



7th YOUTH PARLIAMENT PAKISTAN

Youth Standing Committee on Governance

**Report: What are the Best International Models for
Measuring Quality of Governance and Why?**

February 2016



Secretariat Youth Parliament Pakistan



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PILDAT is an independent, non-partisan and not-for-profit indigenous research and training institution with the mission to strengthen democracy and democratic institutions in Pakistan. It also serves as Secretariat, Youth Parliament Pakistan.

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PREFACE

After the successful completion of 6 terms since 2007, the 7th Youth Parliament Pakistan was launched in July 2015.

The specific objectives of the Youth Parliament Pakistan (YPP) programme are to inculcate democratic culture and spirit of tolerance for others views among the youth; to expose them to the political and parliamentary processes; to facilitate youth to express their views on various national, international, regional and local issues thereby helping the government and society at large to better understand the concerns of the youth; to groom the leadership potential of the youth of Pakistan by exposing them to peaceful and democratic resolution of differences especially at a time when various parts of Pakistan are suffering from conflict and extremism. Finally this provides a forum to the youth of Pakistan to understand how the Parliament works as the supreme public representative institution in a democracy.

The 7th Youth Parliament Pakistan, under a revised model, managed to enroll 240 young people from all over Pakistan. 4 Sessions were held, in which 60 new Members participated in 5-day training programme.

Youth Standing Committees of the 7th Youth Parliament Pakistan were tasked to develop cogent policy alternatives for the Parliament and Government of Pakistan. Each Committee was assigned a particular policy area and the Committees managed to develop a set concise policy recommendations in the shape of a Report. Each Committee presented and defended the Report to a Panel of Experts. The 4 Standing Committees for the current term are:

1. **Youth Standing Committee on National Security & Foreign Relations**
2. **Youth Standing Committee on Finance**
3. **Youth Standing Committee on Political and Electoral System**
4. **Youth Standing Committee on Governance**

Report topics given to each of the respective Youth Standing Committee were:

1. Pakistan's National Action Plan (December 2014): What is the State of its Implementation and Possible Proposals for Effective Implementation & Oversight.
2. Pakistan's Extended Fund Facility (EFF) Plan with the IMF and its Short-Term and Long-Term Economic Impact on Pakistan.
3. Is Pakistan more suited to adopt the Proportional Representation (PR) Electoral System versus the First-Past-The-Post (FPTP) Electoral System: Rationale & Proposals
4. What are the best International models for measuring Quality of Governance and why?

The Committees have gone through a process of intensive research, consultations with policy experts and internal review within Committees before putting together their proposals. The initial findings were shared before the House in Youth Parliament and with the Secretariat Youth Parliament Pakistan who gave their comments on these drafts. After incorporating these inputs, the reports are finalised by individual Committees. Going through this rigour the participants not only experienced the process of drafting policy in a democratic fashion but also formulated useful recommendation in the form of this report.

The reports are compiled and finally published for the purpose of dissemination. The reports are also available online at www.youthparliament.pk

The 7th Youth Parliament Pakistan (2015) is supported by the Danish International Development Agency, Government of Denmark, as recognition of the importance of young people's development in democracy and democratic practices.

Disclaimer

The Secretariat of Youth Parliament Pakistan has provided unbiased feedback in a timely manner on the research reports and the scientific value of the work done by MYP's. The Secretariat has given guidance in ensuring the content is clear, concise, and relevant to the current pool of knowledge in regard to originality, and interest to the readers. The opinions, findings or recommendations expressed in this report belong to the authors and do not necessarily reflect the views of PILDAT or DANIDA.

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Thank You.

Ms. Fatima Tufail (YP1-41-SINDH02)
Chairperson, Youth Standing Committee on Governance
Session 1

Mr. Ahmad Mukaram Malik (YP2-13-PUNJAB02)
Chairperson, Youth Standing Committee on Governance
Session 2

Mr. Abdul Shakoore Kakar (YP3-02-BALUCHISTAN02)
Chairperson, Youth Standing Committee on Governance
Session 3

Mr. Fakhruddin Ali Valika (YP4-42-SINDH03)
Chairperson, Youth Standing Committee on Governance
Session 4

Session wise List of Committee Members Youth Standing Committee on Governance

Sr.#	Constituency Number	Name	Designation
First Session			
1	YP1-41-SINDH02	Ms. Fatima Tufail	Chairperson
2	YP1-28-PUNJAB17	Mr. Muhammad Haseeb Sarwar	Member
3	YP1-43-SINDH04	Mr. Junaid Ali Daudpota	Member
4	YP1-17-PUNJAB06	Mr. Fahad Rauf	Member
5	YP1-20-PUNJAB09	Mr. Hameed Akhtar	Member
6	YP1-02-BALUCHISTAN02	Mr. Nadeemullah Khan	Member
7	YP1-05-KP01	Mr. Amir Khan	Member
8	YP1-08-KP04	Mr. Musaddiq Aziz Khattak	Member
9	YP1-19-PUNJAB08	Hafiz Muhammad Ateeq ur Rehman	Member
10	YP1-29-PUNJAB18	Mr. Muhammad Talha Sultan	Member
11	YP1-52-SINDH13	Mr. Waqar Ahmed Pahore	Member
12	YP1-55-FATA01	Mr. Muhammad Fawad Afridi	Member
13	YP1-56-FATA02	Mr. Nazir Ullah	Member
14	YP1-15-PUNJAB04	Mr. Asad Ur Rehman Bajwa	Member
15	YP1-32-PUNJAB21	Mr. Rana Ishtiaq	Member
Second Session			
16	YP2-13-PUNJAB02	Mr. Ahmad Mukaram Malik	Chairperson
17	YP2-02-BALUCHISTAN02	Mr. Muhammad Sufyan Qazi	Member
18	YP2-06-KP02	Mr. Ejaz Saeed	Member
19	YP2-15-PUNJAB04	Mr. Amber Arif	Member
20	YP2-19-PUNJAB08	Mr. Azm E Arif	Member
21	YP2-26-PUNJAB15	Mr. Muhammad Mutahir Ali	Member
22	YP2-29-PUNJAB18	Mr. Muhammad Waqas	Member
23	YP2-30-PUNJAB19.	Mr. Muhammad Waqas Shabbir	Member
24	YP2-38-PUNJAB27	Syed Ahmad Saleem Bokhari	Member
25	YP2-43-SINDH04	Mr. Jawad Ahmed Qureshi	Member
26	YP2-48-SINDH09	Mr. Gul Muhammad Marri	Member
27	YP2-53-ICT01	Mr. Muhammad Awaab Zia Sial	Member
28	YP2-57-AJK01	Mr. Qaiser Khan	Member
29	YP2-60-GB02	Ms. Yasmin Gulzaman	Member
Third Session			
30	YP3-02-BALUCHISTAN02	Mr. Abdul Shakoor Kakar	Chairperson
31	YP3-08-KP04	Ms. Asma Sameen	Member
32	YP3-09-KP05	Mr. Irfan Khan	Member
33	YP3-10-KP06	Syed Muhammad Uzair	Member
34	YP3-11-KP07	Mr. Tosifullah Khan Marwat	Member
35	YP3-14-PUNJAB03	Ms. Amna Niaz	Member
36	YP3-20-PUNJAB09	Ms. Ayesha Hayat	Member
37	YP3-26-PUNJAB15	Mr. Mohammad Hassan Shaigan	Member
38	YP3-36-PUNJAB25	Syed Zargham Gilani	Member
39	YP3-39-PUNJAB28	Mr. Zahid Nisar Gondal	Member
40	YP3-40-SINDH01	Ms. Ayesha Arif Khan	Member

