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Governance, Openness, and Economic Performance in Asia

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Abstract

The relationship between governance, openness and economic performance of a country has been a topic of significant interest not only among scholars, but also policymakers in all countries around the world. The objectives of this study are: first, to examine the relationship between governance, openness and economic performance in the context of Asia; second, to examine how well the relationship between each composite index of governance, openness and economic performance is.

This study utilizes a quantitative method and using cross-national data from selected Asia countries over the period from 1996-2012. The quantitative analysis includes descriptive statistics, correlation analysis, and multiple regression analysis. These methods are used to examine the causal relations between variables proposed in the conceptual framework.

The results revealed that voice and accountability, trade openness, and financial openness can increase economic growth. Regulatory quality can reduce national poverty rates. Conclusion, governance and openness have positive effect on economic performance that means great governance and high openness can achieve economic performance.

Keywords: governance, openness and economic performance

Introduction

According to the new institutional theory, special emphasis has attached an importance to political institutions. This has been showed by North (1993) "this approach models political institutions 'as critical factors in the performance of economies' and 'as the source of the diverse performance of economies". With regard to this theory, an increasing number of researches have tried to focus on the political institutions. While a numerous numbers of studies have focused on governance. In addition to these studies, Kofi Annan, 2011 the former U.N. Secretary-General, maintains that "good governance is perhaps the single most important factor in eradicating poverty and promoting development". Kaldaru and Parts (2008) and Seputiene (2009) concluded that "most empirical studies of the relationship between governance and economic performance are conducted in developed countries". Lin and Nugent (1995); Rodrik and Rosenzweig (2010) and Shirley (2008) quoted that in these countries, the institutions in tend to be stable and uniform, while the institutions in developing countries tend to be in a state of flux and across time and space. This issue in the developing countries has given rise to a rich laboratory for learning about the effect of institutional arrangements". Accordingly, this study intends to investigate the relationship between governance and economic performance in developing countries.

Other main point is that the relationship between trade and productivity has not been established theoretically. Relating to existing theories, Cooper (2001) concluded that there are no systematically links between the trade and the sustained growth. That is to say, the impact of new trade on growth may be positively strong in some countries such China, Malaysia and Maldives. In the contrary, it is insignificant or even negative in others. Regarding this, growth can be lowered by increased foreign competition or it can also be increased by import protection. As a result, under the endogenous growth literature, the direction of the openness-growth relationship is not theoretically given. It is an open question for empirical investigation. Thus,

this study aims to re-examine the empirical relationship between openness and economic performance in case of developing countries.

Objective of the Study

The objectives of this study are to examine the relationship between governance, openness and economic performance in Asia countries and to examine how well the relationship between each composite index of governance, openness and economic performance is.

Literature Review

1. Growth-related factor

Tejvan Pettinger (2011) quoted that "In the long run, economic growth is determined by factors which influence the growth of Long Run Aggregate Supply (LRAS). If there is no increase in LRAS, then a rise in aggregate demand will just be inflationary. LRAS can be influenced by levels of infrastructure. Investment in roads, transport and communication can help firms reduce costs and expand production. Without necessary infrastructure it can be difficult for firms to be competitive in the international markets. This lack of infrastructure is often a factor holding back some developing economies." Therefore, levels of infrastructure can be created by investment rates and gross national savings.

2. Human capital factor

Initially, Lucus (1988) and Romer (1990) proposed the endogenous growth theory. That is to say, Lucus's model (1988) suggested that human capital accumulation is regarded as a factor of production. Also, knowledge is an important factor in accelerating economic growth. Lucus's model can be divided as follows:

i) Human capital accumulation is the "engine" of growth.

ii) People divide their time between work and further skill accumulation (research and training). The choices which people in an economy are going to make depend on the institutional structure and labor market characteristics of that particular economy. In other words, the dynamic features of the economy seem to be the factor where people make a decision in order to take part in enhancing economic growth (Sayantan, n.d.). Therefore improvements in productivity could give rise to an extra investment in human capital. The HDI (Human Development Index) is a synoptic measurement of human development. The HDI measures the average achievements in a country in three basic dimensions of human development:

- A long and healthy life, as measured by life expectancy at birth.
- Knowledge, as measured by the adult literacy rate (with two-thirds weight) and the combined primary, secondary, and tertiary gross enrollment ratio (with one-third weight).
- A decent standard of living, as measured by the log of gross domestic product (GDP) per capita at purchasing power parity (PPP) in USD.

