

RELATIONSHIP BETWEEN GOVERNANCE AND HUMAN DEVELOPMENT IN PAKISTAN



Submitted By

Tayyaba Khan

PIDE2017FMPHILBE01

Supervised By

Dr Hassan Rasool

**A thesis submitted in partial fulfilment of the requirements for the
Degree of Master of Philosophy in Business Economics**

**Department of Business Studies
Pakistan Institute of Development Economics, Islamabad,
Pakistan
Year 2021**

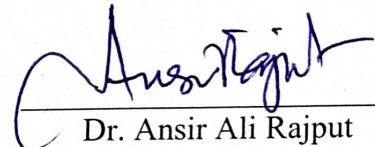


Pakistan Institute of Development Economics


CERTIFICATE

This is to certify that this thesis entitled: “**Relationship Between Governance and Human Development in Pakistan**” submitted by Ms. Tayyaba Khan is accepted in its present form by the Department of Business Studies, Pakistan Institute of Development Economics (PIDE), Islamabad as satisfying the requirements for partial fulfillment of the degree of **Master of Philosophy in Business Economics**.

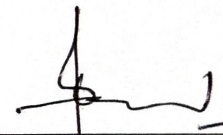
External Examiner:


Dr. Ansir Ali Rajput
Associate Professor
CUST, Islamabad

Supervisor:


Dr. Hassan Rasool
Assistant Professor
PIDE, Islamabad

Head, Department of Business Studies:


Dr. Hassan Rasool
Assistant Professor
PIDE, Islamabad

Dedication

Every challenging work needs self-efforts as well as guidance from elders,
especially those who were very close to my heart.

My humble effort dedicated to my sweet and loving

Father & Mother,

Whose affection, love, encouragement and prays of day and night makes me able
to get such success and honour,

Along with all hard-working, respected and humble supervisor

Dr Hassan Rasool

ACKNOWLEDGEMENT

I am grateful to the almighty ALLAH for giving me all the grace that I need to pursue this study.

I sincerely express my deep sense of gratitude to Dr Hassan Rasool for his extraordinary cooperation, invaluable guidance, and supervision. This thesis is the result of his painstaking and generous attitude.

I owe and respectfully offer my thanks to my noble parents for their constant moral support and mellow affection, which helped me to achieve success in every sphere of life, and without their kind of devotion, this thesis would have been a sheer dream.

I am also thankful to my elder brother for his constructive discussion, perseverance and encouragement during this research work.

I sincerely acknowledge the efforts of all those who have directly or indirectly helped in completing my thesis successfully.

It is the kind of these acknowledged persons that this thesis sees the light of the day.

Finally, I am pleased to express my thanks to the Pakistan Institute of Development

Economics (PIDE), which provided me with a good platform and opportunity for learning.

Tayyaba Khan

Abstract

The human development index is the main measurement model to measure the average life expectancy and the total development inside a country. Similarly, the human development is dependent upon a number of variables such as political stability and the control of corruption and inflation. Pakistan's Human Development Index is 0.560 in 2019 and is 152 out of 189 countries (UNDP report, 2019), representing the lowest segment of the Human Development Index. In this regard, it is necessary to maximise human development and examine the relationship between patterns and indicators of human development.

The main objectives of this study is to describe the main variables in Pakistan that are necessary for the human development index. The purpose of this study is to find the relationship of human development index in Pakistan and also the dependence of various elements such as rule of law, governance effectiveness, political stability, control of corruption, voice and accountability and regulatory accountability on the human development index of Pakistan. The report also aims to find the relevance of the same variables for inflation in Pakistan For a successful analysis the study gathered the data form 15 different countries including Pakistan. The data was analysed by the use of correlation and regression. For the regression panel regression analysis was done and for the correlation the T-test was done. The results of the study after the analysis of all the findings indicated that in order to achieve a good human development index in Pakistan, there is a need to focus on the betterment in the voice and Accountability and the improving the rule of law.

Keywords: Human development, Government regulations, corruption, stability, Growth

Table of Contents

Abstract	4
LIST OF ABBREVIATIONS	9
CHAPTER 01	10
1.1 Purpose of the Study	10
1.2 Background of the Research	10
1.3 Problem Statement	11
1.4 Aims and Objectives of the Study	12
1.4.1 Research Objectives	12
1.4.2 Research Questions	13
1.5 Research Gap	13
1.6 Significance of the Study	13
CHAPTER 02	15
LITERATURE REVIEW	15
2.1 Variables of Governance Indicators.....	15
2.1.1 Voice and Accountability	15
2.1.2 Political Stability (PS)	15
2.1.3 Governance Effectiveness (GE).....	15
2.1.4 Regulatory Quality (RQ).....	15
2.1.5 Rule of Law (RL).....	16
2.1.6 Control of Corruption (CC)	16
2.1.7 Health.....	16
2.1.8 Education	16
2.1.9 Income.....	16

2.10 Difference between Elaborate Governance, Effective Governance and Good Governance	17
2.2 Relationship between Governance Effectiveness and Human Development Index ...	17
2.3 Relationship between Rule of Law and Human Development Index	19
2.4 Relationship between Political Stability and Human Development Index	20
2.5 Relationship between Control of Corruption and Human Development Index	21
2.6 Relationship between Regulatory Quality and Human Development Index	23
2.7 Relationship between Voice and Accountability and Human Development Index	24
2.8 Relationship between Health and Human Development Index	26
2.9 Relationship between Education and Human Development Index	28
2.10 Relationship between Income and Human Development Index	29
CHAPTER 03	31
METHODOLOGY	31
3.1 Research Philosophy	31
3.2 Research Approach	31
3.3 Data Collection Method	31
3.4 Data Collection Type	32
3.5 Data Analysis Technique	32
3.6 Research Equation	32
3.7 Research Model	34
CHAPTER 04	35
RESULTS AND DISCUSSION	35
Table 4.1 Panel regression analysis	35
4.2 Interpretation	38
4.3 Discussions	40

CHAPTER 05	50
CONCLUSION	50
Direction for Future Research.....	56
Recommendations	56
REFERENCES	58
Appendix A.....	67

LIST OF FIGURES

<i>Number</i>		<i>Page</i>
Fig 4.1	Panel regression analysis	33
Fig 4.2	Cross section fixed (Dummy variables)	34
Fig 4.3	T- Test Analysis	35
Fig 4.4	Variance Inflation Factor	35

LIST OF ABBREVIATIONS

VOI Voice and Accountability

PS Political Stability

GE Governance Effectiveness

RQ Regulatory Quality

RL Rule of Law

CC Control of Corruption

VIF Variance Inflation Factor

CHAPTER 01

INTRODUCTION

1.1 Purpose of the Study

The human development is one of the most crucial aspect of human life and is considered an indicator of all the problems that are faced and are the reason for continuing or stopping the development. The human development index is one of the main methods that is used to measure the factors that are necessary for the development to happen (Johar et al. 2020). This is also very crucial for the welfare of countries, especially developing countries like Pakistan. The purpose of the current study is also to conduct a thorough research to find and then identify the various elements and factors that indicate the development index of the country. The use of this study will greatly help in identifying the main factors that are necessary for development to happen on the country of Pakistan.

1.2 Background of the Research

What is the most common definition of human development? The Human Development Index is based on the achievement of many indicators of quality of life, such as educational status, life expectancy at birth, and GNP, which indicate that the population of living conditions has been improved. In addition, people's living standards include health status due to life expectancy, education gained during training, and planned life expectancy. The last symbol is GNI, which means GNI. Income list (Oyewunmi et al. 2017)

What are the current signs of world domination? Global governance principles include six aspects: the rule of law, voice and accountability, governance effectiveness, government and non-violence, the quality of regulation, and system governance. Small. Pakistan's actions since

independence over the past 65 years are not disappointing. First, Pakistan's poverty has been reduced, and the economy has shifted from agriculture to a more diversified production base (Johar et al. 2020). Second, the integration into the global economy has been relatively good, and the recovery and cleansing of the economy have begun to slow down. However, the sixth is for further growth and development than Pakistan. The population development figures in Pakistan planned to use the United Nations Development Program (UNDP), which is very far from other Asian countries and other parts of the world.

Literacy, life expectancy, and birth rates are much lower than in other neighbouring countries and individuals with equal pay. Monetary and financial policies are changing, and it is believed that housing estates have slowed down in the early years (Mustafa, Rizov and Kernohan. 2017). Physical performance is not regulated by the speed and state of the activity economy. Despite nuclear technology, scientific and technological advances remain limited.

1.3 Problem Statement

The main problem with Pakistan is that human development is very diverse and because of that there are many variables that are involved and it is very difficult to measure each variable so therefore it is necessary to find out the main variables that relate to the human development in the country. Pakistan's Human Development Index is 0.560 in 2019 and is 152 out of 189 countries (UNDP report, 2019), representing the lowest segment of the Human Development Index. In this regard, we need to maximise human development and examine the relationship between patterns and indicators of human development. If we improve good governance, what impact will it have on human development? The United Nations Development Program also believes that governance is an effective tool for preventing corruption and minimize income

inequality (Asongu and Le. 2017). The report acknowledges that better governance is essential to ensure law and order and to promote social and economic development.

Another UNDP policy supports the role of government in improving human development and progress, and to remember, only good governance can provide solutions to inequality, and insecurity. UNDP believes that the ability to build housing is critical to the sustainability of developers. Developing people in South Asia (1999) showed many administrative problems in South Asia; for example, income taxes make up only 1% of the population and regulated taxes only 29% of the population (Wang, Zhang and Wang. 2018). Population Development in South Asia (1999) introduced and compared the UNDP Human Poverty Index (HPI). Pakistan's HPI and POPI are four times higher than the inadequate income as described by the World Bank. This is a clear sign of poor governance in Pakistan, and the country's revenue cannot be properly be delivered to the people.

1.4 Aims and Objectives of the Study

1.4.1 Research Objectives

1. To find the relation between Governance effectiveness and human development index?
2. To find the relation between the rule of law and the human development index?
3. To find the relation between Political Stability and human development index?
4. To find the relation between Control of Corruption and human development index?
5. To find the relation between Regulatory Quality and human development index?
6. To find the relation between Voice and Accountability and human development index?