41	YP3-42-SINDH03	Mr. Hamza Nizam Kazi	Member
42	YP3-43-SINDH04	Mr. Haseebullah Baloch	Member
Fourth Session			
43	YP4-43-SINDH03	Mr. Fakhruddin Ali Valika	Chairperson
44	YP4-01-BALUCHISTAN01	Mr. Hazrat Shah Kakar	Member
45	YP4-07-KP03	Mr. Danyal Hayat	Member
46	YP4-14-PUNJAB02	Mr. Ali Raza Sharif	Member
47	YP4-15-PUNJAB03	Mr. Arslan Zafar	Member
48	YP4-18-PUNJAB06	Mr. Hafiz Muhammad Faizan	Member
49	YP4-23-PUNJAB11	Ms. Maryam Sharaf Hayar	Member
50	YP4-39-PUNJAB27	Syed Ahmed kaleem	Member
51	YP4-40-PUNJAB28	Syed Yasir Arafat	Member
52	YP4-51-SINDH11	Mr. Saifullah Hassan Rana	Member
53	YP4-53-SINDH13	Ms, Zobi Fatima	Member

First Session Report: 7th Youth Parliament Pakistan

Recommendations

- i. **Pakistan should use World Governance Indicators to gain insight into the specific areas of strengths and weaknesses and use that information to improve its governance.**

Rationale

Pakistan does not have its own robust model to measure its strengths and weaknesses in governance. Currently model used by PILDAT in 2014 to measure the quality of governance only uses public opinion with a very small sample (3065 citizens) and experts' analysis on data collected from a few sources. Worldwide Governance Indicators (WGI) on the other hand gives a comprehensive data based on 32 sources of information including surveys from households and firms, NGOs, commercial business information providers, and public sector. This data is collected for six broad indicators namely voice and accountability, political stability and absence of violence, Government Effectiveness, Regulatory quality, Rule of Law, Control of Corruption. This is used in more than 200 countries and gives a cross-country comparison. This model will help Pakistan's government to gain an insight into the particular areas of strengths and weaknesses identified by the data.

- ii. **Accountability Bureau and Departments can set their line of actions on the reports of Transparency Corruption Perception Index to overcome the corruption**

Rationale

Corruption is one of the main reasons of institutional failure and constraint to investment in Pakistan. Controlling corruption will open large doors of foreign and domestic investments and this will return the trust of investor in Pakistan and it will also improve the socio economic image of Pakistan around the world.

- iii. **Public perception on Rule of Law shall be measured through World Justice Project (WJP) Rule of Law Index**

Rationale

This model gives original and impartial data on the perceptions of public regarding rule of law. This is one of the models, which relies solely on primary

data. This model will also help Pakistan to provide analysis on the basis of region and income.

- iv. **Difference of opinion between executive and common people of Pakistan needs to be catered in the World Governance Indicators Model**

Rationale

Every policy looked by any executive on different notes and by common people by otherwise sometimes. We need to cater difference of opinion in our surveys. Therefore this model should cater to these differences and do not consider them as same criteria.

- v. **Use statistical data for planning for policy reforms and make better decisions**

Rationale

Rehabilitation of the institutions will need proper planning in order to get long-term results. These governance models will provide a pathway to better planning and resource allocations. In Pakistan short term planning is one of the reasons for waste resources. Government needs to use the discussed models to measure performance in specific indicators and reallocate resources on the basis of statistical data.

Second Session Report: 7th Youth Parliament Pakistan

Executive Summary

The task of finding the most appropriate and relevant model for measuring the quality of governance depends upon the kind of indicators it encapsulates within itself. Each model is unique from another in terms of the indicators, methodology, and the data sources that it is dependent upon. The task is further complicated when these models are applied to measure the quality of governance of developing countries with unstable political climate. Any attempt to make use of such models for such countries must be preceded by a thorough evaluation of its compatibility to the realities pertaining to the governance landscape of that countries. The paper identifies three of the most relevant models that can be used to measure governance in Pakistan.

Overview

Governance is an indeterminate term used in international development literature to describe how public institutions conduct public affairs and manage public resources. Governance is the process of decision-making and the process by which decisions are implemented (or not implemented).

Good governance is about the processes for making and implementing decisions. It's about the best possible processes for making those decisions as opposed to making 'correct' decisions. Good decision-making processes, and therefore good governance, share several characteristics all of which have a positive effect on various aspects of government including decision making and delivery by government institutions, and the extent to which they are elected, participatory and accountable to people.

This paper introduces a few models that are used globally and regionally to measure the quality of governance. It then analyses them for their weaknesses and strengths. Furthermore, their relevance and use in the context of Pakistan is discussed. It would conclude by giving recommendations for implementation of these models and quality of governance indicators to improve the enacting and execution of policies in Pakistan.

Literature Review

As established above, the significance of measuring governance through a model, which is grounded in scientific principles and methodology, is necessitated by the need to measure its critical indicators in an

objective, thorough and quantifiable manner. For this purpose, academia, reputable think tanks, and international developmental bodies have formulated (or proposed) different models that measure quality of governance after recognizing the indicators that are universally considered as critical.

Numerous such models exist that measure quality of governance on scientific principles, however, two such models that are arguably most effective in measuring governance are:

- i. **World Bank's Worldwide Governance Index (WGI)**
- ii. **Bertelsmann Transformation Index (BTI)**

Both the models derive their legitimacy by the virtue of having roots within reputable institutions, their comprehensive methodology, and compatibility as well as appropriateness at macro (international), intermediate (regional) and even at micro (local) level of governance.

As suggested by the name itself, WGI is an index which empirically measures the governance and progress of a country by identifying key indicators that are relevant across the world in measuring governance, at every scale. Whereas, the BTI is another empirical research tool that measures progress within the governance landscape by keeping in consideration the realities as well as influences that are at play within countries that are moving towards liberalized economies, and democratization.

At this point, it is pertinent to draw a distinction between the conceptual paradigms of models that measure governance, the framework through which governance is done, and the process through which the performance is measured within the government institutions. These phenomenon, although theoretically independent from each other, can only be useful if combined together in coherent framework in which they complement each other by providing essential data, measurement tools, and overall assessment of governance indicators.

