growth(X3)	Population growth in Indonesia, Malaysia, Singapore, Thailand, and the Philippines as measured by population growth	World Development Indicators	Percent	Ratio

Sources: Processed by Author

Data analysis technique

This study uses panel data analysis techniques which use a combination of cross section and time series data processing. In applying panel data, the panel data regression method can be used. In general, the panel data regression model can be carried out in two approaches, namely the fixed effect approach and the random effect approach, so that in performing regression, you must choose one approach that produces a significant model, so a good regression model must be based on hypothesis testing (Gujarati, 2006; Widarjono, 2009).

Panel data regression model, also known as multiple linear regression analysis where the statistical method used is to analyze the relationship between the dependent variable and the independent variable (Somantri & Muhidin, 2014). The fundamental advantage of panel data will allow researchers to have great flexibility in modeling behavioral differences across individuals.

The panel data model used in this study are:

$$Yit = \beta + \log(x_{1it}) + x_{2it} + x_{3it} + e_{it}$$

Y = Political Stability of country i in year t

β = Constant

$\beta_1, \beta_2, \beta_3$ = Coefficient

x_{1it} = Gross Domestic Product Per capita country i in year t

x_{2it} = Index of Economic Freedom of the country i in year t

x_{3it} = Population growth of country i in year t

Best Model Selection

Panel data analysis technique in this study can be done using the common effect, fixed effect and random effect methods, while to determine which method is more suitable for this research, the Chow test and the Hausman test are used. The common effect model is the simplest model, because the method used in the common effect method is only by combining time series and cross section data. By simply combining the two types of data, the Ordinal Least Square (OLS) method or least squares technique can be used to estimate the panel data model (Gujarati, 2006). This approach does not pay attention to the individual and time dimensions, and it can be assumed that the data actors between companies are the same in time. This assumption is clearly very far from the actual reality, because the characteristics between countries both in terms of the type of territory are very different.

This model is used to overcome the weakness of panel data analysis using the common effect method, the use of common effects panel data is unrealistic because it will produce an intercept or slope on panel data that does not change between individuals (cross section) and between time (time series). This model is also for estimating panel data by adding a dummy variable. This model assumes that there are different effects between individuals. This difference can be accommodated through the difference in the intercept . Therefore, in the fixed effect model, each

individual is an unknown parameter and will be estimated using a dummy variable technique.

In this method, differences in individual characteristics and time are accommodated with errors from the model, considering that there are two components that contribute to the formation of errors, namely individual and time. This method needs to be broken down into errors from individual components, errors for time components and combined errors. In selecting the best model, the Chow test is used to select the CEM or FEM model. Then the Hausman test is used to select the FEM and REM models, and finally, if possible, the Lagrange Multiplier Test is used to compare the REM and CEM models.

Classic assumption test

The normality test is used to test the distribution of data in a regression model to be analyzed if the distribution is normal or not. A good model is normal or close to normal data. Normality tests are performed before a statistical method is applied. Ways to test the normality of the data can be with pictures (histogram and stem-leaf) or skewness and kurtosis tests. Multicollinearity test aims to test whether there is a correlation between the independent variables in the regression model. A good regression model does not occur correlation between independent variables. If there is a correlation between independent variables, then there is a multicollinearity problem. To detect the presence or absence of multicollinearity in the regression model, by using correlation with the requirement to be free from multicollinearity problems if dominant is below 0.8.

Heteroscedasticity test aims to determine whether in the regression model there is an inequality of residual variance from one observation to another observation. If the residual variance from one observation to another observation remains, it is called homoscedasticity and if it is different, it is called heteroscedasticity. A good regression model is homoscedasticity. One way to detect the presence or absence of heteroscedasticity is by using the Glejser test. Testing with the Glejser test is regressing each independent variable with absolute residuals as the dependent variable. Residual is the difference between the observed value and the predicted value, while the absolute is the absolute value. The Glejser test is used to regress the absolute value of the residual on the independent variable. If the results of the Glejser test confidence level > 0.05 then there is no heteroscedasticity.

Significance Test

The coefficient of determination R-square is used to find out to what percentage of variation in the dependent variable in the model can be explained by the independent variable (Somantri & Muhidin, 2014). The coefficient of determination R-square is expressed as a percentage, this R-square value ranges from 0-1. The R-square value is used to measure the proportion of the total variation in the

dependent variable described in the regression or to see how increasing the independent variable is able to explain the dependent variable.