For this research uses human capital indicator from HDI as life expectancy at birth and combined gross enrollment. Including, population growth rate is one of human capital index because population growth rate is direct related to economic growth.

3. Governance

Governance is one of the keys to development. It is now acknowledged that political processes, regulations and institutions play a major role in economic growth and human development (Jean-Christophe Charlier, 2005). Several empirical studies have been conducted in 1990s, which focused some certain dimension. To illustrate the point, the studies primarily focused on the effects of poor governance (as proxied by political and export instabilities and corruption) on the sources of growth rather than its direct impact on growth. Keefer et al. (1997) pointed out that institutions such as property rights and contract enforcement positively influence economic growth. Meanwhile, Campos and Nugent (1999) also maintained that the institutions of governance improve the development performance. Therefore, Kaufmann, et al. (1999a and 1999b) concluded that a good governance matters for development.

The World Bank (2002) draws on existing notions of governance, and seeks to navigate between overly broad and narrow definitions, to define governance as "the traditions and institutions by which authority in a country is exercised. This includes (a) the process

by which governments are selected, monitored and replaced; (b) the capacity of the government to effectively formulate and implement sound policies; and (c) the respect of citizens and the state for the institutions that govern economic and social interactions among them." They construct two measures of governance corresponding to each of these three areas, resulting in a total of six dimensions of governance: voice & accountability, political stability, government effectiveness, regulatory quality, rule of law, and control of corruption. Therefore, this research uses the World Bank Institute's Worldwide Governance Indicators (WGI) that can be referred to as "governance".

4. Openness

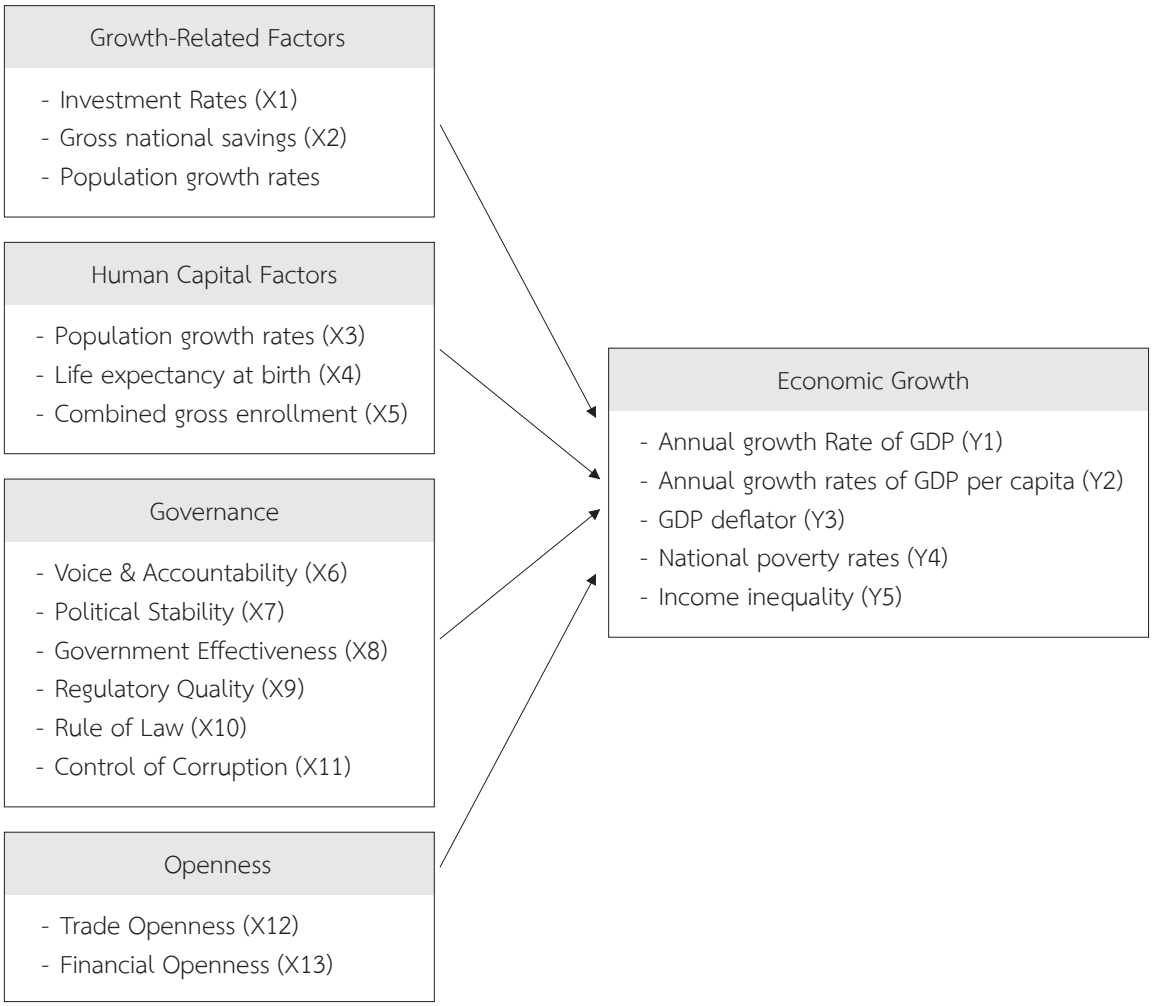
New growth theories tend to focus more on a relationship between openness and the long-run rate outputs growth than a rise in the level of the outputs. This could mean that the relationship could probably occur through the favorable impact of openness on technological change. For example, Grossman and Helpman (1992); Romer (1986) said that the trade openness could increase, as it provides a variety of imported inputs. Krugman (1974) stated that another channel of the favorable impact is that greater openness expands the size of market facing domestic exporters.

