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# Good Governance and Economic Growth: Empirical Evidence from ASEAN 10

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ABSTRACT
The objectives of this paper is to analyze the effect of good governance on the growth of economic in ASEAN countries from 2014 to 2018. The good governance variables use World Bank' governance indicators which consist of six indicators. The six indicators includes: control of corruption, voice and accountability, political stability, rule of law, regulatory quality, government effectiveness. Using regression for panel data, this paper finds that only government effectiveness, and rule of law variable have a positive and significant effect on economic growth. This result indicates that the rule of law and government effectiveness is expected to ensure that the government runs good governance. Thus, it is expected to have a significant impact on the economic growth.
Keywords: good governance, economic growth, ASEAN

## 1. INTRODUCTION

The good economic performance of the country is indicated by the high rate of economic growth. However, increasing economic growth is not a case that can be implemented easily for some countries in the world. There are some problems commonly experienced such as low quality of health, high levels of poverty, low life expectancy, and income disparities often occur in developing countries and underdeveloped / poor countries, where it will also have an impact on the economic growth of each of these countries.

At this time , the center of the global economy began to move to Asia. China and India are two Asian countries that still recorded positive economic growth at a relatively high level when other countries experienced negative growth or at least experienced low growth when affected by the 2008 global financial crisis. High population numbers from both countries making the economy does not fail because of maintained domestic demand, which is mainly driven by high public consumption and maintained productivity levels in exporting domestic products to other countries, thus making China and India not experience the impact of the global financial crisis as severe as other countries. Meanwhile, efforts to boost economic growth, reduce poverty and improve the standard of living of the people are also carried out by countries in Southeast Asia that are members of ASEAN organizations.

Seeing the conditions of dynamic economic growth in each of these countries, the government of all parties that have an obligation to maintain economic stability has the authority to implement policies that can encourage the economy. The determination of government policies in the context of increasing economic growth is inseparable from the quality of the government itself. The implementation of governance good is determined by the engagement and synergies of the three main roles which government officials, civil society and the private sector. Southeast Asia as one zone which has quite rapid economic growth is an interesting object in this study in relation to the efforts of the government and its apparatus in creating *good governance.*

The diversity of community culture and geographical conditions owned by each country has led to conducting research that discusses the influence of the quality of government on economic growth. From the results of several studies examining the effect of government quality on economic growth, obtained results that support or contradict from the relationship between the two variables. Likewise, ASEAN, which consists of 10 countries, has a diverse quality of government and economic growth. Based on these explanation, this paper will examine the impact of good governance which indicate by the quality of government on the economic growth.

## 2. LITERATURE REVIEW

According to Professor Simon Kuznets, economic growth is a long-term increase in capacity of the country concerned to provide various economic goods to its population. The increase in capacity alone can be made possible by advances or technological, institutional (institutional) and ideological adjustments to the various demands of the existing situation. Economic growth is related to the process of increasing the production of goods and services in community economic activities. So it can be said that economic growth involves development with a single dimension and is measured by increasing production and income (Todaro, 2000).

Meanwhile, according to Boediono (2009), economic growth is a process of increasing per capita output in the long run. The emphasis is on three aspects, namely: per capita and long-term output processes. Every aspect has a different center of gravity . The first aspect, growth is a process. In this case, it can be seen about the dynamic aspects of an economy, namely how an economy develops or changes over time. The emphasis is on change or development itself. Then the second aspect is per capita output. In this case there are two sides that need to be considered, namely the total output or *gross domestic product* (GDP) and the total population. Based on these two important things, the process of increasing per capita output must be analyzed by observing changes or movements in total output on the one hand and the population on the other. So that an explanation of the development of these two aspects can open the way to explain the development of per capita outputs that occur. Finally, the third aspect, namely economic growth, also contains a long-term perspective. An economy is said to experience growth if within a fairly longer period of time it experiences an increase in per capita output. If during this long period of time the per capita output shows a clear tendency to increase, it can be said that there has been economic growth.