Any initiative to evaluate the overall governance system in Pakistan via these scientific models whether WGI or BTI, must essentially be preceded by the series of reforms within the performance appraisal system of state institutions, and public sector organizations, as these models require a continuous supply of credible and quantifiable data from state institutions, among other sources, to produce a thorough scientific assessment of the governance landscape of a country.

Despite the wide applicability and relevance of these models, at an international level, in the assessment of how effective the governance structure as well as their underlying mechanism are performing within a country, the modus operandi for evaluating performance at an individual, as well as organizational level, continues to be based upon non-scientific methods.

This has direct implications upon the nature as well as credibility of data emanating from the public sector organizations, and the state machinery responsible for governance and provision of public goods and services. The system which happens to be in place incumbently depends entirely upon a document referred to as Annual Confidential Report (ACR); an abstract document comprising of the superior authority's opinion based upon an informal observations and perceptions of an individual's performance. The approach, rationally, is not immune to biasness, and is subject to manipulation. Despite the enlightening and increasing discourse within the government institutions on the need to embrace scientific principles in the performance evaluation system, various political, economic, and social factors have kept the governments from making any tangible progress in ensuring the compliance of this principle.

Nonetheless, it is essential that the merits as well as demerits of the selected models are critically evaluated in order to make suitable reforms within Pakistan's system.

Models

Worldwide Governance Index

Various models have been developed to effectively measure the quality of governance in countries around the world. One such model is Worldwide Governance Indicators (WGI) which assesses countries on six parameters of good governance. This model was developed in late 1990s by Daniel Koffman, Aart Kraay, Pablo Zoido and Lobaton under the umbrella of World Bank Institute as a method of empirical research capable of measuring governance and progress of a country, identifying the underlying reasons and results of good governance as stated by World Bank is to raise per capita income and to promote growth in all parts of the world. The factors measured by WGI and Pakistan's scorecard is attached as Appendix 1.

It was necessitated by the claim that countries with good governance policies could only effectively use foreign donations. WGI has been compiled since 1996 for over 212 countries through collection of data of 340

variable from 32 sources and 25 organizations. It is evident from the data that an improvement of one standard deviation in government implies a threefold rise in long-term income and a two-third reduction in infant mortality.

The legitimacy vested in these carefully crafted indicators by the virtue of originating from World Bank, the global scope of their applicability, and their high precision has made them quite popular amongst researchers and policymakers worldwide. For example, G. W. Bush's administration used 5 of these indicators to assess the eligibility of various countries for foreign aid worth fractions of billions of dollars. Moreover, Netherlands has also used the WGIs to evaluate the quality of governance in the countries it was giving aid to. Several NGOs and Risk Rating agencies also employ these in their studies.

Being a recipient of foreign aid, Pakistan can use the WGIs to see its standing compared to its income peers. Pakistan can check and identify the indicators on which its peer countries are leading or lagging and formulate policies that help it mimic their successes and learn from their failures.

Strengths

First, the aggregation methodology makes the WGI more informative than any individual data source. Second, it allows calculations of margins of error of estimated indicators. To these should be added the third advantage of the methodology, which is that it creates a data set that is global in coverage, albeit with some missing values. The strength of aggregate method lies in the fact that it combines cross country data on governance to give a comprehensive index of state of affairs for 212 countries. It can be demonstrated by the fact that the well-known Corruption Perception Index (CPI) of Transparency International is another model widely used but the strength of WGI is that it combines the nine indicators measured by CPI with 13 others not used by CPI to construct the Control of Corruption indicator.

Weaknesses

The first weakness is that the indicators are vaguely defined. Another weakness is that like all governance indicators, WGI also has some limitations that make it noisy and imperfect regarding the concepts it is intended to measure. Moreover, since WGI combines the data from various sources, there is little possibility of verifying and validating the data available. The presence of measurement errors is thus, resolved to some extent by using the aggregate method. The Worldwide Governance Indicators (WGI) are unique in

that they recognize and acknowledge these uncertainties.

Bertelsmann Transformation Index

BTI evaluates pace and progress of states in the course of their transition towards democracy and development. It analyses the quality of democracy through an extensive study of market economy and political management in 129 states, including Pakistan. The model uses administrative and primary sources which undergo experts' assessments. The Nature of survey is qualitative where 17 indicators (available in Appendix 2), based on 49 individual scores, reflect the quality of governance in three domains; political transition, economic transition and transformation management. Each of the three broad categories further contain different factors that are used to evaluate the quality of governance.

The analytical framework of BTI is divided into two main indexes; the status index and management index. The former relates to the factors falling in the category of political and economic transformation while the latter relates to the five factors falling in the category of transformation management. The final BTI score for a country is an aggregate of these two indexes.

The 5 factors in the category of the political transformation collectively measure the degree of democratization in the country according to certain yardsticks such as the degree of legitimate authority of the state, ease of participating in politics- formation of new parties etc. and guarantee of civil rights under law so on and so forth.

Similarly, economic transformation is measured by 7 different factors, which aim to measure the quality of governance in a country from the perspective of economic development.

The third category, which is used to evaluate the quality of governance, is named Transformation management. It in turn has 5 sub-factors. Out of these, level of difficulty and steering capability are meant to gauge the quality and authority of the political leadership, while resource efficiency measures how efficiently are the available economic resources managed and allocated, whereas consensus-building and international cooperation take into account the level of harmony in between the political stakeholder and economic and political relationships with the international community respectively.

BTI is used to evaluate the quality of governance in 129 countries. Countries that might be considered long-

consolidated democratic systems having an advanced level of economic development are excluded from the survey. Small countries, having a population of less than 2 million, are also not examined by BTI.

Strengths and Weaknesses

Being the first cross-national comparative index BTI provides a unique platform to the researchers for comparative studies of developing countries. This model uses a standardized code book and comprehensive review system of more than one experts thus reducing the element of subjectivity and increasing the checks and balances. However, this model emphasizes only on two major areas, rule of law under democracy and socially responsible market economy. This can potentially narrow down the premises of research. Moreover, results of BTI cannot be used to imply that all states in transition wish to measure their success through a developed market based democracy. Despite these shortcomings, the unparalleled features of BTI inspired the formulation of Sustainable Government Indicator (SGI) model.

PILDAT Model of Measuring Quality of Governance

PILDAT conducts a study, which specifically targets the measurement of quality of governance in Pakistan. It provides yearly score-card to gauge the quality of governance with the help of various social, economic, political and regulatory parameters. Each performance parameter addresses 3-8 questions in order to get specific information on the particular area of the working of government/ministry/division/body. To measure quality of governance, the federal government of Pakistan provides data. If the required data is unavailable or incomplete for some performance parameters, authentic third party sources are used. Based on an indigenous framework provided by the PILDAT, 27-member Governance Assessment Group, which comprises of seasoned analysts across four provinces, analyze this data. The scorecard also reflects the improvement made in comparison to the last year and the public poll opinion.

