The impact of transparency stage and overseas refund investment inflows on the human improvement index

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ABSTRACT

This paper examines the impact of the transparency stage and overseas refund investment inflows at the human improvement index. This paper aims to explore the mediating effect of the economic boom at the impact of transparency ranges and foreign direct funding inflows at the human improvement index. This research was conducted in 9 countries in Southeast Asia with a research length from 2012 to 2019. The facts analysis system changed into done the usage of course evaluation. The outcomes indicate that the transparency stage and overseas direct investment have a tremendous influence on economic growth and the human improvement index. Economic growth turned into additionally located to impact the human development index significantly. Therefore, monetary expansion is verified to mediate the transparency stage effect on the human development index. But the economic increase isn't always proven to have a mediating effect on the impact of foreign direct funding at the human improvement index. Therefore, based totally on the outcomes of this examination, the authorities of each use in Southeast Asia need to create a transparent government to increase economic increase and human improvement index. Further, outside investment needs to be recommended to make an excellent monetary boom and human development index.

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Introduction

The Asian continent is the largest one in the world. The Asian continent has an area of approximately 44,579,000 km². The Asian continent consists of 4 parts, namely Central Asia, East Asia, South Asia, and Southeast Asia. The Asia Development Bank noted that in early 2020 economic growth in Southeast Asia for the past 5 years was in the range of 4.2% - 6.9%. Economic growth in Asia during 2016 to 2020 for countries in Central Asia was the lowest compared to countries in other parts of the Asian continent, only reading in the range of 4.2% to 4.3%. This is followed by Southeast Asia, which has an economic growth rate of 4.7% to 5.1%. The highest economic growth rate in the Asian continent occurred in South Asian and East Asian countries, which were 5.3% to 6.9% during 2016-2020. However, the region that experienced the highest decline in economic growth in early 2020 was Southeast Asia. Thus, countries in the Southeast Asia region must work hard to increase economic growth in the next period.

The economic growth of a country is an aspect of concern and focus for every country. Ridha & Budi (2020) explain that economic growth shows the level of ability of economic activity to provide additional income for the community. The quality of an economy that is experiencing growth will be able to affect the level of welfare of the people in that country. Astuti & Mispiyanti (2020) explain that the occurrence of economic growth is usually accompanied by a reduction in poverty, an increase in the Human Development Index (HDI), and an expansion of employment opportunities. Therefore, economic growth is always expected to increase every year. Islam, Ghani, Kusuma, & Theseira (2016) explain that human resources are a set of resources that combine

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knowledge, training, and skills related to the quality of education and economic development. Based on this, every country needs to be able to always create stable and increasing economic growth for each year.

The economic growth of a country can grow well if the country is free from the level of corruption. Fajar & Azhar (2018) explain that corruption is the taking and misuse of state resources by several state officials, especially those carried out by the political elite. Thus, corruption can lead to the waste of resources owned by the state. The opinion of Blackburn, Bose, & Haque (2011) regarding the relationship between corruption and economic development explains that corruption can slow down economic movement through its influence on the effectiveness and efficiency of resources in the economy. Several studies have also found that corruption hurts economic growth. Borlea, Achim, & Miron (2017) found that increasing corruption and the shadow economy hurt economic growth. The results of this study are also supported by findings from Alfada (2019) that the detrimental effect of corruption appears to be stronger for provinces with levels of corruption above the threshold.

The negative effects of corruption on economic growth will ultimately have an impact on human resource development in a country. The results of a study from Sarabia, Crecente, del Val, & Giménez (2020) found that happened a significant influence among the Human Development Index and the corruption level because corruption can erode optimism and erode people's expectations, and as a result, various social conflicts arise because people lose belief in democracy. Kurniawan, Ratnasari, & Mustika (2020) also found similar findings that index Perception of Corruption does not affect significantly to the growth of the economy, but the Index Development of Human influence significantly positively towards the growth of the economy or Product Domestic Gross.

Apart from being influenced by the level of corruption, a country's economic growth can also be increased by maximizing foreign direct investment inflows (FDI). FDI is a form of investment that aims to gain or increase investors and the number of foreign companies (Ocaya, Ruranga, & Kaberuka, 2013). Thus, this FDI becomes an important aspect for investment creation, employment, economic growth, and poverty reduction. Theoretically, FDI influences economic growth when viewed from the demand side, where Maqin & Sidharta (2017) explain that economic growth from the demand side will be affected by several factors, namely household demand for goods & services (outputs) which consists of consumption expenditure. household (C), private and government gross investment expenditure (I), government expenditure (G), and net exports (XM). The results of the study by Thanh, Canh, & Schinkel (2019) found that, firstly, the compound effect of inward foreign direct investment inflows with trade openness has a substitution effect on economic growth, while the positive influence is taken aloof.