Many distinguished scholars such as Edwards, Frankel and Romer (1986) and Dollar and Kraay (2001) laid emphasis on the positive effect of trade liberalization on economic growth and poverty reduction. Dollar and Kraay's studies (2001; 2002) supported the view that trade openness has positive effect on economic growth and development. In support of this view, foreign trade is likely to increases the domestic income of participating countries. This is due to the fact that the openness in trading could allows domestic entrepreneurs to learn new methods of using or producing quality inputs quicker at lower cost. Additionally, the openness could also increase total productivity factor. Therefore, it can be concluded that this is consistent with the findings of Romer, (1992); Barro and Sala-i-Martin (1995) and Obstfeld and Rogolt (1996). In relation to the openness, most empirical studies define 'openness' of an economy as the ratio of trade to GDP. Jayme (2001) stated "In order to capture the dynamic effects of trade from demand and supply side, growth rate of exports related to marginal propensity to import is clearly more appropriate. Exports are an important demand side variable" (Jayme, 2001). Yao and Zhang (2003) added that there are external and internal factors that determine the economic performance. To illustrate the points, the external factors, which are related to openness, include FDI, export, and the foreign exchange mechanism. Meanwhile, the internal factors include human capital, infrastructure, location, and institutions (e.g. government policy, legal regulations, etc). Therefore, this study uses trade openness (Import and export) and financial openness (capital inflow and capital outflow) as the indicators of openness.

5. Economic Performance

Economic performance can probably be defined variously basing on each level of analysis. As far as the country level is concerned, where much of the debate has occurred, it is regarded as economic growth, labor productivity growth, and consumer welfare. To illustrate these, economic growth is the rate of change in real output, or GDP, and is measured at the country level (OECD, 2014). Labor productivity growth, or growth in output per worker, is a measure of the efficient use of resources to create value. It "allows the economy to provide lower-cost goods and services relative to the income of domestic consumers and to compete for customers in international markets" [McKinsey Global Institute 2001, p. 1]. Therefore, this study use annual growth rate of GDP, annual growth rates of GDP per capita, GDP deflator, national poverty rates, and income inequality as the indicators of economic performance.

6. Conceptual Framework



Method

This study utilizes a quantitative method. Using cross-country data from Asia countries over the period from 1996-2012 (17 years) because of this period is a perfect represent to cite and compare with the present and this period can collect the data. This research investigated the relationship between governance, openness and economic performance.

Therefore, in this research, a researcher will analyze the data on 31 Asian countries and the results were described. This research relied on secondary data or existing statistics by employing the cross-country data from several sources.