The parameters used by the PILDAT model for measuring the quality of governance can be seen in Appendix 3.

Brief Analysis

One of the vibrant features of this framework is that it analyzes the parameters not only on the basis of policy making and legislation (40%), but it also gives 60% weightage to the implementation of that policy. Another feature of this model is that it provides clarity of measured performance indicators through a detailed discussion. It further categorizes these evaluated

parameters as good, marginal, not improved and declined.

measurement of governance in a country such as Pakistan.

Recommendations

In order for state institutions to benefit from these models in an optimum manner, it is imperative that the government institutions must become a reliable, credible, and complete source of data themselves by measuring their overall performance; particularly in the social services domain through competitive scientific methods.

The application and relevance of WGI model at all levels: international, regional, and local makes it a unique governance measurement model covering an entire spectrum of issues that are indispensable to all the levels of Pakistan's government machinery.

The structure and modeling of BTI makes it an especially relevant model for countries such as Pakistan that are moving towards democratization. The economic transformation, political transformation, and transformation management categorization makes it an essentially comprehensive and relevant model for the

Comparative Analysis of BTI and WGI

Model	Viability in the Context of Pakistan
BTI	<ul style="list-style-type: none"> i. Its evaluation factors are directly relevant to the political and economic dynamics of Pakistan ii. Factors such as ethnic disputes, civil military relations and the struggle of power between liberals and conservatives directly affect the political outcomes of Pakistan iii. Other factors such as religious violence, lack of tolerance are also used in its evaluation which are of immense importance in the contemporary social situation of Pakistan iv. It takes into account the relationship of the country with its neighbours and international community which is very pertinent in the context of geostrategic location of Pakistan v. It uses the same approach of measuring the quality of governance (through a developed market economy as adopted in Vision 2025) which is used by the Planning and Development Commission of Pakistan
WGI	<ul style="list-style-type: none"> i. It includes the established mechanisms for collecting, filtering, combining, verifying and analysing data from various organizations. Data from organizations and institutes such as Election Commission, NADRA, PILDAT, PIPS, Police, Interior Ministry, SECP, NAB and FIA can be used to achieve this. ii. Since, data for a large number of country's is available already, it allows a comparative analysis of governance in Pakistan with other countries that have similar economic, socio-political and historical factors iii. Factors such as political stability and control of corruption is directly relevant to the situation in Pakistan and it is expected that Pakistan already ranks low on these. By incorporating the model in Pakistan's governance mechanisms, it would be possible to improve on these fronts. iv. WGI is not only a warning bell but a means of action and since it is updated each year, unlike BTI, it may help provoke governance players to think and ask relevant questions and thus improve the quality of governance

Third Session Report: 7th Youth Parliament Pakistan

Executive summary

Governance exists in almost all the states of the world but to evaluate and assess the progress and performance of the government at an individual, as well as organizational level, various models have been developed around the world. This paper while critically analyzing the different international models, recommends that which system should Pakistan adopt and presents the rationale behind proposing these policy reforms. It suggests a follow-up mechanism and implementation strategy.

Governance is running of affairs of the state by decision-making and its execution. There are different indicators from different dynamics like economic social and political that constitutes the governance e.g. rule of law, accountability, political stability, management, control of corruption, capacity building.

Different organization proposes different models and these models differ on the basis of the indicators that they include or exclude keeping in view the conditions.

World Bank Worldwide Governance Indicator (WGI)

Main dimensions

Participation and accountability, political stability and absence of violence, Government effectiveness, regulatory quality, rule of law and control of corruption.

Weaknesses

- i. Participation and accountability is the indicator of democracy.
- ii. Government effectiveness is too broad and circular.
- iii. Control of corruption is the part of Rule of law.
- iv. Management of economy is not comprehensive

MO Ibrahim index of African governance

Main dimensions

Safety and rule of law, participation and human rights, sustainable economic opportunity and human development

World Justices Project Rule of Law Index

Strengths of this model are as follows:

- i. It is focused on administrative Regulation
- ii. Constraints on Government Powers
- iii. Absence of Corruption
- iv. Open Government
- v. Fundamental Rights
- vi. Order and Security
- vii. Regulatory Enforcement
- viii. Civil Justice and Criminal Justice.

Model of Pakistan

Model proposed by PILDAT is the most suitable one.

Administrative Effectiveness

- i. Devolution of Powers to Lower Tiers
- ii. Merit Based Recruitment/Promotions
- iii. Public Procurement
- iv. Use of Technologies for Governance

Management of Economy

- i. Agriculture
- ii. Annual Development Program
- iii. Energy Production and Management
- iv. Investment Friendliness
- v. Management of Unemployment
- vi. Tax Collection
- vii. Water Resource Development and Management

Rule of Law

- i. Anti Corruption Efforts
- ii. Peace Stability and Order
- iii. Transparency

Service Delivery

- i. Disaster Preparedness and Management
- ii. Education
- iii. Healthcare
- iv. Immunization of Children
- v. Public Transport
- vi. Safe Drinking Water Supply
- vii. Sanitation

Social Indicators

- i. Environmental Sustainability
- ii. Gender Inequality
- iii. Management of Population Growth
- iv. Poverty Alleviation

Fourth Session Report: 7th Youth Parliament Pakistan

Introduction

The term “Governance refers to the process of decision-making and the process by which decisions are implemented. Governance is the manner in, and the process by, which authority is exercised, especially with respect to the management of country's economic and social resources. There are different modes of governance which differs from country to country. The most effective mode of governance is considered to be a democracy. Countries need to measure and evaluate their performance by measuring their governance. This is achieved through various models that have been developed. In this paper we will attempt to look at the mainstream models used internationally and regionally to measure governance. We will then examine the model used in Pakistan and recommend the best suited model for it.

“Governance is a process for making and implementing decisions. Democracy is simply one form of many forms of governance”

Governance is not a new phenomenon. Where there is a state, country or an organization it needs to be governed. Governance has been defined by different institutes like World Bank (1992) defines it as: “Governance is a method through which power is exercised in the management of a country's political, economic, and social resources for development.”

Asian Development Bank (1995) defines as: “Governance is the manner in which power is exercised in the management of a country's social and economic resources for development.”

United Nations Development Program (UNDP) (1997) defines governance, as “Governance is the exercise of economic, political and administrative authority to manage a country's affair at all level. It comprises the mechanism, processes and institutions, through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations and mediate their differences.”

Eight Elements of Good Governance

Good governance has eight major characteristics. It is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive, and follows the rule of law.