The positive effect of FDI on economic growth, in the end, shall also have a positive impact on the human development index. Gokmenoglu, Apinan, & Taspinar (2018) explain that FDI has a positive contribution to the development of education and income of the host country, although, on the one hand, FDI can reduce life expectancy as a result of work stress caused by increased competitiveness in the host country. This argument is also strengthened by the results of previous studies (Sharma & Gani, 2004; Fagbemi & Osinubi, 2020). Sharma & Gani (2004) explained that foreign direct investment had an influence on human development in both middle and low-income countries during 1975-1999. Meanwhile, Fagbemi & Osinubi (2020) found slightly different results, namely that FDI, in the long run, has no effect on human capital and only affects within a brief period. However, following the asymmetric relationship, there’s empirical evidence to suggest that growing FDI inflows to a positive degree, ultimately, can result in a tremendous boom within the diploma of human capital development, suggesting that the magnitude of FDI inflows is essential in the economy.

Based on the explanation above, this study will conduct an empirical test of the influence of the level of corruption and foreign direct investment inflow on economic growth and its impact on the human development index. This research will focus on countries in Southeast Asia with a study period from 2012 to 2019. The results of this study will be able to become a reference source for policymakers regarding maximizing economic growth by reducing levels of corruption and increasing foreign direct investment. Thus, the economic growth and human development index in Southeast Asian countries can increase in the future. In addition, the results of this study can also be a source of reference for future researchers to conduct research using similar topics. This is because the topic in this study is interesting. After all, it is still rarely done by previous studies.

**Literature Review**

**Economic Growth Theory**

Economic growth is an essential factor for numerous countries. Economic growth is described as the ability to deliver numerous economic goods to the population-based totally on technological advances, institutional changes, and beliefs (Kuznets, 1973). The same thing was conveyed by Ridha & Budi (2020) who explained that hows the volume to which economic activity can provide extra income for the network. The use of statistics on Gross Domestic Product (GDP), where GDP quantifies the full profits of anybody in an economic system. Economic growth is an important aspect and needs to be known because economic growth is an indicator of a country's economic welfare (Viddy, Rafiqoh, & Asniwati, 2019).

Economic growth is a phenomenon that is most powerful for generating a long-term standard of living. This is because economic growth is a very complex process and is influenced by various kinds of institutional, policy, social and cultural factors (Mihalea & Georgiana, 2015). Economic growth is based on two sides, namely demand and supply. Demand-side economic growth will be influenced by several factors, namely family demand for goods & services (output) which consists of family consumption expenditure
Economic growth from the supply side is influenced by factors such as the ownership of capital, labor, natural resources, and technology. The two theories underlying this supply-side economic growth are neoclassical theory and modern theory. In the neoclassical theoretical model, the production factors that are considered very significant are the amount of labor and capital, but the role of science and technology is less important in this view (Maqin & Sidharta, 2017). However, the view of the neoclassical theory has weaknesses because technology and science and technology are considered or not (less) important which ultimately causes labor and capital productivity to be unable to be increased, so that a new alternative theory of economic growth emerges which adds an endogenous aspect to the process of economic development. The new growth theory explains that in addition to labor and capital other factors are considered important in output growth, namely changes in technology (embodied in capital goods), science, energy, entrepreneurship, raw materials, materials, availability, and conditions of infrastructure, laws, and regulations, political stability, government policies, bureaucracy and international exchanges (Maqin & Sidharta, 2017).

Klitgaard’s theory of corruption

The theory related to corruption used in this article is Klitgaard's theory. Klitgaard's theory is an agent behavior theory that was extended to the study of corruption by Klitgaard in 1988. This theory explains that corruption is an act of abuse of authority that occurs in the public sector (Kurniawan et al, 2020). The corruption that is meant here is to emphasize more on corruption that occurs in a country, namely the taking and misuse of state resources by several state officials, especially those carried out by the political elite (Fajar & Azhar, 2018). The principal-agent theory is developed with the assumption of a rational choice of an agent who will only decide for involvement in corruption if the agent gets a higher net profit than the net cost or precautionary principle (Mungiu-Pippidi, Hartmann, Mungiu-Pippidi, & Hartmann, 2019). That is when deciding by an agent to commit corruption or not, it will be based on rational thinking between the comparison of the benefits resulting from corruption such as bribes received and costs in the event of arrest or punishment. Klitgaard (1988:69) explains that the calculation of the cost of benefits from doing corruption is also influenced by the ethical, cultural, and religious standards of the agent itself which may be close to zero or it can be said to be immoral people in a corrupt subculture. Thus, the immoral agent will always think of rationality to be able to commit an act of corruption whenever it is possible.

Human Development Index

The concept of human development was developed by economist Mahbub ul Haq. d I Bank World in the 1970s. Model development of humans emphasizes the experiences of everyday people ordinary, including the process of economic, social, legal, psychological, cultural, environmental, and political (Khodabakhshi, 2011). The human development model is then presented in the form of the Human Development Index (HDI) since 1990. The Human Development Index (HDI) has become one of the most widely used indices showing welfare and can expand the measurement of welfare and encourage countries to invest in data collection about the welfare of their citizens and encourage many countries to try to improve the ranking them on indexes such.