The F test was conducted to test the estimation results of the regression model whether the independent variables together have an influence on the dependent variable (Somantri & Muhidin, 2014). If we use a probability approach in looking at the simultaneous determination of the hypothesis, the following measurements can be used:

1. Ho is not rejected, if $prob > 0,05$, the conclusion can be said that all regression coefficients together are not significant at the level of α.
2. Ho is rejected, if $prob < 0,05$, the conclusion can be said that all regression coefficients are jointly significant at the level of α.

The t test is to partially test the regression relationship, the statistical t test basically shows how far the influence of an individual explanatory variable in explaining the variation of the dependent variables (Somantri & Muhidin, 2014). If we use a probability approach to see the partial hypothesis determination, the following measurements can be used:

1. Ho is not rejected, if $prob > 0,05$ the conclusion is that X_1 statistically it has no effect on Y at the level of α.
2. Ho is rejected, if $prob < 0,05$ it can be concluded that X_1 statistically it affects Y at the level of α.

RESULTS AND DISCUSSION

Results

The results will explain the selection of the best model, classical assumption test, significance test and interpretation of the calculated panel data regression equation.

Best Model Selection

In forming the best econometric modeling in panel data, three types of models are known, namely the Common Effect Model, Fixed Effect Model and Random Effect Model. The first stage is to compare FEM with CEM using the Chow test, for comparison of FEM with REM the Hausman test is used and the comparison of REM with CEM using the LM test.

Chow Test

Table 2 Chow Test Test Results

Effects Test	Statistics	df	Prob.
(1)	**(2)**	**(3)**	**(4)**
Cross-section F	70.511794	(5.27)	0.0000
Cross-section Chi-square	95.154232	5	0.0000

Source: Processed by Author

Based on table 4.1, the value of Prob is obtained. *Cross-section F* is 0.0000 which means it is smaller than 0.05 or 0.0000 < 0.05. Based on this, H0 is rejected, which means Ha is accepted, meaning that the best model is the Fixed Effect Model. Therefore, the next test will be conducted, namely the Hausman test to determine the best model between the Fixed Effect Model and the Random Effect Model.

Hausman Test

Table 3. Hausman's Test Test Results

Test Summary	Chi-Sq. Statistics	Chi-Sq. df	Prob.
(1)	**(2)**	**(3)**	**(4)**
Random cross-section	1.309545	3	0.7269

Source: Processed by Author

Based on table 4.1, the value of Prob is obtained. The random cross-section is 0.7269, which means it is greater than 0.05 or 0.7269 < 0.05. Based on this, Ho is not rejected, meaning that the best model is the Random Effect Model. Furthermore, data processing required further testing with the LM test to compare the Common Effect Model with the Random Effect Model.

Lagrange Multiplier Test

Table 4 Test Results of the Lagrange Multiplier Test

	Lagrange Multiplier Tests for Random Effects		
	Hypothesis Test		
	Cross-section	time	Both
Breush-Pagan	68.68394	2.994951	71.67889
	(0.0000)	(0.0835)	(0.0000)

Source: Processed by the Author

Based on table 4.1, the value of Prob is obtained. The cross-section with the Breush-Pagan approach is 0.0000, which means it is greater than 0.05 or 0.000 < 0.05. Based on this, Ho is not rejected, meaning that the best model is the Random Effect Model. Furthermore, data processing will be carried out using the Random Effect Model.

Classic assumption test

Normality Test

The results of the normality test using Jarque-Bera using the Glejser test are shown in the table below as follows:
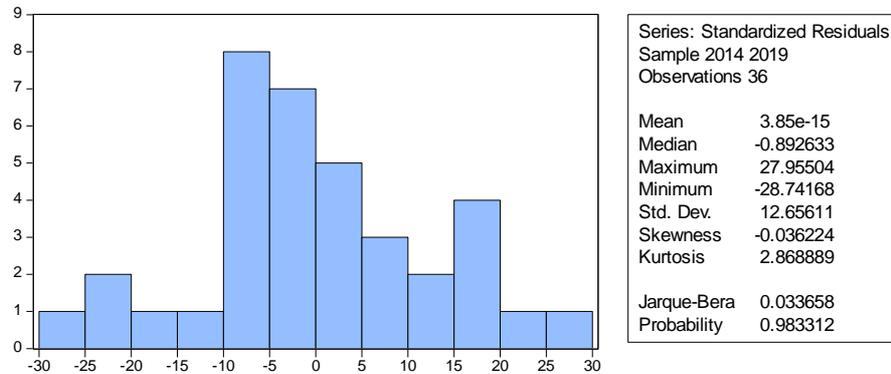

Figure 5. Normality Test Result

In Figure 5, it can be seen that the jarque fallow value is 0.033658 and the probability value is 0.983312. So it can be concluded that this model has a normal distribution. With the model free from the heteroscedasticity problem, it can be concluded that the next test can be carried out, namely by testing the heteroscedasticity test.