Data Analysis

After the data collection, cross-country and time series analysis of the effect of governance and openness on economic growth was employed in the data analysis. Furthermore, this study also utilized a time series data analysis.

The steps of the data analysis are as follows. First, a general overview is given by reporting the mean scores and standard deviation of the indicators of economic performance and the measures of growth-related factors, human capital factors, governance, and openness. Second, several multivariate regression models are tested, in which the effects on economic performance are controlled for contextual factors.

The impact of governance and openness on economic performance are estimated by cross-country regression analysis. The independent variables for the analysis are selected from the measures presented in

the conceptual framework. The relationships between economic performance and each set of variables are evaluated by correlation coefficients.

The effects of growth-related factors, human capital factors, governance, and openness on economic performance are estimated by the following equation:

$$Y_i = a + b_2GR_i + b_2HC + b_3GOi + b_4OPi$$

Where Y_i is economic growth in country i, GR_i, HC_i, GO_i, and OP_i are growth-related factors, human capital factors, governance, and openness respectively. This research is interested in the size, sign, and significance of the four coefficients b_1, b_2, b_3, and b_4

Standard multiple regression analysis is performed with computer program STATA 13. In addition to showing the predictive value of the overall model, standard multiple regression indicated how well each independent variable predicted the dependent variable. Hausman specification test by Wu (1973) is used to test which the best model for analysis the relationship between the dependent variable and independent variables.

Results

The researcher specified the symbols of the variables analyzed in this research as follows:

Dependent Variables

Y1 = annual growth rates of GDP
Y2 = annual growth rates of GDP per capita
Y3 = GDP deflator
Y4 = National poverty rates
Y4 = Income inequality

Independent Variables

X1 = Investment rates
X2 = Gross national savings
X3 = Population growth rate
X4 = Life expectancy at birth
X5 = Combined gross enrollment
X6 = Voice and accountability
X7 = Political stability
X8 = Government effectiveness
X9 = Regulatory quality
X10 = Rule of law
X11 = Control of corruption
X12 = Trade openness
X13 = Financial openness

1. The Relationship between Governance, Openness and annual growth rates of GDP

The result in table 1 shows the multiple regression analysis of the significant predictor variables and annual growth rates of GDP. According to result of the regression coefficient of the predictor variables, it was found that voice and accountability had the greatest positive relationship on GDP growth rates at the significance level of 0.05 and the regression coefficient was 9.365. The following variable is financial openness with a regression coefficient of .156, and gross national savings with a regression coefficient .126.

Table 1 Multiple Regression Analysis of the Significant Predictor Variables and Annual Growth Rates of GDP

GDP growth rates	Coef.	Std. Err.	t	p>|t|
Investment rates	.029	.053	0.54	.588
Gross national savings	.126	.037	3.38	.001*
Population growth rates	-.385	.679	-.57	.570
Life expectancy at birth	-.049	.170	-.29	.774
Combined gross enrollment	-.025	.019	-1.29	.199
Voice and accountability	9.365	4.608	2.03	.043*
Political stability	-1.741	2.663	-.65	.514
Government effectiveness	5.869	5.935	.99	.324
Regulatory quality	-5.621	5.575	-1.01	.314
Rule of law	-5.308	6.496	-.82	.415

Table 1 Multiple Regression Analysis of the Significant Predictor Variables and Annual Growth Rates of GDP (cont.)

GDP growth rates	Coef.	Std. Err.	t	p>|t|
Control of corruption	2.184	3.586	.61	.543
Trade openness	.030	.020	1.44	.151
Financial openness	.156	.063	2.47	.014*
Constant	3.799	11.493	.33	.741
F test that all u_i=0:	F (23, 225) = 2.69		Prob>F = 0.0001	

*P<0.05

2. The Relationship between Governance, Openness and annual growth rates of GDP per capita

The result in table 2 shows the multiple regression analysis of the significant predictor variables and annual growth rates of GDP per capita. According to result of the regression coefficient of the predictor variables, it was found that voice and accountability had the greatest positive relationship on annual growth rates GDP per capita at the significance level of .05 and the regression coefficient was 9.257. The following variable is financial openness with a regression coefficient of .153, and gross national savings with a regression coefficient of .124. While only population growth had negative relationship on annual growth rates GDP per capita with a regression coefficient of 1.404.

