# The Relationship of Good Public Governance and Easy of Doing Business Performance: An Exploratory Study

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**Abstract**

This study aims to investigate the relationship of good public governance and easy of doing business performance. Motivation of the study was driven by slowing down global economy and competition among countries around the world to attract Foreign Direct Investment (FDI). Foreign investors will consider investing their capital in certain country if in that country adopting easy of doing business practice. The study was intended to reveal, whether the country that apply good practice of public governance will also lead good practice in terms of easy of doing business for foreign investor.

The study adopted exploratory research design which are public governance and easy of doing business performance treated as two independent variables. Public governance variable was represented by attributes namely public governance, effectiveness government, regulatory quality, control of corruption, rule of law and political stability. World Governance Index (WGI) was adopted to measure Public Governance and Distance to Frontier (DtF) value is representing measurement of easy of doing business performance. The study applied bivariate correlation analysis and involved 188 countries member of World Bank

The results show that all public governance attributes are positively and significantly associated with easy of doing business performance. Pearson correlation coefficient indicates that all attributes of public governance have strong correlation (Pearson correlation (r) > 0.6), except for political stability attribute (Pearson correlation (r) = 0.584). The result implies that practice of good public governance in governmental institution have potential impact on performance of the government in terms of streamlining bureaucracy of doing business in that country.

*Keywords*: Public Governace; Easy of doing buiseness; Foreign Direct Investment; World Governance Index; Distance to Frontier

## 1. Introduction

During the last decade, good governance has become a topic of great interest for both scholars and public policy organizations, especially starting from the premise that good governance influences economic prosperity (Knack and Keefer, 1995, Ngobo and Fouda, 2012, Mauro, 1995). Curiosity of researchers in finding effect of good governance on various aspects is continuously spreading. In additional, empirical evidence of positive impact of good governance on public sector is still inconclusive. Therefore, research on good governance in public sector is challenging to be conducted. Constructing good governance is never ending process and the nation build with good governance principles is believed can lead the state toward economic prosperity

Fundamental requirement in achieving economic prosperity is easy of doing business. The country with simple procedure in doing business will attract investor both local and international in term of spending capital in business sector. With more business sectors opened, it will increase job market demand, and at the end affecting citizen's prosperity. In this case, role of government in streamlining procedure of doing business is fundamental. Easiness of doing business must represent an issue of major concern for government and the public sector, and one of the major interests of government should be more accessible business regulations and regulatory processes, given the relevance of business environment outputs for the public sector (Bota-Avram, 2014). Effective governments should properly answer to citizen needs, promote politically neutral managers, and develop a framework of pro-business policies (Andrews, 2008).

Public governance refers to the formal and informal arrangements that determine how public decisions are made and how public actions are carried out (OECD, 2011). Public governance is important for investors and their businesses. It helps build trust and provides rules and stability needed for planning investment in the medium and long term. It facilitates a smooth and productive interaction between the state and the general public, no longer based on rigid traditional "control and command" approaches, but on flexibility, guidance, communication and persuasion (OECD, 2011).

Public Governance by many scholars is closely associated with easiness of doing business (Bota Avram, 2014, Ngobo and Fouda 2012, Çule and Fulton (2013). The concept of public good governance became rather significant in the early 1990s when international aid agencies realized that poor governance across many developing countries was a major obstacle to their economic development (Ngobo and Fouda (2012). Good governance leads to a transparent environment for conducting public affairs, being a promoter of free market policies, justice, and the rule of law (Ngobo and Fouda, 2012). Therefore, the effects of good governance are no doubt felt on the business and economic environment. Good governance implies fair regulatory frameworks, accountability, and transparent policy making, all these factors having direct influences on economic activity (Bota-Avram, 2014).

There is no doubt that the public and private sectors are depending on each other to activate efficiently and to achieve their objectives, therefore the public sector should facilitate, through an appropriate regulatory framework and control of corruption, the effectiveness of the business sector (Bota-Avram, 2014). According to Çule and Fulton (2013), the influence of governance over the business environment is given by the supposition that an economy with a moderate level of bureaucracy, a high concern for legislative compliance, and good instruments for controlling corruption is expected to create and maintain a business environment that stimulates economic performance.