1.4.2 Research Questions

- What is the relation between Governance effectiveness and human development index?
- What is the relation between the rule of law and the human development index?
- What is the relation between Political Stability and the human development index?
- What is the relation between Control of Corruption and the human development index?
- What is the relation between Regulatory Quality and the human development index?
- What is the relation between Voice and Accountability and the human development index?

1.5 Research Gap

The relationship between governance and human development in Pakistan is examining. While other studies suggested the impact of governance on human development (Ahmed and Saleem 2014). This study also look into the projection of governance on human development which is a new perspective in this study. This dissertation also include the previous trend between governance and human development with respect to Pakistan which helps to increase the percentage of Human Development Index of Pakistan. This study also assists that which governance indicator is a helping hand to increase the level of human development. While checking the previous trend will show which country will have higher Human development Index and which country will have lower rate in the coming years.

1.6 Significance of the Study

The significance of this study is to investigate the relationship between governance and human development. For economies to increase people's well-being, countries need to boost their economic growth and development. Governance is a critical factor in the success and

development of all nations (excellent governance). It aims to boost the economy and human development. In any economy, good governance is essential, especially in developing countries.

The government often plays a significant role in this area, such as infrastructure development, economic stabilisation, education, regulation, health, environmental protection, building a good business environment, and all these other areas of infrastructure need to national development. Leaders have a significant impact on sustaining human growth, development, and well-being. Management is an old thing. Recently, however, literary scholars have used this term more and more, perfect government. The concept of management often includes all aspects of management.

Different values and organisations define other governance characteristics. Here are some definitions of management. The ideology is “the use of economic, political and regulatory governance to govern the affairs of the state at all levels. It includes the various methods, activities, and places in which citizens and groups express their interests and implement their strengths. “. Rights, fulfilling responsibilities, and resolving conflicts. “

CHAPTER 02

LITERATURE REVIEW

2.1 Variables of Governance Indicators

2.1.1 Voice and Accountability

This indicator measures the possibility that the government can shake or overthrow the government by unconstitutional or violent means (including politically motivated violence and terrorism).

2.1.2 Political Stability (PS)

It measures the quality of public officials, the quality of public services, the quality of policy formulation and implementation, the degree to which they are not affected by political pressure, and the credibility of the government in such policies.

2.1.3 Governance Effectiveness (GE)

Measures the governance capacity to formulate and implement sound policies and regulations that enable and promote private sector development

2.1.4 Regulatory Quality (RQ)

It measures the extent to which an agent trusts and follows the rules of society. In particular, the quality of execution of contracts and property rights. Police, courts and the possibility of crime and violence.

2.1.5 Rule of Law (RL)

Measure the extent to which agents have confidence in and abide by the rules of society. In particular, the quality of contract enforcement, property rights. The police, and the courts, as well as the likelihood of crime and violence.

2.1.6 Control of Corruption (CC)

It measures the extent to which public power is used for personal gain, including small-scale and serious forms of corruption.

2.1.7 Health

It is measured by life expectancy at birth, which means that the average life expectancy of a new born under a certain age is mortality over a period of time.

2.1.8 Education

This is the expected school year for school-age children and the average school year for adults. Expected years of education refers to the number of years a 2-year-old can expect to spend in education based on the enrolment rate for a particular day. The method for calculating these expected years is the sum of the reported tuition rates for the different age groups from 2 to 29 years old. The average school year is the average school year for the nation's population aged 25 and over, which does not include years spent in repetitive classes.

2.1.9 Income

It is measured by gross national income (GNI) per capita (purchasing power parity in dollars). GNI is the amount of money earned by the entire nation and the company. It is used

annually to measure and control the wealth of the country. The figure includes the country's gross domestic product and foreign income.

Apart from these variables, the absence of violence has not been counted as a variable because the rule of law is directly related to the absence of violence, therefore it was not necessary.

2.10 Difference between Elaborate Governance, Effective Governance and Good Governance

There are three terms that have been used in the research and the terms elaborate governance tells of the governance that will be structured and planned accordingly but is also complex. The terms effective governance refers to the good corporate governance with minor error while good governance refers to having no errors and less problems,

2.2 Relationship between Governance Effectiveness and Human Development Index

Rosyada. (2017) identified that this has been important in the study of good governance in Pakistan for the last two decades. Using a fact sheet survey, the PP found that the General Secretariat and past and current improvement decisions were evidence of recent developments in Pakistan. With this, we will have today's precursor in the development of the country's high currency, which means that there is a great belief that the government will organise today's space. This article suggests that countries with better institutional components and large governments can promote human development and perfection as it improves. The absence of SAME may affect the development process, especially for women, to complete the current reasonable changes in economic development. Therefore, management must expand managerial roles and keep up with the equivalency of significant disruptions. It is certainly not a matter of force majeure, a strong economy with sufficient political will.

This shows that every economy needs a complete and adequate monetary framework to create wealth. A stable financial framework can be necessary for economic knowledge. The US Gulf of Mexico study aims to examine the importance of exchange rates and improve data use in Pakistan in 1975 (Asongu and Odhiambo. 2019). In 2010, US data approved the anatomical integration hypothesis, the breakdown of Granger's causation test, and all rights. The monetary process in Pakistan was found to be a text box example in Pakistan as the offsets currently being considered have been significantly increased. According to the CEPE, the private sector (CPS) is an exception for the private sector, except for the reliability of the causal link between the monetary indicators, but not the other methods that surround it. The symbol associated with money is concentration and the company involved in economic development. What is more human development in Pakistan? An examination of the deterioration in volatility shows that, of all monetary indicators, the most permissible is the flexible use of cash in general, which is being developed today to account for the change.

Pakistan should show an excellent overview in northern Pakistan, foreign direct investment, and direct and regular exchange rate improvements, ISED generally cannot be a mobile financial guarantee, and progress is a convincing device for us in this proof. However, it is a currency and a related process during the open economy (globalisation) of soccer teams. The statistics have been analysed through minimum standard requirements (OLS) and direct investment HDI texts through poverty variables and Projected GDP, tangible effects of the evolution of GDP and prices of imported inputs, and factors without text. In Pakistan, the significant direct investment ratio, the accurate GDP ratio, is consistent with the intangible positive share and is a negative sign of Pakistan's projected wage balance due to the maturity account. In short the governance in Pakistan is not that much satisfactory.

2.3 Relationship between Rule of Law and Human Development Index

In the Declaration of the High-Level Summit on the Rule of Law, Member States highlighted: "The rule of law and development are closely interrelated and mutually reinforcing. Therefore, it is important to promote the rule of law to national and international level at the international level agreed development standards that support sustainable development.

At the national level, the rule of law is necessary to create an environment that ensures sustainable livelihoods and minimize the level of crime and violence. Violence is often caused by weakness, exclusion and discrimination. The rule of law contributes to development by empowering individuals and communities, providing redress, ensuring due process, and establishing redress for rights violations. Care, housing, housing and contracts enable the poor to defend themselves against violations of their rights. In addition, the rule of law provides better financial and legal resources.

The results obtained due to the imbalance between education and health opportunities show that the different utilisation rates are very different. The level of education in the slums is shallow. At the basic level, access to the centre and alma mater is often favoured due to the decline in the number of applications. In any case, between 2001-2002 and 2004-2005, these figures have improved throughout the country and in provinces, cities, and regions. These results suggest that, while rapid economic development appears to have increased disparities in use, the increase in periods spent by the state in education and well-being seems to have reduced the opportunity imbalance.

Improving land and property security can contribute significantly to the social and economic development of urban and rural areas, decrease the rate of crime, and promote gender

equality, peace, and security. Land ownership includes a number of properties adapted to local conditions and needs, such as community ownership and protection of shared resources, so that people have confidence in the land and property they use and its opportunities and benefits economic: investment, health, financial stability and personal security. The rule of law is in general fundamental to the development of natural resources in order to guarantee inclusive and sustainable growth and development, as well as the respect, protection and application of human rights. Sustainable and transparent management of natural resources can be the engine of economic prosperity and the foundation of a stable and peaceful society. In short the rule of law can only be implemented if the governance is maintained.

2.4 Relationship between Political Stability and Human Development Index

China's political stability has lifted 850 million Chinese out of poverty, and the proportion of Chinese living in extreme poverty has fallen from 88 per cent to 1.85 per cent. Singapore's political stability in the 1960s turned the world's poorest country into a more competitive economy (Bennett et al. 2019). Malaysia's political stability has increased per capita income from \$ 234,234 in 1960 to \$ 11,414. Pakistan's political turmoil has left Pakistan in debt to 107% of GDP. Pakistan's political crisis has pushed 40% of Pakistan's population into poverty. Pakistan's political turmoil has forced 71% of Baluchistan and 49% of Khyber Pakhtunkhwa to live in multidimensional poverty. Imagine: Qila Abdullah, Harnai, and Barkhan (all in Baluchistan province) have a poverty rate of more than 90% of the population (Bowen et al. 2017).

Another study, entitled "The Impact of Political Unrest on Growth: The Case of Guyana", has two exciting findings. First, the political strike has harmed economic growth. Second, terrorism "does not have a significant link with real GDP growth due to the decentralisation of economic activity and its negligible impact on production and productivity." Pakistan is in a vicious circle, and an unstable political environment generates uncertainty (Umar et al. 2019). This uncertainty, in turn, reduces business investment. Lower investment by companies, in turn, leads to poor financial performance. Poor economic performance, in turn, can cause public unrest and lead to the collapse of the government. We have to end this vicious cycle (Viola. and Gonçalves. 2019). Look at Pakistan today. Prime Minister Imran Khan is eager to kill all the opposition, so he is the only option. Former President Asif Ali Zardari wants to end his pro-government Machiavellian career as prime minister of his son Bilawal Bhutto Zardari. Our three prime ministers, Nawaz Sharif, wish to destroy the entire country to make you believe that the PML-N will win a new election. For 220 million (Manimaharan and Hussain. 2020) there is nothing. In Pakistan and all around the world having political stability will result in improving the investment and can be done by implementing the rule of the government.

