

Political Stability and Its Impact on Economic Growth of Asian Countries (1988-2018)

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ABSTRACT: This research analysis the effect of political stability (PS) on economic growth (EG) in selected Asian countries from 1988-2018. PS and EG is inter dependent variables, that establish the significance of PS in the EG of Asian countries. To investigate whether the variables are stationary or not we have been conduct panel unit root tests. There are some approaches that analyses unit roots such as PP - Fisher Chi-square, Im, Pesaran and Shin ,W-stat, Levin, Lin & Chu Breitung t-stat and ADF - Fisher Chi-square for the benefit of variables. In this research Im, Pesaran and Shin, W-stat (IPS) Panel unit root test has been used for checking the stationary of the data. The results shows that PS and INF are become stationary at level I(0), while GDP, GFCF and TLF are become stationary at 1st difference I(1). In the research Panel ARDL (PMG) method has been used for checking short run and long run nexus between dependent variable (DV) and explanatory variable. PS has a significant and positive impact on EG of selected Asian countries in the long run. In the short run there is an insignificant effect (No Effect) of PS on the EG of Asian countries. GFCF has a significant and positive effect on the EG of Asian countries in the long and short run analysis. TLF has also a significant and positive impact on the EG of in the long run analysis. While in the short run there is insignificant effect (No Effect) of TLF on the EG. In the long run INF has negative and significant effect on the EG. In the short run INF has a positive and significant effect on the EG of Asian countries.

Key_Notes: Gross Domestic Product (GDP), Political Stability (PS), Total Labor Force (TLF), Gross Fixed Capital Formation (GFCF), Inflation (INF), ARDL Method and IPS Panel Unit Root Test.

INTRODUCTION

The connection between political stability (PS) and economic growth (EG) is one of the most significant purposes of conversation among researchers in the field of political economy. The variables EG and PS are interconnected, which builds up the significance of PS in the EG of Asian nations. The PS play as a vital role for achieving the nation build, such as national integration, the political improvement which has a straight effect on the development of political parties. PS is the quality of government and can be twisted out by a variety of events such as coups, variations are brought by the regular government or cabinet, that follows rapid transforms in economic policies. The idea of PS was portrayed by Lipstel in 1960. He expressed, "a nation is considered as stable if it has been a liberal and a reliable democracy or fascism for a long time"(25 years or more), (Farooq, 2017). PS means expected environment for politics, which in turn create a center of attention for investment, both foreign as well as domestically. The resulting reduction in the vicious circle of poverty, increases jobs, expanded state incomes and investment in education and wellbeing get advantages to all general public with the end goal that arrival to savagery or disarray is in nobody's inclinations. A country with high PS would be one where politics were extremely predictable. For instance, an incredibly severe authoritarian dictatorship that had been administered by a similar family for ten ages. There'd be no doubt about who was managing everything, or who might be managing everything later on, or whose orders everybody would obey in a system like that. The PS of an economy is measured by the factors like mode of general elections, law and order situation of the country, rule of the law, and the administrative functioning of the bureaucracy. Thus, the PS and the EG are interconnected. As the improbability is connected with the unstable political environment which reduces the foreign as well as the local investment and the causes the dedicatory balance of payments resultantly the rate of EG is poor, also the poor economic performance. Meanwhile, however, a peaceful economic environment due to the PS paves the way for economic development and politically strong governments like that of Germany, Japan, France and Malaysia. Pitiably, many of the countries are facing the dilemma of political instability (PI) and are fallen in the quagmire of uncertainty and the instability.

“The propensity of the change in the executive, either by constitutional or unconstitutional means” is called PI (Alesina, 1996). The particular period is when there is a higher PI, higher is the chance of a change of political environment. PI tends to cause harms because it weakens authority as the government persists to make the efforts for its continued existence with the economy receiving the least attention. PI shortens the interest of the government, interrupting long-run economic strategies for conduction of better performance of the economy. The Government has taken short-run however

important actions to win the hearts and brains of the individuals, yet these momentary significant measures never improve economic execution and subsequently, the economy keeps on endure. Many of the economists are of the opinion that there are two guidelines which cause a negative impact on the EG due to the PI. As it not only disturbs the market mechanism and labor relations, with direct adverse impact on the productivities as remarked (Perotti 1996a, Landa and Kapstein 2001 and Fosu 1992). But also, lowers the level of investment during the period of PI (Alesina and Perotti 1994, Barro 1991, Fosu 2001, Alesina et al. 1996).