- i. Rule of Law

- ii. Transparency
- iii. Responsiveness
- iv. Consensus Oriented
- v. Equity and Inclusiveness
- vi. Effectiveness and Efficiency
- vii. Accountability
- viii. Participation

The Bertelsmann Transformation Index (BTI) is an international comparative study on the level of development and governance on the political and economic transformations of 129 countries which gauge quality of governance for following countries:

- i. Developing country
- ii. In transitional democracy
- iii. Population with no fewer than 2 million

This model reflects the quality of governance in 3 domains and report & reviews of each study, are involved in 250 countries experts, based on multi-staged survey and test methods. The aim of purpose was to arrive at possible objective and comparable results in Qualitative analyses based on 49 standardized questions.

What does it measure?

The division of the BTI analytical framework is as follows; the status index and management index. The final BTI score for a country is an aggregate of these two indexes.

United Nations Economic and Social Commission for Asia and the Pacific (ESCAP)

ESCAP works to overcome some of the regional challenges by providing results oriented projects, technical assistance and capacity building to member States in the following areas:

- i. **Participatory:** Both women and men need to participate and participation needs to be informed and organized.
- ii. **Consensus Oriented:** There should be mediation among different interests in the society.
- iii. **Accountable:** Public and private sectors both should be held accountable to the public and institutional stakeholders.
- iv. **Transparent:** Information should be freely available to public and media.
- v. **Responsiveness:** Good governance requires that institutions and processes try to serve all stakeholders within a reasonable timeframe. E.g.

Status Index	Management Index
<p>Political Transformation</p> <ul style="list-style-type: none"> i. Statehood ii. Political participation iii. The rule of Law iv. Stability of democratic institution v. Political & Social integration <p>Economic Transformation</p> <p>Socioeconomic level of development</p> <ul style="list-style-type: none"> i. Market & Competition ii. Currency & Price stability iii. Private property iv. Performance of economy v. Sustainability 	<p>Transformation Management</p> <ul style="list-style-type: none"> i. Difficulty ii. Organizational capability iii. Resource efficiency iv. Consensus Building v. International cooperation
Strengths	Weaknesses
<p>Assessments rely on country experts' opinions. The disaggregated data helps understand specific weaknesses and loopholes in legal and institutional frameworks. The BTI provides country reports with quantitative and qualitative data.</p> <p>Countries at Crossroads provide a comprehensive analysis of both the legal/institutional framework and its implementation.</p> <p>Due to its comprehensive approach and special consideration political organizational capability of BTI is recognized as global leader Meter for systematic comparison for transformation process. So it is used by UK, USA & Germany as yardstick for assessment of its partner countries. This is also involved World Bank, European commission or TI in their own investigations.</p>	<p>This charged the democratic and economic development together and thus implies that these are necessarily bound together. However an economic development without democratic transformation is empirically possible for example in China.</p> <p>The BTI takes economic institutions into account and does not only reflect the quality of governments.</p> <p>The instrument used to collect data as well as country coverage has undergone modifications, requiring close attention to time comparisons of specific questionnaire items.</p>

- Decision-making: floods, natural disasters.
- vi. Effective & Efficient:** sustainable use of resources and protection of law
- vii. Equitable & Inclusive:** Most vulnerable have opportunities to improve or maintain their well-being and are not excluded.
- viii. Rule of Law:** Good governance requires fair legal frameworks that are enforced impartially. It also requires full protection of human rights, particularly those of minorities. Independent judiciary and police force are important.

World Governance Indicators (WGI)

One of the most widely known is the Worldwide Governance Indicators (WGI), which evaluates the

countries on six factors of good governance. Daniel Koffman, AartKraay, Pablo, Zoido and Lobaton developed this model in late 1990s under the supervision of World Bank Institute as a method of empirical research. It is proficient in measuring governance and progress of a country, identifying the causal reasons and results of good governance as stated by the World Bank. It consists of six composite indicators of governance covering more than 180 countries since 1996.

The six indicators are as follows:

- i. Voice and Accountability (VA)** – capturing perceptions of the extent to which a country's

citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association, and a free media.

- ii. **Political Stability and Absence of Violence/Terrorism (PV)** – capturing perceptions of the likelihood that the government will be destabilized or overthrown by unconstitutional or violent means, including politically-motivated violence and terrorism.
- iii. **Government Effectiveness (GE)** – capturing perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the Government's commitment to such policies.
- iv. **Regulatory Quality (RQ)** – capturing perceptions of the ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development.
- v. **Rule of Law (RL)** – capturing perceptions of the extent to which agents have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood

of crime and violence.

- vi. **Control of Corruption (CC)** – capturing perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as "capture" of the state by elites and private interests.

WGI uses a statistical methodology known as an Unobserved Components Model to:

- i. Standardize the data from these very diverse sources into comparable units
- ii. Construct an aggregate indicator of Governance as a weighted average of the underlying source variables.
- iii. Construct margins of error that reflect the unavoidable imprecision in measuring governance.

The World Bank Governance indicators are good indicators to measure the Quality of Governance but there are some inherent flaws in the constraints of these indicators. To use it in Pakistan, we need to Include and exclude some indicators to make it better for Pakistan. For example the indicator no. 3 should be combined to make a single indicator. The performance of Judiciary

Sr. #	Strengths	Weakness
1	Use of statistics for evidence-based decision-making improves the truncation error margin as it minimizes the chances of political interference.	From this model we cannot judge the quality of major factors like education and health.
2	It also studies the interconnection between labor availability against market needs as one of the parameters	Rule of law is not effectively implemented
3	It also takes Migration of professionals to foreign countries into account as a tool to analyze the effective quality governance.	Poverty alleviation cannot be forecast
4		Corruption cannot be judged or measured.
5		Accountability will not be feasible

Sr. #	Strengths	Weakness
1	Its explicitly reports the margins of errors for aggregate indicators; this inclusion of uncertainty about estimates of governance is missing in many other governance datasets.	WGI offers little guidance to concrete actions to improve the quality of governance.
2	It regularly updates the data sources and excludes the sources that stops publishing or undergo certain changes which makes it not usable in WGI.	Low weight given to household surveys.
3	Its aggregate methodology is its strength that it combines a cross-country data to give comprehensive index of affairs for over 200 countries.	The indicators are interrelated. For example in the Accountability Indicator the corruption indicator can be included.

should be a separate indicator. Corruption Indicator should be included in no. 1 indicator. Measurement of indicators of Social services should be another indicator.

Ibrahim Index of African Governance (IIAG)

IIAG is a tool of measuring governance in Africa under the platform of Mo Ibrahim Foundation. It covers almost entire African continent and due to diversity and variety of governments in this region, this tool formulate more than 100 variables, which are usually extracted out from 30 independent sources. These variables are intended to measure different aspects of governance in 55 African countries, however, the arrangement and organization of these factors is not a premise of this report. It is only need to remember that this index is one of the significant regional tools to measure governance in Africa.

According to IIAG, governance is a provision of the political, social, and economic goals that any citizen has the right to expect from his or her state, and states are responsible to deliver these responsibilities for their citizens.