2.5 Relationship between Control of Corruption and Human Development Index

The most recent opinion of economists on this relationship is that, given the role of national institutions, cannot explain the impact of corruption on economic growth. The empirical findings of several studies suggest that the relationship between corruption and development is not linear and that the differences between countries depend on the performance of their institutions. For example, (Helliwell et al. 2018) records the role of informal institutions, which is statistically significant in explaining the differences in growth between countries. Miralles et al (2018) reports on the non-monotonous relationship between corruption and growth and depends

on the political freedom of the country. It can also be observed that there is a negative correlation between crime and growth in countries where institutions are very efficient and poor and in countries where there is no impact. Another argument is that countries with less effective institutional structures are less harmful to corruption.

Empirical studies show that zeroing corruption is not necessary to maximise growth. The link between crime and long-term growth is hollow, and the quality of public institutions is crucial for long-term growth. Therefore, it is recognised that the interaction between corruption and institutional factors determines how corruption affects development (Helliwell et al. 2018). A review of the available theoretical and empirical literature shows that it is not yet clear how the quality and structure of infrastructure affect the relationship between corruption and growth. Crime is expected to affect the system of the economy. Such as the productivity of public inputs and, therefore, the burden on economic growth.

The existing literature often lacks a clear role in explaining the system, especially in terms of corruption and growth in terms of political stability, especially in interpreting the Muslim world. Therefore, we examine the relationship between crime and development, taking into account corruption, political stability, and its implications for economic growth D-8 to fill in the gaps in the literature on corruption (Umar et al. 2019). Because by doing so, people can understand the link between corruption and growth in the current institutional framework of the "Muslim world." This is also important because a thorough understanding of how corruption affects economic performance is essential to designing and implementing effective development policies. In Pakistan there is a lot of corruption as they are very high in the corruption index and that is because there is negligence in governance and low political stability.

2.6 Relationship between Regulatory Quality and Human Development Index

GDP has traditionally been the accepted standard for human development, but this approach has been questioned. For example, a study of five ASEAN countries showed a gap between GDP and economic development and suggested that the latter term should cover more social and technological developments and indicators of a better quality of life (Nyarko et al. 2020). The fact that GDP is the only indicator of human development is often questioned. They believe that "economic growth alone will not lead to economic development." They provide ample evidence that social, cultural, and technological factors must be considered when defining human development. (Rivera. 2017) The Human Development Indicator, which focuses on human development in Pakistan, is just a more detailed analysis of the shortcomings by focusing on GDP. It should be noted that rapid economic growth is associated with persistently low literacy rates, school enrollment and health outcomes, lack of primary health care, underemployment, and food security, all of which are unevenly distributed across the country (Liu et al.2018). These factors indicate that Pakistan's human development and growth are outside the community.

Generally, few studies are available on the relationship between the quality of governance and human development that prompted this study. (Deas and Hincks. 2017) There has been some debate and good governance in human development policy, especially in the European Union. It is discussed in detail the emergence of a link between good governance and aid policy, highlighting the lack of a recognised definition, which is considered a key factor in decision-making. Nelson and Pizzin (2018) said that better governance could improve human development. They believe that there is still limited consensus on improving governance to

enhance human development but believe that a more systematic approach is needed to measure the results of government input.

The link between GDP growth and, in particular, life expectancy has shown a positive relationship for many years. This is now being questioned. One study found a link between life expectancy growth and GDP growth, while other studies found a more complex relationship. Therefore, the existence of a link is recommended but varies according to the level of development of the population. To better measure the economic and social development of the country, UNDP developed the Human Development Index in the 1990s as a comprehensive index. The HDI is not critical, and some changes and alternative methods have been proposed to measure human development (Woodhouse and Muller. 2017). However, measures to ensure the quality of governance and human development are generally not worthy of criticism. The fact is, WGI and HDI are widely accepted and represent the best possible tools for governance and human development. The corruption is a menace that is directly related to the negligence in the rule of law.

2.7 Relationship between Voice and Accountability and Human Development Index

First, the current liability system forces us to face the difference between a legal and actual liability system. In the real world, there is often a difference between those responsible under accepted laws or procedures and those who have real rights to impose sanctions on them. Therefore, the simplified definition of responsibility is the elimination of moral nuances: it does not determine who assumes the roles, responsibilities and representatives of A and B (Sarkodie and Adams. 2020). Of course, politicians are, in principle, accountable to citizens. In practice,

however, they often focus directly on sanctions in the interests of the company, such as fundraising.

For example, government action is often guided by bonuses or sanctions from other governments or international organizations. In donor-dependent developing countries, effective accountability in many jurisdictions is the responsibility of external donors rather than public institutions. For example, the withdrawal of international grants and loans or the lack of concrete political action threatens the withdrawal of parliament, which can have serious consequences (Asongu and Odhiambo. 2020). However, the reality is again more complex: if the conditions for receiving aid are not met, donors will not be punished in the same way as they are allowed. Developing country governments are aware that their obligations to donors are not as strict as those in writing. In practice, these governments can be required to respond to donors by informing them of their actions (and omissions) and explaining the reasons (including the circumstances) that led to the non-compliance with the additional terms.

Therefore, "accountability" is usually a short description of democratic accountability: the accountability of ordinary people and the legal framework that affects governance. Traditionally, the accountability system has been designed to provide citizens with the means to monitor the behaviour² of citizens (such as politicians and government officials) through elections or other important elections in order to increase their power. Private actors have more power than ever, which largely explains why they are seen as legitimate targets of direct rather than indirect liability (Dobrolyubova, 2020). Their apparent power in the public sphere forced them to look to the holders of the public trust. As a result, people are increasingly demanding action against ordinary people, not just against the authorities, and may be subject to direct sanctions.

The concept of accountability can also be firmly placed in the realm of democratic rights and responsibilities. A recent report on human development reiterated its commitment and proposed a version more suitable for the poor and disadvantaged (Friedman and Gürce. 2020). According to one author, "Government accountability means that officials are accountable to citizens. Citizens have the right to take action against underperforming officials (perhaps an important factor). Without any proper accountability, there is a high chance that it would lead later down to corruption.

2.8 Relationship between Health and Human Development Index

To the extent that health is seen as an investment in human capital, it is also an important part of the development (Wang, Bui and Zhang. 2020). It plays an important role in both endogenous growth models and neoclassical theories applied to health care. In principle, health can improve not only people's wishes but also their "capabilities." Thus, it is a valuable tool to improve the economic and social future of the population. At the same time, health affects people's well-being, which is reflected in the calculation of life expectancy in the Human Development Index. Finally, the insufficiency of the health care market described in (Pérez and Claveria. 2020) means that social optimisation cannot be achieved. Therefore, it is necessary to intervene in the medical services market (Borja. 2020). The need to implement public health policies is justified since health must receive strong support in development aid policy. Recent literature on health behaviour in developing countries also highlights barriers to access to health care and adds some justification for health market failures due to (i) externalities and (ii) clusters of information from high quality specific; (iii) the uncertainty and continuity of risks over time; (iv) Actual demand for supply that exceeds the problems of the establishment or organisation.

Health spending as a percentage of GDP has also been shown to positively correlate with health outcomes. In particular, countries that consume less health than GDP have been shown to have relatively better health outcomes than countries that consume less health care (Masrounejad et al. 2021). Maternal mortality and neonatal mortality are two particularly important health indicators used by institutions such as the World Bank and the World Health Organization to assess the overall health and quality of life. Indicators 12, 13 (MM and NM) are sensitive to health endpoints, such as access and quality of health care and services, and to predictors of the population in question, such as education and levels of income (social factors) (Ming. 2020). For example, some researchers have shown that MM and NM are lower in countries with higher human development indices, while MM and NM are higher in poor and less educated people.

The purpose of this study is to evaluate the development trajectory of NM and MM in 2010-2014 and the intermediate variable health spending as a dependent variable NM and MM, and the HDI ratio as an independent variable. One of the conclusions drawn from the literature is that it makes no sense to establish a mechanical link between health spending and the population's health status. First, to achieve the Millennium Development Goals, resources must be distributed fairly and efficiently. Second, when there are many leaks in the healthcare budget, there are issues with the effectiveness of segregation, and these leaks only have a very limited impact on end-users. Having poor health will result in the public being less satisfied and leading to political instability.

2.9 Relationship between Education and Human Development Index

Former US Senator Paul Wellstone once said, "The goals of education and democracy are the same: to maximize human development." Education is a fundamental right for everyone. It is the main foundation or cornerstone that paves the way for the future. Education can promote or destroy a person because it can build and develop human beliefs, ideologies and values (Modupeola and Christian. 2021). Education enables people to think rationally, pursue their dreams and goals, and live a dignified life in society. Education gives us a clear path to principles, gives life to our lives, and gives us freedom of expression. It frees our mind from prejudice and encourages us to think logically and rationally. This is very important for the general development of the human mind and brain. The cultural level of a country determines its wealth and economic health.

This may be the main benefit of education. Diseases and social beliefs can hamper the growth and development of society and the state. So you need to get over it and use logic and reasoning, a well-educated mind, and a much-needed way of understanding and explaining things. An enlightened mind can enlighten over a thousand. Education used correctly can also help reduce crime and restore order and order (Trevisan and Cogburn. 2020). We all have dreams and goals. Therefore, education is a tool to achieve and implement them. Increases human knowledge in various fields of research. It will help you find ways to track and express your talents. Having a good education will result in creating new job opportunities and more people being happy.

2.10 Relationship between Income and Human Development Index

The level of human development in high-income countries is much higher. This leads us to assume that there is a causal link between income and human development. As income increases, so do personal and public expenditures on education, health care, sanitation, and communications. As people's capabilities increase, so do people's productivity and GDP (Das and Drine. 2020). Because the reasonable relationship of all variables has been explained above, some studies use some control variables to test the bilateral causal relationship between human development and income inequality.

This study uses the Gini coefficient (G) instead of income inequality, the GDP index (GI), the gross national income (P) per capita, and the human development index (HDI). The HDI seeks to classify all countries / regions according to the following three development goals or outcomes (Liu et al., 2020) (lowest level of human development) - (highest level of human development): life expectancy at birth, weighted adult weight ((two-thirds on average)); secondary education (one third) and living standards based on real per capita income, measured in each country / region using different purchasing power parities and adjusted for cost of living (Haseeb et al., 2020).).