For Asia, it is remarked that the PI is a serious threat to the developing as well as to under developing countries of the continent. Frequently, military coups or dethroning of the political governments in Asia have shown the inefficiency of the political parties that have been a symbol of the weakening political culture like in North Korea, Afghanistan, Srilanka, Bangladesh and Pakistan. In a society, which has a multi-ethnic population like in Bangladesh, Srilanka, and Pakistan, it has serious repercussions over society. Weak political culture, the inefficiency of political parties and instability of government extends a politically instable state. People of a variety of cultural attributes which are multiethnic have unintended consequence which is more serious.

Economists, for the most part, stress that an unstable political framework may hinder investment or accelerate inflation, and in outcome lessen the EG rate. Hypothetically, the opposite relationship is also feasible. The economic difficulties of a nation may comprise main factors in social strains and PI, which thusly may reason the fall of a government. Until the mid-1990s, the world was commonly divided into two models of EG: the first one was communism: drove by the Soviet Union (SU), and second was capitalism, drove by the United State (US). The separation of the Soviet Union in the mid-1990s was bringing unexpected democratic transformation over the globe. In this research, we have taken a sample of 20 selected Asian Countries.

Table #1 List of Selected Asian Countries				
Hong Kong	Korea	Japan	Malaysia	Mongolia
Oman	Qatar	Singapore	UAE	Vietnam
Pakistan	Bangladesh	Iran	Iraq	Israel
Lebanon	Philippines	Syria	Yemen	Bahrain

OBJECTIVES OF THE STUDY: This research revisits to the connection between PS and EG. This is on the grounds that we accept that, up until now, the profession couldn't handle some crucial inquiries behind the connection between PS and EG. What are the fundamental transmission channels from PS to the EG? How quantitatively important are the effects of the PS on the main

drivers of growth. This research deal with the significant questions, providing estimates from panel data regressions using Panel Autoregressive distributive lag method with a pooled mean group (ARDL (PMG)) on a dataset of up to selected Asian countries for the period of 1988 to 2018.

- This research study also checks the long-run relationship between PS on EG of the selected ASIAN countries.
- To check the short-run relationship between PS on EG of the selected Asian countries.
- To explore the relationship between TLF and EG.
- To explore the relationship between INF and EG.
- To explore the relationship between GFCF and EG.

LITERATURE REVIEW

The lack of PS may create a bad decision-making environment for officials and for the policymakers, which will lead to short term responses and choices rather than long-term arrangement. As explained by Aisen and Veiga (2010), said that uncertainty in politics reduces the capability to make consistent forecasts, resulting in poor short-term economic strategy creation. The collapse of the political system has aroused researchers' interest and prompted them to carefully study the impact of PS on EG. So many studies have been examined and concluded that there is an inverse co-relation between economic performance and political chaos. Hibbs (1977) spoken some of the political problems that were accountable for deprived economic activity. After then, Gupta (1987) conferred the psychosocial factors that led to PI. Along with the stated the impact of these psychological factors on economic trends. Unfavorable economic policies harm the EG. The policies which are beneficial for politicians they support and promote them. Furthermore, Alesina and Perotti (1996) said about the private investment that PI indulged in decreasing the growth. The private investment enhances the uncertainty and risk in the country intern that uncertainty and risk reduce the investment. As the volume of investment decreases ultimately the level of output reduces as well, not only that but reduction in output also causes the low income, low employment, high prices and it also increases the capital and goods market inflation. Due to that type of reduction in domestic productivity creates pressure on imports and also it decreases foreign exchange. Elbargathi (2019) determines the impact of PI on EG case of Jordan, Lebanon, Egypt and Tunisia for the time period of 1996 to 2016. The study used panel data technique on annual data collected for the concerned countries. The results are found using VECM indicating that there is significant relation between PI and EG. According to the Manzoor, (2013) explained in his research study that government has to provide such type of positive environment to their local peoples so that all the activities have been performed according to law,

and this is possible only with the stable government. In a stable government, there is a low risk for investors in the country. Furthermore, this researcher also identified that fluctuations in stock prices have a direct link with political events. MahmoodAzid and Siddiqui (2010) Conducted research study regarding the relationship between EG and democracy throughout Pakistan. They used annual data. They concluded that for EG, democracy is essential in Pakistan. Frequent government change can impact on EG. It is very necessary for EG and good GDP, the government must be stable. Yuniset. *al.* (2008) conducted the research study in selected Asian countries. This study was conducted from 1990 to 2005. In this study, he examined the impact of different PI factors on EG. In this study close correlation was found between PS and EG. The results of this study declare that the role of PS is more important than economic freedom.