There is an emerging consensus amongst economists, political scientists and international business scholars that FDI inflows to developing nations are conditioned by the host country's governing institutions, and that countries possessing strong institutions (i.e. competent regulatory agencies, efficient legislatures, transparent judiciaries, etc. (Alemu, 2013). Many governance studies have truly proved the positive relationship between the quality of governance systems and more effective allocations of economic resources, which finally influence the stimulation of economic growth and the competitiveness of business environment (Price et al, 2011. It implies that institutions are importance for economic growth (Keefer and Knack (1997). Research findings revealed that the government institutions played important role for the economic success and growth in East Asia (Rodrik, 1997). Good governance increases FDI inflows (Globerman et al, 2006) and the level of FDI inflows is significantly positively influenced by all governance indicators ( Bissoon, 2012)

Good governance institutions that guarantee economic freedom plausibly have the capacity to provide the growth-enhancing kind of incentives for several reasons. They promote a high return on productive efforts through low taxation, an independent legal system, and the protection of private property, they foster a dynamic, experimentally organized economy in which a large amount of business trial and error can take place (Johansson 2001). Globerman and Shapiro (2003) argue that the governance infrastructure of a country would help to define its investment environment, and thus creates favourable conditions for economic growth. Recent empirical evidence tends to confirm the hypothesis that cross-country differences in growth and productivity are related to differences in governance infrastructure (Kaufmann, Kraay, & ZoidoLobaton, 1999b)

World Bank defines attributes of public governance into five dimensions, namely, government effectiveness, control of corruption, rule of law, accountability and regulatory quality. Most studies conclude that public governance had positive impact on Foreign Direct Investment (FDI) and easiness of doing business. However, detail information about attributes of public governance affecting FDI and easiness of doing business is still not revealed clearly. Therefore, conducting study about the relationship of public of governance with easiness of doing business is relevance. Scientifically, study of the relationship of public governance attributes on easiness doing business will enrich previous research findings in the same area of study. Practically, the findings is expected can contributes the insight for public policy makers in terms of constructing management of government with good governance principles.

## 2. Literature and Hypothesis Development

### 2.1 Public Accountability and Easy of Doing Business

Public accountability which measures capacity of government to ensure proper responsiveness to society and includes different aspects of the political process, civil liberties and political rights, measuring the extent to which citizens are able to take part in the selection of their governments (Bota-Avram, 2014). Public accountability captures the extent to which citizens of a country are able to participate in the selection of governments (Alemu, 2013). Public accountability reflects the involvement of the citizen in running the government through their voice in general election. The government, as representative of the citizen, therefore must be accountable to citizen for every policy taken. The countries with high score index voice and accountability, it indicates that those countries are countries that put a weight the democracy.

Public accountability is responsible for providing a free investment climate from future violations of the foreign investors' rights (Inter-American Development Bank, 2001, Siddharthan, 2009). A study by Stasavage (2002) found a strong relationship between the presence of political 'checks and balances' and the FDI flows. In line with study by Stasavage, research findings by Globerman & Shapiro (2002) and Méon, P.G. and K. Sekkat (2007) are also indicating the same result that public accountability contributes positively in rising FDI inflows. Meanwhile, one of the crucial factor that determine the magnitude of FDI inflows is simplification of investment procedures. Since there is logical relationship between public governance, FDI and investment procedure, therefore, the hypothesis can be formulated as follows:

*Hypothesis 1: Public accountability is positively and significantly associated with easy of doing business performance*

### 2.2 Regulatory Quality and Easy of Doing Business

Regulatory quality is quality of state to manage the resources and the rules of the game for the general interest (Rhodes, 1997). Regulatory quality is designed to provide estimates over the effects of the policies which are perceived as market-unfriendly, such as price controls or inadequate bank supervisions, or excessive regulation which might affect business development (Bota Avram, 2014). Regulatory quality encourages the entry of foreign investors by eliminating market unfriendly policies such as price controls, government intervention, and restrictions on capital movement (Fazio and Talamo, 2008). A sound regulatory environment for public and for the business sector economic activity, sound institutions, and government authority accountable to citizens are considered to be crucial to successful economic development (Bota Avram, 2014 and Kray and Tawara (2010).