Heteroscedasticity Test

The results of the heteroscedasticity test using the Glejser test are shown in the table below as follows:

Table 5 Heteroscedasticity Test Results (Glejser Test)

Variable	Coefficient	Std. Error	t-Statistics	Prob.
(1)	(2)	(3)	(4)	(5)
A. Data level				
C	21.98908	16.15794	1.360884	0.1831
Log(GDPPer capita)	-1.990319	4.981452	-0.399546	0.6921
EFI	0.014062	0.466260	0.030159	0.9761
PG	5.369184	2.838109	1.891817	0.0676

Source: Processed by the Author

In table 5 it can be seen that the probability value of each variable is greater than 0.05. So it can be concluded that in this model there is no heteroscedasticity. With the model free from the heteroscedasticity problem, it can be concluded that the next test can be carried out, namely by testing multicollinearity.

Multicollinearity Test

The results of the heteroscedasticity test using the Glejser test are shown in the table below as follows:

Table 6 Multicollinearity Test Results

	PS	GDPP	EFI	PG
PS	1	0.864622783044	0.712743948517	-0.033060774796
GDPP	0.864622783044	1	0.901299355904	-0.166033996872
EFI	0.712743948517	0.901299355904	1	-0.091895640596
PG	-0.033060774796	-0.166033996872	-0.09189564059	1

In table 6 it can be seen that the correlation value of each dominant variable is below 0.8. So, it can be concluded that in this model there is no multicollinearity. By freeing the model from the problems of normality test, heteroscedasticity test and multicollinearity test, it can be concluded that the model has met the classical assumption test.

Significance Test

F test (simultaneous)

The results of processing using panel data regression are shown in the table below:

Table 7 *Random Effect Model* Regression Results for F-statistics Test

Effects Specification			
Random Effect Model (Weighted Statistics)			
Indicator	**Value**	**Indicator**	**Value**
(1)	**(2)**	**(3)**	**(4)**
R-squared	0.505573	Mean dependent var	9.698652
Adjusted R-squared	0.459221	SD dependent var	7.194203
SE of regression	5.290451	Akaike info criterion	895.6439
F-statistics	10.90714	Durbin-Watson stat	7.194203
Prob(F-statistic)	0.000043		

Source: Processed by the Author

Based on the table above, it is known that the probability value of the F-statistic is 0.000043, where 0.000043 <0.05. Then H0 is rejected and Ha is accepted, meaning that the variables GDP Per capita, Economic Freedom Index and Population Growth have a significant effect on Political Stability simultaneously.

t test (partial)

The results of processing using panel data regression are shown in the table below:

Table 8 *Random Effect Model* Regression Results for t Test

Variable	Coefficient	Std. Error	t-Statistics	Prob.	Decision
(1)	(2)	(3)	(4)	(5)	(6)
C	-163.1788	28.88268	-5.649711	0.0000	-
Log(GDPP)	30.88350	5.746884	5.373955	0.0000	Significant
EFI	-1.003839	0.451884	-2.221454	0.0335	Significant
JP	2.181913	3.173350	0.687574	0.4967	Not significant

Source: Processed by the Author

Based on the table above, it is known that the probability value is the GDP Per capita of 0.0000 and the Economic Freedom Index of 0.0335 which means that the GDP Per capita and the Economic Freedom Index have a significant influence on Political Stability. While the Population Growth variable has a probability value of 0.4967 which means that Population Growth does not have a significant effect on Political Stability partially.

Coefficient of Determination

This test is carried out to measure the percentage of the total variation of the dependent variable that can be explained by the regression model. This is done to determine the good accuracy in the analysis which is indicated by the magnitude of the coefficient of determination R-squared.