In the context of carrying out regional autonomy, the real and responsible administration of government affairs, delegations, and assignments must be followed by the regulation, distribution and fair use of national resources, including financial balance between the Government and regional governments.

The main thing that is discussed in connection with the financial balance between the Government and regional governments is the fiscal needs and fiscal capacity , both of which can be linked in an effort to optimize regional own income (PAD) in an effort to realize regional fiscal independence. The difference between fiscal needs and fiscal capacity is called a fiscal gap. Its fiscal capacity is a component that is included in the calculation in formula for the General Allocation Fund (DAU), where the allocation was based on the formula with the concept of fiscal gap. It represents the difference between Fiscal Need and Fiscal Capacity. The amount of fund transfers from the central government to regional governments in the form of General Allocation Funds (DAU) for an area is allocated on the basis of Fiscal Gap and Basic Allocation.

According to Healey and Robinson in Azeez (2009) good governance is the effectiveness of high-level organizations in relation to the formulation of policies and policies that are actually implemented, especially in the implementation of economic policies and their contribution to the growth, stability and welfare of society. Then according to Basu in Pradhan and Sanyal (2011), *good governance* is a concept that can be examined with several different dimensions, which basically aims to provide a legal and order basis, the ability to provide social services to build human capital, provide physical, economic infrastructure or management within the framework of government so that prosperity is achieved . From the statement of the paragraph it can be assumed that human *capital* closely related to the theory of endogenous growth. Because the theory presents a broader theoretical framework in analyzing the process of economic growth. This theory tries to identify and analyze the factors that influence the process of economic growth originating from within (endogenous) the economic system itself. Technological progress is considered to be endogenous, and economic growth is the result of decisions of economic actors in investing in the field of science. In addition, the notion of capital in this theory is broader, because it is not just physical capital but also covers up *human capital* .

The previous empirical research was used to compare and strengthen the research analysis of this paper. Some empirical studies that support and are relevant include research related to the impact of the quality of government on economic growth. Resnick and Birner (2006) finds that political stability and rule of law have a positive relationship with economic growth , but provides mixed results in terms of poverty alleviation. The variables used in this study include *governance indicators* (*political stability, rule of law*), and *pro-poor growth* ( *poverty, inequality, and growth* ). In addition, Badun (2006) analyze the effect of quality of government on economic growth. He use *quality of governance* (*rule of law, corruption perception index*) and economic growth as variables. His result showed that the quality of government has positively significant impact on the growth of economic.

However, although almost all previous theories and research support a relationship between the quality of government and economic growth, there are also studies that provide conflicting results. Research conducted by Huynh and Chavez (2009) results that *political stability, rule of law, and voice and accountability* significantly influence economic growth . However, *regulatory control, control of corruption,* and *government effectiveness* indicators do not significantly influence economic growth.

## 3. METHODS

This paper used a quantitative approach, where the methodology is obtained through an empirical approach that focuses on hypotheses that are made based on the basis of thought and previous studies that support. Based on the formulation of the problem and research objectives that have been raised in the previous chapter, the object of this research is the ten ASEAN countries, namely Indonesia, Malaysia, the Philippines, Thailand, Brunei Darussalam, Cambodia, Laos, Myanmar, Singapore, and Vietnam. The selection of the country is taken by population methods that are adjusted to the research objectives. This is of course the authors adjust to the availability of data and journal references that support.

The type of data used in this study is secondary data, which combines *time series* data and *cross sections* (panel data). *Time series* data is used for a period of five years, which starts from 2014 to 2018, while *cross section* data

is used to observe the ten ASEAN countries. This secondary, quantitative data is sourced from data published by the World Bank.

According to Kaufmann et al. in Huynh and Jacho-Chavez (2009), *World Governance Indicators* are provided by the World Bank using six indicators, namely :

1) *Accountability and Voice*, is indicate that residents can contribute in electing parties and leaders, as well as the freedom of speech, association and determine public policy.
2) *political stability*, which is a measure of the perception that the government can make a stable condition related to the political and violence including terrorism.
3) *Effectiveness of government*, which is measured by the public services quality, the policy formulation quality and their implementations, the commitment of government to the policy, and the independence degree from political burden.
4) *Quality of regulatory*, which indicate the ability of the government to make regulations or policies formulation and implementation, and to promote the role of private sector.
5) *rule of law*, which indicate which a person complies with the *rules of* society and enforces the law.
6) *Corruption control*, which indicate the power is used for personal gain and for committing corruption acts.