Regulatory quality measures the market-friendly policies such as lifting price controls or inadequate bank supervision as well as other efforts to lessen excessive regulations in areas of foreign trade and business development (Alemu, 2013). Regulatory clarity and certainty are valued by businesses and citizens (OECD, 2011). Regulations which encourage market dynamism, innovation and competitiveness improve economic performance (OECD, 2011). Regulations which are poorly designed or weakly applied can slow business responsiveness, divert resources away from productive investments, hamper entry into markets, reduce job creation and generally discourage entrepreneurship (OECD, 2011). The quality of public services, which is shaped by regulation inside government as well as regulation for private sector providers, significantly influences the investment climate (OECD, 2011). Based on literature mentioned, therefore, the hypothesis can be formulated as follows:

*Hypothesis* 2: *Regulatory quality is positively and significantly associated with easy of doing business performance*

**2.3 Rule of Law and Easy of Doing Business**

Rule of law includes some indicators that estimate the extent to which public and citizens have confidence in and abide by the rules of society, including the effectiveness of the judiciary system and the security of property rights (Bota-Avram, 2014). It also measures the extent to which agents have confidence in and abide by the rules of the society, including the effectiveness and predictability of the judiciary, and the enforceability of contracts. Rule of law is very important for the company that are doing business in certain country. Without any rule of law enforcement, they will face any kind of uncertainty or risk regarding their business. Piracy of product is an example of common threats faced by the companies. They need some assurance that their product innovations are protected by rule of law. It is rational to argue that inventions and innovations can be promoted only when they are well protected through protection of intellectual properties (Alemu 2013)

Rule of Law stimulates current decision making that maximizes the long-term value of assets, because future returns will be protected in the presence of the rule of law (Hoff and Stiglitz, 2005). The country with rules of law more favour to business entities will get more priority from venture capital to invest their money. These conditions encourage FDI and presumably private domestic investment as well, by protecting privately held assets from arbitrary direct or indirect appropriation. Good governance must necessarily ensure a framework of good rules that clearly establish and clarify property rights, rules that are meant to enhance the predictability of economic interactions between various contractual partners (Bota Avram, 2014). Nothing contributes more to investor confidence about regulation than predictability and the recognition that rules achieve their objectives (OECD, 2011). Study by Johnson et al (1998) shows that the unofficial economy is positively influenced by the existence of more corruption and when the rule of law is weaker. Based on the literature mentioned above, therefore, the hypothesis can be formulated follows:

*Hypothesis 3: Rule of law is positively and significantly associated with easy of doing business performance*

**2.4 Effectiveness Government and Easy of Doing Business**

Government effectiveness evaluates the perception over the inputs necessary for effective governance, such as the quality of public service provision, the competence of civil servants, the level of bureaucracy, the independence of the civil services from political influences and the credibility of government (Bota Avram, 2014). Government Effectiveness facilitates foreign investors' activity through the reduction of heavy bureaucracy, procedures and the overall time it takes for any agent to complete them (Inter-American Development Bank, 2001; OECD, 2002). The effectiveness of government activity is meant to serve the interest of the general population and the cooperation between public and private sectors is crucial for ensuring the good of the society (Bota Avram, 2014). Effective governance matters and, even more, it is a determinant factor for the effectiveness of the business environment.

Role of government in solving societal issues bases for ensuring a normative function of social and economic institutions (Kooiman, 1999). It refers the quality of public service provision, the quality of bureaucracy, and the credibility of the government's commitment to policies (Alemu 2013) In other words, government effectiveness captures the capacity of the state to implement sound policies (Rammal and Zurbruegg, 2006). Innovative mechanisms to monitor and evaluate public management are commonly used to improve transparency and build credibility, important determinants of investment (OECD, 2011). Sedik (2012) who studies on MENA countries found that government effectiveness has a positive and significant impact on FDI inflows. Therefore, the hypothesis can be formulated as follows:

*Hypothesis 4: Effectiveness government is positively and significant associated with easy of doing business performance*

**2.5 Political Stability and Easy of Doing Business**

Political stability is essential if markets are to work effectively in guiding resource allocation and fostering confidence of economic agents in the economy specially to attract multinationals in investing their capital in the host country (Alemu, 2013). Political stability and absence of violence refers to the possibility of violent changes in government's structure and combines several indicators which express the potential likelihood that the government in power could be overthrown through unconstitutional or violent changes (Bota Avram, 2014). The influence of political factors in the process of governance should not be ignored. Domestic political situation will determine the orientation and priority of the country in terms of management of the government.