Some other concept related to human development states that human development is a method of enlarging one's selections. Human improvement distinguishes two aspects of human development, particularly the formation of human talents consisting of enhancing health and information and the use that humans make of the talents they get, to work and relax (Ridha & Budi, 2020). Khodabakhshi (2011) clarifies the concept of human development, namely as a process that allows humans to live a long and healthy life to have access to knowledge; enjoy a decent standard of living and participate in decisions that affect them.

The Human Development Index is also a statistical device used to quantify the fulfillment of a country's social dimensions. These social and economic dimensions are based on several aspects, namely health, education, and standard of living. This index combines four main indicators, namely life expectancy for health, expected school years, average periods of study for education, and per capita gross national income for living standards (Viddy et al., 2019). The human development index is one of the social aspects because this index measures the capacity of human resources. The Human Development Index has a relationship with human growth. Dewi & Sutrisna (2014) found that the education index and the people's purchasing power index have a positive and significant effect on economic growth, while education is one of the human development indices.

Empirical Studies and Hypothesis Development

Several empirical studies have examined the identical topic. But the preceding research has not located any checking out regarding the mediating effect of economic growth at the effect of the transparency stage and overseas direct investment influx at the human development index. Consequently, this takes a look at aims to decide empirical proof of the direct impact of the transparency level and overseas direct investment influx at the human development index and the mediating impact of economic growth at the impact of the transparency degree and foreign direct investment inflow on the human development index. Based totally on this, these studies turned into conducted primarily based on the present grand theory and a few previous studies outcomes. A precis of some of the preceding studies outcomes is supplied within the following table.
In conclusion, it can be observed that the interconnection among FDI and human beneficial useful resource development in Nigeria inside the path of the 1981–2018 length. The findings understand the knowledge that the impact of FDI on human capital is not sizable in the long run, whilst it is large in the short period. But, following the asymmetrical relationship, empirical proof understandings that a boom in FDI inflows to a certain degree, in the end, can bring about a full-size boom within the degree of human resource development, suggesting that the fee of FDI inflows is crucial. within the monetary machine. This further means that for the cause that influx of FDI calls for pinnacle technical and extra professional personnel to artwork with or adapt to greater advanced technology, it could draw interest to increasing human capital.