In accordance with the formulation of the problems and hypotheses that have been stated previously, the data in this study will be analyzed using quantitative methods. Panel data analyzes is using in answering the problem formulations and hypotheses regarding the effect of governance quality on economic growth. The econometrics model used in this paper is as follows:

$$EG = \beta oi + \beta 1AVit + \beta 2PSit + \beta 3GEit + \beta 4RQit + \beta 5RLit + \beta 6CCit + \varepsilon\ it$$

Where:

EG = Economic Growth
AV = *Accountability and Voice*
PS = *Political Stability*
GE = *Effectiveness of Government*
RQ = Quality of *Regulatory*
RL = *Rule of Law*
CC = *Corruption Control*
$\varepsilon$ = *error term*

## 4. DISCUSSION

This research uses panel data analysis method. The process of estimating variables from the equation model that has been set using the Eviews. In the panel data analysis method, classic assumption testing is not needed (Gujarati, 2003 in Ajija, 2011: 52). To determine what is done in using panel data , some testing is needed. The tests include Hausman test, *Chow* test and *LM-test* . The test was conducted to determine whether the model used, between POLS ( *Pooled Least Square* ), *Random effect* , or *Fixed effect* . Due to the number of times data is more than the *cross section*, it can be directly determined the method used is the *Fixed effect* method . But to ascertain what method is better to used, the paper conducted a chow test and the Hausman test.

### 4.1 Chow Test

A chow test is performed to choose between *Pooled Least Square* or *Fixed effect.* from the results of tests conducted to obtain the following results.

$H_0$: The model uses *Pooled Least Square* estimation .
$H_1$: The model uses the *Fixed effect* estimation .

Table 1: Chow Test

Redundant Fixed Effects Tests Pool: Untitled Cross-section test and period fixed effects

| Effects Test | Statistics | df | Prob. |
|---|---|---|---|
| Cross-section F | 2.847356 | (9.30) | 0.0175 |
| Chi-square cross-section | 30.895866 | 9 | 0.0004 |

From these results it is the error rate of 5% reject and accept where the model using *fixed effects* .

### 4.2 Hausman Test

Hausman test is done to choose between *Random effect* or *Fixed effect.* from the results of tests conducted to obtain the following results.

$H_0$ : The model uses *Random effect* estimation .
$H_1$ : The model uses the *Fixed effect* estimation .

Table 2: Hausman Test

Correlated Random Effects - Hausman Tests Pool: Untitled Test cross-section random effects

| Test Sumary | Chi-Sq. Statistics | Chi-Sq. df | Prob. |
|---|---|---|---|
| Chi-square cross-section | 11.584425 | 6 | 0.0989 |

From these results then the error level of 10% refused and accepted where the model uses fixed effects .

### 4.3 Empirical Model *Fixed Effect*

After estimating using the *fixed effect* method, the *effect* of independent variables on the dependent variable can be seen through the equation derived from the estimation results as follows:

$$Y = 0.357351 - 14.47698AC + 2.625148PS - 14.33091GE + 1.585482RQ + 18.91167RL + 1.968685CC$$

From the above equation, it was found that the *voice and accountability* index (AV), *political stability* (PS), *regulatory quality* (RQ), and *control of corruption* (CC) is insignificant effect on economic growth. On the other hand,

the *government effectiveness* (GE) is negatively significant effect on economic growth (EG) and *rule of law* (RL) have a positive effect on economic growth.