On the other hand, while per capita income and real GDP growth are the two main instruments necessary for human development, they are not enough. Growth should be fairly evenly distributed across all sectors of society, but it should not be achieved in developing and transition countries (Oloruntoba. 2020). Furthermore, the gap between a fifth of low-income and high-income workers has widened since the 1980s. In most industrialized countries, the share of social resources (education, health, sanitation, communications, etc.) in the state budget has

decreased (Adekunle. 2021). Having a good income is directly related to having a good education, because a good education is necessary for a good job.

CHAPTER 03

METHODOLOGY

3.1 Research Philosophy

The research philosophy refers to the way that is used for the collection of the data. Many types of philosophies can be used, such as positivism and interpretivism. According to the positivism research philosophy, the data must be collected in a quantifiable form. According to the interpretivism philosophy, the data must be collected in the qualitative form (Druschke et al. 2020). The research philosophy is also dependent on the nature of the research. For the current research, the philosophy that was used is interpretivism (Terry et al. 2017).

3.2 Research Approach

The process of research approach helps a researcher in the way the data was collected and then later analyzed for the research. There are typically two main types of research approaches, inductive and deductive. In the deductive research approach, the hypothesis of the research is derived from existing theories or literature. In short, no new theory is discovered due to using the deductive approach (Sun et al. 2020). In contrast to this, in the inductive theory, a new hypothesis is developed and tested. For the current research, the research philosophy that was used is inductive.

3.3 Data Collection Method

The data collection method refers to the nature of the data that was collected. There are two main data collection types, qualitative data and quantitative data. The qualitative data is collected from the sources that are represented in the alphabetic form (Sun et al. 2020). It does not contain any statistics and numbers. In the current research, quantitative data was used.

3.4 Data Collection Type

The data collection type refers to the ways and the nature in which the data that was collected. In the current research, the data collection methods that was used is secondary data. In the secondary data, the data was collected from the various sources of data that has already been collected by other people (Druschke et al. 2020). The secondary data of governance indicators were collected from World Bank and also the data of human development indicators were collected from United Nation Development Program report (UNDP) in the time period of 2000-2018 The data that was collected was from 18 countries which also included Pakistan. The countries were collected randomly from countries that have a good life expectancy and less corruption.

3.5 Data Analysis Technique

The data analysis technique is used to accurately analyze the collected data, to come to a conclusion that was acceptable and is reliable. In the current research, the data analysis, a technique that was used was correlation and regression analysis (Terry et al. 2017). The correlation and regression analysis is done to find the relationship between two or more variables, to check their significance. The correlation and regression analysis was conducted by performing a T-test on the data that was collected. The correlation is a methods of analysis that is used to check the relationship and significance between the various variables. For the current research the technique that was used was the multiple regression analysis.

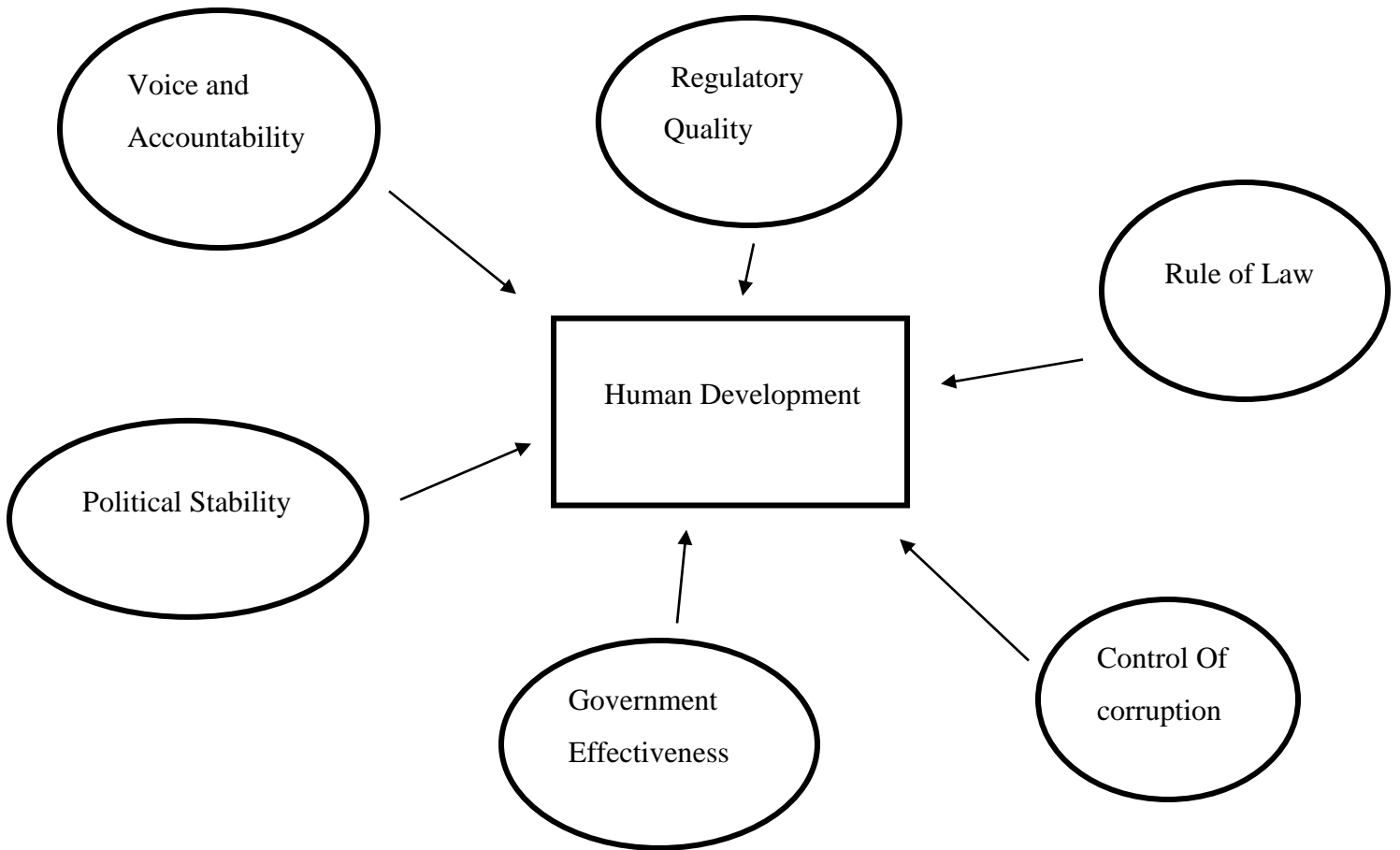
3.6 Research Equation

GNI is an alternative to gross domestic product (GDP) as a means of measuring and tracking a nation's wealth and is considered a more accurate indicator for some nations.

$$\mathbf{HDI} = \text{Control of Corruption} + \text{Rule of Law} + \text{Governance Effectiveness} + \text{Regulatory Quality} + \text{Voice \& Accountability} + \text{Political Stability} \quad (3.1)$$

$$Y (\mathbf{HDI}) = \beta_0 + \beta_1 (\text{Control of Corruption}) + \beta_2 (\text{Rule of Law}) + \beta_3 (\text{Governance Effectiveness}) + \beta_4 (\text{Regulatory Quality}) + \beta_5 (\text{Voice \& Accountability}) + \beta_6 (\text{Political Stability}) + \varepsilon \quad (3.2)$$

3.7 Research Model



CHAPTER 04

RESULTS AND DISCUSSION

Table 4.1 Panel regression analysis

Variable s	Control of corrupti on estimate	Govern ment effectiv eness estimat e	Human develop ment index	Voice and accounta bility	Regulat ory Quality	Rule of law	Political stability
Control of Corrupti on estimate	1	0.84610 6482	0.269199 628	0.686154 6612	0.76864 4853	0.87657 2873	0.418203 362
Governm ent effective ness index	0.846106 482	1	0.230493 914	0.444775 033	0.81618 0429	0.91427 3728	0.444775 033
Human Develop ment index	0.2691996 28	0.23049 3914	1	0.1302542 86	0.29299 311	0.20727 8647	0.04083
Political stability	0.41 8203362	0.4447 75033	0.13025 4286	1	0.30032 0185	0.41529 6368	0.09298 4882
Regulato ry Quality	0.768644 853	0.816180 429	0.292993 11	0.737298 951	1	0.75554 7967	0.300320 185

Rule of Law	0.876572 873	0.91427 3728	0.020727 8647*	0.696981 274	0.75554 7967	1	0.415296 368
Voice and accountability	0.686154 612	0.66950 4766	0.048368 943*	1	0.73729 8951	0.69698 1274	0.092298 4882

* Significance is level at 5% which means less than 0.05

Table 4.2 Cross section fixed (Dummy variables)

R-squared	0.764549	Mean dependent variable	0.561671
Adjusted R-squared	0.744425	S.D. dependent variable	0.064964
S.E. of regression	0.032842	Akaike info criterion	-3.915434
Sum squared residual	0.252397	Schwarz criterion	-3.623801
Log likelihood	520.2179	Hannan-Quinn criterion	-3.798127
F-statistic	37.99194	Durbin-Watson statistics	0.223161
Probability(F-statistic)	0		

Table 4.3 T- test

Variable	Coefficient	t-Statistic	Prob.	Std. Error
Control of corruption estimate	0.675932	-2.00614	0.0460*	0.019071
Government effectiveness estimate	-0.03826	-1.435515	0.1525	0.018227
Political stability estimate	-0.026165	3.563682	0.0004*	0.008231
Regulatory quality estimate	0.029333	2.839434	0.0049*	0.019076
Rule of law estimate	0.054165	4.504659	0.0000*	0.018485
Voice and accountability estimate	0.083269	2.409011	0.0168*	0.014431

* Probability level is at 5% which means less than 0.05

Table 4.4 Variance Inflation Factor

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	8.88E-05	6.351399	NA
Control of corruption estimate	0.000422	28.26568	5.079906*
Government effectiveness estimate	0.000559	28.05723	8.285765*

Political stability estimate	3.52E-05	3.854125	1.436438*
Regulatory quality estimate	0.000162	10.75627	3.932451*
Rule of law estimate	0.000416	28.87653	8.386759*
Voice and accountability estimate	8.97E-05	6.586993	2.786905*

* The value of Variance Inflation Factor should be less than 10

4.2 Interpretation

. There were some variable and their values that were identified first. It was assumed for the calculation that the control of corruption has a probability of **0.0460** and government effectiveness has a value of **0.1525** and the political stability had a probability of **0.0004**. Furthermore it was assumed that the probability of rule of law is **0.0000** and accountability has a probability of **0.0168** and regulatory estimate has a value of **0.0049**. Furthermore to perform the calculations successfully and to effectively implement the model, the R squared and adjusted R squared values were also assumed, which were **0.764649** and **0.744425** respectively. The R squared and adjusted R squared values are actually the statistical measures that are used to find how close and accurate is in performing the regression. After doing the multiple regression analysis and the applying the panel regression on the statistical data that was collected from 15 countries form the UNDP. It was decided that if the value of the analysis was less than **0.05** then it will be acceptable.