Table 1: A summary table for selected empirical studies

<table>
<thead>
<tr>
<th>Name</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fagbemi &amp; Osinubi (2020)</td>
<td>This has examined assesses the interconnection among FDI and human beneficial useful resource development in Nigeria inside the path of the 1981–2018 length. The findings understand the knowledge that the impact of FDI on human capital is not sizable in the long run, whilst it is large in the short period. But, following the asymmetrical relationship, empirical proof understandings that a boom in FDI inflows to a certain degree, in the end, can bring about a full-size boom within the degree of human resource development, suggesting that the fee of FDI inflows is crucial. within the monetary machine. This further means that for the cause that influx of FDI calls for pinnacle technical and extra professional personnel to artwork with or adapt to greater advanced technology, it could draw interest to increasing human capital.</td>
</tr>
<tr>
<td>Ridha &amp; Budi (2020)</td>
<td>This has a take a look at targets to investigate the have an impact on of distant places Direct funding (FDI) as a possible supply of improvement price range, the Human Development Index (HDI) as a proxy for the high-quality of human resources, and macroeconomic conditions represented thru trade balance (NX), the dummy of economic catastrophe and Capital Formation. constant Gross (GFCF) on the monetary increase in Indonesia. The effects acquired can be concluded as follows: 1) distant places Direct funding and the change stability have an awful and full-size impact on Indonesia's lengthy-time period monetary growth, but in the brief period it does not have a giant impact. 2) Human development and Gross consistent Capital Formation have a powerful and enormous impact on Indonesia's economic growth within the lengthy and brief period. three) The economic disaster had a terrible and huge effect within the lengthy and short period.</td>
</tr>
<tr>
<td>Sarabia et al. (2020)</td>
<td>This has look proposes a statistical model to pick out which context supports the boom of populism in EU democracies through reading the mechanism between the Human Development Index (HDI) and the Corruption Perceptions Index (CPI). Effects of the take a look at the display that there is an excessive impact between the Human improvement Index and the extent of corruption. That is because of the impact of the disaster on EU citizens. It erodes their belief and their hopes, and as a result, social conflicts stand up as residents lose the religion of their democracy due to variables that include idleness, immigration, and corruption politics.</td>
</tr>
<tr>
<td>Alfada (2019)</td>
<td>This observation examines the impact of corruption on the economic boom by way of taking a nonlinear approach to determine the edge for corruption. Utilizing studying the impact of corruption on financial boom in all provinces in Indonesia for the duration of the duration 2004–2015. The estimation results show that the impact of corruption indicates a decline in increase for provinces with degrees of corruption below the brink of one,765 factors, and the negative effect of corruption seems to be stronger for provinces with ranges of corruption above the brink. every other locating is that most provinces conflict with corruption, even supposing they control to hold levels of corruption under the edge through the years. a few provinces, which include Riau and West Java, have skilled excessive corruption troubles and have been most of the excessive corruption businesses within the beyond three years. however, numerous provinces, including Lampung and North Sulawesi, have succeeded in decreasing the extent of corruption and have switched to groups with low corruption.</td>
</tr>
<tr>
<td>Borlea et al. (2017)</td>
<td>This examination turned into conducted to empirically inspect the relationship between corruption and the shadow economic system among European nations, all through the period 2005-2014. further, as corruption and shadow economies could be more not unusual in bad nations, this look became conducted to determine how corruption and the shadow financial system affect monetary improvement. The empirical findings of this have a look at verifying a high and fine dating between corruption and the shadow financial system, therefore higher ranges of corruption involve higher shadow economies. regarding the influence of corruption and the shadow financial system on a monetary boom, high and poor relationships have been discovered. which means that growing corruption and the shadow economic system will harm the monetary boom.</td>
</tr>
<tr>
<td>Thanh et al. (2019)</td>
<td>This article investigates the function of monetary institutions and financial openness in the increase of Vietnam's unique growing economy. data from 63 provinces in Vietnam all through the period 2005-2015 had been gathered to take a look at the impact of institutional best on inward FDI, alternate, and increase. using the gadget's GMM estimator, our foremost findings display that, first, the mixed effect of inward FDI with trade openness has a substitution effect on monetary growth even as the superb effect is taken one at a time. this article examines this exciting aspect. second, economic institutions drastically affect the combined effect of overseas direct funding and alternate openness in improving monetary growth.</td>
</tr>
<tr>
<td>Ferriyanto (2016)</td>
<td>The research is aimed at analyzing how and how large the influence of the number of people working (Employment), Rate of Growth Economic (LPE), and investment of the Index Development of Human (HDI) in Indonesia, are partial and simultaneous. Investments were used in the study are comprised of the investment capital in the state (DCI) and the Investment Capital Foreign (PMA). The method of analysis in this research is the analysis of regression panel data (Pooled Data RegressionAnalysis) by using the data from the three twenty-three provinces in Indonesia from 2006 to 2013. The result of the study has demonstrated that the variable employment influence positively and significantly the IPM in Indonesia. LPE does not affect Indonesia's HDI. While domestic investment and FDI are partially influenced significantly positively towards IPM in Indonesia. Taken together, the variables employment, LPE, PMDN, and PMA have a significant effect on HDI in Indonesia.</td>
</tr>
</tbody>
</table>
Economic growth is an important aspect for various countries. Economic growth is defined as the capacity to supply various economic goods to the population-based on technological advances, institutional adjustments, and ideology (Kuznets, 1973). The economic growth of a country can grow well if the country is free from the level of corruption. Fajar & Azhar (2018) explain that corruption is the taking and misuse of state resources by several state officials, especially those carried out by the political elite. Thus, corruption can lead to the waste of resources owned by the state. The opinion of Blackburn et al (2011) regarding the relationship between corruption and economic development explains that corruption can slow down economic movements through its influence on the effectiveness and efficiency of resources in the economy. Several studies have also found that corruption harms economic growth. Borlea et al. (2017) found that increasing corruption and the shadow economy harmed economic growth. The results of this study are also supported by findings from Alfada (2019) that the detrimental effect of corruption appears to be stronger for provinces with levels of corruption above the threshold.

The negative effects of corruption on economic growth will ultimately have an impact on human resource development in a country. The development of human resources will ultimately determine the level of human development in a country. Khodabakhshi (2011) explained that the concept of human development is a process that enables humans to live a long and healthy life to have access to knowledge; to enjoy a decent standard of living, and to participate in decisions that affect them. Study results from Sarabia et al. (2020) found that there is a high correlation between the Human Development Index and the level of corruption because the existence of corruption can erode optimism and erode people's expectations, and as a result, various social conflicts arise because citizens lose faith in democracy. Kurniawan et al. (2020) also found a similar finding, namely the Corruption Perception Index does not have a significant effect on economic growth, but the Human Development Index has a significant positive effect on economic growth or Gross Domestic Product.

Apart from being influenced by the level of corruption, a country's economic growth can also be increased by maximizing foreign direct investment inflows (FDI). FDI is a form of investment that aims to gain or increase investors and the number of foreign companies in a country (Ocaya et al., 2013). Thus, this FDI becomes an important aspect for investment creation, employment, economic growth, and poverty reduction. Theoretically, FDI has an influence on economic growth when viewed from the demand side, where Maqin & Sidharta (2017) explained that economic growth from the demand side will be influenced by several factors, namely household demand for goods & services (output) which consists of household consumption expenditure (C), private and government gross investment expenditure (I), government expenditure (G), and net exports (X). Study results from Thanh et al. (2019) found that, first, the combined effect of inward FDI with trade openness has a substitution effect on economic growth while the positive impact is taken separately.