The equation which predicts annual growth rates of GDP per capita of Asia can be shown in the form of equation as Y2=.124X2−1.404X3+9.257X6+.153X13.

Table 2 Multiple Regression Analysis of the Significant Predictor Variables and Annual Growth Rates of GDP per Capita

GDP per capita	Coef.	Std. Err.	t	p>|t|
Investment rates	.028	.053	0.54	.587
Gross national savings	.124	.036	3.38	.001*
Population growth rates	-1.404	.668	-2.10	.037*
Life expectancy at birth	-.050	.168	-.30	.766
Combined gross enrollment	-.025	.019	-1.30	.195
Voice and accountability	9.257	4.534	2.04	.042*
Political stability	-1.761	2.620	-.67	.502
Government effectiveness	5.837	5.841	1.00	.319
Regulatory quality	-5.610	5.486	-1.02	.308
Rule of law	-5.183	6.392	-.81	.418
Control of corruption	2.206	3.529	.63	.532
Trade openness	.029	.020	1.45	.148
Financial openness	.153	.062	2.48	.014*
Constant	3.902	11.310	.35	.730
F test that all u_i=0:	F (23, 225) = 2.72		Prob>F = 0.0001	

*P<0.05

3. The Relationship between Governance, Openness and GDP Deflator

The result in table 3 shows the multiple regression analysis of the significant predictor variables and GDP deflator. According to result of the regression coefficient of the predictor variables, it was found that gross national savings had the greatest positive relationship on GDP deflator at the significance level of 0.05 and the regression coefficient was .199. The following variable is trade openness with a regression coefficient of .108. Whereas regulatory quality, voice and accountability, and life expectancy at birth had negative relationship on GDP deflator with a regression coefficient of 23.776, 20.131, and .660 respectively.

The equation which predicts GDP deflator of Asia can be shown in the form of equation as Y3 = 62.847 + .199X2 – .660X4 – 20.131X6 – 23.776X9 + .108X12.

Table 3 Multiple Regression Analysis of the Significant Predictor Variables and GDP Deflator

GDP Deflator	Coef.	Std. Err.	Z	p>Izl
Investment rates	-.129	.090	-1.43	.153
Gross national savings	.199	.057	3.45	.001*
Population growth rates	-.705	1.089	-.65	.517
Life expectancy at birth	-.660	.251	-2.63	.009*
Combined gross enrollment	.055	.037	1.46	.144
Voice and accountability	-20.131	6.969	-2.89	.004*
Political stability	-3.885	4.290	-.91	.365
Government effectiveness	-.192	7.905	-.02	.981
Regulatory quality	-23.776	8.964	-2.65	.008*
Rule of law	6.574	9.330	.70	.481
Control of corruption	-1.086	5.730	-.19	.850
Trade openness	.108	.027	3.93	.000*
Financial openness	-.009	.115	-.08	.936
Constant	62.847	16.443	3.82	.000
Corr(u_i, x) = 0 (assumed)	Wald chi2(13) = 60.37		Prob>chi2 = 0.0000	

*P<0.05

4. *The Relationship between Governance, Openness and National Poverty Rates*

The result in table 4 shows the multiple regression analysis of the significant predictor variables and national poverty rates. According to result of the regression coefficient of the predictor variables, it was found that regulatory quality had the greatest negative relationship on national poverty rates at the significance level of 0.05 and the regression coefficient was 47.438. The following variable is population growth rate, life expectancy at birth, and investment rates with a regression coefficient of 6.996, 4.017, and .384 respectively. Whereas political stability and trade openness had positive relationship on national poverty rates with a regression coefficient of 15.745 and .133 respectively.

The equation which predicts national poverty rates of Asia can be shown in the form of equation as Y4 = 309.553 - .384X1 – 6.996X3 – 4.017X4 + 15.745X7 – 47.438X9 + .133X12.