Indicators

At grand level, IIAG measure governance in four major areas,

- i. Safety and Rule of law, which is intended to administer accountability of government, personal safety of citizens, and national security.
- ii. Participation and Human Rights ensures political participation of every citizen, their rights and gender issues.
- iii. Sustainable Economic Opportunity, which is itself very diverse and seek to look after the areas of public management, business environment, infrastructure, and rural sector.
- iv. Finally, there is an area of welfare which particularly deals with education and health sectors.

Strength and Weaknesses

With respect to the diversity and scope of this measuring tool, it is important to understand that all variables are measured on different scoring scales, with respect to their potential of generating most authentic and efficient findings. We as a committee believes that it is a brilliant aspect of this model because, it is targeting a regional sample and no region can possess uniform traits, because every country has its own culture, political environment and ground realities.

Another important element of this model is that it helps to evaluate policy outcome, allocation of resources and

advocacy tools of its countries at a grand level.

However, the one of the weaknesses of this model is that it ignores the state of affairs in a country, due to which the leadership aspect in governance is ignored. It has been evaluated that leadership is one of the most important aspects of governance, which makes sure that all governing factors are applied efficiently. Nevertheless, Mo Ibrahim ignores this very basic aspect of governance.

PILDAT Governance Index

There are many models around the world for measuring good governance of any state, some of which are discussed above. Concerning Pakistan's social, economical and political setup of Pakistan, PILDAT governance model helps us better understand and measure governance in Pakistan.

Indicators

- i. Administrative effectiveness
- ii. Salient feature of the PILDAT model are as follows:
- iii. Public procurement
- iv. Management of economy

Agriculture

- i. Annual development program
- ii. Energy production and management
- iii. Investment friendliness
- iv. Managing unemployment
- v. Tax collection
- vi. Water resource development and management

Rule of Law

- i. Anti corruption effort
- ii. Peace stability efforts
- iii. Transparency

Service Delivery

- i. Disaster preparation and management
- ii. Education
- iii. Healthcare
- iv. Immunization of children
- v. Transport
- vi. Safe water drinking supply/sanitation

Social Indicators

- i. Environmental sustainability
- ii. Gender inequality
- iii. Management of population
- iv. Poverty alleviation

The model, which is best suited to Pakistan, is PILDATS model on governance. PILDATS index on

governance has been carefully designed for Pakistan's context. Moreover this model of governance is rather comprehensive and takes into account a large number of indicators. However what makes this model best for Pakistan is that it takes into account the distinction between democracy and governance. Both these things are distinct and might affect one another but there is no definite correlation. We see that most other widely used models fail to make this distinction and take the extent of democracy as a sign of governance.

Recommendations

In order to improve the existing PILDAT governance model we offer two tiers of recommendations.

The first deals with adding new parameters in the model. These include:

- i. Foreign Policy: In a country like Pakistan, the impact of its foreign policy on its domestic affairs is tremendous. It has a strong link to the country's economic prospects and security.
- ii. National Security: Pakistan has been involved in a war against terrorism inside its geographical boundaries. This has taken a huge toll on the country on multiple levels.
- iii. Status of marginalized groups e.g. transgender, religious minorities.

The second one deals with improving the tools and instruments used in the existing parameter. These recommendations include:

- i. Right to information: is a constitutional right of every citizen, should be implemented nationwide with immediate effect. This information should be readily available on multiple platforms.
- ii. E-Governance and computerization: Use of cloud

technology and dashboards to make data readily available and accessible. This will also help maintain accountability.

- iii. Adopt the latest Information and Communications Technology (ICT) in state institutions to increase transparency and combat corruption.
- iv. Increase in the number of surveys: There to be an increase in the number of surveys carried out. The sample size should not be narrow and the surveys should take into account regional considerations. Reliable and credible bodies need to be assigned with this task.
- v. A new consensus to be taken: This last consensus was taken back in 1998. The country has changed dramatically since then and a new consensus will only help update the data.
- vi. Encourage universities and experts to carry out surveys: The involvement of surveys will have a huge impact on the measurement of Quality of Governance. Third party actors are less prone to be biased.

Strengths	Weakness
<p>Comprehensiveness PILDAT model has almost elaborated all indicators, with few shortcomings, that can help us measure each aspect of governance.</p>	<p>Security Since Pakistan is faced with both external and internal threats, we cannot ignore the security aspect of governance. Pakistan is in a state of war so we have to take into account the security.</p>
<p>Indigenous model Since PILDAT model is an indigenous model which deals peculiarly with Pakistan, it holds significance in measuring governance in Pakistan, thereby justifying its strengths.</p>	<p>Foreign policy Owing to geostrategic location of Pakistan, foreign policy should have been one of the indicators as the stated policy affects domestic issues of the country.</p>
<p>Governance and Democracy It takes into account the distinction between both governance and democracy, unlike rest of the models that treat governance and democracy as one.</p>	<p>Egalitarianism This model lacks focus on the egalitarian aspects of society that favor equality of some sort: that every person is equal before the law; people should be treated equally.</p>