According to the literature review or theoretical research, the co-relation between PS and EG among Asian countries is as: less PI leads to more EG as measured through so many different indicators of PS/PI. Another view has been observed that bad economic performance is caused by bad economic policies ultimately that cause PI. The third view is that PI and EG have a joint relationship with each other. The fourth view is that there is an insignificant impact on both variables. However, by noticing the impact of the different political environment or political regimes on any country's economy it has been concluded that there is the confusing relationship between the PS and EG because this is a two-way path. Till yet researchers have not finalized the role of PS on EG, neither from an empirical perspective nor from the theoretical perspective. However, some contributors claimed the 'stylized fact'. It means the relationship between PS and EG has been found quite often. Furthermore, large groups of economist were selected to conduct the research in this area. Because of that modelling difficulties have been created due to heterogeneity bias. In simple models, it is very difficult to control.

THE MODEL

The role of PS on the EG can be analyzed using the Solow growth model. This model was used by Moin Uddin Ahmed and Mohammad HabibullahPulok in (2013), Abeyasinghe (2004) and Fethi (2007).

$$GDP_{it} = \beta_0 + \beta_1 PS_{it} + \beta_2 GFCF_{it} + \beta_3 TLF_{it} + \beta_4 INF_{it} \dots \dots \dots 3.1$$

$$\Delta LGDP_{it} = \beta_0 + ECT-1 + \beta_1 \Delta LPS_{it} + \beta_2 \Delta LGFCF_{it} + \beta_3 \Delta LTLF_{it} + \beta_4 \Delta LINF_{it} + ut \dots \dots 3.2$$

In the above model where

GDP is the Real Gross Domestic Product, PS is Political Stability, GFCF is Gross Fixed Capital Formation, TLF is Total labor force, INF is Inflation and U_t is Error Term

NULL HYPOTHESES

- H₁: PS has -ve effect on GDP in the long run
- H₂: GFCF has +ve effect on GDP in the long run
- H₃: TLF has +ve effect on GDP in the long run
- H₄: INF has -ve effect on GDP in the long run
- H₅: PS has -ve effect on GDP in the short run
- H₆: GFCF has +ve effect on GDP in the short run
- H₇: TLF has +ve effect on GDP in short-run
- H₈: INF has -ve effect on GDP in short-run

DATA

For selected Asian countries panel data has been used in this research study from the time period of 1988 to 2018 on an annual basis. According to the empirical model, we consider five following variables: GFCF, TLF, RGDP, INF and PS. PS is measured on the basis of Government Stability, Democratic Accountability, Socioeconomic Conditions, External Conflict, Investment Profile, Internal Conflict, Religion in Politics, Corruption, Bureaucracy Quality, Law and Order, Military in Politics and Ethnic Tensions. The data of variables has been taken from World Development Indicators (WDI), World Bank (WB) National Accounts Data, and OECD National Accounts data files, Worldwide Governance Indicators, IMF and ICRG.

METHODOLOGY

Panel Unit Root Test: There are some methodologies by which the unit root (UR) tests are examined, of which one is the panel UR test that helps in examining that, whether the variables are stationary or not. As compared to that of the individual time series tests, it is recommended in the light of the revision of literature; the panel-based unit has higher. The ongoing literature recommends that panel-based UR tests have more effective power than that of the individual time series which are solely dependent. To check the stationary of the variables Panel UR test Im, Pesaran and Shin Test (IPS) has been used. Most of the tests assume a balanced panel dataset, but the IPS tests allow for unbalanced panels.

Panel ARDL Method (PMG)

Panel ARDL method (PMG) has been used to find out the long run and the short-run relationship between dependent and independent variables. The ARDL co-integration method is better when dealing with variables that are integrated of different order, I (0), I(1) or a mixture of both.