Table 9 Coefficient of Determination

Effects Specification			
Random Effect Model (Weighted Statistics)			
Indicator	Value	Indicator	Value
(1)	(2)	(3)	(4)
R-squared	0.505573	Mean dependent var	9.698652
Adjusted R-squared	0.459221	SD dependent var	7.194203
SE of regression	5.290451	Akaike info criterion	895.6439
F-statistics	10.90714	Durbin-Watson stat	7.194203
Prob(F-statistic)	0.000043		

Source: Processed by the Author

Based on the table above, it is known that the R-squared value in this model is 0.505573. This means that the GDP Per capita, Economic Freedom Index and Population Growth variables are able to explain the variation of Political Stability by 50,5573% and the remaining 49.4427% variation of the Political Stability variable is explained by other variables outside the study. After being interpreted in the form of a significance test, the regression equation obtained can be interpreted to see the relationship between variables in the form of the coefficient parameter obtained. The regression equation formed from the calculation results are as follows:

$$Yit = -163.1788 + 30.88350X1 - 1.003839 + 2.181913 + eit$$

The results of the regression equation can be interpreted that when the value of GDP Per capita, Economic Freedom Index and Population Growth is zero (no change) then political stability in Southeast Asia tends to decrease, namely -163.1788. This indicates that political stability in Southeast Asia at the end of this decade has decreased from the internal political turmoil of each country and also the latest phenomenon is the emergence of the South China Sea dispute which will increasingly disrupt internal political stability from a number of external factors. Furthermore, for GDP Per capita, every 1% increase in GDP Per capita will increase political stability by 30.88350. In the index of economic freedom, it is found that every 1 point increase in the index will reduce political stability by -1.003839. Meanwhile, in population growth, it was found that for every 1% birth of the population, political stability would increase by 2.181913.

Discussion

In several literature studies, there have been many researchers who have examined political stability and its relationship with other scientific studies or produced a theory or the latest findings about political stability. Musibah et al. (2015) conducted a study that the endless political instability that occurred in Yemen greatly affected foreign investment that would enter so that the offer of investment options was limited. Further research conducted by Shahzad et al. (2012) hypothesized that political stability affects the inflow of foreign direct investment in Pakistan, so policy makers need to develop strategies to attract more investors. This is also in accordance with the research of Yakubu et al. (2020) where political stability affects real economic growth in Kenya.

Political stability is an important element in economic development, where if a country's politics is stable, then it is the right moment in the country's economic development. A stable political environment will pave the way for sustainable development that includes economic, environmental and social (Hong, 2020; Radu, 2015). Political stability that is disturbed internally and externally will threaten economic development, so it is necessary to guard against political stability (Uddin et al., 2017). In a study conducted by Blum & Gründler (2021) they found evidence that economic instability has an impact on worsening economic growth and development, then in their study they also express the opinion of other researchers, where unfavorable economic conditions can affect political stability. Therefore, political stability and economic development have a causal relationship so that political stability has a great influence on economic development and vice versa.

Political stability in practice has different conditions between countries, both influenced by internal domestic and foreign politics. The political system in Indonesia uses a democratic system, where this system has long stability that can make progress in the economic life of the community, but the many political events that occur in many developing countries do not mean that this democratic system guarantees political stability (Alhamran et al., 2022). The state of political stability in Indonesia

can be assessed from the Indonesian Democracy Index surveyed and published by the Central Statistics Agency. Meanwhile, Malaysia seeks to build political stability by implementing a limited democratic system, so that the government can still share the economic distribution equally to the community and civil society oversees every policy carried out by the Malaysian government (Said et al., 2012).

Partial Effect of Economic Growth on Political Stability

In economic growth in a country there are several factors that support the output produced in the form of the production of goods and services. The factor of economic growth is seen from the production produced. If the increase in the amount of production is due to factors of production, investment, technology and labor (Sukirno, 2016). Economic growth factors are related to the economy. Economic relations include the exchange of output, labour, capital and technology of each country. According to Todaro & Smith (2003) , there are three main factors or components in the economic growth of each country. The three factors are: capital accumulation, population growth, and technological progress. One of the determinants of economic growth is population, with increasing population, the number of the workforce will also increase so that it will be followed by an increase in per capita income (Azulaidin, 2021). Per capita income can be seen from the average income of the population in an area in a certain time period.

One of the conditions needed in the development of a country is the existing values and institutions. The institutions in question are stakeholders who have the power to regulate the political and economic activities of a country, namely the government. Governments that have poor quality can be an obstacle to economic growth. This quality is measured by the presence or absence of distortion in political activities. This distortion can be seen from the level of corruption in the government environment. Significance of the political environment and type of government. Kuznets emphasizes that, although advancing technology is a necessary condition for growth, it does not provide enough conditions. Economic growth can be achieved only if technological progress is combined with stable and flexible socio-political institutions that offer freedom and civil liberties to its citizens.