The positive effect of FDI on economic growth, in the end, will also have a positive impact on the human development index. Gokmenoglu et al. (2018) explained that FDI has a positive contribution to the development of education and income of the host country, although, on the one hand, FDI can reduce life expectancy as a result of work stress resulting from increased competitiveness in the host country. This argument is also strengthened by the results of studies that have been conducted previously (Fagbemi & Osinubi, 2020; Sharma & Gani, 2004). Sharma & Gani (2004) explained that foreign direct investment had an influence on human development in both middle and low-income countries during 1975-1999. While, Fagbemi & Osinubi (2020) found a slightly different result, namely that FDI, in the long run, has no effect on human capital and only affects in the short run. However, following the asymmetrical relationship, empirical evidence suggests that an increase in FDI inflows to a certain degree, in the long run, can result in a significant increase in the level of human resource development, suggesting that the magnitude of FDI inflows is important in the economy.

Based on the theoretical explanation and some of the results of the studies previously mentioned, this study formulates 7 hypotheses that will be tested in this study. The seven research hypotheses are:

H1: Corruption level has a positive effect on economic growth
H2: Foreign Direct Investment Inflow has a positive effect on economic growth
H3: Corruption level has a positive effect on human development index
H4: Foreign Direct Investment Inflow has a positive effect on the human development index
H5: Economic growth has a positive effect on the human development index
H6: Economic growth mediates the effect of Corruption level on the human development index
H7: Economic growth mediates the effect of foreign direct investment inflow on the human development index

Figure 1: Research Model

Research and Methodology

This paper uses quantitative methods to answer the problems discussed. The quantitative method is a method that uses the positivism philosophy to research a specific population or sample using statistical analysis of predetermined hypotheses (Sugiyono, 2016). The hypotheses compiled in this paper are as many as 7 (seven) hypotheses advanced from the monetary increase principle and Klitgaard's principle in addition to related studies outcomes. The speculation on this paper examines the direct influence of the Corruption degree, overseas direct investment inflow, and economic growth on the human development index and examines the indirect effect of the Corruption stage and overseas direct investment inflow at the human development index through economic growth.

Data

The data used in this paper is secondary data. Secondary data used are sourced from the websites www.transparency.org, www.worldbank.org, and www.undp.org. Secondary data from the website www.transparency.org is related data Corruption level of the southeast Asia country during the year 2012 -2019. Furthermore, data from the website www.worldbank.org is data related to foreign direct investment inflows and economic growth for the countries of Southeast Asia in the year 2012 -2019. Furthermore, the website www.undp.org is the source of data for the human development index for Southeast Asian countries in 2012-2019. Data in further research were collected using documentation techniques.

Data Analysis

The data that has been collected in this study will be analyzed using statistical methods. Data analysis in this paper is the path analysis test. The path analysis test is used to test the direct influence of the Corruption level, foreign direct investment inflow, and economic growth on the human development index and to examine the indirect effect of the Corruption level and foreign direct investment inflow on the human development index through economic growth. data will use assistance from the Statistical Product and Services Solutions (SPSS) application program version 22.0. The form of the path analysis equation in this study is as follows (Hakam et al., 2015):

\[ Y_1 = \alpha - \beta_1 X_1 + \beta_2 X_2 + \varepsilon \]
\[ Z = \alpha + \beta_1 Y_1 + \varepsilon \]

Information:
X1: Corruption Level (percentage)
X2: Foreign Direct Investment Inflow (percentage)
Y1: Economic Growth (percentage)
Z: HDI (percentage)
\( \alpha \): Constant
\( \beta \): Coefficient
\( \varepsilon \): Error

Results & Discussion

Sample Description

The sampling process in this research is using the purposive sampling method. There are 11 countries in Southeast Asia. However, not all countries can be used in this study due to several reasons namely incomplete data and outliers. Therefore, the number of countries that can be used is 9 countries with a research year of 8 years. Thus, the number of observations made was 72 observations. The results of the sampling process that have been carried out in this study are as follows.
Table 2: Sampling Process

<table>
<thead>
<tr>
<th>Information</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Southeast Asian Countries</td>
<td>11</td>
</tr>
<tr>
<td>Countries that do not meet the criteria</td>
<td>2</td>
</tr>
<tr>
<td>The country used as a sample</td>
<td>9</td>
</tr>
<tr>
<td>Number of observations (2012-2019)</td>
<td>72</td>
</tr>
</tbody>
</table>

Source: data processed

Data Analysis

Research data that has been collected from 72 observations were then analyzed using descriptive statistics. The aim is to show an overview of the existing research data in this study based on the minimum, maximum, mean, and standard deviation of the four variables. The results of descriptive statistical tests that have been carried out are presented in the following table.

Table 3: Descriptive Statistics

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>EG</td>
<td>72</td>
<td>0.00733</td>
<td>0.08426</td>
<td>0.05654</td>
<td>0.01678</td>
</tr>
<tr>
<td>COR</td>
<td>72</td>
<td>0.15</td>
<td>0.87</td>
<td>0.3853</td>
<td>0.18531</td>
</tr>
<tr>
<td>HDI</td>
<td>72</td>
<td>0.533</td>
<td>0.938</td>
<td>0.700</td>
<td>0.113</td>
</tr>
<tr>
<td>FDI</td>
<td>72</td>
<td>0.00487</td>
<td>0.28598</td>
<td>0.06838</td>
<td>0.06890</td>
</tr>
</tbody>
</table>

Source: Output SPSS

The table above shows that the highest growth rate occurred in Myanmar in 2013 at 8.426% and the lowest economic growth occurred in Singapore in 2019 at 0.73%. The average growth rate for countries in Southeast Asia from 2012 to 2019 was 5.654%. The table also shows the level of transparency levels in Southeast Asian countries in 2012 to 2019 occurred in Singapore in 2012 at 87% and the lowest level of transparency was in Myanmar in 2012, which was 12%, while the average transparency level for Southeast Asian countries during the year 38.53%.

