

Performance of Governance in Pakistan and the Causes of its Crisis

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Abstract

The surge of focus in governance emerged in the late nineties and since then, its elements are being put into a wider scope and analyzed for better management, administration and policy making of a country. The area of governance has been expanded and interpreted variedly by different researchers. Nevertheless, Good Governance is deemed as a prerequisite for better development. This paper focuses on the performance of the governance and the long-neglected causation of the issues that are prevailing in the governance of Pakistan. The data for understanding governance performance in Pakistan are taken from World Bank from 1996-2018. The data are taken into consideration to better understand the current governance crisis of Pakistan. Furthermore, causes of governance issues have been highlighted and explained in the political, socio-economic and administrative domains. The causes have been presented by the analysis of the performance data gathered and the literature reviewed. The data from The Global Competitive Index of World Economic Forum (WEF) are also taken into consideration to understand the existing conditions of governance in Pakistan and to better understand the causes of the crisis.

Keywords: Governance, Policy Making, Socio-economic, Global Competitive Index

Introduction

The explanation and understanding of governance has remained a diverse phenomenon for decades after its emergence in 1990s (Keping, 2017). Governance has with time moved from a more traditionally implied form to a more diverse and broader perspective. After the intense periods of World Wars and Cold War, the importance and demand of governance increased unceasingly (Knack, 2001). Many countries tried relentlessly to go for reforms after several failed attempts. The countries initially couldn't fathom the concept of good governance and the importance of resolving governance issues (Salvati et al., 2013). The role of governance in development is pivotal and it contributes to not even socio-economic but also infrastructural development. Researchers have always looked in the deeper roots of the driving forces of the economy and diving into the many domains of governance gives a better perspective in understanding the economy. The concept of governance is as old as human civilization itself (Preti, 2004). However, the growing prominence of the new perspective of governance started later in the 1900s. In modern society, states have transferred its exclusive responsibilities to civil society and this civil society is undertaking more responsibilities that were formerly under the state (Keping, 2017). This shift in the dynamics of work gave rise to the importance of governance.

This paper defines governance in the context of the research itself. The world governance indicators are defined in this research and through the data received from the World Bank, the performance of Pakistan's governance is analyzed. The time period of which the data is analyzed is from 1996 to 2018. The data from this period were only available and recorded by World Bank. The

Global Competitive Index of 2019 from the World Economic Forum (WEF) was also reviewed and analyzed to have an even better understanding of the performance of the governance of Pakistan. The 12 indexes are ranked and scored between 1 to 7. A tabular analysis was done of the data from World Bank and WEF. Furthermore, the causes of the looming crisis of governance in this period are explained later in the paper. The causes are analyzed by the performance rated by the World Bank and WEF and previous literatures reviewed. The causes are classified into three domains: political, socio-economic and administrative. Furthermore, these causes are further described in their respective domain.

Concept of Governance and its Indicators

The English word Governance is derived from Ancient Greek and Latin (Keping, 2017). The Greek origin of the word Governance comes from *Kubernao*, which means to control direction or to guide (Khan, 2019). Governance originally meant control and manipulation which changed in late nineties by the modern political thinkers (Keping, 2017). The definition of governance is a topic which is still under consideration in broader perspectives by many researchers but the domains of political, economic and social, under which this area is analyzed, is usually accepted by all. Governance is defined as, “The method through which power is exercised in the management of a country’s political, economic and social resources for development.” (World Bank Group, 1994). Through this definition, the concept of governance can be understood that governance includes management of country’s resources for development. This development is done involving public and private sectors. It engulfs the functioning and the capability of the public sector; the rules and institution that create a framework for working; accountability of economic and administrative decisions; regulatory role in regulating companies and corporations. Therefore, governance is about citizens interacting amongst themselves and the government officials.

Governance is the process of decision making and by which decisions are implemented or not implemented (Srivastava, 2009). The World Bank Group has given four aspects of governance: Public Sector Management, Accountability, Legal Framework for development and Transparency and Information (World Bank Group, 1994). World Bank later on released six indicators for measuring governance and that will remain the focus for performance evaluation of Pakistan’s governance in this paper through World Bank Reports. The three renowned researchers from World Bank, Daniel Kaufmann, Art Kray and Pablo Zido, through their research, presented the following indicators of governance.