Table 4 Multiple Regression Analysis of the Significant Predictor Variables and National Poverty Rates

National poverty rates	Coef.	Std. Err.	Z	p>|z|
Investment rates	-.384	.138	-2.77	.006*
Gross national savings	-.174	.113	-1.54	.123
Population growth rates	-6.996	1.855	-3.77	.000*
Life expectancy at birth	-4.017	.474	-8.46	.000*
Combined gross enrollment	.052	.072	.72	.470
Voice and accountability	-.203	11.141	-.02	.985
Political stability	15.745	5.777	2.73	.006*
Government effectiveness	6.230	15.768	.40	.693
Regulatory quality	-47.438	16.237	-2.92	.003*
Rule of law	19.109	15.632	1.22	.222
Control of corruption	8.545	10.038	.85	.395
Trade openness	.133	.047	2.84	.004*
Financial openness	-.022	.199	-.11	.912
Constant	309.553	30.882	10.02	.000
Corr(u_i, x)=0 (assumed)	Wald chi2(13)=152.26		Prob>chi2=0.0000	

*P<0.05

5. The Relationship between Governance, Openness and Income Inequality

The result in table 5 shows the multiple regression analysis of the significant predictor variables and income inequality. According to result of the regression coefficient of the predictor variables, it was found that control of corruption and population growth rates had the positive relationship on income inequality at the significance level of 0.05. The regression coefficient was 8.518 and 1.675.

The equation which predicts income inequality of Asia can be shown in the form of equation as Y5=1.675X3+8.518X11.

Table 5 Multiple Regression Analysis of the Significant Predictor Variables and Income Inequality

Income inequality	Coef.	Std. Err.	t	p>|t|
Investment rates	-.047	.058	-.81	.424
Gross national savings	.033	.045	.74	.463
Population growth rates	1.675	.798	2.10	.040*
Life expectancy at birth	.257	.158	1.62	.111
Combined gross enrollment	.029	.026	1.14	.259
Voice and accountability	.500	4.246	.12	.907
Political stability	-.787	2.892	-.27	.786
Government effectiveness	-1.272	5.320	-.24	.812
Regulatory quality	7.856	5.702	1.38	.173

Table 5 Multiple Regression Analysis of the Significant Predictor Variables and Income Inequality (cont.)

Income inequality	Coef.	Std. Err.	t	p>Itl
Rule of law	4.228	5.230	.81	.422
Control of corruption	8.518	3.789	2.25	.028*
Trade openness	.007	.018	.39	.701
Financial openness	-.246	.167	-1.47	.146
Constant	15.658	11.059	1.42	.162
F test that all u_i=0:	F (23, 62) = 4.14		Prob>F = 0.0001	

*P<0.05

Discussions

1. The Relationship between Governance, Openness and Annual Growth Rates of GDP

The model is Y1 = 0+.126X2+9.365X6+.156X13. The variables which relate annual growth rates of GDP include gross national savings, voice and accountability, and financial openness. When gross national savings, voice and accountability, and financial openness rise by 1 percent will be positive effect on annual growth rates of GDP.

2. The Relationship between Governance, Openness and Annual Growth Rates of GDP per capita

The model is Y2=0+.124X2−1.404X3+9.257X6 +.153X13. The variables which relate annual growth rates of GDP per capita are gross national savings, population growth rates, voice and accountability, and financial openness. When gross national savings, voice and accountability, and financial openness rise by 1 percent will be positive effect on annual growth rates of GDP per capita. When population growth rates grow by 1 percent will be negative effect on annual growth rates of GDP per capita.

3. The Relationship between Governance, Openness and GDP Deflator

The model is Y3=62.847+.199X2−.660X4 −20.131X6−23.776X9+.108X12. The variables which relate GDP deflator are gross national savings, life expectancy at birth, voice and accountability, regulatory quality, and trade openness. When gross national savings and trade openness rise by 1 percent will be positive effect on GDP deflator. When life expectancy at birth, voice and accountability, and regulatory quality rise by 1 percent will be negative effect on GDP deflator.

4. The Relationship between Governance, Openness and National Poverty Rates

The model is Y4=309.553-.384X1−6.996X3 −4.017X4+15.745X7−47.438X9+.133X12. The variables which relate national poverty rates are investment rates, population growth rates, life expectancy at birth, political stability, regulatory quality, and trade openness. When investment rates, population growth rates, national poverty rates, and regulatory quality increase by 1 percent will be negative effect on national poverty. When political stability and trade openness increases by 1 percent will be positive effect on national poverty rates.