The table shows that the highest level of human development index during 2012 to 2019 occurred in Singapore in 2019, namely 93.8% and the lowest was in Myanmar in 2012, namely 53.3%, while the average human development index was 70.%. Finally, the table above shows that the highest level of foreign direct investment inflow in 2012 to 2019 occurred in Singapore in 2017 at 28.598% and the lowest was Indonesia in 2016 at 0.487%, while the average foreign direct investment inflows from countries in Southeast Asia amounted to 6.838%.

The evaluation test that was then done in this study was the normality check. The normality test is supposed to make certain that the information entered inside the trying out process has an ordinary distribution. The normality test on this study changed into completed using the Kolmogorov-Smirnov check and the P-Plot check. The consequences of the normality take a look at the carried-out display that the ensuing big value is 0.094, where this cost is more than 0.05. similarly, the resulting photograph at the p-plot shows that the dotted sample is across the diagonal line. as a consequence, this massive cost shows that the studies records have an everyday distribution. the subsequent tables and figures found in greater element the results of the Kolmogorov-Smirnov check that have been carried out.

Table 4: The Result of Normality Test

<table>
<thead>
<tr>
<th>Information</th>
<th>Unstandardized Residual</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>72</td>
</tr>
<tr>
<td>Normal Parameters</td>
<td>Mean</td>
</tr>
<tr>
<td></td>
<td>Std. Deviation</td>
</tr>
<tr>
<td>Most Extreme Differences</td>
<td>Absolute</td>
</tr>
<tr>
<td></td>
<td>Positive</td>
</tr>
<tr>
<td></td>
<td>Negative</td>
</tr>
<tr>
<td>Test Statistic</td>
<td>0.096</td>
</tr>
<tr>
<td>Asymp. Sig. (2-tailed)</td>
<td>0.094</td>
</tr>
</tbody>
</table>

Source: Output SPSS
The third test accomplished on this test is the multicollinearity test. This multicollinearity test takes a look at pursuits to make certain that there may be no robust correlation or dating among the independent variables within the path evaluation equation. This multicollinearity test is carried out using taking into consideration the tolerance fee and Variance Inflation element (VIF) of every impartial variable. primarily based on the results of the multicollinearity test, it shows that the tolerance cost of the impartial variables in this study is greater than 0.1 and the VIF price of the independent variables in this study is less than 10. hence, it can be concluded that the regression equation in this study has been unbiased. of multicollinearity signs and symptoms. the following table affords in more detail the effects of the multicollinearity check which have been executed.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Dependent (EG)</th>
<th></th>
<th></th>
<th>Dependent (HDI)</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tolerance</td>
<td>VIF</td>
<td></td>
<td>Tolerance</td>
<td>VIF</td>
<td></td>
</tr>
<tr>
<td>COR</td>
<td>0.597</td>
<td>1.674</td>
<td></td>
<td>0.352</td>
<td>2.837</td>
<td></td>
</tr>
<tr>
<td>FDI</td>
<td>0.597</td>
<td>1.674</td>
<td></td>
<td>0.543</td>
<td>1.842</td>
<td></td>
</tr>
<tr>
<td>EG</td>
<td>-</td>
<td>-</td>
<td></td>
<td>0.565</td>
<td>1.771</td>
<td></td>
</tr>
</tbody>
</table>

The fourth check is to test heteroscedasticity. The heteroscedasticity takes a look at this to examine objectives to make certain that the regression equation does now not have inequality of variance of the residuals from one remark to another. The heteroscedasticity test on this examination changed into executed using a scatterplot. based on the results of the heteroscedasticity take a look at what has been achieved, it indicates that the dots sample at the scatterplot does now not shape a sure sample and is scattered. as a consequence, it can be concluded that in this regression equation there is no symptom of heteroscedasticity. the following figure presents the results of the heteroscedasticity test the usage of a scatterplot.

The last test of the classical assumptions is the autocorrelation test, where the purpose of this test is to ensure that the regression equation does not correlate the confounding error in period t and the confounding error in period t-1. This autocorrelation test is based on the Durbin Watson value which must be more than dU and less than 4-dU. Based on the results of autocorrelation testing, it shows that the dw value of the dependent variable EG in this study is 1.819 which is more than the dU value, namely 1.6751 and less than 4-dU, namely 2.3249. Furthermore, based on the results of the autocorrelation test, it shows that the dw value of the
dependent variable HDI in this study is 2.108 which is more than the dU value of 1.7054 and less than the 4-dU value of 2.2945. Thus, the regression equation in this study is free from autocorrelation symptoms.