Political stability is essential if markets are to work effectively in guiding resource allocation and fostering confidence of economic agents in the economy specially to attract multinationals in investing their capital in the host country (Alemu, 2013). Political Stability and absence of violence are two factors that ensure the continuity of MNCs' activities and FDI projects in the host countries (Inter-American Development Bank, 2001). FDI is a long-term investment, and any kind of threat will impede the future return flow and this is not desired by foreign investors (Fazio and Talamo, 2008). Moreover, most multinational companies avoid FDI in cases of high political risk and move towards other forms of international business (Meier, 2006). Study in Latin America countries by Amal et al (2010) shows that political stability has a positive and significant effect on inward FDI. Based on the literature mentioned above, therefore, the hypothesis can be proposed as follows:

*Hypothesis 5: Political stability is positively and significantly associated with easy of doing business performance*

**2.6 Control of Corruption and Easy of Doing Business**

Corruption has a very strong negative effect on private sector organization that are doing business ( Alemu, 2013). According to Vittal (2001), if China manages to reduce red tape and corruption and enhance better rule of law and property protection, it can even double its FDI. Corruption distorts competition and adds uncertainty to business operations, both of which can reduce levels of foreign and domestic investment and hence economic development (OECD, 2011). Corruption can be considered a form of taxation; it does not only reduce FDI inflows, but also contributes to changing the types of inward FDI (Dunning, 1993). Moreover, some bureaucratic regulations come as a result of widespread corruption and are not intended to correct market distortions or even protect investors (Alam, Mian and Smith, 2006).

Pervasive corruption leads to inefficient long term plans due to uncertainty, and causes an ambiguity about return predictability (Sabri, 2008). A higher fiscal burden and a high level of corruption are strongly associated with larger unofficial economies (Friedman *et al.* (2000). Control of corruption can attract more foreign investors by reducing heavy bureaucracy and providing fast and efficient government services (Méon and Sekkat, 2005; Swaleheen and Stansel, 2007). The effects of corruption are significant on economic growth and investment (Mauro, 1995). It effects on public investment cannot be ignored while they are quite significant (Tanzi and Davoodi,1997). Corruption influences negatively the attractiveness for international investors (Wei, 1997). Based on the literature mentioned above, therefore, the hypothesis can be formulated as follows:

*Hypothesis 6: Control of corruption is positively and significantly associated with easy of doing business performance*

**3. Methodology**

**3.1 Population and Sample**

Population of this research is countries registered officially as member of world Bank. Until today (2017), total number of members in World Bank is 214 countries (Population). Meanwhile, the sample was involved in this research is 188 countries of world Bank members. Purposive sampling method was applied in this research. It refers to the purpose of availability the data in certain period of time of research investigation. The sample represents five continents namely Europe, America, Asia, Australia and Africa

**3.2 Variable, Measurement and Data**

This research involved two independent variables namely public governance and easy of doing business performance. Those variables are treated as two independent variables due to the research's design is exploratory. Public governance attributes are represented by independent variable public accountability, regulatory quality, rule of law, effectiveness of government, political stability and control of corruption.

Attributes of public governance was measured using Corporate Governance Index (CGI) issued by World Bank. Meanwhile, variable easy of doing business performance was measured using Distance to Frontier (DtF) score released by World Bank. The data was used in this research is secondary data, which is official publication of Worldwide Governance Index (WGI) and Distance to Frontier (DtF) score from World Bank organization. The data is an open publication and it was downloaded directly from official websites of sources data.

## 3.3 Analysis

Descriptive statistics analysis and bivariate correlation analysis were applied in this research. Descriptive statistics analysis was intended to describe the basic features of the data used in the study. They provide simple summaries about the sample and the measures. Meanwhile, bivariate correlation analysis in this study was used to test the degree of correlation between two independent variables. Furthermore, bivariate correlation analysis was used to justify the acceptance of proposed hypothesis. Pearson Correlation method was chosen in this research due to the data is categorized as interval scale.

## 4. Results

### 4.1 Descriptive Statistic

World Bank Releases Worldwide Governance Indicator in interval value from minimum value of -2.5 (Weak public governance performance) to +2.5 (strong public governance performance). Measurement of public governance uses six aggregate indicators. They are based on 31 underlying data sources reporting the perceptions of governance of a large number of survey respondents and expert assessments worldwide. As shown in Table 1, public governance attributes of 180 sample's countries show that the score is at moderate value (Average value of Mean equal to -0.0534). Standard deviation is also indicating that the sample's countries have homogeneity characteristics in terms of performance of public governance. It is supported by the statistic descriptive that the average value of standard deviation is relatively small (0.96688). Even though there were always outliers with extreme performance (weak or strong), however in general, it can be concluded that the samples are relatively have the same characteristic in terms of its public governance performance.