1. Voice and Accountability (VA)

Voice and Accountability determines how much the citizens of a country have an active role and how much freedom of expression and association they have. It also determines how much the people can exercise their influence over the government through accountability. People can hold the representatives accountable for their decisions.

2. Political Stability and Absence of Violence (PV)

Political Stability is highly important for stability of a state. The political stability and absence of violence is measured by World Bank and that determines the possibility of government’s destabilization and the use of violence hampering governance.

3. Government Effectiveness (GE)

The measurement of Government Effectiveness is done by World Bank by observing the quality of the public service, civil service and its autonomy. It also overviews the effectiveness of the policy process by the government.

4. Regulatory Quality (RQ)

The World Bank measures the ability of the government to formulate and implement sound policies and its regulations. These policies promote development in both public and private sector.

5. Rule of Law (RL)

Rule of Law is a necessary foundation in the pursuit of good governance (Ali, 2015). The measurement of Rule of Law by World Bank determines the effectiveness of the law, its unbiased implementation and the independence of judiciary.

6. Control of Corruption (CC)

Corruption is unfortunately a norm in today's society and is a grave obstacle in good governance (Ali, 2015). The higher the score for control of corruption the more just is the governance system. World Bank promotes corrupt free society and measures the control of corruption as an essential element of governance.

The six indicators of governance by World Bank Institute encompasses the entire essence of good governance with four of the six indicators measuring the state aspect of state capacity (Fukuyama, 2013). The indicators are also shown in Figure 1.



Figure 1. Indicators of Good Governance

Methodology

This paper evaluates the performance of governance of Pakistan by observing the data of World Bank and World Economic Forum. The data from World Bank were taken from 1996 to 2018. The data on performance of governance before 1996 are not present which remains a limitation. Around 20 observations were recorded of each indicator in the data taken from the World Bank and these observations provided the yearly performance of the governance of Pakistan. Furthermore, the causes of current governance issues are taken into a broader perspective and extracted from not only World Bank but also WEF reports and the literatures reviewed. The data taken from WEF indicated the scores of the 12 pillars of governance which further made the identification of the causes easier after analysis. The causes are grouped into political, socio-economic and administrative issues and are further defined for better understanding. However, the causes of governance problems can be further classified and even extended, but this paper groups and defines main causes that has affected governance the most in Pakistan. The data taken from World Bank and WEF were analyzed

by identifying the repeated indicators that signifies bad governance in the particular area. The indicators are explained above in the paper. Furthermore, the statistical tools such as SPSS and Excel were used to analyze the data that is compiled and provided in the Tables.

Results

After the analysis of the data set of World Bank and WEF, the final results were compiled as presented in Table 1, 2 and 3. Furthermore, the results are explained to provide a better understanding of the crisis of governance.

Table 1. Summary of Statistics analyzed through World Bank

Serial No.	Indicators	No. of Observations	Mean Value	Maximum Value	Minimum Value
1	Voice and Accountability (VA)	20	-0.89096	-0.54472	-1.22025
2	Political Stability and Absence of Violence (PV)	20	-2.12252	-1.10303	-2.81004
3	Government Effectiveness (GE)	20	-0.64239	-0.37523	-0.8179
4	Regulatory Quality (RQ)	20	-0.67656	-0.48234	-0.90529
5	Rule of Law (RL)	20	-0.84385	-0.62529	-0.96867
6	Control of Corruption (CC)	20	-0.93939	-0.76218	-1.22003

Table 1 shows the data of 20 observations of the six indicators of good governance and contains the indicators, the areas which are under focus, and the mean, maximum and minimum score. The table clearly shows that the performance of governance by Pakistan has not been satisfactory. The highest rated indicator among others has been GE with a mean value of -0.64239, which is far from satisfactory. The lowest rated indicator is PV with a mean value of -2.12252. The table of observation and analysis clearly show that the trend of the bad governance has not changed and performance of governance is not pleasing in Pakistan.