Table 3: *T* -statistics

| Variable | Coefficient | Std. Error | t-Statistics | Prob. |
|---|---|---|---|---|
| C | 0.357351 | 6.252453 | 0.053551 | 0.8968 |
| AV | -13.47667 | 8.1111448 | -1.642975 | 0.1108 |
| PS | 2.625148 | 3.426234 | 0.766191 | 0.4496 |
| GE | -14.33091 | 6.464029 | -2.217024 | 0.0343 |
| RQ | 1.585482 | 5.098527 | 0.310969 | 0.7580 |
| RL | 18,91167 | 8.000655 | 2.363765 | 0.0248 |
| CC | 1,968685 | 3.852519 | 0.511012 | 0.6131 |

From table 3 it can be seen that there are two variables that have a significant influence on economic growth. These variables are *government effectiveness* and *rule of law* with *t*- statistics values of -2.217024 and 2.363765. Based on these results two conclusions can be drawn. The first is that the *government effectiveness* index is significantly negative effect on growth of economic. It means that when there is an increase in the *government effectiveness* index variable, economic growth will decline. The second conclusion that can be drawn is that the *rule of law* is significantly positive effect on growth of economic. This indicate that when an increase in the *rule of law* variable , then economic growth will also increase.

*Intercept* coefficient in the model of 0.3357351 shows that when the variable *voice and accountability, political stability* , *government effectiveness* , *regulatory quality* , *rule of law* , and *control of corruption* are zero or in other words there is no change in the *voice and accountability* index , *political stability* , *government effectiveness* , *regulatory quality* , *rule of law* , and *control of corruption* , economic growth is 0.357351.

Table 4: F-statistical and R-squared Tests

| Effect Specifications | | |
|---|---|---|
| Cross-section fixed (dummy variables) Period fixed (dummy variables) | | |
| R-squared | 0.813767Mean dep var | 5.485968 |
| Adj. R-squared | 0.695820S.D. dep var | 3.870880 |
| S.E. of regression | 2.134888Akaike IC | 4.643880 |
| SSR | 136.7324Schwarz C | 5.408689 |
| Loglikelihood | -6.09699 H-Q criter. | 4.935123 |
| F-stat | 6.899412D-W stat | 3.180496 |
| Prob (F-stat) | 0.000002 | |

$R^2$ in this model obtained 0.813767 meaning that 81% of the independent variables are able to explain the model. While the *F*- statistics obtained in this model is 6.899412 with a probability of 0.000002. With a probability of 0.000002 and smaller than α of 0.05, it can be concluded that together the independent variables have a significant effect on the dependent variable.

## 4.4 Hypothesis test

Based on the interpretation of the data processing results , it can be stated the results of the research hypothesis testing as follows:

Hypothesis 1 : Accountability and *Voice* have a significant positive effect on economic growth

Based on the test estimation using panel analysis, *t*- statistical values obtained -1.642975 and the probability is 0.1108. This means that the probability of a *voice and accountability* variable is greater than α of 0.05. So it can be assumed that whatever the *voice and accountability* index in ASEAN countries, it does not affect economic growth. Then it can be concluded that there is not enough empirical evidence to accept the first hypothesis.

Hypothesis 2 : *Political stability* has positive significantly effect on economic growth

The *t*- statistical value is 0.766191 and the probability is 0.4496. This means that the probability of a *political stability* variable is greater than α of 0.05. So it can be assumed that whatever *political stability* index in ASEAN countries, It does not affect economic growth. Then it can be concluded that there is not enough empirical evidence to accept the second hypothesis.

Hypothesis 3: E*ffectiveness of Government* has a positive significantly effect on economic growth

the *t*- statistic value is -2.217024 and the probability value is 0.0343. This means that the probability of *government effectiveness* variable is smaller than α of 0.05. The mean value of the variable of *government effectiveness* had a significant negative influence dependent variable is economic growth. That means that every increase in the *government effectiveness* index , then it will actually reduce economic growth. So it can be concluded that there is not enough empirical evidence to accept the third hypothesis. Because the effect of *government effectiveness* on economic growth has a negative significance, it indicates that the better the index of *government effectiveness* in a country, the economic growth will decrease.