A correlation test was conducted by a T test, whereas in view of the above table it could be observed that the Relation between Governance effectiveness and human development index

depicts a value of **0.230493914** which is more than the acceptable p-value of 0.05. This means that there is a positive correlation between both the variable whereas, the p-value indicates low significance. Meanwhile, the values in terms of relationship between the rule of law and the human development index depict a value of **0.0207278647** which again depicts a relationship but with a very low significant since the value is less than the p-value 0.05. Moreover, the relation between Political Stability, Control of Corruption, Regulatory Quality and the human development index depicts a value of **0.1302544248**, **0.269199628** and **0.29299311** respectively depicting again a non-significant value since the result of the four variable is greater than the p-value of 0.05. On the contrary, Relation between Voice and Accountability and the human development index depicts a value of **0.048368943** depicting a value less than the acceptable p-value of 0.05 which means that the relationship between Voice and Accountability concerning human Development Index is highly significant and shows a strong positive correlation between the two variable. This was the calculation for the relation of

In terms of the variance inflation factors that is the VIF, it can be seen that the rule of law has a value of **8.386759** and control of corruption has a value of **5.079906** and government effectiveness has a score of **8.285765**. The political Stability has a value of **1.436438** and the regulation quality has a value of **3.932451** and lastly the values of voice and accountability **for VIF** was found to be **2.786905**. According to this score these three variables are directly related to the human development index. It was decided that as long as the significance is less than 10 then it will be ok, based on these result in terms of the VIF the most significance value is **8.386759**, which is of rule of law. So on the basis of these results the rule of law and control of corruption has a great significance and connection with the variance inflation,

4.3 Discussions

It was found that the General Secretariat and past and current improvement decisions were evidence of current developments in Pakistan. Furthermore, it was found that today's precursor is the development of the country's high currency, which means that there is a great belief that the government will be able to organise today's space. Furthermore, countries with better institutional components and large governments could promote human development and perfection as it improves. It was further seen that the management must expand managerial roles and keep up with the equivalency of major disruptions. Furthermore, it is certainly not a matter of force majeure, a strong economy with sufficient political will.

It was seen that every economy needs a complete and effective monetary framework to create wealth. It was further seen that the stable monetary framework could be important for economic knowledge. It was further found that the monetary process was found to be a text box in Pakistan as the offsets currently being considered have been significantly increased. It was seen that according to the CEPE, the private sector (CPS) is an exception for the private sector, except for the reliability of the causal link between the monetary indicators, but not the other methods that surround it (Thérien and Pouliot. 2020). It was further seen that the symbol associated with money is concentration and the company involved in economic development. It was further seen that an examination of the deterioration in volatility shows that, of all monetary indicators, the most permissible is the flexible use of cash in general, which is being developed today to account for the change.

It was further seen that the statistics have been analysed through minimum standard requirements (OLS) and direct investment HDI texts through poverty variables and Projected GDP, real effects of the evolution of GDP and prices of imported inputs and factors without text.

It was further seen that in Pakistan, the significant direct investment ratio, the real GDP ratio, is consistent with the intangible positive share and is a negative sign of Pakistan's projected wage balance due to the maturity account. Therefore, in a country such as Pakistan, the level of governance would directly affect the country's development index.

Furthermore it was seen that at the Alto Nivelin julistus State of Law Summit, the Member States emphasized: it was seen that the promotion of the rule of law at the national and international level is fundamental for "sustainable development, inclusive development." The issue of sexual and social desertification is central to the development of international affairs in 2015. Desertification of international desertification and desertification of international desertification are considered to be important.

It was discovered that the rule of law is necessary at the national level to create an environment that ensures sustainable livelihoods and decrease the rate of crime and violence, especially for a country like Pakistan (Gregory et al. 2020). It was further seen that violence is often caused by powerlessness, exclusion and discrimination. Furthermore, it was observed that the rule of law contributes to development by empowering individuals and communities, providing redress, ensuring due process, and establishing redress for rights violations. It was further observed that the security of maintenance, housing, access rights and contracts could enable the poor to defend themselves against violations of their rights. Moreover, it was seen that giving the rule of law offers better financial opportunities as well as legal resources.

It was seen that the results obtained due to the imbalance between education and health opportunities show that the different utilisation rates are very different. Furthermore, it was seen that the level of education in the slums is very low. It was further observed that between 2001-2002 and 2004-2005, these figures have improved throughout the country and in provinces, cities

and regions of Pakistan. It was seen that these results suggested that, while rapid economic development appears to have increased disparities in use, it was further seen that the increase in periods spent by the state in education and well-being appears to have reduced the opportunity imbalance. It was further seen that improving land and property security can contribute significantly to rural and urban areas' social and economic development. It was further seen that it would decrease the rate of crime and promote gender equality, peace, and security. Therefore, it was seen that good governance and the rule of law are essential for improving the human development index.

It was further seen that political stability has a huge impact on the human development index and are very well connected. For example, it can be seen that China's political stability has lifted 850 million Chinese out of poverty, and the proportion of Chinese living in extreme poverty has fallen from 88 per cent to 1.85 per cent (Olaoye et al. 2020). Furthermore, it can also be seen that Singapore's political stability in the 1960s turned the world's poorest country into a more competitive economy (Redmond and Nasir. 2020). It was also observed that Malaysia's political stability has increased per capita income from \$ 234,234 in 1960 to \$ 11,414. It was further observed that Pakistan's political turmoil had left Pakistan in debt to 107% of GDP. It was further observed that Pakistan's political turmoil had pushed 40% of Pakistan's population into poverty (Koziuk et al. 2020). Furthermore, it was also seen that Pakistan's political turmoil had forced 71% of Balochistan and 49% of Khyber Pakhtunkhwa to live in multidimensional poverty. Moreover, it was also seen that Qila Abdullah, Harnai, and Barkhan (all in Balochistan province) have a poverty rate of more than 90% of the population (Saksono and Manoby. 2021).

It was observed that in terms of law and order situation, two very interesting findings specifically affect Pakistan (Gatto. 2020). It was seen that the first element is the political strike

and has harmed economic growth. It was seen that the second is terrorism "does not have a significant link with real GDP growth due to the decentralisation of economic activity and its negligible impact on production and productivity." Furthermore, it was observed that Pakistan is in a vicious circle, and an unstable political environment generates uncertainty (Howe et al. 2021).

This uncertainty in turn reduces business investment. Furthermore, it was seen that lower investment by companies, in turn, leads to poor financial performance and poor economic performance, which in turn can cause public unrest and lead to the collapse of the government. It was thus observed that there is a very big relationship between political stability and the human development index of the country (Hurlbut. 2020).

It was further seen that the most recent opinion of economists on this relationship is that, given the role of national institutions, the impact of corruption on economic growth cannot be explained. It was further seen that the empirical findings of several studies suggest that the relationship between corruption and growth is not linear and that the differences between countries depend on the performance of their institutions (Zhang and Buzan. 2020). Moreover, it was seen that there is a negative correlation between corruption and growth in countries where institutions are very efficient and poor and in countries where there is no impact. It was further seen that countries with less effective institutional structures are less harmful to corruption (Kalfagianni and Meisch. 2020).

It was further seen that zeroing corruption is not necessary to maximise growth (Ferrannini et al. 2021). It was further observed that the link between corruption and long-term growth is hollow in nature, and the quality of public institutions is crucial for long-term growth. It is therefore seen that the interaction between corruption and institutional factors determines

how corruption affects growth (Modupeola and Christian. 2021). It was further observed that the available theoretical and empirical literature shows that it is not yet clear how the quality and structure of infrastructure affect the relationship between corruption and growth. It was seen that this is also important because a thorough understanding of how corruption affects economic performance is essential to designing and implementing effective development policies.

It was seen that the existing literature often lacks a clear role in explaining the system, especially in terms of corruption and growth in terms of political stability, especially in the interpretation of the situation in Pakistan. For Pakistan, it was seen that the relationship between corruption and growth, taking into account corruption, political stability and its implications for economic growth (Desierto and Schnyder. 2021). It was further seen that the understanding of how corruption affects economic performance is essential to designing and implementing effective development policies. It is therefore observed that in Pakistan, the relationship between corruption and development is not very strong and is more dependent upon the functioning of the government departments (Asongu and Nting. 2021).

It was further seen that five ASEAN countries showed a gap between GDP and economic development. It was further seen and suggested that the latter term should cover more social and technological developments and indicators of a better quality of life (de et al. 2021). It was seen that GDP is the only indicator of human development is often questioned, especially in Pakistan. It was observed that "economic growth alone will not lead to economic development." It was further seen that proper regulation on social, cultural and technological factors must be considered when defining human development, especially in Pakistan (Asongu and Odhiambo. 2021). It was further seen that the rapid economic growth is associated with persistently low literacy rates, school enrolment and health outcomes, lack of primary health care,

underemployment, and food security, all of which are unevenly distributed across Pakistan (Tseng et al. 2021). It was seen that these factors indicate that Pakistan's human development and growth are outside the community, particularly from the overseas Pakistanis.