Government *spending* plays an important role, especially in providing public goods and services, the availability of these public goods and services will determine the accumulation of capital or public or private investment, so that it will encourage economic growth (Raditya et al., 2022). On the other hand, the increase in public consumption expenditure *will* encourage the development of the production of goods and services to meet these consumption needs. This means opening up investment opportunities for goods and services needed by the community. Apart from this, public consumption expenditure is an illustration of the use of Gross Regional Domestic Product (Chalid, 2010).

Partial Effect of Economic Freedom Index on Political Stability

In a market-based economy, social norms are the primary regulator. Such norms grow naturally from within the society itself, reflected in the history, culture, and experiences of generations in understanding how to live side by side with one another. They guide our understanding of ethics in personal relationships, professional relationships, and customer relationships. A democratic political system, reflecting social norms in laws and regulations, even democratic government, if not limited by the constitution or traditional boundaries, will pose a great threat to *economic freedom.*

The Effect of Population on Political Stability Partially

Residents are people who are in an area bound by applicable rules and interact with each other continuously. In sociology, a population is a collection of people who occupy a certain geographic area and space. Population is a matter related to the number, structure, growth, distribution, mobility, distribution, quality and welfare conditions related to the political, economic, socio-cultural, religious and environmental aspects of the local population. In addition, it is also stated that population development and family development are planned efforts to realize a balanced population growth and develop the quality of the population in all dimensions of the population.

Population growth is the change in the number of people in a certain area at a certain time compared to the previous time. The more rampant population growth in an area, the more people who are unemployed or who do not have jobs because the jobs created do not meet the requirements for a population that is increasing every year. This fairly high population growth can cause various problems and obstacles in economic development, especially employment problems, because the ability of developing countries to create new jobs is very limited. Seeing this situation, population growth can usually cause various problems such as age structure, increasing unemployment, urbanization and so on.

CONCLUSION

Based on the results of the research and discussion above, the conclusions are as follows:

1. Simultaneously economic growth, the index of economic freedom and population growth have a significant relationship to political stability in Indonesia, Malaysia, the Philippines, Thailand and Singapore. This indicates that the dependent variable is able to influence the independent variable.
2. Economic growth partially has a significant positive relationship to political stability in Indonesia, Malaysia, the Philippines, Thailand, Singapore and Vietnam. Therefore, even though it has a negative relationship, it will not have a significant impact on economic growth. In stabilizing the political situation, it is necessary to continue to increase economic growth, this means that increased economic growth in which there is productivity and an increase in output will

stabilize politics. One approach is from an increase in wages, employment and other benefits of economic activity. This activity can provide *a multiplier effect* on solving economic problems such as unemployment and poverty.

3. The index of economic freedom partially has a significant negative relationship to political stability in Indonesia, Malaysia, the Philippines, Thailand, Singapore and Vietnam. The economic freedom index is one measure of looking at a stable country's economy by including socio-political aspects, but in this case the Southeast Asian economic structure is dominated by stability at the lower level where political stability is more supported by increases in output and productivity than reforms in basic economic policies. Therefore, an increase in the economic freedom index will reduce political stability, where if there are policy reforms and reforms that will reduce the safe zone in productivity, it will cause political stability to be disturbed.

4. Population growth partially has a positive and insignificant relationship with political stability in Indonesia, Malaysia, the Philippines, Thailand, Singapore and Vietnam. By looking at the coefficient relationship, it can be illustrated that the increase in population can increase political stability. With an insignificant impact, it indicates that Southeast Asian society which tends to be homogeneous causes political stability to be still dominated by group interests. This is different from other countries (or developed countries) which have a high degree of individualism and liberalism where each individual can influence political stability in his own environment.

Suggestion and Implication

Based on results of the research and discussion above, the authors have the following suggestions:

1. For government institutions, it is expected to be able to increase productivity and increase the output of economic activities to be able to absorb labor, raise wages and reduce costs for more affordable commodity prices. This will be better able to stabilize politics in a region that has the characteristics of a politically homogeneous society such as Southeast Asia.

2. Future researchers are expected to be able to examine or carry out follow-up research related to any factors that can affect political stability. Such as starting to involve aspects of corruption perception, macroeconomic aspects, sustainable development aspects or other aspects by adding other factors that are appropriate and relevant for the development of science.

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