Hypothesis 4 : *Regulatory quality* has positive significantly effect on economic growth

The *t*- statistical value of 0.310969 and probability of 0.7580. This means that the probability of the *regulatory quality variable* is greater than α of 0.05. So it can be assumed that whatever the *regulatory quality* index in ASEAN countries, it does not affect economic growth. Then it can be concluded that there is not enough empirical evidence to accept the fourth hypothesis.

Hypothesis 5: *The rule of law* has positive significantly effect on growth of economic

The *t*- statistic value was 2.363765 and the probability was 0.0248. This means that the probability of the *rule of law* variable is smaller than α of 0.05. From this value it means that the *rule of law* variable has a significant positive effect on the dependent variable, namely economic growth. That means that every increase in the *rule of law* index will also increase economic growth. So it can be concluded that there is enough empirical evidence to accept the fifth hypothesis. This indicates that the better the *rule of law* index *of* a country, the economic growth will increase.

Hypothesis 6: Corruption *Control* is positive significantly effect on economic growth

The *t*- statistic value of 0.511012 and probability of 0.6131 were obtained. This means that the probability of the *control of corruption* variable is greater than α of 0.05. So it can be assumed that whatever the index of *control of corruption* in ASEAN countries, it does not affect economic growth. Then it can be concluded that there is not enough empirical evidence to accept the sixth hypothesis .

## 5. DISCUSSION AND IMPLICATIONS OF RESEARCH RESULTS

Based on the research results described above, a discussion of the results and implications of the results of the research will be carried out. The discussion was carried out to see the extent of the influence of the quality of government on economic growth in ASEAN as a proof of the hypotheses previously prepared. The theory and the results of previous research that has been described in the literature review section will be used as a comparison whether the theory or prior research support or contradict the results of hypothesis testing that is done on research this.

### 5.1 Effects of *Accountability and Voice* on the growth of Economic

The *voice and accountability* did not significantly influence economic growth. The results show that no matter how much participation of citizens in choosing parties and leaders, as well as speech and association freedom, and freedom to determine public policy, it does not affect economic growth. Direct voting as an implementation of the era of democracy is a form of the success of political democracy at the regional level marked by direct regional elections. This shows that in this country a democratic and stable political system has taken place at both the central and regional government levels. These results are in line with previous research which is carried out by Moricz (2012), which also analyzed the influence of *voice and accountability* to the growth of the economy. In the research stated that *local election* which is an instrument *of accountability and voice* is insignificant effect on the growth of economic.

Democracy itself is often touted as a method not only for achieving economic growth, but also welfare for the people. The context of democracy provides an excellent basis for evaluating the effect of regional elections on the economy because broad responsibilities and authority are handed over to the regional level. However, the delegation of authority to the regions in terms of voting as a form of democracy which is an important element in measuring *voice and accountability* does not always provide positive benefits or results. Because in practice it can actually have negative impacts such as buying and selling votes.

So that if the *voice and accountability,* which is a measure of the quality of the government, cannot run well, it will lead to misuse of the budget allocation that has been given to manage voting and elections at the central and regional levels. So in other words, the influence of *voice and accountability* is only limited to the budget allocation that has been given. Therefore, whatever the value of the quality indicators of the government will not affect economic growth.

### 5.2 Effect of *Political Stability* on Economic Growth

This research shows that *political stability* does not significantly influence economic growth. The results illustrate that whatever political stability index in ASEAN countries, this will not affect economic growth. *Political stability* and economic growth are two goals that stand alone for each other , and progress directed towards achieving one goal is not always related to progress in achieving the other 's goals .

These results contradict research conducted by Huynh and Jacho-Chávez (2009) who also analyzed the effect of government quality on economic growth. They find that *political stability,* which is one indicator of government quality, has an eefect on the growth of economic. Political stability can be interpreted as a pattern of attitudes and behavior of all political components that build structures and power relations so as to ensure the effectiveness of government. This is marked by two things, namely: the existence of a stable government in the sense that it can govern for many years or can run its program in accordance with the b-limit that has been determined. The second is a stable government system, in the sense that the government system is able to accept changes that occur in society by not changing the existing government system.