It was further seen and discussed in detail the emergence of a link between good governance and aid policy, highlighting the lack of a recognised definition, which is considered a key factor in decision-making (Carmel, Lenner and Paul. 2021). It was further observed that better governance could improve human development. However, they believe that there is still limited consensus on improving governance to enhance human development. It is further observed that a more systematic approach is needed to measure the results of government input. For example, life expectancy growth and GDP growth, while other studies found a more complex relationship. It was seen that the existence of a link is recommended but varies according to the level of development of the population (Czyżewski, Sapa and Kulyk. 2021). It was seen that to better measure the economic and social development of the country, UNDP developed the Human Development Index in the 1990s as a comprehensive index. It was further seen that the use of the regulation is not essential for the development in a country like Pakistan and does not have a direct relationship with it.

It can be seen that, in general, there is a difference between who is responsible according to the law or an approved procedure and who is responsible for their actual right to impose sanctions. Furthermore it was seen that simplified definition of responsibility has been found to be the cornerstone of moral content: it does not define who plays the roles, the objects of responsibility, and the representatives of A and B (Pugh. 2021). Furthermore, it is believed that, in principle, politicians are, of course, accountable to citizens. It can also be observed that in

Pakistan they tend to be more directly related to sanctions imposed on corporate interests, such as the withdrawal of campaign funds (Torres, Jain and Leka. 2021).

Furthermore it was observed that, governments in developing countries are gradually realizing that their obligations to donors are not as strict as on paper. It was further noted that, in practice, such governments may only need to "respond" to donors, that is, inform them of their actions (and omissions) and explain the reasons, including the reasons for the situation. Breach of

additional terms. Therefore, it has been discovered that sharing “responsibility” is the responsibility of democratic accountability: accountability to ordinary people and the legal framework that affects governance (Repette et al., 2021). Furthermore, it was seen that the bottom line is that accountability provides citizens with the means to control behaviour, such as elections or other leadership choices, to manage decentralized politicians, government officials, and other actors.

It can be seen that, in general, there is a difference between who is responsible according to the law or an approved procedure and who is responsible for their actual right to impose sanctions. A simplified definition of responsibility has been found to be the cornerstone of moral content: it does not define who plays the roles, the objects of responsibility, and the representatives of A and B (Pugh. 2021). Furthermore, it is believed that, in principle, politicians are, of course, accountable to citizens. It can also be observed that in Pakistan they tend to be more directly related to sanctions imposed on corporate interests, such as the withdrawal of campaign funds (Torres, Jain and Leka. 2021).

Furthermore, governments in developing countries are gradually realizing that their obligations to donors are not as strict as on paper. It was further noted that, in practice, such governments may only need to "respond" to donors, that is, inform them of their actions (and omissions) and explain the reasons, including the reasons for the situation. Breach of additional terms. Therefore, it has been discovered that sharing "responsibility" is the responsibility of democratic accountability: accountability to ordinary people and the legal framework that influences governance (Repette et al., 2021). Furthermore, the bottom line is that accountability provides citizens with the means to control behaviour, such as elections or other leadership choices, to manage decentralized politicians, government officials, and other actors.

It can be seen that in Pakistan, due to lack of accountability, private actors have gained more power than ever, which explains in many ways why they are considered direct legal entities rather than intermediaries. 2021). Therefore, it is observed that the power exercised by the private sector in the public sector forces them to demand that they be considered holders of public trust. As a result, people are increasingly demanding a response from ordinary people, not just from the authorities. Was the answer for them? Law and direct sanctions (Cashore et al. 2021). Thus, it can be seen that in Pakistan, the accountability system has a direct link with human development.

It was further seen that education is an excellent academic method that paved the way for the economic growth of the country. Further analysis showed that research and development in technology, medicine, cutting-edge innovation and entrepreneurship, all of which are the fruits of the education that will advance the country and its people. Moreover, it was seen that educated people contribute to the development of each department (Omri and Belaïd. 2021). Education opens all channels of knowledge and wisdom (Sarkodie and Adams. 2020).

Furthermore, it was observed that education could be a key part of human development because it enables people to grow their economies and deepen their understanding of community culture and social practices. Moreover, it was seen that in a society where the importance of education is not valued, most educated people often leave. This is the case that is often seen in Pakistani society (Bowen et al. 2017). Furthermore, this loss of talent leads, if allowed to develop, could harm the social and economic viability of the community as a whole. Lastly, it is observed that education is the key to development since it opens unlimited possibilities for promoting medical services to innovative tools used in the agricultural sector (Manimaharan and Hussain. 2020). Therefore, in Pakistan, it can be seen that education has a great and important relationship with human development.

It was shown that the GDP index (GI), per capita gross national income (P), and the human development index (HDI) play a key role in measuring the impact of income on human development. Based on the findings, HDI attempts to rank all countries / regions on a scale of (Omri and Belaïd. 2021) (minimum human development) - (highest human development) based on three development goals or achievements. What's more? It can be seen that this also includes life expectancy at birth and secondary education, as well as standard of living. It can be seen that they are measured by real income per capita and according to the different purchasing power parities of the currency of each country. It was observed that it is adjusted for cost of living (Ciacchi and Holzacker. 2021).

It was further observed that while per capita income and real GDP growth are the two main tools necessary for human development, they are not enough. Growth should be fairly evenly distributed across all sectors of society, but not in developing and transition economies (Nyarko et al. 2020). Furthermore, it was seen that the gap between low-wage and high-income

quintiles has widened since the 1980s. In Pakistan, the share of social resources (education, health, sanitation, communications, etc.) in the state budget has decreased (Helliwell et al. 2018). Therefore it can be stated that income has a direct relation with the human development index.

CHAPTER 05

CONCLUSION

It was concluded that the uncertainty, in turn, reduces business investment. Furthermore, it was concluded that lower investment by companies, in turn, leads to poor financial performance and poor economic performance, which in turn can cause public unrest and lead to the collapse of the government. It was thus concluded that there is a very big relationship between political stability and the human development index of the country (Hurlbut. 2020).

It was further concluded that the most recent opinion of economists on this relationship is that, given the role of national institutions, the impact of corruption on economic growth cannot be explained. It was further concluded that the empirical findings of several studies suggest that the relationship between corruption and growth is not linear and that the differences between countries depend on the performance of their institutions (Zhang and Buzan. 2020). Moreover, it was concluded that there is a negative correlation between corruption and growth in countries where institutions are very efficient and poor and in countries where there is no impact. It was further concluded that countries with less effective institutional structures are less harmful to corruption (Kalfagianni and Meisch. 2020).

It was further concluded that the statistics have been analysed through minimum standard requirements (OLS) and direct investment HDI texts through poverty variables and Projected GDP, real effects of the evolution of GDP and prices of imported inputs and factors without text. It was further concluded that in Pakistan, the significant direct investment ratio, the real GDP ratio, is consistent with the intangible positive share and is a negative sign of Pakistan's projected

wage balance due to the maturity account. Therefore, in a country such as Pakistan, the level of governance would directly affect the country's development index.

It was concluded in the Summit Declaration on the Rule of Law, Member States highlighted: "The rule of law and development are closely interrelated and mutually reinforcing. Furthermore it was concluded that promoting the rule of law at the national and international levels is protection of the environment and that, in addition to support, the right to internationally agreed sustainable development standards.

Further conclusion showed that the rule of law at the national level has been identified as necessary to create an environment that ensures sustainable livelihoods and minimize crime rate, especially in countries such as Pakistan (Gregory et al., 2020). Furthermore, it is concluded that violence is usually the result of weakness, exclusion and discrimination. It was also affirmed that the rule of law contributes to development by improving the rights of individuals and communities, providing reparation, guaranteeing due process, and establishing remedies for human rights violations. Another conclusion is that the security of care, housing, possession and contracts can help the poor protect their rights from violations. In addition, it is concluded that the rule of law offers better financial opportunities and legal resources.

It was concluded that the results obtained due to the imbalance between education and health opportunities show that the different utilisation rates are very different. Furthermore, it was concluded that the level of education in the slums is very low. It was further concluded that between 2001-2002 and 2004-2005, these figures have improved throughout the country and in provinces, cities and regions of Pakistan. It was concluded that these results suggested that, while rapid economic development appears to have increased disparities in use, it was further concluded that the increase in periods spent by the state in education and well-being appears to

have reduced the opportunity imbalance. It was further concluded that improving land and property security can contribute significantly to rural and urban areas' social and economic development. It was further concluded that it would support quality of contract enforcement and promote gender equality, peace, and security. Therefore, it was concluded that good governance and the rule of law are essential for improving the human development index.

It was further concluded that political stability has a huge impact on the human development index and are very well connected. It was further concluded that Pakistan's political turmoil had left Pakistan in debt to 107% of GDP. It was further concluded that Pakistan's political turmoil had pushed 40% of Pakistan's population into poverty (Koziuk et al. 2020). Furthermore, it was also concluded that Pakistan's political turmoil had forced 71% of Balochistan and 49% of Khyber Pakhtunkhwa to live in multidimensional poverty. Moreover, it was also concluded that Qila Abdullah, Harnai, and Barkhan (all in Balochistan province) have a poverty rate of more than 90% of the population (Saksono and Manoby. 2021).

It was concluded that in terms of law and order situation, two very interesting findings specifically affect Pakistan (Gatto. 2020). It was concluded that the first element is the political strike and has harmed economic growth. It was concluded that the second is terrorism "does not have a significant link with real GDP growth due to the decentralisation of economic activity and its negligible impact on production and productivity." Furthermore, it was concluded that Pakistan is in a vicious circle, and an unstable political environment generates uncertainty (Howe et al. 2021). this uncertainty, in turn, reduces business investment. Furthermore, it was concluded that lower investment by companies, in turn, leads to poor financial performance and poor economic performance, which in turn can cause public unrest and lead to the collapse of the

government. It was thus concluded that there is a very big relationship between political stability and the human development index of the country (Hurlbut. 2020).