Remember, there is no variable that is integrated order I (2). We cannot apply the ARDL model for estimation purpose if there is any variable which is integrated order I(2). A panel data framework model is led in this research work. Incorporation of this one model has been favouring circumstantially, for, because of the adoption of the progressively assorted data which incorporate the expanded proficiency of the estimated outcomes due to the capability of this model the implication of cross-sectional data together with data of time series. BH Baltagi (in 2013) therefore made a conclusion, that, the time series or the cross-sectional data would be more comprehensive and complete in interpreting the analytical results of the panel data.

ECONOMETRIC ANALYSIS

In this research E-views software has been applied for econometric analysis. To check the stationary of the variables Panel UR test IPS has been used. Most of the tests assume a balanced panel dataset, but the IPS tests allow for unbalanced panels.

IPS W-stat Test

Ho: Assumes individual unit root process

Table#2 Panel Unit Root Test – Im, Pesaran and Shin (IPS)

Variable	Level		First-order difference	
	Constant	Constant + Trend	Constant	Constant + Trend
GDP	2.14707 (0.9841)	-1.75668** (0.0395)	-9.56430* (0.0000)	-9.99521* (0.0000)
PS	-13.7581* (0.0000)	-12.0801* (0.0000)	-12.9955* (0.0000)	-10.9234* (0.0000)
GFCF	1.26739 (0.8975)	-0.90735 (0.1821)	-9.74956* (0.0000)	-8.03026* (0.0000)
TLF	-1.06391 (0.1437)	-2.92032* (0.0017)	-3.20143* (0.0007)	-2.64435* (0.0041)
INF	-4.91375* (0.0000)	-3.11535* (0.0009)	-18.9652* (0.0000)	-16.6298* (0.0000)

Note: *, ** indicates rejection of the null hypothesis of no-cointegration at 1% and 5%, levels of significance

The IPS panel UR test has been used to check the stationary of the variables. In IPS test stationery can be checked through constant and constant plus trend. In the above table 2 results show that with

constant GDP, GFCF and TLF has a UR problem at level, but PS and inflation are stationary at level with one percent significance level, it means both variables do not have a UR problem. These results visibly show that the null hypotheses of panel UR test in the level of the series with constant cannot be rejected for GDP, GFCF and TLF variables. While for PS and Inflation we can reject the null hypotheses at the level. After taking the first difference all the variables are becoming stationary at the one percent level of significance with constant. With constant plus trend only GFCF has a UR problem at level, but GDP, PS, TLF and Inflation are becoming stationary at level with one and five percent significance level, it means except GFCF, all variables do not have a UR problem. These results visibly show that the null hypotheses of panel UR test in the level of the series with the constant plus trend can be rejected for GDP, PS, TLF and Inflation variables. While for GFCF we cannot reject the null hypotheses at level. After taking first difference all the variables are becoming stationary at the one percent level of significance with the constant plus trend.

Table#3 PANEL ARDL (PMG) METHOD

Variable	Co-efficient	Std.Error	T-statistic	Prob
LONG RUN EQUATION				
PS	0.314190	0.103515	3.035204	0.0025
GFCF	0.888470	0.061676	14.40536	0.0000
TLF	0.153251	0.057889	2.647339	0.0084
INF	-0.004934	0.001416	-3.484708	0.0005
SHORT RUN EQUATION				
ECT-1	-0.062420	0.027985	-2.230501	0.0262
PS	0.031921	0.061219	0.521429	0.6023
GFCF	0.147661	0.038901	3.795791	0.0002
TLF	-0.070509	0.146135	-0.482492	0.6297
INF	0.000491	0.000286	1.719283	0.0862
C	0.014521	0.008582	1.691991	0.0913

Panel ARDL method (PMG) has been used to find out the long run and the short-run relationship between dependent and independent variables. The results of the above table 3 shows that PS has a positive and significant effect on EG in the long run. One unit increase in PS will increase EG by 0.314190 units. GFCF and TLF has also a positive and significant effect on EG in the long run. One unit increase in GFCF will increase EG by 0.888470units. One unit increase in TLF will increase EG

by 0.153251 units. Inflation has a negative and significant effect on EG in the long-run analysis. One unit increase in INF will decrease EG by -0.004934units. In the short run, PS and TLF do not effect on EG of selected Asian countries. GFCF has a positive effect on EG in the short run. One unit increase in GFCF will increase EG by 0.147661 units. Inflation, on the other hand has also positively effected on EG of selected Asian countries in the short run analysis. One unit increase in INF will increase EG by units 0.000491 units.