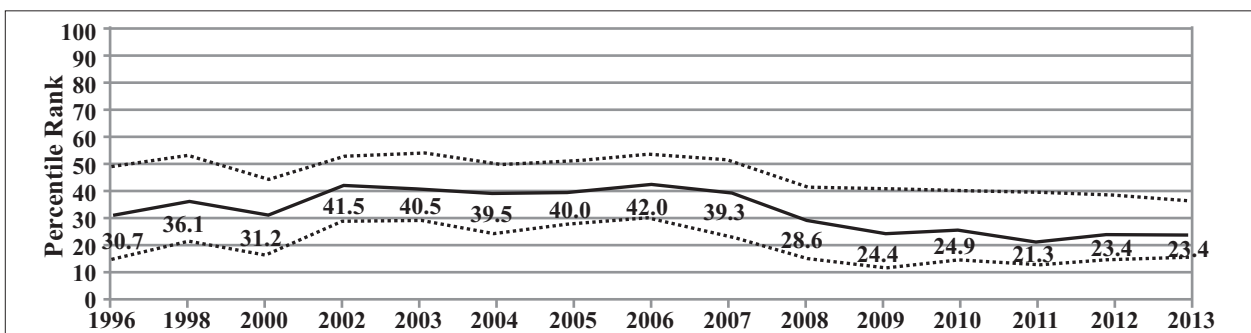
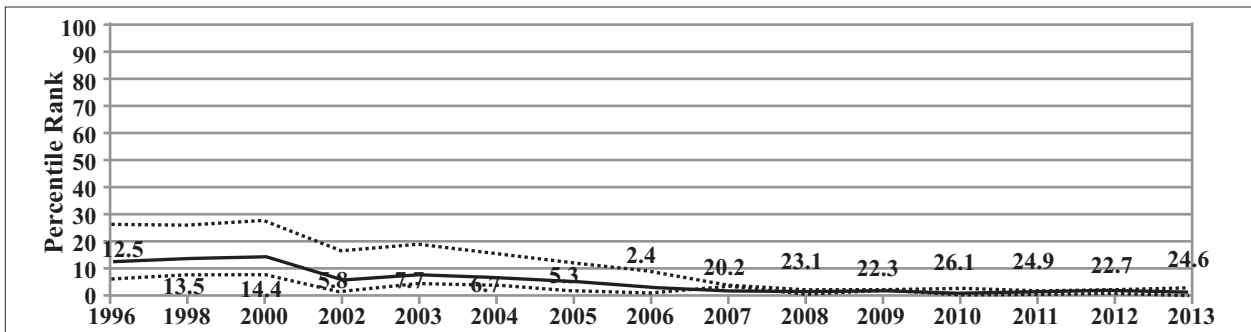
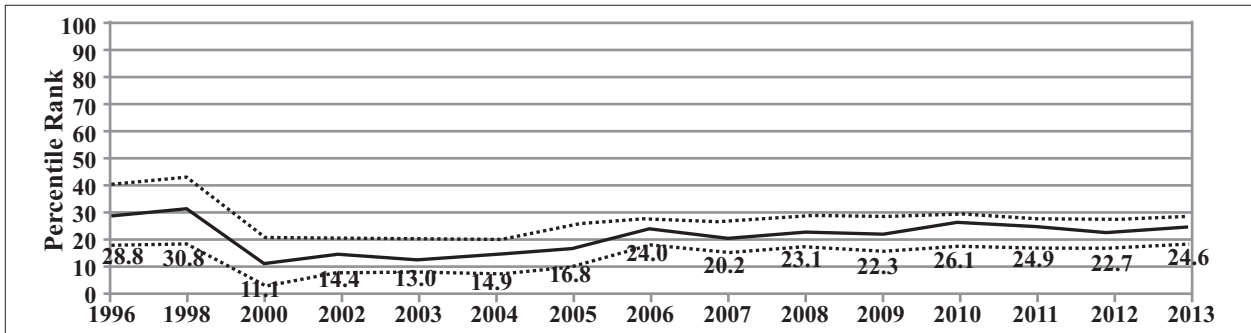
Appendices

Appendix I - Quality of Governance in Pakistan as measured by WGI

The six parameters measured by WGI are:

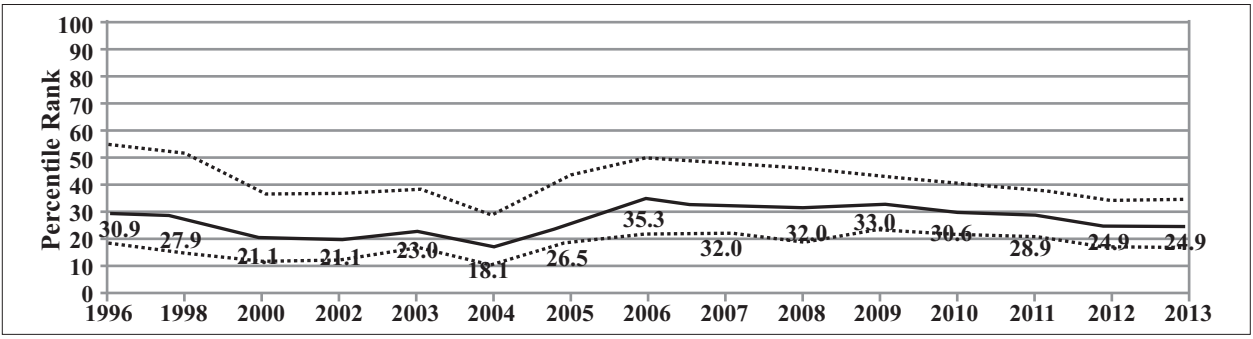
- i. Voice and Accountability measures the public sentiment regarding the freedom of expression, media and association as well as the selection of Government
- ii. Political Stability and Absence of Violence measures the possibility of destabilization or overthrowing through unlawful means.
- iii. Government effectiveness measures the robustness of policymaking process, government's commitment to their implementation and the quality and impartiality of civil and public services.
- iv. Rule of Law measures the chances of crime and violence, mechanisms for its prevention (Police), provision of justice (Courts) and confidence of people and institutions in legal framework of the country.
- v. Regulatory Quality measures the Government's ability to enact laws and policies to initiate and sustain private sector development.
- vi. Control of Corruption measures the usage of public power at various levels of government for private interests