Table 2. Global Competitiveness Index Report of 2019 on Pakistan by WEF

Serial No.	Pillar	Rank	Score (out of 100)
1	Institutions	107 th	48
2	Infrastructure	105 th	56
3	Macroeconomic stability	116 th	69
4	ICT Adoption	131 st	25
5	Health	115 th	56
6	Skills	125 th	41
7	Product Market	126 th	45
8	Labor Market	120 th	51
9	Financial System	99 th	55
10	Market Size	29 th	71
11	Business Dynamism	52 nd	63
12	Innovation Capability	79 th	36

Table 2 shows the twelve pillars of competitive performance that is measured by WEF on Pakistan. The report of WEF in 2019 is used to analyze present conditions of governance in Pakistan. World Economic Forum ranks Pakistan at 110th among 141 countries on the index of competitiveness with a score of 51 out of 100. The ranks and scores of 2019 can be examined in Table 2 shows that Pakistan has had a poor performance in almost all twelve of the pillars of Global Competitiveness Index. The lowest Rank has been given to ICT Adoption at 131st with a score of 25 out of 100. The poor performance in these criterions gives a perspective on why performance of governance is not good in Pakistan and what causes it.

Table 3. Trend of Global Competitiveness Index of Pakistan by WEF

Serial No.	Year	Rank
1	2007	83 rd
2	2008	92 nd
3	2009	101 st
4	2010	101 st
5	2011	123 rd
6	2012	118 th
7	2013	124 th
8	2014	133 rd
9	2015	129 th
10	2016	126 th
11	2017	106 th
12	2018	107 th
13	2019	110 th

Table 3 gives the trend of WEF for the past 13 years of Pakistan from 2007 to 2019. It is clear by the data provided and analyzed that the consequence of bad governance is directly portrayed on the bad performance ranking that has been given by WEF and World Bank. The crisis of governance has led Pakistan to be ranked among the less competing economies and have among the poorest scores in governance. Pakistan's performance in governance has not been satisfactory which is why WEF and World Bank has provided lower ratings and only when reforms would be introduced, the current performance of governance would become better leading to more growth and development.

Causes of the Prevailing Governance Problems

Governance is a broad phenomenon and the causes of the prevailing governance problems in Pakistan spreads further and deeper than the main focus areas in surveys. Governance issues are a consequence of long embedded social, political, economic and administrative issues that have remained dominant for decades (Adnan and Fatima, 2018). The data analyzed from World Bank and WEF provided a clear picture of these causes which is being presented. The refinement of governance in Pakistan is required to have political stability and development (Adnan and Fatima, 2018). It is commonly perceived that the governance effectiveness of Pakistan is directly related to Law and Order but it is a more comprehensive concept that encompasses state affairs of social political and economic nature (Asghar, 2013). This paper provides this comprehensive view of causes of governance crisis of Pakistan by analyzing the data and presenting the results. The causes were identified from the results and are provided below.

I. **Political Issues:**

Strong Governance has strong stability in political concerns and has strong ties with civil-society and state institutions. From Pakistan's perspective and the data analyzed from World Bank, WEF and Literature reviewed, the following political issues can be stated as the cause of governance problems in Pakistan.

1. **Lack of Coordination:**

Interprovincial and institutional coordination remains a key issue in governance in Pakistan. The passing of 18th Amendment in Pakistan in 2010 created a space for more provincial autonomy (Hussain, 2011). However, the issue of interprovincial coordination remained dominant even after the amendment was implemented (Rid and Awan, 2015). Not only the lack of interprovincial coordination hampers good governance but also the lack of coordination of institutions and ministries. The concept of complete coordination is among the essence of good governance.

2. **Lack of Political Will in Reforms:**

The need of political will is necessary for reforming the bureaucratic structures and roles in Pakistan (Shah et al., 2017). Reforms can only be possible through Political will and the lacking of that has led to bureaucratic inefficiency.

3. **Security Issues:**

Security challenges in Pakistan have been evident for many decades and that has caused the governance to lose its effectiveness (Fair, C, 2011). The continuous threats and terrorist attacks in Pakistan have led to insecurity and inefficiency in administration. PV remains the worst rated indicator of governance of Pakistan, as seen in Table 1, with a mean value of -2.12252. This clearly shows that a special focus on security challenges is necessary in Pakistan.

4. **Little Transparency in Decision Making and Need of Judicial Reforms:**

The need of complete transparency is the key element of good governance and it curbs corruption to the greatest extent. Lack of Transparency is a major issue and hurdle in good governance in Pakistan. Furthermore, the need of a better justice system is very much needed in Pakistan since it has affected the public and the governance to an extent that it has created an environment leading to lack of accountability or fear of engaging it (Hyder et al., 2018).

II. **Socio-Economic Issues:**

The lack of focus in fixing socio-economic issues in Pakistan has created a gap in the effectiveness of governance in Pakistan. The following socio-economic issues play a great deal in creating governance problems in Pakistan.