The error correction term (ECT-1) is statistically significant at 5% (-2.230), it is negative and has a reasonable score. ECT shows that 06.24 % of distinction between short-term and long-term equilibrium is eliminated annually. Therefore disequilibrium in EG encounter equilibrium at normal levels.

Cross Section Short Run Coefficient (ARDL) (Relationship between Political Stability and Economic Growth of selected Asian countries)

Table # 4: Panel ARDL (PMG)Method for Short Run Analysis

S:No	Country	Var	Coefficient	Std.Error	T-statistic	Prob	Relationship
1	Pakistan	PS	-0.016668	0.000932	-17.88851	0.0004	-VE
2	Singapore	PS	-0.088230	0.068341	-1.291030	0.2872	No Effect
3	Japan	PS	0.023986	0.004011	5.980280	0.0094	+VE
4	HongKong	PS	0.059085	0.006480	9.117376	0.0028	+VE
5	Mongolia	PS	-0.029384	0.061437	-0.478283	0.6651	No Effect
6	Oman	PS	0.046339	0.031889	1.453130	0.2421	No Effect
7	Philippines	PS	-0.068685	0.001157	-59.35581	0.0000	-VE
8	Bangladesh	PS	-0.000816	0.000311	-2.622667	0.0788	-VE
9	Lebanon	PS	0.252051	0.002992	84.22905	0.0000	+VE
10	Iraq	PS	0.012387	0.096792	10.45941	0.0019	+VE
11	Syria	PS	-0.382754	0.066569	-5.749773	0.0105	-VE
12	Iran	PS	0.209566	0.007627	27.47590	0.0001	+VE
13	Bahrain	PS	0.109258	0.006151	17.76392	0.0004	+VE
14	Israel	PS	-0.067932	0.000823	-82.54124	0.0000	-VE
15	Malaysia	PS	-0.138264	0.006967	-19.84480	0.0003	-VE

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16	Korea	PS	-0.006000	0.002091	-2.868886	0.0641	-VE
17	Qatar	PS	-0.162509	0.019636	-8.276263	0.0037	-VE
18	UAE	PS	-0.260402	0.027166	-9.585670	0.0024	-VE
19	Vietnam	PS	0.123761	0.002086	59.32381	0.0000	+VE
20	Yemen	PS	0.023641	0.002746	8.607929	0.0033	+VE

Panel ARDL method (PMG) allows us to check short-run coefficients (as seen in table # 4), including the intercept, the speed of adjustment to the long-run equilibrium values, and error variances to be heterogeneous country by country, while the long-run slope coefficients are restricted to be homogeneous across countries.

Pakistan is a weak politically stable country and its average politically stability score is 45.74. In the short run, the effect of the PS on the EG is negative for Pakistan.

Singapore is a strong politically stable country and its average politically stability score is 82.81. In the short run, the effect of the PS on the EG is insignificant for Singapore.

Japan is a strong politically stable country and its average politically stability score is 83.05. In the short run, the effect of the PS on the EG is positive for Japan.

Hong Kong is a strong politically stable country and its average politically stability score is 74.15. In the short-run, the effect of the PS on the EG is positive for Hong Kong.

Mongolia is a strong politically stable country and its average politically stability score is 66.64. In the short-run, the effect of the PS on the EG is insignificant for Mongolia.

Oman is a strong politically stable country and its average politically stability score is 69.98. In the short-run, the effect of the PS on the EG is insignificant for Oman.

The Philippines is a weak politically stable country and its average politically stability score is 57.97. In the short-run, the effect of the PS on the EG is negative for the Philippines.

Bangladesh is weak politically stable country and its average politically stability score is 51.02. In the short run the effect of the PS on the EG is negative for Bangladesh.

Lebanon is weak politically stable country and its average politically stability score is 47.11. In the short run the effect of the PS on the EG is positive for Lebanon.

Iraq is weak politically stable country and its average politically stability score is 34.64. In the short run the effect of the PS on the EG is positive for Iraq.

Syria is weak politically stable country and its average politically stability score is 55.10. In the short run the effect of the PS on the EG is negative for Syria.

Iran is weak politically stable country and its average politically stability score is 53.48. In the short run the effect of the PS on the EG is positive for Iran.