Voice & Accountability

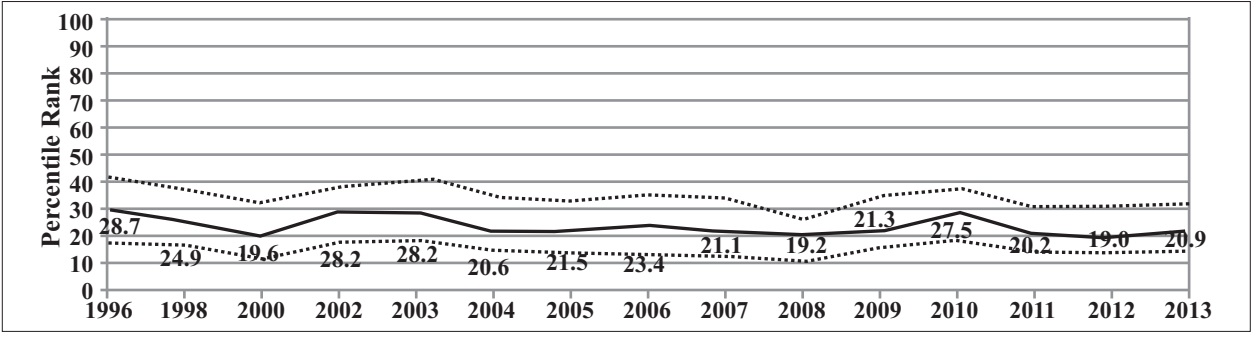


Political Stability and Absence of Violence

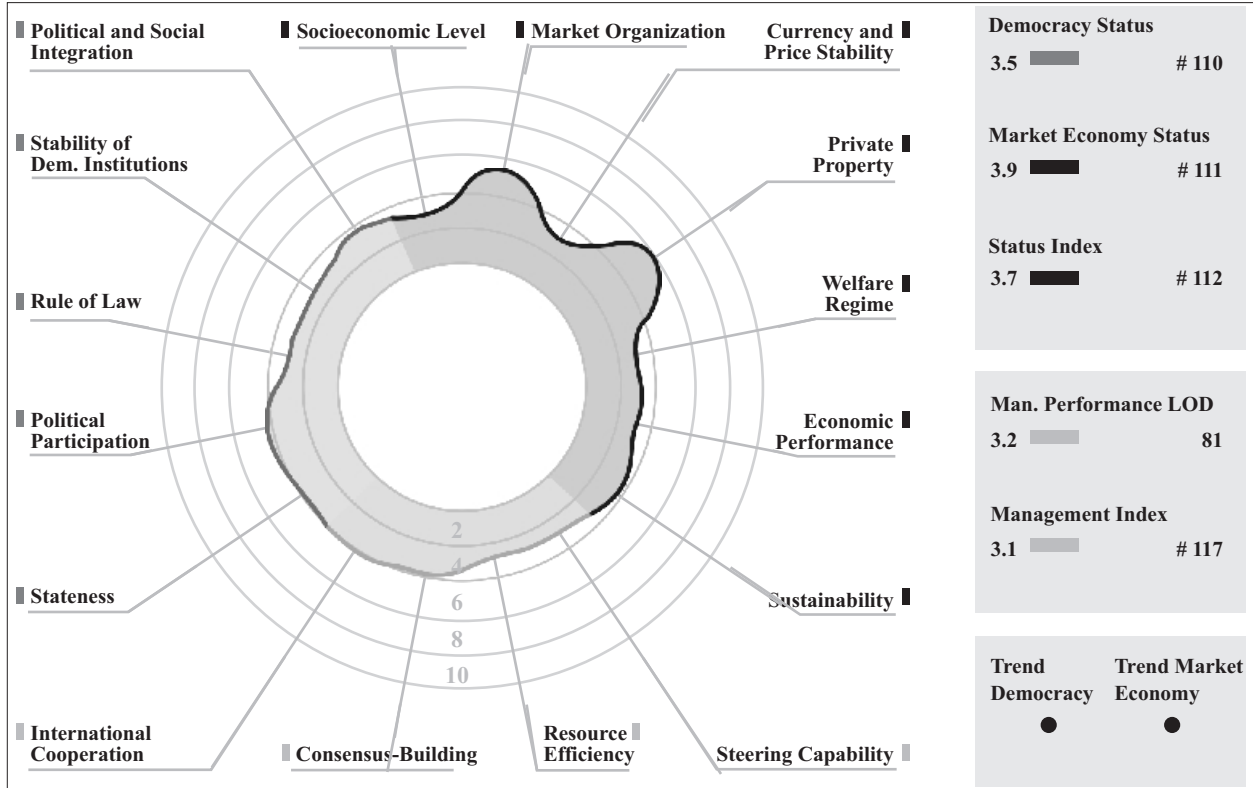
Regulatory Quality



Rule of Law



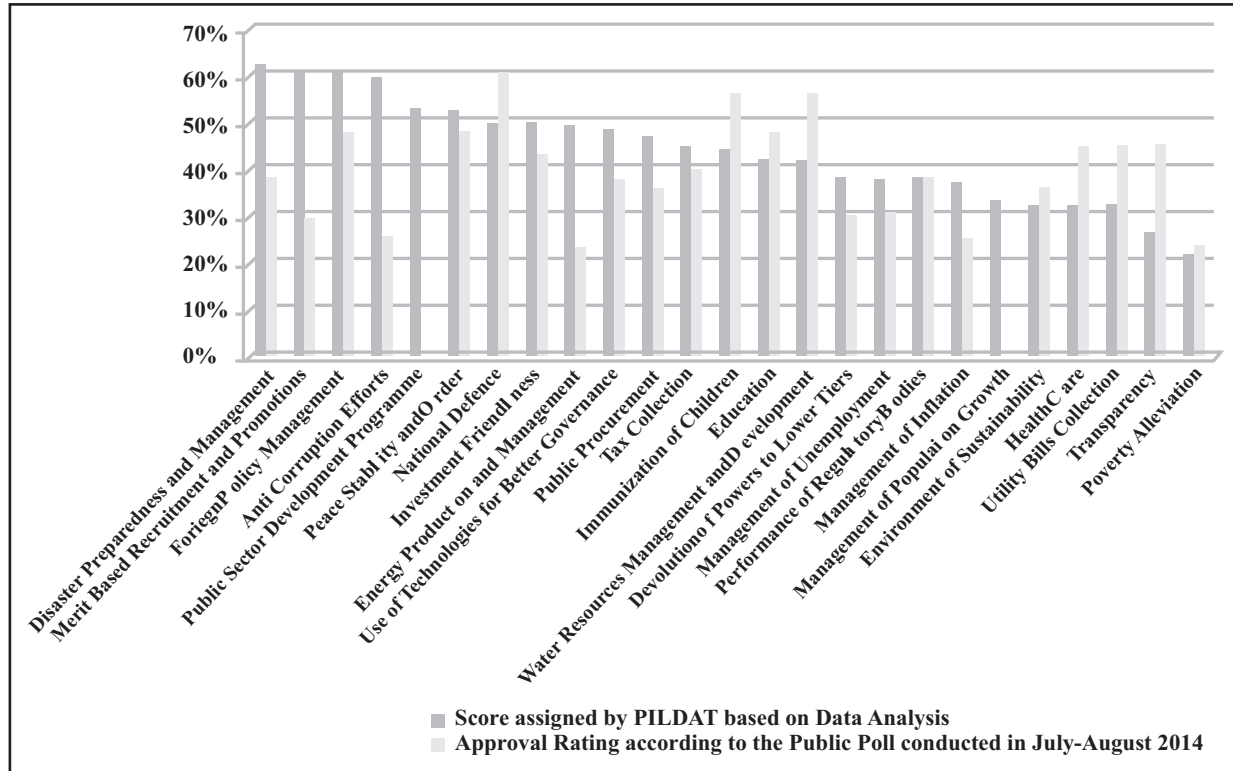
Appendix II- BTI 2014 – Pakistan Country Report



Factors Assessed

Political Transformation	Economic Transformation	Transformation Management
Stateness	Level of Socioeconomic development	Level of Difficulty
Political Participation	Organization of the market and competition	Steering Capability
Rule of law	Currency and Price Stability	Resource Efficiency
Stability of Democratic institutions	Private Property	Consensus-building
Political and Social Integration	Welfare Regime	International Cooperation
	Economic Performance	
	Sustainability	

Appendix III - Quality of Federal Government as assessed by PILDAT



List of Criteria

- Disaster Preparedness and Management
- Merit Based Recruitment and Promotions
- Foreign Policy Management
- Anti-Corruption Efforts
- Public Sector Development Program
- Peace Stability and Order
- National Defense
- Investment Friendliness
- Energy Production and Management
- Use of Technologies for Better Governance
- Public Procurement
- Tax Collection
- Immunization of Children
- Education
- Water Resource Management and Development
- Devolution of Powers to Lower Tiers
- Management of Unemployment
- Performance of Regulatory Bodies
- Management of Inflation
- Management of Population Growth
- Environmental Sustainability
- Health Care
- Utility Bills Collection
- Transparency
- Poverty Alleviation



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