Table 1. Descriptive statistic of public governance

| No | Variables | N | Minimum | Maximum | Mean | Std. Deviation |
|---|---|---|---|---|---|---|
| 1 | Public Accountability | 188 | -2.04 | 1.70 | -0.0210 | 0.96283 |
| 2 | Effectiveness Government | 188 | -2.17 | 2.25 | -0.0513 | 0.97849 |
| 3 | Regulatory Quality | 188 | -2.24 | 2.26 | -0.0295 | 0.95686 |
| 4 | Control of Corruption | 188 | -1.83 | 2.29 | -0.0674 | 0.97960 |
| 5 | Rule of Law | 188 | -1.99 | 2.07 | -0.0535 | 0.96065 |
| 6 | Political Stability | 188 | -2.94 | 1.49 | -0.0976 | 0.96286 |
| | **AVERAGE** | | | | **-0.0534** | **0.96688** |

World Bank developed easy of doing business index using Distance to Frontier (Dtf) interval scale from 0 (worst) to 100 (the best). Table 2 indicates that Mean value of easy of doing business of 180 countries is 60.2879. With consideration 0 is the worst and 100 is the best, therefore, it can be concluded that performance of easy of doing business is on moderate level. Information generated from Table 2 shows that standard deviation value is on high level mode (13.07213). It indicates that the variation value of easy of doing business among samples is relatively large. Large standard deviation explains that the samples have heterogeneity in terms of easy of doing business performance. It implies that the countries included in the research have characteristic both in extremely good and extremely bad in terms of their easy of doing business performance.

Table 2. Descriptive statistic of easiness of doing business

| Variables | N | Minimum | Maximum | Mean | Std. Deviation |
|---|---|---|---|---|---|
| **Easy of doing business** | 188 | 26.40 | 86.70 | 60.2879 | 13.07213 |

**Correlation Analysis**

Correlation is another way of assessing the relationship between variables. To be more precise, it measures the extent of correspondence between the ordering of two random variables. Correlation denotes the interdependency among the variables for correlating two phenomena. This research was developed to identify the relationships between two independent variables. Since the purpose of the research is investigating the relationship between two independent variables, bivariate correlation statistical analysis is believed as the right one. The results of the correlation are intended to analysis the degree of the relationship between two independence variables. Comprehensive information about the results of the correlation are presented in table 3 as follows:

Table 3. Correlation Matrix

**Pearson Correlation Matrix**

| | Public Accountability | Government Effectiveness | Regulatory Quality | Control Corruption | Rule of Law | Political Stability | Easiness Doing Business |
|---|---|---|---|---|---|---|---|
| Public Accountability | 1 | | | | | | |
| Government Effectiveness | 0.681* | 1 | | | | | |
| Regulatory Quality | 0.701* | 0.935* | 1 | | | | |
| Control Corruption | 0.754* | 0.907* | 0.868* | 1 | | | |
| Rule of Law | 0.763* | 0.944* | 0.929* | 0.953* | 1 | | |
| Political Stability | 0.709* | 0.676* | 0.633* | 0.747* | 0.736* | 1 | |
| Easiness Doing Business | 0.606* | 0.865* | 0.881* | 0.744* | 0.816* | 0.584* | 1 |

*Correlation is significant at the 0.01 level (1-tailed).

In this research, design of the correlation analysis is one way in term of the direction of the correlation, which is a positive correlation. The argumentation of using one-way correlation analysis test is due to strong literature supporting the direction of the relationship between two independent variables. Pearson Correlation Matrix as presented in table 3 indicates that among attributes of public governance (public accountability, regulatory quality, rule of law, effectiveness government, political stability and control of corruption) have strong correlation ($r > 0.6$). It implies that attributes of public governance constitute as integral indicator measurement and show linearity of correlation. Integrality and linearity have implication that performance of one attribute of public government enable to predict performance of other attributes of public governance. If one attribute of public governance is getting high score, it will also lead to high score the rest of public governance attributes.