Almost the same as *voice and accountability, political stability* indicator is also an indicator of the quality of government measured in terms of politics, in which there are already a number of budget funds that have been allocated to maintain political stability in a country. Although sometimes in its application there can be abuse of authority, but *political stability* also only has limited effect on the amount of the budget allocated by the government to maintain political stability. Therefore,

whatever the value of the quality indicators of the government will not affect economic growth.

### 5.3 The Effect of *Government Effectiveness* on Economic Growth

In this study, *government effectiveness* has a significant negative effect on the dependent variable, namely economic growth. These results mean that if there is an increase in the quality of public services and the implementation of policies in a country then it will actually reduce the rate of economic growth. These results contradict the research conducted by Huynh and Jacho-Chávez (2009) stated that the *government effectiveness* which is one indicator of the quality of government does not significantly influence economic growth.

This can happen because the better and more effective quality of a country's public services means that government spending used to implement policies and provide public services will be smaller. Or in other words, the simpler and more straightforward bureaucracy, this will certainly require less costs, both from the government and from the community. So that with the reduced costs incurred by both parties in implementing policies and public services, this will certainly improve the quality of *government effectiveness of* a country. So the better the *effectiveness of government* in the country means that economic growth is declining, because the expenditure used to implement the policies and public services becomes less.

### 5.4 The Effect of *Regulatory Quality* on the growth of Economic

The *regulatory quality* is not significantly influence economic growth. These results indicate that no matter how good the ability of government to make policies and regulation formulation and implementation, and to develop the private sector has no effect on the pace of economic growth. Similar results were also shown by previous research conducted by Huynh and Jacho-Chávez (2009) show that the elaboration stated that *regulatory quality* which is one indicator of government quality does not significantly influence economic growth.

The implementation of public policies implemented by the government, such as the lifting of subsidies for fuel, as well as the redistribution of taxes that he diverted to improve the education, health, and provide food for the community so far was still doubt about the quality when viewed from the output yan g generated by the application the policy. The act of *rent seeking* carried out by individuals who want to seek profit and abuse the allocation of redistribution will only benefit certain parties, and can actually harm the public in particular who should be more entitled to the results of the redistribution. Therefore, *regulatory quality* is still not able to become a benchmark in promoting economic growth if policymakers and *rent see ker* still ignoring the interests of the community who should be entitled to benefit and profit from the implementation of these policies.

### 5.5 The Effect of *Rule of Law* on Growth of Economic

The *rule of law* has a positive significantly effect on the economic growth. This indicate that if there is an increase in public compliance in obeying regulations and enforcing the law it will increase the rate of economic growth . Similar results were also shown by previous research conducted by Resnick and Birner (2006) stated that the *rule of law* has a positive relationship with economic growth. Haggard and Tiede's (2010) find that the *rule of law* is positively significant effect on on economic growth .

*The law rule* is an essential indicator in creating good governance. Because the *rule of law is* able to limit the authority of the government so it does not become a corrupt government. Governments that comply with the law can carry out their duties, authorities and responsibilities. *The rule of law is* able to guarantee that the government runs clean and well, so that in the end it is expected to have a wide impact on economic progress and increase the rate of economic growth.

In addition, the *rule of law is* also important to improve the welfare of a country because the *rule of law* does not only guarantee and protect people's rights to work, the right to establish a business, and the right to live properly. *The law of law* also guarantees legal protection of property, business capital and legal certainty in making investments. But in essence, the *rule of law is* more aimed at producing the basic pillars of the economy that are resistant to crises and are able to increase the rate of economic growth.

### 5.6 The Effect of Corruption *Control* on the Growth of Economic

The *control of corruption* does not significantly influence economic growth. These results indicate that whatever the index of *control of corruption* in ASEAN countries, it will not affect the rate of economic growth. Similar test results are also stated in the research of Huynh and Jacho-Chávez (2009). The study shows that *control of corruption*, which is one indicator of the quality of government, does not significantly influence economic growth. Research from Aidt, Dutta, and Sena (2008) also analyzes the effect of the *corruption perception index* with economic growth. This research shows that in countries that have low institutional quality, then corruption no significant effect on economic growth.