Bahrain is weak politically stable country and its average politically stability score is 64.88. In the short run the effect of the PS on the EG is positive for Bahrain.

Israel is weak politically stable country and its average politically stability score is 59.48. In the short run the effect of the PS on the EG is negative for Israel.

Malaysia is strong politically stable country and its average politically stability score is 71.58. In the short run the effect of the PS on the EG is negative for Malaysia.

Korea is strong politically stable country and its average politically stability score is 71.58. In the short run the effect of the PS on the EG is negative for Korea.

Qatar is strong politically stable country and its average politically stability score is 67.23. In the short run the effect of the PS on the EG is negative for Qatar.

UAE is strong politically stable country and its average politically stability score is 67.62. In the short run the effect of the PS on the EG is negative for UAE.

Vietnam is strong politically stable country and its average politically stability score is 61.59. In the short run the effect of the PS on the EG is positive for Vietnam.

Yemen is weak politically stable country and its average politically stability score is 55.80. In the short run the effect of the PS on the EG is positive for Yemen.

Table#5ALTERNATIVE HYPOTHESES

H1	PS has negative effect on GDP in long run	Rejected
H2	GCF has positive Impact on GDP in long run	Accepted
H3	TLF has positive Impact on GDP in long run	Accepted
H4	INF has negative Impact on GDP in long run	Accepted
H5	PS has negative effect on GDP in short run	No Effect
H6	GCF has positive Impact on GDP in short run	Accepted
H7	TLF has positive Impact on GDP in short run	No Effect
H8	INF has negative Impact on GDP in short run	Rejected

CONCLUSION

The connection between PS and EG is one of the most significant purpose of conversation among researchers in the field of political economy. PS and EG are interconnected variables, which builds up the significance of PS in the EG of Asian nations.

The IPS Panel UR test has been used to check the stationarity of the research variables. In IPS test stationarity can be checked through constant and constant plus trend. The results show that PS, TLF and INF are become stationary at level $I(0)$, while GDP and GFCF are become stationary at 1st difference $I(1)$.

Panel ARDL method (PMG) has been used to find out the long run and the short-run relationship between dependent and independent variables. The Panel ARDL method is suitable when dealing with variables that are integrated of different order, $I(0)$, $I(1)$ or combination of the both. Remember, there is no variable that is integrated order $I(2)$. If there is any variable which is integrated order $I(2)$, in this case we cannot apply the ARDL model for estimation.

PS has a positive and significant effect on EG of Asian countries in the long run. In the short run there is an insignificant effect (No Effect) of PS on the EG of Asian countries. GFCF has a positive and significant effect on the EG of in the long and the short run analysis. TLF has also a positive and significant effect on the EG in the long run analysis. While in the short run there is insignificant effect (No Effect) of TLF on the EG. In the long run INF has negative and significant effect on the EG of Asian countries. In the short INF has positive and significant effect on the EG.

POLICY RECOMMENDATIONS

The most important for Asian countries are, let any of the political framework be prospered; there must not be any suspension of it on the grounds that everything needs some time to grow up. The most unsafe for the improvement of any nation is non-stability of political framework, which is really the center of decision, so steady the political arrangement for the long term flourishing of the nation. Politically separated countries with high degrees of PI need to address its principle drivers and endeavor to direct its effects on the structure and use of monetary courses of action. At precisely that point, countries could have solid monetary arrangements that may incite higher EG.

- The Government should make some business friendly policies for investors to improve the investment within the country.
- Policy makers in developing countries of Asia should reform institutions and create effective mechanisms to ensure long run PS. If political reforms are not executed, then the effect of stabilization policies has just temporary impact.
- Policy makers need to design long term policies rather than short term policies, which give benefit in the future.
- Government needs to improve socioeconomic conditions of the country.
- Government needs to take effective steps to reduce internal and external conflicts in the country.
- Government takes steps to reduce the role of military and religion in the politics.
- Improve law and order situation and bureaucracy is also one of the main responsibility of the Government.
- Policy makers should make strict rules to stop corruption in the country which leads to lower EG and PI.
- Regimes can't matter to get high EG. We can't predict that either democracy is good for Asia or autocracy is feasible, but only long term consistence policies can contribute to EG. So Asian

countries could get high and sustainable GDP growth rate and development through adopting good and consistent policies.

- Need to strengthen political system and institutions.

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