The regression equation in this study was found to have good explanatory abilities. This is based on the resulting coefficient of determination, namely 0.419 for dependent economic growth and 0.92 for dependent HDI. Thus, the independent variables in the regression equation in this study can explain changes in the value of the dependent variable by 41.9% and 92%, while the remaining 58.1% and 8% are explained by other variables not included in the regression equation.

Table 6: The Result of Path Analysis

<table>
<thead>
<tr>
<th>Effect</th>
<th>Coefficient</th>
<th>Sig.</th>
<th>Nilai Z</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant (EG)</td>
<td>7.970</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Constant (HDI)</td>
<td>0.539</td>
<td></td>
<td></td>
</tr>
<tr>
<td>COR → EG</td>
<td>0.073</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>FDI → EG</td>
<td>0.075</td>
<td>0.011</td>
<td></td>
</tr>
<tr>
<td>COR → HDI</td>
<td>0.006</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>FDI → HDI</td>
<td>0.004</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>EG → HDI</td>
<td>0.008</td>
<td>0.006</td>
<td></td>
</tr>
<tr>
<td>COR → EG → HDI</td>
<td></td>
<td></td>
<td>2.474</td>
</tr>
<tr>
<td>FDI → EG → HDI</td>
<td></td>
<td></td>
<td>1.890</td>
</tr>
<tr>
<td>Durbin Watson (HDI)</td>
<td>1.819</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Durbin Watson (HDI)</td>
<td>2.108</td>
<td></td>
<td></td>
</tr>
<tr>
<td>R Adjusted Squared (Dependent EG)</td>
<td>0.419</td>
<td></td>
<td></td>
</tr>
<tr>
<td>R Adjusted Squared (Dependent HDI)</td>
<td>0.920</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Output SPSS

The result of the data analysis, which is next, is testing the research hypothesis which consists of seven hypotheses. Hypotheses H1 to H5 are the direct effect testing hypotheses, while the H6 and H7 hypotheses are the indirect effects (mediation) testing hypotheses. Determination of acceptance/rejection of the research hypothesis is determined by 2 methods, namely the direct effect test based on the coefficient value and the significance of the results of multiple regression tests. Furthermore, the indirect effect test is determined by calculating the single test. Based on the analysis of research that has been done in the table shows that in this study was found six hypotheses are accepted and 1 hypothesis is rejected. The hypothesis received research in this study was H1 to H6, while the hypothesis is rejected in this research is H7.

Discussion

The results of examining the research hypotheses that have been carried out show that the variable level of corruption which is proxied by the Corruption Perception Index (CPI) is proven to have a positive effect on economic growth. This shows that the higher the CPI level, which indicates that the corruption is small and the high level of state transparency, the better the country’s economic growth will be. This is based on a coefficient value of 0.073 and a significance of 0.000. These results prove that a low level of corruption can lead to maximum use of state resources because there is no waste caused by corruption. Blackburn et al (2011) explain the relationship between corruption and economic development that corruption can slow down the movement of the economy through its influence on the effectiveness and efficiency of resources in the economy. The results of this study are also in line with some of the results of previous studies (Alfada, 2019; Borlea et al., 2017). Borlea et al. (2017) found that increasing corruption and the shadow economy harmed economic growth. The results of this study are also supported by the findings from Alfada (2019) that is, the detrimental effects of corruption appear stronger for provinces with levels of corruption above the threshold.

The results of examining the second research hypothesis that has been carried out show that the FDI variable is proven to have a positive effect on economic growth. This shows that the higher the level of foreign investment that enters a country, the better the country's economic growth will be. This is based on a coefficient value of 0.075 and a significance of 0.011. The results of this study indicate that the influence of FDI on economic growth is following the explanation of the theory of economic growth from the demand side, where theoretically, FDI influences economic growth when viewed from the demand side, where Maqin & Sidharta (2017) explained that economic growth from the demand side will be influenced by several factors, namely household demand for goods & services (output) which consists of household consumption expenditure (C), private and government gross investment expenditure (I), government expenditure (G), and net exports (XM). Study results from Thanh et al. (2019) found that, first, the combined effect of inward FDI with trade openness has a substitution effect on economic growth while the positive impact is taken separately.

The results of testing the third research hypothesis that has been done show that the variable level of corruption is proxied by the Corruption Perception Index (CPI) which is proven to have a positive effect on the human development index. This shows that the higher the CPI level, which indicates that the corruption that is occurring is small and the high level of state transparency, the better the country's human development index. This is based on a coefficient value of 0.006 and a significance of 0.000. The results of this
study prove that the existence of corruption can erode optimism and erode people's expectations, and as a result, various social conflicts arise because citizens lose faith in a democracy which will then have an impact on the human development index. (Sarabia et al., 2020). However, on the other hand, when the level of corruption is low and the level of transparency is high, the human development index will increase.