5. The Relationship between Governance, Openness and Income Inequality

The model is Y5=1.675X3+8.518X11. The variables which relate annual income inequality include population growth rates, and control of corruption. When population growth rates and control of corruption rise by 1 percent will be positive on income inequality.

Conclusion

In Asia, the governance factor which has a positive relationship on annual growth rate of GDP and annual growth rate of GDP per capita is voice and accountability. That is, the higher voice and accountability, the greater annual growth rates of GDP and higher annual growth rates of GDP per capita. The openness factor which has a positive relationship on annual

growth rate of GDP and annual growth rate of GDP per capita is financial openness. In other word, the higher financial openness, the greater annual growth rate of GDP and greater annual growth rate of GDP per capita. The governance factor which has a greatest significant relationship on GDP deflator is regulatory quality and voice and accountability. However, the relationship is in an unexpected way. That means regulatory quality and voice and accountability can reduce GDP deflator. This finding is contradictory with the theories and the findings of developed countries. The performance of the new regulatory state remains under researched, especially in the context of developing countries with their own peculiar economic and social problems and institutional characteristics. Building effective regulatory structures in developing countries is not simply an issue of the technical design of the regulatory instruments; it is also concerned with the quality of supporting regulatory institutions and capacity (World Bank, 2002: 152). That means technical design of the regulatory instruments has impact on economic growth. If regulatory instruments suitable for country's environment, economic growth will increase. While, regulatory instruments unsuitable for country's environment, economic growth will decrease. Therefore it depends regulatory instrument.

The openness factor which is trade openness has expected relationship on GDP deflator. That means greater trade openness, higher GDP deflator. The governance factor which has a negative relationship on national poverty rates is regulatory quality. That is, regulatory quality can reduce national poverty rates. Whereas, political stability has an unexpected relationship on national poverty rates. The openness factor which is trade openness has unexpected relationship on national poverty rates. That means greater trade openness, higher national poverty rates. Control of corruption has an unexpected relationship on income inequality. In other word, control of corruption can increase income inequality. While, there is no openness factor that has significant relationship on income inequality.

Policy Implications

The governance and openness are vital for sustainable economic development along with other policy factors, for example government policies to allocate resources for mitigate poverty and decrease economic inequality. The results of this research suggest that a broad strategy that includes improvement in governance and openness are essential for sustainable economic development. Policies objective at enhancing economic performance of developing countries should pay attention improving governance and openness first as a per-requisite for sustainable economic development. However, it cannot be known exactly how to transform weak economies into successful ones, the finding of this research provide some implications. The following implications serve as a path to creating policies that could lead to sustainable economic development. These implications should, therefore, be carefully adopted by policymakers and policy implementers in the economic development field (Pananda, 2012).

Firstly, good governance, including voice and accountability, government effectiveness, political stability, rule of law, regulatory quality, and control of corruption and openness, including trade openness and financial openness have come to be seen as essential for economic development. However, the relationship between governance, openness and economic performance are differences in each region. The results of this research find that Asia should pay attention on political stability, control of corruption, government effectiveness to achieve better economic performance. Therefore, governance and openness differences are important for understanding cross-nation divergence in economic results, policy makers and policy implementers in developing countries should place strong emphasis on considering how governance and openness in their countries affect economic performance. That will enable them to formulate concrete and effective policies to achieve economic, decrease national poverty, and increase income equality.

Secondly, this study found that the degree of trade openness is positively related to economic growth that are supported by many distinguished scholars such as Edwards, Frankel and Romer (1986), Dollar and Kraay (2001). The implication of the finding is that for countries to attract trade, the policy frame-

work on openness should gear toward a more openness economy in term of policy.

Finally, apart from difference across regions, every country also has its own distinctively historical, religious, and culture background. Therefore, a blueprint of institutional development that fits all countries does not exist (Pananda, 2012 quote in Bloch and Tang, 2004). However, we can learn from other regions' experience and adopt from that experiences for improve governance and create openness gain to achieve their economic performance. Conclusion for this research, both of two regions can learn from each other experience and take some great one to use or adapt to your country. At last, policymakers and policy implementers are the main key men to improve their countries' economy via recognize the governance factor and openness factor under the unique of countries' culture and history.

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