**Hypothesis Testing**

In this research, there were six hypotheses proposed and the summary of the hypothesis is presented in Table 4. The hypotheses predicted that public governance has positive and significant association with easy of doing business performance. Specifically, the hypothesis proposes that attributes of public governance namely public accountability, government effectiveness, regulatory quality, control of corruption, rule of law and political stability are positively and significantly associated with easy of doing business performance. Since the research is exploratory, the hypotheses were not intended to reveal impact or influence of good public governance practice on easy of doing business performance. The hypotheses were designed to get understanding about the relationship between public governance practice and the performance of the easy of doing business. Summary of the hypothesis testing is presented in Table 4 as follows:

Table 4. Summary of Hypothesis Testing

| Hypothesis | Pearson Correlation Coefficient | Conclusion of Proposed Hypothesis |
|---|---|---|
| H1: Public accountability is positively and significantly associated with easy of doing business performance | 0.606* | Supported |
| H2: Effectiveness government is positively and significantly associated with easy of doing business performance | 0.865* | Supported |
| H3: Regulatory quality is positively and significantly associated with easy of doing business performance | 0.881* | Supported |
| H4: Control of corruption is positively and significantly associated easy of doing business performance | 0.744* | Supported |
| H5: Rule of law is positively and significantly associated with easy of doing business performance | 0.816* | Supported |
| H6: Political stability is positively and significantly associated easy of doing business performance | 0.584* | Supported |

*. Correlation is significant at the 0.01 level (1-tailed).

Based on information summarized in table 4, it concludes that all proposed hypotheses are supported. All public governance attributes show positive and significant correlation with easy of doing business performance. However, there is a note for correlation between political stability and easy of doing business performance. Even though the correlation is positively and significantly, however the degree of correlation is relatively moderate (r = 0.584). It means that political stability as attribute of public governance has no convincing power to predict easy of doing business performance. However, in general we can still rely on public governance attributes in overall to predict easy of doing business performance. The argumentation is supported by statistics results that the rest of public governance attributes show strong correlation with easy of doing business performance (r > 0.6).

Based con orrelation analysis as depicted in table 4, it implies that the country that has high score of public governance, therefore, easy of doing business performance of that country will be also high. It means that practice of good public governance among governmental agencies, it will have impact on easy of doing business performance for private sector. Efforts of the government in terms of implementing principles of good public governance have a contribution on how private sector dealing with bureaucracy to start the business. Therefore, the government has significant roles in creating good atmosphere that facilitates private sector organization doing their business.

## Conclusion

The research concludes that public governance namely public accountability, effectiveness government, regulatory quality, control of corruption, rule of law and political stability are positively and significantly associated with easy of doing business performance. In general, the degree of correlation of public governance and easy of doing business performance is strong, even though there is one attribute (political stability) of public governance indicates moderate correlation. Referring to the result of the research, it implies that performance of the public governance will determine easy of doing business performance. Government plays important role in terms of conditioning infrastructure of business environment that is friendly to private sector organization. It supports the theoretical framework that application of good government principles in governmental institutions will affect atmosphere of business environment, in this case is easy of doing business among private organizations.

In order to achieve conducive environment for starting up business among private sector organization, the state must have a commitment to combat corruption practice. By eradicating corruption behaviour among state's officials, possibilities for in appropriate business practice that destruct and endanger the business environment can be minimized. Regulatory quality determines the achievement of the goal of regulation itself. By having law and regulations that truly consider efforts to streamline bureaucracy, complicated procedures to fulfil government's requirement can be avoided. Domestic political stability enables the state to continue the national development program without any interferer. The state will have an attention to develop the nation related good business practice if the domestic political condition is stable. Effectiveness government enables developing infrastructure of good business practice among private sector. Lastly, public accountability forces private sector behave positively in terms of responsibility toward stakeholder.

For further research, extension of time period of investigations is suggested. Longitudinal data panel with more countries involved is recommended. Furthermore, micro level analysis of best practice of easy of doing business is potential object of the research to be conducted. By conducting more details investigation of best practice easy of doing business, we will get more specific information about the role of public governance. Since this research is explorative study, which is considering the association among independent variables, in the future model of analysis using multiple regression analysis is recommended. Using multiple regression analysis, the accumulative impact of public governance attributes toward easy of doing business performance will be discovered. Therefore, analysis impact of good public governance practice toward easy of doing business performance using multiple regression is relevance to be investigated.

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