The results of testing the fourth research hypothesis that has been carried out show that the FDI variable is proven to have a positive effect on the human development index. This shows that the higher the level of foreign investment that enters a country, the better the country's human development index will be. This is based on a coefficient value of 0.004 and a significance of 0.000. Gokmenoglu et al. (2018) explained that FDI has a positive contribution to the development of education and income of the host country, although, on the one hand, FDI can reduce life expectancy as a result of work stress resulting from increased competitiveness in the host country. This argument is also strengthened by the results of studies that have been conducted previously (Fagbemi & Osinubi, 2020; Sharma & Gani, 2004). (Sharma & Gani, 2004) explained that foreign direct investment had an influence on human development in both middle and low-income countries during 1975-1999.

The results of testing the fifth research hypothesis that has been carried out show that the Economic Growth variable is proven to have a positive influence on the human development index. This shows that the higher the economic growth, the better the country's human development index will be. This is based on the coefficient value of 0.008 and a significance of 0.006. The results of this study indicate that the quality of a growing economy will be able to influence the level of welfare of the people in that country. Astuti & Mispiyanti (2020) explained that the occurrence of economic growth is usually accompanied by a reduction in poverty, an increase in the Human Development Index (HDI), and an expansion of employment.

The results of examining the sixth research hypothesis that has been carried out show that it is found that there is a mediating effect of the Economic Growth variable which is evident in the effect of the Corruption level on the Human Development Index. The results of this study indicate that the level of human development in a country is based on the level of corruption that occurs. This is based on the Z value of 2.474. The results of this study indicate that high corruption can slow down the movement of the economy through its influence on the effectiveness and efficiency of resources in the economy (Blackburn et al., 2011). The negative effects of corruption on economic growth will ultimately have an impact on human resource development in a country. Study results from Sarabia et al. (2020) found that there is a high correlation between the Human Development Index and the level of corruption because the existence of corruption can erode optimism and erode public expectations, and as a result, various social conflicts arise because citizens lose confidence in democracy. Thus, the government must be able to control the level of corruption through the implementation of supervision. strict audit in the form of an independent body established by the government.

The results of examining the latest research hypotheses that have been carried out show that there is no mediating effect of the Economic Growth variable which is evident in the effect of FDI on the Human Development Index. This is based on the Z value of 1.890. The results of this study indicate that FDI has a direct effect on economic growth and human development only. This can happen for the reasons stated by Gokmenoglu et al. (2018) explained that FDI has a positive contribution to the development of education and income of the host country, although, on the one hand, FDI can reduce life expectancy as a result of work stress caused by increased competitiveness in the host country. In addition, the results of this study can also be confirmed based on research results from Fagbemi & Osinubi (2020) who located a barely exceptional result, namely that FDI within the long run has no impact on human capital and best effects in the brief run. but, following the asymmetrical dating, empirical evidence indicates that a boom in FDI inflows to a certain degree, in the end, can bring about a sizable growth in the degree of human aid development, suggesting that the significance of FDI inflows is crucial inside the economic system.

Conclusion

These observation goals to behavior an empirical test of the effect of the corruption degree, FDI, and financial growth at the Human Development Index. further, this study additionally aims to have a look at the effect of the corruption stage and FDI on the financial increase at the Human improvement Index of countries in Southeast Asia. The empirical findings received on this look suggest that the corruption level, FDI, and monetary boom influence the Human improvement Index of countries in Southeast Asia at some stage in 2012-2019. further, this takes a look at also located that the have an impact on of a corruption degree on economic boom additionally affected the human development index of countries in Southeast Asia during 2012-2019. The ultra-modern findings in this take a look at additionally determined that the impact of FDI on the monopoly increase does not affect the Human Development Index. This study means that the government should be able to create country governance that is smooth and loose from corruption so that using state sources can be maximized, to generate higher financial growth and HDI. further, the authorities also wish to make the greatest regulations related to FDI to create excellent monetary growth without inflicting terrible results on certain facets.

The results of this study can be considered by looking at some of the limitations of the existing research. The limitations of this research need to be considered so that future research can produce better empirical evidence. The first limitation in this study is related to the limited availability of data. This research data only uses data from 2012 to 2019 due to data corruption (CPI) for the year before 2012 is not available, so the resulting research period cannot be longer. This in turn has an impact on the level of variation in data that is not maximal. The second limitation is the existence of countries that cannot be included because they have official data. Two countries in the Southeast Asia region in this study cannot be used as data because they have the nature of outlier data so that if
they are included as research data it will interfere with the results of the research. Future research is expected to be able to use other measuring instrument indicators to produce maximum data variations.

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Author Contributions: Conceptualization, RP.; Methodology, DPA.; Data Collection, RP., DPA., RRW; Formal Analysis, RRW.; Writing—Original Draft Preparation, OA.; Writing—Review And Editing, RRW All authors have read and agreed to the published the final version of the manuscript.

Institutional Review Board Statement: Ethical review and approval were waived for this study, due to that the research does not deal with vulnerable groups or sensitive issues.

Data Availability Statement: The data presented in this study are available on request from the corresponding author. The data are not publicly available due to privacy.

Conflicts of Interest: The authors declare no conflict of interest.

References


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