1. **Corruption:**

Corruption has remained a major obstacle in good governance of Pakistan and its impacts have been deep-rooted for decades (Javaid, 2010). The lack of accountability has created a corruption rampage in Pakistan and its one of the most criticized issue in Pakistan in the eyes of every International Institution. Pakistan has among the lowest scores in Control of Corruption as indicated by World Bank. The mean value of CC as seen in Table 1 is -0.93939 which shows poor performance.

2. **Illiteracy and Lack of Public Participation:**

Illiteracy is regarded as one of the major causes of bad governance (Eze, 2016). This is caused by lack of basic education in the country and the low literacy rate in Pakistan contributes a lot to the public's lack of knowledge of basic rights and issues. This also leads to lack of public participation and the masses don't get involved with the state affairs or play a part in accountability process.

3. **Food-Energy-Water Nexus Crisis:**

The Food-Energy-Water (FEW) nexus is highly linked with each other and are dependent on each other for sustainability (Ismail and Refaat, 2017). The FEW nexus crises in Pakistan has led to bad governance issues and that is due to ineffective management of resources and poor policy implementation. The management and sustainability of FEW is the highest priority for development and growth of a state with special focus on situations, institutions and actors (Märker et al., 2018). Märker et al. (2018) describes a effective and comprehensive FEW Nexus policy approaches to better handle its poor governance.

4. Lack of Infrastructural Development:

Pakistan ranked 105th in Infrastructure with a score of 56 out of 100 as rated by WEF and shown in Table 2. The lack of proper infrastructure leads to hinderance in good governance in Pakistan and it is no denying that infrastructure is important for growth prospects of Pakistan. However, the poor infrastructural development has led governance to be affected to a great extent.

III. Administrative Issues:

The exercise of administrative authority to manage a country's affairs is one of the key factors of governance among economic and political authority. The administrative system manages the resources and consists of a system of policy implementation. The administrative issues have led to poor governance in Pakistan and they are stated below in the paper.

1. Incompetent Individuals and Mismanagement of Resources:

Good governance contributes to better management of resources and to ensure proper development, the management of resources must be optimal and efficient (Ahmed, 2016). Incompetent and inexperienced individuals fueled with greed make way to bad management and thus bad governance in Pakistan. Pakistan has massive resources but the problem entirely lies with management. However, with competent and experienced decision makers, the management can be improved and the governance can be made better.

2. Lack of Capacity Building:

Capacity building is a process that is used to improve or acquire certain skills and learn experience and knowledge for better management and working. Capacity building improves governance and it is the core of good governance. Literature on governance indirectly discusses capacity building. In Pakistan, the inadequacy of institutional capacity in the public sector is dominant and in need of revamp in building it. Furthermore, through capacity building of public sector, strengthening of public sector is done, which is directly related to improved governance (Waheed, 1999).

3. Lack of Use of ICT:

Information and Communications Technology (ICT) is an important channel for political awareness and knowledge and is used to guide citizens and other groups. ICT leads to accountability and reduces corruption through direct involvement of citizens and is the pillar of E-governance (Satalin and Fallah, 2014). The lack of use of ICT causes slow and inefficient communication and reduces effectiveness in governance, which remains one of the major reasons of poor governance in Pakistan as also indicated by WEF.

4. Increased Overlook in Administrative Issues:

There is an increased oversight and neglect in dealing administrative issues and work in Pakistan. The overlooking of issues fueled by corruption, incompetency and political motives has led to poor performance of governance in Pakistan.

Conclusion

It is concluded from this paper that the performance of governance in Pakistan is not satisfactory and is in need of improvement. The concept of governance even after its official advent in

the 1990s has not been properly addressed. Nevertheless, governance existed even in ancient civilizations in many forms. The governance in Pakistan has been in shambles for a long time and according to the data analyzed through World Bank and World Economic Forum reports, a clear picture of its performance can be seen. Pakistan has relatively a very low score in all six governance indicators that were measured by the World Bank and the data was analyzed from 1996 to 2018 with a total of 20 observations. The report of WEF was also taken to understand the current governance performance in Pakistan. In the end, the reports and many literatures were reviewed to present combined leading causes that are hampering the road to good governance in Pakistan. Pakistan faces a lot of issues ranging from political, socio-economic and administrative domains and therefore, reforms are needed to improve governance in Pakistan.

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