It was further concluded that zeroing corruption is not necessary to maximise growth (Ferrannini et al. 2021). It was further concluded that the link between corruption and long-term growth is hollow in nature, and the quality of public institutions is crucial for long-term growth. It is therefore concluded that the interaction between corruption and institutional factors determines how corruption affects growth (Modupeola and Christian. 2021). It was further concluded that the available theoretical and empirical literature shows that it is not yet clear how the quality and structure of infrastructure affect the relationship between corruption and growth. It was concluded that this is also important because a thorough understanding of how corruption affects economic performance is essential to designing and implementing effective development policies

It was concluded that the existing literature often lacks a clear role in explaining the system, especially in terms of corruption and growth in terms of political stability, especially in the interpretation of the situation in Pakistan. For Pakistan, it was concluded that the relationship between corruption and growth, taking into account corruption, political stability and its implications for economic growth (Desierto and Schnyder. 2021). It was further concluded that the understanding of how corruption affects economic performance is essential to designing and implementing effective development policies. It is therefore concluded that in Pakistan, the relationship between corruption and development is not very strong and is more dependent upon the functioning of the government departments (Asongu and Nting. 2021).

It was further concluded and discussed in detail the emergence of a link between governance effectiveness and aid policy, highlighting the lack of a recognised definition, which

is considered a key factor in decision-making (Carmel, Lenner and Paul. 2021). It was further concluded that governance effectiveness could improve human development. However, they believe that there is still limited consensus on improving governance to enhance human development. It is further concluded that a more systematic approach is needed to measure the results of government input. For example, life expectancy growth and GDP growth, while other studies found a more complex relationship. It was concluded that the existence of a link is recommended but varies according to the level of development of the population (Czyżewski, Sapa and Kułyk. 2021). It was concluded that to better measure the economic and social development of the country, UNDP developed the Human Development Index in the 1990s as a comprehensive index. It was further concluded that the use of the regulation is not essential for the development in a country like Pakistan and does not have a direct relationship with it.

In conclusion, due to the lack of accountability in Pakistan, private actors have assumed more power than before, which largely explains why they are seen as direct legal persons rather than intermediaries. Notification obligation (Netipatalachochoote, Ciacchi and Holzacker. 2021). Therefore, it is concluded that private public authorities assume that they are considered holders of public trust. That is why more and more people are demanding a response to the rights of ordinary people, not just the authorities. Law and direct sanctions (Cashore et al. 2021). Therefore, it is concluded that responsibility in Pakistan is directly related to human development.

It was further concluded that health spending as a percentage of GDP has also been shown to positively correlate with health outcomes and positive human development (Kim, Križnik and Kamvasinou. 2021). It was concluded that countries that consume less health than GDP had been shown to have relatively better health outcomes compared to countries that

consume less health care. Furthermore, it was concluded that maternal mortality and neonatal mortality are two particularly important health indicators used by institutions such as the World Bank and the World Health Organization to assess the overall health and quality of life of a country (Baniamin. 2021). It was concluded that it makes no sense to establish a mechanical link between health spending and the population's health status. Furthermore, it was concluded that when there are many leaks in the healthcare budget, there are issues with the effectiveness of segregation, and these leaks only have a very limited impact on end-users. In this regard, it can be concluded that in Pakistan, there is a lax system of public health, so the relationship between health and human development is high.

Furthermore, it was concluded that education could be a key part of human development because it enables people to grow their economies and deepen their understanding of community culture and social practices. Moreover, it was concluded that in a society where the importance of education is not valued, most educated people often leave. This is the case that is often concluded in Pakistani society (Bowen et al. 2017). Furthermore, this loss of talent leads, if allowed to develop, could harm the social and economic viability of the community as a whole. Lastly, it is concluded that education is the key to development since it opens unlimited possibilities for promoting medical services to innovative tools used in the agricultural sector (Manimaharan and Hussain. 2020). Therefore, in Pakistan, it can be concluded that education has a great and important relationship with human development.

In the end it could be concluded after analysis all the variables of the current study and its findings that the variables that will affect the human development index of Pakistan are the education, rule of law and Political stability. The findings have showed that negativity in these variables have affected the country poorly. In the end there are also some variables that partially

affect the human development index of Pakistan, such as the corruption and income and regulations. However the rule of law and accountability are the variables that must be adhered at all times. Also apart from the HDI, in terms of the values of the VIF, the findings showed that rule of law and control of corruption has a great significance and connection with the variance inflation

Direction for Future Research

- If the target audience is just Asian countries then it would be easier to examine that which indicator of governance can improve Human Development.
- To reduce the government issues in Pakistan so we can check the relation between governance effectiveness and level of income.
- We can check the relation between income and governance indicators.
- We can check the relation between health and governance indicators.
- We can check the relation between education and governance indicators.
- We can check the impact of political stability on Human Development in Pakistan.
- We can find the impact of regulatory quality on Human Development in Asian countries.

Recommendations

- The scope of the research can be broaden to include other variables like the relation between governance indicators with education.
- The result suggest that if we improve the quality of rule of law then Human development index improves. So, there should be betterment in quality of contract enforcement which in results better Human Development.

- Government should control the rate of crime and violence which cause sustainable livelihood and improves the quality of Human Development.
- The state should bring reforms in law and order which minimize the level of income inequality and increase the level of Human Development.
- Some of the elements like education and gross national income with governance effectiveness could use the future is to compare other countries in a more systematic approach for a more broaden results.
- Government should give freedom of expression to the people and transparency in the election of which improves the quality of government efficiency.
- There should be no restrictions on media. So, the media could show actual and true aspects of society. The result is that the government can easily target that flaws and improve them which increase the level of Human Development.

REFERENCES

- Adekunle, I.A., 2021. On the search for environmental sustainability in Africa: the role of governance. *Environmental Science and Pollution Research*, 28(12), pp.14607-14620.
- Asongu, S. and Nting, R., 2021. *The role of finance in inclusive human development in Africa revisited* (No. 21/006). African Governance and Development Institute..
- Asongu, S.A. and Le Roux, S., 2017. Enhancing ICT for inclusive human development in Sub-Saharan Africa. *Technological Forecasting and Social Change*, 118, pp.44-54.
- Asongu, S.A. and Odhiambo, N.M., 2019. Environmental degradation and inclusive human development in sub-Saharan Africa. *Sustainable Development*, 27(1), pp.25-34.
- Asongu, S.A. and Odhiambo, N.M., 2020. Governance, CO2 emissions and inclusive human development in sub-Saharan Africa. *Energy Exploration & Exploitation*, 38(1), pp.18-36.
- Asongu, S.A. and Odhiambo, N.M., 2021. Enhancing governance for environmental sustainability in sub-Saharan Africa. *Energy Exploration & Exploitation*, 39(1), pp.444-463.
- Baniamin, H.M., 2021. Linking trust, performance, and governance quality: what can explain the incongruity?. *Commonwealth & Comparative Politics*, pp.1-21.
- Bennett, N.J., Di Franco, A., Calò, A., Nethery, E., Niccolini, F., Milazzo, M. and Guidetti, P., 2019. Local support for conservation is associated with perceptions of good governance, social impacts, and ecological effectiveness. *Conservation letters*, 12(4), p.e12640.
- Borja, K., 2020. Remittances, corruption, and human development in Latin America. *Studies in Comparative International Development*, pp.1-23.

- Bowen, K.J., Cradock-Henry, N.A., Koch, F., Patterson, J., Häyhä, T., Vogt, J. and Barbi, F., 2017. Implementing the “Sustainable Development Goals”: towards addressing three key governance challenges—collective action, trade-offs, and accountability. *Current opinion in environmental sustainability*, 26, pp.90-96.
- Carmel, E., Lenner, K. and Paul, R., 2021. The governance and politics of migration: a conceptual-analytical map. In *Handbook on the Governance and Politics of Migration*. Edward Elgar Publishing.
- Cashore, B., Knudsen, J.S., Moon, J. and van der Ven, H., 2021. Private authority and public policy interactions in global context: Governance spheres for problem solving. *Regulation & Governance*.
- Czyżewski, B., Sapa, A. and Kulyk, P., 2021. Human Capital and Eco-Contractual Governance in Small Farms in Poland: Simultaneous Confirmatory Factor Analysis with Ordinal Variables. *Agriculture*, 11(1), p.46.
- Das, G.G. and Drine, I., 2020. Distance from the technology frontier: How could Africa catch-up via socio-institutional factors and human capital?. *Technological Forecasting and Social Change*, 150, p.119755.
- de Almeida, P.G.R., dos Santos, C.D. and Farias, J.S., 2021. Artificial Intelligence Regulation: a framework for governance. *Ethics and Information Technology*, pp.1-21.
- Deas, I. and Hincks, S. eds., 2017. *Territorial policy and governance: Alternative paths*. Taylor & Francis.

- Desierto, D.A. and Schnyder von Wartensee, I., 2021. The right to development, integral human development, and integral ecology in the Amazon. *The International Journal of Human Rights*, pp.1-18.
- Dobrolyubova, E., 2020. In Reference To The Correlation Between Governance Quality And Human Development. *Public administration issues*, (4), pp.31-58.
- Ferrannini, A., Barbieri, E., Biggeri, M. and Di Tommaso, M.R., 2021. Industrial policy for sustainable human development in the post-Covid19 era. *World Development*, 137, p.105215.
- Friedman, B.A. and Gürce, M.Y., 2020. Relationships Among National Tourist Destination Arrivals, Effective Governance, Environmental Performance, and Human Development. In *Strategic Innovative Marketing and Tourism* (pp. 541-547). Springer, Cham.
- Gatto, A., 2020. A pluralistic approach to economic and business sustainability: A critical meta-synthesis of foundations, metrics, and evidence of human and local development. *Corporate Social Responsibility and Environmental Management*, 27(4), pp.1525-1539.
- Gregory, R.P., Stead, J.G. and Stead, E., 2020. The global pricing of environmental, social, and governance (ESG) criteria. *Journal of Sustainable Finance & Investment*, pp.1-20.
- Haseeb, M., Suryanto, T., Hartani, N.H. and Jermisittiparsert, K., 2020. Nexus between globalization, income inequality and human development in Indonesian economy: Evidence from application of partial and multiple wavelet coherence. *Social Indicators Research*, 147(3), pp.723-745.