In general, many assumptions state that corruption has a negative impact on the economy. This can be seen from countries that have many corrupt activities or *rent*

*seeking* activities tend to slow down their economic growth. In line with corruption means there are other costs that would complicate an economic activity, which consequently can raise the costs or decrease interest to invest so as to hamper economic growth. On the other hand, the practice of corruption with the provision of funds to speed things up can enable economic agents to avoid delays in their affairs. As is known, the delay for economic activity means costs, both in terms of business opportunities that may be free, or the costs of interest, and other costs. So that this practice of corruption can also support economic growth if the country has very poor bureaucratic rules and *control of corruption.* The impact of this corruption can encourage government employees to work harder. Those who were not too enthusiastic about completing their routine affairs were motivated to work harder because of incentives from the service money. Something like this can happen in any country.

The practice of corruption does not automatically make an economy collapse and cannot develop. As seen in Indonesia, the economy still experienced high growth amidst the storm of corruption carried out by many parties. However, it should be noted that this rapid development was followed by exploitation and destruction of natural resources on a large scale, and the swelling of foreign government and private debt, not because of increased productivity that reflects the real economic development. From this explanation, it can be assumed that *control of corruption* in a country does not affect its economic growth.

## 6. CONCLUSION

Based on the results of the analysis and discussion that has been carried out previously, then some conclusions can be drawn as follows:

1. *Voice and accountability* as one of the quality variables of government is not an indicator that affects economic growth in ASEAN countries. On the other hand, the poor *voice and accountability* index in ASEAN is caused by the fact that many people are apathetic and do not want to use their voting rights. Besides the rise of the practice of buying and selling votes can also reduce the assessment of the *voice and accountability* index which will certainly have an impact on the quality of the government.
2. *Political stability* and economic growth are two targets which stand on each other independently, and progress directed towards achieving one goal is not always related to progress towards achieving the other target. *Political stability* is only limited to the amount of the budget that has been allocated by the government to maintain political stability. Therefore, *political stability* does not affect economic growth.
3. Increasing the quality of public services and implementing policies in a country as a form of *government effectiveness* will actually reduce the rate of economic growth. This can happen because the better and more effective quality of a country's public services means the government spending that is used to implement policies and provide public services is getting smaller.
4. No matter how good the ability of government to make public policies and regulations and the government's ability to develop the private sector as an implementation of *regulatory quality,* this has no impact on the rate of economic growth. *This regulatory quality* still cannot be used as a benchmark in increasing economic growth if policy makers and *rent seekers* still ignore the interests of the people who should be more entitled to benefit from the implementation of the policy.
5. Increasing community compliance in obeying regulations and enforcing the law will increase the rate of economic growth. Governments that obey the law can carry out their duties, responsibilities and responsibilities. *The rule of law is* able to guarantee that the government runs clean and well, so that in the end it is expected to be able to bring a broad impact on economic progress and increase the rate of economic growth.
6. *Control of corruption is* apparently not an indicator that affects economic growth in ASEAN. The practice of corruption does not automatically make an economy collapse and cannot develop. Because in reality the economy can still experience high growth amid "congregational corruption" carried out by many parties. However, it should be noted that this rapid growth was followed by exploitation and destruction of natural resources on a large scale, as well as the swelling of government and private foreign debt, not because of increased productivity that reflects real economic development.

Based on the results of the discussion and conclusions that have been described then the following suggestions can be submitted:

1. The government should be able to improve the quality of its performance in order to improve good governance so that the development process can run smoothly and the community can feel the results of economic development. Citizens' oversight of government performance is also needed so that the government officials realize that they are chosen by citizens to be able to realize the goals and ideals of the state, not to do something that only benefits themselves, so as to create good and as expected quality of government.
2. The government, economic actors, and all levels of society should increase awareness of the implementation and enforcement of applicable laws so as to create *good governance.* This can be done in compliance with the legislation in force as a form of enforcement of *rule of law* which is an indicator of the quality of governance that affect the growth of the economy.

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