- Helliwell, J.F., Huang, H., Grover, S. and Wang, S., 2018. Empirical linkages between good governance and national well-being. *Journal of Comparative Economics*, 46(4), pp.1332-1346.
- Howe, B.M., Peou, S. and Uesugi, Y., 2021. Global Governance Principles and UN Implementation. In *UN Governance* (pp. 1-32). Palgrave Macmillan, Cham.
- Hurlbut, J.B., 2020. Imperatives of governance: Human genome editing and the problem of progress. *Perspectives in biology and medicine*, 63(1), pp.177-194.
- Johar, S.S., Lestari, L. and Awada, N., 2020. The Art of Leadership Qualities in Human Governance of Human Capital. *Journal of Management Practices, Humanities and Social Sciences*, 4(1), pp.12-15.
- Kalfagianni, A. and Meisch, S., 2020. Epistemological and ethical understandings of access and allocation in Earth System Governance: a 10-year review of the literature. *International Environmental Agreements: Politics, Law and Economics*, 20(2), pp.203-221.
- Kim, K., Križnik, B. and Kamvasinou, K., 2021. Between the state and citizens: Changing governance of intermediary organisations for inclusive and sustainable urban regeneration in Seoul. *Land Use Policy*, 105, p.105433.
- Koziuk, V., Hayda, Y., Dluhopolskyi, O. and Kozlovskyi, S., 2020. Ecological performance: ethnic fragmentation versus governance quality and sustainable development.
- Liu, J., Tang, J., Zhou, B. and Liang, Z., 2018. The effect of governance quality on economic growth: Based on China's provincial panel data. *Economies*, 6(4), p.56.

- Liu, X., Latif, K., Latif, Z. and Li, N., 2020. Relationship between economic growth and CO 2 emissions: does governance matter?. *Environmental Science and Pollution Research*, pp.1-8.
- Manimaharan, M. and Hussain, S., 2020. Overview of Behavioural Study on Human Governance Determinants in Automotive Sector. *Asian Journal of Behavioural Sciences*, 2(3), pp.50-58.
- Masrounejad, N., Molaey Hashjin, N., Pourramzan, E. and Ghorishi, M., 2021. Explaining the factors affecting the efficiency, effectiveness of management and rural participation in the development of the villages of Soomehsara city with a good governance approach. *Human Geography Research*.
- Ming, L., 2020. Embedded Human Community with a Shared Future and Global Governance of Human Rights. In *Human Rights and the Concept of a Human Community with a Shared Future* (pp. 106-121). Brill Nijhoff.
- Miralles-Quirós, M.M., Miralles-Quirós, J.L. and Valente Gonçalves, L.M., 2018. The value relevance of environmental, social, and governance performance: The Brazilian case. *Sustainability*, 10(3), p.574.
- Modupeola, B.B. and Christian, M.L., 2021. Corporate Governance and Human Resource Accounting Disclosure (HRAD) in Listed Financial Firms in Nigeria.
- Modupeola, B.B. and Christian, M.L., 2021. Corporate Governance and Human Resource Accounting Disclosure (HRAD) in Listed Financial Firms in Nigeria.

- Mustafa, G., Rizov, M. and Kernohan, D., 2017. Growth, human development, and trade: The Asian experience. *Economic Modelling*, 61, pp.93-101.
- Nelson-Núñez, J. and Pizzi, E., 2018. Governance and water progress for the rural poor. *Global Governance: A Review of Multilateralism and International Organizations*, 24(4), pp.575-593.
- Netipatalachoochote, S., Ciacchi, A.C. and Holzacker, R.L., 2021. The Regional Institutional Development of Human Rights in Southeast Asia. In *Challenges of Governance* (pp. 23-43). Springer, Cham.
- Ngo, N.Q., 2021. An empirical study of foreign direct investment, human development and endogenous growth. *Global Business and Economics Review*, 24(1), pp.59-78.
- Nyarko, M.G., Addaney, M. and Boshoff, E., 2020. Historical Context of Governance and Human Rights in Africa. In *Governance, Human Rights, and Political Transformation in Africa* (pp. 1-14). Palgrave Macmillan, Cham.
- Olaoye, I.J., Ayinde, O.E., Ajewole, O.O. and Adebisi, L.O., 2020. The role of research and development (R&D) expenditure and governance on economic growth in selected African countries. *African Journal of Science, Technology, Innovation and Development*, pp.1-8.
- Oloruntoba, S.O., 2020. The politics of paternalism and implications of global governance on Africa: A critique of the sustainable development goals. In *Pan Africanism, regional integration and development in Africa* (pp. 165-179). Palgrave Macmillan, Cham.

- Omri, A. and Belaïd, F., 2021. Does renewable energy modulate the negative effect of environmental issues on the socio-economic welfare?. *Journal of Environmental Management*, 278, p.111483.
- Oyewunmi, O.A., Osibanjo, A.O., Falola, H.O. and Olujobi, J.O., 2017. Optimization by Integration: A corporate governance and human resource management dimension. *International Review of Management and Marketing*, 7(1), pp.265-272.
- Pérez, C. and Claveria, O., 2020. Natural resources and human development: Evidence from mineral-dependent African countries using exploratory graphical analysis. *Resources Policy*, 65, p.101535.
- Pugh, J.D., 2021. *The Invisibility Bargain: Governance Networks and Migrant Human Security*. Oxford University Press, USA.
- Redmond, T. and Nasir, M.A., 2020. Role of natural resource abundance, international trade and financial development in the economic development of selected countries. *Resources Policy*, 66, p.101591.
- Repette, P., Sabatini-Marques, J., Yigitcanlar, T., Sell, D. and Costa, E., 2021. The Evolution of City-as-a-Platform: Smart Urban Development Governance with Collective Knowledge-Based Platform Urbanism. *Land*, 10(1), p.33.
- Rivera, M.A., 2017. The synergies between human development, economic growth, and tourism within a developing country: An empirical model for Ecuador. *Journal of destination marketing & management*, 6(3), pp.221-232.

- Rosyada, D., 2017, November. Good Governance and Human Right: The Experience Of Indonesia As The Biggest Muslim Country In The World. In *1st International Conference of Law and Justice-Good Governance and Human Rights in Muslim Countries: Experiences and Challenges (ICLJ 2017)* (pp. 149-153). Atlantis Press.
- Saksono, H. and Manoby, W.M., 2021. Good Public Governance Towards Society 5.0 in Indonesia: A Review. *Psychology and Education Journal*, 58(2), pp.4499-4511.
- Sarkodie, S.A. and Adams, S., 2020. Electricity access, human development index, governance and income inequality in Sub-Saharan Africa. *Energy Reports*, 6, pp.455-466.
- Thérien, J.P. and Pouliot, V., 2020. Global governance as patchwork: the making of the Sustainable Development Goals. *Review of International Political Economy*, 27(3), pp.612-636.
- Torres, L.D., Jain, A. and Leka, S., 2021. Addressing Gender Inequality Through Corporate Social Responsibility: A Review of Public Governance in Latin America. *Aligning Perspectives in Gender Mainstreaming*, pp.133-150.
- Trevisan, F. and Cogburn, D.L., 2020. Technology and accessibility in global governance and human rights: the experience of disability rights advocates. *Journal of Information, Communication and Ethics in Society*.
- Tseng, T.W.J., Robinson, B.E., Bellemare, M.F., BenYishay, A., Blackman, A., Boucher, T., Childress, M., Holland, M.B., Kroeger, T., Linkow, B. and Diop, M., 2021. Influence of land tenure interventions on human well-being and environmental outcomes. *Nature Sustainability*, 4(3), pp.242-251.

- Umar, M.A., Derashid, C., Ibrahim, I. and Bidin, Z., 2019. Public governance quality and tax compliance behavior in developing countries: the mediating role of socioeconomic conditions. *International Journal of Social Economics*.
- Viola, E. and Gonçalves, V.K., 2019. Brazil ups and downs in global environmental governance in the 21st century. *Revista Brasileira de Política Internacional*, 62(2).
- Wang, Z., Bui, Q. and Zhang, B., 2020. The relationship between biomass energy consumption and human development: Empirical evidence from BRICS countries. *Energy*, 194, p.116906.
- Wang, Z., Zhang, B. and Wang, B., 2018. Renewable energy consumption, economic growth and human development index in Pakistan: evidence form simultaneous equation model. *Journal of cleaner production*, 184, pp.1081-1090.
- Woodhouse, P. and Muller, M., 2017. Water governance—An historical perspective on current debates. *World Development*, 92, pp.225-241.
- Zhang, Y. and Buzan, B., 2020. China and the global reach of human rights. *The China Quarterly*, 241, pp.169-190.

Appendix A

Variables with Definitions

Variables	Definitions	Data
Voice And Accountability	It measures the possibility that the government can shake or overthrow the government by unconstitutional or violent means (including politically motivated violence and terrorism).	World Bank (Time Period of 2000-2018)
Political Stability	It measures the quality of public officials, the quality of public services, the quality of policy formulation and implementation, the degree to which they are not affected by political pressure, and the credibility of the government in such policies.	World Bank (Time Period of 2000-2018)
Governance Effectiveness	Measures the governance capacity to formulate and implement sound policies and regulations that enable and promote private sector development.	World Bank (Time Period of 2000-2018)
Regulatory Quality	It measures the extent to which an agent trusts and	World Bank (Time Period of 2000-

	follows the rules of society. In particular, the quality of execution of contracts and property rights. Police, courts and the possibility of crime and violence.	2018)
Rule of Law	Measure the extent to which agents have confidence in and abide by the rules of society. In particular, the quality of contract enforcement, property rights. The police, and the courts, as well as the likelihood of crime and violence.	World Bank (Time Period of 2000-2018)
Control of Corruption	It measures the extent to which public power is used for personal gain, including	World Bank (Time Period of 2000-2018)
Control of Corruption	Small-scale and serious forms of corruption.	World Bank (Time Period of 2000-2018)
Human Development Index	It is a statistical tool used to measure a country's overall achievement in its social and economic dimensions	United Nation Development Program report (UNDP) (Time Period of 2000-2018)